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PROCEEDINGS AND DEBATES OF THE 95th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Monday, March 7, 1977*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Now therefore fear the Lord and serve Him in sincerity and in truth.—Joshua 24: 14.

Almighty God, Creator and Sustainer of life, in this forum of freedom we pause to offer Thee the gratitude of our hearts for the gift of this good land on which we live and for this Nation Thou hast led us in developing over the years. Continue to lead us, we pray Thee, through the difficulties of these days that we keep liberty and justice alive in our Nation, and in our world.

Give to us and to our people a vivid sense of Thy presence that we may learn to understand each other, to respect each other, to work with each other, to live with each other, and to do good to each other. So shall we make our Nation great in goodness and good in her greatness. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY

The SPEAKER laid before the House the following communication from the Chairman of the Committee on Merchant Marine and Fisheries:

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Public Law 301 of the 78th Congress, I have appointed the following Members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Merchant Marine Academy for the year 1977:

The Honorable Mario Biaggi of New York

The Honorable Leo C. Zeferetti of New York

The Honorable Paul N. McCloskey of California

As Chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

JOHN M. MURPHY,
Chairman.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO FILE REPORT ON H.R. 1746, HALTING IMPORTATION OF RHODESIAN CHROME

Mr. FRASER. Mr. Speaker, I ask unanimous consent that the Committee on International Relations have until midnight tonight to file a report on the bill H.R. 1746, to amend the United Nations Participation Act of 1945, to halt the importation of Rhodesian chrome.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE PRIVILEGED REPORT ON HOUSE RESOLUTION 361

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file a privileged report on House Resolution 361, providing funding for election contests.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CREATING A SELECT COMMITTEE ON PROFESSIONAL SPORTS

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 111 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That (a) there is hereby created, effective January 3, 1977, a select committee to be known as the Select Committee on Professional Sports to conduct an inquiry into the need for legislation with respect to the professional sports industry.

(b) The select committee shall be composed of thirteen Members of the House of Representatives, seven from the majority party and six from the minority party, who shall be appointed by the Speaker. One member of the select committee shall be designated by the Speaker to serve as chairman. Any vacancy occurring in the membership of the select committee shall be filled in the manner in which the original appointment was made.

(c) The select committee shall not have legislative jurisdiction. The select committee shall have the authority to oversee and investigate all matters relating to all professional sports it deems appropriate to determine whether legislation is necessary for the professional sports industry. Such investigations may extend to amateur athletics to the extent that concerns raised by the select committee in its investigations of professional sports coincide with or are common to concerns prevalent in amateur athletics or are directly related to them. The select committee is specifically authorized and directed to conduct—

(1) a comprehensive economic analysis of the professional sports industry to provide the House with an adequate basis on which to found future legislative judgments; and

(2) a comprehensive study to determine the impact of current antitrust law and policy on all professional sports.

(d) For purposes of this resolution, the select committee, or any subcommittee thereof authorized by the select committee, may hold hearings, and may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, documents, and other exhibits and materials, as it considers necessary. Subpenas may be issued under the signature of the chairman of the select committee or any member of the select committee designated by him, and may be served by any person designated by such chairman or member.

(e) For purposes of this resolution, the select committee, or any subcommittee thereof authorized by the select committee, may sit and act at such times and places as it considers appropriate whether the House is sitting, has recessed, or has adjourned.

(f) A majority of the members of the select committee shall constitute a quorum for the transaction of business except that the select committee may designate a lesser number as a quorum for the purpose of taking testimony. The chairman of the select committee, or any member of the select committee designated by him, may administer oaths or affirmations to any witness.

(g) The select committee and any subcommittee thereof and its staff may conduct field investigations or inspections. Members and staff of the select committee may engage in such travel as may be necessary to conduct investigations relating to the purposes of this resolution.

(h) The select committee may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, and clerical and stenographic assistants as it considers necessary to carry out the purposes of this resolution. The select committee may reimburse members of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the select committee, other than expenses in connection with meetings of the select committee or any subcommittee thereof held in the District of Columbia.

(i) The provisions of clause 2(g)(1) of rule XI of the rules of the House shall apply to the select committee.

(j) The select committee shall report to

the House with respect to the results of any investigation conducted by the select committee, or any subcommittee thereof, under section (c).

(k) The select committee shall submit an annual report to the House which shall include a summary of the activities of the select committee during the calendar year to which such report applies.

(l) Any report of the select committee which is submitted during a period in which the House is not in session shall be filed with the Clerk of the House.

COMMITTEE AMENDMENTS

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: On page 1, line 6 strike the word "thirteen" and insert the word "fourteen."

On page 1, line 7 strike the word "seven" and insert the word "eight."

On page 2, line 5 strike the words "oversee and."

On page 2, line 8, after the word "athletics" insert the word "only."

On page 2, line 14, after the word "of" insert the words "selected sports within."

On page 2, line 19 strike the word "all."

On page 3 strike out lines 3 through 6 and insert the words "authorized and issued consistent with the provisions of clause 2(m)(2)(A) of Rule XI of the Rules of the House of Representatives."

On page 3, line 15 strike the words "for the purpose of taking testimony" and insert the words "as provided in clause 2(h) of Rule XI of the Rules of the House of Representatives."

Mr. SISK (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendments, basically technical in nature, be considered en bloc and voted upon en bloc.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The committee amendments were agreed to.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), for the minority, pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution would reconstitute the Select Committee on Professional Sports so that the committee may be allowed to pursue its inquiry into the need for legislation with respect to professional sports. It would be composed of 14 members—8 Democrats and 6 Republicans.

The select committee was first established late in the 94th Congress (May 18, 1976) and hearings were held in July, August, and September 1976. I would like to briefly summarize the accomplishments of that select committee, and explain the necessity for a new committee.

Last year at the outset of the select committee's work, and throughout the inquiry, I emphasized on several occasions that the only reason for the existence of such a committee was to insure that the interests of sports fans across the country were being adequately protected. At the committee's organization meeting on June 23, 1976, I pointed to the turmoil in professional sports—actual and threatened franchise movements, antitrust suits, and the tension surrounding sales or trades of players. These events can have an undesirable effect upon fans whether it be through dislocation of favorite teams, higher ticket prices, or cynical attitudes. My expressed hope at that time was to produce a reasoned articulation of the problems facing professional sports, and set a direction toward a constructive legislative solution.

The committee started with no preconceived notions. It was our goal to consider all relevant points of view and I believe we succeeded in doing that. We had a basically bipartisan committee because we felt that the sports issues involved were of bipartisan concern and interest.

We started our inquiry without a budget. We did, however, request the General Accounting Office and the Congressional Research Service to loan us a total of three professional staff, and these agencies willingly obliged. Both Mr. HORTON's and my administrative assistants also devoted considerable time to the committee's work. We obtained clerical assistance from various offices and even had temporary volunteers working for us.

Once we were well into our first round of hearings, it became evident that to efficiently conduct the inquiry within the committee's desired scope, some funds would be necessary. About 2 months after the committee was organized, we were authorized a modest budget of $30,000 for clerical assistance and basic office needs to carry us through the end of the year. I am happy to report that we actually spent less than $11,000 of that budget most of which was for the employment of two clerks.

Despite our meager resources, the committee staff did an outstanding job producing a committee print on the organization of professional sports and the law, organizing hearings, and drafting the committee report. The committee heard from 89 witnesses during 28 hearing sessions about a variety of matters pertinent to professional baseball, basketball, football, and ice hockey.

We first heard from sports industry spokesmen—both management and labor—local government officials, and media representatives. Later on we called upon Federal officials to respond to issues that were identified earlier. Those issues involved antitrust matters, labor relations, immigration, income taxation, broadcasting, gambling, and player safety. We also heard from independent experts, such as economists and lawyers who have special knowledge of the sports industry, and from some of our colleagues in the House who have a legisiative interest in certain issues which were being considered.

The printed record of testimony and documentary evidence encompasses almost 1,200 pages. The committee's final report (No. 94–1786) with accompanying documentation consists of 760 pages and was committed to the House on January 3, 1977.

Although the committee's efforts were worthwhile and impressive, the inquiry is far from complete. This is neither surprising nor distressing. We identified areas of Federal concern that could not be treated lightly and that called for considerable study. The limited resources available to the committee in conjunction with the magnitude of the task was another factor. We simply need more time to conduct an adequate inquiry.

In the antitrust area, the committee concentrated only on the question of whether baseball could justify its broad immunity from the antitrust laws. No hearings were held specifically on the impact of antitrust law and policy on other sports. The committee believed it would be shortsighted to make a positive recommendation in this area on one sport without considering other sports. It is merely our desire to pursue this subject to the extent that we can report our findings to the House Judiciary Committee for such action as it deems fit.

The committee also believed that an economic analysis would be necessary in order to gain a thorough understanding of the operation of teams and leagues within the industry. It would otherwise be impossible to learn the relationship between player salaries and soaring ticket prices, or how some teams or sports are able to survive when they reportedly lose money year after year. Some segments of the sports industry appeared to take advantage of the committee's limited life by claiming an inability to collect requested financial information in time for committee consideration. The committee believes that the need for such information is basic to any meaningful inquiry in order to provide the appropriate House committees with an adequate basis for possible legislation.

The committee also lacked the time to investigate other important areas such as: First, the relationships between local governments that spend large amounts constructing and maintaining stadiums and professional sports teams that either threaten to move or seem capable of moving to other cities at will; second, the extent and degree of abuses by player agents regarding business arrangements with their clients; third, the extent and hopeful curtailment of spectator and player violence; and fourth, the apparent increasing problem of injuries, and the use and possible abuse of drugs in sports.

The vastness and multifaceted aspects of the professional sports industry simply requires a select committee with an interest in taking a broad outlook and spending the time necessary for a thorough inquiry. All of these topics I have mentioned affect the sports fan either directly or indirectly in that they determine how much he or she will have to pay in order to see a game; the amount of taxes necessary to pay for stadiums or to subsidize teams; or possibly whether there will even be a local team to root for.

Quite frankly, Mr. Speaker, the problems in professional sports have not subsided. One hockey team—Minnesota Fighting Saints—recently folded; other hockey teams—Cleveland Barons and Indianapolis Racers—have reportedly experienced financial difficulties; and now there are reports of merger talks between

the two hockey organizations—National Hockey League and World Hockey Association. In football, an article appeared in the Washington Post on February 3, 1977, indicating that eight teams have boosted ticket prices for the next season. In fact, the National Football League Commissioner was apparently quoted as saying:

I don't believe we can have sports as we do today if there is total free movement of players. I think we're going to have to slow this . . . let it hurt. We'll have to see an increase in ticket prices.

Mr. Speaker, the public deserves to know more about this important industry in order to insure that sports remain a stable and an admired activity in American life. The new committee would operate just as it did last year with no legislative jurisdiction. Our objectives would merely be to further study the activities of the professional sports industry.

Our only desire is to have the flexibility to investigate the important aspects of professional sports. We do not intend to sponsor legislation or otherwise trespass on other committees' jurisdiction. We would merely report our findings to the House for such action as it and its standing committees may then deem fit.

We would expect to hire a small number of staff this time due to limitations on borrowing staff. The Legislative Reorganization Act of 1970 restricts the assignment of General Accounting Office employees for work on congressional committees to not more than 1 year, and the Congressional Research Service should be reimbursed for salaries of employees loaned to House committees for longer than 2 months. I would expect however, that the new committee would want to scrutinize any budget proposal before it is introduced.

I am confident that the committee would continue its bipartisan effort on behalf of the American sports fan to insure fair treatment by all segments of the professional sports industry.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, when the distinguished gentleman from California first suggested the need for this committee last May, I believe it was, he told the gentleman from Maryland and the House that there would be no need for additional staff costs or expenditures because it would be handled on a voluntary basis. I found that difficult to believe at the time. Subsequently, the committee asked and got $30,000 in funds.

Now, this resolution we have before us today will undoubtedly be followed by another request to the House Administration Committee for funding. Could the gentleman tell us how much the committee intends to ask in total amount, and how many staff members it plans to have?

Mr. SISK. I cannot answer the gentleman's question specifically, that is, to the exact amount. I did indicate, as the gentleman properly recites, the fact that we would seek to get by on practically a volunteer staff, which I think the record will show, for all practical purposes, we did. This time it is my opinion that we are going to have to have some staff. We are not going to get involved in both minority and majority staff. We have avoided that. It is a bipartisan committee, and we will not have that probem. I would consider only a most nominal staff. At the present time I would not want to recite any figures, but it is certainly not going to be a million dollar or half million dollar figure, or anywhere in that area.

Let me say to my colleague, the gentleman from Maryland, that I know my statement is going to be recited here, and that of my colleague fom New York and others, and I have already explained the justification. The only statement I have is that in the very limited period of time during which we were in session and during which the Members could be here, we simply were unable to complete our work. That is the only justification I have to ask for an extension.

In fact, the committee, composed of Members from both sides, is authorized to immediately work out a budget and to submit that to House Administration, where they will either have to vote it up or down.

Mr. BAUMAN. If the gentleman will yield further, the gentleman is saying that the budget for this session will be less than one-half million dollars?

Mr. SISK. Yes, very much less than one-half million dollars. I have been looking at some rather wild figures here on the cost of committees, and I am one of those who would like to see them cut down. All I can say to my colleague at the present time is to look at the record for last year. I think we were rather careful and rather shrewd in our dealings. All I can do is assure the gentleman the committee will continue with that feeling and that line of thought.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to my colleague, the gentleman from New York (Mr. HORTON).

Mr. HORTON. I thank the gentleman for yielding.

Mr. Speaker, I would like to make the additional statement that we did come in and ask for approximately $30,000 to provide staff support, which was basically clerical support. This was in the last session. Of that amount, we turned back almost $20,000. So we actually worked for less than $11,000 this last time.

I want to agree with the statement made by the gentleman from California (Mr. SISK) that we are not talking here in terms of large amounts of money. We are talking about a minimal staff. It will be necessary to get some professional staff to get into some of the economic analysis which the committee is talking about. But we will have a minimal staff.

Mr. SISK. I might say to my colleague that we certainly will continue that the last Congress. However. I do believe we should be frugal with the taxpayers' money. All I can do is assure my colleague from Maryland (Mr. BAUMAN) that maybe we set a bad precedent in frugality.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. I notice that an annual report is authorized. Does this look toward the continuance of this committee for the full duration of this Congress, or is it designed to conclude its activities in the first session?

Mr. SISK. Let me say to my colleague that I hesitate, because, as I said, I am going to be quoted here today and, as I say, I recognize the problems. I would wish we might complete it within the next year, and yet I hesitate to say that. I want to say this, and I will give the gentleman this assurance, that he will not see me here asking for a continuation of this committee beyond this Congress. I mean that. I did not expect to be here at this time, as I said before. Unfortunately, I am. I have explained, as best I can, the reasons why. But I would like, of course, to finish as rapidly as we can.

I do not know that because of the problems we ran into, with every Member, as I say, wearing three or four hats, and getting a quorum there to do business, that it takes a little longer. We just cannot sit down and schedule hearings for the entire week when every Member has other considerations. I would hope we would finish in the next year. On the other hand, we might finish this year. I would not want to make any statement on that.

I might just conclude on this note. I served during the last 22 or 23 years in Congress on a number of select committees.

Each one of those has gone out of existence.

I served on one select committee some years ago, the one which wrote the Space Act, as some of the Members may remember, and we did go into the second Congress, but then we self-destructed.

I served on another committee back some years ago. In fact, I was looking around for my good friend, the gentleman from Ohio, DEL LATTA, because he served with me at that time. That committee dealt with the matter of export controls, and we concluded our work in one Congress. That select committee did in fact self-destruct.

So the charge that select committees per se have to go on and on simply does not hold water if we look at the precedents, and I for one certainly will not expect to conduct that kind of an effort in this situation.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield further, I would just say to the gentleman that there are a number of select committees these days in the House that seem to be self-destructing, and perhaps the gentleman's committee will not fall into that category. I will hold him to his promise that he will not come back and ask for another extension, because I do know that the ususal procedure here is that old committees never die, they just keep getting extended forever.

I have one last question I wish to ask the gentleman. As the gentleman knows, the Committee on the Judiciary conducted extensive investigations into certain aspects of professional sports in recent years. That committee certainly has

jurisdiction over antitrust legislation. It is my understanding that the Committee on the Judiciary cannot get enough members to serve on it, and that there are now vacancies on the committee.

Can the gentleman explain to me why it is necessary to create a select committee when this matter could be handled by standing committees within their existing jurisdictions?

Mr. SISK. Mr. Speaker, let me say that I understand the gentleman's point, and I have great respect for the Committee on the Judiciary. In fact, the chairman of that committee, the gentleman from New Jersey (Mr. RODINO), is sitting directly in front of me, and I am going to yield time to him. There is no Member in the House for whom I have greater respect.

There is no desire on my part or on the part of any other member of this select committee to step on the toes of any member of the Committee on the Judiciary or to invade or to violate the jurisdiction of that committee.

As I indicated earlier, I will say, having been here for some years, that neither the Committee on the Judiciary nor any other committee of the House—and I am not making this as a charge or a derogatory statement directed toward these committees—has conducted the kind of a look-see that our committee did during the last Congress. The fact is that we were able to cut across the lines and look into many of the problems that were brought to our attention, and we simply desire to complete that work. We do not desire to have any legislative jurisdiction.

I have already indicated to my colleague that I will later on during this consideration yield to the gentleman from New Jersey (Mr. RODINO), because I know he is going to have some comments about this subject. I can assure him that we will not even touch on the so-called antitrust part as this committee proceeds. Having been here for a great many years, I can say that as far as I know, although on a time or two in a rather scanty way the Committee on the Judiciary has looked at the issue of antitrust in sports, that committee has never gone into the matter in depth. I would hope that the committee would do that, and in fact, if it does, let me assure my friend, the gentleman from Maryland (Mr. BAUMAN), that we will not touch it. We have many other matters and other considerations we would like to complete without getting into that area at all.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for his response, but I must state my strong oposition to the creation of yet another unnecessary committee.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on May 18, 1976, this House voted to create a bipartisan Select Committee on Professional Sports. At that time no funding was requested and no staff authorizations were provided or requested. It is my understanding that the select committee began functioning on June 23 with staff and office space loaned to it by various congressional offices. It was not until August 26 that it became necessary for the committee to ask for $30,000 for clerical and support services to last until the end of the 94th Congress. Of the $30,000, I have been advised that only $11,000 was actually spent. On January 3, 1977, the committee issued its final report to the House.

The resolution we have before us today proposes to recreate the Select Committee on Professional Sports, which would expire at the end of the 95th Congress. It would remain a bipartisan committee, with eight members from the majority and six members from the minority, and would have no legislative jurisdiction. The committee's job would be to investigate the professional sports industry with a view toward analyzing it economically and studying the impact of current antitrust laws and policy. An annual report would be required of the select committee with respect to its activities, as well as a final report on which to base future legislation.

No funding provision is included in the resolution. Any money would have to be authorized by the House through the House Administration Committee. The gentleman from California, the author of House Resolution 111, testified before the Rules Committee that even though the legislation provides for staffing and travel, the expenses of the committee would be nominal.

As we all know, professional sports has become a huge, complex industry. Jurisdiction over its many facets are spread between the Committees on the Judiciary, Ways and Means, and Interstate and Foreign Commerce, to name the major ones. Part of the justification for renewing the select committee is so that it can complete the task of investigating all these different jurisdictional areas in order to record the results into one broad, comprehensive report. This report then may be used by the various standing committees to formulate legislation within their purviews to deal with problems in the industry.

Mr. Speaker, I support House Resolution 111 and urge its approval.

CALL OF THE HOUSE

Mr. SEIBERLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 49]

Addabbo	Cornwell	Koch
Andrews, N.C.	Cotter	Krueger
Applegate	Dent	Lederer
Archer	Diggs	Luken
Ashbrook	Early	Lundine
Ashley	Eckhardt	McEwen
Badillo	Edwards, Ala.	Maguire
Baucus	Edwards, Calif.	Mann
Beard, R.I.	Flippo	Michel
Biaggi	Florio	Mikulski
Bingham	Ford, Mich.	Mikva
Boland	Fuqua	Miller, Calif.
Brademas	Gilman	Moffett
Brown, Calif.	Gonzalez	Mottl
Brown, Mich.	Goodling	Murphy, Ill.
Burgener	Harrington	Myers, Michael
Burton, John	Harsha	Nix
Burton, Phillip	Hawkins	Oakar
Butler	Heftel	Pettis
Byron	Holland	Poage
Carney	Holtzman	Pritchard
Cederberg	Howard	Quayle
Chisholm	Jeffords	Railsback
Clay	Kastenmeier	Richmond
Cohen	Kemp	Roncalio
Rooney	Thompson	Weaver
Rosenthal	Traxler	Whitehurst
Santini	Trible	Wilson, Bob
Scheuer	Tsongas	Wilson, C. H.
Shuster	Udall	Wilson, Tex.
Smith, Nebr.	Van Deerlin	Winn
Snyder	Walgren	Wydler
Stockman	Walker	Young, Alaska
Stump	Walsh	
Teague	Wampler	

The SPEAKER. On this rollcall 329 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CREATING A SELECT COMMITTEE ON PROFESSIONAL SPORTS

Mr. LOTT. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. HORTON).

Mr. HORTON. Mr. Speaker, we are here considering this resolution to continue for the 95th Congress the Select Committee on Professional Sports. By way of background information for those who were not here, the chairman of the committee, the gentleman from California (Mr. SISK), who is handling the bill for the Rules Committee on the floor, presented the arguments for the continuation of this Select Committee on Professional Sports for the 95th Congress earlier. I have had the opportunity to serve on the select committee in the last Congress, and I would also urge that it be continued for this Congress.

There have been two or three questions raised about the committee. One is whether or not it should be continued. Many Members are opposed to the concept of a select committee per se. Others are concerned about the jurisdictional question. Let me say that in the last Congress, even though we had only a very short period of time—approximately 5 months—in that time we heard from 89 witnesses over a span of 28 hearing sessions. We compiled a hearing record of some 1,200 pages. We had representatives from the four major professional sports, baseball, basketball, football, and hockey.

We found during the course of those hearings that there was a real need for hearings, for oversight, for looking at the problems that face these professional sports. As a result of our hearings, we published a report on the last day of the last Congress, on January 3 of this year, and we made some recommendations as a result of those hearings.

On the question of jurisdiction, because there is some concern about jurisdiction, this select committee had no legislative jurisdiction. Our sole province was to look at the various problems affecting professional sports, and then make recommendations to the legislative committees involved. If the Members look at the recommendations, they will find that they run the gamut of a number of committees in the House.

A Member may say, "Well, why have a select committee? Why could not each committee that has jurisdiction over these subjects take them up without having to have a select committee?"

The answer is that no one committee could handle the variety of subjects that

are involved, and in order to look at the overall problems affecting professional sports today in America, it is necessary to have, on a limited basis, a select committee such as the one we had in the last Congress.

To illustrate, we looked at the antitrust provisions. We did not make a recommendation, because we need an economic analysis of sports that are involved in the antitrust question. Some members of the Judiciary Committee; namely, the chairman of the committee, for whom I have the greatest personal respect and highest admiration, the gentleman from New Jersey (Mr. RODINO), and also the ranking minority member of the Committee on the Judiciary, the gentleman from Illinois (Mr. MCCLORY), who is a close personal friend of mine, and who came to the Congress with me in the 88th Congress, have some question about the select committee's jurisdiction insofar as it might relate to the jurisdiction of the Judiciary Committee.

The gentleman from California (Mr. SISK) and I both have assured the chairman and the ranking minority member that our committee, the select committee, would under no circumstances get involved in any investigation which would overlap any study or any hearings or any investigation to be made by the Judiciary Committee on antitrust.

But we did look at it in the last session, and it is a very narrowly defined area that we were looking at, namely, the antitrust provisions as they relate to professional sports.

The Committee on the Judiciary has broad sweeping jurisdiction over all of the antitrust provisions. Certainly if they want to look at that, and also the antitrust relationship to professional sports, we certainly would not impinge upon that jurisdiction; and all we would do, if they were not in the process of having any hearings, would be to have our hearings on this limited area and then make recommendations.

The SPEAKER. The time of the gentleman from New York (Mr. HORTON) has expired.

Mr. LOTT. Mr. Speaker, I yield 2 additional minutes to the gentleman from New York (Mr. HORTON).

Mr. HORTON. We looked at labor relations, a very important matter, so far as professional sports are concerned; jurisdiction of other committees in the Congress; immigration matters, which were surprising to us, because we were not aware, and I think most of the Members of Congress were not aware, of the problems of immigration; Federal income tax treatment—and that relates to another committee; broadcasting relates to another committee; player violence; spectator violence; gambling; player safety; artificial turf and its hazards, which reflect the Occupational Safety and Health Administration and the Product Safety Commission, which are under jurisdiction of other committees.

In other words, we were looking at a wide gambit of matters affecting professional sports. It is important also, I think, as we continue, to ask why should we have the committee again, why do we need it for the next Congress, and why do we need it now?

Mr. Speaker, my pride in the work of the select committee stems from its enviable record last year. The record of efficiency and accomplishment achieved by the select committee in its 5 short months of life during 1976 is unmatched in the recent history of House committees. The committee was begun with no budget whatsoever. After 2 months of life, using borrowed staff and materials exclusively, it became clear that we would not be able to borrow sufficient clerical support from other staffs. We then came to the House to seek a barebones budget of $30,000 to enable us to function until year's end. I am proud to say that between July and December of last year, our select committee compiled the most definitive study of Federal policies affecting professional sports assembled anywhere; we conducted almost marathon hearings from July through October encompassing, if not completing, a wide-ranging examination of the complex interrelationship between professional sports and Federal laws, policies, and regulations. These hearings and further staff studies led to the issuance of a major report making recommendations in eight separate areas of Federal policies which affect sports. Legislative followup on these recommendations is, of course, properly left to the standing committees of the House having jurisdiction over the specific subject areas we dealt with.

I am proud to say, despite the necessary haste with which our investigations were conducted, that the conduct of the committee and the thrust of its recommendations have been almost unanimously acclaimed as being an objective, fair and as a badly needed look at the status of Federal policies affecting sports.

I would like to point with pride to one further fact about the select committee in the last Congress. Of the $30,000 budget, Mr. Chairman, we were able to return $19,264.03 to the U.S. Treasury. In other words, the entire 5-month work of the committee cost the American taxpayer less than $11,000. Compared to figures that have been thrown around this floor in connection with other select committee efforts, I think this is one that will go into the record books for efficiency.

Unfortunately, while the select committee was fair, objective, hard working and efficient, we, as leaders of the select committee did not prove to be infallible. In August of 1976, Chairman SISK and I were firmly committed to wrapping up the work of the select committee by the end of last year. What we did not, and, of course, could not know at that time was the nature and depth of the problems that would be uncovered by the committee during the 2 months of hearings which followed the passage of our $30,000 budget resolution. During these hearings and the studies which followed them, it became crystal clear that the information we had unearthed in three major areas of concern was insufficient for the select committee to make final recommendations to the House. As a committee which was created with the commitment that we would represent the sports fan in America, we decided we would not try to whitewash or shortchange the fan by pretending we had sufficient information to put these matters to rest. While there are other subjects needing further examination, the three I am most concerned about completing are first, an economic analysis of the sports business which is essential for any meaningful recommendations on Federal tax policies and on Federal policies affecting competition in the sports industry; second, further inquiries into the field of sports medicine and into both player and spectator violence as factors affecting both the wholesomeness and integrity of professional sports; and third, inquiries into the relationship between sports leagues and teams and their host municipalities, which in many cases, provide major taxpayer subsidies to sports operations through stadium construction and leases and in other ways.

These are not minor problem areas in the sports field, Mr. Chairman. I deeply regret that it was not possible for the select committee to round out its fine work by completing our investigations into these fields in our short 5-month lifespan last year. I can promise, however, that if we are re-created, we will go about the task of completing our work with the same hard-working zeal, and the same spirit of frugality with the taxpayers' money which characterized our work last year.

So, Mr. Speaker, I think it is very important that this committee be continued. We are talking about a very small budget, we are talking about a frugal operation, to look at a very important area of our economy and our society—the sports field. So, Mr. Speaker, I urge that the Members vote to continue this Select Committee on Professional Sports.

Mr. LOTT. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I would like to point out, as did the gentleman from New York, that this select committee worked hard to maintain the objectivity necessary. I believe we, in so doing, raise the necessary questions which should properly be asked of a vehicle such as this committee. I believe in its staffing and procedures and the entire handling of the delicate matter, the committee performed as effectively as anyone in the Congress could have expected. I urge that the committee be approved this afternoon.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. RODINO), the distinguished chairman of the Committee on the Judiciary.

Mr. RODINO. Mr. Speaker, in recent days this House has wrestled with critical, even momentous institutional questions. It would hardly seem, therefore, that against that background House Resolution 111 to reestablish a Select Committee on Professional Sports—at first glance admittedly a harmless, almost trivial proposition—might itself pose issues that challenge the very integrity of fundamental House processes. But I believe strongly that there are such issues in this resolution and I believe strongly that the House would be making

a serious mistake if it voted to reestablish the select committee.

In a moment, Mr. Speaker, I intend to outline the compelling reasons why I oppose House Resolution 111, but before I do so, I want to take a moment to advise the House what I am certain it already knows: That my opposition to the extension of the select committee does not reflect any personal reservations I feel about its distinguished chairman, my good friend, BERNIE SISK. Nor does it reflect misgivings about its fine ranking member, the gentleman from New York, FRANK HORTON. I have served with both men for many years and I have been an admirer of their work for a long, long time. The job the select committee did in the last Congress under their leadership is highly commendable. Therefore, my decision to oppose this resolution was reached only reluctantly, and with little enthusiasm. But it is a decision, nonetheless, that stems from a deep sense of responsibility I feel for the House and for the integrity of its processes.

Mr. Speaker, last year the House adopted House Resolution 1186 creating the Select Committee on Professional Sports solely as a fact finding panel with limited powers. There was no request in that resolution for funds and there was no authorization in that resolution for staff.

Still, serious reservations existed concerning the proposed work of the select committee and firm understandings were carefully established in debate on the floor of the House.

I would like to quote briefly from the floor colloquy, if I might.

JOHN ANDERSON, a distinguished member of the Committee on Rules stated this, in discussing the role of the select committee as a factfinder and a factfinder alone:

> It has no legislative jurisdiction, no reporting jurisdiction, and therefore members who might be concerned that this resolution represents some trespass on the jurisdiction of other committees—and I think in particular the Committee on the Judiciary—can be assured that the sole responsibility of this committee would be to report its finding, such as they are, to the House of Representatives for such action as the House may then deem fit.

Later in the colloquy on the floor, Mr. SISK himself made these remarks about the expected duration of the committee's life:

> It would expire at the end of the 94th Congress. The maximum limit would be this coming January 2. So certainly there is no expectation that it would go beyond that.

Mr. Speaker, I cite these remarks not to gloat over finding contradictions and certainly not to infer bad faith on the part of any Member. I cite them, because they reveal some of the problems posed by the establishment of select committees in general, and they reveal that the House often avoids hard questions in its rush for easy answers.

Summarizing, then, during the floor debate last May, three matters were firmly established: That there would be no legislative jurisdiction reposed in the select committee, that there would be no interference with the jurisdiction of standing committees, and that the life of the select committee would under no circumstances extend beyond the 94th Congress. House Resolution 111 violates the letter or the spirit of each of those commitments.

As indicated earlier, I do not seek to question the value of the work already accomplished by the select committee, but that committee simply has no further responsibility that can be justified under the rules. The matters within the scope of the select committee's requested authority are all matters squarely within the rule X jurisdiction of existing standing committees of the House. Mr. Speaker, the integrity of the committee system is severely compromised if a select committee is created every time a new issue surfaces in the press. Oversight by standing committees becomes meaningless, the prospect of legislation becomes delayed, and the expertise nurtured and developed by the standing committees is squandered. At a time when the public expects a tightening of the belt and a heightened sense of congressional responsibility, I cannot imagine sanctioning the creation of a select committee to pursue matters within the jurisdiction of at least four standing committees of the House.

I am disturbed that after 17 days of hearings, a hearing record of 1,200 pages and a final report with appendixes and legislative recommendations totaling 761 pages that the select committee now seeks broad new authority, as it does on page 2 of the resolution:

> To conduct a comprehensive economic analysis of the professional sports industry to provide the House with an adequate basis on which to found future legislative judgments.

But I am more troubled personally that House Resolution 111 further calls for the select committee to make "a comprehensive study to determine the impact of current antitrust law and policy on all professional sports," that authority was not even part of the original resolution and is, frankly, solely and directly the responsibility of the Judiciary Committee. I will vigorously object to the vesting of that responsibility in any select committee.

Antitrust and professional sports was the subject of a hearing before the Judiciary Committee in 1975. Hearings were suspended, however, while the select committee pursued its study. The subject, though, is again under active study by the committee staff and may well become an item on the committee's agenda.

In addition, I feel constrained to point out, Mr. Speaker, that whereas the resolution adopted last year provided for no staff, this resolution would authorize "clerks, experts, consultants, technicians, attorneys, investigators, and clerical and stenographic assistants." It would authorize travel and expressly contemplates the undertaking of so-called field investigations outside of Washington. How can we justify this expense for a select committee that serves only to duplicate the jurisdictional responsibilities of existing standing committees?

Finally, Mr. Speaker, let me make these closing observations. Given the language of last year's House Resolution 1186, and given the debate that took place on the floor of the House last May, I am not certain a precise interpretation can be given regarding what the reporting responsibilities of the select committee were intended to be. Whatever that intent—whether to simply find and report facts or to recommend specific legislative undertakings—a wide range of recommendations, including legislative recommendations, were made. They were made in eight so-called pro sports "issue areas" that included antitrust, labor relations, immigration, Federal income tax treatment, broadcasting, violence, gambling and player safety. Action was suggested and recommended to the Committee on Education and Labor, to the Ways and Means Committee, to the Commerce Committee, to the Joint Committee on Taxation, and to the Judiciary Committee.

Mr. Speaker, now is not the time to postpone those actions by these appropriate standing committees if action is necessary, and now is certainly not the time for this House to say what we need is yet another select committee, with its duplicative investigations and its unnecessary expense. Let us take the finished work of the select committee that was done last year. Let us take the voluminous record and recommendations of that committee and allow the appropriate standing committees to do the work.

And let us stand up for regular order and preserve the integrity of the committee system. Mr. Speaker, I urge a no vote on this resolution.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Speaker, I thank the gentleman for yielding.

I would like to join my distinguished chairman, the gentleman from New Jersey (Mr. RODINO), in expressing strong opposition to the adoption of this resolution.

Mr. Speaker, there is no question in my mind but that what this resolution will do is to impinge on the jurisdiction not only of the House Committee on the Judiciary, but on that of the Committee on Ways and Means and the Committee on Interstate and Foreign Commerce and the Committee on Education and Labor.

Mr. Speaker, I think it is unfortunate that we should take this kind of action at a time when we are trying to reform the work of the House and trying to streamline the committee process. Furthermore, I think it unfortunate that we would try to duplicate our work by the establishment of this select committee.

I might say that the subject of the exemption from the antitrust laws of professional baseball is on the agenda of the House Committee on the Judiciary. I note that one of the important conclusions reached by the select committee is that the antitrust exemption of baseball should be abolished. Yet, by continuing this select committee, we are going to prevent the House Committee on the Judiciary from taking the very action that we think the committee ought to take. For, indeed, if the House reconstitutes the select committee, we on Judi-

ciary will find it necessary to await—once again—the results of its study.

Mr. Speaker, I just cannot see that the establishment of this select committee makes any sense.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from New York.

Mr. HORTON. Mr. Speaker, I would like to have the gentleman from Illinois (Mr. McCLORY) explain why he makes the statement that if this committee is constituted, it will delay or prevent the Commitee on the Judiciary from acting in this field.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for his inquiry.

It seems to me that we are not going to take action with regard to eliminating this exemption while the select committee is continuing to consider this subject. It seems to me that by reconstituting the select committee, the House is directing the Judiciary Committee to wait. Otherwise, the House would be acting irrationally.

Mr. HORTON. Mr. Speaker, if the gentleman will yield further, the chairman of the committee, in the last Congress; the gentleman from California (Mr. SISK) on this floor today; and I also on the floor today have indicated that the rule would not fit into the subject in order to enable the Committee on the Judiciary to take it up.

Mr. McCLORY. Mr. Speaker, I do not know what the gentleman's position is, but if the position of the gentleman from New York (Mr. HORTON) is that he wants us to proceed at the same time his committee is proceeding, then, of course, we do have a duplication of action. That is one of the very reasons why we think this resolution ought to be voted down.

Mr. HORTON. There is no duplication, because if the Committee on the Judiciary decides to take up the subject of antitrust and also the matter as it relates to professional sports, the Select Committee on Professional Sports will not take up that subject; but as has been said on the floor by the chairman, and I will say it again, there are many other areas that do not relate to that one subject.

The SPEAKER pro tempore (Mr. YATES). The time of the gentleman from Illinois (Mr. McCLORY) has expired.

Mr. LOTT. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois.

Mr. HORTON. Mr. Speaker, will the gentleman yield further?

Mr. McCLORY. I yield to the gentleman from New York.

Mr. HORTON. As I was saying, Mr. Speaker, there are many other areas that the select committee will look at, and I will give some of those that we made recommendations about: Violence, the matter of the economic aspects of the franchises and locations of franchises, the problems relating to the matter of movement of sports franchises and what effect they can have; and there are many other areas that the select committee will act in without having to get into this subject at all.

Mr. Speaker, I see no reason for us to oppose the select committee just because anyone thinks that there is a conflict of jurisdiction. I assure the Members again that there is no conflict of jurisdiction. This committee does not have jurisdiction over legislative matters; and if there is any recommendation that would come to the committee of the gentleman from Illinois (Mr. McCLORY) for followup, his committee could take advantage of whatever hearings we hold.

Mr. McCLORY. Mr. Speaker, if the gentleman will let me respond, what his statement seems to bring out is that the resolution is not only offensive to the Committee on the Judiciary, but that it is offensive to other committees as well. I assure the gentleman that the subject of immigration is also one that we will be taking up.

Let me just say that I know they are also going to take up the subject of whether or not it is more dangerous for players to play on artificial turf than on natural turf. And there are many other subjects as well, all of which fall within the jurisdiction of standing committees. Every complex subject falls within more than one committee's jurisdiction. But that cannot be a reason to proliferate select committees.

Mr. HORTON. Mr. Speaker, will the gentleman yield further?

Mr. McCLORY. I yield to the gentleman from New York.

Mr. HORTON. I thank the gentleman for yielding.

On page 5 of the final report we make a recommendation with regard to immigration:

> The Committee recommends that the Immigration and Naturalization Service amend its regulations so as to centralize the procedures and decisionmaking process governing the admission of non-immigrant alien professional athletes . . .

And so on, and so forth.

This is a recommendation to the Committee on the Judiciary, and the Committee on the Judiciary has the opportunity to act on that. I would like to ask the gentleman, what does the committee propose to do with regard to that recommendation?

Mr. McCLORY. Let me just point out that the gentleman has a 761-page report. The select committee has done a very thorough job in the time that it had. I think there are a great many things other committees may do in response to the report and recommendations the select committee made. But it seems to me that the reconstitution of this committee is going to prevent this action from taking place and is going to delay the action that the gentleman thinks ought to occur. So I think that the resolution should be defeated.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

The last committee covered antitrust, labor relations, immigration, Federal income tax treatment, broadcasting, player and spectator violence, gambling, and player safety. That covers what at least four other committees of this House would have under duplicating jurisdiction.

Mr. McCLORY. I thank the gentleman for his comments.

Mr. Speaker, in spite of the desires of the American people for less expensive government and for reform of the legislature, additional unknown expenditures are being authorized to duplicate not only the work of four standing committees, but the work of the select committee itself.

Last week, I sat through the morning and afternoon of hearings in the Rules Committee on the question of reconstituting the select committee. The arguments for and against the resolution were stated with candid accuracy. Proponents wished to do a favor for the gentleman from California. Opponents wished to preserve the integrity of the committee process.

Last year, the select committee was established with little controversy. I am not sure we did the right thing last year when we authorized the establishment of a similar select committee. But we did so, because we were given solemn assurances that there would be no staff hired, no travel, no extras. In short, we were asked to lend the official stamp of the House without lending the credit of the Treasury. That may not have been right, but the price appeared attractive.

The creation of the select committee will be a waste of the taxpayers' money. For anyone who knows how the legislative process works must realize that any recommendation made by any oversight committee will have to be reanalyzed subsequently by the committee with legislative jurisdiction in order to determine whether the recommendations are in fact sound. Thus, it appears to me that nothing is gained by the adoption of the resolution before us other than to delay the analysis by the committees with standing jurisdiction of the recommendations already made by the select committee in the 94th Congress.

Since the reconstitution of the select committee is so clearly duplicative of the official work of last year's select committee, and so unnecessary in view of the record of the four committees with legislative jurisdiction, it seems clear to this Member that the adoption of this resolution is not in the public interest.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, at the organizational meeting of the Select Committee on Professional Sports on June 23, 1976, I expressed concern that professional sports are in jeopardy and may be losing the confidence of the American public. As a result of the select committee's brief inquiry, my concerns have been reinforced. The numerous problems prevalent in the industry indicate to me that certain practices and restrictions which exist may be doing the various sports more harm than good.

I am a little bit surprised at the members of the Committee on the Judiciary who have taken the floor thus far to oppose this important resolution because we have been so careful—so careful—not to infringe upon the jurisdiction of that

committee or any other committee of the Congress.

The key word here is "recommend," "recommend," "recommend." We merely recommend, and if the Committee on the Judiciary believes that our work is worthwhile with those recommendations, then they can pursue them and bring a bill out to the floor of the House affecting antitrust or any other recommendations.

In June, the stories which dominated the sports pages had little to do with sports, but concentrated on business and legal problems within the industry. Today, you still read about financially troubled franchises, the tentative movement of teams from one city to another, player violence, a possible merger in hockey, and other topics which are only remotely related to the game. The unsettled conditions which existed when the previous select committee was formed are still quite evident today.

The select committee started its work with the idea that it would complete its inquiry by the end of the 94th Congress. We did as much work as we could in this brief period and issued a final report based on the limited information which we had gathered.

As an indication of the quality and usefulness of our final report, I would like to read a few sentences from a letter I received from Ms. Judith S. Toyama, an assistant professor of sports studies with the University of Massachusetts. Ms. Toyama said that the report:

> Renews my faith in Government as to the quality of reports from select committees. I really did not understand how a group of people could really sift through so much information coming from such diverse backgrounds. In any event, your committee should be congratulated on a job well done.

She also expressed an interest in the possibility of a successor committee, because as she put it "sport is pervasive and important in the lives of so many."

The final report of the Select Committee on Professional Sports in the 94th Congress covered a wide range of topics, but called for further study in a few of these as well as in other areas which had not been sufficiently covered by the committee. With its extensive appendices, the report is a useful starting point for anyone who wishes to learn about the many problems which exist in professional sports.

I want to emphasize, however, that it is only a starting point; there are many questions which still need to be answered and many problems in need of additional study. As evidence of this need, the entire committee has joined in cosponsoring this resolution. I vigorously support this resolution and urge its immediate adoption.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. ZEFERETTI).

Mr. ZEFERETTI. Mr. Speaker, as a member of the Select Committee on Professional Sports in the 94th Congress, I can attest to the fact that the committee was unable to cover many problem areas in sufficient detail in the short period of our existence. There are still many aspects of the professional sports industry which are in dire need of close scrutiny.

One important topic is the responsibilities of team owners and governmental jurisdictions to each other. I am concerned with the ability of some owners to use the threat of moving to another city in order to obtain better lease arrangements or expensive stadium improvements. In some cases, competition among cities or stadium authorities aggravates this situation. Such competition would not be undesirable if all things were equal, but all things are not equal. There are more cities who want teams than there are teams to go around. This allows the team owner to gain additional concessions at the expense of local fans and taxpayers. It may even induce an owner to abandon a city or stadium in favor of a more attractive offer. New York City, once the heart of professional sports in America is a case in point. Our New York Jets, lured by what promised to be a financially lucrative deal were looking to the greener pasture of the New Jersey meadowlands where another football team already plays. The city and thousands of Jets fans were stunned. What is the obligation of a franchise to the city in which it plays? To the fans? What extraordinary efforts and financial expenditures are necessary to insure a team will remain?

In other cases, there may simply be problems in creating sufficient fan interest to continue the support of a team. How then, should this situation be treated? If there is such an economic imbalance, does the burden fall on the sports fan and taxpayer to make up losses, or is there more the sports league could do? These are questions in need of answers.

Another topic which has rising interest is the practices of player agents. Some agents reportedly use devious means to obtain clients, mismanage the finances of their clients, and even cause players to lose their amateur status while still in college. Some agents may also have a conflict of interest by holding a position as a player association officer and also acting as an agent for individual players. A new committee should investigate this area not only for the benefit of players, but also for the benefit of sports fans. It has been alleged that agents are a contributor to higher player salaries and, therefore, higher ticket prices.

The previous select committee also pointed to the need for further study of player and spectator violence and the use and abuse of drugs by professional athletes. There is considerable work to be done and it is for these reasons that I urge the House to pass this resolution.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, although some members of the House may be skeptical that 1,200 pages of printed hearings and a 761-page report with supporting documents could merely mark the beginning of an inquiry into the problems prevalent in the professional sports industry, let me assure you that this is the case. I must emphasize that only 167 pages of the final report are dedicated to summarizing the issues and making recommendations. The remainder of the report is comprised of documents, schedules, court decisions, and other material which we considered of sufficient importance to be made part of the record.

I believe that the bipartisan work of the previous committee is analogous to the tip of an iceberg. Although a seemingly huge amount of material is visible, the vast majority of the subject still lies hidden beneath the surface. The select committee's hearings covered a broad range of topics, but did not permit us to examine all of them in as great a depth as would have been desirable. Also, time limitations prevented any detailed staff study in most of these areas.

During the hearings, there were some questions raised as to whether some sports were being operated as a business or merely being run as a hobby or a game at the expense of the fans. It was claimed that unreasonably high salaries, especially for inexperienced players, and various questionable business practices could ultimately result in the collapse of certain sports.

For this reason and other problems such as escalating ticket prices, and the subsidizing of teams through extremely favorable stadium and arena lease agreements, the select committee was of the opinion that an independent economic evaluation and analysis of the industry was needed.

I wish to state that all members of the committee last year saw the need for a successor committee, and with the exception of one— Ms. GUDE is now head of the Congressional Research Service— have cosponsored this resolution. The committee is enthusiastic about continuing this inquiry and I hope that the House will allow us to do so.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Speaker, I am of course going to vote against this. I frankly would be embarrassed if I were to vote for it. I suggest it might be a matter of some embarrassment to the Members if they were to be recorded as voting for this resolution. It just might tell the constituents of the Members much more than they would want to tell the constituents about our own sense of priorities around here. It would mean that we would be placing this issue way up there on our scale of values, among all the grave concerns that confront the Congress and the country, such as war and peace, poverty and hunger. Our response would appear to be that we need a special committee on professional sports.

How does that grab Members in terms of a sense of priority? How does that grab Members in terms of allocating the time and the money of this Congress?

It is foolishness. Do not be caught on the record admitting to that kind of foolishness.

Of course, recreation is important, but even in the broad spectrum of recreation, how do we rank professional sports?

Is it more important than high school football? Is it more important than daytime television? Does it affect more people? Of course it does not. If we are going to get into this business of recreation, let us talk about television. That affects millions of people daily. But I think that, too, would not be the best allocation of our time and our resources.

We are going to vote in a few minutes. If we want to save a little money and if we want to save the embarrassment of admitting that this reflects our personal sense of priorities, then vote "no" on the resolution.

Mr. LOTT. Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to inquire of the gentleman from California these questions. Is my understanding correct that the select committee would not be required to investigate all professional sports?

Mr. SISK. That is correct. There is no intention to do that, I might say.

Mr. NICHOLS. That being the case, I would inquire further of the gentleman from California, does he foresee the select committee investigating all professional sports and undertaking a comprehensive economic analysis of all professional sports?

Mr. SISK. No, sir; it is not the intention, nor is it foreseeable, that the select committee would investigate or undertake a comprehensive economic analysis of all professional sports.

I think the committee will have all its time taken up dealing with the four major sports we dealt with, football, basketball, baseball, and hockey, and report to the Congress. I cannot conceive, unless there is some problem that we know nothing about and that came in and conceivably pushed its way in.

Mr. NICHOLS. Mr. Speaker, I thank the gentleman.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, let me say first of all that I think that the select committee in the last Congress did a good job and came out with a sound report. As the author of a bill to end anticompetitive practices in professional sports, I strongly support the conclusions of the select committee on that point. Such legislation is pending in the Judiciary Committee.

But see what the resolution says:

> The select committee shall have the authority to investigate all matters relating to all professional sports it deems appropriate to determine whether legislation is necessary for the professional sports industry.

Now, Mr. Speaker, the gentleman from Massachusetts (Mr. CONTE) said the new select committee would only recommend. But the resolution says they are going to determine whether legislation is necessary. That is what the legislative committees are supposed to do

Furthermore, the resolution provides that the select committee is authorized and directed to conduct a comprehensive study to determine the impact of current antitrust law and policy on professional sports. That is exactly what the House Committee on the Judiciary is supposed to do; so here we have a direct conflict being set up between this select committee and another legislative committee.

It is going to get into other subjects, too, that invade the jurisdictions of the Committee on Ways and Means, the Committee on Education and Labor, the Committee on Interstate Commerce and possibly others.

Mr. Speaker, I would like to yield the rest of my time to the distinguished gentlewoman from Texas (Miss JORDAN).

Miss JORDAN. Mr. Speaker, I hope that the Members of this Congress will listen to what we are doing. If we vote for this resolution, we are placing an implied threat over the heads of every Member of the Committee on the Judiciary and every standing committee of this House.

The SPEAKER pro tempore (Mr. YATES). The time of the gentleman from Ohio has expired.

Mr. MOTTL. Mr. Speaker, I support the resolution which will establish a Select Committee on Professional Sports and encourage the House to pass House Resolution 111.

As a member of the previous select committee, I can assure you that there is a legitimate need for its reestablishment. In its brief life, the committee uncovered many problem areas in the professional sports industry. Some areas were in need of much more study and analysis than was possible in the few months of the committee's existence. For example, a problem which I have been very concerned about is the amount of player violence which exists in professional sports today. This may be contributing to the equally high level of spectator violence which has been witnessed over the past few years.

Although violence was touched on a number of occasions during the select committee's hearings, we were unable to devote sufficient time to a detailed study of this serious problem. The recommendations on violence in our final report emphasized that additional work was needed. It was recommended that a successor committee monitor the efforts of the professional sports industry to control player violence and conduct hearings on the causes and prevention of spectator violence. I believe that this problem alone may be of sufficient importance to justify the reestablishment of our committee.

This is but one of the problem areas which are in need of further study before the select committee can truly say that it has conducted a complete and thorough inquiry. Another area would be the inability of some sports franchises to remain economically viable and their resulting demise or movement to another city in the hope that they can somehow improve their position. We should examine whether or not Federal policies affecting the sports industry are in anyway related to the fact that sports teams encounter these difficulties. Mr. Speaker, I again encourage the House to pass this resolution so that the select committee can complete its work and submit a comprehensive report of its findings and recommendations to the House.

Mr. SISK. Mr. Speaker, I yield myself the balance of my time, 1 minute.

Mr. Speaker, I urge support for this resolution. I am sorry that some of the things have been tossed into the mill that have been here; however, I think our record of last year in the very few weeks of time we had to exist by reason of the shortage of time is as good as any committee created and it speaks rather well for the integrity of the members of the committee.

Mr. Speaker, I urge support of the House to let us complete the job that we started, but unfortunately did not have time to complete.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 75, nays 271, answered "present" 1, not voting 85, as follows:

[Roll No. 50]

YEAS—75

Anderson, Calif.	Heckler	Murphy, Pa.
Bonior	Hillis	Myers, Ind.
Bowen	Horton	Nedzi
Burke, Mass.	Hyde	Nichols
Carter	Ireland	Pepper
Chappell	Johnson, Calif.	Pike
Clausen, Don H.	Kemp	Price
Coleman	Kindness	Quillen
Conte	Leggett	Rhodes
Davis	Lloyd, Calif.	Rostenkowski
Delaney	Long, La.	Russo
Derwinski	Lott	Satterfield
Dickinson	Lujan	Schulze
Dicks	Lundine	Sebelius
Evans, Ga.	McCloskey	Shuster
Fary	McCormack	Sisk
Fenwick	McDade	Skubitz
Fisher	McFall	Solarz
Flynt	Mathis	St Germain
Forsythe	Meeds	Symms
Frey	Metcalfe	Whalen
Gilman	Mitchell, N.Y.	Wright
Hansen	Moakley	Young, Alaska
Hawkins	Moorhead, Pa.	Young, Tex.
	Moss	Zeferetti
	Murphy, N.Y.	

NAYS—271

Abdnor	Bauman	Broyhill
Akaka	Beard, Tenn.	Buchanan
Alexander	Bedell	Burke, Calif.
Allen	Beilenson	Burke, Fla.
Ambro	Benjamin	Burleson, Tex.
Ammerman	Bennett	Burlison, Mo.
Anderson, Ill.	Bevill	Byron
Andrews, N. Dak.	Blanchard	Caputo
Annunzio	Blouin	Carr
Archer	Boggs	Cavanaugh
Armstrong	Boland	Cederberg
Ashbrook	Bolling	Chisholm
Aspin	Bonker	Clawson, Del
AuCoin	Breckinridge	Cleveland
Badham	Brinkley	Cochran
Bafalis	Brodhead	Collins, Ill.
Baldus	Brooks	Collins, Tex.
Barnard	Broomfield	Conable
	Brown, Ohio	Conyers

Corcoran	Jenrette	Rangel
Corman	Johnson, Colo.	Regula
Cornell	Jones, N.C.	Reuss
Cornwell	Jones, Okla.	Rinaldo
Coughlin	Jones, Tenn.	Risenhoover
Crane	Jordan	Robinson
D'Amours	Kasten	Rodino
Daniel, Dan	Kastenmeier	Roe
Daniel, R. W.	Kazen	Rogers
Danielson	Kelly	Roncalio
de la Garza	Ketchum	Rose
Dellums	Keys	Rosenthal
Devine	Kildee	Rousselot
Dingell	Kostmayer	Roybal
Dodd	Krebs	Rudd
Dornan	LaFalce	Runnels
Downey	Lagomarsino	Ruppe
Drinan	Latta	Ryan
Duncan, Oreg.	Le Fante	Sarasin
Duncan, Tenn.	Leach	Sawyer
Eckhardt	Lehman	Schroeder
Edgar	Lent	Selberling
Edwards, Calif.	Lloyd, Tenn.	Sharp
Edwards, Okla.	Long, Md.	Shipley
Eilberg	McCrory	Sikes
Emery	McDonald	Simon
English	McHugh	Skelton
Erlenborn	McKay	Slack
Ertel	McKinney	Smith, Iowa
Evans, Colo.	Madigan	Spellman
Evans, Del.	Mahon	Spence
Evans, Ind.	Markey	Staggers
Fascell	Marks	Stangeland
Findley	Marlenee	Stanton
Fish	Marriott	Stark
Flood	Martin	Steed
Flowers	Mattox	Steers
Foley	Mazzoli	Steiger
Ford, Tenn.	Meyner	Stockman
Fountain	Mikva	Stokes
Fraser	Milford	Stratton
Frenzel	Miller, Ohio	Studds
Gammage	Mineta	Taylor
Gaydos	Minish	Thone
Gephardt	Mitchell, Md.	Thornton
Giaimo	Mollohan	Tonry
Gibbons	Montgomery	Treen
Ginn	Moore	Tsongas
Goldwater	Moorhead, Calif.	Tucker
Gore	Murtha	Udall
Gradison	Myers, Gary	Ullman
Grassley	Natcher	Vander Jagt
Gudger	Neal	Vanik
Guyer	Nolan	Vento
Hagedorn	Nowak	Volkmer
Hall	O'Brien	Waggonner
Hamilton	Oberstar	Watkins
Hammer-schmidt	Obey	Waxman
Hanley	Ottinger	Weiss
Hannaford	Panetta	White
Harkin	Patten	Whitley
Harris	Patterson	Whitten
Hefner	Pattison	Wiggins
Hightower	Pease	Wirth
Hollenbeck	Perkins	Wolff
Holt	Pickle	Wylie
Hubbard	Poage	Yates
Huckaby	Pressler	Yatron
Hughes	Preyer	Young, Fla.
Ichord	Pursell	Young, Mo.
Jacobs	Quie	Zablocki
Jenkins	Rahall	

ANSWERED "PRESENT"—1

Glickman

NOT VOTING—85

Addabbo	Ford, Mich.	Pritchard
Andrews, N.C.	Fuqua	Quayle
Applegate	Gonzalez	Railsback
Ashley	Goodling	Richmond
Badillo	Harrington	Roberts
Baucus	Harsha	Rooney
Beard, R.I.	Heftel	Santini
Biaggi	Holland	Scheuer
Bingham	Holtzman	Smith, Nebr.
Brademas	Howard	Snyder
Breaux	Jeffords	Stump
Brown, Calif.	Koch	Teague
Brown, Mich.	Krueger	Thompson
Burgener	Lederer	Traxler
Burton, John	Levitas	Trible
Burton, Phillip	Luken	Van Deerlin
Butler	McEwen	Walgren
Carney	Maguire	Walker
Clay	Mann	Walsh
Cohen	Michel	Wampler
Cotter	Mikulski	Weaver
Dent	Miller, Calif.	Whitehurst
Derrick	Moffett	Wilson, Bob
Diggs	Mottl	Wilson, C. H.
Early	Murphy, Ill.	Wilson, Tex.
Edwards, Ala.	Myers, Michael	Winn
Fithian	Nix	Wydler
Flippo	Oakar	
Florio	Pettis	

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Thompson against.

Mr. Florio for, with Mr. Santini against.

Ms. Mikulski for, with Mr. Koch against.

Mr. Richmond for, with Mr. Moffett against.

Ms. Oakar for, with Mr. Harrington against.

Mr. Beard of Rhode Island for, with Mr. Teague against.

Mr. Bingham for, with Mr. Breaux against.

Until further notice:

Mr. Carney with Mr. Andrews of North Carolina.

Mr. Phillip Burton with Mr. Fuqua.

Mr. Dent with Mr. Brown of Michigan.

Mr. Cotter with Mr. Goodling.

Mr. Early with Mr. Luken.

Mr. Murphy of Illinois with Mr. Burgener.

Mr. Charles H. Wilson of California with Mr. McEwen.

Mr. Van Deerlin with Mr. Harsha.

Mr. Rooney with Mr. Edwards of Alabama.

Mr. Gonzalez with Mr. Michael O. Myers.

Mr. Ford of Michigan with Mr. Pritchard.

Mr. Ashley with Mr. Butler.

Mr. Applegate with Mr. Michel.

Mr. Biaggi with Mr. Winn.

Ms. Holtzman with Mr. Holland.

Mr. Brown of California with Mr. Cohen.

Mr. Clay with Mr. Krueger.

Mr. Flippo with Mr. Wydler.

Mr. Nix with Mr. Baucus.

Mr. Mottl with Mr. Quayle.

Mr. Levitas with Mr. Jeffords.

Mr. Howard with Mr. Railsback.

Mr. Heftel with Mrs. Smith of Nebraska.

Mr. Derrick with Mr. Snyder.

Mr. Diggs with Mr. Fithian.

Mr. Miller of California with Mr. Trible.

Mr. Scheuer with Mr. Stump.

Mr. Weaver with Mr. Walsh.

Mr. Badillo with Mr. Lederer.

Mr. Mann with Mr. Whitehurst.

Mr. Maguire with Mr. Traxler.

Mr. John L. Burton with Mr. Charles Wilson of Texas.

Mr. Walgren with Mr. Wampler.

Mr. Roberts with Mr. Bob Wilson.

Mr. HAGEDORN changed his vote from "yea" to "nay."

So the resolution was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GLICKMAN. Mr. Speaker, because of the ownership by a family corporation, of which I have an interest, in the Wichita Aeros, a triple-A professional baseball team affiliated with the Chicago Cubs, I choose to vote "present" on this measure.

I do, however, believe that the remarks made by the distinguished chairman of the Judiciary Committee, Mr. RODINO, make sense, and that more effective oversight and review of professional sports problems can be handled through the existing committee framework, and at a substantial cost savings to the taxpayer.

LEGISLATION TO CREATE WATER BANK TO RELIEVE DROUGHT IN AGRICULTURAL WEST

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, I wish to announce that I have just submitted legislation to treat some of the problems associated with the drought that is striking the agricultural West.

Among other aspects, Mr. Speaker, this bill will direct the Secretary of the Interior, acting through the Bureau of Reclamation, to create a water bank in certain drainage areas of the West wherein individual farmers who have water rights and water accessibility, who are willing to give them up for this season, may sell their water rights to the water bank, which may, in turn, redistribute the purchased water to farmers who need it to protect their perennial crops.

Mr. Speaker, Senator JACKSON, the chairman of the Senate Committee on Energy and Natural Resources, is today submitting identical legislation.

In conclusion, Mr. Speaker, I invite any Member of the House who wishes to join in sponsoring this legislation to contact me.

PRESIDENT CARTER WILL RECONSIDER WESTERN WATER ACTION

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous material.)

Mr. RONCALIO. Mr. Speaker, I have confidence in President Carter. He is off to an auspicious beginning, and it may, indeed, be as historically an important one—for its own values—as was President Franklin Roosevelt's historic 100 days.

Many in the West feel that President Carter's actions in canceling certain irrigation projects may signal the beginning of a confrontation with Congress. I disagree. I feel that reviews and reconsiderations are yet to be made regarding these projects from central Arizona to Garrison and even my own Savery-Pot Hook.

However, Mr. Speaker, I should like to insert at this point two items from the Denver Post which express other views, heard throughout the Western States these days:

[From the Denver Post, Feb. 27, 1977]

DUMB, NEAR DISHONEST, WATER PROJECT ACTION

(By Leonard Larsen)

WASHINGTON.—Of course we shouldn't be picky so early in the new presidency of Jimmy Carter but it's still fair—ought to be, anyway—to compare what he does with what he said he was going to do.

When he was freshly elected and several times since, the new president stressed, went out of his way to stress, the point that members of his cabinet would be strong decision-makers, not order takers.

Here he was last Nov. 4 proclaiming at a press conference that "I would never permit my White House staff to try to run the major departments of government."

And he went on, declaring that the persons he selected to be his Cabinet officers would be individuals "who are completely competent to run their own departments."

Interesting when that statement, that promise, is laid alongside the White House activity last weekend in the announcement that 19 reclamation and Corps of Engineers water projects were to be cut off from further funding.

The announcement spoke of a "review" of the projects, three of them in Colorado, and

said that the lopoff of funds was on the advice of the Interior Department, the Corps of Engineers, the Council on Environmental Quality (CEQ) and the Office of Management and Budget (OMB).

Some people, among them members of the Colorado congressional delegation, who have inquired into the "review" by the four agencies the Carter White House said were involved, are asking angry questions and scoffing at the "review."

What kind of a review was it, for example, when one of the departments—Interior—now appears to have been brought into the matter after the fund cutoff decision was made?

And what kind of Cabinet level involvement was there when Interior Secretary Cecil Anrdus, for one, is described as having received the news only a step ahead of the congresspersons and senators whose states were to be involved in the project shutdown?

Andrus, in a meeting with Western governors last Sunday in Denver and in an appearance Wednesday before the House Interior Committee, looked like a man who'd been plunked down on a sled and given a shove downhill.

The suspicion grows around here that the only "review" of the water projects was by White House aides who speak to the President on budget and environmental matters.

The environmental argument seems to run that dams, almost all dams, are bad things in themselves, that they are harmful to the environment and an insult to esthetics.

That view can be conveniently married to a budget view that the White House will shut down "pork barrel" projects.

The argument here is not that reclamation and Corps of Engineers projects are never "pork barrel" deliveries. Some of them have to be.

But, in the case of the Colorado projects involved in the threatened shutdown, nobody—not a member of Congress and apparently nobody from Interior or the Bureau of Reclamation—was given the opportunity to defend the projects against the budget and environmental attacks.

Coloradans in Washington are pushing the White House now to explain and defend the recommended project cutoffs. Sen. Floyd Haskell, Rep. Frank Evans and Sen. Gary Hart have launched a demand for documentation of the "review," an action the lawmakers are pursuing under the Freedom of Information Act.

Felix L. Sparks, the director of the Colorado Water Conservation Board, came to Washington last week to press the same inquiry on a face-to-face basis with officials here.

Sparks, like members of the congressional delegation, is not buying the White House "review" statement.

"I want to get these people out in the open, the people who made this decision." Sparks said last week. He is suspicious that the "review" was handed over to "faceless bureaucrats" whose minds were made up from the outset.

The Carter administration action on the water projects appears to have been not only dumb but bordering on dishonest.

[From the Denver Post, Mar. 6, 1977]

CARTER URGED TO RECONSIDER CUTOFF OF WATER PROJECTS

To the Denver Post:

I have lodged my protest concerning the arbitrary and insensitive decision made by President Carter that wipes out in one stroke of a pen the long, lean years of hard work, planning and hope for a better rural life here in Colorado West.

By his deletion of funding for the Dolores, Fruitland Mesa and Savery-Pot Hook reclamation projects he has dealt a blow to our faltering agricultural economy, already facing the bleakest drought period in 82 years of recorded weather history.

On Fruitland Mesa, a beautiful upland farming area which I have been intimately acquainted with for some 22 years, the present Gould Reservoir, an inadequate source in the drier years, is nearly dry. This much-needed project has been LAW since 1964, and the President tells us it needs more study! It's been studied to death! Meanwhile, many small family farmers will go without water for their crops and livestock, with no hope of future water development.

Just recently, the Dolores Project repayment contract was overwhelmingly approved by the local voters who pay the bills. In my own Uncompahgre Valley, the Dallas Project repayment contract was approved by a 7 to 1 margin, with at least 5,000 total votes cast (more than usually turn out for a congressional election). Are these people, who must ultimately repay a good part of the cost, to be considered morons incapable of deciding what is or isn't economically or environmentally sound?

It is my belief that President Carter had incredibly bad advice. The East always fought the Western reclamation—ever since it was first propcsed by Teddy Roosevelt. Also, I suspect that some of this counsel had its origin in the militant environmental organizations. As a professionally trained ecologist wtih two degrees from Colorado State University, I have little patience with these pseudo-scientific people who hide their political "axe-grinding" behind the facade of ecology.

These zealots have taken over what was only a decade ago an honored and respected profession, and have paralyed it into a well-heeled "enforcement" lobby that seemingly wants to dictate every facet of our existence. On analysis, this lobby appears to consist of an arrogant "elite," who believe they are better-qualified than anyone else to manage our national resource affairs.

Mr. Carter has undermined the work of many good and loyal Western congressmen of his own party by this hasty action. Surely, if he values their support on other strategic aspects of his legislative program, he would be well-advised to listen carefully to their protests. A goodly number of these congressmen won their seats handily in some of the 27 states which Mr. Carter himself failed to carry in November. It would seem he could well-use their esteem and cooperation in establishing a favorable image in a part of the nation where he is as yet a completely unknown quantity.

It's not too late for the President to frankly admit the error of his ill-timed and ill-advised decision on our Colorado West and other reclamation projects. He could earn the solid support and thanks of many hard-working, conscientious agricultural folk who are willing to accept the cost of developing assured supplies of irrigation water for their thirsty lands. How about it?

ROGER M. BLOUCH.

DELTA, COLO.

NBC FORUM FOCUSES ON MEDIA POLITICAL COVERAGE

(Mr. McCLORY asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. McCLORY. Mr. Speaker, I would like to commend the National Broadcasting Co. for its sponsorship of the "NBC Forum" dealing with the electoral process and the media. The "Forum," held at the Capitol Hilton Hotel in Washington on Friday and Saturday, March 4 and 5, was an idea conceived by Julian Goodman, NBC board chairman, prior to the November 1976 elections.

The 2-day program here, in which several of our colleagues and I participated, will be condensed into a 2-hour televised special to be shown on Sunday, March 20, over NBC affiliated stations throughout the country. The time is 1 p.m. here and noon in the Midwest.

Mr. Speaker, Americans are justifiably proud of our electoral system through which we nominate and choose our President and Vice President and thousands of other public officials. But there are problems, some of which may be resolved by the media but others are clearly the responsibility of the U.S. Congress.

In sponsoring the "Forum," NBC focused attention on four areas of broad public concern. The Friday morning session at which Tom Brokhaw of the "Today Show" was moderator, was devoted to the subject of the primaries. The four panelists included our colleagues, Representatives BARBARA JORDAN of Texas and MORRIS UDALL of Arizona, as well as John Sears, chief strategist for former Gov. Ronald Reagan during the 1976 Republican Presidential primaries, and Columnist George Will.

Campaign financing was the Friday afternoon topic with Representative JOHN ANDERSON of Illinois, chairman of the Republican Conference, Senator JOHN TOWER, former Senator Eugene McCarthy, and Stephen Hess comprising the panel. Catherine Mackin was the moderator.

Friday's session ended with a dinner. Featured were former Senator Bill Brock of Tennessee, chairman of the Republican National Committee, and former Maine Gov. Kenneth Curtis, now Democratic National Committee chairman, interviewed by NBC Washington Correspondent Tom Petit on assists and problems each party currently faces.

Saturday morning the topic was "The Role of the Media—Informing or Influencing the Electorate?" John Chancellor moderated a panel which included Douglas Bailey, president of Bailey, Deardourff & Eyre, Inc., a political consulting and advertising firm; Prof. James David Barber, author and chairman of the Duke University political science department; Gerald Rafshoon, President Carter's media adviser in the 1976 campaign; New York Times Associate Editor and Columnist Tom Wicker, and Pollster Daniel Yankelovich.

At luncheon, David Brinkley interviewed Senators BOB DOLE and HUBERT HUMPHREY, both former Vice-Presidential candidates, on alternative ways of selecting a Presidential running mate.

The final session moderated by Ed Newman was concerned with last year's televised Presidential debates and the equal time provision governing radio and television. Panelists here included George Washington University Prof. James Barron; Newton Minow, former Chairman of the Federal Communications Commission; former Senator John Pastore of Rhode Island, and our colleague, Representative LIONEL VAN DEERLIN, chairman of the Communications Subcommittee of the Interstate and Foreign Commerce Committee.

Mr. Speaker, in addition to the panelists, there was a group of several dozen participants of which I was privileged to be one. Among the participant group were experts in the political process and the media. They included newspersons such

as David Broder of the Washington Post and Eleanor Randolph of the Chicago Tribune; Ruth Clusen, president of the League of Women Voters which sponsored last year's Presidential debates and Senator BIRCH BAYH of Indiana who argued for abolishing the electoral college.

It was a well diversified group with campaign contributors, campaign consultants, pollsters, scholars, and public officeholders all discussing their particular points of view.

Mr. Speaker, my special interest in the "NBC Forum" involves the opportunity for the minority or opposition party to artciulate views and positions which may differ from those of the President of the United States. Such opportunity, in my view, should exist even when no political campaign is in progress.

Mr. Speaker, the equal time provisions of the Federal Communications Act (section 315), which require television and radio to grant equal time to opposition candidates when a political campaign is underway, have no direct effect on the right or obligation of the opposition to respond to political statements by the President which are broadcast by the networks when a political campaign is not underway.

This troubles me. It seems to me to insure that the American public is kept fully informed, the networks should accord an equal or fair opportunity for opposition party spokesmen. I think this is even more critical now with President Carter in the White House and the Democratic Party heavily dominating both the House and the Senate.

Mr. Speaker, while the NBC Forum did not concentrate on this issue, it is one which I believe is relevant to an overall discussion of the role of the media in our democratic process.

However, the "NBC Forum" did permit me an opportunity to present my belief that somehow the networks should provide a forum for opposition views. It also allowed me to circulate among many panelists and participants what I believe is an informative and useful study recently completed at my request by the Congressional Research Service of the Library of Congress and titled, "Opposition Party Access to the Broadcast Networks to Respond to the President."

This 45-page paper, prepared by Denis S. Rutkus, is available to Members of the House.

Mr. Speaker, let me compliment all of my colleagues who took part in the "NBC Forum," and commend executives of NBC including Julian Goodman, board chairman; Herbert Schlosser, president; Richard Wald, news division president, and Alvin Perlmutter an NBC News vice president who handled most of the arrangements for the "Forum."

Mr. Speaker, I hope as many Members as possible will be able to view the condensed 2-hour television special Sunday, March 20. A 1-hour special radio program also will be aired on Sunday, March 13 at times set by different NBC stations.

FINANCING SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 5 minutes.

Mr. CONABLE. Mr. Speaker, in recent days I have attempted repeatedly to remind the new administration, and the majority of this body as well, that prompt action on short-term social security financing is essential. I do not want to sound like a broken record on this matter, but I want even less to see valuable time slip away while we do nothing and our problems grow more acute.

It would be tragic if we waited until the last possible moment to avert exhaustion of the disability insurance trust fund, projected for 1979, or of the old age and survivors insurance fund, projected for 1984. If we act in haste, we run the risk of making mistakes which we will live to rue. Our actions in 1972, when we raised benefits across the board by 20 percent without properly financing that increase and when we failed to detect a flaw in the automatic benefit adjustment provision, illustrate the importance of taking enough time for thorough deliberation.

In short-term social security financing, we are limited in approach. We can raise the tax rate paid by employees and employers, we can increase the wage base on which that rate is applied, or we can turn to some other form of taxation.

Unfortunately, none of these methods is easy or politically attractive. But one of them must be pursued.

The tax rate already is high. Payroll levies have assumed an alarming proportion of the total tax burden on both employees and employers.

The taxable wage base already covers an estimated 85 percent of total payroll in the country, and is adjusted annually under the same provision which permits an automatic benefit adjustment. It could be increased further, of course, but because benefits are related to contributions, a higher wage base ultimately means higher benefits. Therefore, any short-term gain to the trust funds through a wage base increase eventually would be dissipated.

A new source of revenue may seem appealing at first blush. But it would be a disastrous approach in many ways, not the least of which is the financing problems it would create. The use of general funds, which has been proposed, means more borrowing by the Treasury, an even larger public debt, an inflationary influence on the economy, and in the end, a bigger tax burden on us all. There is no open avenue which does not lead eventually to the pocket of the American taxpayer.

The short-term financing decision obviously is going to be an extremely difficult one to make. The longer we wait, the more difficult it is going to be.

ONE ETHICS ISSUE REMAINS—CONGRESSIONAL PAY RAISE PROCEDURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, during last week's consideration of congressional ethics, many members noted that the new rules we have adopted would help eliminate a variety of possible conflict-of-interest situations that confront us.

There is one major conflict-of-interest problem that remains to be resolved, though. That is the matter of Members of Congress voting on their own salaries.

I am hard pressed to think of any other situation that presents such an unquestionable conflict of interest. Under the present rules, there is just no way for a Member to avoid acting to his or her own personal, immediate benefit or liability each time a congressional salary increase proposal is before us. Even if no vote is taken, as was the case with last months' pay raise, there still would appear to be a case of sin by omission.

To eliminate this obvious conflict of interest problem, I have proposed the Congressional Pay Raise Deferral Act, which would postpone any salary increase until the Congress following the one in which it is approved. A Representative would have to stand for election in the time between approval of a congressional pay raise and the time when it would go into effect. In this way, we would eliminate the conflict of interest problem and we would also be giving the public a fair and timely opportunity to make known its views on any change in congressional salary.

Today I am reintroducing the Congressional Pay Raise Deferral Act (H.R. 1365) with additional cosponsors. This brings the total number of sponsors in the House to 90.

As I have noted in previous statements in the CONGRESSIONAL RECORD, H.R. 1365 enjoys a broad base of support amongst the public and the news media. In addition, President Carter last month endorsed the concept of congressional pay raise deferral and various members of the House Committee on Post Office and Civil Service have indicated a willingness to give the idea serious consideration.

Admittedly, this is not the most earth-shaking issue to come before the Congress. But it does touch on fundamental issues of public trust and confidence in their elected officials, and it is needed to clear up one of the most untidy ethics issues remaining to confront the Congress.

Consequently, I am pleased by the progress we are making toward prompt enactment of the Congressional Pay Raise Deferral Act. With continued support from the public, I believe we might see this proposal passed into law in the relatively near future, hopefully before we must again be deciding on our own salaries.

RECENT HARASSMENT OF WESTERN NEWSMEN IN SOVIET UNION IS A FLAGRANT ABUSE OF 1975 HELSINKI ACCORDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 30 minutes.

Mr. JEFFORDS. Mr. Speaker, many of the Members of the House have expressed their concern over recent arrests of dissidents and harassment of Western newsmen in the Soviet Union and Eastern European countries. This concern

has been expressed in a variety of ways, including letters and telegrams to President Carter, to the Secretary of State, and even to the Soviet leadership itself.

I have been particularly concerned that these incidents are a flagrant abuse of the spirit of the 1975 Helsinki accords' provisions on protection and enhancement fo human rights and exchange of ideas across state borders. The abuses seem to directly challenge the commitment of both the administration and the Congress to these Helsinki principles.

In this regard, it is particularly gratifying to note the strong stand President Carter has exhibited on the issue, in his actions toward Messrs. Sahkarov and Bukovsky and in his recent public statements.

It seemed appropriate to make it clear where many of us stand on this issue, and Congressman FRASER and myself have sent a letter to the President, which has also been signed by 62 other of our colleagues in the House.

For the record, I here reproduce the letter along with a list of those Congressmen who signed it:

FEBRUARY 10, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Having been heartened by your Administration's statements in defense of human rights and civil liberties abroad, we view recent actions in the Soviet Union, renewing repression of political dissent there, as a significant test of the strength of America's commitment to the principles you have voiced.

In this regard, we are pleased to note the statement of concern issued by the Department of State this past Monday, February 7th, over the arrest of Mr. Alexandre Ginzburg.

The simultaneous expulsion of Mr. George Krimsky, an Associated Press correspondent in Moscow, and the arrest of Alexandre Ginzburg amount to a clear disregard of the principles contained in the 1975 Helsinki accords which the Soviet Union agree to honor. Mr. Krimsky, it is obvious, is being penalized for his energetic reporting of the activities of Soviet dissenters. Mr. Ginzburg, who has been acting on behalf of Alexandre Solzenitsyn in aiding the families of Soviet political prisoners and who has been an active member of the public Soviet groups established to promote compliance with the Helsinki accords, is being singled out for punishment as a means of intimidating others. In both instances, Soviet officials have acted in direct contravention of the Helsinki pledge to "promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms all of which derive from the inherent dignity of the human person and are essential for his full and free development."

Such behavior requires an effective and credible response from the American Government. Soviet leaders must recognize that they cannot, with impunity, violate their international agreements. Good faith compliance with the Helsinki accords must be made a test of good faith in negotiating other, bilateral undertakings.

By insisting on Helsinki compliance, your Administration can honor the commitment you have made to protect human rights, strengthen the Helsinki accords as an instrument of such protection and establish a reliable foundation for honorable dealings with the Soviet Union.

Sincerely,

Donald M. Fraser, George E. Brown, Berkley Bedell, Clarence D. Long, Lucien C. Nedzi, Mary Rose Oakar, Barbara A. Mikulski, Christopher J. Dodd, Mickey Edwards, William Lehman, Matthew F. McHugh, David E. Bonior, John Krebs, Don Edwards, Robert J. Lagomarsino, James H. Scheuer, John Buchanan, Jerome A. Ambro, Robert S. Walker, Dale E. Kildee, Norman F. Lent, Romano L. Mazzoli, Newton I. Steers, Abner J. Mikva, Parren J. Mitchell, Stanley N. Lundine, Jim Santini, Elizabeth Holtzman, Michael Harrington, John W. Jenrette, Allen E. Ertel, Jonathan B. Bingham. James M. Jeffords, Richard Bolling, Joshua Eilberg, Jack F. Kemp, Herbert E. Harris II, Joe Moakley, J. Herbert Burke, William M. Brodhead, James J. Blanchard, Joseph A. Le Fante, Joseph P. Addabbo, Ralph H. Metcalfe, Edward I. Koch, Bob Carr, Andrew Maguire, Robert A. Roe, Albert H. Quie, Floyd J. Fithian, Millicent Fenwick, James C. Corman, Peter H. Kostmayer, William J. Hughes, Benjamin A. Gilman, Daniel J. Flood, Richard L. Ottinger, David R. Obey, Stephen J. Solarz, Charles B. Rangel, Joel Pritchard, Joseph L. Fisher, Ben Rosenthal, Theodore Weiss.

REBATES ARE NOT TAX CUTS, THEY ARE A STIMULUS TO INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, tomorrow the House is scheduled to consider H.R. 3477, misnamed the Tax Reduction and Simplification Act of 1977. It is not tax reduction at all, it is a stimulus to inflation bill.

The fact is that this bill neither reduces taxes nor does it simplify them. The main provision of this bill is an $11 billion quick-fix called a tax rebate, which has been likened in some quarters to shoveling money out of a transcontinental airplane. This is not altogether inaccurate because it will have about the same effect.

A tax rebate is a one-shot deal designed to increase demand and thereby, hopefully, increase output. It cannot possibly accomplish this because a rebate does not change individuals' propensity to work, invest, or hire the unemployed. They will look upon it as a windfall and treat it acordingly. To the extent it does increase demand without increasing supply at the same time, it will lead to inflation. Furthermore, since the government is running a deficit, the money to pay for this program must come from either borrowed funds, which will drive up interest rates, or through an increase in the quantity of money, which will raise the general price level. No other alternatives are possible.

By contrast, a permanent tax rate reduction, would immediately increase the aftertax income of workers and investors, which will increase the incentives for work, production, and investment. The result will be an expansion of real economic growth, thus broadening the tax base and increasing tax revenues. Because it affects supply as well as demand, a permanent reduction in tax rates will reduce the pressure on prices as well.

Mr. Speaker, if given a choice, I believe that the overwhelming majority of the American people would support permanent tax reductions, rather than one-shot giveaways. I therefore urge the rejection of H.R. 3477 and support for the Republican alternative of tax rate reductions for all Americans.

To explain the effects of permanent across the board tax cuts on the incentives for people to work, produce, save and invest, I include in the RECORD at this point the outstanding discussion on economic models by Dr. Craig Roberts of the House Budget Committee minority staff:

ECONOMETRIC MODELS, ECONOMIC POLICY AND POLITICS

(By Paul Craig Roberts)

The ongoing debate over the proper amount and type of economic stimulus is heavily influenced by econometric models. The models are used to stimulate the effects on the economy of the various policy alternatives such as tax rebates, tax rate reductions, and increases in government spending programs. They all share in common the Keynesian emphasis on the primacy of spending. Once the models are accepted, their emphasis on demand sets the limits to the debate, regardless of the political persuasion of the participants.

The basic idea is that a government budget deficit leads to an increase in disposable income and consumer spending. The models assume that as long as there is unemployment or a growing labor force, output will rise to meet the additional demand. Thus, a deficit increases spending, which increases GNP and employment. The economic content of the models is captured by the oft-heard statement that "the reason people produce is that people buy." In this view, a tax rebate and a permanent personal income tax rate reduction both impact on the economy in the same way by increasing disposable income and total spending on goods and services.

Everyone has heard of supply and demand except the builders of econometric models, who apparently have heard only of demand. As a result the models cannot take into account two additional reasons why people produce: for income and for profit. Since they cannot simulate supply side effects, they cannot show the impact that alternative policies have on these two powerful economic motives.

A correct model would show the relationships between quantities of productive inputs and their prices. However, the models upon which economic policy depends only relate numbers of people employed to levels of spending. Thus, the models show that a tax rebate and a permanent personal income tax rate reduction stimulate GNP and employment by stimulating spending. But they cannot show that only a rate reduction also stimulates production by increasing the after-tax rewards to work and investment. Indeed, in the models a reduction in personal income tax rates only affects GNP and employment by raising disposable income, and production increases only in response to increased spending.

Both Congress and the Executive branch rely on the same models—Chase, DRI and Wharton. The government is spending a small fortune on guidance from econometric models that see only half of the picture. For example, in simulating the effects on economic activity of changes in personal income tax rates, the models focus only on changes in disposable income and spending and neglect the changes in relative prices. Yet, it is relative prices that influence the critical choices between income and leisure and between current consumption and future income.

As an illustration, consider the decision to produce. There are two uses of time—work and leisure. Each use has a price in terms of the other. The price of additional leisure is the amount of income that is foregone by not working, and it is influenced by the tax rates. The higher the tax rates, the smaller the amount of the after-tax income that is foregone by enjoying additional leisure. Thus, the higher the tax rates, the lower the relative price of leisure. If the tax rates were 100 percent, the relative price of leisure would be zero.

We often hear that a person works the first five months of the year for the government before he starts working for himself. But that is not the way it works. The first part of the year the person works for himself. He begins working for the government only when his income reaches taxable levels. The more he earns, the more he works for the government until the rising marginal rate of taxation discourages him from further work.

Take the case of a medical doctor, who encounters the 50 percent rate after 6, 8 or 10 months of work. He is faced with working another 6, 4 or 2 months for only 50 percent of his earnings. Such a low after-tax return to effort encourages doctors to share practices, to reduce their working hours, and to take longer vacations.

The high tax rates shrink the tax base by discouraging doctors from earning additional amounts of taxable income. They also drive up the cost of medical care by reducing the supply of medical services. A tax rate reduction would raise the relative price of leisure and result in more taxable income being earned and, also, in a greater supply of medical services.

The effect of tax rates on the decision to earn additional taxable income operates across the tax bracket spectrum. It is limited neither to doctors nor to the top tax bracket. Studies by Martin Feldstein of Harvard show that the tax rates on the average worker practically eliminate the gap between his after-tax take-home pay and the level of his untaxed unemployment compensation. Here is a case where a marginal tax rate of 30 percent (including state and federal income and social security taxes) reduces the relative price of leisure so low that it raises the measured rate of unemployment by 1.25 percent and shrinks GNP and the tax base by the lost production of one million workers.

Now consider how tax rates affect the decision concerning the use of income. There are two uses of income—consumption and investment (saving), and each use has a price in terms of the other. The price of additional current consumption is the amount of future income that is foregone by not investing, and it is influenced by the tax rates. The higher the tax rates, the smaller the amount of after-tax future income that is foregone by enjoying additional current consumption. Thus, the higher the tax rates, the lower the relative price of current consumption.

Take the case of the Englishman facing the 98 percent marginal tax rate on investment income who faces a decision between investing $50,000 at a 17 percent rate of return, which would bring him $8500 per year in before-tax future income, or purchasing a Rolls Royce. Since the after-tax value of the future income is only $170 per year, the price to him of additional consumption is very low. He can enjoy the services of a fine motor car for only $170 per year. This is why today so many Rolls Royces are seen in England. They are mistaken for signs of prosperity, but in fact are signs of high tax rates on investment income. The principle involved is most easily illustrated by extreme example, but as in the case of the decision to produce, it operates across the spectrum of tax rates.

A tax rate reduction would raise the relative price of current consumption and result in more investment. The rate reduction not only increases disposable income and total spending, it also changes the composition of total spending toward more investment. Thus, labor productivity, employment, and real GNP are raised above the levels that would result from a different composition of the same amount of total spending. The relative price change, then, moves both consumption and investment to higher levels.

Since the econometric models only pick up one of the three ways in which a reduction in personal income tax rates works to increase GNP and employment, they grossly exaggerate the tax revenue losses which would result from cutting tax rates. The only feed-back on the revenue base that they pick up is the expansion of output in response to an increase in buying. They do not pick up the expansion in output which results from the changes in the relative prices.

In short, the econometric models are not aware that a permanent personal income tax reduction stimulates incentives in addition to spending and will call forth a larger increase in GNP and employment in response to the increase in spending. The models do not take into account that compared to a rebate of equal amount, a rate reduction will have a bigger effect on expanding the tax base and pull in more tax revenue to offset the initial revenue loss. Thus, the models produce erroneous estimates which say that $X billion in rate reductions will add the same amount to the government's budget deficit as $X billion in per capita rebates.

This is not a full account of the defects of the reigning econometric models. Two of the "big three" predict GNP declines if corporate tax rates are reduced. (Chase is the exception.) In the case of the DRI model, the explanation is that investment does not depend on after-tax profits in a very strong way. However, investment is very sensitive to changes in the interest rates. Interest rates go up when the government sells bonds to finance the deficit that results from the corporate tax cut. As a result of the rise in interest rates, investment falls. Thus, in the DRI model a tax reduction that increases the profitability of investment reduces investment!

The reader is no doubt wondering why such defective models remain uncorrected and in such wide use. The answer may be that they are mainly useful for short-run forecasting and not for economic policy simulation. Sailors can navigate very well by the Ptolemaic system, even though it is false.

As we are ending on a speculative note, I would point out that by showing tax rate reductions, tax rebates, and government spending programs financed by deficits to be equally effective economic policy tools, the models serve the interests to egalitarians by allowing income redistribution under the policy guise of fighting unemployment. And they serve the political interests of the Democratic Party by allowing it to build spending constituencies that it could not finance by raising the statutory tax rates.

By showing that tax rate reductions produce the same deficits that overspending revenues does, the models leave the Republicans out in the political cold where they fight deficits and become the tax collector for Democratic spending programs. But more importantly, employment opportunities and higher levels of living standards for everyone will continue to be foregone until the supply side—which is where production actually takes place—gets plugged into the econometric models.

(NOTE.—Dr. Roberts is Chief Economist, Minority Staff, Committee on the Budget, U.S. House of Representatives, and Adjunct Professor of Economics at George Mason University.)

THE HYPOCRISY OF INTERNATIONAL POLITICS SURROUNDING THE UNITED NATIONS SANCTIONS AGAINST RHODESIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. ICHORD) is recognized for 60 minutes.

Mr. ICHORD. Mr. Speaker, I would like to take this opportunity today to read into the RECORD a letter which the gentleman from New Mexico (Mr. RUNNELS) and I have received from a young Rhodesian friend named Chris Scofield whom the gentleman from New Mexico (Mr. RUNNELS), the gentleman from Pennsylvania (Mr. DENT), and I met on a visit to Rhodesia in April 1975. In his letter, Mr. Speaker, Chris Scofield accepts the repeal of the Byrd amendment as a foregone conclusion, a judgment with which I agree, but at the same time expresses his perplexity as to why the U.S. Congress would take this action at this particular juncture, particularly without even sending an official delegation to Rhodesia to at least view this most complex situation that exists in Rhodesia, as the gentleman from New Mexico (Mr. RUNNELS), the gentleman from Pennsylvania (Mr. DENT), and I did in 1975. His letter also points up the hypocrisy, Mr. Speaker, of the international politics surrounding the issue of United Nations sanctions against Rhodesia; expresses his contempt for the handling of the Rhodesian situation by his own country, Great Britain, the land of the origin of most white Rhodesians; the deceit practiced by a good many members of the United Nations who carry on trade with Rhodesia despite the U.N. sanctions; and suggests a scenario, or a similar scenario, resulting in both black and white genocide and the ultimate denial of the strategic mineral chrome to the stainless steel mills and factories of America.

I have been greatly moved by his letter to the point that I am constrained to read his letter into the RECORD which provides a unique insight into the Byrd amendment issue, and also to write an amendment which I will offer to the House bill repealing the Byrd amendment when it is considered by the House. I ask the Members of the House to clearly consider my amendment which I will later describe, as I honestly believe it could very well result in a peaceful transfer of power from the white minority government to a black majority government that can truly govern Zimbabwe, or Rhodesia—whichever one wishes to call it—and speaking with complete candor, Mr. Speaker, prohibit this body, President Carter, the American State Department particularly, Great Britain, and the United Nations from having on their hands the blood of thousands of both black and white Rhodesians.

Mr. Speaker, the reference of Mr. Scofield in his letter to Josiah Chinaimano points up, in my opinion, the bankruptcy of the American State Department policy toward Rhodesian citizens. The State Department has permitted entry to Mr. Chinaimano, who appears to support confiscation of all American property in Rhodesia, but has denied en-

try to Mr. Scofield, who sought to travel here on a British passport, on the specious ground that America lives up to all of the sanctions of the United Nations against Rhodesia, except trade in chrome under the Byrd amendment.

Both Congressman RUNNELS and I have intervened on behalf of Mr. Scofield, but the State Department, apparently fearful that he will tell his side of the Rhodesian controversy and that someone will believe him, has refused to grant him a visa.

Indeed, when my staff called the State Department, they stated that under U.S. policy, by Executive order of 1968, anyone who has furthered the interest of the regime in Rhodesia is discouraged from traveling to the United States. Mr. Scofield is a citizen of Rhodesia; he is also a citizen of Great Britain; and, of course, he has to have a Great Britain passport in order to travel abroad.

I make the charge, Mr. Speaker, on the floor of this House, the straightforward charge that the American State Department is more ignorant of what is going on in Rhodesia than most Members of Congress because the State Department intelligence is based primarily on probably the most biased of any intelligence we could possibly obtain on this issue, namely British intelligence.

Congressman HAROLD RUNNELS and I discovered the ignorance of the American State Department when they tried to dissuade us from traveling to Rhodesia in 1975. Most of the essential information they provided us was erroneous.

For example, the State Department warned us that it would be unsafe to take our wives to war-wracked Rhodesia. To our surprise we found it to be more safe in the wee hours of the morning on any street in Salisbury than it is in broad daylight only two blocks from where I stand at the present time.

I receved the impression from the State Department briefings that Ian Smith and his supporters practiced apartheid or something worse. To my great surprise, Mr. Speaker, I met black millionaires in Salisbury and was advised by a black professor on the grounds of the University of Salisbury that enrollment in the university was about 50 percent white and 50 percent black.

To my utter amazement, Mr. Speaker, I saw black crane operators in a Rhodesian ferrochrome mill being trained to replace white operators at the same salary.

I learned also to my astonishment, Mr. Speaker, that the black men in Rhodesia had the highest wage throughout all Africa, even including the nation of Egypt.

Mr. Speaker, I loathe racism in any form, whether black or white. It is not my purpose to defend the status quo in Rhodesia, as I personally feel it is indefensible, but I am constrained to state that the situation existing in Rhodesia today is far superior to what existed in many sections of this country just a few years ago. This is especially true in view of the recent steps taken by the Smith government to minimize governmental-sanctioned segregation.

The racial problems of Rhodesia are indeed complicated when we realize that Rhodesia also has the problem generated by the merger of primitive African tribal culture and western European culture.

I loathe racism, Mr. Speaker; but I was also reared to loathe hyprocrisy, and the issues surrounding the U.N. sanctions as the alleged means of compelling Rhodesia to alter or change its internal policy are replete with hypocrisy.

Why do I say so? I say so, Mr. Speaker, because while I was in Rhodesia the streets of Salisbury were lined with new Toyotas, new Volkswagens, new Fiats, and new Volvos. I even saw articles of trade from Rhodesia's colonizing, but now lowly esteemed, mother country, Great Britain.

The truth is, every major country in the world is trading with Rhodesia, including Russia, despite the U.N. sanctions. The United States of America is practically the only country, excluding chrome and one or two other strategic materials, which is not trading with Rhodesia.

How hypocritical have international politics become? Yet we choose to be governed by such hypocrisy and deny ourselves the advantage of lucrative trade with Rhodesia to satisfy the whims and the piques of Great Britain and the hypocritical positions of the U.N., which equate Zionism with racism.

Continuing, Mr. Speaker, as irrefutable proof of the hypocrisy of the United Nations, in 1976 Rhodesia produced about 250,000 tons of ferrochrome. The United States bought only 47,000 tons. Who bought the other 203,000 tons? Do not tell me, Mr. Speaker, that nonmember nations of the U.N. bought the 203,000 tons.

In 1976, Mr. Speaker, Rhodesia produced 30 million pounds of nickel. The United States bought 5 million pounds. Are we to suppose that Rhodesia dumped the other 25 million pounds in the Indian Ocean?

Rhodesia is the second or third largest producer in the world of platinum. It is the second largest producer of tobacco. Who buys all this tobacco? Who buys all this platinum?

Is there any wonder that we saw the streets of Salisbury lined with Toyotas, Fiats, Volvos, and Volkswagens.

Mr. Speaker, it was not Henry Kissinger's fault, nor was it the fault of Cyrus Vance, that Mr. Kissinger's brilliant and fair plan to bring about a new regime in Rhodesia which would avoid the dangerous possibility of genocide in Rhodesia did not work.

I believe that the reasons set forth in Mr. Scofield's letter as to why it did not work may well be correct, and I hope my colleagues will read this letter written to both me and the gentleman from New Mexico (Mr. RUNNELS) with an open mind.

I do not know whether or not the blacks distrust Britain, as he states in his letter; but I do know that practically without exception white Rhodesians have nothing but contempt for the policies of Great Britain, and why should they not, under the circumstances. This was probably the one mistake of Henry Kissinger. Placing Great Britain in charge of negotiations was equivalent to placing Great Britain in 1792 in charge of negotiations between George Washington's newly formed U.S. Government and the various tribes of American Indians to give America back to the Indians.

I doubt if the U.S. Government at that time would have looked with much favor upon Britain as a fair and unbiased arbitrator.

Scofield's judgment is right, I believe, when he states that the principal effect of the repeal of the Byrd amendment will be purely psychological. Obviously, the repeal will have limited economic effect, as Rhodesia, as I pointed out previously, is apparently trading with all countries without difficulty. They are getting around the United Nations sanctions.

The timing of the repeal is indeed poor, as Scofield ably points out in his letter. It could have the effect of turning Rhodesia over to undesirable elements in Rhodesia who will defeat the hopes and aspirations of the most ardent proponents of the repeal of the Byrd amendment. I am not going to predict what will ultimately prevail in Zimbabwe or Rhodesia. It is too complex a situation, too many factors and too many ramifications involved, but it makes sense to me that if America is determined to play an important role in the Rhodesian settlement, that we retain some kind of muscle in the pending negotiations.

Why should not the President retain the discretion to postpone the effect of the repeal so long as negotiations are in progress which could ultimately result in a fair and a just settlement? For that reason, Mr. Speaker, an amendment that would require the President to exercise such discretion is being prepared at this time by me and my office.

Such an amendment would present the opportunity for a delegation, including Members of Congress perhaps, to go to Rhodesia and examine the situation for themselves and make a judgment. In this way, we would not have to make a decision in the dark with the limited information we now have.

I would particularly urge, Mr. Speaker, that representatives of the American State Department travel directly to Rhodesia. They might be surprised to find out the facts that do exist for themselves, rather than be advised by the British as to what facts exist. I would especially urge our highly respected Ambassador to the United Nations, a friend of mine and a former member of this body, to avail himself of the opportunity to travel to Rhodesia in the very near near future. I have a lot of confidence in Andy Young, and will be willing to trust his judgment.

We cannot conduct foreign affairs on the floor of this House, Mr. Speaker, with legislation as the vehicle. We can establish a policy, and I sincerely hope that the House will adopt my amendment in order to give the President the authority he needs to conduct foreign affairs.

More importantly, Mr. Speaker, we could very well avoid the development of war between the blacks, as well as war between blacks and whites, in Rhodesia. Personally, I do not want the blood of either blacks or whites on my hands.

Mr. RUNNELS. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New Mexico.

Mr. RUNNELS. Mr. Speaker, I want to thank the gentleman from Missouri for yielding. I would like to associate myself with his statement. I congratulate him for offering an amendment which will be offered on the floor of this House at a later date. The things that the gentleman from Missouri stated, to the best of my knowledge, are true and accurate.

Mr. Speaker, I am amazed as to the information that was given to the gentleman from Missouri (Mr. ICHORD), the gentleman from Pennsylvania (Mr. DENT), and myself, here in the United States by our previous State Department under another administration. We were warned, even when we got to South Africa, "Do not go to Rhodesia and take your wives. If you three men, Members of Congress, are that dumb or that stupid, you go right ahead and go. But please, will you leave your wives here?"

We talked it over, and our wives traveled with us to Rhodesia. The record will speak for itself. We were trying to be as fair as we knew how. And we met with the black leaders, both of the opposition sides, within the black community. We went to the university, met with all of the black leaders before we ever talked to a white leader in Rhodesia. We looked at both sides, and we were free to see and to ask any questions that we wanted to.

I am amazed at our previous administration, and I hope I am not as amazed at our present administration.

Mr. Speaker, I come from New Mexico. My congressional district touches four States and one foreign nation. I would hope that the executive branch of the Government, if they wanted to know about the Second Congressional District of New Mexico, would not go to Colorado, Utah, Arizona, Texas, and old Mexico and ask questions as to what is going on inside the Second Congressional District of New Mexico. But it seems that that is what our executive branch of Government, through the State Department and, yes, even the U.N. delegate, seems to do. They go and they dance all around the subject matter but never once really setting their foot inside of Rhodesia and taking a good, long, hard look.

I am amazed. As does the gentleman from Missouri, I want things to be as fair as fair can be. But if we will check the record, we will find that in their army in Rhodesia, they have five blacks for every one white, carrying the same gun and the same amount of ammunition. If 6 million blacks are being so mistreated, and there are only 350,000 whites, including men, women, and children, pray tell me, by just sheer numbers, if they were mistreated, why have they not been run over so far? I will tell the Members, further, how dangerous Rhodesia is. We came back from Rhodesia, and we met many people on both sides of the fence. My wife and my two youngest children went back to Rhodesia and spent 2½ months, unescorted by anyone, at their own expense, and stayed inside Rhodesia. They are back here in the United States. They were not harmed. There were no locks on the doors.

I am with the gentleman from Missouri. I beg and I plead and I ask the United States not to make a mistake, not to let the Communists take over in Rhodesia. I do not own any chrome stock. I do not own any steel stock. That is the subject matter, though. I will agree with the gentleman from Missouri that if the old members of the United Nations are keeping their end of the bargain, then pray tell me where are the products of their countries? How are they getting into Rhodesia? What kind of trade is Japan, Germany, and Great Britain doing? They are doing trade there. And I ask this question, too. If I have made a false statement, then let those nations come forward, either through the U.N., or whatever method they choose. Let us just find out. Is the United States going to pay more for second-grade chrome ore from Russia, our Communist friends, if the Byrd amendment is repealed?

Mr. ICHORD. Mr. Speaker, I thank the gentleman from New Mexico (Mr. RUNNELS) for his contribution.

Let me further state this: I will make another charge, and this is concerning some of the hypocrisy in this fight on the so-called Byrd amendment. I have read some letters coming into this body from specialty steel companies within the United States whose officials think they should change their position on the Byrd amendment. They are now for the repeal of the Byrd amendment because they state that there has been a process developed in the United States by which we will be able to make stainless steel out of South African chrome alone. Up to this point it has been necessary for them to mix the South African chrome with Rhodesian chrome.

In this amendment or in this repealer that we have coming to the floor this week we have another little form of hypocrisy, a very neat form of hypocrisy. It states that the United States shall not let into this Nation any specialty steel product or stainless steel that contains Rhodesian chrome.

Mr. Speaker, Rhodesia last year produced 250,000 tons of ferrochrome; we bought 47,000 tons. I charge that these companies that are now changing their position must think that they are going to get rid of competition because most certainly a lot of that specialty steel that is being imported into the United States contains Rhodesian chrome since many foreign firms do not have this new process that we have invented here in the United States.

But the tragic thing about the situation, Mr. Speaker, I fear, is that if Rhodesian chrome does disappear, the next to go is South African chrome. If South African chrome goes, the only place from which we can get chrome, in large quantities anyway, will be Russia. There is a little bit mined in Turkey, but in very small amounts. We are going to make ourselves dependent upon Russia if we go ahead and actually live up to the United Nations sanction.

I have spoken very harshly about the State Department of the United States, but there is one good side to it. We are not complete hypocrites in this country. The United States is not as hypocritical as other nations in this world. We do enforce the United Nations sanction against Rhodesia in everything except chrome and one or two other strategic materials that we need in this country; the other nations do not do that. I do not favor the sanctions, but at least we are not the hypocrites that the other members of the United Nations are.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, I thank the gentleman from Missouri (Mr. ICORD) for yielding, and I commend him for taking the floor to give this problem its proper airing at this timely moment.

I would like to say that I, too think there is a great deal of hypocrisy in all of this. I believe that for us to fuss about Rhodesia and civil rights in Rhodesia and not fuss about the Soviet Union in the same degree is indeed hypocrisy. Certainly it is a fact that if civil rights do not exist in Rhodesia, they exist to even a far lesser degree in the Soviet Union, notwithstanding the fact that there are not two races involved in that nation.

Mr. ICHORD. Mr. Speaker, I will state also that although I made the charge that the Soviet Union has purchased ferrochrome from Rhodesia, I am not in a position to prove it absolutely at this time. However, if they do have a change of government in Rhodesia, I can assure the Members that we will be able to prove Russia has purchased chrome in Rhodesia. It is natural that Russia should purchase such ferrochrome because I doubt that Russia has the capacity to produce the ferrochrome it needs. Russia has chrome ore for export but it does not export ferrochrome.

Mr. HANSEN. Mr. Speaker, if the gentleman will yield further, I would like to say that I do not understand why we have to have a Byrd amendment for Rhodesia and we do not have to have some kind of similar amendment for the Soviet Union.

It seems to me that there is a lot to be said about what is really going on. In considering the fact that perhaps this Nation's fortunes and the fortunes of many nations in the world are involved, our foreign policy all turns on the desires and the whims of some of the big multinational corporations and the big industries.

Mr. Speaker, when the steel industries of this country decide that once they have supposedly—and I am not sure that this is even the truth—a new process and they do not need Rhodesia anymore, they make it sound like this is a final statement and this is the way the Nation ought to go; but they are not taking into account the many small foundries and other people who may not have the new process and therefore need to have the finer chrome that Rhoesdia provides.

Mr. Speaker, I think there is a great problem here that we need to take up. There is a great disparity, I think, between small businesses and small companies in this country as distinguished from the multinational corporations, sometimes including the big banks. We are seeing this right now with regard to the Panama Canal treaty negotiations. That happened in the same way with

respect to multinational corporation involvement there.

Mr. Speaker, taking into account the amount of money going out of the country and the amount of involvement out of the country, we are actually penalizing the interests within the country.

I think what the gentleman from Missouri (Mr. ICHORD) mentioned a moment ago about the restriction about bringing in any steel with Rhodesian chrome in it amounts to a secondary boycott which this Nation rejected just a year ago. I think it is absolutely unthinkable.

Mr. ICHORD Mr. Speaker, I thank the gentleman from Idaho (Mr. HANSEN) for his contribution.

I know that the gentleman from Idaho mentioned to me the other day something about the possible conflict of interest on the part of one canal negotiator, I believe. I hope that the gentleman from Idaho pursues that possible conflict of interest.

I thank the gentleman from Idaho for his contribution and also, again, the gentleman from New Mexico.

Mr. Speaker, I would reiterate that the problem in Rhodesia is not within. The problem is without.

I think Great Britain, in its pique, in its whim, is trying to knock down Rhodesia. If Great Britain and the United Nations would stay away from Rhodesia or Zimbabwe, whichever name one prefers, they would eventually work out their internal problems themselves just as satisfactorily as we will in the United States of America.

Mr. Speaker, I ask unanimous consent to include a lengthy letter in the RECORD from Mr. Scofield, the entire letter which I have previously referred to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The letter referred to follows:

INVESTMENTS (PVT.) LTD.,
Salisbury, Rhodesia, February 18, 1977.
Congressman RICHARD H. ICHORD,
Washington, D.C.

DEAR DICK: I am writing you a virtually identical letter to the one I have written to Harold Runnels. As I said to Harold, I am well aware of the fact that politics/international diplomacy is a complicated structure and one has to be pragmatic; in addition there are invariably a wide number of considerations, some of which involve trade-offs. None the less, I believe that the timing of the repeal of the Byrd Amendment could scarcely be worse and we at this end are taking it that the repeal is a foregone conclusion. I suppose one should never accept anything as a 'foregone conclusion', but one has to be realistic and adjust accordingly. Detailed below are some of my thoughts.

1. It seems inconceivable that the United States can formulate a policy on Rhodesia while making no effort to acquaint itself with the situation, inside the country—other than relying on hearsay either through the United Kingdom Government or from externally based nationalists. Ambassador Young stated during his African trip that the Rhodesian Government (albeit illegal) nevertheless represents the authority of the country and therefore it had to be dealt with. But no member of the State Department—subsequent to Dr. Kissinger—will discuss anything of substance with Government here nor will any member of the State Department enter the country (officially or unofficially) to ascertain precisely what is going on. On Richards recent trip to this part of the world, I believe a fellow called Edmondson was supposed to be in tow but he never bothered to pitch up. When so many—black and white—are relying on the United States as a catalyst for a settlement, it is incomprehensible that the United States leaves no lines of communication open.

2. While Andy was out here some three weeks back, he was told repeatedly by nationalists and by Government that there was a total lack of trust in the British and that all parties felt that the Brits had almost single handedly fouled up the Geneva Conference. Add that to the fact that the British are bankrupt, powerless and absolutely useless and one can only boggle at the thought that this country is a 'British responsibility'.

3. It is my belief, and no doubt Andy Andrews can fill you in on his interpretation, that the Muzorewa wing—who it is believed commands upward of 70% support among Africans in the country—are anxious to settle, if necessary on the Kissinger package. Smith has stated publically time and time again that he accepted the Kissinger proposals and still does and has made it abundantly clear that he wishes to go ahead with the implementation of the Kissinger proposals, modified if necessary to some degree. The reason behind the anxiety to settle both sides is three fold.

a. The knowledge that if three groupings, ie. Muzorewa, Nkomo and Mugabe, continue to build up their respective power bases, there is every likelihood of ultimate civil war between the blacks of Rhodesia.

b. The cost of the war both in terms of dollars and in terms of manpower requirements is posing a tremendous burden on the economy with the resultant neglect in other sectors—for instance, it was only three years or so ago that the education was the single biggest vote on the budget; today defence accounts for way and above the single biggest item.

c. The Europeans' confidence in the long term future of this country is waning rapidly; there is a mass exodus, the country will go into a steep decline as has been the case in Mocambique. And if the stage is reached where there is a total lack of confidence, the impetus to 'make a go of it'—certainly among the Europeans of this country—will collapse too.

4. If my reading on the repeal is correct then maybe the Administration should give some thought to the timing of such a repeal. It is my belief that the Muzorewa wing and the Government could reach an agreement in the fairly near future: For Muzorewa to maintain the popular support he has, his faction has to be seen to be making progress. The repeal of the Byrd Amendment at this moment in time will be seen locally to have been the result of pressure exerted by the 'front line' President and the Nkomo/Mugabe alliance. In consequence such a step would tend to weaken Muzorewa and strength his marxist opponents—which is a situation one would imagine that not even Senator Clark particularly wants to see come about. What might be worth thinking about is a course of action whereby the President is empowered to repeal the Byrd Amendment but that such repeal be delayed for a period of, say, six months to enable the parties concerned to sort things out. If at the end of six months no progress is being made, the President duly signs the repeal. In this manner, the United States retains some leverage: It gives the moderate African time to get moving with the full knowledge that if he doesn't, his opponents are likely to be in a stronger position than he is at the end of the day: As far as the white is concerned, the image of a relatively neutral American Administration committed to try and bring about a reasonable settlement will be maintained.

5. If the Nkomo/Mugabe alliance succeeds in gaining political power in Rhodesia, two major factors stand out, (we can ignore the internal ramification of such a political power base, since once the country is governed by Africans the United States will cease to be interested in whether the powers-that-be are repressive—after all, take the example of our next-door neighbour, Mocambique, where no elections have been held, the country is ruled by the army, all private property has been nationalised, unmarried women are conscripted into brothels by the army, etc. etc.) namely:

a. It is probable that the Nkomo/Mugabe alliance has little more than between 10% to 20% of popular support in the country. Nkomo's power base is Matabele and as you are aware, Muzorewa comands the overwhelming support of the Shona; thus you will have a minority Government, but this time black, with all the ingredients of a free for all between the Matabele and the Shona. While that will make no doubt interesting reading in Washington, it will be damn uncomfortable sitting here.

b. If Nkomo/Mugabe obtain control, you will have a strong marxist political structure in this country, and Rhodesia will be in all probability become the immediate front line State adjoining the South African borders. In the event of SWAPO being the dominant power in South West Africa, we would then have marxist regimes surrounding the Republic. Now you know my own feeling about the South African Government policies, but the fact of the matter is at that stage chrome supplies from South Africa will be in jeopardy, while Rhodesian chrome will be under the control of the marxists. If that happens, then we truly do have problems of immense significance. Furthermore having trumpeted around the world your support of sanctions to achieve political change, I think it will in due course be extremely difficult for any Administration to talk away the precedent when a clamour is on for sanctions against South Africa.

Any moderate political set up here could probably co-exist with South Africa for a while and could conceivably influence that country into effecting the necessary changes. Any marxist Government, would probably use this country as a base for terrorist attacks against the South, thus hardening South African attitudes and make any resolution of the problem virtually insurmountable. You may view this scenario as an unnecessarily bleak, but it is certainly the way I see it and if the South is in a state of utter turmoil, your own country will, in terms of access to strategic materials, be in an extremely awkward position.

The re-introduction of sanctions on the importation of metals and minerals into the United States will unquestionably hurt this country. As far as America is concerned there is of course a world wide surplus of ferrochrome, and irony of ironies, the South Africans could more than take up the slack should there be a slight hardening in demand. But the repeal of the Amendment will not bring this country to its knees: All it will do is cause additional unemployment, mainly black, inject further bitterness into an already muddied situation and cause a hardening of attitudes in all directions. I have been saying for years that, for God's sake, get American Officials into this country and let them establish at least the same range of contacts like someone like Andy Andrews has built up over the years. But no, the answer has been not only will they not come here and learn for themselves, but for some reason they are terrified of white Rhodesians even speaking in defence of what they stood for. Incidentally, Josiah Chinaimano who is Nkomo's number two, (and actually I think personally a first class bloke) left for New York last night—apparently he has no problem in entering the United States—notwithstanding his wing is allied with the marxists, who without any ques-

tion will nationalise all American interests in this country. I on the other hand could not even get into the United States! Perhaps somebody can, one day, convince me that there is a rationale for this kind of policy. Still that is another aspect the right now we have a more immediate problem. Hence my reason for putting my thoughts on paper to you, and you might like to give them some consideration.

You are one of only a few members of your select body, who have been to this country and have seen for all its faults it has a lot to be recommended. I think if someone like Ambassador Young had taken the trouble to come here rather than talking about Rhodesia sitting in Zanzibar and Dar es Salaam, he might have got a far better feel for the situation and more important, might have grasped the fact that both black and white in this country are looking to America as a prime mover behind a settlement.

Our love to Penny and we look forward to hearing your views if you have time, either of you to put pen to paper.

Yours sincerely,

CHRIS SCOFIELD.

PS.—A quote from Time Magazine, February 21, 1977.

"In addition, this weeks journey gives Vance a chance as a Senior State Department Official puts it, "to get to know the players involved and press on with our commitments to get something done", perhaps more than anything else this trip confirms that black and white alike still view Washington as the only power broker capable of finding a peace settlement."

You may have blinked on reading the above and have already reached for the phone to get confirmation. Well, hold it, for "black and white" read Arabs and Israelis, but that's what makes this whole set up so unbelieveable. In the Middle East it is particularly important to get to know the people involved, but here the reverse applies!

PANAMA CANAL PROBLEM: REASONED PLAN OF ACTION AND NOT SOPHISTRY IS REQUIRED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, the people of the United States are now witnessing a massive propaganda campaign in support of a proposed new Panama Canal treaty that would surrender U.S. sovereign control over the U.S.-owned Canal Zone, and ultimately, the canal itself to Panama, a small, weak, and technologically primitive country run by a Marxist military dictatorship that is closely associated with the Havana-Moscow axis.

A significant element in this drive, which has been actively supported by certain high officials in the executive branch of our Government, was a December 1976 report of the privately financed so-called Commission on United States-Latin American Relations of New York, of which the chairman was the Honorable Sol. M. Linowitz. This report, reflecting State Department views, recommended negotiating a new mutually acceptable canal treaty with Panama that would cause the loss of U.S. sovereign control over the Canal Zone but failed to state the Panamanian objective to eliminate the United States from the isthmus—one of the most strategic crossroads in the world and the prime target for the Communist conquest of the Caribbean.

A second element in this propaganda campaign was the preparation and wide distribution by President Henry R. Geyelin of the Council of the Americas of New York of a booklet entitled "United States, Panama and the Panama Canal: A Guide to the Issues." This publication was reprinted in its entirety in the CONGRESSIONAL RECORD, February 1, 1977, pages 3033–3037.

In a letter of February 17, 1977, covering its distribution, Mr. Geyelin revealed that the council is an association of over 200 U.S. corporations with investments in Latin America. He expressed the view that opinions on the canal treaty question should be "based on a knowledge of facts, not just emotions," and stated his hope that the result of the educational process would be a treaty responsive to the mutual interests and concerns of both countries."

Because an adequate critique of the many points and fallacies in the booklet would require a volume of comment too extensive for an address, I shall limit my remarks to only a few of them.

As to its statement that in December 1964 President Johnson committed the United States to negotiate a new canal treaty, the report does not reveal that President Johnson's initial instinctive response immediately following the January 1964 Panamanian mob assault on the Canal Zone was that the United States had treaty obligations for the operation of the canal and would meet those obligations. Who persuaded President Johnson to change his stand is not explained, nor was it shown that the disposal by U.S. territory was beyond the authority of the President and hence null and void.

The booklet states that Secretary Kissinger and Foreign Minister Tack of Panama in February 1974 signed a "statement of principles" to govern the negotiations for a proposed new canal treaty. It does not disclose that those principles provided for the surrender of not only the Canal Zone but also, eventually, the canal which disposals of U.S. territory and property, as previously stated, have not been authorized by the Congress and, so far as I can determine, will never be. My correspondence from February 7, 1974, through January 11, 1977, from all the States, totaled 8,861 in support of retention of full U.S. sovereign control over both the Canal Zone and canal and 16 opposed. This is a ratio of 553.8 to 1, showing an overwhelming opposition by the sovereign people of the United States and their taxpayers. It is not an "emotional" reaction as alleged but a manifestation of indignation and outrage at the attempted betrayal of our vital interests in the Caribbean based upon the widely understood realities involved in the operation of an interoceanic canal for world commerce in a land of endemic revolution and endless political intrigue. This kind of betrayal is comparable to the betrayal of Free China following World War II and the betrayal of Eastern Europe during the same period.

Another angle stressed in the booklet is that the present canal is vulnerable to sabotage, which danger is nothing new. The answer to this is that all major transportation enterprises are subject to such hazard. The Panama Canal was protected during two World Wars, the Korean war, the Cuban missile crisis and the Vietnam war. Experienced authorities in the Armed Forces have stated that it can be defended again.

Mr. Speaker, the undisclosed objective behind the vulnerability angle is undoubtedly the ancient dream idea of a so-called sea level canal, which has long been advocated by some on the basis of the alleged vulnerability of the existing canal and who would benefit from their own recommendations.

Still another angle in the booklet is its erroneous statements that the 1936 Treaty with Panama refers to the Canal Zone as "territory of the Republic of Panama under the jurisdiction of the United States." This statement is simply not true. The cited phrase refers not to the U.S. zone territory but to Panamanian areas outside the Canal Zone under the jurisdiction of the United States for example, the lighthouse at Cape Mala.

Mr. Speaker, the Panama Canal with the Canal Zone is not a diplomatic plaything but one of the greatest industrial achievements of man. Its primary mission is the safe, convenient, economic, and expeditious transit of vessels. Experience has shown that it does have major problems in its operations but the indicated Linowitz report and Geyelin booklet do not list either them or their solutions. However, these problems are understood in the Panama Canal organization and solutions developed from the study of many years of marine operational experience. Moreover, experienced canal engineers have stated that the Terminal Lake-third lock solution can be accomplished with every assurance of success and it is urged by Panama Canal pilots as the proper form of major modernization.

In these lights, both the Linowitz report and the Geyelin booklet are basically deceptive, and I wish to warn the Congress that the views, conclusions and recommendations expressed therein cannot be accepted at face value but should be viewed with suspicion, accepting what is sound and rejecting that which is fallacious.

What is needed in the canal situation is not a "guide to the issues" but a program for solution of the two major problems: those of sovereignty and major modernization.

Mr. Speaker, the full program to meet the situation follows:

First. Adoption by the Senate and House of resolutions reaffirming and making dfinite the historic policy of the United States for the continued undiluted U.S. sovereign control over the Panama Canal and its indispensable protective frame of the Canal Zone;

Second. Termination of all diplomatic discussions of the sovereignty question;

Third. Resumption of construction on the suspended major modernization of

the existing canal with the consolidation of all Pacific locks near Aguadulce and creation of a summit level terminal lake in the Pacific end of the canal, under existing treaty provisions;

Fourth. Authorization for the election to the Congress of a nonvoting delegate by U.S. citizens residing in the Canal Zone; and

Fifth. Reactivation of the U.S. Navy's special service squadron with home base in the zone.

Mr. Speaker, this is the simple program evolved from long experience and no amount of sophistry can change it. But what do we find? To assist Chief Negotiator Bunker in the surrender scheme, we now have Sol M. Linowitz as his associate. Both are dedicated to the give-away program of the State Department and both are members of the Council on Foreign Relations of New York, an organization long engaged in the manipulation of U.S. foreign policy. Not only this, negotiator Linowitz was a former registered agent of the Allende Marxist government of Chile from June 1972 through December 1972 and, as recently as February 1, 1977, was a registered agent of the Colombian Government. In addition, he has banking and business connections that create a conflict of interest as outlined in detail in the CONGRESSIONAL RECORD of February 22, 1977, pages 4805–4809.

Mr. Speaker, such facts invite the question of why was he appointed, and stress that his record should be thoroughly investigated by the Congress.

Because of its relevance to Ambassador Linowitz, I shall quote the Panama Canal section of a recent American Legion bulletin as part of my remarks and commend it for reading by all Members of the Congress concerned with national and hemispheric security. The indicated section follows:

[From the American Legion Bulletin, Feb. 11, 1977]

THE PANAMA CANAL IS STEAMING

(By Dr. Robert P. Foster, Chairman, Foreign Relations Commission)

In the Panama Canal issue, it is not too early to cry "shark" or to hang a red lantern in the bell tower or whatever is needed to notify Legionnaires that we must act quickly and persuasively. It now appears that the surrender flag is about to be hoisted on the U.S. Canal Zone, if we can judge what we read as a true indication of intent.

President Carter has stated his intention to get the new Panama Canal Treaty completed by June. The new Secretary of State, Cyrus Vance, is hoping to have the new Treaty prepared within 90 days. It would seem that the new Administration's strategy is to get such unpopular issues, as amnesty and the Panama Canal give-away, behind them as quickly as possible; to complete the surgery and to do it quickly thereby giving the wounds ample healing time between elections; and perhaps the time to build a new spirit among constituents, or even to fashion new constituencies.

As the Executive Branch negotiates without Congressional authority on terms of the new Treaty, it is obvious that relinquishing sovereignty of the U.S. Canal Zone and the Canal is the central and key issue. Leaders in the Legislative Branch (in both Senate and House) gird for the show down battle. The leading authority on Canal matters in the House, Rep. Daniel J. Flood, warned President Carter and Attorney General Bell on January 27, 1977 of the strong opposition in the Congress to a Canal give-away Treaty and advised the President this single issue could be his Bay of Pigs and prevent his renomination or his re-election.

Noses are being counted and House members are counting noses back home for they too want to get re-elected every two years. They know the general public can be unforgiving on issues like Cuba and the U.S. Canal Zone. In the Senate emotion is building. Insiders indicate that some Democratic Senators who supported U.S. sovereignty when Secretary Kissinger was trying to give the Canal to Panama, are more tepid on their feelings about a Carter-Vance give-away.

Political angles are apparent. Both Democrats and many Republicans want to see the new President off to a good start. Some might be willing to compromise on Panama, if in return, they would get Presidential assurances on legislation they regard as central to their states' goals. When the crunch vote comes however, it is most likely party lines will fade and each elected official will vote in the best interest of the constituents. For each Representative and Senator will surely have to defend his vote with the grass rooters, and this vote will not be soon forgotten.

Latest polls show 86 percent of the U.S. general public oppose the Panama Canal give-away Treaty. Latin American experts in the new Administration, Senator Gale McGee (recently defeated in Wyoming with his support of the Panama Treaty a key campaign issue), and Sol Linowitz, Registered Agent No. 2222 of the Marxist Allende government of Chile from June 1972 to December 1972, and a Registered Agent No. 2440 for the Colombian government of South America as recently as February 1, 1977, have apparently convinced President Carter that he can win the Panama give-away battle and that it will be a convincing victory, that it will help establish the new style of the Carter Presidency.

The Sol Linowitz connection with Allende makes this appointment by Carter as co-negotiator, one of the most questionable decisions of the new Administration. Maybe President Carter did not know of Linowitz's connection with Allende. The American Legion did not know until February 10, 1977 when we received a copy of his registered agent status from the files of the Department of Justice.

It should be noted that a registered agent for a foreign country is not a spy. The American Legion does not believe in witch hunts. We do not believe in trial by media or guilt by innuendo, but there are certain facts about U.S. Ambassador Linowitz, who has been named by our President to be co-negotiator in the U.S.-Panama Treaty discussions that ought to be given public knowledge, particularly in our new Administration which lays stress on openness in government and foreign policy. The facts are that Ambassador Sol Linowitz and his law firm, Coudert Brothers, were hired by the recently deposed communist-Marxist government of Chile's Salvador Allende as Foreign Agent for that government during the time it was in power.

Again, we wish to emphasize, The American Legion has no intention of attaching anything sinister to the fact that Ambassador Linowitz was asked by the Department of Justice to register as a Foreign Agent, and Coudert Brothers in which Mr. Linowitz was the senior partner, were paid to perform certain legal functions for the Allende government. Now, what exactly is a Registered Foreign Agent? According to the U.S. Code, annotated, Title 22, Section 611, a foreign agent is:

(1) any person who acts as an agent, representative, employee, or servant, or any person who acts in any other capacity at the order, request, or under the direction or control, of a foreign principal or of a person any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign principal, and who directly or through any other person—

(i) engages within the United States in political activities for or in the interests of such foreign principal;

(ii) acts within the United States as a public relations counsel, publicity agent, information-service employee or political consultant for or in the interests of such foreign principal;

(iii) within the United States solicits, collects, disburses, or dispenses contributions, loans, money, or other things of value for or in the interest of such foreign principal; or

(iv) within the United States represents the interests of such foreign principal before any agency or official of the Government of the United States; and

(2) any person who agrees, consents, assumes or purports to act as, or who is or holds himself out to be, whether or not pursuant to contractual relationship, an agent of a foreign principal as defined in clause (1) of this subsection.

Not only did Mr. Linowitz serve as a Registered Foreign Agent for the Allende government, he is currently serving as a Registered Agent for the government of Colombia, the country that Panama belonged to before its declaration of independence in 1903. Colombia may not be an interested party in the U.S.-Panama discussions but the Linowitz-Colombia relationship should be closely examined, particularly since Colombia and Panama share a common boundary and have had numerous disputes over the years.

There is a serious question as to the wisdom of appointing a person as the top U.S. conegotiator whose proposed interests are confusing to say the least. President Carter promised during the campaign that under no circumstances would he do anything to relinquish U.S. control of the Panama Canal.

The American Legion, along with numerous patriotic, fraternal and veterans organizations is unalterably opposed to giving the U.S. Canal to General Torrijos' dictatorship.

NATIONAL COMMANDER ROGERS ACTS

Basing his actions on the theory that the Panamanian give-away sharks are actually swimming off our beaches, National Commander Rogers has written the following letter to the Chairmen of the Senate Foreign Relations Committee and the House International Relations Committee:

"The American Legion is deeply concerned about recent statements by President Carter and Secretary of State Cyrus Vance that the new Administration intends to sign a new Treaty with General Torrijos' government within three months.

"The accent appears to be on haste, an attitude which in itself could be dangerous when no full and open public debate has been held on the proposal. The Panama Canal has been a vital link in U.S. defenses for more than 60 years. Certainly it should not be surrendered without the fullest discussion.

"The American Legion has done considerable research in an effort to determine the financial and political stability of General Torrijos' government. We are not unaware of the difficulties in obtaining financial disclosure from foreign governments, particularly those with censorship policies. Nevertheless, the U.S. should know if the government of Panama is in a sound financial position, fully capable of accepting the responsibilities involved in ownership, maintenance and control of the Canal. Some press reports indicate the government may be on the brink of bankruptcy.

"A second area of concern is the political stability of General Torrijos' government. Last year, the highly respected Chairman of the Merchant Marine and Fisheries Com-

mittee, Congresswoman Leonor Sullivan, raised seven questions concerning communist involvement in the Panamanian government and she requested answers by letter from the Executive Branch.

"As far as we know, these seven questions were never answered by the Ford Administration and they should be addressed by the Carter Administration. The American Legion is mandated to urge Congress, in the absence of these answers to investigate the validity of the charges of communist involvement in General Torrijos' government.

"The Panama Canal is entirely too sensitive to risk a Trojan Horse situation. Strategic considerations make it imperative that the U.S. act in the best interest of all nations in the Western Hemisphere, especially the citizens of Panama. We urge a thorough investigation of the financial and political situation in the Republic of Panama."

Commander Rogers has also issued a public statement calling on Department Commanders and Legion officials to contact their Congressional leaders for two purposes:

1. To encourage the responsible Congressional committees to hold Congressional hearings immediately regarding the political and economic stability of General Torrijos' dictatorship; and, 2. To encourage sponsorship of Congressional resolutions opposing a new Treaty which would relinquish U.S. sovereignty of the U.S. Canal Zone and the Canal.

H.R. 30, TO ESTABLISH THE YOUNG ADULT CONSERVATION CORPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. MEEDS) is recognized for 5 minutes.

Mr. MEEDS. Mr. Speaker, I include in the RECORD an article which appeared in the Washington Post on Sunday, February 27, which indicates overwhelming national support for establishing a program similar to the CCC's of the thirties.

One-fifth of the Members of the House have joined me in cosponsoring H.R. 30 which would establish the Young Adult Conservation Corps based on the combined experience of the CCC's and the YCC summer program.

I urge my colleagues to join me in requesting expeditious hearings on this legislation to facilitate its passage this session. As you may be aware, it passed the House by an overwhelming margin last year but encountered budget problems in the Senate.

I recommend this article for your reading and trust that the popular support indicated for this concept will impress you as much as it has me:

JOBS FOR YOUTH

(By Pamela Swift)

If there is any one proposal the American public overwhelmingly favors, it's to create projects for young people who want to learn a trade.

The Gallup Poll recently asked the following: "It is proposed that the federal government set up youth camps—such as the CCC camps of the 1930's—for young men who want to learn a trade and earn a little money by outdoor work. Do you think this is a good idea or a poor idea?"

Nationwide, 85 percent of those polled said it was a good idea, 10 percent a poor idea, and 5 percent had no opinion.

The problem of unemployed youths is one of the nation's most serious. For white teenagers, the unemployment rate is about 20 percent. For black teen-agers, it is double that figure.

Many experts believe that the more than 2 million young people out of school and out of work constitute a prime cause of crime and a shocking waste of manpower.

The Gallup Poll reveals that the concept of youth training centers has appealed to the American public for 40 years. No New Deal measure, for example, was more consistently favored by the public than CCC camps.

Gallup polled the public in 1936, three years after the camps had begun, and found 83 percent of the respondents in favor of continuing the CCC.

Two years later, Gallup polled on the same subject, found eight in 10 favoring the establishment of camps on a permanent basis.

If President Carter wants to do something for the unemployed young, the CCC camps of the 1930's are worth emulating, adapting and improving.

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

Mr. NEAL. Mr. Speaker, section 2(b)(3) of the Export-Import Bank Act requires the Eximbank to notify the Congress of any proposed loan, guarantee, or combination thereof in the amount of $60 million or more. This notification must be given at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the bank may give final approval to the transaction unless the Congress has dictated otherwise.

Pursuant to this section of the act, I have received from Eximbank a communication notifying the Congress of a proposed Eximbank loan and guarantee to assist the construction of a gas liquefication plant in Algeria. In this case, the bank proposes to extend an additional loan in the amount of $67 million to SONATRACH, an enterprise of the Algerian Government, to complete construction of a project to which Eximbank already has committed $267.3 million in loans and guarantees. The additional $67 million is needed to compensate for price escalation and accelerated work pace on the project. The loan would bear an interest rate of 9 percent per annum and would be repayable over an 8-year period, beginning May 10, 1979.

My concerns about this project were expressed in a letter to Chairman Stephen M. DeBrul, Jr., President and Chairman of the Export-Import Bank. My questions were answered satisfactorily in his reply, and I would like to share this exchange with my colleagues at this time:

JANUARY 28, 1977.

Hon. STEPHEN L. NEAL,
Chairman, House Subcommittee on International Trade, Investment and Monetary Policy, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3) of the Export-Import Bank Act of 1945, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I respectfully furnish herewith a copy of this statement for your consideration.

Sincerely,

STEPHEN M. DUBRUL, Jr.

JANUARY 28, 1977.

The Speaker of the House of Representatives,
The Speaker's Room,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction:

A. DESCRIPTION OF TRANSACTION

1. Purpose

The purpose of the Eximbank financial assistance is to provide an additional direct credit of up to $67,000,000 to Societe Nationale pour la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures (SONATRACH), a state-owned enterprise of the Democratic and Popular Republic of Algeria (Algeria), to facilitate financing the increased U.S. cost being incurred due to price escalation and as accelerated work pace to maintain the construction schedule of SONATRACH's natural gas liquefaction plant.

This plant is part of an overall project in Algeria consisting of (1) the liquefaction plant itself at Arzew on the Mediterranean coast, (2) the gas field treatment facilities at Hassi R'Mel in the Sahara desert and (3) a 315-mile gas pipeline connecting the two. In March 1973, Eximbank authorized financial support for U.S. costs of $349,800,000. At the time, Eximbank extended a direct credit of $157,400,000, a guarantee of private bank loans of $157,400,000 and a local cost guarantee of offshore lenders of $52,500,000. These U.S. costs were for U.S. goods and services for the liquefaction plant, part of the gas field facilities, and the pumping stations along the pipeline. The 1973 estimate for the overall project cost was $882,000,000, the sum of U.S. costs, local costs and third country costs. Today the costs of just the liquefaction plant have increased from $543,000,000 to $1,085,000,000. The original U.S. cost for the liquefaction plant in March 1973 was estimated to be $263,000,000.

The total increased U.S. cost is $167,500,000. Commercial banks will finance without Eximbank's guarantee $75,375,000 of the increased U.S. cost. As in the original Eximbank financial assistance, Banque Algerienne de Developpement will guarantee the additional financial support. In addition, SONATRACH will provide from its own resources and loans funds for increased local costs and may obtain from official export credit agencies in third countries additional funds for any increased costs of goods and services from such countries.

Because of construction delays as a result of the change in the original U.S. engineering contractor for the liquefaction plant (later replaced by another U.S. engineering contractor) and inflation, costs of constructing the liquefaction plant have increased and Eximbank's assistance has been requested for financing only the additional portion of the U.S. cost. Eximbank considers the reasons for and the amount of the increased U.S. cost to be reasonable and necessary to complete construction of the liquefaction plant.

2. Identity of the parties

SONATRACH is the state-owned monopoly of Algeria charged with the responsibility for the exploitation of Algeria's oil and gas resources. It is under the jurisdiction of the Ministry of Industry and Energy.

Bank Algerienne de Developpement is the government-owned development bank which will guarantee repayment of Eximbank's additional direct credit for and on behalf of the Government of Algeria.

3. Nature and use of goods and services

The principal goods and services to be exported from the United States in connection

with the increased U.S. cost are engineering and construction services, instruments, cryogenic insulation, support equipment, building equipment and start-up assistance. Major suppliers for the project are Bechtel Corporation, Air Products and Chemicals Inc., General Electric, Westinghouse, Foxboro Corporation, Ingersoll-Rand, Worthington, and Elliott Corporation (a subsidiary of the Carrier Corporation).

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The proposed extension of a $67,000,000 credit by Eximbank will assist in completing the project on schedule and will result in increased exports of at least $167,500,000 because of the higher prices to be paid for previously contracted U.S. goods and services. Also, the acceleration of liquefaction plant work schedule will entail the hiring of additional U.S. engineering professional and support staff. Moreover, since the liquified natural gas from the project will be exported to the United States, the schedule of shipments for this domestically scarce commodity will be maintained; and also, completion of the project in a timely manner will prevent extensive gas receiving and processing facilities in the United States and six LNG tankers (financed by the U.S. Maritime Administration) from standing idle. The additional direct credit will enable SONATRACH to pay the higher prices now required by the U.S. exporters and prevent the switching of orders to other industrialized countries that could provide equivalent goods and services.

In view of the magnitude of the transaction, the extent of private financing that will be available without an Eximbank guarantee, and the fact that the goods and services were originally available in other countries, Eximbank's additional direct credit is necessary to maintain this sale for United States manufacturers and contractors.

No adverse impact upon the United States economy will be caused by the export of these goods and services. Indeed, completion of the project will benefit the United States by providing natural gas to our economy.

2. The financing plan

The total increased cost associated with United States goods and services required for the gas liquefaction plant and ancillary facilities and to be purchased by the Borrower is estimated to be $167,500,000. The Borrower will make a 15% cash payment of United States costs or $25,125,000 and the balance of the United States costs will be financed by Eximbank and private financial institutions as follows:

	Maximum Amount	Percentage of Aggregate Purchase
Eximbank Credit	$67,000,000	40
Private Financing (without Eximbank guarantee)	75,375,000	45
Total	142,375,000	85

(a) Eximbank Charges

The Eximbank Credit will bear interest at the rate of nine percent (9%) per annum payable semiannually on outstanding balances. A commitment fee of ½ of 1% per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms

The total financing of $142,375,000 will be repaid by the Borrower in sixteen equal semiannual installments, the first due May 10, 1979. All of the first eight installments and part of the ninth installment will be applied to repayment of the Private Financing, and part of the ninth installment and all of the last seven installments will be applied to repayment of the Eximbank additional direct credit.

Sincerely,

STEPHEN M. DUBRUL, Jr.

WASHINGTON, D.C.,
February 7, 1977.

Mr. STEPHEN M. DUBRUL,
President and Chairman of the Board,
Export-Import Bank of the United States,
Washington, D.C.

DEAR CHAIRMAN DUBRUL: Your notification of Eximbank's proposed extension of an additional $67 million of financial assistance to SONATRACH for the completion of a natural gas liquefaction plant in Algeria raises a number of important questions to which I would appreciate your response.

1. Why was the change in engineering contractors necessary, and what are the specific circumstances surrounding these construction delays?

2. Costs of the liquefaction plant have increased from $.5 million to over $1 million, but how much have costs to the overall project increased?

3. How have construction delays and inflation been able to account for a doubling in costs of the liquefaction plant?

4. What is Algeria's current financial situation vis-a-vis Eximbank?

5. What provisions have been made to ensure that "the liquefied natural gas from the project will be exported to the United States," and are there any provisions regarding the future export price?

These general questions represent my most basic concerns regarding this transaction. Any supplemental information that you think would be relevant to our consideration would also be appreciated.

Although I don't anticipate that the Subcommittee will disapprove this transaction, the information we received was too incomplete to enable us to consider a project of this magnitude in the detail it deserves.

Your assistance is most appreciated.

Sincerely,

STEPHEN NEAL,
Chairman.

WASHINGTON, D.C., *February 18, 1977.*

HON. STEPHEN NEAL,
Chairman, Subcommittee on International Trade, Investment and Monetary Policy, Committee on Banking, Currency and Housing, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In your letter of February 7, 1977, you asked a number of questions relating to Eximbank's notification of a proposed extension of an additional $67 million of financial assistance to SONATRACH for the completion of a natural gas liquefaction plant in Algeria. I am pleased to provide the following responses:

1. Why was the change in engineering contractors necessary, and what are the specific circumstances surrounding the construction delays?

The decision to replace the original engineering contractor was made by SONATRACH, officials of which informed Eximbank that the main reasons for the substitution were the failure of the original contractor to adhere to the schedule for construction of the liquefaction plant and its apparent inability to accelerate the pace of work to make up for lost time.

SONATRACH alleges that the delays in construction have resulted largely from mistakes on the part of the original contractor. One of the most serious of them is further alleged to have been its failure to assign a sufficient number of expatriate skilled workers to the task.

In addition, in April or May 1976, when lack of progress had already caused considerable concern, the original contractor informed SONATRACH that there would be a cost overrun on the project. SONATRACH asked the contractor for a firm date for completion of the project and assurances that the plant could in fact be completed for the amount estimated by the contractor. The contractor apparently could not or would not satisfy SONATRACH on either account. In November 1976, work on the project ceased, and SONATRACH terminated its agreement with the contractor.

2. Cost of the liquefaction plant have increased from $.5 billion to over $1 billion, but how much have costs of the overall project increased?

The cost of all the facilities in Algeria which comprise the overall project increased in the period between March 1973 and September 1976 from $873.7 million to $1,713.1 million—an increase of 96.1 percent. As stated in Eximbank's notification letter of January 25, 1977, the cost of the liquefaction plant itself rose over the same period of time from $542.6 million to $1,085.3 million—an increase of 100.0 percent.

The cost of the gas pipeline between the Hassi R'Mel gas field and the liquefaction plant at Arzew decreased from $260.6 million to $251.4 million—a decrease of 3.5 percent. Because this element of the project was not technically complex, it was relatively easy to accurately estimate the cost. Moreover, work on the pipeline was not subjected to the serious delays which added to the cost of the other elements of the project.

The cost of the gas processing facilities at the Hassi R'Mel gas field rose from $70.4 million to $376.4 million—an increase of 434.7 percent. The increase in the cost of the field facilities is not attributable to simple inflation alone, but was due in large part to the fact that the size, scope and complexity of the gas processing plant was increased significantly subsequent to the March 1973 date of the original cost estimate. Certain gas processing functions now to be performed by the plant had not been incorporated into the design of the plant as originally conceived. Moreover, the original 1.23 billion cubic feet per day capacity of the plant was increased to about 2.0 billion cubic feet per day.

3. How have construction delays and inflation been able to account for a doubling in costs of the liquefaction plant?

The period from 1974 to 1975—that is, the period between the time of the March 1973 cost estimates and the September 1976 estimates—witnessed price increases unprecedented in recent history. It has been calculated that about 36 percent of the increase in the cost of the liquefaction plant is attributable to inflation exclusively.

Part of the cost increase will result from the decision by the new contractor to employ about 1,000 expatriate workers to accelerate work on the project. In contrast, the original contractor had less than 50 expatriate workers at the site.

4. What is Algeria's current financial situation vis-a-vis Eximbank?

As of December 31, 1976, Eximbank's exposure in Algeria stood at $793.4 million, which consists of short, medium and long-term exposure under all of Eximbank's programs. In addition to short and medium-term coverage extended for the sale of construction equipment, trucks and other miscellaneous items, the Bank has provided financial assistance for projects in the mining, agriculture, transport, telecommunications, manufacturing and hydrocarbons sectors. If the $67.0 million exposure which would result from the Bank's assistance in financing the cost overrun on the liquefaction plant is included, Eximbank's exposure in connection with the overall LNG project would amount to about $482.0 million.

In terms of total exposure, Algeria ranks tenth among other countries in the world where Eximbank does business. The Bank made its first loan to Algeria in mid 1970.

Algeria is considered to be an important trading partner for the United States and represents an important long-term market for U.S. exporters. Because of the level of exposure there, the Bank closely monitors the country's economic position. So far, Algeria's general long range economic prospects appear to be good.

5. What provisions have been made to ensure that "the liquefied natural gas [LNG] from the project will be exported to the United States," and are there any provisions regarding the future export price?

SONATRACH has concluded a contract with El Paso Algeria Corporation, a subsidiary of El Paso National Gas Company, which provides for the sale by the former to the latter of LNG equivalent to about 1.0 billion cubic feet of gas per day for a period of twenty five years. In turn, El Paso Algeria Corporation and three U.S. gas transmission companies have entered into contracts for the sale of the LNG for use in the United States.

The original contract between SONATRACH and El Paso was signed in October 1969 and provided for a base LNG sales price of 30.5 cents per million BTUs (roughly the equivalent of 1,000 cubic feet of gas). The base sales price of 80 percent of the LNG is fixed, while the price of the remaining 20 percent is subject to monthly adjustment calculated by means of a price escalation formula specified in the contract. The price escalation formula is based on U.S. petroleum, coal and steel industry wage scale statistics as published by the Bureau of Labor Statistics of the U.S. Department of Labor. More recent contracts for the sale of Algerian LNG involve base prices of about $1.30 per million BTUs, with the entire amount being subject to price escalation formulas which are based on the price of fuel oil.

I hope that the above responds fully to the questions you raised in your letter of February 7. Please let me know, if I can be of any further assistance.

Sincerely,

STEPHEN M. DUBRUL, Jr.

SOLAR RIGHTS ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

Mr. MOAKLEY. Mr. Speaker, today, together with HUBERT H. HUMPHREY of Minnesota on the Senate side, I am introducing a bill which seeks to protect the solar rights of everyone in this country.

The time has come, due to natural gas shortages and rising utility rates, to promote the widespread use of alternative energy sources such as the sun.

The Solar Rights Act provides for people who have installed solar heating and/or cooling systems to have their sun space protected. Sun space is the light necessary for the solar system to work.

This legislation refers to the construction of an object that would impede the collection and storage of the sun's rays needed to heat or cool the home or building. New State zoning regulations and modified ordinances would have to include solar zoning provisions to prevent interference of the solar systems that will be built over the years ahead.

The purpose of the legislation is to stimulate the utilization of solar energy systems by giving legal assurances to potential users that their solar rights will be insured. As a result, this accelerated use of solar energy will free other precious energy sources for lighting, industry, and home electricity. Ultimately, with the increased demand for solar systems, the hope is that there will be a decrease in the price of these systems.

Mr. Speaker, solar energy systems are far from new in this country and, in fact, Massachusetts knows of the value of solar heating firsthand. The first solar heated building was constructed in Cambridge, Mass., in 1939. In addition, 20 percent of the companies manufacturing solar hardware are located in New England, although we only have 6 percent of the population. Also, 38 solar research and development companies already exist in New England.

Solar energy is not a new source of energy, but it is one whose greatest potential still lies untapped. I feel this bill will aid in the promotion of this clean renewable resource by adding the needed incentive and protection to those who want to use the sun to heat and cool their buildings.

FUNDS FOR INDIAN CLAIMS COMMISSION

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, I am today introducing a bill authorizing appropriations for the expenses of the Indian Claims Commission for fiscal year 1978.

Section 1 authorizes the appropriation of $2,250,000 for the expenses of the Commission in fiscal year 1978. In 1972, Congress amended the Indian Claims Commission Act to require that future appropriations for the Commission be made only upon future authorizations made by Congress. This bill would make that authorization. Normally, we would wait for the administration to submit draft legislation. However, they are going to be somewhat late this year and we must, under the Congressional Budget Act, report out fiscal year 1978 authorization bills before May 15.

The provisions of section 2 relate to the transfer of cases from the Commission to the U.S. Court of Claims. We amended the Commission Act last year to extend the life of the Commission from April 10, 1977, to September 30, 1978. The amendment also required that the Commission transfer a certain category of unfinished cases to the Court of Claims by December 31, 1976. They have done so. In addition, all unfinished cases are to be transferred on September 30, 1978. The proposed amendments in section 2 are necessary to facilitate that transfer and to provide continuity.

We in Interior will schedule early hearings so that we can meet the May 15 deadline. I am pleased that my colleagues, Mr. JIM JOHNSON of Colorado and Mr. DON YOUNG of Alaska have cosponsored this legislation.

WHAT AMERICA MEANS TO ME

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, Miss Kristy Louise Mahon, of Saratoga, Wyo., has won first place in the VFW and Ladies Auxiliary sponsored Voice of Democracy contest for the State of Wyoming with her speech entitled "What America Means to Me."

Kristy, the daughter of Mr. and Mrs. John J. Mahon, Jr., is to be commended for her winning speech, and her active participation in a variety of school and community activities. She is an outstanding young American, and I think we can all take inspiration from her speech which follows:

WHAT AMERICA MEANS TO ME

I am an American. You are Americans. We all share the high privilege of being citizens of the United States of America. But what does that mean to me? It means I may think as I please, I may speak or write as I please so long as I do not interfere with other people's rights. I have the right to vote, and by my vote, I choose the people I want to serve me. I have the right to choose my own work, to improve myself, the right to a trial by jury, and a trial where I am equal to others. I may educate my children in free schools, I may worship the God I believe in, and most importantly—I have the right to "life, liberty, and the pursuit of happiness." You may say "So what." Well, have you ever really thought of what those three powerful words mean? Life, whether we are a worker, a leader of the church, single or married, we have the choice of the type of life we want to live. Liberty—freedom, the power of choice, to possess the right of self-government, privilege, all fall under liberty. The pursuit of happiness, whether we seek to be wealthy or find happiness as we are, whatever path we choose, our search is free.

Freedom, three-fifths of the world don't even know of the word. There are many who would gladly give all they possess for the chance to live here, where freedom is an everyday word. Of course, our nation is not without flaw. The unborn have now lost the right to "life, liberty and the pursuit of happiness," there are the poor who die every day, and there are the minorities who still cannot share some of our rights even though they have been given them through the law. But our country is the best. We are envied because we are number one most of the time. An American discovered the polio vaccine, an American invented the assembly line, an American was the first to fly and an American walked on the moon.

I am an American. I live here because 200 years ago, men and women fought for this place. They left behind the homes they loved, and the ties that were so hard to break and came here facing and fighting the dangers of the wilderness and they won. They lived from the soil, the men and women joined together and where they planted, we now live. They built their homes, and churches and knelt in worship. Then the drums of war would raise them and they met their enemies. They conquered every foe, and because they fought for me, our cities rose and our nation grew. To be an American is to be an active and responsible citizen and a worthy daughter of the pioneer men and women who made it possible for me to enjoy the freedoms and opportunities I have.

PROTECTING OUR LIBRARIES: THE STOREHOUSE OF OUR HERITAGE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the temper and the goals of our country change constantly. Quite naturally my colleagues in the Congress do not see eye to eye on the direction of all of our priorities. But one priority should be America's libraries, repositories of knowledge and history. They remain a monument to our Nation's greatness all across the United States.

Libraries are of incalculable value to us every day—not just to students or researchers, but all our citizens. Just knowing there is a place you can find the answer makes for confidence and freedom of thought. Our libraries provide a firm foundation for our forward progress and new discovery, no matter what else transpires.

Before the enactment of the first Library Services Act, it was estimated that 30 million Americans—20 percent of the population—were without the services of a library, and millions more were served only marginally. Now, even with a substantially larger population, fully 96 percent of the U.S. population has access to public library services of varied quality, but many millions of the population have inadequate library services.

The Library Services and Construction Act is up for extension in fiscal 1977, and these programs should be extended as soon as possible. The fiscal year 1977 appropriations for certain library programs have been deferred because of the late enactment of last year's authorizations and many programs are seriously underfunded because of new developments in the field.

There has been a terrific explosion of information sources, publications, and periodicals. Libraries are hard pressed to keep pace with the field of knowledge. The only way most libraries can deal with this problem is to share resources, and this trend will continue to accelerate. Therefore the demands upon the larger libraries as resource centers have increased markedly. Yet, fiscal difficulties appear to have hit libraries harder than many other public institutions. Budgets have been cut, and staffs have been reduced, and the hours of operation have been curtailed in many instances. This may save a few dollars for a city in the short run, but the damage is insidiously there. Every time an individual's quest for knowledge or understanding is thwarted because of the closed doors of a library, we are all the losers.

The new copyright law, Public Law 553 has placed restrictions on library copying, and as a result libraries must have additional funds to purchase materials they can no longer copy for their users. Moreover, library personnel must be retrained to handle new technology in libraries, and fellowships are needed to attract more minority group members to the library profession. These needs have heretofore been funded in the Higher Education Act, but as yet no funds have been appropriated for fiscal year 1977. Even the important ongoing activities in the States in preparation for the White House Conference on Library and Information Services must be funded so that a unified coordinated effort can provide the nationwide reassessment contemplated by Congress when the legislation was enacted.

One of the founders of our country, James Madison, knew how important the availability of knowledge was to the people. He said:

> A popular government without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy; or perhaps both. Knowledge will forever govern ignorance: and a people who mean to be their own governors must arm themselves with the power which knowledge gives.

This is what libraries do for us. We must speedily reaffirm our commitment to their important tasks by extending the Library Services and Construction Act. As you may know, LSCA is the only Federal program that helps libraries cooperate across jurisdictional lines to improve services to all. The act also helps libraries extend their services to the handicapped, the bilingual, the disadvantaged, and the aging, as well as authorizing funds for public library construction. Over 29,000,000 disadvantaged individuals have received services directly from the Library Services and Construction Act in 1976, and 7½ million of the elderly have been aided as well. The dispensing of knowledge to the people is an area in which we should not tarry; it is one of our most sacred freedoms. The Nation's libraries are truly the storehouse of our heritage.

FRED BARBER—TOP TREE FARMER

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, it is good to observe and appreciate the contributions of our neighbors. I have a neighbor in Okaloosa County who has been my friend for many years. He was county agricultural agent for a long time. Subsequently, he worked for the Government in its foreign agricultural problems and continued his contributions in the field of agriculture. Upon retirement he returned to Okaloosa County where he and his wife, Mabel, lived happily in a beautiful rural area resplendent with pine trees, and other common forest growth. He has not been idle. He has been the mainstay of the Farm Bureau in our home county. Recently he was designated Tree Farmer of the Year for Florida. Now he has received the American Forest Institute's Tree Farmer of the Year award. It speaks well of the dedication of Fred and Mabel Barber. I submit the story of the award which was printed in the FloridAgriculture magazine for February 1977.

FRED BARBER: TREE FARMER

(By Andy Williams)

Fred Barber's intention was to retire on the 760 acres he bought in 1951. He took up tree farming instead and last December received the first American Forest Institute's tree farmer of the year award.

For Barber, who's been secretary-treasurer of Okaloosa County Farm Bureau for 11 years, it's been a life dominated by agriculture—first in extension work both here and overseas, then in tree farming. He also helped found the Okaloosa County Farm Bureau in 1949.

The 760 acres he purchased near Baker was cut-over land at the time, he remembers.

"In 1951, when I acquired this place, I was already 41 years old. I thought there might be some income here and I wanted something to keep me physically active. Rocking chairs kill more people than anyone else," he says, grinning. "My mother lived till she was 92. Hard work never hurt anybody." His tree farm will attest to that.

It wasn't until 1954 when he started working with county forester John McMahon (a poet in his spare time) that he got started in tree farming.

However, it was farming that had to be managed from afar—like North Africa.

Barber helped organize extension services in Flagler, Washington and Okaloosa Counties. With his agricultural knowledge, he spent 14 years (1951–1965) overseas in Libya and Brazil with the Agency for International Development providing technical help for underprivileged nations. He was able to come home on leave every two and a half years. Also, the sister of his wife, Mabel, and her husband lived near Baker and were able to oversee the property. "It wouldn't have been nearly so easy otherwise," says Barber.

He started planting and following a management program in 1954 in old fields and poorly stocked areas.

A total of about 175,000 seedlings were planted, covering 194 acres, with the latest effort in 1974 when 20 acres were planted with high gum yield slash pine from the Division of Forestry nursery at Munson, says forester McMahon.

"As I worked with Fred in preparing and carrying out his forest management plans, I realized his personal interest was far above average," recalls McMahon, who nominated Barber for the national tree farmer award.

He says Barber is a "record nut"—a contributing factor to his winning the award—and "most small landowners would be wise to follow Fred's example in keeping up with costs and income."

McMahon says Barber also carried out several good management practices, including selective thinning of planted pines on 100 acres, leasing 15,000 longleaf pines for gum navel stores on a 25 percent sharecrop basis and control burning 320 acres for fire hazard reduction and wildlife habitat improvement.

"I feel sure Fred would have made a fine research scientist because he likes to experiment," says McMahon. "He has planted several exotic species such as parna pine and Brazilian cedar. The cedar looks good so far and should be tested further as a Christmas tree species."

With the depressed pulpwood market, Barber says he "never depended on this place for a living," instead, relying on his retirement income.

McMahon says Barber only spends about eight percent of his time in forestry activities. Yet, it was enough to win him several awards in addition to the national one—the state award of the Florida Forestry Association in 1975 and the Southern Forest Institute award last February.

"I have always wanted to be a tree farm-

er," says Barber. "I guess I just like the woods."

The Barber's house is nestled amidst a 40-year-old stand of stately longleaf pines at the end of a quarter-mile long lane lined with colorful shrubs and flowers. The lane crosses a dam of a five-acre fish pond 50 yards from his house. He stocked the pond himself. If they obtain permission first, Barber lets people fish there. It's the same way with his land. It's not posted. "I feel I ought to share it."

Barber also tends a large garden and fruit orchard of peaches, plums, persimmons, Chinese chestnuts, satsuma oranges and eight varieties of scuppernong grapes.

Although Barber recognizes the obstacles to tree farming—high land costs, taxes and a long waiting period for returns—he feels every land owner should keep his forest lands productive through reforestation and planned timber management.

"Tree farming is a lot of hard work," he says, "but the reward of living in the woods caring for and watching trees grow and the pride of practicing good management makes it worthwhile."

NATIONAL CONFERENCE ON LEARNING DISABILITIES AND JUVENILE DELINQUENCY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on January 4, 1977, I introduced H.R. 1137, a bill to provide for a National Conference on Learning Disabilities and Juvenile Delinquency. Since that time, I have been honored to be joined in support of this proposal by the Honorable AUGUSTUS F. HAWKINS and the Honorable TOM RAILSBACK. These two Representatives are distinguished in the field of juvenile delinquency prevention. Congressman HAWKINS, who serves on the House Education and Labor Committee to which H.R. 1137 has been referred, authored the Juvenile Justice and Delinquency Prevention Act of 1974 in the House. Congressman RAILSBACK, who serves on the House Judiciary Committee, developed the legislation which provided for the National Institute on Juvenile Justice and Delinquency Prevention as incorporated in the 1974 act.

H.R. 1137 will amend the Juvenile Justice and Delinquency Prevention Act by directing the Coordinating Council on Juvenile Justice and Delinquency Prevention to organize and convene a National Conference on Learning Disabilities and Juvenile Delinquency. I believe a national conference is the most propitious mechanism for broadening public awareness regarding the negative effects of untreated learning disabilities.

Last year Public Law 94-142, the Education for All Handicapped Children Act, was enacted expanding the definition of handicapped to include the learning disabled. This legislation directed the Commissioner of Education to establish the criteria for identifying a learning disability and diagnosing a child as learning disabled. While Congress has finally recognized the need for all handicapped children to receive an education appropriate to meet their unique needs, Congress has not recognized the need to provide for a Federal effort which would address the many social ills linked with undetected or untreated learning disabilities.

It is well established that a learning disability is the greatest single reason children drop out of school—700,000 each year—and 75 percent of these children find themselves in juvenile detention centers.

Mr. Speaker, it is scarcely any wonder that youths with learning disabilities are at greater risk with respect to custom and law than youngsters not handicapped with learning disabilities.

In so many cases learning disabilities go undetected. Because of this, some youths simply never reach their full potential; others drift and fail, suffer and are ignored, are tagged lazy, or failing all else, are eventually permitted to drop out of school. Lastly, there are those who exhibit a variety of norm-violating behaviors and act out their frustrations in delinquent ways.

When the learning disabled offender enters the law enforcement or judicial process a host of problems come into being. The policeman, the probation officer, and the judge, who have not had special training in this area, cannot recognize the subtle symptoms of a learning disability. As a consequence, the learning disabled offender is more handicapped by our society's ignorance of his problem than by the learning disability itself.

We must provide a multidisciplinary approach to identify and treat the learning disabled population. The symptoms of learning disabilities often go unnoticed by teachers, parents, and health and law enforcement officials. But more importantly, too few people even recognize or understand that this problem exists. If efforts toward preventing delinquency and other negative effects of learning disabilities are to be successful, it is paramount that all facets of the community with whom the learning disabled interact be sensitized to the existence and symptoms of their problem.

Therefore, I propose that a National Conference on Learning Disabilities and Juvenile Delinquency, preceded by State conferences, be organized and convened, to enable experts in many fields to focus on the learning disability problem. This conference will be action-oriented and will provide a necessary complement to ongoing research. It will draw experts and concerned people from various institutions, educational, medical, psychological, social, and legal, and from the parents of the children involved. In the process, the conference will direct public attention on the learning disability problem and its relationship to school failure, dropouts, and juvenile delinquency and crime.

It is time we stop ignoring this vulnerable and long-underserved population; time we identify barriers and problems which prevent the learning disabled from receiving needed services; and, time we sensitize all facets of the community with respect to the nature and symptoms of this disability.

SUMMARY OF H.R. 1137

H.R. 1137 directs the Coordinating Council on Juvenile Justice and Delinquency Prevention to organize and convene a national conference, preceded by State conferences, on learning disabilities and juvenile delinquency.

The Coordinating Council on Juvenile Justice and Delinquency Prevention was created by the Juvenile Justice and Delinquency Prevention Act of 1974 (Public Law 93-415). The Council is composed of the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Director of the Special Action Office for Drug Abuse Prevention, the Secretary of Housing and Urban Development, the Assistant Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Deputy Assistant Administrator of the Institute for Juvenile Justice and Delinquency Prevention, and representatives of such other agencies as the President designates. The primary function of the Council is to coordinate all Federal juvenile delinquency programs.

The Council would, among other things, be responsible for designating a coordinating committee within each State to organize and conduct State or regional conferences; provide necessary materials for all meetings; maintain records and transcripts of all meetings; and transmit a report on the findings and recommendations of the conference to the President no later than 120 days after the conclusion of the national conference.

Representatives to the State, regional, and national conferences shall include representatives of local, State, regional or national groups which work to advance the rights and meet the needs of the learning disabled; representatives of the education, health, law enforcement, and social science professions and disciplines, and any other professions or disciplines the Council considers appropriate, with special emphasis on the representation of children with specific learning disabilities and juvenile delinquents; and, representatives of individuals who have experienced learning disabilities, children with specific learning disabilities who have been institutionalized, and the parents of children with specific learning disabilities.

The major functions of the conference will be:

First, to assess the progress that has been made in the private and public sectors of the Nation with respect to the development, promotion, and delivery of quality services to children with specific learning disabilities as such children come to the attention of education, health, law enforcement, and labor authorities;

Second, to develop a coordinated plan of cooperation between and within appropriate professions, disciplines, and agencies, for the efficient delivery of quality services to children with specific learning disabilities;

Third, to broaden public awareness with respect to the nature and symptoms of learning disabilities, the resources available to the learning disabled, and the special needs of childen with specific learning disabilities;

Fourth, to identify barriers and problems which prevent the receipt of needed

services by children with specific learning disabilities;

Fifth, to develop recommendations for the removal of such barriers and problems;

Sixth, to establish a timetable for the carrying out of the recommendations developed; and

Seventh, to carry out such other activities as the conference considers necessary or appropriate to assist in meeting the special needs of children with specific learning disabilities.

I include the following:

SPONSORS

Hon. Claude Pepper (D-Fla.)
Hon. Augustus F. Hawkins (D-Calif.)
Hon. Tom Railsback (R-Ill.)

COSPONSORS

Hon. Daniel Akaka (D-Hawaii)
Hon. Herman Badillo (D-N.Y.)
Hon. Doug Barnard (D-Ga.)
Hon. Max Baucus (D-Mont.)
Hon. Berkley Bedell (D-Iowa)
Hon. Mario Biaggi (D-N.Y.)
Hon. Jonathan B. Bingham (D-N.Y.)
Hon. John L. Burton (D-Calif.)
Hon. Phillip Burton (D-Calif.)
Hon. Shirley Chisholm (D-N.Y.)
Hon. James C. Corman (D-Calif.)
Hon. Baltasar Corrada (Puerto Rico)
Hon. Norman E. D'Amours (D-N.H.)
Hon. Norman D. Dicks (D-Wash.)
Hon. Thomas J. Downey (D-N.Y.)
Hon. Robert F. Drinan (D-Mass.)
Hon. Walter E. Fauntroy (D-D. of C.)
Hon. Millicent Fenwick (R-N.J.)
Hon. Harold E. Ford (D-Tenn.)
Hon. William D. Ford (D-Mich.)
Hon. Louis Frey, Jr. (R-Fla.)
Hon. Sam Gibbons (D-Fla.)
Hon. Benjamin A. Gilman (R-N.Y.)
Hon. Dan Glickman (D-Kan.)
Hon. Mark W. Hannaford (D-Calif.)
Hon. Cecil Heftel (D-Hawaii)
Hon. William J. Hughes (D-N.J.)
Hon. Henry J. Hyde (R-Ill.)
Hon. Andy Ireland (R-Fla.)
Hon. Martha Keys (D-Kan.)
Hon. Edward I. Koch (D-N.Y.)
Hon. Peter H. Kostmayer (D-Pa.)
Hon. Helen S. Meyner (D-N.J.)
Hon. Parren J. Mitchell (D-Md.)
Hon. Joe Moakley (D-Mass.)
Hon. Stephen L. Neal (D-N.C.)
Hon. Robert N. C. Nix (D-Pa.)
Hon. Richard L. Ottinger (D-N.Y.)
Hon. Edward J. Patten (D-N.J.)
Hon. Melvin Price (D-Ill.)
Hon. Joel Pritchard (R-Wash.)
Hon. Frederick W. Richmond (D-N.Y.)
Hon. Peter W. Rodino, Jr. (D-N.J.)
Hon. Robert A. Roe (D-N.J.)
Hon. Benjamin S. Rosenthal (D-N.Y.)
Hon. Jim Santini (D-Nev.)
Hon. Ronald A. Sarasin (R-Conn.)
Hon. Harold S. Sawyer (R-Mich.)
Hon. Gladys Noon Spellman (D-Md.)
Hon. Louis Stokes (D-Ohio)
Hon. Frank Thompson, Jr. (D-N.J.)
Hon. Guy Vander Jagt (R-Mich.)
Hon. Bruce F. Vento (D-Minn.)
Hon. Henry A. Waxman (D-Calif.)
Hon. Theodore S. Weiss (D-N.Y.)
Hon. Charles H. Wilson (D-Calif.)
Hon. Leo C. Zeferetti (D-N.Y.)

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. HOLTZMAN (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. GONZALEZ (at the request of Mr. KAZEN), for today and the balance of the week, on account of illness.

Mr. MCEWEN (at the request of Mr. RHODES), for today and the balance of the week, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. IRELAND) to revise and extend his remarks and include extraneous material:)

Mr. MOAKLEY, for 5 minutes, today.

(The following Members (at the request of Mr. HOLLENBECK) to revise and extend their remarks and include extraneous material:)

Mr. CONABLE, for 5 minutes, today.
Mr. WHALEN, for 5 minutes, today.
Mr. JEFFORDS, for 30 minutes, today.
Mr. KEMP, for 15 minutes, today.

(The following Members (at the request of Mr. BEILENSON) to revise and extend their remarks and include extraneous material:)

Mr. ICHORD, for 60 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. MEEDS, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Mr. KOCH, for 10 minutes, today.
Mr. BRECKINRIDGE, for 60 minutes, March 10.
Mr. LONG of Louisiana, for 60 minutes, March 10.
Mr. JONES of Tennessee, for 60 minutes, March 10.
Mr. NOLAN, for 60 minutes, March 10.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GLICKMAN, to revise and extend his remarks following the vote on House Resolution 111 today.

(The following Members (at the request of Mr. HOLLENBECK) and to include extraneous matter:)

Mr. RUDD.
Mr. KASTEN.
Mr. MOORE.
Mr. STEIGER in three instances.
Mr. YOUNG of Alaska.
Mr. HAMMERSCHMIDT.
Mrs. SMITH of Nebraska in two instances.
Mr. DERWINSKI in three instances.
Mr. WYLIE.
Mr. CLEVELAND.
Mr. JEFFORDS.

(The following Members (at the request of Mr. BEILENSON) and to include extraneous matter:)

Mr. MOSS.
Mr. BAUCUS.
Mr. AUCOIN.
Mrs. BURKE of California.
Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. LUNDINE.
Mr. KOCH.
Mr. DRINAN.
Mr. OBEY in 10 instances.
Mrs. SCHROEDER.
Mr. CARNEY.
Mr. FORD of Tennessee.
Mr. GIBBONS.
Mrs. SPELLMAN.
Mr. ZABLOCKI in three instances.
Mr. RANGEL.
Mr. TEAGUE.
Mr. MCDONALD in two instances.
Mr. MOTTL.
Mr. DELANEY in three instances.
Mr. MCCORMACK.
Mr. BLANCHARD.

ADJOURNMENT

Mr. IRELAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 8, 1977, at 12 o'clock noon.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1976, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85–804:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, D.C., March 1, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is a report to the Congress pursuant to Section 4 of the Act of August 28, 1958 (Public Law 85–804; 50 U.S.C. 1431–35), submitted to the Speaker of the House of Representatives pursuant to Rule XL of the House.

The National Aeronautics and Space Administration, acting through its Contract Adjustment Board, did not grant any request for extraordinary contractual adjustment during calendar year 1976.

Sincerely,

JAMES C. FLETCHER,
Administrator.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

937. A letter from the Acting General Counsel, Department of Defense, transmitting a draft of proposed legislation to authorize appropriations during fiscal year 1977 for research, development, test, and evaluation for the Armed Forces and to authorize appropriations for operations and maintenance of family housing, and for other purposes; to the Committee on Armed Services.

938. A letter from the Acting Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting the defense manpower requirements report for fiscal year 1978, pursuant to 10 U.S.C. 138(c)(3); to the Committee on Armed Services.

939. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting the base structure annex to the defense manpower requirements report for fiscal year 1977, pursuant to section 302 of Public Law 94–361; to the Committee on Armed Services.

940. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

941. A letter from the Secretary, Emergency Loan Guarantee Board, Department of the Treasury, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

942. A letter from the Director of Communication, Department of Agriculture, transmitting a correction to the Department's annual report on its activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

943. A letter from the Director, Office of Public Information, Commodity Futures Trading Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

944. A letter from the Executive Director, National Capital Planning Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

945. A letter from the Executive Director, Privacy Protection Study Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

946. A letter from the Acting Comptroller General of the United States, transmitting a report on the General Services Administration's procurement practices pertaining to its multiple ward schedule program (PSAD–77–69, March 4, 1977); to the Committee on Government Operations.

947. A letter from the Secretary of State, transmitting a report on the progress made toward achieving full respect for the human and legal rights of U.S. citizens detained in Mexico, pursuant to section 408(b)(2) of Public Law 94–329; to the Committee on International Relations.

948. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

949. A letter from the Director, Defense Security Assistance Agency, transmitting quarterly reports on commercial and governmental military exports, covering the quarter ended December 31, 1976, pursuant to section 36(a)(1)–(9) of the Arms Export Control Act; to the Committee on International Relations.

950. A letter from the Director, Health Resources Administration, Public Health Service, Department of Health, Education, and Welfare, transmitting a summary of research studies supported by the National Center for Health Services Research during the last 2 fiscal years; to the Committee on Interstate and Foreign Commerce.

951. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report that NASA's Contract Adjustment Board did not grant any request for extraordinary contractual adjustment during calendar year 1976, pursuant to section 4 of Public Law 85–804; to the Committee on the Judiciary.

952. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing alterations at the Kansas City, Mo., Federal Building, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

953. A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting the second annual 5-year plan for EPA's evironmental research program, pursuant to section 5 of Public Law 94–475; to the Committee on Science and Technology.

954. A letter from the Acting Comptroller General of the United States, transmitting a report on learning problems among institutionalized juvenile delinquents (GGD–76–97, March 4, 1977); jointly, to the Committees on Government Operations, and Education and Labor.

955. A letter from the Acting Comptroller General of the United States, transmitting a report suggesting improvements in the Interior Department's program of leasing Outer Continental Shelf lands for the domestic development of oil and natural gas resources (EMD–77–19, March 7, 1977); jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

956. A letter from the Director, Health Resources Administration, Public Health Service, Department of Health, Education, and Welfare, transmitting a report on research in controlling the cost of health care; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DENT: Committee on House Administration. House Resolution 361. Resolution providing additional funds for the expenses of the Committee on House Administration to carry out its responsibilities under section 382 of title 2, United States Code, et seq., and the Rules of the House of Representatives. (Rept. No. 95–58). Referred to the House Calendar.

Mr. FRASER: Committee on International Relations. H.R. 1746. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; with amendment (Rept. No. 95–59). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK (for himself, Mr. FOLEY, Mr. DICKS, Mr. DUNCAN of Oregon, Mr. DANIELSON, Mr. DORNAN, Mr. KETCHUM, and Mr. CHARLES H. WILSON of California):

H.R. 4537. A bill to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought; to the Committee on Interior and Insular Affairs.

By Mr. ABDNOR:

H.R. 4538. A bill to amend section 906, title 38, United States Code, to allow a deceased veteran's estate to receive in cash the amount it costs the U.S. Government to provide a headstone or a marker; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of California:

H.R. 4539. A bill to establish a comprehensive program for the systematic reduction of noncompatible land uses in the areas surrounding certain airports in the United States and the level of noise created by aircraft operating at such airports; to the Committee on Public Works and Transportation.

By Mr. BRINKLEY:

H.R. 4540. A bill to amend title 10, United States Code, so as to provide that the Chief of the Biomedical Sciences Corps of the Air Force shall be a brigadier general, and for other purposes; to the Committee on Armed Services.

By Mr. CLEVELAND:

H.R. 4541. A bill to require the distribution of pinpoint disaster assistance for elementary and secondary school facilities destroyed or seriously damaged between January 2, 1968, and October 1, 1978; to the Committee on Education and Labor.

By Mr. DANIELSON:

H.R. 4542. A bill to repeal sections 3478 and 3479 of the Revised Statutes (31 U.S.C. 204 and 205), which impose a requirement upon persons prosecuting claims, either as attorney or on their own account, to take the oath of allegiance and to support the Constitution of the United States; to the Committee on the Judiciary.

By Mr. DAVIS:

H.R. 4543. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. DENT (for himself and Mr. PERKINS):

H.R. 4544. A bill to amend the Federal Coal Mine Health and Safety Act to improve the black lung benefits program established under such act, and for other purposes; to the Committee on Education and Labor.

By Mr. DIGGS (by request):

H.R. 4545. A bill to authorize the Parole Board to credit "street time" for a prisoner whose parole is revoked; to the Committee on the District of Columbia.

H.R. 4546. A bill to make shoplifting in the District of Columbia a crime; to the Committee on the District of Columbia.

H.R. 4547. A bill relating to crime and law enforcement in the District of Columbia; to the Committee on the District of Columbia.

H.R. 4548. A bill to amend the District of Columbia Stadium Act of 1957 to provide for a sharing of the financial obligations of such stadium, and for other purposes; to the Committee on the District of Columbia.

H.R. 4549. A bill to permit States the reciprocal right to sue in the Supreme Court of the District of Columbia to recover taxes due the State; to the Committee on the District of Columbia.

H.R. 4550. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. DRINAN (for himself, Mr. BEDELL, Mrs. CHISHOLM, Mr. CONYERS, Mr. DELLUMS, Mr. EDGAR, Mr. EDWARDS of California, Mr. FORD of Tennessee, Ms. HOLTZMAN, Mr. MAGUIRE, Mr. MOSS, Mr. ROSENTHAL, Mr. SCHEUER, and Mr. WEISS):

H.R. 4551. A bill to repeal the Military Selective Service Act; to the Committee on Armed Services.

By Mr. DRINAN (for himself, Mr. BRODHEAD, Mrs. COLLINS of Illinois, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. HARRINGTON, Mr. LONG of Maryland, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. OTTINGER, Mr. ROYBAL, Mr. RYAN, and Mr. STARK):

H.R. 4552. A bill to amend the Export Administration Act of 1969 to stabilize domestic prices, and for other purposes; to the Committee on International Relations.

By Mr. DUNCAN of Tennessee:

H.R. 4553. A bill to amend the Railroad Retirement Act of 1974 to provide for the counting of certain World War II military service toward the years of service requirements for eligibility for certain benefits

under such act; to the Committee on Interstate and Foreign Commerce.

H.R. 4554. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer supporting a dependent who is mentally retarded; to the Committee on Ways and Means.

H.R. 4555. A bill to amend section 103(b)(6) of the Internal Revenue Code of 1954 to increase the exemption from the industrial development bond provisions for certain small issues; to the Committee on Ways and Means.

H.R. 4556. A bill to amend the Internal Revenue Code of 1954 to encourage development of processes to convert coal to low-pollutant synthetic fuels; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee (for himself and Mrs. LLOYD of Tennessee):

H.R. 4557. A bill to exempt the Tellico Dam and Reservoir project in Tennessee from the provisions of the Endangered Species Act of 1973; to the Committee on Merchant Marine and Fisheries.

By Mr. FASCELL:

H.R. 4558. A bill to amend the eligibility requirements for an emergency loan from the Farmers Home Administration; to the Committee on Agriculture.

By Mr. FORD of Tennessee (for himself, Mr. AKAKA, Mr. AUCOIN, Mr. BADILLO, Mr. BEDELL, Mr. BONIOR, Mr. BROWN of California, Mr. CARNEY, Mr. CONTE, Mr. CORNWELL, Mr. DICKS, Mr. DRINAN, Mr. GEPHARDT, Mr. GLICKMAN, Mr. HANNAFORD, Mr. HARKIN, Mr. LEACH, Mr. LENT, Mr. MAZZOLI, Ms. MIKULSKI, and Mr. MITCHELL of Maryland):

H.R. 4559. A bill to amend the Internal Revenue Code of 1954 to encourage the employment of handicapped individuals by providing a tax credit for a certain portion of the wages paid to such individuals; to the Committee on Ways and Means.

By Mr. FORD of Tennessee (for himself, Mr. MURPHY of Pennsylvania, Mr. NIX, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PEPPER, Mr. PRICE, Mr. PURSELL, Mr. QUIE, Mr. ROSENTHAL, Mr. SIMON, Mr. SISK, Mr. STUDDS, Mr. VENTO, Mr. WAXMAN, Mr. WEISS, Mr. CHARLES H. WILSON of California, Mr. CHARLES WILSON of Texas, and Mr. ZEFERETTI):

H.R. 4560. A bill to amend the Internal Revenue Code of 1954 to encourage the employment of handicapped individuals by providing a tax credit for a certain portion of the wages paid to such individuals; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. VENTO, Mr. DICKS, Mr. BADILLO, Mr. BINGHAM, Mr. CARNEY, Mrs. CHISHOLM, Mr. CLEVELAND, Mr. CONYERS, Mr. DAN DANIEL, Mr. DOWNEY, Mr. ERTEL, Mr. FAUNTROY, Mrs. FENWICK, Mr. FORD of Michigan, Ms. KEYS, Mr. KOSTMAYER, Mr. LEHMAN, Ms. MIKULSKI, Mr. MOAKLEY, Mr. NEAL, Mr. NOLAN, Mr. OBERSTAR, Mr. PANETTA, and Mr. PRITCHARD):

H.R. 4561. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses allocable to the use of any portion of a dwelling unit in the trade or business of providing day care services whether or not such portion is exclusively used in such trade or business; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. VENTO, Mr. QUIE, Mr. RANGEL, Mr. RICHMOND, Mr. SCHEUER, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, Mr. WAXMAN, and Mr. CHARLES WILSON of Texas):

H.R. 4562. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses allocable to the use of any portion of a dwelling unit in the trade or business of providing day care services whether or not such portion is exclusively used in such trade or business; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 4563. A bill to amend the Older Americans Act of 1965 to provide a national meals-on-wheels program for the elderly, and for other purposes; to the Committee on Education and Labor.

By Mr. HANLEY (for himself, Mr. MOORHEAD of California, Mr. HYDE, Mr. DOWNEY, Mr. SIMON, Mr. ROSE, Mr. YATRON, Mr. VAN DEERLIN, Mr. CARNEY, and Mr. MURPHY of New York):

H.R. 4564. A bill to amend title 23 of the United States Code relating to highways to provide that all sections of the officially designated National System of Interstate and Defense Highways shall become toll free for public use; to the Committee on Public Works and Transportation.

By Ms. HOLTZMAN (for herself, Mr. BADILLO, Mr. BAUCUS, Mr. BEILENSON, Mr. BINGHAM, Mr. BLANCHARD, Mr. BONIOR, Mr. BUCHANAN, Mr. BURKE of Florida, Mr. JOHN L. BURTON, Mrs. CHISHOLM, Mr. DIGGS, Mr. DODD, Mr. DOWNEY, Mr. EDWARDS of California, Mr. EDWARDS of Oklahoma, Mr. FORSYTHE, Mr. GILMAN, Mr. HORTON, Mr. HUGHES, Mr. JENRETTE, Mr. KASTENMEIER, Mr. KOCH, Mr. KREBS, and Mr. LEDERER):

H.R. 4565. A bill to amend the Immigration and Nationality Act to exclude from admission into and to deport from the United States all aliens who persecuted others on the basis of religion, race, or national origin under the direction of the Nazi government of Germany; to the Committee on the Judiciary.

By Ms. HOLTZMAN (for herself, Mr. LEHMAN, Mr. LENT, Mr. LONG of Maryland, Mr. MAGUIRE, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MCKINNEY, Mr. MINISH, Mr. MITCHELL of Maryland, Mr. MURPHY of New York, Mr. NEAL, Mr. NIX, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PEPPER, Mr. RANGEL, Mr. ROE, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SKELTON, Mr. STARK, Mr. VANDER JAGT, Mr. WAXMAN, and Mr. WEISS):

H.R. 4566. A bill to amend the Immigration and Nationality Act to exclude from admission into and to deport from the United States all aliens who persecuted others on the basis of a religion, race, or national origin under the direction of the Nazi government of Germany; to the Committee on the Judiciary.

By Ms. HOLTZMAN (for herself, Mr. WHITEHURST, Mr. WOLFF, and Mr. YATES):

H.R. 4567. A bill to amend the Immigration and Nationality Act to exclude from admission into and to deport from the United States all aliens who persecuted others on the basis of religion, race, or national origin under the direction of the Nazi government of Germany; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H.R. 4568. A bill to extend and revise the authority of the President under chapter 9 of title 5, United States Code, to transmit to the Congress plans for the reorganization of the agencies of the executive branch of the Government, and for other purposes; to the Committee on Government Operations.

By Mr. JEFFORDS (for himself, Mr. NOLAN, Mr. JONES of Tennessee, Mr. LEGGETT, Mr. BROWN of California, Mr. GILMAN, Mr. HUGHES, and Mr. KREBS):

H.R. 4569. A bill to establish a national policy concerning agricultural land; to establish an Agricultural Land Review Commission; to establish a demonstration program for protecting agricultural land from being used for nonagricultural purposes; and for other purposes; to the Committee on Agriculture.

By Mr. KASTEN:

H.R. 4570. A bill to provide a comprehensive system of liability and compensation for oilspill damage and removal costs, to provide for oil tanker safety, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. KILDEE (for himself, Mr. QUIE, Mr. PERKINS, Mr. MURPHY of New York, Mrs. LLOYD of Tennessee, Mr. SIMON, Mr. MOTTL, Mr. MICHAEL O. MYERS, Mr. CORRADA, Mr. EDWARDS of Oklahoma, Mr. DAN DANIEL, Mr. PURSELL, Mr. FUQUA, Mr. CARR, Mr. LOTT, Mr. BROOMFIELD, Mr. PEASE, Mr. SAWYER, Mr. SCHEUER, Mr. VENTO, Mr. BEVILL, Mr. FRENZEL, Mr. BEDELL, and Mr. TREEN):

H.R. 4571. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation; to the Commiteee on Education and Labor.

By Mr. KILDEE (for himself, Mr. QUIE, Mr. PERKINS, Mr. MURPHY of New York, Mr. DICKS, Mr. BONIOR, Mrs. CHISHOLM, Mr. NOLAN, Mr. MOORHEAD of California, Mr. NEAL, Mr. SOLARZ, Mr. RINALDO, Mr. GLICKMAN, Mr. EVANS of Georgia, Mr. WIRTH, Mrs. COLLINS of Illinois, Mr. CHARLES WILSON of Texas, Mrs. FENWICK, Mrs. SPELLMAN, Mr. MCKAY, Mr. LUKEN, Mr. PEPPER, Mr. LAGOMARSINO, and Mr. LE FANTE):

H.R. 4572. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation; to the Committee on Education and Labor.

By Mr. KOCH:

H.R. 4573. A bill to amend the Public Health Service Act to provide for the protection of the public health from unnecessary medical exposure to ionizing radiation; to the Committee on Interstate and Foreign Commerce.

By Mr. LEGGETT:

H.R. 4574. A bill to amend title 5, United States Code, to remove the prohibition on the concurrent payment of compensation for disability on account of a civilian work injury and of retired pay for a different disability incurred in service with the U.S. Armed Forces, and for other purposes; to the Committee on Education and Labor.

H.R. 4575. A bill to amend title 38 of the United States Code to remove the existing limitation on the amount of educational assistance which may be received by certain persons who are entitled to both war orphans' educational assistance and veterans' educational assistance; to the Committee on Veterans' Affairs.

By Mr. LEGGETT (for himself and Mr. FORSYTHE):

H.R. 4576. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Commercial Fisheries Research and Development Act of 1964; to the Committee on Merchant Marine and Fisheries.

By Mr. MARKEY (for himself, Mr. ABDNOR, Mr. AKAKA, Mr. CLEVELAND, Mr. CORNELL, Mr. DAN DANIEL, Mr. EDWARDS of California, Mr. EDWARDS of Oklahoma, Mr. KILDEE, Mr. KOSTMAYER, Mrs. LLOYD of Tennessee, Ms. MIKULSKI, Mr. MILLER of California, Mr. MOFFETT, Mr. PANETTA, Mr. PATTERSON of California, Mr. QUIE, Mr. STUDDS, Mr. TUCKER, Mr. WALGREN, and Mr. WHITLEY):

H.R. 4577. A bill to amend section 601(a)

(2) of the Legislative Reorganization Act of 1946 to provide that the salaries of Senators and Representatives may not be subject to any cost-of-living adjustment under such section before October 1, 1978; to the Committee on Post Office and Civil Service.

By Mr. MIKVA (for himself, Ms. HOLTZMAN, Mr. MAGUIRE, Mr. OTTINGER, Mr. RYAN, Mr. SIMON, Mr. WEISS, and Mr. CHARLES H. WILSON of California):

H.R. 4578. A bill to establish a system of local control over airport noise problems; to the Committee on Public Works and Transportation.

By Mr. MIKVA (for himself, Mr. LLOYD of California, Mr. BEDELL, Mr. BONIOR, Mr. DERWINSKI, Mr. DOWNEY, Mr. EDGAR, Mrs. FENWICK, Mr. FITHIAN, Mr. HYDE, Mr. JENRETTE, Mr. LEHMAN, Mr. MATHIS, Mr. MAZZOLI, Mr. MCCLOSKEY, Mrs. MEYNER, Mr. MURPHY of Pennsylvania, Mr. RYAN, Mr. WHITEHURST, and Mr. CHARLES WILSON of Texas):

H.R. 4579. A bill to abolish certain Federal regulatory agencies and to cause the self-destruction of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. MIKVA (for himself, Mr. AUCOIN, Mr. BAUCUS, Mr. BEDELL, Mr. EDGAR, Mr. FITHIAN, Ms. KEYS, Mrs. MEYNER, Mr. MOAKLEY, Mr. NEAL, Mr. SEIBERLING, and Mr. STARK):

H.R. 4580. A bill to reform the appointment process by which commissioners of Federal regulatory agencies are selected, to establish a bipartisan nominating board composed of distinguished individuals which will recommend to the President persons well qualified to be appointed as regulatory agency commissioners, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Public Works and Transportation, Agriculture, Banking, Finance and Urban Affairs, Merchant Marine and Fisheries, and Interior and Insular Affairs.

By Mr. MITCHELL of New York:

H.R. 4581. A bill to amend the worker adjustment assistance provisions of the Trade Act of 1974 in order to repeal the requirement that workers may not be covered under certification of eligibility to apply for such assistance unless they are totally or partially separated from adversely affected employment within 1 year before the date of petitioning for such certification; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. ZEFERETTI, Mr. ROGERS, Mr. GINN, Mr. YOUNG of Alaska, Mr. LEGGETT, Mr. AKAKA, Mr. PRITCHARD, Mr. OBERSTAR, Mr. BONKER, Mr. LAGOMARSINO, Mr. WON PAT, Mr. SANTINI, and Mr. NEAL):

H.R. 4582. A bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto; jointly, to the Committees on Merchant Marine and Fisheries, and Interior and Insular Affairs.

By Mr. NEAL (for himself, Mr. HOLLAND, Mr. HEFNER, and Mr. FITHIAN):

H.R. 4583. A bill to limit the use of limousines; to the Committee on Government Operations.

By Mr. RONCALIO:

H.R. 4584. A bill to amend the Railroad Retirement Act of 1974 to restore certain benefits eliminated by that act; to the Committee on Interstate and Foreign Commerce.

By Mr. RONCALIO (for himself, Mr. JOHNSON of Colorado, and Mr. YOUNG of Alaska):

H.R. 4585. A bill to authorize appropriations for the Indian Claims Commission for fiscal year 1978; to facilitate the transfer of cases from the Indian Claims Commission to the U.S. Court of Claims; and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and the Judiciary.

By Mr. ROSENTHAL (for himself and Mr. ROE):

H.R. 4586. A bill to protect purchasers and prospective purchasers of condominium housing units and residents of multifamily rental structures being converted to condominium units, by providing for the establishment of national minimum standards for condominium sales and conversions (to be administered by an Assistant Secretary for Condominium Housing, Department of Housing and Urban Development); and to insure that financial institutions engaged in the extension of credit to prospective purchasers of condominium units make credit available without discrimination on the basis of age, sex, race, religion, marital status or national origin; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROSENTHAL (for himself and Mr. BIAGGI):

H.R. 4587. A bill to provide for a study of the area which was the site of the 1964–1965 World's Fair in New York and to include appropriate parts of such area in the Gateway National Recreation Area; to the Committee on Interior and Insular Affairs.

By Mr. ROSENTHAL (for himself, Mr. BAUCUS, Mr. BONIOR, Mr. NOLAN, Mrs. SPELLMAN, Mr. STOKES, and Mr. WEISS):

H.R. 4588. A bill to require that durable consumer products be labeled as to durability and performance life; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. BAUCUS, Mr. BONIOR, Mr. MAGUIRE, Mr. NOLAN, Ms. SPELLMAN, Mr. STOKES, and Mr. WEISS):

H.R. 4589. A bill to require that certain durable products be prominently labeled as to date of manufacture, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. BONIOR, Mr. NOLAN, Mr. STOKES, and Mr. WEISS):

H.R. 4590. A bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of retail unit prices of consumer commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. EDWARDS of California, Mr. MITCHELL of Maryland, Mr. NOLAN, Mr. PATTERSON of California, Mr. STOKES, and Mr. WEISS):

H.R. 4591. A bill to permit the advertising of drug prices and to require retailers of prescription drugs to post the prices of certain commonly prescribed drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. BONIOR, Mr. EDWARDS of California, Mr. MAGUIRE, Mr. MITCHELL of Maryland, Mr. NOLAN, Mr. PATTERSON of California, Mr. STEERS, Mr. STOKES, and Mr. WEISS):

H.R. 4592. A bill to amend the Federal Food, Drug, and Cosmetic Act so as to require that in the labeling and advertising of drugs sold by prescription the established name of such drug must appear each time their proprietary name is used, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. BONIOR, Mr. MAGUIRE, Mr. MITCHELL of Maryland, Mr. NOLAN, Mr. PATTERSON of California, Mr. STEERS, Mr. STOKES, and Mr. WEISS):

H.R. 4593. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. BONIOR, Mr. MAGUIRE, Mr. NOLAN, Mr. STOKES, and Mr. WEISS):

H.R. 4594. A bill to amend title 35 of the United States Code to provide for compulsory licensing of prescription drug patents; to the Committee on the Judiciary.

By Mr. ROSENTHAL (for himself, Ms. CHISHOLM, and Mr. OTTINGER):

H.R. 4595. A bill to amend title 5, United States Code, to provide for the establishment of a Special Cost-of-Living Pay Schedule containing increased pay rates for Federal employees in heavily populated cities and metropolitan areas to offset the increased cost of living, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ROSENTHAL (for himself, and Ms. MIKULSKI):

H.R. 4596. A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced rate transportation to handicapped persons and persons who are 65 years of age or older, to amend the Interstate Commerce Act to authorize free or reduced rate transportation for persons who are 65 years of age or older, and to provide new and improved transportation programs for the handicapped and the elderly; to the Committee on Public Works and Transportation.

By Mr. ROSENTHAL (for himself, Mr. EDWARDS of California, Mr. MAGUIRE, and Mr. WEISS):

H.R. 4597. A bill to establish the Airport Noise Curfew Commission and to define its functions and duties; to the Committee on Public Works and Transportation.

By Mr. ROSENTHAL (for himself, Mr. BONIOR, Ms. CHISHOLM, Mr. CORRADA, Mr. DRINAN, Mr. EDWARDS of California, Mr. HAWKINS, Mr. NOLAN, Mr. PATTERSON of California, Mr. STOKES, and Mr. WEISS):

H.R. 4598. A bill to amend the Social Security Act to provide for a minimum annual income (subject to subsequent increases to reflect the cost of living) of $3,850 in the case of elderly individuals and $5,200 in the case of elderly couples; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. BONIOR, Mr. MAGUIRE, Mr. NOLAN, Mr. STOKES and Mr. WEISS):

H.R. 4599. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve intergovernmental relationships between the United States and the States and municipalities, and the economy and efficiency of Government, by providing Federal cooperation and assistance in the establishment and strengthening of State and local offices of consumer protection; jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

By Mrs. SCHROEDER:

H.R. 4600. A bill to amend title 5, United States Code, to increase the uniform allowances available to Federal firefighters; to the Committee on Post Office and Civil Service.

H.R. 4601. A bill to amend title 5, United States Code, to increase the uniform allowances available to Federal employees; to the Committee on Post Office and Civil Service.

By Mr. SIKES:

H.R. 4602. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange services; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN (for himself, Mr. MAZZOLI, Mr. SARASIN, and Mr. SPENCE):

H.R. 4603. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. WIRTH:

H.R. 4604. A bill to create an Energy Conservation Extension service; to establish energy conservation research, development, and demonstration institutes; to authorize a Federal program of research, development, and demonstration designed to promote efficiency of energy use; and for other purposes; to the Committee on Science and Technology.

By Mr. WIRTH (for himself, Mr. HUGHES, Mr. LE FANTE and Mr. NOLAN):

H.R. 4605. A bill to prohibit the use of Federal funds for certain activities designed to support or defeat any legislation or legislative issue on the ballot in any State; to the Committee on the Judiciary.

By Mr. LATTA:

H.J. Res. 310. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. HANLEY (for himself, Mr. PURSELL, Mr. CARNEY, Mr. SOLARZ, Mr. BAUCUS, Mr. STEERS, Mr. HYDE, Mr. HOWARD, Mr. BRODHEAD, Mr. EILBERG, Mr. HARSHA, Mr. JEFFORDS, Mr. PEPPER, Mr. MOAKLEY, Mr. BURGENER, Mr. ERTEL, Mr. MCHUGH, Mr. RANGEL, Mr. MILLER of California, Mrs. SPELLMAN, Mr. VENTO, Mr. BADILLO, Mr. MIKVA, Mr. HARRINGTON, and Mr. NOLAN):

H. Con. Res. 141. Concurrent resolution recommending the creation by the President of a special task force to report on factors relating to the need to deregulate the price of natural gas in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. WRIGHT:

H. Res. 383. Resolution establishing a Select Committee on Ethics; to the Committee on Rules.

By Mr. BAUCUS:

H. Res. 384. Resolution creating a Select Committee on Drought; to the Committee on Rules.

By Mr. WHALEN:

H. Res. 385. Resolution amending the Rules of the House of Representatives to provide for television and radio coverage of the proceedings of the House; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

27. By the SPEAKER: Memorial of the Senate of the State of North Dakota, relative to the Garrison Diversion project; to the Committee on Interior and Insular Affairs.

28. Also, memorial of the Legislative of the State of Nevada, relative to a feasibility study of long-distance transfer of surplus water to alleviate future water shortages; to the Committee on Interior and Insular Affairs.

29. Also, memorial of the Legislature of the State of Nevada, relative to the hazards of chlorofluorocarbon compounds in aerosol propellants; to the Committee on Interstate and Foreign Commerce.

30. Also, memorial of the Legislature of the State of New York, relative to the financial burden on those stricken with catastrophic illness; to the Committee on Interstate and Foreign Commerce.

31. Also, memorial of the Legislature of the State of Wyoming, relative to the proposed Consumer Communications Reform Act of 1977; to the Committee on Interstate and Foreign Commerce.

32. Also, memorial of the Legislature of the State of Nevada, relative to depletion allowances for development of geothermal well production; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BONIOR:

H.R. 4606. A bill for the relief of Alicja Trudeau; to the Committee on the Judiciary.

By Mr. CORNWELL:

H.R. 4607. A bill for the relief of William Mok; to the Committee on the Judiciary.

By Mr. DICKS:

H.R. 4608. A bill for the relief of Carlos Gregorio Hoff and Jean Hoff Mape; to the Committee on the Judiciary.

H.R. 4609. A bill for the relief of eligible survivors of certain individuals who were killed while participating in the Air Force Reserve Officers' Training Corps flight instruction program; to the Committee on the Judiciary.

By Mr. KETCHUM:

H.R. 4610. A bill for the relief of Gail Williamson; to the Committee on the Judiciary.

SENATE—*Monday, March 7, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met in executive session, on the expiration of the recess, at 1 p.m. and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Blessed are the pure in heart: for they shall see God.—Matthew 5: 8.

O God who art seen by the pure in heart, known by love, and found by those who truly seek Thee, shed Thy light upon our work throughout the week before us. Save us from the iodolatry of the State or from lifting any person or thing to the level of deity. We would walk humbly in Thy presence, worship Thee and Thee alone, seek righteousness for righteousness sake alone, cling to truth for truth's sake alone, and in every way demean ourselves as those who possess pure hearts. We want to see Thee not only in the time of prayer but in the broadening history of our age, not only in the Sanctuary but at work in our common days, shaping the destiny of men and nations. So wilt Thou bless, guide, and keep all who are in the service of this Nation.

Through Him who is Lord of all history. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 7, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. FORD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, March 4, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

SAVE YOUR VISION WEEK

Mr. BAKER. Mr. President, this week, March 6–12, 1977, marks a significant milestone in the history of health care in the United States. It is the 50th anniversary of National Save Your Vision Week.

The event was started by a group of farsighted optometrists who wanted to remind Americans of how much they depend on their eyes and of the need for everyone to take care of their vision. The optometrists, largely through the American Optometric Association have fostered Save Your Vision Week over the years and, during this anniversary year, their public service activities for the week are being carried out under the theme "You Ain't Seen Nothing Yet."

The theme has special significance. It is a saying closely identified with the late actor and singer Al Jolson, who said it in the first talking movie, "The Jazz Singer"—Warner Brothers—that was

first shown in 1927, the same year Save Your Vision Week was born.

"You Ain't Seen Nothing Yet" says a great deal about our world of vision. It is a joyous saying that reminds us of the many joys to see—the wonders of nature; the magnificence of mankind's creations; the printed page; a smile of happiness in the faces of people we meet; and, yes, even the television screen.

But the theme also makes us think about the past and the future of vision care in this country. Much has happened in the last 50 years to change the world of vision in the United States.

There has been the development of contact lenses; improvements in eyeglass lens materials; refinements in bifocal, trifocal, and other multifocal lenses; and improvements in the prescribing of lenses that exactly meet a patient's vision needs. By far, however, the greatest advances have been made in diagnosing and treating vision problems.

But much lies ahead. By the end of this century, we expect to see some remarkable changes in the world of vision. We may learn the causes of vision problems and ways to prevent them. We may be able to use computerized equipment to examine our own eyes. There may even be ways to cure common vision problems.

I was especially proud when the U.S. Congress, in 1963, recognized Save Your Vision Week by calling upon the President to proclaim it throughout the land every year. Being able to see well is something we so often take for granted. We need events of this nature to remind us that our hard-working eyes are a part of our body and their care should be a part of our total health care.

This week is an appropriate time, I feel, to recognize the contributions our Nation's optometrists have made to the visual welfare of the American people by initiating and fostering Save Your Vision Week these past 50 years.

It is also an appropriate time to commend the optometrists, other health professions and health care groups for their dedicated service to America's eye care needs.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no further requirement or request for the time under the standing order, and I yield back the remainder of my time.

NOMINATION OF PAUL C. WARNKE TO BE AMBASSADOR—SALT NEGOTIATIONS

The ACTING PRESIDENT pro tempore. The Senate, having recessed in executive session will continue with the nomination of Paul C. Warnke, which the clerk will state.

The second assistant legislative clerk read the nomination of Paul C. Warnke, of the District of Columbia, for the rank of Ambassador during his tenure of service as Director of the U.S. Arms Control and Disarmament Agency.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PELL. Mr. President, as chairman of the Foreign Relations Committee's Subcommittee on Arms Control, Oceans, and International Environment, I join in support of the nomination of Paul Warnke as Director of the Arms Control and Disarmament Agency and as our chief arms control negotiator.

Mr. Warnke has a long and distinguished career in public service and a real dedication to enhancing American security through arms control. Such a dedication, it seems to me, is a prerequisite for the posts for which he has been nominated by President Carter. Yet that dedication has been portrayed by Mr. Warnke's critics as an indication of a lack of support for a strong defense posture for the United States. Mr. Warnke made it clear, however, during his testimony before the Foreign Relations Committee that he is very much committed to a strong defense posture. In his own words, Mr. Warnke stated:

> I support, of course, and always have supported, a strong national defense, and I regard the objective of arms control similarly as being to enhance the security of the United States as well as to advance the chance of world peace.

In more specific terms, the primary questions raised by Mr. Warnke's critics were, first, that he supports unilateral arms reductions; second, that his views on arms control generally or on specific weapons programs would make him an ineffective bargainer with the Soviets at SALT; third, that the views he expressed before the Foreign Relations Committee were inconsistent with views he had expressed over the past several years; and fourth, that he believes substantial nuclear superiority would not be a decisive factor in a political confrontation today. I would like to address each of these areas of criticism in turn so that my reasons for supporting Paul Warnke will be clear.

With regard to the first charge on unilateral reductions, Paul Warnke stated unequivocally before the Foreign Relations Committee that he rejects "any concept of unilateral disarmament on the part of the United States" and that he would not advocate "any sort of restraint action except on the basis of concrete measures of parallel restraint which had been talked out with the Soviet Union." I believe those statements are clear enough and are not the kinds of things that someone prepared to give away the store would say.

Looking at the charge that the views expressed in the past by Mr. Warnke would make him an ineffective SALT negotiator, I find it interesting that one of Mr. Warnke's prime critics, Paul Nitze, was asked to comment on that very point during the Armed Services Committee's hearing. His reply is very instructive. Mr. Nitze said:

> I think the Soviet Union negotiates with the opposing delegation on the assumption that whatever the delegation says represents the considered Government position, and I don't think that past positions would necessarily affect the Soviet negotiator.

I agree with that statement entirely and commend it to my colleagues.

Going on to the charge that has attracted the most attention—that Mr. Warnke has altered his views in order to win confirmation—this issue was raised at some length during the Armed Services Committee hearing on February 23, and Mr. Warnke was asked to comment on nine supposed specific instances of conflicts between statements made before the Foreign Relations and Armed Services Committees, and his previous public statements. He was asked to corroborate specifically when and where, prior to his nomination, he had publicly expressed the views stated at these hearings.

Mr. Warnke responded on February 28 and stated:

> No inconsistency exists in fact. Any apparent conflict derives from taking out of context either my recent testimony or my previous statements, or both. In at least two cases, the allegations contain misquotations of my previous statements.

The detailed comments which Mr. Warnke made on each of the nine supposed contradictions convinced me that Mr. Warnke has been about as consistent as anyone can be over a period of years during which the nature and dynamics of the strategic balance underwent important changes. It is ironic, but perhaps a source of satisfaction, that it is not so much what Mr. Warnke testified about that has aroused opposition but, rather, what he allegedly stood for in the past. What disturbs me is that Mr. Warnke is, by implication, being charged with not telling the truth about his real views. I find that to be grossly unfair to a man of Mr. Warnke's established integrity.

The fourth main area of criticism of Mr. Warnke, at least as it arose during the Foreign Relations Committee's hearings, arises from a statement he made in 1972 that:

> Even substantial nuclear superiority, short of nuclear monopoly, could not be a decisive factor in any political confrontation between the United States and the Soviet Union.

On this point, Mr. Warnke said that:

> No sane American President would start a nuclear war in order to gain the political advantage in some sort of noncrucial confrontation with the Soviet Union. I believe that that would be an obvious statement, perhaps too obvious even to be made. But to the extent that that statement has been interpreted as a suggestion that I believe the Soviet Union could safely be given strategic nuclear superiority over the United States, I regard that as being an incorrect construction, both of my statement and certainly of my views. I have suggested repeatedly and I would continue to take the position that we could not yield strategic nuclear superiority to the Soviet Union.

That statement should put to rest any notion that Paul Warnke is indifferent to the prospect of Soviet Nuclear superiority.

Looked at more broadly, the debate over the Warnke nomination has raised

the question of the extent to which the President should be able to select his principal advisers. In my view, unless there is compelling evidence that a particular nominee is incompetent, dishonest, or otherwise manfestly unfit to hold high office, or holds views which appear at utter variance with the national interest, the President should be allowed to choose his own advisers and negotiators. No such evidence has come to light concerning Mr. Warnke.

To me, the most satisfying and reassuring statement made by Mr. Warnke during the hearings was his rejection of being characterized as representing a fixed philosophical position on arms control and his forthright advocacy of the compatibility of being, at the same time, a strong proponent of arms control and a strong national defense.

I must add that I also very much agree with Paul Warnke's view that the very process of negotiating can increase the pressure on both sides to develop new weapons systems as bargaining chips and have something to give away at the conference table. Here I would hope that a period of no negotiations, accompanied by a little restraint on one side, would be reciprocated on the other. This would be a good omen for the next round of negotiations.

Paul Warnke has shown, during the course of hearings before two Committees of the Senate, that he has the courage, experience, ability and integrity to take on the demanding responsibilities of the two positions for which he has been nominated by President Carter. I urge his confirmation for both posts.

The ACTING PRESIDENT pro tempore. The Senator from Idaho is recognized.

Mr. CHURCH. Mr. President, first of all, I commend my colleague and good friend, the able Senator from Rhode Island, for his remarks in favor of the confirmation of Paul Warnke. I agree fully with the position that he has taken.

I think that when one considers the experience and qualifications of Paul Warnke for serving both as our negotiator and Director of the Arms Control and Disarmament Agency, the opposition being expressed toward his nomination for these two posts has less to do with Mr. Warnke himself than with the President and the new administration. I strongly believe the major motivation for this resistance to Mr. Warnke is to send a message to the White House declaring that the momentum of the nuclear arms race is not to be seriously impeded.

Those in this Chamber who hold that view could have no better occasion than this to send their message to the new President.

I hope he resists it. Based upon everything President Carter said in the course of his campaign, I believe the call he made in his inaugural address to eliminate eventually all the nuclear weapons in this world springs from both his own knowledge of the awesome destructive capability of these weapons and his moral sense that no government is really entitled to continue an arms race which will ultimately give both sides the capacity to totally annihilate civilization itself.

I think there is no higher item on our agenda than agreements that will begin to bring under control this senseless nuclear arms race.

I hope that the President will remain as determined to do so after this debate is over and Mr. Warnke has been confirmed

Mr. President, Paul Warnke has been nominated by President Carter to be Director of the Arms Control and Disarmament Agency, and to have the rank of Ambassador during his tenure of service. Mr. Warnke apparently first turned down these offers, but President Carter prevailed upon him to accept. Neither appointment is of Cabinet level. Yet, no appointment, with the possible exception of the abortive Sorenson nomination to be Director of the CIA, has generated more controversy.

Why?

Perhaps Mr. Warnke said it best when he noted in his 1972 debate with William Buckley,

> I am not sure one can debate rationally the nightmare issues of strategic arms.

But, as John F. Kennedy reminded us in his 1963 American University speech, it is essential that we speak of "peace as the necessary rational end of rational men." For that is the preeminent issue raised by the Warnke nomination: How do we deal with the "nightmare issues of strategic arms" so as to maximize our chances for survival? Do we enhance the prospects for peace or security by an ever escalating investment in ever more sophisticated nuclear weapons systems, in a frantic effort to stay "one step ahead" of the other side? Or do we perceive arms control negotiations as a preferred means of increasing America's security and therefore the prospects for peace? What manner of people sit on the other side of the table? Rational men seriously concerned to insure the national security of the states they represent but willing as well to consider the perception of the world as it may appear to the other negotiating party? Or men with ulterior motives for whom negotiations are a cover for deceit and dissembling?

The lesson to be learned from the history of the Limited Nuclear Test Ban Treaty is the fact that the Soviets, when it comes to a serious effort to tame the upward spiral of the arms race, are no less rational than Americans. In the case of the Limited Test Ban Treaty, the Soviets perceived that such a treaty was just as essential to their own security as it was to that of the United States. The same could be said about the ABM Treaty, or the Nuclear Non-Proliferation Treaty, both of which the Soviet Government signed and have thus far honored.

Despite this experience, those who warn of Russian irrationality, if they really believe it, must face the fact that no amount of nuclear weapons, added to our present arsenal, could possibly contribute to our security. If the Russian leaders are so psychotic as to invite swift and certain destruction upon themselves and their people by starting a nuclear war, then the whole concept of deterrence is an exercise in futility. We might as well stop wasting our money and head for the caves.

The Warnke nomination brings these fundamental issues to the surface. Serious men disagree as to how we should approach them, as to what meaning we should ascribe to specific actions of the other side. So let us discuss them seriously, for they are the essence of the great debate which the Warnke nomination has signalled. How best to assure peace in a nuclear age for this generation and those still to come.

Our generation has lived with the threat of nuclear war for so long that it has almost ceased to be real for us. Therein lies the hazard, for we have accepted a kind of complacent fatalism about the inevitability of the nuclear arms race—convinced that it is too late to get off the treadmill and futile to seek a solution through negotiated agreements to limit the continued buildup of nuclear weapons.

It was not like that in the beginning. In 1945, the world was shocked and horrified by the vision of the terrible destructive fury that we had unleashed on Hiroshima and Nagasaki. There was an initial sense of urgency in the immediate post-war period that something had to be done to save mankind from a nuclear holocaust. But the search for a way to put the atomic genie back in the bottle was quickly abandoned and, instead, a frenzied competition between the Soviet Union and the United States to build bigger and better atomic weapons began. Rather than turning back from the abyss in those early days of the nuclear age, we made a conscious decision to move ever closer to the brink of ultimate destruction.

Atomic weapons became not just an adjunct to our conventional forces, but the very heart of our national defense. Increasingly, over the last 25 years, U.S. security has been defined in terms of an ever larger, ever more sophisticated, and ever more destructive nuclear arsenal.

And the Russians have followed suit: Each time we have added a new twist to the arms spiral, they have played catch up; and each time the Russians were perceived to be catching up, we have countered with a new and more powerful weapons system. Locked by fear into a steady escalation of destructive capability, the United States has expended a trillion dollars on this futile arms race since the end of the Second World War. But has this massive expenditure really bought security, or have we merely moved inexorably closer to the brink of extinction?

Experts argue heatedly over the present balance—or imbalance—of nuclear forces between the two superpowers, comparing the greater accuracy of our missiles to the larger throw-weight of the Soviet missiles, our larger number of warheads against the Soviet lead in the number of delivery vehicles. But this is the mathematics of madness, the devil's trap.

The essential statistics are uncontested. We have 8,400 nuclear warheads—many times more than enough to devastate the 60 major military targets and the 200 largest cities in the Soviet Union. Enough, in fact, to drop 32 H-bombs on each of these targets! And the Soviets

have, in turn, over 3,300 warheads, more than enough to obliterate every major target in the United States. What lies behind the sliderules, the think tanks, and the argot of Pentagon planners is the stark reality that both sides can blow one another to Kingdom come 30 times over—as if once were not enough. It is proof of the ultimate madness of the nuclear arms race that the two superpowers now define their own security and the future of world peace in terms of "mutual assured destruction."

We now have nuclear stalemate where both sides possess an effective retaliatory force, a "second-strike capability" whereby each side has the capacity to retaliate and to inflict a mortal blow on the other, even after having absorbed a devastating initial attack. Under this umbrella of potential mutual annihilation, a measure of stability in relations between the two superpowers has evolved. The balance has been acknowledged in the rough parity between Soviet and American nuclear forces, established by the SALT I and the Vladivostok accords.

But, in fact, these developments may have created the illusion that the arms race has really been slowed, when, in fact, energies have only been diverted from a quantitative to a qualitative buildup on both sides. There can be no real stability in the arms race so long as both sides continue to search for breakthroughs in nuclear weapons technology. For each dramatic "improvement" in technology poses a threat to the existing nuclear balance and thus adds to the common danger.

ARMS CONTROL AS INCREASED SECURITY

In the first year of the Nixon administration, the United States finally professed to have abandoned the senseless quest for strategic superiority in the nuclear arms field. Our declared objective became the maintenance of "strategic nuclear parity," in recognition of the fact that neither side could ever again gain such a lead as to overwhelm the other.

Yet we continue to try. The MIRV example is instructive. As my distinguished colleague, Senator JAVITS, brought out in the Warnke hearing, the decision to proceed with the MIRV's was a decision to "move ahead" of the Russians. Dr. Foster, the former Director of Research and Development at the Pentagon, stated:

Our current efforts to get a MIRV capability on our missiles is not reacting to a Soviet capability so much as it is moving ahead again to make sure that whatever they do, of the possible things that we imagine they might do, we will be prepared . . . Hence, we are taking action when we have no evidence, or very little evidence on the other side of such action.

But are we better off today, are we any more secure than if we had been able to reach an arms control agreement with the Soviet Union in advance of the development and deployment of MIRV's? I think not. On the contrary, I agree with Paul Warnke that we are less secure today than if we had been able to effect a verifiable arms control agreement before proceeding with the MIRV's. Indeed, Mr. Warnke, in his testimony before the Senate Foreign Relations Committee, noted Mr. Kissinger himself suggested that he wished our own Government had thought through the implications of the MIRV decision.

There will always be new technological temptations. Only recently, we have been regaled with Buck Rogers' visions of laser beam warfare in outer space. The basic question which the United States and the Soviet Union must face is whether they perceive their security to be advanced by a continuance of this rarified, open-ended arms race, or whether their interests are better served by an effective and verifiable arms control agreement.

At what point, if ever, do we put a cap on this futile exercise and settle for parity at less exotic levels? That is the central issue of the next phase of arms control negotiations.

That there is a vast gulf between the character of American and Russian society is beyond dispute: In 1963, President Kennedy, in his landmark speech declaring a unilateral moratorium on nuclear testing, remarked upon the gulf that separates our two societies. He frankly said, it is discouraging to read a recent authoritative Soviet text on "Military Strategy" and find, on page after page, wholly baseless and incredible claims—such as the allegation that "American imperialist circles are preparing to unleash different types of wars." He also noted:

But it is also a warning—a warning, to the American people not to fall into the same trap as the Soviets, not to see only a distorted and desperate view of the other side, not to see conflict as inevitable, accommodation as impossible, and communication as nothing more than an exchange of threats.

Concerning the military balance between the two superpowers, he observed in words as applicable today as in 1963:

It is an ironic but accurate fact that the two strongest powers are the two in the most danger of devastation. All we have built, all we have worked for, would be destroyed in the first 24 hours. And even in the cold war, which brings burdens and dangers to so many countries, including this Nation's closest allies—our two countries bear the heaviest burdens. For we are both devoting massive sums of money to weapons that could be better devoted to combating ignorance, poverty, and disease. We are both caught up in a vicious and dangerous cycle in which suspicion on one side breeds suspicion on the other, and new weapons beget counterweapons.

It is instructive to pause a moment and consider the circumstances in which President Kennedy made his historic declaration that the United States would not conduct nuclear tests in the atmosphere so long as other states did not do so. First, the President announced that then Chairman Khrushchev and Prime Minister MacMillan and he had agreed to initiate high level discussion in Moscow "looking toward early agreement on a comprehensive test ban treaty." He then stated that the United States was unilaterally stopping atmospheric nuclear testing "to make clear our good faith and solemn convictions on the matter," coupling that unilateral declaration with the announced expectation of mutual restraint on the part of the Soviet Union. Thus, on the eve of the opening of high level negotiations on a comprehensive test ban treaty, President Kennedy initiated an act of unilateral restraint on the part of the United States. It led to the tripartite Limited Test Ban Treaty between the United States, the United Kingdom and the Soviet Union, the terms of which have been kept by all sides to the present day.

If President Carter were to make a similar proposal, on the eve of important arms control negotiations, would he not be pilloried as a "unilateral disarmer?" Would his conciliatory gesture not be cited as evidence that he was a "soft" negotiator?

In retrospect, one cannot help but marvel at Kennedy's foresight and statesmanship. Of course, there were those at the time who warned of the potentially dire risks that the President was taking. The Wall Street Journal editorial of June 12, 1963, thus noted that—

U.S. conciliation must have a limit of safety. We have already conceded much in the test ban talks; if the Soviets, for whatever reason, should agree to a treaty this summer, it might not be a safe treaty for us, and the Soviet record indicates they would evade it if it suited them.

But, President Kennedy noted—

Our hopes must be tempered with the caution of history—but with our hopes go the hopes of mankind.

And so it is today. Again, we are confronted with nightmare scenarios. For example, it is postulated that if the Soviet Union in 5 or 10 years upgrades the accuracy of its missiles, their throw-weight and their MIRV technology, they could achieve the capability of launching a preemptive strike which might destroy our land-based missiles in their silos, our bombers on the ground, plus quite a few of our submarines, those not on station. Then, so this scenario continues, only a small fraction of our capability to retaliate would remain. What would our response be in these circumstances, it is asked. Would the President launch a retaliatory strike with such a crippled surviving force, or would the President capitulate because of the overwhelming Soviet power still remaining?

Such a supposed scenario is the classic illustration of the validity of Warnke's doubts as to whether "one can debate rationally the nightmare issues of strategic arms." For, in order to make the above scenario plausible, one simply has to declare rationality out of bounds. The scenario supposes an inert U.S. response, once the first Soviet missiles are airborne, coupled with a prolonged, prior Soviet drive for supremacy immune to U.S. detection; an impossibility, given today's art of surveillance. In short, it is a scenario afloat on its own absurdity. It is one which supposes supine U.S. acquiescence in the Soviet acquisition of a nuclear supremacy so vast as to enable it to launch a preemptive strike against us. Yet the declared official U.S. position, which everyone accepts—Warnke along with our Joint Chiefs of Staff—is that the United States will insist on preserving "parity," "essential equivalence" or whatever the fashionable term may be for describing a nuclear stalemate.

The real issue is whether through "effective verifiable arms control agreements"—Warnke's words—equivalence at escalating levels of arms sophistication, at enormous cost to both sides and entailing the constant risk of some new destabilizing technological breakthrough, can be decelerated to lower, safer, and more stable levels of arms equivalence.

There are those, like Mr. Nitze, who seem to have given up the struggle for arms control. Others contend that we have little or nothing to show from such efforts in the past. But this is nonsense. The Partial Test Ban Treaty has put an end to atmospheric and underwater testing on the part of both the United States and the Soviet Union. The air we breathe and the water we drink is purer today as a consequence. More recently, the signing of the Anti-Ballistic Missile—ABM—Treaty with the Soviet Union saved us at least $100 billion in futile spending on a vulnerable system that would never have worked anyway. I think these are no small gains.

TWO HATS

Some of my colleagues have criticized Mr. Warnke's dual nomination to be Director of the Arms Control and Disarmament Agency and chief U.S. negotiator at the strategic arms limitation talks. They suggest that while he may be acceptable in one position, he should not be allowed to wear both hats. That is, Mr. Warnke should be approved to head ACDA, but someone a little more hard line should head the U.S. negotiating team. I find this argument illogical.

As Director of ACDA, Mr. Warnke would be charged with responsibility to act as the principal adviser to the President, to the National Security Council and the Secretary of State, on all arms control and disarmament matters. But if we cannot trust Mr. Warnke to take charge of the most important development in the arms control area, the strategic arms limitation talks with the Soviet Union, how can we trust him to be the President's chief arms control adviser?

If the Senate insists on splitting the two positions, it will be an indication that this country is not yet prepared to give serious arms control efforts a chance. The hawks whose commitment to the principle of arms control is doubtful, at best, would then be in a position to block any progress toward a comprehensive arms control agreement, while ACDA would be thrown a meaningless sop for the doves, defined in this case as those committed to serious arms control negotiations.

Moreover, two major successes which the United States has had in negotiating significant arms control agreements have come while one man held both positions of chief negotiator and head of ACDA. These were the Non-Proliferation Treaty under William Foster and the ABM agreement under Gerard C. Smith.

In a recent letter to me, Gerard Smith makes a further observation that ought to give us pause:

> When one of my hats was temporarily donned by a White House aide, a result was that because of "executive privilege" the Congress was unable to receive testimony from that negotiator. I wonder if the proponents of severance of the two hats have considered that a repetition of that situation might be one result if their effort is successful.

While the slogan, "one man, one hat" may have an appealing ring, our greatest successes in the past have come when one able person wore both hats. I trust we will have the wisdom to continue with this proven approach to our arms control negotiations.

Since the talks at Vladivostok in 1974, little or no progress has been made toward deescalating the arms race. Arms control talks between the United States and the Soviet Union have been at a standstill. Now President Carter has given a clear signal by his nomination of Mr. Warnke to these two posts that his administration hopes to break the impasse and move forthrightly toward a major new international strategic arms control agreement. President Carter knew what he was doing in nominating Paul Warnke to those two positions. He made a basic decision that he wanted, as his chief arms control negotiator, a man firmly committed to the proposition that prudent arms control will add to, not detract from, U.S. security, but one who, at the same time, is tough-minded as to the realities of strategic balance in an age of nuclear weapons. That Warnke understands these realities is beyond question. There is no better, if more chilling, description of the effective meaning of deterrence than Warnke's own words:

> What really counts for deterrent purposes is not the difference between the numbers of dead and the volumes of property destroyed on both sides. Instead, it is the adversary's understanding of the absolute magnitude of the devastation that would be inflicted upon him if he initiates nuclear war.

I suggest that Paul Warnke has come under attack precisely because he is committed to exploring the possibilities of arms control agreement as a serious alternative to the deadly holocaust he has so eloquently described. Over the years, he has contributed much to the public dialog on this critical question, which is the essence of democracy. He has dared, in his famous "Apes on a Treadmill" article, to resurrect the ideas that John F. Kennedy made respectable in his historic American University speech, the concept of reciprocal restraint initiated by the United States with no threat to our national security. In seeking to find ways out of the potentially destructive impasse in which we find ourselves, Warnke has demonstrated that unique blend of intelligence, tough-mindedness, and perspective which makes him, on this issue, the legitimate heir of President John F. Kennedy. President Carter, in nominating Warnke, has done the country a great service.

Mr. JAVITS. Mr. President, will the Senator yield at that point?

Mr. CHURCH. I am happy to yield to the distinguished Senator from New York.

Mr. JAVITS. What the Senator said struck a responsive note in my mind about Congress. We always like to pride ourselves on the fact that it takes a combination of talents and points of view to make a Congress. So, I have campaigned for people much more conservative than myself—the Senator probably has had the same experience—with the moral justification that there is this blend that makes for the best decisions.

What the Senator has just said reminds me of that as to Mr. Warnke. He is obviously a very able man. The ardent opponents agree with that. He is a very able man, a very able advocate.

He has this point of view, at least he had it, and it is very materially tempered by experience. He himself says that this technique is no longer usable except to represent no exposure of the national interest whatever.

Nonetheless, he does have new ideas. Hence, with him in the administration, with the Secretary of State and the President over him, and with a Congress to which he must respond, including ourselves in the Foreign Relations Committee, it strikes me that this is not a bad blend and we will more than compensate for any worries of any Members that he still has a hangover from other days, though I really do not think so. But nonetheless that seems to be a worry.

What does the Senator say about that?

Mr. CHURCH. I agree wholeheartedly with the able Senator's observation. As a matter of fact, when it comes to Presidential appointees and what possible mischief they might do, I can think of no position against which such risks are better fortified than the position of negotiating for the United States a treaty with a foreign power.

I say this for the very reasons the Senator mentioned. First of all, our negotiator must proceed in accordance with instructions given him by the Secretary of State and by the President himself. Second, he is not empowered to sign any final agreement. That must be reviewed thoroughly by the Department of State. It would normally be signed either by the Secretary of State or by the President, the usual practice being that the Secretary would sign the agreement at the direction of the President.

But then the agreement itself has no force or effect when it takes the form of a treaty, as any arms control agreement would take, until it is brought to the Senate of the United States and here thoroughly explored and debated. Then it must be confirmed with a two-thirds vote.

The truth is, as the distinguished Senator from New York so well knows, that our Founding Fathers had an abiding distrust in foreign entanglements; and, thus, they wanted to make certain that when it came to treaties with foreign nations every possible precaution would be taken to make certain the treaty served the best interests of the United Stats. Thus the treaty ratification role given to the Senate required not a simple majority, as we pass the laws which otherwise govern the people of this country, but the vote of two-thirds of those Senators present and voting.

So I not only agree with the distinguished senior Senator from New York, but it seems to me that we have no reason to worry. Even those who may disagree with my own appraisal of Mr.

Warnke and those who may have reservations concerning him have less reason to worry in this field than in most any other, because of the many constrictions that apply and because of the role assigned to the Senate under the Constitution. Any treaty entered into must be brought back to this Senate, where I am certain it will be carefully analyzed, debated at length, and could not become binding upon us without a two-thirds vote of the Senate itself.

Mr. JAVITS. I thank the Senator.

Mr. CHURCH. So, in conclusion, let me say I am proud to support the nomination of Mr. Warnke. In the balance is peace through arms control or the continuation of an increasingly expensive and dangerous nuclear arms race. The choice is ours.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PELL). Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I want to take a little time today to address myself to the nomination before the Senate, Mr. Paul Warnke for the position of the Director of the Arms Control and Disarmament Agency and a second position of our chief negotiator in the strategic arms talks, the so-called SALT talks, which will be underway this year with the Soviet Union.

Many points have been made in this interesting debate and in hearings both before the Committee on Foreign Relations, which has the jurisdiction over the nomination, and before the Senate Committee on Armed Services.

Today, Mr. Warnke is the subject of a massive mail writing campaign to stir up opposition to the President's decision to nominate Mr. Warnke for these two positions, and, in particular, to be our chief SALT negotiator.

I want to speak about this effort to undermine the faith in and the support for Mr. Warnke, and to state why I believe that his nomination would be in the national interest and would serve our country very well.

In the first place, all of us are aware of the fact that an attempt was made early after the nomination of Mr. Warnke was made public to deny him an unprejudiced hearing by means of an anonymous memorandum which was circulated to some Senators. On February 3, the Washington Star, in reaction to this episode, urged a fair hearing before the appropriate committee of the Congress and deplored "the unilateral disarmament scare tactics that this memorandum advanced."

In the second place, a number of attempts have been made to discredit Mr. Warnke by some people who do not really know him nor have they studied his record. Where he is known, and he is known to virtually all who deal in foreign policy matters, he is regarded as a man of personal integrity, character, and great ability. This is why he is described in the New York Times of February 4 as a nomination "matching in caliber the best of Carter's Cabinet appointments," and in the Washington Post on February 3, as "the right man in the right place at the right time."

Mr. Warnke's credentials for this position of chief negotiator, as well as the Director of ACDA, are truly quite unusual.

As you may recall, he was one of the three persons actively considered for Secretary of Defense by President Carter. Formerly, he was the Assistant Secretary of Defense for International Security Affairs under Secretary McNamara, Secretary Clifford, and Secretary Laird, serving in two administrations. Indeed, no Defense Department official is better trained to shape arms control policy than the Assistant Secretary for International Security Affairs, since it is this official who is charged with combining political and military considerations.

Indeed, it is his staff which is charged with primary responsibility for formulating the Defense Department position on arms control and policy planning. To add to this, Mr. Warnke has a deserved reputation as a tough negotiator and litigator, and his interest in arms control is a sustained one.

I think it should be noted that three Secretaries of Defense saw fit to call upon Mr. Warnke to serve in this very sensitive and important position as the Assistant Secretary for International Security Affairs. I repeat, that position was the one that brought together both the political and military considerations on all matters relating to arms transfers and arms control.

Attacks on Mr. Warnke have gone to extraordinary lengths to take out of political, temporal, and strategic context remarks which he has made in writing which have spanned a decade. It has been presumed, for example, that a desire to delay the purchase of a particular weapon system so as to maintain a possibility of encouraging negotiations with the Soviet Union is equivalent to a desire to throw away that same weapon system after its construction and after the Soviet Union has caught up by building, for example, its own MIRV capability. It was this kind of reasoning that led to charges of unilateral disarmament.

I trust that the Senate will not be taken in by such specious reasoning.

In fact, Mr. Warnke's writings show a balanced and vigilant approach to national security. It is apparent that the fight on the Senate floor over this nomination will turn on whether Mr. Warnke should be not only the Arms Control and Disarmament Agency Director but, as I have said, the chief negotiator at SALT. In this connection there is considerable misunderstanding of what is at issue.

The SALT negotiators who have been most successful, William C. Foster with the Partial Test Ban Treaty and Gerard C. Smith with the ABM Treaty, did hold both positions at the same time. As Mr. Smith has noted in his letter to me, which I placed in the record of the Foreign Relations Committee hearings, it was the intent of the Arms Control and Disarmament Control Agency Act that this dual capacity be encouraged. This has distinct advantages for the Senate. When the chief negotiator is also the Director for the Arms Control and Disarmament Agency, the Senate is assured the chief negotiator will always be on call to discuss relevant details. In short, trying to divide these jobs could be counterproductive from the point of view of the Senate.

In other words, when we confirm Mr. Warnke as Director of the Arms Control Agency and chief negotiator, holding both positions simultaneously, the Senate has access to this man and can inquire as to his actions, as to his plans, and as to his proposals.

President Carter asked Mr. Warnke three times to accept these positions before Mr. Warnke agreed to do so at considerable personal sacrifice. It is very clear that the President wants this man as his chief adviser on arms limitation issues. It is generally conceded that a President ought to have the right to have the kind of man and the point of view in his negotiator that he desires. If there are differences in point of view on specific issues, the Senate will have a chance to address them.

We have done so in the past. We have urged administration to return and rework an initialed treaty. Senators will be consulted every step of the way, as has been assured us by the President and the Secretary of State, and Mr. Warnke himself.

Arms limitation agreements we know are becoming more and more complicated and no one can be sure that important ones will be achieved. But we want to be certain that a serious effort will be made, followed by a serious review and ratification process. I, therefore, hope that the Senate will keep in mind that we are not merely voting here on a nomination; we are voting whether or not we have confidence in the President of the United States, who is the Commander in Chief, who is our chief spokesman in foreign affairs, who was elected by the American people, and who has made the selection of Mr. Warnke and made it a matter of high priority.

Now, Mr. President, let me address myself to some of the accusations that have been made against Mr. Warnke. I have alluded to some of them already in my remarks.

One of the accusations, of course, is that Mr. Paul Warnke is an advocate of unilateral disarmament.

That argument is ridiculous and unsupported either by fiction or fact.

What Mr. Warnke has done is to propose a halt in the development of certain new strategic arms initiatives which would seek some corresponding halt within a period, let us say, of 3 to 6 months on the part of the Soviets. If we received no response, then our technological superiority gives us ample lead time to continue such weapons development without in any way endangering our strategic position vis-a-vis the Soviets.

Is there any precedent for this? Why,

the late and beloved President Eisenhower unilaterally saw fit to stop all nuclear weapons testing as he sought to bring the Soviet Union into some compliance with a gentleman's agreement to stop the nuclear testing. President Kennedy, surely, has given us an example of even the success of the position taken by Mr. Warnke—namely, that there should be an effort made on our part in a leadership role to stop a particular weapons system from being deployed and giving the Soviets some time to respond and, if they did not respond, that we proceed forthwith. In every instance, however, we had the technological advantage, so that there never was any chance of endangering our security.

Mr. CHURCH. Will the Senator yield?

Mr. HUMPHREY. May I just finish this point?

The limited test ban treaty relating to nuclear weaponry testing, 14 years ago, grew out of a unilateral initiative by President Kennedy. That initiative was heralded the world over. It did not jeopardize our security. As a matter of fact, it was the first major breakthrough in putting some kind of cap upon the horrendous spread of nuclear weaponry and the nuclear race between ourselves and the Soviets.

I yield to my colleague from Idaho.

Mr. CHURCH. I commend the Senator on his argument. The point he makes is that if there is to be any progress, somebody has to take the lead.

Mr. HUMPHREY. The Senator is so right. We cannot just sit and look at each other.

Mr. CHURCH. In this case, President Kennedy took the lead. As a result of that initiative, we were able to enter into a limited test ban treaty, which both the Soviet Union and the United States have honored to this day.

So we have an example in the past, which the Senator so well points out, of the actual successful application of Mr. Warnke's position.

Moreover, I understand that on February 8 of this year, President Carter, in a press conference, endorsed this approach which leads to mutual restraint in the arms race. So it seems to me that when those who oppose Mr. Warnke grasp at this issue and try to enlarge it into some grotesque specter of unilateral disarmament—to which it is totally unrelated—then they ought not simply say they are against Mr. Warnke. Let them come out and say they are against the President's position as well.

Mr. HUMPHREY. Exactly.

Mr. CHURCH. This is the President's position, so let them say: "We are against this position, Mr. President. And we are against anyone you send up here for Senate confirmation who agrees with you."

Mr. HUMPHREY. The Senator is absolutely right. In a very real sense, the vote that we are going to take here is going to be a reflection upon our support or lack of support of the President and his policy on the whole subject of arms control. I listened to the splendid address of the Senator from Idaho (Mr. CHURCH) today and he has painted for us the facts in terms of nuclear weaponry. Secretary Kissinger, for example, always talked about the policy of equivalency, not trying to have a race to see who was ahead. Everyone in this body knows that there is no victory to be found in a nuclear confrontation. Everyone knows that that kind of war, if it ever should take place, would be a war of minutes and hours, rather than weeks, months, days, and years. And everyone knows of the tremendous stockpile of nuclear weapons that this Nation has and that the Soviet Union has. We know a great deal about how they are positioned.

We have also taken some pride in the fact that our weaponry was technologically advanced, that there was a greater degree of accuracy. But whatever the argument may be, no one is proposing unilateral disarmament.

As a matter of fact, Mr. Warnke has been unalterably opposed to it. What Mr. Warnke has proposed is what John Kennedy proposed, what Dwight Eisenhower proposed, what President Carter proposed—namely, that we have some moral responsibility to take leadership and try to bring a halt to this dangerous, spiraling arms race, nuclear weaponry in particular. The point is that there is no added safety in an arms race. As we add onto our armament, the Soviet adds onto its; as the Soviet builds up its armament, we add onto ours.

Take a look at the arguments today about the ICBM's; take a look at the arguments today about the Navy. We are counting ships all the time and finally getting some sense about our calculations, noting that, while the Soviets may have a few more ships, they have a thousand of them that are patrol boats—patrol boats for the shoreline patrol, not really what we call major seagoing ships.

But we have had experience after experience, where Congress has been propagandized, where we have been under the attack of fear that, somehow or other, we were going to be fooled by the Soviet Union, outproduced by the Soviet Union, outmaneuvered by the Soviet Union, or that our negotiators were going to fail us or sell us out.

Mr. President, it is interesting to note that both Mr. Foster and Mr. Gerard Smith, who have negotiated with the Soviet Union and who have held these positions of arms control director and chief negotiator, support Mr. Warnke—both of them. These are men that we have praised in the past for their achievements. These are men who are respected in the defense community as well as in the foreign policy community. Both of these men have said that Mr. Warnke has their support and they have openly stated to the respective committees of Congress their strong support of his nomination.

Mr. President, I said the example that we had of some advance notice or leadership on our part in trying to curb the arms race was in the limited test ban treaty. I think it should be clear that neither we nor the Soviet Union, at the arms talks in the past, have ever proposed unilateral arms reductions. Evidence compiled about Mr. Warnke does not show him arguing for unilateral arms reductions. It does show him at earlier periods urging halts or abandonment of programs not then completed.

For example, Mr. Warnke opposed the ABM. A large number of Senators opposed the ABM and its deployment. Yet opponents fail to note that this opposition which Mr. Warnke had eventually became the actual U.S. policy. We spent billions of dollars on the antiballistic missile system and, finally, we came to the conclusion that it was something that we did not need. We negotiated a treaty, an agreement with the Soviet Union, and today, you can go up to North Dakota and they do not quite know what to do with those great big ABM systems that we have there. Nobody knows what to do with them.

Mr. President, I think that Mr. Warnke, in urging a delay on MIRV, was expressing what is looked upon now as a sensible position. Many MIRV proponents now regret that MIRV—that is, the multiple independently targeted reentry vehicle—was deployed, since it has provoked a nonnegotiable escalation on the part of the Soviets. We let the genie out of the bottle. Once you start to MIRV ICBMs, you never know how many warheads or how many bombs there are in each one of those warheads. There is no way that you can count them. And Mr. Warnke merely was proposing that before we deploy—because we had a technological lead of a couple of years—we say to the Soviet Union, "Look, let's not do this."

We were in no danger. We were in no jeopardy. There is not anyone here that would deny that we had a technological lead of anywhere from 2 to 3 years on the Soviet Union in terms of MIRV'ing our missiles.

So what did Mr. Warnke say? He said, "Stop, look, and listen."

What did he say? He said, "Once you have MIRV'ed these missiles, you won't have any way to know how many the Soviets have and it will become a nonnegotiable item." And that is a fact.

Today, we have no way of knowing. We only have a way of guessing what the Soviet Union may have in terms of the independently targeted reentry vehicles, or bombs—that is what they are—of kiloton power, bigger than the bombs used on Nagasaki or Hiroshima.

They are in these huge, big warheads of the ICBM's and the Soviet Union has a bigger warhead on its ICBM than we have. Therefore, they can pack in more of what we might call bigger nuclear weapons.

Our opponents also assume that past opposition to a weapons system which was later purchased is equivalent to a desire to eliminate that weapons system unilaterally after it is purchased. They charge Mr. Warnke with that kind of thinking.

The fact is that they fail to note Mr. Warnke has never advocated elimination of a weapons system once there was a parallel capability developed by the Soviets.

What Mr. Warnke has tried to do is stop the weapons race before it got out of hand. The time to stop the race on weapons is before we build them, before we deploy them. Mr. Warnke has not

opposed research and development. To the contrary, he has been a strong advocate of research and development. But he has been opposed to premature deployment of weapons systems—if we could possibly get agreement with the Soviet Union not to spend our money on those dangerous highly sophisticated weapons systems.

Most of all, it seems to me that Mr. Warnke has been a man of prudent judgment and, instead of being criticized and spit upon, he should be eulogized for his good sense and for his prophetic vision, because what Mr. Warnke has said is all too true.

He has said, "Look, if you deploy the ABM or the MIRV weapon system, the Soviets will do the same thing." And they did.

I think it is important for us to note that we took the lead, particularly in the MIRV in its deployment.

Opponents also say that past opposition to strategic weapons development such as the B-1, the Trident submarine, MIRV, and the ABM would seriously hamper Mr. Warnke's ability to protect U.S. interest in SALT II negotiations.

Mr. President, in the Senate there was a substantial body of opposition to the Trident. I was one of them because I did not think we needed to spend that money at that time.

I was not opposed to the development of the Trident missile, but as to the boat itself, I said that it was premature.

Second, on the B-1, there is constant argument here about whether we need the B-1. As a matter of fact, with the cruise missile today, the B-1 becomes almost obsolete before it is ever built. I believe more and more Members of this body and more and more people that are in the arms field know that what I say is true. Nevertheless, we are proceeding with the B-1. However, the decision as to what we will ultimately do is still to be presented to us, at least as a recommendation by the President of the United States.

I mentioned the MIRV and the ABM. I only repeat that Mr. Warnke's position on the ABM has become the policy of this Government.

He was right before the Congress was correct. He was right before the previous administration got some sense on the issue, and he was right on the MIRV.

So rather than being condemned or criticized, he should be praised as a man that had this foresight.

I suggest to my colleagues in the Senate that if Mr. Warnke were so wrong on the B-1 and Trident, he might very well want to take a look at the close votes this body had on those weapons systems.

I think we will see there were men of good faith, people of competence, who differed in their judgment, and the difference in terms of votes was very small.

I think the remarks of Mr. Paul Nitze—who does not support Mr. Warnke's nomination—before the Armed Services Committee would be very helpful to us on this matter of the opposition to past strategic weapons development on the part of Mr. Warnke. I quote from the hearings of the Armed Services Committee, page 173 of the hearings document:

> Senator TOWER. Mr. Nitze, isn't having a self-proclaimed defense and unilateral disarmament advocate appointed as the SALT negotiator something of a signal to the Soviets of either a softness on our part or an unbridled eagerness to arrive at any kind of an agreement? Isn't such a signal a rather naive approach to what is expected to be a very tough negotiating stance on the part of the Soviet Union?
>
> Mr. NITZE. I am not sure, Senator Tower, that I would agree with that.

Mr. Nitze says, "I don't believe you know what you are really talking about, Senator. I don't agree with that."

By the way, I must say most respectfully—and the Senator from Texas (Mr. TOWERS), of course, will make his own statement—that Senator TOWER said that Mr. Warnke was a self-proclaimed defense and unilateral disarmament advocate.

I submit that is sheer fiction; that what we have here is Senator TOWER hoping to make his description become a fact of life.

Now, Mr. Nitze goes on:

> I think the Soviet Union negotiates with the opposing delegation on the assumption that whatever the delegation says represents the considered Government position, and I don't think that past positions would necessarily affect the Soviet negotiator.

Once and for all—at least, if they are going to use Mr. Nitze as a witness against Mr. Warnke—Mr. Nitze again ought to dispel this thought or this expression that because Mr. Warnke had some different points of view 6 or 8 years ago, somehow or another this is going to weaken him as a negotiator and prejudice our position at the conference on negotiations.

Mr. SPARKMAN. Will the Senator yield?

Mr. HUMPHREY. I will surely yield to my distinguished chairman.

Mr. SPARKMAN. I am sure the distinguished Senator has been reading some of the things that have appeared in the press.

Mr. HUMPHREY. Indeed, I have.

Mr. SPARKMAN. I wonder if he saw that article where in questioning Mr. Warnke it became a matter of the use one time of a comma and another time not a comma?

Mr. HUMPHREY. Yes; I saw that.

Mr. SPARKMAN. As if that were deliberate.

Can the Senator follow that kind of reasoning?

Mr. HUMPHREY. I saw that. I had not heard so much fuss over a comma since I was in the eighth grade with my teacher in the public schools at that time.

Mr. SPARKMAN. I ask this question. Reading in the press, too, I have seen the thought brought out that it would not do to have Mr. Warnke as a negotiator because the Senate would not approve any treaty that he brought before the Senate.

Now, where does that kind of reasoning come from?

Mr. HUMPHREY. It comes from those who want a self-fulfilling prophecy, who are opposed to Mr. Warnke, who would like to have us believe that whatever product he brought back would be turned down by the Senate.

Mr. SPARKMAN. Does the Senator not think that is a reflection on the Senate?

Mr. HUMPHREY. I think it is a reflection both on the Senate and those who make the argument.

Mr. SPARKMAN. Yes. But to presume, just because perhaps they did not like Mr. Warnke, and he brought back a treaty at any time he was a negotiator, that we ought to discard that proposed treaty altogether just because it was Mr. Warnke——

Mr. HUMPHREY. It is a reflection on the Senate. I think it can be said that the Senate will examine a treaty on the basis of the section and the articles and the positions in the treaty, not on the basis of who negotiated it. Ultimately, that treaty must reflect the combined judgment or the collective judgment of the administration, and that means the President and his Cabinet and the National Security Council. It is that body which will give directions to our negotiator and our negotiating team.

Mr. SPARKMAN. I am glad the Senator brought up that point. After all, is not the President of the United States really the director of the negotiations?

Mr. HUMPHREY. The Senator is correct.

Of course, the President will call upon a team of experts to advise and counsel him, but the directions to the negotiator will come from the President of the United States. The Secretary of Defense will be involved, the Director of the Central Intelligence Agency will be involved, the Secretary of State will be involved, and the National Security Council will be involved. But it is the President who has the responsibility, and Mr. Warnke is the President's man.

Mr. Warnke has been nominated by the President and has his support; and when Mr. Warnke goes off to these negotiations, he does not go off as the Lone Ranger. He is not Mr. Carter's Roy Rogers, so to speak, on his pony, riding off into the sunset.

What we have here is Mr. Warnke with a team of experts from Defense and from State and from the Arms Control and Disarmament Agency, from the best professional talent this country has. The best technologists and the best scientists that America has will be with that team of Mr. Warnke's.

Mr. Warnke, by the way, is known as a very good lawyer. He has been able to engage the confidence and to have the confidence of some of the largest companies in America. They did not think he was going to sell them out. They did not look upon him as being incompetent. They looked upon him as being extraordinarily able and a tough negotiator, a good lawyer; and this lawyer and this negotiator will be backed up by the best talent this country has in order to protect our national security.

Mr. SPARKMAN. Mr. President, will the Senator yield for two very brief questions?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. Our very able colleague on this side of the aisle wants to get into this discussion.

When we talk about treaties being ne-

gotiated, they have to be considered by our committee, do they not?

Mr. HUMPHREY. The Foreign Relations Committee has jurisdiction over all treaties.

Mr. SPARKMAN. My next question is this: The matter we are now discussing lies in the jurisdiction of the Foreign Relations Committee, does it not?

Mr. HUMPHREY. The Senator is correct.

Mr. SPARKMAN. And no other committee.

Mr. HUMPHREY. The Senator is absolutely right.

Mr. SPARKMAN. Did the Foreign Relations Committee vote 15 to 1 in favor of the confirmation of Mr. Warnke's nomination?

Mr. HUMPHREY. As the Director of ACDA, and I believe 15 to 2 as the negotiator.

Mr. SPARKMAN. That is right.

Mr. HUMPHREY. That is a pretty good margin. I think most of us would say those are not bad odds to have in public life. The Senator is correct.

Incidentally, we held extensive hearings, we examined witnesses, and we had Mr. Warnke before us for several hours.

I yield to the distinguished Senator from New Jersey.

Mr. CASE. I thank my colleague.

Mr. President, I would scarcely have the temerity to engage in a discussion which has been graced by the grandeur of my chairman and the Senator from Minnesota. Yet, this deals with an aspect of the matter that has been most intriguing to me, and I appreciate the Senator from Minnesota yielding.

I refer to the question of the effect of the personality of the negotiator upon the acceptance of the treaty after it is brought back to us. The suggestion has been made—I have heard it made—that it might be better to have someone who is a known hawk negotiate the treaty, because when it came back, it would be more readily accepted by a large segment of the American public and by some in this body. That is the other side of the coin to which the Senator from Minnesota and the Senator from Alabama alluded.

I submit that it is not a very good idea to spread the word that the acceptance of the treaty depends upon who negotiates it. I think it would be dangerous in some cases to have a treaty accepted without critical examination just because some highly respected American citizen acted as emissary for the President in its negotiation. I am not saying by imputation that this is not a highly respected citizen, in any sense. But it is conceivable that we might be led astray by the enthusiasm of some eminent citizen who came back with a treaty which he had negotiated and which might contain matters that, on critical examination, proved to be mistakes.

So I have come to believe that it will be almost desirable not to know who negotiated a treaty, so far as its consideration by the public and by the Senate is concerned. That is an extreme statement.

Mr. HUMPHREY. I understand.

Mr. CASE. The gentleman from Minnesota—the Senator from Minnesota, always a gentleman—is very quick to perceive these distinctions and these nuances of thought. I believe it is just as well that we do not have George Washington bring a treaty such as this back to us—nor many others whom I could name in this body.

I am satisfied that the Senate is able to consider a treaty that comes back, even in this technical area, on its merits, and to do it intelligently, and that in no sense will it suffer from the fact that Mr. Warnke negotiated it, as opposed to someone else who might be more acceptable as an individual to some of the Members in this body.

On the other hand, I do not want anybody to come back and say, "George Washington negotiated this treaty. It is good enough for him. It is good enough for you. Take it." We do not want that kind of consideration in the Senate.

Mr. HUMPHREY. The Senator from New Jersey, as is his custom, always adds a very important dimension to these debates and discussions. He is correct.

We canot look upon this treaty in the sense of a personality cult. It is not a question of whether or not one likes Mr. Warnke. It is not a question of whether or not one likes his style, as to whether a treaty will be approved. The Senate will debate any treaty; we can be assured of that.

As a matter of fact, the argument about Mr. Warnke right now is but a preliminary exhibition bout as to the debate that will take place on the treaty that comes back.

Mr. CASE. That is right.

Mr. HUMPHREY. Known as SALT II. This is but the warmup session. This is not the regular season. It is the exhibition season.

I submit that what is most important is what is in the treaty, not what the hairline or the cut of a nose or the protrusion of the chin of the negotiator may be.

Be that as it may, Mr. Warnke is a respected litigator and negotiator, and I believe that he will be able to handle himself well.

Let me cite another analogy. Sometimes, it might not be the worst thing to have someone who is known as a sort of dove, even though I doubt that that label could be put on Mr. Warnke. But, for the purposes of this argument, I say that it might not be so bad to have someone known as that, because that person would have to be extremly careful in his negotiations so that he did not do anything that in any way would lend merit to that sort of stercotyped characterization.

I notice that every time the Democrats are elected, the first thing they do is go around and try to make sure that the business community understands that we love business. The first thing the Republicans do after they become elected is to go around and see people in the labor movement to let them know that they love labor. They lean over backward not to be prejudged or to have prejudicial judgment.

Mr. CASE. The Senator is not being critical of the newly elected President.

Mr. HUMPHREY. Oh, not at all. I am just stating the facts; that is all. I do not care whether it is LBJ or JFK or Jimmy Carter.

The fact is that the first thing the Democrats do is parade off to Wall Street and say, "Look at us. You have heard all these nasty things about us, but we are not that bad. As a matter of fact, you are going to find that we are pretty friendly." And we are. As a matter of fact, business always does better when the Democrats are in than when the Republicans are in. [Laughter.]

There is no doubt about that; that is the record.

If anybody wants to take up that argument we will do that after Wednesday.

Mr. CASE. The trouble is, Mr. President, if the Senator will yield, the Democrats have had too many more chances than we have.

Mr. HUMPHREY. I would say our odds are a little bit better in terms of chances. But I do not want to lose any Republican support. I just said that as a side argument, and we will not make it part of the main event.

Let me go on with Paul Nitze and the inquiry made on page 174 of the hearings before the Armed Services Committee:

Senator TOWER. Do you believe that Mr. Warnke has the full and complete understanding of long-range technological trends and issues that enables him to negotiate an agreement involving highly sophisticated strategic systems?

Mr. NITZE. I believe the record of the hearings before this committee indicates that he said that for the last 8 years he has been engaged primarily in private practice of the law, and that he has not had an opportunity to follow technological matters. However, I believe it to be true that he would be supported by a staff that would be technically competent and therefore that might not be a prerequisite; however, I believe that many of the judgments which he has expressed with such complete positiveness during the last 8 years have not been backed by any basis on his part for making these judgments with that degree of assurance.

What Mr. Nitze is saying, in substance, is, of course, he does not claim to have complete knowledge of the technology of modern weapons systems, any more than Elliot Richardson knows all about the oceans or any more than whoever the President appoints to a position is an expert in that area. Experts are supposed to be on tap, not on top. Just keep that in mind.

Mr. CASE. Did you just make that up? [Laughter.]

Mr. HUMPHREY. Yes. Is that not pretty good? Experts are to be on tap and not on top, and they will have plenty of experts on tap.

Let us go to page 191 of the hearings before the Armed Services Committee, Senator HELMS speaking:

Put yourself in Mr. Warnke's position. Suppose you had taken the position he has taken and made the statements that he has made, and written the articles that he has written, would you anticipate that the Soviets would have sufficient ammunition to virtually annihilate your efforts to take a firm stand on behalf of the security of the American people?

Mr. NITZE. I do not. That isn't the way the Soviets negotiate. I don't think that they have any embarrassment about changing

their position under instructions, and I don't think that they would feel that there was any point in quoting views that some negotiator had expressed at some prior time.

I think they would expect the negotiator was operating under instructions from his government, and I think that would be it.

Well, that is it. Mr. Nitze is an able, dedicated public servant who disagrees with this nomination for other reasons and, at least, he sets the record straight on some of these accusations that have been tossed around here willy-nilly in an effort to discredit Mr. Warnke.

Now, on page 216 of the Armed Services Committee hearings, Senator THURMOND says:

In your judgment, how would this attitude of Mr. Warnke's against even development of many essential weapon programs impact on his position as a SALT negotiator?

Mr. NITZE. I am not sure that there is a direct connection, Mr. Senator. I think it is much more relevant to his position as director of ACDA.

On page 228 of the Armed Services Committee's hearings Senator HART, questioning, asks:

You would not join his——

Namely, Warnke's critics——

who say that his opposition to the system makes him less qualified to negotiate?

Mr. NITZE. No, I would not join with them with respect to his opposition to individual systems.

Meaning weapons systems.

Well, now, there is Mr. Nitze, who is one of the witnesses who spoke in opposition to Mr. Warnke on certain other grounds, and he tries to at least set the record straight on some of the matters that have been tossed around here as a way to prove that Mr. Warnke's nomination would be contrary to the national interest.

So, Mr. President, I think it is fair to say that what we have here in Mr. Warnke is an able, intelligent, experienced man in Government. He has served in the Department of Defense under three Secretaries of Defense; he has handled some of the most sensitive political and military matters in the purview of our Government, and we are mighty fortunate to have a man of this quality to be our chief negotiator.

Let me say a word about ACDA. I was the author in the Senate of what is known as the Arms Control and Disarmament Agency. ACDA, since its inception, has not had the support it needs from Presidents and Secretaries of State. The budget for the Pentagon is $120 billion for our national security. The budget for the Arms Control and Disarmament Agency is $13 million for arms control. I want the citizens within the range of my voice to listen to that: $120 billion for weapons and $13 million to try to control them.

That would be just exactly like trying to have a police department of five officers when you have got 5,000 criminals roving the streets.

We have not put the resources behind the ACDA that we should have. We have got to make that Agency a stronger instrumentality.

I say the budget for ACDA is too small, and the efforts we make at negotiated settlements that are mutually acceptable and mutually beneficial will depend in a large measure on how well-staffed that Agency is.

But, speaking of that Agency, I wonder how many of our colleagues will remember when we debated the nomination of John F. Lehman to be Deputy Director of ACDA? I voted for Mr. Lehman. Many people were very upset with my vote because he was considered to be a hardliner. I suppose I am not supposed to be considered as one, but I do not mind confounding my critics from time to time just to keep this life story interesting. But, nevertheless, Mr. Lehman appeared before the Foreign Relations Committee when he was nominated to be Deputy Director of ACDA.

Now, the Deputy Director of the Arms Control and Disarmament Agency is supposed to be someone who is keenly interested in the national security of the United States. The Arms Control and Disarmament Agency has not been designed to unilaterally disarm us. It has been designed to make sure that we make prudent judgments, careful judgments, in any arms control negotiation.

Mr. Lehman appeared before the Committee on Foreign Relations on February 11, March 4, 10, and 17, under very careful cross examination.

Senator JAVITS, Senator CASE, and others, including myself and the distinguished chairman (Mr. SPARKMAN), asked a number of questions of Mr. Lehman.

Now, Mr. Lehman was strongly supported by some of the people who, some of our colleagues who, are today in opposition to Mr. Warnke, because Mr. Warnke did not support the B–1. Some of our colleagues are in opposition to Mr. Warnke because he did not support the Trident; some of our colleagues are in opposition to Mr. Warnke because he did not support what we call counterforce in terms of our nuclear weaponry, our ICBMs. But neither did John Lehman. John Lehman testified he did not see that there was any real need of the B–1; he did not see that there was any need of the Trident, and he did not support counterforce.

So here you have this unbelievable situation—or if it is not unbelievable, let me say at least this paradoxical situation—where some of the opposition today to Mr. Warnke is based upon the fact that Mr. Warnke was opposed to the development and the deployment of the B–1, the Trident, and the counterforce strategy for nuclear weaponry. Those very same Senators who have taken the lead in opposition to Mr. Warnke were the ones who took the lead in support for Mr. Lehman, and Mr. Lehman was the very same person who was Deputy Director of ACDA, who says he is not for the B–1, he is not for Trident, he is not for the counterforce strategy. But Mr. Lehman seems to be all right. Mr. Lehman was on the National Security Council as a technician. Mr. Lehman had the support of Mr. Kissinger. In fact, Mr. Kissinger called me to his office to talk to me about Mr. Lehman.

Mr. Lehman had the support of some of the most distinguished Senators in this body who today are vigorously opposed to Mr. Warnke, and yet Mr. Lehman's position on the weapons systems is almost identical with Mr. Warnke's.

Mr. Warnke will be Director of ACDA; Mr. Lehman was Deputy Director of ACDA. Mr. Warnke will be our chief negotiator because the position of chief negotiator-Director of ACDA, as we have seen here, is in the best interests of a sensible negotiation and a responsible negotiation.

Now, Mr. President, as has been said here some people believe that this arms race gives us additional security. I repeat what Senator CHURCH has said here today so brilliantly and so convincingly: All it does is to escalate the possibility of catastrophe. Every time you escalate the arms race you make it all the more dangerous when something goes wrong.

The arms race gives no additional security. Security only comes when we know that we have the forces that are necessary for our own protection, on the one hand, the forces we need to take care of our vital interests abroad, on the other hand, and our commitments to our allies, plus a strong national economy.

National security is a composite of adequate national defense, a strong economy, and social responsibility and consciousness on the part of the citizenry and our fellow governmental officials.

I like what I read in the New York Times of February 4 when it said:

Halting the arms race will advance the Nation's security far more than continuing it. Better still would be substantial reductions in strategic nuclear weapons on both sides, while maintaining essential equivalence.

The Washington Post, a day earlier, said:

He (Mr. Warnke) doubts, for instance, that it serves either deterrence or diplomacy to add new arms since a nuclear power has a force sufficient to assure the devastation of any power that might strike it first.

So, Mr. President, we have so much at stake here. The Washington Post went on to say:

He . . .

Meaning Wr. Warnke.

. . . suspects that the negotiating process itself may sometimes impel, rather than restrain arms programs. These are matters worthy of vigorous public examination.

I submit to you that the Arms Control Agency can, should, and must play a critical role in all negotiations between ourselves and the Soviet Union, as well as any other countries, for the purposes of their reduction and control of nuclear weapons and other armaments.

Mr. Paul Warnke has a fine record of responsive service, as I have indicated here again and again, and he understands the imperatives of national security.

I submit that Mr. Warnke will be cognizant of the need to insure adequate protection of our national security interests during the course of negotiations. There is not one scintilla of evidence that this man has ever violated his public trust, not one.

He served three Secretaries of Defense with distinction and our country ably and responsibly.

As the Senator from New Jersey has so well pointed out, the Senate will fairly debate any treaty that comes to us, and the Senate is going to fairly debate this

nomination in deciding to give or withhold its advice and consent, exactly as it will debate any treaty or the final ratification of any agreement resulting from negotiations.

As Senator SPARKMAN, the distinguished chairman of the Foreign Relations Committee has said, it is the President and Congress that have the final responsibility of assuring that America's vital interests are protected, and I say to the Senate and to the American people that this is a time wheen you either have to trust or not trust your President and your Government.

The worst thing that we could do would be to fail to go into negotiations to try to limit this incredibly dangerous and costly nuclear arms race. We have a moral responsibility to do so.

The previous administration moved these negotiations a long way toward the goal of success. I sat and talked with President Ford when he told me that the arms control agreements with the Soviet Union were within our grasp, and I think we owe him as we owe Secretary Kissinger a debt of gratitude for having proceeded as well, as faithfully and as tenaciously as they did in arriving at and agreeing upon the basic principle for what we call SALT II. The Carter administration comes along now, after the Ford administration, with President Carter and Secretary Vance following up on the work of President Ford and Secretary Kissinger, to bring about a new agreement. The agreement we have now as SALT I runs out very shortly, and nothing could be more disastrous than to have SALT I expire without success and without an agreement upon SALT II designed to put at least some limitations upon the deployment of weapons of mass destruction.

We are going to vote here not only on Mr. Warnke but we are going to vote also on whether or not we can trust the President. In addition, we are going to vote on whether or not we really believe that it is imperative to put at least some limitations and some restraints upon an arms race that seems to be getting out of hand, and we are going to vote on whether or not we will have another chance to save society, indeed civilization, from destruction.

I am convinced that Mr. Warnke will be confirmed. I think he ought to be confirmed, but my plea is: let us give him a resounding vote of confidence so that when he leaves here and goes and undertakes these duties, these heavy burdens that will be his, he can go away knowing that he has a strong body of support for him personally and more importantly, for the task that he undertakes, a strong body of support from the U.S. Senate.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. I simply express again my feeling, and I believe it is a correct feeling, that this is a matter wholly within the jurisdiction of the Foreign Relations Committee. The Foreign Relations Committee held extensive hearings. The Senator will recall that we had panel discussions with people from all parts of the country. They were leaders in the field of the kind of technical knowledge needed in this. After listening to that testimony and gathering every fact that was presented to that committee, the committee, the only committee that has jurisdiction over this subject matter, voted 15 to 1 in favor of Mr. Warnke and his confirmation by the Senate.

I think very careful attention should be given to that when the committee worked as hard as it did and as a result came out with that resounding vote in favor of Mr. Warnke's presentation here and his confirmation.

Mr. HUMPHREY. I thank the distinguished chairman, who is so highly regarded by all of us and has served in this Senate for many years and is our chairman and represents, I am sure, the overwhelming sentiments of the Senate of the United States.

Mr. CASE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the distinguished Senator from New Jersey.

Mr. CASE. Mr. President, I join my chairman again in expressing our thanks to our colleague from Minnesota. It is not only a joy to hear him on any topic but it is also most instructive and most informative. He is always fair.

I was going to say he did not have a partisan streak in his hair, but that is not true.

Mr. HUMPHREY. Only on occasion.

Mr. CASE. That is an overstatement and a kind of statement he never would make himself about himself or anyone else.

Mr. HUMPHREY. That is right.

Mr. CASE. But on matters of consequence in the national interest his presentation is always, as it was this afternoon, complete, fair, impartial, and very sound. I thank him for joining in this colloquy in this sense.

Mr. President and colleagues, I have thought about this a lot. It seems to me that the opposition to Paul Warnke almost comes down to a single matter. We certainly, I think, have cleared up the question of whether he will help or not in the confirmation of a treaty and if he will add weight to those who want a treaty ratified by the Senate when it comes back. I think we have disposed of that question.

We have disposed of the question of the adequacy of the representation that he will give and of the fact that he will not be his own man; if there are any possible doubts as to what his own personal preference will be that will have no effect upon his representation of the country or of the views of the President, and there is no real disagreement about this.

There is really no ground for opposing him on the ground of his position on various weapons systems, as the Senator from Minnesota has pointed out. Others have taken similar positions without encountering any kind of castigation for them, and the Senator from Minnesota himself, the Senator from New Jersey, on all of the matters that have been referred to by him this afternoon, I think we have taken identical positions.

Mr. HUMPHREY. That is correct.

Mr. CASE. And on other matters, too. We have agreed with respect, for instance, to MIRV testing. It would have been possible to stop MIRV if we could have gotten an agreement when we were in a position to get it, because we were ahead on MIRV testing.

It is not a question of his position on weapons systems; it is not a question of his position of the need for a strong defense of this country. On the question of the defense of NATO and others, he has been much tougher than many, and willing to spend the money.

It comes down to this, I think, Mr. President: Some people have felt that in the past he was rather too enamored of the proposition that it did not matter how many strategic weapons we had so long as each side had enough to destroy the other, and the ability to absorb a first strike and therefore be able to retaliate with unacceptable force, as opposed to the feelings that others have had that the relative size of the two weapons systems did matter.

I do not know how I could say for certain, because no one knows everything anybody else may have said or thought, whether Mr. Warnke may have felt this way at some time. If he did, he was not alone. I have heard our colleagues in the House and in the Senate say, "What difference does it make if both sides can destroy each other? If the Russians can destroy us 10 time and we can destroy them 25 times, what difference does it make?"

Words such as these were sometimes uncritically uttered. For all I know I may have been guilty of them at some time myself. I think it is generally recognized now that the relative size of our weapons systems does have some bearing upon the perception the world has of our willingness to fight for the things that are necessary, in a clinch.

Mr. HUMPHREY. I agree with the Senator fully. Perception is frequently more important, even, than the facts.

Mr. CASE. I think so; and on this point, Mr. Warnke has made it clear to us in our committee and in open hearings that he recognizes this is true.

There is some feeling that he did not always recognize this, or if he did, he did not always say so. And there is a scintilla, I think, of feeling on the part of some opponents that he is getting away with a change in postion without acknowledging that he has changed.

I am not sure whether I have changed my position on this point. I know what my position is now. It agrees with what the Senator just stated his own position was. But I may have felt or said at some time, perhaps lightly—we should not be light about these things, but perhaps too easily—that if we could each destroy the other, what difference did it make whether it was 50 or 100 times? That may have been said. Mr. Warnke may have joined somewhat in that brand of thinking, and even discussion.

But the question is not what he may have thought back some time ago; the question is what his position is now, and I am satisfied what his position is now, that it is as you and I feel about this matter, and that it will continue to be so.

So, in addition to all these other propositions put on us so ably by the Senator, including the fact that he is a representative and not a principal in these

negotiations, it seems to me very clear that the case against him has fallen, and has dwindled to the slimmest of arguments, that should not be accepted as serious by the Members of the Senate of the United States; and I join my colleague in the hope that for the sake of the success of the negotiations, in the interests of the country, his nomination will be confirmed by an overwhelming margin.

Mr. HUMPHREY. I thank the Senator from New Jersey. I thank him very much, because, as usual, he has put matters in perspective, with the fairness that is so much the hallmark of his character and his career.

Mr. President, I could not help, as the Senator spoke, but think, as he talked about what he was for at one time and what he is for now, of the changes in position that many people have made, people of great repute and reputation in our society. I think if we were to go back, we would see even that some of the speeches Abraham Lincoln made were somewhat different from the actions that he took as President. I think Senators would find that true of Thomas Jefferson also, when he spoke of a free press as "that polluted journal," only to say later that a free society could not exist without a free press. I could not help but think of the remarks Richard Nixon used to make when he was a member of this body, about being anti-Communist, particularly anti-Peoples Republic of China. We all knew Richard Nixon was really out after those Communists.

But when he got to be President, after having argued with Khrushchev in the kitchen he broke bread with Brezhnev in the Kremlin. When he got to be President, he was the first one to visit mainland China. I think those were the two greatest achievements of Mr. Nixon's career, and he ought to be applauded for them.

Read the books of Professor Kissinger at Harvard University, and compare them with his actions as Secretary of State. Let me tell you something: how a man stands depends on where he sits.

Mr. CASE. That was not original.

Mr. HUMPHREY. That is not original, but it is pertinent, and it ought to be remembered. Because when you are out here just speaking around to audiences here and there, without the responsibility of Government, you are sometimes prone to let your mind run in what we call freewheeling initiatives; and that is what you ought to do.

Mr. CASE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Surely.

Mr. CASE. The Senator is exactly right now. He always is right——

Mr. HUMPHREY. Am I getting better all the time?

Mr. CASE. The point is that this man—you know we say, "Oh, that mine enemy had written a book." The point about the man we are talking about now is that he is not one of these men who never had a history, never had a thought, and never spoke about it. He was keenly and deeply interested about all these matters, and has been all his life, and could not help talking about them. We are lucky to have a man with such deep concern in these matters.

Mr. HUMPHREY. I thank the Senator.

SENATOR THOMAS M'INTYRE'S VIEWS ON THE PAUL WARNKE NOMINATION

Mr. President, last Saturday my distinguished colleague and friend from New Hampshire (Mr. McINTYRE) delivered a speech before the Nashua, N.H., Jaycees where he discussed, among other matters, the nomination of Paul Warnke to be Director of the Arms Control and Disarmament Agency and our chief SALT negotiator.

Senator McINTYRE, in very eloquent yet blunt terms, rightly pointed out that the debate on this nomination seems to get stuck on the irrelevant question of "who is No. 1" and what Soviet intentions are, rather than arms control as a central policy of the U.S. Government. Senator McINTYRE's statement makes the point that we must move beyond merely assessing the Soviet threat, but that we must decide how best to react to it. Obviously pursuit of arms limitations and reductions are an appropriate reaction.

As the Senator appropriately pointed out:

> We are much stronger, because we are much more at peace with ourselves—thanks to Jerry Ford, because we have put Vietnam and Watergate behind us, and because we have a new Administration that is exhibiting admirable balance and restraint, a determination to surmount our problems, and a commitment to firm up our traditional alliances, speak up for human rights throughout the world, and—at the same time—seek to cap the arms race and insure a safer world.
>
> The last may well be the focal point of controversy in the coming months, so I especially ask you to study this issue, to understand it, to grant sincerity on both sides of the argument, and to trust that the new President is, indeed, acting in what he believes are our best interests.

As one who has served his nation for 14 years on the Senate Armed Services Committee, I think Senator McINTYRE brings special insights to this ongoing debate over who has nuclear superiority, whether it is meaningful to just focus on this aspect, or should our debate be moving onto an entirely different plane if we are ever to harness an arms race that is fast growing out of control.

As the Senator noted:

> . . . however one judges the relative strength of the two nations, there is little doubt that we do, indeed, now stand at rough equivalency. In other words, neither nation holds that substantial a lead over the other. So where do we go from here?
>
> Is it in either side's best interests—is it in the world's best interests—to kick off a new lap in the arms race? If either side does, we know the other will accelerate to catch up again. And so it goes. An endless, irrational cycle that can only end in bankrupted economies at best . . . or nuclear holocaust at worst.
>
> Our new President believes we are still the strongest nation on earth and he is determined to keep us the strongest. But he also believes that the arms race is insane. He wants to end it. He wants to negotiate with the Soviets to reduce, not just put a ceiling on, strategic nuclear weapons. He will not disarm us unilaterally or irresponsible. He has about him men who have dealt with the Russians before. They are shrewd, prudent, tough-minded men who will not base any arms control agreement on trust, but on the most compelling mutual self-interest in ending the arms race and securing a safer world.

Mr. President, I believe Senator McINTYRE's views are the most relevant within the context of the nomination of Mr. Warnke. We are not approving the head of a negotiating team who suffers under any delusions regarding the Soviets.

But my colleague makes, perhaps, the most relevant observations when he states:

> John F. Kennedy once said we should never negotiate out of fear . . . but we should never fear to negotiate. A strong country, a country with faith and confidence in itself, need never fear to negotiate. But it ought to fear the consequences of not negotiating when the alternative is a heated up arms race that can only end in disaster.

Senator McINTYRE concluded his remarks by quoting from another President, Dwight David Eisenhower, whose views on the arms race are represented in the following quotation:

> Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children . . . This is not a way of life at all, in any true sense. Under the cloud of threatening war, it is humanity hanging from a cross of iron . . .

Mr. President, I want to take this opportunity to express my appreciation for this most eloquent presentation of what I believe to be the relevant issues involved in the nomination of Mr. Paul Warnke. Senator McINTYRE is to be congratulated for raising the level of this debate to the plane which it deserves. I commend my colleague for his wisdom and would urge that all in the Senate heed his observations.

I ask unanimous consent that Senator McINTYRE's excellent Nashua speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH OF SENATOR McINTYRE

I'm asking you tonight not only to have faith in your country, but to give your leaders your help and your good will.

I am not asking you to approve everything those leaders do. You have a right, a responsibility, indeed an obligation to object when you honestly believe they are making a mistake. That's what our society and our form of government is all about.

But before you join those who call a decent Republican President "Jerry the Jerk" and accuse a decent Democratic President of following a, quote, "pro-Communist" policy, stop and think. Study the issue. Try to understand what your President is trying to do. Give him some credit for doing what he sincerely believes is best for us . . . and best for our country.

For all of our economic problems, our weather problems, our international problems, our energy problems, we are much stronger today than we were just a few short years ago.

We are much stronger, because we are much more at peace with ourselves—thanks to Jerry Ford, because we have put Vietnam and Watergate behind us, and because we have a new Administration that is exhibiting admirable balance and restraint, a determination to surmount our problems, and

a commitment to firm up our traditional alliances, speak up for human rights throughout the world, and—at the same time—seek to cap the arms race and insure a safer world.

The last may well be the focal point of controversy in the coming months, so I specially ask you to study this issue, to understand it, to grant sincerity on both sides of the argument, and to trust that the new President is, indeed, acting in what he believes are our best interests.

No one disputes the Soviet arms build-up in recent years. That is a fact. The debate is over how we interpret this build-up and, above all, how we respond to it. Some observers believe that the Soviets have caught up with or even surpassed us in total military power, but others—including the President, the Secretary of Defense, the Secretary of State and the Joint Chiefs of Staff—believe we are roughly equivalent in over-all military strength and still ahead in the most important kinds of capability.

After 14 years on the Senate Armed Services Committee, I know what we have in the way of arms, and I think I know what the Russians have. And I agree with the President and most senior military men that we are second to no other nation in military strength.

But however one judges the relative strength of the two nations, there is little doubt that we do, indeed, now stand at rough equivalency. In other words, neither nation holds that substantial a lead over the other. So where do we go from here?

Is it in either side's best interests—is it in the world's best interests—to kick off a new lap in the arms race? If either side does, we know the other will accelerate to catch up again. And so it goes. An endless, irrational cycle that can only end in bankrupted economies at best . . . or nuclear holocaust at worst.

Our New President believes we are still the strongest nation on earth and he is determined to keep us the strongest. But he also believes that the arms race is insane. He wants to end it. He wants to negotiate with the Soviets to reduce, not just put a ceiling on strategic nuclear weapons. He will not disarm us unilaterally or irresponsibly. He has about him men who have dealt with the Russians before. They are shrewd, prudent, tough-minded men who will not base any arms control agreement on trust, but on the most compelling mutual self-interest in ending the arms race and securing a safer world.

They know we need not depend upon the frail reed of Soviet promises not to cheat, because we can verify every critical provision of a SALT agreement through our extraordinary intelligence technology.

They also know that their goal is not to get just any arms control agreement. It is to get the right kind of agreement. The kind of agreement that would not leave us more vulnerable than we were before the agreement. And they know that the Senate of the United States—and I emphatically include myself—will be watching to make sure it is the right kind of agreement.

Negotiating the right kind of agreement will not be easy. It will be difficult, delicate and highly complex. And it can only succeed if both sides keep cool heads and don't panic under pressure.

John F. Kennedy once said we should never negotiate out of fear . . . but we should never fear to negotiate. A strong country, a country with faith and confidence in itself, need never fear to negotiate. But it ought to fear the consequences of not negotiating when the alternative is a heated up arms race that can only end in disaster.

Our problems are big, but so is our capacity to deal with them.

We have survived every crisis in our history because our institutions, our traditions, our common sense and our inherent decency saved us from the full consequences of the mistakes we made.

Those elements of our history, our system of government and our national character are still in place and ready to serve us again whenever they are needed. They will continue to save us. If we give them a chance.

We are stronger than we were just a few years ago, because we are more at peace with ourselves, Vietnam and Watergate are behind us, and a new Administration is in place and giving every indication of moving to solve our most pressing problems.

What we need now is good will and good faith, a willingness to trust the sincerity of the new President, and to accept that he is acting in what he believes are our best interests, even when we disagree with him.

If we can do that, we can avoid polarizing us and paralyzing progress.

The most controversial issue before us may be the arms issue. And the question is do we accelerate the arms race . . . or do we try to end it? The President wants to end it. Do we give him our trust and our prayers? Or do we listen to those of little faith in this nation . . . those who believe negotiating for peace is somehow weak and shameful . . . those who believe the pursuit of peace is somehow not as patriotic as the pursuit of the fantasy of nuclear arms supremacy?

I've talked a lot tonight about Presidents—Republican Presidents and Democratic Presidents. And now I'd like to close my remarks by quoting another President—Dwight David Eisenhower—because what he had to say applies so well to what I've been talking about.

On the arms race, Ike said, and I quote:

"Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children . . . This is not a way of life at all, in any true sense. Under the cloud of threatening war, it is humanity hanging from a cross of iron . . ."

And of the superpatriots, he said, and again I quote:

"I don't think the United States needs super-patriots. We need patriotism, honestly practiced by all of us. And we don't need those people who are more 'patriotic' than you or anybody else."

So spoke a general, a President, a great American . . . and a man of peace.

You have the greatest stake in peace, for you are the younger generation of Americans. Give peace a chance. Give it a chance for what it means to you, who have so much of your adult lives yet to live; and for your children, born and yet to be born.

And any organization that professes to believe, as the Jaycees profess to believe, that "the brotherhood of man transcends the sovereignty of nations" ought to give peace a chance for the sake of all humanity everywhere.

Thank you.

Mr. HUMPHREY. As Senators know, Senator MCINTYRE has served 14 years on the Armed Services Committee, and I think he brings special insights to this ongoing debate over questions of nuclear superiority, of equivalence, and of other questions relating to strategic arms. So I send to the desk the statement of Senator MCINTYRE, and I think it is a good way to conclude my portion of this debate. But we shall be ready to come back at any time.

The PRESIDING OFFICER (Mr. SARBANES). The Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, the nominations of Paul Warnke to be Chief U.S. negotiator at SALT and Director of the Arms Control and Disarmament Agency have caused me very much concern. After carefully studying Mr. Warnke's past record and the proposed scope of his duties in the new administration, I decided that I must oppose these nominations.

When I announced this decision 3 weeks ago, I explained that it was based largely on two points. First was my understanding that the Carter administration had privately promised Mr. Warnke unprecedented one-man control over all disarmament matters. This included chairmanship of the successor group to the so-called "verification panel," a high level, interagency panel charged with the evaluation of any proposed strategic arms limitation agreement with the Soviet Union.

Second was my belief that Mr. Warnke's past opposition to nearly every major strategic weapons system would make Mr. Warnke himself the issue in Senate ratification proceedings, rather than the merits of any treaty he might negotiate, thereby making it highly unlikely that any SALT treaty could get the two-thirds Senate vote needed for ratification.

With respect to the first of these points, Mr. President, I had been reliably informed that as an inducement to Mr. Warnke to accept the post which he reportedly twice declined, the Carter administration privately promised Mr. Warnke, in addition to his other two key posts, control over the interagency Committee formerly known as the "verification panel," which had previously been chaired by the head of the National Security Council or the Secretary of State.

Inasmuch as this would evaluate the work of the SALT negotiator and evalute the position of our strategic importance relative to the Soviet Union, it would put the person who held such three jobs into the position of being the planner for arms control, the negotiator for arms control, and the evaluator for arms control.

I felt such three-pronged control would make Mr. Warnke a disarmament czar with unprecedented one-man rule over disarmament. A day after the White House learned of my announcement, the President and Mr. Warnke both informed me that Mr. Warnke would not in fact chair this panel, and that Mr. Brzezinski would instead. While I was certainly relieved to receive these assurances that Mr. Warnke would not wear this third disarmament hat, this did little to allay my very serious concerns about these nominations.

Indeed, I believe my second criticism itself is more than ample grounds for disapproving these nominations.

Mr. President, the negotiations on strategic arms limitations are clearly the most critical we have ever faced, having the gravest implications for the future security of the United States and, in-

deed, the entire world. To be effective in this delicate effort, the top U.S. negotiator must be a person who enjoys the unquestioned confidence of the American people. Furthermore, if a negotiated agreement is ever to become the law of the land, it is equally essential that such confidence be present among the U.S. Senate, for it is we who must ratify any SALT agreement by a two-thirds vote.

Paul Warnke's clear and unmistakable past record of opposition to nearly every American strategic weapons system including an expressed desire that about 50 percent of her nuclear warheads should be ruled out of NATO, including that conception, presents him with what I feel will be an insurmountable credibility gap.

In the end, Mr. Warnke himself would become the issue in any Senate ratification proceedings rather than the merits of any treaty he might negotiate. The issue of strategic arms limitations transcends the importance of any one individual. To go to the negotiating table with Mr. Warnke's past record is to send a man to SALT with one arm tied behind his back. The product of such negotiations will be flawed before they even begin. Any proposed treaty will be in jeopardy before it even comes to the Senate floor.

Mr. President, you do not select someone to negotiate in your own best interests or your country's best interests when that person has previously and publicly, on many occasions, expressed doubts about virtually all the strong positions that you or your country has ever held. And yet, Mr. President, that is exactly what we are being asked to do here today. Surely this country deserves better than this, on such a vital issue.

Clearly, Mr. Warnke is not the man in the right position at the right time for these important posts.

For these very serious reasons, Mr. President, I have decided to vote against the nomination of Mr. Warnke.

Mr. CASE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, on NBC's "Meet the Press" program of yesterday, March 6, the Secretary of Defense, Dr. Harold Brown, gave a very disquieting answer to a question propounded to him by one of the panelists. If the thoughts expressed by Secretary Brown truly reflect administration policy, then we may well be in worse shape than I thought, and it should give us all cause for concern as we debate the nomination of Paul Warnke. After all, it is important to know what philosophy Mr. Warnke is taking into SALT should he be our negotiator.

First, Dr. Brown dismisses the importance of a first rate military system in providing national security by stating:

> I think that real security lies in strategic arms negotiations to produce a lower level of armament. . . .

Then, immediately thereafter, came this exchange, and I quote it verbatim:

> Ms. DREW. You said also in one of your answers to him that you were not concerned about modest differences in the numbers of weapons. What would you consider immodest differences?
>
> Secretary BROWN. I can't give a specific number, particularly because there is no single number that characterizes strategic forces.
>
> As I said, we are ahead in some things; they are ahead in other things. If, across the board, they were ahead in numbers and in payloads and in accuracy and a number of other things by a substantial factor, you know, like three or four, I think that would begin to have psychological and political effects, and in some things they are ahead by a substantial factor. In other things we are ahead by a substantial factor. An overall judgment has to be made in these matters and my judgment is we are in a situation of essential equivalence.

If one examines closely what the Secretary said, the essence of the exchange is as follows: Question: What are immodest differences in numbers of weapons? Answer: If across the board * * * they were ahead by a substantial factor * * * like three or four, I think that would begin to have psychological or political effects * * *."

Mr. President, I submit that is the understatement of the year. The dictionary defines "factor" as "one of two or more numbers, algebraic expressions, or the like, which when multiplied together produce a given result." In other words a "factor" is a multiplier. So when Dr. Brown says:

> If across the board they were ahead by a substantial factor . . . like three or four . . . that would begin to have . . . effects.

He is announcing, assuming that he meant to say what he said, a rather startling shift in policy. In effect, he is saying that the administration's threshold of fear, the threshold of concern about the Soviet military buildup, will only be reached when, across the board, they have three or four times as much military capability as the United States. No wonder, if this is the policy to be adopted, Dr. Brown stated:

> I think real security lies in strategic arms negotiation to produce a lower level of armament . . .

If we were to concede a three- or four-times advantage to the Soviets, there would surely be little security that could be effectuated by any military means.

What Dr. Brown was apparently advocating, Mr. President, is what is known in common parlance as "minimal deterrence." This is the incredible viewpoint which argues that it does not matter that the Soviets gain military superiority—superiority, Mr. President, not parity—as long as we have a nuclear capacity sufficient to inflict severe damage upon their country. While I suspected, by such tell-tale signs as the nomination of Mr. Warnke in the first place, that the administration was moving in this direction, I had not fully realized how quickly or to what degree.

So here, in effect, is the message we are sending to the SALT talks along with Mr. Warnke: The United States will settle for "modest" military superiority on the part of the Soviets, "modest" being defined as military superiority that is not, across the board, a lead by a substantial factor of three or four times our capacity.

As I said, Mr. President, maybe Dr. Brown did not mean to say what he said. But if he did, I find his words so startling, so ominous, so frightful, that we ought to know, before we vote on Mr. Warnke, whether this is in fact what Secretary Brown meant to say. Because, if it is, then I think that a majority of this Senate, including many of those who thus far may have been inclined to vote in favor of Mr. Warnke, would want to say right here and now that we will tolerate no arms control agreement or general defense policy that concedes to the Soviets any across-the-board advantage, not to mention an advantage up to three or four times our own capabilities.

I have suspected for some time that Mr. Warnke's nomination, and that of Mr. Theodore Sorensen before him, was no accident. Rather, it is a harbinger of things to come. I believe that, as in the rejection of Mr. Sorensen before him, we ought to nip this policy shift in the bud by rejecting the nomination of Mr. Warnke, a man who, for too long, too often, and in too many ways, has represented this "minimal deterrence" philosophy and mentality.

I yield the floor, Mr. President.

Mr. SCOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. SCOTT. Mr. President, I ask unanimous consent that Mr. Charles Coneely, a member of the staff of the Senate Committee on Armed Service, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. Mr. President, it appears to me that this is a day for candor in the Senate. We are discussing what may well be the most vital and important issue to the security of our Nation that will be brought up during this session of Congress. We have under consideration the name of Mr. Paul Warnke, who has been nominated by the President to be both our ambassador or chief negotiator to the strategic arms limitation talks—SALT II—and also be Director of the Arms Control and Disarmament Agency. It appears to me that the person selected should be an individual of unquestioned loyalty, of unquestioned dedication to the security of our Nation. He should be thoroughly familiar with the subject and should only make a concession to the Russians when he knows in his own mind, as clearly as any individual can know, that the concession made would not be detrimental to the United States and that a corresponding concession made by the Russians will be at least as valuable to us as the one we made to the Russians.

Some of us in this Chamber are old enough to remember the "peace in our time" concept that preceded World War II. We remember the Prime Minister of Great Britain, Neville Chamberlain, returning to London after a conference in Munich with Adolph Hitler speaking of "peace in our time." He had negotiated from a position of weakness and had made concessions to the German dictator in the hope of placating him to avoid war. History has taught us that this did not work. In my opinion, the only thing that a dictator—Fascist, Communist, or totalitarian regime from any portion of the political spectrum—understands is strength. Not the threat to use strength but the knowledge on their part that a nation is strong and that any effort to interfere with the security of that nation or group of nations allied together would be a futile act on the part of a would-be aggressor.

While I have been a member of the Armed Services Committee since coming to the Senate, my basic training has been in the legal field and, somehow, I think of the chief negotiator on behalf of the United States, or Ambassador as he is called, to the strategic arms limitation talks much as a lawyer attempting to work out a settlement on behalf of his client. Roughly two-thirds of the Senate are lawyers. They know that a valid contract is one that possesses consideration, quid pro quo, something for something, mutuality; and the agreement that will be attempted at SALT II is to limit the strategic arms or the overall planning and ability to wage war to an equal extent by both parties to the agreement.

This is what troubles me with Mr. Warnke. The President's nominee has already indicated on many occasions that he would be willing to unilaterally reduce the military strength of our country. He has opposed pratcically every important strategic weapon system the United States has developed. For a number of years we have had representatives of NATO negotiate with the Warsaw Pact nations for a mutual and balanced force reduction in Europe and at one time consideration was given to our reducing our tactical nuclear weapons where we have been superior contingent upon Russia reducing its tank force where it has been superior. Yet, Mr. Warnke was reminded on February 8, 1977, by the Senator from Michigan, Mr. GRIFFIN, that he had indicated support for a cutback from 7,000 to less than 1,000 of our tactical nuclear weapons in Europe. This without any corresponding reduction in the number of tanks by Russia. He responded that he still thought this unilateral action should be reexamined. In March of 1974 he had testified before the Foreign Relations Committee and I quote:

> I think the deterrent purpose of tactical nuclear weapons could be served by something like several hundred, rather than several thousand . . . in my opinion the number of tactical nuclear weapons now deployed in Europe should be very substantially reduced . . .

Of course I do not know whether Mr. Warnke knew that consideration was being given by the NATO forces—the NATO nations—to reducing or pulling back from boundaries close to Warsaw Pact nations some of our tactical nuclear weapons but I learned of it in 1975 while participating in informal discussions with a group of NATO nation ambassadors also attended by some Senate staffers who had no security clearance.

While we made no reference to reduction of our tactical nuclear weapons in exchange for a reduction in Russian tanks at later meetings attended by the Russian Ambassadors, it would seem reasonable that Mr. Warnke knew or could have known that this was a factor under consideration when he urged the unilateral reduction of our tactical nuclear weapons in testimony before the Foreign Relations Committee.

On page 17 of the Foreign Relations Committee report on the Warnke nomination, Senator GRIFFIN calls attention to the fact that the Soviet Union had been outproducing the United States about 6 to 1 in tanks during the past 5 years. This is at a period when Mr. Warnke was testifying before the Senate Appropriations Committee in May 1974 urging the suspension of all new tank development by the United States. He stated that there was a tendency on the part of the Army to think in terms of tank combat on the plains of Europe. But is it not reasonable to assume that if Russia and the Warsaw Pact nations greatly outnumber the NATO nations in tanks, we must have some other type of weapons in order to have sufficient deterrent against Russia. The NATO nations, in my opinion, were thinking of the presence of tactical nuclear weapons in Europe as providing the balance between the forces. Yet, Mr. President, Mr. Warnke was not concerned about the superiority of the Russian tanks. He did seem to be concerned that we had too many tactical nuclear weapons. He opposed the Trident submarine; he opposed the B–1 bomber; he opposed the cruise missiles; he saw no reason why we should not agree that our cruise missiles would have no more than a maximum range of 600 kilometers; he opposed improving the accuracy of our missiles and independent targeting thereof. In addition, he proposed a 30,000-member reduction in our NATO support force during the time that our mutual and balanced force reduction talks were being carried on in Vienna.

In my opinion, the question is not whether Mr. Warnke supported or opposed any one specific type of American weaponry, he appeared to oppose all increases in numbers in efficiency, and sophistication. He appeared to testify in favor of weakness on behalf of the United States. There is not a man in this Chamber who would not hope for a time that all nations will be at peace with one another; that no nation will have to be concerned about any threat from outside its borders; that swords will be beaten into plowshares; that the lion can lie down with the lamb and neither will be afraid.

But Mr. President, we do not live in a world like that today and I do not believe that any Senator believes that our Nation can continue to exist and enjoy the standard of living we have developed over the past several hundred years without having a strong national defense. In my opinion, Mr. Warnke is out of step with the attitude of the people of the United States. He has been called an apostle of weakness and I believe it is a fit description. I wish it were possible for every Member of the Senate to read the testimony taken late last month before the Senate Armed Services Committee and the somewhat evasive responses made by Mr. Warnke. Mr. Warnke is just not suitable for the job to which he has been nominated. We need a tough bargainer on behalf of the United States to look out for our Nation's interests at the SALT II negotiations. His past record indicates he lacks either the background or the understanding to handle tough bargaining negotiations with the Soviet Union.

All of us know that the Russians are notoriously tough bargainers. We remember Khruschev pounding his shoe on the table during a meeting of the United Nations. We remember his threat to bury us. The fact that the Soviet Union has substantially increased its ability to wage war over the past 10 years at a time when we have decreased our relative capacity to compete with the Soviet Union should give us pause. When Khruschev made this statement we recognized Russia as a powerful nation but we had no thought at that time that it might have even passed the United States in military competency. Doubts do exist today among some portions of the American public and while there is no question that we are still superior in some forms of weaponry, there is also no doubt that the Russian capacity exceeds ours in other important areas.

Mr. Warnke summed up his views on defense very well in an article "Apes on a Treadmill" in the spring 1975 issue of Foreign Policy. He stated, and I quote:

> The chances are good, moreover, that highly advertised restraint on our part will be reciprocated.

He believes there is a "monkey see, monkey do" attitude on the part of the Soviet Union and the United States in regard to the arms race and that with unilateral restraint on our part "no advances the other side might make in 6 months, or many more, could alter the strategic balance to our detriment." How can a reasonable, prudent man, familiar with history of the Russian buildup and the decrease in our military strength compared with that of the Soviet Union over the past 10 years make such a statement? In my opinion, it is an untenable position and certainly indicates that this is not the type of individual that should represent the United States at a bargaining table when our national security is at stake.

I asked Admiral Moorer, the former Chairman of the Joint Chiefs of Staff, during the hearings before the Armed Services Committee, whether there would be any risk to the United States from such restraint, and he said there certainly would be. On March 1, General Haig, the present Commander of the

NATO forces in Europe was testifying before our Subcommittee on Manpower and Personnel and while not referring to Mr. Warnke directly, I asked whether a 6-month restraint on our part might cause Russia to also restrain its development of weapons and General Haig replied in one word, "no." He also gave a similar response as to whether such a 6-months unilateral restraint would be in the best interests of the United States—"no."

There are 18 Senators on the Senate Committee on Armed Services. My personal count indicates that 13 of the 18 intend to vote against the confirmation of Mr. Warnke to be our chief negotiator to the strategic arms limitation talks. A number of these Senators have served on the committee for a long period of years. They are dedicated to the security of this country. All seven of the Republican members have indicated their opposition and have expressed their individual views toward the end of the testimony of hearings before our committee. A majority of the 11 Democrats also are in opposition. Since some have not publicly expressed themselves, I would not want to attempt to identify them by name; but Senator JACKSON, one of the senior members of the committee, publicly indicated his opposition to this nominee.

While visiting North Carolina a few weeks ago, I heard one of the newer committee members, Senator MORGAN, make a television statement to his constituents against the nomination and feel sure that he would not speak as he did to his own constituents without voting against the nominee on next Wednesday.

Again, the members of this committee are knowledgeable in the field of national defense. Three are retired major general. I hope that each Senator would read as much of the testimony as his other responsibilities will permit.

The questions asked throughout the almost 300-page transcript reveals the concern of this committee with the nomination. The individual views reveal the same concern in a more concise manner. Senator JOHN TOWER says:

The record hears out that Mr. Warnke was advocating major cuts in defense spending at the precise time that mounting and irrefutable evidence was emerging as to the nature and momentum of the Soviet buildup.

Senator THURMOND bases his position in three major subject areas:

First. Weapon systems procurement; second, research and development; and, third, unilateral initiatives.

He states that the Warnke record in these three areas makes him entirely unsuitable for either position for which he has been nominated. The Senator adds that he is troubled by obvious changes in position since Mr. Warnke was nominated, coupled with his unwillingness to acknowledge these changes.

I ask unanimous consent, Mr. President, to have printed in the Record some questions asked by the Senator from Washington (Mr. JACKSON), beginning at page 17 with the words "Just to set the record straight" and concluding near the top of page 18 with the response by Mr. Warnke, "Yes, sir, Senator, that is absolutely correct." These questions and the response by Mr. Warnke include 13 different major U.S. defense programs that Mr. Warnke has opposed.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Just to set the record straight, and setting aside for the moment your current view on these prior recommendations, I want to read a list of the programs on which you have made recommendations in the past. When I have completed the list, which runs to 13 items, I would like you to tell the committee whether I have accurately summarized your prior recommendations on these U.S. programs.

You recommended:

(1) Against the B–1.

(2) Against the Trident submarine and the Trident II missile.

(3) Against the submarine-launched cruise missile.

(4) Against the AWACS programs.

(5) Against the development of a mobile ICBM, by the United States.

(6) Against MIRV deployment.

(7) Against improvements to the U.S. ICBM force, including improved guidance and warhead design.

(8) Against the development of the XM–1 tank and for reductions in the procurement of the M–60 tank.

(9) For the reduction of U.S. tactical nuclear weapons in Europe from 7,000 to 1,000. I believe you just said a moment ago that you did not recommend a reduction in nuclear weapons in Europe.

(10) For the withdrawal of some 30,000 troops from NATO without waiting for the conclusion of an MBFR agreement.

(11) For holding the army at 13 rather than 16 divisions, after improved efficiency made creation of three new divisions possible within existing manpower ceilings.

(12) For a $14 billion cut in the defense budget in the fiscal year 1974 submission and a $11 billion cut in fiscal year 1975.

(13) For reduction in fiscal year 1975 dollars of 3 percent per year in the defense budget, with the result that, applied to the fiscal year 1978 budget, the total reduction would amount to some $26 billion from the Carter recommendations to Congress.

Mr. WARNKE. Yes, sir, Senator, that is absolutely correct.

Mr. SCOTT. Mr. President, Senator BARRY GOLDWATER summarizes his opposition in slightly less than one page but it is interesting to note that he has "a bad premonition that unless we change our attitudes and our actions, we are headed for a repeat of England's disastrous appeasement of Hitler in the 1930's." The closing remarks in his statement were:

We need to have complete confidence that any agreement brought back is in our best national interest; and, therefore, the nominee for these positions needs to have the overwhelming support of the Congress and the American people. Mr. Warnke does not.

My own individual views follow those of Senator GOLDWATER, and they conclude with this paragraph:

When we are considering the defense of our country I believe doubts must be resolved in favor of national security. I have serious doubts about Mr. Warnke's dedication to a sufficiently strong national defense or his ability to successfully negotiate a reasonable strategic arms limitation treaty with the Soviet Union and therefore oppose his nomination for either position.

Senator DEWEY BARTLETT indicates that Mr. Warnke is neither an arms services control expert nor an experienced diplomat. His concluding paragraph in opposition to the Warnke nomination is as follows:

By its action on the floor, the Senate must send a message to Moscow that the Congress is more concerned with the substance of new arms control agreements than the ease by which they are obtained. The Senate must show that it has not ignored the massive Soviet arms buildup in recent years. Two votes against Mr. Warnke will strengthen the future negotiating positions of the United States and will further the cause of successful arms control.

It would be most helpful to all of us in considering the various important matters that come to the floor of the Senate if our time was not taken up by committee hearings, by conferences with constituents and various other obligations, if we had the time to read all of the testimony on important nominations like the present one but let me quote very briefly the concluding remarks by the senior Senator from North Carolina, Mr. HELMS:

Does Mr. Warnke still believe there are no basic differences between the U.S. and the Soviet Union, that we are but "two apes on a treadmill"? I do not know. Has he finally learned the lesson of Munich that appeasement only leads to disaster? I doubt it. These and countless other fundamental questions have not been answered. Yet the U.S. Senate is being asked to vote on a nominee who will be intimately concerned with issues involving the ultimate and final fate of this nation. I believe the Senate should know what we are voting for and about. As of the present moment, the Senate does not know.

The senior Senator from Utah, a new member of our committee, has spoken out very strongly against this nomination which he opposes for a variety of reasons but the concluding paragraph in his individual views is:

I am perfectly willing to be proven wrong, and hope that I will be. If I am, I will say as Mr. Warnke so often has during our hearings on his nomination, that I do not regret having opposed him, but that changed circumstances now show him to be the obvious choice to continue. As he explains it, that will not be a change of mind.

Mr. President, of course we are here representing the various States of the Union and the citizens of our States. They would expect us to inform ourselves on all important matters. Still, my office has received a considerable amount of mail indicating strong citizen opposition to this nominaton. You may have checked wth your own staff to ascertain the volume and the views set forth in correspondence from your constituents. If their feeling is anything like that of the people of Virginia and if their positions are a reflection upon your ultimate decision, the Warnke nomination will be overwhelmingly rejected.

A constituent from McLean, and I might add, all of the mail I refer to at this time is from citizens of Virginia—this gentleman from McLean refers to the past record of Mr. Warnke and states:

I am far from convinced that the leopard has in fact changed his spots.

I ask unanimous consent, Mr. President, that this and the other letters I refer to—and I have a large number of them—be inserted at an appropriate point in the RECORD in their entirety, eliminating only the identity and addresses of the various writers.

(See exhibit 1.)

(Mr. STEVENSON assumed the Chair at this point.)

Mr. SCOTT. A lawyer from Hampton states that—

In view of Mr. Warnke's previous statements and actions, I feel that his nomination to this crucial position is not in the interest of the security of this Nation, and I strongly urge you to do whatever you can to either see that the nomination is not confirmed or, in the alternative, join other Senators who are urging President Carter to withdraw his nomination.

A gentleman from Midlothian—that is in the Richmond area—states, and I quote:

I feel that this man's influence would be a serious danger at this time when Russia's military power is steadily increasing.

A lady wrote:

Mr. Warnke's naive views of how the Russians will reduce armaments if we will do so first is creating apprehension around here as to whether we will have any strength left at all if this man goes to the SALT bargaining table.

A youth organization refers to past writings and statements by Mr. Warnke, and after expressing its strong opposition to his confirmation poses the question, "Can our vital interests really be protected in such a situation?"

An Oakton gentleman states that the Warnke nomination is totally unacceptable to him.

A South Boston physician states:

It does not make good sense to me that this country should have as chief negotiator a man who has opposed most of the arms which we have developed and rely on as our defense to be our chief negotiator.

A gentleman from Newport News writes that—

Warnke's past views on unilateral disarmament and naive approaches in dealing with the Russians would jeopardize the security of the United States.

A gentleman from Alexandria states:

One cannot be faulted for holding strong, honest views even if we disagree with those views. But here we see Mr. Warnke repudiate his often expressed opinions of a few years ago for what, we must assume, are nothing more than a passionate desire for confirmation. This man lacks character, the essential ingredient for the positions he seeks.

Now, Mr. President, I wil not take the time of the Senate to read the other letters, but I did ask that they be printed in their entirety, eliminating only the names. addresses, or other material identifying the individual constituents.

EXHIBIT 1

A McLean resident had this to say about Mr. Warnke:

I am greatly concerned about the nomination of Paul Warnke to head the Arms Control and Disarmament Agency and to act as head of the SALT delegation which will soon be brought before the full Senate.

Mr. Warnke's continuing support of unilateral disarmament and major reductions in U.S. defense budgets is clearly on the past record. One has to wonder why his testimony before the Senate Foreign Relations Committee has taken a different tack. Has he really had a sudden and precipitous change of heart (and if so what caused it?) or is he hiding his true views to facilitate Senate acceptance?

It is perfectly proper that the head of ACDA be an advocate within the administration for balanced arms reductions tied to adequate safeguards, as was Dr. Ickle. There is nothing in Warnke's past record to indicate a concern for either balance or safeguards, and I am far from convinced that the leopard has in fact changed his spots. Accordingly, I strongly recommend that you oppose Warnke's confirmation as both ACDA and head of the SALT deelgation. His participation in the latter capacity would risk irreparable damage to U.S. security interests.

An attorney from Hampton stated:

I am writing you in reference to President Carter's nomination of Paul M. Warnke to head the United States Arms Central Agency and to be the Chief Negotiator at the upcoming SALT talks. While I am generally in agreement with the philosophy that a president should be entitled to choose his own administrators and advisers, I cannot agree with this nomination in particular. It is apparent that we do not even know the military strength of the Soviet Union (See *e.g.*, "Assuming the Soviet Economy: The CIA's Giant Goof," Business Week, p. 96, February 28, 1977).

In view of Mr. Warnke's past statements and actions, I feel that his nomination to this crucial position is not in the best interest of the security of this nation, and I strongly urge you to do whatever you can to either see that the nomination is not confirmed or, in the alternative, join other Senators who are urging President Carter to withdraw his nomination.

A man from Midlothian, Va., put it this way:

I feel compelled to urge you to do as much as possible to block the confirmation of Paul Warnke to head the Arms Control and Disarmament Agency.

I feel that this man's influence would be a serious danger at a time when Russia's military power is steadily increasing.

We received these views from a Cobham, Va., woman:

Mr. Warnke's naive views of how the Russians will reduce armaments if we will do so first is creating apprehension around here as to whether we will have any strength left at all if this man goes to the SALT bargaining table. Please advise Mr. Carter to change his mind and nominate someone with a more realistic and patriotic outlook.

Then we have a letter from a Sterling, Va., man, who stated:

The recent nomination of Paul Warnke to the twin posts of director of the Arms Control and Disarmament Agency and chief SALT negotiator gravely concerns many Americans who believe deeply in a strong national defense.

In his writings of the past several years, Mr. Warnke has advocated unilateral American arms reductions in the hope that the Soviet Union would follow suit. Unfortunately, this hope has been shown to be false. The Soviet Union continues its unprecedented build-up in their conventional and nuclear arsenals. Many experts now warn that America will soon lack the capability to respond appropriately to blackmail threats from the Kremlin.

In addition, Mr. Warnke has already stated his opposition to the B–1 bomber, the Cruise missile, various defense systems, and American MIRV capability. In other words, he has already conceded most of the points that are still at issue in the SALT talks without demanding any Soviet reciprocity.

Can our vital interests really be protected in such a situation?

An Oakton, Va., man said:

The nomination of Paul Warnke by Pres. Carter to head ACDA is totally unacceptable to me. Mr. Warnke's opinions on unilateral disarmament and the Russians motives are naive to say the least. The record shows that as the United States has been cutting back militarily the Soviets have not. Mr. Carter promised "a defense capability second to none" during the debates and this nomination should be voted down if we expect to be able to achieve this goal.

A South Boston physician wrote:

It does not make good sense to me that this country should have as chief negotiator a man who has opposed most of the arms which we have developed and rely on as our defense to be our chief negotiator. The fact that he has in the past favored unilateral moves on the part of this country will also be a serious defect in his ability to bargain with the Russians. I certainly do not believe that he will be the best negotiator that we can have and I would hope the Senate would not confirm him.

A man from Newport News also opposes Mr. Warnke. He stated:

I view with alarm the nomination of Paul Warnke as Director of the Arms Control and Disarmament Agency. His past views on unilateral disarmament and naive approaches in dealing with the Russians would jeopardize the security of the United States.

These are trying times, and we need the best men in high office. But Mr. Warnke does not represent the tenor of our country, and his appointment could represent a disaster to the future security of our nation.

A real estate developer from Alexandria said:

For some time I have wanted to commend you for your forthright stand on Andrew Young. It is the Senate's duty, not to be a rubber stamp to the President's nominees, but to deny confirmation when it is in our national interest to do so. I was proud to see you cast one of those dissents for Virginia.

Now we have the matter of Warnke for a vital, two-headed post. One cannot be faulted for holding strong, honest views even if we disagree with those views. But here we see Mr. Warnke repudiate his often expressed opinions of a few years ago for what we must assume are nothing more than a passionate desire for confirmation. This man lacks character, the essential ingredient for the positions he seeks.

I urge you to vote against his confirmation.

A businessman from Richmond had these thoughts:

I would like for you to oppose the nomination of Paul C. Warnke as head of the Arms Controls and Disarmament Agency.

I do not believe that the positions as taken by Mr. Warnke in the past make him a suitable person to be this agency's Head. Mr. Warnke is a strong advocate of unilateral disarmament initiatives, but this can be based, from what I can determine, only on the hope that the Soviet Union would follow suit.

I believe this Agency is much too important to have a man of Mr. Warnke's beliefs as its Head.

A Norfolk resident had similar views:

As a resident of Virginia and a retired officer of the U.S. Navy I urge you to vote against the nomination of Paul C. Warnke as head of the Arms Control and Disarmament Agency. It is my understanding that Mr. Warnke is a strong advocate of unilateral disarmament initiatives by the United States, and I seriously doubt that he would insist on proper verification of any arms control agreement which might be reached. We can ill afford to be represented, in such an important effort as arms control, by any man who advocates stopping United States programs merely on the hope that the Soviets will follow suit.

Another Northern Virginian shared his concerns with us. He wrote:

This letter pertains to Mr. Paul Warnke, who is President Carter's nominee to be Director of the Arms Control and Disarmament Agency and to be chief negotiator for SALT.

It so happens that I have kept track of Mr. Warnke's pertinent pronouncements ever since he and I met at the Senior Strategy Conference at West Point in 1968. I was not reassured by his views as he articulated them then. His endorsement of Mr. McGovern's bizarre proposals about defense four years later redoubled my doubts. The doubts were confirmed again when I read Mr. Warnke's testimony on strategic matters before the Senate Budget Committee last March. Surely his testimony only last week before the Senate Foreign Relations Committee does not reflect the cogency which one should expect from one who has been nominated for such vital responsibilities. I especially recommend that you read his testimony before the Senate Budget Committee.

Were I a Senator, I would be inclined to vote against him. It would be presumptuous of me to volunteer advice that you should vote against him merely because I think he does not measure up, but what I do hope is that you will examine this nominee's record with special care. I trust that you may be persuaded at least to vote to separate the functions of being head of the ACDA and being chief negotiator for SALT. I regard it as eminently important, in any event, to distribute those functions instead of concentrating them. Mr. Warnke's traits as I have observed them seem to make such a division altogether necessary.

A Richmond man wrote:

I served thirty years in the United States Army and held several positions of responsibility. During that time, I acquired considerable knowledge of the defense requirements of our country.

The ideas expressed by Mr. Paul C. Warnke over a period of years lead me to the conclusion he is incapable of protecting the best interest of the United States should he be confirmed by the senate to head the Arms Control and Disarmament Agency and serve as our chief Salt II negotiator. His long time opposition to new weapons systems required to maintain a balance of power between ourselves and the USSR and expressions of unilateral disarmament should be frightening to anyone who has observed the actions of the USSR to achieve world domination.

I strongly urge you to vote against the confirmation of Paul C. Warnke as head of the Arms Control and Disarmament Agency and chief Salt II negotiator.

A real estate man from Washington, Va., made these comments in a letter to our office:

In searching for information on Mr. Paul C. Warnke's qualifications for Director of the Arms Control and Disarmament Agency we find nothing indicating he is the man for the position.

He may be a fine person to know, but apparently he is not the person to represent our country in such a capacity. We urge you to vote against him.

Also in dealing with our defense budget remember you do not want your family living in a community where there is no fire department ready to go into action at a moments notice. In like manner we want our armed forces prepared and equipped to do their job. Lets keep our country's defense superior to that of the USSR.

A lady from Alexandria expressed her dissatisfaction with the nomination like this:

I hope you will vote against the confirmation of Paul C. Warnke as Director of the Arms Control and Disarmament Agency. According to what I have heard from authoritative sources, he has been in most of the organized efforts to unilaterally reduce our defenses. Since we are already dangerously behind Russia in armaments, I think our defense should be increased. I suggest that the Arms Control and Disarmament Agency should be abolished and the money that is allocated to it should be used to build up our defenses equal to Russia's.

A Stephens City, Va., man said:

I'm concerned about the nomination of Paul M. Warnke for head of the U.S. Arms Control and Disarmament agency and Chief Negotiator at the SALT Arms Talk.

From his past positions on such matters I strongly feel that he would not adequately protect the U.S. position requiring negotiation from a strong position. I think his confirmation would result in a threat to our national security.

A Fauquier County man expressed his views in this manner:

I strongly urge you to oppose the appointment of Paul C. Warnke to the position of chief arms control negotiator at the SALT talks.

As an outspoken proponent of unilateral disarmament, Mr. Warnke is a threat to our national security, which our military leaders have told us is now more endangered than ever before by the Soviet Union. He is also on record as opposing production of the B–1 bomber and the Trident missile.

Our only hope of preserving peace and our freedom is through the maintenance of strong superior military capability. Mr. Warnke is obviously not the man to pursue these goals for the United States of America.

A Wytheville, Va., resident wrote:

I understand that the nomination of Paul Warnke as head of the U.S. Arms Control is before the Senate. I think his nomination poses a threat to our national security for he favors unilateral disarmament and trusts that the Communists will follow suit.

The history of broken promises and broken treaties give ample evidence that the Soviets are not to be trusted. We must negotiate from a position of strength, for that's what they respect.

So—I respectfully urge you to vote against the nomination of Paul Warnke.

Please write me and tell me how you plan to vote so I can advise my friends and neighbors.

I'm also in touch with the editor of the Southwest Virginia Enterprise, and I'm sure we'll hear something from him on the matter.

A McLean lawyer made these observations in a letter to the President and sent us a copy. It reads:

I share, with the majority of Americans, serious concern over your apparent failure to understand and appreciate the threat to the future of the Free World posed by the policies of the Soviet Union, as repeatedly proclaimed by their leaders.

Specifically, the security of the United States and its allies cannot be restored with people like Theodore Sorensen and Paul Warnke in policy-making or advisory positions in your administration.

I hope, before it is too late, you will appoint to important defense and foreign relations posts patriotic Americans with a practical appreciation of the role the United States must play if the growing threat of communist world domination is to be held in check.

From Southside Virginia comes this point of view on Mr. Warnke:

I urge you to vote against the nomination of Paul M. Warnke to head the U.S. Arms Control Agency and to be the Chief Negotiator at the upcoming Strategic Arms Limitation Talks (SALT).

Warnke was George McGovern's National Defense Advisor during the 1972 Presidential Campaign. He was the architect of McGovern's scheme to slash $32 billion out of our National Defense Budget.

Recently, Warnke has ben calling for unilateral disarmament—on the "hope" the Communists will follow suit. He has the dangerous belief that you can trust the Communists.

He is against the B–1 Bomber, Trident submarine, ABM system, Cruise missiles, improved missile accuracy, and the MIRV missile system.

Worse yet, an editorial in the Daily World (the official Communist Party, U.S.A. paper) of February 5, 1977, defended the nomination of Mr. Warnke.

Since 1975, Warnke has been a registered agent of the Government of Algeria. The Government of Algeria has been a public supporter of terrorist groups including the Palestinian Liberation Organization (PLO) and the Black Liberation Army which was involved in murderous attacks in the U.S.

Mr. Warnke is a member of the Board of Directors of the Center for Defense information, a group that has advocated unilateral defense spending cuts. The Center, and its parent body the Fund for Peace have been in close contact with the World Peace Council, a Moscow directed movement which advocates the disarmament of the West as well as support for terrorist groups.

Mr. Warnke also set into motion the chain of events which allowed Ellsberg to steal the Pentagon Papers.

Once again, I urge you to vote against Mr. Warnke's nomination. I support a strong National Defense and I feel that the approval of a leftist like Warnke would pose a serious threat to our national security. Please write me in the next few days and let me know how you plan to vote on this important nomination.

A retired Coast Guard officer from Norfolk wrote in a letter to the editor:

Since his inaugural stroll down Pennsylvania Ave., Mr. Carter has unveiled more surprises. His Secretary of State, Cyrus Vance, favors turning over control of the Panama Canal to pro-communist Panama. His nominee as director of the C.I.A., Theodore Thorensen, hastily withdrew after disclosures that he was a conscientious objector and purloiner of secret papers for private gain. And now his nominee to head both the Arms Control and Disarmament Agency and the upcoming SALT negotiations, Paul Warnke, is a strong advocate of unilateral disarmament.

Mr. Warnke has consistently promoted unilateral disarmament in his writings and statements; but now tells us, in effect, "I didn't mean that." He was Senator George McGovern's national security advisor five

years ago when McGovern was calling for a 30% reduction in defense spending.

Warnke told the Senate Budget Committee on March 14, 1976 that he opposed the B–1 bomber, the Trident submarine and cruise missiles. He substantially repeated these views as chairman of the Defense Advisory Committee. These weapons make up the Triad defense system, and are considered absolutely vital to U.S. defenses by our joint chiefs.

What kind of a deal can America get with a man like Mr. Warnke negotiating for arms control? Should America unilaterally disarm when the USSR is engaged in the most massive arms build-up in history and is, even now, known by experts to be in a superior position? Why should the USSR follow America's "example" by disarming too? What "good example" have they ever given? With no adequate inspection program, it is pure folly to promote unilateral disarmament.

The best way to promote peace is to be strong militarily; but it is expense. And that is our fault too! We help the Soviet war machine with truck plants, easy credit, technology, wheat, oil, milk and money; and this is all strategic aid too because it helps the Soviet war-making ability and strengthens its blaick-mail threat. Then, we try to keep up.

Mr. Warnke is due to be confirmed by the U.S. Senate. Maybe it's not too late for citizens to vote. All in favor of unilateral disarmament, do nothing. All opposed, let the U.S. Senators hear from you.

From Portsmouth came this letter:

I noted, with considerable interest, your remarks at the recent Catawba County Lincoln Day dinner in which you expressed your inclination to vote against the nomination of Mr. Paul Warnke to be the head of the U.S. Arms Control and Disarmament Agency and chief negotiator for the Strategic Arms Limitation Talks.

Very briefly, Mr. Warnke's comments before the Senate Foreign Relations Committee, particularly in answer to Senator Griffin's questions, completely negate his confirmation to fill the above positions. I think we have seen enough of "detente" attempts to negotiate with foreign nations, the Russians particularly. If one would care to view first hand the results of these kinds of negotiations, I would suggest a tour of the city of Prague to view the massive monumented Russian tanks. They speak most eloquently and forcefully of value of sanctity of agreements with the Russians. Rightly or wrongly, they value and respect only strong adversaries.

I urge you to use the full power of your position to effectively block the confirmation of Mr. Warnke to the position for which he has been recommended.

A Vienna president commented this way:

President Carter's nomination of Paul Warnke as head of the Arms Control and Disarmament Agency concern me greatly.

It is the natural inclination to give an incoming President the benefit of the doubt in establishing his Cabinet and high level advisors. However, on an issue of national defense, and specifically as regards this particular position, I think that natural inclination is of secondary importance.

I think the SALT talks with the Soviet Union have been an unmitigated disaster for the United States. Arms control is a global concern but unilateral disarmament will only pave the way for Soviet aggression.

Paul Warnke is the wrong man for the job and the defeat of his nomination will tell the President clearly that the United States people want tougher negotiations with the Soviet Union.

I hope you will vote against his nomination.

Another northern Virginian stated:

Please use your influence to oppose the selection of Paul Warnke as chief arms negotiator. As was so aptly stated, "it would be like choosing a boll weevil to head the Department of Agriculture.

His appointment would seriously undermine the military strength and defense structure of our nation. Americans as a majority want a stronger defense so I hope the Senate and Congress will listen to the wishes of their constituents.

The communists only understand strength and take advantage of weakness.

We received these thoughts on the nomination from a Norfolk resident.

Paul Warnke, President Carter's nominee for the Arms Control and Disarmament Agency Director, could not possibly serve in this position, with the best interest of our country at heart.

He served as an advisor for George McGovern's abortive 1972 campaign and is greatly known for favoring unilateral disarmament and our country leading the way.

I do hope you vote against his appointment to this position.

You should be recommended for your voting record.

Our office received another letter from a Richmond resident which stated:

Your position on the Armed Services Committee gives you much more information than I have regarding the suitability of Mr. Paul C. Warnke to head the Arms Control and Disarmament Agency and to be chief SALT II negotiator.

What I have read, indicates that Mr. Warnke would be weak on our national security. If this is so, he would endanger our nation and should not have these positions.

Your judgment is sound. I know we can count on you voting in the best interest of our country when Mr. Warnke's name comes up for confirmation.

We got a letter from a Falls Church couple who expressed their views in this manner:

We write as constituents and supporters of yours to urge you most strongly to vote against the confirmation of Paul Warnke as head of the ACDA and especially as chief U.S. negotiator at the SALT talks.

Mr. Warnke's writings of the recent past make it clear that he does not believe in developing and deploying many of the weapons systems which are—unfortunately—necessary for our national security, and, more important, that he propounds the dangerously false idea that military superiority is of no particular utility in the overall conflict between the U.S. and the Soviet Union. It is unthinkable to us that such a man could be given vast powers over the military aspect of our national security. During the recent hearings he has seemed to backtrack on some of his positions, but one has to suspect strongly that he was being less than candid in responding to tough questioning from some Senators, and that his writings represent his true views.

The members of the United States Senate bear the grave constitutional responsibility of independent confirmation of the President's choices for high national office. Where there is at least serious doubt about the approaches of a man supposed to serve in a very high position involving the national security, it seems to us that a prudent representative of the people can only vote "no." We are confident that you will do so, and hope that a majority of the Senate will do so as well.

A northern Virginia couple had this to say about the nominee:

We urge you to vote no on the nomination of Paul C. Warnke as Director of the Arms Control and Disarmament Agency/SALT negotiator. We do not believe any one person should occupy these two posts, but we are particularly opposed to Mr. Warnke's occupying them in view of his past statements on unilateral American arms reductions and his stated opposition to the B–1 bomber, the Cruise missile, our defense systems, and our MIRV capability. Because of your past strong stands for our country's defense we are sure you will vote no on this issue, but we wanted you to know of the strong feeling by your constituents that Mr. Warnke is definitely not the man to fill any job concerning American defense and requiring negotiations with the Soviets.

A retired Leesburg colonel expressed his concern this way:

I recently watched an hour TV program showing Mr. Warnke's testimony at the hearing before the Senate Foreign Relations Committee on his nomination as Disarmament Negotiator.

Mr. Warnke has, in the past, opposed every arms system proposed by the Defense Department and has proposed unilateral disarmament by the United States, with the expectation that Russia would take similar action. He stated at the hearing that he would not defend his past record. As Chief Negotiator, he will be in close contact with the Russians, will report back to the President, the Secretary of State, and the Secretary of Defense and others and advise them of future steps and proposals to be made. In his position as Chief Negotiator, Mr. Warnke will be the key individual to conduct and influence the course of the negotiations.

In view of his past record, I strongly believe that Mr. Warnke, in spite of his statement to the contrary, will most likely be subjectively influenced to make more concessions in disarmament by the United States and to accept less disarmament by the Soviets.

A couple from Alexandria sent along their views in a mailgram, stating:

We respectfully request you consider opposing the confirmation of Paul Warnke to these key arms control posts. In right of the huge Russian military build-up Mr. Warnke's unilateral disarmament ideas are at best fantastically idealological and at worst criminal naive. As a student of history myself I can't help but wonder if Mr. Warnke ever had a basic course in world history. Mr. Warnke's philosophy would seem to be more attuned with the Peace Corps than with this defense related State Department agency. Sincerely.

Mr. SCOTT. I did check with the staff member who prepares responses to mail of this nature for our office and was told that we had received several hundred letters with more than 99 percent of them being opposed to Mr. Warnke's confirmation. As you know, Virginia adjoins the District of Columbia and there is no toll charge to call from northern Virginia, and we also received a number of calls from constituents. In checking with the receptionist who answers the telephone I was told that substantially everyone was in opposition to confirmation. While I strongly oppose Mr. Warnke, it is somewhat satisfying to know that my views and those of the citizens of Virginia are in general agreement.

In summary, Mr. President, we will vote on Wednesday first as to whether we

will advise and consent to the nomination of Mr. Warnke to be our Ambassador and chief negotiator at the SALT II talks, and by separate vote we will decide whether to advise and consent to the nomination of Mr. Warnke to be Director of the Arms Control and Disarmament Agency.

I shall vote against consenting to both nominations for the various reasons set forth above and for other reasons mentioned by other Senators. We should remember, however, that we will determine whether or not to confirm an individual who will negotiate a treaty involving the security of our country. It is such an important matter that, to me, we should not consent to any individual representing our Nation in whom we have a doubt whether his actions will be in the best interest of the country, for a number of reasons.

First, the treaty may be lengthy. It may have a number of words of arts, words capable of more than one interpretation that may be understood one way by the Russians and understood another way by officials of this country. If we have doubts of any kind regarding the man we send as our advocate to represent our interests, we may feel compelled to examine each word and phrase more closely than usual. We may feel an individual responsibility in addition to the usual credence we give to the recommendations of our committees, in this case, the Committee on Foreign Relations. And before voting we should, of course, recall to mind that a treaty requires ratification by two-thirds of the Senate. I personally cannot see Mr. Warnke receiving a two-thirds vote of confidence before this body. In fact, it appears somewhat doubtful that he will receive a majority vote to be our chief negotiator, even if he should receive a majority vote to be head of the Arms Control and Disarmament Agency.

Confidence, in my opinion, is a necessary ingredient for a negotiator to have. Confidence, again in my opinion, is a necessary ingredient for the people of the country to have in its chief negotiator.

I would hope that President Carter will withdraw this nomination and send to the Senate the name of an individual that the citizens can unite behind, an individual who can go to the conference table knowing that the American people have confidence and trust in him so that when a treaty is negotiated and is being considered for ratification by the Senate, no question will arise as to the ability, the loyalty, and the integrity of the person who represented our Government—a treaty that will not only be in the interest of the United States, but one which the Senate will overwhelmingly ratify.

Mr. President, I yield the floor.

Mr. McCLURE. Mr. President, first let me commend my friend, the distinguished Senator from Virginia, for the lucid and comprehensive remarks he has just concluded. As many other aspects of this debate that has gone on, his remarks will go largely unnoticed by far too many people in the country as they look at more flamboyant statements made by others who apparently have more attention of those who wish to influence public opinion. But I think the thoughtful presentation the Senator has made is one which ought not go unnoticed.

Mr. President, there have been a number of statements made in the Chamber by various Members of this body in the last 2 days concerning this nomination. One thing that troubles me as much as any other is the one that was made last week by the distinguished Senator from Michigan (Mr. GRIFFIN), when he pointed out that an error had been made in a repetition of an earlier statement by Mr. Warnke, and that error was made by Mr. Warnke. It was the misplacement of a comma, which totally changed the context and the meaning of the sentence in which that occurred. The inference was made in the Chamber in that statement that Mr. Warnke had apparently intended to mislead the Senate as to what his statement had been at an earlier period of time.

My understanding is that Mr. Warnke has now answered that by saying, first, that was a typographical error, and second, he meant it any way, or something like that. But I am not sure I know how to interpret what Mr. Warnke said because he says different things to suit the convenience of the time.

I follow an old adage which I can paraphrase with some charity toward his remarks, as I am not sure I know how to characterize his remarks, but the old adage paraphrased carefully is:

Mislead me once, that is your fault; mislead me twice, that is my fault.

And I suggest that Mr. Warnke may not have intended falsification of the record; perhaps he did. I do not know.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. McCLURE. But I do know that the effect of this misquotation of his own remarks was a substantial misleading of the Senate of the United States in regard to his own opinion.

And later in the same letter, in which he started out by calling it a typographical error, he said, "however, I still mean it, in effect," just as he said throughout all of this, that "I may have changed all my positions, but I haven't changed my mind." And I find that a little difficult to follow.

It is a little similar to the logic my wife sometimes uses when she sinks me into near bankruptcy by shopping at sales. The logic somehow eludes me that, if you have changed all your positions, you have not changed your mind on any of them. And Mr. Warnke tries to explain around that in the curious circumlocution that we have come to know characterizes his thought process.

I will be happy to yield to the Senator from Virginia.

Mr. SCOTT. Mr. President, I appreciate the distinguished Senator from Idaho yielding.

I commend him for taking the time that few of us did to appear before the Committee on Foreign Relations to express his view before the committee that has the primary consideration. I believe we heard everything before the Armed Services Committee that had previously been said.

But in connection with changing of one's mind, and it has been suggested that perhaps the fact that we had a confirmation proceeding going on might have had some bearing on that, I do not know whether the Senator has or intends to print in the RECORD an article by Evans and Novak entitled "Warnke's Missing Comma." If he does not, I shall ask permission to print it at this point in the RECORD.

Mr. McCLURE. Go ahead.

Mr. SCOTT. It touches on the very matter that the distinguished Senator is discussing.

Mr. President, I ask unanimous consent that an article, dated March 5, 1977, from the Washington Post, in a column by Rowland Evans and Robert Novak be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 5, 1977]

WARNKE'S MISSING COMMA

(By Rowland Evans and Robert Novak)

Despite a generally virtuoso performance fielding questions from a hostile Senate Armed Services Committee in his bid to become disarmament chief, Paul Warnke has been hurt by an alteration of past congressional testimony he was asked to submit in writing to Senate critics.

Responding to written questions from the committee, Warnke pointed to his 1972 testimony to substantiate his claim of longstanding concern about the Soviet arms buildup. But super-lawyer Warnke submitted a rearranged, partial quote and altered the meaning by eliminating a highly significant comma.

That not only further angered Warnke's critics on the Armed Services Committee but has alarmed some Senators who had not been totally committed against him. Although Warnke surely will be confirmed by the Senate, the vote against him—perhaps 35 Senators or more—now seems destined to be embarassingly high.

Warnke's confirmation process once promised to generate a useful debate on opposing theories of arms control. Instead, when he hardened his line before the committee, the debate shifted from his convictions to his credibility.

One frustrated Warnke critic, Sen. Henry M. Jackson of Washington, submitted his question, asking for a reply in writing: How do you square your frequent past comments that Soviet numerical superiority in nuclear weapons is meaningless with your present claim that you were worried about "numerical disparity" between the U.S. and the Soviet Union as far back as 1972?

"I specifically stated (in 1972)," Warnke wrote Jackson, "That 'numerical superiority which is not translatable into any sort of military capability or any sort of political potential has no purpose.'" He was, he said, quoting his own testimony before the Senate Foreign Relations Committee on June 28, 1972.

But Warnke's actual testimony five years ago was different: "It seems to me . . . that the continuation of the missile numbers game is in fact a mindless exercise, that there is no purpose in either side's achieving a numerical superiority, which is not translatable into either any sort of military capability or any sort of political potential."

Such Warnke statements can be found in abundance. But Warnke's reply to Jackson

altered his June 1972 testimony, eliminating pointed words ("mindless exercise" for example). More important, by eliminating the comma after "numerical superiority," the meaning was transformed. The loss of the comma means Warnke no longer declares numerical superiority to be absolutely irrelevant; it indicates only that it *may* be irrelevant.

Jackson was angered by the change. So was Sen. Robert Griffin of Michigan, one of Warnke's few critics on the Foreign Relations Committee, who had planned to support Warnke as Director of the Arms Control and Disarmament Agency (ACDA) but oppose him as chief SALT (Strategic Arms Limitation Talks) negotiator. Now Griffin plans to vote against Senate confirmation for both posts.

Ronald Reagan, a pronounced hardliner on the Soviet Union who fully backs President Carter's human rights campaign, thinks Mr. Carter went too far in writing his letter to Soviet Leader Andrei Sakharov. While saying the analogy is by no means exact, he tells intimates that political reaction here to a letter from Communist Party Chief Leonid Brezhnev to the head of the radical Puerto Rican independence group called F.A.L.N. in New York would differ only in degree from Kremlin reaction to Mr. Carter's letter to Sakharov.

A footnote: Reagan would not cool the human rights campaign, but he would run it under strict rules of diplomatic conduct (communications from a head of state only to a head of state) and he would increase, not cut, defense spending to prepare for possible Soviet counteraction.

A sudden behind-the-scenes warming of relations between Idi Amin and Fidel Castro gives the Ugandan dictator some Cuban security against an effort to overthrow him.

Official Africa-watchers here now believe that Castro would airlift to Uganda elements of his Cuban expeditionary force, based in Angola, to oppose any anti-Amin military action—either from within or without.

That gives Amin additional latitude in forging ahead with internal repression. But it also shows the pervasive impact on all African affairs of the continued Cuban presence in Angola.

A foootnote: Official circles here now assert the accuracy of a Tanzanian report that Amin personally murdered Archbishop Janani Luwum.

Mr. McCLURE. I thank my distinguished colleague from Virginia for that inclusion in the RECORD. I, too, had noted that column and had intended to include it. I will not do that at this time.

I do think that the question of the missing comma is far more significant than simply saying there is a typographical error and brushing it aside, because I think it is all too characteristic of the efforts Mr. Warnke has made to completely obliterate his past record and to bask in a different light as he comes to this confirmation process.

I could not help but go back and look at some of the statements that our President made during the campaign hearing on this basic kind of question, contrasting Mr. Warnke's performance with the high standard that President Carter was setting for himself and his administration before the public.

On April 30, 1976, President Carter, then campaigning, was quoted in the Dallas Morning News as saying:

> We have seen things happen in Government that we didn't think could ever happen. We have had very little to say about these things. We have been misled, sometimes we have been lied to.

On January 22, 1976, Mr. Carter was quoted in the Manchester Union Leader as saying:

> The first responsibility of the President, Carter said, is to promise the American people that he will not lie to them nor will he tolerate lies from those who speak for him.

On August 14, 1976, at a Jefferson-Jackson dinner in Charleston, W. Va., Mr. Carter said:

> If I should do anything to betray this trust that has been put in me, it would have a devastating impact on this country. The smallest lie, the smallest misleading statement, the smallest betrayal of confidence would be enormously magnified.

Mr. President, it has been suggested this morning in debate that Mr. Warnke did not intend to mislead and yet contrasted with the high standards that Mr. Carter said that he was setting for himself and his administration I think the President ought to withdraw this nomination and he ought to withdraw it simply because the record is replete not with just misplaced commas, but with misplaced confidence.

A real dilemma appears to face many Senators in tryir g to render a decision on the nomination of Paul Warnke. Much of the discussion has centered on who is the real Warnke—the man whose public views have been quoted at length, or the man who testified before both the Foreign Relations Committee and the Armed Services Committee.

Curiously, the entire controversy should be sufficient evidence itself to vote against this strange nomination. If we must debate for hours on who the real Warnke is now, what will this bode for the deliberative processes attendant to ratifying a treaty? If the language of any agreement negotiated with the Soviets is as ambiguous as the explanations given by Mr. Warnke the past few weeks, then how will we be able to decide what exactly has transpired with the Russians? Just as the confirmation procedures on the nomination of Mr. Warnke have exasperated many Senators and simply worn down others, we must ask if these are the kinds of procedures and questions we may have to confront whenever we deal with Mr. Warnke and his work. If this is the case—and I have no reason to believe otherwise—then we may have to contend with the nightmarish prospect of an undecipherable SALT III treaty.

And I might note parenthetically what so many people have already noted that when SALT I was being presented to Congress and the people of this country there was a great deal more said about what the treaty meant than was contained in the treaty itself.

The result has been that the unilateral understandings that were explanations by the U.S. Government of the meaning of SALT agreements were never agreed to and have upon a number of occasions been specifically repudiated by the Soviet Union, the result being of course that there were limiting actions upon the United States with no corresponding limiting actions on the Soviet Union. Had that been known at the time the treaty was presented to Congress I think it very doubtful that the Senate of the United States would have ratified that treaty.

That was not done by the man who is submitted here for confirmation today. That was done by the man who was then Secretary of State who was not as subject to the difficulties of stating one thing one day and another thing another, as Mr. Warnke is.

I know a great many of my colleagues across the aisle have from time to time found reason to be critical of the former Secretary of State for his ability to say one thing but to mean another. But the evidence in this instance is far more dramatic and far more positive than any such criticism that could have been leveled against the former Secretary of State.

The supporters of Mr. Warnke have tried to rationalize away all of the fears the nomination has engendered by at least four different but overlapping tactical devices.

First, an initial unsigned memorandum criticizing Mr. Warnke aroused more discussion over its ambiguous authorship, than the vital issues it raised. Discussion thus initially avoided the basic policy questions that should be considered given the past publicized views of Mr. Warnke.

Then, when many of these basic issues were directly brought to Mr. Warnke's attention in the Senate Foreign Relations Committee, he effectively dodged most of them. As the Washington Post aptly pointed out the day after the hearings:

> Only Senators Robert P. Griffin and Danforth made serious attempts to question Warnke's suitability.

I wish to commend these two Members of this body for their heroic efforts to pin down Mr. Warnke. But he effectively avoided their questions and apparently satisfied most members of the committee by simply stating that he believed in "a strong national defense," and would do nothing to jeopardize the security of the country. With these supremely ambiguous phrases he should have raised questions rather than calmed fears.

Only in his later appearance before the Armed Services Committee did Mr. Warnke try to contend at some length with all the ambiguities and contradictions by simply denying their existence. He steadfastly maintained that events changed but his philosophy remained constant. In this manner he tried to confront the fact that he has opposed, directly or indirectly, almost every new major weapons system over the past 8 years. Now, however, he maintains he has finally taken sufficient note of the massive Soviet buildup over this same 8-year period and feels that possibly some new weapons systems may be needed after all. Certainly we can allow for a man to change his mind, though many of Mr. Warnke's supporters only a few weeks ago did not appear willing to extend this same right to Mr. Griffin Bell. In this case, it is not so much a matter of changing one's mind, but the consistent pattern of previous misjudgments by Mr.

Warnke that destroy confidence in his abilities today. As Paul Nitze pointed out in his testimony before the Foreign Relations Committee, if Mr. Warnke's advice had been adhered to over the past 8 years, we would have no meaningful negotiations now, but instead only significant Soviet strategic superiority to contend with. If, as Mr. Warnke states repeatedly, his basic philosophy remains constant, then that philosophy should not underlie our negotiating position with the Russians. If he can be years late in noticing the massive Soviet military buildup, then can we afford similar belated acknowledgments in the future over a Soviet drive for strategic superiority or a first-strike capacity?

Finally, because the above explanations did not quiet the fears of his critics, we have heard what is the most amusing and revealing of all the reasons given for confirming him—he will not be able to decide anything. In effect, we are told that Mr. Warnke's views or his philosophy are not too important because, as Mr. Warnke himself stated at his hearings: "I will be part of a team." Thus other members of the team, such as Secretary of State Cyrus Vance, would be displeased if Mr. Warnke tried to assume any substantive policy-making role in the negotiations. Several of my colleagues in the Senate has similarly emphasized that the President would be the final arbiter of any agreement. Therefore, we can rely upon his judgment if we do not trust Mr. Warnke's. But if the President and the Secretary of State must be constantly looking over Mr. Warnke's shoulder, then just how much confidence do they have in his abilities? Why should we ever be considering someone for this position if we have to have all kinds of contorted explanations to assure us that Mr. Warnke will not be able to get away with anything? Why can we not find someone now who honestly deserves broad support for his own judgmental abilities? With so much questioning of Mr. Warnke's capacity to handle strategic questions, should not we just vote down the nomination? Can we not possibly find someone more suitable who we do not think has to be watched so carefully? I believe we can find a better man to negotiate with the Soviets so I shall vote against his nomination.

In most of the appointments that an incoming President makes, I believe he should be allowed the widest possible latitude of action. However, in the case of Paul Warnke, we have quite unusual circumstances in that the President has designated him both as head of an agency, and also a chief negotiator. Thus, the nomination much more directly concerns the business of the American people and their representatives in the Senate. Since any treaty that may be agreed upon with the Soviet Union will come before this body for approval, we have a solemn obligation here and now to contribute to the process of the negotiation by influencing the selection of the personnel involved. Mr. Warnke himself should certainly agree with this general principle. During the war in Indochina, he frequently alluded to the vital role that the Congress must play in foreign policy decisions involving the military forces. What he said in 1970 in support of the McGovern/Hatfield amendment should apply equally to critical arms negotiations with the Soviet Union:

> The President's powers, however, do not extend to the basic policy question of when our national objectives shall be pursued by military means. (Congressional Record, August 31, 1970, p. 30491.)

We clearly have not only the right, but the obligation to raise here in the Senate basic policy issues involving the capacity of the United States to maintain her own security in any agreement with the Soviet Union. From the views consistently expressed by Mr. Warnke, I have no assurance that we should rely upon his judgments on any of the important strategic questions of our day.

Earlier today the senior Senator from Minnesota said that this is not a vote on Warnke, it is a vote of confidence in the President of the United States. I can only dismiss that as being a totally specious argument. It has nothing to do with our confidence in the President of the United States except as it bears upon the wisdom of this particular nomination. The same Senator, in the same remarks, objected to the letter writing that has gone on, as though somehow the expression of the American people in opposition to this nomination ought to be suppressed.

I might note for the Senator from Minnesota that I have received over 1,200 letters from my State in the last week, most of them in opposition to the nomination of Mr. Warnke for either or both of these positions; but if I am to ignore those who are opposed to his nomination, am I also to ignore those people from Idaho who have written to me supporting his nomination? There have been a few who have done that.

I think the people of this country still have the right to write letters to their Senators expressing their views, and we have the right, if not the absolute obligation, to listen to those views as we deliberate on this particular question.

At the central core of Mr. Warnke's disqualification for a key negotiating position is his general misconception of strategic balance; he quite simply does not believe in such a concept. He has consistently reiterated his fundamental erroneous belief in strategic superiority. In a debate with Senator Buckley in 1971, Mr. Warnke noted quite simply that—

> When both sides have assembled thousands of warheads, the numbers game is not worth playing. Strategic Sufficiency (see page 21).

If he believes that the "numbers game is not worth playing" then how can be conscientiously participate in the SALT negotiations which involve very important numbers and not the kind of abstract conceptualizations that pervade Mr. Warnke's thinking.

Not believing that superiority matters, how can he then be expected to extract concessions from the Soviet Union in order to maintain a relative balance of forces between the two superpowers?

How much force does the United States need to deter the Soviet Union? According to Mr. Warnke, we need virtually none at all. To quote again from the Buckley debate:

> The former British Defense Minister, Denis Healey, has given his opinion that Britain's relatively small strategic forces in fact constitute an adequate retaliatory capacity against the Soviet Union because they include ballistic missile submarines. On reflection, I believe that he is right. (Strategic Superiority, p. 28)

I would assume Mr. Warnke is saying we can scrap all our strategic missiles and scrap all our strategic missile submarines if indeed, as a matter of fact, Mr. Warnke now believes what he said he believed then, and he said he has not changed his mind.

Apparently as far as Mr. Warnke is concerned, we ourselves could reduce our armaments to the level of the British and not suffer any adverse consequence.

Consistent with this belief, Mr. Warnke believes that any kind of lead in the arms race becomes useless. In his statement opposing both MIRV's and the development of an American ABM system in 1971, he expresses his sympathy with the following point of view:

> There appears to be a considerable agreement that "nuclear superiority" has become a meaningless and irrelevant criterion in designing strategic forces. (CR, July 20, 1971, p. 26294.)

In the Buckley debate, he elaborated further on this notion by asserting that:

> Even substantial nuclear superiority, short of nuclear monopoly, could not be a decisive factor in any political confrontation between the United States and the Soviet Union. (See page 46.)

Unfortunately, the general world view held by Mr. Warnke has little correlation with reality. He makes the consistent mistake of transposing his own values and objectives to those of the Soviet Union. But whether Mr. Warnke or any other Americans believe in the irrelevance of superiority itself becomes irrelevant if the leaders in the Kremlin believe in the concept. In all of his various writings, Mr. Warnke rather conspicuously ignores the whole Soviet perception of what military power means. By ignoring half of the equation, one invariably comes up with the wrong solution to the problem.

Throughout Soviet literature and policy statements runs the consistent theme that the future belongs to the socialist world and that the terms are largely dictated by the changing military balance.

> Whoever comes to power in Washington after the elections, it seems that the United States will have to consider the real correlation of forces in the world, which prompted American ruling circles, by a sober analysis of the situation, in recent years to commence a search for accords with the socialist world. (As quoted in "Soviet World Outlook", Nov. 15, 1976, p. 2.)

The Soviets take the role of military power quite seriously. This past summer the official Soviet journal USA asserted that—

> Changes in the military balance between the biggest states belonging to the two systems—the USSR and the U.S. (Quoted in "Soviet World Outlook," August 1, 1976, p. 7.)

By taking seriously the potential political advantages to be reaped by strategic superiority, the Soviet Union has

engaged in a massive build-up in nearly all aspects of their military power. Somehow this massive Soviet investment in military hardware generally has escaped the notice of Mr. Warnke; thus one must seriously question whether he will have the capacity to prevail upon the Kremlin to limit their activities. Mr. Warnke has continued to think in terms of the mid-1960's and thus remained oblivious to developments of the past decade.

The only factual data that Mr. Warnke has marshalled for the positions he has taken in recent years deal almost exclusively with the number of warheads the United States and the U.S.S.R. possesses, and the amount of money we spend on defense each year.

By simply asserting that the United States now has twice as many warheads as do the Soviets, he feels that he effectively dismisses all other considerations of strategic developments. In other words, it matters not at all to him that while the United States has frozen her ICBM force at 1,054 and SLBM force at 656 since 1967, the Soviets have expanded their own forces from 460 ICBM's and the 125 SLBM's in 1967 to 1,603 and 725 respectively, as of February 1976. I suppose to Mr. Warnke those figures are irrelevant.

Obsession with the warhead figures and the American MIRV'ing of ICBM's and SLBM's effectively obscures the fact that the Soviet lead in delivery vehicles includes a lead of 613 to 54 in heavy—or large scale—ICBM's which means that they can carry a much larger and, hence, devastating warhead. (Figures from Library of Congress study on "The United States/Soviet Military Balance," Feb. 1976.)

Through a conscientious program of hardening of silos, dispersal of industry, development and deployment of mobile missile launchers, new ABM technology and a massive civil defense program, the Soviet Union clearly moves in the direction of being able to sustain an American attack with our low-yield warheads. Precisely, these kinds of issues must be exhaustively addressed in any forthcoming SALT negotiations. Yet, Mr. Warnke has never even demonstrated an awareness of the problems; hence, he can hardly be expected to formulate meaningful solutions to them.

Mr. Warnke's real concern with the American strategic effort, since his departure from Government in 1969, has been how to unilaterally end the arms race. Note that I am not accusing Mr. Warnke of favoring "unilateral" disarmament, but instead, of urging the United States to abstain from the arms race with the Soviet Union. Believing that strategic superiority is meaningless, naturally Mr. Warnke has opposed nearly every new program that has been proposed in the past decade. He has participated on panels that have recommended against the development of the B–1 bomber, the Trident submarine, the MX missile, the cruise missile, and the MIRV'ing of existing weapons. In short, he has already opposed the development and deployment of nearly every system of defense that could have any meaningful bargaining power with the Soviet Union in the SALT negotiations. Also, he has curiously charged that any new American program would destabilize the arms balance. Yet, at the same time, he ironically claims that the strategic balance is irrelevant.

He has advocated this unilateral cessation of our military program on the basis that the weapons are both unnecessary and would only lead to a new round of weapons development by the Soviet Union. But the simple fact of the matter is we have not developed any new ICBM's in over a decade; the B–52's date back to the early 1950's; and the Trident is the natural replacement for the Poseidon and Polaris submarines.

Given the fact of near stagnation in the American strategic weapons program in the past decade, Mr. Warnke reveals an incredible view of the world when he contends that the current Soviet buildup derives from our initiatives. In his article in Foreign Policy last spring, he argues that:

> What is needed most urgently now is not a conceptual breakthrough of the stability of the present strategic balance. It's futile to buy things we don't need in the hope that this will make the Soviet Union more amiable. The Soviets are far more apt to emulate than to capitulate. We should, instead, try a policy of restraint, while calling for matching restraint from the Soviet Union. (*Foreign Policy*, p. 28.)

We have, in fact, followed just such a policy of restraint for nearly the past decade now, and we have absolutely no evidence of any emulating reciprocity on the side of the Soviet Union. The evidence against his assumption in nonstrategic fields is just as great. While we reduced assistance to Vietnam, the Soviet bolstered theirs; while Congress terminated assistance to Angola, the Soviets sent their Cuban gendarmes; while we refused to interfere in political processes in Portugal, the Soviets gave massive aid to their Communist allies. In neither the strategic nor diplomatic fields have the Soviets shown any evidence of following our examples of restrained activities. Despite the complete absence of any factual substantiation, Mr. Warnke, nonetheless, concludes his Foreign Policy article by boldly arguing that:

> The chances are good, moreover, that highly advertised restraint on our part will be reciprocated. The Soviet Union, it may be said again, has only one superpower model to follow. (*Foreign Policy*, p. 29).

The reason that Mr. Warnke has always been so concerned about the nature and amount of U.S. defense spending appears to be that he has other purposes in mind for the money that would allegedly be saved. Immediately after leaving government service in 1969, Mr. Warnke contributed an article to the October issue of Washington Monthly entitled, "National Security: Are We Asking the Right Questions?" In this article, he seriously asks whether the then defense budget of $80 billion could possibly be reduced to only $50 billion.

> We need the further political judgment of whether the $30 billion thus freed can be spent on problems of greater risk to our national security and in areas of greater benefit to the over-all quality of American life. (Quoted in *Congressional Record*, October 28, 1969, p. 31988.)

Similarly, in his position on the "Truth In Budgeting Task Force," the following year, he again took the position that the defense budget could be drastically cut. He claimed that:

> A reduction of an additional $5 billion in this huge defense budget would produce a fund which could substantially contribute to meeting our existing commitments in education, housing, crime control and environmental improvements. (Quoted from *Congressional Record*, February 26, 1970, p. 5000.)

Warnke simply ignores the fact that defense spending has fallen from over one-half of all Government spending in 1960, to less than 30 percent this past year. And even within the defense budget, spending has only increased for personnel costs. In order to avoid this unpleasant truth, Mr. Warnke frames his discussion of defense spending in terms of so-called discretionary outlays of the Federal Government. Thus, in his Foreign Policy article on page 14, he refers to OMB calculations that "for the 1975 fiscal year, the defense area takes up $57.1 billion."

Later on in the same article on page 25, he conjures up the seemingly impressive figure that the defense budget "consumes over 60 percent of disposable Federal income."

Through this kind of fiscal legerdemain, Mr. Warnke reveals that his only interest is in substantially reducing military spending. Without even any prompting, Mr. Warnke has taken on an adversary role against the American military. I seriously ask whether such a position has any relationship to the kind of man we want to attempt to negotiate limits with the Soviet Union.

One final note, Mr. President. In the context of the President's desire to have openness in Government in discussions on critical matters held before the Government, with absolute candor from members of the administration as to what they believe, what politics they espouse, what positions they take, we are told, "Do not pay much attention to ambiguities in Mr. Warnke's statements; after all, he will be a member of a negotiating team; it is not essential for you to know exactly what it is Mr. Warnke believes." This is not simply an administrative job, either one of the positions for which he has been nominated. The negotiations with the Russians on strategic arms limitations will be conducted, of necessity, in private, in secret, hidden from view. It will only be the result of that discussion that the American people will ever be privileged to see. If we cannot tell what a man means when we have all kinds of statements, extending over a decade or more, and we can examine his words in detail and still not know what he means, how much confidence can we have in negotiations conducted in private?

Second, he has already indicated to us innumerable times what he would do in private if he is given the opportunity to be there. I hope, for the sake of this country, as well as for the sake of the success of the Carter administration, that this nomination is not confirmed,

that neither of these nominations is confirmed.

I say, in conclusion, Mr. President, that I hope, along with others, that we can conclude a safe and sane and rational arms limitation treaty. I hope we will be able to reduce the number of weapons which will be produced. I hope we can reduce some from the present arsenals held by both countries, but I do not believe that we can do so at the expense of the security of the United States. If we are to have confidence in the arrangements made, we must send somebody there who understands the kind of world in which we live and understands the drive that the Soviet Union has for domination within the world, the role that they believe the military exerts upon political judgments, not only in their own country or in ours, but in other nations of the world as well. Mr. Warnke fails to show that he understands that problem. I hope the Senate votes not to confirm either of the appointments pending.

I thank the Chair.

Mr. STEVENSON. Mr. President, the debate over the Warnke nomination suggests that somewhere we lost our sense of proportion and no longer perceive all the bases of national security. The debate has focused on Mr. Warnke's opposition to the development and production of certain major strategic weapons systems, most of them enormously expensive.

The history of our military spending is replete with weapons systems costing millions and even billions which later proved to be worthless elements in the military balance of forces. Consider the B–70, gone from the skies like the Great Auk. Or the ABM system, approved by this body by the slender margin of one vote, which is now being mothballed after expenditures variously presented as from $5 to $7 billion.

The security of the Nation is not simply a factor of how many nuclear warheads it can drop on the Soviet Union. The purpose of our strategic forces is to deter nuclear attack by the threat of an unacceptably destructive counter attack. That is their function. All of the argument over missile numbers and throw weights is irrelevant so long as the deterrent is credible, and credible, I should add, for all comers. Our strategic thinking, like this debate, has been dominated by the Soviet Union, a threat I am not inclined to dismiss—but the debate is obsessed. It tends to ignore the possibilities for violence from other corners of a fast moving nuclear world and by many means.

We have in our strategic arsenal 8,500 nuclear warheads, each one capable of destroying a Soviet city. That is nearly 40 for each of the 200-odd cities of over 100,000 population. In 1970, when we had only half as many warheads, the term "overkill had acquired common coinage. What do we have now, over-overkill? And shall we go on MIRV'ing and MARV'ing until we have achieved over-over-overkill? And what then will we have achieved that is relevant to threats by conventional, as well as nuclear means, from national and subnational sources in all parts of the world and at all times?

I yield to no one in this body in the belief that we must maintain strong defenses in a world that is always dangerous and often demonstrably hostile. But I oppose extravagant weapons systems, both nuclear and conventional, strategic and tactical, which are ill adapted to our real defense needs. Billion dollar dinosaurs like the vulnerable *Nimitz* aircraft carrier, the Trident submarine, and multibillion programs like the B–1 put too many eggs in too few baskets. We are building sledge hammers to drive tacks, leaving ourselves with an insufficient share of our budgetary resources for the maintenance of conventional forces and relevant weapons systems.

Few, since the Eisenhower-Dulles era, have seriously questioned the doctrine of flexible response. Yet we are denying ourselves, by pouring funds into more overkill, the forces with which we can respond flexibly.

The tactical cruise missiles, multiple purpose surface effect vessels and Narwhal submarines we do not have are the price of an obsession with expensive gadgetry and Russian strategic missiles. The United States has neither perceived, nor acted upon, real threats elsewhere. In the name of national security it has been buying national insecurity. Of what avail, for example, is our most expensive weaponry in the Straits of Hormuz through which 40 percent of the world's oil must pass?

In addition to adopting a principled foreign policy, an effort well begun by the Carter administration, we might consider stopping the subsidization of the Soviet Union. Its access to western technology and capital could be restricted. Instead of arming expensively against the consequences of our own mercantilism, we might put the interests of the non-Soviet world first. Lenin is reputed to have said that when the time comes to hang the capitalists, "they will sell us the rope." And that is what the West has been doing. In little more than a year, the Nixon administration extended the Soviet Union over $1 billion of subsidized credits for the purchase of U.S. food and technology. Some of our friends continue to do so. Stopping an expensive subsidization of the Soviet Union is but one of many nonexpensive means to restore national security and authority.

A large factor of national power lost somewhere in this debate is our economy and the economy of that part of the world not already domiated by the Soviet Union. Competition with our Soviet adversary is at least as much economic as military. More so, I would think. The Soviet Union is the world's largest oil producer and no longer, for now at least, dependent on American food.

Communist ideology does not claim to do anything for a man's immortal soul—the existence of which is denied—but it does claim to have the key to the satisfaction of his material needs: food, clothing, housing, medical care, job training. The failure of Soviet communism to supply the material well-being for the people it dominates has been spectacular. The worldwide disillusionment with Soviet communism—shared today even by other Communists in Western Europe and elsewhere—is as much a result of this failure as of the relentless Soviet suppression of individual liberty. But let us not underestimate its potentials—nor neglect our own.

As many of my colleagues know, I was no warm supporter of Henry Kissinger, but there were times when he captured my sympathy. Here is what he said at a press conference a few years back:

> If we have not reached a [SALT] agreement well before 1977"—and here we are in 1977—"then I believe you will see an explosion of technology and an explosion of numbers, at the end of which we will be lucky if we have the present stability, in which it will be impossible to describe what strategic superiority means. And one of the questions which we have to ask ourselves as a country is: What in the name of God is strategic superiority? What is the significance of it, politically, unilaterally, operationally, at these levels of numbers? What do you do with it?

In a relentless pursuit of what we perceive to be strategic superiority, we are doing damage to our economic strength in a way that can only give comfort to our adversaries. If the U.S. response is a carrier for every gunboat, the Soviet course is ordained and the consequences, too. They can bankrupt us financially, as well as morally. We worry about inflation, but we have refused to come to grips with the enormously inflationary impact of defense spending in market economies like our own. The economists are still puzzling over the sources of the stagflation of the 1970's, but some have recognized the obvious—that most of the blame must be laid to inattention to the supply side of the demand-supply equation.

The Nation's economic welfare requires housing, health care, railroads, mass transit systems, food and energy. Weapons add nothing on the supply side. We cannot eat them or fuel industry with them on house ourselves in them. They put pressure on the supply side, including the supply of money, causing prices and interest rates to rise.

While the defense industry means jobs, an attempt to heal the Nation's economic ills by building greater means of destruction is not only morally reprehensible but economically foolish. There is ample evidence to show that dollars spent for many civilian purposes create more jobs than those spent for military hardware. The Bureau of Labor Statistics has estimated that $1 billion spent on defense creates 51,000 jobs. The same amount spent on public housing would create 60,000 jobs—not to mention the number of housing units. A billion spent on Veterans' Administration health care would yield 88,000 jobs; on manpower training 136,000 jobs. The benefits from expenditures for energy and transportation would be even larger.

Now it is true that some sections of the country flourish thanks to defense industries, as we are reminded every year at DOD budget time. A study at the University of Illinois has come up with an estimate that a shift of 30 percent of the defense budget to civilian use would increase employment in the Northeast and

Midwest but reduce it in the South. But this finding does not assume that jobs would be lost, because it should be possible to convert defense plants to civilian production. This was done on a massive scale after World War II.

Let us face the facts. Military spending is not economically healthy. It is inflationary because it increases demand without increasing the supply of goods to meet demand. We must, in a hostile world, bear a considerable burden to maintain a strong defense establishment. But it is folly to bear more than is necessary. Arms limitations, including a strategic arms limitation agreement, which halted the relentless cycle of warhead upon warhead, missile upon missile, megaton upon megaton would help us get on with the really important work of national security and world stability. The prospects of a holocaust would be diminished.

Mr. President, Paul Warnke has been accused of proposing the unilateral suspension of certain weapons systems. His purpose was to invite Soviet restraint. If not forthcoming, U.S. deployment and development would resume. He proposed an act of America's statesmanship much as Governor Stevenson did 21 years ago when he proposed that the United States unilaterally cease testing nuclear devices in the atmosphere, subject to resumption if the Soviet response required it. My father's critics ridiculed his proposal and after the 1956 election adopted it. That initiative led directly to the Nuclear Test Ban Treaty. Only the weak of heart and vision stand between us and such initiatives today—as they did then.

It has also been said that the positions of SALT negotiator and ACDA director should not be occupied by the same person. To that novel suggestion Gerard C. Smith has offered a pointed rejoinder. Mr. President, I ask unanimous consent that his statesment in this morning's Washington Post be printed in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENSON. I intend to support the necessities of national security—and one way to do so is by supporting Paul Warnke. If the Nation is insecure—as I believe it is—it is not because he has been in power. His adversaries have called the tune. It is time for a change. President Carter and his nominee offer us a chance to act, and to act boldly, upon the real bases of national security and authority.

EXHIBIT 1

MR. WARNKE AND THE ONE MAN, ONE HAT NOTION

A few thoughts about the nomination of Paul Warnke and "two hats."

Having been the Arms Control and Disarmament Agency director and the SALT negotiator, I feel with special keenness the thrust of the notion being suggested by some senators—one man, one hat.

I thought that Congress had solved that issue long ago. The Arms Control Act says that the formulation and implementation of arms control policy can best be insured by a central organization charged by statute with primary responsibility. It must be able to carry out the preparation for and management of United States participation in international negotiations. It provides that the director of ACDA shall have primary responsibility for arms control matters and authorizes him for the purpose of conducting negotiations to communicate with representatives of other nations.

As I understand it, the President in designating Mr. Warnke to be director and SALT negotiator is trying to carry out that law. The record shows that when the first two directors of ACDA wore two hats, the Nonproliferation and the ABM Treaties were negotiated. When the two hats were assigned to separate individuals no treaties have been reached.

When, during SALT, the negotiator's hat was temporarily donned by a White House aide, one result was that because of executive privilege the Congress was unable to receive testimony from that negotiator. I wonder if the proponents of severance of the two hats have considered that a repetition of that situation might be one result if their effort is successful.

Paul Warnke, in my judgment, is the right man for the arms control job. If a senator disagrees, it strikes me that the logical action is a negative vote rather than supporting Warnke for the ACDA directorship while not supporting him as negotiator.

GERALD C. SMITH, *Washington.*

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. CRANSTON. Mr. President, I am not certain what the Senator from Illinois wished to do, but unless he has something else he wishes to do, I ask unanimous consent we now have a period for the transaction of routine morning business.

The PRESIDING OFFICER (Mr. SARBANES). Is there objection? Without objection, it is so ordered, as in legislative session.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 2:11 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its clerks, announced that the House has passed the bill (S. 521) to amend the John F. Kennedy Center Act to authorize funds for the repair of leaks, with an amendment; that the House insists upon its amendment and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. JOHNSON of California, Mr. MINETA, Mr. RONCALIO, Mr. GINN, Mr. APPLEGATE, Mr. HARSHA, and Mr. WALSH were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–824. A letter from the President of the Export-Import Bank of the United States transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank during January 1977 to Communist countries (as defined in section 620(f) of the Foreign Assistance Act of 1961) (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–825. A letter from the Secretary of Housing and Urban Development transmitting a draft of proposed legislation to amend the Housing and Community Development Act of 1974 to provide a more equitable allocation of funds, to authorize a fuller range of community development activities, to establish an urban development action grant program for severely distressed cities; to amend section 312 of the Housing Act of 1964, as amended; to amend section 701 of the Housing Act of 1954, as amended; and for other purposes (with accompanying papers); to the Committee on Banking, Housing, and Urban Affairs.

EC–826. A letter from the Secretary of the Interstate Commerce Commission transmitting, pursuant to law, a report of the Commission's determination to extend the time period for acting upon the appeal pending before the agency in No. 36175, Ford Motor Company v. Canadian National Railways, et al.; to the Committee on Commerce, Science, and Transportation.

EC–827. A letter from the Assistant Secretary-Designate for International Affairs of the Department of Treasury transmitting, pursuant to law, copies of the most recent International Bank for Reconstruction and Development and the Asian Development Bank reports evaluating the lending programs of these international institutions (with accompanying reports); to the Committee on Foreign Relations.

EC–828. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Federal Supply Service Not Buying Goods at Lowest Possible Price" (with an accompanying report); to the Committee on Governmental Affairs.

EC–829. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Learning Disabilities: The Link to Delinquency Should be Determined, but Schools Should Do More Now" (with an accompanying report); to the Committee on Governmental Affairs.

EC–830. A letter from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a follow-up report to the report entitled "Indian Education—A Special Report, December 1973" (with an accompanying report); to the Select Committee on Indian Affairs.

EC–831. A letter from the Acting Administrator of the Energy Research and Development Administration transmitting, pursuant to law, a report on the administration of the

Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-832. A letter from the Acting Assistant Secretary for Congressional Relations for the Department of State transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-833. A letter from the Vice Chairman of the Equal Employment Opportunity Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-834. A letter from the Chairman of the National Endowment for the Arts transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-835. A letter from the Deputy Director for Administration of the Central Intelligence Agency transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-836. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development of the Department of State transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-837. A letter from the Secretary of Defense transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM-79. Assembly Joint Resolution No. 5 adopted by the Legislature of the State of Nevada memorializing the Congress of the United States to enact legislation which would provide depletion allowances to private firms engaged in the development of geothermal well production; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 5

"Whereas, The United States requires an adequate, regular and continuous supply of energy to maintain its industrial growth, development and general standard of living; and

"Whereas, The United States now depends upon fossil fuels for most of its fuel consumption, and the percentage of the world's crude oil reserves in the United States has decreased from 14 to 7 percent; and

"Whereas, Supplies of foreign petroleum are sizable but have become increasingly costly and undependable under current economic, technological and international conditions; and

"Whereas, Fossil fuel extraction, production and consumption are often damaging to the air, water and land of the United States; and

"Whereas, Depletion allowances have proved to be strong incentives for the exploration and exploitation of oil resources in the United States; and

"Whereas, In certain parts of our country, including Nevada, geothermal resources are available for the production of electrical power; and

"Whereas, The use of geothermal resources for production of electrical power offers an alternative to fossil fuels and is not damaging to the air, water or land; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of Nevada, jointly, That Congress is hereby memorialized to introduce, consider and enact legislation which would provide depletion allowances as incentives to private firms engaged in the exploration and exploitation of geothermal energy resources; and be it further

"Resolved, That copies of this resolution be prepared and transmitted by the legislative counsel to the President of the United States, the Vice President as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada congressional delegation."

POM-80. Assembly Joint Resolution No. 10 adopted by the Legislature of the State of Nevada calling upon the Congress of the United States to amend the Social Security Act by eliminating the reduction in old-age benefits on account of earnings; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 10

"Whereas, The Social Security Act was passed by the Congress of the United States for the purpose, among others, of fostering the well-being and independence of older Americans; and

"Whereas, The Social Security system has been set up in a manner which, in at least one respect, penalizes older Americans who are possessed of the initiative and ability to continue working; and

"Whereas, Federal old-age benefits are reduced when the recipient has certain earnings, and in 1976 benefits were reduced in the case of each person (under 72) who earned more than $2,760, the reduction being 1 dollar for each 2 dollars of earnings over that amount; and

"Whereas, Reductions will be imposed similarly in future years under the present law, and these deductions tend to make persons less willing to lead active, productive lives after beginning to receive Social Security benefits; and

"Whereas, The Social Security system discriminates effectively against work, in that reduction is for wages or earnings from self-employment while no reductions are imposed for income derived from savings, investments, pensions, insurance, royalties or other forms of passive income; and

"Whereas, In contrast to the negative effect of these reductions on incentive, other social programs are being undertaken at various levels of government and by private enterprise to provide older Americans with suitable and stimulating activities; and

"Whereas, Older Americans who wish and are able to remain active in work should be encouraged to do so for their own well-being and in order that the nation may draw upon this reserve of talent, experience and knowledge; now, therefore, be it

"Resolved by the Assembly and Senate of the State of Nevada, jointly, That this legislature, on behalf of the people of the State of Nevada, respectfully calls upon the Congress of the United States to amend the Social Security Act by eliminating the provisions which require the denial of benefits to older Americans on account of their earnings; and be it further

"Resolved, That a copy of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President of the United States, as President of the Senate, to the Speaker of the House of Representatives, and to each member of the Nevada congressional delegation; and be it further

"Resolved, That this resolution shall become effective upon passage and approval."

POM-81. Assembly Joint Resolution No. 18 adopted by the Legislature of the State of Nevada memorializing the Congress of the United States to study and act on the hazards posed by the use of certain chlorofluorocarbon compounds in aerosol propellants; to the Committee on Environment and Public Works:

"ASSEMBLY JOINT RESOLUTION No. 18

"Whereas, Scientific studies have revealed that certain chlorofluorocarbon compounds used in aerosol propellants may be destroying the ozone layer in the earth's atmosphere; and

"Whereas, The ozone layer is vital to life on earth, preventing approximately 99 percent of the sun's midultraviolet radiation from reaching the earth's atmosphere; and

"Whereas, Increased intensity of ultraviolet radiation poses a serious threat to life on earth including increased occurrences of skin cancer, damage to food crops, damage to phytoplankton which is vital to the production of oxygen and to the food chain, and unpredictable and irreversible global climatic changes; and

"Whereas, It has been estimated that production of ozone destroying chemicals is increasing at a rate of 10 percent per year, at which rate the ozone layer will be reduced 13 percent by the year 2014; and

"Whereas, It has been estimated that there has already been a ½ to 1 percent depletion of the ozone layer; and

"Whereas, It has been estimated that even if there were an immediate halt to production of ozone destroying chemicals, an approximate 3½ percent reduction in ozone would occur by 1990; and

"Whereas, The Commissioner of the Food and Drug Administration has announced his intention to propose rules for the gradual ending of nonessential uses of chlorofluorocarbon propellants and has invited the submission of comments and information on his contemplated proposal and related scientific matters; now, therefore, be it

"Resolved by the Assembly and Senate of the State of Nevada, jointly, That Congress is memorialized to act quickly and decisively in obtaining information on possible hazards to the environment and human health posed by the use of aerosol propellants; and be it further

"Resolved, That Congress should prohibt the use of any aerosol propellant which is found to pose such hazards; and be it further

"Resolved, That this resolution shall become effective upon passage and approval."

POM-82. Assembly Resolution No. 15 adopted by the Legislature of the State of Nevada commending United States Senator Paul Laxalt; ordered to lie on the table:

"ASSEMBLY RESOLUTION No. 15

"Whereas, The Honorable Paul Laxalt, United States Senator from Nevada, truly represents the pioneer individualism, independence and philosophy of the people of the State of Nevada, so essential to the state's economic growth and sovereignty; and

"Whereas, His recent selection as a member of the Committees on Finance and Judiciary of the United States Senate is an undeniable recognition of his abilities as a man and an industrious and forceful leader in the United States Senate; and

"Whereas, His political course of conduct has helped to establish for the people of this state the right of self-determination and a favorable climate for the attraction of industry and financial investments; now, therefore, be it

"Resolved by the Assembly of the State of Nevada, That United States Senator Paul Laxalt is congratulated upon his recent appointment to the Committees on Finance and Judiciary of the United States Senate, and he is hereby respectfully memorialized to continue his vigilant, political stewardship for the people of the State of Nevada, thus ensuring to them stimulants to economic growth and the continuation of laws guar-

anteeing the protection of their personal rights—the right to political freedom, the right to compete, and the right to freedom of expression, thought and association; and be it further

"*Resolved*, That copies of this resolution be transmitted forthwith by the legislative counsel to the President of the United States, to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives, and to the congressional delegation of the State of Nevada."

POM-83. Assembly Joint Resolution No. 11 adopted by the Legislature of the State of Nevada memorializing Congress to study the feasibility of long-distance transfer of surplus water to alleviate future water shortages; to the Committee on Environment and Public Works:

"ASSEMBLY JOINT RESOLUTION NO. 11

"Whereas, Many western states are faced with dwindling water supplies and ever-increasing populations; and

"Whereas, Many western states already lack sufficient water to meet domestic, industrial and agricultural needs; and

"Whereas, Millions of acre-feet of water flow from the rivers of the northwestern United States in to the Pacific Ocean each year and lost to reclamation; and

"Whereas, Long-distance transfer of surplus water would alleviate future water shortages in the western states; and

"Whereas, Long-distance transfer of vital resources has proven to be technologically feasible; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly*, That the legislature hereby memorializes the Congress of the United States to study the feasibility of long-distance transfer of the surplus waters of the northwestern United States to the water-deficient areas of the western states; and be it further

Resolved, That the state engineer assist the Federal Government in the study and represent Nevada's interests and needs; and be it further

Resolved, That copies of this resolution be prepared by the legislative counsel and transmitted forthwith to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and to all members of the Nevada congressional delegation; and be it further

Resolved, That this resolution shall become effective upon passage and approval."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Environment and Public Works:

S. Res. 106. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 427. Referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Environment and Public Works:

Charles Hugh Warren, of California, to be a Member of the Council on Environmental Quality.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

James Alfred Joseph, of Indiana, to be Under Secretary of the Interior; and

Leo M. Krulitz, of Indiana, to be Solicitor of the Department of the Interior.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. JACKSON. Mr. President, the Committee on Energy and Natural Resources Friday reported the nominations of Mr. James A. Joseph to be Under Secretary of the Department of Interior and Mr. Leo M. Krulitz to be Solicitor of the Department. A hearing on these nominations was held last Monday. For the information of the Senate, I ask unanimous consent that the prepared statements at the hearings, short biographies and financial statements of Messrs. Joseph and Krulitz be printed in the RECORD together with letters and statements of support submitted to the committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF THE CHAIRMAN

The purpose of today's hearing is to consider the Presidents' nominations of Mr. James A. Joseph to be Under Secretary and Mr. Leo M. Krulitz to be Solicitor of the Department of the Interior.

Mr. Joseph, an ordained minister, is currently a vice president of the Cummins Engine Company. Mr. Krulitz, a lawyer, has been associated with the Irwin Management Company of Columbus, Indiana, most recently as vice president and treasurer.

Both Mr. Joseph and Mr. Krulitz have distinguished educational and professional backgrounds. Mr. Joseph's management experience and his orientation towards the problems of people give him an unsual opportunity to contribute to the Department's programs. Mr. Krulitz has both legal and administrative experience that will be invaluable in supervising the work of the 220 lawyers in the Solicitors' office.

Gentlemen, the President has expressed his confidence in your ability to assist Secretary Andrus in managing the affairs of a great Department. We look forward to hearing your testimony this morning.

U.S. SENATE,
Washington, D.C., Feb. 28, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I greatly regret that I cannot be present at your hearings today on the nominations of James A. Joseph and Leo M. Kurlitz to be Under Secretary and Solicitor of the Department of Interior. I do, however, want to express the pleasure with which I view the nomination of these two men from Columbus, Indiana and the great confidence I have in their ability to serve the nation.

Mr. Joseph is currently a vice president of Cummins Engine Company and in that capacity is responsible for that firm's manufacturing units in seven countries and its service outlets in more than 100 countries. He has written extensively on corporate and minority affairs and has been very active in charitable and community affairs. Mr. Joseph is president of the Cummins Engine Company Foundation and a past president of the National Black United Fund. In addition, he has served on the Indiana Bicentennial Commission. There is no question that Secretary Andrus made a wise decision in nominating him for Under Secretary.

Mr. Kurlitz's credentials for Solicitor of the Department are equally as impressive. He was graduated cum laude from Harvard Law School in 1963, after receiving his undergraduate degree from Stanford University in 1960. He is currently vice president and manager of Irwin Management Company, and, like Mr. Joseph, has been quite active in community affairs. I believe he will make an excellent Solicitor for the Department.

In closing, Mr. Chairman, I again express my disappointment at not being able to be with you personally, but I know that you will be as impressed as I by the abilities, experience, and sense of service of Mr. Joseph and Mr. Kurlitz.

Sincerely,

BIRCH BAYH,
U.S. Senator.

THE SECRETARY OF THE INTERIOR,
Washington, February 28, 1977.

Hon. HENRY M. JACKSON,
Chairman, Senate Interior and Insular Affairs Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: A Cabinet Meeting prevents my appearing before you today to personally recommend Mr. James A. Joseph to you and your Committee for confirmation to the post of Under Secretary of the Department of the Interior.

Please permit me to urge this confirmation by letter in order that his early confirmation will assist me in providing you and the American public with an outstanding administrative team within the Department.

As you can see from Mr. Joseph's resume, he is a man of broad experience and possesses outstanding, high-level administrative skills. The present day Department of the Interior has worldwide impact and Mr. Joseph will be a key person in seeing that our broad responsibilities are met while protecting the heritage given to us by our forefathers.

Your early consideration of his appointment and subsequent confirmation will be appreciated by me and hailed by Americans as an outstanding appointment as we are judged by future historians.

With sincere best wishes to you and your Committee members in your deliberations, I remain

Respectfully yours,

CECIL D. ANDRUS,
Secretary.

STATEMENT OF JAMES A. JOSEPH, NOMINEE TO BE UNDER SECRETARY OF THE DEPARTMENT OF THE INTERIOR

Mr. Chairman, I am deeply grateful for the confidence President Carter and Secretary Andrus have placed in me in this nomination. I welcome the opportunity to serve as Under Secretary, if confirmed by the Senate. I also look forward to working with the members of this Committee.

The mission of the Department of the Interior is usually defined in relation to its role as guardian of the Nation's natural resources. With increasing acknowledgement of the interdependence of energy, water, land and other elements of the planet's life-support system, the responsibilities of the Department have magnified. But there is a tendency to overlook the Department's parallel mission to serve as a trustee of selected human resources as well. The Secretary has also been given the responsibility to promote the well-being of Indian communities and the people who live in territories under U.S. administration. In addition, there are more

than 60,000 employees who are also part of the Department's trust responsibility.

My concern for people and the development of their communities is well documented in the biographical information you have been provided. My role at Cummins Engine Company in providing formal guidance to the company's efforts to operate responsibly has taught me a lot about what is needed to insure that large institutions function responsibly.

While executive departments of government do not have stockholders, they, nevertheless, have a wide variety of constitutent groups with a stake in their operation. These "stakeholders" often have competing claims which must be adjudicated in accordance with an objective determination of the public good. I hope to be of particular help to Secretary Andrus in fulfilling the people responsibilities of the Department of the Interior.

But the assignment I will assume, if confirmed, will not be restricted simply to the development of human resources. I will also be involved with the Secretary in the management of the Nation's natural resources. I do not pretend to have the answers to all of the problems and controversies in this area, but I do have a commitment to excellence and equity which will insure that my approach to problem-solving will be informed and balanced.

It may be useful, therefore, for me to briefly share with this Committee the perspective out of which I intend to approach the responsibilities of the Under Secretary as they relate to the Nation's natural resources. I subscribe to the land ethic suggested by Aldo Leopold who enlarged the boundaries of the human community to include the land community with all its interdependent parts; soil, water, plants and animals. Such an ethic does not remove human kind from the center of the community, it simply implies respect for the other members.

The transition from abundance to scarcity requires a continued recognition of our mutual dependence. What is needed is not only a deep appreciation of our ties to nature but a value system which corrects the abuses and eases the pain of many years of estrangement from it. So one of the first elements of a natural resources ethic must be a recognition of our connection with the rest of creation. But there is a second element which must also follow. It is the concern for equity. We have a responsibility to insure that all our citizens, whether they live in small towns or crowded cities, whether they live along the Pacific Ocean or the banks of the Atlantic, have an opportunity to enjoy the beauty and benefit of our natural resources.

My commitment, therefore, is to insure that when any single factor in the environment is altered, it is done so only after careful consideration of the impact on the total public interest. This is my pledge to you, if confirmed.

EDUCATION

1956, B.A., Southern University, Baton Rouge, Louisiana.

1963, B.D. (M.A.) Yale Divinity School, New Haven, Connecticut.

MILITARY

1956–58—First Lieutenant, U.S. Army.

EXPERIENCE

1972–Present, A Vice President of Cummins Engine Company and President of Cummins Engine Foundation.

1970–72, Executive Director, Irwin-Sweeney-Miller, Irwin Union and Cummins Engine Foundation.

1969–70, Chaplain, The Claremont Colleges.

1967–69, Associate Director, Irwin-Sweeney-Miller, Cummins Engine Foundation.

1964–68, Assistant Chaplain, The Claremont Colleges.

PUBLICATIONS

Three Perspectives on Ethnicity, Joseph, Cortez, Green, and Ginburg, Putnam Press, 1976.

"Foundations and Minorities: Why the Distrust Lingers". Foundation News, July/August, 1976.

"The Rebellion Against Absolutes," The Journal of the Interdenominational Theological Center, Fall 1973.

"The Emergence of a Black Political Culture," The Afro-American Journal, December, 1973.

"New Strategies for Private Foundations," The New South, Southern Regional Council, 1969.

ORGANIZATIONS

Executive Committee and Board, Council on Foundations.

Executive Committee and Board, African-American Institute.

Member, Board of Governors, Opportunity Funding Corporation.

Trustee, Antioch College.

Trustee, Atlanta University.

Trustee, Union Theological Seminary.

Trustee, Pitzer College.

Commissioner, Indiana Bicentennial Commission.

President, National Black United Fund.

Chairman, Association of Black Foundation Executives.

Association of American Colleges and Univeristies.

National Association of Attorneys General.

HONORS AND AWARDS

Yale Alumni Associates of Afro-America. First Annual Award (1974) for "Disinguished Service" by a Black Yale Alumni.

"Business Person of the Year," National Affiliation of Concerned Business Students 1975).

Fellow, Metropolitan Applied Research Center.

Who's Who in America.

Who's Who in Black America.

Who's Who in Religion.

Who's Who in Finance and Industry.

PERSONAL

Born in Opelousas, Louisiana.

Married: Doris Taylor of Plainsfield, New Jersey.

One Son: Jeffrey, B., 1963.

One Daughter: Denise, B., 1969.

FINANCIAL STATEMENT

Provide a complete, current financial net worth statement which itemizes in detail all assets (including bank accounts, real estate, securities, trusts, investments, and other financial holdings) and all liabilities (including debts, mortgages, loan, and other financial obligations) of yourself, your spouse, and immediate members of your household.

ASSETS

Cash on hand and in banks, $35,000.

Listed securities—add schedule,[1] $96,000.

Personal property, $141,800.

Life insurance—cash value, $1,200.

Other assets—itemize:

Stock option,[2] $5,600.

Cummins special savings plan, $3,200.

Severance payment,[3] $25,000.

Total assets, $307,800.

LIABILITIES

Notes payable to banks—secured, $19,000.

Notes payable to others, $17,000.

Accounts payable, $2,500.

Real estate mortgages payable—add schedule,[4] $52,400.

Total liabilities, $90,900.

Net worth, $216,900.

FOOTNOTES

[1] 2000 shares of Cummins stock at $48 per share.

[2] Spread of 350 shares of Cummins stock at $48 per share.

[3] Lump payment in accordance with severance practices for company officers.

[4] $35,000 mortgage on Indiana residence; payable at $350 per month $17,400 mortgage on rural property; payable at $190 per month.

1. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm clients, and customers.

a. Lump sum termination payment of approximately $25,000 for past services.

b. Lump sum payment of all contributions made under company's savings plan which is estimated to total $3,526.

c. Medical plan will continue coverage for 30 days after termination.

d. Group life policy insurance will continue for 30 days after termination. A supplemental policy will be continued by paying the company its contribution of $6,500 with annual payments to be made personally after termination.

e. Retention for 90 days after termination of the right to purchase 350 shares of stock under existing qualified stock option plan.

2. Are any assets pledged? (Add schedule.) No.

3. Are you currently a party to any legal action? No.

4. Have you ever declared bankruptcy? No.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name, James Alfred Joseph.

Position to which nominated: Under Secretary, Department of Interior.

Date of nomination: February 24, 1977.

Date of birth: March 12, 1935.

Place of birth: Opelousas, La.

Marital status: Married.

Full name of spouse: Doris Taylor Joseph.

Name and ages of children: Jeffrey Adam Joseph,13, Denise Ann Joseph, 7.

Education: St. Landry Parish High School, 1948–1952, Diploma 1952; Southern University, 1952–1956 B.A., 1956; Yale University, 1959–1963, E.D. (M.A.); 1963.

Yale Alumni Associates of Afro-America Award.

L.H.D. Degree (honoris cause), Shaw University.

Business Person of the Year—Selected "Business Person of the Year" by the National Affiliation of Concerned Business Students (1975). Award presented for "outstanding national leadership in corporate responsibility."

Fellow, Metropolitan Applied Research Center—Completed monograph in 1968 on "Blacks and Philanthropy."

Fellow, Wilton Park Conference, Sussex, England—International Public Affairs Group.

Who's Who in America.

List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Memberships: Council on Foundations, Secretary, 1970–77; African-American Institute, Executive Committee, 1973–77; Opportunity Funding Corp., Board Member, 1974–77; Atlanta University, Trustee, 1975–77; Pitzer College, Trustee, 1971–77; Union Theological Seminary, Board Member, 1976–77; Indiana Bicentennial Committee, Commissioner, 1973–77.

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

1972-Present: Vice President, Cummins Engine Co. and president of Cummins Engine Foundation, Columbus, Ind. Head of a division reporting to Chief Executive Officer of the world's largest independent producer of heavy-duty diesel engines. Responsibili-

ties include public policy analysis, govt. relations worldwide, corporate philanthropy, the corporate responsibility of manufacturing units and sales and service outlets in more than 100 countries, and key social and political aspects of long-range planning. Also serves on company's Environmental Affairs, Policy and Operating Committees.

1970–72: Executive director, Irwin-Sweeney-Miller and Cummins Engine Foundations. With a program staff including blacks and native Americans, developed programs in minority community development, physical design, religion, education and the arts.

1969–70: Chaplain, the Claremont Colleges and member of faculty of the School of Theology, Claremont, Calif.

1967–69: Associate director, Irwin-Sweeney-Miller and Cummins Engine Foundations, Columbus, Ind. Developed national philanthropic programs.

1964–67: Associate chaplain, the Claremont Colleges, Claremont, Calif. Also taught at Pitzer and Claremont Men's Colleges.

1963–64: Instructor and recruitment officer, Stillman Collman College, Tuscaloosa, Ala. Also organized local civil rights movement.

1956–58: First Lieutenant, U.S. Army. commander, medical detachment, 2nd Infantry Brigade, Fort Devens, Mass.; commander, ROTC Support Detachment, Fort Devens, Mass.

Government experience: Treasury Department's Advisory Committee on Philanthropy and Public Needs, Bartholomew County, Indiana, Bicentennial Commission, Indiana Bicentennial Commission; Parks and Recreation, Claremont, Calif.; Commission on Educating the Disadvantaged, Bartholemew County School Corporation.

Published writings:

Three Perspectives on Ethnicity, Joseph, Cortez, Green and Ginsburg, Putnam Press, 1976.

"Foundations and Minorities: Why the Distrust Lingers?" Foundation News, July/August, 1976.

"The Transnational Corporation: In Whose Interest?" Journal of Current Social Issues, Spring 1976.

"Corporate Philanthropy and the Recession," Foundation News, May/June, 1976.

"Corporate Philanthropy and Community Development," Journal of Contemporary Business, University of Washington, Spring 1974.

"Modernizing the Liberal Arts: A View From Industry," Higher Education, Human Resources and the National Economy, Association.

"Philanthropy and the Black Economic Condition," The Black Scholar, March, 1976.

"The Passion of the Patriot" Yale Alumni Journal, 1976.

"The Rebellion Against Absolutes," The Journal of the Interdenominational Theological Center, Fall 1973.

"Separatism Vs. Integration: A Misplaced Debate," The Afro-American Journal, November 1973.

"A Black Perspective on Foundations," Vernon E. Jordan and James A. Joseph, Foundation News, September/October, 1972.

"Has Black Religion Lost Its Soul?" The Black Seventies, Porter Sargent Publishers, 1970.

"New Strategies for Private Foundations," The New South, Southern Regional Council, 1969.

"Color is the Name of the Game," Reflection, Yale University Divinity School, 1967.

"The Emergence of a Black Political Culture," The Afro-American Journal, December 1973.

Qualifications:

Future employment relationships: 1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate. Yes.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization. No.

3. Has anybody made you a commitment to a job after you leave government? No.

4. Do you expect to serve the full term for which you have been appointed? Yes.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated. None.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated. None.

3. Describe any business relationship, dealing or financial transaction (other than taxpaying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated. None.

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law of public policy. None.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. Not applicable.

STATEMENT TO THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES ENDORSING THE NOMINATION OF MR. JAMES JOSEPH AS UNDERSECRETARY OF THE INTERIOR

MR. CHAIRMAN: We wish to welcome the nomination of James Joseph to serve as Undersecretary of the Interior. He would bring important qualities to the Interior Department.

We understand that Mr. Joseph has worked effectively for the correction of long-standing social inequities, for the improvement of urban conditions, and in the exertion of corporate responsibility in these and other matters of vital concern to American society. We also understand him to be held in high professional and personal regard by leaders of urban and social reform in this country.

This background equips Mr. Joseph for significant service in numerous missions of the Interior Department. Many of the Department's natural resource and management responsibilities bear directly upon the social and economic welfare of American Indians, native Alaskans, persons of Spanish origin and other minorities. Important and growing functions of the Department in funding for state and local open space and recreation facilities and in new urban national recreation areas directly affect the quality of life in our cities. And naturally, the Department has a pervasive responsibility to see that all Americans, who share ownership of the great public lands, benefit equitably from a common heritage.

Some observers of the Department's performance in these social and urban responsibilities have found serious failings. Without entering into such issues or charges here, we do submit that those who manage the national treasures of land, water and wild nature need wider rapport and understanding among a heavily urbanized population.

Unfortunately, the priorities of natural resource and environmental agencies have often been seen as irrelevant to—or even competitive with—social and urban welfare interests. Minority persons, viewing the officials and the constituencies of such agencies, have seen too little for themselves in either the public benefits or the career opportunities of the programs concerned.

Such conditions need not apply, and we believe the appointment of Mr. Joseph as Undersecretary can bring influences that help to reverse them. We respectfully urge that the Senate consent to this nomination.

This statement, presented by William K. Reilly, President of the Conservation Foundation, is endorsed by the following organizations:

Conservation Foundation.
Environmental Action.
Environmental Defense Fund.
Environmental Policy Center.
Friends of the Earth.
National Congress of Hispanic American Citizens.
Native American Resources Development Foundation.
Natural Resources Defense Council.
Sierra Club.
United Auto Workers.
Wilderness Society.

Numerous other groups that might have wished to join in this statement could not be consulted in time for today's hearing.

THE SECRETARY OF THE INTERIOR,
Washington, February 28, 1977.

Hon. HENRY M. JACKSON,
Chairman, Senate Interior and Insular Affairs Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I regret that a Cabinet Meeting at the White House prevents me from appearing before you this morning to urge your early confirmation of Mr. Leo M. Krulitz as Solicitor of the Department of the Interior. I have known Mr. Krulitz for more than 12 years and have tremendous respect for him as a lawyer and as a personal friend.

Your advice to me, Mr. Chairman, some months ago, was to insist that the Solicitor's Office be filled by someone that has my complete trust. I have followed your advice and recommended Mr. Krulitz to the President of the United States. After extensive investigations, the President has concurred in my recommendation and we are now before you and your Committee for confirmation.

As you can see from Mr. Krulitz's resume, he has an outstanding educational background which he has honed to a fine edge by the practice of law and high-level business experience.

Your early confirmation of Mr. Krulitz will be appreciated by myself and supported by the people of America.

Respectfully yours,

CECIL D. ANDRUS,
Secretary.

STATEMENT OF LEO M. KRULITZ, SOLICITOR-NOMINEE, DEPARTMENT OF THE INTERIOR, BEFORE THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. Chairman, Distinguished Members of the Committee. I'd like to thank Congressman Lee Hamilton for being here to introduce me this morning. He is truly one of the outstanding Democratic Members of Congress. Republicans in the 9th District of Indiana recognize his abilities as well—they didn't even run a candidate against him last fall! It has been a pleasure to know him and to work with him during these past years.

These are exciting times in Washington. President Carter has brought a sense of freshness, direction and momentum to government. I'm honored that he has selected me to be a part of his new Administration as Solicitor in the Department of the Interior.

I look upon it as a real privilege to work with Secretary Cecil Andrus. I have known the Secretary for many years.

He is a man of vision. He is strongly committed to preserving for future generations those precious resources which we enjoy today. I share that commitment with him.

I grew up in a small mining community in the beautiful wooded mountains of North Idaho. I have observed first-hand the consequences when environmental considerations are ignored. Thanks to the efforts of Cecil Andrus, Senator Church, this Committee and the Congress, that situation is now changing.

The Secretary is also a practical man. He listens and takes into account many points of view but never hesitates to make the tough decisions. While everyone does not always agree—they do consider him fair.

He is uniquely qualified to make the important trade-offs between the critical needs of America for energy and the desire of the American people to protect our environment. I look forward to working with him, Members of this Committee, and the Congress on these difficult matters.

Under President Carter and Secretary Andrus, the Department of the Interior will be a lively place. The impact of the Department's decisions on people will be taken fully into account. The important people responsibilities of the Department will receive increased emphasis. This will be true in the Solicitor's Office as well.

If confirmed, I look forward to serving as the principal legal advisor to the Secretary and to administering an office of some 220 lawyers. I sense we should have no difficulty attracting and maintaining a pool of top legal talent to deal with the Department's broad spectrum of problems and responsibilities.

As we go along we are bound to make some mistakes—and I'm confident you will let us know about them! But in the end, whatever else might be said, no one will be able to say "They were afraid to try."

Thank you, Mr. Chairman. I'd be pleased to answer any questions.

LEO M. KRULITZ

Education: 1960, B.A., Stanford University; 1963, J.D., Harvard Law School; 1969, M.B.A., Stanford Graduate School of Business.

Experience: 1974–Present, vice president and treasurer, Irwin Management Co.; 1972–74, manager, Small Companies Group, Irwin Management Co.; 1971, manager, Venture Capital Group, Irwin Management Co.; 1970, manager, Consulting Group, Irwin Management Co.; 1969, assistant to the President, Irwin Management Co.; 1963–67, practicing attorney, Moffatt, Thomas, Barrett, and Blanton, partner, 1966.

Organizations: Idaho Bar Association, Indiana Bar Association, Harvard Club of New York, Columbus Chamber of Commerce, Harvard Law School Alumni Association, Stanford Graduate School Alumni Association, Director and Member, Executive Committee, L'Enfant Plaza Properties, Inc., Member, Mayor's Transportation Advisory Committee, Columbus, Ind.

Honors: Graduated J. D. Cum Laude, 1963 Harvard Law School.

Personal: Married, Donna Ristan Krulitz, B. 1938; Daughter, Cynthia May Krulitz, B. 1963; Daughter, Pamela Ristan Krulitz, B. 1964.

FINANCIAL STATEMENT: LEO AND DONNA KRULITZ

Provide a complete, current financial net worth statement which itemizes in detail all assets (including bank accounts, real estate, securities, trusts, investments, and other financial holdings) and all liabilities (including debts, mortgages, loans, and other financial obligations) of yourself, your spouse, and other immediate members of your household.

ASSETS

Cash on hand and in banks, $2,500.

Listed securities—add schedule, $27,785.

Unlisted securities—add schedule, $9,175.

Real estate interests, including mortgages—add schedule, $85,000.

Personal property, $23,000.

Irwin Management Employees Savings Plan, $19,500.

Irwin Management Employees Retirement Plan—Present value of vested benefits, $9,700.

Total assets, $176,660.

LIABILITIES

Notes payable to others, $6,800.

Real estate mortgages payable—add schedule, $42,000.

Total liabilities, $48,800.

Net worth, $127,860.

1. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. See Attachment 1.

2. Are any assets pledged? (Add schedule.) Yes. See schedule 1.

3. Are you currently a party to any legal action? No.

4. Have you ever declared bankruptcy? No.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Krulitz, Leo M.

Position to which nominated: Solicitor, Dept. of Interior.

Date of birth: June 15, 1938.

Place of birth: Wallace, Idaho.

Marital status: Married.

Full name of spouse: Donna E. Ristau Krulitz.

Names and ages of children: Cynthia May Krulitz, 13; Pamela Ristau Krulitz, 12.

Education: Stanford University, 1956–60, BA, 1960; Harvard Law School, 1960–63, JD, 1963; Stanford Graduate School of Business, 1967–69, MBA, 1969.

Honors and awards: Faville Fellowship, Stanford Graduate School of Business Harvard Law Degree granted Cum Laude.

Memberships: Indiana Bar, since 1969; Idaho Bar, since 1963; Indiana Bar Association; Idaho Bar Association; Bartholomew County Bar Association; Chamber of Commerce, Columbus, Ind.; Harvard Club of New York; North Christian Church, past deacon and treasurer, Columbus, Ind.; Mayor's Transportation Advisory Committee, Columbus, Ind.

Employee record: 1969—Present Irwin Management Company, Columbia, Ind.; vice president and treasurer. Division Manager 1974 to present; principal legal and financial officer of the company. Responsible for:

Legal services for 20 partnerships, corporations, foundations, and other entities. Supervise legal work provided by in-house lawyers, counsel in Indianapolis and special counsel (Taxes, SEC, Real Estate, etc.) in Washington, D.C., New York, Boston.

Accounting, audit, taxes, insurance, employee benefit plans.

Cash and debt management.

Clients' interest in two major real estate investments: L'Enfant Plaza Properties and Juno Beach.

Also as part of my responsibilities with Irwin Management Company I am: Director, member of executive committee and secretary, L'Enfant Plaza Properties, Inc., Washington, D.C.; Treasurer, Irwin-Sweeney-Miller Foundation, Columbus, Ind.; June 1963–September 1967, Attorney, Moffatt, Thomas, Barrett & Blanton, Boise, Idaho (Made partner in 1966).

Government experience: Served as Hearing Officer for the Columbus, Indiana Human Rights Commission for about 2 years.

Published writing: None—other than as Editor of the Stanford Daily in 1959.

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet) See Attachment 2.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate. Yes.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization. None.

3. Has anybody made you a commitment to a job after you leave government? No.

4. Do you expect to serve the full term for which you have been appointed? Yes.

Potential conflicts of interest: Continuing financial arrangements are described in Attachment 1. I do not believe there is any potential conflict with regard to my position as Solicitor; Stocks, 500 Cummins Engine Company, 1000 Hickory Furniture, 350 Koger Properties, 300 Sunshine Mining, I intend to divest myself of all of these investments immediately upon confirmation. I expect to reinvest the funds in securities of the Federal Government.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

3. Describe any business relationship, dealing or financial transaction (other than taxpaying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated. The clients of Irwin Management Company own an interest in a partnership that owns 550 acres of undeveloped property including 1¼ miles of oceanfront in Palm Beach County, Florida ("June Beach"). I have been responsible for this investment for the past several years. The property is one of number of properties under consideration for acquisition by Palm Beach County for a park. Funding would come from a $50 million bond issue approved by the voters of Palm Beach County two years ago for acquisition of oceanfront and park lands. There has been some discussion in Palm Beach County of trying to supplement the bond funds with Federal funds controlled by the Department of Interior. I would have to disqualify myself with regard to any matters relating to the acquisition of the Juno Beach property.

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy. None.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. See answers to items 2 and 3 above.

SCHEDULE 1

Listed Securities (Common Stock): 500 Cummins Engine, Inc. $24,185; 300 Sunshine Mining, $3,600, total, $27,785.

Unlisted Securities (Common Stock): 1000 Hickory Furniture, $5,500; 350 Koger Properties, $3,675, total $9,175.

Real Estate: Residence at 1630 Park Valley Drive, Columbus, Ind., $85,000.

Mortgage Payable to Irwin Union Bank and Trust Co., Columbus, Ind.—current balance, $42,000.

Notes Payable to Others: Margin Loan from Robertson, Coleman, Seibel & Weisel, San Francisco, California secured by the listed marketable securities noted above, $6,800.

ATTACHMENT 1

1. I participate in the Irwin Management Employee's Retirement Plan. My benents are vested under the Retirement Plan as follows: Monthly benefit beginning at age 65: $485. Present value of vested retirement benefit: $9,700.

I am not entitled, as a matter of right, to a lump sum settlement at this time and expect to continue my interest under this plan.

2. I also participate in the Irwin Management Employees Savings Plan. My interest in the Savings Plan now totals about $19,500. These funds are managed by an investment committee and are presently invested in several diversified mutual funds. Under the plan I have the right, from time to time, to direct the committee to invest these funds either in equity mutual funds or in fixed income mutual funds. I also have the right to withdraw funds. Under existing tax laws these investments compound tax free until withdrawal. I intend to leave these funds in the Savings Plan.

3. Irwin Management Company has advised me that when my employment finally terminates (I am presently on an unpaid leave of absence), the company will pay me 6 months severance pay. I expect to resign from Irwin Management upon my confirmation by the Senate. This severance arrangement has been reviewed by counsel for Irwin Management and their opinion letter stating that the arrangement does not contravene relevant Federal conflict of interest statutes is attached.

McHALE, COOK & WELCH,
Indianapolis, Ind., February 15, 1977.

ROBERT LIPSHUTZ, ESQ.,
Counsel to the President,
The White House, Washington, D.C.

DEAR MR. LIPSHUTZ: This office is, and has been for several years, general counsel for Irwin Management Company, Inc., of Columbus, Indiana. Mr. Leo M. Krulitz, an employee of that Company, has requested that we advise you concerning the terms of the proposed termination of employment with the Company, of Mr. Krulitz, who, we understand, is being considered for a Presidential appointment as Solicitor for the Department of the Interior.

Mr. Krulitz has been employed by the Company for the past seven years. We understand that it has been the practice of the Company to make financial arrangements with employees who terminate their employment to cover the expenses of transition to new employment, and in recognition of the services previously performed by the terminating employee. We are advised that the terms of these arrangements have varied from time to time, and from employee to employee.

It is our understanding that Mr. Krulitz is presently on leave of absence from the Company without compensation, and that in the event he receives the appointment mentioned above, his employment with the Company will be terminated. We understand that the Company proposes to pay to Mr. Krulitz an amount equal to six months salary as severance pay in recognition of past service.

It is our understanding that Mr. Krulitz will not receive now, or in the future, any amounts other than the above-mentioned severance pay, although he may be entitled, because of his past services, to certain benefits in the future under the Irwin Management Company, Inc. employee retirement plan, which is a qualified plan under the provisions of Section 401 of the Internal Revenue Code. We are advised by the Company that there are no agreements, understandings or arrangements with respect to any future employment of Mr. Krulitz by the Company.

Based upon our general familiarity with the affairs of the Company and such examination of the law and the facts as we deem necessary, it is our opinion that the payment to Mr. Krulitz, proposed to be made by the Company—

Is in recognition of past services by Mr. Krulitz to the Company;

Does not represent compensation for any services rendered, or to be rendered, either by himself or another, as an officer or employee of the Executive Branch of the United States Government, or of any independent agency of the United States;

Does not represent a contribution, to, or supplementation of, the salary of Mr. Krulitz as an officer or employee of the Executive Branch of the United States Government, or of any independent agency of the United States; and

Is not in violation of Section 203 or Section 209 of Title 18 of the United States Code.

We trust the foregoing is satisfactory.

Sincerely,

DON W. BUTTREY.

ATTACHMENT 2

My qualifications to serve as Solicitor of the Department of Interior are as follows:

1. I received my legal education at one of the country's leading law schools. My degree was granted *cum laude*.

2. I spent a number of years in the private practice of law in Idaho. This practice was successful and I was made a partner in the firm.

3. For the past several years I have been responsible for the legal affairs of my company. We have dealt with complex legal problems in a wide variety of areas—major real estate transactions, taxes, securities law questions, environmental issues, etc. I have supervised matters from simple legal counseling to complex litigation.

4. In addition to my legal training and experience, I have credentials as an administrator and business man. The Solicitor supervises about 220 lawyers and deals with matters that involve economic as well as legal considerations. My business degree and experience as an administrator should help me effectively discharge the responsibilities of the Solicitor.

5. Finally, the most important qualification for the Solicitor is to have the confidence of the Solicitor's client—the Secretary of the Interior. I have worked closely with Secretary Andrus for the past fifteen years. I believe his recommendation of me for the position indicates that the does have such confidence in me.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. ANDERSON, Mr. CRANSTON, Mr. DECONCINI, Mr. DURKIN, Mr. HANSEN, Mr. CANNON, Mr. PACKWOOD, Mr. HATFIELD, Mr. LAXALT, and Mr. BARTLETT):

S. 925. A bill to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought; to the Committee on Energy and Natural Resources.

By Mr. CLARK (for himself, Mr. KENNEDY, Mr. CRANSTON, Mr. MATHIAS, and Mr. SCHWEIKER):

S. 926. A bill to provide for the public financing of primary and general elections for the U.S. Senate; to the Committee on Rules and Administration.

By Mr. DOLE (for himself and Mr. PROXMIRE):

S. 927. A bill to establish a Minority Business Development and Assistance Administration in the Department of Commerce for the purpose of improving Federal assistance to minority business enterprises, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HUMPHREY:

S. 928. A bill to extend through fiscal year 1982 certain child nutrition programs under the National School Lunch Act and the Child Nutrition Act of 1966; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 929. A bill to establish National Historic Trails as a new category of trails within the National Trails System, to include the Iditarod Trail, Alaska, in the National Trails System as a National Historic Trail and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAYH:

S. 930. A bill to deauthorize the LaFayette Dam and Reservoir, Wabash River, Ind.; to the Committee on Environment and Public Works.

By Mr. RIEGLE:

S. 931. A bill to amend the Employment Act of 1946 with respect to price stability; to the Committee on Banking, Housing, and Urban Affairs.

S. 932. A bill to amend title II of the Social Security Act to raise the amount of lump-sum death payments; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. ANDERSON, Mr. CRANSTON, Mr. DECONCINI, Mr. DURKIN, Mr. HANSEN, Mr. CANNON, Mr. PACKWOOD, Mr. HATFIELD, Mr. LAXALT, and Mr. BARTLETT):

S. 925. A bill to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought; to the Committee on Energy and Natural Resources.

Mr. JACKSON. Mr. President, for myself and others, I am sending to the desk legislation to provide the Secretary of the Interior with temporary authority to take actions to mitigate the adverse impacts of the 1976–77 drought on Federal reclamation projects.

Mr. President, this legislation provides authority to prevent disaster rather than treating it after the fact. We provide the authority for the Secretary to look ahead and take action in anticipation of projected water shortages. The authority, although only temporary, is extensive inasmuch as we must be able to examine all opportunities to augment, utilize, or conserve water supplies available to Federal reclamation projects. Additionally, we must grant the authority to move ahead, without delay, on those options deemed feasible if the prevention

of economic and resource losses is to be achieved.

The program envisioned under the terms of the legislation applies only to Federal reclamation projects in the 17 Western States but this includes almost 10 million acres of productive agricultural lands—an important share of our national food and fiber production. Obviously, benefits will accrue nationwide.

The facts are, that barring unusually beneficial weather conditions, we are facing an extraordinary situation. Many farmers on reclamation projects are faced with the question of survival. We must provide authority for action programs to preserve our agricultural base—programs that will not only ameliorate the adverse impacts predicted for this summer, but will insure that those most basic of resources will not be impaired for years to come.

Mr. President, earlier this week the Committee on Energy and Natural Resources held a hearing on the drought situation in the Yakima Valley of Washington State. It was clearly established that in addition to the hardships which could occur from the losses of a single year's harvest, there is the danger of losing the productivity of perennial crops—a loss which may take a decade to replace.

The inspiration for this legislation comes from the people on the ground—the farmers, the irrigators, the reclamation project managers and engineers—the people who know our soil and water resources best.

I am confident that by acting now with constructive preventive measures we will save far more of our valuable resource base than if we delay until after the drought is upon us.

Mr. President, the Senate Committee on Energy and Natural Resources has already scheduled a public hearing on this proposal for Tuesday morning, March 8, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building. At that time, I am hopeful that we will receive the full support of the administration and I believe that this proposal will merit the endorsement of the full Senate as well.

Mr. President, I ask unanimous consent that the text of the measure appear in the RECORD at the conclusion of my remarks. Briefly, the measure provides the opportunity to make full utilization of existing statutory authority as well as granting specific authorities to combat drought situations. So that actions pursuant to existing authority may be undertaken without delay due to lack of funding—it is provided that funds previously appropriated to the Bureau of Reclamation for other purposes may be utilized for the programs already authorized as well as those proposed in this bill. In addition, the Secretary is authorized to make necessary studies, undertake construction, management, and conservation activities as well as acquire by purchase from willing sellers, available water supplies for redistribution with the objective of minimizing losses and damages from the drought.

The preventive program envisioned by the act is to be coordinated with those emergency and disaster relief programs conducted by other Federal agencies under other provisions of laws.

Mr. President, let us not mislead ourselves. If enacted, this measure will not be a panacea; but it will be a constructive beginning.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 925

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, hereinafter referred to as the "Secretary", acting through the Bureau of Reclamation pursuant to the authorities in the Reclamation Laws (74 Stat. 882, as amended) and the authorities granted herein is directed to—

(a) perform studies to identify opportunities to augment, utilize, or conserve water supplies available to Federal reclamation projects; and, within existing contractual arrangements and pursuant to State water law, to undertake without further authorization construction, management, and conservation activities which can be expected to have an effect in mitigating losses and damages to Federal reclamation projects resulting from the 1976–77 drought period;

(b) within the constraints of State water laws, acquire available water supplies by purchase from willing sellers and to redistribute such water within Federal reclamation projects based upon priorities to be determined by the Secretary with the objective of minimizing losses and damages resulting from the drought;

(c) undertake expedited evaluations and reconnaissance studies of potential facilities to mitigate the effects of a recurrence of the current emergency and make recommendations to the President and to the Congress evaluating such potential undertakings including, but not limited to, wells, pumping plants, pipelines, canals, and alterations of outlet works of existing impoundments; and

(d) make payments to Federal reclamation project landowners who are without irrigation water supplies to carry out soil conservation measures to protect the productivity of project lands for future seasons.

SEC. 2. Payment for water acquired from willing sellers will be at a negotiated price, but will not confer any undue benefit or profit to any person or persons compared to what would have been realized if the water had been used in the normal irrigation of crops adapted to the area, as determined by the Secretary.

SEC. 3. The Secretary shall determine for purposes of this Act the priority of need for allocating the acquired or developed water, taking into consideration, among other things, national need and the effect of losing perennial crops due to drought: *Provided, however,* That the allocation of the water will be to a Bureau of Reclamation contracting entity which will be responsible for repayment on terms and conditions within the repayment capability of the beneficiaries as determined by the Secretary: *And provided further,* That the funds used for developing or acquiring emergency water supplies that exceed the repayment capability, shall be nonreimbursable.

SEC. 4. The Secretary is hereby authorized to defer without penalty, the 1977 and 1978 payments of any installment of charges owed to the United States on Federal reclamation projects as he deems necessary because of financial hardship caused by extreme drought conditions: *Provided,* That any deferment may be added to the end of the repayment period under the contracting entities' existing contract with the United States.

SEC. 5. Actions taken pursuant to this Act are in response to emergency conditions and depend for their effectiveness upon their completion prior to or during the 1977 irrigation season and, therefore, are deemed not to be major Federal actions significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969 (83 Stat. 852, as amended; 42 U.S.C. 4321).

SEC. 6. The program established by this Act shall, to the extent practicable, be coordinated with emergency and disaster relief operations conducted by other Federal agencies under other provisions of law. The Secretary shall consult with the heads of such other Federal agencies, as he deems necessary. The heads of all other Federal agencies performing relief functions under other Federal authorities are hereby authorized and directed to provide the Secretary, or his designee, such information and records as the Secretary or his designee shall deem necessary for the administration of this Act.

SEC. 7. Not later than March 1, 1978, the Secretary shall provide the Congress with a complete report on expenditures under this Act, which shall include, but not be limited to, an itemized account of each contract for construction or the purchase and sale of water pursuant to this Act.

SEC. 8. There is hereby authorized to be appropriated to the Emergency Fund Act of 1948 (62 Stat. 1052; 43 U.S.C. 503), a sum, not to exceed $200,000,000, to carry out the purposes of the Emergency Fund Act and the purposes of this Act. The Secretary is hereby authorized to transfer to the emergency fund such fiscal year 1977 funds appropriated for other purposes as may be available to the Bureau of Reclamation: *Provided, however,* That no more than $200,000,000 of fiscal year 1977 appropriated funds shall be expended from the emergency fund to carry out the purposes of this Act.

Mr. CRANSTON. Mr. President, I am pleased to join with my distinguished friend from the State of Washington (Mr. JACKSON) and a number of our colleagues in introducing today a bill to provide temporary authorities to the Secretary of the Interior to take emergency actions to mitigate the adverse effects of the terrible drought we are experiencing in California and the other Western States.

This legislation attempts to clarify certain emergency authorities which the Bureau of Reclamation has already been granted pursuant to the Emergency Fund Act of 1948 and it provides some new authority necessary to deal with the current emergency.

First, the bill authorizes the Secretary of the Interior, acting through the Bureau of Reclamation, to undertake appropriate studies to conserve available water and to undertake construction, management, and conservation activities which can be expected to help mitigate losses and damages to Federal reclamation projects resulting from the 1976–77 drought period.

Second, the bill provides authority for the Secretary to purchase water from a willing seller and to reallocate such water on the basis of a priority system to be established pursuant to this act.

Third, the bill directs the Secretary to undertake expedited evaluations of potential facilities designed to mitigate the effects of a reoccurrence of the drought conditions and to make recommendations on the merits of these potential facilities to the President and to the Congress.

Finally, the Secretary is directed to make payments to Federal reclamation project landowners who are without irrigation water supplies in order for the

landowner to take necessary soil conservation measures to protect productivity in future years.

To implement the above directives, $200 million are authorized to be appropriated to the emergency fund established by the Emergency Fund Act of 1948 (43 U.S.C. 502).

Mr. President, I am in basic support of this and other measures to mitigate our severe drought conditions in California and other Western States. I have some concerns about the broad authorities contained in this new legislation and hope that the language can be tightened up as a result of the hearing scheduled tomorrow and subsequent committee and Senate action on the measure.

For example, section 1(a) directs the Secretary, acting through the Bureau of Reclamation, "within existing contractual arrangements and pursuant to State water law, to undertake, without further authorization, construction, management, and conservation activities which can be expected to have an effect in mitigating losses and damages to Federal reclamation projects resulting from the 1976–77 drought period." I have been assured that the intent of this provision is a narrowly defined one—to take emergency actions in this drought situation. However, I want to make certain that this authority is drawn up more specifically so that there is no question about whether this would be a back door method of authorizing major new construction projects. That is apparently not the intent. And it should not be. Therefore, I would strongly support new and tighter language to clarify this provision.

This tightening up is particularly important in relation to section 5 of the bill which provides an exemption from the National Environmental Policy Act for any actions taken pursuant to this bill. Obviously, if the actions under this bill are temporary and specific ones designed to mitigate the severe emergency, there is a justification for exempting the actions from the time-consuming requirements of an environmental impact statement. However, I would certainly not favor exempting from NEPA any major new construction project even if it is undertaken to mitigate the drought situation. This language, too, needs clarification.

Finally, I recommend that we amend the bill to provide a specific termination date of the authorities to deal with the emergency. While I understand that we cannot foresee now exactly when the drought conditions will be over, it is possible to draft termination language that has some flexibility. I hope that the Energy and Natural Resources Committee will consider this question.

Overall, this is a needed bill and I am pleased that Chairman JACKSON has introduced it and scheduled hearings so expeditiously. I will be pleased to work closely with my colleagues on the committee in refining the bill along the lines I have suggested.

By Mr. CLARK (for himself, Mr. KENNEDY, Mr. CRANSTON, Mr. MATHIAS, and Mr. SCHWEIKER):

S. 926. A bill to provide for the public financing of primary and general elections for the U.S. Senate; to the Committee on Rules and Administration.

Mr. CLARK. Mr. President, I ask unanimous consent that a joint statement by Senators KENNEDY, CRANSTON, MATHIAS, SCHWEIKER, and myself on the Public Financing of Senate Elections Act, a summary of the bill, a State-by-State analysis, and the text of the bill be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE PUBLIC FINANCING OF SENATE ELECTIONS ACT OF 1977

We are introducing legislation today calling for public financing of primary elections and general elections for the United States Senate. While the bill we are introducing deals only with Senate elections, a companion effort is being made in the House under bipartisan leadership. We hope that Congress will give high priority to these measures, so that public financing for both Senate and House elections can take effect for the 1978 Congressional elections.

The 1976 Presidential election proved that the concept of public financing works, and that it works for both primaries and general elections. Now, the time has come to extend this basic reform of the political process to elections for the Senate and the House of Representatives.

The very success of public financing of Presidential elections makes the public financing of Congressional elections especially urgent. Closing the Presidential arena to private contributions has substantially increased the flow of private contributions to the Congressional campaigns. According to figures released last month by Common Cause:

Special interest groups contributed a record $22.6 million to Senate and House candidates in 1976, up by more than 80 percent from 1974;

Political action committees of corporations and business trade associations gave $7.1 million to Senate and House candidates, up from $2.5 million in 1974;

Some 468 corporations used political action committees for the 1976 elections, up from only 100 in 1974.

What will we have gained if we have closed off the Executive Branch to the influence of private money only to have opened the Legislative Branch to a heavier influx of private money—and private influence?

The needed reform is simple and obvious. Public financing of elections can work as effectively for Congressional elections as it worked for the Presidential election in 1976. To achieve this goal, the bill we are introducing today contains the following key provisions:

For Senate general elections, candidates of major parties (those winning 25 percent or more of the vote in the preceeding election) would be entitled to public funds equal to 25 percent of the spending limit in the election. In addition, they would be eligible for matching grants for private contributions of $100 or less, up to the remainder of the spending limit. The spending limit would be set at 20 cents a voter or $300,000, whichever is greater.

For Senate primary elections, candidates could qualify for matching public funds by raising a threshold amount equal to 5 percent of their spending limit or $50,000, whichever is less. The spending limit would be set at 15 cents a voter or $225,000, whichever is greater.

Candidates using public funds would be limited to spending $35,000 of their own funds in a primary or general election.

The overall spending limits would be waived if a candidate not using public funds exceeds either the overall spending limit or the limit on personal funds. A candidate using public financing could continue to receive matching funds beyond the spending limit.

Minority party candidates could qualify for matching public funds in general elections by raising a threshold of 25 percent of the spending limit or $250,000, whichever is smaller.

An independent candidate will be treated as the candidates of a party for purposes of determining his or her eligibility for public funds.

The cost of the bill is estimated at $38 million in each biennial election, or an average of $19 million a year.

In the coming years, Congress will be dealing with issues in foreign and domestic policy of immense importance. The stakes are very high. On almost every issue, special interest groups have much to gain or lose by the action Congress takes. These interest groups have a right—indeed, they have a responsibility—to plead their case to Congress on the merits. But government decisionmaking should not be influenced, directly or indirectly, by campaign contributions. Even the appearance of such influence can be damaging to the democratic process.

The low cost of the bill we are proposing clearly indicates that public financing of Senate elections is not a budget buster. We believe that public financing is the best possible investment the hard-pressed taxpayer can make in the political system. If public financing was the right reform for Presidential elections—and it was—then clearly it is also the right reform for Senate and House elections. A free people must have full confidence in its legislature. Public financing of Congressional elections will, in our judgment, greatly increase public confidence in Congress—and so strengthen the very foundation of our Constitutional system.

We are presenting this bill as the framework through which public financing of Senate elections can be achieved. While some of us—as well as others in this body—may have additional suggestions and alternatives for improving the current federal election law, we want to stress that there is no disagreement among us on the need for public financing of Congressional elections.

Attached is a detailed summary of the bill and a state-by-state analysis.

SUMMARY OF BILL ON PUBLIC FINANCING FOR SENATE ELECTIONS

PURPOSE

The measure builds on existing law, which already provides public financing for Presidential general elections, Presidential primaries and Presidential nominating conventions. The bill would enact public financing provisions for Senate general elections and primaries.

EXISTING LAW

The existing law is the dollar checkoff under the Internal Revenue Code, first used in the 1976 Presidential election. Under the law, taxpayers are authorized to designate that $1 of their taxes ($2 on joint returns) shall be available for a Presidential Election Campaign Fund established on the books of the Treasury. Under an automatic appropriation, the amounts designated by taxpayers are transferred into the fund, from which they are paid to eligible candidates.

For Presidential general elections, each major party candidate receives public funds equal to the spending limit established by the law ($21.8 million in 1976). A major party is defined as a party whose candidate received 25 percent or more of the vote in the preceding election. Minor parties (those whose candidates received between 5 percent and 25 percent of the vote in the preceding election) are entitled to public funds in proportion to the votes they received in that election. Minor parties are also entitled to receive funds retroactively, on the basis of their

showing in the current election, as are new parties.

For Presidential primaries, candidates may qualify for matching grants by raising a threshold amount of $100,000 ($5,000 in each of 20 states) in contributions of $250 or less.

For Presidential nominating conventions, major parties may receive up to $2 million in public funds. Minor parties may receive proportional amounts according to their showing in the preceding election.

By the end of 1976, the Presidential Election Campaign Fund in the Treasury had received a total of $95.8 million through the dollar checkoff. A total of $72 million was spent for the 1976 election:

$24.6 million in matching funds went to 15 candidates in the Presidential primaries.

$4.1 million went to the Democratic Party and the Republican Party for their nominating conventions.

$43.6 million ($21.8 million each) went to candidates Jimmy Carter and Gerald Ford in the general election.

$23.8 million remains in the fund, for use in the 1980 Presidential election. These funds would also be available for the 1978 Congressional elections, if public financing is adopted for such elections.

PUBLIC FINANCING OF SENATE ELECTIONS

1. Definition of Major Party.—A major party is a party whose candidate received 25 percent or more of the vote in the preceding election for the Senate seat. If only one party received 25 percent or more of the vote, the party with the next highest showing would qualify as a major party, provided it received at least 15 percent of the vote.

2. Senate General Elections.—A mixed system of partial grants and matching funds is adopted for major party candidates, rather than the full grants provided to major party candidates in Presidential general elections. Senate candidates of major parties would be entitled, upon nomination, to receive public funds equal to 25 percent of the spending limit in their elections. In addition, they would be eligible for matching grants for private contributions up to the remainder of the spending limit. To qualify for matching, private contributions must be in amounts of $100 or less. Senate candidates who qualified for the maximum amount of public financing would receive 62.5 percent of their spending limit in public funds—25 percent in the form of a grant and 37.5 percent (half of the remaining 75 percent) in watching funds.

3. Senate Primary Elections.—Candidates could qualify for matching public funds by raising a threshold amount equal to 5 percent of their spending limit or $50,000, whichever is less. Only contributions of $100 or less qualify in reaching the threshold. Once the threshold is reached, a candidate would receive an amount of public funds equal to the threshold, and would be entitled to additional matching funds for each additional contribution of $100 or less. A primary candidate who qualified for the maximum amount of public financing would receive 50 percent of his or her spending limit in public funds.

4. Limit on Overall Spending.—In accord with the Supreme Court's ruling in *Buckley v. Valeo*, the spending limits would apply only to candidates using public funds. For primary elections, the spending limit in each state would be set at an amount equal to 15 cents a voter (based on voting age population) or $225,000 whichever is greater. For general elections, the spending limit would be set at 20 cents a voter or $300,000, whichever is greater. The limits reflect the high cost of campaigns and the need to enable both incumbents and challengers to mount effective campaigns. They are higher than the spending limits for primaries and general elections (8 cents a voter and 12 cents a voter, respectively) approved by Congress in 1974 for Senate elections, but held unconstitutional by the Supreme Court because they were not coupled with public financing.

5. Limit on Candidate's Personal Funds.—Candidates receiving public funds may not spend more than $35,000 for a primary election and $35,000 in a general election in their own funds or funds of their immediate family.

6. Waiver of Spending Limits.—If a candidate not receiving public funds exceeds either the overall spending limit or the limit on the use of personal funds, the overall spending limit on candidates using public funds is waived. A candidate using public financing could continue to receive matching funds beyond the spending limit. The waiver does not apply to the limit on personal funds applicable to candidates using public financing. To enforce the waiver, candidates who exceed the spending limits are required to report to the Federal Election Commission within 48 hours after they make expenditures or commitments for expenditures in excess of the overall spending limit or the limit on their personal funds.

7. Minor Party Candidates.—To qualify for matching grants of public funds in a general election, candidates must raise a threshold equal to 25 percent of their spending limit or $250,000, whichever is smaller. The larger threshold for general elections compared to primaries is designed to insure that the availability of public financing does not encourage the artificial proliferation of minor party candidates in the general election. Unlike the threshold required for primaries, the threshold for minor party candidates in general elections may be reached through contributions up to the applicable contribution limits ($1,000 from individuals and $5,000 from political committees). However, only contributions up to $100 would be eligible for matching.

8. Independent Candidates.—The candidate will be treated as the candidate of a party for purposes of determining his or her eligibility for public funds. If, for example, an independent candidate received 25 percent or more of the vote in the preceding election as an independent, he or she would be eligible for public financing in the current election as if he or she were a major party candidate. However, a candidate of a major party in the preceding election who runs as an independent candidate in the current election would be treated as a minor party candidate, not a major party candidate, for purposes of his or her eligibility for public financing.

9. Administration.—Public financing of Senate elections will be implemented by the Federal Election Commission, which now implements the Presidential public financing system. In order to become eligible for public funds, candidates must agree to abide by applicable spending and contribution limits, file required reports, and open their books for audit as required by the Federal Election Commission.

10. Cost.—$38 million in each federal election year, or an average of $19 million a year. The cost assumes that (1) in general elections, major party candidates receive 50 percent of their spending limits in public funds, and (2) in primary elections, candidates receive two thirds of the amounts received by Presidential primary candidates in 1976.

11. Priority in Public Funds.—Public funds will not be available for Senate elections until the requirements of Presidential elections are met.

PUBLIC FINANCING OF SENATE ELECTIONS

State	Voting age population [1]	Primary elections: Threshold for matching [2]	Primary elections: Spending limit [3]	General elections: Grant to major parties [4]	General elections: Threshold for minor parties [5]	General elections: Spending limit [6]
Alabama	2,494,000	18,705	374,100	124,700	124,700	498,800
Alaska	227,000	11,250	225,000	75,000	75,000	300,000
Arizona	1,512,000	11,340	226,800	75,600	75,600	302,400
Arkansas	1,499,000	11,250	225,000	75,000	75,000	300,000
California	14,376,000	50,000	2,156,000	718,800	250,000	2,875,200
Colorado	1,748,000	13,100	262,200	87,400	87,400	349,600
Connecticut	2,141,000	16,057	321,150	107,050	107,050	428,200
Delaware	299,000	11,250	225,000	75,000	75,000	300,000
District of Columbia	510,000	11,250	225,000	75,000	75,000	300,00
Florida	6,052,000	50,000	907,800	302,600	250,000	1,210,000
Georgia	3,360,000	25,200	504,000	168,000	168,000	672,000
Hawaii	547,000	11,250	225,000	75,000	75,000	300,00
Idaho	563,000	11,250	225,000	75,000	75,000	300,000
Illinois	7,489,000	50,000	1,123,350	374,450	250,000	1,497,800
Indiana	3,616,000	27,120	524,400	180,800	180,800	723,200
Iowa	2,003,000	15,022	300,450	100,150	100,150	400,600
Kansas	1,604,000	12,030	240,600	80,200	80,200	320,800
Kentucky	2,369,000	17,767	355,350	118,450	118,450	473,800
Louisiana	2,517,000	18,877	377,550	126,850	125,850	503,400
Maine	733,000	11,250	325,000	75,000	75,000	300,000
Maryland	2,822,000	21,650	423,300	141,100	141,000	564,400
Massachusetts	4,044,000	30,330	606,600	202,200	202,200	808,800
Michigan	6,167,000	46,252	925,000	308,350	250,000	1,233,400
Minnesota	2,705,000	20,287	405,750	135,250	135,250	541,000
Mississippi	1,641,000	11,557	231,150	77,050	77,050	308,200
Missouri	3,331,000	24,982	499,650	166,550	166,550	666,200
Montana	515,000	11,250	225,000	75,000	75,000	300,000
Nebraska	1,074,000	11,250	225,000	75,000	75,000	300,000
Nevada	414,000	11,250	225,000	75,000	75,000	300,000
New Hampshire	566,000	11,250	225,000	75,000	75,000	300,000
New Jersey	4,984,000	37,380	747,600	249,200	249,200	996,800
New Mexico	760,000	11,250	225,000	75,000	75,000	300,000
New York	12,281,000	50,000	1,842,150	614,050	250,000	2,456,200
North Carolina	3,832,000	28,740	547,800	191,600	191,600	766,400
North Dakota	431,000	11,250	225,000	75,000	75,000	300,000
Ohio	7,394,000	50,000	1,109,100	369,700	2501000	1,478,800
Oklahoma	1,929,000	14,467	289,350	96,450	95,450	385,800
Oregon	1,632,000	12,240	244,800	81,600	81,600	326,300
Pennsylvania	8,362,000	50,000	1,254,300	418,100	250,000	1,672,400
Rhode Island	626,000	11,250	225,000	75,000	75,000	300,000
South Carolina	1,924,000	14,430	288,600	96,200	96,200	384,800
South Dakota	468,000	11,250	225,000	75,000	75,000	300,000
Tennessee	2,950,000	22,125	442,500	147,500	147,500	590,000
Texas	8,254,000	50,000	1,238,100	412,700	250,000	1,650,800
Utah	775,000	11,250	225,000	75,000	75,000	300,000
Vermont	332,000	11,250	225,000	75,000	75,000	300,000
Virginia	3,496,000	26,220	524,400	174,800	174,800	699,200
Washington	2,486,000	18,645	372,900	124,300	124,300	497,200
West Virginia	1,278,000	11,250	225,000	74,000	75,000	300,000
Wisconsin	3,188,000	23,910	478,200	159,400	159,400	637,600
Wyoming	264,000	11,250	225,000	75,000	75,000	300,000

[1] Bureau of the Cnesus, Nov. 1, 1976; total for United States is 146,573,000.
[2] 5 percent of spending limit or $50,000, whichever is smaller.
[3] 15 cents times voting age population; minimum of $225,000.
[4] Grant of 25 percent of spending limit.
[5] Threshold for matching grants is 25 percent of spending limit or $250,000, whichever is smaller.
[6] 20 cents times voting age population, minimum of $300,000.

S. 926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Financing of Senate Elections Act of 1977."

SEC. 2. The Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following new title:

"TITLE V—PUBLIC FINANCE OF SENATE ELECTION CAMPAIGNS

"DEFINITIONS

"SEC. 501. For purposes of this title—

"(1) the definitions set forth in section 301 of this Act apply to this title;

"(2) 'general election' means any regularly scheduled or special election held for the purpose of electing a candidate to the United States Senate;

"(3) 'primary election' means (A) an election, including a runoff election, held for the nomination by a political party of a candidate for election to the United States Senate, or (B) a convention or caucus of a political party held for the nomination of such candidate;

"(4) 'eligible candidate' means a candidate who is eligible, under section 502, for payments under this title;

"(5) 'major party' means—

"(A) a political party whose candidate for election to the United States Senate in the preceding general election for that office received, as the candidate of that party, 25 percent or more of the total number of votes cast in that election for all candidates for that office, or

"(B) if only one political party qualifies as a major party under the provisions of subparagraph (A), the political party whose candidate for election to that office in that election received, as the candidate of that party, the second greatest number of votes cast in that election for all candidates for that office (if such number is equal to 15 percent or more of the total number of votes cast in that election for all candidates for that office); and

"ELIGIBILITY FOR PAYMENTS

"SEC. 502. (a) To be eligible to receive payments under this title, a candidate shall agree—

"(1) to obtain and to furnish to the Commission any evidence it may request about his campaign expenditures and contributions;

"(2) to keep and to furnish to the Commission any records, books, and other information it may request;

"(3) to an audit and examination by the Commission under section 507 and to pay any amounts required under section 507; and

"(b) Every such candidate shall certify to the Commission that—

"(1) the candidate and his authorized committees will not make campaign expenditures greater than the limitations in section 504; and

"(2) no contributions will be accepted by the candidate or his authorized committees in violation of section 320(a) of this Act.

"(c)(1) To be eligible to receive any payments under section 506 for use in connection with his primary election campaign, a candidate shall certify to the Commission that he is seeking nomination by a political party for election to the Senate and he and his authorized committees have received contributions for that campaign equal in amount to the smaller of—

"(A) 5 percent of the maximum amount he may spend in connection with his primary election campaign under section 504(a)(1); or

"(B) $50,000.

"(2) To be eligible to receive any payments under section 506 for use in connection with a primary runoff election campaign, a candidate shall certify to the Commission that he is seeking nomination by a political party for election as a Senator, and that he is a candidate for such nomination in a runoff primary election. Such candidate is not required to receive any minimum amount of contributions before receiving payments under this title.

"(3) For purposes of this subsection, no contribution from any individual shall be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that individual to or for the benefit of that candidate in connection with his primary election campaign.

"(d) To be eligible to receive any payments under section 506 in connection with his general election campaign, a candidate must certify to the Commission that—

"(1) he is the nominee of a major party for election to the United States Senate; or

"(2) in the case of any other candidate, he is seeking election to the United States Senate and he and his authorized committees have received contribtuions for that campaign in a total amount of not less than the smaller of—

"(A) 25 percent of the amount of expenditures the candidate may make in connection with the campaign under section 504, or

"(B) $250,000.

"(e) In determining the amount of contributions received by a candidate and his authorized committees—

"(1) no contribution received by the candidate or any of his authorized committees as a subscription, loan, advance, or deposit, or as a contribution of products or services, shall be taken into account, and

"(2) no contribution from a political committee or any other organization shall be taken into account.

"(f) Agreements and certifications under this section shall be filed with the Commission at the time required by the Commission.

"ENTITLEMENT TO PAYMENTS

"SEC. 503. (a) Every eligible candidate is entitled to payments in connection with his primary election campaign in an amount which is equal to the amount of contributions he accepts for that campaign.

"(b)(1) Every eligible candidate who is nominated by a major party is entitled to payments for use in his general election campaign in an amount which is equal to the sum of—

"(A) twenty-five percent of the amount of expenditures the candidate may make in connection with that campaign under section 504, and

"(B) an amount equal to the amount of contributions he accepts for that campaign.

"(2) Except as provided in paragraphs (3) and (4), every eligible candidate who is not nominated by a major party is entitled to payments for use in his general election campaign in an amount equal to the amount of contributions he accepts for that campaign.

"(3) The amount of payments to which a candidate who—

(A) received votes in the preceding general election for the same office,

"(B) was not the nominee of a political party in that election, and

"(C) is not the nominee of a political party in the current general election.

is entitled under section 506 for use in his general election campaign shall be determined by treating votes cast for that candidate in that preceding general election as if they were cast for him as the nominee of a political party. If such candidate received votes as a candidate in the preceding general election for the other Senate office from the same State, the amount of payments to which he is entitled shall be based on the votes cast for him in such election.

"(4) The amount of payments to which a candidate who—

"(A) was not a candidate in the preceding general election for the same office,

"(B) received votes in the preceding general election for the other Senate office from the same State, and

"(C) is not the nominee of a political party in the current election,

is entitled under section 506 for use in his general election campaign shall be determined by treating the votes cast for that candidate under subparagraph (B) as if they were cast for him as the nominee of a political party in the preceding general election for the same office.

"(c) To the extent that the amount of payments to which a candidate is entitled under this section is determined by the amount of contributions accepted by him, any amount in excess of $100 contributed by an individual shall not be taken into account. If a candidate accepts more than one contribution from the same individual, the preceding sentence applies to the sum of the amounts contributed by that individual, but amounts contributed for use in a primary campaign shall not be added to amounts contributed for use in a general campaign.

"(d) Nothwithstanding the provisions of subsections (a) and (b), no candidate is entitled to the payment of any amount under this section which, when added to the total amount of contributions received by him and his authorized committees and any other payments made to him under this title for his primary or general election campaign, exceeds the amount of the expenditure limitation applicable to him for that campaign under section 504. This subsection shall not apply in the case of a candidate who elects to receive payments under this title with respect to whom the expenditure limitations (other than those contained in section 504(d)) are made inapplicable under section 504(c)(1).

"(e) In determining the amount of contributions received by a candidate and his authorized committees—

"(1) no contribution received by the candidate or any of his authorized committees as a subscription, loan, advance, or deposit, or as a contribution of products or services, shall be taken into account, and

"(2) no contribution from a political committee or any other organization shall be taken into account.

"EXPENDITURE LIMITATIONS

"SEC. 504. (a) Except to the extent that such amounts are changed under subsection (e)(2), no candidate who receives payments under this title for use in his primary election campaign may make expenditures in connection with that campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (f)) of the State in which the election for such nomination is held, or

"(2) $225,000.

"(b) Except to the extent that such amounts are changed under subsection (e)(2), no candidate who recives payments under this title for use in his general election campaign may make expenditures in connection with that campaign in excess of the greater of—

"(1) 20 cents multiplied by the voting age population (as certified under subsection (f)) of the State in which the election is held, or

"(2) $300,000.

"(c) If a candidate for nomination for election, or for election, to the Senate who does not accept payments under this title files the report required under section 304(f) of this Act, the limitations on expenditures contained in this section (other than in subsection (d)) do not apply to other candidates for the same nomination or election without regard to whether they receive payments under this title for use in that campaign.

"(d) A candidate who receives payments under this title for use in his primary or

general election campaign may not make expenditures from his personal funds, or from the personal funds of his immediate family, in connection with the campaign for which such payments are received in excess of $35,000. For purposes of this subsection, the term 'immediate family' means a candidate's spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such persons.

"(e)(1) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(2) For purposes of his subsection, an expenditure is made on behalf of a candidate if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate to make the expenditure.

"(3) For purposes of his section an expenditure made by the national committee of a political party, or by the State committee of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in section 320(d) is not considered to be an expenditure made on behalf of that candidate.

"(f) During the first week of January 1978, and every subsequent year, the Secretary of Commerce shall certify to the Commission and publish in the Federal Register an estimate of the voting age population of each State as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, 18 years of age or older.

"(g)(1) For purposes of paragraph (2)—

"(A) 'price index' has the same meaning as in section 320(c)(2), and

"(B) 'base period' means the calendar year 1976.

"(2) At the beginning of each calendar year (commencing in 1978), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State under this section.

"CERTIFICATIONS BY COMMISSION

"SEC. 505. (a) On the basis of the evidence, books, records, and information furnished by each candidate eligible to receive payments under section 506, and prior to examination and audit under section 507, the Commission shall certify from time to time to the Secretary of the Treasury for payment to each candidate the amount to which that candidate is entitled.

"(b) Initial certifications by the Commission under subsection (a), and all determinations made by it under this title, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 507 and judicial review under section 313.

"PAYMENTS TO ELIGIBLE CANDIDATES

"SEC. 506. (a) The Secretary of the Treasury shall maintain in the Presidential Election Campaign Fund established by section 9006 (a) of the Internal Revenue Code of 1954, in addition to any other accounts he maintains under such action, a separate account to be known as the Senate Campaign Account. The Secretary shall deposit into the account, for use by candidates eligible for payments under his title, the amount available after the Secretary determines that amounts in the fund necesasry for payments under subtitle H of the Internal Revenue Code of 1954 are adequate.

The moneys in the account shall remain available without fiscal year limitation.

"(b) Upon receipt of a certification from the Commission under section 505, the Secretary of the Treasury shall pay the amount certified by the Commission to the candidate to whom the certification relates.

"(c)(1) If the Secretary of the Treasury determines that the moneys in the account are not, or may not be, sufficient to pay the full amount of entitlement to all candidates eligible to receive payments, he shall reduce the amount to which each candidate is entitled under section 503 by a percentage equal to the percentage obtained by dividing (A) the amount of money remaining in the account at the time of such determination by (B) the total amount which all candidates eligible to receive payments are entitled to receive under section 503. If additional candidates become eligible under section 502 after the Secretary determines there are insufficient moneys in the account, he shall make any further reductions in the amounts payable to all eligible candidates necessary to carry out the purposes of this subsection. The Secretary shall notify the Commission and each eligible candidate by registered mail of the reduction in the amount to which that candidate is entitled under section 503.

"(2) If, as a result of a reduction under this subsection in the amount to which an eligible candidate is entitled under section 503, payments have been made under this section in excess of the amount to which such candidate is entitled, that candidate is liable for repayment to the account of the excess under procedures the Commission shall prescribe by regulation.

"EXAMINATION AND AUDITS; REPAYMENTS

"SEC. 507. (a) After each Federal election, the Commission shall conduct a thorough examination and audit of the campaign expenditures of all candidates for Federal office who receive payments under this title for use in campaigns relating to that election.

"(b)(1) If the Commission determines that any portion of the payments made to an eligible candidate under section 506 was in excess of the aggregate amount of the payments to which the candidate was entitled, it shall so notify that candidate, and he shall pay to the Secretary of the Treasury an amount equal to the excess amount. If the Commission determines that any portion of the payments made to a candidate under section 506 for use in his primary election campaign or his general election campaign was not used to make expenditures in connection with that campaign, the Commission shall so notify the candidate and he shall pay an amount equal to the amount of the unexpended portion to the Secretary. In making its determination under the preceding sentence, the Commission shall consider all amounts received as contributions to have been expended before any amounts received under this title are expended.

"(2) If the Commission determines that any amount of any payment made to a candidate under section 506 was used for any purpose other than—

"(A) to defray campaign expenditures, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray campaign expenditures which were deceived and expended) which were used, to defray campaign expenditures,

it shall notify the candidate of the amount so used, and the candidate shall pay to the Secretary of the Treasury an amount equal to such amount.

"(3) No payment shall be required from a candidate under this subsection in excess of the total amount of all payments received by the candidate under section 506 in connection with the campaign with respect to which the event occurred which caused the candidate to have to make a payment under this subsection.

"(c) No notification shall be made by the Commission under subsection (b) with respect to a campaign more than eighteen months after the day of the election to which the campaign related.

"(d) All payments received by the Secretary under subsection (b) shall be deposited by him in the account.

"REPORTS TO CONGRESS

"SEC. 508. (a) The Commission shall, as soon as practicable after the close of each calendar year, submit a full report to the Senate and House of Representatives setting forth—

"(1) the expenditures incurred by each candidate, and his authorized committees, who received any payment under section 506 in connection with an election;

"(2) the amounts certified by it under section 505 for payment to that candidate; and

"(3) the amount of payments, if any, required from that candidate under section 507, and the reasons for each payment required.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) The Commission is authorized to conduct examinations and audits (in addition to the examinations and audits under sections 505 and 507), to conduct investigations, and to require the keeping and submission of any books, records, or other information necessary to carry out the functions and duties imposed on it by this title.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 509. The Commission may initiate civil proceedings in any district court of the United States to seek recovery of any amounts determined to be payable to the Secretary of the Treasury by a candidate under this title.

"PENALTY FOR VIOLATIONS

"SEC. 510. Violation of any provision of this title is punishable by a fine of not more than $10,000 or imprisonment for more than five years, or both.

"RELATIONSHIP TO OTHER FEDERAL ELECTION LAWS

"SEC. 511. The Commission shall consult from time to time with the Secretary of the Senate, the Clerk of the House of Representatives, the Federal Communications Commission, and with other Federal officers charged with the administration of laws relating to Federal elections, in order to develop as much consistency and coordination with the administration of those other laws as the provisions of this title permit. The Commission shall use the same or comparable data as that used in the administration of such other election laws whenever possible.".

SEC. 3. Section 304 of the Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following new subsection:

"(f) A candidate for nomination for election, or for election, to the Senate who is not subject to the limitations contained in section 504 of this Act shall report to the Commission within 48 hours after he, or his authorized committee, first makes expenditures, or incurs obligations to make expenditures, in excess of the limitations on expenditures which would apply to that candidate if he were receiving payments under title V of this Act. The report shall set forth the total sum of expenditures made, or ob-

ligations incurred to make expenditures, in connection with the campaign, together with an estimate of the total amount of expenditures to be made in connection with the campaign."

SEC. 4. The amendments made by this Act apply to any campaign for nomination, or for election, to the United States Senate for which the election is held after December 31, 1977.

By Mr. DOLE (for himself and Mr. PROXMIRE):

S. 927. A bill to establish a Minority Business Developement and Assistance Administration in the Department of Commerce for the purpose of improving Federal assistance to minority business enterprises, and for other purposes; to the Committee on Governmental Affairs.

MINORITY BUSINESS AND ASSISTANCE ACT

Mr. DOLE. Mr. President, today I am introducing for appropriate reference the Minority Business Development and Assistance Act, a bill to establish a minority business development and assistance administration in the Department of Commerce.

When Congress encourages expanded minority business ownership, we are promoting an impluse which is already strong and growing in minority groups across the country. The struggle against poverty and towards self-sufficiency can be fought best by creating conditions which help those caught in the vicious cycle of dependence to establish more self-reliant and independent economic roles. Frankly, barriers exist and will not be torn down overnight, but they must nevertheless be dismantled.

THE APPROACH HAS WORKED

Since it was established by an Executive order in 1969, the Office of Minority Business Enterprise in the Department of Commerce has worked to remove the remaining barriers. In those 7 years, OMBE has proven to be an effective means of providing greater access to the American Economic System for minority and socially and economically disadvantaged citizens. OMBE's function is assisting these persons in becoming owners of economically viable businesses, and the progress made in the intervening years shows that it has increased minority business ownership. For example, the number of minority-owned firms increased 19 percent between 1969 and 1972 alone.

PRIME ADVANTAGE OF THE ACT

The Office of Minority Business Enterprise currently is an active, functioning part of our Government. This bill will simply help OMBE continue to perform its valuable tasks with a few needed improvements and without the disruption attendant to most legislation. The primary advantage of this bill is that it would give OMBE, renamed the Minority Business Development and Assistance Administration, a firmer operational basis from which to make long term plans. A statutory basis, rather than an Executive order, for the MBDAA would allow development of programs that can offer more security and assurances of continuing support to minority businessmen. While Government assistance to these businesses is and should be limited. yearly questions as to the continued existence of the program have been a handicap. Adoption of my legislation would not necessitate a costly and unnecessary reorganization that would foster confusion and, even worse, cause a disruption in the provision of needed services to the minority business commun'ty. The organizational structure of OMBE has proven itself as workable and does not need to be tampered with.

BILL WOULD NOT HINDER REORGANIZATION

The object of this legislation is not to impair President Carter's ability to reorganize the Federal Government. Whatever powers the Congress sees fit to give the President in this regard will apply equally to the MBDAA as they would to all other Federal agencies. In fact, when I began working on this legislation this past summer, the farthest thing from my mind was having a Democrat in the White House.

TIME TO ACT IS NOW

The need to encourage the establishment of new minority business is clear. The highest moral and economic potential of America will not be reached until race and nationality are no longer obstacles to equal participation in our free enterprise system. The Government can furnish the machinery through which the resources and talent of American business can be made available to minority businessmen, but after the Government has provided the stimulus, it is up to the individuals to become effective competitors in the American marketplace. I am certain that potential minority businessmen of America will continue on the path charted by those who have been successful in the past. As more minority businesses are successful, the result will be more jobs and greater economic strength both in the minority business community and in the economy as a whole.

NEEDED IMPROVEMENTS MADE

Yet, the Minority Business Development and Assistance Act would clear up some problems which have become apparent within OMBE. The new Assistant Secretary of Commerce for Minority Business Development and Assistance has the clear-cut authority to make grants for technical and management assistance to clients. In the past, OMBE's efforts have been hampered by an inability to provide legal services for its clients. However, the MBDAA will be able to offer these services when they are needed.

One major factor affecting the success and failure of many minority businesses is a lack of managerial and entrepreneurial experience on the part of new businessmen. This legislation authorizes the MBDAA to provide tuition to socially or economically disadvantaged individuals in connection with training for establishment and operation of new and existing businesses.

FUNDING INCREASE

In the past few years, OMBE has been forced to operate with a budget that has not kept pace with increasing costs. My bill authorizes $100 million to be appropriated in each fiscal year. This figure is nearly twice OMBE's present budget and also double President Carter's recommendation for fiscal year 1978.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 927

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Minority Business Development and Assistance Act of 1977".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that—

(1) social and economic justice is best achieved through the American private enterprise system;

(2) socially and economically disadvantaged individuals have not developed their potential because they are unable to participate fully in the American free enterprise system;

(3) the strength of the American free enterprise system lies in allowing all Americans an opportunity to participate freely and fully in such system; and

(4) the Nation can no longer afford the economic and human waste that occurs when Americans fail to realize their potential.

(b) The purpose of this Act is to create a Minority Business Development and Assistance Administration in the Department of Commerce to promote a strategy of minority business development and expanded ownership, including complete provision of technical and management assistance; within the Administration whenever feasible pursuant to the finds of subsection (a).

DEFINITIONS

SEC. 3. For purposes of this Act the term—

(1) "Administration" means the Minority Business Development and Assistance Administration;

(2) "Assistant Secretary" means the Assistant Secretary of Commerce for Minority Business Development and Assistance;

(3) "Council" means the Advisory Council for Minority Enterprise;

(4) "Minority business enterprise" means any business association owned or controlled by one or more members of any cultural, racial, or economic minority of the United States, including but not limited to blacks, Spanish-speaking Americans, Asian-Americans, American Indians, Eskimos, and Aleuts;

(5) "Secretary" means the Secretary of Commerce; and

(6) "State" means a State of the United States, and the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

ESTABLISHMENT

SEC. 4. (a) A Minority Business Development and Assistance Administration is established within the Department of Commerce. The Administration is headed by an Assistant Secretary of Commerce for Minority Business Development and Assistance.

(b) (1) The Assistant Secretary of Commerce for Minority Business Development and Assistance shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate prescribed by law for Assistant Secretaries of Commerce.

(2) The functions of the Secretary under this Act shall be administered through the Administration.

(c) Section 5315 of title 5, United States Code, is amended by striking "(6)." after "(12) Assistant Secretaries of Commerce" and by inserting in lieu thereof "(7), one of whom shall be an Assistant Secretary of Commerce for Minority Business Development and Assistance.".

FUNCTIONS

SEC. 6. (a) The Secretary shall—

(1) establish goals for other Federal departments and agencies which may affect the establishment, preservation, and strengthening of minority business enterprises, and evaluate the compliance of such departments and agencies with such goals;

(2) promote the mobilization of activities and resources of State and local governments, businesses and trade associations, universities, foundations, professional organizations, and volunteer and other groups towards the growth of minority business enterprises;

(3) facilitate the coordination of the efforts of minority business enterprises with those of Federal departments and agencies;

(4) establish a center for the development, collection, summarization, and dissemination of information that will be useful to persons and organizations throughout the nation in undertaking or promoting the establishment and successful operation of minority business enterprises;

(5) review all proposed training and technical assistance activities with respect to minority business enterprises conducted by Federal departments and agencies in order to attain consistency and eliminate duplication in such activities;

(6) convene meetings of employees of such Federal departments and agencies to facilitate the coordination of the efforts of Federal departments and agencies under this Act;

(7) convene business leaders, educators, and other representatives of the private sector engaged in assisting the development of minority business enterprise in order to propose, evaluate, and coordinate governmental and private activities in furtherance of the purposes of this Act; and

(8) design methods for identifying and locating individuals who may participate in the ownership of minority business enterprises and for educating such individuals in various forms of such ownership.

(b)(1) The provisions of Executive Order 11625, October 13, 1971 (36 Fed. Reg. 19967) relating to the functions of the Secretary under this Act are void.

(2) There are transferred to the Secretary, and the Secretary shall perform, such other functions as the Director of the Office of Management and Budget determines relate primarily to the functions of the Secretary under this Act.

TECHNICAL AND MANAGEMENT ASSISTANCE

SEC. 7. The Secretary is authorized to extend financial assistance to, and negotiate and make any contract with, any person or any department or agency of the United States or of any State or with any political subdivision of any State for purposes of—

(1) providing management and technical assistance to minority business enterprise, including but not limited to—

(A) assistance for planning and research, including feasibility studies and market research;

(B) identifying and developing new business opportunities; and

(C) providing services useful to minority business enterprises, including business counseling, management training, and legal services, and emphasizing—

(i) the development of such services using the resources of the business and academic communities; and

(ii) the provision of such services in sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency;

(2) developing community support for minority business enterprises by—

(A) establishing and strengthening business service agencies, including trade or professional associations and cooperatives;

(B) encouraging the making of contracts and subcontracts with any minority business enterprise, including providing incentives and other assistance to any person who assists in the training of minority businessmen; and

(C) furnishing economic feasibility information and other services to any financial organization in connection with applications for financial assistance submitted by any minority business enterprise or in connection with the creation of such enterprise;

(3) conducting pilot or demonstration projects designed to overcome the special problems of minority business enterprises or otherwise to further the purposes of this Act; and

(4) providing tuition and other assistance to any socially or economically disadvantaged individual for the development of skills relating to any aspect of business management.

RESPONSIBILITIES OF FEDERAL DEPARTMENTS AND AGENCIES

SEC. 8. (a) The head of each Federal department or agency, or a representative designated by him, shall—

(1) when requested by the Secretary, and to the extent permitted by law, furnish information and assistance, including an evaluation of such department or agency's compliance with the published goals of the Administration, for carrying out the purposes of this Act; and

(2) keep the Secretary informed of all proposed budgets, plans, and programs of such department or agency affecting minority business enterprise.

(b) The head of each Federal department or agency shall, when requested by the Secretary, designate an Under Secretary or other senior official of such department or agency to have primary and continuing responsibility for the participation and cooperation of such department or agency in matters concerning minority business enterprise and activities as required by this Act.

ADVISORY COUNCIL FOR MINORITY ENTERPRISE

SEC. 9. (a)(1) There is established the Advisory Council for Minority Enterprise.

(2) The Council shall consist of 10 members appointed by the President, by and with the advice and consent of the Senate, from among representatives from minority business enterprises and other members of minority groups knowledgeable in the field of minority business enterprises.

(3) The members of the Council shall be appointed within 30 days after the effective date of this Act.

(4) The President shall select a Chairman from among the members of the Council.

(5) A majority of the members of the Council shall constitute a quorum for the transaction of business, but a lesser number may conduct hearings. A vacancy in the membership of the Council shall not affect the authority of the remaining members to execute the functions of the council and shall be filled in the same manner as the original appointment.

(6)(A) The terms of members of the Council shall be 2 years.

(B) A vacancy caused by the death, resignation, or removal of a member before the expiration of the term for which he was appointed shall be filled only for the remainder of such unexpired term. Upon the expiration of his term of office a member of the Council shall continue to serve until his successor is appointed and shall have qualified.

(b) The Council shall advise the Secretary when so directed on—

(1) economic and social developments which affect minority business enterprise;

(2) plans, programs and activities in the public and private sector which relate to minority business enterprise; and

(3) any other problems and matters relating to minority business enterprises and any measures by which to better achieve the purposes of this Act.

(c) A member of the Council, while attending meetings of the Council or otherwise engaged in the business of the Council, shall be entitled to receive compensation at a rate fixed by the Secretary, but not to exceed the rate specified at the time of such service for grade GS-18 in section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the Council away from home or regular place of business, he may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for a person employed intermittently in the Government service.

(d) The Secretary shall—

(1) provide the Council with whatever administrative support is necessary, including the use of any gift or bequest accepted by the Department of Commerce pursuant to law; and

(2) call meetings of the Council.

(e) The Council shall cease to exist two years after the date of the appointment of a majority of the Council members. Before the Council ceases to exist, if the Secretary determines in writing that the Council has continuing usefulness, the Council shall continue for a period of two years from the date of expiration.

ANNUAL REPORT

SEC. 9. The Secretary shall prepare and submit as a part of the annual report of the Department of Commerce a report of his activities under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are authorized to be appropriated in each fiscal year the sum of $10,000,000, and such other sums as may be necessary to carry out the provisions of this Act.

By Mr. HUMPHREY:

S. 928. A bill to extend through fiscal year 1982 certain child nutrition programs under the National School Lunch Act and the Child Nutrition Act of 1966; to the Committee on Agriculture, Nutrition, and Forestry.

CHILD NUTRITION

Mr. HUMPHREY. Mr. President, I am today introducing legislation to extend programs under the National School Lunch Act and the Child Nutrition Act of 1966. The effect of my bill would be to extend the summer food service program for children, the commodity distribution program, and the nonfood assistance program through October 1, 1982. The commodity distribution program would also be extended to include the Trust Territories of the Pacific.

I am very pleased with the accomplishments of these programs and look forward to their continued progress.

The nonfood assistance program which first received funding in 1969 was designed to supply schools with equipment, other than land or buildings, for storage, preparation, transportation, and the serving of food to enable schools to establish, maintain, and expand school food service programs. The assistance is targeted to those schools which draw attendance from areas in which poor economic conditions exist. I have repeatedly fought to strengthen this program.

In fiscal year 1974, 18,455 schools did not have lunch service for their students. Fiscal year 1976 estimates reveal this number has been reduced to about 13,000 schools. In 1976, this program served 8,800 schools with a total enrollment of 4.6 million students. Some of the schools had a school service, and others did not.

This program, thus, serves two very important functions. First, it provides food preparation equipment to those schools without such facilities thus re-

moving the lack of equipment as a barrier to participation in the national school lunch program.

It also provides assistance to expand and maintain ongoing programs because most of the schools without food services are concentrated in the poorest areas. If we are to reach those children most in need through the school lunch program, the nonfood assistance program must be extended.

Similarly, the commodity distribution program is vital to the effectiveness of the school lunch and breakfast programs. Such commodities as flour, dry milk, beef, fruits, and vegetables are distributed to the participating schools. In fiscal year 1977 alone it is estimated that 90,000 schools and 26 million children a day will receive foods provided through the commodity program.

The summer food service program for children began in 1968. The purpose was to provide food service in the summer months through public or private nonprofit institutions similar to that provided under the school lunch and breakfast program. This is an extremely important component of the National School Lunch Act which insures the continuity of the program benefits despite the summer recess from school.

Unfortunately, the benefits of the summer food service program for children have, to a large extent, been overlooked recently as a result of the scandals surrounding its operation in some areas. I am extremely concerned with these reports of program abuses. I certainly do not feel the abuses should in any way be minimized or ignored.

On the contrary, I feel those suspected of wrongdoing should be thoroughly investigated and the entire program rigorously audited. I am encouraged that new regulations with safeguards against future abuses have been drawn up by the Department of Agriculture. I do not believe, however, that the relatively few instances of abuses should trigger the destruction of this valuable program.

The program statistics speak for themselves. In 1974 there were 1,075 program sponsors as compared to 2,149 in 1976. The number of project sites has almost doubled since 1974 and the number of children being reached has increased from 2 million in 1974 to 3.7 million in 1976, an 81-percent increase over a 3-year span.

This program is serving various combinations of breakfast, lunch, supper and supplements to children in every State, as well as in Puerto Rico and the Virgin Islands. We must not penalize the innocent and needy children this program serves in reaction to the misdeeds of others.

Because the future health and economic status of this country is largely determined by the nutritional status of our children, it is extremely important that we insure that all American children are properly nourished. The summer feeding program for children, the commodity distribution program, and the nonfood assistance program are providing an essential service both to our children as well as to the Nation. There is a good deal that remains to be accomplished; many more children need to be reached through these programs. Extensions of these programs are vital to help accomplish this mission.

Mr. President, I ask unanimous consent that the text of my bill be included at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S 928

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National School Lunch Act (60 Stat. 230, as amended; 42 U.S.C. 1751–1768) is amended as follows:

SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

(1) Section 13(a)(1) of the Act (42 U.S.C. 1761(a)) is amended by striking out "for the fiscal year ending September 30, 1977" and inserting in lieu thereof the following: "for each of the fiscal years during the period beginning October 1, 1976, and ending September 30, 1982".

COMMODITY DISTRIBUTION PROGRAM

(2) Section 14(a) of the Act (42 U.S.C. 1762a(a)) is amended by striking out "September 30, 1977" and inserting in lieu thereof "September 30, 1982".

SPECIAL APPROPRIATIONS FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

(3) Section 19 of the Act (42 U.S.C. 1768) is amended by striking out "beginning July 1, 1975, and October 1, 1976" and inserting in lieu thereof the following: "during the period beginning July 1, 1975, and ending September 30, 1982".

NONFOOD ASSISTANCE PROGRAM

SEC. 2. Section 5(e) of the Child Nutrition Act of 1966 (86 Stat. 728, as amended; 42 U.S.C. 1774(e)) is amended by striking out "the fiscal year ending September 30, 1977" and inserting in lieu thereof the following: "each of the fiscal years during the period beginning October 1, 1976, and ending September 30, 1982".

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 929. A bill to establish National Historic Trails as a new category of trails within the National Trails System, to include the Iditarod Trail, Alaska, in the National Trails System as a National Historic Trail and for other purposes; to the Commitee on Energy and Natural Resources.

Mr. GRAVEL. Mr. President, in this, the first year of our Nation's third century it seems appropriate that Americans are reflecting on the past and reaffirming the values and inspirations of the history of the United States. It has and will continue to be a salutory enterprise for us to progress through this type of reflection and introspection.

In this spirit I should like to share with you and my colleagues something of the history of a feature of Alaskan life and lore called the Iditarod Trail and to propose its inclusion into the national system of trails. Moreover, I propose that now is an appropriate time for us to amend the National Trails System Act (P.L. 90–543) to include historic trails as well as scenic and recreational.

Much of the history of this Nation was etched by the great overland trails—the Oregon Trail, Lewis and Clark Trail, the Sante Fe, and in Alaska the trails known collectively as the "Gold Rush Trails." The Iditarod Trail is one of those connecting the fabulous gold fields of the Iditarod River with the town of Seward on Resurrection Bay to the south, and northwestward to Nome on the Bering Sea. Altogether, according to the Bureau of Outdoor Recreation, the Iditarod Trail, as proposed, covers 1,600 miles, and is in fact a network in itself.

Part of the network is known to have been used in 1794 by the English explorer, Vancouver, who reported that a portage route he traveled had earlier been used used by Russian fur traders and for several hundred years before that by Alaskan Natives.

The demand for long distance trails into the interior of Alaska began with the gold rush. Word spread during the early part of this century that gold had been found in the Iditarod River area. Some 2,500 people stampeded into the area which prompted work to begin on a Seward to Nome trail which could link the Iditarod fields with these two parts.

As the gold seekers and others poured into the interior, way stations were built every 15 to 30 miles—1 day's hike or mush apart. One of these still standing is a poolroom, saloon, and roadhouse at Knik which was once the largest community on Cook Inlet.

The surviving structure is listed in the National Register of Historical Places and also serves as a museum featuring a "Dog Musher's Hall of Fame." Other such historical places along the trail include Hope Historic District which shows evidence of gold mining activity dating from the 1880's, the Old St. Nicholas Russian Orthodox Church at Eklutna dating to the mid-1880's and serving as a missionary center, and the Anvil Creek site in Nome where the great gold rush began when the first large placer strike was made. There are pre-historic areas along the trail too. The Iyateyet site, on Cape Denbigh Peninsula, Norton Sound, shows evidence of coastal occupation dating back to 6,000 B.C. providing strong evidence that the first people in the Americas came south from Alaska.

Today, the history that the trail represents, for both Native American and European settlers of the new land, comes together and is symbolized by an annual Iditarod Trail dogsled race. Dog mushing in Alaska is, in fact, thought to date back thousands of years. It was my great privilege to take part in that ancient tradition by sponsoring the winner of the first Iditarod race, Isaac Okleasik. Last year's winning musher of the grueling 1,049-mile run was Jerry Riley who made it in 18 days, 22 hours, 58 minutes, and 17 seconds. Tomorrow, Saturday March 5, approximately 50 mushers and 500 dogs will take part in this traditional event, capturing the attention and imagination of people everywhere for 2 weeks.

Certainly, Mr. President, the Iditarod Trail is a major scenic recreational, and especially an historic asset to the Nation. It is little wonder, given its manifold significance, the Bureau of Outdoor Recreation report on the trail has concluded that—

> The entire Seward Nome route, including appropriate branch, alternate, and Iditarod Sled Dog Race Routes and related sites should be designated as a National Trail System.

This would have been applauded by the Senator Ernest Gruening, my predecessor in the Senate from the State of Alaska who saw to it that the gold rush

trails were included in the National Trails System Act. Thus it is an honor to him that the Iditarod Trail should be added to the national system, as well as an honor to those ancients 8,000 years ago who peopled this continent, and those courageous gold rushers a century ago.

The Bureau of Outdoor Recreation's finding that certain of our Nation's trails would not qualify for protection under a scenic or recreational designation points up the need for a new category to provide for national recognition of America's significant historic routes. Senator Gruening successfully argued 10 years ago that it would be "a most grevious omission" to leave the Alaska Gold Rush Trails out of the national legislation. Today I should like to argue that it is altogether appropriate to amend the National Trails System Act to include a national historic trails category, covering such resources as the Iditarod. We would be irreverent of our heritage and irresponsible to present and future generations if we do not commemorate and preserve the great migration and transportation routes, with their remaining historic structures and artifacts, that are such an integral part of our Nation's story.

Therefore, Mr. President, I propose that the act be amended to accomplish this, and that the Iditarod Trail be the first designated under a new historic trails category. This category should require that proposed trails, to qualify for designation as a national historic trail, meet all three of the following criteria:

(1) It must be a trail established by historic use and historically significant as a result of that use. The trail need not exist as a trail at present to qualify, but its location must be known sufficiently to permit evaluation of public recreation potentials.

(2) It must be of national significance with respect to any of several broad facets of American history such as trade and commerce, migration and settlement, or military campaigns. To qualify as nationally significant, historic use of the trail must have had a far-reaching effect on broad patterns of American Culture. Trails significant in the history of native Americans (Eskimos, Aleuts, and Indians) may be included.

(3) It must have significant potential for public recreational use based on historic interpretation and appreciation. The potential for such use generally is greatest along cross-country segments developed as historic trails, and at historic sites associated with the trail. The presence of recreation potential not related to historic appreciation is not significant justification for designation under this category.

The Iditarod Trail fully meets these criteria, Mr. President, and so I send the desk on behalf of myself, and my colleague from Alaska, Senator STEVENS, a bill amending Public Law 90-543, to include the category "National Historic Trails," and to include the designation of the Iditarod Trail under that category.

Mr. President, I ask unanimous consent to have my bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 929

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Trails System Act (82 Stat. 919; 16 U.S.C 1241) is amended as follows:

(a) In section 2(b) delete "and scenic" and insert, "scenic and historic".

(b) In section 3 redesignate subsection "(c)" as "(d)", and insert prior thereto to a new subsection (c) as follows:

"(c) National Historic Trails, established as provided in section 5 of this Act, and designated in accordance with the criteria in section 7 of this Act, which will be extended trails that follow as closely as possible the original trails or routes of national historical significance. Although designation of such trails or routes shall be continuous, an established or developed trail may not be continuous.".

(c) In the new section 3(d) delete "or national scenic" and insert ", national scenic, or national historic".

(d) In the heading of section 5 "SCENIC" insert "AND NATIONAL HISTORIC"; in the first sentence of section 5 (a) after "scenic" insert "and national historic"; and in section 5 (b) after "national scenic" wherever it appears insert "or national historic".

(e) In section 6 delete in the first sentence "or national scenic" and insert ", national scenic, or national historic"; and in the second sentence delete "or scenic" and insert ", scenic, or historic".

(f) In section 7 in the first sentence of subsection (a) after "Scenic" insert "and National Historic"; in subsection (b) and in the first sentence of subsection (c) after "scenic" wherever it appears insert "or national historic"; in the penultimate sentence of subsection (c) delete "and scenic" and insert ", scenic, and historic"; in subsection (d) delete "or scenic" and insert ", scenic, or historic"; in subsection (e) after "scenic" wherever it appears insert "or historic"; in the first sentence of subsection (h) delete "or scenic" and insert ", scenic, or historic"; in the second sentence of subsection (h) after "scenic" insert "or historic"; and in the first sentence of subsection (i) delete "or scenic" and insert ", scenic, or historic".

(g) Section 7 of such Act is further amended by adding at the end thereof the following new subsection:

"(j) To qualify for designation as a National Historic Trail, a trail must meet all three of the folowing criteria:

(1) It must be a trail established by historic use and historically significant as a result of that use. The trail need not exist as a trail at present to qualify, but its location must be known sufficiently to permit evaluation of public recreation potentials.

(2) It must be of national significance with respect to any of several broad facets of American history such as trade and commerce, migration and settlement, or military campaigns. To qualify as nationally significant, historic use of the trail must have had a far-reaching effect on broad patterns of American culture. Trails significant in the history of native Americans (Indians, Aleuts, and Eskimos) may be included.

"(3) It must have significant potential for public recreational use based on historic interpretation and appreciation. The potential for such use generally is greatest along cross-country segments developed as historic trails, and at historic sites associated with the trail. The presence of recreation potential not related to historic appreciation is not sufficient justification for designation under this category."

(h) In Section 8(a) at the end of the first sentence insert the following sentence: "The Secretary is also directed to encourage States to consider, in their comprehensive statewide historic preservation plans and proposals for financial assistance for State, local, and private projects submitted pursuant to the Act of October 15, 1966 (80 Stat. 915), as amended, needs and opportunities for establishing historic trails.".

SEC. 2(a) The Iditarod Trail, Alaska, a trail of approximately 1600 miles extending from Seward to Nome, Alaska, following the route(s) as generally depicted on the map identified as "Proposed Iditarod Trail, Number ——, dated ——" is hereby designated a national historic trail within the National Trails System. The Iditarod National Historic Trail shall be administered by the Secretary of the Interior.

(b) Within 3 years from the date of this Act an inventory and evaluation of all sites, structures, and other properties located along or immediately adjacent to the designated route possessing historical, architectural, archeological or cultural value shall be conducted by the administering agency in consultation with concerned public and private land owners or managers. This inventory and evaluation shall, among other things, identify properties eligible for inclusion in the National Register of Historic Places and formulate plans for the protection and preservation of significant historical and archeological properties.

(c) There is authorized to be appropriated $150,000 for the purpose of acquiring lands or interests in lands, signing, conducting an inventory and evaluation of historical and archeological sites, and other actions necessary to implement this Act.

By Mr. BAYH:

S. 930. A bill to deauthorize the Lafayette Dam and Reservoir, Wabash River, Indiana; to the Committee on Environment and Public Works.

Mr. BAYH. Mr. President, I am today introducing legislation to deauthorize the Lafayette Lake Army Corps of Engineers project in Indiana.

For fiscal year 1976, the budget request for Lafayette Lake was $800,000: $400,000 for planning, supervision, and administration; and an additional $400,000 for land acquisition. During the time this request was under consideration in the Congress, I received a large volume of correspondence from constituents expressing concern about its construction, and met with both opponents and proponents residing in the project area.

It became clear that this proposal was surrounded by considerable controversy, and I felt that the opponents had raised legitimate questions which required full answers before Congress approved a commitment to purchase land for construction. I felt very strongly that the appropriation of land acquisition funds for fiscal year 1976 would be insensitive to the views of a significant number of my constituents, and urged that we provide the $400,000 for the completion of the necessary planning for Lafayette Lake, but no funding for land acquisition. Ultimately, Congress appropriated $400,000 for planning, and no money for land acquisition, for fiscal year 1976.

The picture has changed drastically since then. While at one time I found myself standing alone saying, "Wait a minute, let us not take it for granted that Lafayette Lake should be built," there does not seem to be an ounce of support left for this project at the State or Federal level.

Last year, the Governor of the State of Indiana advised the corps that the State would not be forthcoming with its share of the project costs at any time in the near future, and consequently the project was placed in an inactive status and Representative FITHIAN introduced legislation in Congress to deauthorize Lafayette Lake.

This year, the case for deauthorization is compelling. Representative FITHIAN has reintroduced his bill in the House.

Last month the Indiana General Assembly passed, and the Governor signed, legislation deauthorizing any State participation in this project. It is also significant to note that Lafayette Lake appears on the list of projects under reevaluation by the Carter administration.

I am well aware of the normal procedure for deauthorzing projects such as this, based on the absence of appropriations for 8 years. However, in the case of Lafayette Lake, a careful examination of the facts has led me to conclude that there is no reason to wait any longer before terminating this project once and for all. It is dead, and the Congress would do the people of Indiana a service to act in recognition of this fact.

By Mr. RIEGLE:

S. 931. A bill to amend the Employment Act of 1946 with respect to price stability; to the Committee on Banking, Housing, and Urban Affairs.

Mr. RIEGLE. Mr. President, today I am introducing a bill that would make price stability one of our central economic goals. The Employment Act of 1946 already establishes maximum employment, production and purchasing power as national economic goals. With the rate of inflation reaching 4.9 percent in 1976 and expected to reach 6 percent in 1977, we must insure that this problem receives maximum national attention.

No one has clearly measured the impact on this country of a continuation of the current level of inflation but at the very least we know that it robs working people of their hard-earned purchasing power and jeopardizes any aspirations they have for themselves or their families. It robs the elderly of their limited resources and their ability to live independently and with dignity. And it significantly distorts the functioning of our free enterprise system which has served us so well in past decades.

If inflation continues out of control, it will threaten to tear apart the very fabric of our society, destroying the economic premises on which it is built.

Therefore, I believe that Congress must provide real leadership on this urgent and profoundly important problem. While this new addition to the 1946 Employment Act will not totally solve the pressing problems of inflation and unemployment, it will have important symbolic and psychological impact. It will send a signal to all involved in commerce or private institutions, here and abroad, that we understand the gravity of the situation and are willing to shift national policy in order to correct a major economic distortion. This amendment would further energize the Council on Economic Advisers and require greater consideration of the steps needed to cope with inflation.

It seems clear to me that a new initiative is critically needed. While the road back to a prosperous economy will take time, I think this bill is a positive step in that direction.

ADDITIONAL COSPONSORS

S. 175

At the request of Mr. SCHWEIKER, the Senator from Oklahoma (Mr. BARTLETT) and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 175, to provide a special program of financial assistance to opportunities industrialization centers.

S. 834

At the request of Mr. SCHWEIKER, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 834, to amend the Internal Revenue Code of 1954.

SENATE JOINT RESOLUTION 1

At the request of Mr. BAYH, the Senator from Oklahoma (Mr. BARTLETT), the Senator from Utah (Mr. GARN), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of Senate Joint Resolution 1, to amend the Constitution of the United States.

SENATE RESOLUTION 106—ORIGINAL RESOLUTION REPORTED RELATING TO THE CONSIDERATION OF S. 427

(Referred to the Committee on the Budget.)

Mr. RANDOLPH, from the committee on Environment and Public Works, reported the following original resolution:

S. RES. 106

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 427, to provide additional authorizations for the public works employment program, to authorize a program for employment of teenaged youth in community improvement projects, and for other purposes. Such waiver is necessary for the Senate to complete action on legislation which authorizes a substantial portion of the administration's economic recovery program, and which authorizes funds for the waste treatment works construction grant program. These include three provisions authorizing appropriations for fiscal year 1977: $4,000,000,000 for the public works employment program, $1,500,000,000 for a youth community improvement program, and $4,540,000,000 for the waste treatment works construction grant program.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by May 15, 1976, because the continued necessity for economic recovery stimulus legislation could not have been anticipated.

AMENDMENTS SUBMITTED FOR PRINTING

IMPORTATION OF RHODESIAN CHROME—S. 174

AMENDMENT NO. 58

(Ordered to be printed and to lie on the table.)

Mr. CLARK submitted an amendment intended to be proposed by him to the bill (S. 174) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome.

ADDITIONAL STATEMENTS

THE RISING COST OF GOVERNMENT REGULATION

Mr. GARN. Mr. President, each year Congress seems to be talking more and more about regulatory reform. I am hopeful that this talk will become legislative reality, and there are some signs that progress will be made during this Congress. Prospects for a bill incorporating the concepts of zero-base budgeting and sunset procedure are good. There is a growing awareness of both direct and indirect costs of regulation—consumers, workers, managers, and owners are becoming increasingly aware of the disadvantages of Federal regulation.

This trend is welcomed. It has been estimated that Federal regulation costs $130 billion per year or an estimated $2,000 for each American family. This total is made up of the following components: Economic regulation amounting to $45 to $60 billion; environmental regulation totaling between $50 and $60 billion; and health, safety, and product regulations which cost more than $10 billion.

Certainly some Federal regulation is necessary, but this new awareness of regulatory costs will help us decide which agencies are worth their cost and which render more burden than benefit. Those agencies that are costly, or which duplicate effort, or are simply burdensome ought to be reformed or abolished. We must take a harder look at existing agencies. Our recent experience with reorganizing the Senate shows us that any government group and its constituency form a formidable group which will very likely be opposed to any change designed to streamline, economize, or repeal. We know, therefore, that reform will be difficult, but it is necessary. If progress must come gradually then we had better get on with it or we will be overwhelmed by the sheer inertia of the bureaucracy.

Part of the problem can be shown by reference to a 1976 study by the Brookings Institution entitled "Our Government Organizations Immortal," by Herbert Kausman. This study shows that, of the 175 Federal agencies in operation in 1923, 85 percent, 148, are still in existence today. During this time, however, 246 new agencies were born. Naturally, part of this growth is merely a childlike imitation of the burgeoning parent. As the total size, power, and cost of the Federal parent have grown, so have the regulatory children. However, a large part of the growth of the regulatory agencies has been independent of overall Federal expansion, and evidence continues to mount against such growth.

Prof. Murray Weidenbaum and his associate, Robert DeFina, have published a recent study showing the direct costs of regulatory agencies during the past several years, and I ask unanimous consent that the study be printed in the RECORD at this point.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE RISING COST OF GOVERNMENT REGULATION

(By Murray L. Weidenbaum and Robert DeFina)

The direct cost of federal government regulation on business hit a high of $2.9 billion in the fiscal year 1976. On the basis

of appropriations already enacted, these costs are estimated to reach $3.5 billion in the current fiscal year, a 21 percent increase. The budget for fiscal 1978 recently transmitted by the outgoing Ford Administration would bring the annual total federal regulatory cost to approximately $3.8 billion next year, an 85 percent rise over the 1974 level.

As shown in Table 1, the budgets of the regulatory agencies continue on a steadily upward growth trend. Any additions that will be proposed by the Carter Administration—such as a new consumer advocacy agency or a strip mining control law—would push these numbers higher still, if not offset by reductions in other areas.

The most expensive sectors of federal regulatory activity are not the traditional economic regulating commissions which typically focus on an individual industry. Rather, the largest budgets have been assigned to a broad category of social activities including environment, energy, and consumer safety and health; the major agencies in this latter group include the Environmental Protection Agency, the National Highway Traffic Safety Administration, the Food and Drug Administration, and the Animal and Plant Health Inspection Service. The jurisdiction of these agencies generally extends to the great bulk of the private sector, including manufacturing and service industries which are not generally thought of as "regulated." Tables 2 through 6 contain detail on each of the major sectors of federal regulation.

NOTE.—Mr. Weidenbaum is Director of the Center for the Study of American Business at Washington University, St. Louis. Mr. DeFina is a graduate student in the University's Department of Economics.

TABLE 1.—EXPENDITURES ON FEDERAL REGULATORY ACTIVITIES

[Fiscal years, dollar amounts in millions]

Area of regulation	1974	1975	Annual increase (percent)	1976	Annual increase (percent)	1977	Annual increase (percent)	1978	Annual increase (percent)	Increase 1974–78 (percent)
Consumer safety and health	$1,094	$1,299	19	$1,419	9	$1,621	14	$1,755	8	60
Job safety and other working conditions	310	379	22	446	18	536	20	564	5	82
Environment and energy	265	438	65	499	14	708	42	756	7	185
Financial reporting and other financial	36	45	25	53	18	62	17	62	0	72
Industry—Specific regulation	325	355	9	486	37	591	22	627	6	93
Total	2,030	2,516	24	2,903	15	3,518	21	3,764	7	85

PERCENT DISTRIBUTION OF FEDERAL REGULATORY EXPENDITURES, FISCAL YEAR 1978

	Percent
Consumer safety and health	46
Job safety and other working conditions	15
Environment and energy	20
Financial reporting and other financial	2
Industry—Specific regulation	17
Total	100

Source for tables 1–6: Computed from details in the "Budget of the U.S. Government, Fiscal Year 1978," Washington, Government Printing Office, 1977.

TABLE 2.—EXPENDITURES ON FEDERAL REGULATORY ACTIVITIES, CONSUMER SAFETY, AND HEALTH

[Fiscal years; millions of dollars]

Agency	1974	1975	1976	1977	1978
Department of Agriculture:					
Animal and Plant Health Inspection Service	314	345	377	429	437
Packers and Stockyards Administration	4	5	5	6	6
Subtotal	318	350	382	435	443
Department of Health, Education, and Welfare: Food and Drug Administration	165	201	218	240	277
Department of Housing and Urban Development: Office for Consumer Affairs and Regulatory Functions	1	2	(1)	2	
Department of Justice:					
Antitrust Division	14	18	21	27	29
Drug Enforcement Administration [2]	98	132	146	176	184
Subtotal	112	150	167	203	213
Department of Transportation:					
National Highway Traffic Safety Administration	157	150	151	182	224
Federal Railroad Administration	7	9	15	19	21
Subtotal	164	159	166	201	245
Department of the Treasury:					
Bureau of Alcohol, Tobacco, and Firearms	79	95	103	122	135
Customs Service [2]	228	299	334	358	383
Subtotal	307	394	437	480	518
Consumer Product Safety Commission	19	34	38	46	39
National Transportation Safety Board	8	9	11	14	15
Total	1,094	1,299	1,419	1,621	1,755

[1] Less than $1,000,000.

[2] Activities extend beyond business regulation (breakdown not available).

TABLE 3.—EXPENDITURES ON FEDERAL REGULATORY ACTIVITIES, JOB SAFETY AND OTHER WORKING CONDITIONS

[Fiscal years; millions of dollars]

Agency	1974	1975	1976	1977	1978
Department of the Interior: Mining Enforcement and Safety Administration	59	68	84	102	105
Department of Labor:					
Employment Standards Administration	56	72	84	99	106
Labor-Management Services Administration	24	27	37	49	54
Occupational Safety and Health Administration	69	90	109	129	132
Subtotal	149	189	230	277	292
Equal Employment Opportunity Commission	42	56	59	68	72
National Labor Relations Board	55	61	67	82	88
Occupational Safety and Health Review Commission	5	5	6	7	7
Federal Metal and Nonmetallic Mine Safety Board of Review	(1)	(1)	(1)		
Total	310	379	446	536	564

[1] Less than $1,000,000.

TABLE 4.—EXPENDITURES ON FEDERAL REGULATORY ACTIVITIES, ENVIRONMENT AND ENERGY

[Fiscal years; millions of dollars]

Agency	1974	1975	1976	1977	1978
Environmental Protection Agency	232	317	363	471	487
Federal Energy Administration	33	121	136	237	269
Total	265	438	499	708	756

TABLE 5.—EXPENDITURES ON FEDERAL REGULATORY ACTIVITIES, FINANCIAL REPORTING AND OTHER FINANCIAL

[Fiscal years; millions of dollars]

Agency	1974	1975	1976	1977	1978
Cost Accounting Standards Board	1	1	1	2	2
Council on Wage and Price Stability		(1)	1	2	2
Securities and Exchange Commission	35	44	51	58	58
Total	36	45	53	62	62

[1] Less than $1,000,000.

TABLE 6.—EXPENDITURES ON FEDERAL REGULATORY ACTIVITIES, INDUSTRY-SPECIFIC REGULATION

[Fiscal years; millions of dollars]

Agency	1974	1975	1976	1977	1978
Civil Aeronautics Board	89	81	91	99	93
Commodity Futures Trading Commission	[1] 3	[1] 3	11	14	13
Federal Communicctinos Commission	38	48	53	57	60
Federal Maritime Commission	6	7	8	9	9
Federal Powcr Commission	27	34	36	43	43
Federal Trade Commission	32	39	44	54	58
International Trade Commission	7	8	10	12	12
Interstate Commerce Commission	38	44	47	61	62
Nuclear Regulatory Commission	80	86	180	236	271
Renegotiation Board	5	5	6	6	6
Total	325	355	486	591	627

[1] Expenditures fcr Commodity Exchange Authority.

Mr. GARN. Finally, Mr. President, I would like to briefly address another aspect of the problem of the regulatory burden. Too often we write the agencies a "blank check" then decry the vexatious and imaginative regulations that are issued. There are now several proposals that would require agencies to submit proposed regulations to Congress before their implementation. These proposals are worthwhile and I have supported some of them, but it is much preferable to address the issue before the regulations are issued. In this regard, I have received an excellent letter from a constituent, Mr. I. Daniel Stewart, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SALT LAKE CITY, UTAH,
February 8, 1977.

Senator JAKE GARN,
Washington, D.C.

DEAR JAKE: I have just received your newsletter which discusses the impact of OSHA on the small businessman and your cosponsorship of certain amendments to the Occupational Safety and Health Act which are designed to alleviate some of the oppressive burden which businessmen generally are subjected to as a result of that Act.

I applaud your efforts in this regard. The effort to protect small businessmen must, of course, begin somewhere and reformation of the Occupational Safety Act is as good a point to begin as any other. However, as you well know, there are literally scores of other areas which are also of great importance if private enterprise is to survive in any form that presently exists.

Recent amendments to the Federal Food and Drug Act to provide for coverage of device legislation are undoubtedly going to have the effect of preventing many small, innovative businessmen from providing new and useful products in the health care industry because of the burden of complying with administrative rules. It's not necessary to multiply examples.

What is important, and really the reason for this letter to you, is a basic concern which I have had from the time when I taught constitutional law at the University of Utah College of Law. In the 1930's, the Supreme Court in effect ruled that Congress, under Article I of the Constitution, could delegate to administrative and executive agencies legislative powers with virtually no standards. Since that time, the delegation of legislative power has been made with virtual abandon by the Congress. One can well recognize the problems that the Congress would have if it had to make every rule and regulation dealing with the myriad of problems of a technological, economic and social nature which exist. Nevertheless, there has been in many cases a virtual abandonment of Congressional constitutional responsibility. By delegating huge chunks of legislative power to administrative and executive agencies without any standards other than such vague and meaningless terms as the "public interest," the Congress, in my judgment, has effectuated a serious and fundamental change in the nature of constitutional law, and in particular, in the concept of the division and separation of powers.

Statute after statute could be cited in which the Congress has established as the guiding standards for administrative and executive action, "the public interest" or terms of similar import. It seems to me that part of the oppression under which businessmen presently operate derives directly from this fault on the part of the Congress over the past several decades. With the best of intent, I suppose, volume upon volume of rules are promulgated, then refined, then extended into additional areas, all with the consequence that no businessman can possibly know all the rules and regulations with which he is required to abide. Indeed it is fair to say that no lawyer is likely to be aware of all the regulations with which a businessman must comply.

It may be that the above is simply a necessary concomitant of an extraordinarily complex, industrial society such as ours. I do not believe so. I believe that the Congress can and should—indeed, must if the present constitutional scheme of things is to be maintained—find a way to lay down more specific guidelines and to insure that Congressional intent is carried out and not the intent of administrative agencies, which all too often hear only the voice of one or two interest groups. There must also be some way of reviewing administrative rules which lighten the burden on members of the public when they are agreed. One method would be to enact a change in the present rules of administrative law which the courts apply in determining when judicial review of administrative action is appropriate. Running the gauntlet of administrative procedures is sometimes enormously complex and expensive. Moreover, since the administrative agency both makes the rules and serves as prosecutor for alleged violations of such rules, it is doubtful that a citizen can get substantial justice within an administrative agency when the question of the validity of the agency's own rule is at stake. In any event, combining in one agency the power to both promulgate administrative rules and to prosecute alleged violations, is a violation of century-long principles that there should be in democratic societies a separation of the adjudicatory and prosecutorial functions. It is both highly frustrating and terribly expensive for a private citizen to have to run the gauntlet in an administrative agency before he can expect a truly impartial hearing.

In any event, I am sure that there are many people who share my sense of satisfaction that somebody in the Congress is taking a hard look at OSHA. Hopefully a hard look will also be given to so many of the other administrative agencies whose tangled web of rules provide a snare and a trap for the ordinary citizen and the small businessman.

Yours truly,

I. DANIEL STEWART.

Mr. GARN. Mr. President, as Congress begins to address the need for regulatory reduction and reform, the points which I have mentioned today should be of overriding concern. I have mentioned the fact that agencies are—in Mr. Kausman's term—immortal; old agencies very seldom die, but new agencies are frequently created. I have mentioned the enormous cost of regulation and inserted the facts regarding direct agency costs during the past several years. Finally, I have mentioned the manner in which Congress delegates sweeping and vague authority to the agencies and then sits back while they exercise their power in ways that are all too often annoying or petty. I am hopeful that the 95th Congress will pass significant regulatory reform legislation.

EDGAR ANSEL MOWRER

Mr. RIBICOFF. Mr. President, Edgar Ansel Mowrer, a journalist and author of great renown, died Wednesday, March 2, 1977 on the Portuguese island of Madeira. Edgar Ansel Mowrer, who would have been 85 on March 8, reported on the most historic events of this century. He was a longtime, close friend of mine and I mourn his death. My wife and I have expressed our deepest sympathies to his widow, the former Lillian Thomson, who was with him when he died.

Since his 1969 retirement as a syndicated columnist with the Chicago Daily News, Edgar and Lillian Mowrer lived near Tamworth, N.H. They were vacationing in Madeira.

Edgar Mowrer, who won the Pulitzer Prize in 1933 for his book warning about Nazi intentions, was at one time considered the dean of American foreign correspondents.

For 55 years, he covered news on every continent, qualifying for membership in that elite group of remarkably capable and versatile reporters who could say, in all honesty, that the world was their beat.

Edgar Mowrer, reporting for the Chicago Daily News, covered World War I, the rise of Hitler and Mussolini, the Spanish Civil War, Russia under Stalin, World War II and many other events of historic consequence.

Born in Bloomington, Ill., on March 8, 1892, Edgar Mowrer attended the University of Chicago and graduated from the University of Michigan in 1913, where he edited the literary magazine and wrote poetry.

Edgar's brother, the late Paul Scott Mowrer, also was a distinguished newspaper reporter, winning the Pulitzer Prize in 1928 and serving as editor of the Chicago Daily News from 1935 to 1944.

Of his own career as a reporter, Edgar Ansel Mowrer once said he had "occupied a ringside seat at most of the major scenes of history" from 1914 on.

Edgar Mowrer brought with him to

that ringside seat to history intelligence, compassion, wit and courage. All of us who knew him—as well as the many millions of readers who knew him through his writings—will miss him very much.

Mr. President, the New York Times and the Washington Post printed articles March 4, 1977 about Mr. Mowrer's death. I ask unanimous consent that the two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

EDGAR ANSEL MOWRER DIES AT 84; WON PULITZER FOR REPORTS ON HITLER

LISBON, March 3.—Edgar Ansel Mowrer, the American foreign correspondent who won a Pulitzer Prize in 1933 for dispatches detailing the rise of Adolf Hitler, died Wednesday on the Portuguese island of Madeira. He would have been 85 next Tuesday.

His widow, Lillian, said that he had died in his sleep. The couple had been vacationing on the island. They had lived near Tamworth, N.H., since Mr. Mowrer's retirement in 1969 as a syndicated columnist for The Chicago Daily News.

"RINGSIDE SEAT" TO HISTORY

(By Anna Quindlen)

Edgar Ansel Mowrer, Pulitzer Prize winner, foreign correspondent and columnist, author of a dozen books, and the reporter who for millions of Americans was the man on the scene with the Third Reich, entered journalism accidentally as a favor to his older brother.

As a student in Paris who had alternately considered law, teaching or literary criticism for his career, Mr. Mowrer was pressed into service for The Chicago Daily News at the outbreak of World War I by his brother, Paul Scott, a reporter in the Paris bureau.

So began a career that was to span some 55 years. In his own words, Mr. Mowrer "occupied a ringside seat at most of the major scenes of history" from 1914 until his retirement as a syndicated columnist in 1969.

Mr. Mowrer rose from Rome correspondent for the Chicago paper to chief of the Berlin bureau, a position he held from 1923 to 1933. After becoming the first American correspondent to be expelled from Nazi Germany, he headed the paper's Paris bureau where he was made an officer of the Legion of Honor and then returned to the United States as Washington correspondent.

QUIT GOVERNMENT POST

From his initiation until his retirement, he left reporting for only a year—when he served as deputy director of the Office of War Information during World War II. His resignation from that job in 1943 became a cause celebre when it was learned that he had quit over the State Department's refusal to allow him to go to North Africa for the office because of his outspoken criticism of the Vichy government.

It was sometimes said that war reporting was difficult for Mr. Mowrer because he was an activist and felt keenly the disparity between writing about combat and participating in it. In his autobiography, "Triumph and Turmoil," which appeared before his retirement, he admitted that he had once fired on the Austrian lines from an Allied airplane during World War II.

His vivid reporting reflected this activist temperament. "No previous period," he once said at a testimonial dinner, "has ever offered such opportunities for a foreign correspondent to bring life to the news."

WAS BORN IN ILLINOIS

Edgar Ansel Mowrer was born in Bloomington, Ill., on March 8, 1892, one of two sons of Nell Scott and Rufus Mowrer, a businessman. Both boys went on to distinguished careers in newspaper work.

Paul Scott, who died in 1971, also won the Pulitzer Prize as a foreign correspondent in 1928, and became editor of The Chicago Daily News from 1935 until 1944.

Edgar attended the University of Chicago and was graduated from the University of Michigan in 1913, where he edited the literary magazine and won a poetry prize.

He went abroad to pursue his literary education and was recruited into the Paris bureau of The News. After his first assignment in neutral Belgium during World War I, he went on to Rome, where his encounters with a newspaper editor named Benito Mussolini gave him a taste of the Fascism he was to assail so virulently in his dispatches from Germany and in reports on German spies in the United States.

HEADED FOREIGN PRESS GROUP

In Berlin Mr. Mowrer worked with a distinguished group of correspondents—among them Frederick Birchall and Dorothy Thompson—who elected him president of the Foreign Press Association. It was this office that later led Mr. Mowrer to leave Germany. He was asked by the Nazis to resign as president of the association and refused until Dr. Paul Goldmann, a 68-year-old Jewish Austrian journalist who was one of the founders of the group, was arrested by the Germans. In exchange for Dr. Goldmann's release, Mr. Mowrer resigned.

He was later expelled and had so enraged the Nazis, both with his reporting and his book, "Germany Puts the Clock Back," that Propaganda Minister Joseph Goebbels once said that he was willing to expend an entire army division on Mr. Mowrer's capture.

As he grew older Mr. Mowrer, who was also expelled from Italy in 1936 by Mussolini and from the Soviet Union in 1937 by Stalin, came to distrust all totalitarian regimes. His postwar columns developed a conservative slant—he once termed peaceful coexistence "the opium of the West"—and those readers who had thought his early dispatches from Germany rather radical no longer found his views on foreign policy attractive.

In 1916 Mr. Mowrer married Lilian Thomson, also an author. They have one daughter, Diana Jane Bellard, and two grandchildren, all residents of Winnetka, Ill., who are to arrive Friday in Madeira, where the funeral is to take place.

[From the Washington Post, Mar. 4, 1977]

EDGAR ANSEL MOWRER DIES, PULITZER PRIZE NEWSMAN

Edgar Ansel Mowrer, 84, author, lecturer and once considered the dean of American foreign correspondents, died Wednesday on the Portuguese Atlantic island of Madeira.

A former syndicated columnist for the Chicago Daily News, he had lived near Tamworth, N.H. since he retired in 1969. He and his wife, Lillian, had been staying in Medeira since December.

Mr. Mowrer won the Pulitzer Prize as a foreign correspondent in 1933 for a book warning about the rise of Adolph Hitler.

He had viewed first-hand many of the major events of modern history and personally knew many of the leaders, particularly prior to World War II.

Born in Bloomington, Ill., Mr. Mowrer studied at the University of Chicgao, but left the school to attend the University of Paris.

After a year, he returned to this country and graduated from the University of Michigan in 1913. He then went back to Paris, where his brother, Paul Scott Mowrer, was a correspondent for the Chicago Daily News.

Edgar Mowrer had no intention of becoming a journalist but was pressed into service when his brother was sent out to cover the battle of the Marne in World War I.

He filed dispatches to the Chicago Daily News from Paris and later was assigned to the Rome office, where he interviewed Benito Mussolini and reported on the latter's bellicose intentions.

Mr. Mowrer was transferred to Berlin in 1923. There he produced several books, including "Germany Puts the Clock Back," which were subsequently banned in that country.

As president of the Foreign Press Association, he defied the Nazis and eventually resigned that position in return for the freedom of a Jewish correspondent who was a friend.

Recalled to this country by the Chicago Daily News, Mr. Mowrer lectured for a brief period on the threats of Fascism. He was reassigned in 1934 to the Paris bureau of the Chicago Daily News and covered the events that led to the outbreak of World War II.

He also covered the beginning of the Spanish civil war, visited the Soviet Union and China and returned to Paris, where he remained until the fall of France in 1940.

Mr. Mowrer then was assigned to Washington, where he collaborated on a series of articles on fifth-column activities in Europe. From 1941 to 1943, he was with the Office of War Information and broadcast news analyses from Washington.

After the war, he wrote a book, "The Nightmare of American Foreign Policy," and warned that this country must choose between world leadership or rapid decline.

In another book, "Challenge and Decision: A Program for the Times of Crisis Ahead," he urged the United States to form a "peace coalition" and the creation of a federation of non-Communist countries.

Mr. Mowrer's articles appeared in the Saturday Review, Zionist Quarterly, Western World and the New Leader. In 1961, he wrote a book, "An End to Make Believe," in which he analyzed the history of the cold war and what it meant to Americans.

From 1957 to 1960, he was editor-in-chief for North America of Western World, an international monthly published in English and French editions, which promoted strengthening of the Atlantic community.

He also wrote a column analyzing world affairs for the McClure Newspaper Syndicate.

Mr. Mowrer had served as a consultant to Radio Free Europe and had been a trustee of Freedom House.

His wife, who survives, also is an author of note.

CHILLING RESTRAINTS

Mr. PROXMIRE. Mr. President, I was very pleased to receive in the mail recently an editorial from the January 23, 1977, edition of the San Francisco Chronicle which enthusiastically endorses my bill, S. 22, which would abolish the fairness doctrine and equal time rule and remove other restrictions on broadcasters.

The enactment of S. 22—the First Amendment Clarification Act of 1977—would accomplish these ends through the repeal of section 315 of the Communication Act of 1934. The bill's impact would be to give the American people the full benefit of a free press, electronic as well as printed.

For nearly 200 years, our Nation has been blessed with the fruits of a publishing industry unencumbered by Government regulation. Our experiment with a free press—the freest in the world—has been a successful one.

We entered into that experiment despite some misgivings. There were, to be sure, fears that a free press might lead to scandal, slander, insurrection and even rebellion. And yet it has been proven on numerous occasions that a free press has been a source of continued vitality for our democracy.

Publishers do not stand alone as the journalistic guardians of our democratic society. Equal recognition, I believe, is in order for the Nation's broadcasters, who have achieved distinction in investigative reporting and documentary programing despite the handicaps of Government regulation under which they labor.

There is a strange irony here, Mr. President. We incorporated the first amendment into the Bill of Rights before we knew precisely what impact a free press might have on our fledging democracy. We gave to publishers an unconditional grant of editorial freedom and vested in them our hopes that they would exercise that freedom responsibly. And indeed they have.

We have never given a comparable grant of unconditional editorial freedom to broadcasters. By neglecting to do so, we have ignored their long record of responsible reporting, programing and service to their respective communities.

Mr. President, I believe that excellence and responsibility in broadcasting have been achieved because of the high standards of integrity which broadcasters bring to their work, and not because they must comply with the fairness doctrine and answer to the Federal Communication Commission at license renewal time.

The fairness doctrine, Mr. President, amounts to a Government decree that broadcasters are not to be trusted to make responsible use of their frequencies without constant supervision by a Federal regulatory agency.

I do not deny that noble motives were behind the establishment of the fairness doctrine. But it has become increasingly evident that this rule is not needed to protect the public against abuse of the airwaves.

Indeed, it has had the opposite effect. The self-restraint—bordering at times on self-censorship—which the fairness doctrine engenders among broadcasters does a disservice to our goal of an informed public. As the Chronicle editorial notes:

> . . . the [fairness] doctrine tends to work against its own purpose. Its demands become unfair and the broadcaster is put off trying to keep up with them to the point of finally saying "no time."

Mr. President, I believe that balanced and fair presentation of public affairs on radio and television is a desirable goal. I am confident that the broadcasting industry can achieve this goal without the burdensome onus of Federal regulation. And I am also convinced that our present system of Government supervision of broadcast programing is inconsistent with the first amendment to the U.S. Constitution.

I am very encouraged that one of the country's major newspapers has seen fit to come to the aid of its colleagues in broadcasting by endorsing S. 22, the First Amendment Clarification Act of 1977.

So that my colleagues here might have the benefit of reading the full text of the Chronical editorial, I ask unanimous consent that it be printed in the RECORD.

There being no objections, the editorial was ordered to be printed in the RECORD, as follows:

[From the San Francisco Chronicle, Jan. 23, 1977]

CHILLING RESTRAINTS

The new Congress is again being challenged by Senator William Proxmire (Dem-Wis.) to do away with government restraints on television and radio which rob these media of freedoms the First Amendment to the Constitution gives to the press.

Proxmire's bill failed to move ahead in 1975 when first introduced, but he, and we, have hopes of better luck this time under a new administration that has fresh memories of what these chilling restraints meant in the 1976 presidential campaign.

Proxmire's proposal is to end both the equal time rule and the Fairness Doctrine. Originally well-meant, these rules give the Federal Communications Commission a very considerable power over what television and radio can say on the air. Yet this is precisely the kind of power that for 200 years the courts have forbidden Congress to attempt to exercise over the printed word. Proxmire says that by ending the equal time rule and the Fairness Doctrine he would limit FCC regulation of the broadcast media "to the policing of channels in order to prevent technical interference."

He continues:

"The equal time rule requires that when a candidate for public office is given or sold broadcast time, any other candidate for that same office must be given an equal opportunity. That sounds great. But the equal time rule is an abridgment of the First Amendment. It is governmental control over a part of the free press.

"Under the Fairness Doctrine, broadcasters are required to afford reasonable opportunities for the presentation of contrasting viewpoints on controversial issues of public importance. Unlike the equal time requirement, the Fairness Doctrine does not call for each viewpoint to receive the same amount of air time. Neither does it require that the other viewpoints be given in the same program. Again, that sounds fine. But the trouble is, even if it were constitutional, the Fairness Doctrine is applied case by case with only the particulars of past cases to use in judging its application."

The broadcasting industry has repeatedly found the same faults Proxmire finds. And repeatedly the radio and TV networks have urged Congress to step in and repeal both these FCC rules. NBC asked for the repeal of equal time in 1972, on the promise to a congressional committee that it would grant liberal, prime-time coverage free of charge to presidential and vice presidential candidates of the major parties in the 1972 campaign. No response from Congress.

Last fall, many people will recall, it was because of the equal time rule that the televised debates between Gerald Ford and Jimmy Carter, Walter Mondale and Robert Dole, had to be sponsored by the League of Women Voters. By that stratagem, the networks could cover the debates as "news events." Had the networks put on the debates themselves, they would have had to give equal time—and presumably prime time—to several minor party and independent candidates.

That is not to say the minor party candidates, or independents such as former Senator Eugene McCarthy, should be pushed off the screen. They should not be. But the decision on how much coverage to give them, and when, should be made by the broadcasters, not by governmental fiat.

Indeed, the current FCC policies can be said to have a chilling effect on coverage of all kinds of controversies, not just the political contests in our elections. When, under the Fairness Doctrine, a broadcaster is subject to the demands of oppositionists in a controversy who lack funds to pay for time and want to get it free to reply to a presentation the other side has paid for, the doctrine tends to work against its own purpose. Its demands become unfair and the broadcaster is put off trying to keep up with them, to the point of finally saying "no time!"

STATEMENT ON YOUTH EMPLOYMENT BY THE NEW YORK COALITION FOR MORE JOBS

Mr. HUMPHREY. Mr. President, I would like to share with my colleagues an eloquent statement calling for 1 million youth jobs, which has been sent to me by the New York Coalition for More Jobs. This organization is composed of 21 major religious, ethnic, and community groups in New York City.

The coalition calls for Congress to create up to 1 million new jobs for youth in work that provides a public service, with the experience and contacts of local private, nonprofit organizations being used to implement the program at the local level.

The coalition's recommendation strong resembles the Youth Community Service program which would be established nationwide with the enactment of S. 170—the Comprehensive Youth Employment Act of 1977—which I introduced on January 11.

In addition, my bill would create large numbers of jobs for youths in the private sector, through on-the-job training and through supportive services provided by nonprofit organizations.

Although I do not agree with all of the details of the coalition's program we should heed their plea for youth jobs and pass a comprehensive youth employment bill.

Mr. President, I ask unanimous consent that the statement be printed in the in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NEW YORK COALITION FOR MORE JOBS,

New York, N.Y., January 26, 1977.

STATEMENT ON YOUTH EMPLOYMENT

The New York Coalition for More Jobs, a group composed of major New York City religious, racial and ethnic organizations, urges President Carter and the Congress to act as quickly as possible to create a major federally-financed Public Service Employment Program for Youth. To deal with the cripping problem of unemployment among America's youth, a minimum of one million public service jobs are essential.

The Coalition is convinced that the private sector is unable to absorb a high proportion of the unemployed in our city and across the nation. Nor do we believe that standard remedies for reducing adult unemployment will affect unemployment among our youth.

The serious and chronic problem of youth unemployment must be confronted directly with a massive public service program. Because of our concern for the need to prepare we firmly believe that the Public Service Employment Program for Youth must provide useful work on a full-time basis. Workers must be paid at least the minimum wage.

Maximum opportunities for substantial skill training and education should be integrated into all parts of the public service employment program. Working in cooperation with organized labor, the business community and educational institutions this training should prepare the participants for further public and private employment.

We recognize that the one million jobs

called for is only a partial answer: at least four to five million jobs are necessary to absorb all of America's unemployed or underemployed young people. But we also recognize the economic realities of the mid-70's and the other pressing problems of this society that need addressing; therefore, we accept this limited approach to the problems of our young people.

We would prefer a new federal level agency exclusively concerned with the problems of youth to institute and fund this effort. However on a short term basis, we recognize that by amending and increased funding of the Comprehensive Employment and Training Act a public service employment program for youth could be carried out. Whatever mechanism is selected at the national level we believe it is crucial that the experience and contacts of local private, nonprofit organizations be utilized in the implementation of the program at the local level.

Cities and towns across America, especially New York City are in desperate need of labor-intensive public service work. The program we propose is committed to carrying out useful public service work that would benefit these cities.

The organizations represented by the New York Coalition for More Jobs stand ready to cooperate fully with the Carter administration and Congress to bring about this important program.

ORGANIZATIONS ENDORSING YOUTH PUBLIC SERVICE EMPLOYMENT STATEMENT

American Indian Community Center.
ASPIRA of New York, Inc.
Brotherhood-In-Action, Inc.
Catholic Charities, Brooklyn Diocese.
Catholic Charities, New York Archdiocese.
Catholic Interracial Council.
Community Service Society.
Chinatown Planning Council.
Congress of Italian-American Organizations.
Council of Churches of New York City.
Federation Employment & Guidance Service.
Hellenic American Neighborhood Action Council.
Henry Street Settlement.
Jobs For Youth.
New York Chapter, American Jewish Committee.
New York Chapter, National Conference of Christians & Jews.
New York Urban Coalition.
Polish & Slavic Center, Inc.
Puerto Rican Association for Community Affairs.
Puerto Rican Forum.
South Bronx Overall Economic Development Corporation.

JOHN FILER TALKS SENSE

Mr. RIBICOFF. Mr. President, in recent years it has increasingly seemed that the American business community and the rest of our society are adversaries. Whether it is the environment, taxes, consumer protection, corporate ethics, pricing or practically any other contact-point between business and society, there is a split in interests. If you listen to the arguments made by both sides, you would conclude that what is good for most people is bad for business, and what is good or business is bad for everyone else.

Sometimes, a difference of opinion can shape a more considered and better informed attitude towards a problem. It can lead to new ideas and more effective solutions. For that to happen though, there has to be consensus on a common goal. If there is no agreement on goals, there can be no consensus on means. There has to be a common understanding that the interests of one side are inseparable from the interests of the other.

It is time that all sectors of our society realize our common goals, shared interests and related problems. Our business and our society are interdependent. What is good for one is good for the other. The problems facing one face the other. Responsibility for solving those problems must also be shared. Business cannot shut its eyes to the problems facing our society, for the smog over our cities, the financial crisis facing those cities, the unemployment lines and the cold winter weather, are the problems of business too.

If business isolates itself from the rest of society or if those on whom it depends perceive it to be indifferent to their problems, not only will the society suffer, but business will too.

Today, a growing number of forward-looking companies are facing these realities. They know that the problems of society as a whole cannot be ignored by business. I was pleased to see that John Filer, chairman of the Aetna Life & Casualty Co., discussed these issues with great insight and eloquence before the Executive's Club of Chicago.

In his remarks, Mr. Filer remembers Adlai Stevenson's address to the graduating class at Princeton in which he said, "Don't forget when you leave why you came." As the top executive of a major corporation, Mr. Filer examines his motivation for pursuing the goals now achieved. After looking at the expected, superficial reasons, he focuses on the most compelling: his strong and sincere desire to reform—to make the world a better place—and his belief that work ing for a private company would be the best way to do that. Now, as the chief executive of Aetna, John Filer has not forgotten his hopes as a young man entering the business community. And he has not forgotten the strong ties between business and the rest of society. Today, he remains aware of the reality that the problems of society are also the problems of business.

Mr. President, I ask unanimous consent that the text of John Filer's remarks be printed in the RECORD. I urge my colleagues as well as leaders from American business to read these thoughtful remarks and ask themselves if they will remember why they came when they leave.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

DON'T FORGET WHY YOU CAME

(An Address by John H. Filer)

No one suggested a topic for me today, so I had the luxury of deciding on it for myself—and I could not resist discussing some aspects of the probability of healthy survival of our business and the chances of rebuilding confidence in business and other complex institutions. These are critical issues—and ones about which there are few, if any, credible experts—so my views just may be as good as yours. I'll give them to you.

The title of these remarks was borrowed from a speech Newt Minow sent me a couple of months ago. It was an address by the late Adlai Stevenson to the senior class at Princeton over 20 years ago.

In closing his address, Governor Stevenson said this:

"Your days are short here; this is the last of your springs. And now in the serenity and quiet of this lovely place, touch the depths of truth, feel the hem. You will go away with old, good friends. Don't forget when you leave why you came."

That's pretty good advice—"Don't forget when you leave why you came." For a few minutes I will think a bit with you about the Governor's advice—and do this in the context of coming to be the chief executive of a large institution, as many of you have, and ultimately leaving it one of these days, as all of us surely will.

I found it a fascinating and quite impossible task to think back and answer that simple question: Why I came—why I wanted to be, got to and was willing to be the chairman of Aetna Life & Casualty, and what I thought I might possibly accomplish.

Probably the most honest answer is akin to the one mountain climbers give for climbing the next mountain: "It was there and I was here." Another honest answer includes generalized feelings and motivations involving money, prestige, recognition, power and a perhaps unrealistic sense of superior capacity to do the job. I was even reminded of a great cartoon I saw once. A pompous banker, or perhaps insurance executive, was interviewing a young man seeking a job. He asked the young man what his primary goal in life was. The answer. "To pile up riches beyond any wildest dreams of avarice."

But then I sat down and tried to rationalize in my own mind the embarrassingly long list of discretionary things that I do to see whether that might help in refocusing on why in fact I came. At first I thought I proved simply that I'm an inveterate and professional joiner who can't say "No" and who indulges himself at the expense of his employees in trying to reform an unreformable world. But on further reflection, I thought not.

I am pretty much persuaded that what senior business executives spend most of their time doing is attending to only one major part of their jobs. This is the part that comes most naturally to all of us—and that is simply managing the business. That function is obviously a critical one if your business is to prosper—and indeed if you are to survive personally. But in my judgment it must not be done to the neglect of the other part of the job, which is difficult, frustrating, confusing—and often misunderstood within your own organization. And that, of course, is attending to the community, public, social, political and governmental problems that, without better and more successful attention, will make quite impossible simple survival of our businesses with profit over time. But is that really our jobs?

Isn't that someone else's, while we run the productive and service machinery of this economy? You can look at it that way, most people used to. Many still do. I happen to believe that it is a terribly risky point of view.

To step back a page or two for a second—I think I know why I came and won't forget it when I leave. It is to see to the survival of my business over time, and to see to it in a way that will permit its healthy survival. I doubt that many of you would quarrel with that. Our difference, if any, would be of methodology and emphasis.

It is currently popular for the business community to make its case for healthy survival somewhat as follows:

A. The only meaningful jobs for the majority of people are private industry jobs.

B. We will continue to provide those jobs if we can be profitable and grow.

C. To grow we need adequate capital, and adequate capital follows adequate profit.

D. Government intervention, regulations, requirements and particularly interference with freedom of pricing destroys profit and hence jobs.

E. And so, deter us at your peril, not ours.

Now you and I know that there is a lot of truth to that case. The principal problem is that it is persuasive to us, but to few others. And how can that be so?

It can be so because while there is a lot of truth in it, it is not the whole truth. I'm reminded of an article by Irving Kristol that appeared in the Wall Street Journal three years ago this week.

It's the one in which he likened the large corporation to the dinosaur lumbering away to extinction. That warning metaphor may have had the unfortunate effect of overshadowing the second and most instructive part of his message. That was that the large corporation could no longer be a single-purpose institution, an economic institution directed solely to economic results.

About a year later Professor Kristol looked in on his dinosaur herd again and wrote about all of us. He said—"Everyone wants to be loved, and it always comes as a shock that there are people who dislike you for what you really are rather than for what they mistakenly think you are." He went on to describe the "New Class" of people working the business system and urged its education in the actualities of business and economics. But he pointed out that the business community must first be educated. We must come to better understand the sociological and political actuality that we are operating in. In a democracy, powerful institutions must be ability attentive to the public interest—and I might add to the public interest as the public views it.

And to do this will involve an incredibly complex, difficult and often mutually inconsistent series of involvements by business. Let me illustrate by simply suggesting a random list of some of our problems as I see them. They include the following:

1. Many people are hostile, or at best suspicious, as a result of the continuing disclosure of political payments, payoffs in foreign countries and the like.

2. There is orange smog over Phoenix and a white haze smothering San Francisco.

3. Our marketing messages promise perfection but it still comes as a surprise when the new washing machine or vacuum actually works.

4. There are increasing numbers of people driving without insurance, physicians practicing without insurance and small businesses making machines without insurance—because of price and availability of coverage.

5. Even when unemployment is high and the economy slack, consumer prices as well as highly visible industrial prices continue to rise.

6. There are a number of cities on the verge of outright failure, and a far greater number desperately ill—and this means that there are countless people who themselves are ill, poorly fed, inadequately protected, kept busy but not educated, and seemingly defenseless in this world of general affluence.

7. And very recently there have been many people just plain cold and many others out of work because the gas ran out.

I guess that may be enough of a list to make my point. My point is that all of those are our problems—not exclusively problems of business, but nevertheless ones that we fail to address at our peril.

Where do we start?

People who mistake the front page of a newspaper for a mirror and believe that it reflects the reality of everyday life have a simple answer for us. That is, "Clean up your act."

Now if in fact fixing, gouging and bribing were typical, they would of course be printed with the wedding announcements, obituaries or steamship sailings instead of on the front page. However, we might consider cleaning up our act just on principle. It wouldn't end criticism, but it would at least force the critics themselves to distort, lie and overreach a bit.

Cleaning up our act demands that we be morally unambiguous within our organizations, but not that we preach to the multitudes outside. Doing good by stealth may not seem to be the most productive way to influence public opinion—but between the SEC, EPA, OSHA, EEO, IRS, FTC, campaign financing laws and anti-trust regulations, it's even easier these days for an executive to get caught on a technicality than it is for a mugger to get free on one. This makes preaching a hazardous occupation. But let no one who works for us be tempted to cut corners, or even be confused.

But obviously cleaning up our act won't go very far toward that list of problems I gave you, so we must fix up our act as well as clean it up. And this will be costly indeed. But that short run cost will be relatively insignificant against the longer term cost of business as usual. And by fixing up our act I emphatically do not mean simply operating within current laws and regulations.

I don't know enough about your businesses to suggest what tools you need to do the fixing, but I can suggest a few in the insurance business—again just a random sampling. Take the compex issues of national health insurance—we had better quit arguing for the moment about the best methods of financing and the role of the private insurance companies in administration and get on with the urgent problem of cost containment. If medical care costs continue to escalate at more than double the cost of most consumer goods, there is nothing at the end of the road but a federal government financed, controlled and administered system of health care in this country. We in the insurance business might like to consider ourselves primarily a conduit and service facility but if we can't find a way to keep health care affordable we will have no role to play, and more importantly the public will be ill served by the new system. This has the potential to make us antagonists to the physicians, dentists and hospitals—it need not necessarily—but if it does, so be it. Business as usual for them happens not to be one of my primary values.

Or take the issues of affordability and availability of insurance in auto, product liability and medical malpractice. We cannot much longer sit back and say, however truthfully, that our function is simply to provide insurance at a fair price when the risk is one we can afford to take. If by a combination of social and legal changes our product is beyond the ability of our customers to pay, we had better make urgent efforts to change the system. And failing that, we had better come up with government or combined government and private solutions that may well remove us from some markets. The important thing is that the public be served if we are to stay in business.

We have innumerable issues like these and you have them ranging from product safety, to environmental protection, to product affordability, to quality of service and repair—and more.

But let's assume that the millennium has arrived and we have cleaned up our act and fixed up our act—and "wonders of wonders" the media and the consumer advocates agree with us. Are we then home free? In my judgment, No. We still have those problems that we prefer to leave to someone else—it may not be fair that those be considered our burdens, but they will be. Speaking of unfairness, it reminds me of the baseball game where the second base umpire called a runner "Out" when he clearly reached the base before the ball. The fans erupted shouting "He was 'Safe'." That's nonsense. He may have gotten there first but if the umpire called him out he was out.

As a bit of a preface to my view that we must tackle the remainder of that list of problems, let's give a moment's consideration to the notion that all institutions may be linked. We seem to have sunk together, and by some reversal of Archimedes' Law. When one institution sinks further, the others do not rise. The business crisis results not only from what we too often really are—good managers of the easily manageable—but also from the general institutional crisis. That larger crisis is a grave one because institutions are all that shelter people from the forces of raw nature, raw passions and raw economic laws that are neither just nor merciful.

Let's consider also that the real concern of many people may be the sense of having lost control of their lives. They sense this from the unemployment of competent, industrious people—and from society's ability to educate but not to employ their children. They sense this from the impact of inflation on their ability to save and on the value of retirement income. They sense this in the feeling of being manipulated by corporate and political America—the tendency of the country's leadership to consult opinion polls and tell people what they think people want to hear.

Now back to my basic thesis, which is simply this. If we in fact have or are perceived to have the ability or the power to help solve these—let's call them public problems—then we will be expected to do so. And if we do not, and they are not solved, we will be operating constantly in an environment where we are viewed as obstructive or insensitive to human needs.

Sensible political and governmental solutions and programs which are in the best interests of the public—the individual—as well as benefitting the large corporate enterprise, are just not possible in that environment.

If we are operating successfully for the moment but the tangible needs of many are unfilled—whether it's housing, fuel or jobs—don't expect a rational and sympathetic audience as to our special business problems. Irving Kristol was so right when he remarked that the need for an adequate return on equity is a frail argument to a housewife waiting in line to buy gasoline. She "knows" the oil companies are evil. If the more intangible needs continue to be unfilled—or at least remain terribly out of balance—whether they be justice, freedom, respect, or opportunity—don't expect an upsurge of public sympathy or understanding for businesses' needs.

And finally, we and the public have a very close and common stake in the role of business as a full-fledged partner in these areas. In a very perverse sort of way our shortcomings are in themselves a very powerful deterrent to sensible solutions of many of these same problems. People have been cold and out of work this month, in part because the Congress has been unable to adopt an energy program. This is largely because they cannot bring themselves to adopt programs that will serve the consumer in the long run because along the way they would also help business. The only long term solution is for us to quit being single purpose economic entities and get on with the doing of all of this nation's business—not as a government—but as a group of institutions who have a vital stake in the hunger or injustice in the life of each person living in our cities.

I am attached to the free economy system, and not only because it's been good to me. I am convinced that more than any other system it can offer everyone the richest mix of benefits, incentives, liberty, justice and mercy. But my judgment is only one of many conscious and subconscious votes. Unless our overall performance is perceived as in fact delivering the richest mix of benefits, incentives, liberty, justice and mercy, the best we can hope for ultimately as individuals is a civil service post in the bureaucracy. And if we mess up a system that

we like, imagine what we'll do to one that we don't!

So in closing I will change Governor Stevenson's admonition a bit. I would suggest that well before you leave, you not forget why you came.

THE GENOCIDE CONVENTION AND INITIATIVES AGAINST AMIN

Mr. PROXMIRE. Mr. President, serious charges of genocide continue to be raised against President Idi Amin of Uganda. In my remarks to the Senate, I raised the point that ratification of the Genocide Convention would emphasize the moral abhorrence our Nation feels toward official acts of violence as those that appear to be occuring in Uganda. More importantly, ratification would lend moral credence to our indignation and that of the world community to such heinous acts.

I find that I have support in this position from William Buckley, Jr.

In a column entitled "Initiatives Against Amin," in last Thursday evening's Washington Star, Mr. Buckley states the case for reviving the Genocide Convention in our protests against Amin's reprehensible actions.

He reminds us that the Genocide Convention was drafted as the only significant tribute that could be paid to the 6 million Jews who died in the Nazi holocaust.

His call to action is one which I have repeatedly pleaded with the Senate to heed. Mr. Buckley writes:

> We are sitting about with an international Convention which threatens now to be meaningless. It is a bizarre thing to say, but it is true, that if Amin is not stopped, the Jews of Europe will have died in vain.

Mr. President, ratification of the Genocide Convention by the Senate now is a prerequisite to the effective use of this treaty as Mr. Buckley suggests.

It must be clear by now, Mr. President, that this treaty enjoys the broadest possible support. Every administration since the time of President Truman has endorsed it as well as specific endorsements from the Defense Department, the American Bar Association, the American Civil Liberties Association, numerous civic and religious organizations and now, Mr. Buckley.

I ask unanimous consent, Mr. President, that Mr. Buckley's column be printed in the RECORD for my colleagues to review.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Mar. 3, 1977]

INITIATIVES AGAINST AMIN

(By William F. Buckley, Jr.)

Now it is said by refugees that General Amin has given order to liquidate two Ugandan tribes, an undertaking which if consummated would perhaps double, even quadruple, the number of Ugandans slaughtered by General Amin since he took power. Everyone believes something should be done about it.

A book recently published in West Germany explores the Nuremburg trial and reaches two conclusions. The first is that the trial was legitimate, that the conventional objections to it based on *ex post facto* law and the impurity of a tribunal that included a Soviet judge, cannot be sustained against all the arguments that can be marshalled in favor of the trial. The second conclusion is that the Nuremburg trial was a strategic failure. The reason it was so adjudged is not that it resulted in the hanging of a dozen Nazis who deserved that fate. But that it failed in its ultimate purpose.

This purpose was most explicitly in the minds of the prosecutors and most of the judges at the trial. It was to elevate genocide to special consideration in the community of nations. There was nothing to be done to bring back six million Jews who died in the holocaust. Only one significant tribute could be paid to them: The assurance that such a thing would not happen again. Accordingly, the Convention on the Prevention and Punishment of the Crime of Genocide.

This Convention, to which most countries and all African countries are signatories, has been in force since January 1951. It can be said to be moribund in the same sense that Connecticut's anti-sodomy statute is moribund. Any Convention never invoked, notwithstanding that it prohibits activity that is current, is dead-letter law, though its revivification is not excluded.

Not since the holocaust has genocide been carried to such lengths as in Cambodia by the Khmer Rouge during 1976. Before that, the North Vietnamese, whose victory would, it was widely predicted, bring a bloodbath, held their fire. But what is going on now? Vietnam's communists have banished three quarters of a million Saigonese to "new economic zones." Over 50,000 people who served in the government are now in "re-education camps." What exactly is a re-education camp? Was Auschwitz one? We do not know, and are not likely to find out.

No less a figure than Ramsey Clark, the former attorney general—whose solicitude for open-mindedness went so far as to bring him to broadcast from Hanoi that our prisoners of war were being well treated, even as they suffered torture—has been rebuffed. Along with other antiwar activists he requested the government of North Vietnam to observe the civil rights of South Vietnamese, and for his pains has been called by Hanoi a "barbarian" and "U.S. imperialist." The mandate of Nuremburg is unneeded.

So what can be done about the mad Amin? Above all, it is necessary that the black African states take the initiative. In the absence of concerted action by them, action by others appears to be interventionist and condescending. One can imagine how the world would react if Vorster of South Africa announced that he would undertake, beginning soon, the liquidation of 50,000 troublemakers. Joan Baez would be calling for nuclear war. But if it is only blacks who are to be slaughtered . . .? The community of nations should rouse itself to this point.

The key non-African figure is Andrew Young. He is perfectly situated to take the initiative against Amin. The Security Council should take up the Ugandan question immediately. Sanctions should be voted, the country isolated. Somebody's CIA—not ours, as we do not wish to give offense, you know—should take the initiative internally.

Amin is making gestures so wild as to be grotesque. We are sitting about with an international Convention which threatens now to be meaningless. It is a bizarre thing to say, but it is true, that if Amin is not stopped, the Jews of Europe died in vain.

ELECTORAL COLLEGE

Mr. BAYH. Mr. President, I am pleased to announce three new cosponsors of Senate Joint Resolution 1, the proposed direct election amendment, the Senator from Oklahoma, Mr. BARTLETT, the Senator from Utah, Mr. GARN, and the Senator from Vermont, Mr. LEAHY. The total number of cosponsors of Senate Joint Resolution 1 is now 45.

I would also like to enter into the RECORD, Mr. President, the February 10 press release of the Gallup poll. It is significant that of those responding with an opinion, 84 percent approved doing away with the electoral college and instituting direct election of the President and Vice President. It is of particular interest that every region of the country approved direct election overwhelmingly. Persons of both major parties and those identifying themselves as independents also concurred in approval.

Responses recalculated to show the percentage approval of those responding—leaving out those with no opinion—are as follows:

Approve of the direct election amendment

	Percent
Nationwide	84
East	80
Midwest	87
South	79
West	85
Republicans	85
Democrats	80
Independents	88

I ask unanimous consent to print in the RECORD the press release of the Gallup poll dated February 10, 1977 in its entirely.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

PUBLIC TO CONGRESS—RETIRE THE ELECTORAL COLLEGE

(By George Gallup)

PRINCETON, N.J.—With the battle to abandon the electoral college once again joined in Congress, the American people have added their voice to the debate—by a five-to-one margin the public favors a constitutional amendment that would eliminate the electoral college.

In Gallup surveys since 1948 the public has favored changing the present system and since 1968 has expressed a desire to switch to the direct popular election of the President. In the latest survey, three persons in four, 75 per cent, approve amending the Constitution to provide for direct election. Only about one in seven, 14 per cent, opposes such a change and the balance are undecided.

A Senate Judiciary subcommittee is presently holding hearings on a plan under which presidential and vice-presidential candidates who received the most popular votes would be elected. If no ticket received at least 40 per cent of the vote, a run-off election between the two top tickets would be held.

Support for this constitutional amendment in the latest survey is widespread and bipartisan. Huge majorities in virtually every socio-economic group favor changing to direct popular election.

Members of both major parties and independents express at least 70 per cent support with Republicans and independents (79 and 82 per cent, respectively) more likely than Democrats (71 per cent) to concur.

This question has been asked since 1966 to determine attitudes toward the change:

"Would you approve or disapprove of an amendment to the Constitution which

would do away with the electoral college and base the election of a President on the total vote cast throughout the nation?"

Here is the trend and the latest results:

Approve or disapprove of eliminating electoral college

[In percent]

	Approve	Disapprove	No opinion
Latest	75	14	11
November 1968	81	12	7
October 1967	65	22	13
January 1967	58	22	20
January 1966	63	20	17

And here are the latest results by demographic groups:

[In percent]

	Approve	Disapprove	No opinion
National	75	14	11
Men	78	14	8
Women	72	15	13
Whites	79	13	8
Nonwhites	48	25	27
College	80	16	4
High school	74	14	12
Grade school	66	11	23
Under 30 years old	74	18	8
30–49 years	75	14	11
50 years and older	76	12	12
East	76	16	8
Midwest	82	12	6
South	67	17	16
West	75	13	12
Republicans	79	13	9
Democrats	71	17	12
Independents	82	11	7

HISTORICAL ALTERNATIVES

The present system of voting for electors who in turn vote for their preferred candidate is the result of a compromise reached when the Constitution was written in 1787.

At the constitutional convention, direct election (as is currently proposed) was opposed in the belief that the people were not well enough informed to make an intelligent judgment and because of the fear they would vote disproportionately for favorite-son candidates.

Election by the Congress was rejected because of the feeling it would limit presidential independence from congressional pressure. Similarly, election by state legislatures was disclaimed because it was felt an indebted President would not be so apt to curtail state usurpation of federal authority. The electoral college, which gives each state one electoral vote for each member in Congress, was finally adopted to accommodate all factions, but since 1797 hardly a year has passed without a plan to change the electoral college. Only one, which became the 12th Amendment (providing for separate voting for President and Vice President), has been adopted.

Most recently, in 1969, the House approved a plan which, like the present one, would have eliminated the Electoral College and elected the President by direct popular vote. After passing the House by a 338–70 vote, the plan was killed by Senate filibuster.

Like any constitutional amendment, the present plan must first receive a two-thirds majority vote in both houses of Congress and then be ratified by three-quarters of the state legislature.

OBJECTIONS

Those who favor changing the present system do so for many reasons, but chief among them is the fact a candidate can now become President while receiving fewer popular votes than his opponent. This has occurred three times in the nation's history and almost happened in 1968 and 1976.

Dropping the electoral college would also remove the possibility of such historical anomalies as (1) a party running multiple candidates (the Whigs did in 1836) and (2) leaving a party with no candidate (in 1872, Democratic candidate Horace Greeley died after the election but before the electors met, leaving the Democratic electors with no candidate).

Other arguments of those who favor doing away with the Electoral College include:

Apportioning votes among the states gives a disproportionate influence to the smaller states;

Not all electors are bound to the wishes of their constituents and may choose to disregard their desires;

The present "unit rule," which generally awards the total electoral vote to a state's popular vote winner, disenfranchises all those who voted for the loser.

Opponents of electing the President by direct popular vote include:

Those who, like Sen. Strom Thurmond (R-S.C.), say it would not represent "true federalism";

Some in small states who feel it would diminish their power;

Certain interest groups who, if concentrated in big states, can at times cast a "bullet vote" and throw the entire state's vote (and perhaps the election) to their candidate;

Those who feel a direct popular vote with a run-off proviso would turn the election into a shakedown contest for a wide field of candidates;

People who fear the fragmentation and breakdown of the parties.

OTHER ALTERNATIVES

Aside from direct popular vote, two other basic alternatives have, from time to time, been advanced;

The district plan, which was used early in American history, would award electoral votes to the popular vote winner in each congressional district with the two senatorial votes going to the state's overall popular vote winner.

The proportional plan, which would give the state's electoral votes in proportion to the division of the popular vote. For example, if a candidate received 60 per cent of a state's popular vote he would be awarded 60 per cent of its electoral votes.

The findings reported today are based on in-person interviews with 1,467 adults, 18 and older, conducted in more than 300 scientifically selected localities across the nation. Interviews were conducted during the period Jan. 14–17.

FEDERAL ENERGY ADMINISTRATION STRATEGIC PETROLEUM RESERVE PLAN

Mr. JACKSON. Mr. President, during the February recess the Federal Energy Administrator, John F. O'Leary, resubmitted to the Congress the Federal Energy Administration's strategic petroleum reserve plan. The plan is designated "energy action numbered ten." This plan was prepared by officials of the previous administration and released to the public on December 15, 1976. The Senate Committee on Energy and Natural Resources—then the Committee on Interior and Insular Affairs—reprinted the FEA plan, and this document, Energy Publication 95–2, is available to Members and the public upon request from the committee document library, room 3200 of the Dirksen Senate Office Building.

The submission of this plan is required by section 154 of the Energy Policy and Conservation Act (P.L. 94–163). This act authorizes the creation of a strategic reserve of up to one billion barrels of crude oil and refined petroleum products. The FEA plan for the reserve would become effective at the end of the 45th day after transmission to the Congress unless a resolution disapproving energy action numbered ten is passed by either House. The procedure for review of the plan is outlined in sections 159 and 551 of the act.

Because the resubmission of the FEA plan by Administrator O'Leary is considered to have taken place on the first day on which both Houses were in session following the February recess—that is, on February 21, 1977—the 45-day review period will expire on midnight, April 6, 1977. Senator KENNEDY has introduced a resolution of disapproval (S. Res. 73) which, if adopted by a majority of the Senate, would prevent implementation of this plan. This resolution has been referred to the Senate Committee on Energy and Natural Resources.

The committee has no plans at this time to report such a resolution to the Senate. However, it is in order for any Member to move to discharge the committee at any time. Debate on such a motion—which if made would be highly privileged—is automatically limited with respect to time according to section 551 of the act.

On February 4, 1977, prior to resubmission by the present administration, the Committee on Energy and Natural Resources held a hearing to review the FEA plan. Testimony was received from FEA, from Members of Congress and from several private witnesses. Subsequent to that hearing, several questions concerning the plan were submitted to Administrator O'Leary for response for the record. These responses have recently been received in the committee offices.

I ask unanimous consent that the letter from Administrator O'Leary transmitting the plan, his testimony of February 4 before the committee, and the responses to questions submitted by committee staff and by Senator KENNEDY be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. I am asking that this material be printed in the RECORD at this time in order to provide Members of Congress and the public with additional background information with respect to the issue of strategic petroleum reserves. It is unlikely that the record of the committee's hearings will be published in a timely fashion considering the limited 45-day period available for congressional review. I believe my colleagues should have access to this information now, well before the expiration of the statutory review period.

Members should also be aware of a report prepared by the General Accounting Office entitled "Issues Needing Attention in Developing the Strategic Pe-

troleum Reserve." This report, labeled EMD 77-20 by GAO, was released on February 16, 1977. I have asked FEA to prepare a complete analysis of the issues raised in the GAO report, and I intend to insert the FEA's response in the RECORD when it is received by the committee.

Mr. President, this program is an insurance policy for the Nation, designed to protect the domestic economy in the event of a future oil embargo. We should begin the task of constructing the needed crude oil storage facilities and arranging for purchase of the oil to be stored.

The Ford plan called for storage of 150 million barrels of crude oil by the end of 1978. I am gratified that the Carter administration is advocating a more rapid fill of the reserve, leading to storage of 250 million barrels by the end of this time period. This accelerated rate of fill was endorsed by witnesses at the committee hearing.

In addition, compelling testimony was presented at the hearing concerning other needed amendments to the present plan. The act, in section 159, specifically contemplates subsequent amendment of the plan at the initiative of the FEA Administrator to correct omissions or take account of changing circumstances. I urge Mr. O'Leary to analyze the questions raised at the committee hearing carefully and submit amendments promptly where such amendments are justified.

However, I believe strongly that the basic program of crude oil storage should go forward with all deliberate speed. I, therefore, urge my colleagues to permit the present plan to become effective as contemplated in the act. The creation of this reserve is an important signal to the OPEC cartel. We should send that signal without delay.

EXHIBIT 1

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C. Feb. 16, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I hereby transmit to the Congress the Strategic Petroleum Reserve Plan of the Federal Energy Administration. This Plan, detailing the Administrator's proposals for designing, constructing, and filling the Strategic Petroleum Reserve, and furnishing other information about the Reserve, is submitted in accordance with the requirements of sections 154, 159 and 551 of the Energy Policy and Conservation Act, Public Law 94-163 (December 22, 1975), and bears energy action identification number 10. The Plan shall take effect following forty-five days of continuous session of both Houses of Congress, unless approved or disapproved by Congress prior thereto.

This Strategic Petroleum Reserve Plan was developed during the previous Administration. I intend to review closely the provisions of the Plan, including the determination reflected therein not to establish a Regional Petroleum Reserve, as well as the FEA's proposal to utilize the Emergency Petroleum Allocation Act of 1973 to allow the Government to acquire crude oil for the Reserve at a price near the national average composite price to refiners.

However, I urge the Congress not to await the outcome of this review before permitting the Strategic Petrolem Reserve Plan to become effective. Our nation's growing dependence on oil imports makes it essential that this critical program proceed without delay. If it appears that revisions in the Plan are merited, I will not hesitate to propose appropriate amendments to the Congress.

The Strategic Petroleum Reserve Plan originally was transmitted to the Congress on December 14, 1976. By inadvertence, no energy action identification number was affixed to the Plan. Because this omission has created uncertainty as to the potential effectiveness of the Plan, I am today resubmitting it, bearing the prescribed identification number.

Sincerely yours,

JOHN F. O'LEARY,
Administrator.

REMARKS OF JOHN F. O'LEARY, ADMINISTRATOR, FEDERAL ENERGY ADMINISTRATION, BEFORE THE SENATE INTERIOR COMMITTEE, FEBRUARY 4, 1977

I am pleased to be with you today to discuss the strategic petroleum reserve (SPR) program. I will begin by giving you some background information on the strategic reserve and how it is being developed and then have Mr. Thomas E. Noel, who is our Assistant Administrator for this program, explain our plans in greater detail and answer any questions which you may have.

THE NEED FOR A RESERVE

The interruption of petroleum supplies during the winter of 1973-74 and the resulting petroleum shortage caused severe economic impacts on the U.S. economy and emphasized our vulnerability to interruptions in imports from the major oil exporting nations, and to other supply disruptions. There has been considerable discussion and debate since that time, but little consensus, as to which are the best measures to increase energy conservation and domestic energy production to reduce our dependence on foreign oil. However, one truly constructive proposal growing out of the last embargo, which appears to have widespread bipartisan support, is the strategic petroleum reserve program.

After the last embargo, a number of bills providing for a strategic reserve were introduced in the 93rd Congress. The strategic petroleum reserve program ultimately became a reality, in December 1975, as part of the energy policy and conservation act. The act, declaring it to be U.S. policy to store up to 1 billion barrels of petroleum products, provides for an early reserve, to contain at least 150 million barrels by December 1978, and for an eventual storage system of at least 500 million barrels by December 1982. It is estimated that a 500 million barrel reserve, combined with conservation measures, can essentially replace lost imports, for a period of 6 months for the most likely interruptions. In addition, the mere existence of the oil reserve may serve as a deterrent against future oil import interruptions.

HOW THE PROGRAM WILL OPERATE

For the past year, as the level of our petroleum imports has increased, the FEA has worked to design the most efficient storage program possible within the legislative guidelines. Since the basic purpose of the program is to replace interrupted supplies, thereby keeping the existing supply and distribution system operating effectively, FEA identified those areas of the country most dependent on imported oil. The three market areas most dependent on oil imports that are likely to be interrupted are: The interior of the country served by the major crude oil pipelines fed from the Gulf Coast; the Gulf Coast refinery complexes; and the east coast and Caribbean refineries. More than half of our crude imports (56%) presently are received on the Gulf Coast; 25% are received on the east coast; and 16% are received in U.S. Caribbean refineries.

In order to plan a reserve of the appropriate size and design to effectively diminish the Nation's vulnerability to petroleum supply disruptions, a wide range of possible import interruptions was considered, and the work in this regard was coordinated with the national security agencies. Based upon our past experiences, the conclusion reached was that the program should be planned to meet a supply interruption of about 3.3 million barrels per day.

The storage program would be a key part of our strategy to deal with this kind of emergency. It would of course be coordinated with standby mandatory conservation measures and with our partners in the international energy agency and complemented by the use of private sector inventories.

To put a 3.3 million barrel per day supply shortfall in perspective, during the 1973 embargo, our crude shortfall was 1 to 2 million barrels per day. The loss of crude oil to various areas of the country resulting from a 3.3 million barrel per day shortfall would be as follows: East coast refineries would feel a loss of 820,000 barrels per day; the Caribbean, 420,000 barrels per day; and the Gulf Coast, 1,890,000 barrels per day.

Since it is expected that there would be only a small loss of imported refined products during an interruption and that these amounts can be made up either in slightly reduced consumption or by adjustments to refinery yields, only crude oil will be stored in the reserve. The storage of crude also provides flexibility of response to a wide range of interruptions by providing crude oil to refineries which have the flexibility to adjust yields for the production of the necessary products to meet the specific needs of an interruption. The analysis of refinery capacity expected to be available in the 1980's shows that the refineries will have more than adequate capacity to produce the desired products on a timely basis. This avoids the costly need to store refined products, which may not remain chemically stable in storage for long periods, under less preferable environmental circumstances.

In determining where storage sites should be located so that the reserve oil can function as an effective replacement for these lost imports, careful consideration was given to the existing petroleum refining and transportation network. This brings me to an important point about the philosophy underlying the design of the reserve system. Basically, FEA believes that the Government should not expend funds or commit labor resources to the construction of distribution facilities that the private sector is willing and able to undertake. In effect, the Government should not duplicate components of an oil distribution system that already exist.

In essence, the storage sites will be located where they are most accessible to existing tanker or major crude oil pipeline terminals, or both, to provide for rapid withdrawal during an interruption, and to permit the reserve to be used for a wide range of interruptions. The locations that provide the greatest flexibility appear to be in the gulf coast because that area already receives the majority of imports and provides ready access to the primary imported crude oil distribution system of the country. Storage in this area can feed the major crude oil requirements of the interior, the gulf coast refineries, and east coast, west coast, and noncontiguous area refineries by pipelines or tankers, or by combinations of the two.

STORAGE SITES AND FACILITIES

In order to determine the most efficient and cost-effective mode of storage for the reserve, a number of alternative types of storage facilities were examined. Among those considered were solution-mined caverns, conventionally-mined caverns, surface tanks, mothballed tankers, depleted oil wells, shut-in oil production, and others. The analysis has shown that salt dome caverns, mines, or rock caverns are the lowest cost forms of storage. Underground storage also minimizes environmental problems and at the same time provides maximum security.

Eight candidate sites—three salt domes, with existing leached caverns, and five exist-

ing mine sites—have been selected for potential development for the early reserve. The sites are grouped by proximity to major crude oil distribution centers, as follows: at Freeport, Bryan Mound would serve the Texas/Seaway Pipeline; West Hackberry would serve the Texas/Texoma Pipeline at Nederland; Kleer Mine would serve downstream Texoma; and Bayou Choctaw, Weeks Island, and Cote Blanche would serve Louisiana/Capline at Saint James. Each of these sites could also serve local refineries and other areas of the country by tanker as well. The Central Rock and Ironton mines would serve the Ashland or Mid-Valley Pipelines. In this manner crude oil stored in selected sites would be used to replenish petroleum supplies lost during an import interruption.

REGIONAL PETROLEUM RESERVES

Reserves for those regions of the country heavily dependent on imports, as well as reserves for noncontiguous areas of the country, will be maintained in the large central crude oil storage facilities. During an interruption, crude oil from these facilities will be allocated to refineries to assure an equitable distribution of available supplies, thereby permitting a contiguous flow of products through the distribution system.

FEA has concluded that sufficient transportation and refining capacity will be available to distribute and refine centrally stored crude oil with no inequitable effect on either import-dependent regions or noncontiguous areas. The availability of crude oil and refined product inventories for the regions and noncontiguous areas, combined with imports in transit, will provide adequate time to obtain crude oil from the central reserve, transport it to refineries, and distribute the refined products to users before import-dependent regions or noncontiguous areas are impacted in the event of a severe supply interruption.

INDUSTRIAL PETROLEUM RESERVE

FEA is authorized by the energy policy and conservation act to require petroleum importers and refiners to store 3% of their throughput or imports as an industrial petroleum reserve (IPR). After weighing the advantages and disadvantages of exercising this discretionary authority and based on comments received during a public hearing, the FEA has decided not to exercise its discretionary authority at this time. Analysis has shown that an IPR would probably result in higher costs to the economy due to the higher costs of storage developed by each refiner and importer. An IPR could also result in adverse impacts on the competitive environment within the petroleum industry and upon the competitive position of individual firms. Most importantly, dispersal of a portion of the reserve through an IPR could reduce the overall effectiveness of the reserve in responding to a variety of supply interruptions.

FEA recognizes that the use of the industrial storage authority could force the direct beneficiaries of the program, rather than the taxpayers, to pay for part of the program. FEA will continue to study the use of industrial storage, and of petroleum inventory levels to be maintained by industry, as a means of reducing U.S. vulnerability to interruptions. It is especially important that industry not begin to rely on SPR stocks as a substitute for prudent levels of their own inventories.

ACQUISITION OF OIL FOR STORAGE

After examining several options for acquiring oil to fill the reserve, it has been determined that the crude oil to be stored should be obtained through the normal federal procurement procedures. FEA will request offers from interested sellers. A revision of the crude oil entitlements program to permit a class of suppliers of oil to FEA to earn "entitlements" to price-controlled domestic oil as a result of delivering oil for storage is also being considered. This modification in the entitlements program would result in prices for the reserve oil near the national average composite price (imports included). It would reduce the cost of the program to the federal budget by about $500 million while adding less than two-tenths of a cent to a gallon of petroleum products, until price controls expire. It may provide an equitable way for the petroleum industry and petroleum consumers to pay a proportionate share of the costs of the reserve, which would directly benefit both the industry and petroleum consumers during an interruption.

We have concluded that it would be undesirable to take royalty oil for the reserve because of the disruptive effect it would have on those small refiners now relying on that supply. It now appears that it would not be economical to use oil directly from the naval petroleum reserves because of the expected high market prices of that oil in the future, and because logistical difficulties associated with using the oil. Instead, it is expected to be preferable to sell that oil at market price and to use resulting revenues to acquire other oil that is more suitable for the reserve. If changes in the availability or estimated costs of royalty oil or NPR oil make either of these sources attractive in the future, FEA will propose a revision to the plan to take advantage of these circumstances.

COST OF THE RESERVE PROGRAM

The cost of purchasing and transporting the crude oil will account for approximately 90% of the total 500 million barrel program which is expected to cost between $7.5 and $8.0 billion.

This cost estimate for crude oil assumes that all reserve oil, including imports, will be obtained at the national average composite price. The average cost of construction and land acquisition for salt caverns and mines is estimated at between $1.38 and $1.65 per barrel and will occur primarily in the earlier phases of SPR development.

These costs are high, but storing oil in this reserve is much the same as buying an embargo insurance policy for America. I am totally convinced that we as a nation will find the premiums on this policy well worth the protection it offers.

The SPR plan now before the Congress was submitted in accordance with the statutory deadline of December 15, 1976. This, it was developed by the FEA during the previous administration and reflects the energy policies of that administration.

As you know, President Carter intends to develop comprehensive national energy policy recommendations and submit them to the Congress within the next 90 days. Such a policy framework, once developed, will allow the new administration to judge in a comprehensive fashion the appropriateness of specific energy actions, including the SPR program. Thus, while the new administration generally supports approval of the current SPR plan now before the Congress, it will also be reviewing the specifics of the SPR program in the context of its own energy policies and will submit to the Congress such amendments to the plan as appear appropriate, after this comprehensive review.

I will be pleased to answer any questions you may have.

Thank you.

U.S. SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
Washington, D.C., February 7, 1977.

Hon. JOHN F. O'LEARY,
Administrator, Federal Energy Administration. Washington, D.C.

DEAR MR. O'LEARY: At the February 4 hearing held by the Senate Committee on Interior and Insular Affairs on the Federal Energy Administration's Strategic Petroleum Reserve Plan, a series of questions were raised which I believe should be answered in writing for the record. A list of these questions is enclosed.

As you know, the Plan is before the Congress for a period of review which will elapse this month. It would, therefore, be desirable to have your answers to these questions at the earliest practicable time. I urge your prompt attention to this matter.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

ENTITLEMENTS FOR FUNDING THE RESERVE

Your plan proposes granting entitlements to anyone selling oil to the reserve. This will transfer some of the cost of paying for the oil to current users of petroleum products.

Please provide for the record the details of the entitlements treatment which you plan for oil purchased for the reserve.

Provide also, details with respect to your plans for utilizing the purchase authority granted under section 456 of the Energy Policy and Conservation Act (P.L. 94-163).

INTERIOR COMMITTEE QUESTIONS

CURRENT STOCKS

The U. S. has told the International Energy Agency that present industry petroleum stockpiles are equivalent to 120 days of total oil imports. Is it true that stocks presently held by industry could be drawn to replace all our imports for four months? Shouldn't this potential supply be considered part of the reserve?

AMENDMENTS TO THE PLAN

The EPCA provides a procedure for amendment of the Strategic Petroleum Reserve Plan at the initiative of the Administrator. What amendments do you know about now which will have to be submitted to the Congress? When will they be submitted?

TIMING OF FILL OF RESERVE

What is the likelihood that the present plan for filling the reserve can be accelerated, so that more storage can be available—and filled—sooner?

Prior to your testimony the Committee heard from Senator Spark Matsunaga and Mr. Alfred Harris of the State of Hawaii on objections of the State to one aspect of the plan. While we know that you have probably not yet familiarized yourself with this specific issue, can the Committee expect that FEA will work with the State of Hawaii in a reexamination of this matter? If so, can we ask that you keep the Committee apprised of any developments?

DISPOSITION OF OIL FROM THE RESERVE

Suppose we had an embargo with the reserve—or part of it—in place. How would the Government make this oil available to U.S. refiners?

Would oil go only to U.S. refiners, or would some be exported to Caribbean refineries?

What would be the price of the oil?

What allocation mechanism would be used?

Describe the price and allocation regulations you would intend to use.

When will the detailed rules and regulations to be used be provided to the Congress for review?

In formulating the SPR plan, particularly those portions dealing with the behavior of the petroleum market and the response of the market to interruptions, did you consult with members of the petroluem industry, major users or purchasers of petroleum products, such as residual fuel oil, or other persons familiar with the operation of that market? If so, whom?

In formulating that portion of the SPR plan which deals with regional storage, did

you consult with any persons familiar with the operation of the market in residual fuel oil, such as major utilities or other large purchasers? If so, whom?

RESIDUAL FUEL OIL

Residual fuel oil is the refined petroleum product which is most heavily supplied by imports. Yet the plan calls for no residual storage.

How fast can the domestic system contemplated in the plan react to a cutoff in crude oil to the foreign resid refineries which supply our imported residual fuel oil?

Do you intend to reevaluate the decision in the current plan not to store residual fuel oil? Please comment on the view, expressed by several witnesses, that 15 million barrels of residual fuel oil and/or No. 4 fuel oil should be stored in New England.

ROYALTY OIL AND ELK HILLS OIL

The Federal Government could have access to considerable amounts of oil from royalties from production on Federal lands and the OCS (according to our information, about 50 million bbl per year above oil now taken by small refiners) and from Elk Hills (potentially 100 million bbl per year at full Elk Hills production rates). Why isn't this oil being given greater consideration for inclusion in the reserve rather than buying oil from OPEC?

How many small refiners now use royalty oil?

TANKER LIGHTERING IN THE GULF

What requirements will FEA place on the transfer of oil from the large crude carriers in international trade to smaller vessels for delivery to the reserve?

Will these requirements be clearly laid out before bids are requested for the supply of oil?

TANKER TRAFFIC IN THE GULF

Under the FEA plan, a substantial amount of additional oil will be transported to the Gulf Coast.

What percentage increase in traffic do you anticipate?

There have been a large number of tanker spills recently. What assurances can FEA give Louisiana that spills or leaks from the reserve will not contaminate the State's wetlands?

DISTRICT V STORAGE

The plan proposes no storage for PAD District V (the West Coast). We know we have problems in the transportation of energy supplies between District V and the rest of the U.S. Why shouldn't some storage be located in District V instead of keeping all of it outside the West Coast?

The SPR plan is not clear about the FEA's intent to use U.S. Flag vessels to carry at least one-half of SPR imports. Yet U.S. ships will be required to move SPR oil around the country in event of an emergency withdrawal. Therefore, it is necessary to inquire into the FEA's transportation plans:

1. The Cargo Preference Act of 1954, requires that a minimum of 50 percent of U.S. government impelled exports and imports be carried on U.S. ships. What plan does the FEA have to insure that U.S. ships are allotted at least one-half of all SPR oil imports?

2. There are several proposals under discussion regarding how the government will purchase SPR oil, including CIF contracts that give the seller the control over shipping. What provisions does the FEA intend to write into its sales contracts to assure that U.S. ships will be given at least one-half of the SPR work under all contractual arrangements?

TANKER STORAGE COSTS

The FEA plan estimates the costs of storage in tanker at $6.00 per barrel. Please provide a derivation of this figure.

Mr. Howard Marlowe, representing the National Marine Engineers Beneficial Association, strongly advocated storage of residual fuel oil in tankers off New England. A copy of his statement is enclosed. Please provide the Committee with your analysis of this testimony.

TESTIMONY OF MR. HOWARD MARLOWE ON BEHALF OF JESSE M. CALHOON, PRESIDENT, MARINE ENGINEERS' BENEFICIAL ASSOCIATION

Mr. Chairman, the Strategic Petroleum Reserve is a good idea. It was conceived in the aftermath of the Arab oil embargo when the United States saw how vulnerable our oil supply was. Before the embargo, we got about 25 percent of our oil from the Arab countries; today, the figure is over 43 percent. If we are to limit our vulnerability, we must have a strategic reserve of petroleum.

Unfortunately, the idea for a strategic reserve got into the hands of the Federal Energy Administration which, under the last administration, saw its mission as one of being the protector of the oil industry and its allied interests. The reserve plan prepared by the Ford Administration will give this country an emergency supply of petroleum at a price—and in a manner—which is beneficial to the oil companies and detrimental to the American consumer.

Following passage of the Energy Policy and Conservation Act of 1975, the Marine Engineers' Beneficial Association sponsored the preparation of a report which focused on the Strategic Petroleum Reserve which was created by that law. A copy of that report has been given to the committee staff. It made two major recommendations.

First, crude oil from the Elk Hills Reserve should be used to fill up a portion of the strategic reserve; and second, tankers should be used to store a portion of the oil in the strategic reserve.

Mr. Chairman, it is important that this committee know what happened when we addressed our recommendations to FEA on March 12th of last year. On the 30th of the same month, FEA Administrator Zarb wrote to me saying:

"While the use of tankers and barges for strategic storage appears to be feasible, preliminary cost and environmental analysis has revealed that this alternative is less attractive than certain potential underground storage sites. . . ."

I then made a request under the Freedom of Information Act for the cost and environmental data to which Mr. Zarb referred in his letter. When that information finally was received in October, it was not responsive to our request. Cost data for specific underground sites was excised from the data supplied to us by FEA so that it was impossible to make any comparison between the costs of tanker storage—for which FEA cited no figures—and the costs of underground storage—for which FEA cited only unsubstantiated figures.

FEA did provide us with two letters it had received from the Maritime Administration. The first—dated January 26, 1976—urged FEA to undertake a pilot program to assess the costs and environmental consequences of tanker storage. It cited costs for that pilot program, which was to involve only two privately-owned U.S.-flag tankers for a six month period. These costs were applicable only to the pilot program, and not to any on-going tanker storage.

The second letter—dated March 9, 1976—makes it clear that MarAd considered its cost estimates contained in the first letter to be only preliminary. In this second communication, MarAd complained that FEA had failed to provide adequate information on the quantities and types of crude oil to be stored and that FEA had under-estimated the number of Jones Act vessels which would be available for tanker storage.

Finally, and most importantly, MarAd objected to FEA's statement that the proposal to use ocean tankers for storage had been eliminated. This letter leads to the conclusion that FEA had eliminated the tanker storage alternative by March 9th, if not before. In doing this, FEA acted on what were only preliminary cost estimates. We have been unsuccessful in getting FEA to give us its own estimates of tanker storage costs despite the fact that we believe FEA has such estimates and that the estimates show that tanker storage is cheaper than underground storage.

They don't want to part with this information because they never had any intention of using tankers for storage. In fact, it is clear that FEA quickly settled on underground storage and then put blinders on so that no other alternative could get in their way.

In its Strategic Petroleum Reserve Plan of December 15, 1976, FEA makes several unsupported statements in opposition to tanker storage. First, they say there is no precedent for the use of tankers for this purpose. But this country stored grain aboard tankers during the 1950's, and other countries—such as Japan—have tanker storage programs for crude oil underway.

Second, they state that "the economics of tanker storage are very unfavorable when compared to salt domes and existing mines." Mr. Chairman, we urge this committee to have FEA supply its correspondence from the Maritime Administration, the Coast Guard, and from any private consultants which relate to the costs of tanker storage. In short, we challenge FEA's ability to substantiate their tanker cost conclusions, and we urge this committee to direct that FEA reconsider its opposition to tanker storage.

Third, FEA says that the environmental hazards of using tanker storage are "major". In light of the recent tanker accidents, this point may seem to be valid, but it is not. No vessel would be used in the Floating Reserve we propose unless it first has been inspected thoroughly, carries adequate safety and navigation equipment, is structurally sound and completely seaworthy, and is manned by properly-trained U.S. crews. All vessels in the Floating Reserve would be moored securely and under constant inspection. In addition, the so-called "venting" problem cited by FEA is grossly exaggerated. In fact, FEA's comments on this subject are little more than unintelligible nonsense.

The use of a Floating Reserve has many advantages. Not only are tankers less costly than underground storage, they are also more flexible. Tankers can be moved from one refinery or demand region to another as needs and petroleum demand patterns change. Underground storage sites are fixed. Less than 1 percent of oil stored in tankers is lost in the recovery process, while the figure for underground storage is around 6 percent.

In addition, Mr. Chairman, tankers storage would be available far sooner than the underground sites. The Strategic Reserve Plan before this committee does not meet the timetable requirements of the statute. With the continued political instability in the Middle East, it is essential that the United States act as quickly as possible to establish its strategic petroleum reserve. The use of tankers is an integral part of the total reserve plan which will help us to meet that objective.

The facts are on the side of a Floating Reserve, but FEA has spent the last year trying its hardest to ignore or avoid those facts. They have told us they cannot reveal the precise costs of underground storage because to release that information "prematurely" would undermine FEA's "flexibility in negotiating construction and operating contracts for particular storage projects."

Mr. Chairman, you and I know what flexibility means, but it means something entirely different to FEA. To them, flexibility means: "We know something that you don't know, and—if we have our way—you'll never find out until it's too late to do anything

about it." We hope this attitude will change under the new administration.

FEA knows—or it ought to know—that its published cost estimates for underground storage site acquisition are understated. And FEA knows—or it ought to know—that the owners of those salt domes and mines stand to make a bundle from the strategic reserve program. That is information which should come out now, not when it is too late for us to do anything about it.

Mr. Chairman, I have talked at some length about one of our two recommendations. We also urged that oil from Elk Hills be used to fill the Strategic Reserve. That oil can be acquired for about $2.00 per barrel plus transportation costs. Unfortunately, the last administration chose to begin selling Elk Hills oil to the highest bidders, thus resulting in a situation where FEA has now recommended that oil for the strategic reserve be acquired at the composite price of domestic and imported oil. Not only is this situation ludicrous, but FEA has also recommended a method of reserve oil acquisition which, by its own admission, will raise petroleum product prices to the consumer. All of this is done so as to minimize the "adverse impact on the competitive environment in the (oil) industry." Stated more bluntly, FEA doesn't want to do anything that might upset the oil companies, even if it means that American taxpayers and consumers will have to pay the price for their timidity.

If the decision is made to go out on the market to acquire oil for the strategic reserve, we think Congress should amend the law to provide that oil carried aboard U.S.-flag ships will be considered part of the reserve while it is transit. The United States has control over these ships in the event of another embargo. It stands to reason that any oil carried by U.S.-flag vessels should be considered part of our Strategic Petroleum Reserve.

Mr. Chairman, the establishment of a Strategic Petroleum Reserve is a vital part of the national energy plan which Congress and the new administration will be developing and of our drive for domestic energy independence. We cannot afford to let the Strategic Petroleum Reserve Plan of the last administration stand as is.

The members of our union urge this committee to make it clear to FEA that the current reserve plan is unacceptable because it fails to meet the statutory timetable, because it fails to make use of alternative storage facilities, and because its price tag to the American taxpayer and consumer is too high.

LICHTBLAU TESTIMONY

A copy is attached of the testimony of Mr. John H. Lichtblau of the Petroleum Industry Research Foundation. This testimony raises a number of interesting points to which FEA should respond. Please provide the Committee with your analysis of Mr. Lichtblau's testimony.

TESTIMONY BY JOHN H. LICHTBLAU

I appreciate the Committee's invitation to testify on the subject of strategic petroleum reserves. I was privileged to testify before this Committee on the same subject nearly four years ago, about seven months before the Arab oil embargo and the OPEC price revolution. It is gratifying that the concept of strategic government oil storage, first proposed to and by the Committee at that time, has finally become law, essentially in the form originally proposed. On the other hand, it is regrettable that four years after these hearings we still have no strategic oil reserve at all and will not even reach the first stage in developing one for nearly two more years.

In my testimony today, I would like to address myself primarily to the Federal Energy Administration's (FEA) recently published Strategic Petroleum Reserve Plan. I would like to begin by commending the FEA for the quality of this report. It is well written, well researched and well argued. Most of my differences with the report are differences of opinion and judgement rather than fact.

NEED FOR AN ACCELERATED STORAGE PROGRAM

My first difference, however, is not with the report but with an aspect of the legislation on which it is based. I believe development of a strategic oil reserve should be given a higher priority and held to a shorter time schedule than is the case under the present law, for we might quite literally need it any day. This is not meant to sound alarmist. But with current and near-term oil imports accounting for over 40% of our demand (a higher share than projected in the FEA report for 1980 and 1985), we need maximum attainable protection against import interruption at the earliest achievable date.

The possibility of substantial and sustained import interruptions go far beyond the conventional scenario of another Arab oil embargo resulting from another Arab-Israeli war. For instance, the civil war in Nigeria from 1967 to 1969 caused a virtual cessation of the country's crude oil exports, not by design but by blocking access to most of the producing fields. If a similar situation were to occur in either of the two OPEC super producers—Saudi Arabia and Iran—at recent production levels, a world-wide crude oil shortage could develop in 60–90 days under some circumstances.

Another consideration is that nearly 45 percent of our crude oil imports are of low-sulfur quality and are mostly used in refineries which require such crude. If production from any of the three major low-sulfur crude exporters—Nigeria, Libya and Indonesia—became interrupted on a sustained basis, U.S. refinery output might have to be seriously curtailed.

Thus, the possibilities of import interruptions are really quite varied. They can occur at any time and for reasons outside the control of the exporting country's government. This is why I believe we must adopt somewhat of a crash program approach rather than a business-as-usual one in developing our strategic petroleum reserves.

In this connection I would like to point out that while the FEA is planning to meet the Early Storage target of 150 million barrels by the end of 1978, as required under the law, it expects to have actual available storage facilities of 240 million barrels by then, according to the Report. It seems to me, if the storage is there, it ought to be fully utilized, if possible. I do not believe the law prohibits such an accelerated storage program.

If the first 240 million barrels of storage can be put in place in 1977 and 1978, additional facilities of about the same magnitude can perhaps be developed in the following two years. If this is possible, the FEA's ultimate target of a 500 million barrels strategic petroleum reserve could be attained at the end of 1980, two years ahead of the legislative deadline.

AVAILABILITY OF CRUDE

Availability of crude is unlikely to be an obstacle to the achievement of such an accelerated target. Over the 3½ year period from mid-1977 to the end of 1980, storage shipments would have to rise from an initial level of 250,000–300,000 b/d to nearly 450,000 b/d in the last year. World demand for OPEC oil is expected to be relatively flat from late 1977 through the end of 1980 because of the large volume of non-OPEC production—primarily from the North Slope of Alaska, the North Sea and Mexico—which will come on stream during this period. Thus, the required volumes should be readily obtainable without a significant effect on prevailing price levels. Through 1978, it might also be possible to satisfy part of the storage requirements from Alaskan crude which will probably be in temporary surplus on the West Coast until a pipeline to the interior is built.

STORAGE SITES

However, other obstacles may prove more difficult to overcome in accelerating the storage build-up. They would be mainly in the area of environmental constraints, construction time, and availability of equipment. To reduce these obstacles would require the construction of very few, very large storage facilities rather than a larger number of smaller ones. The FEA is currently looking at 32 salt dome and mine storage candidates. Four or five of these could accommodate the entire required volume plus any desired later expansion.

CONSTRUCTION OF SUPERPORTS

Another time saving factor, which would also reduce costs, is maximum utilization of existing dock and oil delivery facilities. Of major importance in this connection would be the earliest possible start of construction of the LOOP and Seadock ports for supertankers at the Gulf Coast so that they may be ready to receive deliveries by 1980. Crude oil imports into the Gulf Coast have risen from virtually nothing in 1972 to 2 million b/d by the end of 1976. By 1980 they could approach 5 million b/d. This will greatly strain existing dock facilities and could well create a bottleneck in bringing in strategic storage imports, in the absence of superports. The ports would also greatly reduce the time required to refill the strategic storage following withdrawals during a sustained interruption. Finally, the proposed ports would of course reduce the delivered cost of the stored oil because of lower transportation cost.

INCREASING THE STORAGE CEILING

I do not think the 500 million barrels is an adequate ultimate level of protection from import interruptions. Neither does the FEA. However, the Report considers the level adequate for any likely type of import interruption in 1982, based on an assumed import level of 7.5 million b/d in both 1980 and 1985. For both years this is at least 1 million b/d below the projection of most oil companies as well as some government agencies. However, the FEA has increased its import projection for 1985 in every year since it first published one in 1974. It can be expected to continue these upward adjustments.

In trying to set an adequate storage level Congress used the highest consecutive three month level of crude oil imports in 1974–75 (5.4 million b/d) as a base. The problem with this formula is its historic rigidity. This year crude imports will be at least one million b/d above the base level. By the early 1980's they will probably be 1.5 million b/d higher. Thus, on a current basis the three-month import formula requires at least 650 million barrels of storage by 1982. Consequently, the program should not be stopped when the 500 million barrels target has been reached but should be continued for another couple of years at an annual rate of about 100 million barrels. This would not require any change in the law or other action at this time. But the FEA may want to consider it in selecting its storage facilities.

A STRATEGIC RESERVE OF RESIDUAL FUEL OIL

I agree with the FEA's overall findings that no strategic storage of refined products is required but I disagree with its findings that this also applies to residual fuel oil consumed in PAD I (East Coast).

Last year PAD I imported over one million b/d of residual fuel oil (exclusive of shipments from the Virgin Islands) or 66% of its total requirements for this product. No other U.S. region has a remotely comparable foreign dependency for any of its oil products.

We expect the level of these imports into PAD I to be about the same in 1980. The FEA, by contrast, projects nationwide resid-

ual fuel oil imports of only 700,000 b/d for 1980. If our figures are right the need for a residual fuel oil storage program is stronger than the FEA has assumed.

But apart from the question of volume, I am uneasy about several aspects of the FEA's plan to assure adequate residual fuel supplies during an import interruption. The FEA proposes to ship crude oil from its strategic storage to non-U.S. refineries in the Caribbean for processing and reshipment to the U.S. There are two potential problems with this plan which are not addressed in the Report. (1) The FEA does not explain what assurance there is that all the products made from the strategic-reserve crude shipped to the Caribbean will actually come back to the U.S., and that these re-imports will not affect the volume of other shipments from these refineries to the U.S. (2) There is no comment in the Report of how to enforce U.S. price controls on these imports, i.e. prevent them from being sold back at world prices which are likely to be substantially higher than U.S. prices during an import interruption.

In evaluating these eventualities, it should be kept in mind that not only the oil companies but also their Caribbean host governments may become involved in these matters, depending on the type of interruption and the reason for it.

Because of these uncertainties I think a modest reserve of residual fuel oil as an integral part of the government's overall strategic petroleum storage program would be desirable to provide minimum protection for the East Coast against import interruptions. For example, a stock level of 15 million barrels of residual oil would protect against a one-third import interruption for 45 days. This would at least be enough to permit time for the rearranging of supply sources and, thus, avoid the necessity of having to buy at the soaring spot prices which usually accompany the beginning of supply interruptions. To the extent to which it may be desirable to put this reserve into tanks the preferable location would of course be the principal importing region of this product.

ENTITLEMENTS

The FEA proposes to use the existing crude oil entitlements program to reduce the cost of oil from world market levels to the average price paid by U.S. refiners for controlled and uncontrolled domestic and foreign oil. As the Report points out, this would reduce the cost burden of the strategic reserve on the federal budget. While this is obviously desirable from the fiscal view point, I question the use of entitlements for this purpose on other grounds: (1) The creation of a strategic petroleum reserve is clearly a national security measure and should be treated as such. It should therefore be funded just as any other national security measure, namely out of general revenue which means the cost would be borne by all tax payers. (2) The use of entitlements understates the real cost of the storage program to the nation by transferring part of it to oil consumers. (3) The stated purpose of the entitlements program is to equate crude oil costs among refiners. It should therefore not be used for an entirely extraneous purpose. (4) The proposed use of entitlements to lower the cost of oil for strategic storage would give the Federal Government a direct vested interest, to the tune of several hundred million dollars annually, in the continuation of the entitlements program beyond its stipulated expiration date. This could influence government policy on the subject of crude oil price controls beyond April 1979.

This concludes my prepared statement. I would be glad to try to answer any questions you may have.

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., February 24, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of February 7, 1977, requesting answers to questions that were raised as a result of the hearings on the Strategic Petroleum Reserve Plan held on February 4 by the Senate Interior and Insular Affairs Committee.

I am pleased to respond to those questions. My answers are enclosed.

We are now preparing answers to the questions from Senator Kennedy which were transmitted to us by your letter of February 11. We will have those answers to you in the next few days.

Please let me know if further information is desired.

Sincerely,

JOHN F. O'LEARY,
Administrator.

Enclosures.

Q: *Entitlements for Funding the Reserve.* Your plan proposes granting entitlements to anyone selling oil to the reserve. This will transfer some of the cost of paying for the oil to current users of petroleum products.

Please provide for the record the details of the Entitlements treatment which you plan for oil purchased for the reserve.

Provide also, details with respect to your plans for utilizing the purchase authority granted under Section 456 of the Energy Policy and Conservation Act (P.L. 94–163).

A: FEA is now examining whether the Crude Oil Entitlements Program should be used to reduce the cost of crude oil sold to the Government for the SPR. The current Entitlements regulations would have to be modified in order to use that program.

The specific changes that would be incorporated into the Entitlements Program are, at this date, uncertain. In order to develop this option further, and to solicit public comments, a Notice of Proposed Rulemaking was published in the Federal Register on February 10, 1977. The Notice proposes the following modifications:

1. The U.S. Government would revise the Entitlements Program so that the cost to the Government of oil for the Reserve would be reduced by the value of an Entitlement, which is presently about $2.16 per barrel.

2. The purchase of SPR oil would be conducted to allow the widest possible procurement base. To implement this policy, Entitlement benefits would be made available to segments of the petroleum industry that are not presently eligible to participate in the Entitlements Program.

3. Each refiner that sells crude oil to the Federal Government would be required to include the volumes delivered to the SPR as part of its crude oil runs-to-stills and its crude oil receipts for purposes of the Entitlements Program calculations.

4. Firms other than refiners that make sales to the SPR would be considered as refiners for purposes of the Entitlements Program; their sale volumes would be reported as crude oil runs and as crude oil receipts.

5. Small refiners that sell crude oil to FEA would be awarded Entitlements with reference to the national domestic crude oil supply ratio, without giving effect to the small refiner bias.

6. A decision as to the technical contract pricing aspects of this modified Entitlements Program has not yet been established. As any such regulations are proposed, however, they also will be submitted for public comment. In any event, the contract terms will assure that the Government will realize the full benefit of any Entitlements awarded to sellers.

As the proposed modifications to the Entitlements Program are now drafted, refiners and importers, small or large, would pay a portion of the cost of any Entitlements obtained by firms selling crude oil to the U.S. Government. However, the effect of these payments upon all firms subject to the program would be quite small in any event, as the amount of crude sold for this purpose would be a small percentage of total monthly runs-to-stills.

Attached is a copy of the Notice of Proposed Rulemaking which contains the changes to the Entitlements Program which FEA believes are needed to enable the Government to buy crude at world market prices less the value of an Entitlement.

Presently, the FEA has not decided whether to use the purchase authority granted under Section 456 of the Energy Policy and Conservation Act (P.L. 94–163), under which the United States could exercise the exclusive right to import and purchase all or any part of the crude oil, residual fuel oil and refined petroleum products of foreign origin for resale in the United States. The desirability of using this authority is being studied by FEA, and we will inform the Committee of the conclusions of this review.

Attachment.

[From the Federal Register, Feb. 10, 1977]

PROPOSED RULES

[This section of the Federal Register contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.]

FEDERAL ENERGY ADMINISTRATION

[10 CFR Part 211]

CONFORMING AMENDMENTS TO ENTITLEMENTS PROGRAM TO IMPLEMENT PURCHASE AUTHORITY FOR STRATEGIC PETROLEUM RESERVE

Proposed Rulemaking and Public Hearing

Title I, Part B of the Energy Policy and Conservation Act ("EPCA"), enacted on December 22, 1975, set forth new requirements for the Federal Energy Administration ("FEA") to acquire up to one billion barrels of crude oil and refined petroleum products for storage in a Strategic Petroleum Reserve ("SPR"). On December 15, 1976, in accordance with the EPCA, FEA submitted to Congress an SPR Plan detailing FEA's proposals for designing, constructing, and filling the storage and related facilities of the SPR. This Plan, which will take effect following forty-five calendar days of continuous session of Congress, unless disapproved or accelerated by Congress, provides for the storage of 150 million barrels of crude oil by December 22, 1978, 325 million by December 22, 1980, and 500 million by December 22, 1982. If the SPR Plan has not taken effect, the EPCA requires that the SPR contain not less than 150 million barrels of petroleum products, including crude oil, by December 22, 1978. To meet these goals, FEA must commence crude oil acquisition activities in the near future.

In the SPR Plan, FEA stated its intention to propose use of the authorities granted in the Emergency Petroleum Allocation Act of 1973, as amended ("EPAA"), to allow the Government to obtain the benefits of domestic crude oil price controls for imported crude oil for the SPR to the same extent that refiners receive such benefits under the entitlements program for processing imported crude oil. The plan also provided that a final choice among several options being considered by FEA, including amendments to

the entitlements program, would be made following completion of the review process, including consideration of the requirements of the National Environmental Policy Act of 1969.

As part of the review process, FEA is issuing this notice of proposed rulemaking to elicit public comments on FEA's current domestic crude oil allocation program (the "entitlements program") as it is proposed to be modified with respect to FEA's proposed procedures for acquisition of crude oil for the SPR. FEA will shortly issue a notice of proposed rulemaking which will set forth conforming amendments to the price regulations for these acquisition procedures.

FEA has determined that the crude oil for the SPR will be acquired in accordance with applicable Federal procurement laws and regulations. FEA proposes, in conducting such procurement, to allow a class of suppliers to participate in the entitlements program in connection with sales for the SPR under procedures similar to those described below, which would call for certain modifications to FEA's entitlements program and price regulations. These procedures should not be taken as representing the exact form of the final procedures FEA will utilize for SPR acquisitions, and comments are specifically invited as to their workability, as well as to their proposed interaction with FEA's entitlements program.

Proposed Procedures for SPR Acquisitions

FEA would commence its acquisition process by soliciting offers from refiners and other offerors in a class yet to be defined for the volumes of crude oil to be purchased for the SPR. In its requests for proposals ("RFP's"), or invitations for bids ("IFB's"), FEA would specify, in the maximum possible detail, the total volumes of the various types of crude oils required, the delivery points (i.e., the specific storage sites or other locations), the dates for deliveries of specified volumes at each delivery point, and the criteria for contract awards. In response to these RFP's or IFB's, domestic refiners and crude oil resellers, for example, could submit offers specifying sale prices to the Government at the point of delivery, which prices would be subject to subsequent automatic adjustments, as described below. Under these procedures, refiners or other firms whose offers were accepted could specify in their proposals whether imported or domestic crude oil would be delivered, and would indicate the applicable ceiling prices for any domestic crude oils that would be so delivered. The proposed prices would include amounts for transportation and handling, plus, if applicable, the allowable profit margin under FEA's price regulations governing crude oil resales.

Each refiner that sold crude oil to the Federal Government for the SPR would be required to include the volumes delivered in its crude oil runs to stills and its crude oil receipts for purposes of the entitlements program in the month in which delivery to the Government took place, i.e. entitlements would be issued and applied just as if the crude oil had been run in a refinery. Firms other than refiners that made sales to the SPR would be considered as refiners for purposes of the entitlements program and their sale volumes would be required to be reported as crude oil runs and, in the case of domestic crude oil, also as crude oil receipts. Thus, for example, if a refiner delivered 100,000 barrels of imported crude oil to a particular SPR storage site in the month of October 1977, that refiner's crude oil runs for that month would be increased by those 100,000 barrels, and it would be awarded entitlements with reference to the national domestic crude oil supply ratio, without giving effect to the small refiner bias. If the crude oil delivered were domestic crude oil subject to a first sale ceiling price, the refiner would further have an entitlement obligation, since the crude oil would be included in its crude oil receipts. In other words, acquisitions for the SPR would be subject to the same cost equalization that applies when crude oil is refined domestically.

Obviously, at the time price proposals are submitted, refiners and other firms would not know the amount of the per barrel entitlement value and of the entitlement obligations associated with lower and upper tier crude oils, and the appropriate adjustment to the contract price would therefore have to be determined subsequent to the actual delivery. Final entitlement values are currently not known until two months after the month in which the crude oil is included in the refiners' runs to stills.

To avoid creating uncertainties because of this delay, all price proposals (whether for domestic or imported crude oil) would be couched in terms of a fully delivered price to the Government. The payment obligation of the Government would be that fully delivered price adjusted downward by the value of an entitlement on an uncontrolled barrel of crude oil in the month of delivery. Thus, persons offering imported crude oil or uncontrolled crude oil would calculate their offers without any reference to price controls or the entitlements program, i.e., their offers would be at prices equivalent to those in effect for comparable imports or uncontrolled domestic crude oils. Persons providing domestic crude oil subject to a first sale ceiling price would therefore have to take account of the relative values of controlled and uncontrolled crude oils and the amount of any disincentive for imported crude oil built into the program (now 21 cents per barrel). In all cases the Government could compare price offers directly.

FEA is contemplating two alternative methods of payment. First, persons delivering crude oil for the SPR could be paid two months after delivery, payment being the contract price less the per barrel entitlement value for an uncontrolled barrel of crude oil for the month of delivery. Secondly, such persons could be paid the contract price less the Government's estimate of net entitlement value at the time of delivery, any differences between estimated and actual net values being accounted for two months later when the entitlement value and associated entitlement obligations are finally determined. FEA solicits comments on which of these alternatives would be most appropriate and feasible, and on any other possible methods of payment which would be more appropriate than either of the alternatives described.

The contractual situation of two different firms, one offering old oil and one offering uncontrolled oil, is illustrated in the following table.

	Refiner A (old oil)	Refiner B (uncontrolled oil)
COST TO GOVERNMENT		
a. Offer price	$13 25	$13.25
b. Net entitlement value [1]	2.35	2.35
c. Net cost to Government (a. minus b.)	10.90	10.90
NET RETURN TO REFINER		
d. Government payment to refiner (c.)	10.90	10.90
e. Value of entitlement received (b.) [1]	2 35	2.35
f. Entitlement purchase required [1]	7.84	0
g. Net return to refiner (d. plus e. minus f.)	5.41	13.25

[1] Assumes entitlement value of $7.84 and domestic crude oil supply ratio of 0.3.

It should be noted that, if Refiner A's net return for old oil were to exceed the applicable first sale ceiling price under the price regulations, these regulations would provide for a further adjustment in the sale price.

Proposed Modifications to Entitlements Program

To implement the procedures described above, the entitlements program is proposed to be amended as follows. First, a new § 211.67(d)(6) would be added to provide for inclusion within the volume of a refiner's crude oil runs to stills of the volumes delivered by that refiner to the Federal Government for storage in the SPR. These volumes would be an adjustment to a refiner's crude oil runs based on the actual volumes delivered to the Government for the SPR in the particular month, and the date of contract award would not be the controlling factor. Similarly, for firms other than refiners (except producers of controlled domestic crude oil) a new § 211.67(d)(7) provides that sales to the SPR would render these firms eligible for entitlement issuances on the same basis as is provided for refiners.

The amendments to the entitlements program proposed hereby also include modifications to the definition of crude oil receipts in § 211.62 to provide that, with respect to domestic crude oil sold to the Federal Government for storage in the SPR, refiners would be required to include the volumes thereof in their crude oil receipts in the month in which delivery thereof was made to the storage site. Under these modifications, firms other than refiners would also be deemed to have crude oil receipts for purposes of the program with regard to their sales to the SPR. A refiner's crude oil receipts would be so adjusted regardless of whether the volumes delivered were properly includable in that refiner's crude oil receipts at some earlier date, or whether such volumes were never properly includable therein at all, due perhaps to the sale having been made by the production or transportation department of an integrated company, where the crude oil would not have been included in its refining department's inventories.

Comments are invited generally as to the practicability of these procedures; and specifically as to what class of suppliers of crude oil for the SPR should be allowed to participate in the entitlements program; gram; whether, and in what manner, domestic producers should participate; and whether refiners should have the ability to spread the effect of these adjustments over a longer period than otherwise would be the case under the assumptions outlined above.

Written Comment and Public Hearing Procedures

Interested persons are invited to participate in this rulemaking by submitting data, views or arguments with respect to the proposals set forth in this notice to Executive Communications, Room 3309, Federal Energy Administration, Box KF, Washington, D.C. 20461.

Comments should be identified on the outside envelope and on documents submitted to FEA Executive Communications with the designation "Strategic Petroleum Reserve—Conforming Amendments to Domestic Crude Oil Allocation Program." Fifteen copies should be submitted. All comments received by February 25, 1977, before 4:30 p.m., e.s.t., will be considered by the Federal Energy Administration before final action is taken on the proposed regulations.

Any information or data considered by the person furnishing it to be confidential must be so identified and submitted in writing, one copy only. The FEA reserves the right to determine the confidential status of the information or data and to treat it according to its determination.

The public hearing in this proceeding will be held at 9:30 a.m., e.s.t., February 23, 1977, in Room 2105, 2000 M Street, N.W., Washington, D.C., in order to receive comments from interested persons on the matters set forth herein.

Any person who has an interest in the proposed amendments issued today, or who is a representative of a group or class of persons that has an interest in today's proposed amendments, may make a written request for an opportunity to make oral presentation. Such a request should be directed to Executive Communications, FEA, and must be received before 4:30 p.m., e.s.t., on February 14, 1977. Such a request may be hand delivered to Room 3309, Federal Building, 12th and Pennsylvania Avenue, N.W., Washington, D.C., between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday. The person making the request should be prepared to describe the interest concerned, if appropriate, to state why he or she is a proper representative of a group or class of persons that has such an interest, and to give a concise summary of the proposed oral presentation and a phone number where he or she may be contacted through February 21, 1977. Each person selected to be heard will be so notified by the FEA before 4:30 p.m., e.s.t., February 15, 1977, and must submit 100 copies of his or her statement to Allocation Regulation Development Office, Room 2214, 2000 M Street, N.W., Washington, D.C., before 4:30 p.m., e.s.t., on February 18, 1977.

The FEA reserves the right to select the persons to be heard at these hearings, to schedule their respective presentations, and to establish the procedures governing the conduct of the hearings. The length of each presentaton may be limited, based on the number of persons requesting to be heard.

An FEA official will be designated to preside at the hearings. These will not be judicial or evidentiary type hearings. Questions may be asked only by those conducting the hearings, and there will be no cross-examination of persons presenting statements. Any decision made by the FEA with respect to the subject matter of the hearings will be based on all information available to the FEA. At the conclusion of all initial oral statements, each person who has made an oral statement will be given the opportunity, if he so desires, to make a rebuttal statement. The rebuttal statements will be given in the order in which the initial statements were made and will be subject to time limitations.

Any interested person may submit questions to be asked of any person making a statement at the hearings, to Executive Communications. FEA, before 4:30 p.m., e.s.t., February 18, 1977. Any person who wishes to ask a question at the hearings may submit the question, in writing, to the presiding officer. The FEA or the presiding officer, if the question is submitted at the hearings, will determine whether the question is relevant, and whether the time limitations permit it to be presented for answer.

Any further procedural rules needed for the proper conduct of the hearings will be announced by the presiding officer.

A transcript of the hearings will be made and the entire record of the hearings, including the transcript, will be retained by the FEA and made available for inspection at the Freedom of Information Office, Room 2107, Federal Building, 12th and Pennsylvania Avenue NW., Washington, D.C., between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday. Any person may purchase a copy of the transcript from the reporter.

As required by section 7(c)(2) of the Federal Energy Administration Act of 1974, Pub. L. 93-275, a copy of this notice has been submitted to the Administrator of the Environmental Protection Agency for his comments concerning the impact of this proposal on the quality of the environment. The Administrator had no comments.

This proposal has been reviewed in accordance with Executive Order 11821, issued November 24, 1974, and has been determined to be of a nature that requires an evaluation of its inflationary impact. Notice of the availability of the related economic impact analysis will be published shortly in the FEDERAL REGISTER, and interested parties will be afforded an opportunity to comment on this analysis.

"(Emergency Petroleum Association Act of 1973. Pub. L. 93-159, as amended, Pub. L. 93-511. Pub. L. 94-99, Pub. L 94-133. Pub. L. 94-163, and Pub. L. 94-385; Federal Energy Administration Act of 1974, Pub. L. 93-275, as amended, Pub. L. 94-163, as amended, Pub. L. 94-385; E.O. 11790, 30 FR 23185.)"

In consideration of the foregoing, Part 211 of Chapter II, Title 10 of the Code of Federal Regulations, is proposed to be amended as set forth below.

Issued in Washington, D.C., February 5, 1977.

DAVID G. WILSON,
Acting General Counsel.

1. Section 211.62 is amended in the definition of "crude oil receipts" by adding two sentences at the end of that definition to read as follows:

§ 211.62 Definitions.

* * * * *

"Crude oil receipts" means * * * The volumes of crude oil included in a refiner's crude oil receipts shall also include any volumes of crude oil sold and delivered to the United States Government for storage in the Strategic Petroleum Reserve mandated by Title I, Part B, of the Energy Policy and Conservation Act (Pub. L. 94-163), such volumes to be included in that refiner's crude oil receipts for the month in which delivery of that crude oil is made to the United States Government. Any firm other than a refiner that is eligible to receive entitlement issuances under paragraph (d)(7) of § 211.67 of this subpart shall be deemed to have crude oil receipts on the same basis as if it were a refiner with respect to any volumes of crude oil so sold and delivered to the United States Government for storage in the Strategic Petroleum Reserve.

* * * * *

2. Section 211.67 is amended by adding new paragraphs (d) (6) and (7) to read as follows:

§ 211.67 Allocation of domestic crude oil.

* * * * *

(d) * * *

(6) The volume of a refiner's crude oil runs to stills in a particular month for purposes of the calculations in paragraph (a)(1) of this section and the calculations for the national domestic crude oil supply ratio (without giving effect to the provisions of paragraph (e) of § 211.67) shall include the total number of barrels of crude oil delivered to the United States Government in that month for storage in the Strategic Petroleum Reserve mandated by Title I, Part B, of the Energy Policy and Conservation Act (Pub. L. 94-163).

(7) Notwithstanding any other provisions of this section, a firm other than a refiner (except for a producer as to a first sale by it of domestic crude oil subject to a ceiling price under Part 212 of this chapter) shall be eligible for entitlement issuances on the same basis as a refiner under paragraph (d)(6) of this section with respect to deliveries of crude oil to the United States Government for storage in the Strategic Petroleum Reserve demanded by Title I, Part B, of the Energy Policy and Conservation Act (Pub. L. 94-163).

[FR Doc.77-4226 Filed 2-7-77,12:28 pm]

Q: *Current Stocks*

The U.S. has told the International Energy Agency that present industry petroleum stockpiles are equivalent to 120 days of total oil imports. Is it true that stocks presently held by industry could be drawn down to replace all our imports for 4 months? Shouldn't this potential supply be considered part of the reserve?

A: It is correct that industry inventories of petroleum are equivalent to approximately 120 days of total oil imports. The number of days of supply varies, because the amount of inventories maintained fluctuates daily and by season and, of course, our daily import rate fluctuates.

FEA believes that it is not true that these stocks could all be drawn down to replace all of our imports for 4 months, except at a high cost and with an almost complete termination of the refining and oil distribution activity of the country. The bulk of these inventories are required just to maintain the flow of oil through the refineries and the distribution system without interruptions, spot shortages, and costly inefficiencies. For example, the estimated 120 days of inventories include oil in refining tanks, pipeline tankage, barges, intercoastal tankers, oil tankers in port, and all working stocks. It is clear that if all of this oil were consumed, the refining and oil distribution system would come to a halt.

Oil industry experts have advised FEA that about 20 to 25 percent of these inventories probably could be drawn down during an interruption without creating problems in continuing operations. FEA is now undertaking a study to try to determine more accurately how much of the inventories could be utilized during an interruption without causing a significant economic impact.

In considering the appropriate size of the SPR, FEA assumed that about 20 percent of crude oil inventories (or about 60 MMB) could be used as a substitute for the SPR, thereby permitting a Reserve size of 500 MMB rather than a higher level. There is considerable uncertainty regarding the extent to which refined product inventories could be used without causing spot shortages. Therefore, FEA did not assume that any product inventories could be substituted for the SPR.

As a technical matter, in order for industry inventories to be counted as part of an Industrial Petroleum Reserve and consequently as part of the Strategic Petroleum Reserve, the petroleum would have to be maintained in "readily available inventories," which section 152(5) defines as "stocks and supplies of petroleum products which can be distributed or used without affecting the ability of the importer or refiner to operate at normal capacity; such term does not include minimum working inventories or other unavailable stocks." As indicated above, most of industry's present oil inventory does not meet this test.

It is clear that further analysis is needed regarding the extent to which industry inventories can be utilized during a supply interruption. The analysis now being undertaken by FEA may impact future decisions regarding the ultimate size of the Reserve if it is concluded that we should place more or less reliance on industry inventories.

Q.: *Amendments to the Plan*

The EPCA provides a procedure for amendment of the Strategic Petroleum Reserve Plan at the initiative of the Administrator. What amendments do you know about now which will have to be submitted to the Congress? When will they be submitted?

A: At this time there are no final decisions regarding specific amendments to the Plan now being reviewed by the Congress, but several amendments are likely.

The President has decided to propose an accelerated schedule for developing the Re-

serve. This proposal would provide for 250 million barrels in storage by the end of 1978, and 500 million barrels by the end of 1980. This is expected to result in some amendments to the Plan, which would likely be submitted in the next couple of months.

The Plan will be amended to include more details regarding the Distribution Plan, including more specific plans for allocation, pricing, and transportation. We now plan to be able to submit that Amendment by December 15, 1977.

Upon completion of the above Distribution Plan details and a reexamination of the need for regional product storage and storage in noncontiguous areas, there may be a need to submit a Plan Amendment regarding regional and noncontiguous area storage. We expect to be able to submit a report on the results of this reexamination by December 15, 1977.

When the final storage sites have been selected for the SPR, a Plan Amendment or Amendments will be submitted, with full descriptions of the selected sites. We expect that most or all of the sites will be selected by early 1978.

Q: *Timing of Fill of Reserve*

What is the likelihood that the present plan for filling the Reserve can be accelerated, so that more storage can be available—and filled—sooner?

A: Analyses of potential petroleum interruptions, and the U.S. economic losses that would result, show that the Reserve should be developed to at least the 500 MMB level as rapidly as possible under an economically and environmentally sound development program. The current SPR Plan represents a comprehensive and realistic schedule for storing 500 MMB of oil by the end of 1982. However, this plan was prepared recognizing annual budget restrictions. Without such constraints, the SPR development could be accelerated and the U.S. economy could derive the Reserve's benefits at an earlier date.

President Carter has decided to propose acceleration of the program to have 500 MMB of crude oil stored by the end of 1980—2 years earlier than the current plan—and 250 MMB by the end of 1978.

The total cost of an accelerated program is now estimated to be roughly equal to the cost of the current plan. The cost of facilities will increase somewhat, but this should be more than offset by a reduction in oil prices due to earlier purchases. Acceleration will necessitate increasing FY 1978, 1979 and 1980 appropriations in order to finance accelerated petroleum purchases. Accelerating the program is expected to significantly reduce U.S. vulnerability to a petroleum supply interruption in the 1979–1982 period.

Q: Prior to your testimony the Committee heard from Senator Spark Matsunaga and Mr. Alfred Harris of the State of Hawaii on objections of the State to one aspect of the Plan. While we know that you have probably not yet familiarized yourself with this specific issue, can the Committee expect that FEA will work with the State of Hawaii in a reexamination of this matter? If so, can we ask that you keep the Committee apprised of any developments?

A: I have directed FEA staff to work with officials of the State of Hawaii in reexamining the question of whether some portion of the SPR should be stored in Hawaii. Particular attention will be given to Hawaii's needs for jet fuel, and we will be holding discussions with Department of Defense representatives to determine whether an increase in DOD petroleum storage capacity in Hawaii might help meet those needs. I will be happy to keep the Committee apprised of any developments during the course of these reviews. Upon completion of the reviews, I will personally consider the issue, and will inform the Committee of my conclusions.

Q. *Disposition of Oil from the Reserve*

Suppose we had an embargo with the Reserve—or part of it—in place. How would the Government make this oil available to U.S. refiners?

Would oil go only to U.S. refiners, or would some be exported to Caribbean refineries?

What would be the price of the oil?

What allocation mechanism would be used?

Describe the price and allocation regulations you would intend to use.

When will the detailed rules and regulations to be used be provided to the Congress for review?

A. The SPR Plan sets forth the general objectives and policies that will be considered in using the Reserve, but the details of the SPR Distribution Plan have not been completed. While at this time it is not possible to provide definitive answers to these questions, the following general comments may be useful in understanding how we are proceeding.

Several options are now being considered for allocating the SPR oil. One option would be to allocate the SPR crude oil to refiners along with other crude oil that is available to the United States. Refiners, and possibly importers of refined products, might be given "buy" rights to this crude oil, which they could then use directly or to exchange for other crude or products.

Some of the SPR crude oil, or other available crude oil that may be allocated, may go to Caribbean refineries. This might be done under a direct agreement between the U.S. Government and Caribbean refiners or governments, or U.S. importers of refined products might receive rights to crude oil which they could then provide to Caribbean refineries in exchange for desired refined products.

Decisions have not been made on the price to be charged for the Reserve oil when it is used. It is expected that a decision will be made by the President at the time of an interruption, consistent with general policy guidelines. It is expected that the price will be based on several factors, including the objective of permitting refill of the Reserve without further cost to the taxpayer. Other factors affecting the price might be objectives such as encouraging energy conservation, minimizing regional inequities or minimizing inflationary impact.

The specific allocation mechanism to be used has not been decided, but it may be similar to the current mechanism of providing buy rights to some users and requiring others to sell. It is planned to develop a mechanism that will be effective in a variety of shortfall situations.

We now plan to complete a Distribution Plan to be provided to Congress by December 15, 1977.

Q: In formulating the SPR Plan, particularly those portions dealing with the behavior of the petroleum market and the response of the market to interruptions, did you consult with members of the petroleum industry, major users or purchasers of petroleum products, such as residual fuel oil, or other persons familiar with the operation of that market? If so, whom?

In formulating that portion of the SPR Plan which deals with regional storage, did you consult with any persons familiar with the operation of the market in residual fuel oil, such as major utilities or other large purchasers? If so, whom?

A: FEA, and its contractors who were selected to study certain aspects of the Plan, have had numerous informal discussions with members of the petroleum industry, major users or purchasers and other persons familiar with operation of the petroleum ket, throughout the past year as the SPR Plan was being developed.

These discussions frequently dealt with a large number of issues related to the Reserve, including the type of oil to be stored, the transportation system, industry inventories, storage facilities, economic considerations, and vulnerabilities. We have not been able to pull together a complete list of the organizations consulted or to break the list down by subject matter discussed.

Following is the partial list of organizations that were consulted:

American Petroleum Institute.
Ashland Oil Co.
Atlantic Richfield.
Blyth, Eastman, Dillon & Co.
Boston Edison.
Crown Central Petroleum Corp.
Delmarva Electric Co.
Easton Utilities.
Edison Electric Inst.
Florida Power Corp.
Gulf Oil Co.
Hawaii Independent Refining, Inc.
Mid-Atlantic Area Council (Electric Reliability).
New England Fuel Institute.
North American Petroleum Corp.
Northeast Power Coordinating Committee (Electric Reliability).
Northern Contractors Co. (Terminal Operator).
Pennsylvania Power & Light.
Petroleum Industry Research Foundation.
Philadelphia Electric Co.
Pride Refining Co.
Rock Island Refining Corp.
Shell Oil Co.
Standard Oil Company of California.
Sun Oil Co.
Tallahassee Electric.
Texaco.

Q. *Residual Fuel Oil*

Residual fuel oil is the refined petroleum product which is most heavily supplied by imports. Yet the Plan calls for no residual storage.

How fast can the domestic system contemplated in the Plan react to a cutoff in crude oil to the foreign resid refineries which supply our imported residual fuel oil?

Do you intend to reevaluate the decision in the current plan not to store residual fuel oil? Please comment on the view, expressed by several witnesses, that 15 million barrels of residual fuel oil and/or No. 4 fuel oil should be stored in New England.

A: The domestic system should be able to respond to a cut-off of crude oil to refineries supplying residual oil to U.S. consumers within about five to six weeks from the start of an interruption.

Domestic primary inventories at refineries and bulk terminals, as well as uninterrupted production, are estimated to provide adequate residual supplies for more than six weeks. The days of supply were calculated by considering the magnitude of the likely interruption, peak seasonal demands, and magnitudes of inventory stocks at regional and PADD levels.

I plan to fully reexamine the decision not to store residual fuel oil. There appear to be some questions about the extent to which we can rely on Caribbean refineries and about the reliability of foreign flag tankers. I want to have a thorough analysis of these questions conducted, as well as develop allocation, pricing, and transportation plans, before making a decision on whether some residual oil (or a substitute such as No. 4 oil) should be stored.

I would like to submit for the record the attached copy of a letter I have recently sent to several Senators from New England on this subject.

If we find that we cannot rely on the Caribbean refineries and on foreign flag tankers to the extent that was assumed in developing the SPR Plan, storage of about 15 MMB of No. 4 fuel oil would probably be adequate to protect against those and other uncertainties. It appears, however, that some or all of that oil could be stored in lower cost Gulf Coast storage if we can be assured that tankers will be available to move the oil.

Attachment.

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., February 16, 1977.

Hon. THOMAS J. MCINTYRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCINTYRE: This is in response to the letter of February 3, 1977, from you and other Senators from New England, regarding the Strategic Petroleum Reserve (SPR) Plan.

I agree entirely with the recommended steps set forth in your letter. As I stated during hearings before the Senate Interior Committee on February 4, I want to re-examine this issue personally in view of the concerns raised by you and other New England representatives.

As a minimum, I intend to comply with your recommendations that we:

Request the Department of Defense or other outside organizations to make an independent strategic analysis of the Strategic Petroleum Reserve Plan, with a particular focus on the reliability of Caribbean refineries and foreign flag tankers during a variety of possible interruptions;

Develop a complete Distribution Plan, and standby allocation and pricing regulations; and

After completion of the above efforts, re-analyze the question of whether product storage in New England or other areas is necessary.

I can assure you that I will not hesitate to recommend that the Plan be amended to provide product storage in New England or other regions if this careful reexamination does not satisfy me that regional needs, and especially those for imported products, can adequately be met by an SPR consisting of crude oil stored in the Gulf Coast area and a distribution plan for using that crude oil to satisfy regional requirements.

I am sure you realize that this commitment to perform the strategic analysis, the development of complete distribution, allocation and transportation plans, and a re-examination of the regional product storage issue is a major additional undertaking. You may be sure that this will be a high priority effort in this agency, however, and I fully expect that we will complete it in time to submit our findings, conclusions and any appropriate Plan Amendments to Congress no later than next December 15, along with our first annual report on the progress of the SPR Program.

As stated in the SPR Plan, our analysis will examine a number of factors of particular importance to New England and other regions. These will include:

The availability and potential utilization of industry inventories;

The ability of the Government to control the movement of U.S. and foreign tankers;

The ability to manage refinery yield during an emergency;

The mechanisms for assuring that importers of refined products will have alternative sources of supply if needed;

Procedures for controlling or equalizing the prices of products; and

The need to provide for equitable treatment of all areas of the country with the objective of minimizing the economic impact of an interruption.

I intend to ask representatives of New England and other regions to participate with the Federal Energy Administration in developing these distribution, allocation, pricing and transportation plans.

I want to emphasize that I do not view the SPR Plan, which the Congress is examining, as the "final" plan for this Program. I view it as a dynamic Plan which can be changed as necessary to reflect changing circumstances regarding our vulnerability to severe interruptions and as we identify more effective or efficient means of responding to those emergencies. The Energy Policy and Conservation Act provides a mechanism for amending the SPR Plan, and I will not hesitate to recommend such amendments whenever I believe they are desirable.

Although we may conclude that some modifications in the Plan which the Congress is now examining will be required, I regard it to be essential that we proceed as quickly as we can with the development of the crude oil storage proposed in the Plan. I would hope, therefore, that you will support the Plan as it is now formulated pending subsequent reexamination of the regional product storage issue.

I fully understand your concerns about the Reserve Program, and I will be happy to continue to discuss these with you personally as you desire.

Sincerely,

JOHN F. O'LEARY,
Administrator.

Q: *Royalty Oil and Elk Hills Oil*

The Federal Government could have access to considerable amounts of oil from royalties from production on Federal lands and the OCS (according to our information, about 50 million barrels per year above oil now taken by small refiners) and from Elk Hills (potentially 100 million barrels per year at full Elk Hills production rates). Why isn't this oil being given greater consideration for inclusion in the Reserve rather than buying oil from OPEC?

How many small refiners now use royalty oil?

A. *Use of Royalty Oil*

The issue of whether to use royalty oil is a part of the question of how the Reserve should be financed. If FEA were to use royalty oil for the Reserve, it would simply be an indirect way of passing some of the SPR costs along to petroleum users. If FEA used the low cost royalty oil, higher cost foreign oil would have to be obtained by the private sector as a substitute. In this case, a particularly large share of the SPR costs would be placed on a relatively few small refiners who now obtain a significant benefit from the royalty oil.

In January 1977, 55 small refiners had contracts to purchase royalty oil. Many of these refiners do not actually use the oil; they exchange it for oil that is more accessible or of a more suitable type. In FY–1976, these 55 small refiners purchased about 33 million barrels of royalty oil.

FEA is now studying several possible options for financing the SPR, but it now appears that using royalty oil would be an undesirable approach because of the inequitable distribution of the impact and the potential disruption of established supply relationships for small refiners.

Use of Elk Hills Oil

FEA has no objection to purchasing Elk Hills oil, to the extent it is suitable for SPR storage, if it costs no more than other oil available for storage. We will make these cost comparisons as we proceed with the purchase of oil for the SPR.

Q: *Tanker Lightering in the Gulf*

What requirements will FEA place on the transfer of oil from the large crude carriers in international trade to smaller vessels for delivery to the reserve?

Will these requirements be clearly laid out before bids are requested for the supply of oil?

A: In preparing the programmatic environmental impact statement for the SPR, four alternative methods of transporting the oil were considered. These included both lightering and transshipment from very large crude carriers to smaller vessels, as well as direct delivery to a deep water port and transport in only smaller vessels. The four methods were compared on the basis of accident types and rates associated with different sizes of ships. The analysis concluded that on the basis of accidents only, there is no statistical difference between lightering and transshipment.

Oil for the SPR will be purchased through the normal Federal Government procurement procedures. FEA has under study the question of what environmental requirements should be imposed on its suppliers, as well as the question of how those requirements should be stated in any solicitation.

Q: *Tanker Traffic in the Gulf*

Under the FEA plan, a substantial amount of additional oil will be transported to the Gulf Coast.

What percentage increase in traffic do you anticipate?

There have been a large number of tanker spills recently. What assurances can FEA give Louisiana that spills or leaks from the Reserve will not contaminate the State's wetlands?

A: During the heaviest period of fill for all of the SPR sites combined, the anticipated SPR traffic could be between 400,000 and 500,000 barrels per day. During the heaviest fill period, site facilities construction will have been completed and tankers will be the primary transport mode. The ports to be used for site fill will be capable of handling tankers ranging in size from 35,000 to 80,000 deadweight tons (dwt) with capacities ranging from 300,000 to 595,000 barrels respectively. Allowing for the use of some smaller tankers, the average daily increase in shipping traffic due to SPR fill could be in the range of 1 to 3 ships.

The total barge and tanker petroleum traffic for the Gulf Coast area (excluding SPR fill) is estimated to be between 6.0 and 6.5 million barrels per day during the period of maximum SPR fill. Adding the SPR traffic of up to 500,000 barrels per day, therefore, would increase total petroleum barge and tanker movements in the area by 6 to 8 percent, in terms of barrels per day.

The Reserve is currently planned to be contained entirely underground in caverns in salt. SPR salt domes and their existing caverns have been selected for structural stability so that the possibility of wetland contamination from cavity collapse is precluded. Should any loss result from the wellhead, it would be suitably contained within the diked-in area surrounding each wellhead. Normal precautions will be taken with regard to oil movement on-site through pipelines.

Initially oil will be barged into sites using existing facilities. FEA is developing an Environmental Protection Plan for each site which will establish design and operational criteria. The Plan will include the examination of the commercial operation of these barge docks and if additional environmental protection is required, it will be provided. Normal fill will be via tanker unloadings at docks which service the individual sites through crude oil pipelines buried beneath the soil. These lines will carry the oil directly to surge tankage from where it will be pumped directly underground into the solution cavern. All tankage will be diked-in to prevent oil migration in the event of tankage failure. Spills will be minimized as a result of minimal handling of the oil once it leaves storage.

Q: *District V Storage.*

The plan proposes no storage for PAD District V (the West Coast). We know we have problems in the transportation of energy supplies between District V and the rest of the U.S. Why shouldn't some storage be located in District V instead of keeping all of it outside the West Coast?

A. The 1980 West Coast demand for products is forecast to be satisfied 92 percent by local refining of domestic crude, 3 percent by local refining of imported crude, and only 5 percent by product imports. The low forecast of imports reflects the substantial crude oil

production in the Western U.S. and increasing supplies from Alaska.

It is anticipated that there will be some demand restraints during a severe interruption which would reduce consumption by 3 to 6 percent. This would largely remove the need for imports for the West Coast. It also should be recognized that even a very severe embargo is not likely to cut off more than about 50 percent of oil imports. There will be opportunities to allocate the remaining imports, as well as the SPR oil, to those areas in need.

In the unlikely event that there would be a need to move SPR oil from the Gulf Coast to the West Coast, this could be done by tankers without significant difficulty in view of the relatively small quantities involved.

Q: The SPR Plan is not clear about the FEA's intent to use U.S. Flag vessels to carry at least one-half of SPR imports. Yet U.S. ships will be required to move SPR oil around the country in the event of an emergency withdrawal. Therefore, it is necessary to inquire into the FEA's transportation plans:

1. The Cargo Preference Act of 1954, requires that a minimum of 50 percent of U.S. Government impelled exports and imports be carried on U.S. ships. What plan does the FEA have to insure that U.S. ships are allotted at least one-half of all SPR oil imports?

2. There are several proposals under discussion regarding how the Government will purchase SPR oil, including CIF contracts that give the seller the control over shipping. What provisions does the FEA intend to write into its sales contracts to assure that U.S. ships will be given at least one-half of the SPR work under all contractual arrangements?

A: 1. The Cargo Preference Act is applicable to the transportation of oil to the SPR sites. The Act requires that at least 50 percent of all imports for the U.S. Government be carried on U.S. flag ships, if they are available at reasonable rates. When the offers are reviewed for the SPR oil, FEA will take steps to insure that these regulations are followed. We will be working closely with the U.S. Maritime Administration in this effort. If U.S. flag ships are not available at reasonable rates, in time to meet the SPR fill schedule, this Act will not prevent the SPR oil from being carried on ships of foreign flags.

2. The provisions of the Cargo Preference Act will be written into the solicitations which will call for any imported oil to be delivered by 50 percent U.S. flag ships, if available. Compliance with the contract and all its provisions will be monitored, including review to assure compliance with the Cargo Preference Act.

Q: *Tanker Storage Costs*

The FEA plan estimates the cost of storage in tankers at $6.00 per barrel. Please provide a derivation of this figure.

Mr. Howard Marlowe, representing the National Marine Engineers Beneficial Association, strongly advocated storage of residual fuel oil in tankers off New England. A copy of his statement is enclosed. Please provide the Committee with your analysis of this testimony.

A. The cost estimate for tanker storage is $6.42 per barrel. The costs are estimated as follows, in 1976 dollars.

Item:	Cost, $/BBL
Tanker Purchase	$4.22
Refurbishing after lay-up	0.14
Movement to U.S.	0.28
Vapor recovery system	0.56
Anchorage system	0.11
Crew, maintenance, etc.	1.82
Evaporation loss	0.30
Tanker sale (cost recovery)	(1.01)
Total discounted present value	6.42

The full derivation of this estimate is provided in the technical paper, "Use of Tankers for Stockpiling Petroleum"; Institute for Defense Analyses; January 1977. A copy is submitted herewith.

Mr. Marlowe's statement made two major recommendations. These are:

1. Elk Hills crude should be used for the Strategic Petroleum Reserve; and

2. Tankers should be used to store a portion of the oil in the Strategic Reserve.

FEA is, in fact, considering the use of Elk Hills Reserve oil for the SPR.

Elk Hills' Steven's Zone oil could be stored in the SPR, but transportation costs to Gulf Coast storage sites via coast-wise shipping may make storage of NPR oil more costly than oil from other sources. FEA has no objection to purchasing the suitable Elk Hills oil if it costs no more than other oil available for storage. We will make these comparisons as we proceed with the purchase of the SPR oil.

Concerning the second recommendation, that tankers be used for a portion of the SPR, FEA has reviewed the issue and has determined that there are four serious drawbacks to such use.

The economics of tanker storage are very unfavorable when compared to salt domes and existing mines. The estimated cost of such storage is a minimum of $6 per barrel, with the possibility of much higher costs to provide adequate environmental protection and security.

The environmental hazards are potentially severe and it is likely that adequate environmental protection measures would make tanker storage economically prohibitive.

Sabotage and other security problems associated with tanker storage are much greater possibilities than with land-based storage.

Operational requirements such as heating, desilting, and other stored petroleum handling problems associated with long-term storage pose technical questions of unknown magnitude.

In view of the estimates that tankers will not be lower cost than other more suitable forms of storage, FEA does not plan to use tankers for storage.

Mr. Marlowe makes a number of statements on pages four and five of his testimony that merit response.

1. ". . . they (FEA) say there is no precedent for the use of tankers for this purpose. But this country stored grain aboard tankers during the 1950's, and other countries—such as Japan—have tanker storage programs for crude oil underway."

The storage of grain cannot be compared with the storage of crude oil. Problems of pollution and environmental contamination do not occur with grain storage; clearly, the storage of a material such as grain in tankers bears little comparison with a potentially explosive and chemically active product such as petroleum or petroleum products, except for the fact that tankers are used in both cases.

FEA has attempted to identify any precedents for the use of tankers for long-term oil storage. We have not been able to identify useful precedents that provide cost, technical feasibility and environmental data regarding long-term storage in tankers.

2. ". . . The economics of tanker storage are very unfavorable when compared to salt domes and existing mines. . . . we challenge FEA's ability to substantiate their tanker cost conclusions. . . ."

The enclosed report, IDA Technical Paper P-1241, provides the basis for the FEA cost estimates. Further, FEA is of the opinion that continued study and definition of the tanker option to include the additional safety and environmental safeguards necessary for an operational storage system could only increase the tanker costs which are presented in the IDA report. The conclusion remains that the economics of tanker storage are very unfavorable.

3. "No vessel would be used in the Floating Reserve we propose, unless it first has been inspected thoroughly, carries adequate safety and navigation equipment, is structurally sound and completely seaworthy, and is manned by properly-trained U.S. crews."

The major proposals for crude tanker use have centered around acquiring 50,000 DWT-type laid-up tankers on the foreign scrap market. These tankers are generally 20 years old or more, and in questionable condition. Under the assumption that a thorough refurbishment and subsequent U.S. Coast Guard inspection could restore the vessels to operating condition per the above stipulations, and at a total cost *including purchase* of no more than $4.22 per barrel stored, the question of manning remains. It is not clear that a fully loaded tanker could be stationed under any anchorage condition in northeast United States' waters with less than a fully qualified operational crew. Proposals have described manning with a skeleton crew (e.g., two licensed officers, four able-bodied seamen and four oiler/firemen for every 5 tankers, plus 5 fire watchmen for each group of 15 tankers). FEA believes that a detailed appraisal of manning requirements could severely increase the cost estimates of tanker use for storing petroleum.

4. "The so-called 'venting' problem is greatly exaggerated."

Discussions with industry tanker operators confirm the fact that tankers exhaust hydrocarbon vapors during periods of storage. The estimate of the level of exhaust gas release is complicated since it is dependent on the type of petroleum (or product) on board; length of storage (no known empirical information exists for periods in excess of two-three months); and location of vessel (climatological factors, temperature, etc.).

The FEA estimate is intended to provide a working figure for comparative purposes, rather than represent either optimistic or pessimistic limits. FEA feels that the data employed accomplish this purpose.

5. ". . . Less than one percent of oil stored in tankers is lost in the recovery process, while the figure for underground storage is around 6 percent."

Based on data from actual storage facilities (e.g., the German Government), FEA estimates that more than 99 percent of the oil stored in salt domes can be recovered.

6. ". . . tanker storage would be available far sooner than the underground sites . . ."

If a decision were made in mid-February 1977 to use tanker storage, the environmental procedures alone would require a minimum of 12 months, and by perhaps mid-1978, with a completely favorable series of events, tankers could be "on-station." With the planned salt-dome storage, some 87.5 MMB of crude will be in storage by August 1978. This is approximately equivalent to 250 tankers of 50,000 DWT.

COMMENTS ON MR. LICHTBLAU'S TESTIMONY

Mr. Lichtblau's testimony indicates a very perceptive and thorough analysis of the plan. We have the following comments on each section of his testimony:

Need for an Accelerated Storage Program

FEA's analyses of potential interruptions, and the losses that could result, show that the Reserve should be developed to at least the 500 MMB level as rapidly as possible under an economically and environmentally sound development program, as suggested by Mr. Lichtblau.

The current SPR Plan was prepared recognizing annual budget constraints and the minimum requirements of the Act. We have analyzed the feasibility of accelerating the schedule and believe that some acceleration is possible, particularly in 1979 and 1980. With increased annual funding, it now appears that it would be possible to have 500 MMB in storage by the end of 1980 as suggested by Mr. Lichtblau. It may be possible

to make some increase above the 150 MMB level by the end of 1978, but environmental considerations and construction tasks are the constraining factors in that time period.

Our preliminary estimates indica e that the program could be accelerated to 500 MMB by the end of 1980 with no increase in total costs. The cost of facilities may increase somewhat, but this should be more than offset by a reduction in oil costs due to the possibility of obtaining lower oil prices with earlier purchases.

The question of whether the schedule should be accelerated is now being reviewed by the Administration. If a decision is made to do so, a Plan Amendment would be submitted for review by the Congress.

Availability of Crude

We generally agree with Mr Lichtblau's analysis regarding the availability of crude oil to meet an accelerated fill schedule.

Storage Sites

The constraints discussed by Mr. Lichtblau are particularly important in the early years of the program. We agree with his conclusion that there are advantages in concentrating on a few sites because of reduced environmental and construction problems. It also offers the benefits of economies of scale.

Construction of Superports

The availability of the superports certainly would help ease problems of adequate dock facilities for filling, but our analysis indicates that an accelerated fill schedule to 500 MMB by the end of 1980 is likely to be possible without the superports.

Increasing the Storage Ceiling

We agree that it may be appropriate to increase the size of the Reserve beyond 500 MMB, particularly if U.S. dependence on imports continues to increase. As stated in the Plan, FEA will continue to closely monitor the trends in our oil import levels as well as in our vulnerability to foreign oil interruptions, and will propose a Plan Amendment to change the size of the Reserve if appropriate.

A Strategic Reserve of Residual Fuel Oil

We agree that there are some uncertainties regarding the extent to which the U.S. will be able to rely on Caribbean refineries during an interruption, and this will be studied further in connection with FEA's reexamination of the need for regional product storage. FEA will examine specific ways to utilize the capabilities of Caribbean refineries to try to overcome the potential problems mentioned in Mr. Lichtblau's testimony. One option that will be examined would be to allocate rights to SPR crude oil to importers of refined products and residual oil so that those importers could then exchange that crude oil for the desired products.

We also agree with Mr. Lichtblau that if it is not possible to overcome uncertainties about the availability of Caribbean refineries, the storage of about 15 million barrels of residual oil (or No. 4 oil as a substitute) would provide adequate protection. It may not be necessary, however, to store any such oil along the East Coast. Some or all of it could be stored in lower cost Gulf Coast sites if tanker transportation can be assured.

Entitlements

FEA is presently reexamining the proposal to use the Crude Oil Entitlements Program to reduce the cost of the oil for the SPR. The points made by Mr. Lichtblau are legitimate arguments for not using the Entitlements Program for this purpose. We are now reviewing several possible options for financing the SPR, and we will inform the Congress as soon as a decision has been made regarding the use of Entitlements.

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., February 11, 1977.

Hon. JOHN F. O'LEARY,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. O'LEARY: Subsequent to the Interior Committee hearing of February 4 on the Federal Energy Administration's Strategic Petroleum Reserve Plan, Senator Kennedy supplied the Committee staff with a list of questions to be answered for the record. A copy of this list is enclosed.

I would appreciate it if you could provide the Committee with a complete, written response to these questions at the earliest practicable date.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

QUESTIONS SUBMITTED BY SENATOR EDWARD M. KENNEDY

(1) The language of Sec. 157 requires Regional Petroleum Reserves "in, or readily accessible to," the region that meets the 20 percent import standard. The FEA proposal appears to directly violate that mandate. On what legal justification from the language of the statute does FEA draw for its view that its plan meets this requirement?

(2) If the answer to the first question cites the exemption provided in subsection (c) for the Administrator to "place in storage crude oil . . . in substitution for all or part of the volume of residual fuel oil . . . stored in any Regional Petroleum" doesn't the current plan violate clause (2) since without question it will delay the fulfillment of the purpose of the Regional Petroleum Reserve. In fact, according to the FEA plan submitted the delay is one of more than 7 weeks; i.e., the chart on page 11 cites a 7 week delay for the crude in the SPR to reach the Caribbean refinery, let alone to be refined and re-shipped to the New England or other PAD I areas of need?

(3) With regard to the overall plan, could you explain the reasons for a demand estimate for 510 thousand barrels per day in New England (FEA Region 1) in 1980 contained within the report submitted to the Congress for an Early Storage Reserve last April and the 385,000 barrels per day estimate contained within the December report?

(4) Also, isn't it true that during the intervening months the level of residual fuel imports as a percentage of demand and also in total barrels has actually increased in the FEA Region I and in PAD 1?

(5) On what basis was the estimate made that residual fuel imports would only increase from 380,000 barrels per day in New England compared to 385,000 barrels per day in 1980? Do you still consider the 380,000 per day to be an accurate figure? And do you view the 1.3 percent increase in residual fuel imports between 1980–85 to be a view held by sources outside the FEA?

(6) In that regard, what groups and individuals with expertise in the oil industry concur with the demand estimates, particularly 385,000 barrels per day in 1980? What groups or individuals with expertise in the oil industry (i.e., concerning the oil industry) disagree with that estimate?

(7) Most witnesses testifying before the Committee reported a 70–75 percent portion of New England residual fuel consumption to be based on foreign source oil—either directly imported in the form of product or foreign crude refined into residual product by U.S., including the Virgin Islands and Puerto Rican refineries. On what assumptions did FEA make a 58 percent estimate for New England foreign residual oil usage? What were the assumptions underpinning FEA's assumption that the current percentage would be cut nearly in half by 1980? What groups and individuals concur with that view outside the FEA? Oppose that view?

(8) Since FEA acknowledges, on page 103, that "if larger product imports occur, product interruption impacts would be increased and estimates of the number of days to reach critical inventory levels would be reduced", isn't it likely that current estimates of the residual fuel oil demand made at the hearings, indicate just that sort of situation occurring in the event of a 1980 embargo?

(9) How many refineries not now built were included in the FEA estimate of available supply in 1980? How many pipelines not now in existence did FEA estimate would be available by 1980? What is the basis for the FEA assumption regarding each of the refineries and pipelines? Do current facts still justify those assumptions, in FEA's opinion?

(10) Under the FEA design, 7 weeks would pass before SPR crude would be made available to the Caribbean refineries. How long would the loading and shipping of residual fuel oil for New England take after the 7 week period and how many barrels would be available in Boston during the eighth week, ninth week, etc. When would the first barrel of SPR-refined oil land in Boston?

(11) How many barrels of residual fuel oil did FEA anticipate would be in transit when the embargo hit and from where did FEA anticipate they were en route? And to what ports are they destined?

(12) What agreements have been discussed with the non-U.S. Carribbean refineries as to their readiness to participate in breaking an Arab OPEC embargo? Who has undertaken those discussions and with whom were they undertaken? What agreements have been reached?

(13) Did any of those agreements cover a willingness by the countries involved, or the refineries, to alter their yield to the U.S. desire, presumably maximizing residual fuel oil?

(14) Did any of those agreements or the discussions, or FEA assumptions, include an estimate of the price to be charged for refining SPR crude? What was the estimate and was it an FEA assumption or part of the negotiations and/or agreements with non-U.S. governments or non-U.S. refineries?

(15) How many of the refineries expected to be used for refining the SPR crude in the Caribbean are currently owned by non-U.S. oil companies or by a non-U.S. government (not including Puerto Rico or Virgin Islands)?

(16) Assuming that the average price of refining a barrel of crude oil by a non-U.S. Caribbean refinery is in the neighborhood of $.50 per barrel, what interest, countervailing or competing force exists that would act to deter them from charging any price they desire for each barrel of SPR crude that we want refined, whether it is $2 per barrel or $5 per barrel or any other figure? And would this not be a factor to take into consideration when examining the relative costs of crude oil storage in an SPR or regional storage of #4 fuel oil?

(17) The Federal Regional Council, in their response of January 21 to correspondence from Tom Noel, reiterate their confidence in the $4.50 per barrel cost of rock cavern storage of #4 oil. They cite "Sweco" as a reputable firm with experience in this matter. Has FEA evaluated Sweco figures or used an outside consultant other than those previously used for its own SPR storage figures to assess the Sweco estimate?

(18) Has FEA considered the available number of barges for transporting SPR crude, the available port facilities, or the possibility of rivers being frozen?

(19) In evaluating available tankers, FEA

appeared to lump all tankers together, without distinction to their heating capability or their use as "clean" or "dirty" cargo carriers. How many tankers capable of carrying residual fuel oil would be available during the embargo situation to carry fuel to New England and the East Coast? Is it sufficient?

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., March 2, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of February 11, 1977, requesting answers to questions from Senator Kennedy regarding the Strategic Petroleum Reserve.

I am pleased to provide the enclosed answers to those questions.

Please let me know if further information is required.

Sincerely,

JOHN F. O'LEARY,
Administrator.

Enclosures.

1. Q. The language of Section 157 requires Regional Petroleum Reserves "in, or readily accessible to," the region that meets the 20 percent import standard. The FEA proposal appears to directly violate that mandate. On what legal justification from the language of the statute does FEA draw for its view that its plan meets this requirement?

A. Subsection (c) of section 157 authorizes substitution of crude oil or product storage for regional storage, under certain conditions. The Conference Report on the Energy Policy and Conservation Act, S. Rep. No. 94–516, 94th Cong., 1st Sess. at 134–35, 137, interprets this provision as follows:

The conference substitute permits the Administrator to satisfy the requirements of the Regional Reserve provisions regarding storage of any refined petroleum product or residual fuel oil by substitute storage of petroleum products, including crude oil, without express restriction on the location of substitute storage facilities. The conferees anticipate that the Administrator will rely upon substitution to satisfy Regional Reserve storage requirements only to the extent that the types and volumes of substitute petroleum products stored and the location of the storage facilities will be "adequate to provide substantial protection" against an interruption or reduction in imports of any refined petroleum product or residual fuel oil for which any FEA Region is dependent upon imports of such oil or product for more than 20 percent of such Region's demand for such oil or product.

* * * * *

An excellent example of the manner in which the House and Senate amendments have been harmonized may be found in the several provisions relating to satisfying regional requirements for petroleum products. The House amendment required only that the Early Storage and Strategic Reserve Plans be designed to satisfy regional needs.

The Senate amendment contained rigid standards specifying when certain products were required to be stored. Like the House amendment, the conference substitute also requires that the Plans be designed to satisfy the regional needs. However, the requirements for establishment of regional reserves which parallel the requirements in the Senate amendment are greatly simplified in comparison to those of the Senate amendment. The volumetric and storage locale requirements are made more flexible and substitution of crude oil storage as permitted in the Senate amendment, is retained. The result is a regional reserve requirement which gives greater flexibility in the method of carrying out the Congressionally established policy than was provided by the Senate amendment.

In light of the statutory language and the conference report, it seems clear that substitute storage does not violate the mandate of section 157.

As I stated during hearings before the Senate Interior Committee on February 4, I want to fully reexamine the Regional Petroleum Reserves issue in view of the concerns raised by the representatives from New England. I intend to undertake a full reexamination of this question, including:

An independent strategic analysis focusing on the reliability of Caribbean refineries and foreign flag tankers; and

The development of a complete Distribution Plan (including transportation plans) and standby allocation and pricing regulations.

After completion of these efforts, I will reconsider the question of whether product storage in New England or other areas is necessary as opposed to discretionary substitution now contained in the Plan.

2. Q. If the answer to the first question cites the exemption provided in subsection (c) for the Administrator to "place in storage crude oil . . . in substitution for all or part of the volume of residual fuel oil . . . stored in any Regional Petroleum" doesn't the current plan violate clause (2) since without question it will delay the fulfillment of the purpose of the Regional Petroleum Reserve. In fact, according to the FEA plan submitted the delay is one of more than 7 weeks; i.e., the chart on page 11 cites a 7 week delay for the crude in the SPR to reach the Caribbean refinery, let alone to be refined and reshipped to the New England or other PAD I areas of need?

A. The prerequisites for discretionary substitution, as set forth in Section 157(c), are that it:

1. Is necessary or desirable for purposes of economy, efficiency, or for other reasons; and

2. May be made without delaying or otherwise adversely affecting the fulfillment of the purpose of the Regional Petroleum Reserve (RPR).

The intent is further amplified in the Conference Report which states that "... substitute petroleum products stored and the location of the storage will be adequate to provide substantial protection against an interruption..." to any FEA Region qualifying for a Regional Petroleum Reserve.

The initial FEA analysis concluded that the substitution would be desirable to obtain enhanced delivery and product slate flexibilities and reduced costs. It also was concluded that the proposed substitution could be made without delaying or otherwise adversely affecting fulfillment of the purpose of the RPR and that substantial protection against an interruption could be achieved. These conclusions were based on the findings that:

All FEA Regions qualifying for an RPR are located on the East Coast;

Product imports could be replaced at East Coast ports within 7 weeks, or less; and

East Coast petroleum industry days-of-supply endurance at the interruption rate has been estimated at approximately 12 weeks for crude oil and 9 weeks for residual fuel assuming interruption of crude oil to the non-U.S. Caribbean refineries.

Thus it was concluded that, for the East Coast as well as elsewhere, consumer product shortages could be averted under the substitution option by a combination of industry and Government contingency response actions. The discretionary substitution is deemed desirable for reasons of enhanced delivery and product slate flexibilities and the potential attainment of significant program economies.

To establish a perspective, it is useful to compare estimates of product delivery times to East Coast users with crude oil stored in the Gulf Coast area versus product storage in the East Coast. The sequence of events described on page 116 of the Plan is expected to apply in either case through at least week 3, and probably through week 5. The only real advantage to be gained by East Coast product storage is one, or at most two, weeks in delivery time.

3. Q. With regard to the overall plan, could you explain the reasons for a demand estimate for 510,000 barrels per day in New England (FEA Region 1) in 1980 contained within the report submitted to the Congress for an Early Storage Reserve last April and the 385,000 barrels per day estimate contained within the December report?

A. The 510,000 barrel per day demand estimate for New England (FEA Region I) contained in the Early Storage Reserve (ESR) Plan submitted in April was based on 1980 forecasts developed as part of the December 1975 National Energy Outlook (NEO) efforts. The references Project Independence Evaluation System (PIES) forecasts contained in the NEO and subsequently in the ESR were based on statistics available in 1975 including then current demand levels and petroleum prices. Since that time new PIES forecasts were developed which reflect, among other things, lower demands and higher petroleum prices. Evidence of the decrease in demand for residual oil may be found by comparing the 1973–74 (1975 figures were not yet available) Region I figure of 409,000 barrels per day contained in the ESR Plan with the 380,000 barrels per day figure contained in the SPR Plan based on the average of 1974–1975. The average demand for Region I considering 1975 alone was 325,000 barrels per day.

4. Q. Also, isn't it true that during the intervening months the level of residual fuel imports as a percentage of demand and also in total barrels has actually increased in the FEA Region I and in PAD I?

A. We do not yet have demand figures for the period between the ESR Plan submission and SPR Plan submission, broken down by FEA Region. Therefore, we cannot determine the level of residual imports as a percentage of demand for Region I in recent months. We have the following data on imports of residual oil by Region I, for the last quarter of 1976 compared with the last quarter of 1975. These figures include shipments from Puerto Rico and the Virgin Islands.

Imports of residual oil by region I

1,000 Barrels/day	*1975*	*1976*	*Percent change*
October	179	224	+31.2
November	341	285	−16.4
December	285	374	+25.1
Average	286	294	+9.7

These figures indicate that total barrels of imports of residual increased somewhat in the last quarter of 1976 compared with 1975.

We do have demand data through October 1976 for PAD I, to permit a comparison of residual imports as a percentage of demand in 1976 and 1975 as shown below. These estimates treat production from Puerto Rico and the Virgin Islands as domestic rather than imports.

Residual demand and imports in PAD I for September–November 1975 and 1976

[1,000 barrels per day]

1975	Demand	Imports	Percentage imports
September	1414	927	65.5
October	1368	927	67.8
November	1493	895	59.9
1976			
September	1437	1,165	81.1
October	1442	923	64.0
November	N/A	1,144	----

These figures indicate that PAD I imports of residual in the Fall of 1976 may have increased somewhat as a percentage of demand, compared with 1975, although adequte data is not yet available to permit an accurate comparison.

5. Q. On what basis was the estimate made that residual fuel imports would only increase from 380,000 barrels per day in New England compared to 385,000 barrels per day in 1980? Do you still consider the 380,000 barrels per day to be an accurate figure? And do you view the 1.3 percent increase in residual fuel imports between 1980-85 to be a view held by sources outside the FEA?

A. Estimates for FEA Region I fuel demands were based on consideration of forecasts by the National Energy Outlook Program, National Petroleum Council, Bureau of Mines, and Exxon, as well as recent historical consumption data maintained by FEA. Recent historical consumption of residual fuels in FEA Region I is seen to decline as follows:

Year:	Consumption (MB/D)
1972	458
1973	450
1974	370
1975	325

Employing data developed by the above sources, FEA estimated that growth in the consumption of residual fuels on the national level would be approximately 3 percent per year. At this rate, 1980 demand for residual fuel in Region I would be approximately 380 MB/D. This figure is consistent with distributing total 1980 petroleum demands projected by FEA's NEO at 19.8 MMB/D, according to historical usage patterns.

1976 consumption data were not available during the preparation period of the SPR Plan. Should significant departures from these trends be noted in 1976 data, FEA will then reconsider its projections and this may impact the conclusions regarding the need for storage of refined products.

At present, FEA is pursuing its analysis of the 1985 demand forecasts. When this analysis is complete, a position with respect to the 1.3 percent growth in residual imports between 1980 and 1985 will be provided.

6. Q. In that regard, what groups and individuals with expertise in the oil industry concur with the demand estimates, particularly 385,000 barrels per day in 1980? What groups of individuals with expertise in the oil industry (i.e., concerning the oil industry) disagree with that estimate?

A. No formal review process for examination of these supply and demand projections has been established. However, as noted above, the projections of various petroleum companies and other government agencies are taken into account during the preparation of National Energy Outlook (NEO) estimates.

The FEA decision to propose storage of only crude oil in centralized Gulf Coast storage was based upon consideration of a number of factors beyond a single demand level estimate. Should further review and analysis of those factors impacting the ability of the SPR to properly protect vulnerable regions indicate uncertainties in our capabilities to achieve this goal, it may be appropriate to store some product along the East Coast or in Gulf Coast storage.

7. Q. Most witnesses testifying before the Committee reported a 70–75 percent portion of New England residual fuel consumption to be based on foreign source oil—either directly imported in the form of product or foreign crude refined into residual product by U.S., including the Virgin Islands and Puerto Rican refineries. On what assumptions did FEA make a 58 percent estimate for New England foreign residual oil usage?

A. The language of the legislation defined the terms "United States" and "States" to include all States, the District of Columbia, Puerto Rico, or any territory (such as the Virgin Islands) or possession.

As a consequence of this definition, the import statistics exclude product shipments between these areas. Puerto Rico and the Virgin Islands are in FEA Region 2. The shipment of residual oil from Puerto Rico and the Virgin Islands to New England was treated as an interdistrict transfer rather than an import. A comparison of the statistics under both concepts, as follows, confirms that the figures of 70–75 percent residual fuel imports into New England is virtually correct if you classify shipments from Puerto Rico and the Virgin Islands as imports.

COMPARISON OF REGION I IMPORT STATISTICS—RESIDUAL FUEL

	Thousand barrels per day	Percent of demand
Region I demand (1974-75)	380	100
Residual fuel imports [1]	221	58
PR/VI transfers [1]	69	18

[1] Imports and transfers combined total 76 percent of demand.

While we have classified shipments of residual fuel oil from FEA Region II to New England as interdistrict transfers, we have not overlooked the imports of foreign crude oil into Region II (Puerto Rico and the Virgin Islands). Our analysis of the amount of crude required in the SPR, and transportation lags, recognizes such imports and their potential interruption.

7 (continued). Q. What were the assumptions underpinning FEA's assumption that the current percentage of residual oil demands satisfied by imports would be cut nearly in half by 1980?

A. There has been a noticeable trend toward self-sufficiency in U.S. refining capacity over the recent past with refineries meeting a gradually increasing percentage of the overall demand.

SUPPLY SOURCES OF PETROLEUM PRODUCTS [1] AS A PERCENT OF U.S. DEMAND

	1973	1974	1975	1976
Natural gas liquids (direct)	5.2	5.6	5.7	5.2
Product imports	17.4	15.7	11.8	11.4
U.S. refinery outputs	77.4	78.7	82.5	83.4
Total	100.0	100.0	100.0	100.0

[1] Based on partial reporting: Demand and imports through November, natural gas liquids through September.

The attached Figure 1 illustrates our increasing dependence on imported crude oil and the gradual decline in the volume of product imports. This trend was first influenced by the import fee differential between products and crude and, subsequently, much more so by the entitlements program. In 1975, crude oil imports were 4,105,000 barrels per day compared with 1,324,000 barrels per day in 1970. The 2,781,000 barrels per day increase was required to offset a decline in domestic production of 1,275,000 barrels per day and 1,506,000 barrels per day for increased demand. Finished product imports were approximately equal for the 2 years.

Production of residual fuel oil by U.S. refineries continues to increase as illustrated in Figure 2. U.S. refineries are now producing approximately half of the total demand for this product. A major factor in this trend has been the entitlements program which makes it more profitable to import crude oil and refine it in the U.S., rather than import finished products. U.S. demand and production of residual oil is shown below:

	Thousands of barrels/day		
	Demand	Production	Percent
Year:			
1973	2,822	971	34.4
1974	2,639	1,070	40.5
1975	2,433	1,235	50.8
1976 [1]	2,678	1,335	49.9

[1] Based on partial reporting: Demand and imports through November, natural gas liquids through September.

Q. What groups and individuals concur with that view outside the FEA?

A. A number of different sources were consulted to compare our forecast growth rates for petroleum products. These sources are shown below along with the forecast annual growth rate by each. FEA used a figure of three percent per year.

"Emergency Preparedness for Embargo", NPC, Sept. 1974 (2.9%)

"U.S. Energy Through Year 2000" (Revised), Bureau of Mines, Dec. 1975 (3.4%)

"Energy Outlook 1976–1990", Exxon Company, Dec. 1975 (2.2%)

"1976 National Energy Outlook", FEA, Feb. 1976 (2.0–4.0%)

In addition, the trend toward increased gasoline mileage of automobiles and the corresponding decrease in gasoline demand is supported in "Demographic and Engineering Factors Affecting Gasoline Utilization", May 12, 1976; API Refining Reprint; E. I. du Pont de Nemours & Co.

8. Q. Since FEA acknowledges, on page 103, that "if larger product imports occur, product interruption impacts would be increased and estimates of the number of days to reach critical inventory levels would be reduced", isn't it likely that current estimates of the residual fuel oil demand made at the hearings, indicate just that sort of situation occurring in the event of a 1980 embargo?

A. It is true that if product imports increase, the number of days to reach critical product inventory levels will decline. The question is whether such a decline is likely in New England or anywhere, and how serious the decline would be in the days of supply of product. FEA analysis indicates the decline is not likely to be serious. FEA will continue its analysis to be sure that changes in projections will be reflected in changes in the SPR Plan as needed.

The analysis of days-of-supply of product is given in the SPR Plan (see page 113 for example). Here it can be seen that endurance (or days-of-supply) regarding product is sufficient to buffer all parts of the country from the effects of crude and product interruptions for many weeks longer than needed to implement conservation and SPR use. This assumes that interrupted crude oil is replaced to permit continued refinery production by U.S. and Caribbean refineries.

At present, there appears to be an adequate margin in product inventory at primary levels to justify current planning. If that situation changes in the future, there is

adequate margin to permit timely revisions to SPR plans. It should be noted that only primary inventory has been counted in this planning. Inventory at secondary and consumer levels, which includes reserves at utilities, distributors, etc., provide an additional buffer.

9. Q. How many refineries not now built were included in the FEA estimate of available supply in 1980? How many pipelines not now in existence did FEA estimate would be available by 1980? What is the basis for the FEA assumption regarding each of the refineries and pipelines? Do current facts still justify those assumptions, in FEA's opinion?

A. Estimated refinery capacity in 1980 for use in SPR Plan preparation was derived from FEA's list of new refinery projects, as shown below. The projections also assumed improvements in the use of existing capacity at the rate of two percent per year. This was based on historical utilization trends. The crude processing capacity in the U.S. and its territories was forecast to increase from 14.9 MMB/D on January 1, 1975, to 18.6 MMB/D by January 1, 1980. Refinery expansions since January 1, 1975, are generally oriented toward production of a high yield of low sulfur residual fuel and a low yield of gasoline. Over 80 percent of the additional capacity above the January 1, 1975, level was forecast to be located on the Gulf, West and East Coasts, based on the announced locations of new projects.

U.S. and territories capacity utilization is forecast to increase from an annual average of 86.3 percent in 1974 to an annual average of 88.7 percent in 1980. Capacity utilization in each of the refining districts was based upon historic rates except for new projects which were used at 80 percent of capacity during the first two years of operation.

Flows of crude oil and petroleum products through the transportation system for the 1980 normal case were established. It was generally assumed that transportation facilities would be developed to enable industry to achieve the logistical patterns consistent with the base case requirements. This included the following specific assumptions: (1) pipeline capacity would be installed to move a total of 420 MB/D of Alaskan Prudhoe Bay crude oil from the West Coast to inland U.S. refining areas; (2) increased pipeline capacity would be installed between the Gulf Coast and major refining centers in Districts 2/3/4; (3) petroleum products pipelines between the Gulf Coast and the East Coast would be expanded by approximately 400 MB/D; (4) sufficient U.S. flag ship would be available to transport 1.6 MMB/D of Prudhoe Bay crude from Alaska to West Coast ports; (5) sufficient U.S. flag tankers would be available to handle the required product movements of about 600 MB/D from the Gulf Coast to the East Coast.

The 1980 domestic crude allocation to each refining area was based on 1974 historical data. The primary change in 1980 domestic crude supply is the addition of 1,600 MB/D of Alaskan Prudhoe Bay crude; 1,180 MB/D of this crude would remain on the West Coast and 420 MB/D would be distributed to Bureau of Mines Refining Districts 2/3/4, 5, 6, 7, 11, and 12. This supply pattern could result from several alternative transportation modes:

Completion of the proposed Sohio pipeline (from Los Angeles to West Texas) and one of the proposed Northern Tier pipelines (from the West Coast to Northern Tier refineries).

Completion of the proposed Sohio pipeline and expansion of pipelines from West Texas to Midwestern and Northern Tier refineries.

Tanker delivery of Alaskan crude to the Gulf Coast with expansion of pipelines from the Gulf Coast to the Midwest and the Northern Tier.

Alaskan crude runs to inland BOM Refining Districts 5/7/11, and 12 were set by the additional crude requirements. The remaining volume was distributed among 2/3/4, and 6.

An initial allocation of imported crude processing was made based upon:

Each district's ability to process sour imported crude.

Actual 1971 through 1975 imports into each district.

Minimum transportation cost.

The development of U.S. and territorial refining capacity along with pipeline capacity installation will be monitored by FEA. If significant departures from these analytically oriented projections and assumptions noted above are detected, then appropriate modifications to the SPR Plan will be prepared.

The following list of announced refinery projects was used in estimating the increase in refining capacity between 1975 and 1980. Projects are shown by Bureau of Mines Refining Districts.

BOMRD 1	
Pittston, Maine	250
Hampton Roads, Va	175
Announced numerous projects totaling 2,400 MB/D; assumed only partial completion of those announced	75
BOMRD 8	
Exxon, Baytown, Tex	200
Dow Chemical, Freeport, Tex	200
BOMRD 9	
Wallace & Wallace, Tuskegee, Ala	150
Announced numerous projects totaling 340 MB/D; assumed only partial completion	38
BOMRD 13	
Pacific Resources, San Diego, Calif	100
BOMRD 2/3/4	
Several projects	100
BOMRD 14	
St. Croix Refinery, Virgin Islands	200
Estimated non-U.S. Caribbean capacity:	
January 1, 1977	899
January 1, 1978	939
January 1, 1980	1,195

10. Q. Under the FEA design, 7 weeks would pass before SPR crude would be made available to the Caribbean refineries. How long would the loading and shipping of residual fuel oil for New England take after the 7 week period and how many barrels would be available in Boston during the eighth week, ninth week, etc. When would the first barrel of SPR-refined oil land in Boston?

A. The time lag between receipt of crude oil and its loading and shipping following processing through a refinery can vary from a few days to a month depending on what other crude stocks are already at a refinery awaiting processing. Thus, if there were no crude stocks already waiting processing, SPR crude could be refined and on its way to customers within a week. If the refinery already had crude oil available, of course, it could continue to supply products without interruption.

Consequently, it is expected that the barrels of residual (or any other product) available in Boston in the eighth, ninth, twelfth, or any other week would be the same as that available prior to the embargo, except for deductions due to emergency conservation or demand restraint measures which would be applied fairly and equitably throughout the nation.

For FEA's analysis, "worst case" assumptions were used regarding the amount of time needed to decide to use the SPR, allocate the oil, ship it to refineries and on to users. Under these "worst case" assumptions, oil products resulting from SPR oil could land in Boston about 8 weeks after the embargo began. Under more optimistic assumptions, such oil could be delivered to Boston in 4 weeks or less. For example, the "worst case" assumptions would take 5 weeks for tankers to start loading at SPR sites. We see no reason why they could not start loading within two weeks, and have crude oil refined and shipped to New England within 4 weeks.

It also should be understood that FEA would be allocating other available crude oil as well as SPR crude oil, during an interruption. Refined products from other crude oil, including uninterrupted imports, could be supplied to New England within 4 weeks.

11. Q. How many barrels of residual fuel oil did FEA anticipate would be in transit when the embargo hit and from where did FEA anticipate they were en route? And to what ports are they destined?

A. FEA's analysis of days-of-supply to determine product endurance did not count residual oil in-transit. In other words, the 651 days endurance on page 113 is over and above any in-transit residual oil. Currently, FEA is examining what additional cushion is available because of residual oil in-transit.

12–14. Q. What agreements have been discussed with the non-U.S. Caribbean refineries as to their readiness to participate in breaking an Arab OPEC embargo? Who has undertaken those discussions and with whom were they undertaken? What agreements have been reached?

Did any of those agreements cover a willingness by the countries involved, or the refineries, to alter their yield to the U.S. desire, presumably maximizing residual fuel oil?

Did any of those agreements or the discussions, or FEA assumptions, include an estimate of the price to be charged for refining SPR crule? What was the estimate and was it an FEA assumption or part of the negotiations and/or agreements with non-U.S. governments or non-U.S. refineries?

A. There have been no discussions with non-U.S. Caribbean refiners regarding any specific arrangements for their operation during an embargo. The assumption that at least 50 percent of that refining capacity would be available to supply products for the U.S. was based on advice received from the U.S. national security agencies.

As we develop the details of the Distribution Plan, this matter will be explored in detail. If I am not satisfied regarding the extent to which we can rely on those refineries, I will not hesitate to proposed to store some No. 4 oil to protect against the possible loss of that capability.

15. Q. How many of the refineries expected to be used for refining the SPR crude in the Caribbean are currently owned by non-U.S. oil companies or by a non-U.S. government (not including Puerto Rico or Virgin Islands)?

A. In developing the SPR Plan, it was assumed that refineries in the Bahamas, Netherland Antilles and Trinidad might refine SPR crude and provide refined products to the U.S. There are six refineries in these three countries. Four are owned by U.S.-based companies. One is owned by a multi-national company based in Western Europe. The remaining refinery is owned by the Trinidad/Tobago Government.

The ownership of the specific refineries are as follows:

NETHERLANDS ANTILLES

1. Lago Oil and Transport Company, Aruba. Owned by Exxon Corporation.

2. Shell Curacao NV, Curacao. Owned by Royal Dutch Shell.

TRINIDAD AND TOBAGO

1. Texaco Trinidad Inc., Brighton. Owned by Texaco Inc.

2. Texaco Trinidad Inc., Pointe-a-Pierre. Owned by Texaco Inc.

3. Trinidad and Tobago Oil Co., Point Fortin. Owned by Trinidad/Tobago Government.

BAHAMAS

1. Bahamas Oil Refining Co., Freeport. Owned by New England Petroleum Co. and Standard Oil of California.

16. Q. Assuming that the average price of refining a barrel of crude oil by a non-U.S. Caribbean refinery is in the neighborhood of $.50 per barrel, what interest, countervailing or competing force exists that would act to deter them from charging any price they desire for each barrel of SPR crude that we want refined, whether it is $2 per barrel or $5 per barrel or any other figure? And would this not be a factor to take into consideration when examining the relative costs of crude oil storage in an SPR or regional storage of No. 4 fuel oil?

A. To the extent these Caribbean refineries are subjected to a crude supply interruption, it is anticipated that U.S. crude could be swapped in exchange for the desired product output. The overall crisis management framework will incorporate provisions to assure that any product received from U.S. crude refined in the Caribbean would not result in major price disparities of such products compared to domestically refined products. This objective will be accomplished by the existing export regulations, necessary revisions to the allocation program and development of government control apparatus applicable to crude swaps for foreign product outputs.

Existing export regulations provide for the exportation of crude during a crisis which will result directly in the importation of desired products into the U.S. Furthermore, these regulations specifically state that the commodities imported into the U.S. as a result of this transaction can be sold at prices no higher than the lowest price at which they would have reasonably been sold if produced domestically.

The export regulations establish the necessary guidance to incorporate revisions to the allocation program. If product importers were given rights to SPR or other crude oil, it would permit them to make arrangements for refined products, with minimum government interference. Such provisions would stipulate that, as a condition of foreign refineries accepting U.S. crude, the product output would be subjected to a U.S. pricing policy. This condition would be beneficial to foreign refineries as they would be receiving crude supplements during an interruption with a guaranteed product market and likewise avoiding the cost of refinery shutdowns. Such provisions would assure product supplies to New England with no major price disparities.

The ability to control the prices of imported products certainly will be a factor in our reexamination of the need for regional product storage.

17. Q. The Federal Regional Council, in their response of January 21 to correspondence from Tom Noel, reiterate their confidence in the $4.50 per barrel cost of rock cavern storage of No. 4 oil. They cite "Sweco" as a reputable firm with experience in this matter. Has FEA evaluated Sweco figures or used an outside consultant other than those previously used for its own SPR storage figures to assess the Sweco estimate?

A. Documented Sweco estimates for a site on the Northeast have not been made available to FEA Headquarters, so that detailed analysis of any such estimates have not been undertaken. While no challenge to the reputability of Sweco is intended, their estimates may not have properly accounted for the variations in rock quality at the various sites or the local mining safety regulations which would impact the cost estimates.

FEA believes that the cost estimates by Acres American, under contract to FEA, are sufficiently detailed for our planning requirements and, therefore, no additional outside consulting is required.

Acres American estimated costs for developing specific rock cavern sites along the North Eastern Coast, including one in the Hingham-Quincy, Massachusetts area. The estimates included the total cost of site acquisition, construction (including pipeline construction), engineering fees and contingencies. These estimates are supported by actual experience of American and foreign firms involved in underground mining and tunnel construction.

Should subsequent review and analysis indicate the need for storage along the East Coast, then a thorough review of all available site cost data will be undertaken as part of the site selection process. Available, detailed cost estimates from all sources will, of course, be considered.

18. Q. Has FEA considered the available number of barges for transporting SPR crude, the available port facilities, or the possibility of rivers being frozen?

A. Current planning for some of the primary SPR storage site candidates calls for a limited use of tank barges during the initial fill operations. The anticipated impact on overall Gulf Coast barge assets (over 500 tank barges) is negligible, since the SPR barge requirement would likely not exceed 20 per day at a maximum. With the completion of planned facilities construction, each site will be linked by pipeline to a major tanker terminal or crude oil pipeline, thus obviating the need for further use of barges during fill. During an SPR drawdown, a modest use of barges might be expected to satisfy the demands of refineries located near the sites; however, the bulk of the SPR crude will pass directly from the sites into crude oil pipelines for inland distribution and into tankers for interport movement.

Included in the selection criteria for storage sites are locational considerations with respect to the existing distribution system and the capability of that distribution system to accommodate anticipated SPR-related loads. This encompasses the examination of the available port facilities where appropriate. The development of each site will include the construction or leasing of those facilities (including port facilities) that will be necessary for the design levels of operation, for both fill and drawdown.

The location of the bulk of the SPR in the Gulf Coast area minimizes the potential distribution problems associated with adverse winter weather conditions. The large-scale use of waterborne transportation for distribution of SPR crude to inland refineries is not anticipated. The crude oil pipeline network will be used for this purpose. Thus, the possibility of frozen rivers is not presently a major factor in SPR distribution planning.

19. Q. In evaluating available tankers, FEA appeared to lump all tankers together without distinction to their heating capability or their use as "clean" or "dirty" cargo carriers. How many tankers capable of carrying residual fuel oil would be available during the embargo situation to carry fuel to New England and the East Coast? Is it sufficient?

A. During an embargo, that portion of the U.S. flag tanker fleet that is normally engaged in domestic product trade (including the shipment of residual fuel oil from U.S. refineries to the East Coast) would logically continue in that trade. This would provide for the delivery of well over 50 percent of the projected 1980 total East Coast demand (2.3 MMB/D during peak winter conditions). Approximately 930,000 barrels per day would be imported (880,000 from non-U.S. Caribbean refineries) and, if interrupted, might involve replacement by product refined from SPR crude.

It is not possible to predict what products will be carried by which specific tankers in the future, but it is reasonable to assume that suitable tankers would be available with heating capability and both "clean" and "dirty" cargoes during a normal supply situation. The question, then, is whether an adequate number of those tankers are likely to be available during an interruption, to continue to carry those products.

In considering the availability of tankers, it is important to recognize that there almost certainly will be some reduction in petroleum consumption during a severe interruption. This is expected to result in a reduced demand for total world oil movements, and particularly a reduction in the volume of international movements of oil, with a related decrease in use of tankers. There is likely to be a small increase in the demand for U.S. flag tankers to handle U.S. coastal trade because of the use of the Reserve and some increase in output by domestic refineries.

The estimates by the U.S. Maritime Administration of the excess capacity of U.S. flag ships in the early 1980s show that there should be more than enough U.S. flag capacity to meet the needs. It also is expected that there will be an adequate number of those ships with heating capability, and which could be ready to carry "clean" or "dirty" cargo as necessary, to carry the relatively small increase in tanker movements that are estimated for the coastal trade.

It also is important to consider the availability of tankers to carry product imports from the non-U.S. refineries in the Caribbean to the East Coast. In early 1976, ships under 21 different flags were participating in the trade. Ships under flags of convenience (Liberia and Panama) were carrying 56 percent of the shipments. Greece was the next largest carrier, with 13 percent. The United Kingdom flags carried 5.8 percent and Norway and Italy had 3.2 percent each. U.S. flags had 3.7 percent. The remaining was spread among flags of 13 countries.

This indicates that the trade is not now dominated by any country or group of countries that is likely to force the ships to pull out of the trade in the event of an embargo. The ships under flags of convenience are primarily U.S.-owned and could be effectively under U.S. control.

If necessary, the Secretary of Commerce could requisition U.S.-owned foreign flag vessels, under authority of Section 902 of the Merchant Marine Act of 1936, to meet the U.S. tanker needs.

Based on the analysis conducted to date, it was concluded that sufficient tanker capacity would be available. As stated previously, this will be one of the questions that will be reevaluated as part of my reexamination of the need for regional product storage.

AMERICANS MUST TURN TO COAL AS AN ENERGY SOURCE—GEORGETOWN UNIVERSITY PLANS COAL PLANT—WASHINGTON POST ARTICLE TELLS OF NEW METHOD

Mr. RANDOLPH. Mr. President, increasingly the United States must turn to coal as the energy source of the future. This trend is reflected in the decision by Georgetown University to construct an atmospheric fluidized bed system for coal combustion. The Washington Post reported on Friday, March 4, that "Georgetown U. Plans Coal Power Plant Using New Method."

Fluidized bed coal combustion offers the potential for environmentally acceptable coal utilization as well as greater efficiency in the conversion of coal into electricity. The first demonstration of this advanced technology in the United States is scheduled for Rivesville, W. Va., later this year.

This decision by Georgetown University to construct such a facility is to be commended. Through such leadership the United States can sooner achieve greater coal utilization consistent with environmental policies. I commend the Post article by Stephen Klaidman to my colleagues and ask that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GEORGETOWN U. PLANS COAL POWER PLANT USING NEW METHOD

(By Stephen Klaidman)

In keeping with President Carter's commitment to coal as the energy source of the future, Georgetown University will build a $14 million power plant that will burn cheap, high sulfur coal with great efficiency and a minimum of pollution.

Construction will begin after the District's Board of Zoning Adjustment approves Georgetown's master development plan, which the university hopes will come before the end of April. The project will be under a contract from the Energy Research and Development Administration.

William A. Miller, vice president for planning and physical plant at Georgetown said the potentially revolutionary steam-producing facility would take 18 months to complete and that it would be the university's main energy source.

The system was developed by the New York engineering firm of Pope, Evans and Robbins, which has operated an experimental plant in Alexandria since 1967. Energy generated by this plant at Union and Franklin Streets is not used for any purpose except experimentation.

ERDA, according to program manager William Harvey, already has committed "in excess of $50 million" to developing the system. That investment has been matched by corporations and private institutions such as Exxon and the Battelle Memorial Institute in Columbus, Ohio. Georgetown is paying $4 million toward its plant.

The first high-output plant using the system, which is known as atmospheric fluidized bed coal combustion, is about to go into operation in Rivesville, W. Va. It will be part of the Allegheny power grid serving western Pennsylvania and northern West Virginia.

The process works by forcing crushed coal through a preheated bed of pulverized limestone. The limestone ignites the coal, which boils the water or heats the air, depending on what kind of heat is desired.

The limestone traps the sulfur in the coal, thereby eliminating a major source of pollution enabling the system to meet both local and federal pollution standards. The process produces a solid residue that can be converted to gypsum and used as a soil conditioner, to make wall board or for road beds.

Both Harvey and Michael Pope, developer of the process, said that years of experiments in Alexandria indicated that the system would produce energy at a lower cost and more efficiently than either oil or natural gas. But Harvey cautioned that no one can say that with absolute certainty until it is tested on a commercial scale.

The Alexandria unit, whose bed is 10 square feet, produces 5,000 pounds of steam an hour. Georgetown's plant will turn out 100,000 pounds an hour using a 444-square-foot bed. The Rivesville plant will turn out 300,000 pounds an hour.

Harvey cited several potential drawbacks, including a question as to whether sale of the waste would be commercially feasible. Pope says the answer is yes, but it has yet to be demonstrated.

Harvey also said it was uncertain how the system would operate at less than its peak. Georgetown, whose maximum power needs are 140,000 pounds an hour, does not always need the full 100,000 pounds the new plant will produce.

Pope said, however, that it would "turn down to 35,000 pounds with no difficulty."

Another problem, Harvey said, is conveying, storing and especially crushing the coal. Coal-crushing technology, he indicated, is not highly developed.

The process also operates with relatively low heat—1,600 degrees Fahrenheit—to avoid forming another major pollutant, nitrous oxide, which begins forming at 1,650 degrees. That limits its use in some manufacturing processes.

Georgetown became interested in the system, according to Miller, because "we get dropped off the line when the gas company can't supply us; we saw the price of oil going out of sight and we needed another boiler."

Georgetown's present heating system can be fueled by either gas or oil. The new system, according to Pope, will burn "anything, wood chips, lignite, even garbage." The most practical fuel, however, seems to be high-sulphur coal, which is plentiful in the East and is about $10 a ton cheaper than cleaner-burning low-sulfur coal.

Most of the institutions that have contracted to build fluidized bed systems—so called because the coal and limestone particles are forced through the bed at such high speed that they behave like fluids—will use them to either heat air or water.

Exxon, however, plans to heat petroleum as part of the crude-oil refining process. Other potential applications are paint drying, cement making and dog-food processing.

LOSING CONTROL OF FOREIGN AID

Mr. PROXMIRE. Mr. President, I believe that it is time the Congress took notice of the fact that we are losing control of the foreign aid provided by our country.

As the January edition of International Policy Report shows, recent trends in the nature of foreign aid have removed more and more congressional control over who receives U.S. money.

In 1976, we extended $24.9 billion in direct credits, Government-guaranteed loans, Government-insured investments, and official debt deferments to third world countries. Yet of this package, only $7.7 billion, 31 percent, was authorized by Congress.

In other words, we are losing our right to choose which countries are to receive American assistance. Through institutions such as the Export-Import Bank of the United States, the International Monetary Fund, and the World Bank, American money can be channeled to nations which would not otherwise receive congressional approval for aid.

There are certain advantages in providing foreign aid through international agencies and regional associations instead of bilaterally. But with the greater emphasis on multilateral foreign aid has come the unwelcome loss of congressional control.

It has taken Congress many years just to determine how much foreign aid this country is sending overseas. We should not now take a step back toward the years of disinterest we have just overcome.

Mr. President, I ask unanimous consent that the report by the Center for International Policy be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FOREIGN AID: EVADING THE CONTROL OF CONGRESS

Some 69 percent of U.S. and multilateral foreign aid now reaching the Third World does so without benefit of any prior Congressional review of planned country-by-country allocations. In fiscal year 1976 the Third World got $24.9 billion in direct credits, government-guaranteed loans, government-insured investments and official debt deferments from 15 separate U.S. bilateral programs and U.S.-supported multilateral agencies, of which Congress debated, authorized and appropriated country allocations for $7.7 billion, only 31 percent of the total.

The remaining $17.2 billion or 69 percent was allocated by 11 semi-autonomous, self-sustaining U.S. government corporations or international banks ranging from the Export-Import Bank of the United States to the World Bank and the International Monetary Fund. All are public agencies. All make obligations fully guaranteed by the public. Yet with few exceptions the selection of aid recipients by these agencies has gone unchecked by the U.S. Congress or any other national legislature, while their spending has doubled in the last six years.

These figures include both bilateral credits supplied entirely by the United States and multilateral aid provided by the World Bank, the regional development banks and the IMF with partial U.S. government backing. The total figure of $24.9 billion represents the aggregate of official credits to the Third World provided by or participated in by the United States government in fiscal year 1976. It omits third-country bilateral programs and all private loans and investment not contributed to or guaranteed by the U.S. government.

For some countries whose repressive policies have made them unpopular with Congress and a sizable segment of American opinion, the proportion of foreign aid escaping Congressional control is even higher. Thus in fiscal year 1976:

South Korea where an authoritarian president has jailed the opposition, got $1.6 billion in credits, guarantees, and insurance through 12 U.S. bilateral and U.S.-supported multilateral agencies, more than any other U.S. aid recipient except Israel. Of that $1.6 billion, only $347 million, or 22 percent, came through outlets that are subject to prior Congressional control.

Chile where a military junta has unleashed a sanguinary reign of terror, got $357 million in credits, guarantees and insurance, of which Congress debated, authorized and appropriated for Chile only $74 million or 21 percent.

The Philippines where martial law persists after five years, got $1.5 billion, of which Congress approved specifically for the Philippines $94 million, or 6 percent.

Indonesia where a harsh military dictatorship rules, got $930 million, of which Congress approved specifically $133 million, or 14 percent.

South Africa where hundreds are shot down in the streets for demanding racial justice, got $310 million from two U.S. programs and the IMF, of which Congress approved specifically for South Africa not a penny.

This erosion of Congressional control over the allocation of foreign aid has gone virtually unnoticed by the press, the public and by Congress itself.

FIFTEEN MAJOR AID CHANNELS

Aid and official credits to the Third World are now channeled through 15 major agen-

cies and programs—16, if the African Development Fund, which the United States joined in 1976, is counted. The four traditional bilateral programs—AID, PL–480, Peace Corps and military assistance programs—operate on funds directly appropriated by Congress. Every year they must submit a list of planned recipients with program justification and dollar amounts. The other 11 official agencies—Eximbank, OPIC, the Commodity Credit Corporation, the Housing Guaranty Program, U.S. debt rescheduling, and the international financial institutions—operate for the most part on non-appropriated funds. Their funds come from original appropriated capital stock, service payments and premiums on loans and insurance outstanding, and borrowings from the U.S. Treasury and private capital markets. (However, the International Development Association—the World Bank's soft loan window—and the soft-loan programs of the regional development banks operate on U.S. and other member nations' appropriated funds.)

In brief, each of these uncontrolled agencies constitutes a separate revolving fund that is from time to time replenished by Congressional appropriation. These agencies are not required to tell Congress in advance where they plan to distribute their money. They allocate their funds subject only to the general guidelines of the enabling legislation. The choice of recipient is in the hands of appointed bureaucrats, not elected legislators.

Exceptions to this pattern are minor. A 1975 amendment requires the Eximbank to notify Congress in advance of any allocations above $60 million.[1] A 1974 amendment requires prior notification to Congress of deferment of debts made pursuant to the Foreign Assistance Act.[2] Under these amendments the executive branch in fiscal year 1976 was required to report to Congress $1.2 billion in allocations, or 7.2 percent of the total from the 11 uncontrolled outlets in fiscal year 1976. Apart from these amendments, the 11 uncontrolled programs were not required to report their planned country allocations to Congress.

The decisions are left to bureaucrats and are made behind closed doors, far from the prying eyes of Congress, the press or the public. None of the 11 uncontrolled programs admits the public to the board meetings where the aid allocation decisions are made. On the ground that theirs is privileged commercial information, they insist that their meetings remain secret. Even the recently enacted Government-in-the Sunshine Act is unlikely to change the secretive habits of these institutions, according to lawyers on their staffs.

If the process is undemocratic, so are the results. According to a 1975 Louis Harris poll, a lopsided 63–12 percent majority of Americans feel our government has no justification "to back authoritarian governments that have overthrown democratic governments"—a description that applies to such high-priority recipients as South Korea, Chile and the Philippines. An even larger 73–18 percent majority believe that it is "morally wrong for the U.S. to back a military dictatorship that strips its people of their basic rights, even if that dictatorship will allow us to set up military bases in that country." Responding to this public pressure, Congress has prohibited military aid to Chile and Uruguay and cut the appropriation for South Korea. But, as already noted, the total aid amounts up for Congressional consideration in fiscal year 1976 made up only 21 percent of the U.S. and multilateral package to Chile and 22 percent of that to South Korea. Public opinion reached Congress, but was powerless to penetrate the Washington financial bureaucracy—the dozen government corporations and international financial institutions that provide President Park Chung-hee and the Chilean junta with the bulk of their foreign support.

Likewise in response to public pressure, Congress has passed human rights amendments on foreign aid legislation. Currently, six of 16 foreign aid channels are covered by the new legislation—AID, military aid, OPIC, the Housing Guaranty program, and the U.S. vote in the Inter-American Development Bank and the African Development Fund. In addition Eximbank and the Commodity Credit Corporation are covered by a different kind of human rights restriction—freedom of emigration legislation applicable only to Communist countries. That leaves eight agencies uncovered—10, if the emigration rights legislation, which does not affect the Third World, is not counted. Past experience indicates that even if public pressure succeeds in turning off the flow of support to an offending government from some of these agencies, the others may well fill the gap with larger grants.

FINDING LOOPHOLES

Indeed, the budgetary history of the Vietnam war in its last years is largely a chronicle of Congressional cutbacks on aid and Administration attempts to get around the cutbacks by finding loopholes in the worldwide PL–480 program, AID and excess defense article valuation regulations. In Chile the Administration during fiscal 1975 used undesignated funds in the PL–480 Title I program, the Housing Investment Guaranty program, the CCC and debt rescheduling options to open up the flow of life-giving credits to the military junta.[3] An aid cutback strategy that limits itself to the traditional bilateral programs of the "foreign aid bill"—the money directly appropriated by Congress—is therefore of greater moral than practical significance.

In the past six years the share of the traditional aid outlets in the total has dropped from 46 to 31 percent. The big spenders today are the Export-Import Bank, the World Bank, the regional banks and the IMF. Together they and the other uncontrolled agencies outspend the traditional programs of the foreign aid bill, 2 to 1. AID, PL–480 and military assistance programs have all come under increasing Congressional scrutiny in recent years. With the decline in Indochina military aid, the total from these sources has returned to the fiscal year 1971 level of $7.7 billion while spending of the 11 uncontrolled sources has more than doubled from $7.8 billion in fiscal year 1971 to $17.2 billion in fiscal year 1976.

CONGRESSIONAL INTENT CONTRAVENED

Not only is Congress powerless to control the aid allocations of the bilateral and multilateral financial institutions, it is not even aware of their activities. Instead, it has relied on the State Department to keep it informed. In 1967 it passed legislation requiring the State Department to submit presentation material giving a full picture, on a country-by-country basis wherever possible, of the total U.S. assistance program.[4] The material is to include "a chart showing on a country-by-country basis the full extent of all United States assistance planned or expected for each such country for the next fiscal year, including economic assistance and military grants and sales under this or any other Act and sales under the Agricultural Trade Development and Assistance Act of 1954, as amended. . . ." The Senate report accompanying the 1967 legislation said:

"This amendment will insure that the Congress has available in one place a listing on a country-by-country basis of all U.S. assistance, economic and military, which may be provided in the coming fiscal year, as well as the details of contributions which are expected to be made that year to multilateral financial agencies. This will help to give Congress a more nearly complete picture of the total U.S. development effort when it considers foreign assistance legislation."[5]

For fiscal year 1976 the State Department's chart purportedly showing the "full extent" of U.S. assistance listed:

6 percent of the total flow from the United States and the multilateral agencies in which it participates to the Philippines.

22 percent of such aid to South Korea.

21 percent of such aid to Chile.

With the rise of non-appropriated forms of assistance, the reporting requirement passed by Congress in 1967 has become dangerously obsolete. What counts today from both a political and a balance-of-payments standpoint is the *total package* either directly provided or indirectly mobilized by the United States to a given country. For the fiscal and political stability of the recipient country, the nature of the source—bilateral or multilateral—or degree of concessionality of the loan matters less than the size of the total package. What Congress reviews is only a small part of the total program; as a result, Congress is all but shut out of effective decisionmaking on foreign economic policy.

The Senate Appropriations Committee estimates the total transfer of U.S. resources to foreign nations in fiscal year 1976 including Export-Import Bank at $14.7 billion. The Committee report said, "In annual budget presentations, the multitude of agencies and departments which administer foreign assistance programs quite naturally justify only their part of the total program, often neglecting its relation to the whole. This separate and selective justification of individual programs frequently blinds the Congress and the American public to the totality of foreign assistance."[6] As a Senate Foreign Relations Committee aide is quoted as saying, "If Congress had to vote on a foreign aid bill of $9 billion or $13 billion, it wouldn't go through."[7]

BACKDOOR METHODS

The various backdoor methods of channeling official funds to the Third World exist for a variety of purposes, each with its own rationale. Eximbank promotes U.S. exports. The Overseas Private Investment Corporation insures U.S. foreign investments. PL–480 and the Commodity Credit Corporation export credit sales program dispose of U.S. agricultural surpluses. The Paris Club provides debt relief. The World Bank and regional development banks promote the development of poor lands. The IMF provides balance-of-payments help.

Yet divergent as their purposes are, these agencies do act in concert. In the showdown with the government of the late President Salvador Allende, the United States mobilized the massed power of all these financial institutions to cut the flow of resources to Chile in retaliation for that nation's nationalization of the Anaconda and Kennecott copper mines. In the Chilean episode, even such ostensibly international organizations as the World Bank and the Inter-American Development Bank joined in the Nixon administration's campaign to "make the economy scream." With the defeat of Allende-style economic nationalism, the various branches of the Washington financial bureaucracy have resumed their support of Chile. Representatives of the World Bank and IDB bristle at the suggestion that they have been manipulated for political purposes. Yet the Chilean episode offers a laboratory demonstration of just such political manipulation.

Neither the decision to turn off the aid spigots to Chile nor to turn them back on was ever placed before Congress or the American people; rather it was a White House decision implemented at the executive level. Congress was not consulted. It did not have to be consulted. It had already

Footnotes at end of article.

delegated away its power to the executive branch.

SUBORDINATE ROLE

Congress has assumed its subordinate role through a process it has scarcely perceived. It has approved ever larger authorizations for Eximbank even as its own watchdog agency the General Accounting Office, warned that the export agency's exposure was dangerously outrunning its reserves.[8] It has voted billions to the international organizations even as the administrators of these organizations refuse to testify or produce records before Congress or any other national legislature. According to the Treasury Department, Congress might as well reconcile itself to its subordinate role and leave the decisions up to the international banks. As Assistant Secretary of the Treasury Gerald L. Parsky told the Senate Appropriations Committee last spring:

"I know that some of you have felt the United States, especially the Congress, cannot make a sufficient review of the lending operations of the development banks in advance of loan approval. Unlike the situation for the bilateral aid program, we cannot present you with a list of specific projects that will be financed with the appropriations before you today. This situation is inherent in the nature of these multilateral institutions where the United States provides only one dollar out of every three, four or five they lend. It would obviously be infeasible for them to present their programs in advance to the governments and parliaments of all their members, or even to the 20 to 25 donor members. However, these institutions do not make sharp changes in the pattern and nature of their lending from year to year. Thus a review of last year's lending program will indicate quite accurately the nature and direction of their lending programs this year and next year." [9]

This Treasury Department statement is open to serious objection. First, while Parsky pleads inability to produce a list of specific projects of the international banks, in fact each bank maintains an operational summary of proposed projects that is updated monthly and shows country, nature of project and (in most cases) approximate dollar amount. Second, it is not infeasible, merely inconvenient for the international financial institutions to present their projects to the U.S. Congress or any other legislative body. Third, it is not true that these institutions do not make sharp changes in the pattern and nature of their lending from year to year. Following the imposition of martial law in the Philippines, IBRD loans rose abruptly from $11.6 million in fiscal year 1973 to $155.6 million the following fiscal year. On the other hand, after the election of Allende in Chile the IDB sharply cut its commitments to Chile and the World Bank cut its loans entirely. Fortunately for the World Bank and IDB, they were spared the inconvenience of having to justify their politically motivated loan allocations before Congress or any other democratic forum with legal authority to require the submission of testimony of records.

From time to time Congress has chafed under the restrictions of its subordinate role. Reviewing the World Bank's 1976 Chilean loan, in March 1976 Rep. Henry S. Reuss (D-Wis.), chairman of the House Banking and Currency Committee, charged that the World Bank "succumbed to political pressure to shore up an inhuman right-wing dictatorship tottering on the edge of bankruptcy." McNamara refused Reuss's invitation to appear before the committee, although in the early years of the World Bank its presidents and senior officers often testified before Congressional committees. On September 27, 1976, Reuss voted against the fiscal 1977 Foreign Assistance Appropriations Bill, which included $270 million for the IDB, with the comment, "I hope to signal by my vote today that the people of the United States wish to place limits on the aid they give any international organization which, in the words of the act of May 31, 1976, extends financial assistance, "to any country which engages in a consistent pattern of gross violations of internationally recognized human rights,' "[10] The bill passed, 216–155.

THE NAC

With Congressional control weakening and public awareness at a low ebb, the executive branch has a free hand to use the massed power of the financial institutions as it pleases. The executive branch mechanism coordinating all 15 channels of foreign aid is a little-known but strategically located unit called the National Advisory Council on International Monetary and Financial Policies. The NAC reviews all U.S. foreign credits, including Department of Agriculture PL–480 and CCC credits (above $4 million). It includes representatives of the Treasury, State and Commerce (but not Agriculture) departments, the Eximbank and the Federal Reserve Board. It coordinates U.S. policy for the World Bank, IDB, ADB, African Development Fund and IMF, and it guides the operations of the Eximbank. It helps its member agencies reconcile the often divergent objectives of U.S. export promotion, disposal of agricultural surpluses, protection of U.S. private investment, and support of friendly governments abroad. Under Treasury Department guidance, it sets U.S. policy on debt negotiations, where U.S. assent to rescheduling of overdue debts can make the difference between stability and financial chaos for a foreign debtor nation. Its meetings are secret, and minutes are available only through a lengthy Freedom of Information request. Its reports, although comprehensive, are issued but once a year and reach Congress and the public on an average of 11 months after conclusion of the transactions they record. The NAC is obscure enough that its telephone number is not listed by the U.S. government switchboard or in the telephone book. Yet the NAC is, in fact, unmatched throughout the Washington financial bureaucracy in its tight intertwining of financial power.

AID DECISIONMAKING

The two types of foreign aid decisionmaking—Congressional and bureaucratic—are a study in contrasts. For the programs that go before Congress, AID submits detailed justifications in advance, setting aid levels by country and program. Descriptions of these programs are contained in a series of bulky varicolored loose-leaf notebooks published by AID for each fiscal year and distributed to Congress and the public. These requests are worked over in 14 Congressional committees or subcommittees and at least four marathon floor debates. Administration witnesses submit to lengthy and occasionally exacting interrogation on planned country levels. Testimony is taken from diverse public groups and individuals. Sessions are usually open, and the press has an opportunity to report on planned aid levels before they happen. Activists and organizers from the plethora of movements and public interest groups formed since the 1960's can generate constituent pressure in advance of key votes. How the public will respond to such prodding is a decision only the public can make. The whole cumbersome process recalls Winston Churchill's remark that democracy is the worst form of government ever invented, except for all the others.

In contrast to the clumsy and sometimes comical process of Congressional decisions, decisionmaking in the closed bureaucracies of the NAC, Eximbank, OPIC, World Bank, regional banks and the IMF is streamlined, efficient and generally humorless. The public is barred from the board or staff committee meetings where the country allocations are made. There is a minimum of pubic posturing, for no public is present to be impressed by such posturing. Eight of these organizations keep their minutes secret.

INTERNATIONAL INSTITUTIONS

With regard to the international financial institutions, Congress has no power to require the submission of records or testimony by the organization's officers, except for the U.S. executive director whose strange double personality—U.S. government representative *cum* international bank employee—still has the legal experts of Congress baffled, In the late 1940's the president and senior administrators of the World Bank regularly testified before Congress, but today they disdain to do so. A Library of Congress study of the international banks says, "Congress must rely for any information it requests concerning the operations and policies of the banks upon whatever the executive departments choose to provide." The authors of the study, prepared for the House Foreign Affairs Committee in 1974, say they and the GAO were denied two basic categories of pertinent material—summaries of the meetings of the executive directors and reports to bank managements by outside consultants. This material, the authors say, "is needed for a complete appraisal of the U.S. role in the banks." [11]

The untouchable status of the international financial institutions has disturbed analysts outside of Congress as well. "As the number and activities of international organizations expand," writes Professor Karl Kaiser, "an area grows in which major decisions are made without much democratic control by the peoples and institutions which are affected or which support these activities financially." [12] Thus the great potential gain of institutions that transcend national boundaries and rivalries is lost by the failure to place them under democratic control. As a result, their international character is also fatally compromised. In the Chilean credit embargo, the Nixon administration made the World Bank and Inter-American Development Bank the vehicles for its own narrowly vindictive policies on behalf of American copper companies. No doubt these policies had many supporters in Congress as well—as the tough anti-expropriation language of the Gonzalez amendment indicates. Yet many others in Congress and in the public would have opposed the politicization of the World Bank had the decision ever been placed before them. Far from violating the international character of the World Bank, legislative scrutiny may be the only way to attain it.

JAMES R. MORRELL.

FOOTNOTES

[1] Section 2(b)(3) of the Export-Import Bank Act of 1945.

[2] Section 4 of the Foreign Disaster Assistance Act of 1974.

[3] William Goodfellow, "Chile's Chronic Economic Crisis: 1976 and Beyond," *International Policy Report*, Vol. II, No. 2, pp. 4–8.

[4] Section 634(d) of the Foreign Assistance Act of 1961.

[5] U.S. Congress, Senate, *Foreign Assistance Act of 1967: Report of the Committee on Foreign Relations on S. 1872* (90th Congress, first session, Report No. 499, 1967), pp. 38–39.

[6] U.S. Congress, Senate, *Foreign Assistance and Related Programs Appropriation Bill, 1976 Report* (No. 94–704, March 18, 1976), p. 6.

[7] Quoted in Donald L. Bartlett and James B. Steele, "Foreign Aid: The Flawed Dream," *Philadelphia Inquirer* (a reprint of the *Inquirer's* series of November 24–29, 1974), Part I, p. 4.

[8] United States, General Accounting Office, *Weakened Financial Condition of the Export-Import Bank of the United States* (ID–76–17, October 17, 1975).

[9] U.S. Congress, Senate, *Foreign Assistance and Related Programs Appropriations Fiscal Year 1977 Hearings* (94th Congress, second session, April 8, 1976), p. 87.

[10] *Congressional Record*, September 27, 1976, H11141–2.

[11] United States, Foreign Affairs Division, Congressional Research Service, *The United States and the Multilateral Development Banks* (U.S. Congress, House Committee on Foreign Affairs, 93rd Congress, second session, March 1974), pp. 6, 137, 145.

[12] Karl Kaiser, "Transnational Relations as a Threat to the Democratic Process," Robert O. Keohane and Joseph S. Nye, Jr., eds., *Transnational Relations and World Politics*, p. 364.

Statistical Appendix

General

Tables 1 and 2 measure commitments of official development assistance (ODA) and military assistance and of other official flows, including loans, guarantees, insurance and debt deferments from the United States government and from the international financial institutions in which it plays a major role. The tables measure the total aid package directly provided by, or indirectly mobilized by, the United States to Third World countries. Components of the aid package may be divided into two broad categories:

(1) "Official development assistance" (ODA). Flows that are administered with the promotion of development, welfare and security of developing countries as their main objectives, whose financial terms are concessional in character; and

(2) Other official flows which have concessional elements but are also export facilitating in purpose; investment guarantees and insurance; and debt deferments.*

All private bank and equity investment is omitted; only official agencies are covered.

AID—Agency for International Development, U.S. Department of State

Extends grants and loans for development assistance, food and nutrition programs, population planning, and "security supporting assistance" (economic stabilization programs and general budgetary support). Falls within category of "official development assistance" (ODA) established by the Organization for Economic Cooperation and Development (OECD) to define development assistance whose financial terms have a grant element (concessionality) of over 25 percent. (The grant element of a loan is the face value of loan commitments less the discounted present value of the future flow of repayments of principal and interest, using the customary rate of 10 percent and expressed as a percentage of face value.) Operates on annual appropriations from Congress. Figures are estimates.

During fiscal year 1976 AID's total program in the Third World is estimated at $3.25 billion ($3.37 billion if Greece and Portugal are included), distributed as follows:

[In millions]

Asia	$321.6
Africa	215.3
Near East	1,788.5
Latin America	233.0
Other	692.8
Total	3,251.2

"Other" includes:

American Schools and Hospitals Abroad	9.9
International Organizations and Programs	239.4
International Disaster Assistance	22.8
President's Foreign Assistance Contingency Fund	10.0
Other assistance programs	0.3
Interregional programs	186.8
Termination of Indochina Postwar Reconstruction	3.3
Operating expenses	203.7
Foreign Service Retirement and Disability Fund	16.7
Total	692.8

Peace Corps (ACTION)

Administers programs of technical assistance, cultural interchange and generally promotion of world peace and friendship. Staffed by 6,000 volunteers and full-time personnel. Operates in 69 countries of the developing world. Operates on annual appropriations from Congress. Figures are estimates.

For fiscal year 1976 the Peace Corps' worldwide program is estimated at $85 million, distributed as follows:

[In millions]

Asia	$10.2
Africa	26.2
Latin America	16.5
Near East	5.5
Pacific	5.0
	63.5
Worldwide program support	7.2
Peace Corps share of ACTION agency-wide costs	13.8
	21.0
Other	0.5
Total	85.0

Public Law 480 (Food for Peace)

Distributes U.S. agricultural commodities to the Third World. Qualifies as ODA. Operates on annual appropriations from Congress. Some 80 percent of total is sold under Title I of act, which authorizes government-to-government sales for dollars on credit or for foreign currencies. The other 20 percent of PL–480 shipments are made under the Title II food donation program, distributed by the recipient government or by voluntary agencies.

Under present legislation, 75 percent of Title I shipments must go to countries short of food with per capita incomes of $300 or less. The other 25 percent may go to politically high priority recipients such as South Korea and Chile. This 25 percent of the Title I program is often called the "political use" quota.

For fiscal year 1976 the PL–480 Third World program is estimated at $1.63 billion ($1.64 billion if Portugal is included), made up as follows:

[In millions]

Asia	$704.7
Africa	67.4
Latin America	122.5
Near East	279.5
Pacific	0.2
	1,174.3
Title I carry-in	138.2
Title I reserve	70.5
Title II reserve	57.7
Title II foreign currency grants	2.0
Ocean freight	187.2
	455.7
Total	1,630.0

MAP—Military Assistance

Here used to cover all U.S. military assistance programs, including Military Assistance Grants (MAP) Foreign Military Training, Foreign Military Credits Sales and Excess Defense Articles. Military cash sales omitted. Operates with direct appropriations by Congress. Figures are estimates. Excludes cost of U.S. forces in Third World.

For fiscal year 1976 the Third World got $2.69 billion in U.S. military assistance, distributed as follow:

[In millions]

Near East	1,938.7
Asia	471.3
Africa	46.0
Latin America	196.7
Other	37.7
Total	2,690.4

EXIM—The Export-Import Bank of the United States

The Eximbank is a self-sustaining export credit and insurance agency of the United States whose basic purpose is to facilitate the exports of U.S. goods and services. It assumes commercial and political risks that cannot be undertaken by exporters or private financial institutions, offers loans with longer maturities than are generally available for private export financing, and assists in meeting foreign official export competition. Figures given are gross authorizations, including loans, guarantees and insurance. Discount loans amounting to $1.1 billion are omitted; the country figures are incomplete by this amount.

As an independent corporate agency within the Executive Branch, Eximbank has its own charter—the Export-Import Act of 1945—and is also regulated by the Government Corporation Control Act. It receives no appropriated funds or tax revenues, but has authority to borrow directly from the U.S. Treasury in amounts up to $6 billion at any one time. It also has a $1 billion capital stock subscribed to by the U.S. Treasury.

As a rule, Eximbank interest rates on direct credits range from 8.25 percent on six-year maturities to 9.5 percent on 15-year maturities, although the bank will lower rates to meet foreign export credit agency competition. These rates closely approximate the rates borrowers pay today on open U.S. capital markets for similar maturities.

In addition to direct loans, Eximbank provides guarantees to U.S. commercial banks financing a U.S. export sale. These guarantees protect the commercial bank against failure of the foreign buyer to pay. Similarly, in conjunction with 50 large U.S. insurance companies grouped in the Foreign Credit Insurance Association (FCIA), Eximbank provides insurance-cover to U.S. exporters on credit extended for their overseas sales, protecting the exporter against loss for commercial or political reasons. The guarantee and insurance programs account for well over half of all financing authorizations supported by Eximbank. Finally, Eximbank makes discount loans to commercial banks against their eligible export debt obligations to provide the banks with liquidity when necessary.

For fiscal year 1977 Eximbank requested in authorizations:

[In billions]

Direct loans	$4.0
Guarantees and insurance	8.9
Discount loans	1.0

With near-commercial financial terms working out to a grant element of approximately 8 percent, Eximbank activity in the Third World qualifies as an "other official flow" in the OECD definition. Since its terms are not concessionary, Eximbank officials insist the bank is not a foreign aid agency, but this is a simplification of the true situation. Other executive branch and international financial agencies regularly count Eximbank loans as part of an overall foreign aid package to a Third World country. Eximbank's policies are guided by the NAC which combines foreign aid and export promotion objectives. In fiscal year 1976 Eximbank was

* Organization for Economic Cooperation and Development, *Development Cooperation 1975 Review* (Paris, 1975), pp. 15–16, 132, 150–152.

the largest single source of U.S. bilateral or multilateral capital for 32 Third World countries.

At present Eximbank is able to authorize only about 60 percent of the applications for direct credits it receives. Denial of Eximbank financing to a repressive government frees up budget authority for support of U.S. exports to another country. It does not entail a lessening of Eximbank support for the overall U.S. export effort.

In fiscal year 1976 Eximbank authorized $5.1 billion in direct loans, guaranteed bank loans and insurance for the Third World, up $466 million from fiscal year 1975. Mexico was the largest recipient in fiscal year 1976 with $746.3 million, followed by the Philippines with $703.4 million. The Philippines authorization included one direct credit of $277.2 million for a nuclear power plant, the largest single Eximbank loan ever approved.

OPIC—THE OVERSEAS PRIVATE INVESTMENT CORPORATION

A U.S. government agency within the State Department, OPIC insures equity investments of U.S. corporations in the Third World against three kinds of political risks—expropriation, currency inconvertibility, and war, revolution or insurrection. In fiscal year 1976 OPIC issued new insurance covering $349 million in U.S. investments in the Third World, down 30 percent from $502 million in fiscal year 1975. Of the 1976 total, $74.1 million was for South Korea, more than for any other country in the world. On June 30, 1976 OPIC had a world exposure of $3.2 billion. This figure represented maximum contingent liability on each of the three types of insurance OPIC writes. Of the amount of investment abroad eligible for its insurance, OPIC is insuring about 60 percent. In addition, OPIC has a small direct loan program which committed $9.0 million to nine developing countries in fiscal year 1976.

Totals are the sum of OPIC insurance and financing authorized. For fiscal year 1976 the insurance figure is the size of insured investment (including royalties and fees). Where size of insured investment is not available, largest single maximum coverage is used.

TABLE I.—AID TO THE THIRD WORLD—FISCAL YEAR 1976

15 MAJOR U.S. BILATERAL AND U.S. SUPPORTED MULTILATERAL OUTLET

[In millions of dollars]

	Third world	Latin America	Argentina	Barbados	Belize	Bolivia	Brazil	Chile
Total	24,860.0	6,875.1	518.6	9.8	2.8	195.1	1,318.2	357.5
Direct [1]	7,656.7	568.7	34.9	—	.3	42.9	64.7	74.3
AID	3,251.3	233.0	—	—	—	29.9	.9	15.5
Peace Corps	85.0	16.5	—	—	.3	—	1.7	.7
Public Law 480	1,630.0	122.5	—	—	—	3.8	1.0	58.1
MAP [2]	2,690.4	196.7	34.9	—	—	9.2	61.1	—
Indirect [3]	17,203.3	6,306.4	483.7	9.8	2.5	152.2	1,253.5	283.2
EXIM	5,141.0	2,541.8	68.6	—	2.0	25.7	406.1	30.7
OPIC	349.1	112.9	—	—	.5	—	73.0	—
HIG	100.0	29.0	—	—	—	—	—	25.0
CCC	451.8	53.1	—	—	—	—	—	—
Paris Club	285.2	—	—	—	—	—	—	—
IBRD	4,429.1	1,408.9	—	—	—	44.5	498.0	33.0
IFC	195.2	36.7	—	—	—	.9	13.4	—
IDA	1,655.2	39.5	—	—	—	—	—	—
ADB	755.8	—	—	—	—	—	—	—
IDB	1,318.0	1,318.0	100.0	9.8	—	81.1	263.0	25.3
IMF	2,522.9	766.5	315.0	—	—	—	—	169.2

	Colombia	Costa Rica	Dominican Republic	Ecuador	El Salvador	Guatemala	Guyana	Haiti
Total	322.0	144.5	137.4	212.7	107.1	242.9	14.1	78.7
Direct [1]	42.5	8.4	27.2	14.4	8.3	24.0	5.7	18.9
AID	13.3	6.5	12.7	—	1.9	15.3	5.5	9.2
Peace Corps	1.5	1.2	.8	1.5	.9	1.3	—	—
Public Law 480	11.0	.7	11.7	1.9	1.8	5.2	.2	9.5
MAP [2]	16.7	—	2.0	11.0	3.7	2.2	—	.2
Indirect [3]	279.5	136.1	110.2	198.3	98.8	218.9	8.4	59.8
EXIM	116.0	57.8	72.0	98.3	42.0	39.7	8.4	1.2
OPIC	—	3.3	8.1	.5	1.9	1.0	—	1.1
HIG	—	—	—	—	—	—	—	—
CCC	—	—	19.5	—	—	—	—	—
Paris Club	—	—	—	—	—	—	—	—
IBRD	80.0	39.0	—	51.0	39.0	14.5	—	—
IFC	6.0	—	—	5.0	—	—	—	—
IDA	—	—	—	—	—	—	—	21.5
ADB	—	—	—	—	—	—	—	—
IDB	77.5	22.3	10.6	43.5	15.9	163.7	—	32.6
IMF	—	13.7	—	—	—	—	—	3.4

	Honduras	Jamaica	Mexico	Nicaragua	Panama	Paraguay	Peru	Surinam	Trinidad and Tobago	Uruguay	Venezuela	Regional and unallocated
Total	111.9	93.8	1,296.0	106.0	177.0	26.0	676.5	11.6	76.9	101.1	410.9	126.0
Direct [1]	24.8	3.1	5.1	23.1	23.6	6.7	49.5	—	—	4.2	17.3	44.8
AID	13.1	1.0	—	17.1	22.0	4.4	21.2	—	—	.5	—	43.0
Peace Corps	1.1	1.1	—	1.1	—	.9	—	—	—	—	.6	1.8
Public Law 480	6.9	1.0	—	1.3	1.0	—	7.4	—	—	—	—	—
MAP [2]	3.7	—	5.1	3.6	.6	1.4	20.9	—	—	3.7	16.7	—
Indirect [3]	87.1	90.7	1,290.9	82.9	153.4	19.3	627.0	11.6	76.9	96.9	393.6	81.2
EXIM	38.8	22.9	746.3	40.4	78.7	3.8	151.0	1.16	51.1	9.1	393.6	26.0
OPIC	1.2	—	—	2.1	1.4	—	—	—	18.8	—	—	—
HIG	—	—	—	—	—	4.0	—	—	—	—	—	—
CCC	—	1.6	—	—	—	—	32.0	—	—	—	—	—
Paris Club	—	—	—	—	—	—	—	—	—	—	—	—
IBRD	3.0	6.8	315.0	16.0	12.0	4.0	174.1	—	7.0	52.0	—	20.0
IFC	—	—	—	7.4	—	—	—	—	—	3.8	—	.2
IDA	14.0	—	—	—	—	4.0	—	—	—	—	—	—
ADB	—	—	—	—	—	—	—	—	—	—	—	—
IDB	30.1	27.2	229.6	17.0	42.2	3.5	88.0	—	—	—	—	25.0
IMF	—	32.2	—	—	19.1	—	181.9	—	—	32.0	—	—

	Near East	Afghanistan	Algeria	Bahrain	Cyprus	Egypt	(Greece)	Iran
Total	6,766.7	66.0	322.6	3.9	79.6	1,275.3	495.6	183.5
Direct [1]	4,012.5	10.4	5.8	.7	25.0	925.9	227.8	1.0
AID	1,788.5	5.9	—	.6	25.0	750.0	65.0	—
Peace Corps	5.5	.9	—	.1	—	—	—	1.0
Public Law 480	279.5	3.3	5.8	—	—	157.9	—	—
MAP [2]	1,938.7	.2	—	—	—	—	162.8	—
Indirect [3]	2,754.2	55.6	316.8	3.2	54.6	349.4	267.8	182.5
EXIM	1,010.8	.1	166.3	3.2	8.6	.1	88.4	177.6
OPIC	32.6	—	—	—	.6	—	2.6	4.9
HIG	25.0	—	—	—	—	—	—	—
CCC	30.8	—	—	—	—	7.7	17.3	—
Paris Club	—	—	—	—	—	—	—	—
IBRD	793.9	—	150.5	—	6.0	157.0	70.0	—
IFC	55.9	—	—	—	—	5.6	—	—
IDA	143.7	35.0	—	—	—	65.0	—	—
ADB	10.8	10.8	—	—	—	—	—	—
IDB	—	—	—	—	—	—	—	—
IMF	650.7	9.7	—	—	39.4	114.0	89.5	—

	Iraq	Israel	Jordan	Kuwait	Lebanon	Libya	Malta	Morocco
Total	3.3	2,647.7	277.0	121.7	18.0	7.7	12.6	404.3
Direct [1]	—	2,272.2	264.9	—	7.3	—	9.5	71.0
AID	—	755.0	77.5	—	—	—	9.5	10.6
Peace Corps	—	—	—	—	—	—	—	1.8
Public Law 480	—	17.2	11.3	—	2.1	—	—	27.8
MAP [2]	—	1,500.0	176.1	—	5.2	—	—	30.8
Indirect [3]	3.3	375.5	12.1	121.7	10.7	7.7	3.1	333.3
EXIM	3.3	245.0	1.4	121.7	10.7	7.7	3.1	25.1
OPIC	—	7.6	.7	—	—	—	—	1.8
HIG	—	25.0	—	—	—	—	—	—
CCC	—	—	—	—	—	—	—	23.1
Paris Club	—	—	—	—	—	—	—	—
IBRD	—	—	—	—	—	—	—	150.0
IFC	—	7.0	—	—	—	—	—	1.3
IDA	—	—	10.0	—	—	—	—	—
ADB	—	—	—	—	—	—	—	—
IDB	—	—	—	—	—	—	—	—
IMF	—	90.9	—	—	—	—	—	132.0

	Oman	(Portugal)	Qatar	Saudi Arabia	(Spain)	Syria	Tunisia	Turkey	United Arab Emirates	Yemen Arab Republic	Yemen People's Democratic Republic	Regional and unallocated
Total	3.6	261.2	6.4	85.4	977.3	172.5	100.2	814.0	41.1	36.6	28.9	54.8
Direct [1]	.3	71.5	—	—	.9	109.5	32.3	208.8	—	13.1	—	54.8
AID	—	55.0	—	—	—	90.0	3.2	—	—	6.6	—	54.5
Peace Corps	—	—	—	—	—	—	1.1	—	—	.3	—	.3
Public Law 480	—	15.0	—	—	—	19.5	12.4	—	—	4.2	—	—
MAP [2]	—	1.5	—	—	.9	—	15.6	208.8	—	2.0	—	—
Indirect [3]	3.3	189.7	6.4	85.4	976.4	63.0	67.9	605.2	41.1	23.5	28.9	—
EXIM	3.3	16.0	6.4	69.1	686.2	—	11.0	106.0	41.1	—	—	—
OPIC	—	—	—	16.3	—	—	—	.7	—	—	—	—
HIG	—	—	—	—	—	—	—	—	—	—	—	—
CCC	—	5.7	—	—	.2	—	—	—	—	—	—	—
Paris Club	—	—	—	—	—	—	—	—	—	—	—	—
IBRD	—	36.0	—	—	—	63.0	56.9	210.5	—	—	—	—
IFC	—	—	—	—	—	—	—	42.0	—	—	—	—
IDA	—	—	—	—	—	—	—	—	—	23.5	10.2	—
ADB	—	—	—	—	—	—	—	—	—	—	—	—
IDB	—	—	—	—	—	—	—	—	—	—	—	—
IMF	—	132.0	—	—	290.0	—	—	246.0	—	—	18.7	—

	Africa	Botswana	Burundi	Cameroon	Central African Republic	Chad	Congo	Dahomey (Benin)
Total	1,946.6	21.5	14.2	61.5	8.0	6.0	38.4	10.5
Direct [1]	355.0	2.6	1.0	2.3	1.1	1.0	.4	1.2
AID	215.3	—	—	.8	.3	—	—	—
Peace Corps	26.2	.8	—	1.0	.6	.6	—	.7
Public Law 480	67.4	1.8	1.0	.5	.4	.4	.4	.5
MAP [2]	46.0	—	—	—	—	—	—	—
Indirect [3]	1,519.6	18.9	13.2	59.2	6.9	5.0	38.0	9.3
EXIM	273.3	—	.5	8.8	—	—	—	.3
OPIC	38.7	—	—	—	—	—	—	—
HIG	21.0	2.6	—	—	—	—	—	—
CCC	11.3	—	—	—	—	—	—	—
Paris Club	—	—	—	—	—	—	—	—
IBRD	507.8	16.3	—	19.3	—	—	38.0	—
IFC	26.8	—	—	—	—	—	—	—
IDA	382.8	—	12.7	18.0	—	5.0	—	9.0
ADB	—	—	—	—	—	—	—	—
IDB	—	—	—	—	—	—	—	—
IMF	329.9	—	—	13.1	6.9	—	—	—

	Ethiopia	Gabon	Gambia	Ghana	Guinea	Ivory Coast	Kenya	Lesotho
Total	70.0	10.9	9.0	145.6	21.4	123.1	170.9	8.8
Direct [1]	43.0	.5	.9	19.2	7.4	2.3	26.8	3.3
AID	12.5	—	—	14.0	.6	—	20.1	—
Peace Corps	.7	.4	.3	1.8	—	1.3	2.3	.5
Public Law 480	6.9	.2	.7	3.2	6.8	1.0	1.4	2.8
MAP [2]	22.9	—	—	.1	—	—	3.0	—
Indirect [3]	27.0	10.4	8.1	126.4	14.0	120.8	144.1	5.5
EXIM	—	9.7	—	.4	—	8.7	2.6	—
OPIC	—	.7	—	—	—	2.9	3.8	—
HIG	—	—	—	—	—	8.4	—	—
CCC	—	—	—	—	—	—	—	—
Paris Club	—	—	—	—	—	—	—	—
IBRD	—	—	—	116.0	—	60.1	118.0	—
IFC	—	—	—	—	—	—	9.1	—
IDA	27.0	—	8.1	10.0	10.4	—	—	5.5
ADB	—	—	—	—	—	—	—	—
IDB	—	—	—	—	—	—	—	—
IMF	—	—	—	—	—	40.7	10.6	—

	Liberia	Malagasy Republic	Malawi	Mali	Mauritania	Mauritius	Niger	Nigeria
Total	55.3	30.1	33.0	14.9	30.0	8.9	35.9	56.0
Direct [1]	6.8	.2	.3	3.9	.3	1.2	4.4	1.2
AID	2.9	—	—	1.1	—	—	.3	—
Peace Corps	2.6	—	.2	.5	.2	.1	1.3	.1
Public Law 480	.7	.2	.1	2.3	.1	1.1	2.8	1.1
MAP [2]	.6	—	—	—	—	—	—	—
Indirect [3]	48.5	29.9	32.7	11.0	29.7	7.7	31.5	54.8
EXIM	9.0	2.3	1.6	—	8.1	.2	—	49.5
OPIC	.2	—	—	—	—	—	—	5.3
HIG	—	—	—	—	—	—	—	—
CCC	—	—	—	—	—	—	—	—
Paris Club	—	—	—	—	—	—	—	—
IBRD	33.3	—	9.2	—	—	7.5	—	—
IFC	—	—	6.0	—	—	—	—	—
IDA	6.0	27.6	11.6	10.0	8.0	—	31.5	—
ADB	—	—	—	—	—	—	—	—
IDB	—	—	—	—	—	—	—	—
IMF	—	—	4.3	1.0	13.6	—	—	—

	Former Portuguese territories [4]	Rwanda	Senegal	Seychelles	Sierra Leone	Somalia	(South Africa)	Sudan
Total	17.5	11.4	49.6	0.1	50.5	27.2	309.9	98.7
Direct [1]	10.2	1.2	2.4	.1	4.4	4.0	—	2.5
AID	9.1	.3	—	—	—	4.0	—	—
Peace Corps	—	—	1.1	—	1.5	—	—	—
Public Law 480	1.1	.9	1.3	.1	2.9	—	—	2.5
MAP [2]	—	—	—	—	—	—	—	—
Indirect [3]	7.3	10.2	47.2	—	46.1	23.2	309.9	96.2
EXIM	7.3	—	2.4	—	3.1	—	205.4	16.4
OPIC	—	.2	—	—	22.5	—	—	2.7
HIG	—	—	—	—	—	—	—	—
CCC	—	—	—	—	—	—	12.5	—
Paris Club	—	—	—	—	—	—	—	—
IBRD	—	—	21.6	—	—	—	—	20.0
IFC	—	.5	.7	—	—	—	—	10.0
IDA	—	9.5	12.5	—	7.2	23.2	—	20.0
ADB	—	—	—	—	—	—	—	—
IDB	—	—	—	—	—	—	—	—
IMF	—	—	10.0	—	13.3	—	92.0	27.1

	Swaziland	Tanzania	Togo	Uganda	Upper Volta	Zaire	Zambia	Regional and unallocated
Total	1.1	132.6	17.2	10.4	13.0	291.8	116.8	124.2
Direct [1]	1.1	28.6	3.4	—	3.6	54.1	.1	107.4
AID	—	19.2	—	—	.6	23.3	—	106.0
Peace Corps	.9	—	.9	—	.9	3.4	—	1.4
Public Law-480	.2	9.4	2.5	—	2.1	8.0	.1	—
MAP [2]	—	—	—	—	—	19.4	—	—
Indirect [3]	—	104.0	13.8	10.4	9.4	237.7	116.7	16.8
EXIM	—	—	.8	—	—	101.4	38.4	1.8
OPIC	—	—	—	—	—	—	.4	—
HIG	—	—	—	—	—	—	10.0	—
CCC	—	—	—	—	—	11.3	—	—
Paris Club	—	—	—	—	—	—	—	—
IBRD	—	15.0	3.5	—	—	—	15.0	15.0
IFC	—	—	—	—	—	—	.5	—
IDA	—	45.0	9.5	—	9.4	42.5	—	—
ADB	—	—	—	—	—	—	—	—
IDB	—	—	—	—	—	—	—	—
IMF	—	44.0	—	10.4	—	82.5	52.4	—

	Asia	Bangladesh	Bhutan	Burma	Hong Kong	India	Indonesia	Malaysia
Total	8,056.5	611.1	.1	83.2	50.3	1,301.3	930.0	205.1
Direct [1]	*1,523.8	245.9	.1	*13.9	—	278.0	132.8	18.0
AID	321.6	67.0	—	—	—	67.0	50.8	—
Peace Corps	10.2	—	—	—	—	.2	—	2.7
Public Law-480	704.7	178.9	.1	—	—	210.6	37.0	—
MAP [2]	471.3	—	—	—	—	.2	45.0	15.3
Indirect [3]	6,532.7	365.2	—	69.3	50.3	1,023.3	797.2	187.1
EXIM	1,315.1	—	—	.4	30.3	3.3	94.6	22.5
OPIC	164.9	—	—	—	—	4.1	28.9	10.2
HIG	25.0	—	—	—	—	—	—	—
CCC	356.6	—	—	—	—	—	42.0	4.5
Paris Club	285.2	85.0	—	—	—	—	—	—
IBRD	1,701.5	—	—	—	—	210.0	517.0	103.5
IFC	75.8	—	—	—	—	6.6	1.1	—
IDA	1,089.2	187.1	—	37.5	—	684.0	—	—
ADB	743.6	21.8	—	31.4	20.0	.3	113.6	46.4
IDB	—	—	—	—	—	—	—	—
IMF	775.8	71.3	—	—	—	115.0	—	—

	Nepal	Pakistan	Philippines	Singapore	South Korea	Sri Lanka	Taiwan	Thailand	Vietnam	Regional and unallocated
Total	60.7	818.2	1,458.0	40.7	1,569.1	111.1	263.4	541.1	0.5	12.9
Direct [1]	4.7	162.9	94.3	—	347.2	36.0	81.4	*96.1	—	*12.8
AID	3.4	61.1	35.6	—	5.6	8.0	—	11.0	—	12.1
Peace Corps	1.0	—	2.4	—	1.9	—	—	1.6	—	.4
Public Law 480	.2	101.4	12.5	—	136.0	28.0	—	—	—	—
MAP [2]	—	.3	43.7	—	203.7	—	81.4	81.7	—	—
Indirect [3]	56.0	655.3	1,363.7	40.7	1,221.9	75.1	182.0	445.0	.5	.1
EXIM	—	19.9	703.6	15.5	215.2	2.1	145.1	62.1	.5	—
OPIC	—	—	14.9	1.6	74.1	—	20.8	10.3	—	—
HIG	—	—	—	—	25.0	—	—	—	—	—
CCC	—	44.4	32.9	—	214.2	—	16.1	2.5	—	
Paris Club	—	200.2	—	—	—	—	—	—	—	—
IBRD	—	50.0	268.0	—	325.0	—	—	228.0	—	—
IFC	—	2.2	2.8	—	53.1	—	—	10.0	—	—
IDA	34.0	121.6	—	—	—	25.0	—	—	—	—
ADB	16.8	119.0	93.5	23.6	95.0	30.0	—	132.1	—	.1
IDB	—	—	—	—	—	—	—	—	—	—
IMF	5.2	98.0	248.0	—	220.3	18.0	—	—	—	—

[1] Under direct congressional control.
[2] Covers all U.S. military assistance programs (see explanation in appendix, agency-by-agency review.
[3] No prior congressional review of country allocations.
[4] Former Portuguese territories: Angola, Cape Verde Island, Guinea-Bissau, Mozambique, Sao Tome and Principe.
*Including international narcotics control.

Note: Amounts under international organizations are full commitments, not only U.S. share. Figures for direct aid are estimates. Fiscal year 1976: July 1, 1975–June 30, 1976. Public Law 480 figures include title I programs for transition quarter (July 1–Sept. 30, 1976). A dash (—) indicates zero or less than $50,000. Figures may not add due to rounding. South Africa, Greece, Portugal, and Spain figures included for information only; figures are not included in totals.

HIG—HOUSING GUARANTY PROGRAM

Operated by AID's Office of Housing, the Housing Guaranty Program provides a U.S. government guarantee for loans made by private U.S. lenders to housing projects in developing countries. In case of default, the U.S. government will compensate U.S. investors for losses they may experience other than those resulting from their own fraud or misrepresentation. Interest rates to the investor range from 8.55 percent to 9.25 percent, with 30 years the typical term of repayment. No appropriations are involved. Figures in the table are guarantees authorized.

In fiscal years 1975 and 1976 South Korea led the list of HIG authorizations with $60 million, closely followed by Chile with $55 million. According to AID's proposal on the Chile housing guarantee, only 2 percent of the cost of housing requires the expenditure of foreign exchange. The rest constitutes a hard currency commitment to the central banks of South Korea and Chile at a time when both countries were sorely pressed for foreign exchange.

CCC—COMMODITY CREDIT CORPORATION EXPORT CREDIT SALES PROGRAM

The CCC is a U.S. government corporation established to provide price support for U.S. agricultural commodities. The CCC Export Credit Sales Program issues medium and short-term credits for purchase of eligible U.S.-produced agricultural commodities abroad. Interest rate in fiscal year 1976 averaged between 8 and 9 percent. Terms are normally one to three years. South Korea was the largest user of the program in fiscal years 1975 and 1976, with a total of $339.2 in credits approved ($214.2 million in fiscal year 1976). The program qualifies as an "other official flow" (OOF) in the OECD definition.

PARIS CLUB

Refers to U.S. share of debt deferments arranged at ad hoc meetings of major creditor nations with the debtor nation, usually in Paris under the auspices of the French Ministry of Finance. The term is also used in the tables to cover other minor rescheduling of U.S. debts in fiscal year 1975 and earlier.

Rescheduling is tantamount to a new loan. Amounts listed are rescheduled debts owed to the United States government. Figures are on commitment basis: entire rescheduled amount listed by year of agreement, not by repayment schedule.

Should a nation that has suspended payment on its debts owed to the United States fail to reach agreement with the United States, after six months all U.S. foreign assistance is cut off by the provisions of Sec. 620(q) of the Foreign Assistance Act. Thus if the United States withholds agreement, as it did in the case of Allende's Chile, debt renegotiation is a lever to turn off the flow of aid from all other bilateral agencies. After the overthrow of Allende, the United States agreed to reschedule $299 million in 1974 and a further $96 million in 1975.

IBRD—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (WORLD BANK)

The three arms of the World Bank are listed here separately: the International Bank for Reconstruction and Development, the International Development Association (IDA) and the International Finance Corporation (IFC). Established in 1945 as part of the Bretton Woods agreement, the IBRD makes loans for development projects in the Third World and in Ireland, Spain, Portugal, Greece, Yugoslavia and Romania (excluded from chart totals). Figures represent the total IBRD loan commitment to a country, not merely the U.S. share.

As of June 30, 1976, the U.S. share of the IBRD's capital stock subscriptions was 25.3 percent. Theoretically, the U.S. share of IBRD lending to the Third World is 25.3 percent of the commitment total, or $1.1 billion in fiscal year 1976. Of the total $325 million IBRD commitment to South Korea in fiscal year 1976, the U.S. contribution through the IBRD would be $82.2 million.

In fiscal year 1976, the IBRD made $4.4 billion in new commitments to the Third World, distributed as follows:

[In millions]

Asia	$1,701.5
Africa	507.8
Latin America	1,408.9
Near East	17.0
Pacific	17.0
Total, Third World	4,429.1
Ireland, Portugal, Greece, Romania Yugoslavia	548.0
Total, worldwide	4,977.1

Indonesia was the largest recipient with $517 million, followed by Brazil, Mexico, South Korea and the Philippines.

IBRD loans in fiscal year 1976 had an interest rate of 8.5 percent that reflected the Bank's cost of borrowing money on international capital markets. Project loans went for the following purposes: agriculture, development financing companies (recipient government agencies that relend to industrial sector to cover foreign exchange costs of investment), education, electric power, industry, population and nutrition, technical assistance, telecommunications, tourism, transportation, urbanization, and water supply and sewerage.

The Bank raises its money on private capital markets on the basis of its $30.9 billion capital stock subscribed by member governments. It has $26.1 billion in loans outstanding. Of its $30.9 billion capital stock, only $3.09 billion, or 10 percent, is paid-in capital; the rest represents callable capital pledged by the member nations in case of widespread default on the Bank's loans. The Bank is planning an $8.4 billion increase in its capital stock; the U.S. subscription of $1.57 billion will come before Congress for authorization in the spring of 1977. Of that $1.57 billion the Treasury plans to request an appropriation for the paid-in portion, $157 million, to be appropriated over three years at $52.3 million a year. As of December 7, 1976, the Treasury Department does not intend to ask as well for appropriation of the callable capital of $470.7 million a year for three years. The total 1977 request will be $523 million. Should the World Bank ever be unable to meet obligations to its bondholders out of paid-in capital, it would draw on the callable capital subscribed by its member countries. In the past all U.S. callable capital to the Bank has been appropriated. If the new callable capital the Administration plans to subscribe without an appropriation were also needed, the Administration would have to get that appropriation before it could be drawn down.

IDA—INTERNATIONAL DEVELOPMENT ASSOCIATION (WORLD BANK)

Established in 1960, the International Development Association is the soft-loan window of the World Bank. It extends 50-year credits for a .75 percent service charge.

As of June 30, 1976 the U.S. share of IDA's subscriptions and supplementary resources was $4.0 billion, 37.87 percent of the total of $10.6 billion. The U.S. share of IDA commitments is theoretically 37.87 percent of the total.

IDA credits go only to the poorest of the Third World countries. India has been the largest beneficiary, with $4.3 billion in commitments, 42 percent of the worldwide total.

Under existing legislation, the United States has been authorized to contribute $1.5 billion to the IDA over a four-year period beginning with fiscal year 1976. In fiscal year 1976 Congress appropriated $320 million to IDA—down $55 million from the request. In fiscal year 1977 Congress has appropriated $375 million, still leaving the United States $55 million in arrears in meeting its $1.5 billion pledge to IDA's fourth replenishment. The Administration's fiscal year 1978 IDA request will be $375 million. It will also submit a fiscal year 1977 supplemental request for $55 million, for a total appropriations request of $430 million.

IFC—INTERNATIONAL FINANCE CORPORATION (WORLD BANK)

Established in 1956, the International Finance Corporation is the arm of the World Bank that makes investments of loan and equity capital in private enterprises of member countries. Unlike the other arms of the World Bank, is investments are not guaranteed by the host government.

As of June 30, 1976 the United States subscription to the IFC stood at $35.2 million, or 32.47 percent of the total.

In fiscal year 1976 the IFC committed $245.3 million in loan and equity capital, up $33.6 million from $211.7 million in fiscal year 1975. Of the fiscal year 1976 commitment, $195.3 million went to the Third World and $50 million to Yugoslavia. Of total IFC commitments 92 percent were loan capital and only 8 percent direct equity. South Korea was the largest recipient in fiscal year 1976 with $53.1 million for three private manufacturing firms and two quasi-official development relending corporations.

The IFC has gone without a resource replenishment since its establishment in 1956 with a capital of $100 million, and without more money its lending commitment and equity investment levels are expected to decline in fiscal 1978. For fiscal year 1978 the Administration will request Congress for a $44.6 million appropriation—the first of three installments totaling $111.5 million for the U.S. contribution to IFC's capital replenishment.

ADB—ASIAN DEVELOPMENT BANK

Established in 1966, the ADB is similar in structure and purpose to the World Bank on a regional level. (Because of the World Bank's great involvement in India, ADB has no loans there.) It has two lending programs: ordinary capital and special funds. The ordinary capital resources are used to provide "hard loans" to Asian countries. The interest rates are about 8.75 percent and the terms are usually 19 years with average grace period of four years. The special funds are for the ADB's soft-loan window, the Asian Development Fund.

Of the ADB's total capital of $3.6 billion the United States has contributed $461.9 million, or 12.9 percent.

In fiscal year 1976 the ADB made $755.8 million in commitments, up $186 million from $569.8 million in fiscal year 1975. (Worldwide total includes $1.4 million for Samoa). Thailand was the largest recipient in fiscal year 1976 with $132.1 million.

At the end of fiscal year 1977 the United States contribution to the ordinary and special capital of the ADB stands at $698 million. In fiscal year 1975 Congress denied the Administration's request for $96.5 million in callable capital but the Treasury Department subscribed to the callable capital portion anyway. (As with the IBRD request anticipated for fiscal year 1978, this $96.5 million of U.S. callable capital could not be drawn down without an appropriation.) In fiscal year 1976 Congress appropriated $145.6 million to the ADB, including $24.1 million in paid-in capital, $96.5 million in callable capital and $25 million in special funds for the Asian Development Fund. In fiscal year 1977 Congress appropriated $90.5 million to the Bank—down $55.2 million from the request ($30.2 million in callable capital and $25 million in special funds).

This spring, therefore, the Treasury Department will return with a supplemental request for $25 million in special funds. They will also present a new fiscal year 1978 appropriations request for $203.6 million—the first installment in a new replenishment of the ADB ordinary capital replenishment. Of that, $20.4 million will be for paid-in capital, $183.2 million callable and a formal appropriation will be sought for both. In addition, $60 million will be sought for the Asian Development Fund. The total ADB appropriations request this spring will be $288.6 million.

IDB—INTER-AMERICAN DEVELOPMENT BANK

Established in 1956, the IDB is the first of the regional development banks. In fiscal year 1975 it lent $590 million on conventional terms from Ordinary Capital resources and $475 million on concessionary terms from its soft-loan facility, the Fund for Special Operations (FSO). In fiscal year 1976 the IDB lent $1.3 billion to 19 Latin American countries from both loan windows. Brazil was the largest recipient with $263 million.

Through fiscal year 1975 the United States had contributed $5.2 billion of the IDB's total capital of $10.0 billion, or 52 percent. It has contributed 36.8 percent of paid-in ordinary capital, 41.1 percent of callable ordinary capital, and 69.2 percent of the FSO.

In fiscal year 1976 Congress appropriated $225 million to the FSO. In fiscal year 1977 it appropriated $20 million in paid-in capital (down $20 million from the request), $200 million for callable capital and $50 million for the FSO (down $200 million from the request).

For fiscal year 1978 the Treasury Department plans to request $40 million in paid-in capital, $200 million in callable capital and $200 million for the FSO. It will request appropriations for both paid-in and callable capital. It also plans a fiscal year 1977 supplemental request of $60 million in paid-in capital, $200 million in callable capital and $200 million for the FSO. The total IDB request in the spring will be $900 million.

IMF—THE INTERNATIONAL MONETARY FUND

The International Monetary Fund is the principal official multilateral source of balance of payments financing. Established with the World Bank at the Bretton Woods conference in 1944, it embodies a key objective of postwar U.S. foreign economic policy: to uphold an open world economy, discourage the formation of exclusive currency and trade blocs, tariffs, government bulk buying or barter arrangements, or exchange restrictions of any kind. Since such government measures are often imposed to combat balance of payments deficits, the IMF makes medium-term loans to member countries experiencing a temporary foreign exchange scarcity. Each member country has contributed a quota of gold and its own currency to the Fund's General Account and can purchase the currency of another member with its own currency within this quota according to a complicated formula of increasingly stringent conditionality.

In addition to currency purchases in the General Account, Fund members can draw from various ad hoc credit facilities created by the Fund, the most important of which are the Oil Facility (created in 1974), the Compensatory Financing Facility and Buffer Stock Facility. Figures under IMF in the Statistical Appendices cover use of Fund credit only, excluding gold tranche drawings. Figures are on a disbursement basis.

The IMF does not come before Congress for appropriations.

During fiscal year 1976 the IMF granted $2.5 billion in credits to the Third World, up $1 billion from $1.5 billion in fiscal year 1975. Argentina was the largest recipient with $315.0 million, followed by Turkey ($246.0 million), the Philippines ($248.0 million), South Korea ($220.3 million), Peru ($181.9 million), and Chile ($169.2 million).

TABLE 2.—AID TO SELECTED COUNTRIES IN THE THIRD WORLD, FISCAL YEARS 1973-75

[In millions of dollars]

	Third world			South Korea			Philippines		
	1973	1974	1975	1973	1974	1975	1973	1974	1975
Total	18,491.1	19,867.6	20,317.8	1,138.1	691.5	1,423.8	444.7	428.6	624.0
Direct [1]	8,870.1	7,892.8	5,877.5	551.5	194.4	181.4	163.7	88.6	104.5
AID	1,983.6	1,796.5	2,486.8	27.2	27.3	20.3	85.7	44.5	55.3
Peace Corps	81.0	77.0	82.4	1.9	2.6	2.0	1.8	2.7	2.1
Public Law 480	1,117.8	972.6	1,241.6	159.4	7.2	14.4	36.5	16.0	10.8
MAP [2]	5,687.7	5,046.7	2,066.7	363.0	157.3	144.7	39.7	25.4	36.3
Indirect [3]	9,621.0	11,974.8	14,440.3	586.6	497.1	1,242.4	281.0	340.0	51.95
EXIM	4,155.6	4,465.3	4,675.1	155.8	262.8	502.5	61.2	40.4	33.8
OPIC	251.7	294.2	535.0	22.9	11.2	20.5	20.2	51.0	150.4
HIG	25.0	116.0	95.0	10.0	20.0	35.0	—	—	—
CCC	289.5	201.7	359.9	109.2	50.0	125.0	51.1	20.0	25.0
Paris Club	58.0	512.0	147.5	—	—	.6	—	—	—
IBRD	1,634.6	3,203.9	3,703.6	183.0	92.0	297.5	11.6	155.6	208.0
IFC	136.8	178.4	211.7	—	.7	35.4	17.2	4.7	7.0
IDA	1,706.5	1,138.2	1,576.1	30.5	—	—	12.7	9.5	—
ADB	350.6	446.7	569.8	75.2	60.4	77.5	63.0	58.8	94.3
IDB	864.7	1,064.4	1,064.6	—	—	—	—	—	—
IMF	148.0	354.0	1,502.0	—	—	148.4	44.0	—	1.0

	Indonesia			Taiwan			Chile		
	1973	1974	1975	1973	1974	1975	1973	1974	1975
Total	663.5	392.2	861.0	486.0	517.1	425.3	82.4	522.0	512.5
Direct [1]	259.7	108.1	110.7	102.6	95.7	82.7	18.7	24.8	94.9
AID	122.4	78.7	43.4	—	—	—	.8	5.3	31.3
Peace Corps	—	—	—	—	—	—	.4	.4	.5
Public Law 480	118.2	11.2	46.3	—	—	—	2.5	3.2	62.4
MAP [2]	19.1	18.2	21.0	102.6	95.7	82.7	15.0	15.9	.7
Indirect [3]	403.8	284.1	750.3	383.4	421.4	342.6	63.7	497.2	417.6
EXIM	162.5	45.9	288.1	377.4	392.9	299.1	2.9	55.8	54.9
OPIC	23.3	59.7	36.9	6.0	28.5	18.5	—	—	—
HIG	—	—	—	—	—	—	—	30.0	30.0
CCC	—	—	16.2	—	—	25.0	3.2	52.0	—
Paris Club	—	—	—	—	—	—	—	298.9	96.0
IBRD	—	48.0	332.0	—	—	—	—	13.5	20.0
IFC	17.1	13.2	—	—	—	—	—	—	—
IDA	184.9	84.0	—	—	—	—	—	—	—
ADB	16.0	33.3	77.1	—	—	—	—	—	—
IDB	—	—	—	—	—	—	5.2	97.3	45.5
IMF	—	—	—	—	—	—	52.4	47.6	171.2

	Brazil			Uruguay			Guatemala		
	1973	1974	1975	1973	1974	1975	1973	1974	1975
Total	851.7	1,426.9	1,346.4	51.3	48.2	161.7	75.9	84.9	95.4
Direct [1]	70.4	68.1	79.6	9.9	4.8	22.0	15.6	6.1	16.9
AID	40.6	5.0	3.1	1.2	.9	12.8	9.5	2.5	9.4
Peace Corps	2.6	4.2	2.7	.1	—	—	.7	1.0	1.2
Public Law 480	9.6	6.2	8.4	7.0	—	—	1.7	1.2	3.4
MAP [2]	17.6	52.7	65.4	1.6	3.9	9.0	3.7	1.4	2.9
Indirect [3]	781.3	1,358.8	1,266.8	41.4	43.4	139.7	60.3	78.4	78.5
EXIM	403.8	545.1	634.6	3.4	5.4	9.3	49.5	28.3	38.1
OPIC	16.2	174.8	53.2	—	—	—	.8	—	—
HIG	—	—	—	—	—	—	—	—	—
CCC	—	—	—	—	—	—	—	—	—
Paris Club	—	—	—	—	—	—	—	—	—
IBRD	133.7	242.0	426.5	13.5	13.5	—	—	—	26.0
IFC	47.4	101.5	25.2	—	—	—	—	15.0	—
IDA	—	—	—	—	—	—	—	—	—
ADB	—	—	—	—	—	—	—	—	—
IDB	180.2	295.4	127.3	24.5	24.5	35.4	10.0	35.1	14.4
IMF	—	—	—	—	—	95.0	—	—	—

	Nicaragua			Dominican Republic			Turkey		
	1973	1974	1975	1973	1974	1975	1973	1974	1975
Total	116.3	70.5	104.6	100.9	137.4	172.4	51.99	475.2	547.4
Direct [1]	28.0	16.6	46.5	17.9	18.1	13.3	171.5	170.3	113.5
AID	22.5	12.4	40.1	10.0	12.6	5.6	16.8	1.8	.8
Peace Corps	.8	.5	.7	.5	.5	.6	—	—	—
Public Law 480	3.0	2.4	1.4	14.2	4.2	5.5	6.1	3.7	3.6
MAP [2]	1.7	1.3	4.3	2.2	.8	1.6	148.6	164.8	109.1
Indirect [3]	88.3	53.9	58.1	83.1	119.3	159.1	348.4	304.9	433.9
EXIM	12.3	29.6	29.6	32.0	63.3	29.7	146.6	62.9	68.5
OPIC	3.0	1.0	—	—	11.2	28.2	.2	—	5.1
HIG	—	5.0	—	4.0	—	—	—	—	—
CCC	—	—	—	5.7	—	—	—	—	—
Paris Club	—	—	.3	—	—	—	—	—	—
IBRD	11.0	8.5	—	—	—	29.0	145.0	228.0	158.0
IFC	—	—	—	—	7.4	—	10.6	14.0	62.3
IDA	20.0	—	—	13.0	—	—	46.0	—	—
ADB	—	—	—	—	—	—	—	—	—
IDB	34.7	9.8	9.0	28.3	37.4	72.2	—	—	—
IMF	7.3	—	19.2	—	—	—	—	—	140.0

Footnotes at end of table.

TABLE 2.—AID TO SELECTED COUNTRIES IN THE THIRD WORLD, FISCAL YEARS 1973–75—Continued

[In millions of dollars]

	Iran			Thailand			Haiti		
	1973	1974	1975	1973	1974	1975	1973	1974	1975
Total	669.2	619.2	619.2	256.5	280.6	147.3	17.6	43.4	45.8
Direct[1]	1.3	1.4	1.4	102.8	46.1	48.3	7.5	10.7	9.2
AID	—	—	—	21.1	7.1	4.1	6.3	8.7	3.6
Peace Corps	1.3	1.4	1.4	1.6	1.8	1.7	—	—	—
Public Law 480	—	—	—	16.4	—	—	1.2	2.0	5.6
MAP[2]	—	—	—	63.7	37.2	42.5	—	—	—
Indirect[3]	667.9	617.8	617.8	153.7	234.5	99.0	10.1	32.6	36.6
EXIM	517.9	319.8	319.8	20.5	20.2	20.5	.1	.2	.7
OPIC	6.3	18.0	18.0	4.6	5.7	5.5	—	.2	2.9
HIG	—	—	—	—	—	—	—	—	—
CCC	44.7	11.1	11.1	—	—	6.3	—	—	—
Paris Club	—	—	—	—	—	—	—	—	—
IBRD	80.0	265.0	265.0	80.6	142.0	—	—	—	—
IFC	16.0	3.9	3.9	—	—	—	—	—	—
IDA	—	—	—	25.0	7.0	—	—	10.0	20.0
ADB	—	—	—	23.0	59.6	66.7	—	—	—
IDB	—	—	—	—	—	—	10.0	22.2	2.3
IMF	3.0	—	—	—	—	—	—	—	10.7

[1] Under direct Congressional control.
[2] Covers all U.S. military assistance programs (see explanation in Appendix, Agency-by-Agency Review).
[3] No prior Congressional review of country allocations.

Note.—Amounts under international organizations are full commitments, not only U.S. share. Eximbank amount excludes discount loans and miscellaneous. IMF: use of Fund credit, disbursement basis. A dash (—) indicates zero or less than $50,000. Figures may not add due to rounding.

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HIG

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CCC

NAC *Annual Reports*, 1973–1975; 1976: CCC, Office of General Sales Manager.

Paris Club

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ADB

AID, *U.S. Overseas Loans and Grants:* NAC *Annual Reports* 1972–75; Asian Development Bank press releases July 1, 1975–June 30, 1976.

IDB

AID, *U.S. Overseas Loans and Grants:* NAC *Annual Reports;* Inter-American Development Bank press releases, July 1, 1975–June 30, 1976.

IMF

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Place of publication for all items: Washington, D.C.

(This concludes additional statements submitted by Senators today.)

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEVENSON). Without objection, it is so ordered.

ORDER OF BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, what were the two orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. Senators PROXMIRE and SPARKMAN.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I believe under the order the Senate will resume immediately following those orders to debate in connection with the nomination of Mr. Warnke and that debate will be under controlled time on tomorrow?

The PRESIDING OFFICER. The Senator is correct.

TIME ALLOCATION—WARNKE NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that 6 hours of the total 12 hours allotted on the debate occur tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this would mean then that only 6 hours of the controlled debate would remain for Wednesday.

The PRESIDING OFFICER. That is correct.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock meridian tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR INSERTION OF CERTAIN MATERIALS IN THE RECORD ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in legislative session, that on tomorrow, even though the Senate will be in executive session, Senators be permitted to insert statements, introduce bills and resolutions, petitions, and file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO FILE REPORT BY SPECIAL COMMITTEE ON OFFICIAL CONDUCT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Special Committee on Official Conduct may have until midnight, March 10, 1977, to file its report.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERT C. BYRD. The Senate is now still in executive session, is it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. And the pending question before the Senate is on the confirmation of the nomination of Mr. Warnke to be Ambassador for the SALT talks.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 12 noon tomorrow.

The motion was agreed to; and at 5:01 p.m., the Senate recessed in executive session until tomorrow, Tuesday, March 8, 1977, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate March 7, 1977:

DEPARTMENT OF STATE

Richard Holbrooke, of the District of Columbia, to be an Assistant Secretary of State.

DEPARTMENT OF AGRICULTURE

Carol Tucker Foreman, of the District of Columbia, to be an Assistant Secretary of Agriculture, vice Don Paarlberg, resigned.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Henry Jacob Aaron, of the District of Columbia, to be an Assistant Secretary of Health, Education, and Welfare, vice William A. Morrill, resigned.

COUNCIL OF ECONOMIC ADVISERS

Lyle E. Gramley, of Maryland, to be a member of the Council of Economic Advisers, vice Burton Gordan Malkiel.

Robert Riggs Nordhaus, of Connecticut, to be a member of the Council of Economic Advisers, vice Paul Webster MacAvoy, resigned.

COUNCIL ON ENVIRONMENTAL QUALITY

James Gustave Speth, of the District of Columbia, to be a member of the Council on Environmental Quality, vice Beatrice E. Willard, resigned.

U.S. INFORMATION AGENCY

John E. Reinhardt, of Maryland, a Foreign Service information officer of the class of Career Minister for Information, to be Director of the United States Information Agency.

EXTENSIONS OF REMARKS

SCHOOL MILK

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. STEIGER. Mr. Speaker, the Sheboygan Press, in a February 28 editorial, made a strong case for congressional reconsideration of President Carter's budget proposal slashing funds for the Federal school milk program.

The administration's budget would reduce funding for the school milk program by $120, to only $35 million. The action would eliminate the special milk program, providing milk for the hot lunch program only.

As the Wisconsin House delegation said in a letter last week to Agriculture Appropriations Subcommittee Chairman JAMIE WHITTEN last week, we believe elimination of the special milk program, which has worked so well in providing nutritional supplements to the diets of the Nation's schoolchildren, is misguided economy. Some 12 million schoolchildren participate in the special milk program, with over 2 billion half-pints of milk being distributed by almost 85,000 schools, day-care centers, and other institutions.

In schools and centers where no hot meal is served, the program provides the only milk available to children. It is hard to imagine Congress would wish to deny the obvious nutritional benefits of fresh milk to millions of American children just to save $120 million.

Furthermore, as the Press editorial points out, elimination of this program will deal a serious blow to dairy farmers. With falling real income for dairymen and rising surpluses of milk, it makes little sense to reduce Government purchases of milk for schools, only to have the Government turn around later and buy surplus milk as part of a price-support program. The special milk program can be justified by nutritional arguments alone, but it is also a significant part of our effort to insure a degree of stability to the dairy industry of this country.

The editorial follows:

SCHOOL MILK

Congress already has under consideration legislation to amend and extend the expiring Agriculture and Consumer Protection Act of 1973.

A definite decision on whether there should be a long-term plan or merely a one-year extension of existing program probably will await a farm policy message from President Carter. Administration officials have said that the President's legislative package probably will be sent to Capital Hill by March 1.

But one of his proposals submitted in advance of his complete farm package has already met opposition. Delegates to the annual convention of the Wisconsin Holstein Breeders Association in Lake Geneva this week protested the plan to cut school milk subsidies. It was back in the early 1950s that the school milk plan was introduced to make milk available to school children at half price.

Although budget data submitted to Congress indicates that Mr. Carter was restoring much of the $2.3 billion that former President Ford had recommended be cut from federal school lunch programs, he apparently went along with Mr. Ford's recommended cut in milk funding from the current $154 million to $35 million.

That would be a drastic cut in low cost milk available to children. Wayne Danielson, chairman of the State Agriculture Board, had this to say at the Lake Geneva meeting:

"It really hurts dairy farmers. You can tell how much less milk is sold during school vacations. It really disappoints me now because we already have a surplus."

The people of the dairy state have every reason to hope that his message gets through to the congressional committees working on farm legislation.

FIVE ACRES BETWEEN YOU AND STARVATION

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mrs. SMITH of Nebraska. Mr. Speaker, a recent article appearing in the February 21, 1977, edition of the Farmer-Stockman of the Midwest, which is published in Superior, Nebr., tell a unique story of agriculture.

I am sure my colleagues will be very interested in how this writer relates agriculture to each and every one of us.

The article follows:

FIVE ACRES BETWEEN YOU AND STARVATION

Our country is blessed with a good agricultural climate, ample resources distributed from one end of the nation to the other, and a large acreage of good farmland.

But these assets are finite—they are not growing. Population is.

If we are going to maintain our affluence—or increase it—we must somehow make our farm acreage more productive to keep up with the growth in population and demand.

Our agricultural assets are in the hands of farmers. It is up to them to take care of these valuable resources and make them more productive. The key to the success of meeting the demand of future populations for food and fiber is in the hands of today's FFA members.

There is just over a billion acres of farmland in the United States. That is an average of five acres per person. So, each of us depends on five acres of land for our food and some of our clothing and lumber.

How much is five acres? Well, the playing boundaries of a football field cover just over an acre. But the five acres you depend on aren't all flat and suited to be cultivated for growing crops. Just over two of the football fields—2.2 acres—are cropland.

It takes 37 gallons of fuel and 185 kilowatts of electricity to produce the food and fiber on your five acres of farmland. Any interruption of this flow of fuel and power can affect your food supply.

Your five acres has a one-fifth interest in a beef cow, and a one-nineteenth interest in a dairy cow. Somebody must take care of those animals. It is important to you that the person who is tending those animals sees that he can make some money doing it, or you will be the one who suffers from a restricted supply of meat, milk, cheese and other dairy items.

A farmer has to spend about 26 hours per year working on that five acres to produce your food and fiber. It's hard work and takes a lot of skill. It is important to you that he has enough incentive to do it, and do it well.

A farmer has an investment of $2,294 in physical assets in that average five acres that grows your food and fiber. The farmer has made the investment because he wants to make a profit taking care of that investment and the five acres. For this, you, as an average consumer, would pay the farmer $427.54 last year. He gets about 40 cents out of each dollar you spend for farm produced food.

The farmer used that $427.54 to pay $353.17 in production expenses. That left $74.37 for the farmer who took care of the five acres, and who took care of the one-fifth interest in the beef cow and the one-nineteenth interest in the dairy cow.

How much is $74.37? The farmer who was looking after your average five acres of land didn't get back quite 3½ percent cash on his investment—and he threw in his labor.

You need to be concerned, then, as to whether the farmer taking the risk on your five cares of land is going to be able to maintain the fertility of his soil and invest in the mechanization and new techniques necessary to maintain your food supply. He's doing it well now, but as the population grows, you will have to share part of your five acres with other people.

Since you can't use all the food the farmer raises on your five acres, the farmer looks for an export market overseas. If he can't find a market, he will have to cut back production. That's bad for you, because the more the farmer cuts back his production, the higher his costs per bushel and bale will go—and your food and fiber will cost you more. So the export market for the 0.45 acre helps hold down your food costs.

As long as the farmer can produce more than you need and can find export markets, then it's good news here and overseas. Although other countries are less efficient in agriculture, many do produce things you need—petroleum and minerals, bananas and coffee that we don't grow, cameras, and many consumer items that they often can produce more cheaply than we can.

These countries are happy to sell you their goods and use the money to buy the extra food and fiber the farmer produces on your five acres. Our total farm export also makes jobs for a half million nonfarm people. The money earned from farm exports strengthens the dollar in international trade, allowing you to get more for your dollar when you buy imports.

For, then, is more than just the key to your affluence up to now. It will become much more important in years ahead. The critical problem of meeting expanding food needs is one that you share with all others. The outcome will center on what happens as the farmer tends the five acres of cropland that grows your food and fiber.

MOORHEAD SUPPORTS MILITARY CUTS IN SECOND BUDGET RESCISSION

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise in strong support of H.R. 3839, a bill rescinding more than $644 million in previously approved funds for certain military activities.

I am most pleased to see that we are saving more than $450 million in proposed shipbuilding and ship conversion costs.

I have advocated the naval carrier budget as an appropriate item where substantial cuts in Federal expenditures could be made without seriously affecting our military posture.

By today's action we are directing the Navy to consider the construction of smaller less costly vessels instead of pursuing their past inclination toward large, expensive nuclear carriers.

At this time, I am reminded of an article by John Finney, in the New York Times Magazine which I included in the RECORD in January of 1976.

Finney's work, entitled "Dreadnoughts or Dinosaurs?" carried the following thought:

The Navy, the most traditional of services, is wallowing in surging ship costs, conflicting purposes, and internal jealousies. In large measure, this is the price of the preoccupation with carriers, to the detriment and neglect of the rest of the surface fleet.

I believe the action we will take today, in approving H.R. 3839, shows we agree with the Finney premise.

MILWAUKEE'S GARBAGE WILL BE RECYCLED INTO ENERGY, STEEL

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. ZABLOCKI. Mr. Speaker, the crisis facing many cities across the country in disposing of solid waste materials is immense. But the potentialities of recycling solid waste materials, or household trash, are beginning to be realized.

I am pleased that the city of Milwaukee, which includes the Fourth Congressional District of Wisconsin which I have the honor of representing, is taking strides in recycling household garbage into energy and steel. Milwaukee will soon become the leading U.S. city to process household trash into usable commodities. In conjunction with the new Americology facility, owned by the American Can Co., the city will be delivering all of its refuse for processing and resource recovery.

Mr. Speaker, this new action is not only a commendable example of cooperation between business and government but it also exemplifies a realistic approach in Milwaukee to meet environmental and economical needs.

Mr. Speaker, I would like to share with my colleagues an article which appeared in the February newsletter, Steel Can Recycling, of the American Iron and Steel Institute, entitled "All of Milwaukee's Garbage Will be Recycled Into Energy, Steel":

ALL OF MILWAUKEE'S GARBAGE WILL BE RECYCLED INTO ENEGRY, STEEL

Milwaukee will become the largest U.S. city to have all household trash processed for resource recovery—including magnetic separation of steel cans—when the Americology system begins commercial operation this spring.

This city's solid waste disposal problem came another step closer to solution last month when the first truckload of municipal refuse was processed.

Milwaukee's 1,200 ton per day system—owned and operated by the Americology unit of American Can Company—will be capable of handling all of the 250,000 tons of solid waste presently collected annually within this Wisconsin city.

STEEL CANS RECOVERED

More than 250 million steel cans will be recovered annually. Additional capacity for processing up to 400,000 tons of garbage each year is designed into the system.

The largest usable segment of the refuse, 50–60 percent, will be combustible material to be burned by Wisconsin Electric Power Company's Oak Creek generating station to produce electricity. This fuel—consisting primarily of shredded paper and other combustibles—will save 75,000 tons of coal per year. In order to make the boiler fuel usable, American Can designed and constructed a receiving, storage and conveying facility at the Oak Creek site.

The refuse is first shredded, then separated in an air-classifier, and further processed through magnetic and electromechanical devices. Products recovered through these techniques will be sold for use as recycled raw materials, as well as fuel.

ALTERNATIVE TO LANDFILL

The new Americology unit is an alternative to the landfill method in current use by the City of Milwaukee. The entire cost of the facilities has been borne by American Can Company. The City of Milwaukee has an option to purchase the facility and share in the revenues from the sale of recovered products if it chooses to do so.

The city will continue to collect garbage as before, but instead of delivering it to transfer stations for disposal in landfill sites, it will deliver the refuse to the Americology facilities for processing and resource recovery.

ARIZONA GIRL SCOUT LEADER DISCLAIMS ERA STAND

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. RUDD. Mr. Speaker, a Girl Scout leader from Arizona has written to me to disclaim the recent endorsement of the Equal Rights Amendment by the National Board of Directors of the Girl Scouts of America.

Mrs. Elaine Bakkenson, a troop leader and organizer in the Arizona Cactus-Pine Girl Scout Council, states that neither she nor the Arizona Girl Scout Council was contacted to determine the position of Arizona Girl Scout leaders before the national Girl Scout organization took its pro-ERA position.

I want the record to be straight on this matter, because too often controversial stands are taken by national organizations in behalf of thousands—sometimes millions—of members, when no survey or vote of the membership was taken to determine its true position on the issue. This is misrepresentation.

I would like to include Mrs. Bakkenson's letter at this point in the RECORD:

PHOENIX, ARIZ., *March 2, 1977.*

ELDON RUDD,
House of Representatives,
Washington, D.C.

DEAR SIR: This is in regard to the proposed Equal Rights Amendment to the U.S. Constitution. The National Board of Directors of the Girl Scouts of America released a statement on January 30th endorsing the Equal Rights Amendment. I am a troop leader and a Girl Scout Organizer in the Arizona Cactus-Pine Girl Scout Council, Inc. I was not consulted as to my position on the amendment. The Arizona Council office was not consulted. The Girl Scouts of America have never voiced political opinions before. They should not do so now. I hope you will disregard this news release. It represents the

National Board Members only, but does not represent the whole Girl Scout population.

Sincerely,

ELAINE BAKKENSON.

SELECT COMMITTEE ON THE PROBLEMS OF DROUGHT

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. BAUCUS. Mr. Speaker, I am introducing a resolution today to establish a select committee to study the problems of the drought that is currently plaguing the Western United States.

My concern about the drought goes far deeper than the problem that is currently causing agricultural communities in my State and others in the Northwestern and Great Plains States of the Union. Indeed, what I really fear is that the drought might continue for several years and that we have made inadequate preparation to deal with this problem. In fact, except for a few of my colleagues who might remember the disastrous effect of the drought in the 1930's, I doubt seriously if any of my younger colleagues can contemplate the devastating effect that a long-term drought can have on the economic and social fabric of our great Nation.

In thinking about the problem of the drought, I have been particularly struck by our experiences with the energy crisis over the past few years. On the whole, I think we have made a good faith effort to deal with our energy problems. But, as the old adage goes, "The road to Hell is paved with good intentions." Collectively, we all intend to solve the problems of energy shortages and waste. Yet, because of overlapping jurisdictions, both within each House of Congress and among the various executive departments and agencies, we have been unable to fashion a comprehensive energy policy.

I believe the same set of overlapping jurisdictions may plague the development of a comprehensive policy to deal with the problem of drought. Accordingly, I have fashioned the composition and mission of the proposed Select Committee on Drought to include Representatives from all House committees that have jurisdiction over some aspect of drought problems. Additionally, the resolution calls upon the select committee to deal with all executive agencies and departments that are working or should be working on solutions to the drought problem.

I do not propose this select committee as a panacea to dealing with the problems of drought. Rather, I see it merely as a tool to expedite the formation of effective and comprehensive policies to deal with the drought.

To avoid creating another long-term study committee, the resolution provides that the committee shall expire within 1 year of the enactment of the resolution.

I call upon my colleagues to move swiftly in dealing with America's drought problem. Hopefully, the enactment of this resolution will insure an expedited and comprehensive set of solutions to this problem.

INTRODUCING H.R. 4538 TO AMEND SECTION 906, TITLE 38, UNITED STATES CODE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. ABDNOR. Mr. Speaker, I am today introducing a bill to amend section 906, title 38, United States Code, to allow a deceased veteran's estate to receive in cash the amount it costs the U.S. Government to provide a headstone or marker.

I have had this legislation drafted because of an inequity that exists in the present law. The current law provides that any wartime or peacetime veteran, his wife or widower and minor children, who was discharged under conditions other than dishonorable is eligible for burial in all national cemeteries, except Arlington.

The veteran's estate is allowed $150 for a burial plot—if not utilizing a national cemetery—and $250 for the funeral services. If the veteran's widow decides to utilize a cemetery other than a national cemetery, she must make the decision whether she wants to utilize a Government-furnished marker or not. If her choice is affirmative, she has the choice of selecting a headstone of bronze, marble, or granite. If she decides against a headstone she receives nothing. This is the inequity.

My legislation will allow the veteran's estate to request the cash dollar amount it costs the Government to provide the marker—currently $50—to go toward a suitable headstone. I believe that this proposal will clear up the existing inequities and provide assistance to families who do not choose Government markers to provide a fitting memorial to mark the veteran's grave.

A copy of the bill follows:

A bill to amend section 906, title 38, United States Code, to allow a deceased veteran's estate to receive in cash the amount it costs the United States Government to provide a headstone or marker

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 906 of title 38, United States Code, is amended to add subsection (c):

(c) the Administrator, at the option of a deceased veteran's next of kin or estate, and in lieu of furnishing a memorial headstone or marker under subparagraph (a) (2) above, shall pay a sum (not to exceed the actual cost, as determined by the Administrator, of a government furnished headstone or marker) to cover the expense of an appropriate non-government furnished headstone or marker procured by the veteran's next of kin or estate.

A DEPARTMENT OF ENERGY: MORE CONTROL OR MORE ENERGY?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. McDONALD. Mr. Speaker, while it may be too early to fully evaluate President Carter's proposal to create a Department of Energy, the plan appears to be a step toward further Government intervention into the field of energy development.

Our energy problems are essentially political, not economic. Government intervention into the energy field has curtailed production, reduced supply, and raised prices. The solution is to decontrol—to remove Government-imposed barriers which are blocking access to energy supplies. The danger in a new Department of Energy is that it will consolidate Government regulatory programs instead of eliminating them. More efficient Government control will hasten the strangulation of our energy industry, not increase production.

The following column by Allan C. Brownfeld lists just some of the ways Government intervention has caused energy shortages. Mr. Brownfeld's analysis makes it amply clear that our energy policy should be one of hands off production, not an extension of the Government's suffocating grip.

[From the Phoenix Gazette, Feb. 19, 1977]

TRUE BLAME FOR ENERGY PROBLEM PUT ON GOVERNMENT INTERVENTION

(By Allan C. Brownfeld)

Now that he has been elected President, Jimmy Carter has the opportunity to abandon the political rhetoric about energy which so characterizes most of the discussion of that subject—on the part of both Republicans and Democrats.

The "solution" to our energy difficulties, which are real enough, is not price controls on natural gas, lowering the oil depletion allowance, increasing emission controls, and making the Arab oil producers into scapegoats. These, in reality, are all factors which have contributed significantly to creating the problem.

Government intervention in the economy is the single most important cause of all energy problems today facing the nation. Why, for example, are we so dependent upon oil? One reason is that the federal highway program accelerated such dependence at the same time that the nation's railroads were subjected to heavy taxes at all governmental levels and were, in addition, forced by government to submit to union featherbedding and other uneconomic labor practices. Thus, it was largely government planning and subsidies that shifted the nation from more to less efficient means of transportation.

That, however, is only one contributing factor. Another is the Federal Power Commission's policy which has held the price of natural gas far below the price at which it would be profitable to explore for new sources. If natural gas prices had been allowed long ago to move naturally, they would have stimulated greater development of supplies while encouraging a more realistic appraisal of various alternative energy forms.

Still another cause of our problem is the emission controls enacted by Congress. These lowered automobile gasoline efficiency, thereby increasing demand. At the same time,

import quotas kept down the supply. The result, of course, was higher prices and sporadic shortages. Then, on top of all this, Congress in 1969 passed an act which lowered the oil depletion allowance to 22 per cent, making it more expensive and less attractive to search for new petroleum sources.

Thus, while government pays some Americans, such as farmers, billions NOT to produce, it penalizes oil and natural gas developers who would like to produce but cannot do so under the controls imposed upon them by government.

Politicians have been simplistically demagogic in their repeated attacks upon the oil companies. They have counted upon the fact that the average voter is totally ignorant of economics and have not been mistaken in their calculations.

From 1945 to 1974, the price of gasoline increased 86 per cent. At the same time, the U.S. government increased the cost of first class mail from three to eight cents and the penny postcard to six cents—while it reduced postal service in half. Thus, while the price of gasoline went up 86 per cent, the government was increasing the cost of first class mail approximately 300 per cent and the postal card approximately 1,000 per cent when you consider a 50 per cent reduction in service.

Why did oil prices increase dramatically in 1974? Was it simply the fault of allegedly greedy Arab oil producers? Such an analysis may serve the interests of some politicians, but it has nothing to do with reality. The sharp increases in the last three years were caused in large measure by the devaluation of the dollar—and our continuing high inflation. The fact that the U.S. government, in effect, declared bankruptcy and refused to convert dollars any longer into gold, had its impact upon Arab thinking. The Beirut newspaper Al Anwar quoted Libyan Premier Abdel Salem Jalloud as saying that "Libya will no longer accept payment in U.S. dollars. The dollar has lost its value and we want a currency that is convertible in gold." Similarly, the Shah of Iran declared, "We have no interest in hoarding paper money in banks if inflation makes it worthless."

In his book, "The Biggest Con," Irwin Schiff states that in real terms oil prices have hardly risen at all: "On April 14, 1971, the day before the U.S. government repudiated its obligation to redeem Federal Reserve notes for gold, Middle East crude oil went for $2.33 a barrel. On Dec. 12, 1974, when rates were set at $10.73, gold went for $179.75 an ounce. So, on April 14, 1971, when 35 U.S. dollars equaled an ounce of gold, an ounce of gold bought 15.02 barrels of oil. However, on Dec. 14, 1974 an ounce of gold bought 16.75 barrels of oil so that the price of oil had been reduced 11 per cent in terms of gold, the only legitimate money measurement.

"Had the U.S. government managed its fiscal affairs responsibly and held the value of a U.S. dollar at one thirty-fifth of an ounce of gold, the price of oil in terms of dollars would not have risen at all."

EXPLANATION OF VOTE AGAINST FRENZEL AMENDMENT TO HOUSE RESOLUTION 287

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. MOORE. Mr. Speaker, the design of one element of what would otherwise be a workable ethics code endangers this opportunity to help restore the public's faith and confidence in Congress, now at a low ebb. Within House Resolution 287 are laudable qualities that close the door to lameduck junkets, overseas per diem bonuses, slush funds that evade campaign reporting requirements, and massive income building by honoraria. There is also at least one objectionable flaw.

Those who have written title III have carefully devised language that solves one problem, but creates another. Title III prohibits unofficial office accounts or slush funds which some of our colleagues have used to finance newsletters and other office activities. This is a long overdue reform and one which is vital to this package. I personally have never had any such official account or slush fund. Each office now has an adequate allowance for travel, newsletters, and the like. Elimination of separate unregulated funds for these purposes is totally justified.

In title III, however, there is a provision to increase our official allowances by $5,000 to evidently compensate Members for the loss of their unofficial funds under this same title. I do not believe this increase is either necessary or prudent. If I voted for the Frenzel motion to strike title III in order to do away with the $5,000 increase, I would also have been voting to keep the unofficial office accounts or slush funds. As bad as the increase is, the office accounts are much worse as in them lurks the very grave possibility of undue influence upon Members. Therefore, I voted not to remove this title from the bill.

THE HANDICAPPED EMPLOYMENT ACT OF 1977

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. FORD of Tennessee. Mr. Speaker, today I rise to reintroduce, along with 90 of my colleagues, the Handicapped Employment Act of 1977, H.R. 905, a bill to bring independence and dignity to over 11 million handicapped Americans. H.R. 905 would amend the Internal Revenue Code of 1954 to encourage the employment of handicapped individuals by providing a tax credit for employers for a certain portion of the wages paid to such individuals.

As you know, the House Ways and Means Committee has completed its consideration of the tax aspects of President Carter's economic stimulus program by favorably reporting H.R. 3477 to the full House. Section 302 of H.R. 3477 provides a job tax credit of 40 percent of the first $4,200 of salary of a new employee, with a maximum credit of $40,000 per business. During its consideration of H.R. 3477, the committee adopted an amendment to section 302 which would provide for a 10 percent tax credit to be applied over and above the 40 percent tax credit for the hiring of handicapped employees refered from a vocational rehabilitation program.

As I stated in the RECORD of January 4, 1977, the need for an extra incentive to encourage the employment of the handicapped is indeed great. Surveys by the Social Security Administration and the President's Committee on Employment of the Handicapped show lower education and income levels as well as higher unemployment levels among the handicapped in comparison to other Americans.

Mr. Speaker, while the fight for equality of opportunity for handicapped individuals is not yet won, the Ways and Means Committee's action represents a significant step toward achieving the objectives I sought to fulfill when I introduced the Handicapped Employment Act of 1977. It is with this in mind that I urge my colleagues to join me in supporting this worthy objective by voting to preserve section 302 of H.R. 3477 as it moves through the remainder of the legislative process.

GIBBONS ANNOUNCES ERISA ENFORCEMENT HEARINGS FOCUSING ON TEAMSTERS' CENTRAL STATES PENSION FUND; FIRST DAY'S HEARING TO BE AT 8:30 A.M. RATHER THAN 9:30 A.M., MARCH 14, 1977, AS ORIGINALLY ANNOUNCED

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. GIBBONS. Mr. Speaker, today I am announcing for the record the first of a series of hearings on the enforcement of Employee Retirement Income Security Act of 1974—ERISA. The hearings will be held on March 14, 1977, at 8:30 a.m. in the Ways and Means Committee main hearing room, Longworth House Office Building, Washington, D.C., and in executive session on March 15, 1977, at 8:30 a.m. These first 2 days of hearings will be focused on the Internal Revenue Service and Department of Labor/Department of Justice investigations of the Teamsters' Central States Pension Fund, and are an outgrowth of work by subcommittee member J. J. PICKLE, Democrat of Texas, who has been studying the administration of ERISA and the Central States matter.

With respect to the Central States investigations, the subcommittee is interested in the IRS investigation leading to the revocation of Central States fund's tax-exempt status; the series of relaxations of the effects of that revocation; past IRS enforcement efforts; the negotiation by the agencies with the Central States fund of "guidelines" for the operation of the fund; the potential impact of restoration by the IRS of the fund's "qualified" status on the Labor Department's ability to fully enforce its statutory mandate; the quality and effectiveness of the system of dual IRS-Labor administration and enforcement of ERISA; the role of the Justice Department and other agencies; and other related matters.

Witnesses representing the three agencies primarily involved in the Central States investigation—the Internal Revenue Service, Labor Department, and Justice Department—a group of rank-and-

file Teamster Union members, the executive director of the Central States Fund, and a panel of expert witnesses have been invited to appear before the subcommittee. After the initial hearings, other parties will be given an opportunity to present testimony to the subcommittee. A list and schedule of witnesses will be announced approximately 2 weeks prior to the hearing dates.

The subcommittee will take all testimony, including written statements, on the record and under oath.

PRESIDENT CARTER'S NOMINATION OF PAUL WARNKE

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. OBEY. Mr. Speaker, I want to express my complete support for President Carter's nomination of Paul Warnke as the head of the U.S. Arms Control and Disarmament Agency and chief SALT negotiator. Mr. Warnke is a superb choice for both of these positions. I know of no individual who is more qualified to fulfill these important roles for the United States.

On several occasions I have had the opportunity to observe Mr. Warnke take a tough line with representatives of other governments on their excessive arms buildups. I have always found him to be impressive, thoughtful, and toughminded. It would be shortsighted for our Government to deny itself the use of his talents.

A recent column by Charles Yost, former U.S. Ambasador to the U.N., provides an accurate and perceptive view of why opposition to Mr. Warnke's nomination has been mounted in some quarters and why it is so important that a person with Mr. Warnke's knowledge and skill be confirmed for the Arms Control Agency and SALT negotiator positions.

The article follows:

WARNKE AND THE PRESENT DANGER

(By Charles W. Yost)

WASHINGTON.—It is perfectly clear that the debate in the Senate over the confirmation of Paul Warnke as Director of the Arms Control and Disarmament Agency and as chief negotiator of SALT agreements is only superficially about Mr. Warnke's qualifications for these positions.

One would think it obvious that the intent of Congress in establishing the arms control agency would require the appointment as its director of someone who believes in arms control. Yet Mr. Warnke's confirmation is being opposed by some senators and hostile critics, not on the grounds that he does not favor arms control but that he does.

Of course the opposition is not couched in such bald terms. But that is what it adds up to. The charge is that he would be insufficiently "hard-nosed" in negotiations with the Soviets and would sacrifice interests in pursuit of agreement.

Anyone who knows Paul Warnke, indeed anyone who has followed his responses to the critics on the committee, would know that this is ridiculous. Anyone who can handle a barrage of charges as effectively as he has there, can be counted on to deal with the Russians with equal forthrightness and skill.

The fact is that Mr. Warnke is being opposed not because he is unqualified but because he is too well qualified. His opponents are not so much opposing him as opposing arms control—opposing in advance SALT II and SALT III agreements which, if they can be successfully negotiated with the Soviets, will be coming before the Senate for its approval.

Since it is the proclaimed policy of President Carter to seek such agreements; since indeed bringing nuclear weapons and nuclear proliferation under strict and rational control is his primary goal in foreign affairs, Mr. Warnke's opponents are in fact endeavoring to undermine, if possible to abort, the new President's principal international objective.

No one questions the passionate sincerity with which they do so. What one can question is their objectivity, their judgment, sometimes even their rationality.

A group of retired military and foreign affairs professionals and academic hard-liners has recently constituted itself a Committee on the Present Danger. All of these gentlemen have in fact been perturbed about the "present" danger for the past 30 years. They are now merely updating their statistics to revalidate phobias they have had ever since the cold war began.

This is not to say that there is no "present danger." Far from it. There are a great many dangers in this turbulent and unstable world of ours. Of these the most awesome and potentially most disastrous is certainly the threat of nuclear war. That is the overriding present danger and that is why the President has wisely chosen as his primary objective its control and its ultimate elimination.

The rational way to cope with this threat is not to magnify it, either vertically by multiplying already excessive U.S.-Soviet nuclear arsenals or horizontally by allowing nuclear-weapons capabilities to be disseminated to other nations. The way to cope is, first, by agreements between the United States and the Soviet Union to reduce their arsenals and, second, by multilateral agreements to check nuclear proliferation.

Obviously if the Soviet Union should refuse to conclude agreements of this kind and should insist on deploying more weapons and new systems—as both the U.S. and the Soviet Union have been doing for 30 years—the United States would no doubt again have to respond.

That, however, is *not* the situation today. Mr. Brezhnev has repeatedly declared he is not only willing but eager to conclude new SALT agreements. The only way to find out if he means it is to negotiate in good faith, to come up ourselves with proposals for significant mutual reductions, and thus to test Soviet intentions.

Defense Secretary Harold Brown told the Senate Armed Services Committee last week that United States and Soviet strategic nuclear weapons are in balance today and can be kept that way "without excessive effort on our part." The Soviets are not 10 feet tall, as the U.S. tends to perceive them and they to perceive Americans. They have and are building far too many weapons and so is the U.S. The way to stop is not to compete in building more but to stop together.

The Committee on the Present Danger, in its elaboration of "worst cases" for the 1980s and its demand for weapons buildups to meet these speculations, is proposing to escalate the very danger it fears.

The Soviets are as disinclined as Americans are to have their population, cities, and industries incinerated. Experience demonstrates, however, that, as long as America's only response to the common danger is to build more weapons, they will match us weapon for weapon and sometimes outdo us.

The effective way to alleviate the present danger is to begin to reduce its principal cause. That will be Mr. Warnke's assignment and one for which he is superbly qualified.

WHAT AMERICA MEANS TO ME

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. WYLIE. Mr. Speaker, Miss Seville L. Bates, a senior at Columbus East High School in my district, is a winning contestant in the voice of democracy scholarship program contest conducted by the Veterans of Foreign Wars of the United States and its Ladies Auxiliary.

This year's theme was "What America Means to Me." Participating students prepared and transcribed on tape a 3- to 5-minute broadcast script and were judged on content, originality, and delivery.

Miss Bates will be brought to Washington for the final judging of the contest competing for the five national scholarships which are awarded as the top prizes. As I feel this is a great honor, I insert the winning speech from the State of Ohio in the CONGRESSIONAL RECORD:

WHAT AMERICA MEANS TO ME

(By Seville Bates)

America is freedom. Not the freedom to be liberated from the laws which govern society, but the freedom to be liberated from sullenness and taciturnity.

It is important to me that I have the opportunity to express my views clearly and distinctly in my country without hesitance, providing that I do not slander any individual. If I, an American, were to remain silent and could not convey my ideas about America's idiosyncrasies, as well as her merits, I would eventually be found in a state of emotional and social frustration, self-worthlessness, and would be a total withdrawal from American Society. Life has little or no meaning unless I am free to express my feelings about life experiences in a country which may not have anything to do with what I am not, but everything in the world to do with what I am.

As an American, living in a permissive, complex, free-enterprise society, composed of all types of individuals, consisting of mass media and advanced communications, I demand the right to speak my position and feelings on: love hate, peace war, life death, morality immorality, as well as other controversial subjects.

Ask any American the typical question: "How do you feel about your country"? He may reply, "It is a total mess". On the other hand, another may retort, "I love it, I am proud to be an American". Whether or not the statements made were supportive of America is not the point. The point is that a verbal freedom was utilized and one's true feelings were spoken. I appreciate this freedom more each time I employ it.

I may happen to be critical at times, restless because of my curiosity and desire to explore new horizons and my desire to do more things in this nation of vast opportunity. And if I appear to be frustrated, it is because of my inability to succeed. But how would you know if my feelings were not exemplified by means of verbal communication?

I love America, my country. She supplies the most essential freedom in order for me

to live a life of prosperity in a sociable society. She supplies me with the most cherished freedom of life: The freedom of speech. I have heard about the Taj Mahal in India. I have read about the Great Wall of China. I have even seen the Kremlin of Russia.

Yet none of them fascinate me as much as the Statue of Liberty in America. A Statue symbolic of a nation comprised of 250 million people who have lived, worked, and enjoyed life together. People striving to instill one of the greatest aspirations of our forefathers, a perfect freedom which has never been instituted in any other nation in the entire world.

AIRPORT PROTECTION AND AIRCRAFT NOISE REDUCTION ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. ANDERSON of California. Mr. Speaker, today I am introducing comprehensive legislation which is designed to establish a long-range program to protect our people from intolerable aircraft noise by, first, encouraging local governments to plan for orderly development of the airport and to prevent housing and other sensitive uses in those areas exposed to excessive noise; and, second, providing a mechanism whereby aircraft operators can replace or modify their noisy aircraft with more environmentally acceptable and more energy efficient aircraft.

BACKGROUND

In 1969, the Congress recognized the aircraft noise problem by requiring the Federal Aviation Administration to regulate aircraft design and equipment for noise reduction purposes. In this legislation, the Congress directed the FAA "to afford present and future relief and protection to the public health and welfare" by the control and abatement of aircraft noise with the requirement that any standards must be consistent with the highest degree of safety, and must be "economically reasonable, technologically practicable, and appropriate" for the particular type of aircraft. As a result, in 1969, Federal Air Regulation, part 36, established aircraft noise standards for subsonic turbojet aircraft of new design. Then, in 1973, these standards were extended to all new aircraft of older design. Finally, on December 23, 1976, the Administration issued a new regulation extending the noise limits of part 36 to old aircraft of old design—thus, forcing either the retrofit or replacement by 1985 of approximately 1,600 aircraft of our U.S. fleet of about 2,100 large jet aircraft.

When President Ford took this action, he recognized the financial burden that this would place on the owners of these aircraft and he ordered Secretary Coleman to recommend financing arrangements "to insure that all U.S. carriers can meet the noise standards within the prescribed time schedule." Secretary Coleman's recommendations, and the resulting legislation proposed by President Ford, involved a financing plan that would authorize the airlines to impose an environmental surcharge to help finance a part of the new aircraft acquisitions, or the retrofit of the older, noisy aircraft.

AIRPORT PROTECTION

Mr. Speaker, the Department of Transportation estimates that 7.3 million persons—3 percent of the U.S. population—are exposed "to an excessive level of aircraft noise." Yet, technology has produced aircraft which are capable of emitting less noise. In fact, if all United States turbojet-powered civil aircraft which do not comply with FAR 36 were retrofitted with sound absorption material, then the number of persons residing in areas of significant airplane noise annoyance would be reduced by at least 800,000 people. But, if the airlines elected to replace—rather than modify—just their turbo fan-powered B–707 and DC–8 airplanes—then the number exposed to significant airplane noise would drop by approximately 2 million.

Experts at Logan International in Boston calculate that a retrofit program for the aircraft serving that field would reduce the population exposed to high levels of noise from 91,000 now affected to 40,300 in 1980.

This illustrates that technology alone will not solve the noise problem for those millions of persons who reside near our Nation's airports. This shows that reducing the noise at the source—the engine—is only part of the solution.

Last year, the Aviation Subcommittee conducted indepth hearings on the causes, and possible cures of aircraft noise. We found that a significant part of the problem—in addition to the source, the engine—was in the lack of adequate planning by both the operator of the airport and the jurisdictions surrounding the airport in protecting the airport from encroachment. Often, the owner or operator of an airport does not have jurisdiction over the area or parts of the area surrounding the airport. And, as a result, the operator can not prevent improper or unwise zoning. On the other hand, actions by the airport operator can result in more flights, nosier aircraft, and increased exposure to noise to those residents surrounding an airport, who were previously in an area of relative peace and quiet.

There is no question in my mind, Mr. Speaker, that the long-term solution to this important problem involves the cooperation and the coordination of the airport operator, the affected or potentially affected jurisdictions, the Federal Government, and the aircraft operators. The wise intentions of one can be completely negated by the other. To achieve the solution—to protect our citizens from excessive noise—we must encourage, or even mandate, better cooperation among the participants. The legislation that I am introducing today defines the role of each, outlines their rights and duties. and encourages each to follow a plan designed to bring relief to those who are presently bombarded by excessive aircraft noise, and to prevent future encroachment into areas hard hit by noise or likely to be exposed to high levels of aircraft noise.

Under this bill, first, the Federal Aviation Administration would be required to define the problem. To date, many standards for measuring the cumulative effect of noise have been put forth: California uses a system called CNEL—community noise exposure levels—the Federal Department of Housing and Urban Development uses NEF—noise exposure forecast—and the Environmental Protection Agency used LDN—level-day-night. But, there is no single, agreed upon system for determining the best system for measuring the cumulative effect of noise. The FAA, within 1 year, would determine this system for measuring the cumulative effect of noise and would publish it in the Federal Register.

The Federal Aviation Administration would then determine the activities or land uses which would be appropriate for different levels of aircraft noise, as depicted on the scale. For example, the State of Maryland uses the LDN system of measuring levels of aircraft noise. They permit residences, schools, hospitals, nursing homes, and other uses which are particularly sensitive to noise in areas that are given a noise rating of 65 LDN or below. But for those areas which are heavily impacted by noise—75 LDN—uses such as golf courses, cemeteries, office buildings, industry, agriculture, and mining, are permitted by the State of Maryland.

Six months after the FAA had, first, established a system for measuring the cumulative effect of noise, and, second, identified activities which would be permitted at different levels on the scale tthe operators of those airports which have 1,500 or more departures of aircraft subject to FAR part 36 would submit to the Administrator a noise contour map. This map would graphically show the noncompatible—if any—uses in each area as the present operations dictate, and as the projected operations in 1985 dictate.

Federal grants, similar to the planning grants in the airport development program, would be available to assist airport operators in developing this contour map and the noise compatibility program which is also required.

The noise compatibility program would be prepared by the airport operator and would set forth measures to be taken which would reduce existing noncompatible uses and prevent the introduction of additional noncompatible uses. These actions may include:

Land acquisition, preferential runways, construction of acoustical barriers, operating procedures, and proper zoning in areas around the airport to prevent future noncompatible uses.

This program would be submitted to the Administrator and would be approved or rejected within 6 months. It would be approved if it were found to be safe, not an undue burden on interstate and foreign commerce, and reasonably consistent with the objective of reducing existing noncompatible uses and preventing the introduction of additional noncompatible uses.

If approved, the airport operator would be permitted to impose a $2 "head tax," at least 75 percent of which would be

available only for carrying out the noise compatibility program. These funds would be shared with the other communities which are heavily impacted by aircraft noise in a fair and equitable manner.

This title, Mr. Speaker, is designed to give the airport operator and the affected jurisdictions the tools they need to protect their residents from levels of noise which are excessive. This title is designed to encourage better planning and better coordination by those localities which are or may be exposed to high levels of aircraft noise.

AIRPORT DEVELOPMENT ACCELERATION

Mr. Speaker, this year, fiscal year 1977, there is $510 million authorized for airport development. However, there are grant applications in excess of $700 million presently pending at the FAA. This shows that in order to meet the airport development needs of this country, we should increase the level available for this purpose. In addition, the bill I am introducing today would lead to greater expenditures in land acquisition, acoustical treatments, and airport development designed to reduce the impact of noise on the surrounding community.

As a result, in this measure, I am proposing an increase in airport development of $800 million, spread over the 3-year period, fiscal year 1978, fiscal year 1979, and fiscal year 1980. Air carrier airport development would be increased from $465 million in fiscal year 1978 to $664 million; from $495 million in fiscal year 1979 to $720 million; and from $525 million in fiscal year 1980 to $793 million. Airport development for general aviation airports would be increased from $75 million to $106 million in fiscal year 1978; from $80 million to $115 million in fiscal year 1979; and from $85 million to $127 million in fiscal year 1980. This increase would go toward meeting our total investment needs in public airport development—both expansion and replacement—of $34.2 billion, over the next 15 years, as projected by the Department of Transportation.

AIRCRAFT NOISE REDUCTION AND REPLACEMENT PROGRAM

Mr. Speaker, if the airlines elect to retrofit their fleet, we will not gain the fuel economy, nor the noise relief, that we could achieve if they replaced the older, noisy aircraft. For example, advanced technology airplanes are estimated to be nearly 30 percent more fuel efficient than the B–707 and DC–8 airplanes on a seat-mile-per-gallon basis. In addition, as I said earlier, the number of persons residing in areas of significant airplane noise annoyance would be reduced by 2 million persons, if the airlines replace rather than modify their turbo fan-powered B–707 and DC–8 aircraft.

Thus, in my view, a public policy regarding the aircraft noise problem should encourage the replacement of the noisy aircraft with technologically advanced equipment that reduces both fuel consumption and the number of persons in an area heavily impacted by aircraft noise.

The proposal that I am introducing today would encourage replacement by permitting an operator of a nonpart 36 aircraft to collect more revenue from a 2 percent noise surcharge placed on the price of the passenger ticket or the cargo-way bill, if it is elected to replace, than if it chose to retrofit.

Specifically, each operator of an older noisy nonpart 36 aircraft would be permitted to collect a 2 percent surcharge equal to a total amount calculated by the following: 75 percent of the cost of retrofitting the aircraft, if the aircraft is to be retrofitted; 150 percent of the cost of retrofitting the aircraft if the aircraft is to be re-engined; and 250 percent of the cost of retrofitting the aircraft, if the aircraft is to be replaced. For example, if the owner chooses to retrofit his B–707, he would be permitted to collect 75 percent of the cost of retrofitting that aircraft or $900,000—based on a total cost of retrofitting a 707 of $1.2 million. If he elected to replace the 707, he could collect 250 percent of the cost of retrofitting that aircraft or $3 million. In either case, the owner must use the revenue for its stated purpose and must report to the Secretary on a regular basis on his collections and his expenditures.

As soon as the aircraft owner reaches his allocation, then the 2 percent he has been collecting for retrofit or replacement would then return to the aviation trust fund. If the Secretary determines that an air carrier will not be able to raise sufficient revenue in order to retrofit or replace the noisy aircraft, then the Secretary may make a grant in order to reach the allocation from the trust fund.

This 2 percent noise surcharge would be levied by the Civil Aeronautics Board and would expire as soon as all carriers had collected their allocation but, in no case, later than 10 years. To insure that the traveling public is not subjected to an increase in rates, I would recommend that the passenger ticket tax and the cargo-way bill tax be reduced to coincide with the noise surcharge.

For those owners of nonpart 36 aircraft who are not under the jurisdiction of the CAB, a 2 percent surcharge would be mandated, to be collected by the carrier as described above.

Mr. Speaker, this program involves the cooperation of airport operators, local jurisdictions, air carriers, and the Federal Government. It is designed to protect individuals from excessive aircraft noise by encouraging proper planning and land use, and by encouraging replacement of the older noisy jets. In addition to protecting and enhancing the environment, this measure would lead to full conservation and a resurgence of our aerospace industry.

The following, Mr. Speaker, is the text of the bill:

H.R. 4539

A bill to establish a comprehensive program for the systematic reduction of noncompatible land uses in the areas surrounding certain airports in the United States and the level of noise created by aircraft operating at such airports

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Airport and Aircraft Noise Reduction Act".

TITLE I

SEC. 101. (a) For purposes of this title—

(1) the term "airport" means an airport with respect to which an operating certificate has been issued pursuant to section 612 of the Federal Aviation Act of 1958 (49 U.S.C. 1432);

(2) the term "airport operator" means any person holding a valid certificate issued pursuant to section 612 of the Federal Aviation Act of 1958;

(3) the term "departure" means an actual takeoff from an airport; and

(4) the term "Secretary" means the Secretary of Transportation.

(b) For the purposes of this title, other than section 104, the term "aircraft" means any civil subsonic turbojet powered aircraft which has a maximum certificated takeoff weight of 75,000 pounds or more.

SEC. 102. Not later than the last day of the twelfth month which begins after the date of enactment of this Act, the Secretary, after consultation with such Federal, State, and interstate agencies as he deems appropriate, shall by regulation—

(1) establish a single system of measuring noise to be uniformly applied in measuring the noise at airports and the areas surrounding such airports;

(2) establish a single system for determining the impact of noise upon individuals which results from the operations of an airport and which system includes, but is not limited to, noise intensity, duration, frequency, and time of occurrence; and

(3) establish land uses which are compatible with various impacts of noise on individuals.

SEC. 103. (a)(1) No later than 180 days after the effective date of the regulations promulgated in accordance with section 102 (3) of this title, any airport operator of an airport which, in the calendar year preceding the date of enactment of this Act, had 1,500 or more departures of aircraft shall submit to the Secretary a noise contour map which sets forth, in accordance with the regulations promulgated pursuant to section 102, the noncompatible uses in each area of the map, a description of the projected operations at such airport during 1985, and the ways, if any, in which such operations will affect such map.

(2) Whenever, after the effective date of the regulations promulgated in accordance with section 102(3) of this title, the Secretary determines that operations at an airport (other than airports described in paragraph (1) require a program for the reduction of the impact of aircraft noise, he shall notify the airport operator of such airport, and such operator shall, not later than the 180th day after the date of such notification submit to the Secretary a noise contour map which sets forth, in accordance with the regulations promulgated pursuant to section 102, the noncompatible uses in each area of the map, a description of the projected operations at such airport during 1985, and the ways, if any, in which such operations will affect such map.

(3) After the effective date of the regulations promulgated in accordance with section 102(3) of this title, any airport operator who is not required to submit a noise contour map under paragraph (1) and (2) of this subsection may submit to the Secretary a noise contour map which sets forth, in accordance with the regulations promulgated pursuant to section 102, the noncompatible uses in each area of the map, a description of the projected operations at such airport during 1985, and the ways, if any, in which such operations will affect such map.

(4) If, after the submission to the Secretary of the information required by para-

graph (1), (2), or (3), the operator of an airport intends to implement any change in the operation of such airport which would create any new noncompatible use in any area surrounding such airport, such operator shall submit a revised noise contour map showing such new noncompatible use. In addition, such operator may submit a revised noice contour map to the Secretary which indicates the effect any other change in the operation of such airport or in the aircraft using such airport has upon the information set forth in the first map submitted to the Secretary pursuant to this subsection.

(b) Section 19 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1719) is amended by striking out the second sentence and inserting in lieu thereof the following: "No offer to enter into a grant agreement shall be made by the Secretary to the sponsor or sponsors of an airport at which such development is to occur if such airport has not (1) submitted the information required by section 103(a) of the Airport and Aircraft Noise Reduction Act, or (2) a noise compatibility program described in section 104 of such Act, except an offer for a grant which is solely for the maintenance of safe flight operating conditions at such airport.".

(c)(1) Section 11 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1711) is amended by renumbering paragraphs (6) through (21), and all references thereto, as paragraphs (7) through (22), respectively, and by adding immediately after paragraph (5) the following new paragraph:

"(6) 'Airport noise compatibility planning' means the development for planning purposes of information necessary to prepare and submit (A) the noise contour map and related information required or permitted by section 103 of the Airport and Aircraft Noise Reduction Act, including any cost associated with obtaining such information, and (B) a noise compatibility program for approval by the Secretary pursuant to section 104 of such Act.".

(2)(A) Section 13(a) of such Act (49 U.S.C. 1713) is amended by—

(1) inserting "(1)" immediately before the first sentence thereof; and

(2) adding at the end thereof the following new paragraph:

"(2) In order to promote the development of an effective noise compatibility plan, the Secretary may make grants of funds to sponsors for noise compatibility planning.".

(B) Section 13(b) of such Act is amended to read as follows:

"(b) Amount and Limitation of Grants.—(1) The award of grants under subsection (a)(1) of this section is subject to the following limitations:

"(A) The total funds obligated for grants under subsection (a)(1) of this section may not exceed $150,000,000, and the amount obligated in any one fiscal year may not exceed $15,000,000.

"(B) The United States share of any airport master planning grant or airport noise compatibility planning grant under this section shall be that per centum for which a project for airport development at that airport would be eligible under section 17 of this Act. In the case of any airport system planning grant under this section, the United States share shall be 75 per centum.

"(C) No more than 10 per centum of the funds made available under this paragraph in any fiscal year may be allocated for projects within a single State, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or Guam. Grants for projects encompassing an area located in two or more States shall be charged to each State in the proportion which the number of square miles the project encompasses in each State bears to the square miles encompassed by the entire project.

"(2) For the purpose of carrying out subsection (a)(2) of this section, there is authorized to be appropriated, out of the Airport and Airways Trust Fund, not to exceed $15,000,000.".

SEC. 104. (a) Any airport operator who has submitted a noise contour map and the related information required or permitted by section 103 shall, after consultation with the officials of any unit of local government in the area surrounding such airport, any air carrier using such airport, and any regional planning authority, submit a noise compatibility program to the Secretary for his approval. Such program shall set forth the measures which such operator proposes for the reduction of existing noncompatible uses and the prevention of the introduction of additional noncompatible uses within the noise contour map submitted by such operator. Such measures may include, but not be limited to—

(1) land acquisition;

(2) the implementation of any preferential runway system;

(3) the implementation of any restriction on the use of such airport by any aircraft;

(4) the construction of barriers and acoustical shielding; or

(5) the use of flight procedures to control the operation of aircraft to reduce the noise level in the area surrounding the airport, including, but not limited to, establishing the flight path of aircraft so that flights are primarily over areas being used for purposes which are compatible with the noise level created by such aircraft.

(b) In addition to any measure which any operator submits as part of such operator's noise compatibility program, such program may contain a certification by the operator that the zoning laws governing the area within the noise contour map submitted by such operator pursuant to section 103 provide that no new noncompatible uses will be permitted in such area.

(c) The Secretary shall approve or disapprove any program submitted to him pursuant to subsection (a) within 180 days after it is received by him. The Secretary shall only approve such program if the measures to be undertaken in carrying out such program (1) provide for the continuation of safe flight operations, (2) do not create an undue burden on interstate or foreign commerce, and (3) are reasonably consistent with obtaining the goal of reducing existing noncompatible uses. Failure of the Secretary to approve or disapprove such program within such time period shall be deemed to be an approval of such program.

(d) Notwithstanding any other provision of law, no airport operator may impose any of the measures set forth in paragraph (2), (3), or (5) of subsection (a) of this section unless such measure is part of such operator's noise compatibility program which has been approved by the Secretary pursuant to subsection (c) of this section.

(e)(1) Notwithstanding section 1113 of the Federal Aviation Act of 1958, and except as provided in paragraph (2) of this subsection, upon the approval by the Secretary pursuant to subsection (c) of a program submitted by any operator which includes the certification described in subsection (b), such operator may levy or collect a tax, fee, head charge, or other charge of not to exceed $2, directly or indirectly on any person traveling in air transportation. Seventy-five per centum of the net proceeds of such tax, fee, head charge, or other charge shall be available for purposes of carrying out the noise compatibility program of such operator approved by the Secretary pursuant to subsection (c) of this section, unless the Secretary determines that such program can be carried out with an expenditure of a lesser per centum of such net proceeds. Any amount of such net proceeds used to carry out such noise compatibility program shall be expended only after consultation with appropriate local officials. Any amount of such net proceeds which is not used to carry out such noise compatability program shall be used for other airport purposes for which funds are permitted to be expended under the Airport and Airway Development Act of 1970.

(2) The Secretary shall suspend the authority of an operator to levy or collect any tax, fee, head charge, or other charge described in paragraph (1) of this subsection upon a determination that—

(A) the zoning laws initially certified to pursuant to subsection (b) of this section permit any new noncompatible use;

(B) the zoning laws certified to pursuant to such subsection have been amended to permit any new noncompatible use;

(C) a new noncompatible use is permitted in the area for which the certification is applicable; or

(D) the operation of the airport by such operator is resulting in use in the area surrounding the airport which was a compatible use becoming a noncompatible use.

(3) Any suspension made by the Secretary pursuant to paragraph (2) of this subsection shall remain in effect until the Secretary determines that the reason for the suspension no longer exists.

(4) For purposes of this subsection, the term "air transportation" has the same meaning as such term has in the Federal Aviation Act of 1958.

(f) For purposes of this section, the term "aircraft" has the meaning given such term in section 101(5) of the Federal Aviation Act of 1957 (49 U.S.C. 1301).

TITLE II

SEC. 201. (a) Paragraph (3) of subsection (a) of section 14 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714) is amended by striking out "$465,000,000 for fiscal year 1978, $495,000,000 for fiscal year 1979, and $525,000,000 for fiscal year 1980." and inserting in lieu thereof "$664,000,000 for fiscal year 1978, $720,000,000 for fiscal year 1979, and $793,000,000 for fiscal year 1980.".

(b) Paragraph (4) of subsection (a) of section 14 of the Airport and Airway Development Act of 1970 is amended by striking out "$75,000,000 for fiscal year 1978, $80,000,000 for fiscal year 1979, and $85,000,000 for fiscal year 1980." and inserting in lieu thereof "$106,000,000 for fiscal year 1978, $115,000,000 for fiscal year 1979, and $127,000,000 for fiscal year 1980.".

TITLE III

SEC. 301. For purposes of this title—

(1) the term "noncomplying aircraft" means any civil subsonic turbojet powered aircraft (A) which (i) has a maximum certificated takeoff weight of seventy-five thousand pounds or more, (ii) is registered in the United States, and (iii) has a standard airworthiness certificate, issued pursuant to section 603(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1423), and (B) which does not comply with the noise standards prescribed for new subsonic aircraft in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 C.F.R. part 36), as such regulations were in effect on January 1, 1977;

(2) the term "retrofit" includes the alteration of the engine or the engine nacelles of an aircraft with sound absorbent materials for the purpose of noise reduction; and

(3) the term "Secretary" means the Secretary of Transportation.

SEC. 302. (a) Not later than 60 days after the date of enactment of this Act, the Secretary shall publish a list in the Federal Register setting forth the name of each owner of each noncomplying aircraft as or

the date of enactment and the registration number of each such aircraft.

(b)(1) Except as provided in paragraph (2) of this subsection, not later than 30 days after the date the Secretary publishes the list required by subsection (a) of this section, each owner named in such list shall submit to the Secretary in writing a statement which sets forth, with respect to each noncomplying aircraft of such owner which appears on such list—

(A) that such aircraft will comply with (i) the noise standards set forth for new subsonic aircraft in regulations prescribed by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 C.F.R. part 36) as such regulations were in effect on January 1, 1977, and (ii) any requirements for interim compliance, set forth in regulations issued by the Secretary no later than the date for compliance set forth in such regulations; and

(B) whether such owner will comply with such regulations by—

(i) retrofitting such noncomplying aircraft (including spare engines where necessary);

(ii) replacing the engines in such noncomplying aircraft; or

(iii) replacing such noncomplying aircraft with another aircraft.

(2) Paragraph (1) of this subsection shall not apply to any owner of a noncomplying aircraft set forth in the list published pursuant to subsection (a) of this section if such aircraft is not used for the carriage of persons or property for compensation or hire.

(c) Not later than the thirtieth day after the last day of the 30-day period described in subsection (b)(1) of this section, the Secretary shall determine and publish in the Federal Register the cost of retrofitting an aircraft of each type of noncomplying aircraft on the list published pursuant to subsection (a) of this section.

SEC. 303. (a) Notwithstanding any other provision of law, not later than the thirtieth day after the last day of the 30-day period described in section 302(b)(1) of this title, any operator of a noncomplying aircraft which is used for the carriage of persons or property for compensation or hire shall impose a surcharge on any lawful rate, fare, or charge for such carriage of persons or property which surcharge shall be equal to 2 per centum of such rate, fare, or charge (excluding any Federal or State tax).

(b)(1) Any operator collecting a surcharge pursuant to subsection (a) of this section shall deposit all such surcharges in a separate account which shall be established by such operator. Amounts deposited in such account shall be expended only to pay the retrofit or replacement cost for each noncomplying aircraft. In any case where the method for compliance with noise standards for a noncomplying aircraft set forth in the written statement submitted pursuant to section 302(b)(1) of this title is the actual method used to comply, the amount of the cost to be paid shall be as follows:

(A) In the case of retrofitting, 75 per centum of the cost of retrofitting a noncomplying aircraft of that type as published by the Secretary in section 302(c) of this title.

(B) In the case of replacing the engines of a noncomplying aircraft, 150 per centum of the cost of retrofitting a noncomplying aircraft of that type as published by the Secretary in section 302(c) of this title.

(C) In the case of replacing a noncomplying aircraft with another aircraft, 250 per centum of the cost of retrofitting a noncomplying aircraft of that type as published by the Secretary in section 302(c) of this title.

(2) In any case where the method for compliance with noise standards for noncomplying aircraft set forth in the written statement submitted pursuant to section 302(b)(1) of this title is—

(A) to retrofit such aircraft and the actual method used to comply is either replacing the engines or replacing the aircraft, the cost be that described in subparagraph (B), or to be paid with respect to such aircraft shall for replacing the aircraft in subparagraph (C), of paragraph (1), as the case may be.

(B) to replace the engines of such aircraft and the actual method used to comply is replacing the aircraft the cost to be paid shall be that provided in subparagraph (C) of paragraph (1).

(3) In any case where the method for compliance with noise standards for noncomplying aircraft set forth in the written statement submitted pursuant to section 302(b)(1) of this title is—

(A) to replace the aircraft and the actual method used to comply is replacing the engines or retrofitting such aircraft, the cost to be paid with respect to such aircraft shall be that provided for retrofitting the aircraft in subparagraph (A) of paragraph (1).

(B) to replace the engines of such aircraft and the actual method used for compliance is by retrofitting such aircraft, the cost to be paid with respect to such aircraft shall be that provided for retrofitting the aircraft in subparagraph (A) of paragraph (1).

(4) Surcharges shall be deposited in such account until it contains an amount sufficient to pay, with respect to each noncomplying aircraft operated by such operator, the allowable retrofit or replacement cost authorized to be paid for such aircraft under this subsection.

(5) Funds collected by an operator pursuant to subsection (a) of this section in excess of the maximum amount to be deposited in a separate account pursuant to paragraph (4) of this subsection shall be paid, in accordance with regulations prescribed by the Secretary of the Treasury not less often than quarterly to the Secretary of the Treasury, who shall deposit such funds in the Airport and Airway Trust Fund established by section 208 of the Airport and Airway Revenue Act of 1970.

(c) Subsection (a) of this section shall cease to be in effect on and after the last day of the tenth year which begins after the date of enactment of this Act.

SEC. 304. In any case where the Secretary determines that the amount of the surcharges deposited in an account by an operator pursuant to section 303(b)(1) of this title will be insufficient to pay the total allowable costs for retrofitting or replacing the noncomplying aircraft operated by such operator for the carriage of persons or property for compensation or hire which are set forth in the list published by the Secretary pursuant to section 302(a) of this title, the Secretary is authorized to make a grant to such operator from the Airport and Airway Trust Fund established by section 208 of the Airport and Airway Revenue Act of 1970 in such amount as the Secretary determines necessary to insure that such operator will receive all of the allowable costs of complying with noise standards as such costs are established under paragraphs (1), (2), and (3) of subsection (b) of section 303 of this title.

SEC. 305. After January 1, 1985, no operator of a civil subsonic turbojet powered aircraft (1) which (A) has a maximum certificated takeoff weight of seventy-five thousand pounds or more, (B) is registered in a foreign country, and (C) has a standard airworthiness certificate issued pursuant to section 603(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1423), and (2) which does not comply with the noise standards prescribed for new subsonic aircraft in regulation issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 C.F.R. part 36), as such regulations were in effect on January 1, 1977, shall operate such aircraft in the United States.

THE 1976–77 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM REMARKS OF NEW HAMPSHIRE WINNER, LAURA JEAN DINTINO OF KEENE

HON. JAMES C. CLEVELAND

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. CLEVELAND. Mr. Speaker, annually, the Veterans of Foreign Wars and its ladies auxiliary sponsor the voice of democracy scholarship program in the country's secondary schools. The voice of democracy program was originated by the broadcasting industry and the U.S. Office of Education 30 years ago and has been supported by the National and State Association of Broadcasters and secondary school principals.

Upwards of 500,000 students from over 8,000 secondary schools participated in this year's 30th annual voice of democracy program. Each State winner receives an all-expense paid trip to Washington, D.C., and competes for one of five national scholarship awards provided by the VFW.

This year, the theme for the VFW's 30th annual voice of democracy scholarship program was "What America Means to Me." Miss Laura Jean Dintino, a senior at Keene High School in Keene, N.H., is the New Hampshire State winner for this year. I am proud of my constituent's endeavor and her accomplishments and wish to insert her thoughtful and reassuring speech in the CONGRESSIONAL RECORD at this time:

THE 1976–77 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—NEW HAMPSHIRE WINNER, LAURA JEAN DINTINO

A small acorn falls from a massive tree. It tumbles down a hill, across a dirt road, and onto a cliff's edge. Here this acorn grows and grows into a beautiful tree. In spite of the strong wind against it, and the rocks below it, this tree continues to grow, for its roots are built of a solid foundation: the will to live. Like this tree, America was founded. An acorn of an idea dangling on a cliff's edge, yet with roots strong in men's hearts. Roots which consisted of hopes for a country in which people would know real freedoms and true justice. A country for its people, not a country for its leaders. These men, some now unheralded some glorified to our founding fathers, fought and died for these aspirations, as many men have since. They fought to defend "The United States of America—the land of the free." Thomas Jefferson, The Adamses, Paul Revere, Thomas Paine, all of the fiery sons of Boston. Benjamin Franklin, The Lee's of Virginia, George Washington himself—these are the makers of freedom of the facts that we now read in history books, which make me very proud to belong to this country.

However, when asked, as I was today, "What does America mean to me" this is not the answer I would give from my heart. This is history; these facts are apart from my day to day life . . . and the true meaning of America—to me or anyone—is my life, is the individual lives of every citizen of the nation. When we are born into citizenship in the United States, we are endowed with many freedoms and rights. Among these are the freedoms of speech, press, religion, the right to petition peaceably, to be considered innocent until proven guilty, still almost a unique

right in today's world. Other people—Hungary, Czechoslovakia for only two examples—are still dying for these same freedoms. All of these freedoms are obviously an important part of my life, and thus of what America means to me. You see, America means I am not restricted to being any one type of person. I am free to believe in what I choose to believe in—to be unique! I am free to say what I please, to live the type of lifestyle I choose to live. This is the basic premise of the nation: That the individual should be maximized right up to the point where he threatens the rights and freedoms or others. All of our laws are based on this premise—an ideal made real. Being human, I realize we are not perfect in practicing what we preach, but we surely are leagues ahead of anyone else.

It becomes obvious that there is no one person who can be called the typical American. There may be 210 million people living in this country today, but none of them can be made candidate for the "average" American. You see in America we are free to become individuals. We have the freedom to attend the church of our choice, to follow the system of morals we choose, to our own political beliefs and aspirations (Lincoln and the White House are still the dream of lots of American boys—and girls now!) and to choose our own careers. America is a country made by the people for the people—and without the people America as I picture it could not exist. As I have been growing up in the United States. I have had the opportunity to learn about whatever I wished. I have the freedom to learn about all peoples, all countries, their beliefs, their customs, their histories—the good parts and the bad, the triumphs and the mistakes. And not only has the wonderful privilege of an education helped me as an individual, but it has helped me to appreciate my country more. I can see all of the freedoms I have—I have no inherent restrictions placed on me.

THE DRAFT: POSSIBILITIES AND ALTERNATIVES

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. STEIGER. Mr. Speaker, a column in today's Washington Post raised some very good questions for those who see a return to the draft as the only solution for any problems, real or imagined, with today's volunteer army.

Martin Binkin, a senior fellow at the Brookings Institution and a longtime student of the Nation's military, makes perhaps the single most important rejoinder I have heard to date to those who say conscription is the be-all and end-all in curing the military's ills. His suggestion is a simple one—improve defense manpower management.

Management, it seems to me, is at the heart of the entire issue. If a college is having problems attracting students or a firm cannot find enough customers for its product, I am sure those in positions of responsibility would like to be able to force students to attend or people to buy. But that is not how things work. Rather, if a college or business is ailing, the normal course is for a very careful assessment of management, followed by appropriate changes in personnel and policy.

The same should hold for the military. The easiest thing in the world for those responsible for meeting manpower quotas would be to draft the recruits they need. It saves a lot of bother and thought about management alternatives to attract sufficient qualified young men and women.

As Martin Binkin says:

Because such proposals call for changes in defense manpower management, they are unpopular among military traditionalists. Yet the cost of examining these options would be small relative to the social and political costs of renewing conscription, the financial cost of increasing incentives, or the military cost of reducing strength levels.

Those who still have any uncertainty about whether we should consider returning to the draft should pay particular attention to his mention of the "social and political costs" of such an action. All one has to do is remember the turbulence of the draft-era to know how ill-advised such a course would be.

I hope all who read the RECORD will pay careful note to what Martin Binkin has to say:

THE DRAFT: POSSIBILITIES AND ALTERNATIVES

(By Martin Binkin)

The abolition of the draft in 1973 was a controversial measure opposed by an unlikely coalition of Northern liberals and Southern conservatives. Now, less than four years later, the concept of raising military forces solely by voluntary means—one of the boldest experiments ever undertaken by this nation—appears headed for fresh trouble. Some of its critics lament supposed deterioration in the "quality" of volunteer forces. Others deplore the burden on the defense budget imposed by the military payroll. Some are disturbed because the armed forces now hold a greater proportion of blacks than there are in the general population. Others fear that the American military system has been changed from a "calling" with special institutional values into just another "occupation" that emphasizes monetary rewards and provides fertile soil for the seeds of military unionism.

Quite apart from the social and ethical issues underlying the controversy, there is a fundamental military issue: Can suficiently large and qualified armed forces be sustained under an all-volunteer system?

Whatever the experience of the past four years tells us—and there is little agreement on the qualifications of today's volunteers compared with yesterday's draftees—the chances for maintaining large enough volunteer forces without incurring exorbitant costs will dim unless the military services are willing to alter some of their present recruitment policies.

The most disquieting elements now in prospect are the effects on recruitment that will result from the imminent decline in the number of young men in the nation as the post-war "baby-boom" runs its course, and the diminishig proportion of those men who will be willing to volunteer as the economy improves.

A few years from now, as the effects of dwinding birthrates in the 1960s begin to be felt, the number of young men reaching age 18 will decline. The decline will be sharp, reaching 15 percent by 1985 and over 25 per cent by 1992, compared with 1976. With a smaller source of supply, recruiting will be more difficult instead of having to attract one of every six males to reach projected recruiting goals, as is now the case, the services eventually will have to attract one of every four. While it should remain possible to meet quantitative requirements, the quality of the manpower recruited will surely suffer.

But difficulties may develop even before the supply problem is encountered. As the economy continues to recover, the number of male high school graduates drawn to military service is likely to reach disturbingly low levels. In general, the lower the unemployment rate or the less military pay is increased relative to civilian pay, the lower the propensity to volunteer.

Under a wide range of plausible economic assumptions, projected increases in military pay will not be sufficient to offset the effects of increased civilian job opportunities. An educated guess is that by 1981 the services will be fortunate to attract 80 percent of their "needs" for high school graduates; by 1985, that figure is likely to decrease to 63 percent. The greater the economic recovery, of course, the greater the shortfall.

As it becomes harder for the military services to meet their goals, pressures will mount to "solve" these problems by returning to conscription, by reducing military strength levels, or by further increasing military pay. But there are other ways to overcome these difficulties, should they develop, or better still, to avert them altogether.

For example, the armed forces could effectively use more women and civilians in noncombant jobs, thereby reducing the demand for male volunteers and alleviating the recruiting problem. Moreover, partly because of excessively liberal discharge policies, volunteers are leaving the services before they complete their first enlistment at almost twice the rate that prevailed before the draft was abolished. Through tighter management and more careful recruitment, the average length of enlistment could be increased, personnel turnover would decrease, and fewer recruits would be needed each year.

It can also be argued that current educational, aptitude, and physical standards may be higher than necessary, or simply inappropriate for the satisfactory performance of many military duties. Relatively minor adjustments in these standards could yield substantial increases in the supply of qualified males. For example, according to the Congressional Budget Office, simply extending maximum and minimum weight limits by 10 percent would increase the supply of eligible recruits by 5 percent. Returning to the more lenient educational and aptitude standards of 1974 would reduce the need for scarce highly qualified males by close to 15 percent.

Because such proposals call for changes in defense manpower management, they are unpopular among military traditionalists. Yet the cost of examining these options would be small relative to the social and political costs of renewing conscription, the financial cost of increasing incentives, or the military cost of reducing strength levels.

FERNDALE, MICH., CELEBRATES ITS 50TH ANNIVERSARY

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. BLANCHARD. Mr. Speaker, the city of Ferndale, Mich., one of the principal cities of the 18th Congressional District, is 50 years old today. To mark the occasion, I would like to include the following account of its history in the RECORD:

Ferndale was a part of Royal Oak Township when it was incorporated as a village in 1918. It was incorporated as a city on March 7, 1927.

Early in this century, the population of the section of Oakland County that now embraces Ferndale experienced a population surge as Henry Ford advertised nationally for employees who would be paid $5 per day.

At that time, Ford's Highland Park plant was absorbing many of the automaker's new workers, with the result that many of them settled in the Ferndale area, which adjoins Detroit on the north.

After Ferndale was incorporated, its growth was immediate. At one time it was said to be the fastest growing community in the country. By 1950, almost every building lot in the city, which encompasses an area of 3.9 square miles, was developed.

Ferndals reached its maximum population in 1958. The last federal census listed Ferndale with 30,850 residents. That total has declined somewhat over the past seven years.

Today, the real estate value of Ferndale stands at about $130 million. A stable industrial and commercial community comprises about 40 per cent of that total, while the remaining 60 per cent reflects the value of residential development.

Ferndale prides itself on being a friendly, homogenous and unified community. It is known officially as "The City of Good Neighbors".

I know that to be true, for Ferndale is my home town. I was born, raised, and educated in Ferndale. One important face of being educated in Ferndale is the diversity of people who live there and the fact that people of diverse backgrounds live together as neighbors, unlike many large cities where diversity has become a barrier to community spirit.

With a complement of some 210 full-time employees in its city government, Ferndale has developed a reputation for proficient and responsive police, fire, and public works service, as well as for initiating innovative programs.

It has had steady political leadership since its incorporation, and has been fortunate to have a succession of competent city managers.

The Ferndale charter provides for an elected mayor and four elected city commissioners. The city commission appoints the city manager, city clerk, city attorney, police chief, and fire chief.

As Ferndale marks its 50th birthday, its elected and appointed officials include: Mayor Robert J. Paczkowski; City Commissioners Frank T. Luxon, James B. Avery, Helen M. Weber, and Dorothy Webb; City Manager Ronald U. DeMaagd; City Clerk Valerie E. Kitchen; City Attorney Robert J. Turner; Police Chief Donald R. Geary; and Fire Chief William McMurray.

Mr. Speaker, I know my colleagues will join me in extending best wishes to Ferndale, and its citizens on reaching this milestone in its history, and in hoping that its future will be filled with new challenges and accomplishments.

Beyond commemorating this important day to Ferndale, it is also a time to remember that preserving and revitalizing cities like Ferndale across our land is worthy of our best efforts in the years ahead.

OUR NEW UNITED NATIONS AMBASSADOR

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. RANGEL. Mr. Speaker, President Carter clearly signaled to the world his intentions to emphasize the U.S. role in the United Nations and in attempting to bring majority rule to the black nations of Africa. By appointing former Representative Andrew Young to the United Nations as our chief delegate, the President has acknowledged the need to place a greater reliance upon the United Nations in helping to solve world problems. In Andrew Young, the United States has a United Nations ambassador, who has the intelligence and compassion to assist in charting the direction of a more forward-looking foreign policy, especially as that policy relates to the problems of the underdeveloped world.

The appointment of Andrew Young has been universally hailed by all those who have been struggling to achieve a progressive foreign policy. I would like to share with you a sampling of the support Ambassador Young's appointment has generated. The following press statement from the American Jewish Congress is indicative of the type of comments I have been receiving:

JEWISH LEADER HAILS YOUNG ON APPOINTMENT TO UN POST

Rabbi Arthur Hertzberg, president of the American Jewish Congress, this week praised President-elect Jimmy Carter's choice of Andrew Young, Jr. for the post of United States Ambassador to the United Nations, calling it "a strong indication of commitment to justice for all the people of the world."

Rabbi Hertzberg expressed "deep admiration" for Rep. Young who was the first Black Congressman from Georgia since Reconstruction and served as the Rev. Dr. Martin Luther King Jr.'s chief lieutenant in the civil rights struggles of the 1960's.

"Andrew Young shoved his strength, courage and commitment to racial justice on the battlefields of the civil rights movement," Rabbi Hertzberg said.

"I am confident that in his new post Andrew Young, with his deep moral sense, his unbounding energy and his grasp of the complexities of world affairs, will stand on the side of justice for Black Africa, for Israel and for all peoples who seek to live in freedom, in dignity and in peace.

"The American Jewish Congress extends warmest congratulations to Representative Young, along with our heartfelt wishes for success in his crucially important post."

LONG ISLAND PRESS SUPPORTS ANTIBOYCOTT BILL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. ROSENTHAL. Mr. Speaker, for over 150 years, the Long Island Press has offered the people of New York authoritative, principled, and insightful news and analysis. It comes as no surprise to me, therefore, that the Press has reaffirmed its strong stance in favor of legislation to end the participation of Americans in foreign boycotts. As its recent editorial states, the pressures put upon our citizens and companies to comply with the discriminatory economic policies of certain foreign countries are disgraceful and immoral.

The House will soon have an opportunity to register its agreement with the position of the Long Island Press when the Export Administration Act extension comes up for a vote. This measure will almost certainly contain strong prohibitions against abetting foreign boycotts. I am confident my colleagues will concur overwhelmingly in the vital need for this bill.

The full text of the Press' March 2 editorial follows:

THE NEW POLICY ON ARAB BOYCOTT

For several years, the Ford administration blocked efforts in Congress to prohibit American companies from complying with the economic boycott of Israel by Arab nations. Mr. Ford's position was that companies that do not bow to the boycott might lose valuable business and jeopardize diplomatic efforts in the Middle East.

Such results would be unfortunate, of course, but President Carter put the matter in proper perspective during last year's election compaign. He described Arab pressure on American businessmen to stop trading with Israel and to purge their companies of Jewish employers, as "an absolute disgrace."

"It's not a matter of diplomacy," he added, but "a matter of morality."

Mr. Carter was right then, and he is right now in forming an interagency task force to draft a new policy that was outlined to the Senate yesterday.

The President wants Congress to outlaw boycott-motivated discrimination against American companies or citizens on the basis of religion, race or national origin. That would bar answering Arab requests for information on Jewish employes. But the new policy would not interfere with the right of Arab countries to bar participation of Israeli citizens. That's a matter for Israel and the Arab states to settle.

The new policy would prohibit U.S. firms from refusing to deal with friendly powers, such as Israel—or with other American companies that do—in order to do business with the Arab nations. Since it's hard to prove intent, such a ban would be difficult to enforce. But, morally, the State Department is obligated to try.

What's more, the Carter program replaces conflicting state laws that deal with foreign boycotts with one uniform national law.

The Carter administration is on the right track. American firms doing business in the Middle East are not blacklisted by Israel if they also trade with her enemies, nor are they asked to purge their ranks of employes of Arab descent. Permitting them to be blackmailed into reverse discrimination is, as President Carter said, disgraceful and immoral.

SYMBOLISM OF AMERICAN FLAG IN VOICE OF DEMOCRACY CONTEST

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mrs. SPELLMAN. Mr. Speaker, each year the Veterans of Foreign Wars and its ladies auxiliary sponsor a most worthwhile program, the Voice of Democracy contest. This year, nearly 500,000 secondary school students participated, each of them writing vividly of America's democratic ideals.

I am extremely proud to announce that the 1976–77 VFW Voice of Democracy scholarship program winner for the State of Maryland is a resident of my district, Miss Mary Beth Null of 2126 Saranac Street, Adelphi, Md.

Her winning essay describes beauti-

fully the symbolism inherent in our Nation's flag. It is a poignant, personal expression of a young American's view of America, and I believe it would make a fitting contribution to the historical record of the U.S. Congress.

I share it now with my colleagues:

THE AMERICAN FLAG

As a student, I daily pledge my allegiance to the flag of the United States of America. And, as an avid sports fan, I frequently hear the words: "Oh, say does that star-spangled banner yet wave?" Both our national pledge and our national anthem pay tribute to a meaningful American symbol—the flag. The best way in which I can express what America means to me is by describing this symbol. For, to me, the flag is the family crest of all Americans.

Its colors illustrate many aspects of America. Most of us, when we think of the red, are reminded of the blood that has been shed by Americans from the Revolutionary War to the Vietnam War. We have even set aside special days such as Veterans' Day and Memorial Day to commemorate the men who have given their lives because they firmly believed in America.

The color red also represents richness of opportunity. When I think of America, I think of the boundless opportunities I have—opportunities to grow without limitations, to dissent without fear, to live securely, and to truly be myself. These opportunities are very important to me.

Another color, white, is illustrative of the peace which we promote and negotiate for. Thousands of Americans have given their lives for peace. So that these lives will not have been given needlesly, we must continue to strive to maintain this peace—not only within our country but also throughout the world.

In addition, white depicts purity. Governmental purity is a strong part of America. Recently, political corruption has been exposed, and now we are more aware of it. As a result of the result of this awareness, we will hopefully be more careful in preventing corruption from recurring. Environmental purity is also a high goal for America. We are striving for it by establishing agencies such as the Environmental Protection Agency, and we are encouraging a pure environment through the media as well as through concerned Americans.

Blue portrays the peacefulness, hope, and sincerity of our country . . . the peacefulness of a strong, secure nation; the hope that we can maintain and promote this peace; and the sincerity of my country's endless hope for worldwide understanding.

The crest of Americans is designed to show other important meanings that America holds for me. The stars represent the fifty states—states separate but equal and together forming one nation. Just as America is made up of individual states, she is made of of individual people—her greatest strength. These individuals people are bound together by their united belief in the country; this singular belief makes them one.

The stripes show the systematic order by which our country is run. She is balanced up power, rights, and responsibilities. The stripes also alternate in color—red and white. This is in order for us to remember that the blood which was shed for our country has brought about the whiteness of peace.

This is my America . . . an America of hope, pride, and strength. To me the flag is more than a banner. It is the story of America—from 1776 to the present. Within its stars and stripes and colors of red, white, and blue are the ideals and goals of my America. Yes, the flag truly is the family crest of all Americans.

FEDERAL ACTION IS NEEDED TO PROTECT CONDOMINIUM PURCHASERS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. DRINAN. Mr. Speaker, Federal action is clearly needed to protect the purchasers of condominium housing and the tenants of apartment houses which are converted to condominiums. Unfair and deceptive sales practices continue to plague condominium purchasers, while renters frequently face undue and unexpected economic hardships by the sudden conversion of their apartments into expensive condominium units.

At the present time, only 10 States have enacted legislation to protect prospective purchasers of condominiums, and even fewer have provided for due notice to renters in cases of conversion. Several Members of Congress have introduced protective legislation in the 95th Congress. Together with 11 cosponsors, I have introduced H.R. 4175, the National Condominium Act, to achieve the needed protection for purchasers and renters without unduly burdening condominium builders or owners of apartment houses who desire to convert their property to condominiums.

In the Washington Post on March 7, Jone Bryant Quinn cogently summarized the abuses in the condominium industry and the urgent need for Federal action to correct them. I commend Ms. Quinn's article, which follows, to the attention of my colleagues. I hope that analyses such as hers and appeals for relief from those victimized by unfair sales practices will spur the Congress to take action in the field of condominium sales and conversions.

The article follows:

CONDO BUYERS NEED PROTECTION

(By Jane Bryant Quinn)

NEW YORK.—Congress continues to drag its heels on a federal law that would give some measure of protection to buyers of condominiums anywhere in the country. A number of states have laws of their own—a few of them quite good. (Among the states with good laws are New York, Virginia, California, and Michigan.)

But others have big loopholes. And in some states there's hardly any recourse at all against poor construction, weasling contracts and unethical sales techniques.

Several federal condominium bills were in the hopper last year, but none of them got anywhere. The principal opponent was the National Association of Home Builders—but they couldn't have been so effective if Congress had truly understood that many condomininium contracts are an outrage crying for remedy. Rep. Joseph Minish (D-N.J.) has reintroduced a bill this year. So far, the Senate is content to wait and see what happens in the House.

The trouble with condominiums is that so many builders have exploited the consumer interest rather than served it. In a study of the problem last year, the Housing and Urban Development department identified these key problems.

Poor Construction. Buyers are rarely equipped to judge whether the builder's heating and cooling systems are adequate, or whether the building materials are of good quality.

Poor Management. Condominiums are a complex cooperative living environment and unit owners often lack the experience to govern them well. Small groups may force changes that the majority doesn't like. Budget estimates are often inadequate, and insufficient money may be set aside for replacement and repairs. The governing board may be reluctant to enforce the condominium's rules on their friends and neighbors.

Complicated Contracts. The condo documents may run to 100 pages of legalese. Even a real estate lawyer may not understand them, unless condominiums are his special area of expertise.

Insufficient Financing. Many prospective owners have lost their deposits when the builder went bankrupt before the project was complete. In fact, a HUD spokesman told my associate, Anne Colamosca, that this was one of the most troubling problems identified by the study.

"Low Balling." Condominium salesmen often give lower estimates of maintenance fees than will really be required. When people move in, they find they can't afford the cost of keeping up the building and grounds, so the property gradually falls into disrepair.

Under the Ford administration HUD endorsed a limited number of disclosure and consumer-protection provisions, but would leave it to the states to decide whether to protect their residents or not. Whether the new administration takes the condominium problem more seriously remains to be seen.

U.S. VESSEL TRANSFER TO FOREIGN CONTROL PROPOSED

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. AuCOIN. Mr. Speaker, 6 weeks ago I warned my colleagues that America's new 200-mile limit may be in danger of being sidestepped by foreign nations forming joint ventures with American firms and roaming at will throughout the U.S. fishing zone, with the full privileges of U.S. vessels.

This means they would escape the foreign fishing fees required by the act to provide for management programs, they would avoid being restricted to harvesting surplus fish, and they would for all practical purposes duck the American 200-mile coastal fishing limit law.

For this reason, I introduced H.R. 2564 to regulate such foreign joint ventures and plug the apparent loophole in the 200-mile act. I am pleased that to date the resolution has 40 cosponsors.

I want to call my colleagues attention today to something that should remove any doubt that the problem attacked by this legislation is very real.

On February 11, a notice appeared in the Federal Register concerning a request to the Maritime Commission for the "Transfer of a Fishing Vessel to a Company Under Foreign Control."

The notice states that an Anacortes, Wash., firm is planning to transfer 50 percent ownership of its vessel, *Misty*

Moon to Whitney Fidalgo Seafood, Inc., a firm that is 98 percent owned by Kyokuyo Co., a Japanese corporation.

Mr. Speaker, this is precisely what I have been warning this House about for the last 6 months.

To show exactly how a foreign nation can circumvent the law I would like my colleagues to note the kind of fish the Japanese firm plans to take with its new vessel. It plans to take Pacific coast salmon—a species expressly prohibited from foreign harvests under the fisheries management plan drafted by the Pacific regional management council. Yet, by entering into a joint venture, this firm can gain access to these fish that are intended to be preserved for Americans.

The transfer of the *Misty Moon* is certainly not an isolated example. Evidence presented to the Merchant Marine and Fisheries Committee last fall showed that so few obstacles stand in the way of foreign investment in U.S. fishing vessels that such investment increased 30 percent in 1974 alone. More disturbing than this, however, was the conclusion reached by the Department of Commerce in surveying this statistics:

> The imminent extension of U.S. jurisdiction to 200 miles probably was a factor in the surge of direct investment in U.S. commercial fisheries in 1974.

I am concerned that the proposed transfer of the *Misty Moon* is a harbinger of things to come, as the Commerce Department's comments clearly suggest it may be.

I hope this latest evidence will spur congressional action on the legislation I have introduced along with the gentleman from Massachusetts (Mr. STUDDS)—to protect America's 200-mile limit, its fisheries resources, and the bonafide American fisherman.

Mr. Speaker, fishermen in my district—indeed across the country—see the 200-mile law as their last hope, as the one bright light in an industry which has suffered more than its share of hardships over the years. Whether or not the law works is up to this Congress.

A FRESH LOOK AT RIGHT TO WORK

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. HAMMERSCHMIDT. Mr. Speaker, the U.S. Constitution clearly mandates the basic individual right to freedom of choice, a right that is a common thread throughout our history and that the American people enjoy to such an extent under our form of government which encourages human initiative.

Our right to freedom of choice in choosing and pursuing a particular line of work is central to this constitutional guarantee. The right to work is, of course, sanctioned by law—section 14(b) of the Taft-Hartley Act which safeguards existing State right to work laws such as that which we have in Arkansas. On November 2, 1976, the voters of Arkansas reaffirmed their support for the existing State statute by soundly defeating amendment 59, calling for repeal of the right to work law. The margin was 2 to 1 against repeal and I believe that the vote in my State reflects the viewpoint of the majority of Americans on this crucial issue.

This subject was recently discussed by Mr. Reed Larson, president of the National Right to Work Committee, in the form of a letter to the editor of the Washington Post. Because I believe these comments offer a good deal of insight into the issue, I submit them for the consideration of my colleagues in the hope that it will result in some serious thought as to the true nature of the right to work law:

[From the Washington Post, Mar. 5, 1977]

THE POLITICAL CLOUT OF "RIGHT TO WORK"

It may or may not be, as Rowland Evans and Robert Novak reported recently, that some Republicans are taking "a fresh look" at the right to work issue. We would hope they would, since the Republican Party has never in its history supported the right to work as a matter of policy.

Moreover, we hope many Democrats are likewise taking "a fresh look" at right to work. It is not by any means a partisan issue. In fact, the majority of the right to work states voted heavily Democratic in the last presidential election, including Arkansas—where an amendment to destroy the state right to work law was also on the ballot, and was soundly defeated by a two-to-one majority. (Jimmy Carter carried the state by a similar two-to-one majority.) The Arkansas vote took place just four months after the heavily Democrat-controlled Louisiana legislature adopted a state right to work law, which was signed into law on July 9 by Democratic Gov. Edwin Edwards.

Several other Democrats not normally associated with right to work also have started reassessing their positions. Two notables are Sens. George McGovern of South Dakota and Gary Hart of Colorado—both of whom say they would vote against repeal of section 14(b), which authorizes state right to work laws.

Of course, the spectre of the 1958 elections is forever going to be raised by some Republican politicians, who chose the right to work issue as a convenient scapegoat for their disastrous showing in that year's election. There is nothing—not even the truth—that is going to change their habitual baying about 1958.

Nevertheless, it is important to point out that the Republican Party was its own worst enemy in 1958, not right to work. As M. Stanton Evans, chairman of the American Conservative Union, recently observed in a monograph: ". . . the defections that ruined the Republican Party in '58 occurred among middle class, professional, business people, and farmers . . . groups who would be minimally offended by right to work laws—who in fact would probably like them—but who would be offended by budget deficits, heavy taxes, and other items for which the Eisenhower administration was being blamed." More important, we would urge those among the party faithful who are still open-minded to remember what happened in the 1966 elections, following the last congressional attempt to repeal 14(b). Not a single member of Congress who voted to retain section 14(b) was defeated. Dozens of those who voted to repeal the right to work provision were removed from their seats by the voters. In the House, of the 203 House members who voted against repeal, none was defeated; of the 221 who voted for repeal, 50 were defeated. "I'm frankly flabbergasted; we took a terrible belting," Al Barkan of the AFL–CIO Committee on Political Education told Frank Porter of The Washington Post (Nov. 13, 1966). "And it was by far the best effort that (organized) labor ever made."

More recently, in last year's elections, the same kind of thing happened. Two of Big Labor's Senate stalwarts, Gale McGee of Wyoming, and Frank Moss of Utah, ran into challengers who made a major issue of the incumbents' right to work positions. Two upsets followed. Orrin Hatch, the Republican who defeated former Sen. Moss, said after the election that "right to work was one of the major issues in our campaign with Sen. Moss . . . I believe it will be one of the major issues during the coming years."

A few months, of course, has shown the freshman senator to be right. It obviously will be one of the major issues . . . not in coming years, but this year.

REED LARSON,
President, National Right to Work Committee.
Fairfax.

A RESPONSE TO BIG OIL

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. MOSS. Mr. Speaker, several publications have recently repeated the lie first advanced by the Mobil Oil Corp. that I, and those of my colleagues who have vigorously opposed exposing consumers to price exploitation by oil and gas producers, are to blame for our Nation's current natural gas delivery shortages.

Therefore, I am pleased to include for the RECORD letters that I and Messrs. STAGGERS and DINGELL have offered in response to that warped notion. The following letters provide our side of the issues:

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C., March 4, 1977.

DEAR COLLEAGUE: Who is to blame for our Nation's current natural gas distribution shortages? The Mobil Oil Company said last month that we are to blame along with other Members of Congress who have consistently fought to hold down inflationary hikes in energy prices.

That is, of course, an outrageous charge. But sadly that lie has been repeated by persons with publication resources far greater than our own.

After Mobil widely published their charge in an advertisement that took up two full newspaper pages, the same special interest view was mouthed in editorials by *Business Week* and the *Wall Street Journal*, and in William Safire's column published in the *New York Times*.

Therefore, we thought you might appreciate one of our responses to that charge. The text of a letter to the *Wall Street Journal* is attached. Also attached is a list of our Subcommittee hearings and reports on oil and natural gas issues.

Sincerely,

HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce.
JOHN E. MOSS,
Chairman, Subcommittee on Oversight and Investigations.
JOHN D. DINGELL,
Chairman, Subcommittee on Energy and Power

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Washington, D.C., February 22, 1977.

EDITOR,
Wall Street Journal, National Press Building, Washington, D.C.

DEAR EDITOR: Thank you for including me in your "Dirty Dozen" list of legislators who strenuously oppose higher energy prices and for singling me out for having "worked even harder in waylaying [natural gas] deregulation in the House." I am proud of my leadership role in defeating natural gas deregulation measures which would have raised energy prices to American consumers without any assurance of additional supplies.

Deregulation would compound the devastating impact that high energy prices have already on our Nation's economy. According to a study by the Library of Congress, the cost of deregulation of natural gas would cost consumers between $12 and $14 billion during the first year alone.

The repid escalation of energy prices following the Arab oil embargo severely undercut the buying power of consumers and increased the cost of production for manufacturers. Accordingly, I cannot help but wonder how any publication could purport to be representing pro-business perspectives and still editorialize in favor of deregulation.

Whether for natural gas, coal, or petroleum, producers will clearly not be satisfied until the prices they get for fuels produced in the United States are equal to the price set for imported oil by the sheiks of Middle Eastern countries and the Shah of Iran. Indeed, the question now is not should oil and gas prices in the U.S. be controlled, but by whom—the federal government or the Organization of Petroleum Exporting Countries (OPEC).

Strangely, the Wall Street Journal editors push for higher fuel prices in spite of the growing amount of evidence that producers are underproducing in anticipation of inflated prices. The expectation of higher gas prices provides a clear incentive to produce less gas.

Underproduction has occurred in gas fields produced by Cities Service, Mobil, Mitchell Energy, and Gulf as detailed in reports of the Subcommittee on Oversight and Investigations. But oddly, the editorial writers of the Wall Street Journal could have made similar discoveries by reading the news pages of their own paper.

The Journal recently published a story on its front page quoting several Texas gas producers proclaiming that they would not sell gas to the hard-pressed interstate market, not because to do so would be unprofitable, but because their profits are easily 400 percent higher for gas sold within the decontrolled Texas market.

Interstate natural gas prices have risen 760 percent in the past 11 years. That should be more than enough incentive to increase production. Oil prices have quadrupled since 1973, yet domestic oil production has declined. There is no assurance that high prices for gas—in parity with OPEC set petroleum prices under deregulation—would do anything more than give even greater profits to the major energy corporations.

Inflating energy prices for reasons of conservation is one of the worst excuses for deregulating natural gas prices. High prices constitute the cruelest and one of the most disruptive conservation methods available.

Gasoline prices have more than doubled since 1973, while consumption during the same period has gone up. Raising prices for fuels will force conservation for those who simply cannot afford their fuels, like those persons living on fixed incomes. There were several widely published cases of elderly persons freezing to death in their homes last month after utilities were cut off for failure to pay their fuel bills.

For these reasons I believe that a responsible position in support of a strong business climate and a healthy U.S. economy is not compatible with deregulating prices of natural gas or oil. Therefore, I appreciate your honoring me for working against deregulation of petroleum and natural gas prices. I can assure you that I will continue to work against deregulation.

And what kind of energy program am I for? I am prepared to work with President Carter and my colleagues in Congress on a program recognizing that speculative withholding will end only when fair and reasonable prices for all domestic producers are set firmly, delivery obligations are enforced, and conservation becomes our national policy.

Sincerely,

JOHN E. MOSS,
Chairman, Subcommittee on Oversight and Investigations.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

HEARINGS

Presidential Energy Program, Serial No. 94-20, Subcommittee on Energy and Power.

Energy Conservation and Oil Policy, Serial Nos. 94-17, 94-18, Subcommittee on Energy and Power.

President's Decontrol Program, Serial No. 94-49, Subcommittee on Energy and Power.

Natural Gas Shortages, Serial No. 94-58, Subcommittee on Energy and Power.

Long-term Natural Gas Issues, Serial No. 94-87, Subcommittee on Energy and Power.

Natural Gas Pipeline Safety Act Authorizations, Serial No. 94-93, Subcommittee on Energy and Power.

Federal Energy Administration Act Extension, Serial No. 94-119, Subcommittee on Energy and Power.

Middle- and long-term Energy Policies and Alternatives, Serial Nos. 94-63, 94-65, 94-66, 94-67, 94-75, 94-76, 94-77, Subcommittee on Energy and Power.

Electric Utility Rate Reform and Regulatory Improvement Act, (Not Printed), Subcommittee on Energy and Power.

Residual Fuel Oil Decontrol, Serial No. 94-124, Subcommittee on Energy and Power.

Petroleum Marketing Practices, (Not Printed), Subcommittee on Energy and Power.

Alaska Natural Gas, (Not Printed), Subcommittee on Energy and Power.

Proposed Modification of Small Refiner Entitlement; Purchase Exemption, (Energy Action No. 2) Serial No. 94-110, Subcommittee on Energy and Power.

Synthetic Fuels, Guaranteed Loans, (Not Printed), Subcommittee on Energy and Power.

Alyeska Oil Pipeline Oversight, (Not Printed), Subcommittee on Energy and Power.

Decontrol of Pricing and Allocation on Middle Distillates, (Energy Action Nos. 3 and 4), (Not Printed), Subcommittee on Energy and Power.

Energy Conservation (Joint Hearing with Banking and Currency Committee), (Not Printed), Subcommittee on Energy and power.

FEA Oversight—"The Natural Gas Story", (Not Printed), Subcommittee on Energy and Power.

Federal Power Commission Wholesale Electric Utility Rate Procedure, (Not Printed), Subcommittee on Energy and Power.

Naptha Jet Fuel, (Not Printed), Subcommittee on Energy and Power.

Power Authority of State of New York, (Not Printed), Subcommittee on Energy and Power.

Natural Gas Curtailment Outlook for the Winter of 1976–1977, (Not Printed), Subcommittee on Energy and Power.

Crude Oil Pricing Compliance Problems, (Not Printed), Subcommittee on Energy and Power.

Proposed Relocation of FEA to Buzzard Point, Washington, D.C. (Not Printed), Subcommittee on Energy and Power.

Federal Energy Administration Enforcement Policies, Serial No. 94-21, Subcommittee on Oversight and Investigations.

Electric Utility Problems: Fuel Adjustment Clauses, Serial No. 94-19, Subcommittee on Oversight and Investigations.

Natural Gas Supplies, Serial Nos. 94-23, 94-24, 94-52, 94-88, Subcommittee on Oversight and Investigations.

Regulatory Reform—Volume II—Federal Power Commission and Food and Drug Administration, Serial No. 94-81, Subcommittee on Oversight and Investigations.

Regulatory Reform, Volume VI: Public Witnesses, Federal Rate Regulation of Electric Wholesale Power: the Federal Regulatory Process, Gas Producers Delivery Obligation: Gulf Warranty Case, Serial No. 94-85. Subcommittee on Oversight and Investigations.

Increases in Wholesale Utility Rates in Nevada, Serial No. 94-85, Subcommittee on Oversight and Investigations.

FEA: Final Report on Oil and Gas Resources, Reserves, and Productive Capacities, Serial No. 94-146, Subcommittee on Oversight and Investigations.

Federal Power Commission Biennial Rate Decision—Opinion No. 770, Serial No. 94-149, Subcommittee on Oversight and Investigations.

Unregulated Natural Gas Market in Texas, Serial No. 94-152. Subcommittee on Oversight and Investigations.

REPORTS FILED PURSUANT TO LEGISLATION

H.R. 7014 (S. 622), Energy Conservation and Oil Policy Act of 1975 (Pub. L. 94-163), Subcommittee on Energy and Power.

H.R. 4035, Conference Report on Petroleum Pricing Review Act (Vetoed), Subcommittee on Energy and Power.

S. 622 (H.R. 7014), Conference Report on Energy Policy and Conservation Act (Pub. L. 94-163), Subcommittee on Energy and Power.

H.R. 9464, Natural Gas Emergency Act of 1975, Subcommittee on Energy and Power.

H.R. 12168 (S. 2042), Natural Gas Pipeline Safety Act Amendments of 1976 (Pub. L. 94-477), Subcommittee on Energy and Power.

H.R. 12169 (S. 2872), Federal Energy Administration Authorization and Extension for fiscal year 1977, amended (Pub. L. 94-385), Subcommittee on Energy and Power.

H.R. 14394, Federal Energy Administration—3 months' extension, Subcommittee on Energy and Power.

H.R. 13000, Petroleum Marketing Practices Act, Subcommittee on Energy and Power.

S. 3521, Alaskan Natural Gas Transportation Act (Pub. L. 94-586), Subcommittee on Energy and Power.

H.R. 12168 (S. 2042), Conference report on Natural Gas Pipeline Safety Act Amendments (Pub. L. 94-477), Subcommittee on Energy and Power.

S. 3219 (H.R. 10498), Conference report on Clean Air Act Amendments, Subcommittee on Energy and Power.

REPORTS

Legislative History of Emergency Petroleum Allocation Act of 1973, (Out of Print), Subcommittee on Energy and Power.

Major Effects of Decontrol of Domestic Oil Prices (Out of Print), Subcommittee on Energy and Power.

Summary of Economic Analyses of Sudden Decontrol, Available Only Through the Subcommittee on Energy and Power.

Preliminary Staff Report Concerning Delays in Natural Gas Production by Cities Service Oil Company, Subcommittee on Oversight and Investigations.

Electric Utility Automatic Fuel Adjustment Clauses, Subcommittee on Oversight and Investigations.

Natural Gas Supplies: Declining Deliver-

ability at Garden City, La., Subcommittee on Oversight and Investigations.

Natural Gas Supplies: Declining Deliverability at Bastian Bay Field, Louisiana (Out of Print), Subcommittee on Oversight and Investigations.

Questions and Answers about the Nature and Cause of the Natural Gas Shortage, Subcommittee on Oversight and Investigations.

Mobil Oil Corporation: Failure to Deliver Natural Gas to the Interstate Market, Subcommittee on Oversight and Investigations.

An Economic Analysis of New Gas Deregulation, Subcommittee on Energy and Power.

Statistical Materials on the Electric Utility Industry (Out of Print), Subcommittee on Energy and Power.

Alleged Political Pressure to Obtain Export Licenses for Crude Oil—Failure by the Department of Commerce and FEA to implement Congressional policies, Subcommittee on Oversight and Investigations.

Amendments to Old Oil Allocation Program and the President's Proposal to Exempt Residual Fuel Oil, Subcommittee on Energy and Power.

Proposed Exemption of Residual Fuel Oil from the Mandatory Petroleum Allocation and Price Regulations, Subcommittee on Energy and Power.

Electric Utility Rate Reform and Regulatory Improvement (Out of Print), Subcommittee on Energy and Power.

Federal Regulation and Regulatory Reform (This report includes a chapter on the performance of the Federal Power Commission), Available only through GPO, Washington, D.C. 20402, at $6.10 for the book, Stock No. 052-070-03736-9, Subcomimttee on Oversight and Investigations.

EARTH'S LIFELINE: OUR SPACE ODYSSEY 1980

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. TEAGUE. Mr. Speaker, a most notable article authored by Mrs. Barbara Greenwood was published in the Taunton Daily Gazette of July 20, 1976. Mrs. Greenwood is a knowledgeable commenator on the significance of our national space program.

Mrs. Greenwood's most recently published article, which I am enclosing in the RECORD for the benefit of my colleagues, describes the European communities' contributions to the Space Shuttle under the development by NASA. The European Space Agency and its other member nations will invest over $500 million in Space Lab and provide the vehicle to the United States at no cost in 1980. Its commitment is an affirmation of the belief in the importance of our Nation's space program and the Space Shuttle mission.

The article follows:

EARTH'S LIFELINE: OUR SPACE ODYSSEY 1980

(EDITOR'S NOTE.—Mrs. Barbara M. Greenwood of North Swansea is one of the country's leading supporters of the U.S. space program. Several of her articles have been published in the Gazette and have received enthusiastic responses from our readers, space officials, astronauts and political figures. With Viking I three-legged lander touching down on Mars today, we think this offering is indeed timely.)

(By Barbara Greenwood)

There is a definite need for this nation to continue its commitment to a strong space program. A society that continues to invest part of its annual income in the future is a progressive society and history has never known a more productive, a more peaceful means for advancing the quality of life of its citizens than the space program.

We now have before us an unprecedented new international cooperative project that came into being when a "Memorandum of Understanding" was signed in Washington on Sept. 24, 1973 by Dr. James C. Fletcher, NASA Administrator and Dr. Alexander Hocker, director general of the European Space Agency (ESA). A total of eleven participating European countries will design, develop manufacture and deliver a "spacelab" flight unit which will be an integral part of our space shuttle system.

The aim of the organization is to carry out projects of a scale and technical complexity beyond that which individual European countries could achieve within the framework of their national programs.

This is a major breakthrough for the agreement represents the sharing of space costs between participating countries and the estimated cost of $300–$400 million for the "Spacelab" proper will be borne by the ESA countries involved. Naturally, with contributions of so many countries in different currencies involved, an international organization is compelled to use a monetary standard.

In the European Space Agency's case, this has become the accounting unit (AU) which in 1964 had a value equal to one U.S. dollar. About one-third of the total budget is devoted to obligatory (mainly scientific) and basic activities, and two-thirds to optional programs (application satellite projects).

Each member state pays a contribution to the basic activities calculated in proportion to the Gross National Products. Because of the intricate work involved, the United States will be working closely with West German prime contractors and work will be subcontracted to such companies as McDonnell Douglas Corp., TRW, Inc., Grumman Corp., Martin Marietta Corp., and General Dynamics Corp.

SPACELAB PLANS

The European Space Agency plans to develop and build one "Spacelab" for its own use and it will be capable of 50 missions into space within a ten-year lifetime.

The National Aeronautics and Space Administration may also procure additional "Spacelab" units of the same basic design which might be needed for our programs. Naturally, we will not develop any unit of our own which would substantially duplicate the design and capabilities of the first "Spacelab".

This "Spacelab" will be self-contained and designed to be placed aboard our space shuttle orbiter (which will look like a delta-winged airplane about the size of a large jet liner) to carry scientists and their equipment into orbit for up to 30 days, beginning in April 1980. To permit adequate time for experiment testing, the "Spacelab" unit will be delivered about one year earlier. The "Spacelab" will have two elements—a pressurized manned laboratory module permitting scientists and engineers to work in a normal shirt-sleeve environment and an instrument platform to support telescopes, antennae and other equipment requiring direct space exposure.

This "Spacelab" module will be transported either separately or together to and from orbit in the orbiter payload bay and will be attached to and supported by the shuttle orbiter throughout the missions. At the end of each flight, the orbiter will make a runway landing and the "Spacelab" will be removed and prepared for its next mission.

At present the schedule is for scientific missions to include astronomy, solar physics, high energy astrophysics, atmospheric and space physics and life sciences plus such application missions as earth observations, space processing, space technology, communications and navigation!

A JOINT VENTURE

NASA will manage all operational activities including crew training and flight operations. Flight crew opportunities will be provided in conjunction with flight projects sponsored by ESA or by governments participating in the program and utilizing the "Spacelab".

It is contemplated that there will be a European member among the first "Spacelab" flight crew. Our space shuttle will provide timely availability of a supporting system important to realizing the full potential of the shuttle and will also facilitate joint use programs, many entailing the activities of European astronauts as well as our own. The Europeans plan to train their own astronauts to operate the ESA laboratory. When it is fully operational, scientists will buy time and space in the laboratory from the organization which, in turn, will reimburse the United States for costs of operating the shuttle when it makes flights.

An interesting sidelight to this project is that leading Soviet space officials hail the importance of orbital stations' future space experiments and have publicly acknowledged that their designers have not yet been able to develop a satisfactory space shuttle.

Today, we are making practical use of scientific research conducted some 30 to 50 years ago. In the same way, we can be sure that in years hence our children will be making practical use of the results of the science and exploration we are doing today.

For instance, our interest centers now in scanning the universe from outer space and we are just beginning to piece together on gleanings of our sun's energy and the energy processes of "strange stars"—quasars, pulsars, neutron stars and black holes—which we have not seen, but which we are beginning to see the effects of. We know, right now, that every billionth of a second a quasar releases one billion times the Earth's annual energy consumption.

Understanding the nature of these "strange stars" with regard to their energy mechanisms will, it is certain, produce profound implications right here on Earth. Unfortunately, our present space budget has suspended progress on our large space telescope but, fortunately, NASA has been able to fit into our present budget a new program which could make a substantial difference in the cost of future satellites.

This is called the Solar Maximum Mission and it would use one of the earliest shuttle flights to launch a probe for the study of the sun during a peak activity period in 1979–1980. More important is the fact that the satellite is to be the first built using a modular, reusable structure that can be retrieved by our shuttle and refurnished with completely different instruments for other missions.

RESULTS BEING STUDIED

Engineers are now studying the results of space manufacturing experiments conducted awhile back on our Skylab and it is believed that there is enormous potential for making much better materials in weightlessness than could ever be put together on earth.

Dr. Harry Gatos of the Massachusetts Institute of Technology, one of the scientists studying our Skylab samples, said: ". . . the space environment has the potential of removing many of the major technical barriers in pursuing the development and basic understanding of materials processing." "John and Mary Q. Public" are not aware of the

fact that a jet engine, the computer, satellite communication and open heart surgery could not have been devised or performed without the painstaking development of high temperature materials, high strength materials, electronic materials and plastics without our commitment to a positive space program and budget.

Scientists know that "weightlessness" is invaluable in the process of solidifying materials and they are involved in the inner workings of our space programs.

We are taking our "first steps" but many more "steps" need to follow. We have developed a scientific program that has carried out worthy and substantial preliminary investigations and we do have a firm foundation for future scientific inquiry.

Space research has now been followed by the use of space. In the past, the steam-engine, the automobile and the airplane have substantially changed life on earth. The impact of space applications will certainly not be less. Let us not falter or stumble on the star-path of our world's destiny.

OIL SPILLS PREVENTION

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. KASTEN. Mr. Speaker, the recent series of oil spill accidents, involving tankers licensed under foreign flags, has intensified efforts to develop viable methods to prevent further catastrophes.

Extensive damage to our coastal areas, the marine environment, and loss of important energy, highlighted the urgency for stricter standards, enforcement procedures and a more equitable system of compensation and liability.

Approximately 5 million tons of petroleum are dumped into the Earth's waters each year. Forty-six percent originates from ocean shipping and related operations. Refineries and petrochemical plants, located on or near the waterfront, contribute 6 percent of the global oil pollution; offshore operations provide 2 percent. As tanker activity and offshore production accelerate during the next decade, the volume of annual pollution from these sources can be expected to increase as well.

Although routine operations are responsible for a large percentage of oil pollution, it is difficult to trace the source of such discharges and almost impossible to clean them up. Consequently, recent congressional efforts have focused on oil spill accidents which contribute about one-fifth of the oil pollution from ships.

Whether the discharge is accidental or intentional, we are still losing a valuable source of energy. We depend on foreign nations for more than 40 percent of our oil. This percentage will increase unless we develop reliable and efficient methods to enhance our domestic energy supply. Consequently, we must direct our efforts to conserving this important fuel, rather than unwittingly allowing it to flow into the sea.

Oil spills legislation requires two basic approaches: Strict Federal regulations and enforcement procedures, and incentive for those engaged in oil related industries to practice pollution prevention in order to avoid the high costs of clean-up and liability suits.

COMPREHENSIVE BILL

Today I am introducing a comprehensive bill which incorporates aspects of both remedies.

Title I of my bill creates an equitable system of establishing liability rates on oil tankers and offshore facilities, and an expeditious procedure which allows the victims of an oil spill accident to recoup their losses without undue delays and expensive court costs.

Title I establishes stringent tanker standards, tighter enforcement procedures, and an innovative system of monitoring vessels entering U.S. waters. Most importantly, this bill addresses the environmental concerns associated with oil spill accidents without imposing severe economic hardships on either American consumers or the oil transport industry.

The central purpose of my bill is to prevent oil spill accidents caused by unsafe oil cargo vessels. In December 1976, four incidents involving tank vessels registered under foreign flags of convenience, resulted in the discharge of almost 8 million gallons of oil in or near U.S. waters. Public attention was immediately focused on the reasons why obviously unsafe tankers were allowed in American waters.

The U.S. Coast Guard has authority to regulate and enforce tanker safety standards through several existing laws; primarily, the Federal Water Pollution Control Act amendments and the Ports and Waterways Safety Act. Yet, the varied scope of these laws has allowed the Coast Guard to move slowly in issuing regulations and even more reluctantly to enforce them. To date, only two regulations have been issued; one requires segregated ballast systems for new tankers over 70,000 tons and the other calls for the installation of inert gas systems in new tankers weighing over 100,000 tons.

While these standards are important and necessary in regulating the condition of ships entering U.S. waters, it is obvious from recent experience that we need additional regulations dealing with navigation and radio equipment, ship construction and pilot and crew licensing.

However, these efforts will mean nothing if we do not devise a more effective enforcement system which applies to all tankers entering our territorial waters. We must require regular inspections and keep records of those vessels which fail to meet existing safety standards. We must insure that violators assume full responsibility for their actions, particularly when such actions threaten this country's marine and coastal environment.

REGULATORY AND ENFORCEMENT PROGRAM

The bill I am introducing includes provisions similar to those outlined in the Tanker Safety Act of 1977. It establishes a 200-mile safety area for purposes of preventing illegal oil discharges, and an effective regulatory and enforcement program to control ships operating within that zone.

It also requires that tankers, their owners and operators adhere to minimum standards dealing with design, construction, equipment, maintenance, operation, manning and pilot licensing.

In addition, the bill outlines strict enforcement guidelines, involving annual inspections, to prohibit unsafe vessels from entering our ports and waterways.

Finally, it creates an innovative vessel traffic system which monitors, by computer, all in-coming tankers. Yet, the provisions of this bill do not disregard the rights of foreign vessels to pass through our waters when they are destined for ports outside our territorial jurisdiction.

In addition to these important provisions, I am including a requirement that the Coast Guard publish, in the Federal Register, a list of those ships which do not meet Federal safety standards.

There are two very good reasons for this amendment. At the present time, when a small oil importer or group of importers contracts for the services of a tanker through an oil transport company, they have no way of determining whether that vessel is indeed safe. By providing these small operators with an "unsafe list," they could avoid dealing with tanker companies and operators which utilize substandard vessels.

The list would also provide tanker companies with an additional incentive to maintain their ships in a safe condition. If the owners suffered financial losses due to disregard of U.S. tanker safety standards, they would certainly reconsider investing in the required equipment and employing qualified tanker personnel.

REDUCE OIL SPILLS

If enacted, this bill would significantly reduce the number of oil spills caused by unsafe tankers or inept crews. Yet, despite all our efforts to upgrade the condition of ships entering our waters, there is always the possibility an accident could occur. We cannot ignore the need for rapid cleanup and assistance for those whose livelihood is adversely affected by the spill.

At the present time, we do not have an equitable system of determining who should assume financial responsibility for damage and clean-up costs resulting from an oil spill.

Because of the confusing array of Federal liability statutes and compensation funds, fishermen, shorefront property owners, and tourist enterprises must either absorb the damage costs themselves, or challenge the violators in a long and costly court battle. It is intolerable that we have allowed irresponsible tanker owners to escape their financial obligations to the victims of their negligence.

COMPENSATION FUND

My bill would correct this disastrous situation by establishing strict liability for owners and operators of discharge sources and creating a compensation fund of $200 million which would absorb the costs of an oil spill clean-up in cases where the responsible party is not immediately identified. The provisions of the Act would supersede duplicative

provisions and funds, which now exist in various laws.

These provisions are similar in form to a measure which was approved by the House Merchant Marine and Fisheries Committee in the 94th Congress. The compensation fund would be financed by a 3-cent-per-barrel fee on oil imports. The bill also requires that tanker and facilities owners must show financial responsibility for a possible oil spill accident—$150 per ton for ships other than tankers, $300 per ton or $250,000, whichever is greater up to a maximum of $30 million for oil cargo carriers and for facilities, $50 million.

However, in evaluating the bill's liability ceiling, the $30 million limitation only covers those tankers weighing up to 100,000 tons. The bill does not consider the increasing use of supertankers: vessels weighing anywhere from 100,000 to 500,000 tons.

SUPERTANKER ACCIDENTS

Only a few supertankers have been operating in U.S. waters and just within the last few years. Because their huge size prevents them from entering shallow east coast waters, supertanker traffic has been limited to the west coast ports of Los Angeles, Puget Sound and Long Beach. However, as we continue to rely on oil as a primary source of energy, the percentage of supertankers entering U.S. ports will inevitably increase as well.

Because supertankers provide an economical and efficient method of transporting oil, we cannot afford to discourage their entry into the United States. Yet, we must also make allowances for any potential supertanker accident which could severely affect our marine and coastal areas.

As a practical solution to this problem, I believe the liability for supertankers should be assessed at $30 million for the first 100,000 tons and $150 for each additional ton, but no more than $100 million. This amendment would ensure that supertanker owners would be responsible for a fair share of the financial burden from an oil spill accident.

STATE LIABILITY LAWS

I am also including a provision in my bill which will protect the rights of States to establish their own oil spill liability laws. To date, Congress has expressly avoided State preemption in the field of liability, and I believe this policy should be maintained.

CONCLUSIONS

I am convinced the bill I am introducing today will correct deficiencies in our existing laws which have precluded effective oil spills prevention. We can no longer ignore the public's demand for action, nor can we forget our responsibility to protect our Nation's land and waters from severe damage caused by oil pollution.

We cannot afford to waste this valuable energy source which is so vital to this country's well-being. I hope my colleagues will give this legislation serious consideration as they continue to develop reasonable and effective oil spills prevention laws.

AMERICAN COLOR TELEVISION: A THREATENED INDUSTRY

HON. STANLEY LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. LUNDINE. Mr. Speaker, by the end of this week, the International Trade Commission will announce its decision on the future of the American color television industry. At hearings before the ITC in Chicago and in Washington, witnesses representing labor and management testified to the tremendous blow which had been dealt this Nation's color TV production by the flood of Japanese imports.

This is not a new situation. While the American Government preached free trade and practiced inaction, American production of black and white television sets was undermined by foreign competition—and American workers lost jobs. Now those same foreign practices, including currency manipulation, threaten the production of color television sets in this country.

In my own congressional district, 1,100 workers lost their jobs when the Westinghouse Corp. closed its color television tube plant in Horseheads, N.Y., on December 1, 1976. Literally thousands of other jobs are at stake across the Nation right now, waiting for the International Trade Commission decision.

The following article, which appeared in the Corning, N.Y., Leader on January 28, 1977, is an excellent presentation of this critical issue:

CORNING IS FIGHTING FOR TV IMPORT QUOTAS

Quotas on the importation of color television receivers based on the 1973–75 annual import levels must be imposed immediately to save the American color television industry from extinction.

That was the recommended solution to the skyrocketing flow of foreign-made color television sets made in a concluding presentation before the U.S. International Trade Commission in Washington, D.C. last week by the Committee to Preserve American Color Television (Compact).

Among the five corporate and 11 labor organizations which are members of Compact are: Corning Glass Works, the American Flint Glass Workers Union and the International Brotherhood of Electrical Workers representing the Westinghouse Electric Corporation plant at Horseheads.

Following the filing of the case with the ITC on Sept. 22, the proceedings have become widely recognized as one of the most important tests of the 1974 Trade Act yet to come before the commission.

The six-member commission must determine by March 22 whether increased color television imports are causing substantial damage or threaten such damage to the domestic television industry.

The commission may recommend to the President the imposition of quotas, additional duties, or both. Many observers have predicted the case will become a critical test of President Jimmy Carter's trade policy.

Under the law, a simple majority vote of the Congress can override the President if he rejects a recommendation of the commission.

Compact witnesses, appearing before the ITC during a two-week period in Chicago and Washington cited testimony indicating that color TV imports, mostly from Japan, soared from a 16 percent share of the U.S. market a year ago to more than 40 percent in 1976.

"Unless the level of imports is rolled back to pre-1976 levels, the U.S. television industry cannot survive," said Amory Houghton Jr., chairman of Corning Glass Works.

He pointed out that Corning pioneered the development of glass parts for color television and said the 3.2 million color TV receivers imported last year "represent a crippling blow to the industry and the thousands of people who work at it."

"We've struggled for months for possible solutions," Houghton said, "and as historic so-called free-traders have reluctantly concluded that the only effective way to effect a rollback in imports is for the commission to impose quotas."

Allen W. Dawson, Corning executive vice president and cochairman of Compact said that unless the commission exercises the authority Congress gave it under the Trade Act of 1974 "this nation will gradually become a giant warehouse filled with imported goods that no one can afford to buy."

Jacob Clayman, secretary-treasurer of the Industrial Union Department, AFL–CIO and Compact co-chairman testified that "the men and women who are or were employed in this industry are hurt, angered and confused by our government's inaction in the face of a relentless onslaught of imports." He said 65,000 jobs are in jeopardy from color TV imports.

George W. Parker, president of the American Flint Glass Workers Union recounted the closing of Corning's Albion, Mich., plant in 1975 due to the importation of black-and-white television sets as well as color.

"I wish this hearing room were full of working men and women instead of lawyers," Parker said. "We're not fighting for adjustment assistance, but for jobs."

During cross-examination, Commissioner George M. Moore said he recalled hearing Parker testify for black-and-white television relief in 1971, adding that perhaps that industry might have been saved if remedial action had been taken then.

Donald Ray, president of Local 1006, American Flint Glass Workers Union at Albion, told how the jobs of his 1,500 members were wiped out when imports forced the closing of the plant.

"Every day in Albion I see the suffering caused when American jobs are sacrificed to foreign competition," Ray said. "It may be too late to help the Albion workers, but your support of this petition could spare other American workers from a similar fate."

William Pease, president of Local 1833, International Brotherhood of Electrical Workers at Horseheads, described a similar situation when the color television tube plant of Westinghouse Electric Corporation closed Dec. 1.

Asked if the imposition of import quotas might help revive the plant, Pease said he could not speak for the corporations "but I know where there are 1200 experienced men and women who are ready to go back to work tomorrow."

Robert M. Carroll, president of the Chamber of Commerce of Chemung County explained the "ripple effect" of the Westinghouse job loss, citing examples of local businesses which have already been forced to close or cut employment because of the plant closing.

A surprise witness was John J. Nevin, chairman of Zenith Radio Corporation who had previously declined to request quotas.

"Economic conditions in the American television industry are now so critical as to make further delay intolerable," Nevin said. "Unless an early solution to the problem is found, Zenith doubts that it will be possible

for more than two or three domestic producers to survive for the next five years."

Nevin said Zenith had been unable to get relief from the U.S. Justice or Treasury Departments and was therefore endorsing quotas for the short term until the ITC completed a thorough investigation of unfair trade practices.

Among other witnesses requesting import quotas were George Konkol, president of GTE Sylvania, Albert S. Wells Jr., president of Wells-Gardner Electronics Corporation and Representative Stanley Lundine of Jamestown.

Labor witnesses included I. W. Abel, president of the United Steelworkers of America and union leaders representing workers at plants operated by the Radio Corporation of America, Admiral Group of Rockwell International, Warwick Electronics which was recently purchased by Sanyo Electric of Japan, Owens-Illinois and Lancaster Glass.

THE NEED FOR LICENSING OF X-RAY TECHNOLOGISTS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. KOCH. Mr. Speaker, today I am introducing a bill to amend the Public Health Service Act to provide for the protection of the public from unnecessary medical exposure to ionizing radiation.

Just recently, the Food and Drug Administration estimated that roughly 1,800 deaths a year may be caused by unwarranted exposure to ionizing radiation. Further, the FDA reported that the "annual cost of direct health care due to genetic damage from radiation exposure is about $1.4 billion." The National Research Council of the National Academy of Sciences has stated that much of today's medical diagnostic X-ray exposure is unnecessary. And the amount of X-ray examination in the United States is itself a staggering figure. In 1970, the most recent year for which data is available, the Public Health Service estimates that 130 million citizens in the United States received 209 million diagnostic X-ray examinations during which 661 million X-rays were taken.

In addition to genetic damage, somatic illness such as cancer, can be caused by radiological overexposure. However, these symptoms do not appear until years after the initial exposure. Therefore, a direct relationship cannot be established between such exposure and consequent somatic illness, but can only be demonstrated statistically.

To insure that X-ray technologists are competent and responsible individuals, my bill requires that the Secretary of Health, Education, and Welfare develop and issue to the States criteria and minimum standards for the accreditation of educational institutions conducting programs for the licensure of radiologic technologists and for their training.

The bill would also make it unlawful for unaccredited educational institutions to conduct training, and for an unlicensed individual to apply radiation to a patient. State standards consistent with or more stringent than the Federal criteria will be the standards which apply in that State. At present, only three States—New York, New Jersey, and California—require that radiologic technologists be licensed.

The need for legislation in this area was recognized as early as April 1966 when a Health, Education, and Welfare National Advisory Committee on Radiation advised the Surgeon General that the minimum legal standards for education, training, and experience for radiologic technicians should be required in order to improve the way radiologic services are delivered to the public.

An HEW Task Force on Environmental Health stated in July 1967:

> All persons using X-ray equipment should be licensed to do so, after fulfilling written examinations as to their competency.

In a 1970 report to the Congress by the Department of Health, Education, and Welfare on the administration of the Radiation Control for Health and Safety Act, HEW recommended that:

> The Public Health Service should vigorously promote the licensure or certification of users of radiation sources in the healing arts. Licensure or certification should be uniformly applied at Federal and State levels. Full use should be made of model regulations to assure compatibility between States.

On January 1, 1970, the Secretary of HEW suggested that a moratorium be placed on development of legislation to establish new licensing programs in order to encourage States and professional organizations to review their policy regarding credentialing procedures for radiologic technologists. During this 4-year moratorium, a proficiency examination and a survey of operator performance were administered. The results are shocking. According to Ms. Rita Katz, a member of the survey team, of the 666 credentialed operators who took the proficiency test, 85 percent failed to achieve a passing score. Of the 217 noncredentialed operators, 99 percent failed.

Most recently, Mr. Speaker, the General Accounting Office released a report on radiation exposure. I quote one of the conclusions of that report:

> For several years, HEW officials have recognized the need for some type of uniform credentialing for persons in health occupations, including those who operate diagnostic X-ray machines. Studies have indicated that many noncredentialed operators are not qualified to give diagnostic X-ray examinations and that existing credentialing programs do not insure that credentialed operators are competent enough to properly protect the public health from the potential hazards of X-ray examinations.
>
> A nationwide credentialing program would provide better control over operator performance.

The other major provision of my bill would require the Secretary of HEW to prescribe standards for and conduct annual inspections of diagnostic and other X-ray systems in use. My proposal requires that existing medical and dental X-ray machines meet performance standards set by the Secretary of HEW. Presently, there are no standards for used equipment. The only standards that have been promulgated are those for equipment that has been manufactured after August 1, 1974. Mr. Speaker, if performance standards currently exist for new diagnostic X-ray equipment because they are necessary to protect the public from dangerous X-ray exposure, there seems to be no valid reason why the great percentage of older machines currently in use should not be subject to the same controls.

In conclusion, Mr. Speaker, failure to enact this bill will only result in the needless and dangerous continuation of X-ray overexposures, risking the health of millions of our citizens.

ON DRAFTING PEOPLE INSTEAD OF MONEY

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. STEIGER. Mr. Speaker, Nicholas von Hoffman in today's Washington Post has a well-stated column which points out the degree to which involuntary servitude, as embodied in a return to conscription or some sort of mandatory national service, is at complete odds with the American tradition of freedom and individual rights.

He does a good job of shooting holes in the dubious arguments of proponents of the draft. Beyond that, he notes—

> If every argument made for the draft were valid and convincing, it still wouldn't abrogate Amendment XIII of our Constitution: "Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States or any place subject to their jurisdiction."

As von Hoffman says, there is no quarrel that in time of war the draft is an acceptable and needed means of bringing into the Nation's defense forces sufficient numbers of recruits. In peacetime, however, it is inequitable, unfair, and unnecessary.

The article merits thoughtful consideration. It follows:

ON DRAFTING PEOPLE INSTEAD OF MONEY

(By Nicholas von Hoffman)

The talk grows on Capitol Hill and elsewhere that it is necessary to bring back the draft. The timing must be fortuitous to be sure, but it is a fact that the revival of conscription coincides with a tacit, bi-partisan admission that nobody here knows of a safe and practical way to bring unemployment down much faster than Jerry Ford said he could. Depending on how large the recently decried Russian arms build-up is determined to be, and therefore how big our Army should be, one or two percentage points could be knocked off those damnable monthly unemployment numbers.

Some of the rascals who want to reintroduce this form of involuntary servitude are quite open about its sanguine effects on joblessness. These are the people who don't want a mere draft for the Army but a National Service Corps in which all 18-to-20-year-olds, male and female, will have to give

two years of labor to the fatherland either playing soldier or emptying bed pans in hospitals or tromping about, a la the New Deal's Civilian Conservation Corps, in the Rocky Mountains planting little pine trees.

The arguments to do this are many and varied, ranging from the nasty pragmatic to idealistic. The most ignoble is that the volluntary army costs too much money, money we'd rather spend on new bombers and aircraft carriers for admirals to strut on, so make the kids work for nothing or next to it. Some of the same people who talk this way will shortly vote to give themselves and the rest of the upper echelons in government huge pay raises.

As ever is the case, they'll conscript people but not capital, not money. This gives a certain piquancy to another pro-conscription argument: The volunteer army is "unfair" because it tends to recruit black youths in a higher proportion than they exist in the general population.

Whether or not a racial slur is intended, that's what it sounds like when pro-draft speakers tell us: 1) the Army is getting blacker and 2) the quality of the personnel is in decline. The argument that ought to get the biggest chuckle is the one that insists the "volunteer" army is becoming mercenary. The men and women signing up, so say the conscription advocates, aren't doing it out of love and a desire to submerge themselves in the larger greatness through service and obedience to the fatherland. No, the urchins want money! Shall we apply the same set of standards of selflessness to Lockheed? If the boys and girls are to serve for love, not money, shouldn't the munitions manufacturers sell their products at cost?

Well, perhaps not, because another reason advanced for the draft is that it's good for the soul. Our young people are soft, overindulged and so pampered that not only are the hard virtues like perseverance and fortitude unknown to them, but they are prey to nervous disorders and frightening insanities. In the old days they said the Army built character even if did increase a boy's chance of contracting a venereal disease; now they tell us it cures neuroses, as anyone can tell by looking at the low, low figures for alcoholism and drug addiction in the service.

But none of the inconsistencies and airy assertions concerning the benefits of the draft is really that important. If every argument made for the draft were valid and convincing, it still wouldn't abrogate Amendment XIII of our Constitution: "Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States or any place subject to their jurisdiction."

It is reasonable to say that Amendment XIII can be licitly suspended in time of war, especially if the enemy is at the gates, if the United States is immediately and directly threatened, but a peacetime draft is a different proposition altogether. To deny millions their liberty, millions who have committed no crime, who have been convicted by no court, to slap them into involuntary servitude to fight unemployment or because the older part of the population doesn't want to pay the tax bill is to threaten liberty herself.

What if Congress said, "Let's draft the teachers. Their salaries are too high, and the garbage collectors and firemen?" Nobody would stand for it because everyone would see it for the threat it is. In the long run it is no less of a threat to steal young people's liberty, and if you doubt it, see how America has changed as the draft has stayed with us longer and longer.

In 1917 and 1940 it was looked on as a dire, exceptional act in an emergency situation. People were acutely conscious that millions of young nonfelons, noncriminals were having their liberty taken from them. After the decades of conscription following the Korean War, the gravity of the draft was lost, and it came to be looked on as just something the government does like taxes or price controls or highway construction.

To mask the fact that people in power had come to be this casual about depriving their fellow citizens of their liberty, the doctrine of service to the state evolved. The notion of owing your country was propagated, the idea that it is more blessed to give to Washington than to receive. The older idea vanished that we are not here to serve the state, but for the state to serve us, and if it doesn't it should be destroyed.

THE NAVIGABILITY QUESTION

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mrs. SMITH of Nebraska. Mr. Speaker, last year the House voted to limit strictly the Army Corps of Engineers' regulatory program for dredge and fill activities in rivers, lakes, and wetlands. In the final days of the 94th Congress, however, House and Senate conferees deadlocked over the extent of changes needed in the program, leaving our new Congress to resolve the issue. I have introduced H.R. 4231 which would confine corps permit programs to waters that are now being used or could be used in the future for commercial navigation. In addition, this legislation would allow the corps to delegate the permit authority to State agencies that are willing to assume those responsibilities.

The story of how waters which would not even support a boat became "navigable" and within the Corps of Engineers' permit program is a classic example of the mysterious growth of Federal authority. Because this expansion is a typical theme, I would like to recount the legislative background of the regulations which the Army corps is now using to restrict the rights of riparian owners and other water users.

The Rivers and Harbors Act of 1899, 33 United States Code 401, is the traditional basis for Federal jurisdiction over navigable waters. This act is intended to insure that the Nation's navigable waterways remain unobstructed for interstate commercial traffic.

Sections 9 and 10 of that act require permits prior to construction of bridges, dams, dikes, piers, or other structures inhibiting water transportation. Early courts clarified that the act could only require Federal permits if the waterway did, in fact, carry commercial goods "amongst the States." *The Steamer Daniel Ball* v. *United States*, 77 U.S. (10 Wall.) 557 (1871).

This limited concept of Federal water control gradually grew as the Supreme Court's view of the commerce clause mushroomed. While in 1899 a water body had to be navigable in fact to fall within the scope of Federal powers, a 1940 case gave the corps authority over any water that is potentially navigable with reasonable improvements. *United States* v. *Appalachian Electric Power Co.*, 311 U.S. 377 (1940). Even that ruling, however, was outstripped by the questionable wisdom of a later Federal court case which made "navigable" any waterway that had ever in the distant past been used to carry commercial goods. *Economy Light and Power Co.* v. *United States*, 256 U.S. 113 (1920).

Under this interpretation, even a stream 1 foot deep upon which an 18th-century trapper canoed his furs to market could be within the purview of Federal regulations. Thus, a river or stream, such as the Platte River in my district, which has not been navigable for over 100 years suddenly was subject to Federal management. Furthermore, these broad potential navigability and historical navigability doctrines could inflate Federal authority to reach up every tributary of the Platte and into the streams feeding some of the most productive farmlands in the world.

The real target of these comprehensive legal definitions of navigability was evident—the Rivers and Harbors Act of 1899 was being used to promote nebulous clean environment goals, despite the law's traditional interstate commerce purpose. Although everyone feels strongly about pure water and beautiful wetlands, it is debatable whether this objective is more properly entrusted to a central Federal Government instead of those State and local communities who are directly involved.

Then in 1972, at the height of the impassioned environmental awareness, the Federal Water Pollution Control Act amendments added still more confusion to the jumbled overlapping of Federal and State water authority. This act introduced two new permit structures in addition to the permit programs remaining under the 1899 law. The two new permit programs were section 402 of the act allowing the Environmental Protection Agency to regulate any discharges into navigable waters and section 404 requiring the consent of the Corps of Engineers before beginning any dredge or fill activities in navigable waters.

In April of 1974 the corps promulgated regulations specifying their responsibilities under this new act. These rules relied on the basic definition of "navigable waters" that had evolved from court interpretation. As I discussed previously, that definition encompassed those waters which are, were in the past, or could likely in the future be used for commercial water transportation. In spite of this expansive definition, some environmental crusaders felt it still too confined. They contended that the corps should adopt a more pervasive jurisdiction because section 502 of the 1972 act defined the term "navigable waters" to mean "the waters of the United States." As a result the Natural Resources Defense Council and the National Wildlife Federation filed suit in August 1974, contending that since Public Law 92–500 redefined navigable waters, the corps must apply its dredge and fill regulations

over a broader jurisdiction. Early in 1975 the District Court for the District of Columbia acknowledged this view and ordered the corps to implement their regulations to the fullest scope. *Natural Resources Defense Council* v. *Callaway*, —— F. Supp. —— (D.D.C., March 27, 1975).

In July of 1975, the corps brought forth another set of complex regulations to be phased in over 2 years. Phase I, immediately effective, applied the dredge and fill permit program to include wetlands adjacent to traditionally navigable waters.

Phase II, effective July 1, 1976, extended the regulations to all primary tributaries of navigable waters, as well as to all lakes with a surface area exceeding 5 acres. Phase III, effective July 1, 1977, would regulate all other waters up to their headwaters where a stream flows at less than 5 cubic feet per second.

It was at this point that many of us in the 94th Congress saw the need for some clarification of congressional policy to quiet the waters muddied by this dredge and fill issue. H.R. 7420, which I sponsored with others, included the same language that Congressman BREAUX attached to the Federal Water Pollution Control Act amendments, H.R. 9560, in committee on April 13, 1976. This carefully drafted language would limit Federal jurisdiction over waters which are not, in fact, navigable for interstate commerce.

This limiting provision was meant not only to negate the controversial Callaway case, but also to restrict the corps authority to genuinely navigable waters, thus eliminating absurd historical searches for evidence of ancient commerce before deciding if a river or lake is navigable. To cling to this illogical historical test for navigability would only undermine the public's respect for the rationality of the law itself and jeopardize the law's enforceability.

On June 3, 1976, H.R. 9560 passed the House by a vote of 339 to 5. Earlier by a 234-to-121 margin the House had approved an amendment by Congressman JIM WRIGHT which included the limiting Breaux language and added provisions allowing the States to administer the permit program. Unfortunately, this bill died in the adjournment rush, and congressional policy on the entire water management issue is still undefined. By introducing H.R. 4231 in the 95th Congress, I hope to revive support for a beneficial clarification of that policy.

H.R. 4231 incorporates the language restricting the corps' jurisdiction with the Wright provisions authorizing the issuance of general permits—instead of separate programs under the 1899 and 1972 acts—and State protection of waterways. I feel this is the best resolution of this entire controversy because it insures agriculture an unrestricted use of water resources, perpetuates the State's privilege to dictate water policy, and avoids needless expense.

Since the corps release of May 6, 1975, in response to the Callaway decision which stated in part:

Under some of the proposed regulation, Federal permits may be required by the rancher who wants to enlarge his stockpond, or the farmer who wants to deepen an irrigation ditch or plow a field, or the mountaineer who wants to protect his land against stream erosion.

There has been great concern over the impact such regulation could have on crop production. Although the corps was quick to retract its May 6 statement and promise moderate and reasonable implementation of its regulations, where even a potential exists to put Federal controls on agricultural water, that potential is a threat to the Nation's food supply and the livelihood of thousands of farmers.

It must be undisputed that a farmer can fill an irrigation ditch or divert a stream on his own land without a Federal permit. H.R. 4231 would insure by law that normal farming operations would be free from corps intervention.

The right of States to govern water policy is traditionally accepted. Protection and allocation of water necessarily demands a careful balancing of many important social and economic interests. It should be the State's role to weigh these concerns at a local level where the questions are best understood and handled. Many States, Nebraska included, have sensed such a prominent responsibility to determine water policy that their constitutions set forth specific guidelines for water resource management. The dominant role of the States becomes even more evident when a lake or stream is entirely within one State. There is great wisdom in leaving this authority with the States, where it belongs.

Finally, this bill would prevent the expenditure of millions of dollars toward misguided pollution control programs. The Army corps came before the Appropriations' Public Works Subcommittee recently to request an increase of 202 Federal employees and added funds to administer the permit programs. The corps representative, General Morris, clarified that those 202 are needed to merely keep pace with the present programs; anticipated growth will require still more personnel. These employees, at taxpayer expense, are needed to merely handle the paperwork, not to mention the tremendous expense and delay for private businessmen and farmers. In both human and monetary cost, the current program under swollen Federal jurisdiction does not merit continuance.

Finally, let me stress one thing that this legislation would not do. It would not, as some critics charge, destroy this Nation's valuable wetlands. Removing some wetlands from the corps jurisdiction does not leave them without protection, for there is an ample body of Federal and State law designed to preserve wildlife habitats and wetlands. Although my list may not include them all, allow me to isolate 15 different laws protecting wetlands:

ALTERNATIVE LAWS AND PROGRAMS ALREADY DESIGNED TO PROTECT WETLANDS

1. The Water Bank Act.
2. The Rural Development Act.
3. The Coastal Zone Management Act.
4. The Marine Protection Research and Sanctuaries Act.
5. The Appalachian Regional Development Act.
6. Watershed Protection and Flood Prevention Act.
7. The Land and Water Conservation Fund Act.
8. The Federal Aid in Fish Restoration Act.
9. The Federal Aid in Wildlife Restoration Act.
10. The Migratory Bird Conservation Act.
11. The Fish and Wildlife Coordination Act.
12. Forestry Cooperative Programs.
13. Great Plains Conservation Program.
14. Soil and Water Program.
15. The Wetlands Acquisition Act.

This is an important matter, Mr. Speaker, and I hope that this background will help my colleagues see the wisdom of supporting this legislation as the Public Works Committee begins to consider amendments to the Federal Water Pollution Control Act.

AMBASSADOR SMITH SUPPORTS WARNKE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. ZABLOCKI. Mr. Speaker, the current debate over the nomination of Paul Warnke to head both the U.S. Arms Control and Disarmament Agency and the strategic arms limitation talks delegation bring to mind some conclusions which were made during the 94th Congress by the Subcommittee on International Security and Scientific Affairs, of which I was chairman. During these hearings, the subcommittee had examined the history, organization, and functions of the Arms Control and Disarmament Agency for the past 2 years. We held numerous hearings, initiated studies and drafted legislation which this body overwhelmingly supported to clarify the important role attached to the Arms Control and Disarmament Agency by the Congress in the formulation and implementation of U.S. arms control and disarmament policy.

Our studies, reports, and legislation all found it highly preferable for both domestic and arms control negotiating reasons to have a single organization within the executive branch responsible for the formulation and implementation of arms control policy at home, as well as the negotiation of arms control agreements with foreign powers. We found in our studies that the executive branch functioned more effectively and that overall national security objectives were better fulfilled when the Arms Control and Disarmament Agency spoke with one strong voice at home and in negotiations overseas. In another study of this same issue, the Commission on the Organization of the Government for the Conduct of Foreign Policy made very similar recommendations.

I was very pleased therefore to see these points reiterated by our former chief negotiator at SALT and the former

Director of the Arms Control and Disarmament Agency, Gerard C. Smith in this morning's Washington Post. I commend Ambassador Smith's well-articulated letter to my colleagues for their serious consideration in the current debate over the President's nominee to be the Director of ACDA and the U.S. Ambassador to the strategic arms limitation talks:

PAUL WARNKE AND THE "ONE MAN, ONE HAT" NOTION

A few thoughts about the nomination of Paul Warnke and "two hats."

Having been the Arms Control and Disarmament Agency Director and the SALT negotiator, I feel with special keenness the thrust of the notion being suggested by some senators—one man, one hat.

I thought that Congress had solved that issue long ago. The Arms Control Act says that the formulation and implementation of arms control policy can best be insured by a central organization charged by statute with primary responsibility. It must be able to carry out the preparation for and management of United States participation in international negotiations. It provides that the director of ACDA shall have primary responsibility for arms control matters and authorizes him for the purpose of conducting negotiations to communicate with representatives of other nations.

As I understand it, the President in designating Mr. Warnke to be director and SALT negotiator is trying to carry out that law. The record shows that when the first two directors of ACDA wore two hats, the Nonproliferation and the ABM Treaties were negotiated. When the two hats were assigned to separate individuals no treaties have been reached.

When, during SALT, the negotiator's hat was temporarily donned by a White House aide, one result was that because of executive privilege the Congress was unable to receive testimony from that negotiator. I wonder if the proponents of severance of the two hats have considered that a repetition of that situation might be one result if their effort is successful.

Paul Warnke, in my judgment, is the right man for the arms control job. If a senator disagrees, it strikes me that the logical action is a negative vote rather than supporting Warnke for the ACDA directorship while not supporting him as negotiator.

GERARD C. SMITH.

Washington.

TOO MANY PEOPLE HAVE TWO GOOD REASONS FOR FEARING—PAUL C. WARNKE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. McDONALD. Mr. Speaker, the most immediate issue touched upon by Joseph Alsop, in his column for March 7, is the danger to the U.S. defense position posed by the nomination of Paul C. Warnke as our chief disarmament negotiator. He states:

Too many people, have two good reasons for fearing that President Carter's nominee . . . will reinforce a dangerous policy bias in the crucial [intelligence] estimating process.

The remainder of Mr. Alsop's column is devoted to telling us about the "bias" which has resulted in consistent underestimation of Soviet military spending, which he attributes to "the ideological slants—often in extreme form—of any characteristically liberal American university professor."

In the body of his column, Mr. Alsop is anxious to have us regard consistently disastrous performance by certain intelligence analysts as mere academic backbiting by "honorable but misguided" professors. He does this because the alternative is to consider that there may in fact be "the ugliest sort of spy drama" involved.

The road to national survival requires a willingness to consider the possibility of real-life ugly spy dramas. Furthermore, well-meaning but consistently wrong analysts need to be replaced.

With the above in mind, I should like to place the Alsop column in the RECORD:

[From the Washington Post, Mar. 7, 1977]

A CAUTIONARY TALE

(NOTE.—*The Central Intelligence Agency sharply raised its estimate of what the Soviet Union was spending on defense, a change that can mean, according to one's point of view, either that the Russians have started to expand their forces in a terrifying manner, or that the earlier estimate was too low.*—The Economist)

Nothing in this city has been more amazing than the totally blank response of the American political community to the episode above mentioned. The change of estimate was made long prior to the intervention of the so-called Watch Committee in the estimating process.

Furthermore, the offical figure on Soviet defense spending rose from "6 to 8 per cent" of the Soviet Gross National Product to no less than "13 per cent." In other words, America's single most important foreign estimate in the whole book was approximately doubled, apparently overnight. It is therefore high time to tell the cautionary tale of what really happened.

It is time, in the first place, because too many people have two good reasons for fearing that President Carter's nominee for chief disarmament negotiator, Paul C. Warnke, will reinforce a dangerous policy bias in the crucial estimating process. And secondly, it is time because this same bias has already produced results which look unpleasantly like (but do not in fact resemble) the ugliest kind of spy drama.

To make what happened understandable, it is necessary to say something about our little understood American intelligence community. On the estimating side, in brief, there is a sharp division between the military and civilian analysts. The Central Intelligence Agency's analysts belong, broadly speaking, to the American professoriate. Many of them in fact have the ideological slants—often in extreme form—of any characteristically liberal American university professor.

To give one example, there is the honorable but misguided man who rose to the head of the CIA's analytical branch, but ended his career after Dr. James Schlesinger took over the CIA. He was dead wrong about Hungary in 1956. In the Cuban missile crisis in 1962, he was so obstinately wrong that he wished to stop the U–2 overflights, which alone revealed the Soviet missiles in Cuba. And he was dead wrong about the Soviet invasion of Czechoslovakia in 1968.

There was nothing evil about these errors—although it was perhaps a bit odd that the man who committed them was continuously promoted. The errors simply reflected the view, so common in the American professoriate, that the Soviets at bottom are much nicer and a lot less militaristic than nasty-minded persons too often believe.

Inevitably, this view deeply affected the estimates of Soviet defense outlays. A Byzantine system was evolved by the CIA's civilian analysts—and partly accepted, too, by the Pentagon's Defense Intelligence analysts—which was obviously calculated to produce comfortingly low estimates.

The resulting estimates looked grossly unrealistic to some people, including this reporter, because of the vast quantities of weapons the Soviets were buying. But nothing much was done about the problem until Lieutenant General Daniel Graham was named Director of Defense Intelligence in 1974, when a serious debate began.

In 1975, the American intelligence "processing centers" in Germany then picked up a Soviet emigrant-defector who must be nameless, since he would otherwise go in peril of his life. It is enough to say that thus he had been able to be defected from an extremely high post in the Soviet central planning apparatus, the GOSPLAN.

This emigrant-defector produced an earthquake-like convulsion among the analysts and estimators of the American intelligence community. Somewhat earlier, he had had an indisputable "need to know," which caused him to be shown the secret, line-by-line Soviet defense budget for 1970. He was heavily guarded when studying the defense budget, and was forbidden to take notes. But by luck, he had a near-photographic memory.

Because of his former key position in the GOSPLAN, the emigrant-defector was brought to this country for "debriefing" by the CIA. He promptly made himself bitterly unwelcome. The published American estimate for Soviet defense spending in the year 1970 had been "6 per cent" of Gross National Product. This was in turn based on a more detailed calculation by the estimators that the Soviets had spent 25 billion rubles on defense that year.

The emigrant-defector reported, instead, that the actual total for Soviet defense spending in the 1970 budget he had seen was no less than 50 billion rubles! He further backed up this highly unsettling report with a wealth of remembered figures from the various subordinate parts of the secret Soviet budget.

As the debriefing proceeded, the Pentagon was informed under the usual procedures. Dr. James Schlesinger, by then Secretary of Defense, even agreed to defer any revision of the published intelligence estimates until after the U.S. defense budget had passed through Congress that summer—for fear of accusations of propaganda-making for U.S. defense spending. But the Pentagon was only most casually informed about the curious lie-detector test that was abruptly administered to the Soviet emigrant-defector by his CIA debriefers, or perhaps by some of their superior officers.

As director of Defense Intelligence, General Graham only learned that the emigrant-defector had failed a lie-detector test when this invaluable witness was on the very eve of being shipped back to Germany in heavy disgrace as a probable provocateur. General Graham promptly obtained the backing of Secretary of Defense Schlesinger, and then demanded the body, as it were, first from Lieutenant General Vernon A. Walters, and then from the next man in the CIA packing order, Deputy Director for Intelligence Edward Proctor.

At first, Proctor tried hard to resist turning over the emigrant-defector to General Graham. But there was no remedy under the established procedures, so the emigrant-defector was sent to General Graham's office

in the custody of a CIA operative. This latter had been surprisingly instructed not to leave the emigrant-defector alone with General Graham, and he had to be forcibly prevented from entering General Graham's office.

General Graham, who speaks excellent Russian, then discovered that the lie-detector test had been improperly administered—to put it almost too politely. It is not generally known, but polygraph or lie-detector tests can easily be crooked by using long, many-claused, highly conditional questions that cannot be answered accurately without careful reflection. The effort to reflect causes the same electric tremor as lying. "Yes-or-no" questions are thus the only ones which give dependable results, at least to the extent that lie-detectors are dependable.

In the sequel, the CIA's Deputy Director for Intelligence was requested to provide his own witness for a new test. In the presence of this CIA witness, the Soviet emigrant-defector went through an unbiased lie-detector test of the classic "yes-or-no" type with flying colors.

Hence the orders to ship the witness to Germany were cancelled. The debriefing continued. The emigrant-defector's testimony was found to stand up under severe cross-checking with other intelligence. In consequence, the rate and magnitude of estimated Soviet defense spending were approximately doubled.

There are several things to be said about this extraordinary but true story. To begin with, the upward revision of the estimate was clearly inadequate. In 1970, the year the emigrant-defector had evidence for, the vast Soviet expenditure on civil defense had not yet even begun, for example. More important, it is utterly wrong to see anything politically sinister in the narrowly frustrated attempt to spirit away the unwelcome testimony of the Soviet emigrant-defector. The argument among the estimators and analysts is essentially an academic debate. In academic debates, as long experience proves, almost anything goes once both sides are deeply committed. For the side that sees its position being shot to hell by new evidence, also sees prestige, careers, position and all else being shot to hell.

Here think of Heinrich Schliemann digging up Mycenae when the whole European academic world was deeply committed to the view that there was no indigenous Greek civilization in the Bronze Age. Mycenae plainly proved the very opposite. Yet the German and English professoriate bullied poor Schliemann so unmercifully that he finally agreed that Mycenae, the true citadel of Agamemnon and his forebears, was nothing but a Phoenician trading post!

Where the professoriate is deeply but wrongly committed, in other words, factual evidence of an inconvenient kind is frequently handled with total ruthlessness. Nowadays this is an important point to remember—and for major reasons of national policy.

DEFEAT OF SELECT COMMITTEE ON PROFESSIONAL SPORTS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1977

Mr. FISHER. Mr. Speaker, I regret the action taken by the House today in defeating the resolution to reconstitute the Select Committee on Professional Sports. I had the opportunity to serve on the committee during the last session and was quite impressed with its findings regarding the professional sports industry. The committee has published an excellent initial report containing several interesting facts concerning the operation of professional sports in this country. In my judgment, the investigation and extensive studies conducted by the committee were quite thorough and scholarly, particularly in light of the relatively small amount of resources available to the committee.

Mr. Speaker, opposition to the re-creation of the committee involved primarily the jurisdictional one with the Committee on the Judiciary. While the Select Committee on Professional Sports never intended to impinge on the legislative responsibilities of the Committee on the Judiciary in the area of antitrust problems involving professional sports, I can nonetheless appreciate the sensitivity of the Judiciary Committee on this issue. I am hopeful that the Committee on the Judiciary will give consideration to the findings of the Select Committee on Professional Sports as they bear on the status of professional sports, and in particular organized baseball, under the antitrust laws.

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 8, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MEETINGS SCHEDULED

MARCH 9

9:00 a.m.
*Agriculture, Nutrition, and Foresty
To consider proposed legislation recommending changes in the Grain Inspection Act, to be followed by hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until noon 322 Russell Building

Armed Services
Subcommittee on Tactical Air Power
To hold closed hearings on proposed military procurement authorizations for fiscal year 1978 for tactical weapons.
224 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Mining Enforcement and Safety Administration and for the Institute for Museum Services.
1114 Dirksen Building

Finance
To hold hearings on the nomination of Thomas D. Morris, of the District of Columbia, to be Inspector General, Department of Health, Education, and Welfare.
2221 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

9:45 a.m.
Governmental Affairs
To consider the nomination of James T. McIntyre, Jr., of Georgia, to be Deputy Director of the Office of Management and Budget.
3302 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue closed hearings on proposed estimates for fiscal year 1978 for the defense establishment.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the U.S. Tax Court, and units in the Executive Office of the President.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146 Capitol

Appropriations
State, Justice, Commerce Subcommittee
To hold hearings on proposed supplemental appropriations for fiscal year 1977 for the Departments of State, Justice, and Commerce.
1224 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear testimony on Agriculture programs.
357 Russell Building

Commerce, Science and Transportation
Subcommittee on Science and Space
To hold closed hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Environmental and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Federal Highway Administration.
4200 Dirksen Building

Finance
To hold hearings on the proposed Tax

Reduction and Simplification Act of 1977 (H.R. 3477).
2221 Dirksen Building

Governmental Affairs
To hold hearings on S. 826, to establish a Department of Energy to direct a coordinated national energy policy.
3302 Dirksen Building

Human Resources
Education, Arts and Humanities Subcommittee
To hold hearings on S. 602, authorizing funds and extending programs through fiscal year 1982 for the Library Services and Construction Act.
4332 Dirksen Building

Rules and Administration
To further consider S. Res. 5 through 12, proposing several changes in the Senate rules, principally with regard to rule XXII (cloture), and to consider other committee business.
301 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

*Select Small Business
To hold hearings to consider the impact of product liability insurance on small businesses, and on S. 527, authorizing the Small Business Administration to furnish reinsurance for property liability insurers for small business concerns which would not otherwise be able to obtain product liability insurance on reasonable terms.
6202 Dirksen Building

Special Committee on Aging
To continue its investigation of alleged fraudulent practices in medicaid and medicare programs.
Main hearing room, Longworth Building

10:15 a.m.
Appropriations
Labor-Hew Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Health Services Administration.
S-128, Capitol

11:00 a.m.
Foreign Relations
Subcommittee on Foreign Assistance
To hold hearings to receive testimony from Administration witnesses concerning international financial institutions.
4221 Dirksen Building

1:30 p.m.
Appropriations
Agriculture Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.
1224 Dirksen Building

2:00 p.m.
Appropriations
Public Works
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Department of the Interior Secretary Andrus and representatives of the Water Resources Council.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Center for Disease Control.
S-128, Capitol

Appropriations
State, Justice, Commerce Subcommittee
To hold hearings on proposed supplemental appropriations for fiscal year 1977 for the Departments of State, Justice, and Commerce.
S-146, Capitol

Appropriations
To consider H.R. 3839, to rescind certain budget authority as contained in Presidental message dated January 17, and H.J. Res. 269, proposed urgent supplemental appropriations for disaster relief.
S-128, Capitol

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for Senate and joint items, and on supplemental appropriations for fiscal year 1977 for the legislative branch.
S-126, Capitol

Environment and Public Works
To resume consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building

4:00 p.m.
Intelligence
Closed business meeting.
S-407, Capitol

MARCH 10

9:00 a.m.
Armed Services
Subcommittee on Tactical Air Power
To hold closed hearings on proposed military procurement authorizations for fiscal year 1978 for tactical weapons.
212 Russell Building

Agriculture, Nutrition, and Forestry
To continue hearings in proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Nuclear Regulatory Commission.
4200 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Geological Survey.
1114 Dirksen Building

Finance
To hold hearings on the nomination of Arabella Martinez, of the District of Columbia, to be an Assistant Secretary of Health, Education, and Welfare, 9:30 a.m.
2221 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear testimony on funds for the Peace Corps, the Inter-American Foundation, International Organizations and Programs, and U.N. Environmental Fund.
1318 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittees
To continue hearings on proposed budget estimates for fiscal year 1978 for certain units in the Executive Office of the President, and for the Office of Federal Procurement Policy.
1224 Dirksen Building

Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Navy witnesses on procurement programs.
1223 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol

Banking, Housing, and Urban Affairs
To hold oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Finance
To hold hearings on the proposed Tax Reduction and Simplification Act of 1977 (H.R. 3477).
2221 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget to receive testimony on welfare programs.
357 Russell Building

Energy and Natural Resources
To hold hearings on the nominations of Guy Richard Martin, of Alaska, to be an Assistant Secretary of the Interior; and Robert L. Herbst, of Minnesota, to be Assistant Secretary of the Interior for Fish and Wildlife.
3110 Dirksen Building

Human Resources
Subcommittee on Health and Scientific Research
To hold hearings to receive testimony on procedures used by the Food and Drug Administration for testing new drugs.
4232 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards. (S. 682, 568, 182, 715).
5110 Dirksen Building

Environment and Public Works
To review those items in the Presidential budget for fiscal year 1978 which fall within its legislative jurisdiction with a view to making recommendations thereon to the Budget Committee.
4200 Dirksen Building

11:00 a.m.
Foreign Relations
Subcommittee on Foreign Assistance
To hold hearings to receive testimony from Administration witnesses concerning international financial institutions.
4221 Dirksen Building

1:30 p.m.
Appropriations
Agriculture Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.
1114 Dirksen Building

2:00 p.m.
Appropriations
Public Works
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear representatives of the Bureau of Reclamation.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for U.S. Postal Service, the Office on Federal Paperwork.
1224 Dirksen Building

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Air Force witnesses on procurement programs.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on health programs.
357 Russell Building

Foreign Relations
To review items in the Presidential budget for fiscal year 1978 which fall within its legislative jurisdiction, to be followed by closed briefing by former Defense Secretary Clifford on his recent trip to Greece, Turkey and Cyprus.
S-116, Capitol

Human Resources
Subcommittee on Education, Arts and Humanities
To hold hearings on S. 701, to provide Federal financial assistance to educational institutions to meet the emergency caused by high fuel costs and shortages.
4232 Dirksen Building

11:00 a.m.
Special Aging
Business meeting.
155 Russell Building

MARCH 14

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies
To resume hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration; and to consider supplemental appropriations for fiscal year 1977 for activities falling within the subcommittee's jurisdiction.
1224 Dirksen Building

Judiciary
To resume hearings on S. 11, and printed amendment No. 40 thereto, providing for the appointment of additional district judges.
2228 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration.
1224 Dirksen Building

MARCH 15

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 and on proposed supplemental appropriations for fiscal year 1977 for the Trust Territory of the Pacific Islands.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Council of Economic Advisers, the Council on Wage and Price Stability, the National Security Council, and the National Center for Productivity and Quality of Working Life.
1224 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration, American Battle Monuments Commission, and for the U.S. Army Cemeterial Expenses.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Energy and Natural Resources
To hold hearings on S. 9, proposed Outer Continental Shelf Lands Act Amendments.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 658, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Election Commission, the Civil Service Commission, the Defense Civil Preparedness Agency and the Federal Labor Relations Council.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Department of Defense and AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

MARCH 16

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed supplemental appropriations for fiscal year 1977, and on proposed budget estimates for fiscal year 1978 for the administration of the Trust Territory of the Pacific.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear Secretary of Defense Brown.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building

Budget
To hold hearings in preparation of reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on causes of deaths and injuries involving cars and tractor trailers.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration, with testimony on nuclear aspects.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs to hear representatives of the Energy Research and Development Administration.
Room to be announced

MARCH 17

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Alcohol, Drug Abuse and Mental Health Administration, and Saint Elizabeth Hospital.
S-128, Capitol

Banking, Housing, and Urban Affairs
To mark up proposed legislation to extend the Export Administration Act and related matters.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building

Commerce, Science, and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearing on proposed budget estimates for fiscal year 1978 for the Health Resources Administration.
S-128, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for Public Works programs, to hear testimony on national security programs.
Room to be announced

MARCH 18

10:00 a.m.
Appropriations
Defense
To resume hearings on proposed budget estimates for fiscal year 1978 for research, development, testing and evaluation program of the Army.
1223 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.)
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 929 and S. 689.
5110 Dirksen Building

Human Resources
Handicapped Subcommittee
To hold oversight hearings on developmental disabilities.
Room to be announced

Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs, to hear representatives of Environmental Research and Development Administration.
Room to be announced

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission.
1114 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

Human Resources
Handicapped Subcommittee
To receive testimony on the administration's legislative proposals for programs for the handicapped.
Room to be announced

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on activities of the Electronic Fund Transfer System Commission.
4302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to

receive testimony on U.S. Monetary policy.
357 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Governmental Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government, to hear public witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephone, computer, etc.).
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3802 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federal affected areas and emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until 1 p.m. 457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occcupational, vocational, and adult education programs.
S-128, Capitol

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1378 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the U.S. Railway Association—Office of Rail Public Counsel.
235 Russell Building

Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center to be located on the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education and welfare programs, and for library resources.
S-128, Capitol

MARCH 25

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for 1977 from officials of Amvets
Until: Noon
154 Russell Building

MARCH 28

9.30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budg-

et estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings to inquire into domestic communications common carrier policies (i.e., telephones, computer, etc.).
235 Russell Building
Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (Proposed Sunset Act).
3302 Dirksen Building
2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 29

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Congressional witnesses.
1223 Dirksen Building
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S-128, Capitol
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced
Energy and Natural Resources
To hold hearings on proposed legislation dealing with Utilization of coal resources.
3110 Dirksen Building
Government Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol
2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
S-128, Capitol
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

MARCH 30

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1976 authorization for Government intelligence activities.
S-407, Capitol
2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building
9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the defense establishments, to hear public witnesses.
1223 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Social Security Administration.
S-128, Capitol
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced
Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building
Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have sig-

nificant adverse effect on the physical environment.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office for Civil Rights, Inspector General, Policy Research and General Management.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission; Office of Consumer Affairs and Consumer Information Center.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related Agencies, to hear public witnesses.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1976 for the Federal Aviation Administration.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 21

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

Appropriations
Transportation Subcommittee
To continue hearings on proposed estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 28

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
5302 Dirksen Building

MAY 12

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 24

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 26

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, March 8, 1977*

The House met at 12 o'clock noon.

Rev. David L. Rogers, Manchester Church of the Brethren, North Manchester, Ind., offered the following prayer:

Before You, God, we stand in thanksgiving, mindful that You give life, help and accept us.

Enable us to face today with excitement, confidence, joy, hope; but with fear and trembling as we consider the trust that You have in us and the call to serve people who depend upon us.

Keep before us the plea of the least among us as well as the most powerful.

Give us: Clear minds to decide what part we must play in human liberation; warm hearts to respond to human need for acceptance; open eyes to identify all as brother or sister; sensitive ears to hear tears of hurt, sorrow, need, and laughter of confidence, trust hope; Your spirit to empower us—to give Your peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

THE REVEREND DAVID L. ROGERS

(Mr. FITHIAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FITHIAN. Mr. Speaker, it is indeed a privilege to have one of my constituents and friends, the Reverend David Rogers, opening our session with prayer today.

The Reverend Mr. Rogers is pastor of the Manchester Church of the Brethren, which serves the community of North Manchester, Ind., and Manchester College. He is president of the Indiana State Pastors Association, president of the Wabash County Mental Health Association, and a member of the Indiana State Board of Mental Health. Prior to coming to North Manchester, he served pastorates in Roanoke and Fairfax, Va.

David Rogers is an uncommon man, and I wish all of my colleagues here today could have the opportunity to get to know him as I have. He is an individual who deeply believes in Christian concern for the total person. There is one Gospel, he teaches, speaking to both the personal and social needs of the individual.

In his service to his community, David Rogers exemplifies the life of an involved, committed Christian. He is actively concerned about the rights of our fellow humans around the world—their right to equal treatment under law, their right to good health, their right to food, their right to make their own choices freely as God's creation.

His ministry is, indeed, a ministry to the whole person. Some of us may view his work as social Christianity or applied Christianity. David Rogers views it as the imperative given us by the Teacher of Galilee, who said, "Feed my sheep."

The Reverend David Rogers is truly a good shepherd for the people whom he lives among. I am pleased to welcome him to the U.S. House of Representatives and honored to introduce him to my colleagues.

PERMISSION FOR SUBCOMMITTEE ON HEALTH AND ENVIRONMENT OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT TODAY THROUGH FRIDAY, MARCH 11, 1977, DURING 5-MINUTE RULE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health and Environment of the Committee on Interstate and Foreign Commerce be permitted to sit today through Friday, March 11, 1977, during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making economic stimulus appropriations.

Mr. CEDERBERG reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. PEPPER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

RESIGNATION AS CHAIRMAN AND MEMBER OF SELECT COMMITTEE ON ASSASSINATIONS

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas (Mr. GONZALEZ) be excused as chairman and as a member of the Select Committee on Assassinations.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, the House does not have to be told of the controversy over the Select Committee on Assassinations. It appears to the gentleman from Maryland that at this point whether or not the House under our precedents, as we have a right to do, should accept the resignation of the gentleman from Texas (Mr. GONZALEZ), it should be preceded by some sort of explanation by the gentleman from Texas and the members of that committee as to exactly what the situation within the committee is.

It appears to this Member, based on the available facts, that we may be forced to choose between the gentleman from Texas and the chief clerk of the committee, Mr. Sprague. If that is the case, I believe the House might want to seriously consider which of the two it will side with. I do not believe that by unanimous consent we ought to deal with an important issue that has occupied this House now for almost 2 months.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I am happy to yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Speaker, I would try to assure my colleague, the gentleman from Maryland, that the expressions made in the press have not truly, I think, portrayed the situation on the committee. I do not see any way at this point—and I underline "at this point"—that this can be described as an argument between the staff and the chairman. The committee met yesterday under an acting chairman, the gentleman from North Carolina (Mr. PREYER). The committee was at that point yesterday firmly together. They acted very quickly on some very difficult and contentious subjects. They answered many of the questions that the Committee on Rules put before us about civil rights, about rules of procedure, about rules of interrogation, about rules of the committee, all done in a very worthy fashion with counsel.

The committee was acting as a cohesive whole. We moved on to establish a task force on the budget, so when the budget comes back through this committee, we will get a congressional not a staff budget.

It is my feeling that the chief counsel of this committee firmly understands his role as chief counsel; that many of the problems that developed in the very beginning came about due to the interim nature and the fact that the committee first established had a "lame duck chairman."

I do not know whether my colleague, the gentleman from Ohio, would like to join me on this; but the gentleman voted against the committee twice, but now feels it should continue and I believe agrees with me that the committee is working in unison, is working very hard, and is working in a nonpartisan fashion. I assure the House this Member has been spending 9 to 12 hours a day on it to try and put behind us a question raised in the national press, which I consider to have been erroneous at the beginning. I believe it would do well for the reputation of this House and also help us to reestablish the very real reasons that I think this committee was established. My feeling is that this should go on without any more of the internecine strife appearing in the press, and that the committee under new leadership and with unanimous purpose will prove its original purpose to the House.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, I should like to advise the gentleman from Maryland that upon the presentation to the Speaker of the resignation of the gentleman from Texas (Mr. GONZALEZ), the gentleman was advised by such means as were available to the Speaker and to me, neither of us being able to contact the gentleman directly, although having repeatedly tried, that the Speaker did not intend to accept the gentleman's resignation or to lay that resignation before this House, its acceptance before the Speaker and I could talk personally and at some length with the gentleman from Texas (Mr. GONZALEZ).

On last Saturday afternoon I did finally have the opportunity to talk with my good friend, the gentleman from Texas (Mr. GONZALEZ). I regard the gentleman as a man of extremely high purpose. I have almost unbounded admiration for the gentleman's integrity and for his decency. I regard him as a cherished personal friend. So the gentleman from Texas (Mr. GONZALEZ) and I were able to have a completely free and relaxed conversation, uncluttered by any of the stilted restraints that sometimes inhibit communication. We talked freely and discussed this matter candidly.

I asked the gentleman from Texas (Mr. GONZALEZ) if he would be able to come back this week and participate in the deliberations of the committee. I suggested to the gentleman that, so far as the Speaker and I were concerned, he still was the chairman. I suggested that he might wish to come Monday and sit with the committee.

Mr. GONZALEZ replied:

Jim, you are talking to the wrong person. I am no longer a member of the committee. I have resigned.

I said to him:

Henry, the Speaker doesn't desire to accept your resignation, absent talking with you.

He said:

Please inform the Speaker for me that I am quite sincere. I do not want to contest the issue. I do not consider myself any longer a member of the committee, and certainly not chairman of the committee, and I would implore you to accept my resignation.

I pursued it still further, I would say to the gentleman from Maryland. I told Mr. GONZALEZ that there are many friends of his on the House floor, and that some of them might wish to contest the acceptance of his resignation. Mr. GONZALEZ told me that he did not want that at the present time. He said that he would appreciate it very much if we would simply accept his resignation. It is upon that advice from a personal friend that I have asked unanimous consent that his resignation be accepted.

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I can understand the position of the gentleman from Texas (Mr. GONZALEZ), in view of the public statements that he has made, and I also understand the Speaker's desire to follow his wishes, but there is a larger issue involved here. That is, whether or not the House is going to have a chance to discuss the serious charges the gentleman from Texas (Mr. GONZALEZ) has made against the chief counsel, the abuse of salaries and other matters that he publicly stated in a hearing earlier last month, and the further charges that he made in writing at the time he resigned.

I think it is unfortunate that he is not here today to speak so that the Members of the House could debate his accusations, but there is a larger issue than just the gentleman from Texas. Under the circumstances, I would be constrained to object to the request.

Mr. DEVINE. Mr. Speaker, will the gentleman withhold his objection and yield to me?

Mr. BAUMAN. Further reserving the right to object, I yield to the gentleman from Ohio.

Mr. DEVINE. I thank the gentleman for yielding to me. I would hope the gentleman, in the final analysis, would withdraw his objection for the following reasons:

Number one, I think that the objection that might force this into a rollcall would compound what I think is a

greater disservice to the Congress than has been generally treated by the media coverage of the situation within the committee.

As the gentleman from Maryland knows, I am one of the Members of the House who voted against the creation of this committee, not only last September, but in the 95th Congress when we reconvened, because I felt that no useful purpose could be served by getting into these matters that occurred 8 and 12 years ago. Since that time, an unfortunate situation has developed that the media has painted as a conflict between a Member of this body and a staff member. It puts us in a position where at least the impression has been given that it is perceived as a conflict between a Member of this body and a staff member. Naturally, those of us who are Members of Congress would probably, in most instances, stand beside our colleague.

But actually, the conflict that exists within the committee, or that has existed in the past, has been between 1 member and 11 other members. I am not an apologist for Mr. Sprague, although I think that he is a highly competent professional, an efficient investigator, and if the committee does in fact continue, I think that he can do a good job. Facts have developed during the very shaky, temporary life of this committee, that have convinced me in the interim that there are some things that should be smoked out, that the American people should have proper access to.

It seems to me that if the gentleman insists on his objection—which he has a perfect right to do—that it will merely drive us into a rollcall. Of course, again the impression will be left that it is a conflict between a Member and a staff member. Of course, under most insances the Member of Congress would prevail. So, it would seem to me that a disservice would be done to drive this to a rollcall situation.

I think the gentleman from Texas (Mr. GONZALEZ), our colleague, has expressed a voluntary desire to step aside, and I think we should honor that desire and permit the unanimous-consent request to go through.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. I thank the gentleman from Maryland for yielding.

In addition to the reasons that have been given by my distinguished colleague from Ohio (Mr. DEVINE), a ranking minority member of the committee, with which I thoroughly concur, I wanted to comment on the statement the gentleman made a moment ago. At the time Mr. GONZALEZ sent his letter of resignation, he made a number of charges of misconduct, or alleged misconduct, of the chief counsel for the committee, Mr. Sprague.

On yesterday, from 11 o'clock in the morning until late in the afternoon, the Select Committee on Assassinations did hold a lengthy and detailed hearing on both the question of preparing and adopting rules and also a budget, so that by the 31st of March it could report back to this House and seek another resolution to renew the life of the committee for the balance of the 95th Congress.

I would say to the gentleman, without going into great detail, that the testimony yesterday before the Select Committee on Assassinations, I think, thoroughly disproves any notion that under the management of the special counsel, Mr. Sprague, there had been any violations of the spending limitations placed upon the committee by the original resolution.

The testimony, as I recall it, was that the committee was living within the approximately $84,000 limitation that had been placed upon it when it came under the continuing resolution which funded the committee.

I would say, also, to the gentleman from Maryland, in response to his feeling that there is an issue here that is larger than simply the resignation of the gentleman from Texas (Mr. GONZALEZ) that when this committee comes before the House again, as it must do before the 31st of March, it will have to indicate that it has established proper rules that will satisfy the concerns of some that civil liberties might have been violated in the course of this investigation. It will have to show the House that it has adopted a responsible budget that will be within reason to conduct the affairs of the committee during its life. It seems to me that at that time the ample opportunity to voice his approval or disapproval of the continuation of this committees.

So I would join the others in begging the gentleman to withdraw his objection to the acceptance of the resignation.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I would say to my colleague from Illinois (Mr. ANDERSON) that I think he will have to admit that it is highly unusual when a chairman of a committee of the House is literally driven from his chairmanship for whatever reason. The gentleman from Texas (Mr. GONZALEZ) has not had a chance to explain his views to the full House on this matter. The House does have the duty to decide whether it should accept the resignation; and, despite the assurances, which I am sure the gentleman believes strongly, the gentleman from Maryland still has serious questions about the continued operation of this committee's staff and about other activities that the gentleman from Texas (Mr. GONZALEZ) has criticized. We need a full explanation.

The SPEAKER. Objection is heard.

RESIGNATION AS CHAIRMAN AND MEMBER OF SELECT COMMITTEE ON ASSASSINATIONS

The SPEAKER laid before the House the following resignation as chairman and member of the Select Committee on Assassinations:

WASHINGTON, D.C., *March 1, 1977.*

Hon. THOMAS P. (TIP) O'NEILL,
The Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: I feel keenly the responsibilities placed on me as Chairman of the House Select Committee on Assassinations. At the outset, I pledged to you, the Majority Leader, and to the House, that I would see that Committee operated in a credible, responsible and productive manner.

In your widely reported public statements, you expressed concern about the Committee chief counsel's budget demands, his advocacy of extremely questionable investigative techniques and his general conduct. You made statements to the effect that Henry Gonzalez would make policy, not the Committee counsel. Clearly, you expected me to resolve these problems and bring the Committee into acceptable condition.

Against that background, I assumed Chairmanship of this Committee. I was expected to rectify the problems that had accumulated through months of neglect and the virtually free hand given to the Committee's ambitious chief counsel.

With the responsibility that I had and the expectations so clearly expressed by the House Leadership, and with your appointment, I could only assume that the Leadership would support my efforts to provide direction and a sense of responsibility to the Committee.

I made intense efforts to enlist the support of my Colleagues on the Committee. Immediately after passage of House Resolution 222, I asked for an informal meeting. Nothing was possible on that day, February 2, or on the following two days, despite the fact that I tried to reach each Member personally. I arranged for a private meeting the following Monday, February 7, where I laid out some of the problems confronting the Committee. I told of the urgent need to make financial adjustments, and asked for assistance. I asked the chief counsel to let the Committee know what positions were least essential, since even then employees had been forced into a 35 per cent pay cut. At a meeting the next day, Tuesday, he refused and followed this by convening staff pep rallies generally aimed at maligning me personally and undermining my authority as Chairman.

I felt that since Mr. Sprague refused to produce any kind of information on which the Committee could make rational budget decisions, and since he pursued a deliberate course of action to undermine me with Members of the Committee and staff, alike, I had no recourse but to dismiss him, which I did.

I made every effort to inform my Colleagues on the Committee of my action and the reasons for it. I informed you, through letters, and made repeated attempts to reach you by telephone, but to no avail. I prepared to discuss the situation at a February 16 Committee meeting, only to see the meeting adjourned without any action.

No one in my position could have acted in any way other than as I did. I found in the Committee an administrative nightmare; I found a chief counsel who assumed full powers of the Committee, itself, (and by implication usurped the powers of the House, itself); a chief counsel who was insubordinate and insulting, not to mention disloyal. I found unjustifiable salaries, unjustified employees, and reckless, inexplicable financial obligations. I had a responsibility to act, and no one has yet demonstrated that I acted wrongly or without full cause.

During the past several days I have been ill and unable to return to Washington. Notwithstanding my illness and absence, several of my Colleagues on the Committee appear to be interested in usurping even my ministerial powers. I do not know whether the Leadership is aware of these events, nor what Leadership efforts have been made, in any, to insist that the Committee function within the Rules of the House.

It seems clear now that the House Leadership is unwilling to offer me support. Yet, I cannot bring myself to sign pay vouchers for an unscrupulous individual, an unconscionable scoundrel, and no power on earth can compel me to do so. I will not compromise

my own standards or integrity and I will not accept any arrangement that saves face at the expense of the Constitutional obligations, the integrity, the prestige and the honor of the House.

Under the circumstances that now exist, I have no alternative but to resign from the Select Committee on Assassinations herewith.

With warmest personal regards.

Sincerely yours,

HENRY B. GONZALEZ,
Member of Congress, Chairman.

The SPEAKER. Is there objection to the acceptance of the resignation?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is, Shall the resignation be accepted?

The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I know that this is a question which has been deeply divisive. It has been magnified in the press. I want all the Members to understand that my position is that of a friend of the gentleman from Texas, HENRY GONZALEZ. I have great admiration for his integrity, for his character, and for his moral, intellectual, and physical courage.

I think that the gentleman from Texas (Mr. GONZALEZ) as chairman of the committee was attempting to carry out the promises he had made to the House when he acted somewhat peremptorily in dismissing one of the members of the staff. The truth is that the gentleman from Texas (Mr. GONZALEZ), unbeknownst to himself, did not possess that unilateral authority under the rules of that committee. Other members of that committee demurred from the chairman's decision.

I should like to make it clear that if ever it came to a choice between the gentleman from Texas (Mr. GONZALEZ) and any member of that staff, I would come down on the side of the gentleman from Texas (Mr. GONZALEZ) because he is my friend and because I admire him and respect him.

However, for those very reasons I am asking the House to accept the resignation of the gentleman from Texas (Mr. GONZALEZ). The gentleman from Texas has been ill with the A-Victoria flu strain. He asked me on last Saturday evening personally to prevail upon the Speaker and upon his friends to accept his resignation. He wants his resignation from the committee and from the chairmanship of that committee to be accepted. That is what he told me.

As I said a moment ago in the colloquy with the gentleman from Maryland (Mr. BAUMAN), I raised with my friend, the gentleman from Texas (Mr. GONZALEZ), the possibility that some of his friends on the House floor might object to accepting his resignation and might wish to vote against accepting his resignation. But the gentleman from Texas (Mr. GONZALEZ) made it clear to me that he did not desire any such confrontation; he did not desire to disrupt the business of the House over this question. He said to me that he did not consider himself any longer as a member of that committee, that he did not wish to serve any longer as a member of that committee, and that he does wish that his resignation will be accepted.

For that reason I ask the Members of the House to vote to accept the resignation of the gentleman from Texas (Mr. GONZALEZ) and to understand that in so doing they are not expressing any disagreement with him as to the stewardship he attempted to exercise over the committee, but that they are yielding to his personal request.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Shall the resignation be accepted?

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 296, nays 100, answered "present" 6, not voting 30, as follows:

[Roll No. 51]

YEAS—296

Abdnor	Corman	Hannaford
Addabbo	Cornwell	Harkin
Akaka	Coughlin	Harris
Alexander	Daniel, Dan	Harsha
Anderson, Ill.	Daniel, R. W.	Hawkins
Andrews, N. Dak.	Delaney	Hefner
	Dellums	Heftel
Annunzio	Derrick	Hillis
Archer	Derwinski	Holland
Armstrong	Devine	Hollenbeck
Ashley	Dickinson	Holt
Aspin	Dicks	Holtzman
Baldus	Diggs	Horton
Barnard	Dodd	Hubbard
Baucus	Downey	Hughes
Beard, R.I.	Drinan	Hyde
Beard, Tenn.	Duncan, Tenn.	Ireland
Bedell	Early	Jacobs
Bellenson	Edgar	Jenkins
Benjamin	Edwards, Ala.	Johnson, Calif.
Bennett	Edwards, Calif.	Johnson, Colo.
Bevill	Eilberg	Jones, N.C.
Bingham	Emery	Jones, Tenn.
Blanchard	English	Kastenmeier
Blouin	Erlenborn	Keys
Boggs	Ertel	Kildee
Boland	Evans, Colo.	Kindness
Bolling	Evans, Ga.	Koch
Bonior	Evans, Ind.	Kostmayer
Bowen	Fary	Krebs
Brademas	Fascell	LaFalce
Breaux	Findley	Lagomarsino
Breckinridge	Fish	Latta
Brinkley	Fisher	Leach
Brodhead	Fithian	Lederer
Broomfield	Flippo	Le Fante
Brown, Calif.	Flood	Lehman
Brown, Ohio	Florio	Lent
Broyhill	Flowers	Levitas
Burgener	Foley	Lloyd, Calif.
Burke, Calif.	Ford, Tenn.	Long, La.
Burke, Mass.	Forsythe	Lujan
Burlison, Mo.	Fountain	Luken
Burton, Phillip	Fraser	Lundine
Butler	Frenzel	McClory
Byron	Frey	McCloskey
Caputo	Fuqua	McCormack
Carney	Gaydos	McDade
Carr	Gephardt	McFall
Carter	Giaimo	McHugh
Cavanaugh	Gibbons	McKay
Cederberg	Gilman	McKinney
Chisholm	Glickman	Madigan
Clausen, Don H.	Goldwater	Maguire
	Gore	Mann
Cleveland	Gradison	Markey
Cohen	Grassley	Marks
Coleman	Gudger	Martin
Conable	Guyer	Mattox
Conte	Hagedorn	Mazzoli
Corcoran	Hamilton	Meeds
Metcalfe	Pursell	Steiger
Meyner	Quie	Stockman
Michel	Rahall	Stokes
Mikulski	Railsback	Studds
Mikva	Rangel	Stump
Miller, Calif.	Regula	Taylor
Miller, Ohio	Rhodes	Thone
Mineta	Richmond	Tonry
Minish	Rinaldo	Traxler
Mitchell, Md.	Robinson	Treen
Mitchell, N.Y.	Rodino	Trible
Moakley	Roe	Tsongas
Moffett	Rogers	Tucker
Moore	Rooney	Udall
Mottl	Rose	Ullman
Murphy, Ill.	Rosenthal	Vander Jagt
Murphy, Pa.	Rostenkowski	Vento
Murtha	Rudd	Volkmer
Myers, Michael	Ruppe	Walsh
Natcher	Russo	Watkins
Neal	Sarasin	Waxman
Nedzi	Sawyer	Weaver
Nichols	Scheuer	Weiss
Nix	Schroeder	Whalen
Nolan	Seiberling	Whitehurst
Nowak	Sharp	Whitley
Oakar	Shipley	Whitten
Oberstar	Shuster	Wiggins
Obey	Simon	Winn
Ottinger	Skelton	Wirth
Panetta	Slack	Wolff
Pattison	Smith, Iowa	Wright
Pease	Smith, Nebr.	Wylie
Pepper	Snyder	Yates
Pike	Solarz	Yatron
Pressler	St Germain	Young, Fla.
Preyer	Staggers	Young, Mo.
Price	Stanton	
Pritchard	Stark	

NAYS—100

Allen	Goodling	Patterson
Ammerman	Hall	Perkins
Anderson, Calif.	Hammer-schmidt	Pickle
		Quillen
Applegate	Hanley	Risenhoover
Ashbrook	Hansen	Roncalio
AuCoin	Heckler	Rousselot
Badham	Hightower	Roybal
Badillo	Huckaby	Runnels
Bafalis	Ichord	Ryan
Bauman	Jeffords	Satterfield
Biaggi	Jones, Okla.	Schulze
Bonker	Jordan	Sebelius
Brooks	Kazen	Sikes
Brown, Mich.	Kelly	Sisk
Buchanan	Kemp	Spellman
Burke, Fla.	Ketchum	Spence
Burleson, Tex.	Krueger	Stangeland
Chappell	Lloyd, Tenn.	Steed
Clawson, Del	Long, Md.	Stratton
Cochran	Lott	Symms
Collins, Ill.	McDonald	Thornton
Collins, Tex.	Mahon	Van Deerlin
Cornell	Mathis	Vanik
Crane	Milford	Waggonner
D'Amours	Mollohan	Walker
Danielson	Montgomery	White
de la Garza	Moorhead, Calif.	Wilson, C. H.
Dent		Wydler
Duncan, Oreg.	Moorhead, Pa.	Young, Alaska
Eckhardt	Moss	Young, Tex.
Edwards, Okla.	Myers, Gary	Zablocki
Flynt	Myers, Ind.	Zeferetti
Gammage	O'Brien	
Ginn	Patten	

ANSWERED "PRESENT"—6

Evans, Del.	Marlenee	Steers
Kasten	Reuss	Wilson, Bob

NOT VOTING—30

Ambro	Ford, Mich.	Poage
Andrews, N.C.	Gonzalez	Quayle
Burton, John	Harrington	Roberts
Clay	Howard	Santini
Conyers	Jenrette	Skubitz
Cotter	Leggett	Teague
Davis	McEwen	Thompson
Dingell	Marriott	Walgren
Dornan	Murphy, N.Y.	Wampler
Fenwick	Pettis	Wilson, Tex.

Mr. SYMMS and Mr. HANSEN changed their vote from "yea" to "nay."

So the resignation was accepted.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT AS CHAIRMAN OF SELECT COMMITTEE ON ASSASSINATIONS

The SPEAKER. Pursuant to the provisions of House Resolution 222, 95th Congress, the Chair appoints the gentleman from Ohio (Mr. STOKES) as chairman of the Select Committee on Assassinations.

FIFTH ANNUAL REPORT ON HEALTH ACTIVITIES OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I transmit herewith the Fifth Annual Report on Health Activities of the Department of Health, Education, and Welfare (HEW) as required by the Federal Coal Mine Health and Safety Act of 1969.

I recommend that the statutory reporting requirement for this report be changed from once every year to once every three years. HEW staff resources and time could be better spent on more research rather than on the preparation of annual reports of largely repetitious material. Basic information in this field has been known for some time, and new findings develop only slowly and infrequently. All of the information contained in this report is available to Congress during annual appropriations and oversight hearings, and HEW will inform Congress immediately of any scientific breakthroughs in the field.

JIMMY CARTER.

THE WHITE HOUSE, *March 8, 1977.*

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 360 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 360

Resolved, That upon the adoption of this resolution it shall be in order to move, sections 303(a) and 401(b)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) and clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment to said bill shall be in order except the amendments recommended by the Committee on Ways and Means now printed in the bill, and said amendments shall be in order, sections 303(a) and 401(b)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, but shall not be subject to amendment except amendments offered by direction of the Committee on Ways and Means. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. CHARLES H. WILSON of California). The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Ohio (Mr. LATTA), for the minority, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 360 provides, sections 303(a) and 401(b)(1) of the Congressional Budget Act of 1974 and clause 2(1)(6) of rule XI (the 3-day rule) to the contrary notwithstanding, for 3 hours of general debate on H.R. 3477, the Tax Reduction and Simplification Act of 1977.

House Resolution 360 provides that no amendment to the bill shall be in order except the amendments recommended by the Committee on Ways and Means now printed in the bill and the amendments shall be in order, sections 303(a) and 401(b)(1) of the Congressional Budget Act to the contrary notwithstanding, but shall not be subject to amendment except amendments offered by direction of the Committee on Ways and Means. House Resolution 360 also provides for a motion to recommit with or without instructions.

H.R. 3477 provides $12.7 billion in tax cuts and payments in fiscal year 1977, $17 billion in tax cuts and payments in fiscal year 1978, and $13.4 billion in fiscal year 1979. It also simplifies income tax returns and tax computation for most individual taxpayers.

This bill provides for a refund of 1976 individual income taxes equal to $50 for each taxpayer and dependent, but this refund will be phased out as adjusted gross income rises from $25,000 to $30,000, and no rebate will be given to persons with adjusted gross incomes of $30,000 or more. It also provides for payments of $50 to beneficiaries of social security, supplemental security income, railroad retirement, aid to families with dependent children, Veterans' Administration pensions and disability benefits, and black lung benefits.

H.R. 3477 provides a permanent increase in what is now the standard deduction to $2,400 for single returns and $3,000 for married couples filing joint returns. It also includes a new 2-year jobs tax credit to stimulate employment. This 40-percent jobs tax credit will provide a credit of up to $1,680 for each net new employee of a business in 1977 and 1978.

H.R. 3477 also extends the 1977 individual and corporate tax reductions through 1978, including the general tax credit, earned income credit for individuals, and corporate rate reductions.

Mr. Speaker, I urge the adoption of House Resolution 360 in order that we may discuss and pass H.R. 3477.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from Florida (Mr. PEPPER) has, I believe, adequately explained the rule, so I shall not go into the rule. I do not think it comes as a surprise to too many Members in this Chamber that I oppose the rule and I oppose the bill.

I am not the only one who thinks this bill is bad. I happen to have in my hand a UPI story that just came over the wire indicating that three of the President's top economic advisers, to wit: a gentleman by the name of Blumenthal, the Secretary of the Treasury; a man by the name of Schultze, the President's chief economic adviser; and the Budget Director, Bert Lance, seem to agree with me.

Let me quote from the wire story as to what they just said over on the Senate side about this legislation:

> Carter's three top economic advisers objected to changes made in the business tax incentive proposed by the President. They said the House Ways and Means Committee's plan to decrease unemployment through the business tax cuts would not work.

Yet, we are being asked in this House to vote today for a closed rule which will not permit anyone to offer an amendment in line with the President's proposal.

Believe it or not, when this matter came up before the Committee on the Budget, all the Republicans supported the tax proposal as proposed by the President and only three Democrats supported it. We were outnumbered and lost.

Mr. Speaker, I do not know what happened in the Committee on Ways and Means. I do know what happened in the Committee on Rules. The chairman of the Ways and Means Committee was granted the rule requested. Consequently, this House is not going to be able to debate the President's proposed tax bill or any amendments not presented by the Ways and Means Committee. The President certainly did not oppose what is set forth in this legislation before us today, that all taxpayers—and I stress the word "taxpayers"—not be given the refund.

Under the legislation that we have today under a closed rule, we are not only going to give people who did not pay taxes $50; we are going to deny people who worked and paid taxes on incomes over $30,000 any refund whatsoever or a reduction in his tax rate. This does not make too much sense to me.

Mr. Speaker, if we are devising a welfare program, let us keep it in HEW rather than calling on the IRS to administer it. I know from a political standpoint it was best a couple of years ago to come up with this same kind of plan to stimulate the economy and to give everybody a check. We had people on social security returning their checks because they said they were going to increase inflation beyond the amount received and they would be shorted in the long run.

Mr. Speaker, what is really going to happen when they pass around $50

checks? People are going to make one trip to the grocery store, and the $50 is going to be gone.

Mr. Speaker, is this supposed to stimulate the economy and put people back to work in permanent jobs? I think not.

We seem to forget the past when we propose some of these ridiculous laws here in this Chamber. I have been around here long enough to recall what happened under the President Kennedy's administration when he proposed a permanent tax reduction across the board and the Congress followed through on his request. We got results. For some unknown reason, members of the Ways and Means Committee have chosen to forget what a stimulus a permanent tax cut can have on the economy. Now they say they have a better plan, a better political plan—not an economic one—that simply calls for passing $50 checks around.

Mr. Speaker, believe it or not, a couple of years ago we had before the Committee on the Budget a proposal by a Yale economist. He said:

> If you really want to get this economy moving again, give every man, woman, and child in America $100. That is the way to do it.

He never bothered to mention where the money was to come from but that was his plan.

I think the people on the Committee on Ways and Means who voted for this proposal must have been listening in on that testimony except that they only want to buy $50 worth of stimulus.

Mr. Speaker, I think what we ought to do is to vote down this rule and do the same thing that Members are going to be doing in the other body, that is, to have some input for a change in writing the tax laws of this country.

How many Members not on the Ways and Means Committee go back home at campaign time and tell the people they represent that they vote for closed rules on tax bills and deny themselves any input into the content of these important matters? How many frankly tell them that? I do not think very many Members do.

Mr. Speaker, now, today, is our opportunity to vote down this closed rule so that when we go home we can at least say, "I voted for an open rule so that I could express your viewpoint as an elected representative of this House on tax matters."

Mr. Speaker, that would be the same as is done in the other body. When this bill comes up on the floor of the other body, or a similar bill does, does anyone think that the Members of the other body are going to be muffled? No, they are not. They are going to be able to propose amendments of their own and have them debated and decided on the floor. But for some unknown reason, here in the House of Representatives we are denied that right, and I am not about to so vote.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, just last week I stood in the well of this Chamber and urged unsuccessfully that Members of this body adopt an open rule in connection with the report of the House Administrative Review Commission calling, as it did, for certain changes in the rules of this body. I was unsuccessful on that occasion, and I have no illusions about the success that I will enjoy in the effort that I am now making. Yet I feel a responsibility once again to the Members of this Chamber to remind them of the opportunities that they are forgoing and the responsibility that they are willingly giving up when they adopt the kind of rule that is suggested for consideration of this body.

I note with great interest, incidentally, that on the program for the week sent out by the distinguished House majority leader this is referred to as a modified open rule. In contrast to that, on the desk over here I see a notice from the House minority whip, and he describes this as a modified closed rule. Make no mistake about it, Mr. Speaker, this is not an open rule, nor is it a modified open rule; it is a closed rule, because we heard the distinguished gentleman from Florida say very plainly that other than committee amendments, no amendments will be permitted from the floor of this Chamber, and even those committee amendments are not subject to amendment by anyone else sitting in this Chamber. So I do not know how much more closed a rule could be. Yet we are dealing with fundamental economic policy because this bill is designed to stimulate the American economy, and there are a great many and very diverse views as to the best road that we should follow in achieving that necessary stimulus.

I thought my friend, the gentleman from Florida, spoke very correctly, indeed, when he suggested that this is a so-called Tax Reduction and Simplification Act—the so-called Tax Reduction Act—because there is not any permanent tax relief given to the American taxpayers in this bill; there is simply the gimmick of a one-shot $50 rebate. And the only opportunity that we will have to vote for anything even approximating a permanent tax relief is on a motion to recommit that the minority will offer with 5 minutes of debate on this side of the aisle in favor of that motion and 5 minutes against. Is that not a pretty cavalier way in which to deal with the single most important question I think facing the American economy today, and that is what ought we to do about the tax structure of this country that has become oppressive just because of the inflationary impact ratcheting taxpayers into higher and higher brackets and thereby keeping them from any real increase in income. Yet we are going to hamstring this body under a procedure that will give us a total of exactly 10 minutes to debate that very important question of whether or not it would be a superior approach to go the route of permanent tax reductions rather than a $50 rebate.

I happen to agree with my friend, the gentleman from Oregon, the distinguished chairman of the committee, that the time has come to try some new and more innovative approaches in dealing with the problem of unemployment, and unlike some, I do not dismiss out of hand the idea of an employment tax credit. That idea has been around for a long time.

Mr. Speaker, a very distinguished former member of the committee who served for many years in this body described it back in the middle sixties as a human investment credit, which is the term I believe is most descriptive.

I happen to think there are some attractive features in this approach. I am not satisfied with the way the gentleman from Oregon has structured the employment tax credit in title III of this bill. I think it is too narrowly focused.

I think, as one of the authors of the dissenting views said, that it puts a premium on having small business hire additional employees and utilizing this credit and it leaves out of the picture entirely medium-size or larger business concerns.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. LATTA. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman for yielding 1 additional minute.

Mr. Speaker, I think there would be ways of improving on the language of title III in such a way that this could become a useful tool, a useful implement, particularly in trying to deal with the problem of the unemployment of our youths, something like 20 percent overall and in some of the ghetto areas of our country reaching as high as even 40 or 60 percent.

I would like to see us consider this bill under a procedure today where perhaps we could offer an amendment providing for a voucher system so that employers can go out into that teenage jobless market and offer jobs to teenage unemployed youngsters for 6 months to a year and receive a 20-percent voucher or a credit for employing these people who are still marginal workers, because they are either unskilled or semiskilled; but we are being foreclosed today from offering that kind of proposal.

Mr. Speaker, I think the previous question ought to be defeated. We ought to open this up and consider it under an open rule.

Mr. LATTA. Mr. Speaker, I have no further requests for time.

Mr. PEPPER. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken.

Mr. LATTA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic de-

vice, and there were—yeas 208, nays 181, not voting 43, as follows:

[Roll No. 52]

YEAS—208

Addabbo	Ford, Tenn.	Oakar
Akaka	Fraser	Oberstar
Alexander	Fuqua	Obey
Allen	Gephardt	Ottinger
Ambro	Giaimo	Panetta
Ammerman	Ginn	Patten
Annunzio	Gore	Pattison
Applegate	Gudger	Pease
Ashley	Hamilton	Pepper
Aspin	Hanley	Perkins
Badillo	Harkin	Pike
Baldus	Harrington	Preyer
Barnard	Hawkins	Price
Baucus	Hefner	Rahall
Beard, R.I.	Heftel	Rangel
Beilenson	Hightower	Reuss
Benjamin	Holland	Richmond
Bevill	Huckaby	Risenhoover
Bingham	Hughes	Rodino
Blanchard	Johnson, Calif.	Roe
Boggs	Jones, N.C.	Rogers
Boland	Jones, Tenn.	Roncalio
Boiling	Jordan	Rose
Bonior	Kastenmeier	Rosenthal
Bonker	Kazen	Rostenkowski
Bowen	Keys	Roybal
Brademas	Kildee	Russo
Breaux	Koch	Ryan
Breckinridge	Kostmayer	Scheuer
Brodhead	Krebs	Seiberling
Brooks	LaFalce	Shipley
Burke, Mass.	Lederer	Sikes
Burleson, Tex.	Le Fante	Simon
Burlison, Mo.	Lehman	Sisk
Burton, Phillip	Lloyd, Calif.	Smith, Iowa
Byron	Lloyd, Tenn.	Solarz
Carney	Long, La.	Spellman
Carr	McCormack	St Germain
Cavanaugh	McFall	Staggers
Chappell	McHugh	Stark
Chisholm	McKay	Steed
Collins, Ill.	Maguire	Stokes
Corman	Mahon	Stratton
Cornell	Mann	Studds
Cornwell	Mattox	Thornton
D'Amours	Mazzoli	Tonry
Danielson	Meeds	Traxler
de la Garza	Metcalfe	Tsongas
Delaney	Meyner	Udall
Dellums	Mikulski	Ullman
Dent	Mikva	Vanik
Derrick	Miller, Calif.	Vento
Dicks	Mineta	Waggonner
Diggs	Minish	Watkins
Dingell	Mitchell, Md.	Waxman
Dodd	Moakley	Weaver
Downey	Mollohan	Whalen
Drinan	Montgomery	White
Duncan, Oreg.	Moorhead, Pa.	Whitten
Eckhardt	Moss	Wilson, C. H.
Edwards, Calif.	Murphy, Ill.	Wirth
Eilberg	Murtha	Wolff
Ertel	Myers, Michael	Wright
Evans, Colo.	Natcher	Yates
Evans, Ga.	Neal	Yatron
Fary	Nedzi	Young, Tex.
Fisher	Nichols	Zablocki
Flippo	Nix	Zeferetti
Flood	Nolan	
Florio	Nowak	

NAYS—181

Abdnor	Cederberg	Emery
Anderson, Ill.	Clausen, Don H.	English
Andrews, N. Dak.	Clawson, Del	Erlenborn
Archer	Cleveland	Evans, Del.
Armstrong	Cochran	Evans, Ind.
Ashbrook	Cohen	Fascell
AuCoin	Coleman	Fenwick
Badham	Collins, Tex.	Findley
Bafalis	Conable	Fish
Bauman	Conte	Fithian
Beard, Tenn.	Conyers	Flowers
Bedell	Corcoran	Flynt
Bennett	Coughlin	Forsythe
Biaggi	Crane	Fountain
Blouin	Daniel, Dan	Frenzel
Brinkley	Daniel, R. W.	Frey
Broomfield	Derwinski	Gammage
Brown, Ohio	Devine	Gaydos
Broyhill	Dickinson	Gibbons
Buchanan	Dornan	Gilman
Burgener	Duncan, Tenn.	Glickman
Burke, Fla.	Early	Goldwater
Butler	Edgar	Goodling
Caputo	Edwards, Ala.	Gradison
Carter	Edwards, Okla.	Grassley
Hagedorn	McCloskey	Guyer
Hall	McDade	Sarasin
Hammer-schmidt	McDonald	Satterfield
Hannaford	McKinney	Schroeder
Hansen	Madigan	Schulze
Harris	Marks	Sebelius
Harsha	Marlenee	Sharp
Heckler	Marriott	Shuster
Hillis	Martin	Skelton
Hollenbeck	Mathis	Smith, Nebr.
Holt	Michel	Snyder
Holtzman	Milford	Spence
Horton	Miller, Ohio	Stangeland
Hubbard	Mitchell, N.Y.	Stanton
Hyde	Moore	Steers
Ichord	Moorhead, Calif.	Steiger
Ireland	Mottl	Stump
Jacobs	Murphy, Pa.	Symms
Jeffords	Myers, Gary	Taylor
Johnson, Colo.	Myers, Ind.	Thone
Jones, Okla.	O'Brien	Treen
Kasten	Pickle	Trible
Kelly	Pressler	Tucker
Kemp	Pritchard	Volkmer
Ketchum	Quayle	Walker
Krueger	Quie	Walsh
Lagomarsino	Quillen	Weiss
Latta	Regula	Whitehurst
Leach	Rhodes	Whitley
Lent	Rinaldo	Wiggins
Levitas	Robinson	Wilson, Bob
Lott	Rousselot	Winn
Lujan	Rudd	Wydler
Luken	Runnels	Wylie
McClory	Ruppe	Young, Fla.
		Young, Mo.

NOT VOTING—43

Anderson, Calif.	Jenrette	Rooney
Andrews, N.C.	Kindness	Santini
Brown, Calif.	Leggett	Sawyer
Brown, Mich.	Long, Md.	Skubitz
Burke, Calif.	Lundine	Slack
Burton, John	McEwen	Stockman
Clay	Markey	Teague
Cotter	Moffett	Thompson
Davis	Murphy, N.Y.	Van Deerlin
Foley	Patterson	Vander Jagt
Ford, Mich.	Pettis	Walgren
Gonzalez	Poage	Wampler
Howard	Pursell	Wilson, Tex.
Jenkins	Railsback	Young, Alaska
	Roberts	

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Brown of Michigan against.

Mr. Teague for, with Mr. Kindness against.

Mr. Murphy of New York for, with Mr. McEwen against.

Mr. Cotter for, with Mr. Pursell against.

Mr. Ford of Michigan for, with Mr. Railsback against.

Mr. Howard for, with Mr. Sawyer against.

Mr. Rooney for, with Mr. Skubitz against.

Mr. Santini for, with Mr. Stockman against.

Mr. Moffett for, with Mr. Vander Jagt against.

Mr. John Burton for, with Mr. Wampler against.

Mr. Van Deerlin for, with Mr. Young of Alaska against.

Until further notice:

Mrs. Burke of California with Mr. Davis.

Mr. Clay with Mr. Anderson of California.

Mr. Foley with Mr. Gonzalez.

Mr. Patterson of California with Mr. Andrews of North Carolina.

Mr. Slack with Mr. Jenkins.

Mr. Brown of California with Mr. Long of Maryland.

Mr. Lundine with Mr. Markey.

Mr. Leggett with Mr. Roberts.

Mr. Charles Wilson of Texas with Mr. Jenrette.

Messrs. VOLKMER, LUKEN, and KRUEGER changed their vote from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MURTHA). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3477, with Mr. BEVILL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 1½ hours, and the gentleman from New York (Mr. CONABLE) will be recognized for 1½ hours.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, H.R. 3477, the Tax Reduction and simplification Act of 1977 is the first tax legislation of the new administration and the 95th Congress. It addresses two important issues before the Nation. The most important issue is the need for a balanced and effective economic stimulus to insure that economic growth in 1977 and 1978 will be sufficient to reduce unemployment without reigniting inflation. Second, the bill addresses the need to simplify our tax system so that taxpayers can easily and accurately fill out their tax returns.

The need for an economic stimulus is well known. Before acting on this part of the President's stimulus package, the Ways and Means Committee held extensive hearings on the need for such a tax reduction. The administration, representatives of business and labor, professional and academic economic forecasters all expressed concern at the "pause" in the rate of economic growth in 1976. In the 9 months ending in March 1976, the value of goods and services produced in the country, adjusted for inflation, grew at an annual rate of 8 percent. In the second quarter of 1976, however, the economy grew at an annual rate of 4.5 percent; in the third quarter this rate fell to 3.9 percent, and in the fourth quarter it fell to 2.4 percent. The Federal Reserve Board's measure of capacity utilization in the fourth quarter of 1976 was below that of the third quarter of 1976, also demonstrating the slowdown in economic activity.

There is great concern about the high level of unemployment from virtually every segment of the public. The unemployment rate averaged about 7.5 percent in 1976. By the close of 1976, more than

seven and a half million Americans were unable to find employment. The sluggish economy which has resulted in this high unemployment has particularly hurt the poor and disadvantaged.

As the economic statistics are beginning to be compiled for early 1977, the economic picture is not any brighter. The cold weather, the natural gas shortages in the Northeast, and the drought in the West will continue to depress the economy in the first quarter of this year. Forecasters are virtually unanimous that, unless we take action, the pause in growth at the end of 1976 and the cold weather early this year will keep the unemployment rate about 7 percent throughout 1977.

We have idle resources today—machines and people—that need to be put back to work. With a moderate economic stimulus, the economy should be able to reach a rate of economic growth that will permit a reduction in the unemployment rate. Also, as consumer spending grows and markets begin to firm, business investment will grow as well. Thus, investment will grow as business gains confidence that there will be a need for new capacity.

Frankly, I have been disappointed that investment has been so sluggish. Usually, at this point in an economic recovery, investment in new plant and equipment provides a major role in stimulating the economy to a rate of self-sustaining growth. Despite the enactment last year of a 10-percent investment tax credit through 1980 to encourage investment, investment is still well below its previous 1973 peak. It appears that business is deferring investment because it is unsure of the viability of future markets.

As a result of these factors, the Ways and Means Committee believes that economic stimulus is needed now to provide greater consumer demand, increase the production of goods and services, and reduce unemployment, to insure that economic growth proceeds more strongly in 1977 and 1978.

The second problem this bill addresses is the burden on taxpayers in filling out their individual income tax returns. Each spring we hear that the tax forms have become longer and more complicated. More than 50 percent of all taxpayers pay other people to get assistance in filling out their tax returns. In addition, there is growing evidence of a substantial error rate in the forms filed. The Internal Revenue Service has reported that significant numbers of tax returns filed early this year contained errors. The major sources of errors involved computing the standard deduction and computing the general tax credit.

Let me take this opportunity to tell the House Members that we are very much concerned about the complexity of our tax laws and we intend to devote a major effort later this year to an overall reexamination of our tax system to provide the restructuring needed to achieve a major simplification and more equitable treatment in our tax laws.

I want to point out that we have been able to make a major first effort toward simplification in this bill. This was achieved by revising and raising the standard deduction, and building it, as well as the general tax credit and the personal exemptions, directly into the tax tables. Thus, taxpayers will have fewer steps to go through to complete their tax returns. They will simply look up in the tax table the amount due rather than perform many calculations. This will be true for most taxpayers who itemize their deductions as well as almost all those who take the standard deduction.

Overall, the committee bill provides $12 billion of stimulus to individuals and $700 million to business in fiscal year 1977. For fiscal year 1978, the committee bill provides $13.5 billion of stimulus to individuals and $3.4 billion to business. The emphasis on providing a stimulus to individuals is based on the judgment by the committee that the short-run economic problem facing the Nation is inadequate consumer spending. Also, because unemployment remains so high, the committee believes it is appropriate to direct the stimulus for business to the hiring of additional employees.

The committee has also been concerned for some time about the long-run problem of capital formation in the economy. This bill is not intended to deal with the longer range capital formation problem but rather provides short-run measures designed to address our immediate economic problems. The Ways and Means Committee Task Force on Capital Formation which met regularly last year will issue its report very shortly. One proposal that has received extensive consideration is the elimination of the double tax on dividends by integrating the corporate and individual income taxes. I expect the committee will give legislative attention to this and other capital formation proposals later this year.

Let me now review the specific provisions of the bill.

There are five components to the tax stimulus package. Overall, we provide $12.7 billion of tax cuts and additional spending in this current fiscal year, and $17 billion in fiscal year 1978.

The first part of the tax cut is a one-time tax refund and special $50 payments. For most taxpayers, the tax refund is simply $50 times the number of taxpayer's personal exemptions. A family of four will receive $200. To target the cut to those individuals who are most likely to spend the refund when they receive it, we phase it out proportionately between $25,000 and $30,000 of adjusted gross income. Thus, a taxpayer with an income in excess of $30,000 would not receive any refund. This refund feature of the committee's bill amounts to $8.6 billion in fiscal year 1977, of which $7.3 billion offsets tax liability and $1.3 billion is refunds in excess of tax liability. Since this is a one-time program, the refund will have no impact in subsequent fiscal years.

The special payment feature of the bill is a one-time payment of $50 to each person who receives benefits from several income maintenance programs. This parallels what we did in the 1975 refund program. A significant improvement, however, is that this bill, to the extent possible, prohibits double payments to these beneficiaries who might otherwise also get a tax refund. The Social Security Administration, HEW, and Treasury are to coordinate their lists of persons so that double payments will not take place this time.

The administration proposed $50 payments to recipients of social security, SSI, and railroad retirement programs. In addition to these groups, the committee believes it essential that those with the greatest need also participate in the refund program. Thus, the bill extends the $50 per person payment to beneficiaries of AFDC, the black lung program, State supplemented SSI, and Veterans' Administration pension and disability programs. Also, the bill provides that the $50 payment be disregarded in the determination of eligibility or benefit levels under any programs based on need. These payments will amount overall to $1.5 million in fiscal year 1977.

The second part of the tax cut is an increase in the standard deduction. The refund and special payment features of the committee bill are designed to provide a quick stimulus this year. The committee also believes it essential to provide a permanent tax cut so that we can be sure that self-sustaining economic growth will take place. The committee bill changes the standard deduction to a flat $2,400 for single persons and $3,000 for married couples filing jointly. Under present law, the standard deduction ranges from $1,700 to $2,400 for single persons and from $2,100 to $2,800 for joint returns. These changes are to be reflected in reduced withholding beginning on May 1 of this year. This higher standard deduction provides a $1.8 billion tax cut in fiscal year 1977 and $6.8 billion in 1978. The full year, permanent revenue loss is approximately $5 billion.

The third part of the tax cut is a new jobs tax credit. The first three parts of the tax cut package are desgined to increase consumer spending and stimulate economic growth. This new jobs tax credit is designed to address directly the unemployment problem and provide an incentive for small and medium sized businesses to hire new employees. Essentially, an employer will get a credit equal to 40 percent of the excess of the first $4,200 of 1977 wages for each employee over 103 percent of the first $4,200 of 1976 wages. The credit may not exceed $40,000 per employer per year. Employment of additional handicapped persons entitles employers to an additional 10-percent credit without regard to the $40,000 limitation. The job credit is based on increases in wages over the base period, so that to benefit from the credit, employers will have to do more than simply maintain current employment levels. The credit is a 2-year program for 1977 and 1978 so that, to benefit from it, employers must begin hiring shortly. Finally, the credit has several limitations designed to prevent abuses.

The new jobs credit will cost $700 million in fiscal year 1977, and $2.4 billion in fiscal year 1978.

The fourth part of the tax cut package is the extension of the 1977 tax cuts through 1978. This will also strengthen the economy because we believe the extension of these cuts through 1978 is needed for our continued economic growth and providing this extension early in the year is necessary to enable consumers and businesses to plan their affairs through 1978 with some certainty about tax policy.

These tax cuts include the general tax credit, the earned income credit, and corporate rate reductions for small businesses. The general tax credit equals the greater of $35 per capita or 2 percent of the first $9,000 of taxable income. Extension of the general tax credit will reduce revenues by $6.8 billion in fiscal year 1978, and $3.9 billion in fiscal year 1979.

The earned income credit equals 10 percent of the first $4,000 of earned income, phased out as adjusted gross income rises from $4,000 to $8,000. It is limited to families with dependents and may exceed tax liability. The extension of the provision will reduce revenues by $1.3 billion in fiscal year 1979.

The corporate tax reduction has two parts: an increase in the surtax exemption from $25,000 to $50,000, and a reduction in the tax rate from 22 to 20 percent on the first $25,000 of corporate taxable income. Extension of this provision reduces revenues by $1.0 billion in fiscal year 1978 and $1.3 billion in fiscal year 1979.

Overall, the 1-year extension of these individual and business taxes will reduce taxes by $7.8 billion in fiscal year 1978.

The second major goal of the committee bill involves simplification of the filling out of the individual income tax return. This simplification is achieved by revising the standard deduction and the tax tables. Since the standard deduction is raised to a flat $2,400 for single persons and $3,000 for married couples filing jointly, the tax tables and rate schedules will have the standard deduction built into them. Thus, a typical taxpayer who does not itemize will simply look up his tax in tables based on adjusted gross income and the number of his exemptions. Because the standard deduction is built into the tables, taxpayers who itemize their deductions will deduct only the amount of their deductions in excess of $2,400 or $3,000, depending on whether they are single or married. Thus, the standard deduction is changed into a floor under itemized deductions.

This simplification reduces the number of steps a taxpayer who does not itemize his deductions must make to compute his taxes from eight to two. For a taxpayer who itemizes his deductions, the simplification reduces the number of steps from eight to six.

The increase in what is now the standard deduction will mean that it will no longer be worthwhile for over 5 million taxpayers to itemize deductions, reducing the number of taxpayers who itemize their deductions to 25 percent. Also about 95 percent of all taxpayers will be able to find their taxes from the tax table without having to make separate calculations.

This package of economic stimulus and simplification is the first step we are taking to regain our economic health and achieve a tax system that is easily complied with. Later this year, as I have already stated, I expect to take up the President's tax reform proposals that are now starting to be formulated to restructure our tax system.

Mr. Chairman, I urge the House to agree to the committee amendments and adopt H.R. 3477.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I will be happy to yield to my distinguished colleague on the committee, the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I would like to clear up something which occurred during the markup on H.R. 3477. As the chairman will recall, during the final committee consideration of the bill the gentleman from Pennsylvania (Mr. LEDERER) offered an amendment, subsequently adopted, which provided that a cap of $40,000 be placed on the amount of tax credits available to a single employer. I inquired at that time of the gentleman from Pennsylvania (Mr. LEDERER) whether he would object to adding language to his amendment which would simply require the Internal Revenue Service to review the operation of the new jobs tax credits, section 302. He did not object. I sought to have this provision added, because I wanted to avoid enacting tax legislation without some official, formalized, mandated followup to determine its effects, its costs and its repercussions.

While we can make revenue statistics estimates based on what we know now, it is easy for factors to change, and the effects of such a tax incentive might be quite different than what we wanted and what was expected.

In short, Mr. Chairman, I want to clarify the committee's intent on the question of a followup study. While the matter did not come to a vote, I heard no objection, and it appears that it was not formally resolved only because of problems during markup.

I have in mind, Mr. Chairman, an annual study done by the Internal Revenue Service and the Treasury, assessing the costs, the benefits and the related areas of the new jobs tax credit contained in the bill before us. Would the chairman agree that the Committee on Ways and Means intended that such a review be completed?

Mr. ULLMAN. I would agree with the gentleman. The gentleman did raise the issue. I fully concur and hope that such a study will be made. This is a rather exciting new concept in tax law. We think, although it is temporary and only on a 2-year basis, it is something we ought to study carefully. If we are going to extend it further in any fashion, we want to know what changes need to be made and whether or not it is a viable tax procedure. So, I fully agree with the gentleman and hope that a study can be made.

I fully agree with the gentleman, and I hope that study can be made.

Mr. VANIK. I want to say to the distinguished chairman that I think the tax credit provided here is the real incentive of this bill, because it is going to be given on the basis of jobs created. I certainly want to commend the chairman for bringing this very new and important feature into the bill.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. ULLMAN. Mr. Chairman, I yield myself 2 additional minutes.

The small business people are always trying to achieve some equity in the tax law. This could be one of the most exciting developments to benefit small businesses that we know about. I have heard from a lot of small business people already. I think it is a very viable concept and something we need to do.

Mr. VANIK. It is based on the incremental jobs, the new jobs created?

Mr. ULLMAN. Only on new jobs, something that can very significantly add to the welfare of the people.

Mr. VANIK. I thank the gentleman.

Mr. CONABLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 3477 is a flawed $30 billion measure which has scant chance of achieving its purported aims.

It contains a so-called quick stimulus tax rebate which is neither quick, stimulative, nor, in many instances, a rebate.

It makes tax reductions which increase the marriage penalty for many families, which are inequitably distributed among families with identical incomes, and which have a negative impact on charitable contributions.

It proposes simplifications which may further overburden the tax code with complexities and confound individual taxpayers.

And it provides a job tax credit which restricts benefits for those hiring large numbers of new employees.

The merits of this bill are so dubious, in fact, that one might reasonably ask why President Carter and Congress embarked on this $30 billion trip at all. The original reason was the alleged need for fiscal stimulus. But the political momentum of this proposal seems to have outrun its economic merits.

Recent cold weather caused both thermometers and economic indicators to plummet temporarily. But administration officials have voiced their confidence, which I share, that steady economic recovery will proceed as warm weather returns. It is hard to base any real need for this legislation on the serious but temporary hardships of the recent past imposed by the weather. Yet that is the closest to justification to be found as we survey the current economic scene as opposed to the statistics of yesteryear cited by my chairman.

H.R. 3477 offers little help to the economy. Its one-shot $50-a-head benefits will trickle out slowly, thereby nimbly avoiding success as either a sharp fiscal jolt to the economy or a permament tax

reduction that will fuel continued economic expansion. Econometric models tell us that its minimal job-creating impact works out to an absurd $30,000 per job per year. It will necessitate borrowing some $24 to $32 billion on an annual rate in terms of pressure on financial markets and interest rates.

There is a far better approach. It is my intention to support the proposal of my colleague Representative GRADISON, of Ohio, to provide a tax reduction for all taxpayers. This plan would cut tax rates in all brackets below $16,000 of taxable income for married taxpayers filing jointly, below $8,000 for singles and below $12,000 for heads of households. The Gradison proposal will be offered on a motion to recommit.

The Gradison proposal, which provides some benefit to all taxpayers, concentrates the bulk of its $11 billion impact on reducing the tax burden of inflation-pressed middle-income families so they can finance purchases of expensive durable items of the type likely to stimulate employment. In contrast, the $10 billion one-time benefit in H.R. 3477 would do little to encourage consumer commitment to long-term spending.

Aside from the questionable rationale of H.R. 3477, its specific provisions leave much to be desired.

Title I began as a rebate program, but that label no longer fits. Some 28 percent of the $50 a head benefits go to people who pay no taxes. At the same time, some 4.5 million taxpayers who provide close to 40 percent of personal income tax revenues are excluded from the benefits. This benefit structure looks more like a welfare program than a tax rebate.

Committee attempts both to spread the benefits and to curb double-dipping made the benefit scheme ludicrously difficult to administer. As a result, while millions will not get anything under title I, there will be many inevitable receiving double benefits because of multiple eligibility as taxpayers and as recipients of social security, AFDC, black lung, or veterans benefits. To reduce this threat to the credibility of the so-called rebate, the bill imposes administrative requirements which will stretch out the distribution of benefits.

Title II increases standard deductions for single and married taxpayers and replaces the present minimum and maximum standard deductions with a single standard deduction. But this $5 billion tax cut is inequitably distributed.

At every income level, people whose deductible expenses were high enough to warrant itemizing get no benefit from this change, while others with identical incomes and fewer deductibles will get the benefit of the higher standard deduction.

Even among those claiming the standard deduction, many will incur an increased marriage penalty because of the change. Those eligible for the minimum standard deduction under existing law, for example, will see their marriage penalty under the standard deduction increase from $1,300 to $1,800. President Carter has chosen a strange way to demonstrate his concern for the American family.

The increased standard deduction will reduce charitable contributions, possibly by hundreds of millions of dollars, by eliminating existing incentives for middle-income Americans who, because they now itemize, deduct their gifts to privately sponsored institutions and organizations valued by our society.

The simplification in the bill's title refers to the committee's adoption of the administration's recommended changes in the standard deduction on individual tax forms and accompanying changes in the definition of taxable income, a term of crucial importance at hundreds of points in the Internal Revenue Code.

The new simplified tax tables presented to Congress only 6 months ago have apparently doubled the error rate over last year on certain tax returns. Perhaps instead of rushing headlong into still further simplification, the administration should use the time still available before preparation of next year's tax forms to pilot test several alternatives to find out not what is simple to accountants, tax attorneys, and Government officials, but what is simple for ordinary taxpayers.

Title III directly addresses the unemployment issue, the only part of the bill to do so. By providing tax credits for a portion of wages paid to additional people hired during 1977 and 1978, it encourages job creation. But even here, full potential was sacrificed by a committee decision to exclude large employers from full benefit of this tax credit by limiting it in most instances to only the first 24 new job slots. In 1975, the 1,000 largest U.S. industrial corporations had about 19 percent of all civilian employment. Under title III, many of the jobs created by these large employers will not count for tax credits. We are in effect saying that jobs provided by large employers are less valuable than other jobs.

Cutting unemployment rates requires attacking structural causes of joblessness as well as cyclical causes. We need to go much further than title III's extra tax credit for hiring the handicapped if we are to counteract structural factors. I have introduced bills which would provide similar incentives for hiring youth apprentices and permanent part-time workers. I hope our haste to enact H.R. 3477 has not precluded future opportunities to explore other promising means of attacking underlying structural causes of unemployment.

Mr. Chairman, to say that H.R. 3477 fails to measure up on the merits is an understatement. It falls far short of its purported goals of economic stimulus and job creation, and it fails the tests of equity and simplicity.

I believe we could come much closer to achieving President Carter's aims if we adopted the Gradison proposal for a tax rate reduction in the first seven brackets. I intend to offer this proposal on the motion to recommit. I urge my colleagues to join me in supporting the motion and the Gradison proposal.

Mr. ULLMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, last Thursday, before a crowded Chamber with 44 representatives of the press in attendance, the House debated the recommendations of the Obey commission on matters of general congressional housekeeping.

Today, as we are about to act on a $43 million spending and giving bill, we are almost alone. It seems as though no one cares whether our action is either necessary or wise.

There is little dispute on the issue of extending the 1977 individual and corporate tax reduction through 1978 at a cost of $7.8 billion. It would be devastating to increase individual taxes and withholding rates on January 1, 1978. It would be equally as disturbing to terminate the surtax exemption for small business and the earned income credit. Realistically, these extensions should have been made to run to 1980—to bring them in tandem with the increase in the investment credit.

The big question hinges on the wisdom of the $10 billion rebate. How can we justify sprinkling $50 rebates over the countryside and in the cities? What will our citizens do with this stipend? Many will buy a CB radio. Others will buy a small appliance. Many will buy a better basket of food for one weekend. Some citizens will pay an old bill. A week or two after the distribution of the rebate, the American economic landscape will look pretty much the same.

However, the permanent debt of the Nation will be up another $10 billion and we may commit the country to pay interest on this borrowing—perhaps forever. The billions to be paid out in interest on this one items of borrowing are staggering.

Those seeking to borrow to create capital improvements and develop jobs or build houses will find there will be $10 billion less in the money markets for these essential purposes.

We could have considered economic stimulants which had no budgetary effect. Our committee never considered terminating all investment credits by the end of 1978. That would have indicated a Treasury saving of $10 billion annually after 1978. Those who have it in their power to make the decision to rebuild, modernize or expand would have had a real stimulant to act now.

From what I can determine, the business and industrial sector has a cornucopia of capital—plans are made—all that is eneded is a stimulant. Action can be prompted in two ways—by providing tax incentives at higher revenue loss—or by removing tax incentives if they are not used in this period of need.

Our committee heard from legions of economists. Very few—in fact, practically no one—came up with an exciting new idea.

Those designing the economic recovery

of America seem to be operating on tired blood. All they could think up was another application of the questionable "poultice" which was cooked up by Secretary Simon and Alan Greenspan in 1975. It is time for economic planning to move into the realism of the computer age. with scientific certainty we should be able to diagnose the economic illness. We know the size of the job force—we know the potential of the work force—we know what the private sector can absorb. We know the numbers of jobs we must have to reduce unemployment to an acceptable level and we know how long we must fill the gap between employable workers and the jobs we need. Why do we fail to face up to the problem?

Frankly, I have supported the administration's rebate proposal primarily because there was no viable alternative. I have a dim view of the proposal's real economic effect.

I am particularly concerned because I do not think that the administration's economic package addresses itself to what I regard as a severe and rather permanent unemployment problem. Instead, we have a bill that offers only a short-term solution for a long term problem.

The unemployment problem in America is not a transitory, temporary phenomenon. Even the figures that estimate current joblessness substantially understate the situation according to several of the witnesses that appeared before the Ways and Means Committee.

The latest Economic Report of the President expects that the civilian labor force will grow at about 2.5 percent in 1977, compared with a 2.3 percent average annual rate of growth for the last decade. The report notes that the upward trend in the rate of labor force participation by women should continue and the proportion of young persons in the working age population should increase.

Moreover, today's unemployment of 7½ million Americans does not consider the 3 to 4 million Americans working part-time but seeking full employment. By my estimates, almost 10 million Americans not currently listed as unemployed are potential workers who could quickly join the ranks of the unemployed.

The work force has grown with every spurt of inflation. As financial pressures increased, millions of people have moved from the kitchen and the school desk and other places to the job search. The civilian labor force increased sharply last year compared to 1974 and 1975—the increase was largely concentrated among women. For women aged 20 and over the participation rate rose from 46 percent in 1975 to 47 percent in 1976. more than offsetting a 0.4-percent decline in the participation rate among adult men. The teenage labor force participation rate increased somewhat, by 0.5 to 54.6 percent in 1976.

It seems to me that the present unemployment problem requires a more permanent and substantial program than the administration proposes. It does not appear that the rebate proposal will address itself to the long-term problem I have outlined. The Ford administration realized the limited effect of the rebate; in the President's Economic Report, one of the general policy principles is that any stimulative effect that a temporary tax rebate may have on consumer spending will diminish quickly. President Ford's report notes that part of the effect of such a "one-time windfall" may have been to merely shift some expenditures to the present that had been planned for a later time, with the result that spending would be correspondingly lower in subsequent periods. The report's conclusion is that—

> Such fluctuations in the movement of demand contribute to the uncertainty about fiscal policy and damage the prospects for steady growth. *Thus temporary tax rebates are not consistent with the objective of sustaining an economic expansion. While they may be useful in helping to bring about a reversal of generally declining demands during a recession they are not consistent with the maintenance of an expansion of demand that is already underway.* (Emphasis added.)

It is for this reason that I would prefer an expanded public jobs program. Such a program would create a million jobs for $10 billion of expenditure at about $10,000 per job.

The public employment programs would provide work for a large group of unemployed and would phase out as the private sector picked up steam. Employment priority could be given to those with dependents and since these workers would pay social security, employment security, and income taxes, the net cost would be $2,000 less per employee per year for a net of $8 billion per 1 million jobs. Three million jobs would, therefore, cost about $25 billion per year for 2 years. With this program there would be criticism of nonproductive public employment projects, but the trust funds, social security, and unemployment compensation would be strengthened while tremendous savings could be developed in the food stamp, SSI, and welfare programs.

This approach would not cost much more than what we would otherwise spend and it would provide a frontal attack on unemployment.

Generally, I question the wisdom of the $50 rebate. While I would like very much to be Santa Claus, I think that we have, unfortunately, locked ourselves into this position, and despite reason and rationale, we are going to borrow and spend more than $10 billion to sprinkle on the public. The stimulative effects are questionable. The inflation that may result could completely negate the stimulative effects in any event.

Like every American, I hope that our economy will move upward—whether or not the stimulus package has any effect. If this occurs, we will be spared from the agony of our folly—explaining a rebate to those who remain jobless—and explaining a huge Treasury borrowing which will reduce capital for housing, industrial modernization and essential public works.

Mr. CONABLE. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I listened with great interest to the earnest discourse of the gentleman from Ohio (Mr. VANIK). I urge the gentleman to act on his generous impulses by voting for the motion to recommit today.

Mr. Chairman, I now yield 10 minutes to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER. Mr. Chairman, when the administration made its position to the Committee on Ways and Means, while I had originally been sympathetic to what was being proposed in terms of some kind of economic stimulus, I came down on the side of saying that I thought the program was misdirected and illogical.

The problem that we have today in the House as we approach the decision as to how to vote on this particular bill is that the Committee on Ways and Means has taken a product that was not terribly good and made it even worse. That, I must say, makes it difficult for me, at least, to know quite how to handle the amendments that we are going to be presented with this afternoon as committee amendments.

Mr. Chairman, I will oppose title I and the committee amendments to title I. I will talk about that a little at the time we are given under the rule to debate that issue as to why I think title I has not been well handled by the Committee on Ways and Means.

Title II, of course, is the standard deduction issue. I have two problems with it. One, we have increased the marriage tax. Second, it does not, in my judgment, belong in this bill when we are making a very profound change in the tax law that affects a substantial number of individuals. This is a section of the bill that I think better belongs in the President's tax reform proposals to be taken up by the committee later on this year or early next year. What we are going to do when we get all through with title II is that not only do we deal with the marriage issue and the difference between married couples and single people, but we are also, I think we ought to understand, going to have a large number of taxpayers in that earning capacity of $10,000 or $20,000 whose taxes are not going to go down, as compared to those who use the standard deduction; that is, those who itemize get no tax relief under this provision at all.

Title III, Mr. Chairman, is that portion of the bill for which I find myself in the most difficult position. I did not like the President's concept of the 2-percent add-on for investment tax credit or the so-called credit for social security taxes as the best way to stimulate business growth.

I was sympathetic to what our chairman proposed in a tax credit for hiring. When we get to title III, that is the choice we have, to adopt the committee proposal, the so-called Ullman tax credit, or

to sustain the President's proposal of the investment tax credit and the social security credit.

I come down on the side, Mr. Chairman, of saying we should reject the committee proposal. I do so with some reluctance.

Thus, Mr. Chairman, let me spend the bulk of my time talking a little bit about what I perceive as the problems with the committee amendment. At the outset, the chairman is right. It is a creative approach. It is a new idea. It has not been tried. Therefore, one ought to look very carefully at what the Committee on Ways and Means has done. My problem is that the committee has not looked very carefully at what it has done. I must say in all honesty that I do not think that the committee in reporting to us this concept at all well understands, nor can they bring to us an understanding of exactly what the implications are in this proposal.

It is true that many in the small business community support the committee amendment; although, I must say, I found very interesting the National Federation of Independent Business Congressional Mandate Report that just came into the office yesterday. One of the questions that was asked in the January 1977 poll of literally thousands and thousands of small businesses across the United States was, "Do you favor or oppose the job creation tax credit?"

For nationwide, 30 percent.

Against nationwide, 64 percent.

Undecided, 6 percent.

So I do not believe that we can take fully the support that is given by some of the small business community for the committee amendment for the tax credit idea.

I think we will find as we begin to examine this more in detail, there are some real problems.

Let me talk about those problems. The Library of Congress Congressional Research Service did an exceedingly exhaustive study on the 4th of March that was presented to the Congress by Robert Tannenwald, the analyst on taxation and fiscal policy.

Let me quote a little bit from what the report says, and I regret that time does not allow us to go into all the detail it would be well for us to go into, but let me at least take up some of the issues with the Members as to why I think we ought not embark upon this at this time.

The report says:

Not all firms would have equal access to the tax benefits conferred by a job tax credit. If the credit were not refundable, such as the Ways and Means and Conable credits, firms with little tax liability would have some difficulty in utilizing it. If the credit were incremental, like the Ways and Means, Conable, and Bentsen credits, firms in declining industries would benefit relatively little from it. "Caps" in a given credit proposal might preclude a significantly large number of firms from enjoying its benefits. If all of these factors were to prevent a sufficiently large number of firms from earning job tax credits by expanding employment, one could not help but question the effectiveness of such credits in improving the overall performance of the economy.

Available statistical evidence suggests that these three factors could in fact dilute the effectiveness of a job tax credit in improving this performance.

Then, table 3 of the study indicates that of all corporations filing income tax returns in 1971—other than small business corporations, form 1120S—49 percent of those firms had no tax liability; 90.5 percent of such corporations had tax liabilities of less than $10,000. Those figures suggest that the limiting effects of nonrefundability clearly will be significant.

I will, when we get back in the House, ask unanimous consent at the appropriate time to include table 3 of the study, because I think it gives us a very clear picture as to what happens in terms of the tax liabilities of corporations which are going to be utilizing this kind of business tax credits approach.

TABLE 3.—CUMULATIVE DISTRIBUTIONS OF INCOME TAX LIABILITIES FOR CORPORATIONS[1] FILING INCOME TAX RETURNS IN 1971, FOR 9 INDUSTRIAL CLASSIFICATIONS

Industrial classifications	Income tax liability, percent of total returns			
	$0	Below $10,000	Below $25,000	Below $100,000
All industries	49.0	90.5	94.8	98.4
Agriculture, forestry, and fishary	53.3	94.2	97.8	99.3
Mining	61.2	86.6	91.8	97.0
Contract construction	50.9	91.1	95.3	98.8
Manufacturing	48.4	82.4	87.8	94.7
Transportation, communication, electric, gas, and sanitary services	53.1	90.6	94.5	97.8
Wholesale and retail trade	43.1	88.7	94.2	98.7
Finance, insurance, and real estate	47.3	92.1	95.9	98.5
Services	56.5	95.7	98.1	99.8

[1] Small business corporations, filing form 1120s, are excluded from these figures.

The study then goes on to say:

In testimony before the Senate Small Business Committee on the Carter fiscal stimulus package, Lawrence Woodworth, Assistant Secretary of the Treasury for Tax Policy, cited other empirical evidence that hints at the potential limitations of the Ways and Means Committee proposal as a fiscal stimulus tool. He contended that the incremental base to be used in the proposal would reduce or wipe out the potential job tax credit benefits of firms representing 30 percent of the American labor market. Such firms are expected to increase their employment by less than 3 percent annually in 1977 and 1978 under current tax law. The base of the Ways and Means credit proposal, however, would be 103% of FUTA wages paid in the previous year. Consequently, if such a firm increased its employment growth above its currently projected rate, part of the increase would be included in the base of the credit and therefore would not be rewarded. Mr. Woodworth based this estimate on employment figures for 1962/1963 and 1972/1973, periods which he alleged will prove to be similar to 1977/1978 in terms of their positions along the business cycle.

At this point also, when we get back into the House I will include, table 2.

If we agree with Dr. Woodworth—and frankly, I do not know whether I agree or disagree—if we use 1962–63 and 1972–73 periods as comparable to what we could anticipate in 1977–78, then we will find the following industries ranked first among employment by industry through these cycles: Legal services; miscellaneous services; miscellaneous repair services; miscellaneous business services; credit agencies other than banks, and on down the list. We find in the 10 lowest average ranking the following: Coal mining; oil and gas extraction; nonmetallic mining, except fuels; textile mills; leather and leather products; railroad transportation; pipeline transportation.

Apparently, the firms which would enjoy the largest windfalls would tend to be concentrated in services, construction, manufacturing of machinery, and finance.

Firms least likely to be in a position to receive such windfalls would be concentrated in mining, oil and gas extraction, transportation, and textiles.

The study goes on to say:

No matter how it were designed, a job tax credit would benefit some employers more than others.

First, whether a job tax credit were incremental or across-the-board, it would confer disproportionately large tax benefits to firms in labor-intensive industries. Table 2 ranks 25 American industry categories according to their labor-intensiveness, as measured by their total employment per $100,000 of gross investment in 1975. As the table indicates, the most labor-intensive industries in 1975 were apparel and textile production, construction, leather, furniture, services, and wholesale and retail establishments.

TABLE 2.—*Labor intensities of 26 industries, 1975. Number of employees per $100,000 of gross investment**

Industry:	
Apparel and textile production	19.00
Contract construction	14.00
Leather and leather products	13.53
Furniture and fixtures	12.53
Services	10.85
Wholesale and retail trade	9.57
Textiles	8.84
Fabricated metals	7.91
Printing and publishing	7.76
Rubber and plastics	6.84
Miscellaneous manufacturing	6.52
Instruments and related products	6.04
Electrical equipment and supplies	5.61
Food and kindred products	5.48
Lumber and wood products	5.36
Nonelectrical machinery	5.17
Stone, clay, and glass	4.15
Transportation equipment	4.01
Paper and allied products	3.70
Primary metals	3.30
Chemicals and allied products	2.44
Mining	2.40
Tobacco	2.17
Finance, insurance, and real estate	.98
Transportation, communications, electric, gas, and sanitary services	.95
Petroleum and coal products	.92

*Gross investment is measured in constant 1958 dollars. Sources: (1) gross investment figures—Conference Board. National Wealth of the United States by Major Sectors and Industries [1976], pp. 78–81. (2) Employment figures (to seasonally adjusted) U.S. Department of Commerce. Survey of Current Business, January, 1977, p. S–14.

An incremental job tax credit, such as the ones proposed by the House Ways and Means Committee, Representative Conable, and Senator Bentsen, would, other things being equal, favor firms in industries which are expanding in general, or which tend to grow

rapidly during periods of recovery (such as the years 1977 and 1978 are projected to be). An incremental credit would provide such firms with especially large windfalls, in that they would be expanding employment even if such a credit were not enacted.

As was pointed out above, Assistant Secretary of the Treasury for Tax Policy Lawrence Woodworth testified before the Senate Committee on Small Business that the years 1962/1963 and 1972/1973 will correspond to 1977/1978 in their positions along the business cycle. When one analyzes percentage changes in employment by industry during those two historical periods, one finds that the following industries rank among the top 20 according to this statistic for both periods:

Legal services.
Miscellaneous services.
Miscellaneous repair services.
Miscellaneous business services.
Credit agencies other than banks.
Transportation equipment.
Rubber and plastics.
Medical and other health services.
Banking.
Trucking and warehousing.
Instruments and related products.
Machinery, except electrical.
Fabricated metals.
General building contractors.
Furniture and accessories.
Air transportation.
Eating and drinking establishments.
Other financial insurance and real estate.
Stone, clay, and glass.
Primary metals.
Special trades contractors.

The following are the industries with the 10 lowest average rankings for the two periods:

Coal mining.
Oil and gas extraction.
Nonmetallic mining, except fuels.
Textile mills.
Leather and leather products.
Railroad transportation.
Pipeline transportation.

Water transportation.
Apparel and accessory stores.
Security commodity brokers and services.[1]

Apparently, firms which would enjoy the largest windfalls from an incremental credit would tend to be concentrated in services, construction, manufacturing of machinery, and finance. Firms least likely to be in a position to receive such windfalls would be concentrated in mining and oil and gas extraction, transportation, and textiles.

These, then, Mr. Chairman, are but two of what I think are a number of issues that legitimately the House should consider in examining this proposal. I will, at the proper time, as I have indicated, supply some of this material in the RECORD so that all of the Members of the House will have an opportunity to review it. My basic point and the basic decision we are going to make in adopting or not adopting the committee amendment is whether or not we have fully understood or recognized the implications of our decision.

My own judgment is that we have not. It would be a mistake to adopt the jobs tax credit approach without further analysis or study.

I have, Mr. Chairman, thus concluded the permanent tax cut proposed in the motion to recommit is the appropriate stimulus approach and I shall support it.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas (Mr. TUCKER), a member of the committee.

Mr. TUCKER. Mr. Chairman, I would like to note specifically the final comments of my colleague, the gentleman from Wisconsin (Mr. STEIGER), who just spoke, and particularly with regard to the question of whether we recognize truly the implications of the bill on which we are about to act.

I think, in answer to that, that in a trillion dollar economy it is indeed very, very difficult to guess what the precise results of any particular action will be on the economy whether that action is in the form of tax rebates, public works, public service jobs, or permanent tax cuts.

Ours is an extraordinarily complex and difficult economy. It is beyond the management of any one individual or any one committee or subcommittee. Perhaps, in a real sense, it is far beyond the control and fine tuning of the Congress as a whole.

Nonetheless, we find ourselves in March 1977, with an extraordinarily high unemployment rate. We find ourselves coming out of one of the most severe winters in our Nation's history. Our people are hurting. They need jobs. They need income to provide themselves with a method to heat their homes and purchase their food.

We have a new President in the White House. He has asked us, as a part of an economic package, to pass a tax bill which will pump a large amount of money back into the economy for immediate spending and also provide certain incentives to stimulate the business segment of our economy.

I think we have to give to the President what he has asked for the economy and what we in our limited wisdom can do.

I have to say, particularly to my colleagues who entered this Congress with me, that the administration's witnesses who came before the Committee on Ways and Means were extremely candid in what they had to say. They did not pretend to be able to predict that this action with regard to the rebate or the other parts of the package would produce "X" result or "Y" result.

The committee reviewed the effects of the previous rebates, heard all of the data which was available, the testimony of the many witnesses who appeared before us, and we did not conclude that this package is the right thing to do, or that this is the best thing to do. What we did conclude, given all of our limitations, given the amount of information available to us, given the fact that we are in session now going on 3 months, is that if we are going to act, this is the best our collective wisdom could produce.

I support that. I expressed in great detail in my home district my reservations about this rebate. I have philosophical reservations about it. I have a great concern about what the effect will be in September if this rebate does not work. Our options are certainly going to be limited at that time. That is one of the reasons I voted both in committee, and on the floor a few moments ago, for an open rule on this bill. We do not have an open rule. But we do have a rebate provision proposed by the Committee on Ways and Means which is far better than the original proposal. The committee phased out the rebate for those persons earning between $25,000 and $30,000, so that those earning in excess of $30,000 do not receive any rebate. The purpose of the phase out was to funnel the money back into the areas of the economy where it would be spent most quickly and where it would be available to provide basic human services for those who need it the most.

I believe that is a dramatic improvement.

Mr. Chairman, we also took another action on the administration package that is, I think, a great improvement. That is in the area of reduction of business taxes through a new jobs credit tax proposal. I think this is a well worthwhile experiment and something that should be tried. The cost of this proposal is relatively small, yet it represents an effort by the Congress to do something for the small businesses of this Nation. It is a good proposal. It may or may not work, but it is well worth a try. I want to direct my colleagues' attention to two aspects of this amendment that should be remembered. First, it has a 3-year carryback provision and a 7-year carryforward provision. Thus, small businesses which are in the most difficult of times this year, and who would otherwise be unable to realize a benefit from the tax credit proposal, will be able to carry this credit back to previous years when business was better and we were not in this recession; or the small business may carry it forward to future years when the economy and their profits may improve. That is a very important aspect of the tax credit proposal, one which should provide some immediate incentive for new hiring and one which I think makes it a far more workable and effective provision.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. TUCKER) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 3 additional minutes to the gentleman from Arkansas (Mr. TUCKER).

Mr. TUCKER. Second, Mr. Chairman, I think that the tax credit amendment is particularly attractive when compared with the administration's proposal for an additional 2-percent investment tax credit. That increase in the invesment credit would have given a windfall to all those businesses which already had investments planned this year but a credit at a rate of only 2 percent would have provided very little additional incentive for truly new investment.

Finally, it is important to remember that this tax bill is not proposed in a vacuum. This bill is merely part of a larger package proposed by the administration. That package includes public service jobs, public works jobs, and a

[1] Source: U.S. Department of Labor. Wages and Earnings, United States, 1975. [Washington] 1976.

wide variety of stimulative proposals which taken together, whatever reservations we may have about individual aspects of the proposal, are the very least that we can do to get our economy and our free enterprise system working at full strength again. This bill is offered merely as one step on the return to the strong economy which this Nation should have.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

I was interested in the gentleman's remarks when he stated that the Committee on Ways and Means in its collective wisdom did not have much evidence that the tax rebate would do very much to create jobs, stimulate investment, and do the normal things that we are trying to do in an economic stimulus package.

Did the gentleman in fact have any hard evidence that a tax rebate such as those we have had in previous instances, for example, $100, did anything to the economy in the way of creating new jobs or providing housing? Did the committee take any testimony on that?

Mr. TUCKER. Yes; we took a great deal of testimony on that subject.

Mr. ROUSSELOT. What was the gentleman's conclusion on that issue?

Mr. TUCKER. Mr. Chairman, my assessment of the witnesses' testimony was that the results of previous rebates were mixed. Again, dealing with the highly complex economy we have today and considering it in the context of the tax rebate we had at the beginning of the Vietnam war and in the context of another rebate we had in the middle of the Arab oil embargo and considering its immediate aftereffects, we found it very difficult, as did the economists, to judge whether certain rises and falls in the economy had resulted from one action or from another action.

There was one study presented by Dr. Schultze, an economist at the University of Michigan, that was particularly optimistic about the effects of a rebate.

I would say that the testimony we heard was generally mixed. It leaned on the favorable side, ultimately; but it was mixed.

Mr. ROUSSELOT. So there was really no hard evidence that the $50 rebate is going to do very much for the economy except for the individual who gets it?

Mr. TUCKER. I would say to my colleague that if all we were doing was giving a $50 rebate today, it would be a dramatic mistake, but that is not all we are doing.

Mr. ROUSSELOT. Did the gentleman say it would be a dramatic mistake?

Mr. TUCKER. It would be a mistake if that indeed were all we were doing; but that is not all we are doing. The fact that this bill is merely a small portion of a much larger package is very important.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's reply. It is a straightforward report concerning the tax rebate portion. It does very little.

Mr. CONABLE. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Minnesota (Mr. FRENZEL).

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, as we near a vote on the so-called economic stimulus package, we must take time to look at the Nation's economic indicator statistics to determine the validity of this approach.

Productivity in the private sector rose at an annual rate of only 0.5 percent in the fourth quarter, a marked slowdown. Although M_1 fell slightly in late February, the $313.7 billion level is significantly higher than money supply level of $297.5 billion 1 year ago.

The 33 percent gain in the authorized capital appropriations in the fourth quarter of 1976 is a misleading figure. McGraw-Hill's chief economist attributes this increase in proposed outlays to modernization purposes, not capacity expansion. He cites the need for more investment incentives right now if new plants—and jobs—will be on stream in 1980. Yet the committee chose to knock out all investment incentives from the bill, even the meager 2 percent the administration proposed.

At the same time, the St. Louis Federal Reserve Bank has documented the supercautious nature of these capital spending plans. Comparing the figures last reported to the Commerce Department with actual numbers on new plant and equipment shows that actual capital spending fell short of projections during the first six quarters of the current recovery. Since actual spending usually runs ahead of planned spending during recoveries, this caution is unique. Moreover, the St. Louis Fed attributes this hesitancy entirely to uncertainty over Government fiscal policy. Charles Schultze attested to this fact just last week when he informed the House Budget Committee that sending the "wrong signals" to the business community would increase business skepticism as to the future for capital formation assistance and would, in effect, "kiss good-bye" the goals of lower unemployment, less inflation and a balanced budget. In my view, this bill is a tocsin alerting the private sector to a severe antiinvestment congressional policy.

Mr. Chairman, while I agree with the administration's assessment of this bill's impact on the business community, I totally disagree with its premise that inflation fears are unfounded. As I stated in my minority views, the rebate plan contained in this bill is equally destructive of our cautious economic upturn. Financing these rebates with a $10 billion increase in deficit spending creates fearsome expectations in financial markets of higher interest rates—which will effectively cut off the reported growth in private spending. The market now expects—in light of this bill's spending levels—a 5.5 percent interest rate on 90-day Treasury bills in June, 6.12 percent in September, 6.67 percent in December, and an implied rate for June 1978 bills of 7.48 percent. The passage of this bill will only confirm those expectations.

I continue to hold serious reservations over the jobs tax credit provision in H.R. 3477. My reasons are twofold: First, I find it inconceivable that any enterprising businessman would take on additional personnel just to receive a one-time, partial wage subsidy from the Government. What this credit actually represents is a tax break for businesses which would be expanding anyway in 1977.

More importantly, I am concerned about the misperception of our economic ills on which the jobs tax credit rests. As previously stated, real economic recovery hinges on increased capital spending—which this bill thumbs its nose at. Investment tax incentives and capital formation are the keys to meaningful, long-term recovery. Commercial and industrial loans have already jumped at an unprecedented rate—20.4 percent annually since January. The lack of true business sector stimulus will force more businesses into the borrowing market, in direct competition with the Federal Government.

In short, this bill spells economic disaster—and I urge my colleagues to vote accordingly.

Mr. FRENZEL. Mr. Chairman, I stand in opposition to the tax stimulus package which we now have before us because I do not believe these proposals are justifiable even if some sort of stimulus were now necessary.

Further, I do not believe that a stimulus, paid with borrowed money, is necessary at this time.

The previous speaker, Mr. Chairman, talked about the administration's proposals, and I think it is fair to note that if we would vote against the committee amendments, we would come much closer to the administration's proposals than we would if we vote for the committee amendments.

Also, if we vote for the Conable motion to recommit, we would bring the bill back much more closely to the condition in which it was submitted to us by the President.

Let us make no mistake, this is no longer a Presidential or an administration proposal. It is a congressional proposal. No President in his right mind would produce something as ineffective as what we have before us.

Mr. Chairman, the index of leading economic indicators, which are considered a key measure of future economic activity, rose steadily in the last quarter of 1976. Although the overall index dropped in January due primarily to the cold weather and the gas shortages, new orders for plants and equipment and net business formation actually increased.

Furthermore, though the unemployment rate rose slightly in January, mainly because of the cold weather layoffs, other employment continued to rise, with nonagricultural employment increasing by nearly a quarter million. Therefore, our decision has become as

much a question of whether or not there is really a need for fiscal stimulus at this time, as of what kind of fiscal stimulus is needed.

The administration seems to think a stimulus is needed, and the majority is apparently willing to go along with that assumption. The original reason was that the stimulus was needed because of last summer's pause in economic growth, but the overall pickup in activity since October has destroyed that rationale.

Further, experience has shown us that efforts to stimulate the economy by emergency Federal spending or by quick fixed rebates are not always successful. I seriously doubt that throwing an additional $17.5 billion into the economy this year or $30 billion over the 2-year period will do much to spur consumer demands, stimulate production, or increase employment.

Mr. Chairman, I know for sure it will not increase public confidence, any more than would, as one of our distinguished colleagues has suggested, dumping $50 bills out of an airplane speeding across the United States.

In fact, Mr. Chairman, I believe that such a proposal will probably not only be poorly timed and unnecessary, but it will be potentially detrimental to a sustained noninflationary economic growth.

Mr. Chairman, the real solution to our current sluggish economic growth lies not in a one-shot rebate or an untested experimental employment tax credit or increased Federal spending, but, rather, in increased investment in plant and equipment and restoration of consumer and business confidence and in programs specifically designed to combat structural unemployment. As Federal Reserve Board Chairman Arthur Burns cautioned last week—

> Efforts at fiscal stimulus don't seem promising ... [and] could prove inimical to real progress.

Even if some sort of stimulus was necessary at this time, the proposals contained in H.R. 3477 offer a very ineffective and costly alternative. At best, handing out $50 checks to everyone with incomes less than $30,000, including those with no income, will have a minimal effect on the economy. Although the rebate has been a politically pleasing idea in the past, it has received only muted support now in Congress, as was demonstrated by the presentation of the distinguished gentleman from Ohio (Mr. VANIK), and very minimal public support. I have been hard-pressed to find anybody in my district in Minnesota who supports a one-shot $50 tax reduction.

Mr. Chairman, the rebate is costly, and it is a questionable way in which to stimulate economic activity. In the long run, it may actually increase the financial burden on American taxpayers through higher interest rates, lack of available capital or credit, and increased taxes to pay for a greater Federal budget deficit and the interest on that deficit.

Mr. Chairman, since the Federal Government has to go to the printing press to pay the $50 rebate, there is not going to be any net increase in consumer purchasing power. Further, the excessive Federal borrowing required to pay for these $50 freebies will occur just when businessmen and consumers are also looking for capital resources and credit for investment and purchases.

A better approach than the one-shot rebate is a permanent individual income tax reduction, as proposed by our distinguished colleague, the gentleman from Ohio (Mr. GRADISON). Permanent tax cuts are always a good economic stimulus. Such an approach would provide fairer treatment for those people in the middle-income levels who have felt the bite of inflation as they have pushed into higher income brackets and had to pay higher income tax rates. It also offers a greater boost to consumer confidence and increased incentive to purchase durable capital goods and a more effective stimulus to increase production and economic growth.

Mr. Chairman, it is my understanding that the gentleman from New York (Mr. CONABLE) will offer this amendment as a part of his motion to recommit. I plan to support the motion, and I encourage all of my colleagues to do the same.

Title II of the bill proposes to increase the standard deduction to $2,400 for single taxpayers and to $3,000 for taxpayers filing joint returns. This has already been thoroughly discussed here. Suffice it to say at this time that it will increase the marriage tax by $400, discriminate against those who itemize their deductions, and have a generally adverse impact on charitable contributions and on the charities who rely on those contributions.

It has also been suggested, and I repeat, that the changes which are made in the definition of taxable income will certainly complicate rather than simplify our present tax system.

The Committee on Ways and Means' substitution of an employment tax credit for President Carter's proposal to increase the investment tax credit and grant a social security tax credit has been strongly criticized by most economists, many businessmen, and by a lot of Members of Congress on this floor. It is a poor alternative to stimulating employment. Although that tax credit is a well-intentioned proposal, it is one which needs extensive study and refinement.

At the beginning of the year when the gentleman from New York (Mr. CONABLE) first introduced a bill of this kind, I willingly joined him on it, for I thought it was an innovative way to try to create more jobs. However, the discussion and testimony before our committee revealed that we are in no way ready to produce such a system.

The Department of the Treasury, which would have to write regulations, is nowhere near ready to write such regulations. How long will it take them? Three months? Six months? A year? Or never, like their regulations for ERISA.

When they produce those regulations, who is going to be able to use them? The large companies who might have the capability to understand the regulations and work with the redtape have a limit put upon them. The smaller companies who would not be affected by the limit probably would not be given much incentive to fight their way through the regulations.

So the beneficiaries of this credit are going to be only those who would hire new people anyway. They will then take advantage of the tax credit, not as a stimulus to create jobs, but simply as a prize for having hired people they were going to hire anyway.

We have also had pointed out to us on numerous occasions, Mr. Chairman, the fact that noncorporate taxpayers can actually reap greater rewards than the amount of new salaries they pay for jobs that are created through this so-called stimulus. A corporate taxpayer, indeed, could not recoup 88 percent of new wages under this particular change in the law, and it seems to me to be highly discriminatory at very best.

I think title III is not a favorable substitution for the suggestion of the Carter administration for an increase in investment tax credits and certainly will do little to produce quick jobs. In fact, there is some doubt as to whether it will produce any jobs at all. The real key to sustained economic growth and a steady increase in employment, which is necessary to accommodate our rapidly growing labor force, is increased investment in plants and equipment, the creation of permanent jobs in the private sector, and the restoration of confidence.

However, today we are considering a bill to provide immediate economic stimulus, throwing $50 bills to all of the people who earn less than $50, throwing two $50 bills to them if they are in particularly distressful circumstances.

So intead of incentives, we have simply a willy-nilly distribution of $50 bills hot off the printing press, for which we will all pay many times in the future.

We should have learned by now that increasing the budget deficit by throwing these dollars into unjustified and untested quick-fix programs as this bill proposes will only tend to set back our current economic progress and will probably prove detrimental to sustained, noninflationary economic growth.

H.R. 3477 proposes the wrong kind of stimulus at the wrong time. If we decide eventually that some sort of stimulus is necessary—which I think is not at this time—I urge my colleagues to support other kinds of programs which are more likely to create jobs. At this time, Mr. Chairman, I suggest that we should defeat most of the committee amendments, we should pas the motion to recommit, to provide the Gradison permanent tax cut rather than the one-shot "gee whiz" $50 rebate. Then we will have a bill that comes much closer to being rational, responsible, and effective. It will also give us a bill closer to the one proposed by the President.

Mr. Chairman, I yield back the remainder of my time.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Chairman, as we have heard some of the criticism of this bill, it seems to me that the biggest flaw in those criticisms has been that they have presumed that the only alternative is to leave things the way they are. It is true that any piece of this economic stimulus package can be criticized. None of it is foolproof. None of it is failproof. Many parts of it have been tried before with mixed results; but the alternative, it seems to me, is not to do anything.

First of all, if one examines the amendments which we will be voting on some time this afternoon, we realize that if any of those amendments are voted down, such as the job credit amendment, we will have instead the original proposal, namely to increase the investment tax credit by 2 percent and provide a 4 percent of social security tax credit.

I would ask my distinguished colleague from Minnesota and my distinguished colleague from New York, what good do they think those proposals are going to do? What kind of rewards are going to be offered to employers under those proposals?

We all recall the last experiment with investment tax credits, when the major beneficiary of the rather extensive investment tax credit was A.T. & T., which reaped a benefit of some $600 million or $700 million in tax benefits for doing what they were going to do anyway. It might be a good idea to give A.T. & T. that kind of tax relief; but it did not do much to stimulate employment.

What I would suggest is that it is very hard to look at these ideas in a vacuum. Moveover, it is politically hard to presume, as I think some of the critics of this bill are presuming, that the mood of the American people and, indeed, the mood of Congress is prepared to do nothing.

Certainly, there has been criticism of the $50 rebate by those who have been critical of this bill; but I question whether the mood of the American electorate or the mood of Congress is to sit back and wait for things to get better and hope that somehow these large digit unemployment figures will evaporate with the passage of time and with the passage of the cold weather.

Mr. Chairman, let me speak a moment, if I may, on the employer tax credit. The largest piece of criticism is that it is a new idea, that we do not know for sure whether it is going to work. It is true we do not know whether it is going to work or not, whereas with some of the other ideas we are pretty certain they will not work. It is hardly a reason not to try something new because it has not had the benefit of a track record of experience.

I would remind some of the critics of this proposal that there are as many Republican sponsors of job credits for employers as there are Democrats, both in the House and in the Senate. It has been one of those ideas that has crossed the barriers of ideology as well as party labels. I do not think we ought delay it further. If it does not work, as indeed, it may not, it is not as likely to have a large revenue impact, as will some of the other ideas if they do not work, because it is an incremental proposal.

Finally, Mr. Chairman, I would remind all of us that that part of the bill that seems to suffer the most criticism, the $50 rebate, is, in fact, giving the taxpayers' money back to the taxpayers. If it is a bad idea, then it seems to me the opponents ought not urge us to do it on a permanent basis, which I understand the gentleman's motion to recommit in effect would do; I do not think it is a bad idea; it seems to me that the efforts of the Committee on Ways and Means have been to try to work out a reasonable, rational plan, not perfect, there is no such thing; but at least an effort to try to provide some portion of rebate to most of the taxpayers in this country. That it does not meet those needs perfectly is simply an indication that the bill was, in fact, drafted by mortals, rather than a computer. I still think that overall in the context of considering what we should do about the economy that the proposal that has come out of the Committee on Ways and Means has about as much balance as we can expect; that there is a likelihood of performing some of the purposes that we hope and that in any event the worst that will happen is that most of that $15 billion is going to go back to the taxpayers that provided it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois.

Mr. MIKVA. The biggest criticism that can be made, it seems to me, is that we do not have much stimulus to have much effect on a $1 trillion 500 billion economy. I have those same doubts, but I doubt that anybody in the Chamber—and certainly none of its critics—is prepared to offer $100 billion of stimulus or $150 billion of stimulus, which may be the amount of prodding the economy needs to make sure that it is going to move forward.

Since no one offers that as an alternative, it seems to me that $15 billion of taxpayers' money going back to taxpayers is pretty good.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from New York.

Mr. CONABLE. I would like to explore with the gentleman from Illinois, whose opinions I respect, this job credit before the House in this bill. As he knows, there is some support for the idea of a job credit. As he correctly points out, the alternative that is available under the procedures that we have adopted are either the committee's job credit or the President's alternative proposal relative to Social Security employment taxes, and the 2 additional percentage points on the investment tax credit. I am inclined to agree with the gentleman that the additional 2 percentage points on investment tax credit does not add a great deal of incentive for capital investment, but would be marginal at best.

I also am willing to acknowledge that there is some possibility the incremental employment credit may have a marginal impact on future employment. However, I think there are quite a few criticisms that can be levied at this proposal as it has emerged, and the fact that the committee, on presenting us with nothing by way of alternatives but the two questionable proposals, does not mean that we should wax enthusiastic for one of them if it appears that the money may be largely wasted.

Will the gentleman agree with me on that?

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. ULLMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois.

Mr. MIKVA. Let me say that I agree with everything the gentleman from New York said, up to the last couple of sentences; because for all of this and all of that, I still think that since the idea has an intrinsic appeal, since it looks like it is worth trying, that this is a good first effort at a jobs credit. As the gentleman knows, I personally favored an approach that more resembled something the gentleman from New York originally suggested, but this is a beginning of the idea, and I think we ought to try it.

Mr. CONABLE. If the gentleman will yield further, I wonder if I could have the assurance of the Chairman that the job credit proposal will have his support for some further modification? As has been pointed out by the gentleman from Minnesota, there is an area of potential abuse where, for instance, the credit plus the deduction might amount to more than the total cost of the new employment, if there is an individual employer involved rather than a corporation. I can see arguments in favor of creating jobs in private industry as the alternative for public service employment, for instance, but I think the potential for abuse in this new job credit is going to require some further work in drafting.

It is my understanding that the Senate might quite possibly wish to consider this in some different light, and I want to be sure we do not get locked into this proposal when we go to conference.

Mr. ULLMAN. If the gentleman will yield, I will say that as I indicated first to the gentleman from Ohio, I hope that we will be making a study of this proposal as it goes along. This is only a 2-year proposal.

The gentleman has raised one issue which I think can be readily resolved; that is, through a combination of factors a taxpayer can get a combined credit and deduction that exceed 100 percent of wages paid to new workers. That can be readily corrected, and I am certainly recommending attempts to do that on the other side.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. CONABLE. Mr. Chairman, I yield two additional minutes to the gentleman from Illinois so that he can engage in a short colloquy with the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Minnesota.

Mr. FRENZEL. In case the gentleman based his vote for the closed rule on the supposition that I might offer the amendment for the $100 billion stimulus, I want to relieve his mind. I do not intend to do that.

Mr. MIKVA. I am much relieved.

Mr. FRENZEL. Earlier on, the gentleman was talking about the investment tax credit as being a poor way to operate because it helped A. T. & T., and this program is a good one because it helps the little employer.

The first question to the gentleman would be: Is it a bad thing for A.T. & T. to increase employment and help solve the question of unemployment?

Mr. MIKVA. No.

Mr. FRENZEL. And the second question would be: I understand that this employment tax credit only applies to employers of about one-third of the labor force of the United States and, therefore, we are absolutely throwing out two-thirds of the market for job increases.

I want to ask the gentleman if he thinks that makes a lot of sense?

Mr. MIKVA. Let me say, first of all, of course it is a good idea for A.T. & T. to employ more people. The problem of the investment tax credit, judging from the studies which have been made of it subsequent to its increase, is that it did not increase areas of employment, not at A.T. & T. In producing labor saving machinery and equipment, it cost jobs. In terms of job stimulus, the investment tax credit is not a very good idea. As far as which employers will be benefited from this proposal—I assume the gentleman is referring to the cap of $40,000—it will technically apply to every employer, large and small. But obviously United States Steel is not going to do much dancing for $40,000 of tax credit. I agree with the gentleman from Minnesota (Mr. FRENZEL) that United States Steel would probably not be inclined to increase its employment back to prerecession days, for example, no matter how large a tax credit we gave them. Those are the areas in which the demand cycle is going to make a difference.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. GRADISON).

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. GRADISON. I yield to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, one of the more disturbing aspects of the legislation we are now considering is that it does little, if anything, to aid the farmer. Of course he might be eligible to receive the so-called $50 tax rebate. But this one-shot sum of money will hardly allow him to begin making the type of capital commitment so necessary to continue productive and profitable operations.

The American farmer might be able to take advantage of the tax credit for hiring additional employees if his farm is large enough. But many farms are too small to justify having an additional person on the payroll. We all should know, by now, that the small family farmer is an endangered species. Yet, he is once again being ignored.

Permanent across-the-board tax reductions would provide some measure of relief to the American farmer. So would tax credits for the purchase of new machinery and equipment necessary to maintain and increase production. If it is so necessary to stimulate the economy, then I would ask why this vital element in our Nation's economic structure is being ignored. The answer appears to be that too few of the Members of this body truly care about the American farmer.

Mr. GRADISON. Mr. Chairman, the Committee on Ways and Means today brings us a so-called rebate plan which is really not a tax rebate and indeed not a tax reduction. As near as I can see, it is a plan to pay out $50 to almost everyone listed on Government computer tapes except those who earn more than $25,000 a year.

Around Washington, the opinions that I hear about this plan to sprinkle $50 bills around the country range from, "It won't do much harm," to "It won't do much good."

Outside of Washington, at least in my own district, I hear people describe this as a foolish plan. I think the people are right. Obviously, we want to strengthen the economy. Obviously, we want to reduce unemployment. Obviously, we are going to commit $10 billion or $11 billion today to this program. But since we are, why not use it in the best possible way to help the economy and to cut unemployment?

To coin an expression, "Why not the best?" Why not do what is best for the economy?

What do I propose? I am going to support the motion to recommit with instructions, because it provides a permanent reduction in taxes, with the benefit concentrated on the working people of this Nation.

Specifically, it would reduce the rates of tax for married taxpayers with $16,000 or less in taxable income, single taxpayers with $8,000 or less, and heads of households with $12,000 or less. The maximum for any single taxpayer would be $125 a year. The maximum benefit for all others, for married taxpayers and for heads of households, would be $250 a year.

Two-thirds of the tax cut proposed on this motion to recommit would go to taxpayers with adjusted gross incomes of $20,000 and less. Ninety percent would go to those with adjusted gross incomes below $30,000.

This permanent tax cut, in my opinion, would be more effective than the committee bill in achieving the President's stated goal because it would provide for a sustained increase in income growth rather than a so-called one-shot stimulus.

Those who support the so-called rebate argue that it will provide a quick stimulus to the economy, but this was not borne out by the testimony before our own committee. Specifically, we were advised by administration witnesses, including Dr. Schultze, the Chairman of the Council of Economic Advisers, that the effects of the rebate would be felt over a period of three or four calendar quarters, and indeed the testimony we had was that the effects of the earlier rebate which was put into effect in the spring of 1975 were also spread over three or four calendar quarters.

What this means is that for a family of four with an income under $25,000 a year, they would get a rebate of around $200 this year; next year they would get none, nothing at all.

So as a practical matter, what we are legislating, if we adopt the recommendations of the committee and the recommendations of the President, is a decline in spendable income of the taxpayers in this country next year. That is hardly something that is going to sustain an economic recovery, which is what we all want so much.

In my judgment, Mr. Chairman, in order to understand what we are talking about we must understand the effects of inflation first on the economy and then on individuals within the economy. As I see it, without much question, inflation is the prime cause of the present unemployment problem which we have. Many will say, "Well, inflation has slowed down." Yes, it has, but the rate is hardly acceptable. Taking into account the expectation for inflation for this year and the actual results last year, we are talking about 12-percent inflation over a 2-year period. That is on top of the runaway inflation at a rate in excess of 12 percent in just 1 year, which occurred back in 1974.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. GRADISON) has expired.

Mr. CONABLE. Mr. Chairman, I yield 3 additional minutes to the gentleman from Ohio (Mr. GRADISON).

Mr. GRADISON. Mr. Chairman, what this means to the average working taxpayer is that in 1976 tax increases which were inflation induced—that is the effect of bringing people into higher brackets merely as a result of inflation—totaled over $5 billion. Based on the administration's own estimates this year, there will be another $4½ billion, so we have almost $10 billion in increased revenue flowing to the Treasury merely as a result of the effect of inflation on the taxpayers of this country.

This simply means that consumers continue to lose purchasing power as a result of inflation, and as a result they reduce their own purchases. The proposal embodied in the motion to recommit is simply this: to restore the purchasing power lost over 2 years as a result of inflation and to provide for continuity at that new level rather than having individual incomes drop when the rebate expires next year.

Supporters of the rebate contend that it is designed to avoid mortgaging future revenues or endangering the ultimate goals of balancing the Federal budget." This concept, which I certainly understand, creates uncertainty, however, and discourages consumers from making commitments to large installment purchases.

In other words, a continuing tax cut will do more for the durable sector of

our economy than a one-shot cut. To put it another way, the effect of a one-shot cut is destabilizing as far as the economy is concerned.

Mr. Chairman, I think, very frankly, that the President's program was put together quickly, maybe even hastily. This is understandable under the circumstances of the transition and the desire to do something. However, we in this body have had time for hearings, and we have the responsibility for reflection. We can do more to help the President if we would reshape his program and not rubber-stamp it.

We can do more to help the economy and we can do more to maintain the purchasing power of the working men and women of this Nation by voting to recommit H.R. 3477 and to substitute in its place a permanent tax cut.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. FISHER), a member of the committee.

Mr. FISHER. Mr. Chairman, I want to support this bill and the amendments in a general way.

It is apparent to almost everybody in the country that the economy has been stalled on a rather low plateau for some considerable time, even though at the moment things look a little better. The economy therefore does need stimulation and can take good advantage of it.

Mr. Chairman, I would liken the economy to a hoop rolling down the sidewalk slowly and wobbling. One does not know whether it is going to fall over or straighten up, and what the hoop needs is a couple of good whacks with a stick to get it going faster and smoother. That is exactly what the economy needs: a couple of whacks with a stick to get it going better.

The stimulation program is a modest one. It truly is. It is $18 billion or so for a couple of years. That is a small amount compared to Federal Government spending of $400 billion and a national economy of nearly $1,800 billion. It is a modest program.

Mr. Chairman, the program we are talking about is a very small tail with which to swing a great big cat, but it can be done; and the key to it, in my judgment, is the way in which the people in the economy, the consumers, the businessmen, the unions, everybody, receive the stimulus.

If the psychology of it all is favorable, then it would be possible with a modest program to move the economy forward at a considerably faster pace.

We have a 2- or 3-year strategy—heavy on the tax side in the early part and heavier on the spending side in the second part. It is heavy on the tax side in the first part because it is on that side of the equation that we can do something quickly; and that is the rationale for the tax rebate. Nothing else that we can think of will satisfy the need to get the program into motion quickly as will giving the hoop that first whack.

The tax rebate is $50, not much, viewed from the point of any one person, but a respectable amount when viewed from the point of view of the whole economy.

Mr. Chairman, the Committee of Ways and Means has made a hard try through changes and reformulations to make certain that nearly everybody would get $50 and very few would get two $50 checks. This seems the fair way to do it.

The follow-on tax reduction, done through increasing the standard deduction, would be put in place for later on, for stimulation on the tax side next year. It may not be the best way to do it, but it has the added advantage of drawing quite a few additional persons out of itemizing their tax deductions and into taking the standard deduction. That is always a gain when so many people are beside themselves, driven up the wall, with the complications of figuring out their taxes. Furthermore, it is a nice thing to do shortly before April 15.

The continuation of the tax credit and earned income credit from 2 years ago is a further part of the tax stimulation and highly desirable.

Let me turn a minute to title III, dealing with job stimulation directly. If I had my druthers, I would favor an option here between an investment tax credit and a jobs tax credit along the line which the Committee on Ways and Means presents as an amendment, rather than the particular option that the President offered.

I do regret that the investment tax credit option disappears from the scene if we adopt the committee's version of the employment tax credit. I am sorry about that. I think it would have been good to leave it in, not that it in itself adds much but——

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield 4 additional minutes to the gentleman from Virginia.

Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from Oregon.

Mr. ULLMAN. I thank the gentleman for yielding.

I think it should be crystal clear that we have in place a 10-percent investment credit already.

Mr. FISHER. Yes.

Mr. ULLMAN. If we did not have an investment credit in place, I would be the first to argue for it. But I believe that the 10-percent credit is a good strong incentive, and that a small addition to that would not be a significant factor.

Mr. FISHER. The chairman, of course, points out an important fact, that we already do have the 10-percent investment tax credit in place, and that would be continued.

My argument here, made in a minor key, not a major, is that we would be better off still with the additional 2 percentage points. The reason I think so is that it would give the middle and larger business firms, where really many determining, major decisions are made, a piece of the action, a part of the program. Because I think the psychology of all of this to be so important, I would want to bring investors more into the picture. Furthermore, it is the one way of getting directly and obviously at the most lagging part of the national economy, which is private capital formation, business investment. But I am saying this with some regret. Perhaps it will be possible in the Senate to restore that as an option to the employment tax credit.

Finally, a word on the tax reduction which is to be offered with a recommittal motion as a substitute for the rebate. That, I think, suffers two or three disadvantages. One, it is offered as a permanent thing, and as I view it, whatever merit it has in another context, it does not have very much merit in the context of economic stimulation to get us off this low plateau of business.

Furthermore, of course, it has the disadvantage of not being much help to those who do not pay taxes. So I would say we are better off with a rebate than we are with a tax cut, which is sure to become permanent, leaving us with other problems of greater Federal deficits and inflation to solve later on.

The success of these stimulative measures will depend on other things than what would be contained in this bill today, or in the whole economic stimulation package including the expenditure increases. It will depend on complementary monetary policy surely. It will depend upon checking inflation even more severely than we have been able to do so far. Finally, it will depend on how people will react. That, I believe, is the key to this whole program. Are we doing it in a way so that the stimulation will have the effect that is intended and needed? Will it lead consumers to spend? Will it induce business people to invest? Will it persuade employers to hire more people? So the psychology of the analysis is the important thing, and even though I am an economist by background, I would say that in this context the psychological side of it is equally important. But all in all, Mr. Chairman, with these remarks and one or two caveats and doubts, I do urge support of this measure before us today in its main thrust and magnitude.

Mr. Chairman, I yield back the remainder of my time.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Chairman, I realize that the committee has done a great deal of work and it was not an easy task. I think the gentleman from Oregon and the committee should be complimented on the tremendous amount of work they have done. Although there are many aspects to this tax bill that we have before us, some of which I question and if we were in the position to vote on them separately, our votes might be different.

However, I would like to with that preface ask the gentleman from Oregon a question or two regarding the threat of inflation.

I realize, Mr. Chairman, the difficult task of trying to walk a tightrope between restoring proper economic growth, on the one hand, and the threat of inflation on the other.

Would the gentleman from Oregon tell us, in the gentleman's opinion, how

we know within a degree of certainty that this proposal will not be inflationary?

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield, what we have to do is take the best advice we can get and use our best judgment.

Now, in an economy that has a GNP of $1.7 trillion, we are talking about a $15 billion package. It is a rather small amount. It is small, but in an economy that is marginal between going down and going up, we think it might be the difference to keep it from going down and, hopefully, spurt it on an upward trend.

The consensus of the people to whom we listened for advice was that this was not inflationary. In this particular economy, this is not, does not have an inflationary impact.

Now, I agree with the gentleman that inflation is something we need to be most diligent about. I can assure the gentleman if this economy begins moving and if we begin seeing inflationary pressures, the chairman of the Committee on Ways and Means will be extremely conscious of that fact and will be diligent in his efforts to try to contain that inflation, because that certainly is one of the most dangerous threats that could overtake this economy.

Mr. SKELTON. Mr. Chairman, as the gentleman knows and as I have expressed, I do feel strongly against any threat of inflation. This proposal that we have before us, I realize, is different from any of the others. Does the gentleman consider it a conservative, moderate proposal, as opposed to some of the others that have been mentioned?

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield further, yes. This is a modest package. It is a moderate program.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. ULLMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Missouri.

Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I am happy to yield.

Mr. ULLMAN. Mr. Chairman, it is a mix that involves some rebate, not a very sizable one relative to the size of the economy. It involves some permanent tax reduction, which is done in a way that gives us a major simplification of the individual tax computation.

It involves some amount of business tax incentive applied in a new way, so it will be distributed more broadly among the business people in this country in a different way than the usual incentive; so it is a modest package. It is well balanced. We think it is the right medicine for this economy and we think it is not inflationary.

Mr. SKELTON. Mr. Chairman, I thank the gentleman for that explanation.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, it is almost breathtaking to look about this packed House of 30 or 40 people and to realize that 435 Members are fairly salivating with interest in this marvelous new tax proposal. "Fifty bucks" for almost everybody. I think maybe we ought to really get down to basics and go out and talk to some of the people. In the district that I have the honor to represent, I have talked to people on the sidewalk about this program and asked them, "What do you really think?"

They say, "Are you reducing the cost of Government. Is that how Congress can pay us this $50? Are you saving money? Do we have a surplus in the Treasury? Is that how we get the $50?"

"Oh," I said, "Well, no, not exactly. We probably will have to borrow it."

And they say, "This program is no better than the program offered by Mr. Ford a couple of years ago."

And my answer is obviously, "Correct."

I really think we are trying to fool the American public into thinking they are getting something that is going to help them do something, and they really know that this simply is not true. One can tell again by the large group of Members here present that they are just terribly interested in all that, and they want to know all they can about the ramifications of this bill, and that is why they are, perhaps, not here on the floor.

Now, of course we all know that everybody does not get the $50. You see, this is another one of the "Robin Hood" approaches where we take from somebody and we give to somebody else, and some of those somebodies are individuals that have never paid any income tax. Then, we complicate the problems we are trying to solve in the social welfare field even more with this program.

Now, there is a part of the bill that may have some redeeming features, and that is this credit for new jobs. I am somewhat lukewarm on that particular project, but it has not ever been tried before, and it does have a 2-year dropoff, so it might work.

My good friend from Illinois (Mr. MIKVA), in response to a question from the gentleman from Minnesota (Mr. FRENZEL), said that yes, it applies to giant corporations as well as the local hardware store because they can all take the credit, and he is right. That is true.

If it was right and proper for the jobs credit program, why, then, is it not proper to give the 50 bucks to everybody who paid some income tax? I will tell the Members that what is good for one is good for another.

We have listened to the idea that we have sort of a structured program, that first we are going to stimulate the economy with this program and then we have that marvelous $4 billion jobs program coming along, and that is going to help. Coming from the West as I do, and looking at the 19 water projects that are being canceled, some of which have over $200 or $300 million already invested and are being built by people who are working in the private sector, I assume that the philosophy behind that move on the part of the President, because he likes his jobs program, is that the first thing we have got to do is unemploy those people on those water projects so that we can put them to work on the public jobs program. I do not know, but that is what it sounds like.

This program is a farce on the American public, and I hope that the people recognize it for exactly what it is. The Ford program of 2 years ago was just as bad, so this is not a partisan point on my part.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I will certainly yield to my dear friend from Illinois.

Mr. MIKVA. Mr. Chairman, I want to say to my colleague from California that I agree, I think that $50 should have gone to people over $30,000 income as well, and I voted with him in committee that way. I am sorry that we lost that one. Perhaps as he is here longer and loses more of those fights my colleague may learn to lose them more graciously.

Mr. KETCHUM. I say that I have been here long enough to know that we lose a hell of a lot of them.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CONABLE. Mr. Chairman, I yield an additional minute to the gentleman from California.

Will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from New York.

Mr. CONABLE. The Ford program at least came at a time when the economy was in a nosedive and was still going down. It involved a rebate that would provide some wallop, rather than a trickle into the economy because of all the administrative strings here imposed to avoid the double dipping.

There was a good deal of justification for the second rebate, given the economic conditions at that time, more than for this program today, at a time when we are seeing some upsurge in the economy of our country.

Mr. KETCHUM. I would say to my good friend from New York that I choose to agree as far as the state of the economy at that time, but totally disagree as to the beneficial effect of either the Ford program or this one.

The American public is too smart—they will take the money and put it in the bank, and that will be the end of it.

Mr. CONABLE. If the gentleman will yield further, let me add one point: To the extent the Ford program did not have an immediate and dramatic impact on the economy, we perhaps should have learned a lesson, certainly given the circumstance of the economy.

Mr. KETCHUM. In that I entirely agree with the gentleman from New York.

Mr. ULLMAN. Mr. Chairman. I yield 5 minutes to the gentleman from Texas (Mr. PICKLE), a member of the committee.

Mr. PICKLE. Mr. Chairman, I want to express my strong concern about what we are doing to the budget process, which concerns me more than any specific discussion of the bill before us. I take it that this body is going to pass this tax stimulus measure. We have a new administration, an able President, who

campaigned to the American people that he was going to turn the economy around. On the basis of that election and appeal, I think it is easy to estimate what this body will do. But in the process, in order to pass this bill, we have increased our deficit by some $20 billion. That is a subject that I think we must honestly talk about and keep before us. We are presenting an economic tax stimulus for the American people now, and we are doing it by increasing our deficit by $20 billion. That just means that we are borrowing money that we do not have, and we are going out and saying once more, "Let us use this approach. We are still within our new budget."

Mr. Chairman, 2 years ago we used this approach and we took the recommendation of the then President, and we said we would give the rebate in about the same amount of money as we are doing now. Then we had a tax reform bill, and we labored long and hard, almost 2 years, to get $2 billion more in revenue. Now we come in with this bill which, in effect, require the passage of a third budget resolution, raising the deficit another $20 billion. In other words, we are staying within our budget by raising our deficit $20 billion. I say to the Members that that is not a responsible approach. I offered in committee a different approach that would actually raise taxes enough to pay for the jobs program, even the extra that was added by the Committee on the Budget, or, if not all in that category, enough that would equal that which probably would have been given as a tax incentive. That was not adopted.

And so we come back again. Mr. Chairman, this is the third time in less than 3 years that we are using this same approach. I think we must say that "That old dog can not hunt any more." We have tried to go along 2 years ago, again last December, and now this time. I do not think the American people are going to say we can keep on doing it.

I had hoped with all my heart 2 years ago that we were saying to the American people that from now on we will stay within this budget or else we will cut appropriations or raise taxes. Are we cutting appropriations or raising taxes? No, neither one. We are just increasing the deficit by $20 billion. That is not the proper thing to do.

I voted for the bill on final passage in the committee when I lost my amendment. Now, we are, in effect, vitiating the budget process.

We are making a mockery of the budget process. There will probably not be another 60 days go by until we are going to come back here again with a fourth budget resolution. Mark my word, this springtime, or soon, we will have a fourth budget resolution because the bills necessitating that are already in committees. Those bills are going to raise our present budget.

How can we do that? We adopted a third budget which passed 2 weeks ago just to take care of this bill, and as sure as shooting, we are going to have a fourth budget resolution later. That is not a very good prospect.

I do not stand here and propose to the Members that this bill ought to be defeated and, therefore, we have got to take some other strong direction on this issue. I do not know what the answer is, but I think we must say to the chairman of our committee, to the Members of this House, and to the Executive that we have done this at this time because we think it is perhaps our only alternative or at least an alternative, but no more.

We simply cannot continue raising the deficit by $20 billion, $30 billion, or $40 billion and ever hope to keep faith with the American people. When it really soaks in that really what we have done is to increase our deficit by $20 billion, then I do not think the people are going to be very happy about it.

The CHAIRMAN. The time of the gentleman from Texas (Mr. PICKLE) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas (Mr. PICKLE).

Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, I want to commend the gentleman from Texas (Mr. PICKLE) for his diligence in looking to budget considerations, and I want to say that I share with him that concern about budget and fiscal responsibility.

I think what we must say here is that there is no way to achieve a balanced budget until we can get a stable growing economy and avoid another recession. If, as we move out of this recession, we moved into another one, there would be no way of balancing the budget and keeping the economy growing.

So what we are trying to do here is to establish a stable growing economy. After we have done that, then I will join with the gentleman from Texas (Mr. PICKLE) in attempting to put into place the kind of fiscal disciplines that would be necessary in achieving a balanced budget.

Mr. PICKLE. Mr. Chairman, the gentleman and I both share that hope, and surely every Member in this body does.

Two years ago we took this approach. We said that with that other stimulus we were going to turn the economy around. In 2 short years we turned it around a bit, but last fall the unemployment rate went back up, and it went back up before the severe winter set in.

Really what have we accomplished? The reports of the Committee on the Budget can be viewed with alarm because when we look at what has happened, the procedure we used 2 years ago has not done the job the committee chairman hoped it would. The Budget Resolution Committee as much as admits it.

Why do we think that in another 2 years or 3 years this is going to do the job this time?

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield further, we have a budget that is terribly out of balance this year because we are still in the economic doldrums. I think the gentleman will have to agree that in order to get that budget into balance we are going to have to get the economy moving; we must have an economy that is better than the one we have now.

Mr. PICKLE. Mr. Chairman, I hope our economy will move ahead now, but I think also we must start thinking in terms of a different approach even if we have to think in terms of raising taxes. We must take a different approach if we are to put a little fiscal responsibility into our processes. Else, our new budget process will be destroyed.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, I would simply begin by applauding the gentleman from Texas (Mr. PICKLE) who was on his feet and preceded me. The gentleman from Texas was addressing himself to what will, within a short period of time, surely require the consideration of a fourth budget resolution.

With all the plaudits that have come to the new congressional budget reform system unless we really face up to the stark realities here, the people of this country are going to run afoul of some pretty tough times. The majority party is going to have to come to grips with the problems caused by lowering taxes at the same time they are increasing Federal spending at such an incredible rate.

Mr. Chairman, I find it ironic that the Democratic majority whose year-in, year-out economic irresponsibility has done more to harm the national economy and hurt families than any other source, is now posing as a friend to the taxpayer. Not since the wolf offered Red Riding Hood a helping hand have we been treated to such a spectacle. That the majority can do this with a straight face, after years of abusing the budgets and paychecks and the trust of American taxpayers is a tribute, of sorts, to the marvelous ability of the majority to ignore or forget its failures and blithely assume that everyone else will forget them as well.

Concerning the proposal before us I might paraphrase Winston Churchill: Never before has so little been offered to so many to such little purpose—and with such fanfare and self-congratulation.

The one-shot economic stimulus provided by the $50 per-person rebates to families with incomes below $30,000 is not tax reduction—it is public relations gimmickry or taxpayer-paid advertisement for the majority. What kind of "tax reduction" is it that provides absolutely no relief for those who bear over a third of the total tax burden?

The revision of the individual income tax tables is directed only at those who use the standard deductions and not at the millions who itemize their deductions. It also adversely affects charitable deductions. That is not tax relief—this is tax punishment for millions.

Will there be a corresponding cut in Federal spending to accompany this package? I ask that, of course, as a rhetorical question, since cuts in Federal

spending are alien to the majority party. It has been estimated that there will be revenue losses of $12.7 billion in fiscal 1977, $16.9 billion in fiscal 1978, and $13.4 billion in 1979 without a corresponding cut in Federal spending.

H.R. 3477 should be called the "More Inflation Bill of 1977" or the "Soak the Aged Bill of 1977" or the "Let the Average Family Suffer Bill." Everyone else has to abide by truth in advertising in this country. To label this a "tax reduction" act is the kind of thing a manufacturer would be hauled into court to explain. Ralph Nader, where are you when we need you?

There is one and only one genuine tax proposal before the Congress and it is the Republican tax proposal calling for permanent tax reduction. It would stimulate economic growth, increase investment and productivity, and decrease unemployment. You cannot make jobs out of rhetoric. You can only create them by policies that will lead Americans to invest in job-producing industries.

For years the average American has seen inflation push him into higher income tax brackets and reduce the value of his exemptions and reductions. Let us lower tax rates on taxable income by a permanent tax cut—let us give the American taxpayer a raise instead of rhetoric.

The best thing that can happen for the taxpayer is for H.R. 3477 to be recommitted and for the permanent tax reduction to become law.

Mr. TUCKER. Mr. Chairman, will the gentleman yield for a question?

Mr. MICHEL. I yield to the gentleman from Arkansas.

Mr. TUCKER. Mr. Chairman, is the gentleman from Illinois (Mr. MICHEL) aware that the increase in the revision of the standard deduction, although it would provide a permanent cut of only $1.8 billion in fiscal year 1977, will provide a $6.7 billion reduction in fiscal year 1978, for a total just in the next 2 years equal to the amount of the rebate that is being paid this year? This provision will benefit 45 million of the Nation's 67 million taxpayers. That is, the gentleman will agree, a tax cut; is it not?

Mr. MICHEL. In my opinion, that is merely tokenism. This so-called tax cut would only benefit those people who take the standard deduction when they file their returns. It does absolutely nothing for millions of Americans, particularly homeowners, who choose to itemize deductions.

Mr. GRADISON. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Ohio.

Mr. GRADISON. Mr. Chairman, I thank the gentleman for yielding.

I would like to point out that the only taxpayers who will benefit from that section of title II are those who take the standard deduction, which means that a very large number of taxpayers will get absolutely no benefit at all from that proposal.

Mr. TUCKER. Mr. Chairman, if the gentleman will yield further, is it not true that there would be $6.8 billion in tax cuts provided under the continuation of our existing tax cut law which was passed last year?

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MICHEL) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. ROSTENKOWSKI), a member of the committee.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of H.R. 3477. There can be little doubt as to the urgent nature of the bill before us. The economic recovery from the worst recession since World War II has been totally unsatisfactory. The statistical measurement of the economy's performance in terms of unemployment rates, economic growth, and inflation obscures the tragic impact of those statistics on human lives. The statistics tell us that the unemployment rate has dropped from 9 percent in 1975 to 7.3 percent in January of this year. However, approximately 7½ million people are still out of work and for many of them, the frustration and financial insecurity continues. The statistics tell us that economic growth is improving and, yet, there continues to be substantial underutilization of plant capacity in major industries. The statistics tell us that the rate of inflation has declined, yet, the consumer is staggered by the high price of such human essentials as food, utilities, and housing. In my opinion, the statistical indicators can tell us a good deal about economic performance and trends, but very little about the human condittion reflected in those statistics.

I suppose that if each Member could design his or her own economic stimulus bill that we would have 435 different versions in the House and 100 amendments waiting in the Senate. I personally might have taken a different approach on the rebates and the business tax incentives. However, in view of the unacceptably high rate of unemployment and the sluggish performance of the economy, we do not have the luxury of time to develop sophisticated and intricate stimulative proposals.

The bill reported by the Ways and Means Committee is a responsible, consensus approach to providing an economic stimulus through the tax system. The $50 tax refunds and special payments are designed to provide a prompt stimulus to consumer spending. Standing by themselves, Members might criticize the $50 refund and related payments; however, these payments are the first essential part of a coordinated economic program designed to stimulate aggregate consumer demand, production, and employment. The other aspects of this program are public works programs, job training programs, and additional tax reductions. The $50 refunds and related payments are designed to initiate the economic stimulus which can only be sustained by additional tax cuts and spending programs.

The permanent increase in the standard deduction provided in title II of the bill will help to sustain the temporary stimulus of the refunds and special payments and will contribute to economic growth in future years. In addition, the revision of the standard deduction and the tax tables will greatly simplify the filling out of tax returns for nearly every taxpayer. I know that every Member of this House hears, as I do, from many constituents complaining about the complexity of the income tax return. The tax forms are too long, too difficult, and a source of utter frustration and anger for many citizens. The integrity of the Federal tax system, which depends on the self-assessment and good faith of the taxpaying public, is jeopardized by an income tax form which eludes the understanding of most people. Thus, the significant tax stimplification, provided in title II of the bill, merits the attention and support of every Member of the House.

Although the employment tax credit provided in title III represents an innovative approach to the problem of high unemployment, I would have much preferred utilizing the investment tax credit since it is a well-accepted, familiar economic stimulus. The investment credit has strong support in the business community as an incentive for capital investment. In effect, the credit lowers the cost of capital to business and, thus, increases the propensity to invest. In addition, the investment credit is a particularly powerful incentive when used in periods of sluggish growth, where the economy requires a sustained stimulus over several years. In my opinion, the present state of the economy reflects that condition and, thus, the investment credit would be an appropriate stimulus to employ. Therefore, I would have preferred not to experiment with an unproven incentive in an emergency stimulus bill. However, in the event that the employment tax credit is ultimately enacted, I think that it is imporant that the credit be limited in duration so that we can evalutae its cost efficiency and stimulative effect.

Mr. Chairman, H.R. 3477 will not "solve" every problem that presently confronts the national economy. We should not expect it to do so. Nor should we rely on the tax system as the ultimate cure for all evils. However, as a fiscal policy tool, the tax system can have a dramatic effect when economic stimulus is required. In my opinion, the need for economic stimulus is evident, and H.R. 3477 is a necessary first step toward sustained economic growth and prosperity.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, let's take a hard look at the job-creating potential of this bill.

Our new President—and I want him to succeed as much as anyone—had a good deal to say during the last Presidential campaign and since that time about the unemployment problem in this Nation.

It is a very real, and a very human problem, and I am sure that—while we may differ as to how best to attack the

problem—all of us share President Carter's concern with it.

Cold, hard statistics do not tell the whole story about unemployment. They do not portray, in any way, the individual tragedy of being one of those of our fellow citizens who is counted in, month after discouraging month, by the Bureau of Labor Statistics as one of those 3 or 4 million persons we now call structurally unemployed.

The so-called structural side of our stubborn unemployment problem is the most difficult one to deal with. These people are unemployed because of imbalances in the labor market, itself—imbalances that are not corrected by cyclical, or seasonal, change, and imbalances rendered even more intractable of correction by such factors as the outmigration of employers from such as the Northeast to other areas of the United States, the accelerating pace of technological change in major manufacturing industries, by a declining national productivity and, of course, by the restraint imposed by our inflation-prone national economy.

We all hope for continued and even accelerated economic recovery; but when we consider the structural unemployed, we need to remember that, no matter how vigorous that economic recovery, only structural changes in the labor market, itself, will enable us to make a real and lasting dent in the vast army of long-term unemployed, or underemployed, persons.

Everyone agrees that our goal must be the creation of new jobs—and not make work jobs, but real, needed and productive jobs that can become permanent opportunities for the structurally-unemployed.

How to attain that goal is the subject of continuing debate, as is apparent here, today.

There are a variety of alternative routes.

Among them is that route proposed by the President, whereunder we would use individual tax relief, or tax rebates, as an economic stimulus—a politically attractive idea for obvious reasons—but a very costly and uncertain method for trying to create the kind of jobs the structurally-unemployed need.

The more direct routes leading in that direction include the also politically-attractive old standby of accelerating public works programs, and of expanding the newer programs of "public service employment," as they are called, and it is apparent that—for better or for worse—we are going to go down both such routes again, at one and the same time, in the hope that this time they will work better than they have in the past.

These programs create some jobs, of course, and produce some worthwhile side benefits, but the cost per job thus created has tended to be high, and the work opportunities flowing therefrom have, again in general, tended to be temporary in nature.

But now, this year, there is still another route to consider—one proposed by President Carter, but for which he did not fight as the committee, in making up the bill before us, accepted the idea in only a sharply watered-down form.

If you believe, as I do, that the best and most lasting relief for our problem with the hard-core unemployed can only come through the greatest possible utilization of the vitality of the private sector, itself, then this idea, though heretofore unprecedented in tax law, deserves your careful consideration.

Up to now, we have attempted to encourage the creation of private sector jobs through that tax device known as the "investment tax credit." It has been a useful tool in some ways.

I would agree with my colleague from New York (Mr. CONABLE), that we ought to target our solutions—to tailor them to deal with the specific causes of unemployment, as best we can identify them, and particularly the causes of structural unemployment and, especially within that category, with the causes of youth unemployment since, last year, jobless young men and women made up some 46 percent of our 7.3 unemployed citizens.

In my opinion, the use of employment tax credits—or "human tax credits," as they might be called—after the fashion suggested by President Carter as a corollary to the investment tax credit, but more sharply targeted to new jobs for the hard-core unemployed, offers considerable promise.

I note that the committee has adopted the idea but only in such a fashion as to be of interest, really, to small business entities.

As a champion of small business during all my years here, I can hardly argue with that step, but I must ask why the committee was so timid. If the idea has merit, and is worth trying, why not give it a real try.

It seems to me we must look to where the potential new jobs we wish to encourage now exist, and it further seems to me that they now exist with those labor-intensive businesses—both big and small—which at the same time are most apt to be operating at marginal profit levels and with limited capital.

A prime example of what I have in mind is the railroad industry. My concern with saving our vital, national rail network, and for help in making it competitive once again with other modes of transportation has been expressed time and again on this floor. In the last Congress, I was also a principal sponsor of so-called railroad jobs legislation, for which I felt there was a real need, as any look, today, at the condition of the roadbed and rolling-stock of almost any railroad in the Nation will still disclose.

That kind of legislation was not enacted, but I was glad to give my full support to last year's amendments to the Regional Rail Reorganization Act of 1973 which did provide the new northeast railroad—ConRail—with some help to begin the rehabilitation of the dilapidated plant it inherited from its bankrupt predecessors, and which held forth the promise of some comparable assistance to those other railroads also struggling for existence.

But the fact is, that the extent of deferred railroad maintenance almost everywhere in the country is such that far more work here than the railroads can now afford urgently needs to be done—especially to now repair the ravages of this past winter in the hard-hit eastern half of the Nation. I understand that ConRail—again just as an example—could use up to 3,000 more maintenance-of-way workers to accelerate its rebuilding program this year, if it could participate in an expanded employment tax credit program; and I am confident that such other lines as the Boston & Maine, or the Delaware & Hudson, as serve my section of the country, find themselves in a similar situation.

I suppose some will argue that we should not give big business a windfall—and I would be opposed to that, too; and I suppose that others will claim that big business can well afford to do its own part toward easing our unemployment problem, even though it seems abundantly clear that this is not true with respect to many of those labor-intensive industries where the new job opportunities we wish to target in on for the structurally-unemployed chiefly exist.

There is, however, not much I can do, at this time, to try to improve or expand upon this feature of the bill now before us. I shall vote for it, since there is more good than bad contained in it; but I do regret the fact that the committee apparently did not take the time to consider more carefully the real potential for creating jobs that a refundable payroll-tax credit could have had under the circumstances.

I think an opportunity to really do something about structural unemployment has been missed, and that this legislation, while it, of course, will do some good, will not, in its present form, live up to the promise that will be made for it.

It would, indeed, be unfortunate if that should prove to be the case again, for we have already made far too many promises from here about solving the unemployment problem. So, while voting for this bill, I will do so in the hope that the President will more vigorously support the idea of employment tax credits in the other body, and that it will, in time, send us back in that regard a vehicle that is substantially improved over the one we now have before us.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

Mr. CONABLE. Mr. Chairman, I yield the gentleman from Massachusetts 2 additional minutes.

Mr. STEIGER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Mr. Chairman, I want to commend the gentleman for a very thoughtful statement. As the gentleman undoubtedly knows, given ConRail's situation where they are laying off people, they are in effect going to be denied even the limited credit that is available under this bill, because we are talking about an incremental base, as I understand it.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, of course, ConRail is far from a profitable concern. Any kind of tax credit is going to be of no use to them.

They are, in addition, required by law to cut back very substantially on their employment, which further complicates the problem the gentleman brings up.

Mr. STEIGER. If the gentleman will yield further, the point he is making I think is a very good point—the fact that there are alternative ways to deal with this issue to try and produce jobs in the private sector. I suggested at the time we marked this bill up, that I was not going to offer the proposal the gentleman from Minnesota (Mr. QUIE) and I had in the human investment credit—that is not a tax credit against wages, it is a credit for training costs which is targeted at the very group that is hardest hit and has had the most difficult time in getting back to work, the hard core unemployed.

The committee was not prepared to deal with that issue. That is one reason why I have raised the questions I have. I really do not think we have considered carefully what we have wrought.

Mr. CONTE. I just think there are a lot of promises here that are never really going to be fulfilled.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CONABLE. Mr. Chairman, I yield 1 additional minute to the gentleman from Massachusetts.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Minnesota.

Mr. FRENZEL. For those companies that had not had a profitable experience, such as ConRail, there was a feature in the President's proposal, which we have amended in title 3, which contributed a refundable social security tax credit.

This was a minor stimulus, but still would have done wonders, I think, for such companies. If the gentleman and others will join me in striking the committee amendment to title 3, we will get back to a situation where they will have a choice beween investment tax credit or social security tax credit, and a company such as ConRail will have a chance to take advantage of that.

Mr. CONABLE. ConRail still does not have any profits, and therefore cannot take advantage of any tax credits unless they can become profitable in the near future. That is the problem.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Michiman (Mr. SAWYER).

Mr. SAWYER. Mr. Chairman, I have been sitting here listening to the debate that has been going on this afternoon with some interest, because naturally I am interested in this question; although perhaps the emptiness of the seating arrangement here would indicate that I might be rather unique in that regard.

I could not help but catch with some amusement the expression of the gentleman who described the economy as, "A wobbling rolling hoop that just needed a couple of good whacks to get it going in the right direction, solidly and with some acceleration."

I might submit to the gentleman that what we are doing here with this bill is giving that same hoop a whack on each side, thereby neutralizing the impact.

Let me tell the Members why I say that. I sat and listened—and I am new here, so I do a lot of listening—I listened to the debate which raged over the third concurrent resolution, which increased the budget by approximately $1 billion, but nobody offered to explain this business of a $50 giveaway—and really, to call it a rebate, a tax rebate, affronts the intelligence a bit since it does not go exclusively to people who pay taxes, but to other people also. Nevertheless, it puzzled me because my thinking apparently has not yet been acclimated to the thinking of this Chamber. It puzzled me as to how we could be doing such a nice thing as giving $50 to everybody when actually we are running over $50 billion in the red. Where are we getting it?

I heard the explanations that after all, this is going to stimulate the economy. The people who receive their $50 are going to take it and go out and buy automobiles, vacuum cleaners, or appliances, and thereby stimulate the economy. In other words give the rolling hoop a whack. I had the privilege of going back to my district at the end of that week, and on that Friday I was invited to speak to a luncheon group.

The luncheon group consisted of many of the major employers in our area and was being addressed by a group from the U.S. Treasury Department. What they were doing was kicking off a national savings bond payroll deduction drive, by which the Government hoped to borrow, by allotment from workers' payrolls, an additional $20 billion. And what was the Government going to do with that money that it was borrowing or taking out of otherwise spendable income of the workers who signed an allotment in the drive? Bear in mind the Government is asking the employees to take some of their spendable income that would, if spent, stimulate the economy and, instead, put it in Government bonds. The Government is then taking the same money it is borrowing and giving it in $50 increments to another group under this bill and saying, "You can now spend it," which, to my mind, does not make sense. Not only does it not make sense that we are urging people to allocate part of their spendable income and ice it in Government bonds, but we are incurring a 6-percent interest override on the whole transaction. We are leaving all of the taxpayers with the obligation, semipermanently, of paying 6-percent interest of that whole $20 billion the Government borrowed and gave away in addition to having ultimately be taxed to repay the principal. We have therefore left, as a gift to taxpayers, the obligation to pay $1,200 million a year of interest money and to repay the borrowed $20 billion. Oh gentlemen what an expensive double whack of a wobbling hoop.

Mr. CONABLE. Mr. Chairman, I would like to correct the record. I understand the 4-percent credit is refundable, and I misspoke when I said earlier it was a credit against income tax. This, of course, is the Carter proposal that has been supplanted by the chairman's proposal in the committee.

Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. GARY A. MYERS) who, I believe, has some questions to ask.

Mr. GARY A. MYERS. Mr. Chairman, I take this time to inquire of either the chairman or ranking member about some concerns I have about the bill. I would much prefer the proposal that would have had a broader perspective of reduction in income tax, one of longer term and one which would have impacted in a way which I feel would be more fair in respect to income taxpayers.

If the chairman would respond, I would like to ask if there is anything in the bill which prevents students from double-dipping if they file a return and they are also claimed by their parents.

Mr. ULLMAN. If the gentleman will yield, the only way the student dependents can get their own refunds under this program is if they have paid taxes or are entitled to the earned income credit.

And I want to make a couple of points. First, the rebate is based upon an automatic computer readout, which generally cannot identify specific dependents.

Second, we have substantially ended the double-dipping.

In the package sent here by the administration there was about $1 billion of double-dipping. What we have required is that they run the taxpayers' refunds through first. After the taxpayers are sent their rebates, that list will be cross-checked against the HEW computer readout. In the interim, the various other computer tapes will have been consolidated and, after they have eliminated the double-dips, that second group will be paid out. So for all practical purposes we have ended the double-dipping, and each person will get one dip.

Mr. STEIGER. Mr. Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER. Mr. Chairman, it is true that, insofar as a number of taxpayers are concerned, there will not be the double dip that was in the original Carter proposal. The original Carter proposal, as the Members know, was designed for speed. Therefore, what we are doing when we eliminate that portion of the double dip is slowing down the process. But I think it ought to be clear that we are in fact authorizing another kind of double dip.

The committee report says, if I may read a part of this, that individuals receiving both tax rebates and special payments "will not be liable to repay excessive payments resulting from incorrect application of the rules against double payment."

AFDC recipients are specifically permitted a "double dip" under provisions of title I in cases where they are entitled to both tax rebates and special payments.

Mr. GARY A. MYERS. Mr. Chairman, would the gentleman respond to this question.

Would a student who files a tax return

and who is also claimed by his parents be precluded automatically from double-dipping?

Mr. STEIGER. Mr. Chairman, I did not understand whether the word was "included" or "precluded."

Mr. CONABLE. Mr. Chairman, if the gentleman will yield, I do not believe he is precluded. I believe that is a situation in which we cannot eliminate the double-dipping.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, as far as the AFDC is concerned, the committee made a deliberate decision not to cross-check the AFDC lists against the taxpayer lists. There are not that many AFDC recipients, to begin with. Since there was no way we could approach the cross-checking problem, we did not get into it. Therefore, although we will have a few who will be double-dipping, that will be minimal, and we think the money will be going to the kind of people who can use the double dip.

Mr. CONABLE. Mr. Chairman, if the gentleman will yield further, I believe the inquiry concerns the student who works and who is also claimed as a dependent by his parents. As far as that student is concerned, two $50 payments are going to be paid on that student's behalf, one to the parents and one to the student.

Mr. ULLMAN. Mr. Chairman, if the gentleman from Pennsylvania will yield further, it is true that a student will have had to work and have been on somebody's payroll and have a tax liability of at least $50, in order to get his $50. There can be a double dip in the case of a dependency claimed by the parents.

Mr. GARY A. MYERS. Is that an accidental double dip, or is that an intended double dip?

Mr. ULLMAN. It is only for the students who work. Those who do not work will not receive it. Only the students who have been on a payroll can get the $50. They must have a tax liability in order to do it.

Mr. GARY A. MYERS. Mr. Chairman, is it the committee's intention to provide that mechanism, or is it just that the gentleman feels there is no way of preventing it?

Mr. ULLMAN. Mr. Chairman, there is no way we could program a computer to eliminate the problem, unfortunately.

Mr. CONABLE. Mr. Chairman, if the gentleman will yield, I believe we did eliminate the double dip with respect to certain veterans who are receiving benefits if they are also taxpayers. They were included as another class to receive the $50 rebate. It is very complicated, and this complication is one of the reasons why the rebate trickles into the economy very slowly.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GARY A. MYERS) has expired.

Mr. CONABLE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Pennsylvania (Mr. GARY A. MYERS) so that he may ask another question.

Mr. GARY A. MYERS. Mr. Chairman, I thank the gentleman from New York (Mr. CONABLE).

I have concerns also about the jobs tax credit. One of the concerns I have is that if we simply go on the averages, we can assume that most employers have approximately 6 percent unemployed right now, and that if, in fact, those 6 percent were laid off last year or during this year the employer would almost have to improve his employment rate by perhaps 109 percent if, in fact, he is going to gain an advantage by this provision.

It seems to me that the provision also allows room for undesirable manipulation, much like we experienced in the so-called local public works bill. Individuals who are skilled in the law and know how to manipulate hiring schedules to get the credit will benefit by it and those who just want to do business as usual on the basis of firm business decisions will not have any advantages.

I see one real threat in this. It would appear to me that if an employer had employees who were laid off only part of last year or this year and if the employer normally needed them back in November or December, the employer might look very closely at this law and say, "Well, if I bring them back at the end of this year, I am not going to get any tax credit, so I will delay bringing them back for a couple of months until 1978 even though I could probably use them. Yes, to get this credit, I will not bring them back until next year."

It seems to me what we are talking about is an incentive to manipulate the callback of a number of people who are new presently unemployed.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I will say to the gentleman in the well that it is correct that this is susceptible to some manipulation, as is the investment tax credit. There is no way by which that can be avoided since most taxpayers have some flexibility in how they manage their affairs.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GARY A. MYERS) has expired.

Mr. CONABLE. Mr. Chairman, I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Chairman, will the gentleman respond to this question: Is it true that the tax credit will only be on a corporate-wide basis and that, in fact, it will not provide stimuli for a corporation with separate plant operations to rev up certain operations?

Mr. CONABLE. That is correct. Each employer, no matter how many loci he has for employment, will be subject to the limitation on an overall basis.

Mr. GARY A. MYERS. Mr. Chairman, I thank the gentleman for yielding.

Mr. ULLMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I would like to ask the distinguished chairman of the Committee on Ways and Means a couple of questions.

I have some serious concerns about our capital markets structure in this country.

It is hard for me to believe that we can really segregate any item out of our economy, apart from each other; and that we must incorporate our concern about the improvement of our capital markets picture in connection with our consideration of any tax bill.

Basically, Mr. Chairman, I applaud the gentleman for the jobs tax credit, but I want to know why the committee did not include a triple option, that is, including the jobs tax credit, the social security tax credit, and the investment tax credit—both of the latter that President Carter proposed—so that both small and large businesses could choose among the three options and therefore benefit, both labor- and capital-intensive businesses could be helped. It would seem that in that way, perhaps, we could improve our capital markets crisis which, I think, is every bit as bad as some of the other national problems we are facing.

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield, in the first place, having many options in the tax law does not make for a very good tax law.

We had witnesses who said, "If you have an election, we do not want to be locked in to the same alternative every year. We want to be able to move back and forth from one to the other." That kind of situation adds to the complication, and a three-way option would be a very complicated procedure and a very bad tax law.

Second, we have a 10-percent investment tax credit in place prior to 1975, it was 7 percent; and that had a dynamic impact on capital investment.

I think a 10-percent credit is still more dynamic. We think it is a good level. If we did not have the 10-percent investment credit in place, then I would be the first one to argue for it.

Of course, it has some limitations. A lot of corporations cannot use it for some other reasons. A lot of corporations are not capital-intensive; they are labor-intensive. The jobs credit puts the same amount of money into the economy, except that other kinds of businesses will get it.

We think that is the right medicine for the economy at this particular time.

Mr. GLICKMAN. Then how would the gentleman judge the effect of the tax stimulus on the total capital markets picture in this country, which so directly affects the health, and the future of the economy of this country? That is, what effect does the gentleman think this tax package, and particularly the jobs credit portion of the package, is going to have on the improvement of additional capital formation, if any?

Mr. ULLMAN. I do not think it is particularly designed for that purpose. I think it is designed to be an incentive for people to hire unemployed persons. That is the big problem in this country now, unemployed people. If we can have a tax incentive that will go directly to that problem, we think it will accomplish a very real purpose in reducing unemployment.

Mr. GLICKMAN. I have one more question, if I may.

This question was brought up before; I think it was brought up by the gentleman from Pennsylvania. In any event, a company can claim a deduction only if it is

hiring at least 3 percent more workers under the jobs tax credit. I am worrying about the firms that might need the most help. I am worrying about those firms that may be in the process of losing workers and in a declining state of employment. I wonder whether they may not be eligible for the credit, because they may not be able to hire the additional persons to bring it up to the 103-percent requirement.

Mr. ULLMAN. We cannot design any kind of tax remedy that would go to all situations. There will be those who are not able to hire new people and who will not get benefits here.

There may be some other provisions of the code where they can, but this is designed to be an incentive to the small employer to hire new people. In an economic situation where we are coming out of a fairly weak economy into a stronger economy, I think the gentleman will find that in most cases they will be able to hire new people and benefit thereby.

Mr. GLICKMAN. Mr. Chairman, I thank the gentleman very much.

Mr. ULLMAN. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Chairman, I would like to pose a question to the gentleman from California (Mr. CORMAN) who is the chairman of the subcommittee dealing in the area of public assistance.

Perhaps it would be well advised to preface my question with a statement. I would like to commend the House Committee on Ways and Means for their many efforts trying to extend the SSI program to the offshore areas of Guam, the Virgin Islands, and Puerto Rico. They have made that effort, and this House has on a number of occasions sent that matter over to the Senate, and I lament to note that it has not received the kind of attention that one might have hoped.

This legislation in no way extends to the offshore areas and the people living there the right to participate in the SSI program. However, the language on the rebate indicates that SSI recipients are eligible for a rebate.

The question I pose is as follows: If we look at SSI in the narrow word of a technical sense, it would appear to preclude the several hundred recipients of aged, blind, and disabled aid in Guam, a similar number in the Virgin Islands, and a greater number, of course, in Puerto Rico. My question to the gentleman from California (Mr. CORMAN) is this: Did the committee intend that the recipients of the adult category aid programs of OAA, ATD, and AB involving the islands and Puerto Rico, Guam, and the Virgin Islands be included within the term "SSI"?

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from California.

Mr. CORMAN. I thank the gentleman for yielding.

The issue was not raised, and I would suspect that the Members when they heard the term "SSI" assumed that that included all recipients of aged, blind, and disabled assistance. That was not the way it was proposed specifically. If it would need an amendment to include those, I would hope it might be amended before it gets out of conference. Clearly the action of the Committee on Ways and Means was to expand as broadly as we could the people who receive the $50. If it had been raised it clearly would have been added.

Mr. PHILLIP BURTON. I thank the gentleman. I would like to note that here again we see inequity compounded with further inequity. These offshore people are Americans and should be treated as all other Americans. Having been left out by the other body, despite repeated efforts on this side, we now find that possibly, although they may be in worse economic circumstances than those covered by the technical SSI program, the elderly and crippled and blind in the offshore areas may not be eligible for the rebate. But I would like to construe the language as making them eligible for the lump sum payment. I would hope that this law is so construed, and I would hope that the other body might clarify it to eliminate any possibility that these elderly, blind, and disabled people in the offshore areas may be left out once again.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I rise to ask the chairman of the committee a question about the study that has been undertaken by his committee to deal with the very severe problem of capital investment in our economy today. Secretary Blumenthal in New York last week said that it was of great concern to him, it was of great concern to the President during his campaign, as it was in the Ford administration. There are several of us on this side of the aisle who feel that a large part of the problem in the economy today is basically that there is a consumer-led level of recovery, rather than a capital investment-led recovery. And while both are obviously needed, my question to the distinguished chairman of the Committee on Ways and Means is, when will the study that has been undertaken by his committee to assess the capital investment needs of our economy be ready?

Mr. ULLMAN. If the gentleman will yield, we spent a great deal of time last year in a special task force studying capital formation. Hopefully, very shortly will have a committee print of working papers that would set forth a number of alternatives, and I think a very scholarly work. We are concerned, as the gentleman is, about capital formation. We agree that the Tax Code must take into consideration the need for incentives that this Nation is going to need to meet its problems in the years immediately ahead. We hope and anticipate that later that encourage the capital expansion this year, when we get recommendations for basic tax reform, that this issue will come into focus and that we will be able to move forward in a very substantial way to meet the capital needs of the Nation.

Mr. KEMP. Mr. Chairman, can the gentleman assure us that the study will be out prior to the administration's tax reform measure?

The CHAIRMAN. The time of the gentleman from New York (Mr. KEMP) has expired.

Mr. CONABLE. Mr. Chairman, I yield 1 additional minute to the gentleman from New York.

Mr. KEMP. Mr. Chairman, is it going to be released prior to the tax reform measure by the administration?

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield further, we expect the committee print to be out in a matter of 2 weeks or so.

Mr. KEMP. Mr. Chairman, I am pleased to hear that, and thank the chairman.

Mr. Chairman, the Tax Reduction and Simplification Act of 1977 has a curious title, curious for a bill which neither reduces taxes nor simplifies them. In fact, it will do the exact opposite, if anything.

Perhaps the most glaring weakness in this legislation is the provision to send a $50 check to virtually everyone in the United States; that is, unless you earn more than $26,000. This has been likened to dropping money out of a transcontinental airplane. Unfortunately, it will probably have about the same effects.

In proposing this so-called tax rebate, the administration is making certain assumptions which are not true. First is the assumption that the country needs a quick fix to get it going. Second is the assumption that the need for this quick fix is caused by a widespread lack of demand, which the Government is able to cure by running a larger deficit. Last is the assumption that a permanent tax rate cut would be inappropriate because the Government would be sacrificing future revenues which it will need to finance social programs.

Let me address these assumptions.

The argument for a quick fix is very weak indeed. Many economists have pointed out that an examination of the statistics simply does not justify the assumption that the economy needs a special boost of demand at this time. Let me say, parenthetically, that the real boost we need today is a boost to savings and investment. We need to create jobs for the unemployed without compounding further the 6-percent rate of inflation which hurts the poor so much. The only way to create jobs without inflation is to increase the amount of investment capital in the private enterprise economy.

Turning back to the first wrong premise of the administration—that we need a boost to demand—they generally cite two general statistics in their argument: the unemployment rate and the growth of GNP. It is, of course, true that the unemployment rate remains very high—7.3 percent at last count. It is also true that real GNP has been showing a declining rate of growth lately. However, one must look beneath these statistics to derive their true meaning.

The employment record of the economy, for example, is not bad if you look at the total number of people employed,

rather than just the rate. The following chart tells the story:

People and jobs

[In thousands]

	Population	Employment
Year:		
1966	196,560	72,895
1967	198,712	74,372
1968	200,706	75,920
1969	202,677	77,902
1970	204,878	78,627
1971	207,053	70,120
1972	208,846	81,702
1973	210,410	84,409
1974	211,901	85,936
1975	213,540	84,783
1976	215,355	88,352

As you can see, the figures show that over a 10-year period, employment went up by 21 percent, while the population went up only 10 percent. This contrasts to a growth in employment of only 12.3 percent between 1947 and 1957, and 14.3 percent between 1956 and 1966.

The reason for this phenomenon is that the labor force has been growing faster than the population; that is, more people are looking for work who have never worked before or who have not worked in a long time. Essentially this is because women are joining the labor force in record numbers, as barriers to female employment are dropped in many areas and as more and more wives work full time, either because they must in order to maintain the family's standard of living in the midst of inflation or because the declining birth rate has left more women free to pursue careers. Thus, when we break down the labor force by sex, we see the following numbers:

Labor force by sex

[In thousands]

	Males	Females
Year:		
1966	48,471	27,299
1967	48,987	28,360
1968	49,533	29,204
1969	50,221	30,513
1970	51,195	31,520
1971	52,021	32,091
1972	53,265	33,277
1973	54,203	34,510
1974	55,186	35,825
1975	55,615	36,998
1976	56,631	38,856

The result is that from 1966 to 1976, while the male labor force went up 16.8 percent, the female labor force went up 42.3 percent. One of the reasons, beyond the new opportunities for women opening up, is that women feel the need to augment the declining purchasing power of earnings.

At the same time, Government has made it increasingly easy to remain unemployed without suffering deprivation. It is now possible in many States to receive unemployment benefits which are not much lower than the best a worker could expect to get after taxes. Thus a worker would have to get a job paying not just the same after taxes as the unemployment benefits, but considerably more. As a result, Government transfer payments have been climbing at an astronomical rate for the past 10 years, as this table demonstrates:

The non-working payroll

[Transfer payments]

Year:	Total
1966	$44.7
1967	52.6
1968	59.9
1969	66.5
1970	79.9
1971	94.1
1972	104.1
1973	118.9
1974	140.3
1975	175.2
1976	196.7

Consequently, we can now see a double "wedge" in operation. First, you must compare before tax and after tax salaries in order to find out what a worker considers his real wage, and then you must compare this real wage with the level of unemployment benefits. It then becomes clear that in order to induce more people to work, you must reduce this wedge, either by reducing unemployment benefits—as some have suggested—or by increasing after-tax income. Since the first option is politically impossible to implement, we will concern ourselves with the latter.

The obvious solution is an across-the-board reduction in income tax rates. This would do two things at once: increase take-home pay, thus inducing workers to work harder and have a greater incentive to get off unemployment compensation, and reduce the cost of hiring new workers, since the cost to employers of hiring new workers at existing wages would be reduced by the amount of the new tax. This would give us an immediate and substantial reduction in the unemployment rate.

A tax rate cut would also lead to an increase in GNP overnight, as people in high marginal tax brackets who have withdrawn their labor from the market return to productive enterprises. An example of this is the doctor who works only 8 or 9 months at present because each additional dollar he earns is taxed at a rate which makes it unprofitable to continue work. It would also lead to an increase in investment, as money is taken out of tax shelters, which have a lower return, and put into profitmaking enterprises.

The administration does not see this alternative because it is wedded to its assumptions. As I noted, one of these is the perception of widespread lack of demand, which is causing an underutilization of plant capacity and the high unemployment rate.

In the first place, there is not as much slack in the economy as the administration assumes, as this chart demonstrates:

THE CURRENT ECONOMY

	1973–74 peak	1975–76 trough	Latest
Real GNP (1972 dollars in millions, annual rate)	1,241	1,168	1,282
Industrial production (1967 equals 100)	125.8	111.7	132.8
Per capita GNP (1972 dollars)	5,888	5,454	5,907
Capacity utilization (FRB, percent)	87.8	70.9	80.5
Employment (millions)	86.3	84.1	88.6
Unemployment (percent labor force)	4.6	8.7	7.3
Employment ratio (employed as percent of working age population)	57.4	55.1	56.2

As we can see, plant utilization is up sharply from last year. Though it stands at just over 80 percent of capacity, one should keep in mind that bottlenecks will occur at considerably less than 90 percent. This is because there are certain basic industries upon which the whole economy depends, such as steel and aluminum and others, which are already approaching full capacity.

The administration, however, remains committed to its belief that there is not enough demand in the economy as long as plant utilization is at less than full capacity—whatever that is. This is why the President's advisers insist that their stimulus package is noninflationary. The fact that inflation is rising at a rate of 6 percent a year right now would seem to make this argument utterly ridiculous. If you stimulate demand on top of this, we will surely have double-digit inflation again before long. As Prof. Martin Feldstein of Harvard recently noted:

> The cause of [the] chronically high rate of unemployment is not insufficient demand. As a result, the traditional Keynesian policies of increasing demand would not only fail to achieve a sustained reduction in unemployment but would again ignite an inflationary chain reaction.

And less than a week ago, Dr. Arthur Burns, Chairman of the Federal Reserve Board, testified before the House Budget Committee:

> By my diagnosis . . . our economy faces a serious deficiency of business investment in fixed capital, rather than any generalized problem of demand deficiency. The underlying difficulty is that we have done many things over a span of years which have been very damaging to the state of confidence—especially the confidence of the business community. Efforts at fiscal stimulation do not seem promising to me in these circumstances. Indeed, they could prove inimical to real progress, if only because they are likely to be perceived by many people as an extension of the loose budgetary practices from which so many of our troubles derive.

Even if the President and his advisors do not agree with this analysis, it is clear that the business community does. As soon as the administration's stimulus package was announced, with its proposed increase in the deficit of over $11

billion above President Ford's budget, the financial markets began to drop in anticipation of greater borrowing by the Federal Government and a higher rate of inflation. As soon as the Government begins borrowing the money it needs to pay for the rebate, short-term interest rates are going to shoot up, thus crowding out private borrowers and further depressing capital investment and particularly the construction industry. Unless the Federal Reserve then steps in with an increase in the quantity of money, all the beneficial effects of the stimulus package will be totally negated. This, in turn, will signal another round of inflation, as more money competes for the same goods. Therefore, I see almost no possible way the President's stimulus package can possibly avoid setting off another round of inflation. This view is confirmed by Prof. Milton Friedman, who recently said:

> There is nothing in the [President's economic stimulus] package which will stimulate anything. How can the Government stimulate the economy by taking money out of one pocket of the public and putting it into another pocket? The rebate plan, for example, would distribute $50 apiece to most consumers. As a result, those consumers will tend to spend more. But where will the Government get the money to send out those rebates? . . . If the funds are supplied by the Federal Reserve, that will produce more inflation and thus destroy private jobs to the same extent that it creates Government-financed jobs. . . . If the Treasury borrows from the public, there will be less money left in the hands of private investors to be loaned out and spent for building houses and creating new factories and machines. The result is to reduce private employment and increase publicly financed employment.

By way of confirming this judgment, it may be noted that the bond market has been severely depressed ever since announcement of the administration's stimulus program, precisely because investors anticipate an increase in inflation and interest rates. An illustration of this is the fact that the interest rate on currently maturing bonds is running at 4.88 percent, while the rate for June is 5.5 percent, 6.12 percent in September, and the implied rate for bonds maturing in June, 1978 is 7.48 percent.

This problem could be totally avoided by an across-the-board reduction in tax rates. As I have noted, this would immediately achieve the effect of employing more workers—far more quickly, incidentally, than any public works project—because it directly increases the after-tax reward for work. By contrast, public works projects must go through so much red tape that the $2 billion public works package passed last year has yet to result in any employment outside the Washington bureaucracy.

More importantly, perhaps, is the fact that permanent, across the board cuts in tax rates will not increase the deficit and expand the need for Government borrowing, such as this package does to the tune of $20 billion, which in turn deprives the Nation of private capital investment and spending. This is because permanent tax cuts alter future decisions by individuals and business. In anticipation of after-tax income not simply this year but for next year as well, savings will be invested in new and more modern plant and equipment, thereby expanding the total supply of goods and services. This fact, combined with the increased employment and incentives to work, will mean an expansion of the tax base itself and thus adding revenues rather than declining revenues. Thus the Government can collect the same total revenue even though it is taxing at a lower rate. This is especially true when the tax cuts are directed primarily at savings and investments, such as a lowering of personal and business tax rates.

Secretary of the Treasury Blumenthal recently explained the process like this:

> The simple-minded notion underlying all this is that, if it works, I would hope that there would be a bigger pie, and higher levels of activity producing more revenue. You know, it's like the old joke in business—"we're losing money, but we'll make it up on volume."

Historical experience justifies this conclusion, it is not a joke and it is not just hope.

The tax rate cuts of 1962 and 1964, for example, paid for themselves within a year and continued to produce additional revenues for several years thereafter, as the following table demonstrates:

[In billions]

Treasury-estimated revenue losses:	
1963	−2.4
1964	−5.2
1965	−13.3
1966	−20.0
1967	−23.7
1968	−24.4
Total	−89.0
Actual revenue gains:	
1963	+7.0
1964	+6.0
1965	+4.0
1966	+14.0
1967	+19.0
1968	+4.0
Total	+54.0

Note: Library of Congress study done at my request.

Since these tax rate cuts took place under a Democratic administration and since current members of the administration seem to endorse the idea that permanent tax cuts would produce the same effect today, I must conclude that there is some other reason why there is strong opposition to permanent tax cuts and so much reliance on gimmicks like the tax rebate. I believe that it is because of a fear that Government will be surrendering too much of its power over the individual. They would rather keep the Government's taxing power intact and give back a bonus once in a while, rather than lose its hold on our pocketbooks. As Prof. Paul McCracken recently observed:

> The higher level of economic activity produced by tax reduction is a far more effective job creation program than public spending. It is more effective because it is faster and because the employment opportunities are less apt to be dead-end jobs. We tried tax reduction in 1954 and it worked. We tried it in 1964 and it worked. We tried it in 1975, and the fact that 4.2 million more people are now employed (88 percent of them in the private sector) strongly suggests that it worked once again. Because history is so clear about this, one has to suspect that those who stubbornly try to maintain this distinction between tax reduction and job creation have as their major objective simply a further expansion of political empires where both the newly created bureaucracy and the holders of public service jobs will be more explicitly beholden to government.

In closing, I would urge my colleagues to reject this so-called stimulus package. It will not produce the benefits it promises, and insofar as it does it will be at the expense of greater inflation, which, in the long run, will make the situation worse than it is now. I urge instead the adoption of permanent tax rate reductions, such as those enacted by President Kennedy in the early 1960's. This is the only way to restore the economic prosperity we all want without the scourge of inflation.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Chairman, I am not going to take a position on any of this at this time. I respect the committee effort. It has had a very difficult time.

There is so much more to the bill than the $50 spread around. It should not be defeated for this provision alone.

I am going to comment on what will happen from my own knowledge of the subject matter about consumer groups and public buying. In most instances this will go to buy consumer goods. There will not be one new retail clerk hired, because the money is scattered in such small amounts to such a large number of persons over such a large part of the country. Anybody that thinks there will be some employment added is wrong in my opinion, there will not be any new meaningful jobs added anywhere, because one person may buy a toaster, another may buy a television set, another may buy a pair of shoes, another may buy a pair of socks and the greater portion of the money will find its way into imported products, because the low income consumer in the United States is buying imported products. Fifty-five percent definitely, if they buy shoes. The entire public has reached the point where better than 50 percent of the shoes sold are foreign, they would have to buy imported shoes, because we do not produce shoes in sufficent quantity to meet our needs. The lower income class of citizens that will get this money, we could say 85 to 95 percent of the shoes bought will be imported shoes. We have lost 55 percent of the shoe workers in the State of Pennsylvania. I do not expect to see one added job.

Let us not kid ourselves. The economy may get an impetus to do something, but it will not trigger any kind of an uplift in this country in the items we are talking about, the items that will be the bulk of the product sold.

Now, if I had been doing it, I probably would have said, "Let us take everybody that cannot afford to buy these products and give something to them."

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ULLMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, a person with $20,000 a year is certainly not a relief case. If they were, the greater number of our citizens would all be on relief. This is affecting those on minimum wages. It is affecting those on welfare. We should have said, "All right, we will give $100 or $150." We have a limit of $10 million. All right, but give it to those that can buy some substantial items that will add to the economy. The persons that need washing machines, dryers and other appliances, they will not be able to buy them because they will not have the money to buy those things. In the lower incomes they will get the bulk of the money and those people buy the items I mentioned before. I would say, go back to the district, get the number of persons working today and come back after this money has hit the marketplace and tell the House how many jobs have been created.

Do we realize the whole $10 million, if every recipient of that money takes it can spend it within 1 hour if they can reach any kind of retail or wholesale outlet or maybe good restaurant. They could spend that $10 million within 1 hour after receipt and it will probably be spent within a week or two. If it comes on a Saturday, I will guarantee it will be spent before Sunday church services.

Mr. BIAGGI. Mr. Chairman, I rise to express my position to the rule offered today allowing for the consideration of H.R. 3471, the Tax Reduction and Simplification Act of 1977. I was disturbed over the fact that this is the second major piece of legislation to come before us—the first, of course, was the House ethics bill—with an overly restrictive and inhibitive rule that shuts out all Members who are not on the relevant committees from offering amendments.

Let me state from the outset that I support the major features of this legislation. I believe the $50 tax rebate for individual taxpayers and the $50 payment to be provided to social security, SSI, and veterans' pension recipients are essential. I fully support the provisions in the bill which will simplify the labyrinth of tax forms.

But, I do have some objections to aspects of the legislation. However, under this rule as I am not a member of the Ways and Means Committee, I am being prohibited from even offering an amendment. If given the opportunity, I would propose that the provision of the bill which would permit certain recipients of AFDC to receive both a tax refund and a $50 payment be omitted. I consider this provision to be unfair when such a double benefit is specifically prohibited for social security, SSI, or veterans' pension recipients. It is almost like providing an additional incentive for people to go on welfare. I feel this provision merits very close attention and if an adequate justification cannot be offered, then the section should be struck from the bill.

This rule is characterized as a "modified open rule." The distinction in semantics between this, and a closed rule, escapes me. I object to the use of such rules for legislation which is of obvious importance to all of us and to the American people. The House of Representatives is comprised of 435 Members, not just the 37 members of the Ways and Means Committee.

Mr. LEGGETT. Mr. Chairman, I rise in support of H.R. 3477, the Tax Reduction and Simplification Act of 1977. I support this act because it is an essential and integral part of our stimulus program provided under the third budget resolution.

This act, along with other measures, is targeted toward increasing employment opportunities and stimulating consumer demand.

The employment tax credit contained in the Ways and Means Committee bill provides financial incentives to the private sector to create jobs. In the final analysis, it is only the private sector that can solve this unemployment problem which has left 8 million people out of work and millions more unable to enter the job market.

The Ways and Means Committee bill provides employers with an income tax credit of 40 percent on the first $4,200 of wages paid to new employees in 1977 and 1978. This means a maximum credit of $1,682 for each new employee with a maximum total credit for any employer being $40,000.

What I like about this bill is that it provides incentive to hire above and beyond normal employment growth. In my view, the small business community will benefit the most. Small businesses are very sensitive to labor costs and have been traditionally the most reluctant to expand without some incentive. Small businesses also hire low-income and the marginally skilled which make up the largest share of our current 8 million unemployed. It is businesses such as wholesalers, grocery chains, food stores, retailers, department stores, and similar businesses that will benefit the most.

This employment tax credit is an experiment. We are estimating the creation in this fiscal year 1977 of approximately 416,000 new jobs. The committee has acted so as to insure a careful review of this employment tax credit experiment and to inform the Congress of the number of jobs created, administration hangups, the net revenue loss, and the distribution of the utilization of credit by the industry and the area.

The employment tax credit is not a panacea. It is only one approach and it has its shortcomings. Perhaps it does distort the marketplace through incentives to hire more people, but every incentive does this. And, second, the Ways and Means Committee is just beginning to review the structure of business taxes.

On balance, the employment tax credit is a reasonable and flexible approach which has considerable potential. It is principally for this reason, then, that I support this act and I urge my colleagues to join me.

Mr. COTTER. Mr. Chairman, I support H.R. 3477, the Tax Reduction and Simplification Act of 1977.

This legislation represents a prudent tax stimulus to help our lagging economic recovery. I am proud of the job that the Ways and Means Committee has done on this legislation.

I offered the change to limit the $50 per person rebate to low- and middle-income families. By phasing out the rebate between $25,000 and $30,000 the committee provided additional funds to extend the rebate to the poor, social security recipients, veterans, pensioners, and other needy Americans.

Under my amendment, over 89 percent of all taxpayers will receive the rebate, and another 5 percent a reduced rebate, because the rebate is phased out between $25,000 and $30,000. At this point, I will include a copy of an article that I wrote for the Hartford Courant that explains the reason I offered this amendment.

The committee increased the standard deductions for single individuals to $2,400 and for married couples to $3,000. In so doing, I am aware that the disparity between married and single taxpayers has been increased. I will work to remedy this action as the committee takes up more comprehensive tax reform later this year.

Under this legislation 95 percent of all taxpayers will be helped by the simplification of the tax returns. The committee together with the administration correctly continued the $35 per person on tax credit, the earned income credit, and the corporate deduction.

There is one area that I must disagree with the actions of the Ways and Means Committee. The new jobs credit which is designed to provide employers with income for newly hired employees appears to be conceptually sound when first looked at but on further reflection will not help those areas of the Nation that are most seriously affected by the recession. I refer specifically to States like my own, which I believe will not receive any benefit from this new credit. Let me explain. The credit requires that a company increase its employment base by 4 percent over the base period. This means that areas of the Nation who have experienced no new hiring will not be able to receive this credit. In addition the committee's annual limitation of $40,000 effectively removes this incentive from large employers who would be more likely to hire many additional employees.

I know that we will not get a vote on this issue, but I am hopeful that the Senate will accept the additional 2 percent on the investment tax credit because I believe that this approach will be more helpful in stimulating employment in the industrial Northern States.

I urge my colleagues to support this legislation.

The article referred to follows:

ARTICLE BY WILLIAM R. COTTER

If the House Ways and Means Committee has its way, taxpayers whose adjusted gross income is $30,000 or more won't receive President Carter's tax rebate.

The Administration's original proposal called for a $50 payment for almost every taxpayer and dependent, regardless of income. The poorest Americans, who pay no taxes, were excluded.

The committee, however, adopted my amendment to give the full rebate to the 80 per cent of taxpayers who earn an adjusted gross income of less than $25,000, and to reduce the rebate for the 5 per cent who earn between $25,000 and $30,000.

If this amendment becomes law, there will be no rebate for the above-$30,000 income group, who represent 6 per cent of the taxpaying public.

The anger of taxpayers who would lose their refund is understandable, especially since the committee also voted to extend the rebate to 11 million poor families and the millions of Social Security recipients who don't pay any taxes.

With education, food and housing costs soaring year after year, there are plenty of married taxpayers who certainly don't consider themselves "affluent," even if their combined income is higher than $30,000.

Is this another attempt by the federal government to sock it to the middle class?

Perhaps the "Cotter amendment" would be an outrage if the rebate were intended to ease the tax burden of American families. But that's not what the rebate is supposed to do. A $50 federal Treasury check would be a pitiable excuse for "tax relief," and the real outrage would be any attempt by Congress to substitute comprehensive tax reform with a small refund.

So why does the Ways and Means Committee want to mail out $10 billion in rebate checks?

The rebate program has one objective to stimulate an economy that still cannot find work for 7 million unemployed.

As an economic stimulus, the rebate check has to be spent. If the money ends up in a savings or checking account, its immediate effort on the economy will be negligible.

Most economists who testified before the Ways and Means Committee told us that taxpayers whose income fell below the $15,000 to $20,000 level were most likely to spend the rebate immediately. Taxpayers over that level would tend to put the money into a bank.

Like every economic generalization, there are exceptions. But if Congress wanted to pump the rebate money into the economy as quickly as possible, it was clear that some income limit was needed.

The limit proposed in my amendment was higher than the one advocated by the economists. I wanted to compensate for joint returns filed by married taxpayers who might earn less than $15,000 as individuals, but whose combined adjusted gross income was higher than $20,000.

Taxpayers affected by this change should remember that the rebate is not a "tax reform," but a device to expand the economy's capacity to employ Americans who want to work. Its success or failure must be judged by this objective.

If taxpayers want real reform, they should look beyond the merits of this particular program.

First, they should study the tax package scheduled for a vote today. This bill includes the Ways and Means rebate plan, but it also features some basic reform proposals. If passed the legislation will simplify IRS tax tables and increase the standard deduction for married and unmarried taxpayers.

Second, the Ways and Means Committee is planning to take up a comprehensive overhaul of the tax structure later this year, and any legislation the committee drafts as a result should be examined. With a new Administration in the White House, reforms that have been needed for years should have a better chance of becoming law.

Third, taxpayers should demand that Congress restore the public's confidence that a dollar contributed in federal taxes will be returned as a dollar in efficient federal services. More should be expected of politicians than the usual polemics against obvious waste. Taxpayers should understand the various zero-base budgeting and government reorganization plans under study, and they should learn how these plans would build on the strict budget process Congress adopted last year.

If the debate over the Ways and Means tax rebate plan teaches Congress a lesson, it should be that representatives can ignore the working, middle-class family only at their peril. But the emotion expended on this debate would be better focused on the critical choices Congress must make this year.

Mr. KOCH. Mr. Chairman, I intend to vote for this legislation because, on balance, it will do an adequate job of stimulating the economy, both by putting money into the hands of consumers and by encouraging businesses to expand investment and employment. Having said this, I must express strong reservations about two aspects of this bill. First, there is the dilemma of how to set the standard deductions for singles and couples. I watched with interest as the Ways and Means Committee first increased the differential between marrieds and singles in order to decrease the "marriage tax," the tax penalty against married couples where both persons work.

Then under pressure from singles, and because of the excellent work of JIM CORMAN, the committee reversed itself again and increased the standard deduction for singles so as to lessen the discrimination against single persons. There is a double bind here which the committee has not yet faced up to. The fact is that singles and married working couples are both discriminated against in the tax code and it makes little sense to try to help one group at the expense of the other. The problem has been that the committee has dealt with married couples as a monolithic group, which they are not. Couples where both persons work have greatly different problems than do the one-earner couple.

I believe the real solution to this problem is to allow a standard deduction for every wage earner. The two-earner couple have burdens and responsibilities which the one-earner couple does not have. Some argue that if a flat $2,000 deduction were allowed for every wage earner, then the one-earner couple would receive only $2,000 deduction while the two-earner couple would receive a $4,000 deduction, and that, some argue, is also discrimination.

Perhaps a dependent exemption for the nonworking spouse should be allowed to reduce that problem. But the point is that dealing with these situations should be done through the exemption for dependents, and not through the standard deduction or the tax rates, as is now done. Clearly this problem must be addressed when President Carter presents his comprehensive tax reform proposal to the Congress later in this session. The gyrations which the Ways and Means Committee have gone through on this issue in this bill demonstrate the need for a complete restructuring. I hope that the administration will take a careful look at my legislation, H.R. 850, as a solution to this problem. This legislation now has over 110 cosponsors in the House.

The second problem I see in this legislation is the limitation on the $50 rebate for those with incomes over $25,000. I have some sympathy with the concept that individuals with huge incomes do not really need the $50 rebate, but I believe the rebate proposal reflects a bias against areas such as New York City with a high cost of living. It may appear incredible to someone who lives in a rural area that a $30,000 income for a family in New York City does not place them in the lap of luxury. Rents, food costs, heating bills, taxes, and other standard expenses are so high that a family is left with very little disposable income. It is patently unfair that a family in a rural area with a $25,000 income will get the full rebate while a family with a $30,000 income in New York City will get no rebate, although the New York family has roughly the same buying power as the rural family. The cost-of-living problem is simply not dealt with in this bill. This is the kind of discrimination against cities such as New York which cannot be allowed to go on.

Mrs. SPELLMAN. Mr. Chairman, I rise in support of H.R. 3477. This measure provides a balanced and much-needed economic stimulus to an economy which has been badly buffeted by winter winds and cold. While most people will be interested in the outcome of the debate on the rebate question, I think of equal importance and perhaps longer lasting impact is title III, the new job creation credit.

I was a cosponsor of the original proposal for this new job credit and, although the committee bill has modified that proposal somewhat, I continue to support it. We most certainly need to balance our employment efforts, providing incentive to the private sector for jobs of a more permanent nature, and providing immediate assistance through short-term Government public service jobs and public works funding. We have established the latter through legislation increasing the funding under the Public Works Capital Development and Improvement Act last week. Title III of the bill before us establishes the former—incentives to the private sector for job creation.

The 40-percent tax credit is of special interest to small businesses which are the true backbone of our economy. Employers would receive a 40-percent tax credit on the first $4,200 of wages paid to new employees in 1977 and 1978. They would receive an additional 10-percent credit for hiring a handicapped employee, and, as further incentive, that 10-percent credit would not be restricted by the 40,000-credit limitation per year per employer which applies to the 40-percent credit.

While this tax credit is available to all employers, the $40,000 ceiling insures that the greatest impact will be on small, labor-intensive firms and industries. Almost half of American workers are employed in the wholesale and retail trades, the service industries and in small manufacturing companies. Almost two-thirds of all U.S. employers have less than 8 employees. The incentive offered by this tax credit is a shot in the arm for those small businesses which make up such a large part of our economy.

The bill's effects are targeted, since the credit is based on the increase in the employer's unemployment insurance

wages. Thus, the credit is available only when new employees are hired.

Finally, the cost to the Federal Treasury is minimal when compared with the impact on our productivity. Assuming that the average job salary is $10,000, the Federal credit would be 40 percent of the first $4,200, or $1,680. However, about $1,300 of that $10,000 salary will be returned to the Federal Government in terms of taxes. Another $350 or so will be returned in State and local taxes, and in lower costs in terms of unemployment and temporary assistance benefits which the new employee would not be using. In a sense, then, we are breaking even on this credit. When compared with the $8,500 which a public service employment job costs, and with the $10,000 to $12,000 which a public works job costs, this credit is quite a bargain.

I urge my colleagues to support this job creation tax credit as reported. It is time we gave small business a break as well.

Mr. DERWINSKI. Mr. Chairman, the issue in this debate over our tax policy includes the basic view of the Carter administration that the U.S. economy, and that of our major allies, should be subject to deliberate domestic overstimulation by means of increasing Government deficits. In the United States the deficit would be increased by a combination of increased Government spending and gimmicks such as the rebate proposal in this bill.

In my judgment, President Carter continues to exaggerate the economic picture. Our economy is in good shape even allowing for the adverse effects of the severe winter.

It seems that a preponderance of economic analysts have taken the position that the Carter proposals are very likely to be inflationary. In my opinion, it is an absolute certainty that our economy will rebound from the adverse winter weather, and thus Mr. Carter's program may well overheat the economy and cause inflation later this year and throughout 1978.

The problem is compounded by a pattern which is emerging of congressional Democrats adding to Mr. Carter's spending proposal. Thus, the inflationary pressure will be compounded unless the administration or congressional Democrats sober up.

This bill is an imperfect measure and it is my hope that the Senate might improve it.

Mr. DRINAN. Mr. Chairman, I would like to join my colleagues in supporting the Tax Reduction and Simplification Act of 1977, H.R. 3477. The bill is intended to provide a major economic stimulus to the country as a whole so as to continue our economic recovery.

The Tax Reduction Act is the second major economic bill which the Congress had considered in the past 3 weeks. Two weeks ago, the House passed the Local Public Works Amendments Act, which would authorize an additional $4 billion in direct Federal grants for local public works projects. This week, we are acting on legislation which will provide for $12.7 billion in tax cuts and payments in fiscal year 1977 alone. These two pieces of legislation should help the disappointing state of the Nation's economy.

Mr. Chairman, some have asked why this new stimulus, which includes $50 tax rebates per person and an increase in the standard deduction, is necessary. These individuals have argued that the economy is returning to normal and that no further incentives are needed. Yet if we look at the most recent economic statistics, we find that help for the economy is still needed at this time.

Just 6 months ago the economic outlook was considerably brighter. The country seemed to be headed for an unemployment rate of 6 percent and our gross national product appeared to be growing in an encouraging way. However, at the end of the fourth quarter of 1976, the unemployment rate was 7.8 percent with at least 7.5 million Americans out of work. Another 1.4 million full-time workers were forced to take part-time jobs, and we discovered that 1 million Americans had even given up looking for jobs. On top of the fact that the gross national product grew by just 3 percent, it was eminently clear that the economic recovery was not proceeding as we had hoped. It is for this reason that H.R. 3477 is considered today.

Mr. Chairman, the Tax Reduction and Simplification Act provides for $12.7 billion in tax cuts and payments in fiscal year 1977, $17 billion in 1978, and $13.4 billion in fiscal year 1979. These expenditures are broken down into the following provisions:

First, the bill provides a $50 tax rebate per taxpayer for 1976 taxes. The full rebate will be extended to all individuals with incomes of $25,000 or less, with the rebate then being phased out for individuals who earn more than $30,000 per year. The bill also provides for $50 payments to beneficiaries of social security, SSI, railroad retirement, Veterans' Administration pensions or compensation, and State-administered supplements to SSI. In all, the cost of the rebate will amount to $8.6 billion in 1977.

Second, the bill changes the current levels for the standard deduction. H.R. 3477 eliminates the existing minimum, percentage, and maximum standard deductions and replaces them with a flat standard deduction of $2,400 for single persons and $3,000 for married persons. This change in the law will account for another $5 billion in tax reductions.

I think it is important to note, Mr. Chairman, that the increase in the standard deduction should have important tax simplification ramifications. By increasing the standard deduction, 95 percent of our taxpayers will be better off taking the standard deduction rather than going through the complicated process of itemizing deductions. This simplification should ease the burden on many Americans insofar as the preparation of their tax returns is concerned.

Third, the bill provides for an innovative jobs tax credit, which will benefit those employers who hire unemployed workers. Essentially, employers would be entitled to receive a tax credit up to $1,680 per year for each new worker hired. The provision would allow these tax credits up to a maximum of 24 workers or $40,000. We in the Congress are hopeful that this legislation will encourage businesses, and in particular small businesses, to hire new workers and reduce our present unemployment rate.

Fourth, H.R. 3477 will extend the individual and business tax cuts which have been passed in previous Congresses. This extension will further ease the tax bite which many of our constituents will be feeling in the coming months.

Mr. Chairman, while I understand that the Tax Reduction Act is necessary as an economic stimulus, I would like to say that is in no way a substitute for tax reform. Middle-income taxpayers across the Nation are feeling the full burden of our tax laws while we see the corporate tax burden continually shrinking. Let me illustrate that, Mr. Chairman, by citing a few significant statistics.

Twenty years ago the corporate income tax produced nearly one-fourth of all Federal revenues. Today, that same corporate share has dropped to supplying only one-seventh of our Federal revenues. Looking at a more recent period, from 1967–75, the individual tax burden as a percentage of total revenues increased from 41.1 to 43.6 percent. In addition, individual payroll taxes such as social security increased from 22.3 to 30.7 percent. Yet when we look at the corporate share, we find that corporate income taxes dropped from 22.7 to 13.8 percent in this 1967–75 period.

In the last Congress we did enact the massive Tax Reform Act of 1976. Although a number of important changes were made in that law, many of the toughest decisions on tax reform were postponed. Accordingly, I would urge the new administration and the House Ways and Means Committee to consider expediting real tax reform in the coming months. Our citizens cry out for it, and the Congress must respond.

Mr. Chairman, both the Public Works Act and the tax reduction will finally be enacted into law in the coming weeks. These measures should help to revive the economy somewhat, but we must continue to monitor the economic situation very carefully. The severe winter weather which we have experienced lately will cut into the effectiveness of the programs which we have passed, so additional legislative measures may be necessary in the future. Nevertheless, we are at least moving in the right direction and I would therefore urge my colleagues to support H.R. 3477.

Mr. EVANS of Delaware. Mr. Chairman, I rise in opposition to the so-called Tax Reduction and Simplification Act. It used to be the rule that a politican should never vote against legislation to give money—even $50—back to people. But I believe that the American public is not deceived by this misguided attempt to stimulate the economy which the tax rebate represents.

The $50-rebate program will not, in my judgment, have any major, long-term stimulative effect on our economy. It will in most cases go toward paying old bills or into savings accounts, and will not create the demand for "big-ticket" goods which lead to higher employment.

It makes no sense whatsoever to me for the Federal Government to borrow

money, run it through the bureaucracy, and then give it to the taxpayer. It would be far better for the Government not to have taken the money away from the taxpayer in the first place. For that reason, I support a permanent tax reduction for all Americans as the best way to benefit the taxpayer and stimulate our economy. The alternative approach embodied in the Republican proposal would reduce taxes permanently for the middle-income American, who is taking it on the chin in the form of higher taxes. Under our approach, those families earning under $20,000 would receive 67 percent of the tax cut. Those under $30,000 would receive 89.6 percent of the reduction. Yet the net cost of this proposal is roughly comparable to the temporary tax rebate scheme offered by the Democrats.

The taxpayers of Delaware do not want a measly $50 handout from the Federal Government. They want instead a real and permanent reduction in the crushing tax burden which increases, thanks primarily to inflation, every year. I urge my colleagues to reject this costly and misdirected tax rebate, and instead work to enact a tax reduction package which will bring real help to middle-income families.

Mr. ANNUNZIO. Mr. Chairman, I rise today in support of H.R. 3477, the Tax Reduction and Simplification Act. The distinguished chairman of the Committee on Ways and Means has worked expeditiously and reported to the House a strong and balanced measure designed to speed the return of our great economy to levels of full employment. In addition, Mr. Chairman, this bill makes an outstanding contribution to the pressing task before this Congress of continuing to find ways to simplify the bewildering complexities of our tax laws.

Almost 2 years after the beginning of our recovery from the worst recession since the Great Depression, our economy is still in deplorable shape. The growth rate of real GNP has fallen from 4.5 percent in the second quarter of 1976, to 3.9 percent in the third quarter, to a distressingly low 3 percent in the final quarter of last year. This drop, I remind my colleagues, came before the onset of the coldest winter in decades, which forced hundreds of thousands of workers off their jobs. The unemployment rate has been over 7 percent for 26 consecutive months. Minority and teenage unemployment rates may be three, four, or even five times the average figures. Manufacturers' capacity utilization rates are still running in the neighborhood of 80 percent, below the level of utilization of even a year ago.

Economic forecasts for 1977 and 1978 indicate that, in the absence of additional economic stimulus, the unemployment rate will remain above 7 percent through most, if not all, of 1978. With the adoption of the stimulus package contained in H.R. 3477, however, the unemployment rate should come down one-half of a point by the end of this year. Mr. Speaker, that represents 500,000 workers back on the payroll and off of the unemployment roll.

The stimulus package offers a reasonable, carefully thought out approach. The size of the tax package is substantial enough to inject meaningful stimulus into the economy, but restrained enough to forestall the rekindling of inflationary pressures: $12.7 billion of stimulus this year, $17 billion next year, and $13.4 billion in fiscal year 1979.

The package is balanced, to stimulate consumer spending and to encourage the expansion of production of goods and services.

The bill will act quickly, by speeding tax refunds and payments to virtually all low- and middle-income Americans—those who need the payment the most and those who will spend it the fastest.

The bill will continue to work, by providing a permanent tax reduction to millions of taxpayers by increasing the standard deduction, and thus insuring a continuing stimulus to the economy to foster a self-sustaining economic growth.

The bill recognizes the importance of providing incentives to business so that jobless individuals can find work in the private sector, by enacting a new jobs tax credit for increases in wages paid for the hiring of new employees.

The bill is consistent, by extending the current general tax credit and earned income credit for individuals and continuing the tax rate reductions for small businesses.

Mr. Chairman, H.R. 3477 has mainly received public attention for its stimulative features, but the proposal is more than a tax cut. The second major purpose of the bill is to simplify the tax system for the benefit of the average taxpayer. Almost 50 percent of individual tax returns filed this year will be prepared with the assistance of a commercial preparer. There is no reason why a middle-income taxpayer with wage or salary income and some interest or dividend income should have to hire an accountant to complete his tax return. The present structure of the standard deduction and the general tax credit have turned the filing of even the briefest of tax forms, the Short Form 1040A, into a burden of completing a series of complicated calculations. Many taxpayers make errors or overpay their taxes as a result.

This bill will eliminate the standard deduction, personal exemption, and general tax credit calculations and build them all into the tax tables. Ninety-six percent of all taxpayers will be able to look up their tax bill in the table, being spared a trip to the confusing world of tax rate schedule calculations. Five and one-half million additional taxpayers will advantageously be freed from the burden of itemizing their deductions, reducing the proportion of itemizers from 31 percent to 25 percent.

Mr. Chairman, the distinguished members of the Ways and Means Committee have acted expeditiously. The bill that has been reported is an impressive achievement. H.R. 3477 provides the tax reduction and incentives to put our economy back on the track of recovery. In the process, the tax system will be made simpler and more understandable for millions of taxpayers. H.R. 3477 deserves our support.

Mr. LE FANTE. Mr. Chairman, I rise in support of H.R. 3477, the Tax Reduction and Simplification Act of 1977, and urge my colleagues to vote for the measure.

There are few other congressional districts which have suffered as has my home county because of high unemployment. Words are not adequate to express the heartbreak and suffering of my friends and neighbors who are unemployed.

If you, my colleagues, had visited the unemployment offices in Hoboken, Jersey City, Bayonne, and the other communities in my district, then you might begin to comprehend the seriousness of our problem in Hudson County.

Once proud men and women by the thousands have been forced to seek aid from their Government, not willingly, but to keep themselves and their families from starving and from being thrown out of their homes.

My friends and neighbors want to work, Mr. Chairman, but there are no jobs for them.

We in the Congress must help them find jobs.

We have the opportunity to take one small step in that direction by approving this measure as amended by the Ways and Means Committee. Throughout the country, thousands of people are watching to see if this Congress has the courage to be responsive to the very real needs of the people who elected us.

The unemployed are not seeking make-work jobs, but rather real employment where they will be able to make a living to support themselves and their dependents and make a contribution to our society.

One of the major features of this tax package is the new jobs tax credit, an idea of which I was an early supporter. This incentive will provide many jobs in the private sector and help alleviate the unemployment problem.

Under the terms of the Ways and Means proposal businesses would receive a credit of up to $1,680 per employe with the total yearly credit limited to $40,000 per employer. This would allow each employer to hire 24 new employees if they were to take maximum advantage of the tax credit.

A very significant section of this provision would allow employers an extra 10-percent credit for hiring the handicapped, a group of people whose unemployment rate is double that of other Americans. This provision would aid those people who are willing and able to work, but who have found it particularly difficult to secure employment.

The bill would also simplify tax computing for 95 percent of all taxpayers, extend individual and corporate tax reductions through 1978, and provide a $50 refund on 1976 taxes for most taxpayers.

Our economy badly needs the economic stimulus provided by this bill. I urge my colleagues to support the measure.

Mr. HARRIS. Mr. Chairman, I voted against the rule to H.R. 3477, the Tax Reduction and Simplification Act of 1977. This bill should not have been considered under a closed rule.

I believe strongly that I should have the opportunity to vote against major provisions of a tax bill when I think

those provisions are wrong. I am opposed to House procedures which prevent my doing so. It is one thing to vote for a generally beneficial bill after having attempted to improve, it but it is another matter to have only the opportunity to vote on its passage.

Certainly, we need an immediate economic stimulus to get the economy moving and to put our people back to work. Further, I believe that the average middle- and lower-income taxpayer bears too much of the tax burden—the wealthy and the large corporations do not pay their share of taxes. We need to close loopholes and simplify the tax code. H.R. 3477 accomplishes some of these objectives, but I cannot support the bill in its entirety. Let me point out some of my reservations.

First of all, I have my doubts as to whether or not a rebate program will be effective in significantly improving the economy. However, I believe that if we are going to have a rebate program, then all taxpayers should share in it. The phaseout of families earning more than $25,000 assumes that middle-income families do not need the rebate, or that they will not spend it. All families face higher fuel bills this winter; and, the cost of medical care, education, food, and other basic necessities have increased dramatically.

I particularly object to the phaseout as it is presented in the committee bill since it increases the "marriage tax." If the husband and wife both work, it is not uncommon for their combined income to be in the neighborhood of $25,000 to $30,000. Under the committee bill, a married couple with an income of over $30,000 will lose their rebate, while an unmarried couple with the same income will receive it. In fact, if the combined income of an unmarried couple is $50,000, they will not be "touched" by the phaseout. There are too many examples of marriage penalties in our tax laws. A phaseout should not discriminate against married couples.

Second, I am concerned that the new flat standard deduction will further institutionalize the marriage tax. Under the committee bill, an unmarried couple can claim a combined standard deduction of $4,800, while a married couple can claim a standard deduction of only $3,000. This is an $1,800 marriage penalty. Because of the high cost of living, for strictly personal reasons, both the husband and wife in many families work. I do not believe that we should penalize working married couples, or discourage couples from marrying.

I do want to commend the committee for revising the treatment of the standard deduction to incorporate it into the tax tables, thereby eliminating a needless computation on the part of the taxpayer. This is a good reform.

Third, I am opposed to the new jobs tax credit. This credit is not going to create jobs—it is only going to give a tax break to firms which would employ additional workers anyway; it is going to create another loophole. Business activity increases with increased consumer demand for goods and services. I think it is somewhat of a fantasy to assume that the business community is going to say, "Let's create more jobs so there will be more workers to buy our goods and services." It is more likely that businessmen are going to say, "With the tax rebates and other stimulus to the economy, consumer demand is going to increase so we should employ more workers to produce the goods and services that will be demanded." Jobs are going to be created regardless of the tax credit, not because of it.

I am concerned that once we create the new jobs tax credit, we will never get rid of it. We still have the investment tax credit which was designed as a temporary measure to increase business activity. It is doubtful whether the investment tax credit ever created a single job; that credit is nothing but a tax loophole which rewards firms that would make investments regardless of the credit.

The carryforward and carryback provisions of the new jobs tax credit are specially bad. Under the committee bill, the tax credit can be carried back 3 years or forward 7.

If we had been afforded the opportunity to consider H.R. 3477 under an open rule, I would have voted to eliminate the new jobs tax credit and to restore rebates to all taxpayers.

Mr. DON H. CLAUSEN. Mr. Chairman, the Tax Reduction and Simplification Act of 1977 is a complete proposal which should be looked at openly and candidly and evaluated on its merit. The title alone can be misleading to the average taxpayer who is looking for much needed tax relief.

The bill includes a $50 per person tax rebate, phased out at higher income levels, a $50 payment to beneficiaries of income maintenance programs such as social security, veterans pension, and AFDC, an increase in the standard deduction, a new set of tax tables incorporating the standard deduction, the personal exemption, and the general tax credit, a 40 percent new jobs tax credit for businesses, and an extension through 1978 of individual and corporate tax reductions now in effect.

I shall support the bill as I believe the taxpayer is in need of direct tax relief and any movement toward simplification is helpful. I do not, however, fully agree with the approach taken by this legislation and intend to support the substitute to be offered in the motion to recommit.

The substitute proposes a 2-year reduction setting the stage for a permanent tax reduction in place of a tax rebate. I support a tax reduction as it will have a more positive and permanent impact on economic growth that a rebate cannot have. A rebate is a one-time short-term shot in the arm.

A tax reduction is, in essence, a pay raise for every taxpayer as they will receive more money each payday as their withholding is reduced. They are then in a better position to take on long-term debt obligations to purchase big ticket items or commit it to savings or investments which aid in capital formation requirements. These purchases are what industry requires to urge them to make large capital investments creating permanent, meaningful jobs.

I fear that the $50 rebate will be used by the majority of those receiving it to pay existing bills which in turn, would not place new money through purchasing power, into the economy, thereby negating the stimulus objectives claimed by the supporters of the rebate approach.

I am pleased to note that the bill does raise the standard deduction. I have sponsored legislation to accomplish this and believe it is a positive step toward simplication and tax reform.

The bill does not, however, go far enough toward simplification. The vast number of taxpayers in my congressional district are unable to comprehend the confusing, overlapping, and sometimes contradictory tax regulations and rulings.

Our tax system is based upon the trust and confidence of the taxpayer in the ultimate fairness of the system. These citizens have genuinely complied with both the letter and the spirit of the law. We need to reform and simplify the tax laws to allow these taxpayers to directly and simply compute the lowest possible tax liability they must pay. Such reform is essential if we are going to maintain the confidence upon which the system operates.

Mr. ANDERSON of Illinois. Mr. Chairman, when the new administration unveiled its long awaited stimulus package, the proposals came as a severe disappointment to not only myself, but to many business and labor leaders across the Nation. The Carter proposal will fail by its own admission to reduce unemployment below 6.5 percent by the end of next year. The fact is that the much-touted Carter jobs program will do little or nothing to cut into the present 7.3-percent unemployment rate. To be sure, the goal of 6.5-percent unemployment may be reached at some point next year by the Carter administration.

The driving force behind that reduction, however, would not be Carter's so-called jobs program, but rather the natural forces of recovery. A survey of recent private econometric surveys shows that the unemployment rate was expected to decline to 7 percent by the end of this year without any economic stimulus. At best then, we can expect the Carter proposal to make a marginal one-half of 1 percent reduction in the Nation's unemployment rate, and even that modest achievement would be largely attributable to the public employment programs. In short, the Carter jobs program is for the most part a makeshift program for makeshift jobs.

Rather than seeking to criticize the administration's proposals further, I would like to discuss briefly the state of the economy and what I perceive to be a better and more effective approach to the Nation's economic woes.

To be oversimplistic, our economic problems are twofold: Unemployment and inflation. In a number of very important ways of course they are interrelated. Attempts to reduce inflation will in the short run aggravate the unemployment problem. Conversely, inflationary policies can increase employment, at least, in the short run. This, after all, is the classical Phillips Curve analysis that shows an inverse relationship be-

tween inflation and unemployment. We, however, who live in the real world, live in both the short and long run. Clearly, in the long run inflation leads ultimately to recession and high unemployment. The boom and bust pattern of recent years bears eloquent witness to that fact. If we are to maximize our material resources and minimize the dislocation of our human resources, we must aim at steady noninflationary growth.

In this regard, I was very pleased to read the recent report issued by Congressman NEAL, chairman of the House Banking Subcommittee on Domestic Monetary Policy. Mr. NEAL's report indicated that:

> For each 1 percent drop in the rate of inflation, we can achieve now, we can expect on average, a 1 percent rise in the rate of real GNP growth next year. Thus, bringing inflation down will increase production and employment. Thus, there is no need to choose rapid money growth, moderate growth will achieve a better economic performance all around.

I hope that the advocates of faster monetary growth will heed Mr. NEAL's report. His staff's econometric study reveals that 70 percent of the inflation in the years 1966–75 is attributable to excessive monetary growth.

The lesson I think is unmistakably clear: We must hold the line on monetary growth. To do otherwise is to accelerate inflation. I am not saying that an increase in the money supply by the Federal Reserve does not stimulate growth—it does, but only in the short run. In the long run excessive money growth produces inflation and requires a countervailing monetary contraction. The lesson of 1974–75 is too vivid to ignore. There are, however, those in the Democratic Party—who feel that the "Fed" should be more accommodating. No wonder excessive money growth has been called addictive by some economists and a narcotic by others. If you want to watch the withdrawal symptoms, observe Great Britain as it seeks to meet the lower money targets being dictated by the International Monetary Fund.

Admittedly, fighting inflation does not sound romantic, but we can and we must fight inflation and unemployment at the same time. The choice is not really ours.

What, however, does this mean for Congress? It means that we must seek to restrain the Federal deficit. To the extent that Congress creates a deficit, the Federal Reserve must either borrow from the private sector, or increase the money supply. By reducing, therefore, the Federal deficit, Congress can reduce the pressure for greater monetary growth.

Does all this mean that we must restrict our fight against unemployment to antiinflationary measures? I think not. First, let me say that the mere establishment of national employment goals is decidedly not enough—it is merely whistling in the dark. Furthermore, public employment programs are for the most part symptomatic remedies that are both costly and short term solutions at best. Our actions must be curative not cosmetic. We must seek to identify and correct the causes of unemployment, not to mask them.

In this regard, I think we can address two problems. The first is a structural obstacle to full employment. Classic economic theory, whether Keynesian or monetarist, tells us that one of the principal factors leading to unemployment is that during times of slack labor demand, wages do not fall sufficiently enough to maintain existing employment levels. Employers are unwilling to hire—or retain—marginal workers at either the minimum or prevailing wage. In this regard, the minimum wage has been recently characterized as a significant contributor to teenage unemployment in a Brookings study conducted by Edward Gramlich of the University of Michigan. Neither I, nor Mr. Gramlich, however, recommend the abolition or even a reduction in the present minimum wage.

I believe rather that the Government can take measures that will offset the adverse employment impact of the minimum and prevailing wage levels without sacrificing the benefits of the minimum wage.

One interesting, and I believe, meritorious proposal in this regard would extend to corporate employers a 40 percent employment tax credit for the hiring of new laborers in 1977. Under this proposal, corporations hiring new workers would be allowed under most circumstances to reduce their corporate tax burden by four-tenths of the employee's wage—up to the first $10,000 in wages, that is, a maximum $4,000 tax credit per new employee.

The proposal would contain suitable safeguards to protect the jobs of existing employees. The tax credit would apply therefore only to net additions to the work force, and will be phased out by the end of 1978. The proposal is designed to reduce the windfall effect to a bare minimum and thus assure that the incentive will be used solely to expand the work force.

The total cost of the program will, of course, vary with the response of employers to this hiring incentive. It is presently anticipated that 2.4 million new jobs will be created next year under existing conditions. I am optimistic that a 40-percent employment tax credit would boost the creation of new jobs next year to upwards of 5 million.

Assuming such a welcome response to this hiring incentive the initial revenue loss from the program is expected to fall within a $4 to $8 billion range. Offsetting this revenue loss, however, would be reduced expenditures for welfare and unemployment compensation and increased personal income tax revenues.

The opportunity to move into the 5-percent unemployment range this year would be well worth the cost of the program. I am well aware that a 40-percent employment tax credit is a far greater tax break than the Carter proposal for an employment tax equal to 40 percent of a company's social security payroll obligation. The proposal, however, is aimed at rewarding only net additions to the work force, and is designed to provide a maximum hiring incentive at a minimum cost. Some weeks ago, the chairman of the House Ways and Means Committee, AL ULLMAN, called for a $5 to $10 billion employment incentive program. I gave his proposal at that time my qualified support.

Over in the Senate, Senators PERCY and BENTSEN have offered a $3 billion employment tax credit proposal. I trust that together that we in Congress can move toward a program to provide enough incentives to business to put our Nation's unemployed back to work in productive jobs.

The second component of the job incentive proposal is a 20-percent minimum wage voucher for teenagers. It addresses ramifications: teenage unemployment. It would be superfluous for me to detail all of the important studies that have been done in this area. Suffice it to say that the unemployment rate among teenagers is 19.8 percent and among black teenagers 38 percent.

Under my proposal, a teenager, beginning in 1978, would be able to obtain a 1-year voucher from the Federal Government that would allow his employer to receive rebates from the Government equal to 20 percent of the minimum wage. In effect, the proposal would lower the cost of teenage hiring in 1978 by 46 cents per hour.

Very importantly, such action would help to remove the minimum wage as a barrier to on-the-job training for teenagers. Many employers presently find that they cannot afford to both train a teenager and pay him the minimum wage. As a result, many teenagers go both jobless and skilless. I believe an employment voucher offers enormous opportunities in this area. At the risk of being called an irrepressible optimist, I am hopeful that the Carter administration will support such a program. Much of the credit for this proposal goes to Martin Feldstein, a Harvard economist, who, incidentally, served on Mr. Carter's economic advisory group.

While I believe that the structural employment reforms that I have just outlined will move us more swiftly toward full employment, I concede that there is a need to provide a firm foundation for economic expansion. This leads us to the second employment problem that I mentioned earlier. Historically, we have found that economic growth is needed to expand existing employment. Declining growth means fewer jobs. We must, therefore, begin now to increase the level of capital investment if we are to have more jobs tomorrow. To that end, Congress has already enacted a temporary 10-percent investment tax credit.

Unfortunately, the record shows that businesses have, because of the temporary nature of the credit, used it more for short-term than long-term investment. Short-term capital investment incentives tend to encourage the substitution of capital for labor. This, of course, has some disturbing implications under present employment conditions. What is really needed is long-term capital investment, and for that reason, I am proposing today that we make permanent the temporary 10-percent investment tax credit.

A further and more basic reform, however, is also needed if we are assured that businesses will have the estimated $600 billion that will be needed by 1985. I suggest that the present 48 percent corpo-

rate surtax be reduced by 1 percent a year, beginning in 1978, until it is reduced to 40 percent. I offer this proposal principally as means of facilitating greater corporate investment. To the extent that the corporate tax rate is reduced, a company's retained earnings should increase to allow greater investment through internally generated funds. Also, the tax cut would improve a company's earning potential, and thus enhance its ability to attract more investors. The latter feature is especially important in view of the continuing concern over the excessive debt holdings of corporations. A general reduction in the corporate tax rate would presumably improve the ability of corporations to finance their capital investments through equity as opposed to debt. As such, it addresses, albeit indirectly, another problem: the double taxation of corporate debt. Current tax law encourages corporations to finance through debt, as interest payments are tax deductible and dividends are not. The resulting distortion in corporate financing is highly undesirable. Unfortunately, most tax integration formulas produce equally undesirable results. Most notably, if the corporate tax is eliminated on distributed profits, corporations would be encouraged to distribute profits instead of "plowing them back" We would thus alleviate some of the "unfairness" without damaging the corporate incentive to reinvest. I propose, however, that the corporate tax reduction be gradual. We cannot absorb a large loss of corporate tax revenue at this time. A 1 percent a year reduction would produce an annual additional revenue loss of only $1.25 billion a year. That loss, I believe, will be made up for by tax revenues from the investment and production it generates.

I come now to the third and final part of my alternative proposal: a reduction in the personal income tax. As a Republican, I am ever mindful of the need to push for personal income tax reductions whenever possible. In recent years, the Federal budget has fallen victim to a corollary of Parkinson's Law: Federal expenditures rise to meet available revenues—and then some. I was pleased, therefore, to see that Mr. Carter recognizes the need to provide for permanent personal income tax reductions.

However, the bill now before us does little to advance that objective. I shall, therefore, support the motion to recommit with its provision for a permanent tax cut by lowering tax rates on taxable income for all Americans. In effect, this would be a pay raise for the most lonely—neglected groups of all, the American taxpayer.

The permanent tax cut proposed by the motion to recommit is accomplished by reducing the tax rates on taxable incomes for tax brackets below $16,000 for married taxpayers, $12,000 for heads of households, and $8,000 for single taxpayers. The estimated revenue loss for this tax cut is approximately $11 billion compared to an estimated revenue loss of $11.4 billion under the rebate provisions of the administration's program.

These tax reductions are heavily weighted toward the middle-income taxpayers and those most heavily burdened by taxation and inflation. Taxpayers having an adjusted gross income under $20,000 would receive 67 percent of the tax cut and those under $30,000 adjusted gross income would receive 89.6 percent of the tax cut.

The effect of the tax cut is to give the American taxpayer more after-tax spendable income. This will allow taxpayers to commit themselves to buying more durable goods like major appliances and automobiles, resulting in an increase in demand and spurring economic activity.

Inflation pushes taxpayers into higher income tax brackets and reduces the value of the exemptions and deductions they may take on filing their income tax returns. The result is that the taxpayer must pay taxes on higher tax rates but on the same amount of income.

Republicans believe that the case for a permanent tax reduction is a strong one. A permanent tax cut would be more effective than a temporary rebate in stimulating economic growth and decreasing unemployment. A permanent tax cut will encourage business investment based on increased consumer demand. A permanent tax cut will offset the effects of inflation. A permanent tax cut will sustain the current economic recovery.

In conclusion, I repeat what I said earlier today under the debate on the rule for this bill. It is tragic that the Democratic majority will not even permit us to offer amendments to title I of this bill to give the American taxpayers the kind of meaningful tax relief that would be helpful to them and to American economy.

In supporting a personal tax cut, I reject the President-elect's call for a temporary tax rebate. I do so for two reasons. First, the latest economic indicators show that consumer spending is actually quite strong at the moment. Retail sales rose 3.1 percent last month in the biggest monthly increase in more than 4 years, and the Commerce Department's survey of consumer buying plans indicates that this trend will continue. Secondly, I oppose a rebate because I share the fear of economists like Mr. Galbraith, that taxpayers would save most of their rebate, and thus dilute the stimulative effect.

The program that I have mapped out for you today is strikingly different from Mr. Carter's. The difference in one word is jobs. My program is designed to put our unemployed Americans back to work. I believe strongly that given enough incentive, the private sector of our economy can and will create enough jobs for all Americans—and I might add, at a cost well below public employment programs. Furthermore, the proposals that I have made will bring less pressures to bear upon our burgeoning Federal deficit than Mr. Carter's proposals. They are, therefore, less inflationary; a factor that unfortunately must always be considered.

Mrs. COLLINS of Illinois. Mr. Chairman, the bill we are considering today, H.R. 3477, is designed to reduce unemployment and get the economy moving again. These are goals that everyone supports.

I am, however, disappointed with one aspect of the Tax Reduction and Simplification Act. The provision for $50 rebates for many taxpayers and an equivalent payment for persons on fixed incomes is not, I believe, the wisest way to go about stimulating the economy.

I strongly believe that the $10.1 billion that is earmarked for these $50 rebates should be used for job-creation programs. A one-time rebate of $50 is not going to be of much help to my unemployed constituents who need and want steady jobs. The Nation's economy will benefit their meaningful employment which also produces tax revenues.

Although H.R. 3477 has several admirable and beneficial provisions, including simplified income tax returns, a flat standard deduction and more easily understood computation tables, to reiterate, I emphatically disagree with its provision for $50 rebates. These rebates would prove more useful to the Nation's economic recovery if added to funds available to stimulate employment opportunities.

Mr. BADILLO. Mr. Chairman, I rise in support of H.R. 3477, the Tax Reduction and Simplification Act of 1977. I guess, perhaps, that I should only half rise in support, for the bill, when enacted, will do just about half of what it is supposed to do. Instead of providing an end to unemployment, it will only lessen it, instead of creating new economic opportunities, it will only expand those already in existence. In short, this package, instead of stimulating the economy will, I feel, only give it a tickle.

I am pleased that the bill will provide recipients of social service programs with $50 payments, and I am pleased, as an accountant, that the computing of taxes has been simplified. But $50 rebates and bonuses, and simplified forms do not cut to the heart of our problems, particularly for those of us in large older cities. We are losing our industries, we are losing our citizens—and those who remain are increasingly unemployed, and we are losing our livable housing. I speak as a New Yorker, but as I say over and over again, New York is only a microcosm of every city, large or small. And there are ways of stemming that deterioration. Some of those ways should have been included in this package.

One of the best stimuli to the economy would be to create tax advantages for the private sector, and two areas where this would do an enormous good have hardly been touched on in this legislation. The first area is housing. Older cities have thousands of acres of vacant, or almost vacant, land. Much of that land is in areas where housing is desperately needed, but where none will be built because private enterprise simply cannot build housing for low- and middle-income people without subsidies. This would mean additional appropriations beyond those provided for in this bill. Not only would that create housing, but it would create real jobs—and that would stimulate the urban economy.

The other area that required more attention is economic development in core cities. It is an innovative beginning to suggest job tax credits, but it only cracks the ice. The only way to stop the flight of business from the cities—to have

some jobs available so that employers can apply for those tax credits—is to provide, simply, Federal income tax reductions for businesses that locate in central urban areas. It is a way of creating jobs that will also benefit employers. It is a way of restoring cities that will also benefit the national economy. It seems simple, it seems logical—and yet it seems beyond our legislative vision.

Yes, this bill is a start. And it will help. But I hope that in the months ahead, we can take a more forthright and creative approach to solving our country's economic problems.

Mr. WEISS. Mr. Chairman, I intend to vote in favor of H.R. 3477 (the Tax Reduction and Simplification Act) as amended by the House Ways and Means Committee. While I remain skeptical about the effectiveness of title I of this bill which grants a $50 tax rebate, I can only hope that in the end the tax rebate will have positive consequences. Certainly it is preferable to a permanent reduction in the tax rate.

Title II of H.R. 3477 increases the standard deduction, simplifies tax returns, and extends the general tax credit and earned income credit through 1978. These provisions are expected to provide over $8 billion in tax relief over the next year and a half. I am hopeful that the innovative new standard deduction table—which has personal exemptions and general tax credits built in—will greatly reduce taxpayer confusion and difficulty in the preparation of income tax returns.

Title III embodies an extremely imaginative jobs tax credit, for which I applaud the creativity and boldness of the Ways and Means Committee. This title as amended represents a vital encouragement for job creation. The original proposal submitted by the administration called for alternative capital investment and payroll tax credits. As amended by the committee, however, title III provides a tax credit to employers designed to encourage the hiring of new employees. This provision allows an income tax credit of 40 percent of the first $4,200 of wages paid to new employees. Also an additional 10-percent credit is given for the first $4,200 of wages paid to new handicapped employees in order to encourage their employment. This innovative mechanism is focused on those businesses hardest hit by the recession—small businesses—by placing an overall limit of $40,000 on the credit for any one business.

I believe that these provisions, for the most part, will prove beneficial to our economy, because even though they do not directly create jobs they are likely to result in the creation of jobs. The tax rebate aspect of this bill is, as I have indicated, dubious in terms of its potential impact on the economy. If it does not prove to be successful I would expect that Congress would take steps to correct the situation.

And so with fingers figuratively crossed I will vote "yes."

Mr. LAGOMARSINO. Mr. Chairman, I rise in opposition to H.R. 3477. My reasons for opposing the bill fall into three categories: First, the timing of the program; second, its methodology; and third, its ultimate effects.

In essence, what this bill proposes is a 2-year, $30 billion cut in Federal revenues. This revenue loss is necessary, say proponents, in order to stimulate consumer demand, spur capital investment, create new jobs, and bolster the gross national product. Unfortunately, the program offered in H.R. 3477 will have only marginal impact in each of these areas.

The idea that you can cure a persistently lagging economy by a $50 per person, one-shot rebate, is nothing short of economic illiteracy. It buys a "quick high"—though even that will be minimal—at a cost of nearly $10 billion increase in the deficit.

Even the "high" will be jagged. Because of the "double dipping" problem, persons on social security, SSI and veterans pensions will not receive their rebates until late this summer, months after the rest of the checks go out.

The low will come when the $50 is gone and people discover that the increased Federal deficit has created a permanent increase in the cost of living.

It is clear that in terms of meeting the goals set for it by the proponents, the program will have only marginal, temporary effects, while increasing the permanent debt of the United States by $30 billion.

A far better way to accomplish these goals, assuming they are needed, would be to enact a permanent, across-the-board tax cut. Such a program would be simple to administer, longer in effect, and cheaper to the Treasury. In fact, studies done by the Congressional Budget Office indicate that a mere 5-percent reduction in each personal income tax bracket would create over 1,500,000 new jobs within a year and increase the GNP by $75 billion. Furthermore it would do so with no permanent increase in the national debt.

A permanent tax cut will increase the money left in people's pockets, provide business with easily forecast increases in demand, and allow better planning for orderly economic expansion on the part of industry. In fact, this is exactly what ensued following the tax cut of 1964, when net Treasury revenues actually increased as a result of economic expansion.

Mr. Chairman, the answer to our economic problems is not another one-shot, cosmetic cure. That only causes inflation and in the long run, a loss of real spending power. The answer is to enact an orderly, planned reduction in the amount of money that the Government takes from the taxpayers. Believe me, they will thank us for it in the end.

Mr. ROBINSON. Mr. Chairman, in connection with today's debate on H.R. 3477, the Tax Reduction and Simplification Act of 1977, I wish to insert in the RECORD a letter which I have received from Commissioner William L. Luckhard of the Virginia Department of Welfare. The letter points up some of the administrative difficulties which may be expected to accrue to the States as a result of enactment of this legislation, as reported, and which could and should have been anticipated in assigning responsibilities to the States under the payment program which would be established by the bill. The letter follows:

COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF WELFARE,
March 2, 1977.

Hon. J. KENNETH ROBINSON,
House of Representatives,
Washington, D.C.

DEAR MR. ROBINSON: Members of my staff met in Washington recently with representatives of the Department of Health, Education, and Welfare and several other states to analyze House Committee Report 95-27 and H.R. 3477 (the President's economic stimulus program) and to determine the capacities of states to administer provisions of this proposed legislation. The stated objective of this legislation is a meritorious one which I fully support, and therefore, offer comment on certain of its provisions in a desire to see that the projected role of the Virginia Department of Welfare will be efficiently and effectively fulfilled.

We understand the intent of this legislation is to effect an immediate economic stimulus and, therefore, enactment can be expected in the very near future. If this expectation is realized our ability to fulfill the requirement to pay the proposed benefit to all March, 1977 Aid to Dependent Children (ADC) recipients is questioned. We do not think the purpose of the legislation would be aborted and the state's role would be vastly improved, were the legislation amended so as to change the base payment month from March, 1977, to not later than the second month following enactment. It should be expected, and we would recommend with this time frame provided for in the legislation, that states would then make payments to ADC recipients within two months of the established base payment month.

The second point I would like to make deals with the requirement now incorporated in the legislation, which would require states to pay only those ADC recipients who do not receive Veterans Benefits, Social Security, Black Lung or similar federal benefits. This provision would impose on states a burden far in excess of the monetary savings realized by avoidance of double payments to ADC recipients. Not more than three percent (3%) of Virginia's ADC recipients also receive a federal benefit. As many as seventeen percent (17%) of Virginia's ADC recipients are employed and will be provided a $50 rebate for each taxpayer and dependent, however, the legislation does not deny double payments through the rebate procedures and the ADC payment system. We are not in disagreement with this latter circumstance, and reference it only to support our suggestions that ADC recipients who also receive a federal benefit be treated in a like manner.

It is not possible to arrive at a cost of issuing, processing, accounting for checks issued, reporting and maintaining records for review with any degree of accuracy due to variable circumstances.

The proposed rate of 1½% for the handling of one case would be approximately $2.25. This is based on an average of approximately three recipients in each ADC case. It would require the review by an eligibility worker if it is necessary to have a review of cases made in each county and city in the State to assure that each payment does not include those individuals who are receiving benefits under the five federal benefit programs. The salary of a technician would, at a minimum, be $4.04 an hour not counting fringe benefits. The number of cases each worker could review would not exceed four per hour or $1.01 per case. This amount does not include time of handling these documents at either the local office or State Office level.

If the base month of March 1977, is re-

tained, for determining the eligibility as proposed in the legislation, approximately 13,000 of the 58,000 cases would be paid by the State Department and 45,000 cases (or checks) would be processed by county and city local welfare departments or require input into the State computer. The cost of program changes and testing of the program is not determinable at this time. If checks are issued by the local governments, program changes would be required for each locality processing payments by computer and the balance of the checks would require manual preparation.

The cost of mailing a check would, at a minimum, be 39¢. This would assume that the volume of mailing would equal one document being mailed to and from the State Office to the local office and the mailing of a check to the recipient.

The cost of issuing a check could not be secured from the State Treasurer's Office. One estimate received is that this cost would be at least 50¢.

The above does not attempt to provide the value for other administrative services such as (1) handling of documents at both the State and local level, (2) accounting services, including the furnishing of reports, (3) handling of returned checks for changes in address, (4) handling of lost or stolen checks, which also requires a $4 payment to the bank on a stop-payment notice, (5) retention of records, (6) employment of temporary help or overtime payments due to increased workload, (7) vertification of payments, and (8) computer time costs.

In 1936, an amount of 5% of payments made to recipients under Title I of the Social Security Act was paid to states to cover administrative costs applicable to the Old Age Assistance Program. It is therefore recommended that the proposed rate to be provided to the states be increased to 5% of benefits paid under this program to finance the state cost of administration.

Absent from the legislation at present is any provision which would hold the states harmless for inadvertent errors. We would suggest, therefore, that the legislation be amended by adding a clause whereby states would be held harmless, except where fraud or obvious negligence is at issue. Virginia can be expected to fully commit its energies and resources to its responsibilities upon enactment of this legislation. This suggested amendment would enhance our chances of success by removing the specter of the imposition of fiscal sanction on states by the federal government for those administrative or client caused errors over which we would have no control.

Each of Virginia's representatives in Congress is being contacted in this way to share our opinions and suggestions, and to request that consideration be given to our positions as this legislation is deliberated in the coming weeks.

Very truly yours,

WILLIAM L. LUKHARD,
Commissioner.

Mr. BEDELL. Mr. Chairman, I have agonized long and hard over the tax reduction bill, H.R. 3477. I realize how long the Ways and Means Committee has worked on the bill and how important it is for the country. Still, I feel that we just have not sufficient time to give the matter the attention it deserves, and there are too many things wrong with this bill. I think we can do a better job.

Specifically, I think that there are better ways to stimulate our economy. Providing incentives for insulating homes, improving our health care, and creating jobs for our people do more than just giving out $50 rebates.

Furthermore, I see this bill as shoveling money out into the economy in a somewhat haphazard way with the potential for a great deal of abuse. For example, there is double dipping that can come from several categories of recipients of the $50 rebate. People on AFDC and also eligible for the earned income credit can legally collect two $50 rebates under this law because it is thought that the administrative problems of policing this would take too much time and delay getting the money out into the economy. Although cost estimates of this are difficult to come by, they seem to range from $75 million to $240 million in this one category alone.

I understand that there are also problems anticipated with people on AFDC and social security. A lot of the policing here is supposed to be done by the States. In some States, the records are not good and the upshot is that we may drop another $10 million in double dipping here. And on it goes.

I have real problems when I look at this double dipping and then look at who does not get any rebate. If you are single, or married and have no children, and did not earn enough money to pay income tax, you do not get a rebate. This means, that older citizens, who did not make enough money to pay an income tax, do not get it. Neither would young couples who do not yet have children and who did not earn enough money to pay taxes. This seems extremely unfair to me.

I feel that the final cost is not worth what we get out of this legislation. For that reason I have voted against it and I hope that the Senate will provide us with a chance to rethink this bill by changing some of the things I find most objectionable about it.

Mr. LUKEN. Mr. Chairman, as this is one of the most significant pieces of legislation to be addressed by this session of the Congress, I believe I must go on record as to my position on this tax package.

I voted against the rule on this bill because I do not believe a piece of legislation which is designed to affect every American citizen, in some fashion, should be closed to amendment, or limited to different views. I favor some aspects of this bill while I disapprove of others. Due to the closed rule, I will not be able to vote accordingly.

We all favor stimulation of the economy. We need more jobs now. Yet we need to look at the cost, especially as to inflation. I favor: First, the new jobs tax credit; second, the extension of existing tax cuts; and third, the increases in standard deductions, but I am opposed to the tax rebate provision of this bill. I am not convinced that the program outlined in title I of the legislation will be an effective stimulus to the economy at this time. Both the tax rebate provisions and the proposal contained in the motion to recommit are inflationary, costing the Federal Government, ultimately the taxpayer, over $10 billion this year.

The options which are presented today will either favor low-income families, or low- to middle-income families, and this I would favor if I believed the implementation of such options would be effective. But will the benefits derived from such programs be worth the overall cost? Will those who will be benefited be helped more than they are hurt? I submit that the inherent dangers of inflation and the dubious nature of the benefits to the economy to be derived from this gratuity, make the rebate proposal unsound.

We have already voted an additional $4 billion to stimulate the economy through jobs, jobs which will bring tax revenue to the treasury. The unemployment problem in this country is severe and I favor job stimulation such as the public works programs. I also favor selective tax credits contained in this bill. But the rebate will provide, at best, a small, sporadic stimulus to the economy. Fifty dollars in today's economy is a minimal amount, it will not provide an economic stimulus. Even when concentrated in a family with multiple dependents, it is still a one-shot deal of limited purchasing power which will increase the deficit by $10.1 billion.

I do not believe this is what the American taxpayer wants. This proposal will not help those hardest hit by the tax structure in this country. The saying "you do not get something for nothing" applies here; $50 per person is translated into a $10.1 billion increase in the national deficit. I believe that the deficit will ultimately be paid by those taxpayers who do not benefit by the program which will create it.

I maintain that portions of the bill we are considering today are ill-conceived and would be ineffective if implemented. It is not the type of economic simulus the country needs at this time. I must agree, in this case, with the statement it is better to do nothing than do something that is wrong, especially when that something is going to cost this country billions of dollars. The American taxpayer is going to pay for this tax package one way or another, it is the American taxpayer who should benefit from it. I am not convinced by what I have heard today that that will be the case.

Mr. DERRICK. Mr. Chairman, I rise in support of H.R. 3477, the Tax Reduction and Simplification Act of 1977. The Ways and Means Committee is to be commended for its ability to implement the key elements of the congressional economic stimulus package for fiscal year 1977. I share with them the hope that this tax proposal will provide the economy with the impetus required to move us into self-sustaining growth. Unless and until the economy is operating at full employment we will continue to face large deficits, lose billions of dollars of potential output, and impose great personal costs on the missions of our citizens who cannot find work.

As a member of the House Budget Committee, I have listened to many expert witnesses and I am convinced that this bill is both a necessary and prudent response to the faltering economic recovery.

Much debate has focused on the structure of the tax cuts for individuals. The proper mix of refunds, revisions, and reductions have been examined in the administration, the Budget Committees, the Ways and Means Committee, on the floor of the House of Representatives.

However, I find the most important aspect of this tax package is the proposal for business tax reductions designed to encourage business to hire additional new employees. This employment tax credit proposal deserves our vigorous support.

Last month I introduced H.R. 2691, the Small Business Tax Reduction Act. This bill had the support of 74 cosponsors. Members from 34 States representing both parties and bridging wide ideological differences believed that it was time for the Federal Government to provide strong financial incentives to the private sector to create new jobs. Over the long haul it is only the private sector which can provide the millions of jobs that are needed to reduce unemployment and meet the expected growth of the labor force.

The employment tax credit contained in the Ways and Means Committee bill is identical in concept, though smaller in scope, than the provisions of H.R. 2691.

The Ways and Means Committee deserves our gratitude for cutting through the fog of rhetoric and seeing that an efficient way of increasing employment is by reducing the costs of hiring labor. For the past 15 years, the Federal Government has systematically increased the costs of employers of hiring people while the costs of using capital have been reduced. Retirement, health and employment insurance taxes, and minimum wage levels have risen while tax credits for equipment and facilities and accelerated amortization and depreciation rules have been offered to firms in the private sector. In the face of these actions it is not too surprising that the growth of employment opportunities has not increased fast enough to offset the rapid growth in the labor force and that the unemployment rate has risen.

The committee bill provides employers with an income tax credit of 40 percent of additions to the first $4,200 of wages paid to additional employees in 1977 and 1978. Generally, the maximum credit allowed per each employee is $1,680; the maximum total credit for any employer is limited to $40,000. The bill requires a 3-percent increase over the prior year's wages for an employer to gain any credit. This rule is designed to insure that the bill does not reward employers for hiring that would have taken place anyhow. The bill provides an incentive to hire above and beyond normal employment growth. The bill also contains provisions which preclude artificial increases in employment; that is, dividing full-time into part-time or part-year jobs.

By placing a $40,000 cap on the available credit its impact is targeted on the small sector of the economy. This is the most labor intensive industries which are most sensitive to labor costs, and will be most responsive to this incentive to expand their hiring. In the past 5 years employment in goods-producing industries; that is, contract construction and manufacturing declined by 400,000; simultaneously employment in service-producing industries; that is, services, wholesale and retail trade, rose by 6 million. It is on the sectors which have shown the greatest ability to absorb the growing labor force and which hold the greatest potential for future increases in employment that tax incentives should be targeted. Moreover, the Joint Economic Committee has projected that the jobs created by these types of small businesses will be filled by low-income, marginally skilled workers who make up a disproportionately large share of our Nation's 7 million unemployed.

This employment tax credit provision will be in effect for 2 years and should be viewed as an experiment. I am pleased that the Ways and Means Committee has acted to insure that a systematic evaluation of this credit will be undertaken by the Treasury. Congress will be informed on the number of jobs created, administrative problems, the net revenue losses and the distribution of utilization of the credit by the industry and area.

The $40,000 cap and the threshold of eligibility of 103 percent of last year's wage base do act as a constraint on the usefulness of the credit. I would point out that these restrictions could easily be modified; namely, an $80,000 cap or a 101-percent FUTA base, so that more employers would be induced to increase their work forces. If the results of the evaluation are favorable I would strongly urge the credit be expanded.

Several objections have been raised to the employment tax credit. It is asserted that the employment tax credit will lead to distortions in the marketplace by providing an incentive to hire more people. Every subsidy creates a distortion; the investment tax credit provides an incentive to substitute capital for labor. I have not heard anyone offer to give up the investment tax credit in order to reduce the distortion in the allocation of resources.

The efficiency of the employment tax credit must be viewed in comparison to the alternatives proposed by the administration. I have seen no convincing logic or quantitative studies which have shown that either an increase in the investment tax credit from 10 to 12 percent or the reduction of 4 percent of the 5.85 percent employers share of payroll taxes will lead to a substantial reduction in unemployment.

If the investment tax credit has merit it is because it may have a salutary effect on long-run capital formation. I would like to point out two things. First, the Ways and Means Committee will soon begin a comprehensive examination of the structure of business taxes and their relationship to capital formation. It would be presumptious and premature to raise the investment tax credit before that examination is completed. Second, let us acknowledge that capital formation involves any productive activity which contributes to future output rather than current consumption. Business investment in plant and equipment in particular, is only a part of total capital formation and not necessarily the most productive part. Business expenditures for research and development or for executive and worker training are just as much capital formation as investment in bricks and mortar. While investment and accumulation of capital are clearly critical to economic growth, massive evidence has been accumulating in recent years that probably the most important component of that capital is human capital, the know-how based on training and experience, along with habits of productive labor. That human capital is acquired by education and training. Most importantly it is acquired by actual job experience. The employment tax credit is addressed to this source of capital formation.

It is also argued that the employment tax credit would affect only 34 percent of the labor market. While this estimate is questionable, the observation is consistent with the intent of the bill. The employment tax credit is targeted to gain the maximum impact on creating new jobs. It is asserted that the employment tax credit would be difficult to administer. The committee is to be congratulated for devising an ingenious solution to this problem. The credit will be based on the basis of existing records; namely, the Federal Unemployment Tax Act system, and without making complex calculations. The information required for claiming the credit in 1977 has already been reported.

I urge my colleagues to support this concept and vote to pass H.R. 3477.

Mr. MILFORD. Mr. Chairman, I must rise in opposition to this bill as being not only untimely, but ineffective to the goal we are trying to reach—namely stimulating our economy without triggering additional inflation. We are not reducing taxes. We are increasing them. Inflation is the meanest tax of all and hurts the poor more than the rich.

There are three provisions of this measure which particularly concern me—the $50 rebate proposal coupled with the lowering of the standard deduction and the business tax credit for the creation of new jobs.

I believe we should be very careful in considering a limited one-shot solution in the form of small tax rebates. First of all, a $50 rebate is not large enough for an individual to use in buying large items or even in making a downpayment on a large item. Neither is it going to provide a sizable one-time boost to our economy inasmuch as it has been projected that the payments will not be completed until late summer. This means that these moneys will be entering the economy not at one time but rather in small increments. Further, since the rebates will also go to beneficiaries of social security, welfare recipients, and other income maintenance programs, a costly screening process will have to be instituted to see to it that double payments are not made. I do not know from where money for this process is going to come.

What concerns me most of all is that we are going to have to borrow this money. It is not waiting in the Treasury for our use. It has been estimated that this alone will increase our Federal deficit by $10 billion. Added to that is the fact that we are borrowing money at a time when business is just beginning to recover and needs to replenish its inventories. Additional Federal borrowing could conceivably crowd out needed private borrowing, putting new upward pressure on interest rates and the money supply. What we are talking about here is inflation.

To further color this darkening picture of deficit spending, in another part of

this bill we are reducing revenues through an increase in the standard deduction and other proposals. I believe that if we are really serious about economic stimulus, it would be far wiser to cut individual taxes for all on a permanent basis, a move which would at least help offset the effects of inflation on increased taxes and hence, decreased purchasing power.

With regard to the employment tax credit, I do not believe that this tax credit will do anything toward finding the needed long-term solutions to unemployment and decreased production. Without the incentive of strong consumer demand which stimulates business activity, there is just no reason for an employer to add additional personnel permanently to receive a one-time partial wage subsidy. Is he going to retain that employee when the subsidy is terminated if production has not increased? The answer is "no". It does not make good business sense.

If we are going to use Federal funds to make capital available to businesses, I believe it should come as an increase in investment resources which could, in turn, be used for expansion of plants and machinery. With this expansion will come increased jobs on a much more permanent basis.

I am deeply concerned, Mr. Chairman, that in our hurry to do something, we are going to defeat our purpose of stimulating the economy and instead, help to bring on what we are so earnestly trying to prevent—further inflation. It is for this reason, that I feel I must vote against this bill.

Mr. ASHBROOK. Mr. Chairman, I urge the defeat of H.R. 3477, the Tax Reduction and Simplification Act of 1977. This bill will pour out billions of dollars in so-called tax rebates that will have little effect in spurring the economy. Instead, the major impact will be larger Federal deficits, more inflation, and a further drain on the private sector capital market.

H.R. 3477 will provide a $50 giveaway for just about everybody. The cost of this handout will be approximately $10.1 billion. More than a fourth of the money will be distributed without regard to tax liability. In other words, it is like a general welfare payment rather than a tax rebate.

Taxpayers with an adjusted gross income of less than $30,000 will be eligible under the program. Those receiving aid to families with dependent children, social security, supplemental security income, railroad retirement, and black lung benefits will also be entitled to payments from the Federal Treasury.

Moreover, these rebates will do little to help the economy. Rather than providing the genuine long-term tax relief that is needed, the $50 rebate is an ill-conceived one shot affair. Federal Reserve Board Chairman Arthur Burns, commenting on an earlier $50-for-everybody scheme, said such payments are "an inefficient way to stimulate the economy." All the rebates would accomplish is to boost retail sales for a few weeks. Businessmen will not, Burns said, make long-term investment commitments on the basis of a few weeks of rising retail trade.

These rebates will, however, increase the Federal deficit. Another $10 billion will be piled on to our already staggering public debt, a debt that is rapidly approaching the $700 billion mark. The interest payments on the debt for this year alone will run about $42 billion. There must be some limit or else we risk double-digit inflation and financial disaster.

The $10 billion in rebates will also put further pressure on the financial market. Federal Government borrowing crowds out others who are trying to borrow. Consequently, American businesses will have a harder time getting the investment capital needed to help build our economy.

Industries like construction which are so dependent on credit would be especially hard hit. When the Federal Government borrows, money and resources are taken from mortgages and construction loans for homes, and commercial and industrial building. It has been estimated that for every $10 billion the Federal Government borrows—the approximate cost of the rebate program—500,000 new housing starts cannot begin due to lack of mortgage funds. This lack of housing starts results in the direct loss of over 1 million jobs and the indirect loss of over 2 million more in affiliated industries. This is hardly the way to get our economy moving.

Nobel Prize-winning economist Milton Friedman is in agreement with these views. Professor Friedman has sharply criticized President Carter's plan to stimulate the economy through tax cuts and increased Federal spending. In his view the Carter stimulus package will only produce more inflation.

Professor Friedman has come down especially hard against the $50 rebate. In a March 7 interview with U.S. News & World Report, Friedman stated:

If we're going to reduce taxes, we should at least reduce them in a way that will give people an incentive to save more or work harder, not simply drop checks out of airplanes.

Following is an excerpt from that interview which discusses the proposed $50 rebate:

Q. Professor Friedman, will President Carter's program of tax cuts and spending stimulate the economy?

A. There is nothing in the package which will stimulate anything. How can the Government stimulate the economy by taking money out of one pocket of the public and putting it into another pocket? The rebate plan, for example, would distribute $50 apiece to most consumers. As a result, those consumers will tend to spend more. But where will the Government get the money to send out the rebates?

Q. But almost everyone looks on the rebate as a good way to stimulate the economy—

A. It appears to be a stimulant because people are looking at the visible effects and paying no attention to the invisible effects. The $50 rebate checks and the extra expenditures by consumers that will result are very visible. The people who will not have employment because the Government will borrow the money or cause more inflation are not very visible. Nobody notices them.

Q. How about the proposals for increasing federal outlays on public works and public-service jobs, which are also part of the Carter program?

A. The same thing applies. If the Government spends money on a public-works program or hires people, where does it get the money to spend?

Q. So you believe the Carter program will do more harm than good—

A. On the whole, I think that's the case. I'm in favor of tax reduction under any and all circumstances as the only effective way to put a lid on total Government spending. But the particular form of tax reduction that is proposed in this program is undesirable. It proposes to give rebates on a basis that has no relation to current activity.

If we're going to reduce taxes, we should at least reduce them in a way that will give people an incentive to save more or work harder, not simply drop checks out of airplanes. We ought to make it a permanent reduction in taxes.

A permanent reduction in taxes is what we need, not a one-shot $50 giveaway scheme. Permanent tax rate reductions would strengthen the private sector of our economy. They would help create new and meaningful jobs. I urge the defeat of H.R. 3477 and support for the alternative of a permanent tax rate reduction.

Mr. RANGEL. Mr. Chairman, I rise to speak in favor of H.R. 3477, the Tax Reduction and Simplification Act of 1977.

This legislation which we are considering today was born in a spirit of compromise.

The economic stimulus package sent to the Congress by the President was designed to be a balanced program which would rejuvenate our sagging economy. The administration's package was intended to both stimulate consumer spending and to create a climate conducive to full utilization of industrial capacity. This was to be accomplished by providing a tax rebate to individuals which would generate consumer spending. Additionally, employers were to receive an option between increasing their investment tax credit or taking a payroll tax credit. It was believed this would create incentives which would promote industry to fully utilize its facilities and to hire new employees.

I am generally unsympathetic to such programs of economic stimulation. It is my belief that the $11.4 billion proposed by the administration to be spent in the rebate program, plus the $4.2 billion which would be lost in business tax credits, would be much more effectively used in the creation of jobs. It is all well and good to provide a temporary stimulus to the economy by issuing a rebate check or providing industry with tax credits, but these measures cannot be relied upon to either provide a sustained growth or jobs for the unemployed. The real problem we face is not whether every American will have an additional $50 in his pocket to spend, but whether we will put the vast number of unemployed Americans back to work. To a working man, $50 per family member will have little impact on his lifestyle. But for those who are out of work, who have or are about to exhaust their unemployment insurance benefits, or who have never had a job; $15.6 billion in jobs programs could do much more to restore their ruptured lives and self-respect.

However, since it is clearly the will of the President and the Ways and Means Committee to stimulate the economy

through the tax system rather than through the direct creation of jobs, I can support the committee's bill because it represents a substantial effort at establishing a balanced and equitable system of tax incentives.

By using a phased-out cap between $25,000 and $30,000, the committee has targeted the rebate toward individuals who both need a $50 rebate check the most, and who at the same time, would spend it most rapidly.

Additionally, the rebate program was expanded from taxpayers and their dependents, social security, SSI, and railroad retirement fund recipients, to include recipients of VA pensions or compensation, black lung beneficiaries, State-administered supplements to SSI and AFDC recipients. These additional people consist of some of the neediest members of our population. One can be sure that if the objective of a rebate is to encourage consumer spending, these individuals will be among the first to spend their money on consumer goods.

By increasing the standard deduction to $2,400 for individuals and $3,000 for joint returns, the spendable income of many middle- and low-income families will be increased. This reform is also more equitable to low- and middle-income families who do not earn enough to take advantage of the itemized tax deductions. Additionally, the committee adopted a new concept of zero rate bracketing in the tax tables. Simply stated, this builds the standard deduction into the tax tables so that tax liability beigns at $2,401 for individual returns and $3,001 for joint returns.

Instead of providing an option for businesses between an investment tax credit or a social security payroll tax credit, the committee wisely chose to provide employers with a tax credit equal to 40 percent of the first $4,200—a total of $1,680—of wages to each additional employee. To insure that this credit would be directed at small businesses which need the help most, it is limited to $40,000 per year. Also, an allowance for 10 percent on the first $4,200 of wages paid to additional handicapped personnel was given with a $40,000 limit on this credit too. The committee's action on job crelits will assure that those businesses which truly wish to hire more employees will be encouraged to do so.

Finally, the committee extended: The $35 general tax credit for all taxpayers, the $35 credit extra exemption for the aged and blind, and the earned income credit. In extending the earned income credit, the committee reformed a previous inequity which denied this credit to working AFDC recipients who because their children were on a grant, failed to provide more than half of their children's support. Now all AFDC families with earned income will be eligible for the earned income credit.

I believe that barring the creation of a massive jobs program, similar to H.R. 50, this legislation will provide some of the needed stimulus our lackluster economy so desperately needs and therefore deserves the support of myself and my colleagues.

Mr. DODD. Mr. Chairman, the Tax Reduction and Simplification Act of 1977 before us today is a significant initiative by this Congress and the administration to attack the disturbing unemployment problems of this Nation.

It is a measure which, with only some reservations, I can support, and I urge my colleagues to do likewise.

This Nation is still suffering from serious economic problems, Mr. Chairman, despite somewhat optimistic predictions for the future. Our rate of economic growth declined sharply in the last months of 1976, and the latest unemployment figures show an increase.

In New England, especially in my own State of Connecticut, we are especially hard-hit by joblessness and declining economic growth. Unemployment is causing great hardships for many of our constituents in the industrial Northeast.

My own congressional district, the eastern half of Connecticut, unfortunately still has "double-digit" unemployment rates in three of the five major labor market areas.

These statistics represent an improvement over the jobless rate of January 1976, Mr. Chairman, but they are worse than the rates for December 1976. As of January 1977, my district had the following jobless rates by labor market area: Danielson, 11.6 percent; Middletown, 10.5 percent; New London, 6.2 percent; Norwich, 10.6 percent; and Willimantic, 6.2 percent.

So I believe that this Congress must continue taking the aggressive action to improve our economy that it began last month by passing the extension to the local public works bill to create thousands of jobs.

The tax bill before us today represents such an initiative because it is a four-pronged package to stimulate consumer and business spending, which should lead to increased demand, increased production, increased industrial expansion and thus, increased employment.

The bill further makes significant simplifications in the procedures and tables used by taxpayers to compute their tax obligations. These changes should make it much easier for about 95 percent of our taxpayers to file their returns.

Let me comment briefly on each part of this tax package, Mr. Chairman. On the whole, I believe it is a reasonable approach to using the tax system to improve our economy. However, one part of the package is seriously deficient, and I would like to call attention to it later.

The $50 per taxpayer rebates, phased out at higher income levels, and the $50 payments to beneficiaries of special programs such as Social Security, Veterans' Administration pensions, and aid to families with dependent children, should be a quick, one-time injection of money into the consumer spending pipeline.

I am satisfied that the Ways and Means Committee took measures to minimize the chances of double payments to most citizens. I am, however, concerned that the phase-out of rebates to people earning more than $25,000 annually, with no rebates to those earning more than $30,000 per year, is a little shortsighted, since a family of any size will have to spend its rebate also, given the cost of living.

But I do think the rebate concept is valid as a means of providing quick stimulus, and that it is a worthy complement to less-rapid jobs creation programs such as public works and public service jobs projects.

I am particularly pleased to note that nearly 61 percent of these tax rebates should go to persons who earn $15,000 and less per year, because it is this Nation's moderate-income and low-income citizens who suffer the most in periods of economic stress.

The second salutary feature of this tax measure are the increases it provides for standard deductions for single people and married couples filing joint returns. Under this provision, the standard deductions would be $2,400 for single persons, and $3,000 for these couples.

These increases in the standard deductions mean more money for consumers to use in our economy, Mr. Chairman—another jobs stimulus proposal. It also should be emphasized that these changes will be reflected in reduced withholding beginning May 1, 1977, and that nearly 90 percent of these tax decreases will go to persons earning $15,000 and less annually.

Third, the Tax Reduction and Simplification Act extends through 1978 the existing individual and corporate tax cuts first instituted in 1975 and continued last year. These reductions include the general, $35-per-person tax credit, the earned income credit and the corporate surtax exemption.

Without the extension contained in this measure, these tax cuts would expire this year, thus causing a sharp tax increase at the end of 1977. Such a great tax hike would be contrary to the best economic interests of this country and might undercut the economic stimulus actions we are trying to take.

Up to this point, Mr. Chairman, there has been little I can quarrel with in this tax act before us. However, the fourth part of this measure causes me great problems, and it is here where I must respectfully disagree with what is being proposed by the distinguished chairman of the House Ways and Means Committee (Mr. ULLMAN) and his colleagues.

In the name of "jobs creation," the committee has instead proposed a tax reduction arrangement which would have serious negative consequences for the Northeast. I am speaking about the new jobs tax credit for businesses which increase their employment, and I must oppose this provision and urge adoption of the administration's plan for increased investment tax credits or social security payroll tax credits.

I must admit, Mr. Chairman, that on its face, the committee's jobs tax credit sounds promising. It is designed to give businesses, especially small businesses, the incentive to hire new employees, and there is even further incentive to promote increased hiring of the handicapped.

Unfortunately, while the goals underlying the new jobs tax credit certainly are laudable, the specific devices created by the committee to reach them are not. These devices undercut, if not destroy, any real value to the program as far as the Northeast is concerned, and regions such as mine are the ones which need the most help.

There also are major questions whether this program is the best way to create more jobs and thus stimulate our economy.

Specifically, the committee would give employers an income tax credit of 40 percent of the first $4,200 of wages paid to new employees hired above the level of workers they had on board last year. Generally, the maximum credit for one new worker would be $1,680 and the total yearly credit would be limited to $40,000 per business.

By limiting the total credit, the committee has tried to assist small businesses, and I think this is a worthy objective. But by this means, the committee has limited, if not eliminated, any incentive for larger firms to increase their hiring. It would seem to be a major flaw in any economic program to overlook the contributions large firms might make to our national effort to reduce unemployment.

Furthermore, the new jobs tax credit as it is presently designed will not help any industry which is not expanding. Declining or stable industries derive no benefit from the jobs tax credit, and it is these firms which need the most assistance.

This means the credit would discriminate against the Northeast, where our economy is contracting, and it would only assist sections of the country which already are prospering. Such a measure would perpetuate the economic disparities among the different regions of this Nation, possibly causing those who now suffer even more economic hurt.

This Congress must not allow this to happen, Mr. Chairman.

There are questions about exactly how much of the labor force would benefit from this new jobs tax credit, also. It has been reported that only the low-paid, semiskilled workers now employed mostly in the service industries, not the most-productive sector of the economy, would benefit. Some 66 percent of the labor force would be left out, according to the Treasury Department.

Lastly, I must disagree strenuously with the fact that the committee has left the fishing industry out of the new jobs tax credit program, ostensibly because this industry has a special tax-record-keeping situation.

When he came before the Rules Committee, the distinguished chairman of the committee (Mr. ULLMAN) responded to my question by saying that his staff would investigate ways that the program could be adapted for the fishing industry and also would study other tax-related measures to assist this hard-hit industry.

I appreciate that promise, Mr. Chairman, and I look forward eagerly to the results of these studies. But in the interim, I think the exclusion of the fishing industry only adds to my doubts about the jobs tax credit program.

The jobs tax credit is an interesting and innovative concept, Mr. Chairman, and I think it deserves more examination and refinement, perhaps as a pilot program. I do think it has the potential, after more study, to help us reduce our unemployment, and I think the chairman should be commended for proposing such a new plan. But I do not believe now is the time to put that plan into action.

On the other hand, Mr. Chairman, the administration's proposal to allow businesses to increase their investment tax credit by 2 percent would seem to benefit those capital-intensive industries, such as the tool-and-die trade, which abound in Connecticut and the Northeast.

I would lean toward this provision as a way to stimulate industrial expansion and jobs in our region. I also think the administration's social security payroll tax credit could encourage those less capital-intensive firms to increase their employment rolls.

In summary, Mr. Chairman, I would urge my colleagues to pass the Tax Reduction and Simplification Act of 1977 with the change I have suggested in the committee's proposal. On balance, it still is an important means by which we can forward this Nation's economic recovery.

Mrs. HOLT. Mr. Chairman, today the House Ways and Means Committee has offered us H.R. 3477, the Tax Reduction and Simplification Act of 1977, which is not much of a tax reduction.

This legislation would reduce Federal revenues by $12.7 billion, mostly by spreading $50 bills around the landscape. It also provides some tax relief for low-income taxpayers and some modest tax credits for business.

It is important to note that $10.1 billion of this package is for the $50 rebates and handouts, and I am wondering why this was ever conceived as a method of stimulating the economy.

No consumer makes a major purchase based on a one-time $50 dole from the Federal Treasury. No businessman makes an investment based on such an amazing stunt. Indeed, the prudent businessman might reasonably question the wisdom of his current investment plans when he sees Government behave in such fashion.

Some of us had hoped that today would be the time we could debate an alternative plan for permanent tax reductions, but the House Rules Committee has closed the possibility for such meaningful amendments. Instead, we consider this gimmicky thing from the Ways and Means Committee on a take-it-or-leave-it basis.

Many of us want to do something important for strong, durable economic growth and jobs creation, and the best way to achieve that goal is through permanent tax reductions for all income brackets.

If you have been watching the economic reports over many months, as I have, you know that the weakest phase of the economic recovery is capital investment. Businessmen are scared. They watch a big-spending Congress igniting more inflation. They experience the growing cost of Government regulation of their enterprises. They worry about the availability of energy.

Arthur F. Burns, the Chairman of the Federal Reserve Board, told the House Budget Committee that "our economy faces a serious deficiency of business investment." Other economists have told us the same thing.

Dr. Burns told us that:

The underlying difficulty is that we have done many things over a span of years which have been damaging to the state of confidence—especially the confidence of the business community.

And he said that a permanent, 10-percent, across-the-board reduction of tax rates would generate the kind of confidence we need for investment in strong, durable economic growth.

If we really want the creation of more productive jobs for the American people, we will need investment in production. But instead of recognizing that reality, the Congress takes more and more of the peoples' earnings and savings to redistribute in nonproductive ways.

This is not the road to a prosperous America, Mr. Speaker. The only reliable policy to pursue is that which built America. Productive enterprise will grow handsomely when there are adequate rewards for work and investment. The policy of this Government for too many years has been to diminish those rewards, and therein lies the root of our problem.

Mr. FISHER. Mr. Chairman, while I have doubts regarding the impact which certain features of the bill are projected to have on the economy, I believe as a whole that H.R. 3477 constitutes a balanced proposal for dealing with the country's economic problems and is deserving of the support of my colleagues in the House.

Most of the witnesses who testified before the Ways and Means Committee agreed that some form of stimulus was needed to get the economy moving again. Differences arose in determining the amount of tax rebates or reduction and program expenditures necessary to stimulate the economy without rekindling another round of inflation. In my judgment, the economy is in need of an injection of funds that will launch a period of economic recovery. Clearly, however, the unsatisfactory level of unemployment and industrial capacity utilization warrants a temporary measure to generate demand that will be strong enough in 1977 and 1978 to induce business to invest in new plant and equipment, which in turn should result in reduced unemployment.

I believe that the rebate feature of H.R. 3477 will provide a temporary stimulus to the economy that should increase consumer spending. Because the stimulus provided by the rebate is of a limited duration, both the administration and the Congress will be afforded the opportunity to review the state of the economy when the effect of the rebate has dissipated. A determination can then be made whether the economy requires further expenditures to sustain the recovery or whether restraint on expenditures should be exercised to prevent an outbreak of inflation. In addition, granting a rebate to every American gives each person a stake in the economic recovery.

I approve also of the committee's action in extending the benefits of the rebate to those individuals who are either too poor to file an income tax return or who do not owe any tax, including those people on various forms of public assistance.

For a number of reasons, I strongly endorse the proposal to increase the standard deduction to the flat amount of

$3,000 for married couples filing jointly and to $2,400 for single taxpayers. Not only does this proposal stimulate consumer spending by increasing after-tax income for individuals by almost $5 billion annually, but it also serves to greatly simplify the individual income tax return by increasing the number of persons who will elect the standard deduction. By raising the standard deduction to a flat amount—$2,400 for single taxpayers and $3,000 for married couples filing jointly—it is estimated that as many as 5.5 million additional taxpayers will elect the standard deduction, because the higher amount of the standard deduction will make itemizing unprofitable.

Since the new tables also affect taxpayers who itemize, roughly 96 percent of the taxpayers in the country will be able to look up their tax in the tables. In addition, the increase in the standard deduction for low- to middle-income taxpayers removes another 4 million taxpayers from the tax rolls. In my judgment, these changes represent substantial progress toward simplification of the Federal income tax laws so that the average American can understand and even prepare his own return without frustration and dismay.

My major source of disagreement with H.R. 3477 concerns the committee's decision to drop the increase even though small, in the investment tax credit as a way of providing direct stimulus to the business sector.

I do find the new jobs tax credit to be a fresh and innovative approach to the Nation's unemployment problems, meriting inclusion in the bill on a 2-year trial basis. I wish the option of an additional investment tax credit had been retained as recommended by the administration. As the bill stands, businesses with capital intensive operations would not stand to benefit from this proposal.

In my judgment, this is a serious oversight that could jeopardize the overall impact of the stimulus package. Since the total cost of the economic proposals is only a small fraction of the Nation's gross national product—$18 billion out of a GNP of nearly $1,800 billion—clearly the stimulation program standing alone does not involve a sufficiently large sum to affect the economy significantly all by itself. The success or failure of the economic package depends upon whether the expenditures create a favorable psychological climate for spending by major groups in the society, including the business community. Since no incentives are conferred upon capital intensive industries by H.R. 3477, it is unlikely, in my opinion, that such businesses with a major impact on the Nation's economic well-being will feel encouraged by Government policy to invest large amounts in new plants and equipment. In fact, the reverse may occur—such enterprises may defer major investment decisions for fear of Government invasion into the capital market.

For this reason, I would have preferred a provision which would have provided the business community with a choice between three options: The higher investment tax credit of 12 percent, the 4 percent credit for payroll contributions to social security, or the new jobs tax credit. This proposal would have contained the advantage of covering as many businesses as possible, whether they be labor or capital intensive. Since the rule under which H.R. 3477 is to be voted upon does not permit an amendment to be offered proposing such an option feature, I shall urge and vote for the restoration of the election afforded business under the administration's original stimulus proposal.

Mr. CONABLE. Mr. Chairman, I have no further requests for time.

Mr. ULLMAN. Mr. Chairman, this is a soundly balanced package. I strongly urge the Members to support it, to vote against the motion for recommital and to support the three committee amendments.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, no amendments are in order except the amendments recommended by the Committee on Ways and Means now printed in the bill, but said amendments shall not be subject to amendment except amendments offered by direction of the Committee on Ways and Means.

The Clerk will read the first committee amendment.

COMMITTEE AMENDMENTS

The Clerk read as follows:

Committee amendment: Page 2, in the Table of Contents, insert:

Sec. 112. Special payment to recipients of aid to families with dependent children under approved State plans.

Sec. 113. Provisions applicable to special payments generally.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, in the table of contents entitled title III, strike:

Sec. 302. Alternative business credit.

And insert:

Sec. 302. New jobs credit.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the third committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 1, strike title I and insert:

TITLE I—REFUND OF 1976 INDIVIDUAL INCOMES TAXES; PAYMENTS TO RECIPIENTS OF CERTAIN BENEFITS

PART I—REFUND OF 1976 INDIVIDUAL INCOME TAXES

SEC. 101. REFUND OF 1976 INDIVIDUAL INCOME TAXES

(a) GENERAL RULE.—Section 6428 (relating to refund of 1974 individual income taxes) is amended to read as follows:

"SEC. 6428. REFUND OF 1976 INDIVIDUAL INCOME TAXES.

"(a) GENERAL RULE.—Except as otherwise provided in this section, each individual shall be treated as having made a payment against the tax imposed by chapter 1 for his first taxable year beginning in 1976 in an amount equal to the sum of—

"(1) $50 multiplied by,

"(2) each exemption provided by subsection (b) or (e) of section 151 for which the taxpayer is entitled to a deduction for such taxable year.

"(b) PHASEOUT BETWEEN $25,000 AND $30,000.—

"(1) IN GENERAL.—If the adjusted gross income of the taxpayer for his first taxable year beginning in 1976 exceeds $25,000, the amount treated as paid by reason of this section (determined without regard to this subsection and subsection (c)) shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so treated as the adjusted gross income of the taxpayer for the taxable year in excess of $25,000 bears to $5,000.

"(2) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of a married individual filing a separate return, paragraph (1) shall be applied by substituting '$12,500' for '$25,000' and by substituting '$2,500' for '$5,000'.

"(c) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount treated as paid by reason of this section shall not exceed the amount of the taxpayer's liability for tax for his first taxable year beginning in 1976.

"(2) REFUND MADE TO CERTAIN TAXPAYERS.—Paragraph (1) shall not apply to any individual who for his first taxable year beginning in 1976—

"(A) is entitled to a credit under section 43 (relating to credit for earned income), or

"(B) (i) has a dependent child who lived with such individual,

"(ii) has earned income, and

"(iii) if married, filed a joint return.

For purposes of subparagraph (B)(ii), the term 'earned income' has the meaning given to such term by section 43(c)(2), except that self-employment income (as defined in section 1402(b)) shall be substituted for net earnings from self-employment in clause (ii) of section 43(c)(2)(A).

"(d) LIABILITY FOR TAX.—For purposes of this section, the liability for tax for the taxable year shall be the sum of—

"(1) the tax imposed by chapter 1 for such year, reduced by the sum of the credits allowable under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to credit for the elderly),

"(C) section 38 (relating to investment in certain depreciable property),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to general tax credit),

"(G) section 44 (relating to purchase of new principal residence), and

"(H) section 44A (relating to expenses for household and dependent care services necessary for gainful employment), plus

"(2) the tax on amounts described in section 3102(c) or 3202(c) which are required to be shown on the taxpayer's return of the chapter 1 tax for the taxable year.

"(e) DATE PAYMENT DEEMED MADE.—The payment provided by this section shall be deemed made on whichever of the following dates is the later:

"(1) the date prescribed by law (determined without extensions) for filing the return of tax under chapter 1 for the taxable year, or

"(2) the date on which the taxpayer files his return of tax under chapter 1 for the taxable year.

"(f) MARITAL STATUS.—The determination of marital status for purposes of this section shall be made under section 143.

"(g) CERTAIN PERSONS NOT ELIGIBLE.—This section shall not apply to any estate or trust, nor shall it apply to any nonresident alien individual."

(b) NO INTEREST ON INDIVIDUAL INCOME TAX

REFUNDS FOR 1976 REFUNDED WITHIN 60 DAYS AFTER RETURN IS FILED.—In applying section 6611(e) of the Internal Revenue Code of 1954 (relating to income tax refund within 45 days after return is filed) in the case of any overpayment of tax imposed by subtitle A of such Code by an individual (other than an estate or trust and other than a nonresident alien individual) for a taxable year beginning in 1976, "60 days" shall be substituted for "45 days" each place it appears in such section 6611(e).

(c) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary to make the refunds provided for by section 6428 of the Internal Revenue Code of 1954 (as amended by subsection (a)), to the extent that such refunds exceed the applicable liability for tax referred to in subsection (d) of such section 6248.

(d) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 is amended by striking out the item relating to section 6428 and inserting in lieu thereof the following:

"Sec. 6428. Refund of 1976 individual income taxes."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning in 1976.

SEC. 102. REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.

(a) GENERAL RULE.—Any payment considered to have been made by any individual by reason of section 6428 of the Internal Revenue Code of 1954, as amended by section 101(a) of this Act, shall not be regarded as income (or, in the calendar year 1977 or 1978, as a resource) of such individual (or of the family of which he is a member) for purposes of any Federal, State, or local program which undertakes to furnish aid or assistance to individuals or families, where eligibility to receive such aid or assistance (or the amount of such aid or assistance) under such program is based on the need therefor of the individual or family involved. The requirement imposed by the preceding sentence shall be treated as a condition for Federal financial participation in any such State or local program of aid or assistance for the first calendar quarter of 1978.

(b) TECHNICAL AMENDMENT.—Section 102 of the Tax Reduction Act of 1975 is amended by inserting after "the Internal Revenue Code of 1954" the following: "(as in effect on the day before the date of the enactment of the Tax Reduction and Simplification Act of 1977)".

SEC. 103. PAYMENTS TO THE GOVERNMENTS OF AMERICAN SAMOA, GUAM, AND THE VIRGIN ISLANDS.

(a) The Secretary of the Treasury is authorized to make separate payments to the government of American Samoa, the government of Guam, and the government of the Virgin Islands. The payment to the government of a particular possession shall be in an amount equal to the payments considered to have been made by individual residents of that possession by reason of section 101 of this Act, and the loss to that possession with respect to tax returns for the first taxable year beginning after December 31, 1976, by reason of sections 201 and 202 of this Act. Such amount shall be determined by the Secretary of the Treasury upon certification to the Secretary by the United States Government Comptrollers for Guam and the Virgin Islands.

(b) Subsection (c) of section 111 and subsections (a) and (b) of section 113 are hereby extended to and made applicable with respect to the payments considered to have been made by individual residents of American Samoa, Guam, and the Virgin Islands by reason of section 101 of this Act; and the payment to the government of any such possession provided by subsection (a) of this section shall be conditioned on compliance by such government with subsection (a) of section 113.

(c) There are hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section.

SEC. 104. PAYMENT NOT TO BE CONSIDERED INCOME OR A REDUCTION IN FEDERAL INCOME TAXES UNDER STATE LAW.

Payments considered to have been made by reason of section 6428 of the Internal Revenue Code of 1954, as amended by this Act, shall not be considered as gross income for purposes of such Code, and shall not be considered as income or a reduction in tax imposed by subtitle A of such Code for purposes of any law of any State (or the District of Columbia) relating to the taxation of income.

PART II—PAYMENTS TO RECIPIENTS OF CERTAIN BENEFITS

SEC. 111. SPECIAL PAYMENT TO RECIPIENTS OF BENEFITS UNDER CERTAIN RETIREMENT AND SURVIVOR BENEFIT PROGRAMS.

(a) PAYMENT.—Subject to subsections (b) and (c), the Secretary of the Treasury shall, at the earliest practicable date after the enactment of this Act, make a $50 payment to each individual who, for the month of March 1977, was entitled to—

(1) a monthly benefit payable under title II of the Social Security Act;

(2) a monthly annuity or pension under the Railroad Retirement Act of 1935, the Railroad Retirement Act of 1937, or the Railroad Retirement Act of 1974;

(3) a benefit under the supplemental security income benefits program established by title XVI of the Social Security Act (as an eligible individual or as an eligible spouse), or a payment made in supplementation of such benefits under a State program of the type described in section 1616 of such Act or section 212 of Public Law 93-66 (whether such program is administered by the Secretary of Health, Education, and Welfare or by the State);

(4) a benefit under title IV of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 901 et seq.); or

(5) compensation, dependency and indemnity compensation, or pension under laws administered by the Veterans' Administration.

The determination of whether an individual was entitled for March 1977 to a benefit described in paragraph (1) shall be made without regard to sections 202(j)(1) and 223(b) of the Social Security Act; and the determination of whether an individual was entitled for such month to an annuity or pension described in paragraph (2) shall be made without the application of section 5(a)(ii) of the Railroad Retirement Act of 1974.

(b) SPECIAL RULES.—In the application of subsection (a)—

(1) payment under such subsection shall be made only to individuals who are paid the benefit, annuity, pension, or compensation involved for March 1977 in a check issued no later than December 31, 1977;

(2) no payment under such subsection shall be made to any individual who is not a resident of the United States; and

(3) no individual shall be entitled to receive more than one payment under such subsection.

For purposes of this subsection, the term "resident of the United States" means an individual whose address of record for purposes of paying the benefit, annuity, pension, or compensation involved for March 1977 is located within the United States (as defined in section 210(i) of the Social Security Act).

(c) LIMITATION ON PAYMENT TO INDIVIDUALS RECEIVING INCOME TAX REFUNDS.—Notwithstanding any other provision of this section, if any individual otherwise entitled to a payment under subsection (a)—

(1) is treated as having made a payment against 1976 individual income taxes under section 6428 of the Internal Revenue Code of 1954, or

(2) is taken into account as an exemption for purposes of any such payment treated as having been made by another person,

the amount of the payment to which such individual would otherwise be entitled under subsection (a) shall be reduced (but not below zero) by the amount of any payment treated as having been made under section 6428 of such Code to the extent that such payment is attributable to an exemption claimed by or for such individual.

SEC. 112. SPECIAL PAYMENT TO RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN UNDER APPROVED STATE PLANS.

(a) PAYMENT.— Every State (as defined in section 1101(a)(1) of the Social Security Act) which has in effect a plan for aid and services to needy families with children approved under section 402(a) of such Act shall, at the earliest practicable date after the enactment of this Act, make a $50 payment to each individual who, for the month of March 1977, received aid to families with dependent children as a child or relative under such plan.

(b) SPECIAL RULES.—In the application of subsection (a)—

(1) payment under such subsection shall be made only to individuals with respect to whom aid to families with dependent children for March 1977 is paid in a check issued no later than December 31, 1977; and

(2) no such payment shall be made to any individual who is entitled for March 1977 to a benefit, annuity, pension, or compensation under any of the programs referred to in paragraph (1), (2), (3), (4), or (5) of section 111(a).

Compliance by any State with the requirement of subsection (a) shall be a condition of its eligibility for Federal financial participation under section 403 of the Social Security Act for the first calendar quarter of 1978, and the State's plan approved under section 402(a) of such Act shall be deemed to so provide.

(c) FULL FEDERAL REIMBURSEMENT OF STATE COSTS.—Notwithstanding any other provision of law (or of any State plan approved under section 402(a) of the Social Security Act), the Secretary of the Treasury shall pay to each State, in advance on the basis of satisfactory estimates or by way of reimbursement, the full amount of all payments made by such State under subsection (a), plus an additional sum, as compensation for the administrative costs incurred in connection with such payments, equal to the product of 75 cents multiplied by the number of dependent children and relatives who for March 1977 received aid to families with dependent children under the State plan.

SEC. 113. PROVISIONS APPLICABLE TO SPECIAL PAYMENTS GENERALLY.

(a) RECIPIENT IDENTIFICATION.—

(1) IN GENERAL.—Notwithstanding any provision of Federal law heretofore enacted—

(A) the Secretary of Health, Education, and Welfare, the Railroad Retirement

Board, the Secretary of Labor, the Administrator of Veterans' Affairs, and the appropriate State agencies administering programs in supplementation of benefits under title XVI of the Social Security Act (i) shall provide the Secretary of the Treasury and each other with such information and data, in such form and after such processing, as the Secretary of the Treasury may determine to be necessary to enable him to make the payments authorized under section 111 (a) (and to determine the amount of any such payment under the limitation in section 111(c)), and (ii) shall provide the State agencies referred to in subparagraph (B) of this paragraph with such information and data, in such form and after such processing, as the Secretary of the Treasury may determine to be necessary to enable them to exercise their responsibilities under section 112; and

(B) the appropriate agency of such State administering or supervising the administration of its State plan approved under section 402 of the Social Security Act and the Secretary of Health, Education, and Welfare shall furnish the Secretary of the Treasury with such information and data, in such form and after such processing, as the Secretary of the Treasury may determine to be necessary to enable him to make or evaluate the estimates referred to in section 112(c) and to exercise his other responsibilities under section 112.

(2) RESTRICTION ON USE AND DISCLOSURE OF INFORMATION.—Information and data furnished by any officer or agency to the Secretary of the Treasury or to another officer or agency under paragraph (1) shall be used by the Secretary or such other officer or agency only for purposes directly connected with carrying out the relevant provisions of this part; and the Secretary and such other officer or agency shall establish such safeguards as may be necessary to restrict the use or disclosure of such information and data to those purposes.

(b) PAYMENTS TO BE MADE AS SOON AS PRACTICABLE, ETC.—

(1) IN GENERAL.—Payments under this part shall be made as soon as practicable. If the Secretary of the Treasury determines that, because of the lack of information on compatible computer tapes or for similar reasons, the application of subsection (b)(3) or (c) of section 111 or of subsection (b)(2) of section 112 will unduly postpone the making of payments under this part to any category of individuals, the Secretary shall waive the application of that provision to such category of individuals. In the case of any waiver under the preceding sentence, the Secretary of the Treasury shall promptly notify the Congress of the waiver, the category of individuals affected by the waiver, the circumstances surrounding the waiver, and the reasons why such waiver is necessary to carry out the purposes of this title.

(2) RELIEF FROM LIABILITY.—Under regulations prescribed by the Secretary, in the absence of fraud or gross negligence, to the extent any erroneous payment is attributable to subsection (b)(3) or (c) of section 111 or to subsection (b)(2) of section 112—

(A) the recipient of such payment shall not be liable to repay such payment, and

(B) all fiscal, disbursing, and other officers shall be relieved of liability with respect to the making of such payment.

(c) COORDINATION WITH OTHER FEDERAL PROGRAMS.—Any payment made to any individual by the Secretary of the Treasury under section 111(a) or by a State under section 112(a) shall not be regarded as income (or, in the calendar year 1977 or 1978, as a resource) of such individual (or of the family of which he is a member) for purposes of any Federal, State, or local program which undertakes to furnish aid or assistance to individuals or families, where eligibility to receive such aid or assistance (or the amount of such aid or assistance) under such program is based on the need therefor of the individual or family involved. The requirement imposed by the preceding sentence shall be treated as a condition for Federal financial participation in any such State or local program of aid or assistance for the first calendar quarter of 1978.

(d) APPROPRIATIONS AUTHORIZATION.—There are hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of sections 111 and 112.

(e) PAYMENTS NOT TO BE CONSIDERED INCOME.—Payments made under sections 111 (a) and 112(a) shall not be considered as gross income for purposes of the Internal Revenue Code of 1954.

Mr. ULLMAN (during the reading). Mr. Chairman, I ask unanimous consent that the reading of the committee amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. STEIGER. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, what we are dealing with here is the first of the committee amendments on title I. The President, in his proposal, sent to the Committee on Ways and Means and to the Congress a bill which would have provided a $50 per head personal income tax rebate, plus $50 additional for social security recipients. It was relatively simple, it was understandable, and it was relatively quick in terms of its economic impact.

The defects, however, of this proposal, I think are quite clear. It provided for an unacceptably high rate of so-called double dipping, that is to say, an estimated 20 million individuals would have been entitled to tax rebates and payments on social security eligibility, plus some 8 million individuals who would have received no rebates, or reduced rebates, because of their income tax liability in 1976.

In attempting to remedy this situation, the Committee on Ways and Means made, I am afraid, a bad situation even worse.

Mr. FRENZEL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Fifty-six Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER. Mr. Chairman, as I was saying before the point of order that a quorum was not present was made—and we are delighted to welcome all of our colleagues back on the floor and wish them a happy afternoon—the issue here is not as to whether to strike title I, which would not be stricken under the rules under which we are operating, but, rather, whether to adopt the committee version versus the President's version.

Simply stated, Mr. Chairman, my hope is that by voting "no" the House will go back to President Carter's original recommendation.

I started to say that what the committee has done was to add certain categories of individuals and thus changed a tax rebate program into something akin to a welfare program; and then to finance the benefits, the Committee on Ways and Means adopted what I think is a very bad concept, which is that we phase out the rebate for those adjusted gross incomes of $25,000 to $30,000, and those above $30,000 receive no rebate at all.

These changes, Mr. Chairman, really hamper the effectiveness of the bill as a fiscal stimulus tool. The original idea of making a sharp, one-time impact on the economy has been sacrificed in order to limit double-dipping and to include many who would otherwise be excluded. Checking and cross-checking the special payments against tax rebates is an administrative burden of several months' duration. So instead of sharply jolting the economy, these rebates and payments will now dribble out over the spring and summer months. Although undoubtedly a nice thing for individual recipients, the $50 payments and rebates will be largely wasted as far as economic impact is concerned.

Ironically, despite these efforts, there will still be some double-dipping going on, especially for AFDC recipients and some students and the income phase-out provisions of the measure further negate the economic merits of the legislation. Excluding taxpayers who shoulder some 40 percent of the national personal income tax burden eliminates from the program many of the very families for whom the rebate might provide the additional margin needed to finance the purchase of consumer items.

Thus, from either an economic or an equity standpoint, the actions of the committee on title I make a bad package even worse.

Mr. Chairman, with respect to the Members who will vote "No" on the committee amendment, the effect of that vote will be to turn the proposal around to exactly what the President recommended. Then I hope the committee will, further down the road, adopt the motion to recommit, providing for a permanent, across-the-board tax cut in the first seven brackets in place of title I.

Mr. ULLMAN. Mr. Chairman, I rise in support of the amendment. The option that we have here is to vote for the recommendation of the administration or the committee amendment. Let us look at what the amendment does. First, the committee put a cap on the amount of the refund. It phased it out between $25,000 and $30,000. This is a stimulus package. The whole purpose is to get the money out into the spending stream. To give a rebate to people in the above-$30,000 bracket simply is going to be far less efficient as a stimulant factor because it is not going to go out into the spending stream like it will in the lower brackets.

Second, it expands the $50 payments. The administration recommended the $50 payments to recipients of social security, SSI, and railroad retirement benefits. We have expanded it which I believe is appropriate to cover as many people as we can where we have computer capabilities to get automatic payments.

Here we added people receiving AFDC payments—the welfare people—those who are receiving veterans payments, and also black lung recipients.

Third, and I think this is probably more important than anything else, there was about $900 million double payments in the administration recommendation. If we vote down the committee amendment and go back to their recommendations, we would have over $900 million of double payments. We have taken most of that out. There may be some left, and there obviously is, but there will be $900 million less of double dip in this amendment than there would be if we went back to the original recommendation.

We think this is a sound amendment. The committee deliberated and acted in a very thorough manner, and we recommend that the members of this Committee approve the committee amendment.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. STEIGER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 312, noes 103, not voting 17, as follows:

[Roll No. 53]

AYES—312

Addabbo	Evans, Ga.	Mikva
Akaka	Evans, Ind.	Miller, Calif.
Alexander	Fary	Mineta
Allen	Fascell	Minish
Ammerman	Fenwick	Mitchell, Md.
Anderson, Calif.	Findley	Mitchell, N.Y.
Anderson, Ill.	Fisher	Moakley
Andrews, N.C.	Fithian	Moffett
Andrews, N. Dak.	Flippo	Mollohan
Annunzio	Flood	Moorhead, Pa.
Applegate	Florio	Moss
Ashley	Flowers	Murphy, Ill.
Aspin	Flynt	Murphy, Pa.
AuCoin	Foley	Murtha
Badillo	Ford, Tenn.	Myers, Gary
Baldus	Fountain	Myers, Michael
Barnard	Fraser	Natcher
Baucus	Fuqua	Neal
Beard, R.I.	Gammage	Nedzi
Beard, Tenn.	Gaydos	Nichols
Bedell	Gephardt	Nix
Beilenson	Giaimo	Nolan
Benjamin	Gibbons	Nowak
Bennett	Gilman	Oakar
Bevill	Ginn	Oberstar
Biaggi	Glickman	Obey
Bingham	Gore	Ottinger
Blanchard	Gudger	Panetta
Blouin	Guyer	Patten
Boggs	Hall	Patterson
Boland	Hamilton	Pattison
Boiling	Hammer-schmidt	Pease
Bonior	Hanley	Pepper
Bonker	Hannaford	Perkins
Bowen	Harkin	Pickle
Brademas	Harrington	Pike
Breaux	Harsha	Poage
Breckinridge	Hawkins	Preyer
Brinkley	Heckler	Price
Brodhead	Hefner	Pursell
Brooks	Heftel	Quayle
Broomfield	Hightower	Quillen
Brown, Calif.	Holland	Rahall
Brown, Mich.	Hollenbeck	Rangel
Brown, Ohio	Holtzman	Regula
Buchanan	Horton	Reuss
Burke, Calif.	Hubbard	Richmond
Burke, Fla.	Huckaby	Rinaldo
Burke, Mass.	Hughes	Risenhoover
Burlison, Mo.	Ireland	Roberts
Burton, Phillip	Jacobs	Rodino
Byron	Jeffords	Rogers
Caputo	Jenkins	Roncalio
Carney	Jenrette	Rooney
Carr	Johnson, Calif.	Rosenthal
Carter	Johnson, Colo.	Rostenkowski
Cavanaugh	Jones, N.C.	Roybal
Cederberg	Jones, Okla.	Runnels
Chisholm	Jones, Tenn.	Russo
Clausen, Don H.	Jordan	Ryan
Cochran	Kastenmeier	Scheuer
Cohen	Kazen	Schroeder
Coleman	Keys	Seiberling
Collins, Ill.	Kildee	Sharp
Conte	Koch	Shipley
Conyers	Kostmayer	Sikes
Corman	Krebs	Simon
Cornell	Krueger	Sisk
Cornwell	LaFalce	Skelton
Coughlin	Le Fante	Slack
D'Amours	Lederer	Smith, Iowa
Danielson	Lehman	Smith, Nebr.
de la Garza	Lloyd, Calif.	Solarz
Delaney	Lloyd, Tenn.	Spellman
Dellums	Long, La.	Spence
Dent	Long, Md.	St Germain
Derrick	Lujan	Staggers
Dickinson	Luken	Stanton
Dicks	Lundine	Stark
Diggs	McCormack	Steed
Dingell	McDade	Stokes
Dodd	McFall	Stratton
Downey	McHugh	Studds
Drinan	McKay	Stump
Eckhardt	Madigan	Thone
Edgar	Maguire	Thornton
Edwards, Ala.	Mahon	Tonry
Edwards, Calif.	Mann	Traxler
Eilberg	Markey	Tsongas
Emery	Marlenee	Tucker
English	Marriott	Udall
Erlenborn	Mattox	Ullman
Ertel	Mazzoli	Van Deerlin
Evans, Colo.	Meeds	Vander Jagt
Evans, Del.	Metcalfe	Vanik
	Meyner	Vento
	Mikulski	Volkmer
		Waggonner
		Walgren
		Walker
		Walsh
		Wampler
		Watkins
		Waxman
		Weaver
		Weiss
		Whalen
		Whitley
		Wilson, Bob
		Wilson, C. H.
		Wilson, Tex.
		Wirth
		Wolff
		Wright
		Yates
		Yatron
		Young, Mo.
		Young, Tex.
		Zablocki
		Zeferetti

NOES—103

Abdnor	Hagedorn	Pressler
Ambro	Hansen	Pritchard
Archer	Harris	Quie
Armstrong	Hillis	Railsback
Ashbrook	Holt	Rhodes
Badham	Hyde	Robinson
Bafalis	Ichord	Rousselot
Bauman	Kasten	Rudd
Broyhill	Kelly	Ruppe
Burgener	Kemp	Sarasin
Burleson, Tex.	Ketchum	Satterfield
Butler	Kindness	Sawyer
Chappell	Lagomarsino	Schulze
Clawson, Del	Latta	Sebelius
Cleveland	Leach	Shuster
Collins, Tex.	Lent	Skubitz
Conable	Levitas	Snyder
Corcoran	Lott	Stangeland
Crane	McClory	Steers
Daniel, Dan	McCloskey	Steiger
Daniel, R. W.	McDonald	Stockman
Derwinski	McKinney	Symms
Devine	Marks	Taylor
Dornan	Martin	Treen
Duncan, Tenn.	Mathis	Trible
Early	Michel	White
Edwards, Okla.	Milford	Whitehurst
Fish	Miller, Ohio	Whitten
Forsythe	Montgomery	Wiggins
Frenzel	Moore	Winn
Frey	Moorhead, Calif.	Wydler
Goldwater	Mottl	Wylie
Goodling	Myers, Ind.	Young, Alaska
Gradison	O'Brien	Young, Fla.
Grassley		

NOT VOTING—17

Burton, John	Gonzalez	Roe
Clay	Howard	Rose
Cotter	Leggett	Santini
Davis	McEwen	Teague
Duncan, Oreg.	Murphy, N.Y.	Thompson
Ford, Mich.	Pettis	

Messrs. KASTEN, HYDE, BUTLER, WHITE, STANGELAND, and TRIBLE changed their vote from "aye" to "no."

Messrs. FINDLEY, REGULA, and EVANS of Delaware changed their vote from "no" to "aye."

So the committee amendment was agreed to.

The result of the vote was announced as above recorded.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment to title II.

The Clerk read as follows:

Committee amendment: Page 27, line 15, strike title II and insert:

TITLE II—REDUCTION AND SIMPLIFICATION OF INDIVIDUAL INCOME TAXES

SEC. 201. CHANGE IN TAX RATES AND TAX TABLES TO REFLECT PERMANENT INCREASE IN STANDARD DEDUCTION.

(a) CHANGE IN TAX RATES.—Section 1 (relating to tax imposed) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,000	No tax.
Over $3,000 but not over $4,000	14% of the excess over $3,000.
Over $4,000 but not over $5,000	140, plus 15% of excess over $4,000.
Over $5,000 but not over $6,000	$290, plus 16% of excess over $5,000.
Over $6,000 but not over $7,000	$450, plus 17% of excess over $6,000.
Over $7,000 but not over $11,000	$620, plus 19% of excess over $7,000.
Over $11,000 but not over $15,000	$1,380, plus 22% of excess over $11,000.
Over $15,000 but not over $19,000	$2,260, plus 25% of excess over $15,000.
Over $19,000 but not over $23,000	$3,260, plus 28% of excess over $19,000.
Over $23,000 but not over $27,000	$4,380, plus 32% of excess over $23,000.
Over $27,000 but not over $31,000	$5,660, plus 36% of excess over $27,000.
Over $31,000 but not over $35,000	$7,100, plus 39% of excess over $31,000.
Over $35,000 but not over $39,000	$8,660, plus 42% of excess over $35,000.
Over $39,000 but not over $43,000	$10,340, plus 45% of excess over $39,000.
Over $43,000 but not over $47,000	$12,140, plus 48% of excess over $43,000.
Over $47,000 but not over $55,000	$14,060, plus 50% of excess over $47,000.
Over $55,000 but not over $67,000	$18,060, plus 53% of excess over $55,000.
Over $67,000 but not over $79,000	$24,420, plus 55% of excess over $67,000.
Over $79,000 but not over $91,000	$31,020, plus 58% of excess over $79,000.
Over $91,000 but not over $103,000	$37,980, plus 60% of excess over $91,000.
Over $103,000 but not over $123,000	$45,180, plus 62% of excess over $103,000.
Over $123,000 but not over $143,000	$57,580, plus 64% of excess over $123,000.
Over $143,000 but not over $163,000	$70,380, plus 66% of excess over $143,000.
Over $163,000 but not over $183,000	$83,580, plus 68% of excess over $163,000.
Over $183,000 but not over $203,000	$97,180, plus 69% of excess over $183,000.
Over $203,000	$110,980, plus 70% of excess over $203,000.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,400	No tax.
Over $2,400 but not over $3,400	14% of the excess over $2,400.
Over $3,400 but not over $4,400	$140, plus 16% of excess over $3,400.
Over $4,400 but not over $6,400	$300, plus 18% of excess over $4,400.
Over $6,400 but not over $8,400	$660, plus 19% of excess over $6,400.
Over $8,400 but not over $10,400	$1,040, plus 22% of excess over $8,400.
Over $10,400 but not over $12,400	$1,480, plus 23% of excess over $10,400.
Over $12,400 but not over $14,400	$1,940, plus 25% of excess over $12,400.
Over $14,400 but not over $16,400	$2,440, plus 27% of excess over $14,400.
Over $16,400 but not over $18,400	$2,980, plus 28% of excess over $16,400.
Over $18,400 but not over $20,400	$3,540, plus 31% of excess over $18,400.
Over $20,400 but not over $22,400	$4,160, plus 32% of excess over $20,400.
Over $22,400 but not over $24,400	$4,800, plus 35% of excess over $22,400.
Over $24,400 but not over $26,400	$5,500, plus 36% of excess over $24,400.
Over $26,400 but not over $28,400	$6,220, plus 38% of excess over $26,400.
Over $28,400 but not over $30,400	$6,980, plus 41% of excess over $28,400.
Over $30,400 but not over $34,400	$7,800, plus 42% of excess over $30,400.
Over $34,400 but not over $38,400	$9,480, plus 45% of excess over $34,400.
Over $38,400 but not over $40,400	$11,280, plus 48% of excess over $38,400.
Over $40,400 but not over $42,400	$12,240, plus 51% of excess over $40,400.
Over $42,400 but not over $46,400	$13,260, plus 52% of excess over $42,400.
Over $46,400 but not over $52,400	$15,340, plus 55% of excess over $46,400.
Over $52,400 but not over $54,400	$18,640, plus 56% of excess over $52,400.
Over $54,400 but not over $66,400	$19,760, plus 58% of excess over $54,400.
Over $66,400 but not over $72,400	$26,720, plus 59% of excess over $66,400.
Over $72,400 but not over $78,400	$30,260, plus 61% of excess over $72,400.
Over $78,400 but not over $82,400	$33,920, plus 62% of excess over $78,400.
Over $82,400 but not over $90,400	$36,400, plus 63% of excess over $82,400.
Over $90,400 but not over $102,400	$41,440, plus 64% of excess over $90,400.
Over $102,400 but not over $122,400	$49,120, plus 66% of excess over $102,400.
Over $122,400 but not over $142,400	$62,320, plus 67% of excess over $122,400.
Over $142,400 but not over $162,400	$75,720, plus 68% of excess over $142,400.
Over $162,400 but not over $182,400	$89,320, plus 69% of excess over $162,400.
Over $182,400	$103,120, plus 70% of excess over $182,400.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,400	No tax.
Over $2,400 but not over $2,900	14% of the excess over $2,400.
Over $2,900 but not over $3,400	$70, plus 15% of excess over $2,900.
Over $3,400 but not over $3,900	$145, plus 16% of excess over $3,400.
Over $3,900 but not over $4,400	$225, plus 17% of excess over $3,900.
Over $4,400 but not over $6,400	$310, plus 19% of excess over $4,400.
Over $6,400 but not over $8,400	$690, plus 21% of excess over $6,400.
Over $8,400 but not over $10,400	$1,110, plus 24% of excess over $8,400.
Over $10,400 but not over $12,400	$1,590, plus 25% of excess over $10,400.
Over $12,400 but not over $14,400	$2,090, plus 27% of excess over $12,400.
Over $14,400 but not over $16,400	$2,630, plus 29% of excess over $14,400.
Over $16,400 but not over $18,400	$3,210, plus 31% of excess over $16,400.
Over $18,400 but not over $20,400	$3,830, plus 34% of excess over $18,400.

Over $20,400 but not over $22,400	$4,510, plus 36% of excess over $20,400.
Over $22,400 but not over $24,400	$5,230, plus 38% of excess over $22,400.
Over $24,400 but not over $28,400	$5,990, plus 40% of excess over $24,400.
Over $28,400 but not over $34,400	$7,590, plus 45% of excess over $28,400.
Over $34,400 but not over $40,400	$10,290, plus 50% of excess over $34,400.
Over $40,400 but not over $46,400	$13,290, plus 55% of excess over $40,400.
Over $46,400 but not over $52,400	$16,590, plus 60% of excess over $46,400.
Over $52,400 but not over $62,400	$20,190, plus 62% of excess over $52,400.
Over $62,400 but not over $72,400	$26,390, plus 64% of excess over $62,400.
Over $72,400 but not over $82,400	$32,790, plus 66% of excess over $72,400.
Over $82,400 but not over $92,400	$39,390, plus 68% of excess over $82,400.
Over $92,400 but not over $102,400	$46,190, plus 69% of excess over $92,400.
Over $102,400	$53,090, plus 70% of excess over $102,400.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $1,500	No tax.
Over $1,500 but not over $2,000	14% of the excess over $1,500.
Over $2,000 but not over $2,500	$70, plus 15% of excess over $2,000.
Over $2,500 but not over $3,000	$145, plus 16% of excess over $2,500.
Over $3,000 but not over $3,500	$225, plus 17% of excess over $3,000.
Over $3,500 but not over $5,500	$310, plus 19% of excess over $3,500.
Over $5,500 but not over $7,500	$690, plus 22% of excess over $5,500.
Over $7,500 but not over $9,500	$1,130, plus 25% of excess over $7,500.
Over $9,500 but not over $11,500	$1,630, plus 28% of excess over $9,500.
Over $11,500 but not over $13,500	$2,190, plus 32% of excess over $11,500.
Over $13,500 but not over $15,500	$2,830, plus 36% of excess over $13,500.
Over $15,500 but not over $17,500	$3,550, plus 39% of excess over $15,500.
Over $17,500 but not over $19,500	$4,330, plus 42% of excess over $17,500.
Over $19,500 but not over $21,500	$5,170, plus 45% of excess over $19,500.
Over $21,500 but not over $23,500	$6,070, plus 48% of excess over $21,500.
Over $23,500 but not over $27,500	$7,030, plus 50% of excess over $23,500.
Over $27,500 but not over $33,500	$9,030, plus 53% of excess over $27,500.
Over $33,500 but not over $39,500	$12,210, plus 55% of excess over $33,500.
Over $39,500 but not over $45,500	$15,510, plus 58% of excess over $39,500.
Over $45,500 but not oevr $51,500	$18,990, plus 60% of excess over $45,500.
Over $51,500 but not over $61,500	$22,590, plus 62% of excess over $51,500.
Over $61,500 but not over $71,500	$28,790, plus 64% of excess over $61,500.
Over $71,500 but not over $81,500	$35,190, plus 66% of excess over $71,500.
Over $81,500 but not over $91,500	$41,790, plus 68% of excess over $81,500.
Over $91,500 but not over $101,500	$48,590, plus 69% of excess over $91,500.
Over $101,500	$55,490, plus 70% of excess over $101,500.

"(e) ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of every estate and trust taxable under this subsection a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $500	14% of the taxable income.
Over $500 but not over $1,000	$70, plus 15% of excess over $500.
Over $1,000 but not over $1,500	$145, plus 16% of excess over $1,000.
Over $1,500 but not over $2,000	$225, plus 17% of excess over $1,500.
Over $2,000 but not over $4,000	$310, plus 19% of excess over $2,000.
Over $4,000 but not over $6,000	$690, plus 22% of excess over $4,000.
Over $6,000 but not over $8,000	$1,130, plus 25% of excess over $6,000.
Over $8,000 but not over $10,000	$1,630, plus 28% of excess over $8,000.
Over $10,000 but not over $12,000	$2,190, plus 32% of excess over $10,000.
Over $12,000 but not over $14,000	$2,830, plus 36% of excess over $12,000.
Over $14,000 but not over $16,000	$3,550, plus 39% of excess over $14,000.
Over $16,000 but not over $18,000	$4,330, plus 42% of excess over $16,000.
Over $18,000 but not over $20,000	$5,170, plus 45% of excess over $18,000.
Over $20,000 but not over $22,000	$6,070, plus 48% of excess over $20,000.
Over $22,000 but not over $26,000	$7,030, plus 50% of excess over $22,000.
Over $26,000 but not over $32,000	$9,030, plus 53% of excess over $26,000.
Over $32,000 but not over $38,000	$12,210, plus 55% of excess over $32,000.
Over $38,000 but not over $44,000	$15,510, plus 58% of excess over $38,000.
Over $44,000 but not over $50,000	$18,990, plus 60% of excess over $44,000.
Over $50,000 but not over $60,000	$22,590, plus 62% of excess over $50,000.
Over $60,000 but not over $70,000	$28,790, plus 64% of excess over $60,000.
Over $70,000 but not over $80,000	$35,190, plus 66% of excess over $70,000.
Over $80,000 but not over $90,000	$41,790, plus 68% of excess over $80,000.
Over $90,000 but not over $100,000	$48,590, plus 69% of excess over $90,000.
Over $100,000	$55,490, plus 70% of excess over $100,000."

(b) CHANGE IN TAX TABLES.—Section 3 (relating to tax tables for individuals having taxable income of less than $20,000) is amended to read as follows:

"SEC. 3. TAX TABLES FOR INDIVIDUALS

"(a) IMPOSITION OF TAX TABLE TAX.—

"(1) IN GENERAL.—In lieu of the tax imposed by section 1, there is hereby imposed for each taxable year on the tax table income of every individual whose tax table income for such year does not exceed the ceiling amount, a tax determined under tables, applicable to such taxable year, which shall be prescribed by the Secretary. In the tables so prescribed, the amounts of tax shall be computed on the basis of the rates prescribed by section 1.

"(2) CEILING AMOUNT DEFINED.—For purposes of paragraph (1), the term 'ceiling amount' means, with respect to any taxpayer, the amount (not less than $20,000) determined by the Secretary for the tax rate category in which such taxpayer falls.

"(3) CERTAIN TAXPAYERS WITH LARGE NUMBER OF EXEMPTIONS.—The Secretary may exclude from the application of this section taxpayers in any tax rate category having more than the number of exemptions for that category determined by the Secretary.

"(4) TAX TABLE INCOME DEFINED.—For pur-

poses of this section, the term 'tax table income' means adjusted gross income—

"(A) reduced by the excess itemized deductions, and

"(B) increased (in the case of an individual to whom section 63(e) applies) by the unused zero bracket amount.

"(b) SECTION INAPPLICABLE TO CERTAIN INDIVIDUALS.—This section shall not apply to—

"(1) an individual to whom—

"(A) section 911 (relating to earned income from sources without the United States),

"(B) section 1201 (relating to alternative capital gains tax),

"(C) section 1301 (relating to income averaging), or

"(D) section 1348 (relating to maximum rate on personal service income),

applies for the taxable year,

"(2) an individual making a return under section 443(a)(1) for a period of less than 12 months on account of a change in annual accounting period, and

"(3) an estate or trust.

"(c) TAX TREATED AS IMPOSED BY SECTION 1.—For purposes of this title, the tax imposed by this section shall be treated as tax imposed by section 1.

"(d) TAXABLE INCOME.—Whenever it is necessary to determine the taxable income of an individual to whom this section applies, the taxable income shall be determined under section 63.

"(e) CROSS REFERENCE.—

"For computation of tax by Secretary, see section 6014."

(c) CHANGES IN GENERAL TAX CREDIT.—

(1) Subsection (a) of section 42 (relating to allowance of general tax credit) is amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxpayer year an amount equal to the greater of—

"(1) 2 percent of so much of the taxpayer's taxable income for the taxable year (reduced by the zero bracket amount) as does not exceed $9,000; or

"(2) $35 multiplied by each exemption for which the taxpayer is entitled to a deduction for the taxable year under section 151."

(2) Section 42 is amended by adding at the end thereof the following new subsection:

"(e) INCOME TAX TABLES TO REFLECT CREDIT.—The tables prescribed by the Secretary under section 3 shall reflect the credit allowed by this section."

(3) Subsection (c) of section 42 is amended to read as follows:

"(c) SPECIAL RULE FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—

"(1) IN GENERAL.—In the case of a married individual who files a separate return for the taxable year, the amount of the credit allowable under subsection (a) for the taxable year shall be the amount determined under paragraph (2) of subsection (a).

"(2) MARITAL STATUS.—For purposes of this subsection, the determination of marital status shall be made under section 143."

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 141 (relating to standard deduction), section 142 (relating to individuals not eligible for standard deduction), section 144 (relating to election of standard deduction), and section 145 (cross reference) are hereby repealed.

(2) Section 21 (relating to effect of changes) is amended—

(A) by striking out subsections (d) and (e),

(B) by redesignating subsection (f) as subsection (d), and

(C) by inserting after subsection (d) (as so redesignated) the following new subsection:

"(e) CHANGES MADE BY TAX REDUCTION AND SIMPLIFICATION ACT OF 1977.—In applying subsection (a) to a taxable year of an individual which is not a calendar year, the amendments made by sections 201 and 202 of the Tax Reduction and Simplification Act of 1977 shall not be treated as changes in a rate of tax."

(3) Section 36 (relating to credits not allowed to individuals taking standard deduction) is hereby repealed.

(4) Section 143(a) (relating to determination of marital status) is amended by striking out "this part and".

(5)(A) Paragraph (1) of section 57(a) (relating to items of tax preference) is amended by striking out "excess" in the heading and text and inserting in lieu thereof "adjusted".

(B) The heading of subsection (b) of section 57, and so much of paragraph (1) of such subsection as precedes subparagraph (A), are each amended by striking out "excess" and inserting in lieu thereof "adjusted".

(C) Paragraph (1) of section 57(b) is amended—

(i) by striking out subparagraph (B), and

(ii) by redesignating subparagraphs (C) through (E) as subparagraphs (B) through (D), respectively.

(6) Paragraph (1) of section 511(b) (relating to tax on unrelated business income of charitable, etc., trusts) is amended by striking out "section 1(d)" and inserting in lieu thereof "section 1(e)".

(7) Subsection (d) of section 534 (relating to common trust funds) is amended—

(A) by inserting "and" at the end of paragraph (2),

(B) by striking out "; and" at the end of paragraph (3) and inserting in lieu thereof a period, and

(C) by striking out paragraph (4).

(8) Subsection (a) of section 641 (relating to imposition of tax for estates and trusts) is amended by striking out "section 1(d)" and inserting in lieu thereof "section 1(e)".

(9) Subsection (k) of section 642 (relating to special rules for credits and deductions of estate or trust) is amended to read as follows:

"(k) CROSS REFERENCE.—

"For special rule for determining the time of receipt of dividends by a beneficiary under section 652 or 662, see section 116(c)(3)."

(10) Subsection (a)(2) of section 703 (relating to partnership income and deductions) is amended—

(A) by striking out subparagrapn (A), and

(B) by redesignating subparagraphs (B) through (G) as subparagraphs (A) through (F), respectively.

(11) Subsection (c) of section 873 (relating to deductions in the case of nonresident alien individuals) is amended to read as follows:

"(c) CROSS REFERENCE.—

"For rule that certain foreign taxes are not to be taken into account in determining deduction or credit, see section 906(b)(1)."

(12) Paragraph (3) of section 931(d) (relating to deductions in computing income from sources within possessions of the United States) is hereby repealed.

(13) Subsection (a) of section 6014 (relating to tax not computed by taxpayer) is amended—

(A) by striking out "entitled to take" through "section 141(e))" in the first sentence thereof and inserting in lieu thereof "who does not itemize his deductions and who does not have an unused zero bracket amount (determined under section 63(e)),", and

(B) by striking out "and shall constitute an election to take the standard deduction" in the second sentence thereof.

(14) Paragraph (4) of section 6014(b) (relating to regulations) is amended to read as follows:

"(4) to cases where the taxpayer itemizes his deductions or has an unused zero bracket amount."

(15) Subparagraph (A) of section 6212(c)(2) (relating to further deficiency letters restricted) is amended to read as follows:

"(A) Deficiency attributable to change of treatment with respect to itemized deductions and zero bracket amount, see section 63(g)(4)."

(16) Paragraph (2) of section 6504 (relating to cross references) is amended to read as follows:

"(2) Change of treatment with respect to itemized deductions and zero bracket amount where taxpayer and his spouse make separate returns, see section 63(g)(4)."

(e) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable against tax) is amended by striking out the item relating to section 36.

(2) The heading and table of sections for part IV of subchapter B of chapter 1 (relating to standard deduction for individuals) are amended to read as follows:

"PART IV—DETERMINATION OF MARITAL STATUS

"Sec. 143. Determination of marital status."

(3) The table of parts for subchapter B of chapter 1 (relating to computation of taxable income) is amended by striking out the item relating to part IV and inserting in lieu thereof the following:

"Part IV. Determination of marital status."

SEC. 202. CHANGE IN DEFINITION OF TAXABLE INCOME TO REFLECT CHANGE IN TAX RATES AND TABLES.

(a) TAXABLE INCOME DEFINED.—Section 63 (defining taxable income) is amended to read as follows:

"SEC. 63. TAXABLE INCOME DEFINED.

"(a) CORPORATIONS.—For purposes of this subtitle, in the case of a corporation, the term 'taxable income' means gross income minus the deductions allowed by this chapters.

"(b) INDIVIDUALS.—For purposes of this subtitle, in the case of an individual, the term 'taxable income' means adjusted gross income—

"(1) reduced by the sum of—

"(A) the excess itemized deductions, and

"(B) the deductions for personal exemptions provided by section 151, and

"(2) increased (in the case of an individual for whom an unused zero bracket amount computation is provided by subsection (e)) by the unusual zero bracket amount (if any).

"(c) EXCESS ITEMIZED DEDUCTIONS.—For purposes of this subtitle, the term 'excess itemized deductions' means the excess (if any) of—

"(1) the itemized deductions, over

"(2) the zero bracket amount.

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) $3,000 in the case of—

"(A) a joint return under section 6013, or

"(B) a surviving spouse (as defined in section 2(a)),

"(2) $2,400 in the case of an individual who is not married and who is not a surviving spouse (as so defined),

"(3) $1,500 in the case of a married individual filing a separate return, or

"(4) zero in any other case.

"(e) UNUSED ZERO BRACKET AMOUNT.—

"(1) INDIVIDUALS FOR WHOM COMPUTATION MUST BE MADE.—A computation for the taxable year shall be made under this subsection for the following individuals:

"(A) a married individual filing a separate

return where either spouse itemizes deductions,

"(B) a nonresident alien individual,

"(C) a citizen of the United States entitled to the benefits of section 931 (relating to income from sources within possessions of the United States), and

"(D) an individual with respect to whom a deduction under section 151(e) is allowable to another taxpayer for a taxable year beginning in the calendar year in which the individual's taxable year begins.

"(2) COMPUTATION.—For purposes of this subtitle, an individual's unused zero bracket amount for the taxable year is an amount equal to the excess (if any) of—

"(A) the zero bracket amount, over

"(B) the itemized deductions.

In the case of an individual referred to in paragraph (1)(D), if such individual's earned income (as defined in section 911(b)) exceeds the itemized deductions, such earned income shall be substituted for the itemized deductions in subparagraph (B).

"(f) ITEMIZED DEDUCTIONS.—For purposes of this subtitle, the term 'itemized deductions' means the deductions allowable by this chapter other than—

"(1) the deductions allowable in arriving at adjusted gross income, and

"(2) the deductions for personal exemptions provided by section 151.

"(g) ELECTION TO ITEMIZE.—

"(1) IN GENERAL.—Unless an individual makes an election under this subsection for the taxable year, no itemized deduction shall be allowed for the taxable year. For purposes of this subtitle, the determination of whether a deduction is allowable under this chapter shall be made without regard to the preceding sentence.

"(2) WHO MAY ELECT.—Except as provided in paragraph (3), an individual may make an election under this subsection for the taxable year only—

"(A) if such individual's itemized deductions exceed the zero bracket amount, or

"(B) in the case of a married individual filing a separate return, if such individual's spouse qualifies under subparagraph (A) and makes an election under this subsection.

"(3) TIME AND MANNER OF ELECTION.—Any election under this subsection shall be made on the taxpayer's return, and the Secretary shall prescribe the manner of signifying such election on the return.

"(4) CHANGE OF TREATMENT.—Under regulations prescribed by the Secretary, a change of treatment with respect to the zero bracket amount and itemized deductions for any taxable year may be made after the filing of the return for such year. If the spouse of the taxpayer filed a separate return for any taxable year corresponding to the taxable year of the taxpayer, the change shall not be allowed unless, in accordance with such regulations—

"(A) the spouse makes a change of treatment with respect to the zero bracket amount and itemized deductions, for the taxable year covered in such separate return, consistent with the change of treatment sought by the taxpayer, and

"(B) the taxpayer and his spouse consent in writing to the assessment, within such period as may be agreed on with the Secretary, of any deficiency, to the extent attributable to such change of treatment, even though at the time of the filing of such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

This paragraph shall not apply if the tax liability of the taxpayer's spouse, for the taxable year corresponding to the taxable year of the taxpayer, has been compromised under section 7122.

"(h) MARITAL STATUS.—For purposes of this section, marital status shall be determined under section 143."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 161 (relating to allowance of deductions) is amended by striking out "section 63(a)" and inserting in lieu thereof "section 63".

(2) Subsection (d) of section 172 (relating to modifications in determining net operating loss) is amended by adding at the end thereof the following new paragraph:

"(8) ZERO BRACKET AMOUNT.—In the case of a taxpayer other than a corporation, the zero bracket amount shall be treated as a deduction allowed by this chapter. For purposes of subsection (c), the preceding sentence shall not apply to an individual who itemizes deductions or who is an individual described in section 63(e)(1)."

(3) Section 211 (relating to allowance of deductions) is amended by striking out "section 63(a)" and inserting in lieu thereof "section 63".

(4) Subparagraph (C) of section 402(e)(1) (relating to imposition of separate tax on lump sum distributions) is amended by striking out "amount equal to one-tenth of the excess of" and inserting in lieu thereof "amount equal to $2,400 plus one-tenth of the excess of".

(5) Clause (iii) of section 441(f)(2)(B) (relating to change in accounting period) is amended to read as follows:

"(iii) if such change results in a short period to which subsection (b) of section 443 applies, the taxable income for such short period shall be placed on an annual basis for purposes of such subsection by multiplying the gross income for such short period (minus the deductions allowed by this chapter for the short period, but only the adjusted amount of the deductions for personal exemptions as described in section 443(c)) by 365, by dividing the result by the number of days in the short period, and by adding the zero bracket amount, and the tax shall be the same part of the tax computed on the annual basis as the number of days in the short period is of 365 days."

(6) Paragraph (1) of section 443(b) (relating to computation of tax on change of annual accounting period) is amended to read as follows:

"(1) GENERAL RULE.—If a return is made under paragraph (1) of subsection (a), the taxable income for the short period shall be placed on an annual basis by multiplying the gross income for such short period (minus the deductions allowed by this chapter for the short period, but only the adjusted amount of the deductions for personal exemptions) by 12, dividing the result by the number of months in the short period, and adding the zero bracket amount. The tax shall be the same part of the tax computed on the annual basis as the number of months in the short period is of 12 months."

(7) Paragraph (1) of section 613A(d) (relating to limitation on percentage depletion based on taxable income) is amended by inserting "(reduced in the case of an individual by the zero bracket amount)" after "the taxpayer's taxable income".

(8) Paragraph (2) of section 667(b) (relating to tax on amount deemed distributed by trust in preceding years) is amended to read as follows:

"(2) TREATMENT OF LOSS YEARS.—For purposes of paragraph (1), the taxable income of the beneficiary for any taxable year shall be deemed to be not less than—

"(A) in the case of a beneficiary who is an individual, the zero bracket amount for such year, or

"(B) in the case of a beneficiary who is a corporation, zero."

(9) Subsection (b) of section 861 (relating to income from sources within the United States) is amended by adding at the end thereof the following new sentence: "In the case of an individual who does not itemize deductions, an amount equal to the zero bracket amount shall be considered a deduction which cannot definitely be allocated to some item or class of gross income."

(10) Subsection (b) of section 862 (relating to income from sources without the United States) is amended by adding at the end thereof the following new sentence: "In the case of an individual who does not itemize deductions, an amount equal to the zero bracket amount shall be considered a deduction which cannot definitely be allocated to some item or class of gross income."

(11) Subsection (a) of section 904 (relating to limitation on foreign tax credit) is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, in the case of an individual the entire taxable income shall be reduced by an amount equal to the zero bracket amount."

(12) Subparagraph (B) of section 911(d)(1) (relating to computation of tax where there is earned income from sources without the United States) is amended to read as follows:

"(B) the tax imposed by section 1 or section 1201 (whichever is applicable) on the sum of—

"(i) the amount of net excluded earned income, and

"(ii) the zero bracket amount."

(13) Subparagraph (A) of section 1211(b)(1) (relating to limitation on capital losses) is amended to read as follows:

"(A) the taxable income for the taxable year reduced (but not below zero) by the zero bracket amount,".

(14) Section 1302(b) (defining average base period income) is amended by adding at the end thereof the following new paragraph:

"(3) TRANSITIONAL RULE FOR DETERMINING BASE PERIOD INCOME.—The base period income (determined under paragraph (2)) for any taxable year beginning before January 1, 1977, shall be increased by the amount of the taxpayer's zero bracket amount for the computation year."

SEC. 203. EXTENSION OF INDIVIDUAL INCOME TAX REDUCTIONS.

(a) GENERAL TAX CREDIT.—Section 3(b) of the Revenue Adjustment Act of 1975, as amended by section 401(a) of the Tax Reform Act of 1976, is amended by striking out "December 31, 1977" and inserting in lieu thereof "December 31, 1978".

(b) EARNED INCOME CREDIT.—Section 209(b) of the Tax Reduction Act of 1975, as amended by section 401(c) of the Tax Reform Act of 1976, is amended by striking out "January 1, 1978" and inserting in lieu thereof "January 1, 1979". There are authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary to pay that portion of the refunds under section 6401(b) of the Internal Revenue Code of 1954 which is attributable to the amendment made by the preceding sentence.

(c) TECHNICAL AMENDMENT.—Subsection (e) of section 401 of the Tax Reform Act of 1976 is amended by striking out the first sentence and inserting in lieu thereof the following new sentences: "The amendments made by subsection (a) shall apply to taxable years ending after December 31, 1975, and shall cease to apply to taxable years ending after December 31, 1978. The amendments made by subsection (c) shall apply to taxable years ending after December 31, 1975, and shall cease to apply to taxable years beginning after December 31, 1978."

(d) AFDC AND OTHER RECIPIENTS' ELIGIBILITY FOR THE EARNED INCOME CREDIT.—

Paragraph (1) of section 43(c) (defining eligible individual for purposes of the earned income credit) is amended by adding at the end thereof the following new sentence:

"The determination of whether an individual maintains a household for the taxable year for purposes of this section shall be made by not taking into account any aid or assistance for any child of such individual under a Federal, State, or local governmental program, and by not taking into account that portion of any aid or assistance to the family under such a program which is based on the needs of any child of such individual."

SEC. 204. CHANGE IN FILING REQUIREMENTS.

Paragraph (1) of section 6012(a) (relating to persons required to make returns of income) is amended to read as follows:

"(1)(A) Every individual having for the taxable year a gross income of $750 or more, except that a return shall not be required of an individual (other than an individual described in subparagraph (C))—

"(i) who is not married (determined by applying section 143), is not a surviving spouse (as defined in section 2(a)), and for the taxable year has a gross income of less than $3,150,

"(ii) who is a surviving spouse (as so defined) and for the taxable year has a gross income of less than $3,750, or

"(iii) who is entitled to make a joint return under section 6013 and whose gross income, when combined with the gross income of his spouse, is, for the taxable year, less than $4,500, but only if such individual and his spouse, at the close of the taxable year, had the same household as their home.

Clause (iii) shall not apply if for the taxable year such spouse makes a separate return or any other taxpayer is entitled to an exemption for such spouse under section 151(e).

"(B) The amount specified in clause (i) or (ii) of subparagraph (A) shall be increased by $750 in the case of an individual entitled to an additional personal exemption under section 15(c)(1), and the amount specified in clause (iii) of subparagraph (A) shall be increased by $750 for each additional personal exemption to which the individual or his spouse is entitled under section 151(c).

"(C) The exception under subparagraph (A) shall not apply to—

"(i) a nonresident alien individual;

"(ii) a citizen of the United States entitled to the benefits of section 931;

"(iii) an individual making a return under section 443(a)(1) for a period of less than 12 months on account of a change in his annual accounting period;

"(iv) an individual who has an unused zero bracket amount determined under section 63(e); or

"(v) an estate or trust."

SEC. 205. WITHHOLDING TAX.

Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

"(a) REQUIREMENT OF WITHOLDING.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary. With respect to wages paid after April 30, 1977, and before January 1, 1979, the tables so prescribed shall be the same as the tables prescribed under this subsection which were in effect on January 1, 1976; except that such tables shall be modified to the extent necessary so that, had they been in effect for all of 1977, they would reflect the full year effect of the amendments made by sections 201 and 202 of the Tax Reduction and Simplification Act of 1977. With respect to wages paid after December 31, 1978, the tables so prescribed shall be the same as the tables prescribed under this subsection which were in effect on January 1, 1975, except that such tables shall be modified to the extent necessary to reflect the amendments made by sections 201 and 202 of the Tax Reduction and Simplification Act of 1977. For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table prescribed under subsection (b)(1)."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 3402(f) (relating to withholding exemptions) is amended—

(A) by striking out "a standard deduction" in subparagraph (G) and inserting in lieu thereof "a zero bracket", and

(B) by striking out "standard deduction" in the sentence following subparagraph (G) and inserting in lieu thereof "zero bracket."

(2) Subparagraph (B) of section 3402(m)(1) (relating to withholding allowances based on itemized deductions) is amended to read as follows:

"(B) an amount equal to $3,000 ($2,400 in the case of an individual who is not married (within the meaning of section 143) and who is not a surviving spouse (as defined in section 2(a)))."

(3) Section 3402(m)(2) (relating to definitions) is amended—

(A) by striking out "sections 141 and" in subparagraph (A) and inserting in lieu thereof "section",

(B) by striking out "(or the amount of the standard deduction)" in subparagraph (A) and inserting in lieu thereof "(or the zero bracket amount (within the meaning of section 63(d)))", and

(C) by striking out "(or the standard deduction)" in subparagraph (C) and inserting in lieu thereof "(or the zero bracket amount)".

SEC. 206. EFFECTIVE DATES.

(a) GENERAL RULE.—The amendments made by sections 201, 202, 203(d), and 204 shall apply to taxable years beginning after December 31, 1976.

(b) WITHHOLDING AMENDMENTS.—The amendments made by section 205 shall apply to wages paid after April 30, 1977.

Mr. ULLMAN (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ARCHER. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, the increases in the standard deduction in title II of the bill, at an annual cost of approximately $5 billion, have a number of undesirable effects. First, this latest in a series of increases in the standard deduction once again grants substantial benefits to taxpayers at all income levels who do not itemize their deductions, while granting no tax relief at all for hard-pressed Americans, including millions of homeowners, who choose to itemize.

The bill also increases the "marriage penalty" from $1,300 to $1,800 for those taxpayers who now claim the minimum standard deduction. Third, the increased standard deductions contained in title II will, if enacted, have a serious adverse effect on the receipts of charitable organizations. Charities could lose hundreds of millions of dollars from this change, because of the reduced incentive for millions of middle-income Americans who now itemize deductions to make such contributions.

In addition, title II would eliminate the present tax tables, which are based on taxable income, and replace them with tables based on the number of exemptions and tax table income.

The standard deduction would be converted into a zero bracket amount and would be a floor under itemized deductions. We do not understand the rush to make these changes and accompanying changes in the definition of taxable income.

The taxable income tables being abandoned are those which only 6 months ago were brought to the Congress as a great step forward in tax simplification. In fact, it appears that so far in 1977, the error rate on certain of the 1976 income tax forms is approximately double the normal experience.

If an error was made in the Tax Reform Act of 1976, it would seem desirable to field test any proposed changes, rather than rushing toward further alteration. Any new forms would not have to be used until 1978, for computation of 1977 tax liability. The administration has promised a major tax reform and simplification package by this fall. That would seem soon enough to consider any further changes in this area.

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the committee amendment.

Mr. Chairman, the gentleman from Texas (Mr. ARCHER) talked about a lot of things, but did not say very much about this amendment. All the things he talked about are in the bill, whether the amendment carries or not.

The amendment will prevent a tax increase for a few single people. At the moment, the minimum standard deduction is from $1,700 to $2,400. Without this amendment, the standard deduction would be cut to $2,200.

Mr. Chairman, the people most seriously affected would be single-parent families living on $10,000 to $15,000 per year who would find that their taxes have been increased at a time when most taxes are being decreased.

Therefore, Mr. Chairman, I would urge adoption of the committee amendment.

The so-called marriage penalty is a little bit silly because what we are talking about is taxes of $28 a year. Anybody who thinks a decision to get married is going to be based on $28 has not that much experience in the field.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Texas.

Mr. ARCHER. I thank the gentleman for yielding.

The gentleman stated that my comments related to everything that was in the bill. Will the gentleman tell the House how much additional revenue was lost by this amendment over and above that in the bill as it relates to title II?

Mr. CORMAN. $400 million. There will be a $400 million tax increase for some single people unless the committee amendment is substituted.

Mr. ARCHER. The information I have is it will be $1 billion a year beginning in 1978 on a full year basis. Would the gentleman refute that?

Mr. CORMAN. No; but those are not the figures the estimators gave me.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ARCHER. Mr. Chairman, I demand a recorded vote .

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 386, noes 29, not voting 17, as follows:

[Roll No. 54]

AYES—386

Abdnor	Carney	Fish
Addabbo	Carr	Fisher
Akaka	Carter	Fithian
Alexander	Cavanaugh	Flippo
Allen	Cederberg	Flood
Ambro	Chappell	Florio
Ammerman	Chisholm	Flowers
Anderson, Calif.	Clausen, Don H.	Flynt
Anderson, Ill.	Clawson, Del	Foley
Andrews, N.C.	Cleveland	Ford, Tenn.
Andrews, N. Dak.	Cochran	Forsythe
Annunzio	Cohen	Fountain
Applegate	Coleman	Fraser
Armstrong	Collins, Ill.	Frey
Ashbrook	Conte	Fuqua
Ashley	Conyers	Gammage
Aspin	Corcoran	Gaydos
AuCoin	Corman	Gephardt
Badillo	Cornell	Giaimo
Bafalis	Cornwell	Gibbons
Baldus	Coughlin	Gilman
Barnard	Crane	Ginn
Baucus	D'Amours	Glickman
Bauman	Daniel, Dan	Goodling
Beard, R.I.	Daniel, R. W.	Gore
Beard, Tenn.	Danielson	Grassley
Bedell	de la Garza	Gudger
Beilenson	Delaney	Guyer
Benjamin	Dellums	Hagedorn
Bennett	Dent	Hall
Bevill	Derrick	Hamilton
Biaggi	Derwinski	Hammer-schmidt
Bingham	Devine	Hanley
Blanchard	Dickinson	Hannaford
Blouin	Dicks	Harkin
Boggs	Diggs	Harrington
Boland	Dingell	Harris
Bolling	Dodd	Harsha
Bonior	Downey	Hawkins
Bonker	Drinan	Heckler
Bowen	Duncan, Oreg.	Hefner
Brademas	Early	Heftel
Breaux	Eckhardt	Hightower
Breckinridge	Edgar	Hillis
Brinkley	Edwards, Ala.	Holland
Brodhead	Edwards, Calif.	Hollenbeck
Broomfield	Edwards, Okla.	Holt
Brown, Calif.	Eilberg	Holtzman
Brown, Ohio	Emery	Horton
Broyhill	English	Hubbard
Buchanan	Erlenborn	Huckaby
Burke, Calif.	Ertel	Hughes
Burke, Fla.	Evans, Colo.	Hyde
Burke, Mass.	Evans, Del.	Ichord
Burlison, Mo.	Evans, Ga.	Ireland
Burton, Phillip	Evans, Ind.	Jacobs
Butler	Fary	Jeffords
Byron	Fascell	Jenkins
Caputo	Fenwick	Jenrette
	Findley	Johnson, Calif.
Johnson, Colo.	Moorhead, Pa.	Sisk
Jones, N.C.	Moss	Skelton
Jones, Okla.	Motti	Skubitz
Jones, Tenn.	Murphy, Ill.	Slack
Jordan	Murphy, Pa.	Smith, Iowa
Kasten	Murtha	Smith, Nebr.
Kastenmeier	Myers, Michael	Snyder
Kazen	Myers, Ind.	Solarz
Kemp	Natcher	Spellman
Keys	Neal	Spence
Kildee	Nedzi	St Germain
Kindness	Nichols	Staggers
Koch	Nix	Stangeland
Kostmayer	Nolan	Stanton
Krebs	Nowak	Stark
Krueger	O'Brien	Steed
LaFalce	Oakar	Stokes
Lagomarsino	Oberstar	Stratton
Latta	Obey	Studds
Le Fante	Ottinger	Stump
Leach	Panetta	Taylor
Lederer	Patten	Thone
Lehman	Patterson	Thornton
Lent	Pattison	Tonry
Levitas	Pease	Traxler
Lloyd, Calif.	Pepper	Treen
Lloyd, Tenn.	Perkins	Trible
Long, La.	Pickle	Tsongas
Long, Md.	Pike	Tucker
Lott	Pressler	Udall
Lujan	Preyer	Ullman
Luken	Price	Van Deerlin
Lundine	Pritchard	Vander Jagt
McCloskey	Pursell	Vanik
McCormack	Quayle	Vento
McDade	Quillen	Volkmer
McFall	Rahall	Waggonner
McHugh	Railsback	Walgren
McKay	Rangel	Walker
McKinney	Regula	Walsh
Madigan	Reuss	Wampler
Maguire	Rhodes	Watkins
Mahon	Richmond	Waxman
Mann	Rinaldo	Weaver
Markey	Risenhoover	Weiss
Marks	Roberts	Whalen
Marlenee	Robinson	White
Marriott	Rodino	Whitehurst
Martin	Rogers	Whitley
Mathis	Roncalio	Whitten
Mattox	Rooney	Wilson, Bob
Mazzoli	Rosenthal	Wilson, C. H.
Meeds	Rostenkowski	Wilson, Tex.
Metcalfe	Rousselot	Winn
Meyner	Roybal	Wirth
Michel	Rudd	Wolff
Mikulski	Runnels	Wright
Mikva	Ruppe	Wydler
Miller, Calif.	Russo	Wylie
Miller, Ohio	Ryan	Yates
Mineta	Sarasin	Yatron
Minish	Satterfield	Young, Fla.
Mitchell, Md.	Sawyer	Young, Mo.
Mitchell, N.Y.	Scheuer	Young, Tex.
Moakley	Schroeder	Zablocki
Moffett	Schulze	Zeferetti
Mollohan	Sebelius	
Montgomery	Seiberling	
Moore	Sharp	
Moorhead, Calif.	Shipley	
	Sikes	

NOES—29

Archer	Goldwater	Quie
Badham	Gradison	Shuster
Brown, Mich.	Hansen	Simon
Burgener	Kelly	Steers
Burleson, Tex.	Ketchum	Steiger
Collins, Tex.	McClory	Stockman
Conable	McDonald	Symms
Dornan	Milford	Wiggins
Duncan, Tenn.	Myers, Gary	Young, Alaska
Frenzel	Poage	

NOT VOTING—17

Brooks	Gonzalez	Roe
Burton, John	Howard	Rose
Clay	Leggett	Santini
Cotter	McEwen	Teague
Davis	Murphy, N.Y.	Thompson
Ford, Mich.	Pettis	

Mr. HAMMERSCHMIDT changed his vote from "no" to "aye."

So the committee amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will report the committee amendment to title III.

The Clerk read as follows:

Committee amendment: Page 89, beginning on line 1, strike out all of title III and insert:

TITLE III—REDUCTION IN BUSINESS TAXES

SEC. 301. EXTENSION OF CERTAIN CORPORATE INCOME TAX REDUCTIONS.

The following provisions are each amended by striking out "December 31, 1977" and inserting in lieu thereof "December 31, 1978" and by striking out "January 1, 1978" and inserting in lieu thereof "January 1, 1979":

(1) section 11(b) (relating to normal tax);

(2) section 11(d) (relating to surtax exemption);

(3) section 821(a)(1) (relating to mutual insurance companies); and

(4) section 821(c)(1)(A) (relating to alternative tax for certain small companies).

SEC. 302 NEW JOBS CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44A the following new section:

"SEC. 44B. CREDIT FOR EMPLOYMENT OF CERTAIN NEW EMPLOYEES.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter the amount determined under subpart D of this part.

"(b) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section and subpart D."

(b) RULES FOR COMPUTING CREDIT.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end thereof the following new subpart:

"Subpart D—Rules for Computing Credit for Employment of Certain New Employees

"Sec. 51. Amount of credit.
"Sec. 52. Special rules.
"Sec. 53. Limitation based on amount of tax.

"Sec. 51. AMOUNT OF CREDIT.

"(a) DETERMINATION OF AMOUNT.—The amount of the credit allowable by section 44B shall be—

"(1) for a taxable year beginning in 1977, an amount equal to 40 percent of the excess of the aggregate unemployment insurance wages paid during 1977 over 103 percent of the aggregate unemployment insurance wages paid during 1976, and

"(2) for taxable year beginning in 1978, an amount equal to 40 percent of the excess of the aggregate unemployment insurance wages paid during 1978 over 103 percent of the aggregate unemployment insurance wages paid during 1977.

"(b) TOTAL WAGES MUST INCREASE.—The amount of the credit allowable by section 44B for any taxable year shall not exceed the amount which would be determined for such year under subsection (a) if the aggregate amounts taken into account as unemployment insurance wages were determined without any dollar limitation.

"(c) $40,000 PER YEAR LIMITATION ON CREDIT.—Except as provided in subsection (d), the amount of the credit determined under this subpart for any employer (and the amount of the credit allowable by section 44B to any taxpayer) with respect to any calendar year shall not exceed $40,000.

"(d) ADDITIONAL 10 PERCENT CREDIT FOR VOCATIONAL REHABILITATION REFERRALS.—

"(1) IN GENERAL.—The amount of the credit allowable by section 44B for any taxable year (determined without regard to this

subsection) shall be increased by the amount determined for such taxable year—

"(A) by substituting '10 percent' for '40 percent' in the appropriate paragraph of subsection (a), and

"(B) by applying such paragraph and subsection (b) separately with respect to the unemployment insurance wages paid to vocational rehabilitation referrals.

"(2) AGGREGATE WAGES MUST INCREASE.—The increase in wages taken into account under paragraph (1)(B) of this subsection shall not exceed the increase in wages taken into account for purposes of that portion of the credit which is determined under subsections (a) and (b) without regard to this subsection.

"(3) $40,000 LIMIT NOT APPLICABLE.—Nothing in subsection (c) shall prevent the allowance of an increase in credit resulting from the application of this subsection.

"(e) UNEMPLOYMENT INSURANCE WAGES DEFINED.—For purposes of this subpart—

"(1) FUTA WAGES.—Except as otherwise provided in this subpart, the term 'unemployment insurance wages' has the meaning given to the term 'wages' by section 3306(b), except that, in the case of amounts paid during 1978, '4,200' shall be substituted for '$6,000' each place it appears in section 3306(b).

"(2) AGRICULTURAL LABOR.—If the services performed by any employee for an employer during more than one-half of any pay period (within the meaning of section 3306(d)) taken into account with respect to any calendar year constitute agricultural labor (within the meaning of section 3306(k)), the term 'unemployment insurance wages' means, with respect to the remuneration paid by the employer to such employee for such year, an amount equal to so much of such remuneration as constitutes 'wages' within the meaning of section 3121(a), except that the contribution and benefit base for each calendar year shall be deemed to be $4,200.

"(3) RAILWAY LABOR.—If more than one-half of the remuneration paid by an employer to an employee during the calendar year is remuneration for service described in section 3306(c)(9), the term 'unemployment insurance wages' means, with respect to such employee for such year, an amount equal to ⅞ of so much of the remuneration paid to such employee during such year as is subject to contributions under section 8(a) of the Railroad Unemployment Insurance Act (45 U.S.C. 358(a)).

"(4) VOCATIONAL REHABILITATION REFERRAL.—

"(A) IN GENERAL.—The term 'vocational rehabilitation referral' means a handicapped individual who has been referred to the employer upon completion of (or while receiving) rehabilitative services pursuant to an individualized written rehabilitation plan under a State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act.

"(B) HANDICAPPED INDIVIDUAL.—For purposes of subparagraph (A), the term 'handicapped individual' means any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.

"(f) RULES FOR APPLICATION OF SECTION.—For purposes of this subpart—

"(1) REMUNERATION MUST BE FOR TRADE OR BUSINESS EMPLOYMENT WITHIN UNITED STATES.—Remuneration paid by an employer to an employee during any calendar year shall be taken into account only if more than one-half of the remuneration so paid is for services performed in the United States in a trade or business of the employer.

"(2) SPECIAL RULE FOR CERTAIN DETERMINATIONS.—Any determination as to whether paragraph (1) of this subsection, or paragraph (2) or (3) of subsection (e), applies with respect to any employee for any calendar year shall be made without regard to any dollar limitation and without regard to subsections (a) and (b) of section 52.

"SEC. 52. SPECIAL RULES.

"(a) CONTROLLED GROUP OF CORPORATIONS.—For purposes of this subpart, all employees of all corporations which are members of the same controlled group of corporations shall be treated as employed by a single employer. In any such case, the credit (if any) allowable by section 44B to each such member shall be its proportionate contribution to the increase in unemployment insurance wages giving rise to such credit. For purposes of this subsection, the term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that—

"(1) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(2) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(b) EMPLOYEES OF PARTNERSHIPS, PROPRIETORSHIPS, ETC., WHICH ARE UNDER COMMON CONTROL.—For purposes of this subpart, under regulations prescribed by the Secretary—

"(1) all employees of trades or businesses (whether or not incorporated) which are under common control shall be treated as employed by a single employer, and

"(2) the credit (if any) allowable by section 44B with respect to each trade or business shall be its proportionate contribution to the increase in unemployment insurance wages giving rise to such credit.

The regulations prescribed under this subsection shall be based on principles similar to the principles which apply in the case of subsection (a).

"(c) ADJUSTMENTS FOR CERTAIN ACQUISITIONS, ETC.—Under regulations prescribed by the Secretary—

"(1) ACQUISITIONS.—If, after December 31, 1975, an employer acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this subpart for any calendar year ending after such acquisition, the amount of unemployment insurance wages deemed paid by the employer during periods before such acquisition shall be increased by so much of such wages paid by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business acquired by the employer.

"(2) DISPOSITIONS.—If, after December 31, 1975—

"(A) an employer disposes of the major portion of any trade or business of the employer or the major portion of a separate unit of a trade or business of the employer in a transaction to which paragraph (1) applies, and

"(B) the employer furnishes the acquiring person such information as is necessary for the application of paragraph (1),

then, for purposes of applying this subpart for any calendar year ending after such disposition, the amount of unemployment insurance wages deemed paid by the employer during periods before such disposition shall be decreased by so much of such wages as is attributable to such trade or business or separate unit.

"(d) TAX-EXEMPT ORGANIZATIONS.—No credit shall be allowed under section 44B to any organization (other than a cooperative described in section 521) which is exempt from income tax under this chapter.

"(e) CERTAIN DISMISSALS.—If any employer dismisses any employee for the purpose of securing (or increasing) a credit under section 44B for any taxable year, the amount of the credit allowable under section 44B for such year (determined without regard to this subsection) shall be decreased by an amount equal to two times any increase in such credit which would (but for this subsection) have resulted in whole or in part by reason of such dismissal.

"(f) CHANGE IN STATUS FROM SELF-EMPLOYED TO EMPLOYEE.—If—

"(1) during 1976 or 1977 an individual has net earnings from self-employment (as defined in section 1402(a)) which are attributable to a trade or business, and

"(2) for the succeeding calendar year such individual is an employee of such trade or business,

then, for purposes of determining the credit allowable for a taxable year beginning in such succeeding calendar year, the employer's aggregate unemployment insurance wages for 1976 or 1977, as the case may be, shall be increased by an amount equal to so much of the net earnings referred to in paragraph (1) as does not exceed $4,200.

"(g) SUBCHAPTER S CORPORATIONS.—In the case of an electing small business corporation (as defined in section 1371)—

"(1) the amount of the credit determined under this subpart for any taxable year shall be apportioned pro rata among the persons who are shareholders of such corporation on the last day of such taxable year, and

"(2) any person to whom an amount is apportioned under paragraph (1) shall be allowed, subject to section 53, a credit under section 44B for such amount.

"(h) ESTATES AND TRUSTS.—In the case of an estate or trust—

"(1) the amount of the credit determined under this subpart for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each,

"(2) any beneficiary to whom any amount has been apportioned under paragraph (1) shall be allowed, subject to section 53, a credit under section 44B for such amount, and

"(3) the $40,000 amount specified in section 51(c) applicable to such estate or trust shall be reduced to an amount which bears the same ratio to $40,000 as the portion of the credit allocable to the estate or trust under paragraph (1) bears to the entire amount of such credit.

"(i) LIMITATIONS WITH RESPECT TO CERTAIN PERSONS.—Under regulations prescribed by the Secretary, in the case of—

"(1) an organization to which section 593 (relating to reserves for losses on loans) applies,

"(2) a regulated investment company or a real estate investment trust subject to taxation under subchapter M (section 851 and following), and

"(3) a cooperative organization described in section 1381(a),

rules similar to the rules provided in section 46(e) shall apply in determining the amount of the credit under this subpart.

"(j) $40,000 LIMITATION IN THE CASE OF MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of a husband or wife who files a separate return, the limitation under section 51(c) shall be $20,000 in lieu of $40,000. This subsection shall not apply if the spouse of the taxpayer has no interest in a trade or business for the taxable year of such spouse which ends within or with the taxpayer's taxable year.

"(k) CERTAIN SHORT TAXABLE YEARS.—If the employer has more than one taxable year beginning in 1977 or 1978, the credit under

this subpart shall be determined for the employer's last taxable year beginning in 1977 or 1978, as the case may be.

"SEC. 53. LIMITATION BASED ON AMOUNT OF TAX.

"(a) GENERAL RULE.—Notwithstanding section 51, the amount of the credit allowed by section 44B for the taxable year shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under—

"(1) section 33 (relating to foreign tax credit),

"(2) section 37 (relating to credit for the elderly),

"(3) section 38 (relating to investment in certain depreciable property),

"(4) section 40 (relating to expenses of work incentive programs),

"(5) section 41 (relating to contributions to candidates for public office),

"(6) section 42 (relating to general tax credit), and

"(7) section 44A (relating to expenses for household and dependent care services necessary for gainful employment).

For purposes of this subsection, any tax imposed for the taxable year by section 56 (relating to minimum tax for tax preferences), section 72(m)(5)(B) (relating to 10 percent tax on premature distributions to owner-employees), section 408(f) (relating to additional tax on income from certain retirement accounts), section 402(e) (relating to tax on lump-sum distributions), section 531 (relating to accumulated earnings tax), section 541 (relating to personal holding company tax), or section 1378 (relating to tax on certain capital gains of subchapter S corporations), and any additional tax imposed for the taxable year by section 1351(d)(1) (relating to recoveries of foreign expropriation losses), shall not be considered tax imposed by this chapter for such year.

"(b) SPECIAL RULE FOR PASS-THROUGH OF CREDIT.—In the case of a partner in a partnership, a beneficiary of an estate or trust, and a shareholder in a subchapter S corporation, the limitation provided by subsection (a) for the taxable year shall not exceed a limitation separately computed with respect to such person's interest in such entity by taking an amount which bears the same relationship to such limitation as—

"(1) that portion of the person's adjusted gross income which is attributable to the person's interest in such entity, bears to

"(2) the person's adjusted gross income for such year.

"(c) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(1) ALLOWANCE OF CREDIT.—If the amount of the credit determined under section 51 for any taxable year exceeds the limitation provided by subsection (a) for such taxable year (hereinafter in this subsection referred to as the 'unused credit year'), such excess shall be—

"(A) a new employee credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(B) a new employee credit carryover to each of the 7 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by section 44B for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1977, section 44B shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under such section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such credit may be carried, and then to each of the other 9 taxable years to the extent that, because of the limitation contained in paragraph (2), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(2) LIMITATION.—The amount of the unused credit which may be added under paragraph (1) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by subsection (a) for such taxable year exceeds the sum of—

"(A) the credit allowable under section 44B for such taxable year, and

"(B) the amounts which, by reason of this subsection, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year."

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) CLERICAL AMENDMENTS.—

(A) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44A the following new item:

"Sec. 44B. Credit for employment of certain new employees."

(B) The table of subparts for part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following new item:

"Subpart D. Rules for computing credit for employment of certain new employees."

(2) MINIMUM TAX.—

(A) Section 56(c) (defining regular tax deduction) is amended by striking out "and" at the end of paragraph (7), by striking out the period at the end of paragraph (8) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(9) section 44B (relating to credit for employment of certain new employees)."

(B) Subparagraph (A) of section 56(e)(1) (relating to tax carryover for timber) is amended—

(i) by striking out "and" at the end of clause (ii),

(ii) by striking out "exceed" at the end of clause (iii) and inserting in lieu thereof "and", and

(iii) by inserting after clause (iii) the following new clause:

"(iv) section 44B (relating to credit for employment of certain new employees), exceed".

(3) CORPORATE REORGANIZATIONS.—

(A) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(26) CREDIT UNDER SECTION 44B FOR EMPLOYMENT OF CERTAIN NEW EMPLOYEES.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44B, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44B in respect of the distributor or transferor corporation."

(B) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1978, is amended—

(i) by inserting "to any unused new employee credit of the corporation under section 53(c)," after "section 50A(b),"; and

(ii) by striking out "WORK INCENTIVE PROGRAM CREDITS," in the section heading and inserting in lieu thereof "WORK INCENTIVE PROGRAM CREDITS, NEW EMPLOYEE CREDITS,".

(C) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(i) by inserting "to any unused new employee credit of the corporation which could otherwise be carried forward under section 53(c)," after "section 50A(b),"; and

(ii) by striking out "WORK INCENTIVE PROGRAM CREDITS," in the section heading and inserting in lieu thereof "WORK INCENTIVE PROGRAM CREDITS, NEW EMPLOYEE CREDITS,".

(D) The table of sections for part V of subchapter C of chapter 1 is amended by striking out "work incentive program credits," in the item relating to section 383 and inserting in lieu thereof "work incentive program credits, new employee credits,".

(4) STATUTES OF LIMITATION AND INTEREST RELATING TO NEW EMPLOYEE CREDIT CARRYBACK.—

(A) ASSESSMENT AND COLLECTION.—Section 6501 (relating to limitation on assessment and collection) is amended by adding at the end thereof the following new subsection:

"(p) NEW EMPLOYEE CREDIT CARRYBACKS.—In the case of a deficiency attributable to the application to the taxpayer of a new employee credit carryback (including deficiencies which may be assessed pursuant to the provisions of section 6213(b)(3)), such deficiency may be assessed at any time before the expiration of the period within which a deficiency for the taxable year of the unused new employee credit which results in such carryback may be assessed, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, at any time before the expiration of the period within which a deficiency for such subsequent taxable year may be assessed."

(B) CREDIT OR REFUND.—Section 6511(d) (relating to limitations on credit or refund) is amended by adding at the end thereof the following new paragraph:

"(9) SPECIAL PERIOD OF LIMITATION WITH RESPECT TO NEW EMPLOYEE CREDIT CARRYBACKS.—

"(A) PERIOD OF LIMITATION.—If the claim for credit or refund relates to an overpayment attributable to a new employee credit carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or 39th month, in the case of a corporation) following the end of the taxable year of the unused new employee credit which results in such carryback (or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, the period shall be that period which ends with the expiration of the 15th day of the 40th month, or 39th month, in the case of a corporation, following the end of such taxable year) or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later. In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable to the extent of the amount of the overpayment attributable to such carryback.

"(B) APPLICABLE RULES.—If the allowance of a credit or refund of an overpayment of tax attributable to a new employee credit carryback is otherwise prevented by the operation of any law or rule of law other than section 7122, relating to compromises, such credit or refund may be allowed or made, if claim therefor is filed within the period provided in subparagraph (A) of this paragraph. In the case of any such claim for credit or refund, the determination by any court, including the Tax Court, in any proceeding in

which the decision of the court has become final shall not be conclusive with respect to the new employee credit, and the effect of such credit, to the extent that such credit is affected by a carryback which was not in issue in such proceeding."

(C) INTEREST ON UNDERPAYMENTS.—Section 6601(d) (relating to income tax reduced by carryback or adjustment for certain unused deductions) is amended by adding at the end thereof the following new paragraph:

"(5) NEW EMPLOYEE CREDIT CARRYBACK.—If the credit allowed by section 44B for any taxable year is increased by reason of a new employee credit carryback, such increase shall not affect the computation of interest under this section for the period ending with the last day of the taxable year in which the new employee credit carryback arises, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, such increase shall not affect the computation of interest under this section for the period ending with the last day of such subsequent taxable year."

(D) INTEREST ON OVERPAYMENTS.—Section 6611(f) (relating to refund of income tax caused by carryback or adjustment for certain unused deductions) is amended by adding at the end thereof the following new paragraph:

"(5) NEW EMPLOYEE CREDIT CARRYBACK.—For purposes of subsection (a), if any overpayment of tax imposed by subtitle A results from a new employee credit carryback, such overpayment shall be deemed not to have been made before the close of the taxable year in which such new employee credit carryback arises, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from subsequent taxable year, such overpayment shall be deemed not to have been made before the close of such subsequent taxable year."

(5) TENTATIVE CARRYBACK ADJUSTMENTS.—

(A) APPLICATION FOR ADJUSTMENT.—Section 6411 (relating to quick refunds in respect of tentative carryback adjustments) is amended—

(i) by striking out "or unused work incentive program credit" each place it appears in such section and inserting in lieu thereof "unused work incentive program credit, or unused new employee credit",

(ii) by inserting after "section 50A(b)," in the first sentence of subsection (a) "by a new employee credit carryback provided in section 53(c),",

(iii) by striking out "or a work incentive program carryback from" in the second sentence of subsection (a) and inserting in lieu thereof ", a work incentive program carryback, or a new employee credit carryback from", and

(iv) by striking out "investment credit carryback)" in the second sentence of subsection (a) and inserting in lieu thereof "investment credit carryback, or, in the case of a new employee credit carryback, to an investment credit carryback or a work incentive program carryback)".

(B) TENTATIVE CARRYBACK ADJUSTMENT ASSESSMENT PERIOD.—Section 6501(m) (relating to tentative carryback adjustment assessment period) is amended—

(i) by striking out "or a work incentive program carryback" and inserting in lieu thereof "a work incentive program carryback, or a new employee credit carryback", and

(ii) by striking out "(j), or (o)" each place it appears and inserting in lieu thereof "(j), (o), or (p)".

(6) DESIGNATION OF INCOME TAX PAYMENT.—Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1976, and to credit carrybacks from such years.

Mr. ULLMAN (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. FRENZEL. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I oppose the committee amendment to title III of H.R. 3477. I was myself a cosponsor of an early job credit bill. But even though this amendment is well intentioned, it is clearly misguided. It will not do much to increase employment. It will be difficult to administer. In some cases, it may prove to be a significant loophole in our complex tax structure.

The administration will be particularly difficult for small companies and, because of the maximum limitation, not worthwhile for large ones. As a result, few people will use it except those employers who have to increase employment anyway. For them it will not be a stimulus, but a prize for doing something they were going to do anyway.

The Committee on Ways and Means received almost no analysis of the operation of this credit, but it would allow corporate taxpayers to qualify for credits nearly as high as the total wages paid a new employee.

Mr. Chairman, one of the most vital flaws in the committee amendment is that it is going to allow corporate taxpayers in the 48-percent bracket to be able to recoup 88 percent of wages paid under the credit, up to the maximum limit.

Noncorporate taxpayers could recoup more than 100 percent of the new payroll hired. With the high level of the credit and the low ceiling which allows the credits of $40,000, the jobs from smaller employers will suddenly be put at a premium, and this proposal bill not allow large employers to get much stimulus.

The Assistant Secretary of the Treasury for Tax Policy testified for the Carter administration against this committee amendment. He told the other body that two-thirds of the work force would be eliminated from consideration. The $40,000 limit means the program can apply only at best to employers of one-third of the country's work force. Now, can anyone imagine a job stimulation program that ignores two-thirds of its market? I think only the Congress could fashion something like that.

President Carter's proposal, which would obtain if we defeat the committee amendment, is better than the committee veteran. It would give taxpayers the option of choosing between income tax credit equal to 4 percent of the employer's social security taxes or a 2-percent increase in the investment tax credit. The social security tax credit is refundable, so it would go even to organizations such as ConRail, which had not had a history of profitmaking. While the stimulus would be small, it would at least be some stimulus for this kind of company.

The investment tax credit stimulus is well known. At the current level its effect is not expected to be monumental, but it would certainly be greater than the tax stimulus offered in this untested, untried, if innovative, job tax credit program of the committee.

The gentleman from Wisconsin (Mr. STEIGER) earlier pointed out that in recovery from a recession energy companies increase their employment the least, and so they would be least likely to have the advantage of this credit. Service companies headed by legal operations, credit companies, and the like make the most rapid increases, and they would be the ones most likely to take advantage of the credit. I do not think that is where we want our stimulus to go.

For these various reasons, Mr. Chairman, the first being that it creates an enormous loophole both for corporate and noncorporate employers; because of the fact that it is untested; because it would be an administrative nightmare; because it would cause legal complexities; because it would be very difficult for employers to use; because it creates a bias for Sun Belt companies and away from the Northeast companies; and because it is not as good as the original Carter proposal, I would urge this committee to reject the committee amendment and take us back to support of the President's proposal.

I hope, Mr. Chairman, that all the Members will vote to support the President on his suggestion for business taxes.

Mr. GIBBONS. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Chairman, I thank the gentleman for yielding.

I want to say that the gentleman is absolutely correct. Unless we want to create a new tax loophole—and this is the way they are traditionally created—then we should vote, "no." The Carter proposal is not the one I would like, but it is better than this one.

Mr. Chairman, I endorse what the gentleman has said.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his contribution.

Mr. ULLMAN. Mr. Chairman, I rise in support of the committee amendment.

Let us see what our options are. If we vote down the amendment we accept the proposal of the administration, which is an option of a 2-percent increase in investment tax credit or 4 percent of the payroll. I submit that proposal is not one that any of us can argue in favor of from the point of view of stimulus. It would add a complexity to the law. And it is bad tax law to provide that kind of taxpayer's option between two alternatives.

If we had no investment credit, then I would support that amendment because I am one of the leading supporters in the Congress of an investment credit.

We have a 10-percent investment tax credit in place. Putting another 2 percent on top of that would be counterproductive. There are a lot of firms that cannot take advantage of the investment credit, so this would further compound their difficulties.

So what we provide is an alternative that is sound. We have a credit that only goes to new jobs. No firm gets a credit unless they have new jobs. It is a simple formula. The data needed to compute the credit is on existing records for almost every employer. We have 1976 as a base. We take the increment of that 1977 data and take a 40-percent credit against that. The maximum is $40,000.

Mr. Chairman, this is a new and simple kind of exciting, dynamic tax concept based upon new jobs. That is what it is all about. We want to hire people. Unemployment is our problem. This is a direct incentive for new jobs.

This is a direct incentive for new business, and it is workable. It is simple, and it is the kind of thing that the American people will understand.

Therefore, Mr. Chairman, I hope that the committee will support it.

Ms. KEYS. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentlewoman from Kansas.

Ms. KEYS. Mr. Chairman, I rise in support of the jobs credit provisions of this bill. A very important feature of the measure is the additional 10 percent credit for hiring the handicapped.

The provision is designed to harmonize with present State and local vocational rehabilitation programs. Through the Rehabilitation Services Administration, the Federal Government presently provides assistance to States on a cost-sharing basis to afford educational and jobs services for the handicapped. There is at least one such program operating in every State in the Nation, and many States have additional specialized programs for the blind.

These programs offer a variety of services to assist disabled persons in securing productive employment. By means of individual rehabilitation plans, a handicapped person is assessed for his vocational potential and receives counseling, training and job placement assistance.

Handicapped persons are referred to these programs by private agencies, health care providers and other organizations. Further, the Social Security Administration is required by law to refer all disability recipients and SSI beneficiaries to one of these programs for vocational guidance.

Under this new job credit provision, an employer would be eligible to receive the supplemental credit for hiring a new employee who had been referred from one of these State or local programs. Private agencies who assist the handicapped could make use of this plan by referring persons through one of these 80 State programs. Once an individual is placed, present State programs are equipped to aid both the employee and the employer to assure a productive working relationship.

While these State vocational rehabilitation programs have afforded significant educational and social services to the disabled, they have not been as effective in reaching out to the private employment market to place those who have received training. This measure would help to create a new partnership between handicapped training programs and private industry. If the disabled are ever to be employed in large numbers, it must be done in cooperation with private business.

I am very pleased that the National Association of Small Business, among others, has endorsed this plan as a useful tool for small businesses to increase their employment of the handicapped. Moreover, the proposal has received a warm reception from those who work with vocational rehabilitation programs at both the State and Federal level, and I am confident that these agencies are committed to use this measure to open channels to private business employment markets.

I was pleased to offer this provision in committee in hopes that it will open a new avenue for those who are able and willing to work to enter the mainstream of the labor force and lend their many skills and talents to the revitalization of our economy. I hope it will receive your support.

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from South Carolina.

Mr. DERRICK. Mr. Chairman, I would like to address myself to the employment tax credit. This provides an opportunity to recognize that the unemployment problem can be solved in the private sector as opposed to the public sector.

We must understand that any long-term, sustained low unemployment rate must occur in the private sector as opposed to the public sector.

Mr. Chairman, this legislation has the backing of every major small business organization in this country. If we believe that the private sector, the free enterprise sector, can bring an end to this unemployment that we now have in this Nation, I suggest that we all back our chairman in this very worthwhile undertaking.

Surely, it is new and it is innovative; but that is one of the things which makes it so attractive.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, the most significant aspect of H.R. 3477 is the jobs tax credit provision proposed by Chairman AL ULLMAN of the Ways and Means Committee and other Members of Congress. This proposal represents a new direction in efforts to stimulate the economy and reduce unemployment.

Some of my distinguished colleagues on the Ways and Means Committee have expressed reservations about the concept of a jobs credit. The basis of their concern appears to be rooted in the "newness" of the idea. I suggest that good new ideas—like the jobs tax credit—which are carefully drafted and limited in scope make up for a short track record with a clear potential for substantial benefit to the unemployed and to the economy.

The jobs tax credit is an approach to stimulating employment and was designed to be particularly beneficial to small, labor intensive businesses. In brief, every employer would receive a credit of 40 percent of the first $4,200 in wages of each newly hired employee. That credit could accumulate to a maximum of $40,000 per year for both 1977 and 1978, thus rewarding companies that hire up to 24 new workers in each of those years.

The jobs tax credit was also designed to keep redtape and paperwork to a minimum by providing that employers use existing Federal tax forms to certify their eligibility for the new credit.

The jobs tax credit is an innovative and effective alternative to the administration's plan to offer businesses a choice between a tax credit equal to 4 percent of an employer's share of social security payroll taxes or an extra 2 percent of investment tax credit. The 4 percent payroll tax credit amounts to only two-tenths of 1 percent of an employer's labor costs and could not be expected to stimulate employment—or to have a significant impact on reducing employers' labor costs. And the alternative, the proposed 2 percent increase in the investment tax credit, was considered by a majority of the Ways and Means Committee to be, at best, of marginal utility.

I believe that the traditional antirecessionary approaches of rebates and tax cuts alone have not always produced the immediate benefits for which they were intended. For example, a high percentage of rebates are saved rather than spent, and rate reductions benefit only those who are already employed. Public works projects have long lead times, and the jobs they produce go primarily to skilled workers.

In contrast, the new jobs tax credit is an incentive to employers to hire new workers immediately. Moreover, the ceiling of $40,000 per company tends to target the credit toward smaller businesses such as those in the retail and service sectors of the economy. There is an assumption that many such businesses, with the benefit of a new tax credit, will be able to hire more of the relatively young and lesser skilled workers among whom unemployment is particularly high.

Mr. Chairman, I was a firm supporter of the jobs tax credit in the Ways and Means Committee, and I am pleased to speak on behalf of the provision today. It is true that the jobs tax credit is an experiment—an experiment aimed not only at reducing unemployment but at

increasing the support for small business. It is an experiment that has attracted broad support and one which I hope the Members of Congress will approve as part of this tax package.

Mr. ULLMAN. Mr. Chairman, I urge support of the committee amendment.

Mr. KETCHUM. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the committee amendment.

The CHAIRMAN. The Chair will state that only two 5-minute speeches are in order under the rule absent unanimous consent.

Mr. KETCHUM. Mr. Chairman, I ask unanimous consent that I may be permitted to speak in favor of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KETCHUM. Mr. Chairman, I will be brief.

If this amendment is defeated, we would then go back to the Carter proposal, which is a little sum for everybody, a 2-percent investment tax credit, a 4-percent refundable tax credit against social security tax or payroll tax and so forth.

Mr. Chairman, there are many of us in this body who have real reservations about funding social security from general funds. This would be a step in that direction. While I have been lukewarm toward the proposal of the committee, I do feel that it is a step in a new direction, an untried step in a new direction; and I think it may well be very worthwhile. It lasts for only 2 years, at the end of which we may measure whether or not there was an appreciable impact on small business.

Mr. Chairman, I would strongly urge support of the amendment if we do, indeed, as we claim, want to support small business in the United States.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 341, noes 74, not voting 17, as follows:

[Roll No. 55]

AYES—341

Abdnor	Badham	Blouin
Addabbo	Badillo	Boggs
Akaka	Bafalis	Boland
Alexander	Baldus	Bonior
Ambro	Barnard	Bonker
Ammerman	Baucus	Bowen
Anderson, Calif.	Bauman	Brademas
Anderson, Ill.	Beard, R.I.	Breaux
Andrews, N.C.	Beard, Tenn.	Breckinridge
Andrews, N. Dak.	Bedell	Brinkley
Annunzio	Beilenson	Brodhead
Applegate	Benjamin	Brooks
Ashbrook	Bennett	Broomfield
Ashley	Bevill	Brown, Mich.
Aspin	Biaggi	Brown, Ohio
	Bingham	Buchanan
	Blanchard	Burgener
Burke, Calif.	Holt	Pickle
Burke, Fla.	Horton	Pressler
Burke, Mass.	Hubbard	Preyer
Burlison, Mo.	Huckaby	Price
Burton, Phillip	Hughes	Pritchard
Butler	Hyde	Pursell
Byron	Ichord	Quie
Carney	Ireland	Quillen
Carr	Jacobs	Rahall
Cederberg	Jenrette	Rangel
Chappell	Johnson, Calif.	Regula
Chisholm	Johnson, Colo.	Reuss
Clausen, Don H.	Jones, N.C.	Richmond
Cleveland	Jones, Okla.	Rinaldo
Cochran	Jones, Tenn.	Risenhoover
Cohen	Jordan	Roberts
Coleman	Kasten	Robinson
Collins, Ill.	Kastenmeier	Rodino
Collins, Tex.	Kazen	Rogers
Conable	Kelly	Roncalio
Conte	Kemp	Rooney
Corcoran	Ketchum	Rosenthal
Corman	Keys	Rostenkowski
Cornell	Kildee	Rousselot
Cornwell	Kindness	Roybal
Coughlin	Koch	Runnels
D'Amours	Kostmayer	Russo
Daniel, Dan	Krebs	Ryan
Daniel, R. W.	LaFalce	St Germain
Danielson	Lagomarsino	Satterfield
de la Garza	Latta	Sawyer
Delaney	Le Fante	Scheuer
Dellums	Leach	Schroeder
Dent	Lederer	Schulze
Derrick	Lehman	Sebelius
Derwinski	Lent	Sharp
Dickinson	Levitas	Shipley
Dicks	Lloyd, Calif.	Shuster
Diggs	Lloyd, Tenn.	Sikes
Dingell	Long, La.	Sisk
Downey	Long, Md.	Skelton
Drinan	Lott	Skubitz
Duncan, Oreg.	Lujan	Slack
Duncan, Tenn.	Luken	Smith, Iowa
Eckhardt	Lundine	Smith, Nebr.
Edgar	McClory	Snyder
Edwards, Calif.	McCloskey	Solarz
Edwards, Okla.	McCormack	Spellman
Eilberg	McDade	Staggers
Emery	McFall	Stange.and
English	McHugh	Stark
Erlenborn	McKay	Steed
Ertel	Maguire	Steers
Evans, Colo.	Mann	Stokes
Evans, Ga.	Markey	Stratton
Evans, Ind.	Marks	Studds
Fary	Marlenee	Stump
Fascell	Marriott	Taylor
Fenwick	Mathis	Thone
Findley	Mazzoli	Tonry
Fish	Meeds	Traxler
Fisher	Metcalfe	Trible
Fithian	Meyner	Tucker
Flippo	Michel	Udall
Flood	Mikulski	Ullman
Florio	Mikva	Van Deerlin
Flowers	Miller, Calif.	Vanik
Flynt	Miller, Ohio	Vento
Ford, Tenn.	Mineta	Walgren
Forsythe	Minish	Walker
Fountain	Mitchell, Md.	Walsh
Fraser	Mitchell, N.Y.	Wampler
Frey	Moakley	Watkins
Fuqua	Moffett	Waxman
Gaydos	Mollohan	Weaver
Gephardt	Montgomery	Weiss
Gilman	Moorhead, Calif.	Whalen
Glickman	Moss	White
Goldwater	Mottl	Whitehurst
Goodling	Murphy, Ill.	Whitley
Grassley	Murphy, Pa.	Wilson, Bob
Gudger	Murtha	Wilson, C. H.
Guyer	Myers, Michael	Wilson, Tex.
Hagedorn	Natcher	Winn
Hammer-schmidt	Neal	Wirth
Hanley	Nedzi	Wolff
Hannaford	Nichols	Wright
Harkin	Nix	Wydler
Harrington	Nolan	Wylie
Harris	Nowak	Yates
Harsha	Oakar	Yatron
Hawkins	Oberstar	Young, Alaska
Heckler	Patten	Young, Fla.
Hefner	Patterson	Young, Mo.
Heftel	Pattison	Young, Tex.
Holland	Pease	Zablocki
Hollenbeck	Pepper	Zeferetti
	Perkins	

NOES—74

Allen	Bolling	Carter
Archer	Broyhill	Cavanaugh
Armstrong	Burleson, Tex.	Clawson, Del
AuCoin	Caputo	Conyers
Crane	Jeffords	Railsback
Devine	Jenkins	Rhodes
Dodd	Krueger	Rudd
Dornan	McDonald	Ruppe
Early	McKinney	Sarasin
Edwards, Ala.	Madigan	Seiberling
Evans, Del.	Mahon	Simon
Foley	Martin	Spence
Frenzel	Mattox	Stanton
Gammage	Milford	Steiger
Giaimo	Moore	Stockman
Gibbons	Moorhead, Pa.	Symms
Ginn	Myers, Gary	Thornton
Gore	Myers, Ind.	Treen
Gradison	O'Brien	Tsongas
Hall	Obey	Vander Jagt
Hamilton	Ottinger	Volkmer
Hansen	Panetta	Waggonner
Hightower	Pike	Whitten
Hillis	Poage	Wiggins
Holtzman	Quayle	

NOT VOTING—17

Brown, Calif.	Gonzalez	Roe
Burton, John	Howard	Rose
Clay	Leggett	Santini
Cotter	McEwen	Teague
Davis	Murphy, N.Y.	Thompson
Ford, Mich.	Pettis	

So the committee amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEVILL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform, pursuant to House Resolution 360, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. CONABLE

Mr. CONABLE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CONABLE. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CONABLE moves to recommit the bill H.R. 3477 to the Committee on Ways and Means with instructions to report the same to the House forthwith with the following amendments: Strike out title I of the bill and insert the following:

TITLE I—TEMPORARY REDUCTION OF INDIVIDUAL INCOME TAX RATES

SEC. 101. TEMPORARY REDUCTIONS OF INDIVIDUAL INCOME TAX RATES.

(a) GENERAL RULE.—Section 1 (relating to tax imposed), as amended by section 201 of this Act, is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,000	No tax.
Over $3,000 but not over $4,000	10% of excess over $3,000.
Over $4,000 but not over $5,000	$100, plus 11% of excess over $4,000.
Over $5,000 but not over $6,000	$210, plus 13% of excess over $5,000.
Over $6,000 but not over $7,000	$340, plus 15% of excess over $6,000.
Over $7,000 but not over $11,000	$490, plus 18% of excess over $7,000.
Over $11,000 but not over $15,000	$1,210, plus 21% of excess over $11,000.
Over $15,000 but not over $19,000	$2,050, plus 24% of excess over $15,000.
Over $19,000 but not over $23,000	$3,010, plus 28% of excess over $19,000.
Over $23,000 but not over $27,000	$4,130, plus 32% of excess over $23,000.
Over $27,000 but not over $31,000	$5,410, plus 36% of excess over $27,000.
Over $31,000 but not over $35,000	$6,850, plus 39% of excess over $31,000.
Over $35,000 but not over $39,000	$8,410, plus 42% of excess over $35,000.
Over $39,000 but not over $43,000	$10,090, plus 45% of excess over $39,000.
Over $43,000 but not over $47,000	$11,890, plus 48% of excess over $43,000.
Over $47,000 but not over $55,000	$13,810, plus 50% of excess over $47,000.
Over $55,000 but not over $67,000	$17,810, plus 53% of excess over $55,000.
Over $67,000 but not over $79,000	$24,170, plus 55% of excess over $67,000.
Over $79,000 but not over $91,000	$30,770, plus 58% of excess over $79,000.
Over $91,000 but not over $103,000	$37,730, plus 60% of excess over $91,000.
Over $103,000 but not over $123,000	$44,930, plus 62% of excess over $103,000.
Over $123,000 but not over $143,000	$57,330, plus 64% of excess over $123,000.
Over $143,000 but not over $163,000	$70,130, plus 66% of excess over $143,000.
Over $163,000 but not over $183,000	$83,330, plus 68% of excess over $163,000.
Over $183,000 but not over $203,000	$96,930, plus 69% of excess over $183,000.
Over $203,000 but not over $303,000	$110,730, plus 70% of excess over $203,000.
Over $303,000	$180,730, plus 70% of excess over $303,000.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,400	No tax.
Over $2,400 but not over $3,400	10% of excess over $2,400.
Over $3,400 but not over $4,400	$100, plus 12% of excess over $3,400.
Over $4,400 but not over $6,400	$220, plus 15% of excess over $4,400.
Over $6,400 but not over $8,400	$520, plus 17% of excess over $6,400.
Over $8,400 but not over $10,400	$860, plus 21% of excess over $8,400.
Over $10,400 but not over $12,400	$1,280, plus 22% of excess over $10,400.
Over $12,400 but not over $14,400	$1,720, plus 24% of excess over $12,400.
Over $14,400 but not over $16,400	$2,200, plus 27% of excess over $14,400.
Over $16,400 but not over $18,400	$2,740, plus 28% of excess over $16,400.
Over $18,400 but not over $20,400	$3,300, plus 31% of excess over $18,400.
Over $20,400 but not over $22,400	$3,920, plus 32% of excess over $20,400.
Over $22,400 but not over $24,400	$4,560, plus 35% of excess over $22,400.
Over $24,400 but not over $26,400	$5,260, plus 36% of excess over $24,400.
Over $26,400 but not over $28,400	$5,980, plus 38% of excess over $26,400.
Over $28,400 but not over $30,400	$6,740, plus 41% of excess over $28,400.
Over $30,400 but not over $34,400	$7,560, plus 42% of excess over $30,400.
Over $34,400 but not over $38,400	$9,240, plus 45% of excess over $34,400.
Over $38,400 but not over $40,400	$11,040, plus 48% of excess over $38,400.
Over $40,400 but not over $42,400	$12,000, plus 51% of excess over $40,400.
Over $42,400 but not over $46,400	$13,020, plus 52% of excess over $42,400.
Over $46,400 but not over $52,400	$15,100, plus 55% of excess over $46,400.
Over $52,400 but not over $54,000	$18,400, plus 56% of excess over $52,400.
Over $54,400 but not over $66,400	$19,520, plus 58% of excess over $54,400.
Over $66,400 but not over $72,400	$26,480, plus 59% of excess over $66,400.
Over $72,400 but not over $78,400	$30,020, plus 61% of excess over $72,400.
Over $78,400 but not over $82,400	$33,680, plus 62% of excess over $78,400.
Over $82,400 but not over $90,400	$36,160, plus 63% of excess over $82,400.
Over $90,400 but not over $102,400	$41,200, plus 64% of excess over $90,400.
Over $102,400 but not over $122,400	$48,880, plus 66% of excess over $102,400.
Over $122,400 but not over $142,400	$62,080, plus 67% of excess over $122,400.
Over $142,400 but not over $162,400	$75,480, plus 68% of excess over $142,400.
Over $162,400 but not over $182,400	$89,080, plus 69% of excess over $162,400.
Over $182,400 but not over $282,400	$102,880, plus 70% of excess over $182,400.
Over $282,400	$172,880, plus 70% of excess over $282,400.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,400	No tax.
Over $2,400 but not over $2,900	10% of excess over $2,400.
Over $2,900 but not over $3,400	$50, plus 11% of excess over $2,900.
Over $3,400 but not over $3,900	$105, plus 13% of excess over $3,400.
Over $3,900 but not over $4,400	$170, plus 15% of excess over $3,900.
Over $4,400 but not over $6,400	$245, plus 18% of excess over $4,400.
Over $6,400 but not over $8,400	$605, plus 20% of excess over $6,400.
Over $8,400 but not over $10,400	$1,005, plus 23% of excess over $8,400.
Over $10,400 but not over $12,400	$1,465, plus 25% of excess over $10,400.
Over $12,400 but not over $14,400	$1,965, plus 27% of excess over $12,400.
Over $14,400 but not over $16,400	$2,505, plus 29% of excess over $14,400.
Over $16,400 but not over $18,400	$3,085, plus 31% of excess over $16,400.
Over $18,400 but not over $20,400	$3,705, plus 34% of excess over $18,400.
Over $20,400 but not over $22,400	$4,385, plus 36% of excess over $20,400.
Over $22,400 but not over $24,400	$5,105, plus 38% of excess over $22,400.
Over $24,400 but not over $28,400	$5,855, plus 40% of excess over $24,400.
Over $28,400 but not over $34,400	$7,465, plus 45% of excess over $28,400.
Over $34,400 but not over $40,400	$10,165, plus 50% of excess over $34,400.
Over $40,400 but not over $46,400	$13,165, plus 55% of excess over $40,400.
Over $46,400 but not over $52,400	$16,465, plus 60% of excess over $46,400.
Over $52,400 but not over $62,400	$20,065, plus 62% of excess over $52,400.
Over $62,400 but not over $72,400	$26,265, plus 64% of excess over $62,400.
Over $72,400 but not over $82,400	$32,665, plus 66% of excess over $72,400.
Over $82,400 but not over $92,400	$39,265, plus 68% of excess over $82,400.
Over $92,400 but not over $102,400	$46,065, plus 69% of excess over $92,400.
Over $102,400 but not over $152,400	$52,965, plus 70% of excess over $102,400.
Over $152,400 but not over $202,400	$87,965, plus 70% of excess over $152,400.
Over $202,400 but not over $302,400	$122,965, plus 70% of excess over $202,400.
Over $302,400	$192,965, plus 70% of excess over $302,400.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $1,500	No tax.
Over $1,500 but not over $2,000	10% of excess over $1,500.
Over $2,000 but not over $2,500	$50, plus 11% of excess over $2,000.
Over $2,500 but not over $3,000	$105, plus 13% of excess over $2,500.
Over $3,000 but not over $3,500	$170, plus 15% of excess over $3,000.
Over $3,500 but not over $5,500	$245, plus 18% of excess over $3,500.
Over $5,500 but not over $7,500	$605, plus 21% of excess over $5,500.
Over $7,500 but not over $9,500	$1,025, plus 24% of excess over $7,500.
Over $9,500 but not over $11,500	$1,505, plus 28% of excess over $9,500.
Over $11,500 but not over $13,500	$2,065, plus 32% of excess over $11,500.
Over $13,500 but not over $15,500	$2,705, plus 36% of excess over $13,500.
Over $15,500 but not over $17,500	$3,425, plus 39% of excess over $15,500.
Over $17,500 but not over $19,500	$4,205, plus 42% of excess over $17,500.
Over $19,500 but not over $21,500	$5,045, plus 45% of excess over $19,500.
Over $21,500 but not over $23,500	$5,945, plus 48% of excess over $21,500.
Over $23,500 but not over $27,500	$6,905, plus 50% of excess over $23,500.
Over $27,500 but not over $33,500	$8,905, plus 53% of excess over $27,500.
Over $33,500 but not over $39,500	$12,085, plus 55% of excess over $33,500.
Over $39,500 but not over $45,500	$15,385, plus 58% of excess over $39,500.
Over $45,500 but not over $51,500	$18,865, plus 60% of excess over $45,500.
Over $51,500 but not over $61,500	$22,465, plus 62% of excess over $51,500.
Over $61,500 but not over $71,500	$28,665, plus 64% of excess over $61,500.
Over $71,500 but not over $81,500	$35,065, plus 66% of excess over $71,500.
Over $81,500 but not over $91,500	$41,465, plus 68% of excess over $81,500.
Over $91,500 but not over $101,500	$48,465, plus 69% of excess over $91,500.
Over $101,500	$55,365, plus 70% of excess over $101,500.

"(e) ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of every estate and trust taxable under this subsection a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $500	10% of the taxable income.
Over $500 but not over $1,000	$50, plus 11% of excess over $500.
Over $1,000 but not over $1,500	$105, plus 13% of excess over $1,000.
Over $1,500 but not over $2,000	$170, plus 15% of excess over $1,500.
Over $2,000 but not over $4,000	$245, plus 18% of excess over $2,000.
Over $4,000 but not over $6,000	$605, plus 21% of excess over $4,000.
Over $6,000 but not over $8,000	$1,025, plus 24% of excess over $6,000.
Over $8,000 but not over $10,000	$1,505, plus 28% of excess over $8,000.
Over $10,000 but not over $12,000	$2,065, plus 32% of excess over $10,000.
Over $12,000 but not over $14,000	$2,705, plus 36% of excess over $12,000.
Over $14,000 but not over $16,000	$3,425, plus 39% of excess over $14,000.
Over $16,000 but not over $18,000	$4,205, plus 42% of excess over $16,000.
Over $18,000 but not over $20,000	$5,045, plus 45% of excess over $18,000.
Over $20,000 but not over $22,000	$5,945, plus 48% of excess over $20,000.
Over $22,000 but not over $26,000	$6,905, plus 50% of excess over $22,000.
Over $26,000 but not over $32,000	$8,905, plus 53% of excess over $26,000.
Over $32,000 but not over $38,000	$12,085, plus 55% of excess over $32,000.
Over $38,000 but not over $44,000	$15,385, plus 58% of excess over $38,000.
Over $44,000 but not over $50,000	$18,865, plus 60% of excess over $44,000.

Over $50,000 but not over $60,000	$22,465, plus 62% of excess over $50,000.
Over $60,000 but not over $70,000	$28,665, plus 64% of excess over $60,000.
Over $70,000 but not over $80,000	$35,065, plus 66% of excess over $70,000.
Over $80,000 but not over $90,000	$41,665, plus 68% of excess over $80,000.
Over $90,000 but not over $100,000	$48,465, plus 69% of excess over $90,000.
Over $100,000	$55,365, plus 70% of excess over $100,000."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1976, and shall cease to apply to taxable years beginning after December 31, 1978.

SEC. 102. REQUIREMENTS OF WITHHOLDING.

(a) GENERAL RULE.—Subsection (a) of section 3402 (relating to requirement of withholding), as amended by section 205 of this Act, is amended by striking out "sections 201 and 202" the first place it appears and inserting in lieu thereof "sections 101, 201, and 202".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to wages paid after April 30, 1977.

Amend the table of contents to reflect the new title I.

Mr. CONABLE (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, my motion to recommit H.R. 3477 with instructions would substitute a cut in the seven lowest bracket tax rates for the rebates and special payment in title I. This is essentially the same tax cut proposal offered by Mr. GRADISON in the Ways and Means Committee.

The rules concerning germaneness permit offering only a 2-year tax cut. It is my expectation that if enacted, the cut would subsequently be made permanent.

Reducing the tax rates in the seven lowest brackets gives the greatest proportionate tax cut to the inflation-strapped middle-income taxpayers who have seen their spending power dwindle in recent years. Sixty-seven percent of the tax cut would go to those with adjusted gross income below $20,000 and 89.6 percent to those below $30,000.

The fiscal impact of this proposal in 1977 is about $11 billion, a little more than the total for rebates and special payments.

But, a tax rate cut of this magnitude is much sounder economic strategy than the bill's rebate-payment scheme which offers neither a sharp stimulative impact nor a permanent reduction upon which consumers can base long-term spending plans.

The permanent tax reduction in the Gradison proposal would lower withholding rates and thereby increase consumers' disposable income and enable them to make the long-term commitment required for financing automobiles, large appliances and other expensive consumer goods.

The recommittal motion offers an escape from the political momentum that has carried H.R. 3477 beyond the bounds of sensible economic policy. The tax cut alternative is far more certain to achieve the administration's economic goals than the rebate-payment hybrid.

I, therefore, urge my colleagues to vote for the motion to recommit.

Mr. Speaker, I yield the balance of my time to the gentleman from Ohio (Mr. GRADISON).

Mr. GRADISON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the issue before the House is simply whether we favor a permanent tax cut or one-shot $50 payments. The motion to recommit provides a permanent tax reduction of up to $250 on joint returns and $125 for individuals.

This would restore the purchasing power lost by middle-income taxpayers due to the inflation-induced tax increases last year and this year. Thus, under the motion to recommit, the purchasing power of consumers would be maintained, while under the one-shot $50 payment plan there would be a reduction in spendable income in 1978 after the $50 payments end. Since permanent tax cuts would give the consumers greater assurance to sustain purchasing power, they would be better able to commit to big-ticket items bought through installment purchases.

Mr. Speaker, in an article that appeared last week in Tax Notes, Prof. Oswald Brownlee of the University of Minnesota had this to say:

> The Administration's economic stimulus program is not likely to have much impact. Perhaps this is the desired effect. It appears that government is expected to do something, that what ought to be done is not obvious, and that by not doing much, not much harm can be done. Some good might be done if the entire program costs were devoted to tax reduction for people who pay taxes and whose behavior would be influenced by lower tax rates.

Mr. Speaker, the House has a chance to do just this by voting in favor of the motion to recommit H.R. 3477 with instructions to substitute a permanent tax cut.

Mr. CONABLE. Mr. Speaker, I urge support of the motion to recommit.

Mr. ULLMAN. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. Speaker, what the minority is offering is a tax cut on top of a tax cut on top of a tax cut. We will still have in place the extension of the reductions of 2 years ago. We will have in place the reductions that we have in title II, and on top of that they are offering a rate reduction.

This is not the proper and the responsible place to put a reduction, on top of a reduction on top of a reduction.

The package that we have offered is balanced. It will go into effect immediately. It will have an early impact.

Mr. Speaker, for all of the reasons that we have suggested, we on the Committee on Ways and Means urge the Members to vote against the recommital motion and for the bill.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. CONABLE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 194, nays 219, not voting 19, as follows:

[Roll No. 56]

YEAS—194

Abdnor	Gammage	Moore
Ambro	Gibbons	Moorhead, Calif.
Anderson, Ill.	Gilman	Mottl
Andrews, N.C.	Ginn	Myers, Gary
Andrews, N. Dak.	Glickman	Myers, Ind.
Archer	Goldwater	Neal
Armstrong	Goodling	Nichols
Ashbrook	Gradison	O'Brien
Badham	Grassley	Panetta
Bafalis	Gudger	Pattison
Barnard	Guyer	Pike
Bauman	Hagedorn	Poage
Beard, Tenn.	Hall	Pressler
Bowen	Hammer-schmidt	Pritchard
Breaux	Hannaford	Pursell
Brinkley	Hansen	Quayle
Broomfield	Harsha	Quie
Brown, Mich.	Heckler	Quillen
Brown, Ohio	Hightower	Railsback
Broyhill	Hillis	Regula
Buchanan	Hollenbeck	Rhodes
Burgener	Holt	Rinaldo
Burke, Fla.	Horton	Roberts
Burleson, Tex.	Huckaby	Robinson
Butler	Hughes	Rousselot
Caputo	Hyde	Rudd
Carter	Jeffords	Runnels
Cederberg	Jenkins	Ruppe
Chappell	Johnson, Colo.	Sarasin
Clausen, Don H.	Jones, N.C.	Satterfield
Clawson, Del	Kasten	Sawyer
Cleveland	Kelly	Schulze
Cochran	Kemp	Sebelius
Cohen	Ketchum	Shuster
Coleman	Kindness	Skubitz
Collins, Tex.	Krueger	Smith, Nebr.
Conable	LaFalce	Snyder
Conte	Lagomarsino	Spence
Corcoran	Latta	Stange'and
Coughlin	Leach	Stanton
Crane	Lent	Steers
Daniel, Dan	Levitas	Steiger
Daniel, R. W.	Long, Md.	Stockman
Derwinski	Lott	Stump
Devine	Lujan	Symms
Dickinson	McClory	Taylor
Dornan	McCloskey	Thone
Duncan, Tenn.	McDade	Treen
Early	McDonald	Trible
Edwards, Ala.	McKinney	Vander Jagt
Edwards, Okla.	Madigan	Waggonner
Emery	Mahon	Walker
English	Mann	Walsh
Erlenborn	Marks	Wampler
Evans, Del.	Marlenee	White
Fenwick	Marriott	Whitehurst
Findley	Martin	Whitley
Fish	Mathis	Whitten
Flowers	Mattox	Wiggins
Flynt	Michel	Wilson, Bob
Forsythe	Milford	Winn
Fountain	Miller, Ohio	Wirth
Frenzel	Minish	Wydler
Frey	Mitchell, N.Y.	Wylie
	Montgomery	Young, Fla.

NAYS—219

Addabbo	Flippo	Oberstar
Akaka	Flood	Obey
Alexander	Florio	Ottinger
Allen	Ford, Tenn.	Patten
Ammerman	Fraser	Patterson
Anderson, Calif.	Fuqua	Pease
	Gaydos	Pepper
Annunzio	Gephardt	Perkins
Applegate	Giaimo	Pickle
Ashley	Gore	Preyer
Aspin	Hamilton	Price
AuCoin	Hanley	Rahall
Badillo	Harkin	Rangel
Baldus	Harrington	Reuss
Baucus	Harris	Richmond
Beard, R.I.	Hawkins	Risenhoover
Bedell	Hefner	Rodino
Beilenson	Heftel	Rogers
Benjamin	Holland	Roncalio
Bennett	Holtzman	Rooney
Bevill	Hubbard	Rosenthal
Biaggi	Ichord	Rostenkowski
Bingham	Ireland	Roybal
Blanchard	Jacobs	Russo
Blouin	Jenrette	Ryan
Boggs	Johnson, Calif.	Scheuer
Boland	Jones, Okla.	Schroeder
Bolling	Jones, Tenn.	Seiberling
Bonior	Jordan	Sharp
Bonker	Kastenmeier	Shipley
Brademas	Kazen	Sikes
Breckinridge	Keys	Simon
Brodhead	Kildee	Sisk
Brooks	Koch	Skelton
Brown, Calif.	Kostmayer	Slack
Burke, Calif.	Krebs	Smith, Iowa
Burke, Mass.	Le Fante	Solarz
Burlison, Mo.	Lederer	Spellman
Burton, Phillip	Lehman	St Germain
Byron	Lloyd, Calif.	Staggers
Carney	Lloyd, Tenn.	Stark
Carr	Long, La.	Steed
Cavanaugh	Luken	Stokes
Chisholm	Lundine	Stratton
Collins, Ill.	McCormack	Studds
Conyers	McFall	Thornton
Corman	McHugh	Tonry
Cornell	McKay	Traxler
Cornwell	Maguire	Tsongas
D'Amours	Markey	Tucker
Danielson	Mazzoli	Udall
de la Garza	Meeds	Ullman
Delaney	Metcalfe	Van Deerlin
Dellums	Meyner	Vanik
Dent	Mikulski	Vento
Derrick	Mikva	Volkmer
Dicks	Miller, Calif.	Walgren
Diggs	Mineta	Watkins
Dingell	Mitchell, Md.	Waxman
Dodd	Moakley	Weaver
Downey	Moffett	Weiss
Drinan	Mollohan	Whalen
Duncan, Oreg.	Moorhead, Pa.	Wilson, C. H.
Eckhardt	Moss	Wilson, Tex.
Edwards, Calif.	Murphy, Ill.	Wolff
Eilberg	Murphy, Pa.	Wright
Ertel	Murtha	Yates
Evans, Colo.	Myers, Michael	Yatron
Evans, Ga.	Natcher	Young, Mo.
Evans, Ind.	Nedzi	Young, Tex.
Fary	Nix	Zablocki
Fascell	Nolan	Zeferetti
Fisher	Nowak	
Fithian	Oakar	

NOT VOTING—19

Burton, John	Gonzalez	Rose
Clay	Howard	Santini
Cotter	Leggett	Teague
Davis	McEwen	Thompson
Edgar	Murphy, N.Y.	Young, Alaska
Foley	Pettis	
Ford, Mich.	Roe	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Thompson against.

Until further notice:

Mr. Murphy of New York with Mr. Santini.
Mr. Davis with Mr. Rose.
Mr. Leggett with Mr. Cotter.
Mr. Clay with Mr. Ford of Michigan.
Mr. Roe with Mr. Foley.
Mr. Howard with Mr. John Burton
Mr. Edgar with Mr. Gonzalez.

Messrs. CONYERS, CARR, KOSTMAYER and OTTINGER changed their vote from "yea" to "nay."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STEIGER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 282, nays 131, answered "present" 1, not voting 18, as follows:

[Roll No. 57]

YEAS—282

Addabbo	Evans, Ind.	Metcalfe
Akaka	Fary	Meyner
Alexander	Fascell	Mikulski
Allen	Fish	Mikva
Ambro	Fisher	Miller, Calif.
Ammerman	Fithian	Mineta
Anderson, Calif.	Flippo	Minish
	Flood	Mitchell, Md.
Annunzio	Florio	Mitchell, N.Y.
Applegate	Flowers	Moakley
Ashley	Ford, Tenn.	Moffett
Aspin	Fountain	Mollohan
AuCoin	Fraser	Moorhead, Pa.
Badillo	Fuqua	Moss
Baldus	Gaydos	Motti
Barnard	Gephardt	Murphy, Ill.
Baucus	Giaimo	Murphy, Pa.
Beard, R.I.	Gibbons	Murtha
Beilenson	Gilman	Myers, Gary
Benjamin	Ginn	Myers, Michael
Bevill	Glickman	Natcher
Biaggi	Gore	Neal
Bingham	Gudger	Nedzi
Blanchard	Guyer	Nix
Blouin	Hamilton	Nolan
Boggs	Hanley	Nowak
Boland	Hannaford	O'Brien
Bolling	Harkin	Oakar
Bonior	Harrington	Oberstar
Bonker	Harris	Obey
Bowen	Harsha	Ottinger
Brademas	Hawkins	Panetta
Breaux	Heckler	Patten
Brinkley	Hefner	Patterson
Brodhead	Heftel	Pattison
Brooks	Hightower	Pease
Brown, Calif.	Holland	Pepper
Brown, Ohio	Hollenbeck	Perkins
Buchanan	Holtzman	Pickle
Burke, Calif.	Horton	Pike
Burke, Fla.	Hubbard	Preyer
Burke, Mass.	Huckaby	Price
Burlison, Mo.	Ireland	Pursell
Burton, Phillip	Jeffords	Quie
Byron	Jenkins	Quillen
Caputo	Jenrette	Rahall
Carney	Johnson, Calif.	Regula
Carr	Jones, N.C.	Reuss
Carter	Jones, Tenn.	Richmond
Cavanaugh	Jordan	Rinaldo
Chisholm	Kasten	Risenhoover
Clausen, Don H.	Kastenmeier	Roberts
	Kazen	Rodino
Cohen	Keys	Rogers
Collins, Ill.	Kildee	Roncalio
Conte	Koch	Rooney
Corman	Kostmayer	Rosenthal
Cornell	Krebs	Rostenkowski
Cornwell	Le Fante	Roybal
Coughlin	Lederer	Runnels
D'Amours	Lehman	Russo
Danielson	Lent	Ryan
de la Garza	Lloyd, Calif.	Scheuer
Delaney	Lloyd, Tenn.	Schulze
Dellums	Long, La.	Seiberling
Dent	Long, Md.	Sharp
Derrick	Lujan	Shipley
Dicks	Lundine	Sikes
Diggs	McCloskey	Simon
Dingell	McCormack	Sisk
Dodd	McDade	Skelton
Downey	McFall	Slack
Drinan	McHugh	Smith, Iowa
Duncan, Oreg.	McKay	Solarz
Duncan, Tenn.	Madigan	Spellman
Eckhardt	Maguire	Spence
Edwards, Ala.	Mahon	St Germain
Edwards, Calif.	Mann	Staggers
Eilberg	Markey	Stark
Emery	Marks	Steed
Ertel	Marlenee	Steers
Evans, Colo.	Mazzoli	Stokes
Evans, Ga.	Meeds	Stratton
Studds	Volkmer	Wilson, Tex.
Thornton	Walgren	Wirth
Tonry	Walsh	Wolff
Traxler	Wampler	Wright
Trible	Watkins	Wydler
Tsongas	Waxman	Yates
Tucker	Weaver	Yatron
Udall	Weiss	Young, Mo.
Ullman	Whalen	Young, Tex.
Van Deerlin	White	Zablocki
Vanik	Wilson, Bob	Zeferetti
Vento	Wilson, C. H.	

NAYS—131

Abdnor	Forsythe	Moorhead, Calif.
Anderson, Ill.	Frenzel	Myers, Ind.
Andrews, N.C.	Frey	Nichols
Andrews, N. Dak.	Gammage	Poage
	Goldwater	Pressler
Archer	Goodling	Pritchard
Armstrong	Gradison	Quayle
Ashbrook	Grassley	Railsback
Badham	Hagedorn	Rangel
Bafalis	Hall	Rhodes
Bauman	Hammer-schmidt	Robinson
Beard, Tenn.		Rousselot
Bedell	Hansen	Rudd
Bennett	Hillis	Ruppe
Breckinridge	Holt	Sarasin
Broomfield	Hughes	Satterfield
Brown, Mich.	Hyde	Sawyer
Broyhill	Ichord	Schroeder
Burgener	Jacobs	Sebelius
Burleson, Tex.	Johnson, Colo.	Shuster
Butler	Jones, Okla.	Skubitz
Chappell	Kelly	Smith, Nebr.
Clawson, Del	Kemp	Snyder
Cleveland	Ketchum	Stangeland
Cochran	Kindness	Stanton
Coleman	Krueger	Steiger
Collins, Tex.	LaFalce	Stockman
Conable	Lagomarsino	Stump
Conyers	Latta	Symms
Corcoran	Leach	Taylor
Crane	Levitas	Thone
Daniel, Dan	Lott	Treen
Daniel, R. W.	Luken	Vander Jagt
Derwinski	McClory	Waggonner
Devine	McDonald	Walker
Dickinson	McKinney	Whitehurst
Dornan	Marriott	Whitley
Early	Martin	Whitten
Edwards, Okla.	Mathis	Wiggins
English	Mattox	Winn
Erlenborn	Michel	Wylie
Evans, Del.	Milford	Young, Alaska
Fenwick	Miller, Ohio	Young, Fla.
Findley	Montgomery	
Flynt	Moore	

ANSWERED "PRESENT"—1

Cederberg

NOT VOTING—18

Burton, John	Ford, Mich.	Pettis
Clay	Gonzalez	Roe
Cotter	Howard	Rose
Davis	Leggett	Santini
Edgar	McEwen	Teague
Foley	Murphy, N.Y.	Thompson

The Clerk announced the following pairs:

On this vote:

Mr. Ford of Michigan for, with Mr. Cederberg against.

Mr. Thompson for, with Mr. Teague against.

Until further notice:

Mr. Santini with Mr. Edgar.
Mr. Rose with Mr. Davis.
Mr. Cotter with Mr. Leggett.
Mr. Murphy of New York with Mr. Clay.
Mr. John L. Burton with Mr. Roe.
Mr. Foley with Mr. Howard.

Mr. FOUNTAIN changed his vote from "nay" to "yea."

Mr. CEDERBERG. Mr. Speaker, I have a live pair with the gentleman from Michigan (Mr. FORD), who, if he were here, would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CONFERENCE REPORT ON H.R. 2647, AMENDING SMALL BUSINESS ACT AND SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. SMITH of Iowa filed the following conference report and statement on the bill (H.R. 2647) to amend the Small Business Act and the Small Business Investment Act of 1958 to increase loan limitations and to increase surety bond authorizations:

CONFERENCE REPORT (H. REPT. 95–62)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2647) to amend the Small Business Act and the Small Business Investment Act of 1958 to increase loan limitations and to increase surety bond authorizations, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

BUSINESS LOAN AND INVESTMENT FUND

SECTION 1. Section 4(c)(4) of the Small Business Act is amended by striking out "$6,000,000,000" and by inserting in lieu thereof "$7,400,000,000".

ECONOMIC OPPORTUNITY LOANS

SEC. 2. Section 4(c)(4) of the Small Business Act is amended by striking out "$450,000,000" and by inserting in lieu thereof "$525,000,000".

SMALL BUSINESS INVESTMENT COMPANIES

SEC. 3. Section 4(c)(4) of the Small Business Act is amended by striking out "$725,000,000" and by inserting in lieu thereof "$887,500,000".

SURETY BOND GUARANTEES

SEC. 4. Section 412 of the Small Business Investment Act of 1958 is amended by striking out "$56,500,000" and by inserting in lieu thereof "$110,000,000".

And the Senate agree to the same.

NEAL SMITH of Iowa,
JOSEPH P. ADDABBO,
JOHN J. LAFALCE,
F. J. ST GERMAIN,
TOM STEED,
HERMAN BADILLO,
JOHN D. DINGELL,
SILVIO O. CONTE,
JOE MCDADE,
J. WM. STANTON,
Managers on the Part of the House.

GAYLORD NELSON,
TOM MCINTYRE,
SAM NUNN,
W. D. HATHAWAY,
FLOYD K. HASKELL,
JOHN CULVER,
LOWELL P. WEICKER,
BOB PACKWOOD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2647) to amend the Small Business Act and the Small Business Investment Act of 1958 to increase loan limitations and to increase surety bond authorizations, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, and the Senate amendment, and the substitute agreed to in conference are noted below.

The funds with which SBA makes financial assistance available to small businesses are kept in a revolving fund known as the Business Loan and Investment Funds into which repayments of earlier loans are also made. The Small Business Act provides that not more than $6 billion in assistance and obligations under these programs may be outstanding at any one time and SBA will reach this figure this month. Funds have been appropriated, however, which would permit SBA to continue operating these programs throughout this fiscal year but the total amount outstanding would exceed the statutory limitation.

In addition to the $6 billion limitation, the Small Business Act also contains a sublimitation of $450 million as the maximum amount of economic opportunity loans which may be outstanding at any one time; and $725 million as the maximum amount of financial assistance which may be outstanding to small business investment companies at any one time. These amounts are primarily loans and bonds the payment of which is guaranteed by SBA and which will be repaid and thus the cost to the Federal Government will be much less than the amount loaned to these small businesses.

The SBA also provides assistance to contractors by guaranteeing to repay a surety company up to 90 percent of any loss it sustains on a surety bond for performance or payment issued to a small concern. The Small Business Investment Act currently authorizes an appropriation of $56.5 million to this fund but this level of operation will soon be reached.

Legislation has already been passed by the House, and Senate hearings on it are in progress, which would authorize program levels for SBA commencing October 1, 1977, the beginning of FY'78. It is necessary to make some adjustments in SBA limitations for the balance of the current fiscal year as otherwise previously approved program levels will have to be curtailed.

SEC. 1. BUSINESS LOAN AND INVESTMENT FUND

The House bill increases the limitation on the amount of loans and other financial assistance made available by the Small Business Administration under the Business Loan and Investment Fund from $6,000,000,000 to $8,000,000,000.

The Senate amendment increases the limitation on the amount of loans and other financial assistance made available by the Small Business Administration under the Business Loan and Investment Fund to $6,800,000,000.

The conference substitute adopts the average amount of the increase and places the limitation at $7,400,000,000. This amount will be more than adequate to continue SBA's programs which are financed through this revolving fund at existing levels through the remainder of this fiscal year. It will also provide needed flexibility to permit expansion of these programs during the balance of this year if the President and the Congress agree to any such expansion.

SEC. 2. ECONOMIC OPPORTUNITY LOANS

The House bill increases the limitation on the amount of Economic Opportunity Loans made by SBA which may be outstanding at any time from $450,000,000 to $525,000,000.

The Senate amendment does not contain any comparable provision.

The conference substitute adopts the amount of the increase provided in the House bill. This amount will be more than adequate to continue operating the Economic Opportunity Loan program at the current levels through this fiscal year and will also permit an increase in these levels should the President and the Congress determine when an increase is needed.

SEC. 3. SMALL BUSINESS INVESTMENT COMPANIES

The House bill increases the limitation on the amount of financial assistance from SBA to such companies at any one time from $725,000,000 to $1,100,000,000.

The Senate amendment increases the limitation to $775,000,000.

The conference substitute increases the limitation to $887,500,000, an amount which will be more than adequate to permit SBA to continue its current program level through the remainder of this fiscal year. It also will provide the needed flexibility to permit an increase in this program if the President and the Congress agree that an increase is necessary.

SEC. 4. SURETY BOND GUARANTEES

The House bill increases the authorization for appropriation to the Surety Bond Guarantees revolving fund from $56,000,000 to $110,000,000. The Senate amendment increases this authorization to $68,500,000.

The Conference substitute adopts the increase provided in the House bill which will permit SBA to continue operating this program at current levels through the current fiscal year and which will also permit an increase in the amount of assistance SBA provides under this program if the President and the Congress determine that such an increase is necessary.

And the Senate agree to the same.

NEAL SMITH of Iowa,
JOSEPH P. ADDABBO,
JOHN J. LAFALCE,
F. J. ST GERMAIN,
TOM STEED,
HERMAN BADILLO,
JOHN D. DINGELL,
SILVIO O. CONTE,
JOE MCDADE,
J. WM. STANTON,
Managers on the Part of the House.

GAYLORD NELSON,
TOM MCINTYRE,
SAM NUNN,
W. D. HATHAWAY,
FLOYD K. HASKELL,
JOHN CULVER,
LOWELL P. WEICKER,
BOB PACKWOOD,
Managers on the Part of the Senate.

RECOMBINANT DNA RESEARCH HEARINGS TO BE HELD

(Mr. ROGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROGERS. Mr. Speaker, there has been much in the press recently on the techniques biologists have developed over the past several years, permitting the transplantation of genetic material from one organism into a completely unrelated species. This method of recombining the DNA—the carrier of all genetic information—from two species has generated a great deal of controversy over the past year, often much more emotional than rational.

The proponents of the so-called recombinant DNA technology claims—and rightly so—that this is an exciting research tool which will allow us to study the expression and control of single genes from organisms so complex as man in controlled laboratory experiments, thereby greatly increasing our understanding of the fundamental life processes of the cell. To obtain the same information by other methods would be difficult and tedious, perhaps impossible.

While the acquisition of such knowledge is a justifiable end in itself, only by increasing our understanding of the basic principles of life processes can we begin to comprehend the abnormal processes which make people sick—such as the nature of the disruption of the functioning of a normal cell which turns it into a cancer cell. With increased understanding of human gene function, we may begin to find ways of correcting the multitude of hereditary diseases—such as diabetes or hemophilia, or at least be able to synthesize the missing proteins in quantities which would relieve the symptoms of the victims of such diseases.

The technique also holds the promise of developing crop plants with much greater yields than are currently obtained, or to build in resistance to common insect pests, thus eliminating the need for toxic pesticides which pollute the environment. The list of imagined benefits is as great as one's imagination. Given enough time, most of these speculations can probably become realities.

However, for all its promise, gene splicing raises a number of serious questions: Is mankind mature enough to be trusted with the knowledge of and control over its own genetic makeup?

Given the past misuse of knowledge by those who would exploit it for less than noble ends, should we encourage the acquisition of knowledge which has the potential for perhaps even greater misuse than knowing the most intimate secrets of the atomic nucleus? And do we really know enough about the properties of organisms containing a shot of "foreign" DNA? Could we unwittingly create a virus or a microbe which would be more virulent than any plague ever known on Earth? Could organisms be created—either deliberately or by accident which would have a survival advantage over existing flora or fauna? If such were to be formed, could they be properly contained within the laboratory?

It would indeed be presumptuous of me to attempt to answer any of these questions in a satisfactory way. However, there are some aspects of the current debate which I find somewhat disturbing. There are those who contend that such profound knowledge is too dangerous to entrust to mankind at the present time. I think we must clearly separate the philosophical and ethical questions from those of safety and containment. They are really quite separate issues.

Perhaps the most unique and wonderful human characteristic is the insatiable thirst for understanding the nature of the universe in which we live—from the motion of galaxies to the wonders of life to the structure of the atom to the properties of space and time. Even more remarkable is the capacity of human beings to begin to answer even the most profound of questions, in incredibly ingenious ways.

The recombinant DNA technique promises to be one of these monuments to human intellect. The misuse of knowledge is, however, something quite apart from its acquisition. Humans have always sought knowledge—and they have always misused it. Sometimes the misuse of knowledge is accidental—sometimes willful.

Either way, this is one reason why we need laws and regulations. But it would indeed be a tragic event in human history if the only way to prevent the misuse of knowledge would be to suppress its acquisition. All such previous attempts in our history have been disasters. Let us not again make such a sad mistake.

In any event, recombinant DNA research is currently underway in over 100 laboratories in the United States. Foreseeing some of the problems of delving into such unexplored territory, the scientists should be commended who first called attention to the potential hazards of gene splicing nearly 4 years ago and who took steps to develop guidelines for the safe conduct of such research. The culmination of these efforts were the release on June 23, 1976, of the NIH guidelines for research involving recombinant DNA molecules.

However, this was only the beginning. The intense interest and involvement of private industry was not anticipated in the early days. The problems of industrial exploitation of a nascent branch of scientific research are quite different from those of a basic research laboratory.

The NIH guidelines are simply that, and apply only to federally supported basic research. Virtually everyone—including Dr. Fredrickson, the Director of NIH, public interest groups, and Members of Congress—agrees on the need for a uniform set of safety procedures and conditions under which gene transplantation research will be permitted to proceed.

The consensus of the NIH interagency committee considering regulatory alternatives, and among both scientists and laymen representing all sides of the question, as expressed at the current forum at the National Academy of Sciences regarding recombinant DNA, is that legislation is necessary.

Senator BUMPERS has already introduced legislation, sponsored in the House by Mr. OTTINGER, a member of the Subcommittee on Health and the Environment, which addresses the questions of mandatory licensure of recombinant DNA research, patent restrictions, civil liability for damage caused by DNA research, and other issues. I will be introducing alternative legislation tomorrow so that various legislative approaches may be considered.

I announce that hearings on the legislation will be conducted on March 15, 16, and 17, room to be announced.

ELIMINATING AN INEQUITY IN THE TAX REFORM ACT OF 1976

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. HAMMERSCHMIDT. Mr. Speaker, I have introduced two bills today which are designed to correct an inequity created under section 207(e) of the Tax Reform Act of 1976, Public Law 94-455, with respect to corporations engaged in farming.

Section 207(e) provides a new section 447 of the Internal Revenue Code which, in general, requires agricultural corporations to use the accrual method of accounting. Exceptions were provided from this treatment for electing small business corporations, corporations in which 50 percent of the stock was owned by members of the same family, or corporations for which gross receipts were $1 million or less. These exceptions were designed to allow local family-controlled businesses to continue to use the cash method of accounting.

It has come to my attention, however, that section 447 has created serious inequities in farming today. For example, I am advised that one of the largest grain companies in the Nation, if it so chooses, could elect to use the cash method of accounting. On the other hand, many locally owned family corporations are now required for the first time to follow the new accrual rules.

Mr. Speaker, I recognize that the provisions adopted in the Tax Reform Act were intended to stop tax shelters in farming. While I endorse that worthy objective, I am most concerned that the remedy may have created an even greater harm than the abuse it was designed to curb.

In the highly competitive broiler industry, I am advised that section 447 will have disastrous consequences. It is my information that of the top 36 firms in the broiler industry, only two that are not publicly held will be adversely affected by this provision. Thus, the impact of the provision will simply be to penalize two firms in the entire industry. Surely, a provision which extracts such a discriminatory toll cannot pass for tax reform.

To focus attention on these problems, I have today sponsored two measures. The first simply repeals section 447 of the Internal Revenue Code. The second is designed to remove the special problem in the broiler industry that has been brought to my attention. This bill would permit corporations in which 65 percent of the outstanding stock was owned by two families to continue to use the cash method of accounting. In addition, the bill would also permit a corporation in

which 50 percent of the outstanding shares are owned by three families and the balance of those shares and substantially all of the remaining shares are owned by employees of such corporation to continue to use the cash accounting method.

Mr. Speaker, these measures are designed as nearly as possible to focus attention on what I consider a serious inequity that was not intended by the framers of this important tax reform legislation. I am sure that the distinguished Committee on Ways and Means and its distinguished chairman, the Honorable AL ULLMAN of Oregon, will move with great swiftness to correct these abuses before any penalty is extracted from firms that were not at all reflective of the major tax abuse to which this important legislation was directed.

I am hopeful, Mr. Speaker, that the Committee on Ways and Means will find the time to deal with this important legislation in the very near future and I urge my colleagues to join with me in supporting these measures.

WHATEVER HAPPENED TO SUNSHINE?

(Mr. SYMMS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SYMMS. Mr. Speaker, today the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a semiprivate meeting with four high officials of the Carter administration on the subject of coffee prices.

As the ranking member of the subcommittee I made a point of order that the meeting was not in accordance with either House rule XI or committee rules II(e) and III(h). In addition, with only 5 of the subcommittee's 11 members present at the time of my point of order, there was no quorum under committee rule III(h).

The chairman of the subcommittee, however, overruled my point of order on the grounds that this meeting was not a meeting at all—it was a "briefing" and therefore not subject to any of the rules I cited.

There were a number—about eight people—in the room who were unknown to me, but were neither committee staff nor administration officials.

Four Assistant Secretaries were present representing the State Department, the U.S. Department of Agriculture, the Commerce Department, and the Treasury Department.

I simply could not or cannot see any reason why the public and the press should be excluded when we really get down to business, at a meeting when they told us that $4-per-pound coffee prices would soon be here.

What is wrong with a little sunshine on coffee anyway?

I include in the RECORD at this point the notice of the meeting I received from the subcommittee chairman:

MARCH 3, 1977.

NOTICE

To Members of the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition.

From Fred Richmond.

Re Coffee Prices: A Round-Table Discussion, Room 1302, 10:00 A.M., Tuesday, March 8, 1977.

There will be an important private round-table meeting between our Subcommittee Members and their staffs and four Assistant Secretaries for International Affairs to determine what steps the Federal Government should take to hold back the runaway price of coffee. Invited to attend are:

Mr. Julius Katz, Assistant Secretary for Economic and Business Affairs, State Department.

Dr. Dale Hathaway, Assistant Secretary (Designate) for International Affairs and Commodity Programs, Department of Agriculture.

Mr. Frank Weil, Assistant Secretary (Designate) for Domestic and International Business, Department of Commerce.

Mr. C. Fred Bergsten, Assistant Secretary (Designate) for International Affairs, Department of the Treasury.

This meeting will provide us with an excellent opportunity to emphatically present to Federal policymakers the demands of our constituents to lower coffee prices. Please make every effort to personally attend this closed session.

THE LEGACY OF STALIN LURKS IN THE KREMLIN

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, last Friday the Soviet Government newspaper Izvestia accused several leading Soviet dissidents, all of them Jewish, of working for the Central Intelligence Agency.

This action forebodes a new Soviet campaign to stir up an anti-Semitic and anti-Western frenzy within its borders. The tactic is an old one which appeals to the paranoid disposition of the Soviet leadership.

To divert the attention of the Russian populace from the shortcomings of the Soviet system, especially in comparison to the freedom and the standard of living of the West, the Government creates a host of illusory enemies requiring constant vigilance by the people lest the country be subverted from within or invaded from without.

Not since 1953, however, has the Kremlin exploited this tactic to the degree it did last Friday. In January of that year Moscow arrested a number of well-known physicians, most of whom were Jewish, and unveiled the infamous "doctor's plot."

The physicians were accused of conspiring to poison several high-level Soviet officials, including Stalin, at the direction of Zionist organzations and American intelligence agencies. But in April, after Stalin's death and a strong world reaction, the Soviets reversed themselves and freed the doctors, admitting that the confessions had been extracted under duress and that the charges were false.

The reason for the recent Soviet crackdown is clear: Russia has come under increasing Western criticism for its failure to comply with the human rights provisions of the Helsinki Accord.

Recently President Carter has indicated his support for those dissidents in Russia who have been informally monitoring Soviet compliance with Helsinki. Moscow has gone to great lengths to cultivate among the majority of the Russian people a criminal and disreputable image of the dissident movement; but President Carter's interest in their cause threatens to undermine the Soviet efforts. Moscow's omnipresent fear is, of course, that thousands, if not millions, of other Soviets with grievances, especially repressed ethnic groups, will follow the dissidents example and speak out against the government.

While waging its campaign to crush the dissident movement at home, the Kremlin has also accused President Carter of interfering in internal Soviet affairs. This charge is simply untrue. First, the Carter administration is unassailable in its statement that "concern for human rights transcends national boundaries." As recognized at Helsinki, respect for basic human rights is a principle more fundamental than, and therefore independent of, political ideologies. Regardless of geographic location, the application of this principle is the responsibility of the human community as a whole.

Second, the United States has a legitimate interest in Soviet respect for human rights that arises out of the contractual nature of the Helsinki Agreement, which the Soviet Union freely and openly entered into.

President Carter is perfectly justified in letting the Helsinki signatories, including Russia, know that the United States expects them to fulfill the terms of the agreement. If the Soviet Union does not meet those terms, there is little reason to expect it to live up to future accords, the most important of which would be a new strategic arms limitation agreement.

For all of the reasons I have mentioned, the administration and the American people must continue to express their support for the dissidents in the U.S.S.R. who are monitoring Soviet compliance with the human rights provisions of the Helsinki Accord. The Soviet Government must be persuaded to fulfill its agreements, and it must be dissuaded from reviving Stalin's terror tactics. Regretably, anti-Semitism, which existed under the Tsars, is rampant today under the Soviet system.

LEGISLATION TO REMOVE IMPEDIMENTS CREATED BY ANTI-ASSIGNMENT ACT WITH RESPECT TO ALASKA NATIVE REGIONAL CORPORATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG), is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, I

am introducing today a bill to permit the United States to recognize the validity of assignments by Alaska Native regional corporations of payments they are to receive from the United States under the terms of the Alaska Native Claims Settlement Act of 1971.

The Settlement Act includes provisions for the regional corporations to receive allocations from 11 annual appropriations totaling $462.5 million. Since 1971 Congress has appropriated from the general fund of the Treasury into the Alaska Native fund the full amounts authorized by the act to satisfy the U.S. obligation to Alaska Natives. There is certainly no reason to assume that the Congress will not continue such appropriations through fiscal year 1981.

A recent decision by the Comptroller General of the United States, however, effectively bars any regional corporation from assigning its future distributions from the Alaska Native fund to a financing institution as security for a long-term loan. The Comptroller decided that the provisions of the Anti-Assignment Act, 30 U.S.C. 203, prohibit the United States from recognizing or acknowledging any assignment by a Native corporation because the amount due is uncertain and dependent on future appropriation acts. The Anti-Assignment Act thus does not prevent assignment of claims against the United States, but it does limit their validity. A noncomplying assignment would bind the parties to it, but would not bind the United States.

The practical effect of the Comptroller General's decision is a reduction in the degree of security which any assignment of claims payments provides. If the Department of the Interior cannot acknowledge an assignment, lenders will not provide a loan at the prime rate of interest. Consequently, the regional corporations are forced to incur much higher costs to obtain capital for resource development. In some cases, the cost differences may be so great as to preclude what would be prudent business investments.

The purpose of the legislation I am introducing is to remove the impediment created by the Anti-Assignment Act, solely with respect to the 13 Alaska Native Regional Corporations. The rights of the United States to assert setoff and counter-claim would be preserved, and the rights of village corporations to distributions through regional corporations would be insulated from assignments by regional corporations. The bill would not change the existing schedule of payments or the amounts to be paid to Alaska Natives by the United States.

This legislation would assist the regional corporations in raising capital needed for effective development of their resources for the long-term benefit of their Native shareholders. At the same time it would protect the interests of the United States. For these reasons I believe this legislation is clearly in the best interests of the Native people, the State of Alaska, and the United States, and I urge the Congress to give it speedy and favorable consideration.

TAX STIMULUS: $50 DOWN AND 2 YEARS TO PAY

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 10 minutes.

Mr. McKINNEY. Mr. Speaker, I came here today to debate the means Congress will choose to stimulate the economy and increase permanent employment opportunities for the 7.8183 million American workers currently unemployed. Instead, I am again asked by the leadership to cast a simple "yea" or "nay" vote for an administration bill rife with erroneous economic assumptions and dangerously detached from the realities of our economic situation. Therefore, I rise in support of the motion to recommit this measure and urge my Republican and Democratic colleagues alike to join me in support of the substitute bill providing for a permanent, across-the-board tax reduction as the best means of economic stimulus.

I do so for two reasons. First, the so-called stimulus or rebate plan is both an economic and administrative quagmire which will have little more than a cosmetic effect on the roots of our economic problems—structural unemployment and industrial decay. Second, the committee's substitution of a limited jobs credit in place of the President's more realistic investment/employment option ignores the need to stimulate new industrial plant expansion in which to house new workers. This is particularly important in the Northeast where aging industrial facilities are widely cited as the cause of a sluggish recovery performance.

The basic issue in selecting the tools for economic repair, it seems to me, is confidence. Any economic package we pass today and in the weeks to come should create the favorable atmosphere and eliminate the obstacles to real, private sector economic growth. Admittedly, it is a tough choice. Too little stimulus will be absorbed by inflation-weary savers while too much will overheat the economy and trigger a new inflationary cycle. Our goal must then be to relieve that portion of the tax burden which stifles confident consumer activity. In both the individual and business tax titles, this bill fails to meet that goal.

Titles I and II of this bill, even with the committee's changes, are more aptly called income redistribution proposals than real economic stimulus. Fully 28 percent of the $10.1 billion revenue loss mandated by the rebate and tax reduction measures will go to recipients of Federal transfer payments and are to be distributed without regard to tax liability. This one-shot windfall for those with incomes under $30,000 and those already on public assistance offers nothings more than a short-term "economic fix" for a taxpaying public crying for permanent relief. Even that quick effect could be significantly muted by administrative delays in determining just who is eligible for tax-related and/or benefit-related rebates.

So, too, the alleged tax simplification provisions promise to do more harm than good, and to this nonlawyer seem anything but simple. By increasing the standard deduction and including credits in the new tax tables, this bill discourages itemization by approximately 95 percent of all taxpayers. Charitable institutions are understandably upset about the potential loss of tax-deductible donations inherent in such a proposal. Further, I would hardly call a new set of tax tables which replace year-old tables and which will most likely be changed in the President's promised comprehensive tax reform "simple." On the contrary, I find this hasty action incomprehensibly complex.

In replacing the President's bifurcated business tax incentives with the single job credit, the committee displays what I consider to be the most fundamental misunderstanding of current economic trends and how to stimulate them. Although I am not an economist, it has always been my understanding that ours was a free-market, capitalist, economic system which distributed income and resources through competitive forces. History provides ample evidence that such a system does not respond to stimulative efforts which distort the internal dynamics of that structure. Yet this bill, in seeking to bolster investor and consumer confidence, does not trust that system to translate new investment capital into new jobs but prefers only to stimulate those industries with the ability to immediately add new workers. It is calculated that the job opportunities so created will cost $30,000 per job, per year, with no training requirements and thus no promise of permanence. Also, the $40,000 credit ceiling in the committee proposal assumes small business growth to be more stimulative than large corporate expansion. To those who are unemployed, however, I am afraid the distinction is an unnecessary one and our stimulus should address the need for growth in both large and small companies.

Further, the elimination of the optional investment tax credit so narrows the impact of this bill to the short term as to virtually exclude the Northeast from the bulk of the business tax relief. Figures show a calamitous 12.7 percent employment loss in manufacturing jobs in the Northeast between 1970 and 1975 and a similar 13.6-percent reduction in construction jobs in comparison to national trends two to three times smaller.

The bulk of this employment loss can be attributed to plant closing or contraction as firms seek more favorable energy and transportation costs. Thus it seems clear that employment stimulus for the Northeast must include capital expansion if it is to have any impact on chronic unemployment among the young and minorities. The failure of H.R. 3477 to provide for investment stimulus further displays a lack of trust in the proven ability of an unfettered economy to expand job opportunities as a function of capital formation.

In testimony before the House Budget Committee, Federal Reserve Chairman Arthur Burns noted "a serious deficiency in business investment in fixed capital,

rather than any generalized problem of demand deficiencies" as the most obvious economic weakness deserving our attention. He also warned of the long-range inflationary effect of increased budget deficits in the name of short-term economic stimulus. Such vast revenue losses and new expenditures limit our ability to fund other Government programs and raise the ever-present fear of Government borrowing "crowding out" private investors seeking expansion capital.

Mr. Speaker, given the undeniable signs of an already improving economic climate, the substitute promises a balanced stimulative effect—no more and no less. It provides the permanent tax reductions necessary to bolster the battered confidence of investors as well as the true core of our free-enterprise economy—the consumer. With the prospect of real, long-term increased buying power, the consumer will be able to budget the purchase of high-ticket items which in turn will stimulate demand for higher output from job-intensive industries. The substitute, therefore, serves to stimulate rather than browbeat economic forces toward employment growth.

In addition, the simple tax reduction can be accomplished in concert with a more comprehensive tax reform and simplification at a later date without further confusing taxpayers.

Finally, the substitute properly refocuses economic stimulus on the constituency which pays the bills in this country—the middle income taxpayer. This obvious fact clearly indicates the absurdity of the administration and committee bills which offer economic benefits to those who participate least in the economic system. I say this not to deny the needs of the poor but to voice my support for welfare reform as such and not in the guise of economic stimulus. The substitute bill will direct 21 percent of the total tax cut to those with adjused gross incomes under $10,000, 46 percent to those with incomes between $10,000 and $20,000 and 89.6 percent to those with incomes less than $30,000. While the bill costs approximately the same as the administration proposal, it offers increased tax revenues through real stimulation of business activity. This reduces the risk of inflationary Government borrowing to finance increased deficits.

Mr. Speaker, I thought the broad ripple effect of the last recession taught us not to underestimate the delicate interrelationships between taxes, wages, and Government spending. Yet today we are faced with legislative proposals to distort those relationships—which are already producing sound economic recovery—with a confused package of tax changes and welfare spending. I urge the adoption of the substitute in the name of true economic stimulus.

LEGISLATION TO AMEND INTEREST RATES FOR SBA DISASTER LOANS AND FMHA EMERGENCY LOANS

The SPEAKER. Under a previous order of the House, the gentleman from Virginia (Mr. TRIBLE) is recognized for 10 minutes.

Mr. TRIBLE. Mr. Speaker, I am pleased to reintroduce with 18 cosponsors my bill to amend the interest rates for Small Business Administration disaster loans and Farmers Home Administration emergency loans. Both of these loan programs have undergone significant changes in the last 7 years.

The terms for Farmers Home Administration emergency loans have changed four times in the last 5 years. The trend has been toward higher interest rates. Today, recipients of these loans must pay the highest interest rates ever on their loans—5 percent.

On August 16, 1972, Public Law 92–385 became law. This law authorized emergency loans at 1-percent interest with the first $5,000 of the loan principal canceled or "forgiven." This law established the same rate of interest for Small Business Administration disaster loans.

On April 20, 1973, Public Law 93–24 extended Public Law 92–385 benefits to disasters occurring between January 1, 1972, and December 27, 1972. Applications for these loans had to be submitted between April 20, 1973, and May 7, 1973. Public Law 93–24 established a 5-percent interest rate for all other FmHA and SBA disaster loans.

On January 2, 1974, Public Law 93–237 extended Public Law 92–385 benefits to disasters occurring between December 26, 1972, and April 20, 1973. Applications for these loans had to be submitted between January 2, 1974, and April 2, 1974. This act set the interest rate on all other FmHA emergency loans at 5 percent without a "credit available elsewhere" test.

On August 5, 1975, Public Law 94–68 became law. It authorized loans at 5-percent interest for the total of physical and production losses. This law permitted higher interest rates to be set by the Secretary of Agriculture for loan amounts in excess of actual losses. This interest rate was set at 9 percent in 1975; 8¾ percent for all of 1976, and 8 percent in January 1977. The rate may be redetermined every 6 months.

The Small Business Administration disaster loan program has also undergone significant changes since 1970. There are eight types of SBA disaster loans under section 7(b) of the law. They are:

First. Loans to small business concerns in case of floods, riots, civil disorders, or other catastrophes. This program began in 1953;

Second. Loans to small businesses located in an area affected by a physical disaster, if the SBA determines that the concern has suffered substantial economic injury as a result of the disaster. This program began in 1955;

Third. Loans to small businesses displaced by Federal construction. This program began in 1861;

Fourth. Loans to small businesses and producers of livestock in case of a product disaster or economic injury to producers of livestock due to diseased livestock. This program began in 1964;

Fifth. Loans to aid small firms in meeting consumer protection standards or to meet occupational safety and health standards. This program began in 1971;

Sixth. Loans to aid small businesses for air pollution control. This program began in 1964;

Seventh. Loans to aid small firms which have suffered or will suffer substantial economic injury as a result of Federal base closings. This program began in 1974; and

Eighth. Loans and small businesses which are seriously affected by energy shortages. This program began in 1974.

The Disaster Relief Act of 1970, Public Law 91–606, became law on December 31, 1970. This act made changes in existing law by providing for forgiveness up to $2,500 on loans in excess of $500, following a Presidentially declared disaster for loans obtained under section 7(b) (1), (2), or (4). Interest payments or principal payments or both on the above loans could be deferred for 3 years. The interest rates on these three types of loans was based on the cost of borrowing to the U.S. Government. The rate could not exceed 6 percent.

Public Law 91–606 did not apply to other types of disaster loans. During the period from December 31, 1970, through August 5, 1975, a different interest rate applied to the other categories of loans. The statute set a ceiling on the Government's share of the interest. The cost to the Government could not exceed the higher of 2¾-percent interest or the average annual interest bearing obligations of the United States plus one-quarter of 1 percent.

On August 16, 1972, Public Law 92–385 became law. This act provided an increased forgiveness amount of $5,000 and reduced interest rates for the borrower to 1 percent on the balance of the loan for disasters occuring during calendar year 1972. This measure also applied retroactively to loan of this type made in 1971. The initial $2,500 of the principal was "forgiven" on these prior-year loans and the interest on any additional loan amount was set at 3 percent.

The measure also instructed the President to conduct a thorough review of existing disaster relief legislation and to transmit to the Congress—no later than January 1973—specific legislative proposals to standardize benefits to persons affected by future disasters.

On April 20, 1973, Public Law 93–24 repealed the interest rate and forgiveness features of Public Law 92–385 and increased interest rates to 5 percent for disasters under 7(b) (1), (2), or (4).

Public Law 94–68 established still another interest rate beginning on August 5, 1975. This law declared interest rates on all SBA disaster loans could not be more than the higher of 2¾ percent or a percentage based upon the average annual interest rate on all obligations of the U.S. Government. This law eliminated the discrepancy which had existed between loans occuring under sections 7(b) (1), (2), and (4) and the other types of SBA disaster loans.

Last summer, on June 4, 1975, Public Law 94–305 eliminated any reference to a specific interest level. The rate now

floats depending on the state of the economy. The Government's share of the interest rate cannot exceed the average annual interest rate on all interest bearing obligations of the United States plus one-quarter of 1 percent.

Mr. Speaker, present interest rates discriminate against the businessman. Businessmen must pay 6⅝ percent for their loans while farmers pay 5 percent. My bill would establish parity between farmers and businessmen and lower interest rates to a level which disaster victims could afford.

LEGISLATION TO ESTABLISH AN AGRICULTURAL LAND REVIEW COMMISSION

The SPEAKER. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 15 minutes.

Mr. JEFFORDS. Mr. Speaker, yesterday I introduced a bill addressing the problems of retaining our prime agricultural land. I did so because concern for the future of our prime agriculture land is becoming a major issue in many parts of the United States. This concern and interest has been heightened recently by adverse weather conditions in the West which have caused severe wind erosion thereby reducing the fertility level and productive capacity of some of our Nation's best agriculture land. At the same time we are losing farmland at an alarming rate to nonagricultural uses.

Recent estimates indicate that around 3 million acres go into urban, highway, or water developments each year, with another 2 million acres idled in the process. Around 1 million of the acres that go into nonagricultural uses are prime farmland—land that could be used to produce high yields of crops with minimum inputs of energy and money and little, if any, environmental disruption. These trends are of concern for several reasons. First, the remaining supply of prime farmland available for future cropping is extremely limited. Currently it is estimated that only about 24 million acres of reserve land is available that could be tilled immediately. The possibility of clearing and draining additional land beyond this present reserve is remote when costs and environmental impact are considered. It is clear that at the present rate of conversion we will have used up our reserve capacity in a few years.

In addition, other factors involved in agricultural production are currently viewed with some misgiving. Climatic variations, as mentioned above, almost inevitably disruptive to food production, occur with apparently growing frequency and scientists forecast a period of variable climate in the near future. We know little about what future climate shifts may be, where and how they may affect agriculture, and what, if anything, we can do to offset their harmful effects. Under these conditions, the Nation's ability to withstand unfavorable years may depend more and more heavily on the availability of good agricultural land.

Recent increases in agricultural production due to technological advances have been due in large part to greatly expanded use of fertilizers, new plant varieties and cultural methods, additional irrigation, and the shifting of cultivation from marginal lands to those better suited to modern agriculture. Future possibilities to exploit similar technological advances appear to be far more limited than in the recent past. Increasing costs of natural gas and petroleum, growing conflicts over water supplies, and added restrictions on pesticides and environmentally damaging practices all seem likely. Such trends may already be partially responsible for the marked reduction in yields experienced in the past 3 years in America.

There appears to be a growing consensus that the future productivity and availability of the Nation's land resources is a matter of vital concern that may overshadow most other issues surrounding land resources. At the present time several States and counties are working on this problem. These include New Jersey and Suffolk, N.Y., where local and State tax dollars are being used to purchase the development rights on agricultural land. In California several farm land preservation bills are under consideration in the legislature. One of the most serious aspects of this problem is the adverse impacts of Federal actions on prime farmland. No statement of national policy exists to provide some guidance to the many Federal programs that impact—often with very damaging results—the agricultural lands of the Nation.

Yesterday, along with several of my colleagues, I introduced legislation aimed at addressing the problems of retaining our prime agricultural lland.

This bill proposes the establishment of an Agricultural Land Review Commission, to undertake a comprehensive study of the quantity, quality, and location of agricultural land in the United States; to identify and define the effects of urbanization, industrial development, and other nonagricultural activities on agricultural land; to identify and define the implications of these effects for overall U.S. policy; and to explore appropriate ways by which the Federal Government can assist States and localities to retain land for agricultural uses.

The Commission would be made up of six members of the Senate Agriculture, Nutrition, and Forestry Committee and six members of the House Agriculture Committee. It would also include 11 members, appointed by the President, representing a cross section of locally elected officials, farmers, and others interested in the protection of agricultural land. State and local representation on the Commission is an extremely important aspect of its composition.

The Commission would produce two products. The first would be an interim report, released after 18 months of operation. The second would be a final report which would combine the best thinking of the Commission, its staff and from the many people participating in the review process.

The interim report will combine the results of analyzing existing data and from public workshops and hearings. It would also provide an analysis of additional data needs, explain what is being done to generate or collect such data through contracts or agreements, and assess the number and types of State and local programs to retain land for agricultural uses.

The final report will contain the findings from all Commission sponsored activities. This will include new data, Commission findings, and recommendations for national action.

Both documents will seek to identify what is happening and why. This will identify the root causes of the conversion of agricultural land to other uses and provide effective remedial actions to retain our agricultural land base.

Title III of this bill authorizes the Secretary of Agriculture to provide matching grants to State and local governments for carrying out programs that retain farmland in production. This program would demonstrate the acceptability and effectiveness of locally developed programs in various parts of the Nation. It would give much needed information on the cost, as well as public acceptance of different types of programs. This information would be most valuable to the Commission in developing recommendations for the final report.

The bill authorizes $15 million to fund the 3-year life of the Agricultural Land Review Commission. Under title III, the authorizations proposed are $50 million per year for the 5-year duration of the grant program.

The results of the Commission's work should be as follows:

First. Elimination of the current lack of data regarding the present situation and the probable amount of land available or needed for agricultural production under differing sets of basic assumptions;

Second. Identification of who is willing to do what, if anything, to retain land for agricultural production;

Third. Gaining a strong indication of what is politically acceptable to local citizens in terms of actions geared to retaining land for agricultural production;

Fourth. Gaining needed information as to how Federal actions and policies impact on the yearly loss of agricultural land and what can be done to correct this; and

Fifth. Identification of what Federal assistance may be useful in retaining land for agricultural production.

Mr. Speaker, I urge members to join us cosponsoring this bill.

SOCIAL SECURITY SYSTEM SHOULD NOT BECOME A WELFARE PROGRAM

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 5 minutes.

Mr. CONABLE. Mr. Speaker, the social security system influences the lives of more Americans than any other Federal program. It affects directly the some 30 million who receive benefits and the more than 100 million who make tax contributions. Indirectly, it touches many millions more.

That is reason enough for the Congress to give any proposal to change or adjust the system as much care and thought as possible. Yet this is not happening.

Social security trust fund deficits are worsening daily, while we stand around waiting for the administration to make up its mind on a corrective proposal. It is a costly course. We cannot afford to let ourselves become so boxed-in by time that panic prompts us to grasp the first escape rope thrown our way. It might look good at one end, but the other could be badly frayed.

One such rope, already being dangled by would-be rescuers, is made—apparently—from general funds of the Treasury. I use the word apparently because this is a magician's rope. We think we see it, but it really is not there.

There is no general fund reservoir waiting to be tapped. There is, instead, a huge deficit, dwarfing those of the social security trust funds. The only way we can get more money out of the Treasury is to have the Treasury borrow it. And the debt, sooner or later, will have to be paid by the already burdened taxpayers.

An even more insidious flaw in the general fund financing rope is its capacity to strangle the insurance character of social security. People contribute to the system with the expectation that they eventually will receive benefits related to their contributions. Using money from any other source will loosen and ultimately sever the relationship between benefits and contributions. Social security then will become another dole program, which it was never designed to be, and which the vast majority of the American people do not want it to be.

There is no easy escape from our social security predicament. But there are more reliable ropes.

We could, for example, increase trust fund income in traditional ways, just enough to cover short-term deficiencies, then consider a variety of proposals for simultaneously correcting a mistake we made in the automatic benefit adjustment provision and stabilizing future wage replacement ratios. But we need time to consider these possibilities calmly and deliberately. We cannot wait indefinitely for the first administration rope. It is already late, and it could unravel.

CONSUMER GROUPS IGNORANT OF AGRICULTURAL PRODUCT PRICING

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 5 minutes.

Mr. GRASSLEY. Mr. Speaker, in recent testimony before the Committee on Agriculture, Frances A. Zwenig of Ralph Nader's Public Citizen's Congress Watch, a consumer advocacy agency, remarked that supply and price stability of agricultural commodities are of fundamental importance to the average consumer. Her statement read:

> Unstable supplies will cause livestock and poultry producers to increase their profit margins to insure against potential losses that would not arise under stable supply conditions.

While, indeed, the consumer probably does favor supply and price stability, the quote above demonstrates a basic lack of understanding of how our market-oriented agricultural system works in relationship to the price paid by the consumer. It is most unfortunate that Ralph Nader's organization, and many other "consumer" groups in Washington still are unable to differentiate between the small family farmer, and huge corporations, such as General Motors.

The family farmer has little control over the price he pays for products which go into the production of grain, or the feeding of livestock, nor does he even have much control over the price he receives for his finished product. The free market determines this price and, thus, the consumer has the final say as to how much a farmer will receive. As a result, farmers cannot control profit margins, for the costs of production, and the prices received for a finished product are almost completely out of his control.

If this were not the case, do you think our cattle producers would be losing anywhere from $75 to $150 a head? If farmers could control how much they receive for their crops, would they not be making a profit feeding cattle? Each farmer in this country feeds about 75 people. With this kind of ratio, is it not logical that the farmer who could control the price he receives for his goods would also have the consumer on his knees?

I have served in Washington now for over 2 years, and I am still appalled by the ignorance shown by various consumer groups of how agricultural product pricing evolves. Though I can appreciate the efforts of these groups to speak out on behalf of the purchasing public, their public statements are more often based on myth than fact, when it comes to agriculture. The inevitable result can only be the widening of the gap of understanding and respect between the farmer and the nonfarmer.

Additionally, such misunderstanding of farming by consumer groups is reflected in the Congress by metropolitan Congressmen and thus explains the difficulty of getting farm legislation passed. This fact is much easier to understand when one considers that learned consumer advocates believe that all a farmer has to do to realize a profit is to build one into the price of his product. Maybe my being appalled is an understatement? Or is there something about farming that I missed since I started farming 17 years ago?

THE HOUSE BROADCAST TEST

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 15 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, next week the House may be embarked on an historic first step in bringing the House into the homes of the American people through television. Then again, we may be embarked on the most self-serving, grandiose and distorted public relations campaign ever conceived in this body. The point is, we really don't know what the introduction of those three little cameras in the galleries portends. The so-called 90-day live test of television coverage of our proceedings has not been developed by any standing committee of the House in this Congress, nor has it been debated or authorized by the full House. Instead, it is being conducted out of the hip pocket of the Speaker, as is his prerogative, presumably with the assistance of the House Members on the Joint Committee on Congressional Operations.

It was reported in the press last week that all this was supposed to be secret. But, some enterprising and perceptive investigative reporters spotted the cameras in the galleries and started asking questions .The Speaker then felt obliged to issue an explanation to the press, though no formal explanation or announcement has yet been made to the House.

What are we to conclude from the Speaker's press release about the nature of this test? Apparently, the test is only being conducted for three reasons: First, to test the feasibility of broadcasting with small, fixed position, remotely controlled cameras; second, to test the usefulness of the system as an information source for Members; and third, to determine the historic value of establishing a video library of House proceedings.

One must ask, whatever happened to the objective of using House broadcasting as an information source for the American public? The Lou Harris poll conducted for the Obey Commission reveals that an 88–7 percent majority of the public thinks Congress should do more to inform the public about its activities, and a 68–17 percent majority would like to see congressional debates televised to the public. Moreover, a 76–14 percent majority feel that "Congress tries to hide a lot of things from the news media." In summarizing his poll findings on this subject, Lou Harris said:

> Basically, what people are saying is that they want serious and full coverage of what Congress does, with added efforts by both Congress and the media to improve on the job now being done. In fact, it is not overstating the case that if Congress did a better job of communicating its real business, its rating might improve. This study shows clearly that the greater amount of information people have about Congress, the higher they rate Congress.

By the same token, it is clear from two recent surveys of House Members that an overwhelming majority favors broadcasting our proceedings and making these available to the public. A Common Cause survey to which 339 House Members of this Congress responded, shows that 274 or 81 percent, favor broadcasting our proceedings on a regular basis. That is up from the 68.7 percent Member support found among 346 House respondents to the Pepper poll in the last Congress.

And yet, the closest the public comes to being recognized in the Speaker's press release on this broadcast test is a vague hint about possible "eventual video coverage of the House for dissemination to the public." There is nothing here about continuous coverage of our proceedings to be made available to broadcasters to use live or on tape as they see fit. Instead, there may be some kind of public dissemination of something down the road. This could be selected or edited portions of some debates, based on what the leadership de-

termines is worth disseminating. Then again, it could simply mean permitting Members to order clips of their speeches to be sent to their local stations. Our Ad Hoc Subcommittee on Broadcasting in the last Congress clearly rejected this form of House control and censorship over televised coverage. This would be nothing more than artificial dissemination and would only enlarge that 76 percent public majority that feels we are trying to hide things from the news media.

There are other clues in the Speaker's release that indicate that public viewing of our proceedings over commercial stations is not a primary objective of this test. We are informed that "the initial installation will utilize only black and white cameras." Is this any way to approach or test a system designed for eventual use by modern-day broadcast networks or stations? Of course not, unless you are still living in the 1950's and you have not yet heard of the now extinct multicolored NBC bird.

Moreover, we are informed that the test will be conducted with the small, remote-controlled, security-type cameras. While this new video security system over the House Chamber will permit Members to sit in their offices and see if anyone is stealing their seats or their thunder, it unfortunately will not permit the American people to see who is making off with their tax dollars. If they are lucky, they might get the adulterated, black and white clips of "the best of the House" as brought to them by the majority leadership or their Representatives, through artificial dissemination.

Mr. Speaker, perhaps I am projecting the worst possible scenario for this House broadcast test, but all of my concerns are based on statements made in the Speaker's press release. And perhaps the most telling statements in that release is the following:

> . . . the Speaker emphasized that he felt it was most important the House maintain control of the evolution of this process to assure that any disturbance to the nature and character of the House proceedings be minimized and that any adjustments or accommodations be made in the selection and use of the technical equipment rather than to the existing proceedings of the House.

While the House must obviously insure against broadcast coverage in any way dominating or distorting our proceedings or otherwise creating a disturbance in the Chamber or galleries, this concern should not be used as an excuse for maintaining control over what is televised and what may be used for broadcast purposes. That kind of control is censorship, plain and simple. Our ad hoc subcommittee on broadcasting had formulated a system under which the cameras would be controlled by a network pool, yet would be unobtrusive and could operate under the present light levels in the Chamber. While other options are available such as coverage by a public or House broadcast system, our subcommittee felt strongly that any such coverage should be gavel-to-gavel and that broadcasters should have full access to any part of the proceedings that they wished to use. Televising only portions of our debates and only permitting broadcasters to take what we think they should have would completely destroy the credibility of the system and further erode public confidence in the House.

Mr. Speaker, to allay the concerns which I have raised about this 90-day broadcast test, and to insure that our primary and ultimate objective is full and uncensored dissemination of this coverage to the public through normal broadcast channels, I would make three suggestions: First, the House should adopt a new broadcast rule which clearly states our intention that coverage of our proceedings will be provided on a continuous basis while the House is in session; coverage shall not be limited or restricted in any way; and that all television and radio broadcasting stations, networks, services and systems shall have full access to this coverage. This is the rule which was developed by our Ad Hoc Subcommitte on Broadcasting in the last Congress and which I have introduced in this Congress with 50 cosponsors as House Resolution 181 and 182. The rule also gives the Speaker the responsibility for implementing the rule and contains numerous safeguards against the misuse of the coverage and for the protection of the dignity and decorum of our proceedings. The rule in no way specifies what means should be used to cover the House. While the subcommittee had recommended in another part of its resolution, not in the rule, that this be conducted by a network pool, the rule itself would leave this decision to the Speaker; second, the Speaker should appoint a Broadcast Advisory Board to assist him in the development and evaluation of the test, drawing from Members of the Rules, House Administration and Joint Congressional Operations Committees; and third, the Speaker should ask the Executive Committee of the Radio and Television Correspondents Galleries to appoint a technical advisory group to offer advice and assistance during the test period with a view to selecting equipment and techniques best suited to quality broadcast use by commercial and public stations, while at the same time protecting the dignity and decorum of the Chamber and our proceedings.

In summary, Mr. Speaker, our primary aim in this test should be to eventually making this coverage available to the public through regular broadcast channels, and this aim should be made clear at the outset of this test. While broadcast coverage can be a useful information source for Members and historians, these should not be the principal or exclusive objectives of this test. We will only be contributing further to public cynicism and distrust of the Congress if we initiate broadcasting more as a self-service than a public service. I strongly urge the leadership to take the important steps I have recommended to insure that this test will be conducted with the public interest, and not our selfish interest, in mind.

At this point in the RECORD, Mr. Speaker, I include the text of a letter I sent yesterday to the Speaker on this subject, the broadcast rule, which I have introduced in this Congress, and the Speaker's press release:

> WASHINGTON.—House Speaker Thomas P. "Tip" O'Neill, Jr., of Massachusetts, announced today the House will conduct a 90-day live test of television coverage of its Floor proceedings.
>
> The test will be conducted on a closed circuit basis to the offices of Members in the Capitol and Rayburn Building where there is already in place an existing capacity to receive this electronic transmission.
>
> While no specific date has been set, the Speaker said that Congressman Jack Brooks (D-Texas), Chairman of the Joint Committee on Congressional Operations, had assured him that the Architect of the Capitol, working in conjunction with the personnel of his Joint Committee, could begin the test on Tuesday, March 15, 1977.
>
> The television experiment, according to the Speaker, will be designed to evaluate several factors, including:
>
> The feasibility of using small fixed and remotely controlled cameras and related equipment which will not require significant or noticeable modifications to the House Chamber or additional lighting than is presently needed during the daily untelevised operations of the House.
>
> The usefulness of television coverage of House proceedings as an information resource in each Member's office.
>
> The historical value of establishing a video library of House proceedings.
>
> It is the hope of the Speaker that this test will form the basis for the eventual video coverage of the House for dissemination to the public. The initial installation will utilize only black and white cameras. As the House adapts to the video and audio recording of its proceedings, the Speaker emphasized that he felt it was most important the House maintain control of the evolution of this process to assure that any disturbance to the nature and character of the House proceedings be minimized and that any adjustments or accommodations be made in the selection and use of the technical equipment rather than to the existing proceedings of the House.
>
> It is important that the video coverage of House proceedings be kept in perspective; television should be permitted to witness the operations of the House and not by its presence dominate the proceedings so as to affect the discharge of its constitutional duties. The Speaker believed that this test was a first step in assuring the orderly transition to accommodate the electronic media and will ultimately lead to a system that would provide the quality of coverage that would meet existing commercial television standards.

> WASHINGTON, D.C.,
> *March 7, 1977.*
>
> Hon. THOMAS P. O'NEILL, Jr.,
> *Speaker, House of Representatives,*
> *Washington, D.C.*
>
> DEAR MR. SPEAKER: I have reviewed your press release of March 2 relating to the 90-day live test you have authorized for broadcast coverage of House floor proceedings. I commend you on taking this important first step in bringing the House into the age of the electronic media.
>
> As the ranking Republican on the Rules Committee's Ad Hoc Subcommittee on Broadcasting in the last Congress, I would like to offer two suggestions relating to this test period: First, I would recommend that you appoint a Broadcast Advisory Board to assist you in evaluating this test, drawing

from Members of the Rules, House Administration and Joint Congressional Operations Committees. This Board would be charged with the responsibility of viewing and evaluating tapes of House sessions using various equipment and techniques, surveying Members who view the broadcasts for their opinions and suggestions, and finally, issuing a report to the House containing the findings of their evaluation and recommendations for the post-test period. Second, I would recommend that you invite the Executive Committee of the House Radio and Television Correspondents' Gallery to appoint a technical advisory group to work with you in determining which equipment and techniques used during the test period will insure the best broadcast quality coverage should the House later decide to make this coverage available for public broadcast use. Your release seemed to indicate that the test period would only be used to test the feasibility of small, remote-controlled cameras, the usefulness of coverage as an information source for Members, and the value of establishing a video library of House proceedings. No mention is made of also using this test for determining whether the system will be adequate for public broadcast purposes. It seems to me that public service, rather than just self-service, should be the most important aim of initiating this broadcast experiment.

With all best wishes, I am,

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

H. RES. 181

Resolved, That the Rules of the House of Representatives be amended in the following way:

At the end of the Rules of the House of Representatives, add the following new rule XLV:

"RULE XLV

"TELEVISION AND RADIO COVERAGE OF THE HOUSE

"1. (a) It is the purpose of this Rule to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which the proceedings of the House of Representatives may be covered by television and radio broadcast—

"(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House, the consideration thereof, and the action taken thereon; and

"(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States, as an organ of the Federal Government.

"(b) It is the intent of this Rule that the general conduct of the proceedings covered and the personal behavior of the Members and staff of the House, and of the television, radio, and press media personnel involved, shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

"(1) distort the objects and purposes of the proceedings or the activities of the Members and staff of the House in connection with those proceedings or in connection with the general work of the House; or

"(2) cast discredit or dishonor on the House or any Member, or bring the House or any Member into disrepute.

"(c) The coverage of the proceedings of the House by television or radio broadcast is a privilege granted by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this Rule.

"2. (a) Television and radio coverage of the proceedings in the House Chamber shall be provided on a continuous basis while the House is in session, in accordance with this Rule.

"(b) Television and radio coverage of the proceedings of the House as provided for by paragraph (a) shall not be limited or restricted except as may be specifically directed in a resolution adopted by the House, or when Rule XXIX is invoked

"(c) The responsibility for the implementation of this Rule shall be vested in the Speaker, to be exercised by him in such manner (consistent with the provisions of this Rule) as he determines will most effectively carry out the purposes and intent of this Rule.

"(d) To assist the Speaker in this responsibility, there shall be established a Broadcast Advisory Board which shall consist of the majority and minority leaders of the House and four members to be appointed by the Speaker, two from the majority party and two from the minority party.

"(e) It shall be the general responsibility of the Clerk, under the direction and subject to the approval of the Speaker, to make provision for such coverage, and to take such steps as may be necessary or appropriate for this purpose.

"(f) The provisions of this Rule shall not apply with respect to joint sessions of the House and Senate.

"3. (a) All television and radio broadcasting stations, networks, services, and systems (including cable systems) in the United States and its territories and possessions shall have access under the provisions of this Rule to any or all of the live coverage of the proceedings of the House.

"(b) Coverage made available under this Rule shall be used only for legitimate news or research purposes. Any such coverage which is broadcast live shall be conducted and presented without commercial sponsorship. No part of such coverage or any recording there shall otherwise be broadcast with commercial sponsorship, except as part of bona fide news programs and public affairs documentary programs No part of such coverage or any recording thereof shall be used in any commercial advertisement.

"(c) No coverage provided under this Rule or any recording thereof shall be used, or made available for use, as partisan political campaign material or to promote or oppose the candidacy of any persn for elective public office, whether in a paid political broadcast or otherwise; and any use of the coverage so provided shall be subject to all Federal laws relating to elections and campaign practices.".

WHALEN SUPPORTS BILL TO OVERTURN THE GILBERT DECISION

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, I am pleased to join GUS HAWKINS and a number of other distinguished colleagues as an original cosponsor of a bill to amend title VII of the Civil Rights Act in order to provide further protection for women who are now subject to a peculiar form of sex discrimination.

The purpose of our legislation is to clarify that it is the intent of Congress to protect pregnant women workers against what now amounts to legally sanctioned sex discrimination. Our proposed amendment to the existing law is needed in order to repair the damage done by the Supreme Court's unfortunate decision in the case of General Electric against Gilbert.

Last December, the Court held that the General Electric Co. did not violate Federal law by excluding pregnant women from its disability insurance plan. The General Electric plan provides sick leave disability benefits for those suffering complications from a variety of elective medical procedures, apparently including nose jobs, sex change operations, hair transplants and so forth, but it specifically excludes time off due to pregnancy and related medical complications.

The Gilbert decision is troubling not only because of the circumstances in the specific case at hand, but also because of its implications for other matters in the sex discrimination area.

In Gilbert the Court makes it much harder for the Government to intervene in future sex discrimination cases. Also, it forces plaintiffs in this area to rely more heavily upon equal protection litigation in the future, with less access to the civil rights statutes. As we know, this will make it virtually impossible to move against all but the most blatant cases, especially when women are discriminated against by so-called neutral regulations that nonetheless have a discriminatory effect.

Examples of neutral policies that do not address sex specifically, but which could and do discriminate against women anyway, would be height and weight requirements or certain physical strength tests. Another case is that of policies which act against those who have child-rearing responsibilities.

I believe that the Supreme Court was unduly narrow in its interpretation of the Federal statutes against sex discrimination. Consequently, I am anxious that we clarify as quickly as possible what I feel was the true intent of Congress when we added title VII to the Civil Rights Act. I believe that it was the purpose and intent of that amendment to protect all individuals in this country—including pregnant women—from the deleterious effects of sex discrimination.

We will be introducing our bill in a few days; a letter is now circulating among our colleagues in order to secure additional cosponsors. I hope and expect that this legislation will attract widespread support and will move through Congress fairly quick.

At this point in the RECORD, Mr. Speaker, I would like to insert three items. The first is the lead editorial that appeared in the Dayton, Ohio, Journal Herald on December 11, 1976. The second is an article that was published on December 16, 1976, in the Catholic Standard, which serves the Roman Catholic community in the Washington, D.C., area. The third is an article that appeared in the Washington Post this past Saturday, March 5, 1977. The articles follow:

[From the Dayton (Ohio) Journal Herald, Dec. 11, 1976]

SEX DISCRIMINATION: WRONGHEADED SUPREME COURT RULING IN GE CASE

The U.S. Supreme Court, in a decision devoid of logic and compassion, has ruled

that it is not a violation of federal law for the General Electric Co. to exclude pregnant women from its disability insurance plan.

If the GE plan were narrow in scope and limited to grave illnesses, there might be some question as to whether the exclusion of pregnant women constituted illegal discrimination. Pregnancy, after all, is not an illness. It is a natural, voluntary state. So omitting pregnancy coverage from a disability plan covering serious illness can be defended. But the GE plan provides benefits for many types of voluntary medical procedures, such as hair transplants, so the rationale for excluding pregnancy is undermined.

Even more significantly, the policy excludes from coverage pregnancy-related illnesses. A woman who has a miscarriage or is stricken with toxemia cannot collect disability benefits. To our knowledge, that is the only major category of illness excluded from the GE plan.

By excluding pregnancy-related illnesses from its otherwise comprehensive plan, GE would seem to be violating the 1964 Civil Rights Act. Title VII of the act says it is illegal for an employer to offer one sex inferior fringe benefits.

The Fourth U.S. Circuit of Appeals found GE guilty of violating the statute. But the U.S. Supreme Court reached a different conclusion.

A six man majority of the court stated that there is no sex discrimination "simply because an employer's . . . plan is less than all inclusive." That statement misses the point. It is not the fact that the plan fails to be all inclusive which is at issue. The issue is the nature of what is excluded from the plan. As Justice John Paul Stevens stated in a dissent, "by definition" the exclusion of pregnancy discriminates on account of sex.

The impact of the court's ruling will be felt well beyond General Electric plants. Many working women stand to suffer.

The court said that Congress is free to pass laws to remedy the situation. The 1964 Civil Rights Act was supposed to cover the problem. But in view of the court's ruling, added legislation is needed. Congress should act promptly when it convenes in January.

[From the Catholic Standard, Dec. 16, 1976]

COURT'S RULING ON PREGNANCY CALLED "ABSURD"

(By Jim Castelli)

The U.S. Supreme Court has ruled, in effect, that "if you're talking about disability benefits, the fetus is a person, but if you're talking about abortion the fetus is a tumor," according to Dr. Andre Hellegers, director of the Kennedy Institute for the Study of Human Reproduction and Bioethics.

The Court's logic is "absolutely internally absurd," he said.

Dr. Hellegers was the major expert witness supporting female employees of the General Electric Company who sought to have GE's policy of excluding maternity leave from coverage in disability programs ruled unconstitutional. The GE employees won several lower court battles, but lost in the nation's highest court, which held in a 6-3 vote that it was not unconstitutional to exclude maternity leave from coverage.

Civil rights and women's groups have begun efforts to pass federal legislation to require that disability benefits cover maternity leave, and Dr. Hellegers says he is "very optimistic" about the prospects of passage.

But, Dr. Hellegers, an outspoken opponent of abortion, said, "I hope that this time the Right-to-Life movement people get together with the National Organization of Women people and lobby together on this." He said groups such as Birthright, which seek to help women with problem pregnancies, would be better able to help if working women who became pregnant were eligible for disability benefits.

The Court's ruling also was criticized sharply by Father Donald Conroy, Representative for Family Life for the U.S. Catholic Conference. "It is feared that the effects of this decision will include increased pressure for women to defer starting a family as well as to consider abortion in cases of pregnancy," he said.

The decision, he said, "demonstrates an apparent blindness to the needs of working parents and especially shows a lack of sensitivity to the needs of married working women, two-thirds of whom are in the work force out of economic necessity." The decision "also supports personnel policies and practices of some American businesses which too frequently regard the family life of the employees as secondary to the goals of economic productivity," he said.

Dr. Hellegers argued in his testimony that pregnancy should be covered as a disability for medical reasons. Pregnancy, like hypertension or diabetes, he said, "is a condition with a set of signs and symptoms which warrant very close medical monitoring precisely because it can lead to danger and disability."

Noting that some people believe thinking of pregnancy as a "disease" makes it easier to justify abortion as medical treatment, Dr. Hellegers said, "It matters not one whit what you call it—the core issue is that you are at risk of disability."

[From the Washington Post, March 5, 1977]

AIRLINE'S RULE ON WEIGHT HELD NOT BIASED AGAINST WOMEN

RICHMOND, March 4.—A federal judge ruled yesterday that Eastern Airline's maximum weight requirements for flight attendants does not discriminate against women.

The requirements tend to be more difficult for women than men, but the difference is "not unreasonable in terms of medical considerations and ability to comply," U.S. District Court Judge Robert R. Merhige Jr. ruled.

He said the requirements clearly are not an attempt to exclude women from working as stewardesses and have not hurt the employment opportunities of women.

Merhige's ruling came in a consolidation of cases filed by Eastern stewardesses in Alexandria, Atlanta and Boston.

The judge said he was "not so naive as to fail to recognize that Eastern's personal appearance standards, which include the weight control program, perpetuates certain sex stereotypes." However, he said such standards are not forbidden.

The stewardesses had contended their weight requirements were more difficult than those for men and that the problem was made worse by a woman's aging.

Merhige said evidence in the trial indicated that only 33.3 per cent of the female population of the United States would be able to meet Eastern's 1973 requirements for women, while 43.5 per cent of the nation's men could meet the requirements for men.

Eastern's height-weight tables specify maximum weights for women ranging from 115 pounds for a 5-foot-2 stewardess, to 145 pounds for a 5-foot-9 woman. The tables specify maximum weights for men ranging from 156 pounds for a 5-foot-7 man to 191 pounds for a 6-foot-4 man.

CIVIL SERVICE RETIREMENT CREDIT FOR INTERNMENT CAMP VICTIMS

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. MCFALL) is recognized for 5 minutes.

Mr. MCFALL. Mr. Speaker, I am today introducing a bill to allow credit for civil service retirement purposes for time spent by Japanese-Americans in World War II internment or relocation camps.

Under a previous amendment to the Social Security Act, World War II Japanese-American internees are allowed credit toward social security for the years they spent in the camps if they were 18 years of age or older. Many of the individuals who were interned have subsequently spent their careers in service to the Federal Government, and thus have not been able to take advantage of that provision of that law.

Those individuals interned during World War II were deprived of their liberty and the opportunity to engage in normal economic pursuits. Many lost valuable property in addition to their loss of the opportunity to practice their professions and continue working at their jobs.

The legislation I am introducing simply seeks to provide those former internees who are now covered by civil service retirement the same opportunity to claim retirement credit for their years of internment as former internees covered by social security. Simple justice requires the enactment of this legislation, and I urge its early considerations by the House.

FIFTIETH ANNIVERSARY OF "SAVE YOUR VISION WEEK"

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, Americans so highly value their ability to see that in 1927 they set aside a week to remind themselves to preserve and protect their gift of sight. In 1963, the U.S. Congress recognized this event by calling upon the President of the United States to proclaim it each year. We are observing it this week—March 6–12, 1977.

The week was called Save Your Vision Week and it was established by a group of farsighted optometrists in the same year that Charles Lindberg flew the Atlantic, Babe Ruth hit 60 home runs in one season and talking movies were born.

On the 50th anniversary of this important event, Americans of all ages and all walks of life rely more than ever before on good vision to learn, to work and to play. Fortunately, we have talented vision specialists to help us preserve and protect our sense of sight.

They cared for the vision of the thousands of people who helped to send Americans to the moon and they developed special vision aids to protect the eyes of the astronauts. This very day, you will find vision specialists helping amateur and professional athletes get the most from their vision. Most importantly, these vision specialists are helping our children and every adult to

see well to function in today's world where we rely heavily on the visual media of movies and television for both entertainment and education.

As we mark this significant milestone in our Nation's history, I feel it is appropriate to express our gratitude to the Nation's optometrists and to the American Optometric Association.

It is appropriate for us to express our thanks to optometrists, other health professionals and health care groups for their work on behalf of the visual welfare of all Americans.

"CONCORDE DELAY UNWARRANTED"

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. WOLFF), is recognized for 15 minutes.

Mr. WOLFF. Mr. Speaker, the Port Authority of New York and New Jersey has postponed its scheduled "no" to the British-French Concorde SST in order to give the Concorde forces time to explain how they can "beat the box" at Kennedy and thus, technically, comply with the Port's noise standards.

This attempt by the Concorde forces is as futile as it is dishonest, since they have known for more than a year that their own pilots consider the proposed 26 degree turn maneuver planned for Kennedy to be unsafe and impractical.

Let me explain: in order to comply with the Port Authority's long-standing maximum noise level on takeoff, the Concorde must emit no more than 112 perceived noise decibels—PNdB's—while passing over certain measuring devices. This standard has been imposed since 1959 on U.S. domestic flights, I might add, so there is no question of the bogus issue raised by the Concorde forces of "discrimination," or the even more fatuous "treaty violation."

Unfortunately for the Concorde, the only way the aircraft could possibly even hope to meet this 112 PNdB standard is by a highly controversial maneuver called "test pilot flying with a plane load of passengers" in a letter drafted by the British Airline Pilots' Association more than 2 years ago, but which was suppressed after pressure from the British Government and the plane's manufacturers. However, a copy of the draft was shown to a prominent British journalist, who jotted down the key phrase.

The "test pilot flying" maneuver is the so-called 26 degree turn, made at low speed and at the critically low altitude of 100 feet, with a fully loaded plane.

At the conclusion of my remarks today I am inserting an article in last spring's Journal of the British Airline Pilots Association, written by the Association's Concorde evaluation team chief, which clearly spells out for aviation professionals the strengths and weaknesses of Concorde.

Mr. Speaker, the weaknesses of Concorde are such that the 26 degree turn maneuver planned for Kennedy is deemed neither safe nor advisable by the professionals who are required to fly the aircraft.

No further word should be necessary, but as we have learned from past experience, no matter what the facts on Concorde, the diplomatic blackmail traditionally employed by the British and French—and which has reached truly hysterical proportions during the past week—means that facts or not, the Concorde keeps on staggering along.

As the British test pilot's article makes clear, his association has accepted the proposed turn maneuver "after much intensive discussion" with the British Government, and even then only on a test basis. In other words, they were browbeaten into accepting a limited test—much as the hysterical anti-American campaign presently being orchestrated by Britain and France is designed to browbeat the people of New York.

To briefly summarize the major points of the British test pilot's article: as the pilot makes clear, the proposed turn takes place at critically low points in Concorde's powerlift curve, and at speeds which produce the apparent paradox of increasing power failing to develop lift.

What this means is that in the event of sudden cross winds, bad weather, the need to shift out of the way of some unexpected aircraft or flock of birds—or any of the myriad things which can happen at a crowded airport like J.F.K.—a Concorde performing a 26-degree turn is a menace to its passengers, and to innocent people on the ground. Thus the pilot will be forced to pull out of the "noise abatement turn," if this is still possible, and blast off over the high-density population areas the turn is allegedly designed to avoid.

Since testimony from U.S. airline pilots that they consistently "fudge" much smaller "noise abatement turns" at Kennedy is already on the record, the Concorde forces' plans for Kennedy must be viewed with skepticism.

Incidentally, the British test pilot also makes it clear that landing Concorde at a crowded airport like Kennedy, because of the relatively higher approach and landing speeds necessary for Concorde, is analogous to A. J. Foyt mashing his Daytona 500 Special through DuPont Circle at rush hour. Old A. J. might make it, but it is every man for himself throughout the rest of the traffic system as the rest of us have to make way for Concorde/A. J. no matter what shape we are in.

So the evidence from British sources would seem to make it abundantly clear that Concorde cannot and should not be allowed to fool the noise measuring device at Kennedy.

I say fool the device, because certainly not even the Concorde forces claim they can fool the people who live near Kennedy—the noise of Concorde will be deafening, and will be totally unacceptable, 25-degree turn or no 25-degree turn.

For going on 3 years now, I have periodically inserted in the RECORD the facts and arguments against Concorde. I had hoped, following Thursday's now-canceled Port Authority meeting, never to have to take up the time of the House with this matter again. But the persistence of the British and French, armed with the knowledge that negative facts can be overcome by blatant falsehoods issued with impunity by unscrupulous agents, makes necessary this lengthy submission today.

Those who noticed the full-page ads in leading U.S. newspapers earlier this year making various claims on behalf of Concorde may be interested to learn, by the way, that the ads have been withdrawn after New York Attorney General Louis Lefkowitz successfully demonstrated that the ads were without foundation in fact—indeed, Mr. Lefkowitz actually succeeded in getting the Concorde forces to admit in writing that the ads were false.

However, not even the Concorde forces can get around the results of 6 months of tests by our Department of Transportation, and the even more damning 8 months of tests by the British Civil Aviation Authority, their version of our FAA.

For the record, 6 months of testing at Dulles has shown that at FAR 36 measuring points, Concorde averages on takeoff 119.8 effective perceived noise decibels—EPNdB's—more, incidentally, than had been predicted by the environmental impact statement.

By contrast, the cumulative average through November for all Boeing 707's, the next noisiest aircraft now in use commercially, was 111.7 EPNdB's. According to the EPA, the difference between Concorde and the 707 is a more than 100 percent noise increase, so the British and French claims that Concorde is only "slightly" noisier than commercial subsonic aircraft are as false and misleading as the ads they were forced to withdraw last month.

It should also be pointed out that the 707's are gradually being phased out due to age, and that Concorde will correspondingly become even more noisy by comparison when the standards are based on the newer generation subsonic jets like the 747, which averaged on takeoff from Dulles only 108.2 EPNdB's, or the DC–9, which averaged a very low 101.3 EPNdB's. The 727 averaged 104.3 EPNdB through November.

What Concorde will subject our people to once the retrofit program gets underway is anyone's guess, but simply on the basis of the figures presently available on unmuffled subsonic jets, we can hardly be optimistic that the grace period now being enjoyed by the Concorde forces is likely to produce anything substantive.

As damaging to their case as the Dulles figures are, however, nothing so devastating has yet been produced for the public record as the results published by the British CAA, which confirm in all respects the negative findings of the U.S. tests.

According to the official British Government report on Concorde operations, measurements taken as far as 30 kilometers from Heathrow Airport show that takeoffs for Washington by Concorde averaged 14 EPNdB's more than the next worst—the Boeing 707. For further reference, measurements taken at 5 kilom-

eters from takeoff—the rough equivalent of the U.S. noise measuring point standard—incredible levels of 136 EPNdB's and even higher have been consistently recorded.

Remember that the maximum allowed at Kennedy is 112 EPNdB, and this will give you a rough idea of why the British and French have been resorting to the blatant diplomatic blackmail of the past few days. They know full well that the facts are against Concorde—even in their own countries.

One final point must be addresed, because it forms the crux of the British and French claims of recent days—namely, that the United States is treaty-bound to accept Concorde, and that the Port Authority's opposition is based on protectionist tendencies and is highly discriminatory.

As my remarks today should make clear even to the British and French, Concorde is simply too noisy to be allowed to operate in the United States. It cannot comply with standards in force for years at Kennedy, it cannot meet the Federal FAR 36 standards, and it will become even worse with time, not better.

There is nothing in any of the world aviation treaties signed since 1946 which obligates the United States to accept foreign aircraft which cannot meet recognized safety or environmental standards.

Former Secretary of Transportation William Coleman, who started this problem by authorizing the present test series at Dulles, made this point abundantly clear when he admitted doubts as to whether Concorde could ever be certified by the FAA, due to problems of fuel safety, range, and other important considerations. The good Secretary repeatedly said that despite British and French certification, he was free to reject Concorde—treaties or no treaties—if the tests showed Concorde could not meet our standards.

The fact that Concorde is the product of foreign nations which have invested much pride and even more treasure is certainly a factor in giving Concorde "every consideration," as former President Nixon did in January 1973, when promising that the Federal Government would back Concorde so far as was possible.

But in conclusion I would note that even Mr. Nixon felt constrained to put the British and French on notice that Congress, the courts, and most particularly the several States, had rights, responsibilities and powers relating to the Concorde question which the British and French were compelled to respect.

The time for acting on that respect is near at hand, and I would hope that in contrast to its stormy life, the Concorde will be allowed to die the quiet death it so richly deserves.

An article from the Journal of the British Airline Pilots Association follows:

[From the Log, April/May 1976]

(By Ian Frow, Chairman BAPA Concorde Evaluation Team)

Not more about Concorde, I hear you say? Back in January it was possible to feel that even the Budgie Fanciers' Gazette would have an article on Concorde, such were its publicist's efforts. But in all that welter of words there was nothing which gave a bread-and-butter airline pilot's view of what the Concorde is like to fly. This is my attempt to fill the gap in subjective but generalised form, concentrating on the areas where Concorde is different. If you want a more comprehensive and detailed approach then read the two volumes of the BALPA Concorde Evaluation Team's Report in the Association Technical Library; if you are really keen the Technical Section will even sell you a copy at cost.

In the course of their work most members of the Concorde Evaluation Team (CET) have flown the simulator and eight of us have been fortunate enough to fly the British Pre-Production aircraft O1. Our Evaluation was the consensus of the opinions of the whole team; this article is the personal view of one of its members.

One important point must be clear; Concorde really is different, and the design feature which makes it different is its wing. There is nothing else, not even the clever engine intakes, which affects so many aspects of Concorde handling and operation. The wing is not a slim version of the old Delta form of, for example, the Vulcan. Take a long look along the leading edge which curves and dips away to the tip and you will appreciate the difference.

The wing gives Concorde a cruise to approach speed ratios of 10:1 (compared with 4:1 for a subsonic transport) and also produces so much induced drag at low speed and high incidence, that for the first time airplane pilots must think of zero rate of climb speeds. The wing necessitates the use of fuel for longitudinal trimming because of its large centre of pressure movement in transonic flight; it dictates so high an angle of incidence at approach speeds that the nose must be drooped to give a view of the runway; it is also in part responsible for a better specific fuel consumption in supersonic cruise than in subsonic cruise. The wing is a large part of the Concorde story.

As the wing design developed I suspect that the aerodynamicists began to worry that although it could achieve the speeds and performance they desired, it might also have some characteristics which would make life difficult for elderly ham-fisted airline pilots. They devised sophisticated autostabilisation systems to augment the powerful elevons. As the aeroplane progressed, so the wing was modified and the control systems improved. The final result is a wing which, even without any autostabilisation, handles little worse than an early subsonic transport with everything working. When all the auto-stability systems are operating Concorde handles so well that it can flatter the average pilot into believing he is almost good as he would like to be. The Boeing 747 may handle like an airborne Rolls Royce: smooth, sufficient power, but a little stodgy. By contrast, Concorde is a Lamborghini, every bit as smooth, but lively, precise and positive. I have an idea that if the engines, the controls and the stability systems of the Concorde were to be strapped to the original brick-built public facility, then it too would fly quite well (Think of the rateable value—Ed).

Walking out to Concorde its length impresses, and so does the long climb up the steps. Take an admiring look at the seductive curves of the wing before ducking through the door. A feature of high speed flight is the need for the fuselage to be long and slim and this in turn breeds a long thin flight deck. At first glance it appears ideal for a gymnastically inclined dwarf. However, with familiarity one learns when to bend and when to stretch on the way into the seats. Once you are there it is quite comfortable with most things conveniently to hand. The seats are fairly small, electrically powered in all directions, and merit an operating course of their own. It is interesting to speculate upon the effects on the human frame of sitting on one of them for eight or nine hours (a possible flight deck duty period).

The checks and start-up drills are lengthy but unremarkable. Taxi-ing can be stimulating because the long thin fuselage, together with the long thin nose-gear, can, at certain speeds develop a curious vertical oscillation reminiscent (amongst other things) of horse riding at the trot. The solution is simple; choose a different speed, preferably a slower one. The view is good even with the nose and visor up; with the visor down and the nose at 5deg it is excellent, although it pays to remember the long sharp spike ahead.

The CET has spent much time evaluating the New York Kennedy 31 Left noise abatement departures. In addition to nearly forty simulator exercises, three of us flew the manoeuvre on aircraft O1, at high weights. Apart from the requirement to initiate a turn at 100ft it is a not too untypical Concorde take off. Once lined up on the runway, with the re-heat preselected, the brakes are released, stop watches started and the throttles advanced rapidly to give about 85 percent N1. At 81 percent N1, the re-heat lights up, the aeroplane gallops away and at 60kts full throttle can be applied. Very shortly afterwards the four green power management lights should come on indicating that all the engine take-off power parameters have been met (if not then you stop!). Not long after V1 has been called the runway markers start going by a bit faster than usual. After rotate is called (around 190kts) a long steady pull for about eight seconds gives a 14deg pitch attitude—not difficult to achieve on the large clearly marked attitude indicator (which has a useful attitude index bug moved by a thumb wheel on the control column—every aircraft should have one!). Once positive climb has been called, gear selected up, and after a slight check forward to stop over-rotation, there is time for one quick scan of the rest of the instruments and, surprise, the radio altimeter is only reading 50ft. (Remember that wing, low speed equals high incidence equals high drag and so nothing happens very fast at first.) As 100ft is called 25deg of bank is rolled in (no problem with nice crisp controls) and then one hangs on to the pre-set attitude. This attitude is pre-calculated to allow the speed to build up steadily and the more it builds the faster it builds up (it's the wing again—higher speed, lower incidence equals lower drag and more acceleration, etc.). The initial rate of climb is about 1800fpm, and once noise time has been called, re-heat cancelled, the throttle pulled back to the pre-set bug on the quadrant, the height is about 500ft. The trim change with power reduction conveniently drops the nose a little to maintain 245kts and the rate of climb falls to 800fpm. When 40deg of turn is completed the JFK departure requires a reduction of 10deg of bank, the application of climb power, and an attitude increase to keep the speed below 250kts. The full JFK procedure calls for interception of the appropriate radial at 2,500ft and here one must remember to throttle back fast because at climb power Concorde will go from 250kts to 300kts before you can blink. Just two minutes after break release it is all over.

It all sounds exciting but my impression was of a leisurely exercise which required only one action at a time, each being separated from the next by eight to ten seconds. In the simulator it was apparent that the instinctive reaction to any problem was to roll the wings level and then, even on three engines, the speed and rate of climb will increase rapidly. But an over rotation and an achieved speed of, say, 230 kts will reduce the comfortable 800 fpm with 25deg of bank to nil when power is reduced. After much intensive discussion the CET decided that it could accept this manoeuvre as being safe. The Association at present approves the pro-

cedure for Concorde only, on JFK runway 31 left only, and only for the proving flights (when they happen). Once we have seen the results of the proving flights a final decision will be made. It is important to realise that at present there is no other large commercial aircraft with Concorde's combination of instrumentation, performance and handling, so there can be no question of us accepting this procedure for other types. Attempts may be made to introduce a similar procedure for Concorde at other airfields, and in these cases we shall have to carry out the same meticulous step-by-step examination of the proposal as we have done for the JFK procedure.

On climb out the nose and visor are raised as soon as possible and the flight deck noise level falls suddenly. The view is still good but through a structure reminiscent of a greenhouse. Every time the visor comes up you expect to find tomatoes growing there. The rest of the climb and supersonic acceleration is uneventful and Concorde can be comfortably hand flown to Mach 2. During acceleration the third crew member is kept busy monitoring the preprogrammed aft movement of fuel to trim out the centre of pressure movements on the wing.

In the cruise the ratio of Concorde's kinetic energy to its potential energy is about 10:1, whereas the ratio for a subsonic aircraft in the cruise is 3:1. This creates a very interesting phenomenon. If, without changing power, Concorde's attitude is increased (½ deg gives min climb), the kinetic energy is converted into potential energy at a rate three times slower than in subsonic flight, and so the IAS falls correspondingly slowly. In the tropics where the tropopause can be as high as 60,000 ft, and sometimes above the tropopause elsewhere, temperature can fall with height above 50,000 ft thus the local speed of sound falls and the aircraft mach number actually *increases*. Now imagine a rapid horizontal decrease in temperature (it can be as much as 1 deg C a mile) and operate Concorde on an autopilot mach number hold (MMO in fact). The mach number increases, the autopilot raises the nose, the temperature falls, the mach number increases further . . . and how is that for the first Anglo-French satellite? Hence the recent extra autopilot development work. Presently a possible solution is to use the autothrottle to maintain the mach number and use an autopilot vertical speed mode to control the aircraft.

An engine shut down at Mach 2.0+ is interesting. The intake pressure of the dead engine rises rapidly and air is automatically spilled out through a door beneath the nacelle. The upward thrust from this air makes the aircraft initially fall away from the dead engine. So the fastest foot in the West will be in for a big surprise when he puts the wrong boot in! In fact, all engine failure drills are time for calm reflection and deliberate movements.

Turns in cruise-climb are curious; roll in 30 deg of bank, peer outside and sure enough the horizon outside the greenhouse is undoubtedly tilted. Watch very carefully and it can be seen to be turning. Now look at the VSI and it becomes obvious that the climb bit of the cruise-climb has become a descent due to the drag from the wing. In a 180deg turn as much as 1500ft can be lost.

Supersonic cruise without autostabilisation makes Concorde hand-fly rather like an early 707. Switching to mechanical signalling (ie cables from the control column to the hydraulic power control units) produces some quite lively pilot induced oscillations. The cure is to let go of the controls and allow the aeroplane to provide the solution.

Descent is initiated by maintaining the pitch attitude whilst at the same time reducing the power to idle in two stages. As the speed falls a gentle descent is started until 325kts, then the descent steepens. At this speed above 47,000ft (approximately) the total drag (wave plus induced) is so great that it is impossible to maintain level flight even with full power. Thus if ATC asks Concorde to level out at, say FL 480 the only way it can be done is to increase the IAS substantially before levelling out.

During intermediate approach the comfortable speed is 300kts (a little problem for ATC) since at speeds below 250kts the fuel consumption is substantial. On approach the wing is again in evidence and requires an angle of incidence of about 14 deg of V ref. Thus on a 3deg glide slope the pitch attitude is 10–12deg and there is no view of the runway through the greenhouse. (I know, I have tried it). However, drop the visor and lower the nose to 12½deg and the nose is an excellent sight down which to aim for the touch down point.

On approach, low speed equals high incidence equals high drag and again Concorde is on the backside of the Drag Curve. To fly a 3deg glide slope at a constant 170kts requires more power than to fly the same glide slope at 180kts. So the aircraft is speed unstable and initially everyone was worried that the average airline pilot would not cope without the aid of the auto-throttle. Concorde, however, compensates for this by the precision and response of its throttles and engines. Thus, so long as a good instrument scan is maintained it is possible to correct speed errors before they develop. This only applies if both the controls and throttles stay in one pair of hands. Visual approaches with necessarily lower rates of instrument scan are easiest with auto throttle operating.

Concorde landings are not so much difficult as different. The vertical vector of thrust provides a significant amount of lift, and this combined with the high drag makes the timing of the throttle closure critical. Radio altimeter calls are a useful aid for landing, for with the main wheels on the ground the pilot's eyes are still nearly 40ft above ground. Entry into ground effect produces a strong nose down moment and although the pitch change needed in the flare is minimal, Concorde requires steady back pressure before touching down. The CET's limited attempts at landing Concorde had variable success. One member produced four smooth landings straight away, whilst some of my own attempts could only be described as safe but without finesse! They were preceded on several occasions by three- and two-engined approaches and other ambitious exercises. Other team members had equally mixed fortune.

Getting the main wheels down is only half the story since the nosewheel must be landed delicately. This is a lengthy process and because of the remarkable downward visibility there is a queasy moment when one wonders whether the nose wheel is still locked up. Application of more than reverse idle before the nose wheel is firmly down will lift the nose again and can lead to embarrassments like scraped reverser buckets, especially if a wing is allowed to drop as well.

In the circuit Concorde can be handled like an over-grown fighter and I have seen some uncommercial bank angles when tight circuits were required. Three- and two-engine landings present no more than their usual problems and an engine failure on take-off requires very little pedal skill. Flight without autostabilisation in the circuit is again like flying a less precise ordinary aeroplane. However, a landing using mechanical signalling (a fairly unlikely contingency) is demanding since it is easy to control (the CET only made approaches and overshoots in this configuration).

You probably have the correct impression that I like Concorde's handling. I know of no one who finds it unpleasant to fly. However, Concorde's problems arise not from its handling qualities but from its operational characteristics. Fuel really is a four-letter word, when applied to any current or projected SST, and not only Concorde. It takes a lot of energy to travel fast. The fuel required does not leave much space or weight for necessities like passengers and baggage. A cruise climb operation is an exercise in the optimum, any deviations from the flight plan only reduce range. Delayed supersonic acceleration, higher temperatures than forecast, extra maneuvering, early deceleration and descent, flying too long at approach speeds all use extra fuel. Unlike subsonic transports an SST using cruise/climb techniques cannot reduce to a long range cruise speed or climbing up an extra 4000ft above flight plan to save or regain fuel. You can either stay on, or go below, the howgozit, but you can rarely get above it. (Concorde does carry contingency fuel which is available—if there have been no contingencies.) If all the payload weight were exchanged for extra fuel it would provide substantially less than one hour's holding fuel, so the carriage of excess fuel is not practicable.

There are a number of flight failure cases (some major, some quite minor) which require a deceleration to subsonic cruise speeds. The specific fuel consumption in subsonic cruise is worse than in supersonic cruise and in addition the descent may have moved Concorde from a gentle 20kts headwind in the mid-50 thousands into a 150kts jet stream in the lower 30 thousands. Thus, a mechanical failure can develop rapidly into a complex operational problem.

Consider how vital acceleration and deceleration clearances can be obtained outside VHF range; or consider how ATC can control an aircraft whose optimum IAS at most airways heights is 150kts faster than the subsonic opposition; or think about the subtleties of dropping the sonic boom where it is planned and not where it will start another war; even if you choose to ignore the more exotic problems like solar and cosmic radiation levels or ozone disassociation there are still plenty of demanding decisions to be made.

Concorde pilots do not have to be young steely-eyed aces but they do need to be quick, clear-thinking operators and managers. It is a highly automated aeroplane that is also very pleasant to handle. Nevertheless, its speed and technical complexity produce problems which need quick answers, and at a rate which requires the commander to be fully in control of the operational (and commercial) situation at all times. Concorde is the latest step in the airline pilot's long progression from being regarded as a chauffeur in three-dimensions to becoming a form of high speed, airborne, managing director.

CHILDREN IN PORNOGRAPHY

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 15 minutes.

Mr. MURPHY of New York. Mr. Speaker, the bills which I introduce today are ones in which the necessity for legislation is a sad commentary on the state of our society. The bill is aimed at the cessation of the use of children aged 3 to 16 in the production and marketing of pornographic materials. It is a problem which, unfortunately, continues to grow larger, and which contributes heavily to the decline of our moral fiber and to the destruction of the lives of thousands of children.

I wish to emphasize the size of the problem. We are not speaking of just a few isolated instances of an errant youngster appearing in a questionable film;

reliable testimony places the number well into the multithousands. Nor are we necessarily speaking of teenagers; magazines and films currently on the market depict children as young as 3 years of age in what are outrageously obscene and degrading portrayals of sexual activity.

The fact that a market exists for such material is distressing enough, but the facts behind the use of children in pornography should be brought to light.

First, I think it is quite obvious that a child in the age range of 3 to perhaps 12 years has little, if any, sexual awareness of the society which surrounds him. In such an instance, it is almost an impossibility for the child to make a conscious decision to engage in pornographic activity for film making purposes. A child of 5 simply does not hop in a cab to go to his local pornographer to shoot a "skin flick."

There is, in every instance, the guidance of an adult who is in the business for the money. In some cases, parents sell—or rather, rent—their children; in some instances it is a guardian or relative, or perhaps the pornographer himself who instigates the use of the child in the exposure to sexual activity for commercial purposes. In many cases, the child might be a runaway, a teenage prostitute, a drug addict, or other delinquent in search of a means of supporting himself. One researcher documents over 30,000 boy prostitutes in America; other statisticians extend that figure to at least double that amount—nearly 60,000—girl prostitutes, in addition to literally millions of runaways and addicts who are drawn to pornography as a means of existence.

But what little, if any, financial benefits these children derive from their appearance in pornographic materials is dawrfed by the profits reaped by the producers of the movies, magazines, playing cards, novelty items, and other materials. One needs only to examine some of the leading magazines in the field to notice two things in particular. First, the production of pornography is a multi-million-dollar business—some estimates exceed $1.1 billion. Magazines are of the high-cost slick variety, with expensive multicolor formats and retail prices of anywhere from $5 to $25; movies are generally 8-millimeter silent, black and white, with a retail cost of $20 to $50 each for something which cost no more than a cheap hotel room and a handheld movie camera to produce.

The second thing one notices is that interstate commerce is, in the case of magazines, admitted to: many note in their mastheads that they are produced in one State, printed in another, and distributed from a third.

It is in this area of interstate commerce that the Congress must intercede. I have attached, and ask for insertion in the RECORD, a study prepared by the Library of Congress outlining existing State and Federal statutes regarding pornography. Forty-seven States and the District of Columbia have some type of special prohibition against the dissemination of obscene material to minors. Only six, however, prohibit the participation of minors in an obscene performance.

As noted in the study, it is the State's prerogative to act in the interest of the well being of its children. We can see that most States have not been so inclined to act.

There are already five Federal laws which prohibit distribution of obscene materials, all of which first depend on a definition of just what constitutes obscene. One such law prohibits mailing of such material, another blocks importation, one proscribes broadcast, and two prohibit interstate transportation or use of common carriers to transport obscene materials.

But I must emphasize that all the existing Federal statutes have a single major failing, in addition to their lack of specificity with regard to the use of children. Before any can be enforced, it must first be determined that the materials in question are indeed within the definition of the term "obscene." The courts, including the Supreme Court, have been trying for decades to arrive at a suitable and generally acceptable guideline. Coupled with the first amendment's freedom of speech guarantees, definition of the term "obscene" and the application of supposedly constitutional rights to express oneself have become an almost insurmountable obstacle to enforcement of antiobscenity laws.

But no rational person can possibly believe that such guarantees include a right to exploit young children sexually. And the horrible results of this exploitation can never be quantitatively determined . . . who can measure the deep emotional scars of the on-camera violation of a 7-year-old girl, the warped perspective of four preteen boys engaged in group sex, or lifelong guilt feelings of runaways or addicts who turn to pornographic performances on film as a means of subsistence for a few fleeting moments.

The documentation is occasionally obtuse. For example, one researcher, taking approximately a dozen recent magazine series, identified nearly 400 different children, ranging in age from about three to the early teens, engaged in the entire spectrum of sexual activity, from normal intercourse to oral contact to sadism and masochism. Many of the movie performers appear to be experienced in their roles, while many more constantly look off-camera for instruction and guidance in what is obviously an unfamiliar performance in what could be described as uncomfortable circumstances.

Whatever the reasons for the child's appearance in the movie or magazine; whatever the motives or causes espoused by the adult responsible for it, I feel certain there is not a single person among us who could justify it in any form. The use of children in pornography is one of the most despicable practices I can possibly imagine, and to passively condone it by refusing to legislate against its increasing practice is to me equally abhorrent.

The proposed legislation takes a very direct and reasonable approach. In it, we have: First, described a specific list of "prohibited sexual acts" which a child under age 16 shall not be caused or permitted to engage; second, on film; third, meant for interstate commerce. There is a somewhat gray area in which Congress might conceivably be permitted to legislate intrastate commerce where it affects interstate commerce, but such a subjective approach would only serve to weaken our bill, in my opinion. Our bill not only applies to the producer/entrepreneur and photographer of such pornographic materials, but to the transporting, receiving or selling of those which involve children. I would also point out that the terminology of "causing or permitting" the use of a child in pornography would also apply to parents, guardians or other irresponsible adults involved in the exploitation of children.

The penalties for the pornographer, photographer or other responsible party would be a $50,000 fine or 20 years imprisonment, or both; those who transport, receive or sell such materials would be subject to $25,000 or 15 years, or both.

Mr. Speaker, more than 75 of our colleagues have joined Mr. KILDEE and myself in the cosponsorship of this bill; half were listed yesterday along with Mr. KILDEE; the balance join me today. They represent every region of this Nation, and they reflect an intense amount of public interest and involvement by such respected organizations as Odyssey Institute of New York, who expanded their drug treatment programs to include a center for child abuse, and through the institute, they have conducted a nationwide campaign against pornography and other abuses of children. I might even point out that this legislation has the tacit support of the Adult Motion Picture Producers Association, who told a member of my staff that "the line has to be drawn somewhere," and that such use of children in pornography was distasteful to their unwritten code.

Pornography is one of the major building blocks of organized crime, a major source of revenue ranking with drugs, prostitution and gambling. No amount of legislation can realistically remove all traces of it from the American marketplace, but we can act to protect the lives and futures of thousands of children being exploited by these purveyors of filth.

I understand that the Education and Labor Committee is currently considering the provisions of the Child Abuse Prevention and Treatment Act—Public Law 93-247. It is my intention to request the chairman, Mr. PERKINS, and the ranking minority member, Mr. QUIE, both of whom have joined us as cosponsors, to press for hearings on this and similar legislation with all possible haste. To recognize a problem is only the beginning. To act upon it immediately is the first step toward progress.

Federal and State statutes regulating use of children in pornography follow:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., March 1, 1977.

FEDERAL AND STATE STATUTES REGULATING USE OF CHILDREN IN PORNOGRAPHIC MATERIAL

There are presently five federal laws which prohibit distribution of "obscene" materials in the United States. One prohibits any mailing of such material (18 U.S.C. § 1461); another prohibits the importation of obscene

materials into the United States (19 U.S.C. § 1305); another prohibits the broadcast of obscenity (18 U.S.C. § 1464); and two laws prohibit the interstate transportation of obscene materials or the use of common carriers to transport such materials (18 U.S.C. §§ 1462 and 1465). In addition, the 1968 federal Anti-Pandering Act (39 U.S.C. § 3008) authorizes postal patrons to request no further mailings of unsolicited advertisements from mailers who have previously sent them advertisements which they deem sexually offensive in their sole judgment, and it further prohibits mailers from ignoring such requests. There is no present federal statute specifically regulating the distribution of sexual materials to children.

Five federal agencies are responsible for the enforcement of the foregoing statutes. The Post Office Department, the Customs Bureau, and the Federal Communications Commission investigate violations within their jurisdictions. The F.B.I. investigates violations of the statutes dealing with transportation and common carriers. The Department of Justice is responsible for prosecution or other judicial enforcement.

It has long been recognized that the state has a valid special interest in the well-being of its children. *Prince* v. *Com. of Massachusetts*, 321 U.S. 158 (1944). A state may regulate the materials that juveniles view and read even if they could not be proscribed for adults.

In *Ginsberg* v. *New York*, 390 U.S. 629 (1968), the U.S. Supreme Court upheld a New York criminal statute that barred commercial dissemination to minors. The defendant in *Ginsberg* contended that the state statute violated the First Amendment. In response, the Court stressed that the statute applied only to sexually oriented material that was found obscene under a constitutionally acceptable definition of obscenity. There was no First Amendment violation since, as the Court had noted in prior decisions involving "general" (adult) obscenity statutes, obscene material is not protected speech under the First Amendment. The *Ginsberg* opinion also noted that the state had ample justification to sustain its regulation of an activity that was not protected by the first amendment. The Court noted two state interests that combined to support the New York prohibition against the commercial dissemination of obscene material to minors. First, the legislature could "rationally conclude" that the exposure of minors to obscene material was "harmful" to the youths' "ethical and moral development." Second, the state could appropriately seek to support the interest of parents in controlling their children's access to obscene material.

Forty-seven states and the District of Columbia have some type of special prohibition against the dissemination of obscene material to minors. However, our research revealed that only six of these states have provisions prohibiting the participation of minors in an obscene performance which could be harmful to them. These states are:

CONNECTICUT GENERAL STATUTES ANNOTATED

§ 53–25. Unlawful exhibition or employment of child

Any person who exhibits, uses, employs, apprentices, gives away, lets out or otherwise disposes of any child under the age of sixteen years, in or for the vocation, occupation, service or purpose of rope or wire walking, dancing, skating, bicycling or pedling, or as a gymnast, contortionist, rider or acrobat, in any place or for any obscene, indecent or immoral purpose, exhibition or practice or for or in any business, exhibition or vocation injurious to the health or dangerous to the life or limb of such child, or causes, procures or encourages any such child to engage therein, shall be fined not more than two hundred and fifty dollars or imprisoned not more than one year or both. (1949 Rev., § 8373.)

NORTH CAROLINA GENERAL STATUTES

§ 14–190.1. Obscene literature and exhibitions.—(a) It shall be unlawful for any person, firm or corporation to intentionally disseminate obscenity in any public place. A person, firm or corporation disseminates obscenity within the meaning of this Article if he or it:

(1) Sells, delivers or provides or offers or agrees to sell, deliver or provide any obscene writing, picture, record or other representation or embodiment of the obscene; or

(2) Presents or directs an obscene play, dance or other performance or participates directly in that portion thereof which makes it obscene; or

(3) Publishes, exhibits or otherwise makes available anything obscene; or

(4) Exhibits, presents, rents, sells, delivers or provides; or offers or agrees to exhibit, present, rent or to provide: any obscene still or motion picture, film, filmstrip, or projection slide, or sound recording, sound tape, or sound track, or any matter or material of whatever form which is a representation, embodiment, performance, or publication of the obscene.

(b) For purposes of this Article any material is obscene if:

(1) The material depicts or describes in a patently offensive way sexual conduct specifically defined by subsection (c) of this section; and

(2) The average person applying contemporary statewide community standards relating to the depiction or representation of sexual matters would find that the material taken as a whole appeals to the prurient interest in sex; and

(3) The material lacks serious literary, artistic, political, educational or scientific value; and

(4) The material as used is not protected or privileged under the Constitution of the United States or the Constitution of North Carolina.

(c) Sexual conduct shall be defined as:

(1) Patently offensive representations or descriptions of actual sexual intercourse, normal or perverted, anal or oral;

(2) Patently offensive representations or descriptions of excretion in the context of sexual activity or a lewd exhibition of uncovered genitals, in the context of masturbation or other sexual activity.

(d) Obscenity shall be judged with reference to ordinary adults except that it shall be judged with reference to children or other especially susceptible audiences if it appears from the character of the material or the circumstances of its dissemination to be especially designed for or directed to such children or audiences. In any prosecution for an offense involving dissemination of obscenity under this Article, evidence shall be admissible to show:

(1) The character of the audience for which the material was designed or to which it was directed;

(2) Whether the material is published in such a manner that an unwilling adult could not escape it;

(3) Whether the material is exploited so as to amount to pandering;

(4) What the predominant appeal of the material would be for ordinary adults or a special audience, and what effect, if any, it would probably have on the behavior of such people;

(5) Literary, artistic, political, educational, scientific, or other social value, if any, of the material;

(6) The degree of public acceptance of the material throughout the State of North Carolina;

(7) Appeal to prurient interest, or absence thereof, in advertising or in the promotion of the material.

Expert testimony and testimony of the author, creator or publisher relating to factors entering into the determination of the issue of obscenity shall also be admissible.

(e) It shall be unlawful for any person, firm or corporation to knowingly and intentionally create, buy, procure or possess obscene material with the purpose and intent of disseminating it unlawfully.

(f) It shall be unlawful for a person, firm or corporation to advertise or otherwise promote the sale of material represented or held out by said person, firm or corporation as obscene.

(g) Any person, firm or corporation violating the provisions of this section shall be guilty of a misdemeanor and, unless a greater penalty is expressly provided for in this Article, shall be fined or imprisoned in the discretion of the court. (1971, c. 405, s. 1; 1973, c. 1434, s. 1.)

§ 14–190.6. Employing or permitting a minor to assist in offense under Article.—Every person 18 years of age or older who intentionally, in any manner, hires, employs, uses or permits any minor under the age of 16 years to do or assist in doing any act or thing constituting an offense under this Article and involving any material, act or thing he knows or reasonably should know to be obscene within the meaning of G.S. 14–190.1, shall be guilty of a misdemeanor, and unless a greater penalty is expressly provided for in this Article, shall be punishable in the discretion of the court. (1971, c. 405, s. 1.)

NORTH DAKOTA CENTURY CODE

12.1–27.1–03. Promoting obscenity to minors—Minor performing in obscene performance—Classification of offenses.—1. It shall be a class C felony for a person to knowingly promote to a minor any material or performance which is harmful to minors, or to admit a minor to premises where a performance harmful to minors is exhibited or takes place.

2. It shall be a class C felony to permit a minor to participate in a performance which is harmful to minors.

CODE OF LAWS OF SOUTH CAROLINA

§ 16–414.1. Distribution, etc., of obscene matter; definitions.—For the purposes of §§ 16–414.1 to 16–414.9:

(a) *"Obscene"* means that to the average person, applying contemporary standards, the predominant appeal of the matter, taken as a whole, is to prurient interest among which is a shameful or morbid interest in nudity, sex or excretion, and which goes substantially beyond customary limits of candor in description or representation of such matters. If it appears from the character of the material or the circumstances of its dissemination that the subject matter is to be distributed to minors under sixteen years of age, predominant appeal shall be judged with reference to such class of minors.

(b) *"Matter"* means any book, magazine, newspaper or other printed or written material or any picture, drawing, photograph, motion picture or other pictorial representation or any statue or other figure, or any recording, transcription or mechanical, chemical or electrical reproduction or any other article, equipment, machine or material.

(c) *"Distribute"* means to transfer possession of, whether with or without consideration.

(d) The word *"knowingly"* as used herein means having knowledge of the contents of the subject matter or failing after reasonable opportunity to exercise reasonable inspection which would have disclosed the character of such subject matter. (1965 (54) 470; 1966 (54) 2273.)

§ 16–414.4. Same; employment of minor under sixteen.—It shall be unlawful for any person who, with knowledge that a person is a minor under sixteen years of age, to hire, employ, or to use such minor to do or assist in doing any of the acts prohibited by §§ 16–414.1 to 16–414.9. (1965 (54) 470.)

TENNESSEE CODE ANNOTATED

39–3013. Importing, preparing, distributing, possessing or appearing in obscene material or exhibition—Distribution to or employment of minors—Penalties.—(A) It shall

be unlawful to knowingly send or cause to be sent, or bring or cause to be brought, into this state for sale, distribution, exhibition, or display, or in this state to prepare for distribution, publish, print, exhibit, distribute, or offer to distribute, or to possess with intent to distribute or to exhibit or offer to distribute any obscene matter. It shall be unlawful to direct, present, or produce any obscene theatrical production or live performance and every person who participates in that part of such production which renders said production or performance obscene is guilty of said offense.

(B) Notwithstanding any of the provisions of §§ 39-3010—39-3022, the distribution of obscene matter to minors shall be governed by § 39-1012 et seq. In case of any conflict between the provisions of §§ 39-3010—39-3022 and § 39-1012 et seq., the provisions of the latter shall prevail as to minors.

(C) It shall be unlawful to hire, employ, or use a minor to do or assist in doing any of the acts described in subsection (A) with knowledge that a person is a minor under eighteen (18) years of age, or while in possession of such facts that he or she should reasonably know that such person is a minor under eighteen (18) years of age.

(D) (1) Every person who violates subsection (A) is punishable by a fine of not less than two hundred fifty dollars ($250) nor more than five thousand dollars ($5,000), or by confinement in the county jail or workhouse for not more than one (1) year, or by both fine and confinement. If such person has previously been convicted of a violation of §§ 39-3010—39-3022, a violation of subsection (A) is punishable as a felony by a fine of not less than five hundred dollars ($500) nor more than ten thousand dollars ($10,000), or by imprisonment in the state penitentiary for a term of not less than two (2) years nor more than five (5) year or by both fine and imprisonment.

(2) Every person who violates subsection (C) is punishable by a fine of not less than two hundred fifty dollars ($250) nor more than five thousand dollars ($5,000) or by confinement in the county jail or workhouse for not more than one (1) year, or by both fine and confinement. If such person has been previously convicted of a violation of §§ 39-3010—39-3022, a violation of subsection (C) is punishable as a felony and by a fine of not less than five hundred dollars ($500) nor more than ten thousand dollars ($10,000), or by imprisonment in the state penitentiary for a term of not less than two (2) years nor more than five (5) years. [Acts 1974 (Adj. S.), ch. 510, § 3; 1975, ch. 306, § 1.]

VERNON'S TEXAS CODE ANNOTATED

§ 43.24. Sale, Distribution, or Display of Harmful Material to Minor

(a) For purposes of this section:

(1) "Minor" means an individual younger than 17 years.

(2) "Harmful material" means material whose dominant theme taken as a whole:

(A) appeals to the prurient interest of a minor, in sex, nudity, or excretion;

(B) is patently offensive to prevailing standards in the adult community as a whole with respect to what is suitable for minors; and

(C) is utterly without redeeming social value for minors.

(b) A person commits an offense if, knowing that the material is harmful:

(1) and knowing the person is a minor, he sells, distributes, exhibits, or possesses for sale, distribution, or exhibition to a minor harmful material;

(2) he displays harmful material and is reckless about whether a minor is present who will be offended or alarmed by the display; or

(3) he hires, employs, or uses a minor to do or accomplish or assist in doing or accomplishing any of the acts prohibited in Subsection (b)(1) or (b)(2) of this section.

(c) It is a defense to prosecution under this section that:

(1) the sale, distribution, or exhibition was by a person having scientific, educational, governmental, or other similar justification; or

(2) the sale, distribution, or exhibition was to a minor who was accompanied by a consenting parent, guardian, or spouse.

(d) An offense under this section is a Class A misdemeanor unless it is committed under Subsection (b)(3) of this section in which event it is a felony of the third degree.

The power of the Federal Government to legislate with respect to obscenity *per se* is not expressly granted to Congress in Article I, or elsewhere, in the United States Constitution. Therefore, in enacting Federal laws seeking to deal with the obscenity problem, Congress has traditionally invoked its power to legislate under the commerce clause (Art. I, Sec. 8, cl. 3) and under the postal power (Art. I, Sec. 8, cl. 7). As interpreted by the United States Supreme Court, even though Congress' power to legislate under the commerce and postal powers is undisputed, nevertheless the manner of exercising these constitutional powers may be subject to some limitations.

The right of a sovereign state to limit, regulate and prohibit the labor of its minor children in employment prejudicial to their life, health or safety has never been denied. Nearly all of the states have undertaken to regulate child labor. However, in the presence of a great diversity of child labor standards in the different states the Federal Government undertook to remedy in some degree the lack of uniformity and insufficiency in state standards for child labor.

The Congress of the United States, after much agitation on the subject, enacted the Fair Labor Standards Act which, in part, provides that no goods shall be shipped or delivered in commerce where such goods were the results of oppressive child labor employment. 29 U.S.C. § 212(1970). This law is based upon the power of Congress to regulate interstate commerce. The net general effect of the law places restrictions upon interstate traffic in the products of child labor. Prior Federal child labor laws were declared unconstitutional on the grounds that Congress had exceeded the proper exercise of its power to regulate interstate commerce, and had invaded powers reserved to the states. *Hammer* v. *Dagenhart*, 247 U.S. 251 (1918); *Bailey, Collector of Internal Revenue* v. *Drexel Furniture Co.*, 259 U.S. 20 (1922).

The *Dagenhart* case represents an era when the Supreme Court had a narrow view of commerce. Since that time, the whole concept of commerce has changed. Under the more recent decisions, the power of Congress is recognized to be broad enough to reach all phases of the vast operations of our national industrial system. *Mandeville Island Farms* v. *American Crystal Sugar Co.*, 334 U.S. 219 (1948); *United States* v. *Darby*, 312 U.S. 100 (1941); *Wickard* v. *Filburn*, 317 U.S. 111 (1942); *United States* v. *South-Eastern Underwriters Assn.* 322 U.S. 533 (1944). Therefore, it would appear that Federal legislation could be proposed which would operate similarly to the child labor provision of the F.L.S.A. This law could have the effect of prohibiting the shipment into commerce any motion picture or photograph in which children under a certain age have appeared in the nude or depicted in some other objectionable manner.

In *United States* v. *Darby*, *supra*, the U.S. Supreme Court stated that "while manufacture is not of itself interstate commerce, the shipment of manufactured goods interstate is such commerce and the prohibition of such shipment by Congress is indubitably a regulation of the commerce. The power to regulate commerce is the power 'to prescribe the rule by which commerce is governed'." 312 U.S. at 113. The power of Congress over interstate commerce "is complete in itself, may be exercised to its utmost extent, and acknowledges no limitation other than are prescribed in the Constitution." *Ibid.*, at 114. This "power can neither be enlarged nor diminished by the exercise or non-exercise of state power." *Ibid.* "Congress, following its own conception of public policy concerning the restrictions which may appropriately be imposed on interstate commerce, is free to exclude from the commerce articles whose use in the state for which they are destined it may conceive to be injurious to the public health, morals or welfare, even though the state has not sought to regulate their use." *Ibid.*

It has also been established that Congress may by appropriate legislation regulate intrastate activities where they have a substantial effect on interstate commerce. *Maryland* v. *Wirtz*, 392 U.S. 183 (1968). In *Atlanta Motel* v. *United States*, 379 U.S. 241, 251-252 (1964), the Court stated that in those cases where commerce is involved, "Congress is clothed with direct and plenary powers of legislation over the whole subject" and therefore it "has the power to pass laws for regulating the subjects specified in every detail, and the conduct and transactions of individuals in respect thereof."

Consequently, it would appear that legislation could also be proposed which would have the effect of prohibiting the act itself (use of children in the production of sexually explicit motion or still picturs) regardless of whether the material will enter into commerce inasmuch as it can be expected to "affect commerce". As Mr. Justice Clark stated in *Atlanta Motel* v. *United States*, *supra*:

[T]he power of Congress to promote interstate commerce also includes the power to regulate the local incidents thereof, including local activities in both the States of origin and destination, which might have a substantial and harmful effect upon that commerce. 379 U.S. at 258. See *Maryland* v. *Wirtz*, 392 U.S. 183 (1968); *Daniel* v. *Paul*, 395 U.S. 298 (1969); *Katzenbach* v. *McClung*, 379 U.S. 294 (1964).

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WORLD WAR I VETERANS' PENSIONS

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 10 minutes.

Mr. FRASER. Mr. Speaker, today, along with 16 of my colleagues, I introduce a bill to allow veterans and widows of World War I the option of participating under the present veteran's pension program or to opt for the flat rate pension now available to veterans of the Spanish American War.

Throughout my years in Congress we have been asked by World War I veterans to recognize that they alone, among all 20th century war veterans, were not eligible for the range of benefits available under the GI bill; to recognize the character of their service; and to recognize the extreme hardships they faced first on the battlefield and later the economic hardships they faced at home.

We have no means of providing to these veterans the education and housing benefits that we veterans of World War II and more recent wartime veterans have been offered under the GI bill. But

it has been suggested that we could provide a special flat rate pension.

In past Congresses I have supported and cosponsored legislation to provide for a special flat rate World War I veteran's pension. I continue to support such a pension. But as these proposals have received regretfully little consideration by the Veterans' Affairs Committee I am now offering an alternative.

Although this bill provides less monthly compensation than do other proposals—the Spanish American War Veterans Pension is now at a monthly rate of $101.39 whereas other proposals have suggested a pension of $150 per month—this pension would nonetheless provide a significant benefit to these veterans who have never received the recognition they deserve.

I believe it is time the Congress face and resolve this issue.

THE EMERGENCY FOOD AND AGRICULTURE ACT OF 1977

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. NOLAN) is recognized for 15 minutes.

Mr. NOLAN. Mr. Speaker, I introduce a bill entitled, "The Emergency Food and Agriculture Act of 1977." This bill will provide realistic price protection for 1977 crops. Target prices for wheat and corn are set at 100 percent of parity and loans for each will be available at 90 percent of the parity price. The support price for milk is raised to 100 percent of parity. The target price for cotton is computed on the basis of cost of production as determined by the Economic Research Service of the U.S. Department of Agriculture and published in a Senate Agriculture Committee print dated January 21, 1977.

In the coming weeks the Congress will devote much time to drafting a new farm bill which will not become effective until the 1978 crop year. This mean that farmers cannot expect any legislative change in the level of price supports until October 1978, the beginning of fiscal year 1979.

Our farmers cannot wait that long. Although returns to agriculture increased in 1972 and 1973, that was small relief from 25 years of low farm prices. In any case, inflation quickly ate up the profits. Net farm income has dropped substantially over the last 3 years and declining market prices have resulted in an increased debt load for farmers who are confronted by spiraling production costs. Anyone willing to take an honest look at the farmer's cost of production will realize that current target prices and loan rates are at ridiculously low levels.

In the Midwest, Plain States, and the West, unprecedented drought and low farm prices have severely reduced farm income. As Minnesota Governor Rudy Perpich has pointed out:

The truth is thousands of Minnesota and Upper Midwest farmers and ranchers are in serious trouble. The truth is if we do not provide some meaningful help and credit, thousands of these farmers will be declaring financial bankruptcy in 1977.

In recent testimony before the House Committee on Agriculture, farmers and ranchers have confirmed the Governor's dire assessment.

Critics of fair prices for family farmers will nevertheless oppose parity prices on the grounds that such levels of support will price U.S. commodities out of the export market. This criticism overlooks an obvious question. Are we going to further impoverish domestic agriculture in order to maintain an uncertain export market?

The current domestic support level for U.S. wheat is lower than that of all other major wheat exporting countries—and still the export market for our wheat has not materialized. Clearly, there are other factors to consider than price alone. At whatever level the U.S. supports its export commodities, other countries always have the option of subsidizing their exports in order to gain a competitive edge.

Instead of trying to dominate world markets by seeking short-term price advantages which gouge American farmers and lead to economic instability injurious to consumers, and which disrupt normal patterns of trade as well, the United States should work for a more integrated trade policy, for mutual trade agreements, and for supply and price stability in agricultural commodities.

By establishing parity prices for 1977 crops the Congress will not be subsidizing the purchase of flashy pickups, combines equipped with air-conditioned cabs and AM/FM radios, or new snowmobiles. Deficiency payments are limited to $30,000 per farm which appears to be an insufficient return at today's inflated costs.

No one will get rich from the Emergency Food and Agriculture Act of 1977. It is not a raid on the Treasury. The projected total outlay for deficiency payments will be somewhere in the neighborhood of $5 billion for fiscal year 1978.

The major emphasis of this bill is on the loan rates set at 90 percent of parity. Such a loan program for 1977 crops will provide the desperately needed infusion of income into rural America.

The total outlay for the loan program is projected at $29 billion for fiscal year 1978. This outlay, it should be remembered, is not a loss to the Government. It is a loan which the Government will recover either through repayment or by assuming title to the grain.

Again, it should be emphasized that this is a 1-year emergency bill for 1977 crops. Parity prices for 1977 crops will give agriculture a chance to tread water while Congress deliberates. The alternative is to let more and more family farms, particularly those operated by young farmers, go under.

In considering a long-term farm bill, Congress must guarantee family farmers a fair price, and then build a farmer-held reserve system and develop a trade policy which farmers, consumers and our trading partners can live with. Parity prices and 90 percent loan rates for 1977 crops will not jeopardize future farm policy because a fair price has to be our starting point.

In conclusion, I would like to suggest that the time is long overdue for this country to reorder its spending priorities. The budget outlays for fiscal year 1978 call for multibillion dollar appropriations for defense. For agriculture I ask only $5 billion for deficiency payments and a small by comparison $29 billion for a loan program.

While we spend billions for the construction and maintenance of weapons systems that never seem to be sufficient and which quickly become obsolete, we do not see fit to capitalize a $29 billion loan program which will not be a loss to the Government.

If we do not begin to provide more support for our productive resources instead of bankrolling military waste, we will further impoverish rural America and the Nation as a whole.

Mr. Speaker, I ask unanimous consent that the text of the Emergency Food and Agriculture Act of 1977 be printed in the RECORD.

H.R. 4633

A bill to provide emergency price and income protection for farmers for the 1977 crops, to assure consumers an abundance of food and fiber at reasonable prices, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Food and Agriculture Act of 1977".

TITLE I—PAYMENT LIMITATION FOR WHEAT, FEED GRAINS, AND UPLAND COTTON

SEC. 101. Effective only with respect to the 1977 crop, Section 101(1) of the Agriculture Act of 1970, is amended by striking out "$20,000" and inserting in lieu thereof "$30,000".

TITLE II—DAIRY

DAIRY PRICE SUPPORT

SEC. 201. Section 201 of the Agricultural Act of 1949 is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding the foregoing provisions of this section, effective for the period beginning on the date this subsection takes effect and ending on March 31, 1978, the support price of milk shall be established at not less than 100 per centum of the parity price therefor, on such date, and the support price shall be adjusted thereafter by the Secretary at the beginning of each quarter, to reflect any estimated change during the immediately preceding quarter in the index of prices paid by farmers for production items, interest, taxes, and wage rates. Such support prices shall be announced by the Secretary not later than thirty days prior to the beginning of each quarter."

PRODUCER HANDLERS

SEC. 202. Section 206 of the Agricultural Act of 1970, as amended, is amended by inserting after "Agriculture and Consumer Protection Act of 1973" the following: "and the Emergency Food and Agriculture Act of 1977".

TITLE III—WOOL PROGRAM

SEC. 301. The National Wool Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 711. Notwithstanding any other provision of this Act, for the marketing year beginning January 1, 1977, and ending

December 31, 1977, wool and mohair shall be supported at not less than 90 per centum of the parity price therefor."

TITLE IV—WHEAT PROGRAM

LOAN RATE AND TARGET PRICE

SEC. 401. Effective only with respect to the 1977 crop of wheat, section 107 of the Agricultural Act of 1949 which applies to the 1971 through 1977 crops of wheat is amended to read as follows:

"SEC. 107. Notwithstanding any other provision of law—

"(a) Loans and purchases on each crop of wheat shall be made available at not less than 90 per centum of the parity price for such crop.

"(b) If a set-aside program is in effect for any crop of wheat under section 379b(c) of the Agricultural Adjustment Act of 1938, as amended, payments, loans and purchases shall be made available on such crop only to producers who comply with the provisions of such program.

"(c) Payments shall be made for each crop of wheat to the producers on each farm in an amount determined by multiplying (i) the amount by which the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop

is less than 100 per centum of the parity price for such crop, times in each case (ii) the allotment for the farm for such crop, times (iii) the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. If the Secretary determines that the producers are prevented from planting any portion of the farm acreage allotment to wheat or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the parity price for wheat. If the Secretary determines that, because of such a disaster or condition, the total quantity of wheat (or of cotton, corn, grain sorghums, or barley planted in lieu of wheat) which the producers are able to harvest on any farm is less than 66⅔ per centum of the farm acreage allotment times the projected yield of wheat (or of cotton, corn, grain sorghums, or barley planted in lieu of wheat) for the farm, the rate of payment for the deficiency in production below 100 per centum shall be the larger of (A) the foregoing rate, or (B) one-third of the parity price for wheat. The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis."

TITLE V—FEED GRAIN PROGRAM

LOAN RATE AND TARGET PRICE

SEC. 501. (a) Effective only with respect to the 1977 crop of feed grains, section 105 of the Agricultural Act of 1949 which applies to the 1971 through 1977 crops of feed grains is amended by—

(1) striking out subsection (a)(1) and inserting in lieu thereof the following:

"(a)(1) The Secretary shall make available to producers loans and purchases on the 1977 crop of corn at not less than 90 per centum of the parity price for such crop."; and

(2) striking out subsection (b)(1) and inserting in lieu thereof the following:

"(b)(1) In addition, the Secretary shall make available to producers payments for the 1977 crop of corn, grain sorghums, and, if designated by the Secretary, barley, computed by multiplying (i) the payment rate, times (ii) the allotment for the farm for such crop, times (iii) the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. The payment rate for corn shall be the amount by which the higher of—

"(A) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(B) the loan level determined under subsection (a) for such crop,

is less than 100% of the parity price for corn. The payment rate for grain sorghums and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. If the Secretary determines that the producers on a farm are prevented from planting any portion of the farm acreage allotment to feed grains or other nonconserving crop, because of drought, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment on such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the parity price for corn. If the Secretary determines that, because of such a disaster or condition, the total quantity of feed grains (or of wheat, or cotton planted in lieu of the allotted crop) which the producers are able to harvest on any farm is less than 66⅔ per centum of the farm acreage allotment times the yield of feed grains (or of wheat, or cotton planted in lieu of the allotted crop) established for the farm, the rate of payment for the deficiency in production below 100 per centum shall be the larger of (A) the foregoing rate, or (B) one-third of the parity price for corn."

TITLE VI—UPLAND COTTON PROGRAM

COTTON PRODUCTION INCENTIVES; LOAN RATE AND TARGET PRICE

SEC. 601. Effective only with respect to the 1977 crop of upland cotton, paragraphs (1) and (2) of section 103(e) of the Agricultural Act of 1949 which apply to the 1971 through 1977 crops of upland cotton are amended to read as follows:

"(1) The Secretary shall upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days make available for the 1977 crop of upland cotton to cooperators nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Middling one-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States not less than 85 per centum of the cost of production, except that if the loan rate so calculated is higher than the estimated average world price for American cotton of such quality for the marketing year for which the loan determination is made, the Secretary may adjust the loan rate for upland cotton to not less than 90 per centum of the estimated average world price. The loan level for the 1977 crop of upland cotton shall be determined and announced within thirty days after the enactment of the Emergency Food and Agriculture Act of 1977. Notwithstanding the foregoing, if the carryover of upland cotton as of the beginning of the marketing year for the 1977 crop exceeds seven million two hundred thousand bales, producers on any farm harvesting cotton of such crop from an acreage in excess of the base acreage allotment for such farm shall be entitled to loans and purchases only on an amount of the cotton of such crop produced on such farm determined by multiplying the yield used in computing payments for such farm by the base acreage allotment for such farm.

"(2) Payments shall be made for each crop of cotton to the producers on each farm at a rate equal to the amount by which the higher of—

"(A) the average market price received by farmers for upland cotton during the calendar year which includes the first five months of the marketing year for such crop, as determined by the Secretary, or

"(B) the loan level determined under paragraph (1) for such crop,

is less than the cost of production per pound. The cost of production per pound for the 1977 crop is determined to be 57.95 cents per pound. If the Secretary determines that the producers on a farm are prevented from planting any portion of the allotment to cotton because of drought, flood, or other natural disaster, or condition beyond the control of the producer, the rate of payment for such portion shall be the larger of (A) the foregoing rate, or (B) one-third of the cost of production. If the Secretary determines that, because of such a disaster or condition, the total quantity of cotton which the producers are able to harvest on any farm is less than 66⅔ per centum of the farm base acreage allotment times the average yield established for the farm, the rate of payment for the deficiency in production below 100 per centum shall be the larger of (A) the foregoing rate, or (B) one-third of the cost of production. The payment rate with respect to any producer who (i) is on a small farm (that is, a farm on which the base acreage allotment is ten acres or less, or on which the yield used in making payments times the farm base acreage allotment is five thousand pounds or less, and for which the base acreage allotment has not been reduced under section 350(f)), (ii) resides on such farm, and (iii) derives his principal income from cotton produced on such farm, shall be increased by 30 per centum; but, notwithstanding paragraph (3), such increase shall be made only with respect to his share of cotton actually harvested on such farm within the quantity specified in paragraph (3)."

BURKE RATES TRADE ADJUSTMENT ASSISTANCE PROGRAM FOR SHOE INDUSTRY A TOTAL FAILURE

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I submit for the attention of my House colleagues, a press release issued from my office on March 5, 1977, regarding the total failure of the trade adjustment assistance program for domestic shoe firms:

BURKE RATES TRADE ADJUSTMENT ASSISTANCE PROGRAM FOR SHOE INDUSTRY AS A TOTAL FAILURE—GAO REPORT HIGHLIGHTS PROBLEMS

Congressman James A. Burke (D-Milton, Massachusetts) released today in Washington, the findings of a year-long government study by the General Accounting Office on problems encountered by the domestic non-rubber footwear industry in qualifying for Trade Adjustment Assistance. In releasing the report, Burke said, "There is enough in this report to convince even the most ardent advocate of TAA that the program has not lived up to expectations; however, there are some aspects of the report that greatly disturb me and bear mentioning at the outset. I am deeply disappointed that this report gives evidence of faulty research and inadequate attention to many of the factors which should have been explored in depth—such as the basic weaknesses of the program. The bulk of this report deals with the purely administrative side of this program but its summary page details the findings of the weakest part of the study. The report must be read in full before an accurate

assessment of the failures of this program can be realized."

To illustrate his point, Burke called attention to a survey GAO conducted of 102 US firms. "It gives the misleading impression that a majority of firms surveyed was not in need of trade adjustment assistance. Yet on further examination it reveals that of the 102 firms surveyed, three-quarters indicated that they were indeed injured by imports. Although the report states that 38 firms expressed no interest in the TAA program, 18 of these firms at the same time, stated that they were being injured by imports. The GAO report on page 10 acknowledges this inconsistency, but does not satisfactorily explain it away."

"Indeed, the survey itself suffers from a basic deficiency in that it covered firms in only 9 States—a very narrow geographic coverage in an industry spread over 37 States. The survey is said to cover the period from July 29 through October 7, 1976. This period is hardly a representative one for the survey since the full adverse effect on domestic production of the 'do nothing' policy of the Ford Administration was not yet clearly manifested. Since production declined over 14% in the last quarter of 1976, it is clearly evident that a different response would be forthcoming if the survey were conducted today."

"The current report contrasts sharply with an earlier report issued on March 25, 1975, which, in my opinion, was a much more accurate picture of the difficulties being encountered by firms and workers in dealing with this program. That report was a devastating indictment of the administrative delays and burdensome requirements encountered by firms and workers in dealing with this program."

"It should be noted here that the current report does not deal with workers, and, even with respect to firms, notes continuation of the same administrative delays. It does not point out that 3 firms which applied for assistance since the program took effect under the new trade act went out of business before they received any help whatsoever."

"When administrative delays are acknowledged to have 'occured in 12 of 18 non-rubber shoe firms either during the certification or application process or both,' that is certainly not a noteworthy record of achievement. This report does not in any way, in my opinion, enhance the low regard which the domestic non-rubber footwear industry has for the program as an effective remedy for its problems resulting from the impact of imports—it still is and always will be 'burial insurance'."

Even after noting these deficiencies, Burke pointed out that the report is still a clear indictment of the total failure of this program to solve the problem of imports. As the only specified Federal program presently available for relief to import-battered shoe firms, Burke likened the TAA program to the "emperor's new clothes". "On paper the program couldn't sound better—technical assistance, loans, financial assistance; it's all sealed and delivered and expedited to boot, but finding a firm that has benefitted by all this government largess is like trying to find the proverbial 'needle in the haystack'."

GAO reported that a Commerce Department study in 1976 anticipated that 200 firms would apply for TAA and at least 150 would be eligible for assistance. To this date, only 25 firms have applied, 16 have been certified, (3 of which had been certified under the old act and recertified in June 1975), and only 4 have received any aid at all.

Burke recalled last year that ITC Commissioner Italo Ablondi, the only Commissioner who advocated adjustment assistance, was deeply concerned that only $20 million had been appropriated for the firm adjustment assistance program in fiscal year 1976. Ablondi pointed out that with average disbursements of 2 million per shoe firm, "such an amount is not sufficient to carry out the intended mission of the program properly." "He need not have been concerned—only 3.3 million has actually been spent!"

"In reality the program is rife with bureaucratic red tape, loan rates which hover almost two percentage points above market rates, all manner and number of governmental compliance regulations, delays, no technical assistance whatsoever, and cumbersome and inscrutable application forms." The GAO study documents that there is substantial uncertainty involved in interpreting what information is required in the petition process, how much information is adequate, whether all procedures have been complied with and how, if at all, assistance can be obtained in the pre-proposal steps. Burke explained that, "A firm must show compliance with EPA regulations; file what amounts to a 14 point environmental impact statement; show evidence of an affirmative action plan; sign a civil rights statement indicating it will not discriminate on the basis of sex, race or religion; submit financial records and tax returns for the past five years; undergo FBI checks on financial officers and stockholders; and document in full that imports have been a major cause of steadily declining financial conditions and prospects. All this amounts to time and money—two sorely lacking commodities in a business about to go under. It's a classic catch-22 situation which is further complicated by the basic premise behind trade adjustment assistance—diversification; A 1973 Commerce Department study concluded that the shoe industry is highly unsuited to diversification (changing product lines)."

Burke went on to state, "It is my understanding that to this very day there are some Executive Department officials who feel that TAA is sufficient and will solve the problems in the shoe industry. Considering the pitiful record of this program, it is inconceivable to me that individuals in this new Administraton would view this 'solution' with anything but utter disdain."

"Following the announcement of "expedited adjustment assistance" granted by President Ford, last April, we find no improvements whatsoever in its effectiveness. Surely the time for testing and experimentation is over. This industry cannot afford another study or another experiment with adjustment assistance; it must have affirmative action now."

The problems in the shoe industry are not technology, lethargy, fashion or design. The number one problem is foreign imports. This has all been documented over and over again and most recently in the February 8th ITC report to the President. Countries whose wage scales are ten percent of our own are flooding our markets. Imports represented 22% of the domestic market in 1968, but have escalated to almost 50% with no end in sight. Many of these same countries that are garnering an ever increasing share of our market have completely sealed their own markets off to all imported shoes."

Burke cited the Ford Administration's failure to act on an ITC recommendation for relief last year which would have curbed foreign shoe imports, and that Administration's decision to opt for what they termed "expedited TAA" instead. "That was a cruel and meaningless solution to the industry's problems. We knew it at that time, and this report only makes it official." The ITC has found twice in the last 12 months that the shoe industry is suffering "serious injury" from imports. This latest decision, Burke said, "offers a mild system of tariff-rate quotas for a period of five years, and affords President Carter the opportunity to right a serious injustice of the Nixon-Ford Administration. Adjustment Assistance is not a solution to the industry's problems. To continue it as the only solution would be unconscionable."

In view of GAO's findings, Burke predicted that the Carter Administration would be sympathetic to a meaningful import-relief remedy. Burke recalled then-candidate Carter's visits to shoe factories in New Hampshire, and his promise to try to help the industry if he were elected. "I have asked President Carter to strengthen and act favorably on the ITC recommendation. Any action short of this would make a mockery of our trade laws and result in the loss of tens-of-thousands of jobs in the industry and its support industries."

Burke, along with over 100 of his House colleagues will send a letter to President Carter early next week petitioning the President to implement a strengthened tariff-rate quota plan.

BRIDGE SAFETY ACT OF 1977

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 20 minutes.

Mr. HAMILTON. Mr. Speaker, I wish to turn the attention of my colleagues to the long-neglected problem of America's decaying bridges. Although there has been a gratifying increase of interest in this problem of late, no one will claim that we have even begun to formulate a satisfactory solution to it. Therefore, it is with a sense of anticipation that I introduce today the Bridge Safety Act of 1977.

The reality of the problem of decaying bridges became suddenly and painfully clear a decade ago when the Silver Bridge, a 1,753 foot chain suspension structure connecting Point Pleasant, W. Va., and Kanagua, Ohio, ripped loose from its moorings and crashed into the waters of the Ohio River. This tragedy, occurring as it did at the height of the rush hour, took the lives of 46 people. In its aftermath the public called for comprehensive action to insure the safety of bridges, but regrettably such action was not forthcoming. Last year two tragedies of lesser proportions reminded us of steps not taken. Near Winston-Salem, N.C., a bridge over the Yadkin River collapsed, sending four people to their deaths and injuring 16 others. Also, an elected road commissioner in Pope County, Ill., perished when a bridge gave way beneath the truck he was driving. Perhaps the saddest thing about these tragedies is this: they would not have occurred had we acted to prevent them in time.

While we know that decaying bridges seriously imperil human life, we must also be aware that they pose other less dramatic problems. To begin, there are general difficulties for industry and agriculture. Impassable bridges mean delayed shipments and lost business for individual firms and farms. In fact, given the projected increases in industrial and agricultural production and the deterioration in rail and water transport services, many businessmen and farmers are beginning to think that the disrepair of bridges may seriously hamper America's economic growth. Though many cities have been taught

hard lessons, in particular jeopardy are rural areas. Small towns inaccessible to heavy transport vehicles are of limited attractiveness to industry. Farms inaccessible to such vehicles cannot market produce competitively. The sorry consequences are further economic stagnation and decline in already struggling rural regions.

Beyond such general difficulties, there are particular ones such as the transportation of children to and from school. Because there can be no question of sending busloads of children across unsafe bridges, hard-pressed school districts are forced to draw excessively long routes and then shoulder the additional costs. Even when longer routes are not required an unsafe bridge may cause inconvenience: the driver may have to stop before crossing, discharge his passengers, traverse the bridge empty and pick up his passengers on the other side. This is a common phenomenon, especially in rural areas. I know for a fact that it happens day after day in the Ninth District of Indiana.

The list of problems could go on and on. High numbers of traffic mishaps, poor communications and restrictions on the movements of emergency vehicles are all results of decaying bridges. However, before we can react successfully to these circumstances we must have some idea of what we are facing. The statistics are not encouraging.

Under provisions of the Federal Aid Highway Act of 1970 the Department of Transportation surveyed the 564,000 bridges in America, 230,000 of which are on the Federal aid highway system. On the basis of the survey and various other projections the experts calculate that there are 90,000 to 105,000 deficient structures, approximately 40,000 of which are on the Federal aid highway system. Many structures not included in these latter totals are rapidly becoming deficient. More disturbing still is the extent of disrepair: some 150 bridges are collapsing every year and there is informed speculation that over 300 important bridges could be put out of commission for 6 months or more this spring if the thaw brings heavy flows of ice. Though they are frightening, these figures are hardly surprising since 72 percent of all bridges in America were constructed prior to 1935. The problem is nationwide, sparing no region or State. Conservative estimates put the number of decaying bridges at 3,300 in Indiana alone.

The most critical precondition of safer bridges is money. During its entire history, the special bridge reconstruction and replacement program—part of the Federal Aid Highway Act of 1970—has not been funded at levels sufficient to meet the needs. Currently, only $180 million is authorized each year for the next 2 years even though it has been suggested that between $10 and $31 billion will be necessary to replace deficient bridges. Beyond these considerations are the as yet uncomputed costs of inflation and the continued deterioration of all bridges. With so little money available, only 670 bridges have been replaced or are being replaced under the special program. At this rate it will take at least 80 years to bring America's bridges up to an acceptable standard of safety.

With funding needs so far in excess of present resources, most knowledgeable officials believe that little will happen until substantially larger sums of money are made available for bridge replacement and repair. It is within this context that the Bridge Safety Act of 1977 should be understood. The bill would:

Amend the Highway Safety Act of 1976 by increasing appropriations for bridge replacement and repair to $720 million per year until 1990.

Encourage the repair of existing bridges rather than their replacement so as to effect improvements more quickly and cheaply.

Set a target date of 1990 for replacement and repair of all bridges, whether or not they are part of the Federal aid highway system.

Extend the highway trust fund through 1990 so as to meet the target date.

Direct the greatest aid to those States whose need is greatest, and set aside 15 percent of each annual appropriation for emergency replacement or repair of bridges in those counties whose need is greatest.

Mr. Speaker, I am confident that my colleagues will see the urgency of the problem of decaying bridges. I am hopeful that they will appreciate the necessity of the Bridge Safety Act of 1977. The time has come for us to set aright a situation that has been neglected too long.

REVIEW OF CORPS OF ENGINEERS AND BUREAU OF RECLAMATION PROJECTS TO DEVELOP COMPREHENSIVE POLICY REFORMS

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. JOHNSON) is recognized for 5 minutes.

Mr. JOHNSON of California. Mr. Speaker, on February 21, the President announced that he had instructed the Secretary of the Interior and the Secretary of the Army, working with the Council on Environmental Quality and the Office of Management and Budget, to undertake an evaluation of 19 water resources projects for which he was not requesting funding for fiscal year 1978. He also stated that a review would be undertaken of all other Corps of Engineers and Bureau of Reclamation projects with a view to developing comprehensive policy reforms in this area. Following this announcement, our committee held a hearing on February 25 to receive testimony from the Corps of Engineers on this matter. Earlier on February 23, the Interior and Insular Affairs Committee received similar testimony from the Secretary of the Interior on reclamation projects.

Since that time the Tennessee Valley Authority and the Soil Conservation Service have also been included among those agencies whose water resources projects are being reviewed by the administration. The review encompasses all projects under construction or in preconstruction planning. In the case of the Corps of Engineers, 278 projects are involved, and some 1,100 projects of the Soil Conservation Service are included. Representatives of the four departments, the Council on Environmental Quality and OMB met on Friday, February 25 to develop the criteria to be used in the project review. Because of the number of projects involved and the short time frame, a process will be employed consisting of an initial screening review of all projects followed by one or two additional reviews in greater detail of the remaining projects. The initial screening, which is now underway, will utilize criteria including remaining costs versus benefits applying a 6⅜ percent discount rate, adverse environmental impacts and safety considerations. Following this, criteria will be developed for the second review of those projects that do not pass the first, and then probably a third and final review. In letters to the President and conversations with OMB Director Lance, I am making the following points:

First. Section 80 of the Water Resources Development Act of 1974—Public Law 93-251—directs the President to study and report to Congress on the principles and standards to be used in the formulation and evaluation of water resources projects and appropriate Federal and non-Federal cost sharing for such projects. This study was never completed and sent to the Congress. The review of projects and project policies should be done in the context of section 80 rather than unilaterally as it is now being done.

Second. Provision should be made to have observers from the appropriate congressional committees present during the project evaluation process. This will enable us to acquire the information we need in time to react effectively to whatever is proposed, which is especially important in view of the early deadlines imposed by the congressional budget and appropriations processes.

Third. The criteria and the data collected by the agencies for the first screening process should be public information so that all interested parties will be aware of what is happening and will be able to make their views known.

Fourth. As soon as the criteria is applied at the first screening process, the results of such screening should be made known, including which projects have favorably met the test of the criteria and those that will be further screened.

Fifth. The criteria and the additional data required for the succeeding screening procedures should be made public. I understand that there may be at least two additional screenings. At each step the results should be made known.

Sixth. When down to the last review, those projects which are still in difficulty should be subject to public hearings by the agencies involved so as to permit the local people to indicate, among other things, the level of local expectancy, including the amount of public and private investment which has been made based on an understanding that the project would be completed.

I have met and will continue to meet regularly with members of the adminis-

tration so as to keep abreast of the progress of the review, and I will continue to keep my fellow Members informed of developments in this important matter.

WHAT WOULD PASTOR NIEMOLLER SAY ABOUT IDI AMIN?

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the crisis in Uganda has appeared to abate. Some have argued that events in past weeks should teach us the dangers of speaking out on human rights violations. I believe that exactly the opposite is the case. I am reminded of the Protestant minister, Pastor Niemoller, who reflected on his silence as Hitler persecuted ever greater number of groups until the repression reached him. He said:

I was not a Jew, therefore I was not concerned and when Hitler attacked the Catholics, I was not a Catholic and therefore was not concerned. When Hitler attacked the unions and the industrialists, I was not a member of the unions, and I was not concerned. Then Hitler attacked me and the Protestants and there was nobody left to be concerned.

The lesson to be learned is that we cannot be silent when violations of human rights occur. Where was the groundswell of international outrage when Idi Amin expelled Asian Ugandans or when it became clear that an estimated 50,000 to 300,000 Ugandans have been slaughtered in a campaign of genocide? Now there are verified reports of a vicious campaign of slaughter against Christians. Should we have been so surprised when our own countrymen appeared to be headed for the same fate?

The cause of the present predicament is not President Carter's statement on the issue. Instead, it is the cowardice and hypocrisy of those who have not and will not speak out against the repression in Uganda. Amin's former Education Minister, Edward Rugumayo, now in exile complained about this silence in an interview with David Martin, who has written an article entitled "Amin's Butchery," published in the Observer. Rugumayo said:

Too many nations regard what is happening in Uganda as an internal matter. Is systematic genocide an internal matter or a matter for all mankind? The Sharpeville Massacres were condemned by the entire civilized world but nobody has yet condemned the wholesale killings and disappearances of innocent people in Uganda. It is high time that the Organization for African Unity, the Commonwealth, and the United Nations condemned the murders being perpetrated by Amin in Uganda. It should be a concern for all mankind.

To their credit, there have been those who have spoken out. Presidents Nyerere of Tanzania, Kaunda of Zambia, and Tolbert of Liberia have spoken against the massive violations of human rights in Uganda. A group of prominent black Americans have joined together to denounce the repression; I am appending that letter for the interest of my colleagues. I have great respect for these individuals because they have the courage to support a single standard of human rights, whether it be South Africa or Uganda.

Unfortunately, the majority of African nations and, typically, the United Nations have evinced a double standard of the worst sort. The U.N.'s Human Rights Commission has voted not to accept a British proposal for an investigation of the human rights situation in Uganda. That body has again and again discredited itself by directing partisan attacks against right-wing dictatorships such as Chile and South Africa while ignoring atrocities in such left-wing countries as Cambodia and the Soviet Union. Their refusal to investigate in Uganda is but another example of that hypocrisy. I am certain that Allard Lowenstein, the U.S. delegate to the Commission and a former colleague of ours, will continue to press to end the double standard which has long haunted that Commission.

We must continue our efforts to bring the atrocities which Idi Amin has committed into the glare of international opinion—and outrage. We must press in the U.N. Human Rights Commission. We must press the African nations who have remained silent, to speak up. As William F. Buckley has suggested, the African nations are signers of the U.N. Convention on the Prevention and Punishment of the Crime of Genocide. If that convention is to mean anything, we must press for its application in the case of Uganda. Genocide against certain tribes and against Christians is occurring in Uganda. We should have encouraged international opinion long ago to censure Amin. It may have saved many lives. It is not too late. The legacy of Pastor Niemoller compels us to continue to speak out.

[From the New York Times, Feb. 23, 1977]

ON "AMIN'S REIGN OF TERROR"

TO THE EDITOR:

We in the black community have long opposed the brutality, the oppression and the injustices of the white minority governments of South Africa and Rhodesia. We are equally outraged by the violations of human rights and the murders committed by President Idi Amin Dada of Uganda. Neither the character nor the quality of oppression is altered when it is a black tyrant who is killing other blacks.

The record of Amin's six-year rule is a series of savage incidents demonstrating a total contempt for human life. Amin expelled 40,000 Asians of British citizenship from Uganda. He has systematically persecuted Christians, who make up 80 percent of Uganda's population. The country's chief justice, a former Prime Minister, was dragged from his courtroom by Amin's gunmen and has not been seen since. All barriers that once protected Ugandans from the abuses and crimes of Amin have been removed.

It is estimated that from 50,000 to 300,000 Ugandans have been killed by Amin's murder squads. A French documentary film includes an estimate that 90,000 Ugandans were killed in the first three years of his rule. Thousands of Ugandans are in prisons and tens of thousands have fled to other African nations, Europe and the U.S.

No one should believe that in criticizing Amin he is criticizing black Africa. The leading statesmen of Africa have denounced his atrocities. President Julius Nyerere of Tanzania has called him "a murderer," while President Kenneth Kaunda has termed him "a racialist."

All Americans, black and white, who are dedicated to human rights and freedom, should join in vigorously condemning Amin's reign of terror and should do whatever is possible to defend his victims—hundreds of whom are exiles living in the United States.

DOROTHY HEIGHT,
Pres., Natl. Council of Negro Women.
VERNON JORDAN,
Exec. Dir., National Urban League.
ELEANOR HOLMES NORTON,
N.Y.C. Commissioner of Human Rights.
FREDERICK O'NEAL,
Pres., Associated Actors and Artists.
WILLIAM POLLARD,
Dir., AFL–CIO, Civil Rights Dept.
A. PHILLIP RANDOLPH,
Pres. Emer., Brotherhood of Sleeping Car Porters.
BAYARD RUSTIN,
Pres., A. Phillip Randolph Institute.
ROY WILKINS,
Exec. Dir., N.A.A.C.P.

NEW YORK, *Feb. 18, 1977.*

H.R. 1985 IMPLEMENTS PRIVACY RECOMMENDATIONS OF THE NATIONAL COMMISSION ON ELECTRONIC FUND TRANSFERS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I want to praise the recent recommendations of the National Commission on Electronic Fund Transfers, especially the recommendations with respect to privacy.

Of paramount importance is the Commission's recommendation that fair choice among available payment methods be preserved, and that unfair or discriminatory pricing practices concerning competing payment methods be prohibited. Acceptance of a particular service or participation in a particular depository institution should not be mandated as a condition of purchase, employment, or receipt of benefit.

Such a flat prohibition on requiring a particular form of payment or receipt of payment is needed to counter the otherwise overwhelming coercion that could occur. The individual's weak bargaining position is no match for the bargaining power of the employer, the bank, the grocery store, et cetera.

Under present legal tender laws creditors are forced to accept only cash and cannot be compelled to accept a check—even a certified check—a preauthorized electronic fund transfer, or a credit card, unless they contract to do so. Nor can a creditor compel a debtor to pay in any mode other than cash—the legal tender. I urge that this remain the law.

CONSUMER'S RIGHTS AND RESPONSIBILITIES

In assigning liability the Commission has wisely followed the policies of the Uniform Commercial Code in recommending that—

A. The depository institution should be liable for erroneous, unauthorized, or fraudulent use of the EFT account unless the depository institution can demonstrate its own use of reasonable care and that consumer negligence or fraud substantially contributed to the erroneous, unauthorized, or fraudulent act. Consumer negligence exists if the depository institution can demonstrate, for example, that:

Consumer carelessness about the security

of the personal identification code thereby permitted the transaction to occur.

The consumer, knowing that the card is lost or that the security of his personal identification code has been compromised, neglects to report the facts and to confirm the same in writing within a reasonable amount of time to the depository institution and the neglect causes the loss.

Unreasonable consumer delay in reporting unauthorized transactions that appear in his statement permits further loss to occur.

B. The consumer, having reported to the depository institution a loss of a card, compromise of an identification code, or unauthorized use, shall not be liable for unauthorized transactions from the same source occurring thereafter.

C. The consumer has the additional duty to examine statements and to report errors and irregularities to the depository institution within a reasonable amount of time. Failure to so report makes a consumer liable for damages resulting to the depository institution that had acted with due care.

With respect to improper payment and wrongful dishonor the Commission has properly recommended that—

The depository institution should be liable to the consumer for improper payment and wrongful dishonor for any direct damages incurred, and liability for consequential damages shall be applied where the wrongful dishonor is due to negligence of the depository institution for failure to correct an error called to its attention.

The Commission has realized the definite need for a clear and full description of each debit or credit:

A descriptive statement of account activity, or records that provide the functional equivalent of the cancelled check (such as debit and credit memos) should be provided to accountholders on a monthly basis for any month in which activity occurs. Such statements should be sufficiently detailed and easy to read. Current descriptive statements often do not meet these requirements and thus constitute another source of consumer dissatisfaction.

THE RIGHT OF PRIVACY

The Commission's analysis of the privacy implications of EFT is cogent and clearly explains the need for legislation such as Representative GOLDWATER, JR., and I have developed in H.R. 1985, the Protection of Private Records Act:

The Commission believes that EFT expands the potential for abuse of personal privacy by lowering the cost and increasing the ease of access to such information as well as increasing the kinds and the amount of financial transaction information that is collected.

Specifically, the amount of personal financial transaction information collected under EFT could increase. Cash transactions have fewer recordkeeping activities associated with them than other types of financial transactions. Thus for each cash transaction replaced by an EFT transaction, records are created that otherwise would not exist. In addition, audit, verification, and control requirements associated with EFT transactions would require the generation of more records than do check transactions. Currently, checks written in amounts under $100 are not subjected to the extensive reporting mandated by the Bank Secrecy Act, but under EFT, such records would have to be maintained for control purposes, regardless of the size of the transaction.

The kinds of information collected about personal financial transactions could increase under EFT. Information captured in an EFT transaction could include the date, time of day, location, amount of payment, type of transaction, and recipient of payment. Because of the difficulty of providing adequate audit trail information to protect both the consumer and the institution, more descriptive information about a transaction may be required to distinguish between different kinds of transactions. Finally, recordkeeping requirements of the Bank Secrecy Act may apply to EFT transactions exceeding $100.

The present payment system includes both paper and electronic processing and storage of personal financial transaction information. This provides a limited amount of protection due to the difficulty and cost of accessing such information readily. EFT will reduce this protection by increasing the ease and reducing the cost of such access.

It thus becomes necessary to provide adequate safeguards against possible misuses of financial information resulting from increased ease of access and retrieval that this new technology will provide.

This analysis led the Commission to recommend that Federal legislation be enacted that:

Grants the individual the right to contest any Government access to his financial transaction information, providing for prior notification to the individual of any subpeona or summons. The legislation would take into account the legitimate needs of law enforcement and other Government agencies. Access by Government without due process as specified should be declared unlawful.

Provides that all third-party private-sector use of information concerning a consumer's depository account without the specific consent of the individual be declared unlawful, except for information necessary to verify or complete the transactions, to verify the existence of the consumer's account, or for information regarding the improper use of the account.

H.R. 1985 implements both of these recommendations. Complementing H.R. 214, which controls Federal Government access to private records, our legislation places limits on State and local government's access to bank records, telephone toll records, and credit records, as well as limiting access by persons in the private sector. When somebody wishes access to these records of an individual, our bill requires either: First, the individual's written consent to allow dissemination of his or her records; or second, an administrative subpoena that the individual could challenge; or third, a judicial subpoena with notice to the individual except in cases where a criminal or civil investigation would be jeopardized or fourth, a court authorized search warrant with notification to the individual. A listing would have to be kept of all record disclosures. Individuals can under the bill sue for actual and punitive damages. Violators are subject to imprisonment for not more than 1 year and a fine of not more than $1,000 or both.

For a more detailed, section-by-section analysis of the bill I would refer those interested to the CONGRESSIONAL RECORD of February 9, 1977, page 4002.

PRIVACY IS A PROPRIETARY RIGHT

At present personal information is collected from a variety of sources—banks, employers, stores, and so forth—to make one-time decisions for specific purposes. When these are merged to create a permanent data base, then, a new trustee relationship has been created.

Under this conception, the data-rich profile of an individual residing in the EFT data base is a valuable legal property belonging only the individual account holder and not to the system.

I believe that it is important to understand this evolving concept of informational privacy as a proprietary right, whose use should be governed by contract and fiduciary principles. Therefore, I have appended a description of this concept written by a leading expert in the field, Prof. Alan F. Westin of Columbia Law School, and taken from his recent and excellent study entitled "Computers, Health Records, and Citizen Rights," published by the National Bureau of Standards.

In a democratic society, which seeks to assure both individual freedom and a rationally-ordered social system, the way in which personal information is treated is of special importance. The traditional advocacy of privacy rights in information has been couched largely in civil-liberties terminology—the right of an individual to determine, in most circumstances, what information about him is obtained and used by others. But at least where organizational data systems are involved, there is growing recognition of what might be called an exchange theory. The concept here is that an individual, exercising his right to give or withhold personal information, releases valuable personal data either in order to obtain a specific benefit for himself (or his family or group, or to promote a social good he supports) or else to fulfill a legal duty (carrying the sanction of majority will under democratic theory). In return, the recipient (the data user) has two basic obligations: to use the personal information only for the purpose agreed upon (unless authorized by additional consent or by law), and not to treat the information so carelessly or maliciously that it harms the individual from whom it the information so carelessly or maliciously that it harms the individual from whom it was obtained.

What this exchange or contract theory of infromation privacy recognizes is that personal information has become increasingly valuable in our data-based civilization. Our personal characteristics, once thought of solely in civil libertarian terms as entitled to protection against unwanted surveillance or disclosure, have become the vital raw material of business, governmental, and political decision-making: age, marital status, children, income, race, education, buying habits, political preferences, religious denominations, health conditions etc. If individuals were to withhold such personal information from those who daily ask for it, business and gvoernmental affairs would be seriously disrupted, since organizational planning, administration, and evaluation depend heavily on access to such individual data. Thus whatever it may have been in earlier centuries, personal information has become like clean air and water, a scarce commodity today, capable of being valued in an economic sense alongside its social worth in terms of protecting individual dignity and democratic values.

Making information privacy a property right as well as a human right does something useful in a capitalist society: it buttresses the individual's claim to assert (or at least to share) control over the uses made of his or her valuable property. It also explains why there should be a reciprocal duty on the part of the data user to live up to his side of the informational contract—not to be guilty of unjust enrichment at another's expense. Whether as a basis for legislation or judicial decision, or to explain to the public the implied-contract relationship that should be seen arising between data subject and data user, this concept has great merit for public policy.

PROHIBIT POLYGRAPH TESTING FOR EMPLOYMENT PURPOSES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am introducing today with 23 cosponsors a bill to prohibit the use of polygraph testing for employment purposes.

Some may wonder why the bill prohibits absolutely the use of polygraph testing for employment purposes, rather than allowing the employee the freedom to voluntarily consent to a test. I was persuaded that an absolute prohibition is necessary by a report of the New York State Bar Association Committee on Federal Legislation of October 1974.

As the report states, there undoubtedly is a "dubious validity ascribed to any consent obtained from an employee in view of the pressures and the weaker bargaining position of the employee in relationship with his employer."

Because the report has been so instrumental in my thinking, I am including the text, as follows:

REPORT OF THE COMMITTEE ON FEDERAL LEGISLATION ON POLYGRAPH TESTING IN EMPLOYMENT *

USE OF POLYGRAPH BY EMPLOYERS

Employees in both the public and private employment sector in the United States are increasingly being forced to submit to polygraph testing in connection with seeking employment and thereafter for varied reasons while employed.[1] It is reported that each year approximately 200,000 persons in private employment—as well as thousands of other employees in federal, state and local governments—take polygraph examinations.[2] Employers frequently justify the use of polygraph testing on the grounds that it (a) ferrets out undesirable applicants for employment and (b) constitutes a useful device to assist employers in security matters.[3] Not surprisingly, the polygraph service business has been growing. It is estimated that there are now between 4,000 and 5,000 polygraph practitioners in the United States.[4]

The polygraph machine, or lie detector as it is commonly called, attempts to analyze a machine's reaction to the uncontrolled variations in physiological responses, such as blood pressure, perspiration flow and breathing, generated in the subject by emotional stress caused by requiring the subject to reply to questions propounded by the polygraph operator.[5] Thus, in the employment context, the usual practice is for the polygraph operator to ask the employee a series of probing questions relating to personally sensitive areas such as the employee's family background, sex life, political views and personal relations. Such questioning usually covers a much broader area of inquiry than is normally followed by law enforcement agents. To illustrate—in the law enforcement area, polygraph examinations are normally limited to determining whether an individual is replying truthfully to questions specifically relating to whether the subject did or did not commit a particularly alleged act of criminal conduct.

The principal objectives to the use of polygraph testing in the employment context may be summarized as follows: (a) Neither the reliability of the data obtained from polygraph testing nor the validity of the conclusions drawn therefrom has been scientifically established; (b) the use of polygraph testing infringes upon an individual's personal autonomy and privacy; and (c) the compulsory use of polygraph testing, because of the need to strap a person to a machine and ask him a wide range of questions, constitutes an affront to the individual's sense of personal dignity. Other arguments raised against the use of polygraph testing are that it violates the fundamental view that "one is innocent until proven guilty, that it forces the subject into a position of self-incrimination, and that it represents an illegal search and seizure of the subject's thoughts, attitudes and beliefs.[6]

While the use of polygraph testing may in some instances ease personnel administration and assist in maintaining security, there appear to be alternative means available to the employer to accomplish these aims such as the use of less restricted pre-employment interviews, the careful assessment of references, the investigation of prior work history, the creation of probationary work trial periods and the use of a wide variety of readily available security procedures and devices. Although use of the lie detector test may be the least costly method,[7] the economic savings alone are not large enough to justify its use.

LEGAL STATUS OF POLYGRAPH TEST

Polygraph test results have almost uniformly been barred as evidentiary material in both the federal[8] and state[9] courts, chiefly on the ground that such data is scientifically unreliable. Interestingly, J. Edgar Hoover, the late director of the Federal Bureau of Investigation, publicly expressed an opinion that polygraph tests were scientifically unreliable.[10] Similarly, there is ample evidence indicating that arbitrators, particularly in the labor arbitration field, have rejected polygraph testing data as admissible evidence in arbitration proceedings.[11] At present, 15 states have made the use of the polygraph tests in the employment context illegal, unless it can be established that an employee has voluntarily consented to submit to such a test.[12] Another 17 states have chosen to regulate polygraph operators through comprehensive licensing statutes which require the creation of regulatory boards for the certification of polygraph operators.[13]

These boards normally have the power to revoke for stated reasons licenses previously granted. While over the last several years bills on the subject have been introduced in the New York State Legislature, no bill has been passed either making the polygraph test illegal in the employment context or creating a regulatory scheme to govern polygraph use.[14]

Several legal writers have expressed the view that the use of polygraph testing on a compulsory basis in the employment context violates the federal constitutional rights of the subject, under the First, Fourth, Fifth and Fourteenth Amendments to the Federal Constitution.[15] Support for this position may be found in the Supreme Court decision in *Griswold* v. *Connecticut*,[16] which held unconstitutional a Connecticut state statute forbidding the dissemination of birth control information and the use of contraceptive devices. The Supreme Court found that the Connecticut statute violated the constitutional right of privacy of the litigants. The Court noted that requiring an individual to expose his beliefs, attitudes and associations chills the free exercise of First Amendment constitutional rights. However, the constitutionality of the polygraph test has not yet been litigated.

H.R. 688, PROHIBITING POLYGRAPH TESTING

H.R. 688 was introduced in the 93d Congress by Representative Koch on January 3, 1973 and has been referred to the House Committee on the Judiciary. Previous attempts in earlier Congress to regulate polygraph testing have been unsuccessful.[17] H.R. 688 makes it unlawful for any employee of a federal governmental agency or of a department or for any person employed by an entity engaged in a business affecting interstate commerce to "require or request, or to attempt to require or request," any individual applying for employment or any individual presently employed to take any polygraph test in connection with his services or duties, or in connection with such individual's application for employment. This bill also makes it unlawful for the employer (whether governmental agency or private employer) to deny employment to, to deny promotion to, to discipline, or to discharge (or to threaten any of the aforesaid) any employee who refuses or fails to submit to a requested polygraph test. The willful violation of this proposed law is a misdemeanor punishable by a fine of up to $1,000 or imprisonment not exceeding one year, or both.

In addition, H.R. 688 provides that the employee or prospective employee who is aggrieved by violations or threatened violations of the provisions of H.R. 688 may bring a civil action against the offending employee of the governmental agency or the private employer for injunctive relief or for damages in his own behalf or as a class action in the appropriate United States District Court.

RECOMMENDATIONS RELATING TO H.R. 688

The Committee supports in principle the adoption of H.R. 688,[18] but suggests that the Bill be amended to prohibit absolutely the use of polygraph testing in the employment context, thereby precluding the use of the polygraph test even if the employee "voluntarily" consents to submit to it. This suggestion is offered because of the dubious validity ascribed to any consent obtained from an employee in view of the pressures and the weaker bargaining position of the employee in his relationship with his employer. If this revision is not accepted, consideration might be given to adding a proviso to H.R. 688 that any reference in the employee's files and records or any written notation by the employer of a refusal by the employee to consent to a polygraph test must be expunged.

Respectfully submitted.

Robert C. Miller, Chairman, Theodore W. Allis, J. Raymond Bell, Mark K. Benenson, John C. Bivona, Joseph P. Burke, William F. Connell, John P. Cuddahy, A. W. Driver, Jr., Stephen V. Dubin, James W. Fay, Gerard Fishberg, Alan W. Granwell, Joel B. Harris, Robert N. Landes, Ronald B. Mole, Michael J. O'Connor, John F. Reilly, Leslie Steinau, III, Robert L. Tooker, Robert R. Troup, Robert H. Werbel.

FOOTNOTES

* This report is based on the work of the Subcommittee on Polygraph Testing in Employment, Robert N. Landes, Chairman. Neither the Executive Committee nor the New York State Bar Association as a whole has taken any position on these recommendations.

[1] N.Y. Times, October 29, 1972, at p. 3 of Sunday Business and Financial Review. For a thorough discussion of the legal aspects of polygraph testing see Alan F. Westin, Privacy and Freedom (1967), Chapter Nine, "Truth Through Stress," 211–241 (hereinafter cited as "Westin"); and Donald H. J. Hermann III, Privacy, The Prospective Employee, and Employment Testing: The Need to Restrict Polygraph and Personality Testing, 47 Washington Law Review, 73–153 (1971) (hereinafter cited as "Hermann").

[2] N.Y. Times, November 22, 1971, at p. 1 and p. 45.

[3] See Westin at 236–237; Hermann 73–74. See also Inbau and Reid, The Lie-Detector Techniques: A Valuable Investigative Aid, 50 A.B.A.J. 470 (1964). For a discussion of scientifically improved versions of the polygraph machine see Edsin, "The Week in Review," N.Y. Times, November 28, 1971.

[4] N.Y. Times, *supra*, footnote 2.

[5] See Skolnick, Scientific Theory and Scientific Evidence: An Analysis of Lie-Detection, '70 Yale, L.J. 694 (1961): "The scientific basis for lie detection is questionable. There seems to be little evidence that upholds the claim to a regular relationship between lying and emotion; there is even less to support the conclusion that precise inferences can be drawn from the relationship between emotional change and physiological response." "Whatever the unconditional accuracy of the lie detector, the number of false positives it diagnoses is going to be related to the number of true positives in the population being tested. This fact could make the use of lie detectors, even if they had high unconditional accuracy, questionable in those situations—such as personal screening—in which there are few positives in the population."

See also Hermann at 77–88; Westin at 211–212.

[6] See monograph sponsored by the American Civil Liberties Union entitled "The Use of Polygraphs as 'Lie Detectors' in Private Industry (1972)" prepared by Brown and Carlson.

[7] According to one source, the average lie detector test costs $25 compared with a fee in excess of $100 for a routine background search covering a prospective employee. N.Y. Times, October 20, 1972 at p. 3 of Sunday Business and Financial Review.

[8] See *Frye* v. *United States*, 293 F. 1013 (D.C. Cir. 1923). But in two recent federal district court decisions, *United States* v. *Ridling* (U.S. Dist. Ct. E. Mich., Oct. 6, 1972) and *United States* v. *Zeigler* (U.S. Dist. Ct., Dist. of Columbia, October 10, 1972), evidence of polygraph test results were ruled admissible where defendants, who voluntarily took such tests, wished to offer the results in support of their respective defenses. See discussion of these two cases in the New York Law Journal, p. 4, October 27, 1972. See also discussion about similar California decision in New York Law Journal, November 10, 1972.

[9] For example, *People* v. *Forte*, 279 N.Y. 294 (1938); *State* v. *Bohner*, 210 Wis. 651 (1933); *People* v. *Becker*, 300 Mich. 562 (1942); and *State* v. *Cole*, 35 Mo. 181 (1945); *People* v. *Leone*, 25 N.Y. 2d 511 (1969); *People* v. *Jacobson*, Queens County, Supreme Court, Criminal Term (1972) as discussed by New York Law Journal, November 15, 1972.

[10] Warren Commission Report, p. 815.

[11] For example, Marathon Elec. Mfg. Corp., 31 Lab. Arb. 1040 (1959); United Mills, Inc., 68–1 CCH Lab. Arb. 8179 (Miller 1968); Ramsey Steel Co., Inc., 66–CCH Lab. Arb. 8310 (Carmchael 1966); Safeway Inwood Service Station, 44 LA 769 (Kornblum 1965). However, evidence of a polygraph test was admitted but not given significant weight, in Owens Corning Fiberglas Corp., 67–1 CCH Lab. Arb. 8378 (Doyle 1967).

[12] Alaska Stat. § 23.10.037 (1964); Cal. Labor Code § 432.2 (1953); Conn. Gen. Stat. Ann. § 31–51 (1967); Del. Code Ann. tit. 19, § 705 (1953); Hawaii Rev. Laws § 378–21 (1965); Md. Ann. Code art. 100 § 95 (1966); Mass. Gen. Laws ch. 149 § 198 (1963); Mich. Comp. Laws Ann. § 338.1728 (1973); Minn. Stat. ch. 181.75 (1973); Mont. H. B. 787 (3 CCH Employment Practices, Mont. ¶25,060 (May 16, 1974)); N.J. Rev. State. § 2A:170–90.1 (1966); Ore. Rev. Stat. §§ 639. 225.990 (1963); Pa. Stat. Ann. tit. 18 § 4666.1 (1969); R. I. Gen. Laws Ann. § 28.6.1–2 (1964); Wash. Rev. Code § 49.44.120 (1965).

[13] Ala. Code tit. 46 § 274 (1971); Ark. Stat. Ann. §§ 71–2201 to –2225 (1967); Fla. Stat. Ann. §§ 493.40–56 (1967); Ga. Code Ann. §§ 84–5001 –5016 (1968); Ill. Ann. Stat. ch. 38 §§ 202–1 to –30 (Smith-Hurd) (1963); Ky. Rev. Stat. §§ 329.010–990 (1962); Mich. Comp. Laws Ann. § 338.1701 to –1729 (1973); Miss. Code Ann. §§ 39.8920–61 to –84 (1968); Nev. Rev. Stat. § 648.005–210 (1967); N. M. Stat. Ann. §§ 67–31–4 to –14 (1963); Gen. Stat. N.C. § 63–491.1 (1974); N.D. Cent. Code §§ 43–31–01 to –17 (1965); Okla. Stat. Ann. tit. 50 § 1451 to –1476 (1971); Code Laws S.C. § 56–1543.51; Tex. Rev. Civ. Stat. art. 2615 F–3 §§ 1–30 (1969); Utah Code § 34–37–1 to –14 (1973); Va. Code Ann. §§ 54–729.01 to –018 (1968).

[14] For a summary of the unsuccessful attempts to pass legislation in New York State outlawing the use of polygraph testing, see The Record, Association of the Bar of the City of New York, 322–324 (1966); see also Westin at 223–226. There are six Senate bills and one Assembly bill in committee for the 1974 Session of the legislature.

[15] See Hermann at 26–137. For an early treatise on the constitutional rights of privacy see Warran & Brandeis, The Right of Privacy, 4 Harv. L. Rev. 193 (1980).

[16] 381 U.S. 479 (1965).

[17] A series of bills were introduced into the Senate in the 89th and 90th Congresses culminating in the Senate's passage of S. 1035 in 1967, which prohibited the use of both polygraph and personality testing of federal government employees. However, 1035 died in the House Committee on Post Office and Civil Service during the 90th Congress. A similar bill, S. 1438 (barring the use of both polygraph and personality tests on federal government employees) was reintroduced in the 91st Congress and again in the 92nd Congress. In addition, two bills were introduced in the House during the 92nd Congress, H.R. 9449 and H.R. 9783, both identical to H.R. 688. H.R. 9783 is cosponsored by the members of the House Judiciary Committee. No hearings were ever held regarding these House bills.

[18] To refute a possible argument that H.R. 688 constitutes in the private employment area an unwarranted, and possibly an unconstitutional, interference with an employer's right to hire and discharge employees, mention should be made of several other major pieces of federal legislation, which also affect the employment relationship. In each of these instances, federal legislation restricting the employer's rights was enacted to achieve important social objectives. Thus, Section 8(a)(3) of the Labor Management Relations Act, 1947 (29 U.S.C.A. § 158(a)(3)(1965)), makes it unfair labor practice for an employer:

"by discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization . . ."

Similarly, Section 703(a)(1) of the Civil Rights Act of 1964 (42 U.S.C.A. § 2000 e–2(a)(1) (1970) makes it an unlawful employment practice for an employer to:

". . . fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex or national origin."

Likewise, Section 4(a)(1) of the Age Discrimination in Employment Act of 1967 (29 U.S.C.A. § 623(a)(1) (1972 Supp.)), makes it unlawful for an employer:

"to fail or refuse to hire or to discharge any individual or otherwise discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's age;"

Moreover, Section 304(a) of the Consumer Credit Protection Act (15 U.S.C.A. § 1674(a) (1972 Supp.)), provides that:

"No employer may discharge any employee by reason of the fact that his earnings have been subjected to garnishment for any one indebtedness."

INDEPENDENT LITHUANIA

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I am pleased to call to the attention of our colleagues and all who read this RECORD, the recent resolution of the Lithuanian American Council of Miami marking the anniversary of Lithuanian independence.

The resolution reflects clearly the strong spirit of independence which lives in the hearts of a proud and ancient people:

RESOLUTION

We, Lithuanian Americans of MIAMI and it surroundings in Florida, assembled this 20th day of February, 1977, at the Miami Lithuanian American Citizens Club at 3655 NW 34th St., Miami, Florida, commemorating the 59th anniversary of the reestablishment of the independent State of Lithuania on February 16, 1918, and the 726th anniversary of the formation of the Lithuanian Kingdom in 1251, send our warmest greetings to the people of the Soviet-occupied Lithuania and pledge our unwavering support for the restoration of Lithuania's sovereignty and unanimously adopt the following resolution:

Whereas in 1918 the independent State of Lithuania was reestablished by the free exercise of the right of self-determination by the Lithuanian people; and

Whereas by the Peace Treaty of July 12, 1920, Soviet Russia officially recognized the sovereignty and independence of Lithuania and voluntarily renounced forever all rights and claims by Russia over Lithuanian soil and her people; and

Whereas until 1940 Lithuania was a sovereign nation, a member of the League of Nations and a signator of numerous international treaties with the Soviet Union; and

Whereas the Soviet Union during June 15–17, 1940, invaded and occupied Lithuania, and subsequently, forcibly annexed the Lithuanian nation into the Soviet Union; and

Whereas the Soviet Union continues to conduct a policy of colonization, Russification, ethnic dilution and religious and political persecution in Lithuania; and

Whereas the United States Government maintains diplomatic relations with the government of the Free Republic of Lithuania and consistently has refused to recognize the unlawful occupation and forced incorporation of this freedom-loving country into the Soviet Union; and

Whereas the 89th U.S. Congress unanimously passed House Concurrent Resolution 416 urging the President to raise the question of the Baltic Nations status at the United Nations and other international forums; now, therefore, be it

Resolved, That we, Lithuanian Americans will urge the President to vigorously implement the House Concurrent Resolution 416 to the fullest extent; and further

That we urge the Secretary of State, during the Belgrade Conference, in compliance with the humanitarian provisions of the Final Act of the European Conference on Security and Cooperation, to demand immediate release of all Lithuanians who are imprisoned for political and religious reasons and who for years are lingering in various Soviet jails and concentration camps or are kept in psychiatric wards;

That copies of this resolution be forwarded to the President of the United States, the Secretary of State, the United States Ambassador to the United Nations, the United States Senators and Congressmen from the

State of Florida, the Lithuanian Minister in Washington, D.C., and the Lithuanian Consuls in New York City and Chicago, and the press.

WHAT AMERICA MEANS TO ME

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a voice of democracy contest among the secondary school students around the Nation. This year's theme was "What America Means to Me," and the winning contestant from each State receives an all-expense-paid trip to Washington, D.C., for the final judging. First prize is a $10,000 scholarship; second prize is $5,000; third prize is $3,500; fourth prize is $2,500; and fifth prize is $1,500.

The winning contestant from my State of Florida is a constituent of mine, Christopher Eric Dreeson, 481 La Villa Drive, Miami Springs, Fla. He is 16 years of age and is a junior at the Pine Crest Preparatory School in Fort Lauderdale, Fla. Chris plans to pursue a career in professional acting or singing. I request permission to insert his winning speech at this point in the RECORD:

WHAT AMERICA MEANS TO ME

(By Christopher Eric Dreeson)

A few months ago a distinguished statesman from India paid a visit to the United States. As a special guest of the government, he was given a breathtaking tour of the most impressive accomplishments of the American nation. He began in New York, where he gazed in astonishment at the soaring twin towers of the World Trade Center, which dwarfed even the proud Empire State Building. From there he was hustled into a jet the height of a five-story building and whisked across three thousand miles in a few hours to see the great natural wonders of the redwood cathedrals and the awesome depths of the Grand Canyon. Over the Midwest, he looked down upon the five massive dams of the Missouri River, one of the most mammoth engineering feats the world has ever seen, and marvelled at the giant sculptures of Mount Rushmore. Later he viewed the complex structures of Cape Kennedy, the launching site of near-miraculous probes to the moon, Venus, and Mars, and saw the world's most captivating playground at Disney World.

Back in Washington the visitor, looking diminutive beside the solid American dignitaries surrounding him, was asked a challenging question: "What was it about America that impressed you the most?" His small lined face remained immobile for a moment; then his eyes looked sadly into the eyes of his questioner.

"The thing that impresses me most," he said deliberately, "is the size of your—garbage cans."

In the midst of the most incredible accomplishments of man-kind, this envoy from a starving nation found the abundance of food and disposables the most amazing thing about America.

My first reaction to the story was one of shock—even despair. But that response was transformed after a moment's thought when I realized that America had been able to achieve its awesome accomplishments only because it had met its people's most basic needs first. Indeed, a nation is free to build its engineering marvels, encourage its educational institutions, and create its enduring works of art only when its people are protected from the ravages of starvation, deprivation and disease. The human soul can soar only when the human body is freed from an unending struggle merely to stay alive.

America, because of its abundant natural resources and energy, has become a kind of cradle of creativity, a land which has nourished man's potential for greatness—and that greatness has provided the means for additional thousands to accomplish great things in a kind of chain reaction. Thus, America means to me an opportunity, one unhampered by the shackles of need and deprivation. We fortunate few who live here are the inheritors of a nation genuinely guaranteeing "life, liberty, and the pursuit of happiness."

Yet, as the inheritors, we must also be the progenitors of a new generation whose accomplishments can soar even higher than those that we and our ancestors have made. That means that America is more than an opportunity; it is also an obligation. Just as we who are alive today benefit from the realized opportunities of our ancestors, we must be certain that our descendants are the beneficiaries of our endeavors.

If we stop for a moment, I think we can see that that obligation is really just another opportunity in disguise; it is the opportunity to serve those who have not yet enjoyed the freedom to soar. With our developed technology, viable institutions of government, and spiritual compassion, we can make America more than the cradle of freedom for those within our boundaries. This nation can become the nursery of the world. By taking advantage of our opportunity to serve, we can again set off a chain reaction of opportunities, this time throughout the globe.

Thus, in later years our shared technology and principles of freedom will go hand in hand to help less-fortunate nations throughout the world overcome their deprivations and enjoy the opportunity we today possess in America. Let us hope we can activate that day when an official from India can show visitors to his country the impressive accomplishments of a well-fed nation and not have to envy the refuse heaps of the fortunate few.

THE BELOVED SPEAKER OF THE HOUSE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on December 6 last, at the Democratic Caucus, nominations were made for Speaker of the House of Representatives. The only candidate nominated was our beloved and distinguished colleague, whom we know as TIP O'NEILL from Massachusetts. The first and principal nomination of Mr. O'NEILL was made by one of his able and esteemed colleagues and friends, EDWARD P. BOLAND. Mr. BOLAND not only has been a long-time colleague and intimate friend of TIP O'NEILL, he and TIP have roomed together in Washington for 24 years. So EDDIE BOLAND, with moving eloquence, paid a magnificent tribute to his and our great colleague and his beloved friend, TIP O'NEILL.

EDDIE BOLAND's long association with TIP O'NEILL had given him the perspective to see the qualities of leadership that TIP O'NEILL possesses to such an outstanding degree, the distinguished record he had made as Speaker of the House in the Massachusetts legislature, his deep dedication to the public interest and TIP's possession of those warm, noble, and lovable personal qualities which have so endeared him to his colleagues wherever he has served. EDDIE BOLAND was able also to tell us about the kind of roommate TIP was—a delightful revelation to all of us who heard him. When EDDIE BOLAND had finished his eloquent nominating speech, every one of us who was privileged to hear him, felt that sense of satisfaction that one derives when he observes a friend rise to the challenge of a great occasion.

When the able gentleman concluded his nomination he received a standing ovation, both as a tribute to his eminent candidate whom everyone present knew would become one of the great Speakers of the House and in appreciation of Mr. BOLAND's magnificent and moving nominating speech. I thought that EDDIE BOLAND's speech on this occasion ought to be permanently preserved in the annals of this House. Hence, I asked him if he would give me the permission, which he kindly did, to offer it for the CONGRESSIONAL RECORD. Just as TIP O'NEILL will stand out in the history of this House as one of its great leaders and Speakers, so will this nominating speech of his friend and colleague, EDDIE BOLAND, always be one of the high marks of excellence and eloquence uttered in tribute to a colleague by a Member of this floor. I am sure that all of our colleagues in the House will delight to read this moving speech of our our distinguished and able friend from Massachusetts, EDDIE BOLAND.

Hence, Mr. Speaker, I include the remarks of our colleague, the able gentleman from Massachusetts, Mr. BOLAND, in the body of the RECORD following my remarks:

Mr. Chairman, my Democratic colleagues, I have the honor of nominating the Honorable Thomas P. O'Neill, Jr., a Member of Congress from the Commonwealth of Massachusetts, as the Democratic candidate for Speaker of the United States House of Representatives for the 95th Congress.

Few events in my life have given me more pleasure and joy, and greater personal satisfaction, than the privilege that falls to me on this day, in this Democratic caucus.

I accept this role without hesitation.

Two years ago, I offered his name, for majority leader, to the Democratic caucus that organized our party, for the 94th Congress.

I said then that I had known Tip O'Neill for some time—a long time. We served together in the Massachusetts Legislature, came to the Halls of Congress at the same time in 1953 and have shared living quarters ever since. Twenty-four years—that's a pretty good span of time to get to know one.

Beyond his gracious and devoted wife, Mildred, and the family, and his closest friend and aide, Leo Diehl, I suppose I know Tip as intimately as anyone—his faults, his foibles, his strengths, his spirit.

I can tell you that he is a lousy cook. The guy that concocted "instant coffee" is his idol. He is a shattering snorer, mastering the alarms of clocks no matter what the decibel.

Frankly, as I know him, I confess that these are his only weaknesses—except one more, where his spirit and loyalty run away with his sense. He's been telling me every year, for the past ten, that the New England Patriots will win the Superbowl. You know, he just might be right this season.

I don't have to tell you that public service

and public life is a hazardous and difficult existence. It is, indeed, a life that is lived in a house of glass. And, this is as it should be.

And, this is precisely as Tip has served and lived it.

This, too, is exactly why he has been uniformly successful at it.

Just think of it! From the streets of Cambridge, to the School Committee, through the Massachusetts House of Representatives as a Member, minority leader to the first Democratic speakership in the history of that House—and on to this hallowed place as a Member, whip, majority leader of our party.

Few people have thrown themselves into the political fray—for local, gubernatorial, House and Senate, and Presidential candidates—as deeply and as often as he. A vast number of us who sit here today can vouch for that.

No one, that I am aware of in public life, has succeeded as Tip, in keeping old and valued friends and winning new ones as well.

Back home, he has built bridges between labor and management, the young, middle aged and the elderly, between politicians and professors and students—and that's not an easy thing to do.

He combines, a unique and warm personality, with a sincere affection for people, and a deep interest in their problems. He is tough, but, impeccably fair.

He's got political guts and stamina.

He dares to change, and oft times has been the leader in change when it has not been the popular course. His frankness, his wholesomeness, his good mind, his sense of humor, his political acumen for doing the right thing have been demonstrated time and again during trying and traumatic years in his service in the Congress.

I need not tell you, that he will need all of these attributes, to power the goal he has set, for his speakership.

Congressman O'Neill states the obvious when he says, that Congress must climb out of the slough of distrust, in which it has been mired for too long. He offers a positive and tough approach—a position announced not only yesterday, but one he has proclaimed for months throughout this land.

When we consider that, from a number of 292, more than 40 percent were not Members of Congress before 1974, there ought to be no doubt, that the enthusiasm, the vigor, the youth are here to help restore the tarnished image of this institution.

We have the horses, it is true. What is required most particularly, is the leadership, to bring form to our energies. We have that leadership in the stature, the will, the determination of the next Speaker of the House.

Beyond getting the House in order, and restoring the public's confidence in it, is a task, equally, if not more important. And that, is getting the Nation in order.

When the transition is ended on January 20th, for the first time in the past 8 years, the whole ball game will be played in the home park of the Democrats. The responsibility will be ours to meet the very complex and difficult problems that will face our administration—executive and legislative.

With Jimmy Carter as President and a Democratic administration, the responsibility of Congress—the Democratic Congress—the leadership role increases substantially. So, in choosing a Speaker, we are choosing a man who must, not only lead us, the Members of the House and particularly the Democrats, but one who must be able to participate in the highest councils of this land, and to earn the confidence, goodwill and respect of President Carter and his administration.

The 95th Congress will play an important part in the success of the new administration. All of us will be called upon many times, over the next two, and four years, to lend support to the programs and appeals that will be flowing to Capitol Hill and to this House.

The man in the Speaker's chair must be strong enough in personality, philosophy and influence to insure maxim congressional input into the challenges and the decisions both branches must meet and make.

Tip O'Neill got where he is, because he has a feel for the House, and the personality of its Members. He, indeed, has the rare knack of putting it all together. Vacillation is alien to his characted. He is ideally equipped to work with and be admired by Jimmy Carter.

And so, my colleagues, on this day by your acclaimed nomination, Tip O'Neill comes to his finest hour in a lifetime of public service. He crosses another threshold of awesome responsibility that can bode nothing but good for this place, "where the people govern", and for this great country of ours.

SCHOOL LUNCH SURVEY

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, since its inception in 1947, the national school lunch program has been the forerunner of all the Federal feeding programs. Currently the Federal Government is spending $3.3 billion on all the child nutrition programs; $1.8 billion of this is being channeled directly to the 26 million children participating in the school lunch program.

In February of last year the Subcommittee on Elementary, Secondary, and Vocational Education began extensive oversight of the school lunch program, holding 11 days of hearings on the program. As part of its oversight, the subcommittee also sent out a questionnaire to 15,000 school districts, assessing local school lunch directors' opinions on the strengths and weaknesses of the school lunch program. Over 5,000 of the local people took the time and effort to respond to this questionnaire, and I would like to share with my colleagues the results.

The overall response to the school lunch program, as gaged by this questionnaire, is very favorable. People seem to be generally pleased with the program and believe that it is a wise expenditure of Federal funds.

I would like to share a few of the comments made by local school lunch directors around the country:

I have always felt that the school feeding programs were very effective in meeting the nutritional needs of all children. Clyde Muse, Superintendent, Meridian Municipal Separate School District, Mississippi.

Many children would not be eating a good balanced meal and would spend money on junk food rather than nutritious foods. This is to some the best and only meal of the day. Mrs. M. Cappuccio, Hammonton Board of Education, New Jersey.

I should like to point out that the lunch program and commodity support is the most important programs federally supported in the School. Roger E. Britton, Superintendent, Westby School District No. 3, Montana.

A school lunch in a majority of homes irregardless of family income is the best nutritious meal a child can obtain. More so in this day and age when both parents are employes and there is no one at home to fix a lunch for the child. You can't teach a child lacking in nutrition. Mrs. Catherine N. Karopczye, Manhasset Union Freed School District, New York.

School lunch provides nutritious meals for all and poor students are not the only American children who are poorly fed and undernourished. If we ever hope to accomplish the goal of good eating habits we must not leave out the segment of our population that will provide the greatest potential for health, education and leadership for the future. Sue Greig, R.D., Food Service Director, Manhattan, Kansas.

The existing program is an excellent one and it would be indeed fool-hardy to select this area to reduce Government spending. Tansie J. Mayer, Jr., School District of University City, Missouri.

In an effort to draw out the possible factors impeding the effectiveness of the school lunch program, the questionnaire focused on three issues which were viewed to be the major problem areas by witnesses during the oversight hearings. I wanted to find out whether these three issues are creating problems across the country.

The first issue was the degree to which platewaste is a problem in their districts. The results of the questionnaire show that only 6 percent of the school lunch directors surveyed felt that platewaste is a significant problem in their districts; 42 percent related it to be a moderate problem, and 52 percent called it a minor problem.

The questionnaire asked the directors to identify the major causes of platewaste in their schools. Forty-one percent of the local directors attributed platewaste to unfamiliar foods. The portion requirement for the type "A" lunch and a lack of variety of foods were also singled out as causes but to a lesser degree.

The questionnaire also addressed the effectiveness of the Federal donation of commodities to the school lunch program. Only 6 percent of the local directors reported that this program created significant problems; 17 percent said that the program created moderate problems, and 77 percent felt the problems to be minor. When asked if they would prefer cash in lieu of commodities, only 35 percent of the local administrators preferred cash in place of the Federal procurement of commodities. The following are comments from those directors who saw the Federal commodity distribution program as creating moderate to significant problems in their school systems.

The majority of the commodities received are of a fine grade and easily used. Receiving commodities relieves the Food Service Director from comparing products and prices and visiting with the endless number of salesmen. Therefore, it allows the Director more time at production sites and doing reports for the government and the school district. Mrs. Elaine Phillips, R.D., Bettendorf Community Schools, Iowa.

Biggest problem is last-minute notice and no prior knowledge of what, when and how much is to be received, in order to plan menus and storage space ahead of time. Mrs. Barbara B. Sutherland, Supervisor, School Food Services, Blount County Schools, Maryville, Tennessee.

On the whole the program is very satisfactory, but wish if something is not eaten by our children . . . we could have the value of the commodity in cash or in another food item which they will eat. This could be identified six months to a year in advance if there was a master commodity

list, Jeanne Madaus, R.D., Niles Township High Schools, Skokie, Illinois.

Last year 32 separate trips were made to Lynchburg, Va. for commodities. Frequently the commodities for this relatively small school division amounted to a very small number of units. When frozen units are received we have an additional immediate trip of about 40 miles to deliver commodities to each school. Some consolidation of these trips would be helpful. Mercer W. Kay, Division Superintendent, Buckingham County School Board, Virginia.

Most commodities are received within the last semester of the year. This is not always as beneficial to us as could be because a year's supply then must be used in half a year. We do not receive sufficient quantities of some commodities, and something that has limited use may come in an average. Dr. Byron B. Nelson, Jr., Superintendent, Decatur City Schools, Alabama.

The third area of concern was whether the Federal regulations governing the school lunch program are restrictive or detrimental to the program. Of the local directors 12 percent viewed the regulations as causing significant problems; 22 percent felt that the problems created were moderate, and 66 percent determined them to be minor. The following comments reflect the problems that the directors have encountered when implementing certain regulations:

There isn't any question that the school lunch program has been a great stride in school progress and has been of great benefit to students of all ages in our nation's schools.

It is sometimes difficult to assess which rules and regulations are Federal or State mandated, but each year we seem to have increased the rules; but more frustrating than more rules, is the seemingly inconsistency of what is wanted from the public school from year to year.

I am a great believer in the school food services, and I want them to continue, so I hope that the day will be soon when we work more together in our jobs of feeding students rather than creating obstacles which jeopardize this program. J. A. Moen, Superintendent of Schools, Parkston District No. 33-3, South Dakota.

In general, the regulations are so demanding, reports so comprehensive, that we do not have staff to comply. The main regulation governing discrimination as to free, reduced, or paid student meals is the hardest to administer. Besides, within a day or so, all students know who is eligible for which category. The proposed full cost accounting requirements are a nightmare especially in small systems where staff have so many varied responsibilities and little assistance. Judy VanDerSchaaf, Food Services Supervisor, Hardy County Schools, Moorefield, West Virginia.

Regulations dealing with the implementation of free and reduced lunch policies create problems. It often appears that we have to do an unbearable amount of paperwork for the dollars involved. While the intent of Congress is laudable, the regulations promulgated by USDA are restrictive and demand an unnecessarily large expenditure of funds for recordkeeping. Charles P. Hayes, Director of Food Services, Citrus County School Board, Inverness, Florida.

We appreciate the efforts you, and others in Congress, are making on behalf of the school children of our nation. As we work with the food service programs, we try to keep in mind the primary reason for school feeding programs is to improve the health and well-being of the nation's children.

The increased funding provided in recent years has made additional controls and steps toward greater accountability inevitable. My appeal to you is that we do not become so entangled in mechanics, audit procedures and reporting systems that we lose touch with people.

Providing meals for children is a cooperative team effort which involves Congress, U.S.D.A. representatives, State Department staffs, local school system representatives and the women in the kitchens. Please help us keep the lines of communication and understanding open so that we can fulfill the purpose of the school food service programs. Mrs. Agnes H. Poindexter, Food Service Director, Tuscaloosa County Board of Education, Alabama.

The Subcommittee on Elementary, Secondary, and Vocational Education will address the issues brought out in this questionnaire, among other issues, in our hearings that began today. We appreciate very much the reponses of these thousands and thousands of local school lunch directors, and I hope we can all work together in the upcoming months to begin to eliminate some of the problems they have brought to our attention in a generally well-run and well-received program.

FORMER SALT NEGOTIATOR SUPPORTS WARNKE

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, yesterday's Washington Post contained a letter from Gerard C. Smith, former Director of the Arms Control and Disarmament Agency and chief negotiator of the SALT I agreement. He points out that the Arms Control Act provides that the Director of ACDA shall have primary responsibility for arms control matters and that the record shows that when the Director was also the SALT negotiator the nonproliferation and ABM treaties were negotiated. "When the two hats were assigned to separate individuals no treaties have been reached," he notes.

Mr. Smith states that in his judgment Paul Warnke is the right man for the job and that it would be illogical to support Warnke for the ACDA directorship while not supporting him for the negotiator.

The text of Mr. Smith's letter follows these remarks.

[From the Washington Post, Mar. 3, 1977]

PAUL WARNKE AND THE "ONE MAN, ONE HAT" NOTION

(By Gerard Smith)

A few thoughts about the nomination of Paul Warnke and "two hats."

Having been the Arms Control and Disarmament Agency director and the SALT negotiator, I feel with special keenness the thrust of the notion being suggested by some senators—one man, one hat.

I thought that Congress had solved that issue long ago. The Arms Control Act says that the formulation and implementation of arms control policy can best be insured by a central organization charged by statute with primary responsibility. It must be able to carry out the preparation for and management of the United States participation in international negotiations. It provides that the director of ACDA shall have primary responsibility for arms control matters and authorizes him for the purpose of conducting negotiations to communicate with representatives of other nations.

As I understand it, the President in designating Mr. Warnke to be director and SALT negotiator is trying to carry out that law. The record shows that when the first two directors of ACDA wore two hats, the Nonproliferation and the ABM Treaties were negotiated. When the two hats were assigned to separate individuals no treaties have been reached.

When, during SALT, the negotiator's hat was temporarily donned by a White House aide, one result was that because of executive privilege the Congress was unable to receive testimony from that negotiator. I wonder if the proponents of severance of the two hats have considered that a repetition of that situation might be one result if their effort is successful.

Paul Warnke, in my judgment, is the right man for the arms control job. If a senator disagrees, it strikes me that the logical action is a negative vote rather than supporting Warnke for the ACDA directorship while not supporting him as negotiator.

HEARING SCHEDULED ON BLACK LUNG REFORM LEGISLATION

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, on Monday, March 14, 1977, the House Committee on Education and Labor will begin hearings on black lung reform legislation.

I want to extend to all of my colleagues an opportunity to testify or present evidence to the committee. I would like at this point to insert in the RECORD a committee press release, released today, stating further the objectives of the legislation.

The press release follows:

HEARINGS SCHEDULED ON BLACK LUNG REFORM LEGISLATION

Representatives John Dent, Chairman of the Labor Standards Subcommittee, and Carl D. Perkins, Chairman of the Committee on Education and Labor, U.S. House of Representatives, announced that hearings on the operation and administration of title IV of the Coal Mine Health and Safety Act of 1969 would begin at 9:00 A.M. in Room 2175 Rayburn House Office Building, Washington, D.C., on Monday, March 14, 1977. The hearings will continue on March 15th and 16th.

Title IV of the Coal Mine Health and Safety Act of 1969 was last amended by the Black Lung Reform Act of 1972. Since that time Perkins and Dent said the administration of title IV had not been commensurate with the objectives originally sought by Congress in its enactment. "Thousands of miners and their survivors who by any standard should be eligible for benefits are being denied their just entitlements," said Perkins.

On the 2d day of March, 1976, the U.S. House of Representatives passed H.R. 10760. In the Senate the measure was referred to the Senate Labor and Public Welfare Committee and the Senate Finance Committee, but *sine die* adjournment of the 94th Congress precluded final action. This measure authored by Congressman Dent would have facilitated the processing of black lung benefit claims by miners and their survivors and was designed to make more equitable the determination of the existence of disabling pneumoconiosis.

Perkins and Dent stated that legislation

comparable to H.R. 10760 to make the administration of the black lung claims of miners and their survivors more expeditious and more equitable is long overdue and consequently commands the highest priority of the Congress.

The two Congressmen said that the hearings will gather additional evidence and testimony regarding the administration of title IV of the Coal Mine Health and Safety Act which will be considered in addition to the evidence gathered by extensive hearings held in the 94th Congress.

Specifically, the hearings will seek views on:

1. Entitlement provisions based on length of service;

2. The practice of offsetting black lung payments against benefits received from other sources;

3. The practice of barring miners from qualifying for benefits solely because of a current employment status;

4. The administrative practice of appealing all claims favorable to the applicant;

5. The desirability of requiring a reprocessing of denied claims under Part B of title IV;

6. The desirability of an amendment to title IV providing that criteria for determining total black lung disability with respect to claims filed after June 30, 1973, should be no more restrictive than the criteria applicable to claims filed on or prior to June 30, 1973;

7. The desirability of an amendment to title IV establishing the principle that affidavits regarding a miner's physical condition constitutes sufficient evidence that such miner was totally disabled due to pneumoconiosis or that his death was due to pneumoconiosis—in those cases where a miner is deceased and no relevant medical evidence exists;

8. Recommendations with respect to the establishment of a black lung insurance trust fund sustained by premiums on coal mined to assume liability for all black lung benefit payments under Part C of the current law;

9. Other provisions to establish more objective and equitable criteria for determining eligibility or entitlement to benefits for black lung disability arising out of employment in coal mines;

10. Elimination of the termination date for the operation of Part C.

Contact the Committee on Education and Labor, U.S. House of Representatives, 2181 Rayburn House Office Building, Washington, D.C. 20515, telephone (202) 225-6913.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. COTTER (at the request of Mr. WRIGHT), for this week, on account of illness.

Mr. MONTGOMERY, from March 14 through March 25, 1977, on account of President Carter appointed him to Presidential Commission on MIA to go to Hanoi, Vietnam at this time.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HANSEN) to revise and extend their remarks and include extraneous material:)

Mr. YOUNG of Alaska, for 5 minutes, today.

Mr. MCKINNEY, for 10 minutes, today.

Mr. TRIBLE, for 10 minutes, today.

Mr. JEFFORDS, for 15 minutes, today.

Mr. CONABLE, for 5 minutes, today.

Mr. GRASSLEY, for 5 minutes, today.

Mr. ANDERSON of Illinois, for 15 minutes, today.

Mr. BROYHILL, for 60 minutes, March 10.

Mr. WHALEN, for 5 minutes, today.

(The following Members (at the request of Mr. TONRY) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MCFALL, for 5 minutes, today.

Mr. O'NEILL, for 5 minutes, today.

Mr. WOLFF, for 15 minutes, today.

Mr. MURPHY of New York, for 15 minutes, today.

Mr. FRASER, for 10 minutes, today.

Mr. DODD, for 10 minutes, today.

Mr. NOLAN, for 15 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. HAMILTON, for 20 minutes, today.

Mr. JOHNSON of California, for 5 minutes, today.

Mr. DRINAN, for 30 minutes, on March 9, 1977.

Mr. MITCHELL of Maryland, for 60 minutes, on March 10, 1977.

Mr. HARRINGTON, for 60 minutes, on March 10, 1977.

Mr. HANLEY, for 60 minutes, on March 10, 1977.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HANSEN) and to include extraneous material:)

Mr. ARMSTRONG.

Mr. YOUNG of Alaska.

Mr. WHITEHURST.

Mr. BOB WILSON.

Mr. SHUSTER.

Mr. MARKS.

Mr. MCCLORY.

Mr. STEIGER.

Mr. ROBERT W. DANIEL, JR.

Mr. STEERS.

Mr. ANDERSON of Ilinois in four instances.

Mr. BEARD of Tennessee.

Mr. MICHEL.

Mr. ASHBROOK in two instances.

Mr. LOTT.

Mr. EVANS of Delaware.

Mr. BROYHILL.

Mr. GILMAN.

Mr. JEFFORDS.

Mr. GOLDWATER.

Mr. COLLINS of Texas in three instances.

Mr. HANSEN in four instances.

(The following Members (at the request of Mr. TONRY) and to revise and extend their remarks and include extraneous matter:)

Mr. EILBERG in 10 instances.

Mr. DELANEY.

Mr. NOWAK in two instances.

Mr. CARNEY.

Mr. DINGELL in three instances.

Mr. EDGAR.

Mr. WEAVER.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. EVANS of Georgia.

Mr. BOWEN.

Mr. BAUCUS in three instances.

Mr. DE LUGO.

Mr. LEGGETT.

Mr. MCDONALD.

Mr. BALDUS.

Mr. BRINKLEY.

Mr. SCHEUER.

Mr. JACOBS in two instances.

Ms. MIKULSKI.

Mr. BEARD of Rhode Island.

Mr. WEISS in two instances.

Mr. WAXMAN.

Mr. ROBERTS.

Mr. CHARLES WILSON of Texas in two instances.

Mr. ROE.

Mr. BURKE of Massachusetts.

Mr. SHARP.

Mr. DOWNEY.

Mr. HARRINGTON.

Mr. STRATTON.

Mr. RUSSO.

Mr. AMMERMAN.

Mr. GLICKMAN.

Mr. ICHORD.

Mr. RANGEL.

Mr. MCCORMACK.

Mr. KILDEE.

Mr. RAHALL.

Mr. ZABLOCKI in two instances.

ADJOURNMENT

Mr. TONRY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 34 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 9, 1977, at 3 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

957. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1977 and budget amendments for fiscal year 1978 to implement his budget revisions, and for other purposes (H. Doc. No. 95-93); to the Committee on Appropriations and ordered to be printed.

958. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to authorize the President to retire Lt. Gen. Vernon Anthony Walters in the grade of lieutenant general; to the Committee on Armed Services.

959. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's annual report for calendar year 1976, pursuant to section 17(a) of the Federal Deposit Insurance Act; to the Committee on Banking, Finance and Urban Affairs.

960. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to extend the authorizations of appropriations for the Comprehensive Employment and Training Act of 1973, and for other purposes; to the Committee on Education and Labor.

961. A letter from the Secretary of Health, Education, and Welfare, transmitting the fourth annual report on Head Start services to handicapped children, pursuant to section 513(d) of the Economic Opportunity Act of 1964, as amended 88 Stat. 2301); to the Committee on Education and Labor.

962. A letter from the Chairman, National Commission for Manpower Policy, transmitting the Commission's second annual report, entitled "An Employment Strategy for the United States—Next Steps," pursuant to section 505 of Public Law 93–203; to the Committee on Education and Labor.

963. A letter from the Chairman, National Commission for Manpower Policy, transmitting the Commission's special report No. 12, entitled "Demographic Trends and Full Employment"; to the Committee on Education and Labor.

964. A letter from the Acting Director, Community Services Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

965. A letter from the President, Panama Canal Company, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

966. A letter from the Chairman of the Board, Tennessee Valley Authority, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

967. A letter from the Executive Secretary, Federal Deposit Insurance Corporation, transmitting notice of various proposed new or modified records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

968. A letter from the Executive Director, Committee for Purchase from the Blind and Other Severely Handicapped, transmitting the annual report of the activities of the committee during fiscal year 1976, pursuant to section 1(1) of Public Law 739, 75th Congress, as amended (85 Stat. 79); to the Committee on Government Operations.

969. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 77–12, finding that it is in the national interest to waive the exclusion of Syria from sales under title I of the Agricultural Trade Development and Assistance Act for the purpose of selling approximately $15 million of agricultural commodities, pursuant to section 103(d)(3) of the act; to the Committee on International Relations.

970. A letter from the Director, Defense Security Assistance Agency, transmitting addenda to the reports on commercial and governmental military exports for the quarter ended December 31, 1976, pursuant to section 36(a)(1) and (2) of the Arms Export Control Act; to the Committee on International Relations.

971. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on the Department's activities under the Fair Packaging and Labeling Act, covering fiscal year 1976, pursuant to section 8 of Public Law 89–755; to the Committee on Interstate and Foreign Commerce.

972. A letter from the Secretary of Health, Education, and Welfare, transmitting the sixth annual report on the health consequences of marihuana use, pursuant to section 502 of Public Law 91–296; to the Committee on Interstate and Foreign Commerce.

973. A letter from the Acting Assistant General Counsel for International, Conservation, and Resource Development Programs, Federal Energy Administration, transmitting notice of a meeting related to the International Energy Program on March 16, 17, and 18, 1977, at Rome, Italy; to the Committee on Interstate and Foreign Commerce.

974. A letter from the Secretary of Commerce, transmitting the first report on activities of the Regional Fishery Management Councils and the Department of Commerce on fishery management plans, regulations to implement such plans, and other activities relating to the conservation and management of fishery resources, pursuant to section 305(f) of Public Law 94–265; to the Committee on Merchant Marine and Fisheries.

975. A letter from the Secretary of Transportation, transmitting the annual report for calendar year 1976 on the Department's regulation of ocean dumping, pursuant to section 112 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended (90 Stat. 725); to the Committee on Merchant Marine and Fisheries.

976. A letter from the Chairman, Civil Aeronautics Board, transmitting the Board's annual report for fiscal year 1976, pursuant to section 205 of the Federal Aviation Act of 1958; to the Committee on Public Works and Transportation.

977. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing construction of a new Border Station facility at Fort Kent, Maine, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

978. A letter from the Acting Comptroller General of the United States, transmitting a report on rates charged certain patients in overseas military medical facilities (FGMSD–76–102, March 8, 1977); jointly, to the Committees on Government Operations, and Armed Services.

979. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the Navy's high-speed antiradiation missile system (PSAD–77–22, March 8, 1977); jointly, to the Committees on Government Operations and Armed Services.

980. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the Navy's Trident submarine and missile programs (PSAD–77–34, March 8, 1977); jointly, to the Committees on Government Operations and Armed Services.

981. A letter from the Acting Comptroller General of the United States, transmitting a report on Federal efforts to control and abate noise pollution (CED–77–42, March 7, 1977); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Public Works and Transportation.

982. A letter from the Comptroller General of the United States, transmitting a report on the need for a Government-wide budget classification structure for Federal research and development information, pursuant, to section 202(a)(2) of the Legislative Reorganization Act of 1970, as amended (88 Stat. 328); jointly, to the Committees on Government Operations, Science and Technology, and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON: Committee on House Administration. Report on allocation of budget totals by program (Rept. No. 95–60). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 383. Resolution establishing a Select Committee on Ethics; with amendment (Rept. No. 95–61). Referred to the House Calendar.

Mr. SMITH of Iowa: Committee of conference. Conference report on H.R. 2647 (Rept No. 95–62). Ordered to be printed.

Mr. MOAKLEY: Committee on Rules. House Resolution 388. Resolution providing for the consideration of H.R. 3843. A bill to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, to establish a National Commission on Neighborhoods, and for other purposes. (Rept. No. 95–63). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STEIGER (for himself, Mr. STARK, Mr. CONABLE, Mr. JONES of Oklahoma, Mr. FRENZEL, Mr. OBEY, and Mr. BALDUS):

H.R. 4611. A bill to amend the Internal Revenue Code of 1954 to provide that the tax home of a State legislator is in the legislative district he represents; to the Committee on Ways and Means.

By Mr. BALDUS (for himself, Mr. OBEY, Mr. CORNELL, Mr. HANLEY, Mr. PRESSLER, Mr. HALL, Mr. CHARLES WILSON of Texas, Mr. MCCORMACK, Mr. OBERSTAR, Mr. NOLAN, Mr. DAVIS, Mr. MITCHELL of New York, and Mr. BLOUIN):

H.R. 4612. A bill to provide price support for milk at not less than 90 percent of the parity price therefor, and for other purposes; to the Committee on Agriculture.

By Mr. BOWEN:

H.R. 4613. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4614. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; to the Committee on Ways and Means.

By Mr. CORNELL (for himself, Mr. BAUCUS, Mr. BINGHAM, Mr. CLEVELAND, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. D'AMOURS, Mr. DOWNEY, Mr. EDWARDS of Oklahoma, Mr. HAGEDORN, Mr. HANNAFORD, Mr. LENT, Mr. LOTT, Mr. MOAKLEY, Mr. MOORHEAD of Pennsylvania, Mr. RUSSO, Mr. SOLARZ, Mr. STARK, and Mr. STUDDS):

H.R. 4615. A bill to amend the Internal Revenue Code of 1954 to allow persons covered by certain other retirement plans to establish personal savings for retirement; to the Committee on Ways and Means.

By Mr. CORRADA:

H.R. 4616. A bill to amend title II of the Public Works Employment Act of 1976 to provide that funds be allocated thereunder to Puerto Rico, Guam, and the Virgin Islands; to the Committee on Government Operations.

By Mr. DEVINE:

H.R. 4617. A bill to provide for the protection of franchised distributors and retailers of motor fuel; to the Committee on Interstate and Foreign Commerce.

By Mr. EILBERG:

H.R. 4618. A bill to amend the Export Administration Act of 1969 in order to extend the authorities of that act and improve the administration of export controls under that act, to strengthen the antiboycott provisions of that act, and to provide for stricter controls over exports of nuclear material and technology, and for other purposes; to the Committee on International Relations.

By Mr. FASCELL (for himself, Mr. BUCHANAN, Mr. DIGGS, Mr. RYAN, and Mrs MEYNER):

H.R. 4619. A bill to authorize additional appropriations for the Department of State for fiscal year 1977; to the Committee on International Relations.

By Mr. FISHER (for himself and Mrs. SPELLMAN):

H.R. 4620. A bill to amend title 5, United States Code, to provide special allowances to certain physicians employed by the United States in order to enhance the recruitment and retention of such physicians; to the Committee on Post Office and Civil Service.

By Mr. FRASER (for himself, Mr. BADILLO, Mr. BEDELL, Mr. BEVILL, Mr. CARR, Mrs. COLLINS of Illinois, Mr. DUNCAN of Tennessee, Mr. HAWKINS, Mr. MATHIS, Mr. MILLER of California, Mr. NEAL, Mr. PEPPER, Mr. PRITCHARD, Mr. SHARP, Mrs. SPELLMAN, Mr. TONRY, and Mr. YATRON):

H.R. 4621. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I to pension on the same basis as veterans of the Spanish-American War and to entitle widows of such veterans to equivalent pensions; to the Committee on Veterans' Affairs.

By Mr. HAMMERSCHMIDT:

H.R. 4622. A bill to amend the Internal Revenue Code of 1954 to repeal the provisions which require use of the accrual method of accounting for certain corporations engaged in farming; to the Committee on Ways and Means.

H.R. 4623. A bill to amend the Internal Revenue Code of 1954 to exempt certain corporations from the provisions requiring the accrual method of accounting for corporations engaged in farming; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. BROWN of California, Mr. PHILLIP BURTON, Mr. CARNEY, Ms. CHISHOLM, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DOWNEY, Mr. EDWARDS of California, Ms. HOLTZMAN, Mr. KASTENMEIER, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. WAXMAN, Mr. WEISS, Mr. CHARLES H. WILSON of California, and Mr. WOLFF):

H.R. 4624. A bill to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of the polygraph for certain purposes; to the Committee on the Judiciary.

By Mr. LENT:

H.R. 4625. A bill to direct the Secretary of the Treasury to compensate States and units of local government for the loss of real property tax revenues due to the tax-exempt status of certain real estate property owned or occupied by foreign countries and international organizations; to the Committee on Government Operations.

By Mr. McFALL:

H.R. 4626. A bill to amend title 5, United States Code, to allow credit for civil service retirement purposes for time spent by Japanese-Americans in World War II internment camps; to the Committee on Post Office and Civil Service.

By Ms. MIKULSKI:

H.R. 4627. A bill to authorize appropriations for the jellyfish control program for fiscal years 1978, 1979, and 1980; to the Committee on Merchant Marine and Fisheries.

By Mr. MITCHELL of Maryland (for himself, Mr. ASHLEY, Mr. FORD of Tennessee, Mr. GIAIMO, Mr. HANNAFORD, Mr. JENRETTE, Mr. LEHMAN, Mr. MAGUIRE, Mr. MANN, Mr. MEEDS, and Mr. MURTHA):

H.R. 4628. A bill to authorize the Secretary of the Treasury to invest public moneys, and for other purposes; jointly, to the Committees on Ways and Means, and Banking, Finance, and Urban Affairs.

By Mr. MOLLOHAN:

H.R. 4629. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. MURPHY of New York (for himself, Mr. PERKINS, Mr. QUIE, Mr. KILDEE, Mr. RAHALL, Mr. BAFALIS, Mr. RANGEL, Mr. WINN, Mr. MARTIN, Mr. LEVITAS, Mr. KEMP, Mr. SISK, Mr. GRASSLEY, Mr. BLANCHARD, Mr. MITCHELL of Maryland, Mr. WAGGONNER, Mr. MICHEL, Mr. AUCOIN, and Mr. GINN):

H.R. 4630. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation; to the Committee on Education and Labor.

By Mr. MURPHY of New York (for himself, Mr. PERKINS, Mr. QUIE, Mr. KILDEE, Mr. MITCHELL of New York, Mrs. KEYS, Mr. WEISS, Mr. MCCORMACK, Mrs. BOGGS, Mr. FARY, Mr. KETCHUM, Mr. ZEFERETTI, Mr. MARRIOTT, Mr. DERWINSKI, Mr. SHARP, Mr. HUGHES, Mr. EILBERG, and Mr. YOUNG of Misosuri):

H.R. 4631. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation; to the Committee on Education and Labor.

By Mr. MURTHA:

H.R. 4632. A bill to repeal the changes made by the Tax Reform Act of 1976 in the exclusion for sick pay; to the Committee on Ways and Means.

By Mr. NOLAN:

H.R. 4633. A bill to provide emergency price and income protection for farmers for the 1977 crops, to assure consumers an abundance of food and fiber at reasonable prices, and for other purposes; to the Committee on Agriculture.

By Mr. OBERSTAR:

H.R. 4634. A bill to provide for the adjustment of geographic boundaries of standard metropolitan statistical areas for the purpose of Federal assistance programs; to the Committee on Government Operations.

H.R. 4635. A bill to provide implementation of the Federal Trade Commision Act to give increased protection to consumers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 4636. A bill to amend the Immigration and Nationality Act to permit adoption of more than two children; to the Committee on the Judiciary.

H.R. 4637. A bill to amend the Internal Revenue Code of 1954 to allow a deduction with respect to that portion of adoption expenses which are properly attributable to medical expenses incurred for the benefit of the adopted child; to the Committee on Ways and Means.

By Mr. PERKINS (for himself, Mr. KILDEE, and Mr. FLORIO):

H.R. 4638. A bill to make certain technical and miscellaneous amendments to provisions relating to vocational education contained in the Education Amendments of 1976; to the Committee on Education and Labor.

By Mr. PERKINS (for himself and Mr. CONTE):

H.R. 4639. A bill to authorize a career education program for elementary and secondary schools, and for other purposes; to the Committee on Education and Labor.

By Mr. RINALDO:

H.R. 4640. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RODINO:

H.R. 4641. A bill to remove the limitation on dues for U.S. membership in the International Criminal Police Organization, and for other purposes; to the Committee on the Judiciary.

By Mr. ROSENTHAL (for himself, Mr. BLANCHARD, Mr. BOLAND, Mr. BONIOR, Mr. FARY, Mr. FITHIAN, Mr. MAGUIRE, Mr. NOLAN, and Mr. STEERS):

H.R. 4642. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Interstate and Foreign Commerce.

By Mr. ST GERMAIN:

H.R. 4643. A bill to require to the maximum extent possible that all residential housing and small businesses be covered by insurance against catastrophic disaster losses, and to establish a new federally chartered quasi-public corporation to assist (through reinsurance of private companies and otherwise) in making coverage against such losses generally available; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. SAWYER (for himself, Mr. BEDELL, Mr. BROWN of Ohio, Mr. BURGENER, Mr. CEDERBERG, Mr. COLLINS of Texas, Mr. EVANS of Delaware, Mr. FLORIO, Mr. GEPHARDT, Mr. GLICKMAN, Mr. GOODLING, Mr. HUGHES, Mr. HYDE, Mr. KINDNESS, Mr. KREBS, Mr. MARTIN, Mr. RAHALL, Mr. REGULA, Mr. RICHMOND, Mr. ROE, Mr. RUPPE, Mr. SEBELIUS, Mr. VANDER JAGT, Mr. WALSH, and Mr. WINN):

H.R. 4644. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. SCHEUER:

H.R. 4645. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system; to the Committee on Ways and Means.

By Mr. SISK (for himself, Mr. BEDELL, Mr. BURGENER, Mr. BURKE of Florida, Mr. DERWINSKI, Mr. HEFTEL, Mr. HYDE, Mr. HANNAFORD, Mr. ICHORD, Mr. KETCHUM, Mr. KREBS, Mr. LOTT, Mr. MATHIS, Mr. MONTGOMERY, Mr. MURPHY of New York, Mr. PURSELL, Mr. ROE, Mr. SIMON, Mr. TREEN, Mr. CHARLES H. WILSON of California, and Mr. WON PAT):

H.R. 4646. A bill to require that specific alien and citizenship status information be provided prior to the issuance of a social security card, to require that social security cards which cannot be duplicated be issued, to require that these cards be presented to employers by prospective employees before obtaining employment, to provide penalties against employers for violating the provisions of this act, and for other purposes; to the Committee on Ways and Means.

By Mr. SISK (for himself, Mr. NOLAN, and Mr. SYMMS):

H.R. 4647. A bill to amend the Perishable Agricultural Commodities Act, and for other purposes; to the Committee on Agriculture.

By Mr. SYMMS (for himself, Mr. ARCHER, Mr. BADHAM, Mr. BEVILL, Mr. BROOMFIELD, Mr. DAN DANIEL, Mr. DOWNEY, Mr. EDWARDS of Oklahoma, Mr. FLOWERS, Mrs. HOLT, Mr. ICHORD, Mr. KRUEGER, Mr. LEHMAN, Mr. MCCLORY, Mr. MILLER of California, Mr. PRITCHARD, Mr. QUAYLE, Mr. RYAN, Mr. SAWYER, Mr. SIMON, Mr. WALKER, Mr. CHARLES H. WILSON of California, Mr. WON PAT, Mr. YATRON, and Mr. YOUNG of Alaska):

H.R. 4648. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. TRIBLE:

H.R. 4649. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Ways and Means.

By Mr. WEAVER:

H.R. 4650. A bill to establish an Advisory Committee on Timber Sales Procedures appointed by the Secretary of Agriculture for the purposes of studying, and making recommendations with respect to, procedures by which timber is sold by the Forest Service; to the Committee on Agriculture.

By Mr. YATRON:

H.R. 4651. A bill to amend title 5, United States Code, to provide civilian employees of the National Guard certain rights of members of the competitive service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Alaska (for himself and Mr. JOHNSON of Colorado):

H.R. 4652. A bill to facilitate utilization by Alaska Native Regional Corporations of assignments of payments from the Alaska Native fund pursuant to the Alaska Native Claims Settlement Act, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BOB WILSON:

H.R. 4653. A bill to amend the Age Discrimination in Employment Act of 1967 to remove the 65-year age limitation; to the Committee on Education and Labor.

H.R. 4654. A bill to reduce the rate of duty on unmounted underwater lenses; to the Committee on Ways and Means.

By Mr. BAUCUS:

H.R. 4655. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of a potential water resource development; to the Committee on Interior and Insular Affairs.

By Mr. BEARD of Rhode Island:

H.R. 4656. A bill to prohibit the theft of any radio communications device which is licensed by the Federal Communications Commission; to the Committee on the Judiciary.

H.R. 4657. A bill to amend title 18, United States Code, to prohibit the transportation, sale, or receipt of any stolen radio communications device in interstate or foreign commerce; to the Committee on the Judiciary.

By Mrs. BOGGS:

H.R. 4658. A bill to amend the Endangered Species Act of 1973 to exempt antique articles composed in whole or in part of endangered species or threatened species from the importation prohibitions in such act; to the Committee on Merchant Marine and Fisheries.

By Mr. BRADEMAS (for himself, Mr THOMPSON, Mr. ASHBROOK, Mr. DENT, Mr. ERLENBORN, Mr. FORD of Michigan, Mr. SARASIN, Mr. PHILLIP BURTON, Mr. BUCHANAN, Mr. CLAY, Mr. GOODLING, Mr. ANDREWS of North Carolina, Mr. SHUSTER, Mr. BLOUIN, Mrs. PETTIS, Mr. CORNELL, Mr. PURSELL, Mr. SIMON, Mr. EDWARDS of Oklahoma, Mr. ZEFERETTI, Mr. MOTTL, Mr. MICHAEL O. MYERS, Mr. MURPHY of Pennsylvania, Mr. LE FANTE, and Mr. CORRADA):

H.R. 4659. A bill to amend the Library Services and Construction Act to extend the authorizations of appropriations contained in such act; to the Committee on Education and Labor.

By Mr. DON H. CLAUSEN:

H.R. 4660. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of tax returns and the disclosure of information contained therein, and for other purposes; to the Committee on Ways and Means.

By Mr. COHEN:

H.R. 4661. A bill to amend title 38 of the United States Code to revise certain administrative requirements of the veterans' educational program, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. COHEN (for himself, Mr. CLEVELAND, Mr. MAGUIRE, Mr. MCCLORY, and Mr. NEAL):

H.R. 4662. A bill to amend title 38 of the United States Code in order to provide that the fees payable to agents or attorneys who represent veterans in allowed claims under the veterans laws shall be paid by the Administrator rather than deducted from amounts awarded under the claims; to the Committee on Veterans' Affairs.

H.R. 4663. A bill to amend title II of the Social Security Act to provide that attorneys' fees allowed in administrative or judicial proceedings under that title (or under title XVIII of such act), in cases where the claimants are successful, shall be paid by the Secretary of Health, Education, and Welfare rather than deducted from the amounts awarded claimants; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. ANDERSON of Illinois, Mr. COCHRAN of Mississippi, Mr. FINDLEY, Mr. HEFTEL, Mr. HUGHES, Mr. JENRETTE, Mr. MIKVA, Mr. MOAKLEY, Mr. MURRHY of New York, Mr. SHIPLEY, Mr. SOLARZ, Mr. WEAVER, and Mr. CHARLES H. WILSON of California):

H.R. 4664. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DOWNEY:

H.R. 4665. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services; to the Committee on Armed Services.

By Mr. EDGAR (for himself, Mr. GILMAN, Mr. MITCHELL of New York, Mr. NOLAN, Mr. PANETTA, Mr. SCHEUER, Mr. WOLFF, and Ms. MIKULSKI):

H.R. 4666. A bill to authorize in the Environmental Protection Agency a Federal program of research, development, and demonstration designed to advance the technology of removing oil spills; to the Committee on Science and Technology.

By Mr. EDGAR (for himself, Mr. BADILLO, Mr. BEDELL, Mr. DELLUMS, Mr. DE LUGO, Mr. DOWNEY, Mr. DRINAN, Mr. EDWARDS of California, Mr. HARRINGTON, Mr. HAWKINS, Mr. HUGHES, Mr. JEFFORDS, Mr. KOSTMAYER, Mr. MCHUGH, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. MICHEAL O. MYERS, Mr. ROYBAL, Mr. SIMON, Ms. SPELLMAN, Mr. VENTO, Mr. WHITEHURST, Mr. CHARLES H. WILSON of California, Mr. WINN, and Mr. ZEFERETTI):

H.R. 4667. A bill to authorize in the Environmental Protection Agency a Federal program of research, development, and demonstration designed to advance the technology of removing oil spills; to the Committee on Science and Technology.

By Mr. FITHIAN:

H.R. 4668. A bill to amend the Federal Trade Commission Act to provide that exclusive territorial arrangements used in the distribution or sale of a trademarked soft drink product or a trademarked private label food product shall not be deemed unlawful per se; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMILTON:

H.R. 4669. A bill to establish a program for repairing and replacing unsafe highway bridges; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. HAMILTON (for himself and Mr. SHARP):

H.R. 4670. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. HILLIS:

H.R. 4671. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD:

H.R. 4672. A bill to establish requirements for notification of Congress before the closure of, or significant reduction in force at, any military installation is carried out; to the Committee on Armed Services.

H.R. 4673. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. HYDE:

H.R. 4674. A bill to add certain lands to the Boundary Waters Canoe Area, to redesignate such areas as the Boundary Waters Wilderness Area, to withdraw certain authorities for timber harvesting and vehicle use within such area, to increase the payments made to counties respecting such area, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JACOBS:

H.R. 4675. A bill to amend the Internal Revenue Code of 1954 to deny the business deduction for any amount paid or incurred for regularly scheduled air transportation to the extent such amount exceeds the normal tourist class fare for such transportation; to the Committee on Ways and Means.

By Mr. JEFFORDS:

H.R. 4676. A bill to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, to extend the authorities under that act for a period of 4 years, to provide that Commodity Credit Corporation be reimbursed for commodities made available under title II from price support inventories at the export price therefor, and for other purposes, jointly, to the Committees on International Relations, and Agriculture.

By Mr. JOHNSON of California (for himself, Mr. MCFALL, and Mr. SANTINI):

H.R. 4677. A bill to provide for the preservation of critical scenic, environmental, and outdoor recreational values of Lake Tahoe Basin in California and Nevada; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Tennessee (for himself, Mr. ANDREWS of North Dakota, Mr. BALDUS, Mr. FITHIAN, Mr. JOHNSON of California, Mr. KREBS, Mr. KRUEGER, Mr. MCCORMACK, Mr. MCFALL, Mr. MURPHY of New York, Mr. NOLAN, Mrs. PETTIS, and Mr. SISK):

H.R. 4678. A bill to provide for an Emergency Feed Program; to the Committee on Agriculture.

By Mr. KEMP:

H.R. 4679. A bill to amend title IV of the Social Security Act to improve and make more realistic various provisions relating to eligibility for aid to families with dependent children and the administration of the aid to families with dependent children program, and for other purposes; to the Committee on Ways and Means.

By Mr. LAFALCE:

H.R. 4680. A bill to amend the Housing and Community Development Act of 1974 to provide supplementary community development block grant assistance to communities with high unemployment due to adverse national economic conditions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MILFORD:

H.R. 4681. A bill to provide that recommendations transmitted to the Congress under the Federal Salary Act of 1967 shall take effect only upon approval by the Congress, to eliminate automatic cost-of-living adjustments of certain legislative, executive, and judicial salaries, and for other purposes; jointly, to the Committees on Post Office and Civil Service, and the Judiciary.

By Mr. NIX:

H.R. 4682. A bill to encourage financial institutions to help meet the credit needs of the communities in which they are chartered, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PATTEN:

H.R. 4683. A bill to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4684. A bill to amend the Social Security Act by adding thereto a new title XXI which will provide insurance against the costs of catastrophic illness, by replacing the medicaid program with a Federal medical assistance plan for low-income people, and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 4685. A bill to provide an immediate 15-percent increase in social security benefits (over and above any regular cost-of-living increases in such benefits), and to provide that full social security benefits (when based upon the attainment of retirement age), and medicare benefits, will be payable at age 60; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PERKINS (for himself and Mr. ANDREWS of North Carolina):

H.R. 4686. A bill to amend the Headstart-Follow Through Act to extend the Follow Through Program for 1 year; to the Committee on Education and Labor.

By Mr. PREYER:

H.R. 4687. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. RAHALL:

H.R. 4688. A bill to amend the National Flood Insurance Act of 1968 for the purposes of extending the program established by such act and raising the amounts of coverage available under such act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RINALDO:

H.R. 4689. A bill to limit U.S. contributions to the United Nations; to the Committee on International Relations.

H.R. 4690. A bill to amend title 38 of the United States Code in order to require active duty of 180 days or more for eligibility for veterans' job counseling, training, and placement; to the Committee on Veterans' Affairs.

By Mr. RISENHOOVER:

H.R. 4691. A bill relating to the disposition of certain recreational demonstration project lands by the State of Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. RUSSO:

H.R. 4692. A bill to amend title 18 of the United States Code with respect to firearms; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 4693. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

By Mr. STRATTON:

H.R. 4694. A bill to amend title 5, United States Code, to provide for additional creditable service, for purposes of retirement, for certain employees of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. TRIBLE (for himself, Mr. PRICE, Mr. VANDER JAGT, Mr. BUTLER, Mr. MCHUGH, Mr. RICHMOND, Mr. FREY, Mr. HORTON, Mr. MAGUIRE, Mr. KASTENMEIER, Mr. SKELTON, Mr. GLICKMAN, Mr. BADILLO, Mr. ERTEL, Mr. MEEDS, Mr. WHITEHURST, Mr. AKAKA, Mr. MURPHY of New York, and Mr. LAGOMARSINO):

H.R. 4695. A bill to amend the Disaster Relief Act of 1974; jointly to the Committees on Small Business, and Agriculture.

By Mr. WATKINS (for himself and Mr. STEED):

H.R. 4696. A bill relating to the disposition of certain recreational demonstration project lands by the State of Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BLOUIN, Mr. BUCHANAN, Mrs. CHISHOLM, Mr. DICKS, Mr. EDWARDS of California, Mr. FAUNTROY, Mrs. FENWICK, Mr. LE FANTE, Mr. LONG of Maryland, Mrs. MEYNER, Ms. MIKULSKI, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of New York, Mr. NEAL, Mr. PRITCHARD, Mr. ROSENTHAL, Mr. SOLARZ, Ms. SPELLMAN, and Mr. WAXMAN):

H.R. 4697. A bill to provide that certain cost of living and other increased benefits received under title II of the Social Security Act will not be considered as income for purposes of determining eligibility and the amount of benefits of participants in the food stamp program and for the purposes of determining eligibility and the amount of benefits of participants in certain programs concerning surplus agricultural commodities; to the Committee on Agriculture.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BLOUIN, Mr. BUCHANAN, Mrs. CHISHOLM, Mr. DICKS, Mr. EDWARDS of California, Mr. EMERY, Mr. FAUNTROY, Mrs. FENWICK, Mr. LE FANTE, Mr. LONG of Maryland, Mrs. MEYNER, Ms. MIKULSKI, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of New York, Mr. NEAL, Mr. PRITCHARD, Mr. ROSENTHAL, Mr. SOLARZ, Ms. SPELLMAN, and Mr. WAXMAN):

H.R. 4698. A bill to amend title XIX of the Social Security Act to make certain that individuals otherwise eligible for medicaid benefits do not lose such eligibility, or have the amount of such benefits reduced, because of increases in monthly social security benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BLOUIN, Mr. BUCHANAN, Mrs. CHISHOLM, Mr. DICKS, Mr. EDWARDS of California, Mr. EMERY, Mr. FAUNTROY, Mrs. FENWICK, Mr. HOLLAND, Mr. LE FANTE, Mr. LONG of Maryland, Ms. MIKULSKI, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of New York, Mr. NEAL, Mr. PRITCHARD, Mr. ROSENTHAL, Mr. SOLARZ, Ms. SPELLMAN, and Mr. WAXMAN):

H.R. 4699. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BLOUIN, Mr. BUCHANAN, Mrs. CHISHOLM, Mr. DICKS, Mr. EDWARDS of California, Mr. EMERY, Mr. FAUNTROY, Mrs. FENWICK, Mr. HOLLAND, Mr. LE FANTE, Mr. LONG of Maryland, Mrs. MEYNER, Ms. MIKULSKI, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of New York, Mr. NEAL, Mr. PRITCHARD, Mr. ROSENTHAL, Mr. SOLARZ, Mrs. SPELLMAN, and Mr. WAXMAN):

H.R. 4700. A bill to amend the Social Security Act to make certain that recipients of aid to families with dependent children and recipients of supplemental security income benefits will not have the amount of such aid of benefits reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. WOLFF (for himself and Mr. ROSENTHAL):

H.R. 4701. A bill to designate the Veterans' Administration Hospital in St. Albans, N.Y., as the "Henry Schuman Veterans' Hospital"; to the Committee on Veterans' Affairs.

By Mr. FITHIAN:

H.J. Res. 311. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. RYAN (for himself, Mr. JOHN L. BURTON, Mr. DRINAN, Mr. KEMP, and Mr. OTTINGER):

H. Con. Res. 142. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the killing of newborn harp seals; to the Committee on International Relations.

By Mr. ZEFERETTI:

H. Con. Res. 143. Concurrent resolution concerning the rights of the people of Ireland; to the Committee on International Relations.

By Mr. BALDUS:

H. Res. 386. Resolution requesting the President to covene a White House Conference on Small Business; to the Committee on Small Business.

By Mr. DON H. CLAUSEN:

H. Res. 387. Resolution to amend rule XXVI of the Rules of the House of Representatives to remove the limitation on the number of Members who may introduce jointly any bill, memorial, or resolution; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

33. By the SPEAKER: Memorial of the Legislature of the State of Utah, relative to regulation of unpatented mining claims; to the Committee on Interior and Insular Affairs.

34. Also, memorial of the Senate of South Dakota, relative to the McCarren-Ferguson Act; to the Committee on Interstate and Foreign Commerce.

35. Also, memorial of the Legislature of the

State of Utah, relative to providing warning to individuals that consumption of alcoholic beverages may be hazardous to their health; to the Committee on Interstate and Foreign Commerce.

36. Also, memorial of the House of Representatives of the State of Hawaii, relative to the development of a national income maintenance program; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XX, private bills and resolutions were introduced and severally referred as follows:

Mr. JACOBS introduced a bill (H.R. 4702) for the relief of Midwest Cruises, Inc., which was referred to the Committee on Merchant Marine and Fisheries.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. RES. 383

By Mr. ANDERSON of Illinois:

(1) On page 2, after line 7, add the following new subsection "(c)":

"(c) The select committee shall recommend such amendments as it may deem appropriate to clause 4(e) of rule X of the Rules of the House of Representatives relating to the procedures of the Committee on Standards of Official Conduct for receiving and investigating complaints alleging official misconduct and for otherwise carrying out its responsibilities under clause 4(e)."

(2) On page 2, after line 7, add the following new subsection "(d):

"(d) The select committee shall make recommendations for establishing a systematic and periodic audit procedure for all information required to be disclosed by H. Res. 287 (95th Congress), including the expenses and allowances of House Members, committees and officers."

(3) On page 2, at line 8, strike all of subsection "(a)" and insert in lieu thereof the following new subsection:

"(a) The select committee shall be composed of nineteen Members of the House, ten from the majority party and nine from the minority party, who shall be appointed by the Speaker, one of whom he shall designate as chairman."

(4) On page 3, after line 9, add the following new subsection "(c)":

"(c)(1) Any interpretive regulations adopted by the select committee shall be published in the Congressional Record and shall take effect at the end of 30 calendar days of continuous session of the House from the date of such publication unless the House adopts a resolution disapproving the regulations.

"(2) Any resolution of disapproval shall be referred to the Committee on Rules. If the Committee on Rules has not reported a resolution of disapproval within 10 calendar days of continuous session of the House after its introduction, it shall be in order to move to discharge the committee from further consideration of the resolution.

"(3) A motion to discharge may only be made by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same matter), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(4) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same matter.

"(5) When the Committee on Rules has reported, or has been discharged from further consideration of a resolution, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(6) Debate on the resolution shall be limited to not more than four hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(7) Motions to postpone made with respect to the discharge from committee or the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate."

An Amendment in the Nature of a Substitute Offered by Mr. Anderson of Illinois to House Resolution 383: Strike all after the "Resolved" clause and insert in lieu thereof the following:

"Resolved, That there is established in the House of Representatives a select committee to be known as the Select Committee on Ethics (hereinafter referred to as the "select committee").

"SEC. 2. (a) The select committee shall consider and may report to the House on any bills or resolutions which may include provisions incorporating and integrating into permanent law applicable provisions and appropriate modifications of rule XLIII, rule XLIV, rule XLV, rule XLVI, and rule XLVII of the Rules of the House of Representatives, and which may hereafter be referred to the select committee by the Speaker. The select committee shall have exclusive jurisdiction over the bills and resolutions referred to it.

"(b) The select committee shall have jurisdiction to adopt regulations, and may issue advisory opinions, respecting the application of rule XLIII, rule XLIV, rule XLV, rule XLVI, and rule XLVII of the Rules of the House of Representatives.

"(c) The select committee shall recommend such amendments as it may deem appropriate to clause 4(e) of rule X of the Rules of the House of Representatives relating to the procedures of the Committee on Standards of Official Conduct for receiving and investigating complaints alleging official misconduct and for otherwise carrying out its responsibilities under clause 4(e)."

"(d) The select committee shall make recommendations for establishing a systematic and periodic audit procedure for all information required to be disclosed by H. Res. 287 (95th Congress), including the expenses and allowances of House Members, committees and officers."

"SEC. 3. (a) The select committee shall be composed of nineteen Members of the House, ten from the majority party and nine from the minority party, who shall be appointed by the Speaker, one of whom he shall designate as chairman."

"(b) Any vacancy occurring in the membership of the select committee shall be filled in the same manner as the original appointment.

"(c) For purposes of this section, the term "Member" means a representative in, or Delegate or Resident Commissioner to, the House of Representatives.

"SEC. 4. (a) Insofar as applicable, the provisions of rule XI, clauses 1, 2, and 3, shall apply to the select committee.

"(b) Any bills or resolutions and accompanying reports of the select committee shall be subject to the Rules of the House of Representatives in the same manner as though reported from a standing committee of the House.

"(c) The select committee may utilize the services of the staffs of committees and commissions of the House.

"SEC. 5. Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House of Representatives, the select committee may incur expenses in connection with its duties under section 2 of this resolution.

"SEC. 6. (a) The authority of the select committee to report bills and resolutions referred to it shall expire on September 30, 1977.

"(b) Not later than December 1, 1977, the select committee shall adopt regulations described in section 2(b) of this resolution.

"(c)(1) Any interpretive regulations adopted by the select committee shall be published in the Congressional Record and shall take effect at the end of 30 calendar days of continuous session of the House from the date of such publication unless the House adopts a resolution disapproving the regulations.

"(2) Any resolution of disapproval shall be referred to the Committee on Rules. If the Committee on Rules has not reported a resolution of disapproval within 10 calendar days of continuous session of the House after its introduction, it shall be in order in the House to move to discharge the committee from further consideration of the resolution.

"(3) A motion to discharge may only be made by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same matter), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(4) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same matter.

"(5) When the Committee on Rules has reported, or has been discharged from further consideration of a resolution, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(6) Debate on the resolution shall be limited to not more than four hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(7) Motions to postpone made with respect to the discharge from committee or the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate."

"SEC. 7. The select committee shall expire on December 31, 1977, and its records, files, and material shall be referred to the Committee on Standards of Official Conduct."

SENATE—*Tuesday, March 8, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met in executive session, on the expiration of the recess, at 12 meridian and was called to order by Hon. RICHARD STONE, a Senator from the State of Florida.

PRAYER

Rabbi Solomon Schiff, director of chaplaincy of the Greater Miami Jewish Federation, Miami, Fla., offered the following prayer:

Ruler of the Universe, Thou hast taught us in the Book of Psalms:

Except the Lord build the edifice, they labour in vain that build it.—Psalms 127: 1.

This edifice called the American Government was surely built by Thee, oh Lord. For throughout these 200 years Thou hast provided us with dedicated men and women, noble architects who have fashioned and sustained this consecrated edifice.

Bless, we pray, these legislators. As Moses the lawgiver was called "The Servant of the Lord" (Deuteronomy 34: 5), so may these lawgivers ever remain servants of Thine, always ministering with humility and compassion to the needs of our citizenry.

We ask for Thy blessings upon our Nation. From the dawn's early light Thou hast created this land as a haven for the tired, the poor, the huddled masses yearning to breathe free. From the raw material of justice, liberty, equality, and opportunity Thou hast created heaven here on Earth.

Imbue us with the dedication to be worthy of this gift. May this Nation serve as an inspiring beacon whose light will dispel the darkness of despair and strife and will guide the ship of mankind safely home to the port of peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 8, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. RICHARD STONE, a Senator from the State of Florida, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. STONE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, March 7, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER VITIATING ORDERS FOR THE RECOGNITION OF SENATORS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the two orders for the recognition of Senators today be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, the Senate is in executive session, is it not?

The ACTING PRESIDENT pro tempore. The Senator is correct.

COUNCIL ON ENVIRONMENTAL QUALITY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of one nomination which has been cleared on both sides of the aisle, and that is Calendar No. 53, Charles Hugh Warren, of California.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, this nomination is approved, and there is no objection.

THE ACTING PRESIDENT pro tempore. The clerk will state the nomination.

The second assistant legislative clerk read the nomination of Charles Hugh Warren, of California, to be a member of the Council on Environmental Quality.

THE ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President of the United States be immediately notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The ACTING PRESIDENT pro tempore. Does the Senator from Tennessee seek recognition?

Mr. BAKER. Mr. President, I have no requirement for recognition under the standing order and, if the majority leader is so inclined, I am willing to yield back my time.

Mr. ROBERT C. BYRD. I yield back my time.

The ACTING PRESIDENT pro tempore. In that case the nomination of Paul C. Warnke would be the pending business.

NOMINATION OF PAUL C. WARNKE TO BE AMBASSADOR—SALT NEGOTIATIONS

The ACTING PRESIDENT pro tempore. The clerk will state the nomination of Paul C. Warnke.

The second assistant legislative clerk read the nomination of Paul C. Warnke, of the District of Columbia, for the rank of ambassador during his tenure of service as Director of the U.S. Arms Control and Disarmament Agency.

The ACTING PRESIDENT pro tempore. Time for debate on this nomination today shall be limited to 6 hours to be equally divided and controlled by the majority and minority leader or their designees.

Mr. ROBERT C. BYRD. Mr. President, I am about to suggest the absence of a quorum but, I believe, the distinguished Senator from Texas (Mr. TOWER) wishes to ask unanimous consent that the time not be charged against either side.

Mr. TOWER. I so request.

The PRESIDING OFFICER (Mr. MORGAN). Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that I may temporarily designate the Senator from Texas (Mr. TOWER) to control the time in opposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I will control the time for the time being on the majority side.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

Mr. President, the Senate should reject the nominations of Mr. Paul C. Warnke to serve as our chief SALT negotiator with the rank of ambassador and simultaneously as the Director of the Arms Control and Disarmament Agency. The President's decision to nominate Mr. Warnke for these two critical positions is, in my view, most unfortunate.

It is well known to all of us that Mr. Warnke is not a newcomer to the politi-

cal-military field. He previously served in the Department of Defense, and he has been extremely active as a private citizen in propounding his personal views on our Nation's military needs. It is noteworthy, Mr. President, that no one compelled Mr. Warnke to participate so fervently in the so-called national debate on defense, but rather it was he who chose to be so outspoken on the wide range of issues which he has concerned himself with over the past 8 years. We cannot disregard the fact that over these past 8 years, Mr. Warnke's ideas and attitudes with respect to the priority of our defense requirements have, almost without exception, been contrary to the recommendations of our military and civilian leadership in the executive branch and the actions of Congress as well. I emphasize that these differences in view were dramatic and substantial differences, and I am grateful that Congress saw fit to accept virtually none of his numerous proposals.

The record will bear out that Congress chose to ignore Mr. Warnke's many recommendations because of the notable absence of any philosophical foundation or rationale to his proposals dealing with so many of our major weapon systems. As the years went by, those of us serving on committees which review the defense budget requests began to expect Mr. Warnke to oppose numerous programs each year. Predictably, his recommendations were never accompanied by specific suggestions for alternative systems to replace those which he considered unworthy. Predictably, his assorted proposals for defense cuts reflected no consistent pattern of logic in terms of our military requirements and missions. And predictably, his suggestions were rejected by this body because they were incompatible with reality.

The record of hearings conducted by the Committee on Armed Services contains repeated references to Mr. Warnke's ill-conceived notion that the elimination and curtailment of so many of our strategic and conventional weapons systems could have been accomplished without dangerously limiting the military capabilities of the United States. The record reflects that Mr. Warnke was advocating drastic cuts in defense spending at the precise time that mounting and irrefutable evidence was emerging as to the nature and momentum of the Soviet military buildup. In retrospect, it is even more apparent today that, in the words of Gen. Alexander Haig:

> It is clear that the capabilities deployed by the USSR are not the product of some precipitous shift in Soviet priorities. Rather they reflect a determined, sustained effort dating back a decade or more.

Undeterred by evidence, however, Mr. Warnke proceeded in 1975 to issue a call for "unilateral initiatives" on the part of the United States. This is a term which Mr. Warnke now chooses to refer to as "parallel restraint," with a rather vague allusion to some sort of "negotiating context." It is this context—he would have us believe—that is the reason for his more conservative choice of words.

It is of great concern to me that Mr. Warnke's penchant for a more conservative choice of words did not emerge until he was nominated for these two positions. Despite his recent effort to portray himself as one of considerably more "hardline" persuasions than is evidenced by his earlier statements, I am unable to dismiss the nature and substance of his repeated calls for defense cuts. To the contrary, I am even more troubled that Mr. Warnke would manifest such a dramatic change in his attitudes during these proceedings, and nonetheless insist that his fundamental views were unchanged.

The most perplexing question relating to Mr. Warnke's nomination is "what does he really think?" Whatever attitude that he chooses to take with him to the SALT talks will be critical to the future of our country.

An additional element of concern to me is the President's recommendation that Mr. Warnke serve simultaneously as the Director of the Arms Control and Disarmament Agency and the chief U.S. SALT negotiator. The statutory duties and responsibilities of the Director of ACDA are such that he is expected to be a so-called arms control advocate. Quite properly, his perspective on new weapons systems and their development should focus solely on the potential impact that these systems may have on arms control negotiations and potential agreements.

On the other hand, it seems to me that we should expect our SALT negotiator to have a much broader perspective on our national security. He must function as much more than simply an arms control advocate. He must recognize and respect military requirements as attested to and confirmed by the military and civilian leadership of the Department of Defense. It is troublesome to me that the President would expect a single individual to bear the responsibilities of two separate and distinct positions in our Government which are significantly different in scope.

In reviewing the extensive public record reflecting Mr. Warnke's stated positions and recommendations, I urge my colleagues to consider these very basic questions:

First, what do Mr. Warnke's many proposals over these 8 years suggest with respect to his judgment of the changing military balance?

Second, is there any consistent pattern or underlying logic to the body of his recommendations? In what position would the United States be had his past recommendations been accepted?

Third, how will the Soviet Union's perception of Mr. Warnke and his views affect the outcome of SALT?

And, how will the American people's perception of Mr. Warnke affect public attitudes with respect to any SALT agreement which he may negotiate with the Soviet Union?

In conclusion, it is my view that the paramount issues in this matter are Mr. Warnke's judgment and credibility, his attempts to convey a dramatically different attitude during his confirmation proceedings, and the potential impact of a lack of public confidence in his effectiveness as a negotiator to the SALT talks. I firmly believe that the American people and this body have every right to demand a SALT negotiator in whom they can have complete and unquestioned confidence. I cannot believe that Paul C. Warnke is that man.

Mr. President, I yield 10 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I thank my friend from Texas for yielding to me, because I wish to address myself to the same subject.

The Armed Services Committee has, for several days, been holding hearings on the nomination of Mr. Paul C. Warnke as Director of the Arms Control and Disarmament Agency and also as chief negotiator for the United States in the matter of the SALT discussions.

I believe it is fair to say that the members of the Armed Service Committee have, because of their responsibility with regard to military matters, a more extended knowledge of the arms and national defense problems of the United States than is ordinarily available to Members generally.

It should be then a matter of important concern to the Members of this body, that there has been evident during the examination of Mr. Warnke's fitness for the delicate and dangerous task for which he has been nominated, a profound and widespread skepticism among the members of the Armed Services Committee, on the fitness of Mr. Warnke for such a post, and such a mission.

This is not a partisan matter. The most extended and damaging criticism of Mr. Warnke has been developed over these several days of hearings by a number of senior Democrats on the committee. This matter is too profoundly serious to the welfare, even the very existence of the United States, to be dealt with on a partisan basis.

I would hope and expect that the question of national survival—for this, indeed, is at stake—would cause us all to look at this nomination with a care and a degree of objectivity commensurate with its profound importance to the Nation.

During committee hearings, the most careful attention was given to Mr. Warnke's past history with regard to various kinds of weapons systems. One senior member from the other side of the aisle, for example, listed 13 important, even decisive weapons systems, all of which Mr. Warnke in recent years has publicly opposed. Mr. Warnke was willing to confess he had opposed all 13.

Now one could understand opposition to one or two, or even perhaps half of these weapons systems. Some Senators have found reason for opposing a number of these systems.

What is striking in the case of Mr. Warnke is that he opposed all of these systems, not just one or two or three. Despite the various rationalizations which can be offered for opposition to any particular system, it is alarming to find such a wholesale, unanimous, opposition

that we must suppose an underlying attitude on the part of Mr. Warnke which is antagonistic to the development of new defense systems in the United States. We must keep in mind that such an attitude has been maintained steadily over the years, despite the great acceleration of Soviet military power.

I shall not go into the particulars here. What alarms me is that Mr. Warnke, despite the historical lessons of the last 20 or 30 years, has retained a certain primordial innocence about the willingness of the Soviet Union to negotiate in a sincere and trustworthy fashion. The history since World War II speaks loudly and clearly on this point.

What bothers me, and bothers me deeply, is Mr. Warnke's seemingly total lack of concern with the Russian military buildup and the Soviet acquisition of government after government. In other words, I sense in Mr. Warnke's attitude, a position that to me has become the dominant, obvious position of the Carter administration relative to foreign affairs—namely a position of weakness. I cannot support this, for you see I am a bit older than most people in this Chamber and I can recall in the 1930's how England, then a world power, stronger than the United States, showed the same attitude toward Adolph Hitler. I recall very vividly how Britain felt it could "get along" with the Nazis, and we wound up in the World War II.

I pray that I am wrong and as wrong as I have ever been about the position and intentions of the Carter administration. But I have a sinking feeling that we are brewing a pot of weakness which is already being recognized by our friends around the world. If we pursue a course of weakness in this time of testing, we could well find ourselves heading toward world war III.

It is my belief Mr. Warnke's expressed views, over many years of time, substantially compromise his position as a negotiator for the United States. This view is shared by an important group on the Armed Services Committee who have been examining his qualifications over the last several days. One member, after reading Mr. Warnke's previous opinions and listening to him testify, said the prospect of Mr. Warnke in the post of negotiator with the Soviet Union "scares me to death."

It is my conclusion that I cannot support the nomination of Mr. Warnke for either the post of chief negotiator at the SALT discussions, or as Director of the Arms Control and Disarmament Agency.

Should Mr. Warnke be confirmed in these nominations let me make one last comment:

Any agreement that may be concluded by Mr. Warnke, given his views, and his history, is certain to receive by Members of this body, a very, very close examination.

One question that arises in my mind is this: Will we destroy the good work that has been done by Dr. Kissinger over the years? Will we make it difficult, even impossible, for the rest of the world to understand a degenerating attitude on the part of our country toward the problems that face the world? Will it make negotiation a meaningless gesture, and will it reduce further the position of the United States?

I have seen lately in the press articles that attribute this attitude against Mr. Warnke to "hawks," and in particular the writer of the article I hold in my hand said that "the Senate hawks are a leftover product of the cold war."

If we are to be called hawks, then I think the great majority of Americans, who treasure the idea that they are Americans and who are willing to defend their country, would be called hawks. I see nothing wrong with a man or a woman in this country being willing to stand up for his country.

This writer goes on to say that the President can win over a great many of those who have voted with the hawks out of fear that they would otherwise be called soft on communism. Mr. President, this attitude on the part of those of us who oppose Dr. Warnke has nothing at all to do with communism. Communism, to my mind, has long since ceased to be a dominant problem. It is a question of whether the Soviet Union, regardless of what type of communism they may embrace at the time, will eventually be successful in their announced intention of taking over the world.

That is why those of us who are opposed to Dr. Warnke—and I might say also we are very, very fearful about the Carter administration's now very obvious pointing toward a softness toward any enemy—are deeply concerned. We do not necessarily need a hard head in that job, but we need a man of conviction, a man who has had some continuity in his attitude toward the armament of this country and the responsibility of this country in the world we live in—a dangerous world that requires power on our part, whether we like it or not. Power in the United Nations; and yet we find supposedly the brightest young man in Georgia virtually declaring war every day on the part of the United States against countries in Africa which have not yet made the decision as to what they will do about segregation or desegregation, a decision we made long, long ago.

So down the line, the appointments of President Carter so far to a great extent give this Republican a very great deal to worry about. I am concerned about the drift of our country away from a position that was not too strong to begin with to a position of growing weakness, to the end that we may find it impossible to reach any mutually satisfactory agreement with Panama, because we may appear so weak to that part of the world that they will demand anything they want.

What is going to happen in the Middle East if we continue to say, "No, we are not going to sell you weapons systems. You can buy them from the French or you can buy them from the West Germans or you can buy them from any country, but we are not going to sell you the sinews of war when the sinews of war are going to be bought and bought and bought."

The only reason the Carter administration, in my mind, is holding back on these decisions of whether to buy equipment for ourselves or allow our allies to buy it is, because they are in a period of great uncertainty, uncertainty probably caused by the rash promises made by our President during a long, heated, and involved campaign. Having been in that position, I can tell the Senate one makes promises and that night wishes they had never made. Now these promises are coming home bearing the chickens that started out as little ones and coming back as rather big ones.

Mr. President, it is not my concern only about Mr. Warnke. Were it about Mr. Warnke alone we could probably learn to live with him. But my concern is a much greater one. Where are we headed? What is this country coming to if this administration continues, time after time after time, to appoint men to very serious positions involving our national posture as a military nation, as a supposed leader in economics in this world, when we find men coming into these positions who are opposed to weapons systems; who are offering tried, worn out, disproved methods of helping our economy; who are not taking steps we all had prayed that Mr. Carter, with his youth, his determination, and the availability to him of very high-class people in his own party, would be taking and making better decisions than he is making now?

To me Mr. Warnke is just one example of what I am talking about.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TOWER. I yield 2 additional minutes.

Mr. GOLDWATER. Two minutes will hardly enable me to express my views.

Mr. TOWER. I yield 5 minutes.

Mr. GOLDWATER. I will just take 2 minutes and sum up in shorter words.

Mr. TOWER. I yield to the Senator all the time he needs.

Mr. GOLDWATER. I thank my friend from Texas for offering me all the time I need. That is a dangerous thing to do on the Senate floor.

Mr. President, let me sum up. This Senator from the little State of Arizona, way out in the West, is not feeling secure in the way this country is drifting. I would hope and pray that the President of our country wakes up to the fact that you cannot become weak, you cannot even give the appearance of weakness, whether it is in the United Nations, whether it is in any conference with any other country, and particularly where it involves the safety and the future not only of the freedom of our country but, remember, we are the last hope of freedom in this world. The free people of this world now number less than 18 percent where last year they numbered 20 percent and 5 years ago they numbered 30 percent. We are on the losing end of this thing.

I do not want to see these slick skids greased anymore by the grease of incompetence and the grease of insecurity

and the grease of unsureness about the greatness of this country which can be achieved if we just let this country be America and quit allowing it to be fiddled around with by people who do not have the best interests of our whole country and the freedom of all our people in their hearts.

I have to oppose Mr. Warnke and I so told him in a meeting of the Armed Services Committee.

Again I thank my friend from Texas for having yielded.

Mr. TOWER. Mr. President, I yield to the Senator from Mississippi such time as he may require.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I certainly thank the Senator from Texas. I believe I will not consume more than 10 minutes.

Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Mr. President, the Armed Services Committee as a matter of special interest held 3 full days of hearings on the nomination of Mr. Warnke to be Director of the Arms Control and Disarmament Agency and also to be Ambassador in relation to the strategic arms limitation negotiations. Mr. Warnke was entirely willing to testify before the Armed Services Committee and willingly and promptly accepted our invitation to appear.

These hearings give evidence of the spirit of comity between Senate committees. It was clear from the start, and I so stated, that the Foreign Relations Committee had primary jurisdiction over these nominations. However, it was equally clear that there was an overlap of very important interest by the Armed Services Committee. As chairman, I had several discussions with Senator SPARKMAN, chairman of the Foreign Relations Committee, on this matter and in a spirit of cooperation and with full disclosure to each other, both committees took testimony on this highly important nomination in this special field of common interest—arms control and arms limitation. I believe this approach served the Senate well in developing the facts and making a substantial record in this highly important subject matter.

After hearing two witnesses in addition to Mr. Warnke, the Armed Services Committee unanimously voted not to vote specifically on the nomination or file a report as a committee. Instead, we filed copies of the recorded hearings with the Senate. That means printed copies of our recorded hearings. This action clearly strengthens and shows the precedence of committee jurisdiction on important matters of this kind.

I think matters of this kind are highly important, Mr. President. The Senate has to act on important matters in large measure through its Committees. This question of jurisdiction is always a serious matter. I believe, and our committee certainly believes, that the way to protect the jurisdiction of one committee is to respect another committee's jurisdiction. In that way, we have stronger committees and a better parliamentary body.

Mr. President, I believe that the gravest threat to mankind and the greatest danger to our country today is this matter of the possible use of nuclear weapons. One of my greatest concerns is that for whatever the reason—whether by purpose or by accident—the use of nuclear weapons could be initiated. I have said many times that man has been unable to outlaw war, but that man has made weapons which, as a practical matter, outlaw large scale war as an international act. I refer, of course, to nuclear weapons and to their devastating effects. It is clear to me that the problems that go with this regulation and possible use of nuclear weapons are not exceeded by any other problem known to mankind.

If at all possible, we must have an agreement which will limit the danger of using nuclear weapons. Every possible effort based on reason and common sense must be made toward this goal. We must try and try again and keep on trying to limit this danger. I feel sure that if we continue to try, we will finally find a way. What we do, or fail to do, in this field can literally determine the fate of mankind on major parts of this planet, including our own country.

I emphasize the importance of these matters, Mr. President, because I think we sometimes get into animated discussion and have grave concerns about matters which by comparison, are of small importance. The overall thing here is that at least two major nations now not only have the weaponry but the delivery systems which can literally destroy almost any spot or place on the globe that they might wish to destroy. In turn, they could literally destroy each other.

I emphasize this, too, because sometimes it is said that there are some who do not want any kind of an agreement. I emphasize that we must keep trying until we do find it.

I am not mentioning here the matter of verification, which is of the highest possible importance. We have certain facilities in that field, of course; otherwise, we would not be talking seriously about arms limitation. Much is known, and we are far, far more advanced in that field than just a few years ago.

I noticed with interest, and fully support the idea, that Representative PRICE, chairman of the Committee on Armed Services in the House, is initiating hearings soon, which will bring into review again the situation as to just where we do stand on this question of verification of obedience to agreements once made.

Mr. President, Mr. Warnke has been an advocate of certain positions relating to our military posture for so long and with such vigor that I believe it weakens his ability—and he is a man of outstanding ability—to carry on negotiations and bring back a treaty that can be accepted. When I say it weakens that ability, I mean it very substantially puts him at a disadvantage as a negotiator, especially. His testimony shows clearly that he has been on one side of a long, and at times, strident debate about the defense posture of the United States. He has been an able and articulate spokesman for those positions.

I do not question in the least his patriotism or anything in that field. I am talking about his sponsoring his positions. His testimony also shows that he has been a strong supporter and even a leader for one side of the important and complex debate surrounding nuclear weapons. While Mr. Warnke is to be complimented on his abilities as advocate and spokesman, I cannot see—and I have tried to see—how he can avoid being forced to carry the burden of his past statements and strong advocacy of certain positions which he has had a long while and stated many times over. It seems clear to me that this burden would be too much to bear in carrying out negotiations with the Soviet Union on matters as important and vital as the strategic arms limitation talks. It would also be too much to bear this burden in developing sound and acceptable positions for the United States to adopt in this matter.

I reach those conclusions reluctantly, but they are firm, nevertheless.

The nomination of Mr. Warnke as Director of the Arms Control and Disarmament Agency and negotiator for SALT raises the gravest kind of doubts in my mind as to whether this step is the best approach for our country at this time. The President of the United States must be, in the end, the chief negotiator for us in this important matter. This is especially true for President Carter, who has demonstrated his own natural abilities in the field of persuasion and negotiation. I believe it is President Carter himself who gives us the best chance to get the important results we need in this negotiation. He should not be saddled with questions of past positions of which he has had no part. These are the principal reasons that I cannot support the nomination of Paul Warnke for either of these important positions.

Negotiation and agreements at the SALT talks are one step, but not the last one. To be effective, any agreement or treaty must be ratified by a favorable two-thirds of all those Senators present and voting. This is often a very high and difficult margin to obtain.

I believe the approval of any prospective treaty will be far more likely if it is put together by those who are free from controversy in the subject matter during prior years.

Surrounded by suitable—and I repeat for emphasis, surrounded by suitable—technical advisers, I frankly believe that President Carter, with his personal skills and with his position of power and influence as President of the United States, will be a most formidable negotiator in his own right. I have this confidence in his competency and his trustworthiness. But he will also need the best help possible.

I wish that I believed Mr. Warnke would qualify as the best possible help, but unfortunately Mr. Warnke has built an image of himself over the years so as to virtually destroy his usefulness as a negotiator. I just do not see a chance that Mr. Warnke could be of clear and outstanding value as a negotiator or as head of the Agency. His image as an advocate in past years is too well known to impress the Soviets as a negotiator. It is one thing for President Carter to have Mr. Warnke as one of a team of advisers in this field. But it is another thing to have him as Director of the Agency and chief negotiator. It is these last positions to which I object.

Mr. President, I could not possibly emphasize any more how serious I believe this entire subject matter is. I am as one who is not versed in the technology of these weapons, but as one who has lived with this problem as a member of the Committee on Armed Services for a good number of years, and as one who remembers the first money that we ever authorized for the building of an ICBM base, I have seen this matter grow and grow to where, as I say, I believe it is the gravest and most serious single immediate problem that confronts the civilized world today, one which we must do something about. I believe we can do something about it. May we have the light of higher guidance as we try to find our way.

Mr. President, Mr. Warnke has provided the Committee on Armed Services with a letter which makes corrections to testimony that he previously provided for the record. Since the Committee on Armed Services' hearing record on this matter is closed and has already been printed, I ask unanimous consent that Mr. Warnke's letter and attachments, together with my letter transmitting it to all members of the Committee on Armed Services be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON ARMED SERVICES,
Washington, D.C., March 7, 1977.

Memo to all Members of the Senate Armed Services Committee:

I received a letter today from Mr. Warnke in which he finds there are a number of errors in the letter which he provided to the Committee as part of his testimony in response to questions. This letter discusses the matter of his quotations on "numerical superiority" and includes an attachment identifying some twenty-five places that were in error in his letter to the Committee.

I am enclosing a copy of Mr. Warnke's letter and its attachments for your information. Since the Committee's hearing transcript has been closed and printed, I plan to insert Mr. Warnke's letter in the Congressional Record and make it part of the Committee files.

JOHN C. STENNIS.

Attachment.

WASHINGTON, D.C.,
March 7, 1977.

HON. JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In the course of Senate debate on Friday, March 4, 1977, reference was made to a typographical error in my letter to you of 28 February 1977. In order that the record may be entirely correct, I have had reviewed in detail each of the quotes in that 37-page letter.

I find that there are, in fact, a number of such errors and I am therefore attaching an errata sheet.

I regret these mistakes. They can be explained, though not excused, as the result of the letter's hurried preparation over a week-end, from many sources and with volunteer help. As I mentioned in my testimony, I have not maintained any comprehensive record of my various articles and testimony.

With respect to the specific quotation which has been challenged, a few points are worth noting. First, the sentence in question, included in item 1 of the errata sheet, was made in the course of oral, extemporaneous testimony. It did not appear in my prepared statement. Although I reviewed the transcript, I do not of course now know whether a comma then appeared after the words "numerical superiority." What I do know is what I meant, and what my testimony as a whole makes clear. This is that the Soviet lead in numbers of missile launchers embodied in the Interim Agreement of 1972 did not give them any military advantage. This was the numerical superiority to which I was referring and I believed then and believe now that it was not translatable into military capability of a meaningful kind. We were then far ahead in MIRV technology and could foresee that Soviet MIRV development would not pose a threat to our deterrent within the term of the Interim Agreement.

The sentence in question was quoted by Senator Griffin on page 45 of my confirmation hearings before the Committee on Foreign Relations on February 8, 1977. The full testimony, including my oral statement and prepared statement, was reproduced on pages 48 through 54 of that hearing. It is interesting to note, and illustrative of the fallibility of transcription, that the controversial comma does not appear in the sentence as quoted on page 45. On page 48, the comma seems to have been replaced by a period.

As I have stated, my testimony was directed toward the issues involved in the Interim Agreement and cannot be read to suggest that no future developments in numbers and accuracy of missiles could threaten our nuclear deterrent. Indeed, I have for a number of years asserted that a continuation of the nuclear weapons modernization programs of both sides could in fact destabilize the strategic balance and make nuclear war more likely. Neither we nor the Soviet Union would be prepared to let the other side achieve meaningful strategic superiority. Instead, each would continue to want to match the other in the over-all capability of its strategic nuclear forces and each has the resources to do so. The result, I have predicted, would be that, after expenditure of billions of dollars, the best we could hope for is that we would not be worse off in terms of our basic security.

Developments in strategic weapons now pending can in fact decrease our security, increase the risk of nuclear war and make effective arms control far less feasible. It is for this reason that prompt measures to bring strategic nuclear arms under control have become an even more urgent national priority.

Very truly yours,

PAUL C. WARNKE.

Attachment.

ERRATA IN THE LETTER OF MR. PAUL WARNKE TO SENATOR STENNIS AS REPRINTED IN THE HEARINGS OF THE SENATE ARMED SERVICES COMMITTEE, PP. 123–137, FEBRUARY 23, 1977

1. P. 2 of letter, p. 123 of hearings: which read: I specifically stated that "numerical superiority *which is not translatable into either any sort of military capability or any sort of political potential* has no purpose."

Should have read: I specifically stated that "numerical superiority, *which is not translatable into either any sort of military capability or any sort of political potential*" has no purpose.

2. P. 2 of letter, p. 123 of hearings: which read: "Every effort should be made to achieve control of MIRVs whose acquisition. . ."

Should have read: "Every effort should be made to achieve control of MIRV's, whose acquisition. . ."

3. P. 3 of letter, p. 124 of hearings: which read: particularly in missile-firing submarines, that "were so high that they would allow the Pentagon to point to those potential Soviet forces, rather than the ones in being or likely to be fielded, and to use those future ceilings as a lever to increase substantially several of our own military projects."

Should have read: particularly in missile-firing submarines, that were so high that they would allow the Pentagon to point to those potential Soviet forces, rather than the ones in being or likely to be fielded, and to use those future ceilings as a lever to increase substantially several of our own military projects.

4. P. 5 of letter, p. 124 of hearings: which read: To which I responded, "Yes, you do, sir."

Should have read: To which I responded, "Yes; you do, sir."

5. P. 6 of letter, p. 125 of hearings: which read: replace the SS–11s and SS–9s, we would still be in a position in which we had strategic equivalence.

Should have read: replace the S–11s and SS–9s, we would still at the completion of that process be in a position in which we had strategic equivalence

N.B. The comma after SS–9s was not in the original transcript of the hearings but was in the final printed version which read: that they would thus go ahead with further modifications in those forces

Should have read: that they would then go ahead with further modifications in those forces

N.B. There was no 's' on modification in the original transcript, but the 's' was in the final printed version of the hearings.

6. P. 9 of letter, p. 126 of hearings: which read: take a unilateral, *not previously announced* initiative of that

Should have read: take a unilateral—*not previously announced*—initiative of that

7. P. 10 of letter, p. 126 of hearings: which read: than does the Department of Defense. That is

Should have read: than does the Department of Defense.

That is—

N.B. The words "that is" began a new paragraph.

8. P. 12 of letter, p. 127 of hearings: which read: I think that they would have to

Should have read: I think they would have to

9. P. 13 of letter, p. 127 of hearings: which read: redeployment of U.S. tactical weapons in . . .

Should have read: redeployment of U.S. tactical nuclear weapons in

10. P. 14 of letter, p. 128 of hearings: which read: the disadvantages of verification.

Should have read: the disadvantage of verification,

11. P. 19 of letter, p. 130 of hearings: which read: The explanation of this amendment includes the world 'counterforce'.

Should have read: The explanation of this amendment includes the word 'counterforce'.

12. P. 20 of letter, p. 130 of hearings: which read: This means a U.S. strike first.

Should have read: This means a U.S. first strike,

Which read: (Emphasis added).

Should have read: (Emphasis in original).

13. P. 23 of letter, p. 132 of hearings: which read: I find at the present time

Should have read: I feel at the present time

14. P. 25 (near top) of letter, p. 132 (below center) of hearings: the source which read: Hearings before the House Budget Committee, 11 September 1975, pp. 71–72.

Should have read: Hearings before the Senate Budget Committee, March 1975, p. 977.

15. P. 25 of letter, p. 132 of hearings: which read: viability and one that would have

Should have read: viability and one means that would have

16. P. 26 of letter, p. 133 of hearings: which read: At the present, as Secretary Packard

Should have read: At the present time, as Secretary Packard

17. P. 27 of letter, p. 133 of hearings: which read: to achieve control on MIRV's of whose

Should have read: to achieve control on MIRV's, whose

18. P. 29 of letter, p. 134 (near center) of hearings: which read: Foreign Relations Committee, 28 June 1972, p. 179.

Should have read: Foreign Relations Committee, 28 June 1972, p. 183.

19. P. 30 of letter, p. 134 of hearings: which read: Soviet interest in damage limitation."

Should have read: Soviet interest in damage limiting."

20. P. 32 of letter, p. 135 of hearings: which read: sea communication to Europe, and our

Should have read: sea communication to Europe and our

Which read: with the USSR's nuclear arms

Should have read: with the U.S.S.R.'s nuclear arms

Source which read: *Strategic Sufficiency*, American Enterprise Institute, 1972, p 37.

Should have read: *Strategic Sufficiency*, American Enterprise Institute, 1972, p. 74.

21. P. 33 of letter, p. 136 of hearings: which read: disinterested in the genuine sense, as ours. I think that we genuinely wished the

Should have read: disinterested, in the genuine sense, as ours. I think that we genuinely have wished

Source (center of p. 33 of letter, top of p. 136 of hearings) which read: May 1970.

Should have read: May 1970, p. 89 and p. 104.

22. P. 34 of letter, p. 136 of hearings: which read: however, that a lead in numbers or size that can be seen to be insignificant will have political consequences only if the other side concedes them a meaning they would otherwise lack. When we know

Should have had quotation marks placed before "a lead . . . and after otherwise lack."

23. P. 35 of letter, pp. 136–137: which read: contingencies, aggression and the first

Should have read: contingencies, aggression, and the first

Which read: or at least no one who

Should have read: or at least no-one who

Which read: budget in half, it seems to me

Should have read: budget in half it seems to me

24. P. 36 of letter, p. 137 of hearings: The quotation from the Hearings before the Senate Appropriations Committee, 30 May 1974, p. 2, at the bottom of page 36 of letter, should be deleted. Although the transcript seems to attribute it to Mr. Warnke, it appears in context to be a continuation of comments by Senator McClellan, Chairman of the Subcommittee. These comments were endorsed by Mr. Warnke in his oral statement: "I would agree most enthusiastically, Mr. Chairman, with your summary of the objectives of all Americans.

"Certainly none of us who prepared this report would differ in any respect from your assessment of the fact that we must maintain a militarily strong posture." (Hearings before Senate Appropriations Committee, 30 May 1974, p. 36).

25. P. 14 of letter, p. 128 center, paragraph beginning "The Panel . . ."

The (*Source: Ibid.*) should have been placed after the word "fully" instead of at the end of the paragraph.

Mr. CRANSTON. Will the Senator yield?

Mr. STENNIS. Yes, I am glad to yield to the Senator from California.

Mr. CRANSTON. I listened with great care to the Senator's remarks, particularly those addressed to the awesome and incredible dangers of the nuclear arms race. I congratulate the chairman, the distinguished Senator from Mississippi, for expressing so forcefully those concerns. It comes with great force from the Senator from Mississippi, because he is recognized as a man of great knowledge in the field of arms weaponry and our national defense requirements. To have him cite as the most important problem facing our country and, indeed, mankind, nuclear weapons on the loose in the world, helps us tremendously in drawing attention to these dangers. I am delighted that he stressed those grave concerns and that he is so convinced that we must come to grips with this problem.

I should like to work very closely with the Senator in seeking to find ways that we can move forward in that respect.

Mr. STENNIS. I thank the Senator, very much, for his words. I opened the brief hearings we held with a statement of the gravity, as I saw it, of this problem.

Mr. CRANSTON. In the event that Mr. Warnke is approved as the SALT Ambassador and he enters negotiations—subject, of course, to orders from the White House, or the President, and subject, of course, to ratification or rejection by this body of whatever he negotiates—I trust that the Senator from Mississippi will then give a totally objective look at whatever does comes back, in the hope that we can, finally, turn this arms race around and move forward on safe and verifiable—and I understand the Senator's interest in that matter of verification—agreements that can give us assurance that the Soviet Union and we will mutually cut back on the arms race in the hope that we can avoid a nuclear confrontation by accident, if not by intent.

Mr. STENNIS. Yes. I would certainly try to have a constructive attitude about any situation at any given step of development.

I think that is my duty—clearly my duty. I think the membership of this body in the final analysis would have the same approach.

Mr. CRANSTON. I thank the Senator very much.

Mr. President, I yield 10 minutes to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I rise to urge strongly and without any reservation that the Senate vote to confirm the nominations of Paul Warnke to be Director of the Arms Control and Disarmament Agency and our Ambassador at the SALT II negotiations.

I believe our action will both underscore the commitment of this body to arms control and to the revitalization of the Arms Control and Disarmament Agency.

Paul Warnke has served this Nation ably in the past as General Council and as Assistant Secretary for International Security Affairs in the Department of Defense and has been a valuable voice of counsel to the congressional and executive branches on arms control and security issues. I can think of no individual more qualified, more competent and more capable for these posts than Mr. Warnke.

Our action today also reflects our readiness to join with President Carter in forging a new arms control policy.

For the past 8 years, the voice of arms control has been heard all too infrequently in the national security debate.

We heard discussions of counterforce, of limited nuclear war, and always of the need to press forward on new weapons development.

President Carter's inaugural address signaled a welcome change. He said:

> The world is still engaged in a massive armaments race designed to insure continuing equivalent strength among potential adversaries. We pledge perseverance and wisdom in our efforts to limit the world's armaments to those necessary for each nation's own domestic safety. We will move this year a step toward our ultimate goal: The elimination of all nuclear weapons from this Earth. We urge all other people to join us, for success can mean life instead of death.

Those words reflect an understanding of the nature of nuclear power. They reflect an understanding that there is no alternative to placing a brake on the nuclear arms race—no alternative unless we would accept the proliferation of nuclear weapons around the world. No alternative unless we are willing to accept an endless multiplication of weapons of massive destruction.

The detractors of the nominee seem to be far less unhappy with Paul Warnke than they are with the concept of arms control itself.

In his nomination hearings, Mr. Warnke stated:

> The direction of arms control policy must be toward greater stability at lower levels of destructive potential in both conventional and nuclear arms. This will be the philosophy by which I would be guided if confirmed as ACDA director.

That statement reflects my understanding of what ACDA can do and must do, if it is to be rescued from its current malaise.

Perhaps this nomination must be discussed in the context of the current strategic balance.

There are those who oppose the nominee who seem to view the balance as weighted so heavily on the Soviet side that no policy of arms control is acceptable. They talk of "trends," and "directions" and "potential" and "threats" and "buildups."

But they do not look at what the stra-

tegic reality is today. They do not look at Secretary Brown's statement that—

> There is "a situation of rough equivalence . . . we are ahead by some measures. They are ahead by other measures."

The Secretary stated:

> The net effect of all this is that, if the Soviets were to launch a first strike on us, we could, after that, retaliate with devastating effect and essentially destroy them as a functioning modern society.

But the detractors of Mr. Warnke do not mention that reality.

Nor do they recall former Secretary Donald Rumsfeld's statement of a year ago that our strategic forces "however measured—compare favorably with those of the Soviets."

For that reason, I believe it is worthwhile noting once more what our strategic shield looks like today. We have been increasing its size and making it more lethal day by day.

It includes 3 independent nuclear arms, each capable of devastating every Soviet city of more than 100,000, and there are 219 of them.

The land-based ICBM force of 550 Minuteman III missiles, 450 Minutemen II's and 54 Titans can raze those cities 10 times.

The 5,000 warheads on our 31 Poseidon submarines and our 10 Polaris submarines can destroy those cities another 22 times.

And the bomber force of B–52's and FB–111's, carrying 1,400 warheads, can turn those cities into dust another half-dozen times. More than 8,500 nuclear warheads—not trends or movements or potential. They are there today. They are capable of retargeting to hit the kinds of targets we desire—cities or silos—and they are an obviously secure and convincing deterrent, providing assured destruction of a Soviet society in the event of an attack.

Yet there are those who still claim that we do not have enough. And the reality is that there are significant domestic political pressures from defense contractors and their dependents and from many—but not all—in the military, that there will never be enough.

There must be another voice for the President to listen to in this debate. The Congress, under the leadership of Senator HUMPHREY and Senator CASE and with the full support of President John Kennedy, established the Arms Control and Disarmament Agency to provide that voice.

I believe that Paul Warnke is the best choice to embody the spirit of that legislation.

He also will be an able successor to others before him who wore that hat of Chief Negotiator at arms control negotiations as well as Director of the Agency.

William G. Foster did that successfully in negotiating the Limited Test Ban Treaty and the Nonproliferation Treaty. Gerard C. Smith did that in achieving the ABM Treaty and the SALT I agreement. And virtually every other treaty in the nuclear arms area over the past decade and a half have resulted from the direct involvement of ACDA's highest officials.

The negotiations before us are of enormous importance, not merely to ratify the levels of Vladivostok but to lower them, not merely to ratify a threshold test ban treaty but to secure a comprehensive test ban treaty, not merely to place a quantitative cap on the nuclear arms race but to insist on qualitative restrictions as well.

I believe it is noteworthy that Paul Warnke received support from three previous Secretaries of Defense under whom he worked, former Secretary Robert McNamara, former Secretary Clark Clifford, and former Secretary Mel Laird. At the same time, he received strong endorsement from former Directors of the Arms Control and Disarmament Agency.

The overwhelming evidence from Mr. Warnke's past writings, his statements, his record, and his philosophy is that he favors increasing the security of the United States by achieving significant arms control agreements and not solely by adding to our weaponry.

It is that emphasis that appears to divide those who support him from those who oppose him. It is that emphasis on arms control rather than arms buildup as the best hope for this Nation that explains why he was chosen by President Carter as his nominee. And it is for that reason that I believe he should be confirmed.

It is not surprising that the attack on Mr. Warnke has degenerated into nitpicking on typographical errors, commas, and elaborate efforts to weave almost metaphysical scenarios of inconsistencies.

Yet the overwhelming reality is that Mr. Warnke has been and is more willing than his detractors to see an answer in arms control and less willing to embrace each new strategic weapons system that is devised by the Pentagon.

I have heard some of those who oppose Mr. Warnke list weapons systems which he opposed. I have never heard them note that in many instances he suggested alternatives that might have been less costly and perhaps even more effective, such as a standoff bomber rather than the B–1 or smaller but more numerous submarines rather than the Trident.

I do not recall hearing them add that in some of those instances, he has been joined by wide groups of supporters, by former Secretary Laird in opposing a counterforce capability several years ago, or by former Secretary Schlesinger in suggesting the Narwhal or by a wide range of observers—including former Secretary of Defense Clark Clifford and former Deputy Secretary of Defense Roswell Gilpatric—in challenging the B–1 as the best follow-on to our current strategic bomber force.

Nor do they note that the Senate Armed Services Committee itself has taken positions quite similar to those of Mr. Warnke; for example, in questioning the survivability of the land-based ICBM and in recommending against development of the strategic submarine launched ballistic missile.

I have not heard them mention either that when Mr. Warnke opposed additional Minuteman III missile production 2 years ago, it was a position later adopted by former President Ford—prior to the Texas primary that is—and by President Carter in his current budget.

Neither did I see the detractors mention that when Mr. Warnke opposed the MIRV'ing of our ICBM's 5 years ago, it was because he believed that our MIRV-ing of those weapons at that time, I repeat at that time, would ultimately mean a tag-along response from the Soviet Union, thereby increasing our own insecurity. And that too has come to pass.

I have no question that my colleagues not only reject the fringe groups who have been sending rather bizarre material through the mails but also share the desire of Mr. Warnke to see the achievement of arms control agreements which enhance our security. Yet some of my colleagues lean away from him for being willing to defend the concept of arms control, for his being willing to question the timing or the appropriateness of specific weapons systems, and for his willingness over the years to dispute their views that adding more weapons to the nuclear stockpile is the best manner for insuring the security of the United States and the prevention of a nuclear false step.

There is a further point to be made and that relates to the simple fact that as ambassador to the SALT talks, Mr. Warnke will be the advocate of the position of the United States, a position set forth by the President after joint determination by the relevant agencies including the Department of Defense. And I believe strongly he will be an exceptionally able, articulate, and successful advocate.

Nor is that all. Any proposed agreement which is brought back from SALT II will come before this body for its advice and consent.

I want to emphasize to my colleagues that Mr. Warnke is President Carter's personal choice to be Director of the Arms Control and Disarmament Agency. He is President Carter's personal choice to be ambassador to the SALT talks.

He is a distinguished former official in the Department of Defense whose nomination is supported by three former Secretaries of Defense, as well as by two former Directors of the Arms Control and Disarmament Agency. It is supported as well by a wide-ranging list of prominent and distinguished Americans, many of whom undoubtedly disagree with Mr. Warnke on specific issues.

However, they all endorse his nomination because they view him to be impressively qualified to head our arms control efforts.

The nomination of Paul Warnke in reality is a test of President Carter's decision to undertake a major and unprecedented effort to halt the spiral of nuclear arms.

He has committed this administration to a vigorous rebirth of our arms control efforts. I intend to support that commitment by voting to confirm Paul Warnke.

Mr. President, in listening to some of the comments as they relate to Mr. Warnke, some have suggested that we

cannot afford to approve the confirmation of the nomination of Mr. Warnke because he appears to be one-sided on some of these issues, and there even have been those who have suggested that we should disqualify him from assuming this important responsibility.

The PRESIDING OFFICER (Mr. McGOVERN). The time of the Senator has expired.

Mr. KENNEDY. Mr. President, will the Senator yield me 3 additional minutes?

Mr. CRANSTON. I yield the Senator 3 minutes.

Mr. KENNEDY. Mr. President, it is interesting to me to evaluate the comments by some of those who oppose Mr. Warnke, because we rarely, if ever, hear those voices raised against those people who are in positions of responsibility and who advocate more and more and more of either weapons systems or expenditures in the strategic arms race. They never appear to be one-sided. Yet, when we have a distinguished American, a former Defense Department official who obviously is a student not only of weapons systems but also the whole strategic arms policy, when he cautions restraint, when his record has been proved correct time and time again, he is labeled one who should not be considered because he appears to be one-sided. He is interested in the strategic arms race, and I believe he has offered sensible and responsible positions on this issue.

The American citizen should understand that this body, over the period of 10 or 15 years, has appropriated billions and billions of dollars for strategic weapons; and, in many instances, those weapons have been discarded as being unworkable or unusable or not adding to our security. In instance after instance, when we have talked about issues such as the ACBM, Paul Warnke has been a voice of reason, of rationality, and of caution.

After listening to him testify on these issues, I have found that he has placed the security of the United States as the paramount issue. How do we enhance the security interests of those to whom we have commitments in all parts of the world?

So, Mr. President, I hope we will move toward the confirmation of the nomination of Mr. Warnke.

Dollars do not always tell the direct priorities of a nation. This year, we probably will appropriate some $120 billion for the Department of Defense. We are talking about some $13 million for the Arms Control and Disarmament Agency—$13 million to an agency which is to guide and counsel the President, to inform him of their best judgment in a wide range of strategic weapons and weapon strategy.

Certainly, Mr. Warnke, by his training, by his information, by his patriotism, by his concern, and by his conviction is uniquely qualified to serve the country's interest and the interest of humanity in this important position. I hope his nomination will be confirmed by an overwhelming vote of the Senate.

Mr. MUSKIE addressed the Chair.

Mr. CRANSTON. Mr. President, how much time does the Senator desire?

Mr. MUSKIE. Ten minutes, to start.

Mr. CRANSTON. I yield the Senator 10 minutes.

Mr. MUSKIE. Mr. President, I compliment my good friend, the Senator from Massachushetts, on his statement, and I am happy to join him in support of the nomination of Paul Warnke for the two important posts to which the President has nominated him.

I note at the outset that I have read the testimony of Mr. Warnke before the Foreign Relations Committee, I have read the testimony before the Armed Services Committee, I have reread the testimony he delivered to the Senate Budget Committee over the last 2 years and, in all that review, I find nothing but confirmation of what I am about to say.

The interesting point is that, before I reread any of that record, I asked Mr. Warnke, if I were limited by time in my reading, which he would like me to read. He said:

> By all means, read my testimony before the Armed Services Committee, because it was there that the issues were most sharply defined and which challenged me most clearly with respect to my own record and my own positions.

Paul Warnke is not afraid to face his critics. He went to the Armed Services Committees deliberately for that purpose and, in my judgment, Mr. President, after reading the record, his record stands up well.

Mr. President, in 1971, when our Nation was in the midest of the first round of SALT talks, I was chairman of the Senate Foreign Relations Subcommittee on Arms Control.

It became evident in the course of the hearings the subcommittee held that year that the areas for possible agreement on arms control, which seemed so broad when the talks opened in 1969, were being swiftly narrowed. By the time the 1972 treaty was signed, its principal achievement was the limitation of ABM systems. The imperatives of the time had made the negotiation of many components of the U.S. SALT package impossible, and many of us who had hoped for a substantial slowdown in the nuclear arms race were disappointed.

This year we have been offered a second chance. Government leaders in Washington and Moscow are talking openly about trying to negotiate a halt to the endless escalation. We must try to come to an agreement this year before this most awesome weapons technology dominates the superpower relationship.

President Jimmy Carter's commitment to nuclear arms control and reductions is explicit in his words and proposals and implicit in the men he has chosen for the chief policymaking posts in his administration.

Paul Warnke, who has been nominated to head the Arms Control and Disarmament Agency, as well as our SALT negotiating team, would round out the Carter administration's national security policymaking team.

Paul Warnke served the Johnson administration in several top Defense Department positions in the sixties. He has written extensively on weapons control issues, and has remained a leading voice in our Nation for negotiated arms limitation policies.

The issue confronting us today, as we approach those negotiations is similar to what it was at the beginning of this decade: the relationship between U.S. technological developments and the chances for arms agreements.

Since that time, Paul Warnke has warned consistently that deployment of advanced weaponry substantially impairs our chances for further negotiations to end the arms race. That warning has been dramatically borne out by events.

In March 1971, the United States deployed its first sea-launched MIRV'ed missiles. Soviet MIRV'ing capacity had not even been adequately tested at that time. But the demonstration of our superiority spurred the Soviets to redouble their efforts. In 1977, Soviet MIRV'ing capability is unquestioned. And who would claim that the net effect has been to increase either side's security?

Paul Warnke's point, of course, was that, whereas the possibility of U.S. deployment of advanced weaponry gives the Soviets strong incentives to negotiate, actual deployment can only force them to emulate.

Paul Warnke discerned that negotiating positions must also be predicated on the contemporary technological state of weapons development. He knows that, when technology changes the nature of our weapons, our negotiating positions must accommodate those new realities. For this understanding, he has been called "inconsistent" by opponents of arms control.

Paul Warnke recognizes the truth that only from mutual verifiable agreements can the United States or the Soviet Union gain the sense of security vital to each nation. He has urged that we consider flexible forms of restraint to test the Soviets' willingness to respond. And he has suggested that our technological superiority itself is one of our strongest "bargaining chips" with the Soviets.

Warnke will not be representing himself at the SALT talks. I do not know of any SALT negotiator who has ever done so. He will be arguing for agreements his country wants pursued, from negotiating positions arrived at through the work of many individuals in the armed services, the security agencies, the Congress, and by the President.

In fact, Paul Warnke's views embody the Carter arms control policy, as do those of the other members of the policymaking team.

Secretary of State Cyrus Vance believes that slowing the escalation in weapons building and reducing the nuclear arsenal is vital. He has reiterated the need to make headway by October 3, when the term of the present arms agreement expires.

National Security Adviser Zbigniew Brzezinski and Treasury Secretary Blumenthal agree that finding ways for both superpowers to halt the momentum in the arms race is crucial.

Secretary of Defense, Harold Brown's revisions of the 1978 Ford budget demonstrate that he understands the strate-

gic value of defense program decisions to signal U.S. intentions and willingness to negotiate. The projected slowdown in purchases of the B–1 bomber, the slowing of M–X mobile missile development, and the halt in production of the 60 Minuteman III ICBM's are all indications of U.S. restraint which—if matched by Soviet cutbacks—can be a starting point for new understandings in arms controls. These slight reductions are not so immutable that they irrevocably affect the U.S. strategic posture or substantially alter our ability to change course, if necessary. The flexibility of this approach gives the United States added negotiating power and, at the same time, responds adequately to our real security needs.

President Carter endorsed this approach to reopening active negotiations when he was questioned about future production of the B–1 bomber and replied that—

> Part of the factor to be asessed is the attitude of the Soviet Union. If we can have a general lessening of tension, a demonstrated commitment on their part toward disarmament, it would certainly make it less likely that we would go ahead with the B–1.

President Carter has given the Soviets specific opportunities to respond to his initiatives and reopen serious and productive arms negotiations.

He called on the Soviet Union to cease deployment of the mobile SS–X–20 missile. Although it is not a strategic missile, the President made the point that both sides have to take initiatives, and that this missile "is difficult to distinguish from the intercontinental SS–X–16 missile."

He has suggested 24- or 48-hour prelaunch warnings of intercontinental ballistic missile tests.

He has called on the Soviets to join in "a comprehensive test ban to stop all nuclear testing for at least an extended period of time—2 years, 3 years, 4 years."

And he proposed that we move quickly to conclude a SALT agreement that would omit all reference to the Soviet Backfire bomber and the U.S. cruise missile, leaving those weapons to a third round of SALT negotiations.

President Carter's initiatives stem from a recognition of the realities that face Soviet General Secretary Brezhnev at this time.

At Secretary Brezhnev's instruction last fall, the Foreign Minister of the Soviet Union, Andrei Gromyko, submitted to the U.N. General Assembly the most explicit Soviet paper on arms control ever. The Gromyko memorandum called for an end to the arms race, including the manufacture of weapons; an end to arms transfers to other nations, and an end to the development and deployment of new weapons. It also called for the reduction of nuclear stockpiles, with the ultimate goal of eliminating "all types of nuclear weapons—strategic and tactical, offensive and defensive."

In the past several months, our Nation's experts on Kremlin politics have seen a new unanimity among top Soviet leaders about the dangers of war. One sign of this has been the evidence of tighter political controls on the Soviet military leadership. The most obvious example is the promotion of Marshal Ogarkov to become the new Soviet Chief of Staff, over the hawks' favorite, Marshal Kulikov, who was named Commander of the Warsaw Pact Forces. The new Chief of Staff, Marshal Ogarkov, has been the U.S.S.R. military representative at the SALT talks.

Secretary Brezhnev, in his January 18 speech at Tula, further emphasized the importance of completing "in the nearest possible future" the Vladivostok agreement signed in 1974. He explicitly mentioned the possibility, following such action, of "more far-reaching measures." Both the Soviet Military Historical Journal and Pravda in recent months have carried significant articles signaling a new desire on the part of the Soviet leadership to negotiate an end to the arms race and a renewed recognition that further stockpiling and development of arms will "change nothing."

This is a conclusion that most Americans have also reached: beyond the ability to inflict devastation on each other, neither superpower can hope to achieve increased security from continued arms building.

What is propitious is that clear signals to control nuclear weapons are being beamed from Moscow to Washington and vice versa. These signals indicate a desire by Secretary Brezhnev to bring his political career to a close with an effective agreement on nuclear weapons, and by President Carter to begin his Presidency with a bold step to curtail the spiral of arms buildups.

This positive climate was enhanced by the President's first meeting with the chief envoy from the People's Republic of China, when he was told of China's interest in reducing reliance on nuclear weaponry to zero. The signs from China show a possibility that the new leadership is willing to support positive means to improve its security against its Soviet neighbor, and to reduce the economic strain that a large-scale accelerated weapons program would inevitably cause in the Chinese economy.

As Budget Committee chairman, I feel I have a duty to tell the Senate of the very practical need for action on nuclear arms agreements now. Since the May 1972 SALT agreement, spending associated with defensive strategic arms has substantially declined. But, at the same time, the rate of increase for strategic offensive arms has risen. Fiscal years 1976 and 1977 marked real increases in defense spending. The same is true for the Ford-Carter request for fiscal year 1978.

The modernization of our forces will remain a substantial budget item. But without any effort at all to control arms technologies and developments, there will be no end to the enlargement of our forces on a vast scale. Arms agreements cannot immediately wipe out weapons costs, and no thinking person believes they will. But they can substantially brake the rate of increase and they can provide a way in which our Nation can rationally budget ahead to deal with the other demands on national revenues.

I am apprehensive that the personal attack on Paul Warnke might undercut a very real possibility for a breakthrough in the arms control deadlock.

For more than a month, the newspapers and the airwaves have been filled with distortions of Paul Warnke's views.

May I add that my mail these days and that of other Senators is filled with similar distortions.

Aside from any harm inflicted upon an honorable American and a distinguished public servant, such attacks obscure the real issues and raise fears about our Nation's military preparedness.

The "missile gaps", "throw-weight gaps", "spending gaps" and others gaps that have been hastily perceived and as hastily forgotten when they had served their purpose should have armed us with more skepticism about the annual budget-timed sabre-rattling that is launched against this city. And they should make us recognize the nature of the attacks directed against Paul Warnke's nomination at this time.

The Warnke hearings could have served as a valuable forum for extensive public debate on this issue. Instead, they have been used as a platform by those who oppose arms controls and seek to undermine President Carter's efforts to reopen the SALT negotiations. The need for a national debate is evident. We all have a stake in recognizing the realities involved in our Nation's nuclear power.

Paul Warnke, over the many years I have known him, has demonstrated a depth of understanding and expertise in the arms field which superbly equip him for the hard bargaining with the Soviets that lies ahead. He recognizes that current inventories of nuclear weapons must be mutually reduced, not increased, and he knows that the inevitability of technological advances mandates verifiable limits.

President Carter has said that Warnke's confirmation is crucial to the success of his administration's efforts to control the arms race. I share the President's perception of Paul Warnke as a man "thoroughly and totally qualified" to head the Arms Control and Disarmament Agency and the U.S. SALT negotiating team.

Mr. President, it should be clear to everyone from his appearances before the Senate Foreign Relations Committee and the Senate Armed Services Committee that he has the necessary background for these responsibilities and that his views on arms control as an adjunct to our military strength in providing our national security fit him admirably for the job he has been asked by the President to undertake.

From my years in the Senate and my recent service as chairman of the Senate Budget Committee, it is clear to me that sensible measures of arms control, negotiated with our potential adversaries, can do much to help the Congress in meeting all of its obligations to the American people. Certainly a strong defense capability which will deter aggression and, where necessary, defend our interests against attack, is our first obligation. But a sound economy, provisions for quality education, the maintenance of

our transportation facilities and providing a decent existence for those not in a position to care for themselves are also attributes of true national security.

I know that Paul Warnke shares these ideas. As to the suggestions of some that his basic positions have changed and that his present statements are inconsistent with those of the past, I can assure the Senate that I know much better than that. I have been consulting with Paul Warnke on national security issues for about 7 years. The views he has expressed to me throughout this period are the same views he expressed in his Senate testimony. In our discussions, he has consistently argued that the United States must recognize the serious military and political threat presented by the armed forces of the Soviet Union. For this reason, he has recommended to me that I oppose any significant reductions in our European force levels except in the context of the negotiations on mutual balanced force reduction. Indeed, it was in part on the basis of his advice that I changed my earlier inclinations and opposed on the floor on November 23, 1971 a proposed cut of 60,000 American troops.

In our Asian deployments, Paul Warnke has frequently said that our commitment to Japan is integral to our own security and that our 7th Fleet and Air Force units should be maintained in the Western Pacific. With respect to our troops in Korea, he has supported the proposition that reductions should be made in close consultation with our Asian allies.

In our many meetings, he has always affirmed our commitment to Israel's security and its need for adequate military strength to deal realistically with problems of a Middle East settlement.

With respect to strategic nuclear arms, the subject of the SALT negotiations, Paul Warnke has never been willing to accept the concept of minimum deterrence or that we could tolerate the acquisition of any meaningful superiority by the Soviet strategic nuclear forces. What he has urged is that mutual and realistic arms control measures be sought to lessen the risks involved in the ongoing accumulation of more and more sophisticated nuclear weapons on both sides. He has insisted that a cessation of the nuclear arms race is not only consistent with our national security but would in fact, preserve and enhance it. He and others worked with me in 1970 on a statement urging agreement with the Soviet Union on an "immediate and mutual interim strategic standstill." Senate Resolution 211 was approved that year by the Congress stating that the President should propose to the Soviet Union an immediate suspension by both countries of the further deployment of all offensive and defensive nuclear strategic weapons systems. As pointed out in a report of the Senate Committee on Foreign Relations dated July 21, 1972, the Nixon administration rejected this advice and deployments of nuclear weapons have continued.

In stating today that he is alarmed at the ongoing developments in strategic nuclear weapons, Mr. Warnke's views have not been changed. Instead, his fears have begun to be realized. The developments in nuclear missile accuracy now threaten to make vulnerable the land-based intercontinental ballistic missiles in the United States and in the Soviet Union. Development of mobile launchers is proceeding, at least in part, as a response to the specter of land-based missile vulnerability. Such developments can increase the danger of nuclear war in a time of international emergency and can render effective arms control substantially more difficult.

It is for these reasons that I support Paul Warnke's confirmation. We must have in these vital jobs someone who is aware of the benefits that sound and verifiable arms agreements can bring to us and who is also aware of the dangers involved in the continued and virtually unrestricted competition in nuclear arms.

VISIT TO THE SENATE BY MEMBERS OF THE CHAMBER OF DEPUTIES OF THE REPUBLIC OF MEXICO

(The following proceedings occurred during the preceding remarks by Mr. MUSKIE and are printed at this point in the RECORD by unanimous consent:)

Mr. BENTSEN. Mr. President, we have present in the Chamber visitors from Mexico who are members of the Mexican Parliament. They are the speaker, the Honorable Augusto Gomez Villanueva, Senador Horacio Labastida Munoz, Senador Gilberto Ruiz Almada, Diputado Guillermo Cosío Vidaurri, Diputado Victor Manzanilla-Schaeffer, Diputado Juan Jose Osorio Palacios, Diputado Jorge Mendicutti, Diputado Jorge Garabito Martinez, and Diputado Pedro Gonzalez.

This is the 17th meeting of the Inter-Parliamentary Union with the Government of Mexico. We think that this means a new era and return of good neighbor relations, and we are delighted to have them share these moments with us.

Mr. MUSKIE. Mr. President, I join my good friend from Texas in welcoming our good friends from Mexico. In my first year in the Senate I was privileged to attend this interparliamentary conference at Guanajuato. I enjoyed it very much, and hope some day to rejoin the parliamentary exercises with these and others of my good friends from south of the border.

[Applause, Senators rising.]

Mr. CRANSTON. Mr. President, I, too, wish to welcome our distinguished guests from Mexico. We are all delighted that you are present.

Mr. GOLDWATER. Mr. President, speaking from my side of the aisle, I just wish to bid our distinguished visitors welcome to the United States of America, and to wish them good luck.

The PRESIDING OFFICER (Mr. BURDICK). The Senate will be in recess for 3 minutes.

At 1:32 p.m., the Senate took a recess until 1:35 p.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. BURDICK).

(This concludes the proceedings that occurred earlier.)

NOMINATION OF PAUL C. WARNKE TO BE AMBASSADOR—SALT NEGOTIATIONS

Mr. KENNEDY. Mr. President, on behalf of the Senator from Maine, I yield myself 3 minutes for a question.

I understand there are 6 hours set aside for this subject today, is that correct?

The PRESIDING OFFICER (Mr. BURDICK). That is correct.

Mr. KENNEDY. I yield myself 5 minutes.

I simply want to congratulate the Senator from Maine on his very thoughtful and excellent statement. I think, particularly from the vantage point of his important Senate responsibilities in the areas of foreign policy and also strategic arms, he brings a special insight into the matters which have been raised during the course of debate on this nomination.

I would just like to ask the Senator from Maine, and perhaps later the Senator from South Dakota and others, about their reaction to a newspaper story that was printed this morning in the New York Times, which alleges that one of the leading opponents to the President's nomination—and I shall read the quotation; I cannot ascertain whether it is true or not, but it is obviously by a dependable and reliable newspaper reporter:

> has told the colleagues that they could weaken Mr. Warnke's position to the point of uselessness by holding the vote in his favor to 60 or less.

And then it continues,

> No one questioned that Mr. Warnke could be confirmed. The only issue was whether his critics would damage him in the process.

I am just wondering. The Senator, during the course of his own comments, as I did in mine, referred to the nit-picking on grammatical questions that have been raised. I believe the Senator pointed out very clearly that there was never any reluctance by Mr. Warnke to confront those who challenged his views. He did so in a very thoughtful and forthright way.

He has been subject to unnecessary abuse from his opponents.

He has been subject to abuse, as the Senator from Maine has pointed out, about distortions, misrepresentations, and misstatements of his positions. I have received a similar kind of mail.

I am just wondering if the Senator does not feel that this kind of debate and discussion on a matter of grave importance to our national security, to the security of peoples around the world, and to our allies, does not reach, if the newspaper account is accurate, sort of a new low. If Members of this body are attempting to secure votes in opposition in order to weaken Mr. Warnke's position to uselessness in representing our national interests in future negotiations that are pending and which, we all are very much aware, will take place in these next very few months, then that tactic must be challenged.

Mr. MUSKIE. That could very well be the effect if distortions of Mr. Warnke's positions become fixed in the current

thinking of a wide percentage of the American people.

As I read the answer in the hearings, I was struck by the fact that over and over again those who challenged Mr. Warnke's positions undertook to restate them in their own distorted interpretation, notwithstanding the fact that he had already given a sufficient explanation which effectively rebutted the interpretation. So over and over again one gets the repetition of the distortion. Mr. Warnke was doing his best to testify in new words, new approaches, to explain what his new position was.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield another 5 minutes.

Mr. MUSKIE. The postcards I am getting are not handwritten but are typical mass mailing postcards, with a "Dear Senator Muskie" in somebody's handwriting and then somebody's name at the bottom. They are a repetition of the same kind of distorted view of Mr. Warnke's position.

If that kind of thing becomes widely current, then it could have a damaging effect upon Mr. Warnke's ability to bring back to us an agreement which could commend public support.

I do not know what we can do about that kind of propaganda. It does go on and it has gone on. It is a technique which has been used by many of these same sources over and over again for many, many years.

Mr. KENNEDY. I would agree with my colleague that that kind of distortion and misrepresentation, which I believe has been in too many instances the situation in the opposition to this nominee, serves no interest whatsoever. The kind of pernicious attack by either Members of this body or by others, who feel that opposition votes to Mr. Warnke's approval will virtually make his bargaining position in terms of our national interest with the Soviet Union virtually useless, is absolutely irresponsible by any Member of this body, if it is going on, or by any of those who oppose Mr. Warnke's position.

I just want to further agree with what my understanding is of both the record, reflected in terms of his presentation on each of these questions that was addressed to him, the way and the manner in which he composed himself, and the continued record of service to our Nation's interest in a strategic arms policy and in other matters in the Defense Department, his record which will continue to stand long after these irresponsible and, I believe, reprehensible salvos fade in the breeze.

I thank the Senator for his comments. I join in hoping that we get a strong vote.

I might raise just one other question. During the earlier parts of the debate the opponents were making, or at least attempting to make, a case against Mr. Warnke because of his opposition to various specific weapons systems. Yet I find that even Mr. Nitze, who is strongly opposed to Mr. Warnke, indicated in his testimony in response to a question:

I think the Soviet Union negotiates with the opposing delegation on the assumption that whatever the delegation says represents the considered government position and I do not think past positions would necessarily affect the Soviet negotiators.

That was repeated later in a question from Senator HART:

You would not join his critics who say that his opposition to the system makes him less qualified to renegotiate?

Mr. Nitze said:

No, I would not join with them with respect to opposition to individual systems.

Yet time and time again in the course of this debate we hear both the distortion of the position and the attempt to assault Mr. Warnke's position solely on that basis. I think that is obviously unwarranted and unjustified as well.

I thank the Senator.

Again, I commend our colleague from South Dakota who, in his excellent statement at the opening of this debate, has laid out the various strategic arms issues about as cogently and as effectively as we have seen presented in the Senate in a long time. It is unfortunate that the debate was not on those particular kinds of issues or questions but instead on distortions and misrepresentations.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McGOVERN. Will the Senator yield?

The PRESIDING OFFICER. The time has expired.

Mr. MUSKIE. I believe Senator CRANSTON had some time that he left to me. I would be happy to yield to the Senator from South Dakota.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. I have on my note that the Senator from Utah was to be recognized at 1:30. Has there been a change?

The PRESIDING OFFICER. The Chair knows nothing of an order for the Senator.

Mr. GOLDWATER. Is the Senator from Arizona recognized?

Mr. McGOVERN. If the Senator will yield on that point, I came to the floor before 1 o'clock and requested permission to speak. I was told that the only Senator ahead of me was Senator MUSKIE, the Senator from Maine. I asked that my name be added to the list. I think the Chair will discover that my name was, in fact, listed as the next speaker.

Mr. GOLDWATER. Will the Senator yield to me just 2 minutes?

Mr. McGOVERN. Yes, I am happy to yield.

Mr. GOLDWATER. Mr. President, I could not help but hear what the Senator from Massachusetts said. I remind him that the tactics that he objects to now have been used time and again by members of his party. While I find them distasteful and he does, too, they go on and there is nothing we can do about it.

There are those of us who feel very strongly about Mr. Warnke. I did my best to satisfy my conscience to the extent that I could vote for him. But I could not. It was not due to any pressure by anybody else or anything that the New York Times or the Washington Post might have said. I just feel, in my body, that this man is not the man to handle this job. So, while the Senator from Massachusetts may find the New York Times obnoxious in this case, I might say I find it obnoxious most times, but there is nothing new in this approach. I do not like it, either.

I think most of us who oppose Mr. Warnke do it on the grounds that we do not think he is the man for the job. It is like when the President proposed Mr. Sorensen. I called the White House and told him that I thought he was making a mistake, that at best, he would come out of it with an indication that we did not have the confidence in Mr. Sorensen that we should have for a man in that job. Now, the same thing is going to happen about Mr. Warnke.

There is no question that he is going to be approved. I think the fact that we may have 35 or 40 people on this floor who oppose him may give the President time and cause to think about it. That is our job. We are not supposed just to say, Amen, to everything that comes down from the President's office.

I remember many times when my Democrat friends opposed with great abusiveness appointments that were tried to be made by Republic Presidents. Now we have a Democrat in the office. I feel very strongly about this.

Mr. KENNEDY. Will the Senator yield for just a moment?

Mr. GOLDWATER. I do not have the floor.

Mr. McGOVERN. I yield.

Mr. HATCH. Will the Senator yield for a unanimous-consent request?

Mr. McGOVERN. Mr. President, do I have the floor?

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. HATCH. Will the Senator yield?

Mr. McGOVERN. Yes, I yield.

Mr. HATCH. Mr. President, I ask unanimous consent that Mike Hunter and Tom Parry of my staff be granted the privilege of the floor during the remainder of the proceedings concerning the Warnke nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. Schneider be granted the privilege of the floor during the proceedings concerning the Warnke nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

How much time does the Senator from South Dakota yield to the Senator from Massachusetts?

Mr. McGOVERN. I yield to myself 30 minutes. I yield now to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, my remarks were not directed to those who, as a matter of conscience or view, differ with Mr. Warnke. All of us understand that responsibility, each and every one of us. It is being exercised and should be and will be as long as this is a free and open body.

What I am objecting to, Mr. President, is the use of an argument that, in order to weaken a negotiator of the United States, the tactic that should be used is to vote against him in order to weaken his position, to make him virtually useless in carrying on negotiations in which he is clearly representing the United States position. It is that tactic which I think is irresponsible.

In the time that I have been here, for 14 years, I have yet to see that particular argument advanced. I cannot see how that carries forward any person's or individual's views or matters of conscience in opposition to a particular nominee. That is what I am objecting to, not the question of just opposition based upon a matter of judgment.

I thank the Senator from South Dakota for yielding.

Mr. JACKSON. Will the Senator yield for a unanimous consent request?

Mr. McGOVERN. Yes, I yield.

Mr. JACKSON. Mr. President, I ask unanimous consent that Richard Perle and Dorothy Fosdick, of my staff, be granted the privilege of the floor during the pendency of the nominations of Mr. Warnke.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, first of all, I thank the Senator from Massachusetts (Mr. KENNEDY) for his thoughtful words about my statement last Friday and commend him for the statement that he has made here on the floor of the Senate this afternoon. I also thank Senator MUSKIE, whom I heard speaking when I came into the Chamber.

It seems to me they have made the essential case for Mr. Warnke's nomination. The Senator from Arizona (Mr. GOLDWATER) took exception based on the thought that some of the objections that are being raised here this afternoon to the kind of attack being made on Mr. Warnke deny those who are opposed to this nomination their day in court. That is not the intention of those of us who are defending the Warnke nomination. There are legitimate grounds on which people can disagree about this nomination. What disturbs me about it is the ridiculous character of some of the criticisms that have been directed against Mr. Warnke.

One, in particular, that bothers me does so because he is being unfairly identified with some of the positions that I have taken in the past. I cite, for example, an editorial in the Wall Street Journal that has been widely circulated, in which this statement appears:

> Mr. Warnke is best understood as George McGovern's Defense Secretary. During the 1972 presidential campaign, he was the chief apologist for Mr. McGovern's plan to lop $30 billion off the Pentagon budget.

Then we have a letter that has been given wide circulation, written by a member of the other body, Representative McDONALD of Georgia, who repeats this line:

> Mr. Warnke is best known as George McGovern's national defense adviser during the 1972 campaign and the architect of McGovern's scheme to slash $32 billion out of our national defense budget. If that is not enough to make him totally unfit for the job, he has recently been calling for unilateral disarmament.

Mr. President, the first thing I want to say about this is that any proposal I made for reductions in military outlays in 1972 was based on a 3-year forward period; not a $30 billion cut in any given year, but a phased reduction that would be continued dependent on the response from the Soviet Union.

The second thing I want to say while Senator MUSKIE is on the floor is that, at the time that alternative defense budget was issued over my name in January of 1972, Mr. Warnke was not an adviser to my campaign. If my memory serves me right, he was very heavily involved in the campaign of the Senator from Maine (Mr. MUSKIE). I would like to be fortified in my memory on that point.

Mr. MUSKIE. The Senator is correct. Earlier in my remarks today, I characterized the nature of Mr. Warnke's advice to me in that period, the preceding period, and subsequently.

Yes, much to my regret, in 1972, Mr. Warnke became his legacy from me when my campaign folded, I say to my good friend from South Dakota. That was sometime, as I recall it, in late April or May. Mr. Warnke, at that time, was clearly one of my foreign policy advisers. He was so good that I was delighted when he chose to shift his offer of assistance to the McGovern campaign. I am sure the Senator from South Dakota found him valuable in that role, as some of us have in the years since as we have consulted him and others on various foreign policy matters.

He just has such a lucid mind, such an articulate way of analyzing and preparing complex foreign policy and defense issues that it is a sheer pleasure to deal with him. He has a touch of commonsense and complete dedication and commitment to the national security interests. I cannot imagine a man who, by character, personality, background, experience, and know-how would be a more comfortable man to have in this responsibility.

I am sure that must have been the reaction of my good friend, GEORGE McGOVERN, to him in that 1972 campaign.

Mr. McGOVERN. I appreciate the Senator's comment. That was precisely my reaction to him. I always found him a thoughful, cautious, and prudent man.

Mr. HUMPHREY. Will the Senator yield?

Mr. McGOVERN. Yes, I yield to the Senator from Minnesota.

Mr. HUMPHREY. The only complaint I have against Mr. Warnke is that he should have supported me. That is my only charge against him. In retrospect, I see that he made a very good judgment. I have, therefore, forgiven him.

The real truth is that he has been regarded, as my colleagues know, as a man of superior intelligence and one that is very articulate in the expression of his views. As someone said here in the debate the other day, he was willing to express a point of view to encourage the debate on the fundamental questions of national security. You do not make any real contribution to a better national security policy by silence or by ignoring the issue or pretending that it will just go away. Mr. Warnke may very well have said, on occasion, something back in 1969, 1970, 1971, or 1972 that he would not say in 1977. I doubt that anyone would have said in 1972 that we ought to have had a tax reduction and a public works bill in order to stimulate the economy. Conditions have changed, and they have changed markedly. Conditions in 1977 in the world are not exactly as they were in 1972, 1973, 1974, or even 1975 or 1976. Conditions change.

I think the important thing, if I may have just a moment, is if any Senator will take the time to go through the 292 pages of the hearings before the Committee on Armed Services and the hearings before the Senate Committee on Foreign Relations and the report of the Senate Committee on Foreign Relations—but particularly the hearings—what they will find.

We will find that Mr. Warnke is not only capable of handling the questions that are put to him, but that he is tough-minded, he is intelligent, he does not get all flabbergasted under pressures.

What more pressure can we have than half a dozen Senators on our backs trying to put us on the grill and see whether or not we misplaced a comma? We would think we were in elementary school.

Mr. Warnke has had to apologize for 25 typographical errors. That is not bad in this day and age. All too many of our people coming out of college today cannot type and all too many of them know little or nothing about grammar.

But the last charge against Mr. Warnke was that he misplaced a comma. They really are having to dig down deep if they go down that far to bring an argument against a distinguished man of Mr. Warnke's character.

But what worried me this morning was the New York Times article in which the subheadline says to the effect that the opposition hopes to weaken Mr. Warnke to make him ineffective.

I repeat:

> The critics hope strong votes against him will make him ineffective.

Mr. President, that is the same thing as saying we would like unilateral disarmment. The very people accusing Mr. Warnke of being a proponent of unilateral disarmament, which is both false and a nonsequitur, are saying they would like now to make up a strong case against him as to make him ineffective.

He is going to be confirmed. I do not think anyone doubts in this Chamber that he will be confirmed. The question is, by how big a vote.

If it is the purpose of the opposition to make him ineffective, they would be much more straightforward if they would start to dismantle our nuclear silos, because if we are going to send a man to Moscow to negotiate, we do not want him ineffective.

Some of us had a chance to sit with the President this morning and the President has made it clear that he is

going to be in charge of these negotiations.

I do not think I breach the confidence of the White House when I say that the President told the leadership team this morning that he spent hundreds of hours studying the background of SALT I, the preparations for SALT II, the papers leading to the Vladivostok agreement, and the President has also said that the Joint Chiefs of Staff are going to be fully informed at all times. He has said he is going to have the most able team that he can possibly put together to undertake these negotiations. But he has also said, "I accept the responsibility."

So let us get it clear when we vote on Mr. Warnke, we are voting as a test vote on our confidence in the President.

Mr. McGOVERN. Also a test vote in their confidence on ourselves since anything he negotiates in the way of a treaty has to be ratified by two-thirds of the Senate.

Mr. HUMPHREY. That is exactly, again, what the President reminded us this morning in his very serious conversation regarding how, after all, the Senate is the final arbiter. We will determine whether or not there will be a treaty.

I conclude my presentation—and I thank the Senator from South Dakota for his characteristic generosity in yielding time—and simply say that Mr. Warnke is known in the legal circles as a brilliant lawyer, an excellent litigant, he knows how to arbitrate, how to negotiate, he knows how to practice the art of legal defense and prosecution.

He is a tough lawyer and he has handled law cases for some of the biggest firms in the United States. I submit that he will be able to handle our proceedings at any kind of conference. He will not be outsmarted. He is a man of brilliance.

Again I say that the two other negotiators we have had, Bill Foster and Gerard Smith, both have occupied the position of director of ACDA and chief negotiator and both of them have said the positions should be tied together as the act itself contemplated. Both of them have supported Mr. Paul Warnke, both of them. I think we have a case here that speaks for Mr. Warnke in a manner that will surely assure his confirmation.

But I hope and pray that in the process of this debate nothing happens to in any way jeopardize his effectiveness, because he is going to be our negotiator. He is going to take his instructions from the President and the team that includes the Secretary of Defense, the Secretary of State, the director of the Central Intelligence Agency, the specialists we have in defense and the Arms Control and Disarmament Agency.

He is going to be our spokesman. And before the two committees of this Congress, as a spokesman for himself, he has been brilliant—brilliant. We seldom ever have heard a witness that has been as lucid, as brilliant and as able as this man, and as tough and as firm.

He has not run for cover. He is just what we need in Moscow. We do not need some patsy. We do not need somebody that is just a nice old fellow. We need somebody that knows the score and is occasionally able to make a point on his own.

I thank the Senator from South Dakota for his championing of Mr. Warnke's case. He is very fortunate to have such a good case. And the Senator from Maine, the Senator from Massachusetts, the Senator from Colorado, the distinguished Senator from Idaho yesterday in a brilliant statement here, the Senator from Alabama (Mr. SPARKMAN), just to mention a few. These men have laid it out and I submit that anybody that reads these hearings will come out and say Mr. Warnke has the qualities and the capability and the knowledge to be the chief negotiator.

The fact that he was against the B–1, so what? A large number of Senators are against it and it is questionable today whether we ought not all be against it because of the cruise missile, which may very well make the B–1 obsolete before they get the thing in the air.

The fact he had some doubts about Trident—47 Senators had doubts.

Senator MCINTYRE who sat there in the last Congress in the seat where the Senator from South Dakota is speaking from, Senator MCINTYRE, 14 years service on the Armed Services Committee, led the fight against Trident. The fact he had some doubts about counterforce nuclear strategy, I submit the whole Senate fought overwhelmingly against counterforce nuclear strategy.

As I said yesterday about the man who was the Deputy Director of ACDA, John Lehman, when he testified before the Foreign Relations Committee we asked him: "How do you stand on the B–1, Mr. Lehman?"

He said, "I don't think it is a system we need."

We asked him, "How do you stand on Trident?"

He said, "I doubt that we need it."

"How do you stand on counterforce nuclear strategy?"

"I am opposed to it."

But some of the very same people today charging Mr. Warnke with being weak and soft because of his position on weapons systems were the very same people that voted for John Lehman.

I voted for him in the Committee on Foreign Relations, not because of B–1's or Tridents, but because I had been informed by the Secretary of State and the President of the United States that they wanted this man, that he was able and competent.

I point out, simply because one person may have been opposed to a particular weapons system at that time does not necessarily disqualify him, when he was a Senator and a Congressman and was opposed to Red China. I can recall that every time he would say it, the whole place would quake, and you could just see red stars falling from the heavens. But the first thing he did when he got to be President was to say, "Let's go on over and see how they're getting along over there." He has to his everlasting credit the fact that he had the good sense and the courage to make the opening to the People's Republic of China.

Who was the man who had the big argument with Mr. Khrushchev in the kitchen? Richard Nixon. Where did he end up? He ended up having vodka and all the nice Soviet things in the Kremlin.

Mr. MUSKIE. And caviar.

Mr. HUMPHREY. And caviar, yes—vodka, caviar, cookies, and what have you, in the Kremlin.

This was a man who changed his mind. Why did he do it? He said, "Times have changed. Conditions were different."

Franklin Roosevelt ran for office on the basis that he was going to reduce Federal employment by 25 percent and reduce the budget by 20 percent. Four years later, when he was called upon to speak at Pittsburgh, at the Labor Day rally, somebody said, "Mr. President, they're going to ask you about the speech you made here in Pittsburgh 4 years ago, and what are you going to say?"

He said, "I'm going to deny that I said it." [Laughter.]

When Mr. Roosevelt got in office, he found out that what he had been saying was not necessarily what he had to do.

It is as I said yesterday. It is not original with me; it is an old axiom: "Where a man stands depends upon where he will sit."

When you sit in the seat of responsibility, when you are the chief negotiator for the United States of America, with our national security at stake, when you are as knowledgeable as Paul Warnke, Assistant Secretary of Defense for International Security Affairs under three Secretaries of Defense—Bob McNamara, Clark Clifford, and Mel Laird—when you have the knowledge and background of national security in its broadest context, as Paul Warnke has, you are not going to sell out the United States. You are not going to be any creampuff, any marshmallow, any weakling. You are going to be an intelligent, firm, tough negotiator. That is what we need, and that is why I am for him.

I am not for him because he is a good guy. I am not for him because at times he said some things I liked during the period I worked hard as chairman of a Subcommitee on Arms Control. I am not for him because I happen to think he is a good lawyer. I am for him because he has intelligence, ability, and the qualities of a negotiator that are recognized by some of the top talent of this country.

I also am for him because the President said he wanted him and because the President had made it manifestly clear that he is President of the United States; no Senator is, I am for him because, if he makes a mistake, we will have the chance to corect it here, as we review the treaty.

THE ARMS CONTROL OUTLOOK

Mr. McGOVERN. Mr. President, last Friday, in the opening hours of the debate on the Warnke nomination, I addressed at some length the latest spate of scare stories about the Soviet-American strategic balance. Those remarks made the case that we have a plentiful supply—indeed, an overabundance—of the nuclear weaponry we need to perform rational security roles. We are not trailing the Soviet Union; rather we are far out in front.

With that as the foundation I would like today to speak more directly to the point of the job Mr. Warnke will have as ACDA Director and as chief arms control negotiator. What basic principles are at issue in this debate over how we should proceed in the Strategic Arms Limitation Talks? Exactly what is it that some people find so frightening about the Warnke nomination?

In the past several weeks Mr. Warnke has been subjected to heated attack. To a large extent these attacks are being mounted by those who assume the worst motives and intentions of every nation challenging us. These doomsayers seem to assume that only an acceptance of their views can save us from national disaster.

If some of Mr. Warnke's opponents had their way, they would deny Mr. Warnke or anyone else committed to genuine arms control a role in the SALT negotiation. President Carter was elected by an American public aware of his commitment to arms control. Now, those who fear arms reductions are attacking the President's commitment by attempting to block his arms control nominee.

I might note parenthetically that the grilling Mr. Warnke has undergone demonstrates how well he could do in an unfriendly, protracted negotiation.

The central issue before the Senate is not Mr. Warnke at all. The central issue is what approach to take to guarantee the national security of the United States.

Should we make a sincere, comprehensive and continuing effort to seek arms control solutions before continuing with arms purchases? Or should we—as some believe—place our first priority on holding superior nuclear power?

This brings the issue down to what I see as the fundamental policy distinction. We spend a lot of time talking about this or that approach to arms control—whether we should use a bargaining chip strategy, whether it is important to bargain from strength, or whether it might work to exercise restraint. But those debates tend to obscure what seems to me to be a more accurate portrayal of the basic issue.

In reality, there are essentially two opposing philosophies at work. One school of thought supports the concept of mutual advantage through negotiated limits on strategic arms. Those who hold this view seek to limit the financial burden for the American taxpaver that is involved in a continuing buildup of our nuclear arsenal—even though such a result might also benefit the Soviet Union. This school sees a growing danger to the United States—and also to the Soviet Union—in the galloping technology of nuclear destruction. Despite sharp differences on other issues, and even with conflicting global ambitions, this view insists that in at least this one area the two major powers should be able to come to terms. This, I take it, is the view Paul Warnke holds.

The other approach is sharply different. It is today's extension of the rigid cold war mentality of the 1950's. It is hostile toward the concept of negotiated arms limitation.

This view holds that the United States has vastly greater financial and technical resources than the Soviet Union. Therefore, we are much better able than the Soviet Union to bear the cost of an arms race. If we continue to pursue a margin of strategic superiority, then the Soviets will be forced to divert their scarce resources from programs that might strengthen their society and their system—capital investments in agriculture, for example—in order to spend on weaponry which has no economic value.

It would be a rare kind of arms control agreement which would be acceptable to someone who held this view of the American-Russian relationship. An unreconstructed cold warrior could possibly condone an agreement if it had enough loopholes to permit continued competition, and especially if it served to channel the competition in the directions where we have the greatest comparative advantage. Both sides have mastered the basic ballistic missiles technology, for example, but it can be a "victory" for us at the negotiating table if an agreement dictates a qualitative race, where we can rely on superior technology to stay out front.

As I noted in an earlier address, we have been able to move out ahead on MIRV technology, and to more than double our arsenal of nuclear warheads, despite the 1972 SALT agreement. That is because it was designed not to inhibit this new system. Now the Soviets are catching up on MIRV's—but we are still further out in front in such areas as cruise missiles, terminally guided warheads, and other technology for killing hard targets.

It is also conceivable—though I think far less likely—that a hardliner would accept an overall freeze, or even a reduction, in weaponry at any given time, but only on the condition that it would institutionalize clear American superiority. In that case what we gave up in opportunities to drain the Soviet economy would be offset by the perceived virtue of superior arms in the international political arena. But experience has made it obvious that any discussion of such an agreement is purely academic. It could be negotiated only if the Soviets made a unilateral decision to give up—to accept permanently an inferior position. And they show no signs of doing that.

Perhaps this description of the internal debate is a product of my imagination. Perhaps no one really holds these hardline views. But the circumstantial evidence is overpowering. At every stage in the long and largely disappointing history of arms control negotiations there has been bitter resistance at home to any meaningful or workable American initiative. The hardest negotiations have not been in Helsinki or Geneva or Vladivostok, but here in the United States. Most recently, since 1974 the Vladivostok agreement in principle has been sidetracked primarily because of a resistance to limits on advanced cruise missiles. President Ford was simply incapable of resolving the internal dispute. Now there is resistance to Paul Warnke, because he has questioned some of the weaponry that will be under discussion at SALT, and because he believes that our security can be as well served by limiting these systems as by building them, and at much less cost. I find it very hard to avoid the conclusion that Mr. Warnke has drawn all this fire not because of his approach to arms control, but because of a fear that he might succeed—because of a fear that we might have the comprehensive, enforceable limits on strategic arms which have eluded us for so many years, and that we will thereby end the competition which hurts the Soviet Union more than it hurts us.

I do not suggest that such a view is either unpatriotic of evil. On the contrary, for someone who is obsessed by the Soviet Union, and who regards our armaments as the major measure of our worth in the world, it is a view I can readily understand.

But I also think it is a desperately wrong view, that it is harmful to our security interests, and that it stands against the wishes of the vast majority of the American people.

The record demonstrates that even partial nuclear arms control has been of benefit to us as well as to other nations.

The Limited Test Ban Treaty of 1963 was feared by many then. Now, no one doubts the benefits of stopping all but underground tests. We are reminded of the value of this treaty every time a French or Chinese test leads to worrisome fallout.

The Non-Proliferation Treaty now has 101 parties. We worry most about those nations who have not joined, and we are reassured by the membership of others. It may be that the Non-Proliferation Treaty does not serve, alone, to deter those who want nuclear weapons. But its effect upon our own national security and the safety of other nations is positive.

The 1972 treaty limiting antiballistic missiles has been successful without any particular questions—so successful, indeed, that in 1974 a protocol was agreed to restricting ABM's still further, to just one site on each side. We heard questions about the wisdom of the ABM treaty, but once it was tried, almost no one disputed its value and there was minimal controversy about the protocol.

The 1972 SALT I interim agreement has become controversial. Despite that, it is generally recognized that it did accomplish some things. It did prevent the Soviet Union from further deployment of land-based missiles which contained the megatonnage which worries so many of our militarists. Had the Soviets continued to deploy land-based missiles, particularly the heavy versions, we would have more missiles and more megatonnage to worry about.

The Vladivostok accords in November 1974, went a step further, limiting to equal aggregates of strategic forces. That step, too, was of merit.

Of course there have been problems with these agreements. But they are not the fault of the arms controllers. The SALT I interim agreement should have gone further. It should have been more tightly written and it should not have depended so much on unilateral statements. It should have placed more com-

prehensive controls on both sides. But it is instructive to remember that the final SALT I agreement was negotiated not in Helsinki but in Moscow. It was completely a White House operation at the end. The arms controllers were left isolated. Most of the subsequent criticism of SALT, to the extent it was justified, should have been directed at Mr. Nixon and his closest advisers—not at the poor arms controllers, who were later brutalized by those who were high enough not to be forced to admit that it was they, not people at the Arms Control and Disarmament Agency, who were wrong.

The Vladivostok formula also does not go far enough. The ceilings—2,400 strategic delivery vehicles, and 1,320 MIRV's on each side—should have been much lower. Doubtless for both sides, they became as much targets as ceilings, warranting more spending and bigger arsenals than either side needed. But, again, if we recall the stridency of the hardliners at the time of Vladivostok in late November 1974 I suppose we have to give President Ford credit for being brave and independent enough to take even that modest step.

Yet they were still unhappy. The hardliners immediately stepped in to try to prevent Vladivostok from being made into a firm agreement except under terms which simply would not be negotiated. In the SALT II discussions the Soviet Backfire bomber had earlier been excluded, in exchange for exclusion of our forward based tactical nuclear weaponry in Europe and on carrier based aircraft at sea. But the Pentagon focused on the Backfire as a dramatic new threat, and demanded that it be included. So we needed a new bargaining chip. Conveniently, the strategic cruise missile happened along. Although the Navy had not been able to conceive of any useful mission for the sea-launched version, and although the Air Force was not enthusiastic about the air launched model because it undermined the case for the B–1, the cruise missile was elevated into a top priority item.

That proved to be a serious mistake from the standpoint of arms control because, as Secretary Kissinger once put it, the military "fell in love" with the cruise missile. So the latest position is not only that the Backfire must be included in the ceiling, but that we cannot abide by an agreement which would limit the U.S. cruise missile program. Now they are demanding the bargain without spending the chip. That is not simply a tough negotiating posture; it is, instead, a scheme for junking SALT II.

That is the record of the militarists. They have tried steadfastly to make arms control ineffective, and when they have succeeded they have expressed dismay at the ineffectiveness of arms control.

Well, let us consider the alternative. If we took the advice of the hardliners, we would move immediately to deploy perhaps 300 mobile missiles; we would speed along the deployment of Trident submarines with a second generation of missiles; we would buy 244 B–1 bombers; we would buy thousands of long-range cruise missiles to be hung on aircraft, spread all over Europe, stacked on the decks of our ships at sea, and crammed into torpedo bays on our submarines.

But we would not stop there. We might also take up the suggestions of Mr. Paul Nitze, one of Mr. Warnke's most outspoken and persistent critics. Mr. Nitze has proposed that each side deploy up to 5,000 land-based missiles with a throw-weight of only 200 pounds. These small—even pinheaded missiles could have no MIRV's because of imposed limitations. Such deployments, Mr. Nitze told the Committee on Foreign Relations, would be a substitute for the present land-based systems. With 220 pounds of throw-weight we might be able to deploy a warhead on each of these pinheaded missiles which would have a yield several times that of the weapon which destroyed Hiroshima. With our technological lead, our warheads might have a better yield per pound—more pow per pound, let us say—than comparable missiles. Never mind that such a program would cost tens of billions of dollars.

I do not mean to leave the impression that Mr. Nitze's idea is not an innovative one. Mr. Nitze's idea might have contained the making of a conceptual breakthrough in the middle 1960's. But where was Mr. Nitze when such ideas would have helped? He was off in the Pentagon laying plans for massive U.S. MIRV deployments.

In a letter that appeared in the Washington Post some 10 days ago Mr. Nitze said he understood that the Soviet Union would not accept such a proposal. I suggest that that was not only his understanding but his purpose. Ideas like this can give one credentials as some sort of arms controller—so long as you are careful to avoid proposing anything that might really work.

The obvious problem and the clear danger with the idea of a new fleet of missiles to replace old fleets of missiles, with new bombers to replace old, with bigger submarines for smaller, with mobile missiles, with MARV's on top of MIRV's, with unpiloted cruise missiles for piloted aircraft, is that it never ends. It never ends for us. It never ends for them. Arms control can provide a static, stable situation. Arms purchases can provide a fluid and ever-changing situation in which costs and risks both mount apace.

Ordinary logic dictates—and experience has demonstrated—that there is no lasting monopoly on anything; that at some point the Soviet Union can develop the same weapons and delivery systems we can. They were 4 years behind us when they first exploded an atomic bomb in 1949. They were less than a year behind us in developing thermonuclear weapons. They built strategic bombers. They built intercontinental ballistic missiles.

They built submarine-launched missiles. Now they are building MIRV's. There, too, we had only a temporary lead. From the standpoint of sterile gamesmanship there may have been some virtue in that temporary lead, as in the others. Perhaps there is a cosmic scorekeeper somewhere who gives us points when we temporarily have something the Russians have not yet acquired. But would anyone who is truly interested in national security as a lasting concept now argue that the decision to deploy MIRV's—to eliminate any chance that they could be banned by agreement—was a prudent choice, now that we see the beginnings of a Soviet MIRV on bigger missiles with bigger warheads than ours?

Many of the same people who supported our MIRV deployment are now pointing in alarm at the Russian program. They should be ashamed of themselves. Six years ago there was a way to prevent a Soviet MIRV. But the negotiating route was ruled out. And if we exclude other destabilizing systems from the negotiations now—to secure other temporary leads—it is as certain as night follows day that a few years from now the arms builders will be pointing to Soviet MARV's, accuracy programs, mobile missiles, cruise missiles, and whatnot to justify the next round of costly new American programs.

They criticize Mr. Warnke for questioning weapons systems. If he failed to do that, he would be worthless in the national security field. The ACDA Director should question weapons systems, especially on the arms control implications. Indeed, Congress has directed him to do that, by calling for arms control impact statements—a directive that has been poorly followed thus far. Moreover, I think the Secretary of Defense should question weapons systems. So should the Chairman of the Joint Chiefs of Staff. So should we all. A refusal to question is the same as a declaration that military spending and elaborate new weapons have some sort of mystical, independent worth of their own, quite apart from whether they are needed to insure our national safety.

But beyond that, we ought to question the way the broad imperative for new weaponry has been dictating and inhibiting our arms control policy. For I do not see how anyone can dispute the thesis of the article Mr. Warnke entitled "Apes on a Treadmill." It is precisely the treadmill President Eisenhower warned against in 1953, nearly a quarter of a century ago:

> This is not a way of life at all, in any true sense. Under the cloud of threatening war, it is humanity hanging from a cross of iron.

The arms builders neglect this simple truth. Certainly the competition harms the Soviet Union. But it harms us, too. It drains our taxes, too. It diverts our resources and our energies away from constructive enterprise both at home and abroad. And I think the American people want it stopped.

I do not suggest that the way out of the present morass will be easy. But it is possible, if only we fashion a policy which reflects a genuine commitment to negotiated arms limitations.

That means, first, that we should understand that all of us—myself included—give the highest priority to an adequate national defense. My remarks last week analyzed the factors that can help determine what is adequate and

what is not. But we ought to avoid giving either groundless assurances or exaggerating threats to try to win our cases. We should avoid both heedless disarmament and mindless military buildups. We need to recognize that the Russians are tough and difficult. And no one, including Mr. Warnke, is about to put this country's security at risk. Such notions do not even belong in this debate.

Second, we need to incorporate as an operating principle the concept that SALT is a process in which we want both sides to gain.

It is no victory for the United States if we have an agreement which allows us to build more than we need to deter nuclear war. It may be a victory for those who profit from military contracts. But it is no victory at all for the people who must bear the burden Further, the insistence on agreements which leave an American advantage in the kinds and numbers of weapons we can deploy in fact undermines the whole SALT process. And when that happens the United States loses, as does the Soviet Union. So let us treat SALT as a serious exercise to make the world safer and arms budgets less burdensome for us both.

Third, so long as our deterrent is secure—and it is—we must stop undermining arms control goals with weapons programs. It is time we assigned to our military establishment its proper national function—to underlie and support our foreign policy, and not to determine what our policy will be.

We should long since have achieved a SALT II agreement. But the last President—spotting trouble over his right shoulder in his 1976 nomination campaign—could not bring himself to give the order that would have formalized the Vladivostok understanding. This President must give that order. More than that, if he intends to implement the commitment to arms control he so often has voiced, he must decide against new systems which threaten a repetition of our dismal experience with MIRV's.

In a Senate speech last May 5 I singled out the strategic cruise missile as just a system. Indeed, given the characteristics and concealibility of cruise missiles, they pose arms control verification difficulties which will make MIRV seem a piker's problem. There are systems in development that pose the same kinds of difficulty for arms control.

I do not blame the military men who urge these systems upon us. Arms control is not their job, and it is not their area of expertise. But if elected civilian decisionmakers accept these weapons regardless of their arms control effects, then the American people have every right to blame us if arms control fails. And the President of the United States has the first opportunity and the first obligation to choose.

I believe the clear and consistent application of these relatively simple principles will produce results. For the breakthrough needed at SALT is an obvious one. We will achieve a SALT agreement if we and the Soviets want a SALT agreement and understand how much it would help us.

If we wish, we can find ways to handle the cruise missile problem. We can handle the Backfire bomber problem. We can move to impose qualitative constraints. There is no reason we cannot negotiate the advance notification of missile tests as President Carter recently suggested. We can also negotiate limitations on flight tests, as suggested by Dr. Sidney Drell in testimony before the Committee on Foreign Relations. We can move toward a comprehensive test ban to set an example for other nations and of critical importance to help stop the endless vertical proliferation of nuclear weapons systems.

Simply, we have no choice but to give arms control a chance. The President has brought fresh new insights to these problems and he should not be opposed in his choice of Paul Warnke—who shares the President's viewpoints and will represent him brilliantly in the arms negotiations in Geneva.

Finally, let me suggest here that as we debate the Warnke nomination we ought to also contemplate how our democratic system is supposed to work.

Last year, in both the Republican and Democratic primaries, there were candidates who had been critical of the SALT process and who had been favorable to MIRV's, ABM's, cruise missiles, the M–X mobile missile, and every other program that undermines the chances for verifiable limits on strategic arms. In both parties, those candidates lost.

In the general election Mr. Ford represented the more hard-line view. He had to defend a record of inability to produce a SALT II agreement. And he lost. Mr. Carter won. He won even though this notorious arms controller and critic of some of those weapons systems, Paul Warnke, was publicly associated with his campaign.

Of course it can be argued that the election was decided on other grounds. Doubtless the economic situation swayed more votes than the statements of the candidates on strategic arms limitation.

But there are other ways to determine what the American people want.

On October 4 of last year, pollster Louis Harris sampled public opinion on the questions of détente and strategic arms limitation. On the first, he asked respondents whether they wanted the United States "to continue to try to achieve détente—that is, find more ways to cooperate with Russia and China and find common areas of agreement." Seventy-three percent, nearly three-fourths of the electorate, said "yes." Only 16 percent were opposed. That was at a time when the term détente was supposed to be in disrepute.

More directly on point, Mr. Harris asked if those polled favored efforts to "get agreement with Russia on a reduction of strategic nuclear arms and missiles." And to that question fully 80 percent said "yes." Only 10 percent were opposed. Despite all the scare stories they were hearing even then, the American people believed by a margin of 8 to 1 that strategic arms limitation was a good idea.

I do not claim that the other view has no right to be heard. On the contrary, those who are suspicious of the negotiating process, who want to maintain a rigid policy of hostility across the board, who want to pursue every conceivable method of undermining the Soviet Union, even if it costs us dearly, too—they have every right to make their case.

All I am suggesting here is that when they attempt to deny President Carter his policy and his personnel, then they are simply overreaching. They have gone too far. Speaking for no more than 10 percent of the population—for 20 percent, at most, if you throw in all those with "no opinion"—they are attempting to reverse the results of the 1976 election and to force their own policy—rejected by the electorate and I think discredited by history—upon the rest of the Nation.

What is perhaps strangest of all is the great furor over this nomination. After all, the hardline side will be heard. It is built into the Pentagon's perception of the issue, and our military leaders have never been especially reluctant about making their case. It will also be heard from Capitol Hill. And with all of that, what is so horrible about the prospect that we will have someone at the head of the Arms and Control and Disarmament Agency who believes in the result the very name of that agency implies? What is so awful about having someone to represent us in the strategic arms limitation talks who actually believes in what he is doing, and who wants to succeed?

I submit to my colleagues that the election results deserve at least this much respect. The clear weight of public opinion deserves at least this much consideration. The new President deserves at least this much of a chance.

We have tried arms competition. It has not improved our security at all. Let us try controlling arms for a change. Let us see if we cannot free ourselves of this burden. Let us instead move the competition to the realm of development and ideas and human progress where our system truly excels, and where our excellence can have real meaning for the United States and for all of the human family.

Mr. President, I ask unanimous consent that an editorial published in the Washington Star of Sunday, March 6, 1977, entitled "Moonshine on Mr. Warnke," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MOONSHINE ON MR. WARNKE

When President Carter nominated Paul C. Warnke some weeks ago to head the Arms Control Agency and carry on the strategic arms talks with the Soviet Union we hoped, as others did, that his confirmation hearings would become a forum for sober discussion of strategic issues.

That hope, which in retrospect appears a bit naive, sprang from the fact that Mr. Warnke had written and testified extensively on arms control and was, at the same time, opposed by some very serious people.

The Warnke hearings, however, only fitfully served an educative function. Mr. Warnke's critics, even some of the most responsible ones, absorbed themselves in a failing attempt to brand him a changeling

who furtively toughened "soft" positions of the past to win confirmation.

Since the hearings ended, and the Foreign Relations Committee cleared his nomination, the resistance to Mr. Warnke has strayed even farther from sober debate. With Wednesday's Senate vote approaching, uncommitted senators are being treated to a mail-and-telegram campaign that shuns few propaganda techniques.

Consider, for instance, the "dear friend" letter recently issued by Rep. Larry McDonald of Georgia, who declares that the Warnke nomination "poses the single greatest threat to our national security in my memory." Mr. McDonald must have a short memory; but one would not begrudge him his apprehensions if he had his facts straight.

Of Mr. Warnke, Representative McDonald writes: "He is best known as George McGovern's national defense adviser during the 1972 campaign and the architect of McGovern's scheme to slash $32 billion dollars out of our national defense budget. If that is not enough to make him totally unfit for the job, he has recently been calling for unilateral disarmament—on the 'hope' the communists will follow suit." He adds, although the bearing of such charges, even if accurate, is not clear, that "since 1975 Mr. Warnke has been a registered agent of the government of Algeria . . . (and) set in motion the chain of events which allowed Ellsberg to steal the Pentagon Papers."

In citing the McGovern connection, Mr. McDonald appears to echo a widely-quoted Wall Street Journal editorial of February 16 which said in part: ". . . Mr. Warnke is best understood as George McGovern's defense secretary. . . . During the 1972 presidential campaign he was chief apologist for Mr. McGovern's plan to lop $30 billion off the Pentagon's budget."

Perhaps, to give him the benefit of a doubt, Representative McDonald is not aware that Senator McGovern has since corrected the *Journal's* misimpressions. First, wrote the senator in a letter to that paper, his "alternative defense budget . . . called for reductions over a three-year period, with the amount explicitly contingent upon how the Russians responded." But the main point is that Senator McGovern's defense white paper was not Mr. Warnke's architecture. "My arms budget recommendations," writes the senator, "were published in January of 1972 at a time when Mr. Warnke was advising Senator Muskie."

Let us pass over the interesting but irrelevant charge that Mr. Warnke has been a lobbying agent for Algeria—Washington lawyers frequently represent countries whose policies they do not necessarily endorse or approve—to the charge that he "set in motion the chain of events which allowed Ellsberg to steal the Pentagon Papers."

So, in the sense intended, did Gen. George Washington: By defeating Lord Cornwallis he set in motion a chain of events leading to the establishment of the American republic; and had he not done so, the Pentagon Papers would not have been there, many years later, for Dr. Ellsberg to steal.

This kind of argument depends, in other words, on historical regression in which final blame for almost any event can be pinned on almost anybody. In fact, after his departure from the Pentagon, Mr. Warnke stored his copy of the Pentagon Papers, unread, at the Rand Corporation, with the proviso that no one could see it who did not have top secret security clearance and who did not also gain the permission of two of three persons—himself, and his former deputies Morton Halperin and Leslie Gelb, who were involved in their compilation. Apparently, Messrs. Halperin and Gelb permitted Dr. Ellsberg to see the stored copy. But since Ellsberg enjoyed top secret clearance, they in no sense violated Mr. Warnke's painstaking procedures. Dr. Ellsberg violated his trust. Mr. Warnke, apart from having placed his copy at the Rand Corporation, did not.

We cite, and explore, Congressman McDonald's charges not in a spirit of apology for Mr. Warnke, who needs none, but only to illustrate what passes for argument these days in the anti-Warnke lobby. It would be unfair to suggest that the congressman's unfocused charges typify the serious case against Mr. Warnke's nomination. They are merely evidence that now that Mr. Warnke's responsible opponents have resigned themselves to his confirmation, the serious case has given way to moonshine.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. McGOVERN. Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. Mr. President, I am pleased to yield 10 minutes to the Senator from Washington.

Mr. JACKSON. Mr. President, having spoken at some length on Friday, I had not planned to speak again on the Warnke nomination prior to the summing-up before tomorrow's vote. However, a new development late yesterday has persuaded me that I once again ought to take the floor to express my deepening concern at the credibility gap that widens with each new pronouncement from Mr. Warnke.

On Friday, the Senator from Michigan (Mr. GRIFFIN) and the Senator from California (Mr. HAYAKAWA) correctly pointed out that a crucial quotation in Mr. Warnke's testimony on the 1972 SALT Interim Agreement had been doctored in an attempt to sustain Mr. Warnke's claim to have expressed reservations about that agreement—a claim that is not corroborated by the public record. And despite the effort of some Senators supporting Mr. Warnke to minimize this willful tampering with the record, the matter is not a trivial semantic dispute; still less is it about a misplaced comma.

Mr. President, yesterday Mr. Warnke sent the chairman of the Armed Services Committee a letter in which he "regrets" and seeks to correct what he calls "a number of (typographical) errors." There then follow in Mr. Warnke's letter 24 corrections of the most trivial and inconsequential nature—errors about which no issue was made because no issue properly exists. Nestled among these 24 errors is a 25th which is in no sense a "typographical error." Indeed, Mr. Warnke's attempt to blame a typist for what all the evidence suggests is in fact a deliberate distortion of the public record only compounds the crisis in confidence that this nomination has produced. It is hard to escape the conclusion that Mr. Warnke has forwarded a list of 25 typographical errors in order to obscure the one error of consequence. But the error that matters is not, like the others, the result of a careless typist. It is the result of a misguided effort further to mislead the Senate.

Mr. President, even in its allegedly corrected form, the quotation in question is doctored. Let me explain:

There are several ways in which a statement can be doctored. First, punctuation that has the effect of altering the meaning of a statement can be changed. As pointed out on the floor on Friday, that was done in this case. Second, words can be deleted from a statement without the required deletion marks; and if the deleted words alter the meaning of the statement, as they do in this case, a statement that means one thing can, in fact, be made to appear to mean another. That, too, has been done. Finally, the words of the statement can be rearranged; and that, too, has been done. When the sentence resulting from altered punctuation, deleted words and rearranged words is then enclosed in quotation marks, the presentation of that sentence to the Senate of the United States is a gravely serious matter. In offering his "correction," Mr. Warnke has restored the punctuation that was the subject of discussion on Friday. But he has resubmitted to this body a quotation that, first, has words deleted; second, has words rearranged; and that third, is contradicted by other remarks made at the time on the public record whose disclosure would have served to sustain Senator GRIFFIN's original concern.

Mr. President, this matter arose when Senator GRIFFIN asked Mr. Warnke, during his confirmation hearing before the Comimttee on Foreign Relations, what his reaction had been to the SALT I interim agreement in 1972. Mr. Warnke replied, in part, as follows:

> I was concerned . . . about the numerical disparity (in number of strategic delivery systems) because it seemed to me that that made the agreement perceptually vulnerable. Any agreement which appears to give the Soviet Union a numerical lead is not one which is going to be very well received by our friends.

The record, Mr. President, is both clear and to the contrary. Far from expressing concern at the numerical disparity of the interim agreement, Mr. Warnke in his 1972 testimony before both the House and Senate, argued vigorously against the concern of many that the agreement gave the Soviets a large mathematical edge over the United States.

In order to clarify this matter, I asked Mr. Warnke to explain the contradiction when he appeared before the Armed Services Committee on February 23, In a written submission, Mr. Warnke stated the following:

> Contrary to the allegation that in 1972 I "welcomed the agreement precisely as a recognition that numbers do not matter", in my testimony before the Senate Foreign Relations Committee in 1972, I stated that "the principal accomplishment" of SALT I was the ABM treaty and that, as to the Interim Agreement, " I find the coverage at the present time disappointingly small." I specifically stated that "numerical superiority *which is not translatable into either any sort of military capability or any sort of political potential* has no purpose." (Source: Hearings before the Senate Foreign Relations Committee, 28 June 1972, pp. 178–179, emphasis added.)

But, Mr. President, when one turns to the source that Mr. Warnke claims to be citing, there is a dramatic difference. Here is the undoctored sentence in its entirety as it appears in the record of hear-

ings of the Committee on Foreign Relations in 1972:

Under those circumstances, it seems to me, Mr. Chairman and Senator Cooper, that the continuation of the missile numbers game is in fact a mindless exercise, that there is no purpose in either side's achieving a numerical superiority, which is not translatable into either any sort of military capability or any sort of political potential.

Clearly Mr. Warnke's argument at the time was quite different from what he told two Senate committees it had been. Notice that the sentence quoted in response to my question to Mr. Warnke has been cut in half; the words have been rearranged; and the punctuation has been changed.

Did Mr. Warnke's typist accidentally delete the first half of the sentence? Did she rearrange the words? Did she alter the punctuation? Were these changes Mr. President "typographical errors?"

Mr. President, if one goes beyond the undoctored quotation above and examines Mr. Warnke's further remarks before the Foreign Relations Committee in 1972, the record shows how he continued:

That is why, in my opinion, the ceilings that are placed in the interim agreement on both land-based and sea-based missiles should not be the cause for any concern on our part. They do give the Soviets an apparently large mathematical edge. They are permitted, as I read it, some 2,350 missile launchers to our 1,710, but either figures is a flagrant example of military redundancy. In the light of the abandonment of any forlorn hope of an ABM defense, either number affords more missiles than the other side affords in the way of targets.

So, accordingly, we should not be concerned about the existing mathematical edge nor should we be concerned about any attempts that the Soviet Union might make to add additional, useless numbers to their already far more than adequate supply.

Before the House Committee on International Relations Mr. Warnke repeated the substance of his testimony to the Committee on Foreign Relations. Thus he said, again in 1972, that:

I welcome the SALT agreement which was concluded last week by President Nixon. I think it was a realistic recognition of the fact that the Soviet Union gains nothing from its 1,600 ICBM's that we do not have an abundance with our 1,000. I think that it recognized that the numerical edge in submarine-launched ballistic missiles is of no significance as long as we possess the ability to destroy the Soviet Union even if they were first to strike.

Mr. President, when one examines the full record there can be no doubt that Mr. Warnke held the view, in 1972, that the numerical disparity in the SALT I interim agreement was not a cause for concern. This is the opposite of the view that his doctored version of his past statement would lead one to believe he had then held.

Senators must judge for themselves whether they believe Mr. Warnke accurately represented his 1972 testimony to Senator GRIFFIN. They must judge whether he accurately represented his testimony to the Committee on Armed Services. They must judge whether he was telling the truth when he blamed the doctored quotation on his typist.

Mr. President, if my colleagues conclude as I have that Mr. Warnke has misrepresented his testimony to two committees of the Senate and further attempted to mislead the Senate into believing that the fault was that of his typist, I trust that they will judge whether a man capable of such deceit is to be entrusted with two appointments and such serious responsibilities.

Mr. GRIFFIN. Mr. President, will the Senator yield for just a brief comment?

Mr. JACKSON. Yes.

Mr. GRIFFIN. I commend the Senator from Washington for his statement and I associate myself with his remarks. He said in a very eloquent way essentially what I would have said about Mr. Warnke's reply.

Mr. Warnke is trying to make the Senate believe that in 1972 his first concern about the SALT I agreement was the numerical disparity between the Soviet Union and the United States. That not only does not wash when you read the record—it is hogwash. If Senators will only go back and read the record, and if the press will report what is in the record, there could be no question about the facts.

I thank the Senator from Washington for yielding.

Mr. JACKSON. I thank the Senator.

I just want to say that the fundamental error here is not typographical, it is substantive; and I am concerned over this course of conduct, and especially trying to bury it all in with the 24 typographical errors.

Mr. President, I yield back my time to the distinguished Senator from Utah.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. JACKSON. With permission of the Senator on his time.

Mr. HUMPHREY. Is it not true that the hearings before the Foreign Relations Committee on June 28, 1972 to which the Senator alludes in reference to the comma question was oral testimony? It was not any prepared statement, and the comma was placed in the hearings by the stenotypist.

Mr. JACKSON. The Senator misses the whole point.

Mr. HUMPHREY. I do not miss the whole point at all. The Senator is talking about where the comma is. He did not say now, as he repeats a sentence, "comma," "semicolon." The comma was placed by the stenotypist in the hearings.

Mr. JACKSON. Wait a minute. The changes referred back to the record of the 1972 testimony.

Mr. HUMPHREY. That is what I am talking about, sir.

Mr. JACKSON. The Senator is confused.

Mr. HUMPHREY. I am talking about the 28th of June 1972 oral testimony, not prepared.

Mr. JACKSON. Let me just say this to my good friend. We are talking about two different things. The doctoring I have alleged here relates to 1972, no what——

Mr. HUMPHREY. I am telling the Senator, did he hear me, June 28, 1972. Here is the testimony.

Mr. JACKSON. All right; and I am saying that he doctored that in replying to my question and again yesterday.

Mr. HUMPHREY. I am simply saying—doctoring, what does the Senator mean? I am simply saying the stenotypist who took down the oral testimony placed the comma in at his volition, and what Mr. Warnke did was simply putting out what he meant when he——

Mr. JACKSON. No.

Mr. HUMPHREY. When he testified and wrote the letter.

Mr. JACKSON. I say to the Senator he changed the written testimony—forget commas for a moment. He changed the written testimony.

Mr. HUMPHREY. I say to the Senator he did not change what he thought, and I want to say——

Mr. JACKSON. Wait a minute; not what he thought. Let me ask the Senator, is it not a fact that what he referred to back in 1972 was changed from the original text?

Mr. HUMPHREY. The Senator——

Mr. JACKSON. I ask the Senator the question, changed from the transcript.

Mr. HUMPHREY. Well, the transcript, that is the printed record.

Mr. JACKSON. That is the printed record. Mr. Warnke doctored the printed record.

Mr. HUMPHREY. I am simply saying when he testified it was oral testimony. He did not correct his testimony. This RECORD, known as the CONGRESSIONAL RECORD, has oral speeches of Senators in it. All I say is if you read it, many times the sentence structure that you had as you discussed it is a whole lot different than if you had a written text from which you work. So what do we say many times when we are quoted back? We say, "That is not what I meant at all. The stenotypist did not get everything that I said. I did not have time to correct the RECORD."

If you speak as fast as I do at times, it is a little difficult for our stenotypist to get the record.

Mr. HATCH. Mr. President, against whose time is this charged?

Mr. HUMPHREY. The Senator does not think it is important that Mr. Warnke has written a letter and has stated very carefully what the situation was. He says:

With respect to the specific quotation which has been challenged, a few points are worth noting. First, the sentence in question included in item 1 of the errata sheet, was made in the course of oral extemporaneous testimony. It did not appear in my prepared statement. Although I reviewed the transcript, I do not, of course, now know whether a comma then appeared after the words "numerical superiority."

What I do know is what I meant and what my testimony as a whole makes clear.

Several Senators addressed the Chair.

Mr. HATCH. Is this charged against our time?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CRANSTON. I yield such time while the Senator has the floor.

Mr. McCLURE. Mr. President, who has the floor?

Mr. HUMPHREY. I will come back on my own time.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. HUMPHREY. I will come back on my own time.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, will the Senator yield 1 minute?

Mr. HATCH. I yield 1 minute.

Mr. JACKSON. Mr. President, let us get something straight here; it is not that confusing. There are two separate changes, I say to the Senator from Minnesota. The first change relates not to just the change of a comma; it is the doctoring of the sentence structure, leaving words out and rearranging them. This occurred in the response to the interrogatories, the questions that I submitted to him; and then again yesterday the same thing happen in his letter sent to the chairman of the Armed Services Committee apologizing for his earlier responses.

I say to the Senator from Minnesota there is a course of conduct here; there is a pattern. It is not just one instance, and it goes to highly substantive matters.

Now, I will be glad to stay here as long as he wants to stay to try to explain away two separate and distinct courses of conduct that to me are very, very disturbing, Mr. President, on the part of the nominee for this position.

These are not typographical errors that I am referring to. That fact has been lost in the debris of conversation on the floor of the Senate.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JACKSON. Will the Senator yield 1 additional minute?

Mr. HATCH. I yield 1 additional minute.

Mr. NUNN. Mr. President, will the Senator yield me I minute?

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. HATCH. Then I yield a minute to the Senator from Georgia.

Mr. JACKSON. Mr. President, I conclude by saying that, in my judgment, Mr. Warnke has tried to cover up a substantive change by saying there are 25 typographical errors. There are indeed 24. But there is a substantive error, Mr. President, that was discussed on Friday. Then yesterday we have another letter from this man in which he makes substantive changes, and I challenge those who say this is not important to explain why this pattern of conduct? I read about a lot of nonsense about the eighth grade, you know, that we have worried unduly about commas. This change is one of substance, I say to the Senator from Minnesota.

Mr. HUMPHREY. I will come back and we will debate the substance. The difference is between the views of Mr. Warnke on arms control and the views held by the Senator from Washington. That is the difference.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. JACKSON. Mr. President, will the Senator yield 10 seconds?

The PRESIDING OFFICER. The Senator from Washington.

Mr. NUNN. I yield 10 seconds.

Mr. JACKSON. Mr. President, I supported the SALT I agreement. I had differing views from Mr. Warnke.

That is not the issue. The issue is credibility and integrity.

The question is, are we going to believe this man? That is the question before the Senate.

I am not arguing or discussing strategic doctrine. But I have documented for the Senate, Mr. President, a serious substantive doctoring of the record and it stands undenied, based on the written record. I ask every Senator who will look at the cold print to find out for himself what is involved.

The PRESIDING OFFICER. The minute has expired.

Mr. HATCH. I yield another minute to Mr. NUNN.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. I may need more than 1 minute, Mr. President.

Mr. HATCH. Then I yield 2 minutes.

Mr. NUNN. I echo what the Senator from Washington is saying about the issue before this body.

I had the good fortune of being the Presiding Officer yesterday, when the Senator from Minnesota was, I think, doing a very good job of defending Mr. Warnke. I have heard him today also defending Mr. Warnke. And I agree with the two main points that he makes. First of all, the Senator from Minnesota says that we all change our minds, particularly on very important issues like this, ones that are very complicated and complex.

If the Senator will read the Armed Services Committee hearings he will note that I said something to this effect in that hearing to Mr. Warnke:

> Mr. Warnke, I would like to vote for you if you could just bring yourself to admit that you have changed your mind.

Mr. Warnke has not been able to in any way admit that he has changed his mind.

Now, that is what is disturbing to a large number of Senators because, if he cannot recognize the difference between his position on counterforce, for instance, 2 years ago, and his position on counterforce now, either we have to question his judgment or we have to question his intellectual integrity. Anyone who knows anything about counterforce would agree that Mr. Warnke has changed. Everybody but Mr. Warnke believes that he has changed. But he does not.

What the Senator from Washington is talking about here is not an isolated instance. It is a pattern. It is a pattern that started before the Foreign Relations Committee and it has continued right up to this moment. This is what disturbs so many Senators.

I would certainly agree with the Senator from Minnesota that any time one gives oral testimony, the person taking it down could get some commas in the wrong place. We could have our Senators out of context. There could be great errors here.

But the problem with this argument is that, even if you concede that Mr. Warnke's testimony in 1972 before the Foreign Relations Committee was misquoted in some way, or that the comma was in the wrong place, all the Senator from Minnesota has to do is look at the other statements he made during that period of time and he will see that the testimony in question was perfectly consistent with everything else Mr. Warnke was saying during that time.

Mr. JACKSON. Will the Senator yield at that point?

Mr. NUNN. The Senator from Washington has two statements right here in the RECORD that verify that this is the correct interpretation, because Mr. Warnke has said over and over again that numbers do not count. So it was just——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NUNN. Mr. President, will the Senator yield 30 additional seconds?

Mr. HATCH. I yield 30 additional seconds.

Mr. NUNN. If it were just one statement, I would say let us give him the benefit of the doubt; it was probably mistakenly recorded—the comma was probably wrong—and, let him tell us what he means.

But he said it over and over and over again, and now he comes before this body in written testimony and tries to convince us otherwise, and this is an insult to the intelligence of this body.

We would have to be foolish not to be able to discern his changing positions.

Again, I repeat, Mr. President, it is not the fact that Mr. Warnke has changed his position over and over and over again in the last 3 weeks. I say more power to him, congratulations on moving in the right direction. But the problem is he had not been able to bring himself to admit it. That raises questions either of his judgment or his intellectual integrity. There is no other way to interpret it.

Mr. JACKSON. Will the Senator yield for 10 seconds?

The PRESIDING OFFICER. Who yields time?

The Senator from Washington.

Mr. JACKSON. This is just for a comment.

Mr. President, the Senator from Georgia makes the key point here. Apparently Mr. Warnke is in effect, through those speaking for him here in the Chamber, saying that in the original comments that he made before the Foreign Relations Committee in 1972 there was a stenographic error. The key point is, of course, that he made similar comments in 1972 before the House International Relations Committee, known as the House Committee on Foreign Affairs at that time. That is the key point, and I think that is the Senator's point, that if it were just one citation that we are referring to he could come in and say, "Well, the stenographer made a mistake in taking it down." But the truth is that

it is a pattern that exists, and I quoted directly from the statement that he made in a similar vein before the House International Relations Committee, which is substantially the same position that he now says was not accurately reported, through one of the Senators speaking in his behalf.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NUNN. Mr. President, if the Senator will yield, if that comma is inaccurately reported then almost everything Mr. Warnke said up until the last 3 weeks has been inaccurately reported in almost every kind of publication and by almost any kind of reporter we can envision.

So we have the remarkable scenario of numerous people somehow being incapable of accurately reporting what Mr. Warnke says.

Mr. JACKSON. There seems to be some kind of a congenital trouble with commas, sentence structure, and a lot of other things, and he is a very bright learned man. I think it is pretty clear there is a course of conduct here that is very disturbing, Mr. President, and I think it goes to the heart of this question of confirmation.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. Mr. President, I yield 2 minutes to my distinguished colleague from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator from Utah for yielding this time.

I commend the Senator from Washington for the statement he made and the Senator from Georgia for bringing up the very essence of the argument. I do not know whether or not the comma was there.

All I know it is interesting to note that Mr. Warnke in his letter yesterday, explaining away the absence of the comma, also said that he had reviewed the transcript.

I think the Senator from Minnesota was in error, and perhaps would like to correct it, when he said he did not refute the transcript, because Mr. Warnke himself said that he had.

But that is not the real issue. In this letter he again said the two things he had been saying over and over again, that are in opposition to each other: one, that numerical superiority is meaningless, and on the other hand that numerical superiority is meaningful. Which does he mean? I do not think he has told us yet.

He tried to say in the letter yesterday that back in 1972 he said that numerical superiority was meaningless, but that numerical superiority now is a matter of concern to him, but yet that he has not changed his mind. I think the Senator from Georgia is correct, that we ought to know what he means, and know it before we confirm him.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. McCLURE. I yield.

Mr. NUNN. Can the Senator imagine what we are in for when Mr. Warnke returns to the Senate with a SALT II agreement, and we ask him what the Soviet Union means by this and what they mean by that? Can the Senator envision the magnitude of confusion and all the uncertainties that would be flowing forth?

Mr. McCLURE. I say to the Senator that if you read his letter of yesterday you do not know what it means. That is the entire argument. You cannot pin this man down; he is far too adroit and slippery to ever allow himself to be in any kind of fixed position.

That may be all right for a negotiator, but not the kind of man we want to come back and explain to the U.S. Senate and the American people what was negotiated. Because I submit he does not want to be pinned down now, and he would not want to be pinned down then.

Mr. CRANSTON. Mr. President, I think it is very useful, rather than prepared statements, to have give and take back and forth between those who have differing impressions. In order to facilitate that, I now yield such time as he may require to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, there is an honest difference of opinion here. One thing that I do not buy is the attack upon Mr. Warnke's integrity. I think it is important that we spend a little time on that, because it is a very personal matter.

First, let us see what it was Mr. Warnke said in 1972. He correctly recalls in his March 7 letter to the chairman of the Committee on Armed Services that, in 1972:

> I specifically stated that "numerical superiority, (comma) which is not translatable into either any sort of military capability or any sort of political potential" has no purpose.

Mr. McCLURE. Will the Senator yield on that point for a question?

Mr. HUMPHREY. Just let me go on. He had said, in his February 28 letter:

> I specifically stated that "numerical superiority which is not translatable into either any sort of military capability or any sort of political potential has no purpose."

Now, here is what he said in 1972:

> "Numerical superiority, (comma) which is not translatable into either any sort of military capability or any sort of political potential" has no purpose.

Mr. McCLURE. Then do I understand the Senator from Minnesota is saying Mr. Warnke is affirming the fact that what he said in 1972 was with the comma?

Mr. HUMPHREY. That is what the record shows.

Mr. McCLURE. Is he saying now that is what he said then?

Mr. HUMPHREY. That is what the record says, in 1972.

Mr. McCLURE. Is the Senator saying that is what Mr. Warnke says he said?

Mr. HUMPHREY. I do not care whether it is what he said he said, but that is the record, so let us assume it is what he said.

Mr. McCLURE. Well, is the Senator saying that is what he now says he said then?

Mr. HUMPHREY. I said that was oral testimony, and if you can remember what you said in 1972, Senator, you are entitled to the Congressional Medal of Honor.

Mr. McCLURE. Let me say to the able Senator from Minnesota, all I am trying to find out is, what does Mr. Warnke now say he said then?

Mr. HUMPHREY. Mr. Warnke says in his statement now to the chairman of the committee, referring to the testimony that was oral testimony, he says:

> I specifically stated that "numerical superiority, (comma) which is not translatable into either any sort of military capability or any sort of political potential" has no purpose.

Mr. McCLURE. All right. Does the Senator——

Mr. HUMPHREY. Wait a minute, it is my time. I have the floor. What did he say in his letter?

> I specifically stated that "numerical superiority, which is not translatable into either any sort of military capability or any sort of political potential" has no purpose.

I do not claim to be the smartest Member of this body, but I did get through high school before they started marking the grades down, and I will submit that you have got to have some fantastic imagination to make it appear that those two statements are contradictory.

Mr. McCLURE. Would the Senator——

Mr. HUMPHREY. And then, I may say, if you put those statements in relationship to all the other things that Mr. Warnke has said, I think they make great sense. Let us go back to the hearings before the Foreign Relations Committee.

Mr. McCLURE. Will my good friend yield for a question.

Mr. HUMPHREY. I yield for a question.

Mr. McCLURE. I thank the Senator. I realize the Senator from Minnesota has the floor. I hope he will be as gracious in yielding to us for questions and interjections as others were in yielding to him a few minutes ago.

Mr. HUMPHREY. I will be that considerate, Senator.

Mr. McCLURE. I think it is important, whether the Senator from Minnesota thinks so or not, I do and others do, as to what Mr. Warnke was really saying. The question of whether or not that comma was there is important in two respects: because it lends some light as to what he was saying not what he says he was saying, but what he was actually saying then——

Mr. HUMPHREY. What do you think he was saying, Senator, comma or no comma?

Mr. McCLURE. If we can agree for just a moment on whether or not the comma was there——

Mr. HUMPHREY. Let us assume he agrees in his testimony the comma was there. How would that alter the meaning?

Mr. McCLURE. For two very precise reasons, I will say to the Senator. First of all, I understand he now admits the comma was there.

Mr. HUMPHREY. OK, so he has corrected his grammar.

Mr. McCLURE. Well, it is more than that.

Mr. HUMPHREY. Or his punctuation.

Mr. McCLURE. If the able Senator from Minnesota was here when the distinguished English professor, the Senator from California (Mr. HAYAKAWA) spoke, he will recognize the difference. He was saying at that time that numerical superiority makes no difference, and he said it not only in that statement but in several other statements contemporary with that in 1971 and 1972.

Mr. HUMPHREY. All right, Senator. He said it in both statements the same way, and I will leave it to a jury of our peers or a jury of the citizenry of this country that has had a basic course in English, or in punctuation.

Listen: here is what he said in 1972. We will repeat it and repeat it. In his letter to the chairman of the Senate Armed Services Committee, Mr. Warnke now states:

P. 2 of letter, p. 123 of hearings: which read: I specifically stated that "numerical superiority which is not translatable into either any sort of military capability or any sort of political potential has no purpose."

Should have read: I specifically stated that "numerical superiority, which is not translatable into either any sort of military capability or any sort of political potential" has no purpose.

Now he says the way it should have read is:

I specifically stated that "numerical superiority, which is not translatable into either any sort of military capability or any other political potential" has no purpose.

Now, if he was really good at English and punctuation, he would have had a comma after "potential" because that would have meant that that was a qualifying phrase. But there is no comma after "potential." I know a little bit about punctuation. I do not claim to be an expert in semantics like the Senator from California but I passed, and I have written my fair share.

I say if one wants to study grammar in here, and that would not be a bad exercise for this body, if the punctuation has any meaning in terms of limitations, then one would have to have a comma after the word "potential" because that would be a qualifying phrase, the qualifying phrase being "which is not translatable into either any sort of military capability or any political potential." Otherwise, it would read "numerical superiority has no purpose." But what we have here is, in both statements, the kinds of qualification without the punctuation which Mr. Warnke is talking about. What is he talking about? He is saying that numbers alone is not the argument. It is the quality of the weaponry, it is the technology of the weaponry, it is the accuracy of the weaponry, and even then, might I say, the total number of nuclear weapons that we have is superior to that of the Soviet Union.

SEVERAL SENATORS. Will the Senator yield?

Mr. HUMPHREY. I yield first to the Senator from California and then the Senator from Georgia.

Mr. CRANSTON. On the matter of the missing comma, I would like to ask the Senator if he is aware that Senator GRIFFIN, who brought the matter up in the Senate hearings on the Warnke nomination on Febraury 8 and 9, twice inserted in the hearing record the paragraph, first quoted in isolation by itself and then the whole statement is entered containing the sentence in which the comma is allegedly missing?

In the first introduction on page 45 of the hearing—where Senator GRIFFIN is quoting—there is no comma after the words "nuclear superiority." In the second introduction by Senator GRIFFIN—when he inserts the whole statement in order to put Warnke's words in the proper context—again on page 48, there is a period after "nuclear superiority." So even in the material submitted by Senator GRIFFIN there is a different punctuation in the two documents submitted.

Mr. HUMPHREY. They have distorted the record, then, have they not? Are we being deceived? What devious chicanery is going on?

Of course, that is not the case. That was merely a technical mistake and it was noted. We know what Senator GRIFFIN meant. I never impute that distinguished man's motives. He is a man of great ability, conscience and character.

Mr. CRANSTON. I want to associate myself with those statements. I imputed nothing to Senator GRIFFIN. I impute some sort of capacity for error to those who take down and those who print what is said in this Chamber or in Senate hearings.

Mr. HUMPHREY. The Senator, as usual is so perceptive. It is marvelous that he has found that little matter here. It just shows that sometimes Mr. Warnke drops a comma and then Mr. GRIFFIN pops in a period.

Mr. NUNN. Will the Senator from Minnesota yield?

Mr. HUMPHREY. Yes.

Mr. NUNN. I think this sort of argument about the missing comma obscures the basic issue. If we had to read that one statement of Mr. Warnke to determine what he meant in 1972, then I would be prepared to concede the comma anywhere he wanted to put it.

Mr. HUMPHREY. Right.

Mr. NUNN. But there are statements after statements after statements as to what he meant in 1972 which leave no doubt about the substance of what he meant. The Senator from Minnesota, I think, in the paragraph that he gave just before the Senator from California asked his question, summed up pretty accurately what Mr. Warnke probably meant in 1972. But let us back up to when Senator GRIFFIN asked a simple question of Mr. Warnke on page 45 of the Committee on Foreign Relations hearings. The question was:

Senator GRIFFIN. Could you summarize what your concerns were then about SALT 1?

Mr. WARNKE. About the interim agreement on control of offensive arms? Yes. I was concerned about a number of things.

I was concerned, first of all, about the numerical disparity because it seemed to me that that made the agreement perceptually vulnerable. Any agreement which appears to give the Soviet Union a numerical lead is not one which is going to be very well received by our friends.

That was the answer Mr. Warnke gave 3 weeks ago before the Foreign Relations Committee.

The question then becomes: Is that remark an accurate interpretation of what Mr. Warnke's true position was in 1972? Just for purposes of this discussion, let us forget all about where the comma was and forget all about the quote that has been the subject of this controversy. Let us go to the next quote right down from that which was in Mr. Warnke's further remarks before the Foreign Relations Committee in 1972. I would like to read that.

Mr. HUMPHREY. What page are you on, Senator?

Mr. NUNN. This is page 179 of the Foreign Relations Committee testimony of Mr. Warnke in 1972.

I am not reading from any of the disputed language. I am reading from another remark the following sentence:

That is why, in my opinion, the ceilings that are placed in the interim agreement on both landbased and seabased missiles should not be the cause of any concern on our part.

That is Mr. Warnke's direct quote.

Continuing his direct quote:

They do give the Soviets an apparently large mathematical edge. They are permitted, as I read it, some 2,350 missile launchers to our 1,710, but either figure is a flagrant example of military redundancy. In the light of the abandonment of any forlorn hope of an ABM defense, either number affords more missiles than the other side affords in the way of targets.

So, accordingly, we should not be concerned about the existing mathematical edge nor should we be concerned about any attempts that the Soviet Union might make to add additional, useless numbers to their already far more than adequate supply.

I will say to the Senator from Minnesota I will give him complete dictatorship over punctuation in that paragraph. He can put in commas, he can put in periods, he can put in semicolons, he can put in colons, he can put in question marks, he can put in exclamation points—whatever he would like to put in—and I would like for him or anyone to explain to me how that squares with Mr. Warnke's statement to Senator GRIFFIN, which I quote again:

I was concerned, first of all, about the numerical disparity because it seems to me that that made the agreement perceptually vulnerable.

The two are 180° apart and anyone reading this would laugh to have to come to this conclusion. We are conceding and forgetting about punctuation totally.

Mr. HUMPHREY. Mr. President, let me respond. At page 45 of the Senate hearings before the Foreign Relations Committee, which, by the way, has jurisdiction over this nomination, on February 8 and 9, 1977——

Mr. NUNN. I will also concede that point.

Mr. HUMPHREY. Yes.

I might add the next time they have a general up for confirmation in the

Armed Services Committee we would like to interrogate him and publish the hearings. I do not think we will do that, though, may I say.

Mr. NUNN. I might say to the Senator from Minnesota that there was much discussion about whether the Armed Services Committee should take a vote, and the chairman of the Armed Services Committee is very conscious of the differences in jurisdiction. The Senator from Georgia voted against taking a vote. I think we were very conscious of the jurisdiction prerogative here.

Mr. HUMPHREY. I understand that.

On page 46 we have first the question, starting on page 45, with Senator GRIFFIN making the quotations that we have alluded to in this debate. I quote from Senator GRIFFIN:

Senator GRIFFIN. Mr. Warnke, your expressed concerns about the earlier interim agreement of course put you in an interesting position as our negotiator with the Soviet Union, as well as your reappraisal of the cruise missile.

You've said that one of your concerns about the interim agreement was the numerical disparity. You told me that in your office and then I got out your testimony and read it. I would like to read some of the testimony that you gave and have you comment on it.

You say here at one point:

"Under those circumstances, the continuation of the missile numbers game is in fact a mindless exercise, that there is no purpose in either side achieving a numerical superiority which is not translatable into either any sort of military capability or any sort of political potential.

"That is why, in my opinion, the ceilings that are placed in the interim agreement on both landbased and seabased missiles should not be the cause of any concern on our part."

At another point you say this:

"We should not be concerned about the existing mathematical edge"—

Referring to the mathematical edge the agreement gives to the Soviet Union—

"Nor should we be concerned about any attempts that the Soviet Union might make to add additional useless numbers to their already far more than adequate supply."

Then at another point in the testimony:

"But I believe that a sensible construction of the interim agreement requires that we recognize that acceptance of the numerical imbalance is possible because, in fact, numbers are totally irrelevant to our security in the strategic nuclear arms field. If missile numbers were a valid measure of national strength, then the interim agreement would be improvident. But since they are without significance, there is nothing for which we need compensate."

As I understand it, you indicated that one of your major concerns at SALT would be the numerical limits.

Would you care to comment on your earlier testimony?

Mr. WARNKE. Yes, sir, I would be happy to.

First of all, as I said earlier on we have to be concerned both with military capability and with political perceptions. Now from the standpoint of political perceptions respective numbers are of significance, and I believe that there was a degree of political vulnerability because of the numerical edge that the SALT I interim offensive arms agreement had in effect.

More than that, however, missile numbers back in 1972 were less important than they are today because the Soviet MIRV program had not really reached its momentum.

Now at that point we had a very, very significant lead in nuclear warheads and, as former Secretary of State Kissinger said, "You aren't hit by missile launchers; you're hit by warheads."

Now the MIRV program, as time has gone on, has reached the point at which, if you continue with the present trend, they begin to cut down on our missile warhead lead. And therefore, if they have more missile launchers and some of those missiles are of heavier throw weight, they could end up with a MIRV lead.

Accordingly, an interim agreement might have been good for a couple of years. It is endurable for 4 or 5 years. But at this point it ought to be replaced by something which sets ceilings which are equivalent.

In other words, numbers have become more important as time has gone on because of the Soviet MIRV development.

That is what I talked about yesterday. We might have put a halt on the deployment of MIRV when we had a 3-year technological lead. But, no, we went down the road of MIRV'ing. And after we went down the road of MIRV'ing, the Soviets got in the act and they started to MIRV and they gained momentum; they have bigger missiles than we have.

Mr. NUNN. Could the Senator answer that question as to how he squares those two statements that I read?

Mr. HUMPHREY. Of course. I think they square very well. What Mr. Warnke was saying is that from the political point of view—and from the point of view of a permanent agreement—the numbers are important.

Mr. NUNN. That is what he has said in the last 3 weeks. I agree with him on that.

Mr. HUMPHREY. He said that before.

Mr. NUNN. Where was that? The Senator was reading what he said in the last 3 weeks.

Mr. HUMPHREY. No; I was reading what he said in 1972, as well as what he said in 1977.

Mr. NUNN. Senator GRIFFIN was not there in 1972.

Mr. HUMPHREY. No; he was reading from Mr. Warnke's testimony in 1972.

Mr. NUNN. Where is it in his testimony that he speaks of political perceptions?

Mr. HUMPHREY. Right here, in 1972, in the hearings on strategic arms limitations, page 181 of the Senate Foreign Relations Committee:

Since the accumulation of additional offensive weapons by the Soviet Union will give them nothing that they do not now have and will challenge nothing that is important to our national security, it seems to me that we should not, by apparently attributing some military significance to any such gesture, put ourselves at a political disadvantage. This will occur if, and only if, we bad mouth our own strength.

Mr. NUNN. That is the point the Senator from Michigan is making. The Senator from Minnesota has just put his finger on it. That is exactly what he was saying then, that political perceptions do not matter unless we attribute to them significance which they otherwise would not have.

I have read all of his testimony and I cannot find, anywhere in 1972, where he attributed any political significance whatsoever to the numbers disparity.

I am not saying to the Senator from Minnesota that he was necessarily wrong.

Mr. HUMPHREY. I agree.

Mr. NUNN. I am just saying that the issue before us here is whether he has properly documented his views.

Mr. HUMPHREY. We are not in an argument. I see the Senator's point. In 1972, he made it clear we had more weapons than the Soviet Union.

Mr. NUNN. That is right.

Mr. HUMPHREY. What he is saying now is that with MIRV'ing and the world knowing that the Soviet is MIRV'ing, numerical advantage does have some political impact. That is what he is saying.

You see, what the Senator is trying to do is mix oranges and apples. In 1972, we had the Soviet Union with no MIRV missiles and the United States with more missiles than the Soviet Union. He said, you don't get hit with launchers, as Dr. Kissinger said, you get hit by missiles.

Mr. NUNN. We had fewer missiles and the SALT I agreement provided for fewer missiles. We had more warheads.

Mr. HUMPHREY. That is what I am talking about, warheads, not missiles.

Mr. NUNN. The beginning of this discussion was one single point by Senator GRIFFIN. He asked Mr. Warnke if he could summarize what his concerns were then about SALT I—then.

Mr. Warnke says:

Yes. I was concerned about a number of things.

I was concerned, first of all, about the numerical disparity because it seemed to me that that made the agreement perceptually vulnerable.

I challenge anyone to find where Mr. Warnke said in 1972 that or where any of his statements in 1972 implied that he was concerned——

Mr. HUMPHREY. What he said repeatedly, and it has been his argument, is that numbers alone are not the important thing. What he has said is the technology, the accuracy, the quality of missiles.

Mr. NUNN. The Senator is right.

Mr. HUMPHREY. That is exactly what Mr. Warnke said in 1970, 1971, and 1972, and he said it repeatedly.

Mr. NUNN. That is not what he was saying to Senator GRIFFIN in this testimony nor is it what he was saying to the Armed Services Committee in 2 days of hearings. We went through it over and over. He put in his statement that we might be in jeopardy. He added this question——

Mr. HUMPHREY. I do not know whether his testimony of 1972 is alpha and omega or the Old and the New Testament, but let me say what he said in 1975, which is the time of this hearing we are now concerned about.

In "Apes on a Treadmill," an article in Foreign Relations, spring of 1975, Mr. Warnke recalled that Secretary Kissinger told the Foreign Relations Committee that whether or not one superpower has true nuclear superiority, "the appearance—can have serious political consequences."

Mr. Warnke said:

To a degree, this is true. Our strategic nuclear forces must not only be strong enough. They must be known to be strong enough to deter the Soviet Union from using its strategic nuclear forces against us or our allies. But a lead in numbers or size that can be seen to be insignificant will have political consequences only if the other side concedes them a meaning they would otherwise lack. Where we can see that a Soviet military development is not significant, it's sheer conceit to fear that our allies will believe otherwise.

Mr. NUNN. That was during the same time in which he said that numerical superiority, absent nuclear monopoly, had no significance in a political confrontation.

Mr. HUMPHREY. The Senator can go through the life of anybody and find a little statement here and a little statement there. We are not trying to confirm the Paul Warnke of 1971 or 1972, any more than we are trying to confirm some Senators who have changed their vote in this body on crucial issues as they felt the pressure of the electorate, or as times have changed. I have watched Senators in this body vote for common situs picketing legislation who would not have been caught dead with it a few years ago.

Mr. GRIFFIN. If he had only said he changed his mind, there would be no problem.

Mr. HUMPHREY. Consistency is the bane, of all evil, No. 1, No. 2, it is the problem of a small mind.

Be that as it may, what does Mr. Warnke say in his testimony? Mr. Warnke has said the numerical superiority has some political importance.

Mr. NUNN. He says that now.

Mr. HUMPHREY. What the Senators are trying to do is not only split hairs; they are trying to take a nit off a gnat and make it into an alligator. It just will not work.

Mr. GRIFFIN. Will the Senator yield to me?

Mr. HUMPHREY. Yes.

Mr. GRIFFIN. The Senator from Minnesota is speaking right on a point that is very important.

Mr. Warnke would like to have us believe now that, back in 1972, he was not concerned about military advantage, he was concerned about a political advantage.

Mr. HUMPHREY. That is not what he is trying to make us believe.

Mr. GRIFFIN. Let me call attention to testimony that he gave before the Foreign Affairs Committee of the House 5 days after the SALT I agreements were signed. Mr. Warnke:

What I regard as the third myth is the political value attributed to possession of military hardware in exces of any practical need. Repeatedly, our civilian and military leaders refer to the political as distinguished from the military consequences of our defense posture. We are told by Admiral Moorer that, regardless of the reality of the strategic balance, "the mere appearance of Soviet strategic superiority could have a debilitating effect on our foreign policy." His argument is that this could "erode confidence of our friends and allies . . . even if their superiority would have no practical effect."

* * * * *

In my opinion, where a numerical advantage in any part of the arms arsenal is without military meaning, it should have no real political potential. The Soviet Union gains nothing from its 1,500 ICBMs that it would not have far fewer. Whether they have 1,500 or double that number, our more than 1,000 land-based missiles are more than enough to deter any Soviet nuclear strike.

That is what he said in 1972.

Mr. HUMPHREY. That is still true.

Mr. GRIFFIN. He said it did not have any political or military advantage, and numbers were meaningless. Now he is trying to tell us he did not say that, and that instead he said something else.

Mr. HUMPHREY. That was 1972, before Soviet MIRV'ing. This is 1977.

Mr. GRIFFIN. If he had just come and said, "I changed my mind," that would be fine.

Mr. HUMPHREY. Missile numbers mean a great deal more today, and that difference is what we are talking about. The numbers difference incorporated in the interim agreement was tolerable for a 5-year period. The momentum of the arms race since then has given greater significance to numbers.

The point is we are talking military here, we are not talking political.

Mr. McCLURE. The Senator from Minnesota was trying to say he was making a difference back in 1972 and the record proves he did not.

Mr. HUMPHREY. I am saying Mr. Warnke, basically, has been a consistent man. He said in 1972 what he says now; he says now what he said then, that numbers in strictly military terms, are not that significant. Above all, the point is we have enough numbers here on both sides to exterminate all of humanity and it is not necessary to have 5,000 launchers when 1,000 will kill everybody.

Mr. McCLURE. Maybe the Senator from Michigan had better read back what he said on what his statement was. Maybe the Senator from Minnesota did not hear him.

Mr. GRIFFIN. Let me read from Mr. Warnke's 37-page response to the Armed Services Committee.

Indeed, part of his response to this very question—that was submitted by Senator JACKSON—says, and I quote from that answer:

I carefully differentiated between military capabilities and political perceptions.

That is what he said just the other day. He is referring to 1972. But as I have demonstrated, his actual testimony from 1972 argued that numbers were meaningless both from a military point of view and a political point of view.

Mr. HUMPHREY. Let me just say, in the article it was the admiral——

Mr. McCLURE. He was not quoting the admiral.

Mr. HUMPHREY. But he referred earlier to him.

Mr. McCLURE. But it was Mr. Warnke who——

Mr. HUMPHREY. I understand, but in the Buckley debate in 1972, Paul Warnke said this:

But throughout both the reports of the President on the state of the world and the Department of Defense reports on the state of our strategic forces, there are recurring references to the political, as distinguished from the military, implications. Although I am not prepared to accept these political implications as controlling or to see them determine policy to the degree and at the cost reflected in the proposed fiscal 1973 defense budget, I cannot discount them completely. They should be made explicit and subjected to the trial of informed public debate. If they play a real part in the design of our strategic force posture, they belong in the public review of our purposes.

Mr. President, the fact of the matter is that Mr. Warnke debated this issue many, many times. I think in all fairness to Mr. Warnke, we cannot paint him into one corner and say, "That is where you are."

Mr. Warnke has made the clear picture——

Mr. NUNN. I concede that point right now. I agree with that. That is one of the most profound statements——

Mr. CLARK. Mr. President, who has the floor?

The PRESIDING OFFICER (Mr. MOYNIHAN). The Senator from Minnesota.

Mr. HUMPHREY. Let me say, Mr. Warnke has made it clear that the concerns we have to face are the national security concerns. If we want to have a public relations man go over to Moscow, go and get somebody from Madison Avenue. We are going to send somebody to negotiate that understands the military implications, and I am amazed that the Armed Services Committee all at once comes up with the political considerations.

That is what is bothering them, that at one time in 1972, allegedly, Mr. Warnke saw no political implications, no political influence on the numbers of launchers, that in 1977 he does see there is some political liability if we are behind in the numbers of launchers.

What did he say in 1972? He says, and I repeat again, in the Buckley debate:

Although I am not prepared to accept these political implications as controlling or to see them determine policy to the degree and at the cost reflected in the proposed fiscal 1973 defense budget, I cannot discard them completely.

He is right. Now, what did he say further?

In my own thinking, therefore, the criteria for strategic sufficiency add up to three—one major, and two distinctly subsidiary. We must be sure, in order to deter a Soviet first strike, that we have an assured and invulnerable retaliatory capacity to inflict clearly unacceptable losses on the Soviet Union. Regardless of absolute capacities, our forces should not be allowed to fall into a position of imbalance so gross as to have adverse political connotations. This does not mean that we must match the Soviet nuclear arsenal missile-for-missile and megaton-for-megaton.

There are two separate quotations in 1972 where Mr. Warnke says there are some political matters, but he says, rightly so, they are not controlling, that what we are negotiating and what we are going to negotiate are the numbers of weapons and launchers.

We are not going to negotiate political propaganda.

He does say and rightly so, that there is concern as to what people perceive,

and that is true. He does not deny it. He said it in 1972, and he said it in 1977.

Mr. McCLURE. Will the Senator yield?

Mr. HUMPHREY. So what has happened, about one bit of testimony, without going through his total record, to pick out one bit of testimony, they say, "Uh-huh, in 1972 he did not talk about the political vulnerability. Now, in 1977, talks about it."

But, Mr. President, I quoted from 1972.

Mr. CLARK. Will the Senator yield?

Mr HUMPHREY. I yield to the Senator.

Mr. CLARK. Might I just add to that point. It seems to me that a lot of this debate and discussion centers around the question of how many angels can sit on the head of a pin.

We should be talking about major questions of American policy, at least that is the issue on the floor. Yet, we keep talking about whether or not in fact Mr. Warnke made this statement or that statement at this time or that time.

What is the major issue on this nomination and confirmation? The major issue is what our policy is going to be in the SALT negotiations.

Now, let nobody make the mistake of believing that Mr. Warnke does not represent the President of the United States in these matters.

If the Members of this body are opposed to the President's position on the SALT talkes, fine, let us have them say so.

I just looked at the debate from last Friday and the period since. It seems many persons who oppose Mr. Warnke, say that they favor the President's position.

Mr. McCLURE. What the position is——

Mr. CLARK. If I may continue. Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. I yield to the Senator from Iowa, then I yield to the Senator from Idaho and the Senator——

Mr. CLARK. Mr. President, I would like to state a couple of examples to the distinguished Senator from New York (Mr. MOYNIHAN) who has just taken the Chair. I quote from Friday's debate from Mr. MOYNIHAN.

> I should like first to state, with Senator Jackson and others, that I strongly support the approach President Carter has taken to the SALT II negotiations.

Again, from Senator Nunn:

> What is at issue here is not President Carter's policy, but the suitability of Mr. Warnke to negotiate that policy.

I think the President has made it sufficiently clear over and over and over that Mr. Warnke is part of that policy.

Let me quote from his press conference, February 8:

> I know Mr. Warnke very well. I have met with him several times to discuss his attitude on disarmament matters. I have complete confidence in him.

Elsewhere, the President adds:

> I believe his views are well considered by many, and I accept them.

If people here want to challenge this idea, that somehow the President does not have confidence in Mr. Warnke or Mr. Warnke does not represent the President's view, then it seems to me they ought to take issue with that. But I do not think they can have it both ways—that, yes, we like the President's views on arms control and his SALT negotiations, but we disagree with Mr. Warnke.

I think that is the major issue we ought to decide in this vote.

Mr. HUMPHREY. May I say, I took the liberty today, without violating any confidentiality, of stating, paraphrasing for the Senate, the discussion that took place in the White House this morning on this very issue.

The President has made clear, for example, contrary to the previous administration, that all matters relating to these negotiations will have the input of the Joint Chiefs of Staff and that there will be no end run. However, as he said, neither the Secretary of State nor the Joint Chiefs nor the Secretary of Defense is responsible for this negotiation. He said, "I am the President."

Mr. Warnke, in a sense, has been hired by the President, who has appointed him as his lawyer, to represent the Republic of the United States in negotiations with the Union of Soviet Socialist Republics. They are going to sit down and are going to have a hard negotiation, and Mr. Warnke will be negotiating in the year 1977, not in the year 1972.

I repeat: If Senators were held accountable here for every statement they made 5 or 6 years ago, most of us would be in serious trouble. We make statements and we have made differing statements, and we have had to go to our constituency and say so. But most of us have a pretty consistent philosophy.

What Mr. Warnke said in his letter to the chairman in regard to his 1972 testimony is important, and I read the last paragraphs:

> As I have stated, my testimony was directed toward the issues involved in the interim agreement and cannot be read to suggest that no future developments in numbers and accuracy of missiles could threaten our nuclear deterrent. Indeed, I have for a number of years asserted that a continuation of the nuclear weapons modernization programs of both sides could in fact destabilize the strategic balance and make nuclear war more likely. Neither we nor the Soviet Union would be prepared to let the other side achieve meaningful strategic superiority. Instead, each would continue to want to match the other in the over-all capability of its strategic nuclear forces and each has the resources to do so. The result, I have predicted, would be that, after expenditure of billions of dollars, the best we could hope for is that we would not be worse off in terms of our basic security.
>
> Developments in strategic weapons now pending can in fact decrease our security, increase the risk of nuclear war and make effective arms control far less feasible. It is for this reason that prompt measures to bring strategic nuclear arms under control have become an even more urgent national priority.

This letter from Mr. Warnke does not deny his past; it affirms his present.

I have placed in the RECORD here, in the so-called Buckley debates, two references of Mr. Warnke. I do not want to paraphrase it. We get in trouble doing that. Mr. Warnke said,

> Although I am not prepared to accept these political implications as controlling, I cannot discount them completely.

Later, he is even more explicit, when he states in the same debates that the political implications may very well be there if the imbalance continues. He says:

> Regardless of absolute capacities, our forces should not be allowed to fall into a position of imbalance so gross as to have adverse political connotations.

Mr. President, this man is neither an Old Testament prophet nor a modern Messiah. He is a student of arms control. He testified on the interim agreement, and the basic issue on the interim agreement was whether or not the limitations on numbers of launches was to our disadvantage. At that time, he said it was not to our military disadvantage. He said exactly what witnesses for the Pentagon said, what the Secretary of State said, what the President of the United States said; and there was never a bigger hawk who occupied the White House than Mr. Nixon. He made a hawk look like a pigeon. [Laughter.]

Yet, Richard Nixon sent that interim agreement here and said it was in our national security interests. Mr. Warnke came here and supported it. The reason he supported it was that he said that militarily that treaty did not adversely affect our security and that, from the point of view of the prospects of arms control, it was a first step, an interim agreement.

He went on to say, as he further expressed his thought, that there are those who feel that there are political connotations. He said, "I cannot deny that that is a fact, but it is not controlling——" the fact that numerical imbalance is not controlling politically.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. NUNN. From the same debate, in order to determine what Mr. Warnke meant by the Senator's last statement that it is not controlling, I should like to read to the Senator a sentence that is very clear to me; and there is no question of commas or punctuation. This is Mr. Warnke's statement in the Buckley-Warnke debate, on page 46:

> The fact is that even an overwhelming strategic advantage provides little, if any, political leverage. Only a strategic disadvantage that might leave the Soviet Union free to speculate about the possible advantages of a preemptive counterforce strike could be of significance in any confrontation in the future. No such disparity now exists and none will exist in the foreseeable future.

Mr. HUMPHREY. He has not retreated from that, even now, when he says that the imbalance is of some importance.

Mr. NUNN. I say to the Senator from Minnesota that I asked Mr. Warnke about that statement, and he denied having made it in the Armed Services Committee meeting. It is not only a retreat; it is a full withdrawal. That is in the same debate.

Mr. HUMPHREY. What Mr. Warnke testified to in 1977 are the conditions in 1977.

If the Senator from Georgia and I were debating naval power in 1970 and we were being held accountable in 1977 for what we said in 1970, we would look like we were all confused, because the numbers were different.

Mr. NUNN. Unless we were willing to say these simple words: "I have changed my mind." I have said it many times. I say it every day. I think the Senator from Minnesota says it frequently.

Mr. HUMPHREY. I admit that.

Mr. NUNN. There is no disadvantage to saying that. There is nothing demeaning in saying, "I have changed my mind."

Mr. HUMPHREY. Maybe Mr. Warnke should say that.

Mr. NUNN. There is no doubt about it. If he said it, we would not be having this debate.

Mr. HUMPHREY. The fact that he has not bowed down to the cross-examination is one of the reasons why I am for him; because if he can stand up against 14 or 15 Senators in the Armed Services Committee, he can stand up to Brezhnev. I want a man who is tough and has a philosophy. Mr. Warnke's philosophy is mine and it is the President's—namely, that there is no security in an arms race. His philosophy is that it does not make a great deal of difference whether you have 5,000 nuclear weapons or 4,000, if 1,000 will destroy everything that mankind has created and make this world of ours a burning cauldron.

He has said that what is important is to have the deterrence that will make a first strike impossible or totally unrealistic and to be able to have a retaliatory force. He has been a strong advocate of strengthening NATO—our conventional armed forces—which, by the way, should be the next debate in the Senate, the matter of our strengthening our conventional forces.

Mr. NUNN. The Senator from Georgia agrees with that.

Mr. HUMPHREY. The Senator from Georgia has been a leader in this, and we are indebted to him. I regret that I find myself even in slight disagreement with the Senator from Georgia.

If I can get Paul Warnke in here to say that what he said in 1972 does not apply to 1977, and if he knew that Carter was going to be elected and that he was going to be the negotiator, he would tell us what was wrong with what he said in 1972. He did not know Carter was going to be elected, and the Senator from Idaho did not know, either. But the Senator from Georgia did. I credit him for that.

[Laughter.]

All I am arguing for Mr. Warnke is that if anyone is going to try to make him look as though he would double deal us, I resent it. He is a man of integrity, of ability, of thought. He is a man who spoke his mind. He is a man who has been deeply concerned about the arms race. He is a man who knows the military implications of weapons. I think he is a man now who understands that there also are what we call problems of political perception.

As to what he said in 1972 in that article—what was the page from which the Senator read?

Mr. NUNN. That was page 46.

Mr. HUMPHREY. I read from that page:

> The fact is that even an overwhelming strategic advantage provides little, if any, political leverage. Only a strategic disadvantage that might leave the Soviet Union free to speculate about the possible advantages of a preemptive counterforce strike could be of significance in any confrontation in the future. No such disparity now exists and none will exist in the foreseeable future.

The real truth is that that is the truth. That is the truth.

The concern we have is first strike with nuclear weapons. The other concern we have—and we had better realize it—is whether we have an adequate conventional force.

The day the nuclear bomb is released will be Armageddon. That day, may I say, every Senator had better get down on his knees and ask for quick absolution of all sins and transgressions, because it will all be over. The nuclear war, they say, will not be in weeks and months, it will be in hours and days at most.

What he is really trying to tell us is that you have got to do everything possible to prevent a first-strike possibility; the first strike or preemptive strike, you have got to have deterrence for retaliation.

I regret deeply there seems to be such concern over what Mr. Warnke said in 1972, which is 5 years ago, and what he said in 1977.

If I had my way to coach Mr. Warnke, I would have said to Mr. Warnke, "Look, Paul, why don't you just tell them point blank that was 1972." That is what he said indirectly in his testimony. This is a different world. It is a different set of weapons that we have. In 1972 we did not have the modern cruise missile. In 1972, they did not have the first prototype of the B–1. Many other things have happened since 1972.

I suppose Mr. Warnke has hesitancy to back away. To be honest about it, I think he is a proud man here, but I think he is an honest man.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Let me just——

Mr. NUNN. I have such great respect for my colleague from Minnesota that I am pleased to know and relieved to a great extent, because I think Mr. Warnke is going to be confirmed, that he does have that kind of opinion of him.

That eases my fear of what may happen if Mr. Warnke is confirmed, and I think he is going to be confirmed. I am just as much for an arms control agreement as is the Senator from Minnesota.

Mr. HUMPHREY. That I know, Senator.

Mr. NUNN. I fear, frankly, the Soviet Union, in reading all these past statements, whether they are commas or semicolons or whatever, may very well take a much harder position at SALT II than they would if a man was not so well-documented as being opposed to many of the developments that will be the subject of SALT II—I just fear their position may make it more difficult to achieve a SALT II agreement that is equitable and verifiable.

I think we are dealing in a world of perceptions. I think we are dealing in a world where not only the perceptions of the Soviet Union but our allies come into play, and I fear this nomination will make it more difficult—not easier but more difficult—to achieve a SALT II agreement.

Mr. HUMPHREY. I know the Senator feels that way.

Mr. NUNN. A SALT II agreement is controversial, inherently complex, and difficult. It is going to be extremely difficult to explain. It is hard for me to understand it, frankly.

When I get away from the strategic arms discussion for several days I have to go back and reorient my own mind to be able to play this kind of game that is sheer insanity if it is carried to its ultimate, but it is very difficult at best; and when you take a person who is so controversial and you place him in charge of an agreement that is this difficult anyway, then I think the chances of having a SALT II agreement are diminished. I hope I am wrong, but that is my great fear.

Mr. HUMPHREY. I know the Senator is very sincere about his statement. May I say, very frankly—and he knows I mean it because I have said it to him privately a number of times—there is no one in this body whom I respect more for his knowledge and understanding of the military security of this country and the total security of this country than the Senator from Georgia. I think he has been a tremendous asset to all of us. The reports he has given to the Senate—I was privileged to place one of them in the RECORD only recently—I think are just a great public service.

You know, in a debate like this, when I am differing from my old friend from Washington (Mr. JACKSON) and my good friend from Georgia (Mr. NUNN) and my dear friend, the Senator from Idaho (Mr. McCLURE), and Senator HATCH for whom I have such affection is really difficult.

But then I go and read here, and I see my good friend, Senator THURMOND, there, and I want to get him into the argument. Let me see, was the Senator from South Carolina in on this one? I guess I will have to wait for Senator HELMS.

Mr. NUNN. Let me just say one final thing to my good friend from Minnesota: If he had been by Warnke's side in his testimony and if, indeed, he had been his coach before the Armed Services and Foreign Relations Committees, we would not have any debate today.

Mr. HUMPHREY. I thank the Senator very much.

Go ahead, Senator, I have held you off too long.

Mr. McCLURE. I thank the Senator for yielding.

I have some problem, and I agree with the Senator from Georgia, that what we ought to be talking about is what our weapons systems ought to be. We ought to be prepared, we ought to be talking about how we make the United States secure in a fallible world in which human beings make errors as well as make proper judgments.

But I think as we approach that goal of how do we achieve security for this country, we must look at the kind of people we are going to send into the negotiating process in a very responsible

way as to whether or not we will have confidence that they have done that.

My friend from Minnesota refers back to some testimony of Mr. Warnke in 1972 which is directly and totally, diametrically opposite from what he said at other times in the same time frame.

For instance, in 1971—I quoted this in my remarks in the RECORD yesterday and on the floor last Friday—referring to where they were placed in the CONGRESSIONAL RECORD, and I would like to now refer to those remarks as having been Mr. Warnke's statement before the Foreign Relations Committee on July 13, 1971. He said this:

There appears to be considerable agreement that nuclear superiority has become a meaningless and irrelevant criterion in designing strategic forces. The argument continues to be made, however, that a numerical lead which is militarily meaningless may somehow be exploitable politically. I feel this is a fallacy and can lead to weapons overdesign and the escalation of the arms race.

When he was asked about that kind of a statement he responded in 1977 by saying:

I was concerned, first of all, about the numerical disparity.

Those are absolutely irreconcilable, conflicting statements and they cannot both be honest. He may have forgotten what he said at one time, but he said he has read the transcript. He says in his letter that he looked at the transcript, and now he tries to explain away the disparity in language, which is totally inconsistent.

If I may refer to the Buckley debate again, as I have before, he said in that statement not only that to which I have referred, and to what has been referred by both the Senator from Georgia (Mr. NUNN) and the Senator from Michigan (Mr. GRIFFIN), but he also went so far as to say this, and perhaps when he said it he was being led away by the eloquence of his own words—I do not know, sometimes that happens.

Mr. HUMPHREY. Maybe I was there and inspired him.

Mr. McCLURE. Perhaps. I am certain the Senator could inspire him. But he made this statement:

The former British Defense Minister, Denis Healey, has given his opinion that Britain's relatively small strategic forces in fact constitute an adequate retaliatory capacity against the Soviet Union because they include ballistic missile submarines. On reflection, I believe that he is right.

When you put that statement he made in the context of whether there is a gross disparity, then you begin to see that Mr. Warnke does not believe that any kind of disparity is gross enough to cause him any concern.

Mr. HUMPHREY. I do not want to leave that in the record because I do not believe—the Senator is such a fair man. We can have differences of opinion, but I am sure Mr. Warnke does understand there are degrees of disparity which are unacceptable.

Mr. McCLURE. Yes. I would agree with that, but he would also agree that those disparities are so disparate that the Senator and I would not agree with him.

Mr. HUMPHREY. I say to the Senator if any treaty comes back here that has that kind of disparity of figures in it in terms of warheads, in terms of the overall balance of our defense structure, that leaves us in a weak position, this Senator will vote against it.

Mr. McCLURE. I agree with that. I know the Senator and I share a great deal in common in our view of our foreign relations. We have discussed that.

Mr. HUMPHREY. Yes, indeed.

Mr. McCLURE. We have discussed that upon a number of occasions.

My concern, however, is I believe the Senator from Minnesota—I have no reason to doubt his word at all—but I do have some reason to know what Mr. Warnke's position is. The fact that the Senator has high regard for him, extending from his personal relationship with him, may be of some comfort. I see that the Senator from Georgia indicates that, perhaps, the nomination will be confirmed. I hope it is not true. I still hope the Senate will rise above whatever pressures are being placed upon individuals to vote for this and to exercise their own independent judgment as independent Members of the Senate should, but certainly the Senator from Minnesota would not agree—at least I think he would not agree—that mere possession of submarines with missile capacity is a sufficient deterrent capability; am I incorrect in that?

I assume that the Senator would not agree with Mr. Warnke's statement that if we have ballistic missile submarines that is enough of a deterrent capability.

Mr. HUMPHREY. I do not think he said that. I think he said——

Mr. McCLURE. It is on the record of public debate which the Senator placed in the RECORD.

Mr. HUMPHREY. Read it all.

Mr. McCLURE. All right. I will read it again.

The former British Defense Minister, Denis Healey, has given his opinion that Britain's relatively small strategic forces in fact constitute an adequate retaliatory capacity against the Soviet Union. . . .

Mr. HUMPHREY. An adequate retaliatory capacity.

Mr. McCLURE. All right.

And let me finish the sentence because that is where it comes out:

. . . small strategic forces in fast constitute an adequate retaliatory capacity against the Soviet Union because they include ballistic missile submarines. On reflection, I believe that he is right.

That is Mr. Warnke.

Mr. HUMPHREY. May I say I do not consider the British nuclear capacity to be any major deterrent to the Soviet Union. I do think this matter would be clarified if Mr. Warnke's elaboration on this matter were also in the RECORD.

Mr. Warnke says this:

There is, I believe, considerable danger that we may overestimate the political potential of numerical force strength comparisons that are militarily meaningless. But our size, our strength and our pervasive international presence put us, for better or for worse, in a position much different from that of modern-day England.

Mr. President, this is what Mr. Warnke said:

We could not, as I see it, be comfortable with a situation in which we possessed no more than the theoretical minimum needed to destroy some predetermined percentage of Soviet society. Neither could our friends overseas. We could not be sure that, in a true crisis, some Soviet planners might not argue persuasively that we had miscalculated on the low side and thus that we would not dare rely on the deterrent efficacy of our strategic forces. Perhaps even more serious might be the impact of such minimal retaliatory deterrent strategy on Soviet adventurism and the perception of other countries as to who holds the whip hand. Certainly in terms of the political objectives for which strategic sufficiency is maintained, we could no longer count confidently on our ability to protect smaller allies from nuclear blackmail and political coercion. Even if the retaliatory strength were deemed adequate to prevent a nuclear strike against the United States, would it in fact be sufficient in the eyes of other countres to permit them to resist possible Soviet pressures for accommodation or capitulation?

As I see it, we should not permit the development of so gross a numerical discrepancy as to lead, even arguably, to this kind of situation.

So I think Mr. Warnke has a pretty good record of recognizing what the facts of military life are and what the political forces of modern society are.

Mr. McCLURE. Apparently my friend from Minnesota does not agree with Mr. Warnke.

Mr. HUMPHREY. I cannot say Mr. Warnke has always been as right as the Senator from Minnesota. Possibly he made an error along the way.

Mr. McCLURE. Let me say to the Senator from Minnesota I would agree with that and, as a matter of fact, had the President selected the Senator from Minnesota to be Ambassador and the leader in those negotiations I would not be here now arguing. I would say I would help pack his bags, carry them, and do whatever was necessary.

Mr. HUMPHREY. The Senator does not want to get rid of me too soon. I thank him very much.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. The Senator from California, and then I want to read a couple of statements in the RECORD, and then I want to yield to the Senator from Michigan.

Mr. CRANSTON. Mr. President, I asked the Senator from Minnesota to yield to me so that I may ask a question of the Senator from Idaho or Michigan.

Mr. HUMPHREY. Please do.

Mr. CRANSTON. As to the issue, as I see it, getting away from commas and getting away from what is required to achieve true arms control, since we are discussing the nomination at this point of Paul Warnke, is the issue the Senator from Michigan has raised. Does he feel that in 1972 and at earlier times Mr. Warnke stated that numbers were not important, but that now he is stating they are important?

Mr. GRIFFIN. Now he is misstating what he said in 1972. That concerns me very much because the record is there.

Mr. CRANSTON. Is the Senator saying, however, that he is now indicating a belief that numbers are important that he did not previously express?

Mr. GRIFFIN. What bothers me is I do not know what he believes now.

Mr. McCLURE. May I respond to the Senator from California?

Mr. CRANSTON. He said very plainly what he meant then and what he means now. He did that in his letter to JOHN STENNIS when he said:

What I do know is what I meant, and what my testimony as a whole makes clear. This is that the Soviet lead in numbers of missile launchers embodied in the Interim Agreement of 1972 did not give them any military advantage. This was the numerical superiority to which I was referring and I believed then and believe now that it was not translatable into military capability of a meaningful kind.

This is not something new because in 1976, the 9th of March, testifying before the Budget Committee, where I sit, he stated after some earlier remarks:

Now, that doesn't mean that we can ignore what the Soviet Union is doing, and it doesn't mean in my opinion that we can ignore the cosmetic impact of heavy defense expenditures. There is a question of perception as well as a question of actual military capability, and in the strategic field in particular, but also in the conventional field the perceptions are important because, of course, the primary mission of our military might is to prevent war, so that the ultimate test of deterrence is what the other side thinks you are capable of doing, and what your allies think that you are capable of doing.

To go back to what he says right now consistent with the earlier statement, let me read one more quotation.

Mr. McCLURE. What was the date on that?

Mr. CRANSTON. That was March 9, 1976.

Mr. McCLURE. I thank the Senator.

Mr. CRANSTON. Almost exactly a year ago.

In his letter to JOHN STENNIS, trying to spell out what he means in terms of talking about how buildups by either side do not lead to greater security, he said:

. . . my testimony was directed toward the issues involved in the Interim Agreement and cannot be read to suggest that no future developments in numbers and accuracy of missiles could threaten our nuclear deterrent. Indeed, I have for a number of years asserted that a continuation of the nuclear weapons modernization programs of both sides could in fact destabilize the strategic balance and make nuclear war more likely. Neither we nor the Soviet Union would be prepared to let the other side achieve meaningful strategic superiority. Instead, each would continue to want to match the other in the over-all capability of its strategic nuclear forces and each has the resources to do so. The result, I have predicted, would be that, after expenditure of billions of dollars, the best we could hope for is that we would not be worse off in terms of our basic security.

One final sentence:

Developments in strategic weapons now pending can in fact decrease our security, increase the risk of nuclear war and make effective arms control far less feasible. It is for this reason that prompt measures to bring strategic nuclear arms under control have become an even more urgent national priority.

Mr. President, I ask unanimous consent that the entire text of that letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CLIFFORD, WARNKE, GLASS,
McILWAIN & FINNEY,
Washington, D.C., March 7, 1977.

Hon. JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In the course of Senate debate on Friday, March 4, 1977, reference was made to a typographical error in my letter to you of 28 February 1977. In order that the record may be entirely correct, I have had reviewed in detail each of the quotes in that 37-page letter.

I find that there are, in fact, a number of such errors and I am therefore attaching an errata sheet.

I regret these mistakes. They can be explained, though not excused, as the result of the letter's hurried preparation over a week-end, from many sources and with volunteer help. As I mentioned in my testimony, I have not maintained any comprehensive record of my various articles and testimony.

With respect to the specific quotation which has been challenged, a few points are worth noting. First, the sentence in question, included in item 1 of the errata sheet, was made in the course of oral, extemporaneous testimony. It did not appear in my prepared statement. Although I reviewed the transcript, I do not of course now know whether a comma then appeared after the words "numerical superiority." What I do know is what I meant, and what my testimony as a whole makes clear. This is that the Soviet lead in numbers of missile launchers embodied in the Interim Agreement of 1972 did not give them any military advantage. This was the numerical superiority to which I was referring and I believed then and believe now that it was not translatable into military capability of a meaningful kind. We were then far ahead in MIRV technology and could foresee that Soviet MIRV development would not pose a threat to our deterrent within the term of the Interim Agreement.

The sentence in question was quoted by Senator Griffin on page 45 of my confirmation hearings before the Committee on Foreign Relations on February 8, 1977. The full testimony, including my oral statement and prepared statement, was reproduced on pages 48 through 54 of that hearing. It is interesting to note, and illustrative of the fallibility of transcription, that the controversial comma does not appear in the sentence as quoted on page 45. On page 48, the comma seems to have been replaced by a period.

As I have stated, my testimony was directed toward the issues involved in the Interim Agreement and cannot be read to suggest that no future developments in numbers and accuracy of missiles could threaten our nuclear deterrent. Indeed, I have for a number of years asserted that a continuation of the nuclear weapons modernization programs of both sides could in fact destabilize the strategic balance and make nuclear war more likely. Neither we nor the Soviet Union would be prepared to let the other side achieve meaningful strategic superiority. Instead, each would continue to want to match the other in the over-all capability of its strategic nuclear forces and each has the resources to do so. The result, I have predicted, would be that, after expenditure of billions of dollars, the best we could hope for is that we would not be worse off in terms of our basic security.

Developments in strategic weapons now pending can in fact decrease our security, increase the risk of nuclear war and make effective arms control far less feasible. It is for this reason that prompt measures to bring strategic nuclear arms under control have become an even more urgent national priority.

Very truly yours,

PAUL C. WARNKE.

Mr. McCLURE. Mr. President, will the Senator allow me to respond to the first question?

Mr. HUMPHREY. I yield to the Senator from Idaho.

Mr. McCLURE. The Senator from California has asked, if I recall the question correctly, what is it that really concerns us about Mr. Warnke. Two things, I think ——

Mr. CRANSTON. Specifically concerned about his worrying about numbers now and not worrying about numbers then.

Mr. McCLURE. No. My concern is, first of all, what should be our military posture before the world, and I wish that is all that we are debating. I wish Mr. Warnke had been a little bit more candid with these committees, and telling us what his view was and is. But I am also concerned over the fact that he now says that what he said then meant something different than what it meant then. I do not think that inspires any confidence in me. I do not think it inspires any confidence in anyone who is looking at these negotiations when he tries to say that what he said in 1972 meant something different than what it clearly meant in 1972.

Mr. HUMPHREY. Mr. President, does the Senator from Michigan wish to speak in his own right?

Mr. GRIFFIN. I simply wish to say along with everyone else here that as far as the Senator from Minnesota is concerned—and, by the way, he left out the name of the Senator from Michigan when he was naming all his friends here in the Chamber, and I wonder if this debate affected it in some way.

Mr. HUMPHREY. I truly apologize, and I say that is another one of my weaknesses.

Mr. GRIFFIN. I wish to say that Mr. Warnke could not have an abler advocate on his behalf, and the Senator from Minnesota has done an outstanding job with the case he has had to work with.

Mr. HUMPHREY. I thank the Senator.

Mr. GRIFFIN. As long as we are reading quotations, let me read a couple more here, and then he may have the floor back, I say to the Senator from Minnesota.

On May 31, 1972—just 5 days after SALT I was signed—Mr. Warnke said this:

In my opinion, where a numerical advantage in any part of the arms arsenal is without military meaning, it should have no real political potential. The Soviet Union gains nothing from its 1,500 ICBMs that it would not have [with] far fewer. Whether they have 1,500 or double that number, our more than 1,000 land-based missiles are more than enough to deter any Soviet nuclear strike.

Let me read this. In June 1972, he said this:

So, accordingly, we should not be concerned about the existing mathematical edge nor should we be concerned about any attempts that the Soviet Union might make to add additional, useless numbers to their already far more than adequate supply.

I suggest in my statement that were the Soviet Union to do this, we might perhaps feel some relief that they have not expended their funds for militarily more meaningful and potentially more mischievous purposes.

Now, Mr. Warnke is entitled to his views, and whether I agree with them or not, I respect his right to hold them. But the arms control talks are about numbers. He is going over there to negotiate an agreement that has to do with numbers of missiles and numbers of this and numbers of that, and if he thinks they are meaningless, what kind of a negotiator is he going to be for us?

He is not the kind of negotiator I want representing me and my country.

Mr. HUMPHREY. I can understand the Senator's feeling.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Minnesota yield to me briefly?

Mr. HUMPHREY. I yield, of course, to the majority leader. And I say to the Senator from Michigan, you wait till you hear the majority leader. Then will really be the climactic moment.

Mr. ROBERT C. BYRD. My friend leaves me speechless.

Mr. HUMPHREY. Not at all. I am just warming you up for the occasion.

Mr. ROBERT C. BYRD. Will my friend yield me 30 seconds in which to recover?

Mr. HUMPHREY. Yes, indeed.

(Mr. ROBERT C. BYRD propounded a unanimous-consent request at this point concerning S. 427 which is printed later in today's RECORD by unanimous consent.)

Mr. HUMPHREY. Mr. President, the first thing I want to do is thank my colleague for joining in this discussion. I think it is good that we join in debate like this. This has been, according to one publication, one of the most interesting and provocative debates on defense policy the Senate has had in years. As I said earlier, I hope when we come to the authorization of defense weaponry we will have a similar discussion.

I say this to the distinguished Senator from Georgia, who is such an able man and has been teaching us in respect to all these matters: The fact that we disagree does not mean we are in total disagreement. We are just disagreeing on a particular situation here. But let me review for a moment some of the points that have been made, and not merely the difference between the 1972 testimony and the 1977 testimony, because I happen to believe that what is pertinent is what Mr. Warnke says now.

I think when he is before the committees of Congress and testifying under cross-examination, that what he says is what he believes to be the truth now.

Mr. President, I want a man who is current. I do not want a negotiator who is tied into the sixties, the fifties, or even the early seventies. I want one who is tied into the facts as of now.

But there have been indications here, for example, that by making all of these statements which have been recited here today, Mr. Warnke really has weakened himself as our negotiator. I believe that is a fair interpretation of some of the remarks that have been made, and an understandable interpretation; but I recall that my old friend from North Carolina (Mr. HELMS), with whom I have my political differences but whose friendship I cherish, as a member of the Armed Services Committee, asked a question of Mr. Nitze. Paul Nitze was a star witness before the Armed Services Committee. Paul Nitze is opposed to the confirmation of Mr. Warnke. Paul Nitze happens to be a very close personal friend of mine, and it bothers me to find myself on a different side from him, because my respect for him is very deep and most sincere. But here is what Mr. Helms says, speaking now to Paul Nitze. It is found on page 191 of the hearings before the Armed Services Committee:

Put yourself in Mr. Warnke's position. Suppose you had taken the position he has taken and made the statements that he has made, and written the articles that he has written, would you anticipate that the Soviets would have sufficient ammunition to virtually annihilate your efforts to take a firm stand on behalf of the security of the American people?

Leave it to my friend JESSE HELMS. He laid it on the line. He is able and capable of doing just that. He did not mince any words.

Mr. Nitze responds:

I do not. That isn't the way the Soviets negotiate. I don't think that they have any embarrassment about changing their position under instructions, and I don't think that they would feel that there was any point in quoting views that some negotiator had expressed at some prior time.

I think they would expect the negotiator was operating under instructions from his government, and I think that would be it.

There is Paul Nitze—fair, responsive, and responsible. But, again, as I say, for other reasons Mr. Nitze opposes Mr. Warnke's confirmation.

My good friend—and I hoped he would remain here—the Senator from South Carolina (Mr. THURMOND), who was ranking minority member of the Armed Services Committee, on page 216 of the Armed Services Committee hearings poses this question to Mr. Nitze:

In your judgment, how would this attitude of Mr. Warnke's against even development of many essential weapon programs impact on his position as a SALT negotiator?

Mr. NITZE. I am not sure that there is a direct connection, Mr. Senator. I think it is much more relevant to his position as director of ACDA.

Then we have the distinguished Senator from Colorado (Mr. HART), who asks a question, as reported on page 228 of the Armed Services Committee hearings:

You would not join his critics who say that his opposition to the system makes him less qualified to negotiate?

Mr. NITZE. No, I would not join with them with respect to his opposition to individual systems.

"Individual systems" refers to weapons systems.

A little bit earlier, Senator TOWER uttered a very provocative question, shown on page 174 of the hearings before the Armed Services Committee:

Do you believe that Mr. Warnke has the full and complete understanding of long-range technological trends and issues that enables him to negotiate an agreement involving highly sophisticated strategic systems?

Mr. Nitze replied:

I believe the record of the hearings before this committee indicates that he said that for the last 8 years he has been engaged primarily in private practice of the law, and that he has not had an opportunity to follow technological matters. However, I believe it to be true that he would be supported by a staff that would be technically competent and therefore that might not be a prerequisite; however, I believe that many of the judgments which he has expressed with such complete positiveness during the last 8 years have not been backed by any basis on his part for making these judgments with that degree of assurance.

The point here is that Mr. Nitze says and everybody knows that Mr. Warnke will be the lead man, but he will be backed up by a very effective staff.

Mr. President, I have brought to the Senate today, I hope without violating any confidentiality of meetings with the President, the President's statement to the leaders of the House of Representatives and the Senate that this President was taking a personal interest in these negotiations. He has been studying all hours, studying way back on the original SALT I, studying the record leading up to Vladivostok, studying all the records since Vladivostok, studying the relationship between the Soviet military power and ours.

I remind Senators that our President was a naval officer in the nuclear submarine fleet. I remind you he was an engineer, that he was known during the years of Vietnam as a supporter of the American endeavor in Vietnam, that he has never been known as a dove, and has never been known as soft on communism or anything else.

He has been known as a man of principle, one who believes deeply in democracy, and has an antipathy toward any form of totalitarianism. He is the President who speaks out on human rights, the President who writes a letter to Sakharov, the President who receives Mr. Bukovsky, the Soviet dissident just released from prison; the President who recognizes, if you please, that the defense budget has to be adequate for our national security.

Mr. President, Mr. Warnke is this President's picked man, and I believe that the President knows what he is doing.

More importantly, I think I know what Mr. Warnke is doing, and I think I know the man. I would not be up here engaging in this debate very long if I did not feel very strongly about it, as do other Senators who are on the other side. That is what makes the Senate such a wonderful place. We can disagree, hopefully without being disagreeable. We can argue without fear, without hatred and bitterness. We can walk out of this Chamber, two of us having debated all afternoon, and have a cup of coffee and be friends

because we are people, Senators, who have honest differences of opinion.

It is my judgment, and not one that is is my judgment, and not one that is driven by any partisan consideration, that Paul Warnke, a man who served three Secretaries of Defense in the sensitive position of Assistant Secretary for International Security Affairs, who is a respected lawyer, who is learned, intellectually competent, and a skilled litigator and negotiator, is the kind of a man who is needed.

As one Senator said here, he is the right man at the right place at the right time. He is indeed. I am hopeful that his confirmation will be overwhelming. I do not want, and I say this with great concern, this story that I have from the New York Times of this morning to become fact. It reads, "Senators rallying dissent unwarranted. Critics hope strong vote against him will make him ineffective."

It says:

Senators have told colleagues that they can weaken Mr. Warnke's position to the point of uselessness by holding the vote in his favor to 60 or less.

Mr. President, that would be a tragedy. We do not want to weaken Mr. Warnke. We can have honest argument here. I know that those who have disagreed, however it comes out, will accept the vote of the majority. When the debate is over, if, as I think it will, the Senate confirms Mr. Warnke, I am of the opinion that my colleagues will give him the benefit of the doubt. I am of the opinion that this story should not have any effect at all, nor should it be interpreted by the Soviet Union as having any effect.

If Mr. Warnke is confirmed he will go forth with the blessing of the President and of the Senate. We will place in him our trust and we will watch his work. If and when the treaty comes back—and it will be no small task—those of us who have supported him here in this debate will only support the treaty if it is the right treaty.

I hope that every one of us who has spoken up so strongly for Mr. Warnke would look at any treaty which comes back, objectively, critically, and in terms of our own national security interests. I know the Senate will do just that. This Senate is known for its concern for, and protection of, the national security.

Mr. HART. Will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. HART. The Senator from Georgia a few minutes ago talked about sending signals to the Soviet Union. He was very concerned that if we confirmed Mr. Warnke the signals the Soviet Union would be receiving would be that this Nation was ready to unilaterally disarm and give up our national security, roll over and play dead; such dire things as that.

Does the Senator believe that by weakening Mr. Warnke's position, by mounting up as many votes against him as we can, by nitpicking about where commas and periods appeared in the transcript of testimony, that we are going to send signals to the Soviet Union?

Does the Senator believe that Mr. Warnke, as the negotiator for this Government and for the President, will go into those negotiations with his hand strengthened or weakened by the kind of article which the Senator cited in the paper?

Mr. HUMPHREY. May I say that if the articles continue and the path is too rigorous, it would not strengthen him. It could be harmful. It is my judgment overall that, with the President's backing and with the President's instructions, which Mr. Warnke will take, Mr. Warnke will be a strong negotiator. That is my judgment. I just do not want us to foul up the nest. I think it is important that we give this man every chance to do a good job.

By the way, I have not heard anyone deny that he would be a tough negotiator. I have not heard anyone say that he is not a good lawyer. I have not heard anyone say that he has not represented his clients well. The Government of the United States in this instance is his client. His principal is the President. His associates are the Congress and the people of the United States. Mr. Warnke will represent them well.

Mr. HART. Does the Senator believe that Mr. Warnke's capability to negotiate has been weakened by statements Mr. Warnke had made about his doubts?

Mr. HUMPHREY. Not one bit, nor did Mr. Nitze. Mr. Nitze, in his testimony before the Armed Services Committee, said that he saw no connection, none whatsoever. As a matter of fact, may I say when we look at Mr. Nitze's confirmation hearings he had about as much trouble as Mr. Warnke had. They were asking Mr. Nitze all kinds of questions about weapons systems and about everything else back in the sixties because he made some statements as a thoughtful man, as a thinking man, and those statements had been printed. They were printed because he was a man of great repute, of respectability, and knowledge. So he was grilled.

In this instance it is my judgment, as Mr. Nitze said, that the Soviets are not going to be concerned about that at all. They are not going to be concerned about what Mr. Warnke said in 1972.

What they are going to be concerned about are the instructions that Mr. Warnke gets from the President and his national security team.

Mr. HART. Does the Senator believe that Mr. Warnke is going to have the capability to negotiate a treaty with the Soviet Union all by himself, according to the terms that he dictates?

Mr. HUMPHREY. Of course not. Mr. Warnke is the spokesman. Mr. Warnke, to put it in the vernacular, will be the lawyer, the machanic. He will be the cutting edge of our team of experts. He will be the one who will articulate our position. But I can tell the Senator, having served in the executive branch, if a person does not articulate the position that the President wants, he will not be articulating very long. He will be doing something else.

Mr. HART. It seems to this Senator that the issue before the Senate is not Mr. Warnke. I have said before, and I believe the Senator from Minnesota has said before, the issue is the degree of commitment to arms control and disarmament. That was a commitment made by the Congress and by previous Presidents on a number of occasions. Certainly, it is contained in the legislation creating the Arms Control and Disarmament Agency.

What troubles me is that the debate which seems to focus on Mr. Warnke, in my judgment, is, in reality, a real disagreement among ourselves. It focuses on how committed this country and this Government ought to be, how true to the commitment we ought to be to what we established several years ago. That commitment is locked into the legislation.

It says very clearly that the commitment of this Government and the Congress is to try to control and limit arms. Yet, when a nominee comes along who has that same commitment—who in fact has not even stated it as strongly as the Congress did when it created that agency to which he has been nominated—suddenly this candidate is dismembered because he states that he has some doubts about some specific weapons system or, in fact, a list of them, which the Senator has consistently maintained for the last week or so a lot of Senators have doubts about.

Mr. HUMPHREY. And a lot of technicians, scientists, and engineers have had doubts about.

Mr. HART. I would be interested in hearing any comments the Senator might have on how it would strengthen the hand of the negotiator to be in favor of every weapons system that anybody proposes, because I have not heard any proof that this is so.

Mr. HUMPHREY. I think that would be counterproductive. If we sent to the negotiating table somebody who was known as a hardliner, somebody who had a record of piling one weapons system on top of another, we would be looked upon with great suspicion and doubt.

This is one of the reasons why I think Paul Warnke is the ideal man. On the one hand, he has had experience in the Department of Defense under three Secretaries, in a critically important position. On the other hand, he has been a student of arms control. He has tried to think it through. He has spoken out. He may have spoken out at a time and on a subject matter upon which, later on, the basic problems changed. But he has been a thinker; he has been an innovator. He is known as the man who pursues the course of peace. He is known as one who wants to pursue a course not of unilateral disarmament, but of mutual force reductions. He is one who has recognized what I think most people recognize, that there is no security in just having more and more weapons because the other guy matches you. All you do is raise the level of danger.

Mr. HART. I am afraid what the so-called debate in the Senate has gotten down to is the question of who is most accurate in assessing Soviet motives. There is certain disagreement among us, which is very clear, on a number of issues, including that of what the Soviet Union's intentions are. It seems to me

that many of those who oppose Mr. Warnke are saying that, if you do not agree with their view of what the Soviet Union is up to, you are not qualified to represent this country in these very serious negotiations.

If that time ever comes, we will have gone a long way toward preventing any possibility of any control or limitation on the escalation of nuclear weapons. There is no doubt that we disagree among ourselves as to what the Soviet intent is, if there is in fact a Soviet intent. But if a number of our colleagues say that anyone who does not believe in a kind of monolithic Soviet attitude, and perceive or share with them their view of Soviet intent to dominate the world on its own terms, that such a person cannot represent this country, I believe we have carved out a lot of Americans who would not be able to fulfill this kind of position.

Mr. HUMPHREY. The Senator is absolutely right. First of all, we have spent a small fortune—in fact, a large fortune—to try to find out what the Soviet intentions are, what the Soviet motivations are.

It is a very closed society, it is hard for us to find out what they are thinking. That is why we need to have at that negotiating table people who are sensitive, perceptive, and experienced—people who know the language of arms control, people who understand the language of weapons and weapons systems. Mr. Warnke, when he goes to that negotiating table, will have with him the best scientists this Government can offer. He will have the best people from the Department of Defense; he will have the advice and counsel of the Joint Chiefs of Staff; he will have the best information the Central Intelligence Agency can give him, the best information our State Department can provide. He will have the directions of the President of the United States.

Of course, we can never be absolutely sure. That is why we have another protection, called the ratification process. After the work of the negotiators is done, we in the Senate will hold hearings on the results. We shall have indepth hearings. We shall have debate. We shall solicit from all over America the views of the American people on this treaty.

We have built in as many protections as the fallible human being is capable of building into a system of negotiating. But we simply have to negotiate. Our duty is to save ourselves literally from being burned to death by nuclear weapons, being totally destroyed.

We have created this monster called the nuclear weapon. We used it only twice in World War II and we know what two little weapons yielding less than 20 kilotons each did to two communities. We now have this monster, this horrible arsenal of weapons with yields in the thousands of megatons. If we ever let those weapons loose upon each other, it will be a total conflagration. I do not think anybody can contemplate what that would mean.

I say to the Senator, I sat through 4 years of those calculations about what such a war would mean. I can remember times when I have heard competent officials of this Government, in explaining our nuclear power, tell us that in the first hour we would lose 75 million Americans or 100 million, and that the Russians would lose 80 million to 100 million—in the first hour of a war—because of these weapons that are automatic, so to speak, once the President pushes the button.

Mr. HART. I appreciate the Senator's indulgence. I have one more comment to make.

What really concerns me about this matter and other related occurrences in this community in the last few months is that the perception of a settled kind of intolerance seems to be developing on the part of some people in that they have a knowledge of Soviet intentions which is not available to everyone; that others who disagree with that knowledge are, somehow, not as aware as they are of what the Soviets really intend and what their society is all about and what it is capable of doing; that if, for example, the analysts at the Central Intelligence Agency do not confirm their estimates and their views of that intent, somehow, they have to go outside and set up a team to criticize the CIA as being too soft on communism, and then leak that report.

If we get back into one of those situations that we have been in in previous times, which the Senator well remembers, where this society is divided as to who is most loyal to the flag and who really understands Communist intentions and Communist societies and where "if you are not one of us in sharing our understanding, we don't want you speaking for this country," I think the division that would create in this society would be enormous. We would be back in one of those eras which we experienced back in the 1950's, which would literally tear this country apart.

I hope the Warnke nomination or any of the other things I have referred to will not be an occasion for that kind of event in our society, where a group of people believes that it has the truth on what the Soviet Union is all about and anyone who disagrees with that truth is somehow not qualified to represent this country. I think that would be an even more dangerous thing than if Mr. Warnke's nomination is not confirmed.

Mr. HUMPHREY. I thank the Senator, and I fully concur. True believers, in this sense, who become absolutely convinced that they are right and others are wrong, to a point of intolerance, do a great disservice. I hope this debate will not degenerate into that. I do not think it has, and we must not let it do so.

Mr. President, I thank the Senate for its indulgence and I yield the floor.

Mr. Tower addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BUMPERS. Will the Senator yield for a parliamentary inquiry?

Mr. TOWER. I will yield on Senator CRANSTON's time for that purpose.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. BUMPERS. What is the time left?

The PRESIDING OFFICER. The proponents have 3 minutes remaining. The opponents have 103 minutes remaining.

Mr. BUMPERS. Three minutes to 103 minutes?

The PRESIDING OFFICER. That is the remainder.

Mr. TOWER. Mr. President, the gentlemen who are the proponents of Mr. Warnke's confirmation have said that the overriding issue here is one of commitment. I suggest that that is not true. I am inclined to reject the notion that what we are debating here is whether or not we are committed to the idea of disarmament.

If, indeed, the question is one of commitment, then the answer to that question lies more heavily in favor of the opponents of Mr. Warnke than the proponents.

The opponents of Mr. Warnke are equally, if not more, dedicated to the proposition of disarmament because the opponents of Mr. Warnke believe that disarmament is a two-way street, that we must in our negotiations arrive at an agreement that results in a limitation of Soviet arms, if not a substantial reduction of Soviet arms, as well as our own.

If our commitment was solely the disarmament of the United States, then what we should do is to determine in the Congress of the United States whether or not we will unilaterally arrest our own strategic arms development.

If the objective is simply the disarmament of the United States, that could be very easily achieved without bothering to go to the negotiating table with the Soviet Union.

We could follow Mr. Warnke's suggestion of unilateral initiative.

Now, inherent in this suggestion is the notion that if the United States would unilaterally disarm, then the Soviet Union would no longer be fearful of the aggressive designs of the United States upon it and would do likewise, or that the rest of the world would bring unbearable moral pressure on the Soviet Union to do likewise, and this thinking is, at best, naive in the extreme.

The people who oppose Mr. Warnke are dedicated to the proposition that men should beat their swords into plowshares and their spears into pruning hooks.

But we insist that the Soviets be a part of this limitation of armaments, and to do so we are going to have to strike some pretty hard bargains and have a pretty tough negotiator.

We like to think that both sides conceive of nuclear war as being unthinkable. The Soviets will not believe nuclear war unthinkable if we disarm, and they do not because it will remove any risk to them should they initiate nuclear hostilities.

I do not believe the issue is one of commitment. It is one of fitness to negotiate from a position of strength and one that is ever mindful the United States cannot, should not, and must not be placed at such permanent disadvantage that the peace and security of the

whole free world is gravely and seriously threatened.

Mr. President, I yield to the Senator from Utah such time as he may require.

Mr. CRANSTON. Will the Senator yield for one moment?

It is not to make any challenge, but just to say that I agree with what the Senator from Texas has said, that the basis of seeking arms control must be on a secure basis. It cannot be any unilateral disarmament. We must seek arms control agreements that are verifiable and, hopefully, enable both nations, and people of both nations and the people of the world, to reduce the dangers of nuclear catastrophe.

Mr. TOWER. I thank the Senator from California for his remarks.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, Paul Warnke has had an important advocate this day in my esteemed friend and colleague from Minnesota. However, I have read the testimony and after having interrogated him myself, I think he has needed somebody as esteemed and important as Senator HUMPHREY to defend him.

Mr. President, I rise to voice my opposition to the nomination of Mr. Paul Warnke to be Director of the Arms Control and Disarmament Agency and Chief Negotiator of the United States Strategic Arms Limitation Talks delegation. I also wish the record to reflect that in casting my vote against Mr. Warnke I am truly representing the views of a great majority of the people of Utah, as expressed by the overwhelming number of letters and communications I have received in opposition to Mr. Warnke's nomination.

Two weeks ago I had the opportunity to speak with President Carter concerning the nomination of Mr. Warnke. During the conversation I expressed my confidence in and respect for Mr. Carter and his administration. I also made known to the President my concern over and opposition to the nomination of Mr. Warnke to be Director of ACDA and Chief Negotiator of the SALT delegation. President Carter did, however, at that time assure me that his foremost concern is to maintain our national security and that he, as President of the United States, would not relinquish to anyone his responsibility as the final negotiator for our country in the SALT negotiations.

I believe Mr. Warnke to be a very intelligent, articulate and clever spokesman; a man who would be well-suited for many Government positions.

However, I sincerely believe, as do many of my colleagues, that Mr. Warnke is the wrong man at the wrong time for the wrong position.

In recent weeks there has been much debate and a growing concern over the rapid pace of the strategic and military buildup by the Soviet Union. Discussion has focused on the nature of the strategic nuclear balance between the United States and the Soviet Union without apparent agreement as to the precise degree of that balance. There are those in the intelligence community who offer persuasive, well-documented arguments which suggest that the extensive research and development, huge military expenditures and strategic military advancement by the Soviet Union are part of a well-organized program to achieve nuclear superiority over the United States and the rest of the world. The successful completion of such a program, aided by U.S. acquiescence, would give the Russians a devastating first-strike capacity and the ability to sustain, what they consider to be, acceptable losses, which might result from a retaliatory response by the United States. Whether nuclear superiority is the underlying objective of the Soviets' intensive buildup, or merely the fear of some observers, is a question most difficult to answer. I hope the answer will not lead to further Soviet domination of any peoples.

The positions to which Mr. Warnke has been nominated might well be two of the most important in our Government today. It is imperative at this critical point in our relations with the Soviets that we do not convey the wrong message. More than ever before we must make clear to the Soviet Union our commitment to a strong national defense and a military capability which will not be inferior, in any way, to foreign powers, regardless of cost. Our chief representative at SALT must convey in unequivocal terms the will and determination of the American people to maintain a strong military capability that is second to none.

It is within this context and with a keen awareness of the serious threat to our national security that I oppose the nomination of Mr. Warnke

Mr. Warnke has been a very consistent, active, and vocal advocate of arms control and disarmament, consistently recommending U.S. restraint in strategic weapons development and deployment. During the hearings of the Armed Services Committee, Mr. Warnke's past recommendations were extensively discussed. His positions, as outlined in the hearings, would suggest less than a total commitment to a strong national defense and military capability. Senator JACKSON pointed out that Mr. Warnke has, in recent years, advocated positions:

Against—the B–1 bomber;

Against—the Trident submarine and the Trident II missile;

Against—the submarine-launched cruise missile;

Against—the airborne warning and control systems;

Against—the development of a mobile ICBM by the United States;

Against—MIRV deployment;

Against—the improvement to the U.S. ICBM force;

Against—the development of the XM–1 tank;

For—reductions in the procurement of the M–60 tank;

For—reduction of U.S. tactical nuclear weapons in Europe;

For—withdrawal of 30,000 troops from NATO without waiting for the conclusion of an MBFR agreement;

For—a $14 billion cut in the defense budget in fiscal year 1974 and an $11 billion cut in fiscal year 1975;

For—a reduction in the defense budget of 3 percent per year beginning in fiscal year 1975 with the result that total reduction in the fiscal year 1978 would amount to some $26 billion less than the Carter recommendation to Congres;

Add to that list Mr. Warnke's opposition to:

SAM/D air defense missile (surface-to-air missile); SAGE air defense system; the Safeguard antiballistic missile system; the Hardsite antiballistic missile system; and the F–14 fighter plane.

Out of all the strategic systems developed and deployed by the United States in the last 10 years Mr. Warnke has supported only one. As I count, that makes his record 1 win and 18 losses.

If Mr. Warnke had been responsible for the formulation of our defense policy during those 10 years we certainly would not be questioning the adequacy of our nuclear deterrent today—it would simply be nonexistent.

Over the last 10 years Mr. Warnke has opposed development of virtually every major new weapons system, systems which comprise our nuclear deterrent today and which will be important issues in the SALT negotiations. Actually this record is not surprising, coming from a man who has previously described himself "as fluttery a dove as anyone I know."

I respectfully take exception to what Senator HUMPHREY said on that point, because Mr. Warnke, himself, acknowledged that description when he said, "I am as fluttery a dove as anyone I know," on January 27, 1976, at the Georgetown Center for Strategic and International Studies.

I suggest that Mr. Warnke's credibility and effectiveness as a negotiator have been irreparably compromised by his past record. In testimony before an Appropriations Subcommittee, Mr. Warnke recommended an 85-percent reduction of U.S. tactical nuclear weapons in Europe, and unilateral withdrawal of some 30,000 U.S. troops from NATO.

Mr. Warnke has, in fact, advocated cuts in our weapons systems that even the Soviets would not suggest. As Admiral Moorer suggested in his recent testimony before the Armed Services Committee:

> Mr. Warnke has already devalued his chips in this life-and-death poker game before he has been dealt the first hand.

Warnke's quest for unilateral initiative by the United States is well documented. In an article in the spring 1975 issue of Foreign Policy, "Two Apes on a Treadmill," Mr. Warnke stated:

> We should . . . try a policy of restraint, while calling for matching restraint from the Soviet Union.
>
> As a start, we might inform the Soviet Union both privately and publicly that we have placed a moratorium on further MIRVing of our land- and sea-based missiles. We should also announce that a hold has been placed on development of the Trident submarine and the B–1 strategic bomber. We should advise the Soviet Union that this pause will be reviewed in six months in the light of what action the Soviet Union takes during that period . . .

Warnke then concluded:

The chances are good, moreover, that highly advertised restraint on our part will be reciprocated . . . The steps we can take in trying to start a process of reciprocal restraint are not drastic. They would create no risk in our national security.

I suggest that if Mr. Warnke is allowed to formalize and initiate his "Apes on a Treadmill" theory of negotiations, which is nothing more than unilateral restraint, he will make monkeys out of all of us.

A policy of unilateral initiative, as advocated by Mr. Warnke, would not only be senseless in light of past experiences but could put us in a position of such nuclear inferiority that we could not respond to a preemptive strike by the Soviet Union.

Confirming Mr. Warnke as chief SALT negotiator would be analogous to giving Idi Amin the Nobel Peace Prize. The two just are not compatible.

Sending Mr. Warnke to negotiate with the Soviets would be like sending a left-handed pitcher into the seventh game of the World Series with the score tied and the bases loaded in the bottom of the ninth inning and asking him to try to pitch right handed. You can bet the Russians will be going to the SALT talks with some big sticks, just waiting for Mr. Warnke to offer up a fat pitch.

If it were my decision, I would certainly want a pitcher with a better record than 1 and 18. Frankly, I do not want to lose this game of nuclear strategy; the stakes are much too high. I must admit, however, Mr. Warnke has proven in testimony before the Foreign Relations and Armed Services Committees that he is capable of throwing some good curves.

It is not only Mr. Warnke's naive and unrealistic attitudes concerning disarmament and national security that disturb me, but also his lack of clarity and consistency between his prior statements and his testimony before the Senate Foreign Relations and Armed Services Committees. Perhaps he has confounded the Russians as to his real views as much as he has confused Members of the Senate. The question in my mind is when will the real Mr. Warnke stand up. The apparent reawakening of Mr. Warnke to reality, as evidenced in recent testimony, is not only confusing but alarming. Perhaps this abrupt change in pitching, which has taken place since his nomination, is a change of convenience, inspired by the manager of the new team he is playing for. Whatever the reason may be, his 180-degree shift certainly looks like a wild pitch.

All of a sudden this "fluttery dove" is flying with the hawks, concerned over the Soviet threat, supporting strategic weapons, advocating strength and determination in the SALT talks, and acknowledging the advantage of nuclear superiority. Mr. Warnke is truly flying high, but I do recall what is said about "birds of a feather." How long will it be until Mr. Warnke turns tail and flies back to his old nest.

I would like to compliment the distinguished Senator from Washington on his perceptive and thorough examination of Mr. Warnke at the Armed Services Committee hearing. I refer to a statement by Senator JACKSON on February 22, 1977, following remarks by Warnke to the committee:

What is striking about Mr. Warnke's prepared testimony today is how markedly it differs from the views that he has been expressing over a period of eight years and how few precursors of that change have appeared before on the public record. As I understand, of course, men change their minds. What is unusual is the suddenness with which Mr. Warnke has come to the conclusions he expressed in his testimony before the Foreign Relations Committee during his confirmation hearing and today before this committee.

The distinguished Senator from Georgia also observed the sudden change in Mr. Warnke's stated positions. Senator NUNN's comments warrant repeating:

Some of your past statements I find, in my view, very, very inconsistent, almost diametrically opposed to the statement this morning. I find no problem with that. If a man changes his mind, that is fine, but it does bother me that you have changed your mind without acknowledging you changed your mind and it bothers me worse if you have changed your mind and don't realize that you changed your mind.

During the appearance of Mr. Warnke before the Foreign Relations Committee, the distinguished chairman graciously afforded me the opportunity to pose several questions to Mr. Warnke. The responses to my inquiries gave strong indication of Mr. Warnke's newly espoused, but glaringly changed, positions with respect to nuclear strength and strategy. I ask unanimous consent that these pertinent questions, with Mr. Warnke's responses, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator HATCH. Thank you, Mr. Chairman. I appreciate your kindness in allowing us to sit on this Committee this day and to ask a few questions.

Mr. Warnke, I have been very impressed with your intelligence, your knowledge, background and experience that you have exhibited here today. I think that you have shown yourself to be a very extremely knowledgeable and intelligent person in this area.

In the Spring, 1975, issue of "Foreign Policy," you blame the arms race on the United States, you state that "as its only living superpower model, our words and our actions are admirably calculated to inspire the Soviet Union to spend its substance on military manpower and weaponry."

In the same article you go on to state that, "We should instead try a policy of restraint while calling for a matching restraint from the Soviet Union."

The question I have is what exactly do you mean by restraint?

Mr. WARNKE: Well, what I mean by restraint is that when you are in a situation in which your security does not require going ahead with some sort of a new weapons development, that you announce that you are exhibiting restraint and call for a matching response from the Soviet Union. It is a way of achieving arms control by so-called reciprocal restraint. That is what I mean.

Senator HATCH. Isn't one example of restraint the nature of our strategic budget?

Mr. WARNKE. It has been, yes.

Senator HATCH. Isn't the truth that our strategic budget declined from 1962 through Fiscal Year 1976?

Mr. WARNKE. That's correct.

Senator HATCH. Isn't it true that our force levels of ICBM's and SLBM's have remained constant since 1968?—that is the number of deployed ICBM's and SLBM's?

Mr. WARNKE. The number of launches has been. Of course the number of nuclear warheads has been increasing quite significantly during that period of time—I think at the rate of three a day.

Senator HATCH. Do you consider the United States' modernization program for its missile forces to be larger or smaller than the Soviet modernization program?

Mr. WARNKE. I think that the Soviets relatively have been spending more than we have for the past several years.

At least that's what I gather from the press accounts of CIA estimates.

Senator HATCH. Is there any evidence of restraints at all on the part of the Soviets?

Mr. WARNKE. There has not been and I don't think you're going to get it on the basis in which you just cut your defense budget and hope that they are going to cut theirs. For one thing, you wouldn't even be able to tell because of the difficulty of measuring their defense effort in comparison with ours. You would have to have very specific measures in which you call for very specific measures in response.

It has sometimes been described as having concrete measures of parallel restraint. And what I have suggested, I don't know, Senator Hatch, whether you were in the room at the time, is that since we are now headed toward negotiations with the Soviet Union, I would think that any concrete measures of parallel restraint would have to be a part of the negotiating package, rather than being in any sort of informal context.

Senator HATCH. I see. Then you would agree then that there is not much evidence of restraint on the part of the Soviets and, in effect, they are developing new ICBM's and two new SLBM's, all within MIRV capacity and capability?

Mr. WARNKE. That is correct.

Senator HATCH. I understand that the U.S. armed forces dropped dramatically in the last five years. Could you tell me how much and if it has had any impact on our strategic balance? I understand that we have dropped from 900 bombers to about 390.

Mr. WARNKE. I believe that what we have done, of course, is to retire some of the B–52's, and then, of course, there was some attrition of the B–52's because of their use in a tactical role in the Vietnam War. The question, of course, is whether or not you should go ahead with the B–1 as a replacement for some of these B–52's and an ultimate replacement for the entire force, or whether some other replacement bomber ought to be determined upon.

It is not my position that we ought to eliminate the manned bomber. I think we should have the manned bomber as part of our deterrent Triad.

Senator HATCH. Then you do agree with the Triad system of defense.

Mr. WARNKE. I do.

Senator HATCH. Would we be safe if we did not have an effective Triad system of defense?

Mr. WARNKE. I think we are safer and that the deterrent is more complete with the Triad, because you've got the flexibility of the ICBM's and the accuracy, you've got the relative invulnerability of the SLBM's on the nuclear submarines. And you have in addition to that the fact that the bombers give you a couple of additional advantages, which, it's been said, for example, would complicate any type of attack plans that the Soviets might have.

You also can scramble them. You can keep them on alert so that they cannot be destroyed in an attack. And in addition to that, of course, they have the fail safe feature. They can be called back. So then, I think the bomber force is a useful force to have.

Senator HATCH. Do you believe that under our present structured system, that if we only had the Duad, that the Soviets could monitor and knock out a Duad system; that it would not have the effectiveness of the Triad system?

Mr. WARNKE. I think it would increase the chances that the Soviet Union might feel that a first strike could yield them an advantage, yes.

Senator HATCH. Now you've indicated that the Soviet defense postures are increasing rather than decreasing.

Mr. WARNKE. Again, as I gather from press reports, the CIA has recently increased its estimates of Soviet defense spending.

Senator HATCH. And you have indicated that their budget at the present time is larger than those of the United States of America?

Mr. WARNKE. That, I gather, is an arguable position.

Senator HATCH. But you believe they are?

Mr. WARNKE. What?

Senator HATCH. I believe you said earlier that you thought they were.

Mr. WARNKE. Well, I believe that they are increasing.

Senator HATCH. Increasing. But you are not sure whether in constant dollars it is more than ours?

Mr. WARNKE. I have no basis on which I could reach that conclusion. They are spending, obviously, more on strategic forces than we are. Overall, you can't really tell because it depends upon whether you cost manpower in American terms or whether you cost it in Soviet terms.

Senator HATCH. Would you agree that they are at least about parallel?

Mr. WARNKE. About as far as defense expenditures are concerned?

Senator HATCH. Yes.

Mr. WARNKE. I think that they are both very massive expenditures, yes.

Senator HATCH. Is the military research development tests in engineering for the Soviet Union increasing or decreasing?

Mr. WARNKE. I would not be able to give you any answer on that, Senator Hatch.

Senator HATCH. Do you know whether our budgets are larger or smaller than theirs in that area?

Mr. WARNKE. I have no basis on which I could give you an opinion.

Senator HATCH. Mr. Warnke, in this same "Foreign Policy" article, the one referred to earlier, you state that "the chances are good that highly advertised restraint on our part will be reciprocated." What restraints would you impose? Now you have indicated that you would withdraw certain weaponry at certain times, wait six months, wait to see what their intentions would be and then go on from there. Is that basically what you're talking about or do you have some specific things in mind?

Mr. WARNKE. What I was talking about basically was freezing certain aspects of weapons development and calling for a freeze on their part.

Senator HATCH. We would discontinue weaponry development in certain areas and ask them also to discontinue?

Mr. WARNKE. That's correct. Many Senators in the United States have made such proposals in the past. It is not novel with me.

Senator HATCH. I see. Now you have indicated already that you would not go ahead with the MX, if I understood you correctly.

Mr. WARNKE. No. What I said is that I don't think that decision has to be made at the present time.

Senator HATCH. What about the cruise missile?

Mr. WARNKE. The cruise missile, I think, requires extensive study. I don't know what the eventual position is that I would recommend with respect to the cruise missile.

Senator HATCH. Again, you would tie that in to the actual SALT negotiations?

Mr. WARNKE. I would tie it into the SALT negotiations and find out whether or not you could handle it in that context, yes.

Senator HATCH. Would you agree with me that the B–1 bomber is a supersonic bomber that presently could evade radar detection in its strike attack capacity?

Mr. WARNKE. I am not familiar, of course, with the classified data on that. I have been concerned about the penetrability of the B–1 bomber, as compared with, perhaps a stand-off bomber with a long range missile.

I think, again, this is something that requires study. It is my understanding it is being studied by the Department of Defense at the present time.

Senator HATCH. As I understand it, the B–1 bomber, as a manned bomber, can fly at low altitudes with supersonic speed and fly underneath the present radar detection systems of the Soviet Union, which could not be remedied for about six or seven years. Is that correct, in your judgment?

Mr. WARNKE. I don't know whether it is correct at the present time, Senator Hatch. I know that the B–1 bomber was developed because of the concern about the high flying bombers that might be vulnerable to Soviet surface-to-air missiles. The concept of the B–1 was that it would come in low on the deck at very high speeds, and that the look-down capability of Soviet radar was sufficiently limited so that the chances of it being able to penetrate were greater.

Now whether that radar development has occurred in the time since, I am not sure. It is my understanding, however, that the B–1 is not supersonic at low levels.

Senator HATCH. You may be right, but I have heard both ways. Now if that was true that the B–1 could fly subsonic or supersonic, beneath Soviet radar detection devices at the present time, would that not be an effective deterrent to Soviet world aggression, assuming that there is any possibility thereof?

Mr. WARNKE. Well, it would obviously be a useful adjunct to your nuclear deterrent under those circumstances.

Senator HATCH. Assuming that is true, would you want to do away with the B–1 bomber as part of your particular philosophy?

Mr. WARNKE. If the B–1 bomber turns out to be the optimum bomber to replace the B–52, then that is the bomber we ought to buy.

Senator HATCH. What if it isn't optimum, but could do exactly what I told you it could do?

Mr. WARNKE. Then the question is, is there some way of doing that same job more effectively at lower cost.

Senator HATCH. And if there isn't, would you stick with the B–1?

Mr. WARNKE. I have already indicated, Senator Hatch, that I believe I would favor a continuation of the manned bomber, and the question is what is the best weapons system for that purpose.

Senator HATCH. I have a number of other questions in this area, but I notice that my time is up. Mr. Chairman, I do appreciate your courtesy in letting me ask these questions. I will wait for my next round.

* * * * *

Senator HATCH. Thank you, Mr. Chairman. Are you familiar with Public Law 92–448, the Jackson Amendment?

Mr. WARNKE. That is the Jackson Amendment with respect to equality in intercontinental ballistic delivery systems? Yes.

Senator HATCH. Yes. In other words, the recognition by Congress that we want to maintain some sort of parity with our enemy forces. What is your understanding of this public law and how do you plan to meet the conditions of this law in the negotiations that you will try to conduct?

Mr. WARNKE. I think really that principle was part of the stimulus for the Vladivostok Accords which do embody the principle of equality. Obviously, in negotiations, I will abide by the law of the United States.

Senator HATCH. Do you agree with that law and its purposes?

Mr. WARNKE. I do; in terms of a permanent agreement, I certainly do. That is the difference I tried to explain to Senator Griffin earlier. It is the difference between an interim agreement for a limited period of time where we have a very substantial lead in nuclear warheads, and a lasting agreement which hopefully is going to continue over a substantial period of time. I think a lasting agreement should embody the principle of equality.

Senator HATCH. Okay. You have spoken many times about the need to reach a position of minimum deterrence; in other words you want the United States and the Soviet Union to have the lowest possible nuclear arsenal. What size arsenal would you consider to be minimally appropriate?

Mr. WARNKE. I don't recall any comment I have ever made with regard to trying to reach a position of minimum deterrence.

Senator HATCH. Do you have any position with regard to minimum deterrence?

Mr. WARNKE. Minimum deterrence to me means just the ability to strike back and kill a lot of Russians. I don't think that is an adequate deterrent, I think we should have, as I have said before, not only the assured retaliatory capability but also have the apparent, perceived equality of nuclear forces, as well as the ability to utilize them in less than an all-out basis. So I don't accept the doctrine of minimum deterrence.

Now, I gather that another implication of your question is how far down could we and the Soviets reduce our forces without rendering ourselves vulnerable to some third country. Well, I would like to have that problem, Senator Hatch. I would like to have it first. I would like to be in a situation in which the forces had been cut back to a point where that became a problem. I don't see that really in the foreseeable future.

Senator HATCH. Would you cut back on our forces without a corresponding cutback by them——

Mr. WARNKE. Of course not; no.

Senator HATCH. Other than your program of cutting back for maybe three to six months and seeing if they follow suit?

Mr. WARNKE. I say that if you could initiate, in the absence of negotiations, a process of reciprocal restraint, that might be some sort of substitute for agreements. My objective at the present time would be to reach an agreement and have nothing but agreed-upon reductions.

Senator HATCH. Turning to the problem of verification, how far can we trust the Soviets and how far would you rely on their goodwill? And in what precise areas do you think verification of Soviet arms limitation is possible and what areas are impossible? That is a lot of questions, I know.

Mr. WARNKE. Well, you cannot really consider verification except in terms of a specific agreement and since I don't know as yet the terms of the sort of agreement that we could work out, I don't know what verification procedures would be necessary.

But I have answered previously the question as to whether or not I would take an agreement to the Congress, or present an agreement for the approval of the President of the United States that relied on just trust in the Soviet Union.

Senator HATCH. What verification procedures would you insist on as a negotiator?

Mr. WARNKE. I think you would have to have verification procedures that would assure you that they were not violating the terms of the agreement and that would require, of course, such things as non-interference with national means of detections. That is why I would be very concerned about any efforts to interfere with our satellites. In addition, I would think that some measures of on-site inspection will become necessary

when you reach the point of getting genuine arms control.

Now, I think that the Soviet Union would have to recognize that there would have to be what they would regard as more intrusive methods than they were prepared to accept in the past. Now, whether or not they will accept those kinds of measures, I don't know; but that would be part, it seems to me, of the precondition of having any kind of effective arms control regime.

Senator HATCH. Will you conclude any agreements without some sort of effective verification procedures?

Mr. WARNKE. I would not recommend any such agreement. I would not.

Senator HATCH. In other words, you would walk away without any good verification?

Mr. WARNKE. I think, Senator Hatch, that an agreement which is not verifiable is worse than no agreement. It is a source of instability rather than stability.

Senator HATCH. Thank you.

Mr. HATCH. Mr. President, after reviewing Mr. Warnke's response to my questions and his full testimony before the Senate Foreign Relations and Armed Services Committees, I must indeed ask if Mr. Warnke's "questionable reawakening" is a change of conscience or a change of convenience.

It worries me that the man wants the position so badly, as I read it, that he has made a major change, and he has made it in a sudden fashion.

In all candor, I am deeply disturbed by the impression which will be created if Mr. Warnke is confirmed. His confirmation might well be perceived by other nations to be a sign of U.S. weakness and deference to increasing Soviet military might; a signal that it is time for them to pull away from a sinking ship and climb aboard the "Big Red" express. To the Soviet Union it is a message of acceptance; acceptance of a changing world in which the United States will not maintain unparalleled and unequaled strength.

To the American people confirmation of Warnke will symbolize the new administration's attitude toward national security, a trend which if continued could jeopardize the safety and security of our homes, families and the American way of life for generations to come.

I might also add, with regard to Mr. CLARK's comment of whether we are supporting President Carter, you bet we support President Carter. One of the best ways to support President Carter is to try to discourage him from putting people into office and putting people into positions of power and leadership where they do not belong.

We have an obligation to do that in the Senate, and I can tell you right now I stand behind the President.

When he talked to me he said he would not let this country become inferior. But what bothers me is how is he going to supervise everything that Mr. Warnke or people like him do? How is the President going to be there at all times? Who is going to advise him? Is it not going to be Mr. Warnke? Is the President not going to be making decisions based upon what Mr. Warnke has to say or what Mr. Warnke's interpretations are of what is going on? Sure he is going to have advice from many people. But let me raise a couple of other things.

Recently we were sitting with the Senate Interior Committee, and all of a sudden we found waving in front of us a final report that completely whitewashed the national Federal strip mining bill as one that would not cause any difficulties to anyone in America; that it was a great bill for America.

We all know that every time the Federal Government passes a national bill—and this has the nature of a Federal land use plan—every time we do it, we have all kinds of bureaucratic dominance and interference in our lives.

In this particular case, because a number of the people, those antagonistic environmentalists within the Federal Government, wanted their point of view to become the only point of view, they doctored the statement. They altered a statement that was issued just 1 week earlier, so that the later statement looked as though everything pertaining to that bill was wonderful.

That is not unusual in the U.S. Government today because this Government is dominated by a multiplicity of agencies, bureaus, commissions, and committees that make up the fourth branch of Government, a branch not contemplated by the Founding Fathers of this country.

I find that sometimes we get people who in effect make decisions for us by failing to provide all the facts we need to make the decisions ourselves.

I have great regard for President Carter, but I am concerned about a change in position by Paul Warnke, a man for whom I have to admit I do have great respect as an intellect, when the change is so sudden. That sudden change disturbs me greatly, and it causes me to rise in opposition to his nomination.

Let me say this, also: I have great esteem for the majority whip of the Senate. I think he is one of the brilliant men of the Senate. I have wanted to vote for Mr. Warnke I could support him for many other positions in Government. I think he is an intelligent and great man, but in this position I think he has changed too suddenly. I think he wants this job too badly. In this situation I worry about changes in reports to those who have to make the final decisions.

Because of my friendship for certain people in the Senate who feel the other way, and because of my regard for the intelligence of Mr. Warnke, and because I have great regard for the President of the United States, it is with some reluctance that I have to rise in opposition to Mr. Warnke's nomination, and I do so at this time.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. HATCH. Yes, I yield.

Mr. CRANSTON. First, I want to thank my friend from Utah for his generous remarks about the Senator from California. The Senator knows I was present throughout most of the afternoon but, unfortunately, I got yanked off the floor, and I did not hear all of his address, and I apologize for the fact that I am not certain of everything he said.

I would simply like to say in regard to one remark I heard the Senator make at the outset where, I believe, he stated—and correct me if I am not stating it accurately—that in the Senator's view the Soviet Union is out to achieve domination. I gather the Senator felt they, therefore, were unlikely—it is, therefore, unlikely—that they will agree to any meaningful, secure, and sensible arms control agreement; is that correct?

Mr. HATCH. That is not the way the Senator should interpret it, but I will say this: In my questions and questions from others to Mr. Warnke he admitted the Soviets have naval superiority, that they are about to have air superiority, they have missile superiority, greater throw-weight and greater megatonnage.

He also indicated—he did not say they had greater first-strike capacity at this point, but he admitted—we are rapidly falling behind, and that his concept of unilateral restraint, which we have been undergoing for the last number of years, basically does not hold much water because he admitted that over the last number of years, since 1962, our expenditures have been going down while theirs have been going up, and our development of technology was going down while theirs has been massively building up.

So we have been following principles of unilateral restraint, with which I disagree. The Soviet Union has not, and it has not followed suit.

I do believe we can negotiate effective SALT agreements, and I agree totally with the viewpoint of having SALT negotiations. But I think we must have people whose credibility will not be attacked after the agreements are made, whose credibility will not be in question, and I think that is one of the major reasons why I cannot support Mr. Warnke at this time. I think, regardless of what he does, the people of this country will not be able to have faith in his credibility, and that is the thing that is really worrying me, worrying me because of the many, many statements he has made in the past.

I think he has a disadvantage with regard to negotiations because of all his statements, and I think the Russians will be very careful and very strong in reminding him of those prior statements, much stronger than we have been here.

Mr. CRANSTON. Earlier this afternoon we went over, as I think the Senator is aware, some of the statements that Paul Warnke had made at various times, and there were efforts on one side to show discrepancies, and efforts on the other side to show a considerable degree of consistency which, I believe, exists. But there is no use debating that point now.

I would just like to say in regard to the matter I questioned the Senator about at the outset, there seem to be two interpretations of what the Soviet Union is up to.

One is that they are out to dominate us and dominate the world and, therefore, we cannot expect to be successful in any meaningful, verifiable, secure, sound arms control agreements.

The other interpretation of what they are up to—and, perhaps, this is putting

both simply and excluding some other interpretations, but I think the two principal ones are these—is that they found themselves behind at the time of the Cuban missile crisis, and they began to build up their arms. They plainly were behind at that time, but they now have some momentum that could carry them beyond us after a while if they do not stop that buildup or we start a matching buildup. The way we find out which is correct, it seems to me, is to have serious negotiations.

Mr. HATCH. I agree.

Mr. CRANSTON. Honest negotiations.

Mr. HATCH. I agree.

Mr. CRANSTON. And see if we can successfully work out agreements that give them security, give us security, and give the world security by turning downward instead of ever upward in the spiral respecting the arms race. Regardless of who is the Ambassador, let us hope that will be the sort of negotiations we get, and let us work together to see to it that we approve such an agreement, if such an agreement comes back from the negotiations.

Mr. HATCH. I appreciate the remarks of the distinguished Senator from California.

I would just like to add that that is all of our hope, but we also hope we would have somebody go over there whose prior statements do not affect his credibility or will not affect his credibility at a later date.

I would like to call to this body's attention the fact that Senator HUMPHREY took me down yesterday to meet with Vladimir Bukovsky. Mr. Bukovsky made the statement yesterday that the intellectuals who are being persecuted in Russia just live for us to take a strong stance because the Russians will back down.

And I questioned how strong a stance we will take when we have the principal advocate, in my opinion, of unilateral withdrawal who has, as I pointed out, a 1 and 18 pitching record, going over to represent us in the SALT talks. That is what is worrying me, and with all due respect that is why I stand in opposition to his confirmation.

Mr. TOWER. Mr. President, I yield 20 minutes to the junior Senator from New Mexico.

Mr. SCHMITT. Mr. President, I thank our distinguished colleague from Texas, the Senator from Utah for his remarks, and also all of our colleagues who have been here today, entered into this debate, and have participated in the debates recorded in the record.

I hope we all will remember that for the most part we are not debating a man; we are debating a policy. More than I had actually expected, the actual specific qualifications of the man have come into the debate, and I must admit that some concerns have been raised that I did not have before about the personal attributes of Mr. Warnke.

I think it also important to remember, contrary to some possible implications that were made just a few moments ago in a colloquy between Senator HUMPHREY and Senator HART, that in my own mind and I believe in the minds of our colleagues, who are opposing the nomination of Mr. Warnke, there is absolutely no attempt to make a potential negotiator, whoever he or she may be, ineffective as was implied by an article in the New York Times.

That has to be an interpretation of the press. Any other interpretation I hope is erroneous.

I, for one, do not wish anyone to enter the SALT negotiations with any implication that he is ineffective as a consequence of our genuine concerns about policy.

I also think it is important at the outset to say that the implied accusation in the preceding colloquy that there are those among the opponents of Mr. Warnke who are attempting to accuse those who are proponents of his nomination of being soft in terms of national security is incorrect, and I hope that that is the last time we will hear such implication in this Chamber.

This is a policy debate. It must continue to be largely a policy debate because that is the question before the United States and the world at this time.

Mr. Warnke's testimony before the Foreign Relations and Armed Services Committees and his statements in my private talks with him, the President, and Secretary Brown indicate to me that his confirmation would send the world the wrong signal, the wrong message about America's national security policies.

If I may, Mr. President, I quote from a letter that I sent to the President of the United States concerning this matter.

> There is no question in my mind about Mr. Warnke's personal qualifications or about his loyalty and capabilities as a negotiator. His handling of himself during the confirmation hearings demonstrated his great personal abilities to all concerned.

However, I should add here there has been raised by Senator GRIFFIN and Senator JACKSON some concern about his credibility with respect to certain portions of his testimony.

I quote again from the letter to the President:

> In recent weeks, Mr. Warnke has articulated with considerable skill what I refer to as the "national security paradox". Simply stated, this paradox demands (1) that the United States be militarily stronger and perceived to be stronger than any potential adversary, and (2) that the United States never be forced to use that strength, for to do so would mean the failure of Western civilization. Unfortunately, Mr. Warnke has a well-established reputation of being a spokesman for never using strength. Only since his nomination has he begun to show a public understanding of the other side of the paradox, the guarantee of strength.
>
> I greatly admire Mr. Warnke's logical explanations of the consistency between his past views and his present statements under questioning by Senate Committees and in private. On the other hand, I find from my recent discussions with Americans in five states and from comments in the local and national press that he is still perceived to be largely a proponent of the policies of unilateral disarmament, reduced defense budgets, reduced support of NATO and other policies which most Americans find inconsistent with the strategic and tactical needs of the time. Although continued efforts toward arms control are absolutely necessary, the rapid expansion of the Soviet Union's aggressive and defensive capability in modern strategic, tactical and civil defense systems makes it equally necessary for this country to rapidly restore a clear position of strength from which we cannot bargain.
>
> I am afraid that the confirmation of Mr. Warnke or his confirmation by a large majority of the Senate would send the wrong signal to friend and foe alike. The signal is best indicated by his recent article, "Apes on a Treadmill" in the Spring 1975 issue of Foreign Affairs. To friends, the signal would be that we have backed away from strength; to foes, it would be that we can be expected to further reduce our strength without equivalent reductions on their part.
>
> If there were more time for Mr. Warnke to convince the American people of his sincerity, if there were more time before we needed to move to preserve the military balance in the world, then I probably could support his nomination. Unfortunately, such time does not exist. Thus, I will vote against the confirmation of Mr. Warnke. With copies of this letter, I am urging my Senate colleagues to do likewise.

Mr. President, it is important to explore a little bit further the perception that I believe exists among the American people and among our friends and foes abroad concerning Mr. Warnke's national security policies. That perception may be shown by Mr. Warnke's own perception of our present situation.

And I quote and comment on a few passages from the article to which I referred, "Apes on a Treadmill."

> . . . it may be that we are jogging in tandem on a treadmill to nowhere.

From whence comes his title.

I submit that we are not on a treadmill; we are in a race for survival, and with the analogy of the treadmill may lie most of the philosophical disagreements that I have with Mr. Warnke.

As I said before, the Nation is subject to a great paradox. It is very difficult at times to comprehend that we must be strong but that we can never use strength, but, nevertheless, the paradox is real. We are, I believe, in a race for survival and that race is not on a treadmill.

Again I quote Mr. Warnke from the same article. He is referring to Mr. Wohlstetter:

> He cannot, of course, mean that the United States is backing up while the Soviet Union presses on. Both continue to amass nuclear weapons in quantities and varieties inexplicable on any military basis.

Apparently Mr. Warnke does not understand the military basis for various weapons systems. This is only one example of where numbers and the yield of nuclear weapons, even though never intended to be used, have a very significant impact in terms of our military defensive balance.

If the Soviet Union persists, as they appear to be doing with good strong evidence that they are so doing—to build a civil defense capability that allows them to evacuate their major population centers and to protect their industrial capacity from significant damage, then numbers and yield of weapons become very important in this strategic balance that the world so requires.

If we cannot offer the deterrent capability unfortunately to destroy the in-

dustrial capacity of the Soviet Union or a significant proportion of their population, then that balance starts to disappear.

Mr. President, I do not think anyone in this body enjoys talking about such subjects as the destruction of another nation. Unfortunately, with the development of nuclear weapons it has become a topic that we must discuss, hopefully to insure that we never in fact have to resort to such destruction.

Another quotation from Mr. Warnke that I think has added to this perception of his position:

> The burden of proof, I would suggest, is on the proponent of a proposition and the best case against the defense budget is, accordingly, that an adequate case has not been made for it.

Mr. Warnke is well known for his opposition to certain aspects of defense spending. I think it is incumbent upon Congress and on the Government as a whole to err on the side of security, at the same time that we search for permanent security through arms limitation.

Mr. Warnke continues:

> I think we are spending too much on military arms and manpower and that to continue to do so worsens our economic position and jeopardizes our true national security.

This is the perception that the American people have of Mr. Warnke's position on national security. This is the perception that our friends and our foes abroad have. Mr. President, I submit that superior defensive strength is necessary to our national security. We have many other problems relative to our economy, and they could in fact destroy us, independent of anything else we are talking about here today; and we must treat those problems and solve them. But to do so at the expense of national security is something that the vast majority of Americans would not condone.

Let me move on to another quotation from Mr. Warnke's article:

> Realistic recognition that we need not and cannot be the world's policeman is now quite general.

Mr. President, I disagree with that. I do not think that that is the general perception. In fact, we are the world's policeman for freedom. The people behind the Iron Curtain, in Europe, in major portions of Asia, throughout Africa and South America, and certainly on the North American Continent, perceive us as the world's policeman for freedom. There is no other nation on this planet at this time with both the idealism and the power to protect that very fragile seed of individual freedom that still grows and is fertilized within our soil.

Mr. Warnke continues:

> And Secretary of Defense Schlesinger, in a television documentary on "Peace and the Pentagon," predicted that if we were to "drop the torch," there would be no one to pick it up. I hope that he is right. Self-selected torch carriers aren't much use in fire prevention.

Mr. President, we must carry that torch. The torch of freedom and the defensive capability to protect that torch are in our care, and that care is our obligation to mankind as a whole.

Mr. President, are we sure that the Soviet Union believes what Mr. Warnke believes? I quote further:

> Today both countries know, and the rest of the world knows too, that we dare not fight one another.

I hope to heaven that that is true. However, the buildup of strategic, tactical, and civil defense systems by the Soviet Union does not indicate that they believe wholeheartedly that we dare not fight one another. The international pressure that they continue to exert upon the free world and on other people does not indicate that they believe that we dare not fight one another.

Mr. Warnke has talked much about unilateral restraint. Unfortunately, the perception of most Americans is that of unilateral disarmament, however Mr. Warnke may explain it, and I think understand what he means. I quote again from "Apes on a Treadmill." Mr. Warnke says:

> What is needed most urgently now is not a conceptual breakthrough but a decision to take advantage of the stability of the present strategic balance.

The present strategic balance is not stable. The trends are definitely toward a very marked condition of instability. Mr. Warnke continues:

> There is, of course, a chance that the Soviet response may be lacking or inadequate. But our present lead in technology and warheads makes it possible for us to take this initiative safely. No advances the other side might make in six months or many more could alter the strategic balance to our detriment.

There is no technical evidence, to my knowledge, to support that statement, Mr. President, and it is unfortunate that Mr. Warnke believes it.

Mr. Warnke concludes his article, "Apes on a Treadmill," with the following statement:

> The strategic arms competition is a logical place to start.

That is, to start with restraint.

> The steps we can take in trying to start a process of reciprocal restraint are not drastic. They would create no risk to our national security. We can be first off the treadmill. That's the only victory the arms race has to offer.

Once again, in his remarks, he refers to the treadmill, and once again I submit that it is a race for survival, not a race on a treadmill.

Mr. President, President Carter has done the friends of arms control, of whom I consider myself one, a great disservice by nominating Mr. Warnke and persisting in that nomination. We all want arms control. I know of no one of my associates, my friends in New Mexico, or my friends elsewhere in this country, who does not want arms control. We must have it. It is absolutely essential to the long-term survival of the world.

Most Americans also want strength until arms control comes about. That is also absolutely necessary for the future survival of the world, and the survival of freedom in that world. Mr. Warnke and the world's perception of Mr. Warnke can give us neither, in my opinion. I urge my collegues to reconsider their support of his nomination, if in fact they are presently in favor of it.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. DECONCINI). Who yields time?

Mr. TOWER. Mr. President, because the proponents of Mr. Warnke have only 3 minutes remaining, and Senator JAVITS has not had an opportunity to express himself today, I will be happy to yield, on the side of the opposition, 10 minutes to the Senator from New York, and hope that if we run low tomorrow the other side will do the same for us.

Mr. JAVITS. Mr. President, I thank the Senator very much. It is characteristically generous of the Senator from Texas, though I have informed him that I shall support the Warnke nomination.

Mr. President, I heard Mr. Warnke testify before the Foreign Relations Committee at great length. I questioned him rather closely, and after considering his answers and the situation which we face, I came to the conclusion that I should support the nomination.

The interesting thing about his testimony is that in his testimony, which is before us, he adopted the classic positions of the United States respecting negotiations with the Soviet Union and with other countries in the world on the limitation of armaments with all the caveats about being wary in terms of the responsibility which we have, literally for the survival of the whole free world.

Mr. Warnke is obviously a very able lawyer, an extremely knowledgeable and intelligent man. The only problem is that apparently those who would juxtapose the statements which he makes currently with the way in which they interpret previous statements say that these present statements cannot be relied upon as a constant level of policy.

Well, Mr. President, that is the privilege of an individual, to judge as to the sincerity or the lack of it of another man. But, Mr. President, it seems to me we also have to take account of the point of view which is expressed and which is committed to be carried out.

Mr. Warnke has been in the public service off and on for a very considerable period of time. In my own judgment, the positions which he has taken are very likely to be the positions which he is going to carry out for one salient reason: that is, that he is working for two bosses, not one. One is President Carter and the other is Secretary of State Vance. In addition, anything he does has to come back here. I believe we have 100 pretty vigilant Senators who are going to see that nothing that is done is outside the parameters of what we feel should be a proper disarmament negotiation.

Therefore, Mr. President, even if he still hold beliefs which he had progressively some time ago as to how one might experiment with the Soviet Union in respect of seeking to get further in the disarmament field, that does not mean—and I have seen this happen a thousand times in my life—that notwithstanding, even if he holds those views, he cannot be a competent, effective, and very success-

ful negotiator for the things which remain now the policy of the United States and to which he subscribes as such policy, and to lay aside his own concepts about experimentation, or what is probably his own concepts about experimentation, or what is probably his opponents' worst indictment of him, which comes from an article he wrote as recently as 1975, "The Soviets are far more apt to emulate than to capitulate."

So, in my judgment, getting a very able man with a personality, having seen and observed him for a long time, and having had him under careful examination now, well able to meet the very best the Russians can mount in the way of a negotiator, and controlled, as he will be, by his own statements as to his concept of policy as it exists today, circa 1977, the instructions of the President and the Secretary of State, the careful scrutiny of the Congress, which will ultimately decide whether any treaty is approved by us or not, it seems to me we ought to let the President have the negotiator he wants, and that the evidence mounted to the contrary is not adequate to defeat him.

There is one thing which does bother me. That is the idea that it is Warnke and not the President who is responsible to us. I think it must be made crystal clear that it is the President who is responsible to us. It is our job to see that what the President produces is adequate to the occasion as we see it.

So, Mr. President, in my judgment, as we do intend to keep a very close rein on this whole proposition, and as the policy which the President proposes is a good policy—and I am pretty familiar with the way in which the President has outlined the policy that we are going to pursue in these negotiations—I believe there are three factors which should influence me in casting my vote:

One, an understanding of what I think is the policy which is being offered, and that, I say on the whole, is a sound policy;

Two, the safeguards which the President places around the negotiator on his side and the Senate, with the power to ratify treaties, on our side;

Three, that Mr. Warnke is undeniably an able, probably a gifted man who can do a very effective job of negotiation within these parameters in a fantastically difficult area, since he is a man of authority and experience and, I believe, will be equal to anyone the Soviets can field against him.

There are the things which, it seems to me, lead me to believe that I ought to cast my vote for confirmation.

I have one other point, Mr. President. I know predictions in the press, Mr. President, of, "Let us get 40 votes against Mr. Warnke, or thereabouts, and then it will be crystal clear that he is not much of a negotiator because he will not be able to live with the Senate."

Mr. President, I do not appraise my colleagues in the Senate, even those who are the most strongly opposed to Warnke, in that way. It is my profound conviction, Mr. President, that any Senator, including those who have strongly opposed Mr. Warnke, when the stakes are so high, as are represented by the negotiations respecting SALT, will vote his conscience as he sees it based upon the proposition presented to the United States and the conditions, et cetera, which surround that proposition.

Once the Warnke nomination is voted upon, that will be the end of that. I do not want to send the Russians a message, Mr. President, that we are simply putting up a man to negotiate with them and to try to come to some kind of an agreement subject to the President's instructions and those of the Secretary of State and the ratification of the Senate but it really does not mean much because he really will not be followed no matter what he produces. I do not wish to send that kind of a message to the Russians. Hence, I think these predictions that, because there is a large vote against him, that means he will not be a negotiator able to really conclude anything which will be accepted as the commitment of the United States, is not productive but it is counterproductive.

I hope very much that that kind of argument will not be persisted in because I do not believe it is conducive to the best interests of our country, which is so very, very deeply involved in this, what is becoming almost an intolerable burden of nuclear armament.

Mr. SCHMITT. Will the Senator yield at that point?

Mr. JAVITS. Yes.

Mr. SCHMITT. Although we disagree on the question of the Warnke nomination, I agree most emphatically with the Senator's last statement. As I said in my discussion, I would like to associate myself with the Senator's remarks that in no way are any of us, that I am aware of, attempting to send a negotiator to the SALT talks who is ineffective as a consequence of the vote against him. I appreciate the Senator's remarks in that respect.

Mr. JAVITS. That is characteristic of my colleague. That is why I am so glad he is one of the new men here. The Senator sees this clearly and is not confused by what is an honest difference of opinion on an issue which is relevant to the man but not relevant to the mission. That is what I am talking about.

As far as I am concerned, I will stop right here. We may differ on this, but if he is confirmed and he is the negotiator of the United States, we will give him every chance to produce because it is in the highest national interest that he shall produce.

If what he produces is right, we will have enough faith in our institutions to believe that if we approve it we will go through with it in good faith and we will not be suspicious of it simply because some of us who voted against him did not, before he was confirmed, approve of the fellow who did the negotiating. I thank the Senator.

Mr. SCHMITT. There is no question of my concurrence.

Mr. JAVITS. I thank my colleague.

I thank Senator TOWER for being generous enough to yield.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield 10 minutes to the senior Senator from New Mexico.

Mr. ROBERT C. BYRD. Will the Senator yield to me? I ask unanimous consent that the time not come out of his time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The time I take will not be charged to anybody.

ORDER FOR RECESS UNTIL 10:30 A.M.; FOR RECOGNITION OF SENATOR SASSER; AND FOR RESUMPTION OF DEBATE ON WARNKE NOMINATION AT 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10:30 a.m. tomorrow; that, after the two leaders or their designees have been recognized under the standing order, Mr. SASSER be recognized for not to exceed 15 minutes; and that, no later than 11 a.m. tomorrow, the Senate resume consideration of the nomination of Mr. Warnke.

The PRESIDING OFFICER. Without objection, it is so ordered.

REQUEST FOR REFERRAL OF BILL—S. 923

Mr. DOMENICI. Mr. President, before the Senator yields the floor, may I ask the distinguished leader something? There is a bill pending, Senate bill 923, which I shall briefly explain to the majority leader. It was a bill introduced and referred to the Committee on Commerce and Transportation. I have spoken to the Parliamentarian about this, incidentally. That bill had been sent up by the administration and received on February 3 of this year as an Executive communication. It was referred jointly to the Committees on Commerce and Environment and Public Works. About 10 days ago, I introduced very similar legislation, Senate bill 790. It was referred jointly to the Committees on Commerce and Environment and Public Works.

I believe that, under our rules, a similar bill introduced in behalf of the administration on the same issue of user charges—to call it to the Parliamentarian's attention—it should have been referred to both committees also. I ask unanimous consent that it be referred to the Committees of Commerce and Public Works.

Mr. ROBERT C. BYRD. Is the Senator talking about his own bill?

Mr. DOMENICI. Mine was thus referred. One introduced thereafter on the same subject was referred only to Commerce.

Mr. ROBERT C. BYRD. Reserving the right to object, Mr. President, and I do

not know enough about the contents of the measure, may I ask the Chair if the President's message in the form of a bill, to which the distinguished Senator has alluded, would be such that it would automatically have to go to both committees?

The PRESIDING OFFICER. It could, I say to the Senator from West Virginia, but it was sent to the Committee on Commerce. That is where it is now.

Mr. ROBERT C. BYRD. Mr. President, I should like to clear with the chairmen of both committees any joint referral. I am under obligation to members of my own caucus to be sure that these matters are cleared with the respective chairmen before I not object.

Mr. DOMENICI. I understand. I would appreciate it if the leader would so check. I believe that they will concur, but I did not have time to ask them today. Perhaps the leader can and we can return and discuss the unanimous-consent request.

Mr. ROBERT C. BYRD. I shall be glad to do that.

The PRESIDING OFFICER. Does the Senator withdraw his request?

Mr. DOMENICI. I withdraw my unanimous-consent request.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask the Senator to yield because he had made a unanimous-consent request earlier, and I now have the answer.

Mr. DOMENICI. I was finished, or I would have been delighted to yield to the leader.

Mr. ROBERT C. BYRD. I would have to object to a joint referral—at least today, I would have to object. If something can be worked out, that would be a different matter. As of now, I would have to object.

Mr. DOMENICI. I had withdrawn the unanimous-consent request. I will talk to the various Senators and will return with their approval.

Mr. ROBERT C. BYRD. I thank the Senator.

NOMINATION OF PAUL C. WARNKE TO BE AMBASSADOR—SALT NEGOTIATIONS

The Senate continued with the consideration of the nomination of Paul C. Warnke to be Ambassador during his tenure of service as Director of the U.S. Arms Control and Disarmament Agency.

Mr. DOMENICI. Mr. President, I rise to talk for a few moments today about the nomination of Mr. Warnke, which has been the subject matter of much discussion. Before I begin, I do want to say that, while I am not a member of either the Committee on Armed Services or the Committee on Foreign Relations, this is a matter that I personally consider very seriously and that gives me great concern.

I also want to preface my remarks by saying that I am not one who takes recommendations and nominations of our President lightly. I have not opposed any of the nominees of our President that reached the floor of the Senate to this point, but I believe that I have a rather serious constitutional obligation in this case.

It is very difficult for me not to pass judgment as a Senator on whether or not I believe it is in the best interests of our country and of eventually arriving at successful negotiations with the Soviet Union. I believe it is my responsibility to determine, from the record as obtained by our two committees, and the information that I as a Senator have obtained, whether or not I personally believe this is the right choice.

I must say that I have decided I cannot support the nomination of our President, the nomination of Paul Warnke to be Director of the Arms Control and Disarmament Agency and to be the Ambassador for the strategic arms limitation talks.

Mr. President, as many of my colleagues in the Senate can attest to, it has not been my policy, nor will it be my policy in the future, to needlessly oppose the confirmation of a Presidential nominee. In fact, I have voted to confirm all of President Carter's nominations presented to this body for a confirming vote. However, after serious and concerned evaluation of the hearing records of both the Armed Services Committee and the Foreign Relations Committee, in the best interests of this country, I feel it is my obligation to oppose the nomination of Mr. Paul C. Warnke to be Director of the Arms Control and Disarmament Agency and to be Ambassador for the strategic arms limitation talks.

Mr. President, the Senate has a grave responsibility—and I individually as a Senator have a grave responsibility—to assist in the formation of our foreign policy through the constitutional process of ratification of treaties. The SALT II Treaty will be the structure upon which we build America's future defense posture. Our national security, and the security of the free world, are greatly dependent upon the success of this instrument. America's Ambassador to these negotiations carries a burden of immense proportions; a burden demanding congnizance of the implications and realities of our security perspectives. We cannot, and will not, be afforded the luxury of critical reappraisal 1 year, 2 years, or 3 years from now. Our Ambassador must be the most credible and most knowledgeable representative the United States can offer to the world.

Unfortunately, in my estimation, Mr. Warnke's contradictions, and equivocations throughout the Senate hearings have intensified my concerns. Such philosophical meanderings have no place at the bargaining table. Mr. Warnke has publicly pronounced his opposition to most of our strategic initiatives, and yet he felt compelled to occasionally modify those previous judgments to coincide with present facts. Retrospection on past assessments I believe is not acceptable in this case. The calendar does not allow reflections on strategic weapons programs. And, if in fact Mr. Warnke does not believe his views have been fundamentally altered frcm those previously expressed, then I can only assume that he goes to the negotiating table holding the positions he has always held, positions inherently detrimental to our security interests.

In addition, while I respect Mr. Warnke's conception of "mutual restraint," to date I have seen no significant evidence which supports the validity of this theory. In fact, the massive Soviet arms buildup tends to negate U.S. unilateral initiatives in the past. I find it impossible to support Mr. Warnke as Director of the Arms Control and Disarmament Agency when his concept of this issue has apparently proven to be unsuccessful, and to this point not credible.

Time does not permit, nor is it necessary, for me to reiterate the many questionable responses received from Mr. Warnke during the Foreign Relations and Armed Services Committee hearings. I have no alternative but to conclude that there remains serious doubt over Mr. Warnke's philosophy and this compels me to question his holding these two positions. On an issue of this magnitude, there is precious little room for hesitancy. I, therefore, will not vote in favor of Mr. Warnke's nomination.

Mr. President, many have spoken on both sides of this issue. I think that obviously each Senator does this with an extreme consciousness of the seriousness of the issue.

I would like very much to be able to give our President the man that he wants. But in this instance, I find that runs into a serious conflict with my own sense of responsibility.

That is not to say that I have the right to choose. But I am confounded by the proposition that my constitutional responsibility here is to pass judgment as one person, as one Senator, and it just appears to me that for all the good things that have been said about Mr. Warnke, his intellect, his negotiating skills, I must look back at what he stood for, what he thought, what he thinks, in the various areas of strategic buildup, with reference to notions of unilateral disarmament, with reference to his notions of the Soviet Union.

I must conclude that it would not be right for me to send with my approval this person to do the negotiating for us. The background and previous positions would cast serious question on the negotiations and what ultimately evolved.

I believe as head of that negotiating team he is going to have an awful lot to say about the details, the specifics, and I do not believe that with his background the United States will go to those negotiations and to those negotiating sessions, sometimes endless in nature, without serious impediment.

Mr. President, for the reasons that I have stated, I repeat that I will have to vote "no."

Whatever time I have remaining, I yield, Mr. President.

ADDITIONAL STATEMENTS SUBMITTED ON WARNKE NOMINATION

Mr. CRANSTON. Mr. President, last Friday, March 4, I engaged in debate on the action-reaction buildup of major weapons systems by the Soviet Union and ourselves. I talked about some specific systems in terms of which country

was first in development or deployment and which country followed suit. For the sake of absolute accuracy on this important subject, I would like to make the following elaboration of my statement for the permanent RECORD:

But I think this is the way it runs. On the ICBM, the Soviet Union was first with a ballistic missile at the time of sputnik, and it caused great concern in this country. We then proceeded to deploy the first field of ICBM's. The Soviet Union followed us.

On ABM's the Soviet Union was first in deployment; we followed them. And when it came to MIRV, we were first; they followed us.

With cruise missiles, we both worked on and deployed unsophisticated short-range weapons of this type—the Soviet Shaddock and the U.S. Hounddog—which we later abandoned—for example—but we have made a breakthrough in guidance and range technology and we are now developing a more advanced long-range cruise missile.

And with the mobile land-based missiles, both sides are developing mobile ICBM's. The Soviets are beginning to deploy intermediate-range mobiles.

As for nuclear submarines with nuclear weapons aboard them—the United States first, the U.S.S.R. following.

Finally, on modern long-range strategic bombers, we were first; they followed.

PAUL WARNKE, THE MX MISSILE AND SALT

Mr. McGOVERN. Mr. President, in explaining their intentions to vote against the nomination of Paul Warnke, his opponents have dubiously maintained that because of Mr. Warnke's views on arms control, it will be difficult for him as chief SALT negotiator to hammer out a practical international arms limitation agreement. Well, it just may be that the forthcoming talks in Geneva will be tough going, but that will not be due to any lack of commitment by Mr. Warnke to a sound, cogent arms control policy. For in large part, the challenge facing President Carter's team of SALT negotiators has already been stiffened by our own efforts to increase spending for nuclear weapons systems.

One example of the kind of weapons system that could slow down our pursuit of an international arms treaty is the MX land-based missile. Now under development as a follow-on to our Minuteman III force, the MX is a powerful mobile missile designed to counteract any Soviet breakthrough in the accuracy of their strategic missiles. It is argued that in contrast to our current ICBM's stationed in silos, the MX would not be so vulnerable in the unlikely event of a Soviet counterforce attack. But actually, the MX is apt to cause more problems than it can solve. For if the pattern of arms buildups continue, our deployment of such a capable counterforce weapon virtually guarantees that the Soviets will do likewise, spurring one more round of dangerous and costly nuclear buildups across the board.

President Carter has obviously recognized the danger posed by the development of the MX. In his fiscal year 1978 defense budget, he has wisely slowed down the development of the MX, holding back the former administration's anxious attempt to begin early production of the missile. This cutback in funding then is a clear signal from the President that he does not wish to push the pace of the MX until SALT guidelines have been set. Right in tune with this view is that of Mr. Warnke who has also warned that an unchecked acceleration in the development of the MX could very well hinder the objectives of sound arms control.

A thorough discussion of this issue appeared recently in a Washington Post article by C. Robert Zelnick. Illustrating why so many doubts about the MX program have arisen, inside the Pentagon as well as out, Mr. Zelnick has comprehensively examined the program and its implications on SALT. I ask unanimous consent that Mr. Zelnick's article, "MX and the Next Arms Debate" be printed in the RECORD and I commend it to my colleagues for their serious thought and attention.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 27, 1977]

M–X AND THE NEXT ARMS DEBATE

(By C. Robert Zelnick)

Those who saw in the SALT I agreements concluded between the United States and the Soviet Union in May, 1972, the beginning of the end of strategic competition between the two countries have to date been proven anything but prophetic.

Anti-ballistic missile systems were substantially banned by treaty. And the Interim SALT Agreement, as modified by the 1974 Vladivostok accord, placed limits on the number of offensive missile launchers each side could deploy. But within those constraints, SALT I has merely served to intensify the competition for qualitative improvements in nuclear weapons technology.

Size, power and accuracy have thus far been the hallmarks of that competition. Now a developing U.S. weapon, the M–X, while combining all those strategic virtues, promises to introduce a new element into the intercontinental missile game; land-based mobility.

At his first news conference as President, Jimmy Carter invited the Soviets to join in a mutual ban on mobile missiles. "If they would agree to a cessation of the use or deployment of the mobile type missiles which could be moved around in different locations before launch," he said, "that would be a very important point for us to join them in a mutual agreement. It would mean we would not then perhaps spend the large amounts of money to develop a mobile missile."

As if to provide an earnest of the President's proposals, Defense Secretary Harold Brown announced a cut of some $160 million from the $294.4 million requested by President Ford this year for work on the M–X missile—now in its final stages of research and development—suggesting that the right kind of SALT agreement could obviate the need for production of the M–X altogether.

But there may have been less to the administration's action than met the eye. For one thing, in his yen to increase expenditures for strategic systems across the board, President Ford had accelerated the M–X's scheduled 1984 deployment by a full year and would have had production begin in October, 1977, even while several questions relating to the basing of the system remained unresolved. The slower development pace dictated by Brown thus made sense quite apart from any SALT implications.

Second, as the so-called "next generation" of U.S. Intercontinental ballistic missiles (ICBMs), the M–X raises enormous policy questions which an administration only 40 days in office has had little time to consider, let alone resolve.

Whether or not to produce an M–X and what to demand from the Soviets in exchange for not producing it are decisions about which military strategists, arms controllers, and foreign policy officials—not to mention the Congress—will all want to have a voice. And to date there has been little institutional consideration of the issue within the Carter administration itself or between it and the powers on Capitol Hill. Indeed, when confronted with the Carter news conference statement, a State Department official remarked, "The President was expressing his own opinion."

Whether or not that is the case, how the Carter administration resolves the M–X question should tell both about how it intends to allocate scarce resources between the military and civilian sectors of the economy and how important it thinks nuclear weapons are in our dealings with the Soviets and in global politics generally.

In many respects, the M–X is the next logical step in qualitative missile competition under SALT. For their part, the Soviets have concentrated mostly on improving the size—the "throw-weight" and "yield"—of their ICBMs, although they have also recently made significant improvements in the accuracy of their weapons and in increasing the number of warheads or re-entry vehicles (RVs) which can be independently targeted, or MIRVed, from a single missile launcher.

The United States—which enjoys wide qualitative leads in both intercontinental bombers and submarine-launched ballistic missiles (SLBMs)—has worked hard to keep its considerable ICBM advantage over the Soviets intact. U.S. missile silos are "harder" than Russia's, allowing them to better withstand attack. U.S. missiles are considerably more accurate, and a far more advanced computerized targeting technology has given the United States better than a 2-to-1 lead in the number of nuclear warheads. Each of our 550 improved Minuteman III missiles will pack about 400 kilotons of TNT power (the Hiroshima A-bomb was in the 13–20-kiloton range), each will have three independently targeted warheads accurate to within 600 feet of selected targets, each will be in silos capable of withstanding at least 3,000 pounds of pressure per square inch—and the system as a whole will be so computerized as to be completely retargetable every 36 minutes.

Still, the search has continued for an even better ICBM, one able to complement the Minuteman III force by fully neutralizing the greater throw-weight of Soviet missile launchers accorded the Soviets by SALT I. And the M–X is the weapon settled upon by the Air Force, which runs our ICBM show.

300-FOOT ACCURACY

By any standard, the M-X shapes up as a truly awesome weapon. Each of the 300 missiles planned for deployment will contain up to 15 warheads independently targeted and packing about 200 kilotons of destructive power.

In addition, the M-X will be even more accurate than the improved Minuteman IIIs. Guiding each warhead will be an Advanced Inertial Reference Systems (AIRS), weighing 115 pounds. Its core, a "floated ball" 10 inches in diameter, will replace the liquid gyroscopes of the Minuteman III, permitting even greater targeting precision. In its initial deployment stage, the M–X will be accurate to within 300 feet of selected targets. "Terminal guidance systems," permitting final targeting

adjustments, will be available for later generation M-Xs to improve accuracy further.

It is an accepted mathematical proposition that the doubling of a missile's accuracy is equivalent to an 800 per cent increase in throw-weight, a prime reason why the United States, despite its relatively smaller missiles, far exceeds the Soviets in the ability to destroy hardened silos. Further, due to what is known as the "fratricide phenomenon"—when more than two warheads are directed against a single target, they are more likely to kill each other than the target—the Soviets cannot compensate for their accuracy problem by aiming greater numbers of missiles at a given target. Thus, the incredible accuracy of the M-X makes it a far more destructive weapon that anything the Soviets have in the works.

The solid fuel which will propel the M-X enables the missile to be "cold-launched," meaning that the same launcher can be "reloaded" after each missile is fired. Since SALT limits the number of launchers rather than of missiles, there is as yet no theoretical limit to the number of M-X missiles we could fire at the Soviets or, for that matter, to the number of SS-18 missiles—also "cold-launched"—which they could fire at us.

To ensure survivability, the M-X will be mobile. Mobility simply makes missiles harder for an opponent to zero in on and means that in a crisis enemy planners will have to choose between ignoring our mobile missiles altogether and "drawing down" their own supply to the point that they place themselves at a disadvantage even should they score a direct hit. If U.S. mobility convinces Soviet strategists, for example, that they must empty five of their own missile launchers for every U.S. weapon they destroy, they would be foolish to attack our nuclear forces in the first place and, if they did, we would have more missiles left after the first exchange.

In early stages of research, the Air Force considered and rejected plans to house the M-X in hardened stationary silos, in quicksand, in lakes, on trucks and on railroad trains. The matter has now come down to a choice between "shelters"—spaced, hardened and concealed silos, with the missile and launching mechanism transported from building to building—and trenches. In an interview, Air Force Lt. Gen. Alton D. Slay, deputy chief of staff for research and development, indicated that trenches appear to be more cost-effective than sheltered and are thus likely to emerge as the preferred home for the M-X.

In a recent article in Air Force magazine, Gen. Slay described the trench system: "The missile transporter/launcher moves at random intervals inside the trench, providing total uncertainty as to missile location along the length of the trench. An enemy must attack the entire trench to achieve a high-confidence expectation of destroying the missile. Survivability is attained by providing more miles of trench than the enemy's attacking RVs can destroy. Preliminary analysis indicates that each could be on the order of 10 to 20 miles long."

The M-X, then, represents more than 200 Hiroshimas inside a nosecone shuttling back and forth in a 10-20 mile trench. In size, accuracy, multiple warheads, reloading capability and potential to survive—or, better yet, discourage—an enemy attack make it something of a military strategist's dream. Many of these same characteristics, however, make the M-X an arms controller's nighmare. And there are doubts even among those who are persuaded that the missile would neither promote instability and miscalculation in a crisis nor present insurmountable SALT problems; they wonder whether the marginal security it would provide is worth anywhere near the cost of its development and deployment and whether the sort of strategic thinking it represents is not itself a threat to national survival. In short, the M-X could well become the most controversial nuclear system since the ABM itself—the subject of the next great American strategic debate.

The cost of the weapon is substantial. Gen. Slay himself puts it at "upwards of $20 billion." A figure of $34 billion is heard most often from sources on Capitol Hill. Independent analysts, citing both refinements in the system yet to be made and histories of cost overruns in past strategic programs, have estimated costs as high as $50 billion before the M-X is fully deployed. An administration confronted with requests for major improvements in both strategic and conventional programs and which has, in addition, pledged welfare reform, tax relief, mandatory national health insurance and financial assistance to the cities must surely view the potential costs of the M-X with foreboding.

Nor can the prospect of 3,000 to 6,000 miles of trenches in the continental United States be pleasing to many who would reside near them. Some would view them as potential targets of a nuclear attack, others as unsightly scars on the landscape—strip-mines never to be filled. In either case, a substantial constituency would likely form against them.

But the thrust of most anti-M-X arguments involves the system itself. The interim SALT agreement, for example, provides for verification of compliance by each side through "national technical means," a code term for satellite reconnaissance. The accord states: "Each Party undertakes not to use deliberate concealment measures which impede verification by national technical means of compliance with the provisions of this Interim Agreement."

Would an M-X concealed in a trench or housed in a shelter amid a colony of empty ones violate the letter or spirit of SALT I? A senior official at the Arms Control and Disarmament Agency thinks so, predicting the deployment of the M-X would have a "severe to catastrophic" impact on the SALT process. And in testimony before the Senate Foreign Relations Committee last month, Sidney D. Drell, deputy director of the Linear Accelerator Center at Stanford University, predicted that mobile missiles would cause a proliferation of trenches and shelters by the both sides and added, "It violates the SALT I provisions unless each individual shelter, whether or not occupied by a missile, is counted as a launcher. If, on the other hand, each shelter is counted, this concept is meaningless unless their allowed number greatly exceeds the numerical limits agreed to at SALT I or Vladivostok."

But top Pentagon officials disagree. One trench equals one launcher, they maintain. The trenches, they insist, would have only one entrance and missiles could be photographed as they were wheeled in. Shelters would pose a more difficult problem, they concede, but even here the verification task is "not insurmountable."

IMPACT ON DETERRENCE

The high yield and great accuracy of the M-X also make it a "counterforce" weapon of some significance, and herein lies a second area of contention about the system. So-called "soft targets," such as population centers, industrial plants or military bases, can be attacked successfully by less potent, less accurate missiles. Weapons like the M-X would obviously be most useful in attacking hardened Soviet missile silos.

Arms controllers see two evils in such a counterforce capability. First, it undermines the entire concept of deterrence—that each side is dissuaded from attacking the other by the knowledge that a sufficient number of the victim's missiles will survive to inflict "unacceptable" damage on the side which strikes first. If you can knock out all or most of your adversary's missiles—thereby achieving "first strike capability"—deterrence has simply ceased to exist as a working proposition.

Second, the side achieving counterforce capability itself becomes an inviting target for its opponent, since the latter knows that only by striking first can it be certain its weapons will survive.

Supporters of counterforce weapons respond that the M-X poses no threat to the concept of deterrence since, however effective the weapons are against ICBMs, submarine-launched missiles and at least some intercontinental bombers will survive and get through to their targets. Counterforce weapons, they claim, thus provide a commander-in-chief with "flexibility" in situations involving a "limited" nuclear exchange since, if attacked, he is no longer faced with the "all or nothing" proposition of destroying civilization or doing nothing in order to prove his seriousness of purpose. A couple of hundred missiles launched at Soviet silos and, bang! the two sides are back at the conference table—10 million or so incidental civilian casualties notwithstanding.

Whichever side is correct, deployment of the M-X would likely render the counterforce debate moot anyway. Digging trenches, building multiple shelters or simply putting their missiles on wheels and letting them roam about the tundra does not seem a project likely to tax Soviet technological know-how. The "drawdown" strategy works both ways. Quite apart from the existing arms race, the M-X would undoubtedly trigger a "trench" or "multiple aim point" race in which neither throw-weight nor accuracy counted for very much. The counterforce capability of both sides would simply disappear as a potential fact of life.

This eventuality is not unrecognized by the Pentagon. Indeed the prospect of an expensive U.S.-Soviet stand-off in the mobile missile race appears to have been central to the planning of the M-X. As the latest Defense Department annual report states: "The United States should not accept a strategic relationship in which we must bear the heavier costs of alternative basing while the Soviets are allowed the luxury of retaining their fixed ICBMs. Since high accuracies can be built into mobile as well as fixed systems, the Soviet leadership should be aware that, if the United States moves toward mobility, the Soviets will have strong incentives to go mobile as well."

Depending upon one's point of view, then, the M-X is too costly because it would sop up funds which could better be used for modernizing NATO or rebuilding Harlem, or it is cost-effective because it is virtually certain to work and no price is too high when national survival is at stake. It would choke the SALT talks because it would impede the verification process central to SALT agreements, or it would provide a more stable context for SALT because it would ensure the survivability of an essential leg of our Triad (ICBMs, SLBMs and bombers) deterrence. It would lead to instability in a crisis because of its counterforce capability, or it would build even greater stability into our relations with the Soviets because their planners would realize we would not be spending so much money protecting a system from attack if we intended to use it first. It would fuel the "mad momentum" of the arms race, or it would establish conditions essential to further arms limitations agreements because it would make the Soviets realize that we have suffered no "failure of nerve" and cannot be outspent into a position of strategic inferiority."

AN OLD ARGUMENT

If the litany of arguments over the M-X seems familiar, it is because many of the arguments by both the arms control and defense establishments have been heard be-

fore: in the debates over ABM, MIRVing, the Trident submarine, the B–1 bomber and the cruise missile.

What distinguishes the two sides is not the question of whether the United States or the Soviet Union is currently ahead in the strategic weapons race, or even whether the ambitious pace of Soviet development will permit the Soviets to achieve a first-strike capability at any point in the foreseeable future.

For it is a simple, undisputed fact that, while the two sides are closer to positions of "rough equivalence" than they have ever been before, superior U.S. technology gives the United States substantial leads in everything from quieter submarines to the ability to destroy hardened missile silos with ICBMs. The wariest Pentagon hawk would not today trade a single leg of the U.S. Triad for its Soviet equivalent, at least not if he has read the Pentagon's own literature on the subject. Nor would he see any Soviet program as a threat to the survivability of the submarine and bomber components of our deterrent.

The issue underlying the current strategic debate centers instead, on the importance—if any—of nuclar weapons in today's global politics, given first the inability of either superpower to achieve a disarming first-strike capability and second, anything less than a monumental and highly visible strategic advantage enjoyed by either side.

The arms controllers believe such weapons are all but irrelevant, given the two conditions noted above. Shortly before accepting his current high State Department post, an arms controller summarized his feelings for me with the judgment, "Nuclear weapons mean crap."

Irreverent as that view might be, there is considerable precedent to support it. At a time when the United States had a virtual monopoly on nuclear weapons, the Soviets blockaded Berlin, China fell to the Communists, the North Koreans pushed across the 38th Parallel and Chinese "volunteers" poured across the Yalu River. The Soviets quashed the Hungarian uprising and erected the Berlin Wall during a period when their nuclear forces were dwarfed by America's. Neither the North Vietnamese thrusting into the South nor the Arabs embargoing oil shipments were dissuaded by items like "throw-weight advantage" or "counterforce capability."

The Pentagon's fiscal 1978 report, on the other hand, sees "prospective enemies, allies, neutrals, and attentive publics in the United States itself" all watching the strategic balance between the United States and the Soviet Union. These audiences tend to pay little heed to "detailed analyses" of where the two sides stand, concentrating instead on "such static indicators of relative nuclear strength as launchers, warheads, megatonnage, accuracy, throwweight, and the like." Were all or most of these indicators to favor the Soviets, these audiences might conclude that "the United States was not equivalent to the U.S.S.R. in strategic power and that the balance was now weighted in favor of the Soviet Union," a perception which could lead to "adjustment, accommodation and subordination."

But the prime danger, according to Pentagon strategists, comes when the two sides start to play nuclear chess. If the Soviets could wipe out a substantial portion of our ICBM force while we lacked the wherewithal to respond in kind, a "dangerous asymmetry" could develop. The Soviets could use part of their weapons to attack U.S. ICBMs or U.S. forces or military facilities in one area of the world or another, or even try "a creeping attack on SSBNs [missile-carrying nuclear submarines] at sea." If the United States could not then destroy the Soviet missiles held in reserve—which presumably would be waiting patiently in their silos for our counterattack—we might yet be able "to cause heavy damage to the industrial base of the Soviet Union and even to its people. But the withheld Soviet forces would then be able to do equal or greater damage to an equivalent target system in the United States." The United States would thus have little or no "flexibility" in the situation. It might have to back down. And this, the Pentagon warns, "is not an acceptable prospect."

GROWING DOUBTS

The Ford administration increasingly accepted the Pentagon's case for the M–X and similar systems. But a number of those familiar with Defense Secretary Brown's views say he regards as fantasy the notion that the Soviets, by improving the throw weight of their missiles and pursuing a civil defense strategy which even the Pentagon concludes is geared primarily to the survival of leadership cadres, are intent on developing a "war winning capability" in the foreseeable future.

Brown apparently sees talk of nuclear exchange substantially limited to military targets as downright dangerous. In an interview following his appointment to Defense last December, he said, "The belief on either side that you can survive a strategic thermonuclear war as a going society—when you can't—is the worst possible situation for the world to be in."

The President, for his part, indicated at his Feb. 8 news conference that he has not been much influenced by the Cassandra-like prophecies of Soviet gains of the past year, saying, "At the present time, my judgment is that we have superior nuclear capability." It was at this news conference that Carter invited the Soviets to join in the mutual ban on mobile missiles.

The Soviets have as yet deployed no mobile missiles, although the views of the Joint Chiefs both the SS–20, an intermediate range ballistic missile, and the SS–16, an ICBM carrying a single warhead, could be deployed by the Soviets in a mobile mode at virtually any time.

The fact is, however, that the Pentagon conceived the M–X not as a means of countering Soviet mobility but, at least in part, as a means of encouraging Soviet mobility, forcing them, in the words of this year's annual report, to "bear the heavier costs of alternative basing." Mobility on our side was developed as a hedge against the increasing accuracy, throw-weight and MIRV potential of the stationary Soviet ICBMs.

Thus, the Carter proposal—even if the President was only "expressing his own opinion"—could represent a clear point of departure with the thinking of the last administration, a willingness to live with a limited Soviet counterforce capability just as they must live with a similar American capability, a big step back from the "crisis scenarios" involving intercontinental nuclear missile duels with reciprocal military targets.

If that is so, the M–X may well have lost a key constitutent, the President of the United States. But it retains many others, including an apparent majority of the Senate Armed Services Committee, which has already put itself on record as favoring future ICBM programs only so long as the missiles are mobile. And, with a large number of legislators sharing the perception of a Soviet Union anxiously pursuing a nuclear warfighting capability, the debate over the M–X is likely to be quite lively, whatever President Carter decides.

Mr. McGOVERN. Mr. President, the United States today has a broad strategic advantage over the Soviet Union. The status of our national security force is not in jeopardy, as the "cold war alarmists" would have us believe. But the prospect for a meaningful and effective arms control agreement is at stake. If we proceed without caution and restraint in expanding our own nuclear forces, then those prospects may be damaged beyond repair.

NATIONAL SECURITY AND PAUL WARNKE

Mr. BAYH. Mr. President, I am taking this opportunity today during our debate on the nominations of Mr. Paul Warnke to be chief of the Strategic Arms Limitations Talks negotiating team and head of the Arms Control and Disarmament Agency to articulate what I believe to be some essential considerations which should guide our collective judgment.

The people of Indiana have expressed a strong interest in this man and the posts to which he has been appointed. I believe that he should be confirmed in both capacities. However, I would be less than candid if I did not say that this selection by President Carter to head our SALT efforts troubles some of the people I represent.

The one overriding consideration that has been communicated to me regarding this nomination has been the importance of making clear and unequivocal our commitment to a strong national defense. People in Indiana and across the Nation believe that we must be absolutely certain that our nuclear arsenal will be capable of deterring nuclear war, and I wholeheartedly agree. That mission is clear, and a clear assessment of our present capability shows that we possess the required deterrent.

The Chairman of the Joint Chiefs of Staff, responding to the assertion that the United States had actually fallen behind the Soviet Union in "every significant strategic category," reiterated his views that U.S. deterrent forces could perform their missions, that our strategic forces were not "inferior." Gen. George S. Brown stated the view of the Joint Chiefs of Staff by saying that:

> The United States has a substantial lead over the Soviet Union in bomber payload, missile accuracy, survivability and numbers of warheads and bombers.

Secretary of Defense Harold Brown concurs in this estimate.

Mr. Chairman, before I discuss the merits of the Warnke nominations, it will be useful to briefly review just what elements comprise our deterrent forces. We should also be aware that Mr. Warnke stated his support for the current configuration of these systems. In this context a word is in order about Soviet capabilities and trends as well, and I intend to speak to this at the conclusion of this summary.

As a preface to a discussion of U.S. nuclear deterrent forces, it is important to remember that there are some 219 major population and industrial centers in the Soviet Union. These would be key targets in an all-out retaliatory response, along with certain airfields and missile bases from where a second wave of nuclear attacks might be launched against the United States. The point is that the credibility of our deterrent forces is calculated on the basis of how much of the industrial-population base of the enemy is assured of being destroyed by our nuclear forces. In order for the following numbers to mean any-

thing it is necessary to keep in mind this limited number of targets which our missile and bomber forces are designed to destroy.

AMERICAN NUCLEAR DETERRENT FORCES

Land-based ICBM's—at the present time we have some 1,054 intercontinental ballistic missiles based in hardened silos which greatly reduces their chance of being destroyed in a surprise nuclear attack; 54 of the older, single-warhead Titan II, 450 of the Minuteman II each with one warhead and 550 Minuteman III ICBM, each with 3 multiple independently targetable reentry vehicles—MIRV's—make up 1 of the 3 strategic systems together known as the Triad.

It is also important to note that the incorporation of a command data buffer will permit retargeting of a Minuteman missile within 25 minutes. Such a capability is designed to defeat Soviet efforts to disperse targets and greatly complicate civil defense planning in the U.S.S.R. There are over 2,100 nuclear warheads capable of being delivered by the ICBM force alone. This figure approaches 10 times the number of worthwhile targets in the U.S.S.R.

It is, of course, possible that a major portion of this force could be destroyed as the Soviets introduce highly accurate, high-yield warheads in high numbers into their strategic rocket forces. This assumes that we would not "launch on warning" if we suddenly detected hundreds of incoming Soviet ICBM's. We might further degrade the U.S. ICBM force by assuming a number of failures on launch. Still, it remains evident that about 10 percent of our land-based missile force would be adequate to assure destruction of the 219 targets in the Soviet homeland.

Sea-based deterrent forces are the other unmanned component of the nuclear Triad and consist of 31 *Lafayette* class Poseidon C3 missile carrying submarines each with 16 missiles as well as 10 other nuclear-powered submarines each with the older *Polaris* A3 submarine-launched ballastic missiles—SLBM's. The Poseidon missile is truly an awesome weapon. Each of these 496 SLBM's now at sea carry between 10 and 14 MIRV's. This means that just one Poseidon C3 could deliver a nuclear warhead with over twice the explosive power as the bomb dropped on Hiroshima to East Chicago–Gary, South Bend, Muncie, New Albany, Evansville, Greater Lafayette, Terre Haute, Bloomington, and Columbus, with the remaining four warheads air bursting on the Indianapolis area.

The 5,000 or so warheads represented by the Poseidon force alone are more than overwhelming. But suppose the Soviets did the impossible and perfected an antisubmarine warfare technology which would allow them to neutralize this portion of the deterrent forces. I hasten to add here that such a technological surprise is not dismissed but regarded by the Navy as a very remote possibility. It is more likely that we could neutralize the Soviet SLBM forces than they could ours. We would then rely on our bomber forces to inflict unacceptable damage upon the enemy.

Strategic Air Command bombers (B–52's and FB–111's) have required the Soviets to maintain an air defense system consisting of some 2,650 aircraft and over 5,000 early warning and ground control intercept radars. To complicate further this problem for the Soviets, this 307-plane bomber force is armed with some 1,500 short-range attack missiles—SRAM's—which permit the aircraft to avoid intensive terminal air defenses. While it might appear that this 9 to 1 ratio of Soviet aircraft to U.S. bombers is lopsided when added to the some 10,000 surface-to-air missile launchers in the Soviet air defense command, highly sophisticated electronic countermeasures—ECM—and low-level penetration and attack profiles, among other factors, convince the Joint Chiefs of Staff that our bomber force can perform its mission.

SOVIET MILITARY TRENDS AND DÉTENTE

Mr. President, I hope that it is clear, if by simple arithmetic alone given the nature of nuclear weapons, that our deterrent capability is sufficient beyond doubt. Unfortunately, Soviet defense spending trends, a difference of perspective toward mutual assured destruction—MAD—and the emphasis on "winning" nuclear engagement as reflected in the Soviet military writings warrant our continuing concern. What must also add to our watchfulness is the massive buildup of Soviet conventional capabilities in Europe. It should be clear that in this regard, the U.S.S.R. is not the "mirror-image" of the United States.

Since the Nixon administration heralded in the era of détente it has become increasingly clear that this term has a somewhat different meaning to Moscow that it does for us. That we should sustain momentum toward a reduction of tensions between our countries is important. Efforts on our part to regulate political and military competition must be serious and relentless. The Soviets should not, however, expect us to acquiesce if détente is to be simply a way of conducting the cold war by other means.

Mr. President, if we are truly concerned about the pace and direction of the Soviet military build-up, is not it logical to support policies which have the best chance of braking our adversary's momentum in this direction? An agreement on the basis of the SALT II interim understanding could provide a framework to achieve this goal. President Carter's own expressed determination to reduce international reliance on nuclear weapons while maintaining a credible deterrent ought to be supported to this end. Taking into account these considerations, it is impossible to see how Mr. Warnke's appointments are inconsistent with these goals which, if realized, can only serve to enhance our national security.

PAUL WARNKE AND ARMS LIMITATION

Mr. President, during his confirmation hearings by the Senate Foreign Relations Committee, Mr. Warnke stated his views on several important aspects of strategic arms limitations. For my constituents and for my colleagues it is important to recall some major criticisms which have been made of Mr. Warnke. First, it is contended that Paul Warnke favors unilateral arms reductions to levels far below those now being discussed. This is not the case. Mr. Warnke stated clearly before the Senate Foreign Relations Committee that he,

> Would not advocate taking any sort of restraint action except on the basis of concrete measures of parallel restraint which had been talked out with the Soviet Union.

On another matter, Mr. Warnke stated that:

> I reject any concept of unilateral disarmament on the part of the United States.

The record shows Paul Warnke has never contemplated such an untenable position.

On his personal philosophy of arms control, Mr. Warnke indicated that:

> The direction of arms control policy must be toward greater stability at lower levels of destructive potential in both conventional and nuclear arms . . . I'm a strong advocate of arms control. I'm also a strong advocate of a strong national defense. I believe the two to be totally consistent and indeed, complementary.
>
> But I believe that if anybody does think that I represent a fixed philosophical position, then some of them will be surprised, and some others will be disappointed.

On the issue of allowing the Soviet Union to achieve strategic advantage, Mr. Warnke stated that he would,

> Continue to take the position that we could not yield strategic nuclear superiority to the Soviet Union.

Now let us consider another part of Mr. Warnke's testimony which opponents have seized upon. It concerned the Trident I Missile which is the follow-on to the Poseidon-Polaris forces to eventually be placed aboard Trident submarines each capable of launching some 24 missiles. In 1974 it appeared to Mr. Warnke that:

> The 4,000 mile Trident I missile—usable in the existing force is a worthwhile program, but the . . . 6,000 mile Trident II missile . . . not and should be suspended at least until an evaluation can be made as to the proper replacement for Polaris.

In his confirmation hearings, Mr. Warnke appears to have changed his mind about the Trident II missile in the context that the increased range "is a distinct increase in the deterrent efficacy of our forces and I support it." Here is the crucial point. Where some of his critics appear to assume any weapon can perform any mission, Mr. Warnke is criticized for being somewhat circumpect. He judges a weapon in its capability of performing a logical mission. His demonstrated critical judgment in this area, which is essential to any rational and effective defense policy, has not pleased those who assume "more is always better" in the realm of strategic nuclear weaponry. Because Mr. Warnke now refuses to fit the stereotype of "unilateral disarmer" and "abandoner of every strategic system" his critics are in disarray. And retreat to charges of "inconsistency."

As I said when I first announced my decision to support the Warnke nominations, it is not necessary to agree with every nuance of everyone of his previous positions on arms control and disarmament to recognize his ability as shrewd and competent negotiation representing U.S. interest. It is important that Mr. Warnke be confirmed for both posts since success at SALT II would provide an example that could greatly enhance our efforts to control the conventional weapons race and unbridled arms sales.

In the final analysis, our vote will be a referendum on whether we approve the initiatives which have been undertaken by President Carter to protect our vital security interests without abandoning our precious democratic values. The other participants in this effort, Cyrus Vance, Zbigniew Brzezinski, Stansfield Turner and Harold Brown will be involved in the SALT process. I think that Paul Warnke is a vital link in this chain of expertise which calls upon all of us to view arms control as a necessary component of our national security efforts.

We live in a hostile world which requires that we maintain a fighting force sufficient to meet any challenge which might confront us. At the same time, economic reality forces us to realize that we can no longer enjoy "guns and butter" in unlimited combinations. Therefore, we must make maximum utilization of each defense dollar. These tasks will be easier and our own security more greatly enhanced if we can break the momentum of the nuclear armaments race. This is why a SALT II agreement is so important. This is the position of the Joint Chief of Staff as well as Paul Warnke.

An atmosphere where the superpowers are not compelled to intensify the competition in nuclear weaponry will mit us to harness more fully the resources of our people. If such a climate of mutual assurance can be achieved, we can address more directly our domestic problems, and as I have said so often, Mr. Chairman, our strength at home is inextricably linked to our power abroad—to our ability and will to defend ourselves. Equal opportunity for employment, quality educational facilities, adequate health assurance, trust in Government and Government's trust in the people are other components necessary in any calculation of "national security."

A reduction of reliance on nuclear weapons in their present number by both sides will permit us to examine other areas of defense as well. Hopefully we will be able to put into practice policies which promise the most efficient expenditure of the defense dollar. This involves conventional as well as nuclear armaments, but always in the context of our security needs.

After careful reflection, Mr. President I believe that Mr. Warnke can make a valuable contribution to our efforts in this area and increase the chances for an arms limitation agreement which protects the national security interests of the United States. I urge my colleagues to support him.

NOMINATION OF PAUL WARNKE

Mr. METZENBAUM. Mr. President, in the past few weeks, the Senate has been performing its functions of advise and consent admirably. The record of Paul Warnke, the President's nominee to the dual posts of SALT negotiator and Director of ACDA, has received a public examination. Many Senators have discussed the nominees' views with Mr. Warnke at two sets of committee hearings. Now we are debating Mr. Warnke's qualifications once more before we vote on him.

There is, however, one point in the debate that needs clarification. Some of Mr. Warnke's opponents have attempted to portray him as an extreme dove. It is claimed that his "naive" views are shared only by a very small number of people, who simply do not understand the realities of Soviet power.

Such claims could not be further from the truth. Mr. Warnke's views are widely shared by the American people. His nomination has been supported by a large number of prominent people in both parties, and he has been endorsed by many former top officials involved in national security affairs. These include former Assistant Secretary of Defense William Bundy, former Secretary of the Air Force Thomas Finletter, and former Director of the CIA William Colby. These men are very definitely not naive disarmers.

Perhaps most importantly, Mr. Warnke was appointed by President Carter and enjoys his strongest support. This should surprise no one since Mr. Warnke's views are so similar to those of the other members of the President's national security team.

In particular, I recently had the opportunity to question Dr. Harold Brown at length, when he appeared before the Armed Services Committee. I was struck by the basic similarities between the Secretary of Defense's views and those which Mr. Warnke has articulated so well over the years.

In particular, I would call my colleagues' attention to the following statement of Dr. Brown:

I do not believe that it is necessary for the United States to match the Soviet Union in every measure of strategic nuclear capability that anyone can think up. I think we have to be not second best, on balance, and different people will judge that balance differently, because I think it is true that beyond some strategic force capability the difference of the political effect decreases. Certainly the difference between not having any and having some strategic nuclear capability is much more important than the next doubling of capability.

This statement, by Dr. Brown at his confirmation hearings, is strikingly similar to any number of statements by Mr. Warnke on the strategic balance. Dr. Brown and Mr. Warnke will work well together.

I know that some Senators still have doubts about Mr. Warnke. I urge them to look closely at Mr. Warnke's record and his response to the tough questions asked him at the Foreign Relations and Armed Services Committees. I am sure that after they do, a large majority will join me in voting to confirm the President's nominee.

Mr. EAGLETON. Mr. President, the nomination of Mr. Paul C. Warnke to be the Director of the Arms Control and Disarmament Agency and our chief SALT negotiator is now before the Senate. Few, if any, question Mr. Warnke's professional qualifications or the personal attributes he would bring to the job. But some controversy has been created by a small minority who take great exception to the views he has expressed on strategic and conventional military matters. It is my contention that a careful analyses of his views demonstrates clearly that it is Mr. Warnke's opponents, not Mr. Warnke, who are out of the mainstream of responsible military thought.

The real issue here is not Mr. Warnke's loyalty or his skill, it is instead his and President Carter's dedication to the goal of reducing the nuclear threat to this world. There are those, quite frankly, who stand in opposition to Mr. Warnke's nomination who would never be satisfied that the United States had enough strength in its nuclear arsenal to deter or defeat the Soviet Union. These individuals do not believe in the Arms Control and Disarmament Agency and, in fact, some of them fought its creation. Some of them do not want a SALT agreement. Mr. Warnke, as I will attempt to demonstrate, is uniquely qualified to head this important agency and to be our chief SALT negotiator.

Mr. President, because an anonymous memorandum was circulated within the Senate charging by implication that Mr. Warnke was a "unilateral disarmer," I decided to review some of Mr. Warnke's statements before congressional committees on my own.

Today I would like to review testimony that Mr. Warnke provided to the Task Force on National Security Programs of the House of Representatives Committee on the Budget in September 1975. I believe that this appearance and the most recent testimony he has given before the Foreign Relations and Armed Services Committees provide solid insight into Mr. Warnke's views on military matters. In my view, his testimony has consistently demonstrated the long-range thinking and sound analysis of nuclear arms issues required of a President's nuclear arms negotiator.

No doubt efforts will be made by some to nitpick or distort one aspect or another of this testimony, designed as it was to probe the usual accepted premises and myths of defense policy. With that in mind, I have reviewed the material with a critical eye. I find it stands up quite well.

First, Mr. Warnke's 1975 Budget Committee appearance. At one point, Mr. Warnke "urged a reevaluation of the role of American military power in today's world". He asked a fundamental question which many who plan our military force levels seem to ignore: Against what threats is American military power relevant? Mr. Warnke argues persuasively that we should not maintain forces for kinds of intervention we would not undertake.

At one point, Mr. Warnke asked a question which was most relevant to a

Budget Committee seeking answers to questions of priority:

Can we afford to procure two costly new but redundant systems—Trident and the B–1 bomber—at the same time? Could unilateral restraint in strategic arms be in our own best interest?

I want to highlight this quote because the reference to "unilateral restraint" has been separated by anonymous memo writers from its budgetary context. Mr. Warnke cares about budgetary consideration, and he cares whether a weapons system is cost effective. He should not be penalized for wanting to get the most bang out of our bucks.

Elsewhere, as other Senators have noted, Mr. Warnke has written quite interestingly of unilateral initiatives that sought, with 6-month time limits, to evoke sharply defined responses from the Soviet Union. Predictably, references to the reciprocal nature of such proposals were omitted by the anonymous memo writer. Mr. Warnke was not proposing unilateral action, he was, as he later indicated at his confirmation hearing, proposing "parallel" action as part of the negotiating process.

No doubt some will attempt to show weakness on Mr. Warnke's part because he recommended Congress take a more responsible approach toward budgeting by spelling out the costs of our intelligence operations. The possibility that Congress should exercise more control over covert operations through the budget is no longer perceived as a threat to national security. Unfortunately for the alarmists, in the year since Mr. Warnke broke ground by raising these questions, the Select Committee on Intelligence has begun to respond to just such concerns.

With regard to the Soviet Union, Mr. Warnke is properly vigilant. As is indicated by the following quote, he is watchful even against those who raise the specter of intimidation of our allies by Soviet military power:

Insofar as the Soviet Union is concerned, what we need is the military power that would prevent the Soviet Union from using or threatening to use its own military power against the United States or against those countries whose security is actually integral to our own.

But he warns against—as he should warn against—imagining that we face a sea of militarily important hostile powers when in fact there is one such dominant power.

Mr. Warnke predicted in his testimony, accurately as it turned out, that the one ABM site was "destined, in [his] opinion, to go into mothballs." He called it an example of the—

difficulty anybody has in facing up to the fact that an incorrect decision has been made at the cost of millions of dollars.

No doubt some will repeat the myth that this waste was necessary to get an ABM agreement; they forget that the threat to deploy—not the deployment—is the bargaining chip in any case, and it is a lot cheaper. Again, Mr. Warnke was right.

What about the old chestnut concerning the political perceptions by third powers of imbalances between the superpowers on strategic weapons? Mr. Warnke makes the refreshing, and absolutely precise, suggestion that—

The question as to political perceptions on the part of either our allies or our adversaries is a judgment that can't be left to our military planners. That is not their field of expertise. The justification that they should present for military programs is a military justification. They should be asked to show why it adds to the military capability that is genuinely useful for the United States to have. Questions as to political perceptions, as to diplomatic repercussions, as to the way in which this will affect American foreign policy are judgments that should be made by the Department of State and by the relevant committees of the U.S. Congress.

In this testimony, Mr. Warnke supports maintaining the Triad of American strategic might. He notes persuasively the advantages of maintaining our B–52 rather than building the B–1. But basically, as he noted in assessing proposals for eliminating one leg of the Triad or another:

You ought to be very, very careful about doing much tinkering with your existing forces because you might upset a balance which at the present time is very stable.

My colleagues will be pleased to see that Mr. Warnke believes that "the ratio of support forces to combat personnel is really a disgrace." That will put him in line with other strong advocates of a more combat-oriented force, including Senators SAM NUNN and DEWEY BARTLETT.

Mr. Warnke repeated this performance recently before the Senate Foreign Relations Committee. He told the Senate Foreign Relations Committee in crystal clear terms to demonstrate again his dedication to a sound national security. I was particularly struck by the following comments:

It's been suggested that I have become a symbol of a certain philosophic position. I'm flattered at the attention but I have to reject the characterization. I don't believe that I represent a fixed philosophical position on the issues of arms control. I'm a strong advocate of arms control. I'm also a strong advocate of a strong national defense. I believe the two to be totally consistent and indeed, complementary.

But I believe that if anybody does think that I represent a fixed philosophical position, then some of them will be surprised, and some others will be disappointed.

It also appears quite clearly from the confirmation hearing that Mr. Warnke will be a firm negotiator with the Russians. As he stated:

I have suggested repeatedly and I would continue to take the position that we could not yield strategic nuclear superiority to the Soviet Union. That is my position.

Before the Senate Armed Services Committee Mr. Warnke elaborated at great length on the recent distortions which have attempted to make him out to be a "unilateral" disarmer. In Mr. Warnke's own words:

I have never advocated unilateral disarmament. What I have advocated . . . is that under some circumstances we could try a set of initiatives in which we call for a prompt and matching response from the Soviet Union. . . . What I suggested in 1975 is that we try a measure of restraint, to do it with very, very great publicity, call upon the Soviet Union to respond with a matching restraint within six months or else we abandon our particular restraint.

As to the equally absurd distortions that somehow he would be "soft" in his negotiation, again we have Warnke's thinking in his own words to the Armed Services Committee:

It is very difficult to speculate on what the intent is of the Soviet Union because we understand so little about the decision-making process. I think it is only prudent that we have to assume that they don't wish us well. I think that it is only prudent to assume that they are trying to build up military superiority, and if they had military superiority they would use it to our disadvantage and that is why it seems to me that it is important for us both to maintain the military capability that prevents them from achieving that superiority and also to try and work out arms control agreements that will have the same effect but will lessen the level of both cost and risk. But certainly I don't think we can proceed on the assumption that the Soviet Union is not striving for superiority or would not use it to our disadvantage if they gained it.

The testimony summarized here contains many thousands of words. I will not suggest that it appear in the RECORD because it is available to the Members elsewhere. But I am struck by the fact that an individual could testify over the years at this length on so many subjects with such fluency and provide so little of a target to his opponents while being so responsive. Mr. Warnke's performance reveals the skills and knowledge which a brilliant man achieves after a term as Assistant Secretary of Defense. Mr. President, I believe the Arms Control and Disarmament Agency, with Paul Warnke as its Director, will be significantly upgraded as a force for national security through arms control. Mr. Warnke is overwhelmingly qualified for the position for which he has been nominated. There is every reason to believe he will serve his country well.

ROUTINE MORNING BUSINESS

The following routine morning business was transacted by the Senate today:

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Lt. Gen. William G. Moore, Jr., to the grade of general, which was referred to the Committee on Armed Services.

REPORT OF HEALTH ACTIVITIES—MESSAGE FROM THE PRESIDENT—PM 46

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I transmit herewith the Fifth Annual Report on Health Activities of the Department of Health, Education, and Welfare (HEW) as required by the Federal Coal Mine Health and Safety Act of 1969.

I recommend that the statutory reporting requirement for this report be changed from once every year to once every three years. HEW staff resources and time could be better spent on more research rather than on the preparation of annual reports of largely repetitious material. Basic information in this field has been known for some time, and new findings develop only slowly and infrequently. All of the information contained in this report is available to Congress during annual appropriations and oversight hearings, and HEW will inform Congress immediately of any scientific breakthroughs in the field.

JIMMY CARTER.

THE WHITE HOUSE, *March 8, 1977.*

MESSAGE FROM THE HOUSE

At 12:05 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the chairman of the Committee on Merchant Marine and Fisheries has appointed Mr BIAGGI, Mr. ZEFERETTI, Mr. MCCLOSKEY, and Mr. MURPHY of New York, members of the Board of Visitors to the U.S. Merchant Marine Academy for 1977.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–838. A letter from the Acting Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, the Base Structure Annex to the Defense Manpower Requirements Report for FY 1978 (with an accompanying report); to the Committee on Armed Services.

EC–839. A letter from the Acting General Counsel of the Department of Defense transmitting a draft of proposed legislation to authorize appropriations during fiscal year 1977 for research, development, test, and evaluation for the Armed Forces and to authorize appropriations for operation and maintenance of family housing, and for other purposes (with accompanying papers); to the Committee on Armed Services.

EC–840. A letter from the Acting Assistant Secretary of Defense, Manpower and Reserve Affairs, transmitting, pursuant to law, the Defense Manpower Requirements Report for FY 1978 (with an accompanying report); to the Committee on Armed Services.

EC–841. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a prospectus for alterations at the Kansas City, Missouri, Federal Building, 1500 E. Bannister Road, in the amount of $4,976,300 (with an accompanying report); to the Committee on Environment and Public Works.

EC–842. A letter from the Acting Administrator of the United States Environmental Protection Agency transmitting, pursuant to law, the second annual report of their Environmental Research Outlook for 1977–1981 (with an accompanying report); to the Committee on Environment and Public Works.

EC–843. A letter, dated March 3, 1977, from the Assistant Legal Adviser for Treaty Affairs for the Department of State transmitting, pursuant to law, international agreements other than treaties entered into by the United States within the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

EC–844. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Noise Pollution—Federal Program to Control It has Been Slow and Ineffective" (with an accompanying report); to the Committee on Governmental Affairs.

EC–845. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Outer Continental Shelf Sale #35—Problems Selecting and Evaluating Land to Lease" (with an accompanying report); to the Committee on Governmental Affairs.

EC–846. A letter from the Chairman of the Commission on Postal Service transmitting notice that the Commission will not be able to meet its filing deadline of March 15, 1977 for filing its report with Congress (with accompanying papers); to the Committee on Governmental Affairs.

EC–847. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Examination of Financial Statements Bureau of Engraving and Printing Fund for Fiscal Years 1974 and 1975 Shows Need for Statutory Authority to Increase Capitalization" (with an accompanying report); to the Committee on Governmental Affairs.

EC–848. A letter from the Director of the National Center for Health Services Research, Department of Health, Education, and Welfare, transmitting a document providing a summary of research studies supported by the National Center that were completed within the past two fiscal years (with an accompanying report); to the Committtee on Human Resources.

EC–849. A letter from the Chairman of the National Labor Relations Board and the General Counsel of the National Labor Relations Board transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–850. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–851. A letter from the President of the Panama Canal Company transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–852. A letter from the Administrator of the Veterans Administration transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–853. A letter from the Director of Communication of the Department of Agriculture transmitting corrections to their report on the administration of the Freedom of Information Act during the calendar year 1976; to the Committee on the Judiciary.

EC–854. A letter from the Postmaster General transmitting, pursuant to law, a report of the U.S. Postal Service on the administration of the Freedom of Information Act during calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM–84. House Joint Resolution No. 1 adopted by the Legislature of the State of Utah memorializing the Congress of the United States to take action, similar to that action taken of tobacco, to provide adequate warning to individuals that consumption of alcoholic beverages may be hazardous to their health; to the Committee on Commerce Science, and Transportation:

"ALCOHOLIC BEVERAGE WARNINGS RESOLUTION

"Be it resolved by the Legislature of the State of Utah:

"Whereas, the misuse of alcoholic beverages and beer continues to culminate in an inordinate number of highway deaths, birth defects, divorces, murders, and other injury to persons misusing such beverages, as well as to innocent members of the populace:

"Whereas, individuals misusing alcoholic beverages and beer inevitably fail to realize that such misuse is occurring;

"Whereas, present campaigns against misuse of alcohol have not succeeded in stemming the increasing tide of persons being injured daily by such misuse;

"Whereas, attempts to enforce total abstinence from alcoholic beverages have been proven to be futile;

"Whereas, the injuries inherent in misuse of alcoholic beverages far exceed even the injuries resulting from the use of cigarettes;

"Whereas, the results of recent Federal enactments, requiring the placing of a warning of the hazards of cigarette smoking on all cigarette packages and advertisements have been very rewarding; and

"Whereas, it appears that the requirement of a warning similar in nature to cigarette warnings would aid in the war against misuse of alcoholic beverages and beer;

"Now, therefore, be it resolved, that the 42nd Legislature of the State of Utah memorializes the Congress of the United States to examine into and pass legislation similar in nature to cigarette warning legislation to better inform the public that the consumption of alcoholic beverages or beer may be hazardous to their health and endanger other people's lives.

"Be it further resolved, that a copy of this Resolution be forwarded to the President of the United States, the Speaker of the House of Representatives, the President of the Senate, and to the Congressional Delegation from the State of Utah."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BELLMON, from the Committee on Agriculture, Nutrition, and Forestry:

With an amendment:

S. 650. A bill to provide temporary emergency assistance to wheat producers by permitting such producers to utilize a portion of their farm wheat acreage allotments for grazing purposes or for hay rather than for commercial production (Rept. No. 95–39).

Without amendment:

S. Res. 107. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 650. Referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Human Resources:

Robert J. Brown, of Colorado, to be Under Secretary of Labor.

Carin Ann Clauss, of Virginia, to be Solicitor for the Department of Labor.

Ernest Gideon Green, of New York, to be an Assistant Secretary of Labor.

Donald Elisburg, of Maryland, to be an Assistant Secretary of Labor

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

JOINT REFERRAL OF A NOMINATION

Mr. JACKSON. Mr. President, I ask unanimous consent that the nomination of Mr. Robert Herbst to be Assistant Secretary for Fish and Wildlife be jointly referred to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works. Through an error, it was referred solely, previously, to the Committee on Environment and Public Works. I ask unanimous consent that that referral be made.

I have cleared it, Mr. President, with the chairman of the Committee on Environment and Public Works.

Mr. TOWER. Reserving the right to object, I do not object, Mr. President.

Mr. JACKSON. Mr. President, I also wish to state that hearings on the nomination had previously been scheduled for this Thursday at 10 o'clock.

The PRESIDING OFFICER (Mr. ZORINSKY). Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. LUGAR:

S. 933. A bill to terminate the authorizations for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, and Clifty Creek Dam and Reservoir in the State of Indiana; to the Committee on Environment and Public Works.

By Mr. BARTLETT:

S. 934. A bill to establish a program of management and policy study commissions of the Government of the United States of America, and for other purposes; to the Committee on Governmental Affairs.

By Mr. JACKSON:

S. 935. A bill for the relief of Laird H. Hall; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 936. A bill to authorize the Secretary of the Navy to convey certain real property in the State of Hawaii to the present lessees of such real property; to the Committee on Armed Services.

By Mr. INOUYE:

S. 937. A bill for the relief of Peter Francis Berdzar; to the Committee on Armed Services.

By Mr. BUMPERS:

S. 938. A bill to prohibit aerial spraying using the chemical dioxin in the national forests; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAYH:

S. 939. A bill to amend the worker adjustment assistance provisions of the Trade Act of 1974 in order to provide that workers may be covered under certification of eligibility to apply for such assistance if they are totally or partially separated from adversely affected employment within two years before the date of the petition for such certification; to the Committee on Finance.

By Mr. BAYH (for himself, Mr. ABOUREZK, Mr. CLARK, Mr. CRANSTON, Mr. GRAVEL, Mr. HUMPHREY, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MATSUNAGA, Mr. PERCY, Mr. RANDOLPH, Mr. WILLIAMS, Mr. BUMPERS, Mr. LEAHY, and Mr. JAVITS):

S. 940. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer; to the Committee on Finance.

By Mr. JAVITS:

S. 941. A bill to amend the Library Services and Construction Act to provide for a program of Federal aid to large urban public libraries; to the Committee on Human Resources.

By Mr. EAGLETON (for himself, Mr. ABOUREZK, Mr. BAYH, Mr. HUMPHREY, Mr. INOUYE, Mr. LEAHY, Mr. MCGOVERN, Mr. STONE, Mr. ANDERSON, and Mr. MATSUNAGA):

S. 942. A bill to amend title II of the Social Security Act to reduce from 20 to 10 years the period of time that a divorced woman's marriage to an individual must have lasted for her to qualify for wife's or widow's benefits on the basis of the wages and self-employment income of such individual; to the Committee on Finance.

By Mr. EAGLETON:

S. 943. A bill to amend the Consolidated Farm and Rural Development Act to permit deferrals of principal and interest on outstanding Farmers Home Administration loans in disaster areas; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRIFFIN:

S. 944. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Governmental Affairs.

By Mr. METZENBAUM:

S. 945. A bill to regulate the conduct and development of research related to recombinant DNA, to establish a National Commission to study recombinant DNA research and technology, and to provide citizens and governmental remedies; to the Committee on Human Resources.

By Mr. INOUYE:

S.J. Res. 35. A joint resolution to designate "Municipal Clerks' Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LUGAR:

S. 933. A bill to terminate the authorizations for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, and Clifty Creek Dam and Reservoir in the State of Indiana; to the Committee on Environment and Public Works.

Mr. LUGAR. Mr. President: I am please today to introduce a bill to terminate the authorizations for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, and Clifty Creek Dam and Reservoir—all of which are located in the State of Indiana.

As with other major public works projects that have been pending over a period of years, the costs of constructing these three projects have risen sharply. These costs, coupled with potential damage to the environment, far exceed any foreseeable benefits that might come from these programs.

In what I believe to be a precedent-setting move, Gov. Otis R. Bowen of Indiana and the Indiana General Assembly already have withdrawn State approval of the Lafayette Lake and Big Pine projects, and apparently are in the process of taking similar action with respect to Clifty Creek.

In effect, the people of the State of Indiana, working through their elected State officials, have rejected these projects. Indiana citizens have made it clear that, although these projects may have once been cost effective and well advised, they do not now want the projects and they do not want their State to participate in them. It seems reasonable, therefore, that the Congress should follow the action taken by both Republicans and Democrats in Indiana elective offices and deauthorize the projects on the Federal level.

Passage of this bill would remove the cloud of uncertainty that continues to hang over those persons who own property adjacent to or near the projects. The financial and civic affairs of these citizens have been disrupted for too long, and it is time that a final decision is made to cancel these three projects.

By Mr. BARTLETT:

S. 934. A bill to establish a program of management and policy study commissions of the Government of the United States of America, and for other purposes; to the Committee on Governmental Affairs.

MANAGEMENT AND POLICY STRIKE-FORCES (MAPS)

Mr. BARTLETT. Mr. President, I would like to commend President Carter and the Senate for their prompt consideration of the problem of Government efficiency. At the same time I would like to introduce what I consider to be an exciting and proven method for achieving that goal. The bill I am introducing today lays out a program for management and policy evaluation that has proved itself many times.

What we need today is a program providing for a study of the Federal Government from the outside by knowledgeable and dedicated people with no vested interest in the Government itself. but a keen interest in better government through efficiency, economy, and competent policies. Such a study must be conducted in a manner that is open to public scrutiny, so that the public becomes knowledgeable of the issues and insistent upon the successful completion of the program.

The bill I am introducing today presents such a program. It is based on a management and policy study concept already well tested and proven at the State government level.

I can personally attest to the value of this approach since it was utilized by the State of Oklahoma when I was Governor.

In 1967, State government expenditures in Oklahoma, exclusive of Federal funds, had increased from $269 million in 1957 to $455 million in 1966, an escalation of 69 percent. During this same period, State population rose only 8.8 percent. This jump in spending was more than eight times greater than the population growth. Thus, the need to implement the most effective governmental operating procedures was a matter of prime importance. This became the main objective of the Oklahoma Management Study Committee. This private sector group conducted a study of our State government without cost to the State. The project was initiated by executive order and Warren King and Associates was retained by the task force as their consultants.

The Oklahoma Management Study Committee worked full time over a period of 6 months, carefully reviewing the operation of 36 departments, agencies, boards, and commissions of our State government. Emphasis was placed on developing specific, practical operating methods. This resulted in the formulation of 399 cost saving recommendations.

Actual annual savings of $21 million—5 percent of the State budget—were attained by implementing completely or partially 297 of these recommendations. As Governor, I implemented 88 percent of these recommendations through administrative action. The remaining 12 percent were implemented through legislation, an excellent record considering that four-fifths of the legislature were members of the opposing political party. In addition to the savings achieved, the caliber of the services provided by the State were significantly improved.

In the last decade some 26 States have used management and policy commissions to improve government services. By implementing 40 to 60 percent of the recommendations through administrative action and 20 to 25 percent through legislation, the States saved a total of $5.5 billion and improved the efficiency of State government beyond measure.

An example that I can point to at the Federal level of the effectiveness of this general approach is the recently completed management study of the Bureau of Indian Affairs. In September of 1976 the American Indian Policy Review Commission released a report on its management study of the Bureau of Indian Affairs. The study was a result of an amendment I submitted in 1975 authorizing the Commission to conduct a management and policy strike-force review of the Bureau. The report contained numerous recommendations for improved management efficiency. Full implementation of these recommendations will amount to an annual savings of $112,800,000 in the Bureau's budget, and a one-time savings of $20 million.

I think this report is a genuine landmark in the struggle for greater efficiency and economy in the operation of the Federal Government. It also serves as a successful model for the legislation I am introducing today.

My legislation would establish a Policy-Management Study Coordination Office responsible for the coordination of a number of independent management and policy study task forces known as Management and Policy Strike-Forces—MAPS. The function of each MAPS would be to direct the management study of the particular department, agency, bureau, boards, commissions, or offices to which it would be assigned by the office. Each three-member strike force would contract with professional experts in the field of management for the operation of the management and policy study. Under specific direction of this legislation they would recruit and utilize to the fullest extent the volunteer services and skills of capable and qualified individuals from the business community, the academic community, and elsewhere in the private sector.

As described in the legislation each MAPS would attempt "to promote economy, efficiency, and improved service in the transaction of public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, instrumentalities, and authorities of the Government, by proposing such reforms which would have the effect of: first, limiting Government expenditures to the lowest possible amount consistent with the efficient performance of essential functions; second, limiting duplication and overlapping functions; third, consolidating functions of a similar nature; fourth, abolishing functions obsolete or unnecessary to the efficient conduct of Government; and fifth, defining and limiting those functions, services, and activities which are appropriate to the executive, legislative, and judicial branches."

The MAPS would have the power to subpena witnesses and information from the Government as well as the power to conduct research necessary to their study upon their own initiative. Upon completion of such analysis, the MAPS will submit a report of its findings, conclusions, and policy and administrative recommendations to the coordination office for dissemination. The authority of the coordination office shall be limited to the dissemination of the MAPS report. It is specifically denied authority to accept or reject, amend, suppress, or otherwise act upon the report of the individual MAPS. In essence, the coordination office is a clearinghouse for the reports of the MAPS.

Mr. President, other attempts to review the operation of the Federal Government and to bring about reforms have failed, but this program will not. Its success is assured, in part, by the unique weekly reporting procedure provided by the strike-forces, a procedure which will guarantee that press and public interest will be sustained and that public insistence for reforms will not be ignored. This high visibility will assist the MAPS in penetrating the cobwebs surrounding the bureaucracy, the administration, and the Congress.

Another point in favor of this program is that it will not add a new layer of Federal bureaucracy. Each MAPS will dissolve within 60 days after submitting its final report to the coordinating office. The office in turn will dissolve shortly after the final MAPS report was submitted to it.

I urge my colleagues in the Senate as well as President Carter to examine this legislation closely. I think it is a dynamic, promising, and proven approach to obtaining efficiency and economy in Government.

At this time I ask unanimous consent that the text of my legislation and a Reader's Digest article on this topic be printed in the RECORD.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Management and Policy Strike-Force Act".

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress to promote the economy and efficiency as well as the improved delivery of services in transaction of the public operation of departments, bureaus, agencies, boards, commissions, offices, independent establishments and instrumentalities of the executive branch of the Federal Government by—

(1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(2) eliminating duplicative and overlapping procedures, activities, and functions;

(3) consolidating services, activities, and functions of similar nature;

(4) abolishing services, activities, and functions that are obsolete or unnecessary to the efficient conduct of the Federal Government; and

(5) defining and limiting executive functions, services, procedures, and activities.

POLICY-MANAGEMENT STUDY COORDINATION OFFICE

SEC. 3. (a) There is hereby established as an independent instrumentality of the United States a Policy-Management Study Coordination Office (hereinafter referred to as the "Office").

(b) The Office shall be composed of seven members as follows:

(1) The President of the United States.

(2) The Comptroller General of the United States.

(3) The Director of the Office of Management and Budget.

(4) Two Members of the House of Representatives appointed by the Speaker of the House of Representatives.

(5) Two Members of the Senate of the United States appointed by the President pro tempore of the Senate.

(c) Any vacancy in the Office shall not affect its powers and shall be filled—

(1) in the case of members described in paragraphs (2) and (3) by their successors or by their deputies; or

(2) in the case of members described in paragraph (4) or (5) in the same manner in which the original appointment was made.

(d) The President shall serve as Chairman of the Office. The Office shall elect a Vice Chairman from among its members other than the President.

(e) Four members of the Office shall constitute a quorum.

DUTIES

SEC. 4. It shall be the duty of the Office—

(1) to study and analyze the Government of the United States of America, dividing it

along functional, structural, or other conceptual lines such as departments, units, agencies, bureaus, boards, commissions, offices, or operations so that the structural and functional characteristics of the Government of the United States may be segregated, designated, and reviewed by an appropriate Management and Policy Strike-Force as provided by section 11;

(2) to appoint to each Management and Policy Strike-Force, by majority vote, three individuals who by reason of background, experience, or education are particularly suitable for such appointment;

(3) to require the submission of interim and final reports of each of the Management and Policy Strike-Force at such times according to such schedule as the Office may require; and

(4) to receive and disseminate the reports and recommendations of the Management and Policy Strike-Force to the Congress, the President, and the public.

POWERS OF THE OFFICE

SEC. 5. (a) The Office, or on the authorization of the Office, any subcommittee thereof, may, for the purpose of carrying out the provisions of this Act, sit and act at such times and places as the Management and Policy Strike-Force may deem advisable.

(b) The Office may acquire directly from the head of any department, agency, independent instrumentality, or other authority of the executive branch of the Government available books, papers, documents, statistics, studies, reports and any other information which the Office deems useful in the discharge of its duties. The Office is authorized and directed to request appropriate information from the appropriate officials of the legislative and judicial branches of the Government. All departments, agencies, and independent instrumentalities, or other authorities of the executive branch of the Government and the appropriate officials of the legislative and judicial branches of the Government shall cooperate with the Office and furnish all information requested by the Office to the extent permitted by law.

ADMINISTRATIVE PROVISIONS OF THE OFFICE

SEC. 6. (a) Subject to such rules and regulations as may be adopted by the Office, the Office shall have the power—

(1) to appoint and fix the compensation of an executive director and such additional staff personnel as it deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter II of chapter 53 of such title relating to classification and General Schedule pay rates, but—

(A) in the case of the executive director, at a rate equal to that for level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(B) in the case of all other personnel, at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title; and

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(b) The Office is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Office in such amounts as the President may determine.

MANAGEMENT AND POLICY STRIKE FORCES

SEC. 7. (a) There are established so many study commissions to be known as Management and Policy Strike Forces as the Office shall deem necessary for the purpose of conducting in-depth management studies as the Office may determine.

(b) Each such Management and Policy Strike Force shall be composed of three Commissioners appointed pursuant to section 8.

MEMBERS

SEC. 8. (a) A Management and Policy Strike-Force shall be composed of three members, appointed by a majority vote of the members of the Office pursuant to section 4, and shall constitute the sole source of authority and direction for each Management and Policy Strike-Force.

(b) Not more than one member of a Management and Policy Strike-Force may have served on any other Management and Policy Strike-Force.

(c) No person may serve simultaneously as a member of two or more Management and Policy Strike-Forces.

(d) No person shall serve as a member of a Management and Policy Strike-Force who is presently serving or has previously served as a member of either House of Congress, or is presently an employee of the Government of the United States of America or has been an employee of the Government of the United States of America at any time during the five years preceding the date of enactment of this legislation;

(e) Two members of a Management and Policy Strike-Force shall constitute a quorum.

(f) Each Management and Policy Strike-Force shall elect a Chairman from among its members.

COMPENSATION

SEC. 9. (a) The members of the Office shall serve without compensation in addition to that received for their services in the executive branch or as Members of Congress, as the case may be, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of duties vested in the Office.

(b) All members of a Management and Policy Strike-Force shall be reimbursed for travel, subsistence, and other necessary expenses incurred in connection with their activities as members of a Management and Policy Strike-Force.

COMMISSION UTILIZATION OF PRIVATE SECTOR RESOURCES

SEC. 10. Each Management and Policy Strike-Force shall, in carrying out the duties provided for in section 11 of this Act, to the fullest possible extent utilize the volunteer services and skills of capable and qualified individuals from the private sector.

DUTIES

SEC. 11. Each Management and Policy Strike-Force shall—

(1) conduct an in-depth analysis and study of the subject matter area for which it is responsible, as determined by the Office, in order to promote economy, efficiency, and improved service in the transaction of the public business in the department, bureaus, agencies, boards, commissions, offices, independent establishments, instrumentalities, and authorities of the Government by proposing such reform, changes, and legislative measures as will have the effect of—

(A) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(B) eliminating duplication and overlapping of services, activities, and functions;

(C) consolidating services, activities, and functions of a similar nature;

(D) abolishing services, activities, and functions obsolete or not necessary to the efficient conduct of Government; and

(E) defining and limiting appropriate executive, legislative, and judicial functions, services, and activities;

(2) submit a report of its findings, conclusions, and recommendations, including proposed legislative changes, to the Office within such reasonable time schedule as the Office may require.

POWERS OF THE MANAGEMENT AND POLICY STRIKE-FORCE

SEC. 12. (a) A Management and Policy Strike-Force or, on the authorization of a Management and Policy Strike-Force, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as such a Management and Policy Strike-Force or such subcommittee or member may deem advisable.

(b) (1) Subpenas shall be issued under the signature of the Chairman or any member of a Management and Policy Strike-Force designated by him and shall be served by any person designated by the Chairman or by any member. Any member of such a Management and Policy Strike-Force may administer oaths or affirmation to witnesses appearing before such a Management and Policy Strike-Force.

(2) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances to witnesses summoned under the authority conferred by this section shall be paid from funds appropriated to such a Management and Policy Strike-Force.

(3) Any person who willfully neglects or refuses to appear, or refuses to qualify as a witness, or to testify, or to produce any evidence in obedience to any subpena duly issued under the authority of this section shall be fined not more than $500, or imprisoned for not more than six months, or both. Upon the certification by the Chairman of a Management and Policy Strike-Force of the facts concerning any such willful disobedience by any person to the United States attorney for any judicial district in which such person resides or is found, such attorney may proceed by information for the prosecution of such person for such offense.

(c) A Management and Policy Strike-Force may acquire directly from the head of any department, agency, independent instrumentality, or other authority of the executive branch of the Government available books, papers, documents, statistics, studies, reports, any other information which the Management and Policy Strike-Force deems useful in the discharge of its duties. A Management and Policy Strike-Force is authorized and directed to request such information from the appropriate officials of the legislative and judicial branches of the Government. All departments, agencies, and independent instrumentalities, or other authorities of the executive branch of the Government and the appropriate officials of the legislative and judicial branches of the Government shall cooperate with a Management and Policy Strike-Force and furnish all information requested by a Management and Policy Strike-Force to the extent permitted by law.

(d) A management and Policy Strike-Force may conduct its own research activity which it shall deem necessary to fulfill its duties.

ADMINISTRATIVE PROVISIONS FOR MANAGEMENT AND POLICY STRIKE-FORCES

SEC. 13. (a) Subject to such rules and regulations as may be adopted by a Management and Policy Strike-Force, a Management and Policy Strike-Force shall have the power—

(1) to appoint and fix the compensation of an executive director, and such additional staff personnel as it deems necessary, without regard to the provisions of title 5, United

States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but—

(A) in the case of the executive director, at a rate equal to that for level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(B) in the case of all other personnel, at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title;

(C) in the case of the executive director, no person shall be appointed to serve as executive director who is presently serving or has previously served as a Member of either House of Congress or who is presently or has previously been an employee of the United States Government, with the exception of active or Reserve service with one of the branches of the United States Armed Forces;

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code; and

(3) wherever possible, accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code.

(b) Each Management and Policy Strike-Force is authorized to enter into arrangements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of such Management and Policy Strike-Force in such amounts as may be agreed upon by the Chairman and the Administrator of the General Services Administration.

RECEIPT OF REPORTS AND RECOMMENDATIONS

SEC. 14. The Coordination Office has no authorization, after receiving an interim or final report from a Management and Policy Strike-Force as authorized in section 11, to reject, alter, abridge, suppress, or otherwise modify such report or the recommendations contained therein.

TERMINATION

SEC. 15. (a) Each Management and Policy Strike-Force shall terminate not later than sixty days after the date on which it transmits its final report to the Office pursuant to section 11.

(b) The Office shall terminate not later than 180 days after the date of the submission of the final Strike-Force report.

APPROPRIATIONS

SEC. 16. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

[From the Reader's Digest, May 1976]

THEY'RE TRIMMING THE FAT FROM STATE GOVERNMENT

(By Trevor Armbrister)

By December 1974, Wisconsin's Division of Motor Vehicles (DMV) was disastrously behind in its work, and citizen complaints were mounting. It took eight weeks to process auto-title registrations—with a backlog of more than 50,000. Gov. Patrick J. Lucey decided to call for help from the business community. Allen A. Sieczkowski, a 28-year-old budget manager for the J.C. Penney Co. in Milwaukee, accepted the challenge.

Studying procedures at the DMV main office in Madison, Sieczkowski found administrative disorder and a crying need for modernization: "They had buried themselves under a mountain of red tape." Drawing on his own experience, the young businessman recommended solutions. There were far too many steps in the processing; cut some of them out. Applications were processed manually; a computer could do the work more efficiently. Job assignments should be more clearly defined; DMV employes agreed. By December 1975, the office work load had been substantially reduced, the backlog had disappeared, and processing time had been slashed to ten days.

Quietly, without fanfare, businessmen all across America are volunteering their skills to help State Governments cut costs and perform more efficiently. The names of these programs, and their accomplishments, vary from State to State. Yet, over the past dozen years, they've saved taxpayers an estimated $5.5 billion. The contribution has been costly to the firms which pay the salaries of businessmen spending time away from their own jobs. But by helping State governments function more smoothly, they've created a healthier business climate, and that in the long run has been a more than adequate reward. Dr. Richard T. Tesher, president of the U.S. Chamber of Commerce, stresses, "Businessmen have a big stake in helping government get along on less."

BETTER WAY

The 1960's witnessed a disturbing, accelerating trend all across the United States. While State populations increased only slightly—most by less than 15 percent—State payrolls ballooned. Government at the State and local level became one of the fastest growing "industries" in the country and, as demands for services multiplied, expenditures began climbing out of sight. Raising taxes provided only temporary relief.

When James A. Rhodes took office as governor of Ohio in 1963, the State, despite increased taxes, had unpaid bills of more than $100 million. Unemployment was high and rising rapidly; corporations were moving out of State. What was needed was a total reorganization of Ohio's State government.

State finance director Richard Krabach remembered how a blue-ribbon commission headed by former President Herbert Hoover had once probed the Federal government's efficiency. Couldn't similar scrutiny be directed at State government? Krabach consulted with Hoover in New York, then sought further advice from Warren J. King, president of Warren King and Associates, a Chicago-based consulting firm. Quickly, the two men drew up ground rules: It would not suffice to "borrow" executives one or two days a week. They would have to recruit the best talent in the State, on a full-time volunteer basis, until the job was done. Governor Rhodes enthusiastically issued an executive order establishing the Council for the Reorganization of Ohio State Government.

At a meeting of the top executives of two dozen Ohio firms, Krabach called for volunteers. "We're not looking for checkbook patriotism. What we want from your companies is talent. And not just anyone; we need the people you can't spare."

"Who do you want from me?" asked Alfred S. Glossbrenner, then president of Youngstown Sheet & Tube Company.

"Howard Bishop, your chief industrial engineer."

With Bishop as their chairman, 94 Ohio businessmen studied every department of state government. Three months later, they presented 511 recommendations—to save Ohio taxpayers $50 million a year. Reforms included abolition of specific jobs, such as that of the employe whose duty it was to measure the depth of the Toledo-Cincinnati canal—which had been closed for 63 years. Other recommendations called for application of modern business techniques, and even consolidation of whole overlapping agencies. Rhodes implemented nearly 75 percent of the recommendations. Actual annual savings were $60 million—or $10 million above the estimate—and for the next five years Ohio led the United States in its rate of industrial growth.

COST-CUTTERS AT WORK

Encouraged, consultant King took the idea to other states' chief executives. In 1965, Gov. Dan Evans of Washington agreed to give the concept a try. Ninety of that state's top business executives hammered out a report with 670 recommendations. Two-thirds of these were implemented, to save some $20 million per year. Oklahoma businessmen suggested 399 ways to streamline their state's government; 250 of them were okayed, for annual savings of $15 million.

Then, in 1967, Gov. Ronald Reagan of California asked King to coordinate a study in his state. The 252 "loaned executives," divided into seven teams, weighed in with 2000 suggestions. These enabled Reagan to cut spending by $175 million a year.

By 1976, some 20 states had asked King to coordinate management reviews of their governments. More than 1500 businessmen had participated. They offered 14,500 suggestions which could, if put into action, save taxpayers a monster $4.8 billion. (Encouragingly, a large number of those suggestions came from state employes themselves.) Meanwhile, other states—including Missouri, Minnesota and Wisconsin—had instituted programs of their own, and savings there over the years had run into the hundreds of millions.

In almost every state, cost-cutters discovered that government could become more efficient by:

Restructuring agencies to provide services more efficiently. During the 1960s, West Virginia's welfare rolls had increased—dramatically. Thus, when Gov. Arch A. Moore, Jr., took office in 1969, one of his first acts was to ask state businessmen for recommendations to "help bust the welfare cycle." Accepting their suggestions, he merged the state's Welfare and Employment Security departments. He expedited welfare applications by reducing the number of offices—county, district and state—through which they had to make their way, and by installing computer terminals in the county offices.

Moore added refinements of his own. At his instigation, West Virginia became the first state to require that recipients, if able to work, accept appropriate employment. Before, 14,000 welfare fathers had received benefits. Today fewer than 1000 do. Recipients used to average 20 months on the rolls. Today they average seven. The six-week processing time for new applications has been cut to one. Savings thus far: $60 million. Between 1970 and 1974, the nation's welfare rolls increased by 36.2 percent; in West Virginia, the rolls dropped by 32.4 percent.

Reorganizations and consolidations haven't been limited to welfare departments. Inspired by businessmen's recommendations, Florida is working on the development of a "one-stop" automotive services system to replace its 690 locations for such services as driver's licenses, vehicle inspection, license plate sales, and processing of titles.

In Connecticut, alarmed by the high cost of maintenance at state buildings in Hartford, businessmen discovered that a private firm would do the job for one-third the price. The saving: $760,000 per year.

Insisting on tighter money management. In Minnesota, members of Gov. Wendell Anderson's volunteer task force found that it took Revenue Department employes an average of 4.5 days to process each incoming check. By depositing checks the day they arrived, the department could reap additional interest of nearly $700,000 per year. In New Jersey, businessmen recommended saving $1.5 million by reducing the amount the state kept in checking accounts and investing the money in securities. Another $4

million could be realized simply by improving the investment portfolio of state pension funds.

Stopping unnecessary purchasing. Almost everywhere, businessmen have found, states are buying items they don't need, paying more than they should, and keeping excessive supplies in inventory. Simply by purchasing compact cars instead of standard-sized vehicles, businessmen discovered, North Carolina could save $265,000 per year. In Ohio, businessmen learned that one state hospital had bought enough sugar to last it for 16 years.

In Minnesota, executives found that the highway department had enough supplies for 18 months. Their recommendation: keep on hand only enough for three to four months. The department agreed. The $5 million that had formerly been funneled into excess inventory every year was poured instead into concrete, asphalt and blacktop. Result: the state has been able to continue its highway construction program, while some states—because of reduced gasoline-tax revenues and heavy inflation—have had to shut down their programs.

Charging users fair fees for state services. Copies of birth certificates, professional licenses, driving permits—the list of services that citizens expect from state government is varied and long. Often, states don't charge enough to defray the costs.

Ever since 1927, for example, New Jersey had charged a constant $5 fee for issuing teaching certificates—though in the interim teachers' salaries had increased by 700 percent, and the Department of Education was losing money. The businessmen's suggestion: raise the certificate fee to $20, and glean an additional $600,000 per year.

In Alabama, the Governor's Cost Control Survey discovered that the Alcoholic Beverage Control Board was spending $75 to process each annual license renewal for retail beer outlets, but charging just $10. Raise the fee, the businessmen said. (This has not been done, as of this writing.) In Iowa, executives concluded that the state could earn $1.4 million by increasing its charges for hunting and fishing licenses and boat registrations. (This was one of the minor recommendations by a blue-ribbon Economy Committee, which has helped Gov. Robert D. Ray cut taxes, expand services, and establish a substantial surplus in the state's treasury.)

FACING FISCAL REALITY

The mere establishment of a businessmen's task force is, of course, no panacea for the problems that plague state government. Without a determination by the governor to recruit the best talent available, without his firm commitment to implement as many of the recommendations as possible, without following through by the businessmen themselves, the effort can fall. Some suggestions may prove impracticable; legislatures may stall others for reasons of their own. Yet, in all but a few of the states which have attempted to improve their management functions, the result has been more efficient, more economical government. And that is what taxpayers want.

Recently, Ohio and Pennsylvania invited businessmen back to study their operations for a second time. One executive involved in the Pennsylvania study—Otto Ehrsam of Bethlehem Steel—was visiting a correctional facility with other members of his team. Invited for lunch, they discovered to their surprise that they did not have to pay. Checking further, they discovered that the state provided free meals to 2700 correctional-bureau employees every day. Annual cost: $745,000. "We decided that this ought to stop," Ehrsam recalls. "We said that there should be no such thing as a free lunch in state government."

By Mr. BUMPERS:

S. 938. A bill to prohibit aerial spraying using the chemical dioxin in the national forests; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. BUMPERS. Mr. President, recent events have made us all more keenly aware of the dangers to humans and the environment from chemical misuse. The kepone controversy unfolded virtually in our own back yard. Even more devastating was the catastrophe that befell Seveso, Italy, last summer when a chemical plant process went awry and released a white cloud of toxic smoke over the community. What followed was reminiscent of the Andromeda Strain. Animals and plants died. Children broke out in rashes. Upset stomachs and diarrhea predominated. Some pregnant women in the area had abortions. Finally, the town's population was evacuated by the Italian Government. The chemical compound involved was dioxin, a highly toxic substance which, even in minute quantities, can produce birth defects.

Dioxin is the same toxic substance that contaminates, and therefore becomes a part of, the herbicide 2,4,5-T during the manufacturing process. It is 2,4,5-T that the Forest Service is currently using to defoliate hardwoods in our national forests in order that the more profitable softwoods can be produced and marketed. Not only is this highly virulent herbicide used, but it is being sprayed aerially from helicopters. Needless to say, the aerial sprayings of 2,4,5-T have caused alarm in many communities. In my own State, for example, a law suit is now pending which would have the effect of permanently enjoining the aerial spraying of 2,4,5-T in two of Arkansas' three national forests.

My own personal view is that under no circumstances should this chemical compound be administered from the air. The chance of drift is simply too great. The Forest Service, and perhaps even EPA, will argue that the quantities of dioxin involved with 2,4,5-T are so miniscule that the risk to humans of contamination is virtually nil. I would answer by saying the effect of an unintended drift of 2,4,5-T over a community may be undetectable, but it is definitely there. Moreover, the contamination may accumulate over a period of time, only to be manifested at a later date, much the same as radioactive contamination.

Last year, I wrote to the Forest Service about the potential hazard existing in the use of 2,4,5-T. The response from the agency was hardly comforting and did little to set my mind at ease. Chief McGuire answered in part:

We feel that these products registered with the U.S. Environmental Protection Agency (including 2,4,5-T), when used according to label directions and precautions are effective for the uses intended and pose no significant adverse effects upon our environment.

This suggests to me that the Forest Service is admitting to adverse effects from the use of 2,4,5-T, but concludes the effects are not significant.

I personally find the risk to human life and to our environment from this chemical compound unacceptable, especially when other methods of application are available. The one method that immediately comes to mind is hand application by injection of the chemical directly into individual trees. This may result in higher forest management costs, but I say let us incur those costs rather than gamble on the possibility of contamination from a compound that everyone agrees is extremely toxic and hazardous if experienced at certain levels of concentration.

My bill, therefore, would ban the aerial spraying of 2,4,5-T in our national forests.

I urge my colleagues to join me in support of this legislation. I ask unanimous consent that the text of my bill, together with an extremely informative article published in the Nation on November 20, 1976, entitled "Defoliant 2,4,5-T, Ecological Russian Roulette" and a breakdown of those national forests using 2,4,5-T be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture shall prohibit any aerial spraying within the national forests using the chemical known as 2,4,5-T or any other chemical containing dioxin.

[From the Nation, Nov. 20, 1976]

ECOLOGICAL RUSSIAN ROULETTE

(By R. Douglas Clark)

Trichlorophenoxyacetic acid. The tongue works its way through the words like a rat through a maze. Usually called 2,4,5-T, this acid is the active ingredient in hundreds of different herbicides. Although it had been sold widely in the United States since the late 1940s, 2,4,5-T first attracted public attention in the late 1960s for its use in Vietnam—where it was the defoliant spray called Agent Orange.* Public protest forced the military to discontinue its use of Agent Orange in 1969. Today there is growing pressure to ban 2,4,5-T in this country as well. 2,4,5-T belongs to a group of compounds called the "phenoxy herbicides," which kill broad-leaf plants by altering their growth processes. Proponents claim that they are a thorough and economical means of eliminating undesirable vegetation. Environmentalists argue that this interference destroys the necessary ecological balance. Moreover, they fear that the phenoxy herbicides affect not only broad-leaf plants but permeate entire ecosystems, potentially interfering with the growth processes of all living things, including people.

Those who oppose the use of 2,4,5-T must fight a number of powerful special-interest groups. Ranchers spray the herbicide on their range lands; rice farmers and timber companies use it on their crops; the Forest Service and the Bureau of Land Management (BLM) spray thousands of acres of public forest with 2,4,5-T each year, in preparation for commercial logging operations. Perhaps the most ardent advocates of 2,4,5-T are its manufacturers, especially Dow Chemical.

Much of the controversy centers on another chemical, called TCDD or dioxin, which invariably contaminates 2,4,5-T in the manufacturing process. Dioxin is extremely toxic.

Footnote at end of speech.

The maximum allowable level of dioxin in 2,4,5-T is 0.1 part per million, and even that amount is considered dangerous by some exports. [See "Warning from Seveso: The Poisoning of Italy" by Edith Schloss, *The Nation*, October 16.]

In 1970, the Department of Agriculture severely restricted the use of dioxin-contaminated herbicides in the United States. When EPA took over the registration of herbicides, it scheduled a public hearing for April 1974 to consider banning those herbicides entirely. The hearings were delayed and, amid protest, were canceled in June of that year, ostensibly to await further test results.

On August 7, 1974, the Senate defeated an attempt to ban Forest Service use of 2,4,5-T. A few days *after* the Senators had acted, Dr. Diane Courtney, then head of EPA's National Environmental Research Center, testified before a Senate Commerce subcommittee on the environment that dioxin is by "far the most toxic compound known to mankind"; in her opinion, 2,4,5-T "should not be used in any way at all." A spokesman for Dow Chemical disagreed, although he had been quoted earlier as saying, "You can just stand in a vineyard and think of 2,4,5-T and the leaves will wither."

There is little agreement among experts about the properties of dioxin, except that it is highly toxic and slow to decompose. Researchers continue to experiment and to monitor a few sprayed areas, seeking answers to a number of questions.

Does dioxin bio-accumulate? Since it is slow to decompose, it remains in plants and water sprayed with 2,4,5-T for long periods. When contaminated plants and water are consumed by animals, does the dioxin remain in their bodies or is it expelled? If it is retained, then it accumulates as the animal ingests more contaminated food or water. Further, if dioxin bio-accumulates, it rises unavoidably in the food chain as larger animals eat the smaller ones. A 1973 study made in Vietnam by the American Association for the Advancement of Science found dioxin in fish taken from areas sprayed with Agent Orange. This suggested to the researchers that the dioxin was both bio-accumulating and rising in the food chain. Also in 1973, the EPA tested animals from sprayed areas in the United States and found dioxin in their bodies at levels ranging from 9 to 397 parts per trillion. Unaccountably, these results were made public only recently—in a court proceeding—which suggests that the EPA has been suppressing important data. Still more recently, the EPA revealed that it had found dioxin in beef fat of cattle raised on range lands sprayed with 2,4,5-T. The test cattle were being raised for human consumption.

What are the effects of dioxin on animals? At the very least, it can cause birth defects. This has been proven in laboratory experiments and, tragically, in the human laboratory of Vietnam. It is also suspected that dioxin can produce mutations and cause cancer. Brief contact can cause illness; prolonged contact is lethal.

There are other important and as yet unanswered questions. When dioxin does decompose, does it break down into other toxic substances? Do plants or microorganisms in the soil create more dioxin from 2,4,5-T? When vegetation sprayed with 2,4,5-T is burned (as it often is in forests), is dioxin released into the air?

Public concern about the dangers of dioxin has grown rapidly. Citizens' groups have formed to protest the use of 2,4,5-T and other herbicides. People are asking the pre-eminent question: is it worth the risk? Many object to the cavalier attitude of herbicide advocates. As one writer commented, proponents "tend to see chemicals as innocent until proven guilty, a more than dubious approach to health problems since it turns people involuntarily into guinea pigs."

People have begun to take action. In June, public protest forced the Alaska Department of Highways to withdraw its application to spray 2,4,5-T along its rights-of-way, despite strong support of the application by Dow Chemical. Two counties in Oregon (Lane and Lincoln) have stopped using 2,4,5-T along county roadsides, largely because of a campaign staged by Citizens Against Toxic Sprays.

Those who wish to voice a complaint against the federal government—unless they are content with mollifying responses from federal agencies—must go to court. So far most of the litigation has centered on the Forest Service, although the BLM also uses 2,4,5-T. In 1975, courts in three states (Wisconsin, Michigan and Arkansas) ordered the Forest Service to halt its spraying program until it complies with the Federal Environmental Policy Act of 1969. Under that Act, any federal agency which initiates a project affecting the environment must prepare an Environmental Impact Statement (EIS) detailing those effects. In each of the three states, the court ruled that the EIS was inadequate—primarily because the discussion of the properties and effects of dioxin ignored important data. A similar suit was completed in Oregon on August 24, and a ruling is expected soon.

These court decisions do not resolve the issue, but only suspend it until the Forest Service revises its EISs. A law court, structured to resolve more clear-cut issues, may not be the best place to discuss a problem in which the evidence is contradictory or still forthcoming. Legal procedure places the burden of proof on the opponents of 2,4,5-T (the plaintiffs), and a heavy burden it is, since irrefutable proof is not yet possible. Unfortunately, the function of the defendants is not to listen and respond reasonably but to refute to the best of their ability, even if it means fudging a little, every argument the plaintiffs offer. Those they can't refute, they ignore. Many of the scientists who testify at the trials are little better; they might be more candid and less adamant about their own interpretation of the data if the forum itelf were less rigid and more conducive to sensible talk.

The defendants argue that dioxin has not been proven harmful to human beings, and in a strict legal sense, that is so. But they also argue that, despite the grim possibilities, there is not much to worry about. They claim that the amounts of dioxin released into the environment are so minuscule that there is virtually no danger. As the U.S. Attorney for the Forest Service suggested in his final brief in the Oregon case, "society should accept minimal hazards for obvious benefits. . . ." Sadly, the hazards seem more than minimal. For if dioxin does bio-accumulate, if it is mutagenic or carcinogenic, then the long-range effects could be catastrophic. And the "benefits" are far from obvious.

The ecosystem does not benefit. Herbicides destroy its careful balance. In the awkward language of a Forest Service EIS, the use of herbicides results in a "simplification of the plant community . . . in which some ecological niches will be temporarily vacant." The animal community is also endangered by the poison, especially birds, small mammals and fish. According to the Forest Service's own regulations, a spray plane is supposed to leave a buffer of 100 feet on either side of streams so as not to contaminate the water or its inhabitants. Many streams, however, are hidden from view by thick vegetation on either side.

Nearby residents do not benefit either. Herbicides applied from a spray plane may drift as much as 15 miles from the target area, killing garden plants, causing illness, and even having teratogenic effects on pregnant livestock. If the plants, animals and people who live in or near sprayed areas do not benefit, who does?

Those who benefit most are the "power elite" of the game: the chemical manufacturers, the timber industry, the agribusinessmen, the Forest Service and the BLM. Business, of course, is in it for the money; it recognizes no moral contingencies. The government is supposed to fill that void by regulating commerce; this includes registering chemicals and banning them when necessary, since industry certainly will not do that for itself. But when federal agencies act in collusion with industry, who is left to protect the public interest? Only the lowly EPA is left, a David without a sling, standing in awe of politics, litigation and pressure groups.

Furthermore, the fact that a chemical is registered with the EPA does not make it safe. As one conservationist explained, "There isn't enough time, money or people to review the products adequately; many important tests are not performed; inadequate safety data are obtained; there is too much reliance on industry data; and the burden of proof too often is left with EPA." Thus, the mere registration of a chemical should not absolve all others from responsibility. The Oregon plaintiffs noted, "EPA's registration is federal permission, not a federal prescription, for use." This month, 2, 4, 5-T comes up for re-registration. One may hope that the EPA will respond to public concern rather than to the pressure of the big "interests."

For the most part, the press has overlooked or avoided the 2,4,5-T controversy. With a few exceptions—notably Daniel Zwerdling's article in The Washington Post (January 25)—the major media have not reflected the public's concern. This may be blamed partly on Watergate. In June 1974, when the EPA hearings on dioxin were canceled, Watergate was by far the biggest news story. It was on August 9 that Dr. Courtney testified that dioxin is by "far the most toxic compound known to mankind." That was the day on which Nixon resigned.

But Watergate no longer dominates the news. Yet in the face of growing public concern over the past two years—expressed by citizen protest and court action—the media have remained unaccountably mute. A recent issue of The Atlantic Monthly (April) features a 30,000-word article by Thomas Griffith on the Pacific Northwest. It discusses several environmental issues but does not even mention herbicides, though 2,4,5-T has become an important issue in the region.

Ultimately, the use of 2,4,5-T is only a symptom of a larger problem—our reverence for technology. We spray 2,4,5-T for much the same reason that we go to the moon: because it's there. Thus, the Forest Service justifies spraying in public recreation areas because it decreases the "hazard of poison oak." The reaction of one critic: "It seems highly dubious to me to substitute an invisible, unidentifiable poison for a visible and identifiable poison." Incredibly, timber companies seem to value technology even more than money. One study showed that in a forest sprayed with 2,4,5-T there was "visible damage to a significant percentage of the 'crop' (Douglas fir, hemlock and spruce)," and that the spray treatments actually retarded their growth.

At a deeper level of the American psyche, the view is even more disturbing. For whatever reasons, Americans seem to enjoy taking risks, and the higher the stakes the better. We also seem to enjoy controlling nature for the vaunted goal of "progress," whether it means destroying buffalo with bullets, destroying rivers with dams, or destroying forests with sprays. The environment is the final frontier, more accessible than the moon, more easily justified than war.

FOOTNOTE

*The Air Force still owns 2.3 million gallons of the poison, estimated to be worth up to $100 million. Most of it is being stored on Johnston Island in the Pacific Ocean; the remainder is in Gulfport, Miss. At first, the Air Force intended to dispose of the stock by burning it at two domestic sites, later amend-

ed to a "remote site" outside the United States. For a while there was talk of selling a dilution of it to certain South American countries for agricultural use. The State Department will not allow this until the diluted herbicide is approved for commercial use in the United States. Environmental Protection Agency (EPA) approval has not yet been granted, but it has been urged by The New York Times as well as the Air Force.

NATIONAL FORESTS USING 2,4,5-T IN FISCAL YEAR 1976

State and national forest	Ground treatment	Aerial treatment
Arkansas: Ouachita	X	
California:		
Eldorado	X	
Klamath		X
Lassen	X	
Plumas		X
Sequoia		X
Shasta-Trinity		X
Six-Rivers		X
Tahoe		X
Colorado: San Juan	X	
Idaho:		
Boise	X	
Clearwater		X
Targhee	X	
Illinois: Shawnee	X	
Indiana and Ohio: Wayne-Hoosier	X	
Kentucky: Daniel Boone	X	
Maine and New Hampshire: White Mountain	X	
Michigan:		
Huron-Manistee	X	
Ottawa	X	
Minnesota: Chippewa	X	
Mississippi: National forests		X
Missouri: Mark Twain	X	
North Carolina: National forests	X	
Oregon:		
Deschutes		X
Fremont		X
Mt. Hood		X
Rogue River		X
Siskiyou		X
Siuslaw		X
Umpqua		X
Wallowa-Whitman		X
Willamette		X
Winema		X
Puerto Rico: Caribbean	X	
South Carolina: National forests		X
Tennessee: Cherokee	X	
Utah: Manti-LaSal	X	
Virginia and West Virginia: George Washington	X	
Virginia: Jefferson	X	
Washington:		
Gifford Pinchot		X
Mt. Baker-Snoqualmie		X
Wenatchee		X
Colville		X
Olympic		X
West Virginia: Monongahela	X	

By Mr. BAYH:

S. 939. A bill to amend the worker adjustment assistance provisions of the Trade Act of 1974 in order to provide that workers may be covered under certification of eligibility to apply for such assistance if they are totally or partially separated from adversely affected employment within 2 years before the date of the petition for such certification; to the Committee on Finance.

TRADE ADJUSTMENT ASSISTANCE PROGRAM AMENDMENTS

Mr. BAYH. Mr. President, I rise today to introduce a bill which will remedy some very serious shortcomings in the trade readjustment assistance program provided by the Trade Act of 1974. As my colleagues know, the act states that a worker will be eligible for assistance only if a petition is filed on his behalf within 1 year of the date he was separated from employment. The legislation which I am introducing today makes three important changes in the present program.

The 1-year limitation on eligibility has caused thousands of workers to be denied benefits to which they were otherwise entitled. My legislation will remedy this by providing a 2-year period of eligibility. Lack of knowledge about the trade readjustment assistance program, sparsity of information about the cause of layoffs, and a simple unavailability of trade data to justify a claim necessitate this change in present law.

The second section of this bill makes this change retroactive to the start of the program in order to provide benefits to those who are presently ineligible because of the 1-year eligibility status. In addition, section 2(b) provides that benefits already paid will not have to be recomputed because of a change in certification resulting from this bill.

Mr. President, two extremely important trade cases affecting tens of thousands of American jobs are now in the process of being resolved through the "escape clause" provision of the Trade Act. Both of these issues vitally impact the people in Indiana. Today the U.S. International Trade Commission will vote to determine whether television receivers are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry. If such a finding is made, the Commission will vote on March 10 to determine appropriate remedy. On February 8 the USITC did find nonrubber footwear imports to cause serious injury to U.S. footwear manufacturers who employed 163,000 workers in 1975. The remedy recommended here by a majority of the Commission is a variable-rate tariff.

My constituents have already felt the impacts of the rising tide of these and other imports. Plants in Shelbyville, Muncie, and Columbus have closed as a result of the flood of color television imports. The footwear problem has caused layoffs in such places as Salem, Ind., where the Bata Shoe Co. is located.

Nor is this problem confined to these industries alone as the workers at Allegheny Ludlum in New Castle, Jay Garment in Portland, and Warner Gear of Muncie know all too well. My House colleague, Congressman PHIL SHARP, introduced legislation on March 3 improving the present program and, in his district alone, the legislation could provide retroactive benefits to some 1,000 workers in the area.

Mr. President, with the severe winter and fuel shortage adding to the ranks of the unemployed, we must make every effort to be sure that laws which are designed to provide maximum benefits to those workers involuntarily idled really work.

We might remember that one recommendation made to the President by the USITC with regard to footwear imports was adjustment assistance. Unfortunately, present restrictions might very well prevent a number of workers from receiving the special unemployment and training benefits from the Department of Labor unless we act quickly. Mr. President, I urge my colleagues to join with me by enacting these necessary changes in the Trade Adjustment Assistance program.

Mr. President, at this time I ask unanimous consent for a list of companies affected by this bill be printed into the RECORD at this point. I also ask unanimous consent that a copy of this legislation be likewise printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 939

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 223 (b) (1) of the Trade Act of 1974 (19 U.S.C. 2273(b) (1), is amended by striking out "one year" and inserting in lieu thereof "two years".

SEC. 2. (a) The amendment made by the first section of this Act shall take effect April 3, 1975.

(b) Section 223(b) (1) (A) of the Trade Reform Act of 1974 (as added by the first section of this Act) shall not apply with respect to any worker certified as eligible to apply for adjustment assistance under chapter 2 of such Act on the basis of a petition filed under section 221 of such Act before the date of the enactment of this Act.

COMPANIES AFFECTED BY TAA AMENDMENT

ALABAMA

Alatex Inc., Brantley.
Alatex Inc., Andalusia.
Alatex Inc., Troy.
Vulcan Rivet and Bolt Co., Birmingham.
The Lamson and Sessions Co., Birmingham.

ARKANSAS

Ed White Junior Shoe Company, Paragould.
Brown Shoe Company, Piggott.
International Shoe Company, Conway.
Hercules Trouser Co., Inc., Fordyce.

ARIZONA

Motorola Incorporated, Phoenix and Mesa.

CALIFORNIA

Cobblers, Inc., Culver City.
Ratner Clothes Corp., Div. of San Diego, Calif. Divisions, Chula Vista.
Russell, Burdsall and Ward, Inc., Los Angeles.
Ford Motor Company, Los Angeles.
RCA Corporation, Los Angeles.
Ford Motor Company, San Jose.
Rohr Industries, Inc., Riverside.
Ford Motor Company, San Jose.

CONNECTICUT

International Silver Co., Meriden.
Allegheny Ludlum Steel Corporation, Wallingford.
Carpenter Technology Corporation, Bridgeport.

GEORGIA

RCA Corporation, Atlanta.
Manhattan Shirt Co., Americus.
Manhattan Shirt Co., Ashburn.
Manhattan Shirt Co., Jesup.

ILLINOIS

Brown Shoe Co., Murphysboro.
Brown Shoe Co., Sullivan.
Ludlow Typograph Co., Chicago.
Motorola Inc., Quincy.
Hart, Schaffner and Marx., Rock Island.
The Lamson and Sessions Co., Chicago.
ITT Harper, Div. Of International Telephone and Telegraph Corp., Morton Grove.
U.S. Steel Corp., Waukegan.

INDIANA

The U.S. Shoe Corp., Crothersville.
Sarkes Tarzian Inc., Bloomington & Jasper (also Brownsville, Tex.).
Warner Gear Company, Muncie.

Jay Garment Company, Portland.
Frederick H. Burnham Glove, Michigan City.
Albert Givens, East Chicago.
Arthur Winer, Inc., Gary.
Allegheny Ludlum Steel Corp., New Castle.
Bethlehem Steel Corp., Laman Bolt Plant, East Chicago.

IOWA

Fairchild Glove Company, Fairfield.
Fairchild Glove Company, Bonapart.

LOUISIANA

Thermatomic Carbon Co., Sterlington.
Haspel Bros. Inc., New Orleans.

MAINE

Station Street Corp., Biddleford.

MARYLAND

A. Brash and Sons Inc., Baltimore.
Eastern Stainless Steel Co., Baltimore.

MASSACHUSETTS

Cliftex Corporation, New Bedford.
Dartmouth Clothing Co., New Bedford.
Cape Cod Sportswear Co., Inc., New Bedford.
Lee White Marble Co., Lee.
Teledyne Vasco Company, Agawam.
Marilinda Sportswear, Inc., Fall River.
Goodyear Tire and Rubber Company, New Bedford.
C. F. Hathaway, Inc., Lowell.
Nyanza, Inc., Ashland.
Deerfield Manufacturing Corporation, New Bedford.

MICHIGAN

Ford Motor Company, Warren.
Ford Motor Company, Warren.
Ford Motor Company, Wood Haven.
Ford Motor Company, Utica.
Ford Motor Company, Dearborn.
M. T. Shaw Inc., Coldwater.
Jones and Laughlin Steel Co., Warren.

MISSISSIPPI

Haspel Incorporated, Tylertown.

MISSOURI

Town and Country Shoes, Sedalia.
Fairfax Mfg. Co., Mound City.
International Shoe Co., St. Clair.
Brown Shoe Company, Bernie.
General Motors Corporation, St. Louis.
Brown Shoe Company Warehouse, St. Louis.
Brown Shoe Co., Fredricktown.
Cardozo Mfg. Co., Inc., Kansas City.
The U.S. Shoe Corporation, Marionville.
Brunham-Edina Mfg. Co., Edina.
Midwest Footwear, Sullivan.

MONTANA

The Anaconda Company, Butte.

NEW JERSEY

Hudson Pants Co., Inc., Jersey City.
Hilton Mfg. Co., Linden.
William B. Kessler Inc., Hammonton.
Clifton Clothing Co., Wallington.
Ford Motor Company, Metuchen.
Frank Saltz and Sons Inc., Passaic.
M. Ehrenberg Sons, Inc., Passaic.
Victor Roberts, Inc., Passaic.
Modern Junior, Matewan.

OHIO

The U.S. Shoe Corp., Columbus.
Harris Corporation, Cleveland.
International Harvester Co., Shadyside.
International Harvester Co., Springfield.
General Motors Corp., Lordstown.
Ford Motor Company, Lima.
Ford Motor Company, Walton Hills.
Production Molded Plastic Inc., Alliance.
The Lamson & Sessions Company, Kent.
The Lamson & Sessions Company, Cleveland.
Republic Steel Corporation, Canton.
Republic Steel Corporation, Massillon.
Russell Burdsall & Ward Inc., Menton.
Hercules Trouser Co., Inc., Wellston.
Hercules Trouser Co., Inc., Manchester.
Hercules Trouser Co., Inc., Hillsboro.
Jones & Laughlin Steel Corp., Youngstown.
GTE Sylvania, Inc., Ottawa.
Jones & Laughlin Steel Corp., Louisville.
Advance Mfg. Corp., Cleveland.
Dana Corporation, Spicer Transmission Division, Toledo.
Republic Steel Corp., Union Drawn Division.
Satralloy, Inc., Steubenville.

PENNSYLVANIA

Teplick Clothers, Inc., Philadelphia.
J. Maimon & Sons Inc., Philadelphia.
Majestic Sweater Mills, Inc., Philadelphia.
DeLuca Sportswear, Philadelphia.
Fulton Clothes Inc., Philadelphia.
Puritan Company, Lansdale.
GTE Sylvania, Inc., Altoona.
Quality Components, St. Marys.
Universal-Cyclops Specialty Steel Company, Bridgeville.
Teledyne Vasco, East Latrobe.
GTE Sylvania, Inc., Emporium.
Bristol Knitting Mills, Inc., Cornwells Heights.
Jay Knitwear Inc., Philadelphia.
Russell, Burdsall & Ward Inc., Corapolis.
Rubber Corporation of Penn.
Armco Steel Corporation, Butler Works, Steel Division, Butler.
Jessop Steel Company, Washington.
Carpenter Technology, Reading.
Greenville Tub Corp., Greenville.
Crucible Inc. Colt Industries, Midland.
D. Seidman's Sons, Philadelphia.
Teledyne Vasco, Monaca.
Washington Steel Corporation, Houston.
Pnee Footwear Company, Nanticoke.
Victory Clothes Company, Philadelphia.
Modern Slack Creations Inc., Northampton.
Northhampton Pants Company, Easton.
Strongwear Pants Co., Inc., Easton.
Strongwear Slack Inc., Easton.
Allegheny Ludlum Steel Corp., Breckenridge.
Allegheny Ludlum Steel Corp., West Leechburg.
Continental Copper, Lower Burrel.
Norvelt Clothing Co., Inc., Norvelt.
Empire Shoe Manufacturing Co., Inc., Elizabethtown.
Galeton Production Co., Galeton.
Modulus Corporation, Mt. Pleasant.
Teledyne Pittsburgh Tool Steel, Monaca.
Bethlehem Steel Corp., Lebanon.
MLM Sportswear Inc., Philadelphia.

RHODE ISLAND

William Haskell Mfg. Co., Pawtucket.
Crown Clothing Co., Vineland.
RCA Corporation, Cherry Hill.
RCA Corporation, Deptford.
Carpenter Technology Corp., Union.
Chico Sportswear Co., Inc., Elizabeth.
Mirando Manufacturing Co. Inc., Elizabeth.
Sweda International, Clifton.
Stylecraft Clothing Co., West Orange.
New Jersey Sportswear Co., Inc., Clifton.
Consolidated Pants, Inc., Hammonton.

NEW YORK

Bergman Tool Mfg. Co. Inc., Buffalo.
Andrew Pallack & Co. Inc. and Bruce Ramsey Division, New York.
Eagle Clothes and Solbod, Inc., Brooklyn and New York.
Primo Coat Corp., New York.
Imperial Pants Co., Brooklyn.
Hy-Grade Sportswear Co., Inc. & Hy-Grade Coat Co., Inc., New York.
Eagle Pants Co., Brooklyn.
Catania Clothing Corp., New York.
E. Bonelli & Co., Inc., New York.
Brookfield Clothes Inc., Long Island City.
M. Kopp Inc., New York.
Saint Laurie Limited, New York.
Harry Irwin, Inc., New York.
Ambassador Clothes Inc., New York.
Allegheny Ludlum Steel Corp., Dunkirk.
Gulant & Maslin, Inc., Brooklyn.
Fine Craft Coat Co., Inc., Brooklyn.
Moda Contracting Corp., New York.
Sidmar Clothing Co., Inc., New York.
Vicale-Catania Clothing Ltd., New York.
Shop Contracting Corp., Long Island City.
Manhattan Coat Co., New York.
M'Sieur Slacks, Inc., Brooklyn.
Albex Contractors Inc., Brooklyn.
General Motors Corporation, Tonawanda.
General Motors Corporation, Massena.
Ben Shapiro Shoe Co., Inc., Brooklyn.
Bond Stores, Inc., Rochester.
Gobar Footwear Inc., Middletown.
Hickey Freeman Co., Inc., Rochester.
Fownes Brothers & Co., Inc., Amsterdam.
Sussex Clothes Ltd., New York.
Weiss Marble Works, Inc., Brooklyn.
Mac Originals Company, Inc., New York.
Crucible Inc. Colt Industries, Syracuse.
Splendorform Brassiere Company, New York.
Lady Marlene Inc., New York.
Youthcraft Foundations Co., Brooklyn.
Anita Foundations, Inc., New York.
Do – All Brassiere Co., Brooklyn.
L & W Brassiere Co., Inc. New York.
Melton Shirt Co., Inc., Batavia.
Tara Hall Clothes,, New York.
Alamo Accessories, Inc.,
Dame Belt Company Inc., New York.
Marshall Ray Corp., Troy.
Ambroson Gloves Inc., Gloversville.
Joseph Perrella, Inc., Gloversville.
General Electric Company, Liverpool.
Cluett Peabody & Company, Inc., New York.
Rud-Shaw Clothing Co., Inc., Brooklyn.
Wallace Murphey Corp., Simmons Steel Div., Lockport.
Chicago Pneumatic Tool Comp., Utica.
Washburn Wire Co., New York.
Excellent Bag Corp.,
Dirzis Products Co., Inc., Richmond Hill.

NORTH CAROLINA

Southern Screw Co., Statesville.

SOUTH CAROLINA

Manhattan Shirt Co., Winnsboro.

TENNESSEE

Knoxville Glove Co., Knoxville.
E. L. Bruce Co., Inc., Covington.
Jay Garment Co., Clarksville.
Sarkes Tarzian Inc., Brownsville. (Also Bloomington & Indiana)

TEXAS

Armco Steel Corp., Houston.

VIRGINIA

E. L. Bruce Co., Chesapeake.

WISCONSIN

Leverenz Shoe Co., Sheboygan.
Allen Bradley Co., Milwaukee.
Weinbrenner Shoe Company, Antigo.
Allis-Chalmers Corporation, West Allis.
Apex Glove Company Inc., Milwaukee.

PUERTO RICO

Dynamic International Corporation, Lajas.

By Mr. BAYH (for himself, Mr. ABOUREZK, Mr. CLARK, Mr. CRANSTON, Mr. GRAVEL, Mr. HUMPHREY, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MATSUNAGA, Mr. PERCY, Mr. RANDOLPH, Mr. WILLIAMS, Mr. BUMPERS, Mr. LEAHY, and Mr. JAVITS):

S. 940. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer; to the Committee on Finance.

Mr. BAYH. Mr. President, today Senators ABOUREZK, CLARK, GRAVEL, HUMPHREY, MCGOVERN, MCINTYRE, MATSUNAGA, PERCY, RANDOLPH, WILLIAMS, BUMPERS, LEAHY, JAVITS, and CRANSTON join me in reintroducing legislation first intro-

duced in 1975 which provides for coverage under part B of medicare for routine exfoliative aptology tests for the diagnosis of uterine cancer.

Mr. President, cancer, the abnormal multiplication of cells, encompasses a broad range of clinically distinct diseases. If it were only one disease we could hope to consolidate our allied medical knowledge in pushing for cancer's eradication. Unfortunately, it is not that simple. The multiplicity of cancers compounds the complexity of finding the key to cure.

It is estimated that 53 million people now alive in the United States will have cancer and 35 million people will die from it unless new methods of prevention, treatments, or cure are found. Cancer kills one man, woman, or child every 2 minutes. More than half of all cancer deaths are from people over the age of 65. These cold cruel statistics fail to include the cost of human suffering of the victims, their relatives and their friends.

Mr. President, the latest statistics of the National Cancer Institute reveal the grim fact that in 1974 there were 46,000 new cases of uterine cancer alone. Over 11,000 of these patients died. The most prevalent form of uterine cancer is cancer of the cervix. Of the 11,000 terminal uterine cases, more than 7,800 had cancer of the cervix.

One of the truly great tragedies of uterine cancer is that it would very rarely prove fatal if it were discovered early rather than after invasive development. When discovered at its earliest stage, carcinoma-in-situ, uterine cancer, is just about 100 percent curable.

Unlike other virulent types of cancer, cervical cancer which is treated and arrested at its nascent stage is highly unlikely to recur in later years. The American Cancer Society tells us that a woman who is discovered to have early cervical cancer is expected to live just about as long as women in her age group who have not had this type of cancer, provided they have undergone appropriate medical treatment. Survival rates are predominately a reflection of the stage at which uterine cancer is found. If the cancer is not recognized until it is at a more advanced stage, the survival rates of women affected with it decrease each year, even after undergoing appropriate biomedical tests and treatments.

Given a disease that has such a good prognosis at its earliest stage and is so difficult to cure later, it seems that a full-scale effort would be in effect to discover a simple diagnostic test to uncover cervical cancer as early as possible and to get every adult woman in this country to take this test as often as the medical profession thinks is necessary. If this were the case, we could insure that every single case of cervical cancer discovered will be at the earliest stage where it is more easily curable.

Well, Mr. President, it is no real news to announce that we have discovered such a diagnostic test.

The test I refer to is the well known Pap smear, invented by the late Dr. George N. Papanicolaou two decades ago. The test is simple, requires but a few moments of the patient's time, is painless, and inexpensive. Fourteen years ago Dr. C. J. Lund, writing in the January 1961 issue of the Journal of the American Medical Association said:

> The epitaph for cervical cancer has been inscribed. The methods and techniques are available to destroy it. The date of death remains unwritten in the hands of the practicing physicians and their patients.

Yet, since that optimistic statement was written almost 14 years ago, approximately 182,000 women in this country have died of cervical cancer. Their dates of death were written before the date of death on cervical cancer because we have not made the decision to somehow get each and every woman in this country to take this test on a semiannual basis.

Despite efforts by the American Cancer Society and public health groups there are still substantial numbers of women who have never taken a Pap test in their lives, to say nothing of taking one at the recommended interval of once a year for women under 35 and twice yearly for those over 35 or those who are presently ingesting birth control substances.

Medical researchers have identified specific groups of women who are less likely than others to have this test done. These groups are older women, undereducated women, and low-income women. An ACS study showed that while 59 percent of women in a family income bracket above $7,000 had a Pap test, only 32 percent of those with income under $3,000 had.

Thus, the tremendous advances in control of cervical cancer over the last two decades insofar as they depend on the Pap test, have been mainly among young and better educated women whom we are more likely to reach with public education programs and who are more likely to realize the tremendous benefits of taking this regularly. Particularly among the elderly, it is difficult to get this message across.

In one comprehensive study in the State of Connecticut, "Cancer of the Cervix in Connecticut," by Mrs. Barbara W. Christine and her colleagues, reported in Connecticut Medicine of December of 1972, it was found that while approximately 40 percent of women in the 20 to 29 age group had received a Pap smear, only 9 percent of women over 60 had done so. Yet, it is in this older group that the mortality rate due to cervical cancer is highest.

This is at least partially because a cancer discovered in an older woman is more likely to be at a later stage for the very reason that the older woman is unlikely to have had the simple test which would have discovered the disease when it was curable. It means that we must do everything possible to encourage the more widespread use of the Pap test among women in the older age group.

Mr. President, eventually I would hope that this test will be available free of charge on a walk-in basis to every woman in this country. In the meantime, we must find a way to make a start in this direction. I believe the legislation I am introducing does this and more. We have a vehicle to encourage women to take Pap tests, and that is the medicare program. The medicare program is, of course, restricted to the disabled and those in the older age groups. But since it is older women who are least likely to take the Pap test, the medicare program is a natural place to begin. If the medicare program were to cover the Pap test as part of the coverage of diagnostic laboratory tests, there is no doubt in my mind that we could raise dramatically the proportion of women in the older age groups who would avail themselves of the opportunity to take this test.

The only reason I can discover why this test is not now covered is the exclusion from the medicare program of routine physical checkups. But a test to discover uterine cancer should not be placed in the same class as a routine checkup. A woman has no way to observe her uterus, to check herself on whether there is possibly something wrong with it, until it is too late. The early stages of this disease are not painful and frequently present no physical symptoms which would cause a woman to have a complaint and go to her doctor for this complaint. If we wait for this complaint to develop—in which case the Pap smear would be covered by medicare because it would then be nonroutine—it may very well be too late for this woman to be in the group which can expect to be completely cured of this disease.

What we need is to do everything possible to have this test done on a routine basis. The Congress has frequently recognized the importance of general preventive health care. The proposed legislation is another effort in this direction. Preventive medicine makes particularly good sense in an area such as uterine cancer where there is little possibility of a disease being discovered in a curable stage when one waits for symptoms to develop.

The Connecticut study to which I referred earlier documents very clearly the need for a preventive approach to uterine cancer through the routine application of diagnostic tests. In the oldest group of women studied in the Connecticut report—age 50 and over—who would be most comparable to the women enrolled in the medicare program, 60 percent of the cases of early cervical cancer—cancer in situ or stage 0—were discovered on strictly routine office calls or calls involving a nongynecological complaint. The remaining 40 percent of the cases of early cervical cancer were discovered after the woman made gynecological complaint. In strong contrast, 85 percent of advanced stage cervical cancer was diagnosed after a specific complaint was made.

Only 15 percent of the cases of advanced cervical cancer were discovered through examinations which were strictly routine or initiated after a nongynecological complaint. Of the women over age 50 who ultimately proved to have cervical cancer and waited until they had a gynecological complaint to have the Pap test taken, 88 percent already had advanced stages of the disease when cure is most difficult. Of the women in this age group who ultimately proved to have cervical cancer but who took the Pap test on a routine basis, only 46 percent had an advanced stage of the disease, and 54 percent had the earliest stage of

the disease which is almost always curable. These data make crystal clear that if we are to find cervical cancers in their early stages, we must rely on routine use of the Pap test rather than wait until symptoms are felt. If we wait for complaints to develop, we are waiting too long to expect that the cases of cervical cancer which are discovered will be in the early curable stages.

Mr. President, some Senators may feel that this amendment would provide services to people who are not in financial need and who could very well afford to pay for these tests themselves. Since the Pap test is not an expensive one, at the same time that the program would not be prohibitive for the medicare program to undertake, some may feel that it is also not prohibitive for individuals to pay for it themselves. This is not an unreasonable argument. Certainly it is a good bargain to be able to pay $12 twice a year for a test that could diagnose a cancer when it is just about 100 percent curable instead of skipping this test and taking the risk that one will not discover a cancer at that stage but that it might show up later when the chances of cure are much less. I think that would be a bargain and I am sure that the millions of women who take this test religiously once or twice a year also think it is a great bargain. The problem, Mr. President, is not only that many of our elderly are also poor, but more importantly that many of our elderly women do not know about this test, or do not realize its importance.

Thus, they do not avail themselves of the opportunity of getting this tremendous bargain. As I mentioned before, every study that I have seen of the use of the Pap test has shown that most tests are performed on young women and that elderly women are least likely to have this test done. All this in spite of the fact that deaths from invasive uterine cancer are highest among elderly women.

Thus, Mr. President, my concern is that we find a way to encourage the use of this test, hopefully among all women, but at the very least among our aged citizens who are least likely to know about it, and to whom we have made a national commitment through medicare, of assisting with their health problems.

What I would hope is that every time a medicare recipient goes to a doctor's office, a clinic, or a hospital, regardless of the reason she is there, the doctor who attends her knowing that the Pap smear is covered by medicare, will inquire whether she has had this test in the last 6 months, and if not, would encourage her to have one done. For every doctor that is successful in that regard, Mr. President, and causes us to spend a few dollars from the medicare program to pay for that test, we will be saving the Federal Government and the people of this country thousands of dollars in what they would eventually have to pay out for treatment of advanced cases of cervical cancer. This is true, Mr. President, because programs for elderly diagnosis and prevention of uterine cancer are among the most cost-effective programs in the cancer area.

Furthermore, knowing that the test is covered by medicare will encourage women to go to their doctor to get it, even if they are feeling fine and would not otherwise go. This has a secondary benefit, too, Mr. President, because many doctors have noted that going for routine Pap tests is of tremendous importance in increasing discoveries of other diseases in their early stages because the patient then is likely to have a routine physical as long as she is there for the Pap test. And I do not believe there is any illness or disease that cannot be helped to a somewhat greater extent when it is discovered at an early stage than when it goes undetected until it is far advanced. Thus, encouragement to routine administration of the Pap test would have three important advantages:

First, it would enable discovery of cervical and other uterine cancers at the earliest of the disease when they are much more easily curable, thus avoiding unnecessary deaths from this disease;

Second, it is a cost-effective program which would save the people of this country millions of dollars per year;

Third, it will encourage routine physical examinations during which other serious illnesses may be discovered in their early stages when cure or treatment is more effective, thus reducing deaths, incapacities, and financial costs due to those diseases.

Mr. President, in the interests of the health and welfare of every woman in this country, and therefore of all our citizens, I urge the passage of this legislation.

I ask unanimous consent that the full text of this legislation be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 940

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (8),

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and",

(3) by inserting immediately after paragraph (9) the following new paragraph:

"(10) routine exfoliative cytology tests (papanicolaou tests) conducted for the diagnosis of uterine cancer, but only (A) when provided to a patient who during the preceding 6-month period has not been the subject of such a test on a routine basis and (B) if provided on a scheduled allowance basis (as determined under regulations of the Secretary).", and

(4) by redesignating paragraphs (10) through (13) as paragraphs (11) through (14), respectively.

(b) Section 1864(a) of such Act is amended by striking out "paragraphs (10) and (11)" and inserting in lieu thereof "paragraphs (12) and (13)".

(c) Section 1862(a)(7) of such Act is amended by inserting immediately after "(7)" the following: "except as provided in section 1861(s)(10),".

(d) The amendments made by this Act shall apply only with respect to services furnished on or after the first day of the month following the month in which this Act is enacted.

By Mr. JAVITS:

S. 941. A bill to amend the Library Services and Construction Act to provide for a program of Federal aid to large urban public libraries; to the Committee on Human Resources.

Mr. JAVITS. Mr. President, today I am introducing a bill which would amend the Library Services and Construction Act to include a new and special emphasis on libraries in our major urban centers. This bill is based on the proposal approved by the American Library Association in July 1976 at their annual convention. At that time, the ALA recognized the unique and pressing needs of urban libraries. The needs of urban libraries were highlighted again last month when ALA members convened in Washington to discuss Federal legislation and visit their congressional delegations.

I wish to emphasize that my purpose in introducing the American Library Association proposal is to allow the Senate to review alternative approaches to assisting urban libraries. I am pleased that the Education, Arts, and Humanities Subcommittee, under the leadership of Chairman CLAIBORNE PELL, will be looking into this matter carefully with hearings in Washington and in the field during the month of March. The Washington hearings will be held at 10 a.m. on March 9 in room 4232, Dirksen Office Building. The field hearing will be held in New York City on March 18 and in Providence, R.I., on March 19. Hearings will create an opportunity for interested parties to review alternative proposals and to advise the committee and the Senate on the best approach. I am hopeful that these hearings will generate specific comments from witnesses and written testimony submitted for the committee records on this important question.

There are some important reasons for this focus of attention on urban libraries. Libraries in urban areas serve a community far beyond their city limits. It takes many decades of continued investment to amass a library collection of sufficient breadth and scope to serve a full range of library users. Typically such an investment has been made only in major urban centers. These libraries are now struggling to maintain continuity and avoid depletion of these vast storehouses of knowledge. Newer libraries in more recently populated areas do not have the same type of resources. Thus, the urban library is serving a national need which affects every American to preserve access to out of print works and series of periodical publications.

Secondly, the competition for funds within urban financial situations has created an endemic blight over library financing in our major cities. State and local officials faced with competing needs of public safety, transportation, sanitation, health education—and libraries—are simply unable to meet every legitimate demand for support. In these hard and necessary decisions, libraries, and their importance have been frequently overlooked. It is a simple fact of modern urban finance that it is easier to cancel

a subscription to a scholarly periodical than it is to fire a municipal employee. Even in the trade-offs among categories of employees, library staff has frequently been sharply reduced beyond even maintaining capacity of public service.

Officials at the New York Public Library report that personnel has to be shifted from branch to branch so that even a few hours a week of library services can be maintained. Some staff works at various locations on different days of the week. Many evening and weekend hours of library service have been eliminated. No new regular library employees have been added in 5 years, while normal attrition has constantly reduced staff and thus access to the library.

Thirdly, the public library maintains a particularly important role regarding assisting unemployed persons seek new work. Both unemployed and underemployed people can seek new and higher job skills through public libraries. In a statement on February 11, I inserted in the RECORD a description of a program funded under the LSCA grants in New York State which enables public libraries to provide information and counseling to persons seeking employment. It is an ironic paradox that this type of service is being cut at the times when our unemployment is so high. Because such joblessness is worse in major metropolitan areas, these services demand expansion simply as a more human and more economical alternative to unemployment.

Finally, libraries serve a unique role in providing opportunities for education in a nontraditional manner. The most rapidly expanding area of our national education system is among people beyond traditional schoolgoing age who seek knowledge for personal advancement as well as a richer life. The lifelong learning provisions of the Education Amendments of 1976 and the Museum Services Act passed by the Congress last year each demonstrate the increased interest by the Congress in supporting these nontraditional educational modes. Libraries are a historic and inherent part of this nonschool sector of our education and cultural system. Again, the urban library serves persons with these interests in disproportionate numbers. Often persons who live outside the city but attend school or work within it use the urban public libraries. This use of public libraries for research is also common by businesses with national or regional markets. In summary, I believe the case for additional support for urban libraries is clear and pressing.

Mr. President, I have long been interested in Federal support of libraries. I have the privilege of being the only Member of the Senate to serve on the Advisory Committee to the White House Conference on Libraries and Information Services. An excellent example of the value of libraries has recently come to my attention. Several members of my staff attended a lecture by Mr. Alex Haley, the author of "Roots," sponsored jointly by the Smithsonian Institution and the Doubleday Publishing Co. I need not emphasize to my colleagues the massive impact on the American population of the television presentation of "Roots." Literally, millions of Americans have decided to read the book having observed the television presentation of a portion of it. In his lecture, Alex Haley described his research method to produce this powerful book. He related a "series of miracles" which brought him from the United States to Africa and eventually to contact a native expert in oral history. These men, known as griots, are trained from youth to memorize and recite the family and village history of the tribes and clans in their native areas. In the absence of written documents, which Haley pointed out were referred to by these African people as "the crutch of printed word," griots serve as a human repository of all history and knowledge for their villages. Haley pointed out that in Africa, when a griot dies, it is like a library burning to the ground.

Mr. President, I know of no better example of the true value of libraries than this exposition by a man who is surely one of the most popular authors in the United States today. In our own society, and in our libraries where its records are maintained, we must preserve this cultural heritage. Said most simply, libraries are a vital part of our roots. I hope that our colleagues will recognize their importance and provide the needed support.

I request unanimous consent that the text of this bill and the ALA resolution supporting it be printed in the RECORD.

There being no objection, the bill and resolution were ordered to be printed in the RECORD, as follows:

S. 941

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Library Services and Construction Act is amended by adding the following title:

TITLE V—LARGE URBAN PUBLIC LIBRARIES

DECLARATION OF POLICY

SEC. 501. In recognition of the serious financial distress of large urban public libraries, the Congress hereby declares it to be the policy of the United States to provide financial assistance to such libraries for the purchase of books and other library materials. Large urban public libraries are a critical part of the Nation's information and cultural resources, and as such are deemed to be vital for the educational, cultural and economic development of this country. Balanced intergovernmental funding is, therefore, essential at the local, State, and Federal levels in order to achieve the content and quality of public library services for the citizens of the United States.

GRANTS TO STATES FOR LARGE URBAN PUBLIC LIBRARIES

SEC. 502. The Commissioner shall carry out a program of making grants to States for providing financial assistance to large urban public libraries. The Commissioner shall allot to each State such part of the amount appropriated for this purpose as the total population of cities over 100,000 persons of the State bears to the total population of cities over 100,000 persons of all the States, except that no State shall receive less than $20,000.

USES OF FEDERAL FUNDS

SEC. 503. The grants under this title shall be distributed by the State library administrative agency, on an appeal per capita basis, to public libraries serving cities of over 100,000 population. The funds shall be used for the purchase of books and other library materials. In the event that a public library receiving such funds reduces its level of total financial support from public funds, other than federal funds, to an amount which is less than the average sum for the three years immediately preceding the grant, the funds to which such library would otherwise be entitled shall be withheld by the State library administration agency.

SEC. 504. There are hereby authorized to be appropriated for the purposes of this Title $60,000,000 for the fiscal year ending September 30, 1978, $70,000,000 for the fiscal year ending September 30, 1979, and $80,000,000 for each of the next two fiscal years.

RESOLUTION ADOPTED BY ALA COUNCIL, JULY 21, 1976, AT THE ALA ANNUAL CONFERENCE, CHICAGO, ILL.

SPECIAL ASSISTANCE TO URBAN LIBRARIES

Whereas, large urban public libraries have special problems and needs, and

Whereas, many of them today are in serious financial distress, and

Whereas, balanced intergovernmental funding at local, state, and federal levels is essential in order to achieve the content and quality of public library services for the citizens of the United States; now therefore be it

Resolved, that the American Library Association urges the Congress of the United States to amend the Library Services and Construction Act to provide a new title authorizing grants to the states for providing financial assistance to large urban public libraries in cities over 100,000 population.

By Mr. EAGLETON (for himself, Mr. ABOUREZK, Mr. BAYH, Mr. HUMPHREY, Mr. INOUYE, Mr. LEAHY, Mr. MCGOVERN, Mr. STONE, Mr. ANDERSON, and Mr. MATSUNAGA):

S. 942. A bill to amend title II of the Social Security Act to reduce from 20 to 10 years the period of time that a divorced woman's marriage to an individual must have lasted for her to quaify for wife's or widow's benefits on the basis of the wages and self-employment income of such individual; to the Committee on Finance.

SOCIAL SECURITY BENEFITS FOR DIVORCED WOMEN

Mr. EAGLETON. Mr. President, for the third consecutive Congress I am reintroducing my bill which would reduce from 20 to 10 the number of years a divorced woman must have been married in order to receive social security benefits based on the earnings record of her former husband.

In recent years many significant improvements have been made in the social security laws resulting in more adequate incomes for millions of the elderly, the disabled, and their dependents and survivors.

Nevertheless, there are certain categories of persons, among them divorced women, who are still inadequately protected by social security.

Under current law, the divorced woman must have been married for at least 20 years in order to receive a wife's or widow's benefit. But a woman who is married for less than 20 years may have spent what would have been her prime working years in the home and, as a re-

sult, would be left with either no social security protection or a very meager benefit based on her own earnings.

I have received letters from many women in Missouri and other States who were married as long as 19 years, and who have been left without any social security benefits simply because of the arbitrary 20-year duration of marriage requirement now in the law. The present law seems especially inequitable in view of the fact that an undivorced woman may become entitled to a wife's benefit only after 1 year of marriage or to a widow's benefit after having been married for a minimum of 9 months.

Mr. President, I am happy to inform you that Mr. Nelson Cruikshank, president of the National Council of Senior Citizens, Inc., has informed me that he and his organization endorse this piece of legislation. In addition, 12 years ago the President's Commission on the Status of Women recommended that the duration of marriage requirement for divorced women be reduced from 20 to 10 years.

Social security officials have advised me that if this bill is enacted into law, approximately 45,000 divorced women will become eligible to receive social security benefits based upon their former husband's work record.

I believe this proposal should be seriously considered by Congress without further delay simply because this problem continues to grow daily as one out of every three marriages now ends in divorce.

Mr. President, I am pleased to announce that Senators ABOUREZK, ANDERSON, BAYH, HUMPHREY, INOUYE, LEAHY, MATSUNAGA, MCGOVERN, and STONE are cosponsoring this legislation.

By Mr. EAGLETON:

S. 943. A bill to amend the Consolidated Farm and Rural Development Act to permit deferrals of principal and interest on outstanding Farmers Home Administration loans in disaster areas; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. EAGLETON. Mr. President, I am today introducing a bill which would authorize the Farmers Home Administration to defer principal and interest payments on any outstanding FmHA loan for up to 3 years in areas that have been declared eligible for disaster assistance.

This bill would fill a gap in our present disaster loan program, which allows the FmHA to pile loan on top of loan but denies it the authority to grant simple loan extensions which is often the only kind of help a farmer needs. I understand that Small Business Administration Act authorizes these kinds of deferrals but the most the FmHA can do is carry some loans on a delinquent basis. Few farmers I know have any interest in acquiring that kind of blot on their credit rating.

For the farmers caught up in disaster situations, repayment of past Farmers Home Administration loans is a serious burden. New loans will not help farmers already strapped by payments on outstanding disaster relief loans. In some cases, I believe the deferral of existing FmHA loan obligations may even make new loans unnecessary. The purpose of the disaster relief loan program is to get the small farmer back on his feet, not to drive him further into a financial sinkhole. By granting repayment deferrals on these loans we will save money in the long run, both in terms of agricultural production and in terms of loans which will eventually be paid back rather than defaulted.

I think there is a pressing need for this kind of loan authority and I hope the Agriculture Committee will schedule early hearings on the bill.

By Mr. METZENBAUM:

S. 945. A bill to regulate the conduct and development of research related to recombinant DNA, to establish a National Commission to study recombinant DNA research and technology, and to provide citizens and governmental remedies; to the Committee on Human Resources.

RECOMBINANT DNA RESEARCH STANDARDS ACT OF 1977

Mr. METZENBAUM. Mr. President, today I am introducing the Recombinant DNA Research Standards Act of 1977, a bill to extend the National Institute of Health's guidelines on recombinant DNA research to all persons or companies engaged in this area of study. This bill will also set up a National Commission selected from members of the medical, scientific, legal, ethical, theological, environmental, and governmental community to study whether continued DNA research is in the national interest, and if it is, to identify the basic policies which should underline recombinant DNA research. The Commission would also insure that citizens' rights are adequately protected from the hazards of DNA research. Such a Commission would report back to the President and the Congress no later than 2 years after its formation with its recommendations and guidelines.

Since 1953, when Dr. James Watson and Dr. Francis Crick first described the structure of DNA, scientists have been unravelling the mystery of genetic function. In the 24 years since 1953, genetic technology has advanced to the point where exploration into fields as technically sophisticated as chromosome surgery, genetic engineering, recombinant research, and biological cloning is now a reality.

Within the past decade alone, enzymes have been discovered that are capable of breaking DNA strands at specific sites and restructuring the broken fragments into new combinations, making possible the introduction of foreign genes into viruses or plasmids. These, in turn, can be used to insert foreign genes into bacteria or cells of plants and animals. This technique of recombining DNA holds great promise—but there is also great risk—that micro-organisms with transplanted genes may prove hazardous to man or other forms of life.

Yet, despite the potentially hazardous nature of this research, the present law limits the application of existing NIH safety guidelines to research supported by Federal funds, excluding major pharmaceutical companies now engaged or about to be engaged in the same kind of recombinant DNA research that is controlled by the NIH standards. These guidelines, promulgated in July of 1976, were designed to carefully control conditions in which recombinant DNA research is conducted. Specifically, the NIH guidelines provide four levels of physical containment from P–1—standard microbiological containment—to P–4—involving techniques such as monolithic walls, floors and ceilings, airlocks, and protective clothing and showering requirements; acceptable hosts and vectors to be used in experiments; and a prohibition on certain kinds of experimentation, among which are the following: first, cloning of recombinant DNA with certain pathogenic organisms; second, the use of certain oncogenic viruses; third, the recombination of genes from potent toxins; and fourth, the transfer of drug resistant traits.

Mr. President, these guidelines are at best a compromise between proponents and opponents of recombinant DNA research. It may turn out that far stricter regulations are necessary. On the other hand, subsequent experience with DNA research may indicate that the NIH guidelines are adequate. I am not in a position today, Mr. President, to say with certainty which of these conclusions will occur. What I am saying, however, is that in the last 5 years there has been increasing controversy in the scientific, medical, legal, and ethical communities over the potential benefits and liabilities of DNA research. Two articles which clearly illustrate this controversy are "New Strains of Life—or Death." New York Times Magazine, August 22, 1976, and "Genetics: Conference Sets Strict Controls To Replace Moratorium," Science magazine, March 14, 1975. Mr. President, I ask unanimous consent that these articles be printed in their entirety at the end of my remarks. With this much uncertainty there is no reason why the NIH safety guidelines should be limited to research receiving Federal funds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. At the present time, there are at least five major pharmaceutical companies engaged or about to be engaged in recombinant DNA research—research which holds the same potential risk for disaster as that being conducted in the federally funded research community. Yet, this research is totally unregulated by the NIH guidelines. A recent check with public officials in three cities where pharmaceutical companies were engaged in recombinant DNA research disclosed that none of the public officials, or the NIH, had any knowledge that this kind of research was being conducted.

These are not the only concerns that DNA research raises. Too often, recombinant DNA research is seen only as a health and safety question, ignoring perhaps the most significant aspect of DNA research—whether individual scientists, private companies, and a handful of Government officials have the right to rearrange the evolutionary order and

create new forms of life. To this end, this bill would establish a 13-member National Commission, with representatives from all segments of the community to carefully study and explore the many sensitive and critical issues which recombinant DNA research raises. This Commission would, no later than 2 years after formation, report back to the President and the Congress its findings and recommendations concerning the future of recombinant DNA research and the standards under which experimentation should be conducted.

Due to the high degree of uncertainty surrounding recombinant DNA research, and its tremendous potential impact on the public, I believe it is imperative that we immediately extend the guidelines established by the NIH to all individuals and companies engaged in recombinant DNA research and that we establish a National Commission to study in detail the critical questions which DNA research raises.

I urge my colleagues to support this bill.

[From the New York Times Magazine, August 22, 1976]

NEW STRAINS OF LIFE—OR DEATH

(By Liebe F. Cavalieri)

Early in July, the 10-man City Council of Cambridge, Mass., at the urging of some concerned Harvard scientists, voted to ask Harvard University to halt temporarily the construction of a new $500,000 laboratory for specialized genetics research. This move on the part of the Mayor and other local elected officials against the scientific decisions of the University was unprecedented, but so was the dramatic reason for it—the fear that the biologists, who propose to tamper with the genetic apparatus of microorganisms, would create a new Andromeda-like strain that might escape their control and spread an incurable disease to the population.

The Cambridge Council's intervention in Harvard affairs cannot be dismissed as an overreaction of ignorant laymen to the esoteric pursuits of science, for it has been spurred by the carefully considered opinions of some distinguished workers in biological research—Nobelist George Wald is one of the leaders. They are concerned with the recently attained power of biology to alter the genes of living things and create new and possibly dangerous hybrids of animals, plants and viruses. Of course such alarms have been raised before: The A-bomb, nerve gas, biological warfare, the destruction of the stratospheric ozone layer by fluorocarbon sprays—all have been held up as threats to human existence. But all of these dangers can, in theory if not in practice, be limited or controlled. The threat of a new form of life is more compelling, for once released, it cannot be controlled, and its effects cannot be reversed. A new disease may simply have to run its course, attacking millions in its path. The Cambridge Council undoubtedly had some stark vision of a biological holocaust when it made its decision. (Harvard responded to the council's request by setting up a committee to consider the city's concern about the laboratory.)

The scientists who alerted the Cambridge City Council are not typical. Most of those not directly involved in the new genetic research take a hands-off position, perhaps out of reluctance to interfere with the venerated "right" of scientists to free inquiry. They may also fear that negative publicity associated with biological research will disillusion the public and diminish the funds so necessary for all types of research. Meanwhile, scientists working in the controversial areas are motivated by their own intellectual curiosity and the powerful drive for success and recognition.

Recent discoveries in molecular genetics have provided spectacular new techniques whose exploitation is difficult to resist so long as scientists continue to focus on innovation rather than social benefit. The involved scientists are aware that their experimentation entails some risks to the public, but they argue that adequate precautions can be taken to make the risks acceptably small. For several years they have debated the risks and the steps that must be taken to minimize them. At a major international conference held early last year at the Asilomar conference center in Pacific Grove, Calif., leading molecular biologists took the rare step of proposing rules to limit genetic research. More recently, they have been instrumental in drawing up a similar set of guidelines that has just been issued by the Director of the National Institutes of Health.

The guidelines may alleviate the nervousness of some sicentists, but—as a researcher in molecular biology for 25 years—my own view is that they will not effectively reduce the danger. Indeed, they may actually lull us into a false sense of security.

The danger has developed with the discovery of a special form of DNA, the substance that controls the growth and reproduction of all living cells. Ordinary DNA is a large molecule shaped like a double helix, or spiral staircase; it is found in the nucleus of every living cell. We know that the arrangement of atoms in the helix reflects the code, or set of instructions, that guides the development of every cell in the fulfillment of its genetic destiny. The new form of DNA, known as recombinant DNA, is simply a mosaic of DNA fragments obtained from different types of cells. These patchwork molecules, man-made in the laboratory, have the power to enter a host cell and become a part of its permanent genetic complement. What they may do to the cell we do not know.

The discovery of recombinant DNA is one of the more striking technological achievements of our century. The story began in 1944 when a team of scientists, Oswald T. Avery, Colin MacCloud and Maclyn McCarty, at the Rockefeller Institute (now Rockefeller University) showed for the first time that DNA is the hereditary substance of living cells. Later work showed that the long DNA molecule is composed of sections called genes. Each gene determines a characteristic—hair color, for example. Another discovery important to the development of recombinant DNA was made by William Hayes and Joshua Lederberg in 1952. They showed that bacterial cells contain circular DNA molecules, called plasmids, in addition to the main DNA molecule. The plasmids are small, easy to handle in the laboratory and can enter other bacteria with ease. The plasmids also contain a series of genes, linked together in the form of a circle. In 1962, W. Arber and D. Dussoix showed that bacterial cells contain a substance, called a restriction enzyme, that acts as a fine chemical scalpel to split foreign DNA molecules into specific fragments. This process, part of the bacteria's defense mechanism, occurs when a bacterial virus infects a bacterium. The enzyme was purified from bacteria by H. Boyer and his co-workers, and in 1972 it was shown by J. Mertz and R. Davis of Stanford University School of Medicine that the split DNA fragments have "sticky ends"—when the ends touch they stick to each other. This astonishing characteristic of the DNA fragments makes genetic engineering possible.

Recombinant DNA is actually very easy to make. Any high school student can do it. Restriction enzymes are available commercially and may be used to split DNA molecules from any source—man, cancer viruses, bacteria, plants, insects—to produce fragments with sticky ends. When a split plasmid DNA from a harmless bacterium is mixed with another split DNA, say from a cancer virus, their sticky ends join, and a new, hybrid plasmid is formed. This new form of DNA has the characteristics of both DNA's—bacterial and cancer—from which it was made. To make vast quantities of this new entity, it is only necessary to mix the new plasmid DNA's with bacteria. The bacteria absorb them and then manufacture exact copies in limitless number. Using bacteria as factories in this way, any kind of recombinant DNA can be made in large quantity. This possibility is so attractive that both Stanford University and the University of California have applied for patents for DNA recombinant technology.

This technology is, of course, very exciting to molecular biologists. Its application to basic research promises to provide answers to a number of fundamental biological questions. With this desirable end result in mind, scientists feel justified in taking the risks inherent in the technique.

For example, Paul Berg, who directs a large facility at Stanford University School of Medicine, has stated that the ability to produce large quantities of gene fragments with recombinant DNA procedures permits expanded study of the structure of genes and how they work to produce enzymes that influence an organism's development. David Hogness, also of Stanford, has shown that the methodology provides a way to find the location of specific genes within the chromosome (a chromosome is a very long molecule of DNA). This may give scientists deeper insight into when and where enzymes are made. These matters are worthy of attention, but I am confident that these as well as other problems of molecular biology can be solved by using other, safer experimental procedures—albeit over a longer period of time.

We have also been told that recombinant DNA research may offer us a number of practical benefits. Paul Berg has stated that "if the genes that produce the enzymes that make vitamins, antibiotics or hormones can be made to function in *E. coli*, then this bacterium, which can be grown in large quantity in the laboratory, could be used to produce these materials."

Berg has also said the research could yield "important benefits to expanding the world food supply." Our food supply depends upon the availability of fertilizer, which provides the nitrogen essential to plant growth. But abundant nitrogen exists in the atmosphere, and certain plants—legumes—are able to take advantage of it; they contain bacteria that convert the atmospheric nitrogen to forms plants can use. Recombinant DNA technology, according to its proponents, might make it possible to create major food crops with a similar ability.

In another area, Berg has asserted that "the isolation of genes put us at the threshold of a new form of medicine gene therapy, to treat crippling genetic diseases."

These claims, however, may be overstated. It may well be possible to produce vitamins or hormones such as insulin by means of genetic engineering, but commercial production of such biological chemicals has been possible for years. The idea of creating food crops nourished by atmospheric nitrogen is intriguing, but at the Miles International Symposium on recombinant molecules, held this June at the Massachusetts Institute of Technology, plant scientists reported not only that goals such as these are difficult and distant, but they are more likely to be achieved by the traditional methods of genetics rather than by the new molecular recombinant techniques. As for gene therapy, Berg himself says that "though simple and attractive in principle, this step has many pitfalls and unknowns, and these still have to be examined carefully before such therapy could be considered."

But to measure the true value of such potential benefits, we must weigh them

against the hazards of this technology. The research involves many unknown factors beyond the control of the scientist. Since the plasmid and nonplasmid DNA fragments may combine in many different ways in a given recombinant experiment, it is necessary to create vast numbers of cells with unknown genetic alterations in order to obtain a cell containing a specific recombinant DNA. The probability of creating a dangerous genetic agent in the process is real, and there is no way to test for the danger. The scientist does not know what he has done until he has analyzed the newly created cells—at which point it may be too late.

Furthermore, because recombinant DNA's can reproduce themselves in their host cells, they can become permanent residents wherever the host cells are found, and once released into the world, it would be impossible to control them. In this respect, they are quite unlike any other man-made hazard. If we stop manufacturing DDT or Red Dye No 2, they will cease to be problems. The air and waters of the earth will gradually return to normal if we stop pouring wastes into them. Most problems of modern technology build up visibly and gradually and can be stopped before a critical stage is reached. Not so with genetically altered bacteria; a single unrecognized accident could contaminate the entire earth with an ineradicable and dangerous agent that might not reveal its presence until its deadly work was done.

Dr. Robert Sinsheimer, chairman of the Biology Division of the California Institute of Technology and chairman of the editorial board of the Proceedings of the National Academy of Sciences, has warned that "what we are doing is almost certainly irreversible. Knowing human frailty, these structures will escape, and there is no way to recapture them." Erwin Chargaff, Professor Emeritus of Columbia University and a recipient of the National Medal of Science and other honors for this work on DNA, has written, "I should say that the spreading of experimental cancer may be confidently expected."

The widespread use of *E. coli* bacteria in this new genetic research increases its dangers. From the point of view of public health, this bacterium is the worst of all possible choices. It is a normal inhabitant of the human digestive tract and can easily enter the body through the mouth or nose. Once there, it can multiply and remain permanently. Thus every laboratory working with *E. coli* recombinants is staffed by potential carriers who could spread a dangerous recombinant to the rest of the world. *E. coli* is found in the sewage that flows through all of our communities; it lives in all warm-blooded animals, in insects and in fish; it is present on grass and vegetables and in water.

In addition to its ubiquitousness, *E. coli* is very promiscuous and during mating has a formidable propensity to transfer from one cell to another plasmids containing genetic information. This exchange can occur even with some other types of bacteria. Dead *E. coli* can also transfer their genes. Even weakened strains of *E. coli*, which require special laboratory conditions for growth, are able to pass on dangerous recombinant genes to healthier bacteria. Scientists chose *E. coli* for use in genetic enginering research because more is known about its genetics than about those of any other cell, and they do not wish to spend the time necessary to study the genetics of a substitute. The few years required to study such an alternate loom large to the scientist with his eye on the Nobel Prize.

For the public at large, however, the difference between 20 or 22 years in the achievement of some hypothetical benefit cannot justify the risks. Consider, for example, the fact that DNA from cancer viruses has already been introduced into a weakened form of *E. coli* (the ability of this form to survive in the human intestine is disputed at present). Suppose a laboratory technician accidentally pours a culture of these bacteeria into a sink—not an unlikely occurrence. In the trap of the sink, or farther on in the sewage system, malignant properties are transferred from the laboratory bacteria to normal *E. coli*. The sewage, with the bacteria containing cancer genes, is eventually discharged into a sea near a shellfish bed. People in distant places eat the shellfish and the bacteria take up residence in their intestines and are spread from person to person. In the individual the bacteria can transfer recombinant DNA containing cancer genes to human cells. The result—cancer, normally not infectious, is spread in epidemic proportions by normally harmless bacteria.

Another possibility: The Biological Laboratory of Harvard University is now infested with a small Egyptian ant that has resisted all attempts at extermination. A laboratory specifically designed to contain dangerous recombinant forms of *E. coli* (the laboratory to which the Cambridge City Council objects) is expected to be constructed in this building. Suppose an Egyptian ant, carrying normal *E. coli* bacteria, enters the containment laboratory. It crawls in and out of a sterile container to be used later for growing weakened *E. coli* containing cancer genes. The ant contaminates the container with normal *E. coli*, which picks up the dangerous genes during a subsequent experiment. A small spill during the experiment releases some of these bacteria into the air, and they are inhaled by the scientist as he cleans up the spill. No one suspects any danger, since the bacteria were thought to be "safe." Some years later, the scientist and members of his family develop cancer, and a general rise in cancer incidence is noted.

The introduction of genes from cancer viruses into *E. coli* is only one of a number of ways in which cancer might be spread by recombinant DNA. Biologists suspect that the DNA of all normal animal cells contain inactive cancer genes. Cancer may normally arise when these genes are activated by some unusual disturbance such as tobacco tar or air pollutants. Similarly, the transfer of a supposedly harmless recombinant DNA from *E. coli* to a human cell could act as a monkey wrench in the regulatory machinery that controls the cell's dormant cancer genes.

It is possible, intentionally or unintentionally, to construct highly dangerous agents of other types, worse than anything yet envisioned in biological warfare. For example, *E. coli* or other bacteria that normally live in man and animals could be given the ability to produce deadly toxins, such as that of botulism. Protection by immunization would be out of the question. It is quite possible that an agent of this type might arise inadvertently, since in many experiments the nature of the genes implanted into a new host is unknown. The sudden appearance of new disease-causing agents is a threat not only to man directly but to the animals and plants on which he depends for food and oxygen, not to mention the purely esthetic aspects of the environment.

There is even danger in purposely-designed recombinant agents. Suppose, for instance, that drug companies are eventually successful in producing insulin or other products by growing genetically-engineered *E. coli* on an industrial scale. The slightest leak or other accident would constitute a major human hazard. If bacteria producing insulin were to find their way into a human host, the result could be insulin shock and very likely death. The production of other drugs or industrial products in the human intestine is likely to be equally dangerous.

Not all the danger of recombinant work lies in cancer or in strange new diseases. There are also the hazards of success. The aim of genetic engineering is to speed up the evolution of chosen organisms. In so doing the slowly developing balance among living systems may be changed in sudden and decisive ways. What will happen if, for instance, a food crop were to be given the toughness and resistance of weeds, plus the ability to grow in a wide variety of habitats? The resultant vegetation might wipe out all other plants with lesser advantages, as well as the animals that feed on them—a drastic ecological change might be the price of more rice. Natural evolution works gradually on all species at the same time. If we undertake to control evolution ourselves, we cannot hope at once to control the myriad factors that make the world habitable.

Scientists have been slow to acknowledge all the dangers inherent to genetic manipulation. I myself must admit that, while I felt uneasy about future hazards when I carried out experiments on bacterial transformation 15 years ago, I did not ponder the full scope of the problem until recently. But today many of the hazards are immediate, and biologists can no longer shirk their social responsibility.

The question of hazards was discussed at a special meeting of the Advisory Committee to the Director of the National Institutes of Health called early this year by Dr. Donald S. Fredrickson. In addition to the members of the Advisory Committee, he invited a group that included David Bazelon, Chief Judge of the District of Columbia Court of Appeals, Peter Hutt, former counsel of the Food and Drug Administration and Philip Handler, president of the National Academy of Sciences. Most of the scientists present at this meeting defended recombinant DNA technology, citing all the benefits to be realized by basic biological research. Among them were David Baltimore from Massachusetts Institute of Technology, Paul Berg and David Hogness from Stanford, Donald Brown from Carnegie Institution of Washington and Charles Thomas from Harvard Medical School.

On the other side of the aisle were a few lone critics. A constant voice was that of Robert Sinsheimer. He emphasized that a major problem of recombinant DNA technology is the crossing of genetic barriers between species, an activity that opens an unfamiliar area of biology. He also has pointed out that scientists have ignored "the potential broader social or ethical implications of initiating this line of research—of its role as a possible prelude to longer range, broader scale genetic engineering of the fauna and flora of the planet, including, ultimately, man...." In a philosophic sense Sinsheimer has said, "Would we wish to claim the right of individual scientists to be free to create novel or self-perpetuating organisms likely to spread about the planet in an uncontrollable manner for better or worse? I think not." Robert Goldstein of the Harvard Medical School and Allen Silverstone of Massachusetts Institute of Technology have also been among the few who have pleaded for caution.

Those who have carried out the research on recombinant DNA and favor its continuation are respected scientists from large universities, and they constitute an informal but powerful lobby. I feel, however, that there is a large silent majority of scientists who would speak out for a sane solution if given the opportunity.

The safety guidelines put forth by the National Institutes of Health have been hailed eagerly by workers in the recombinant DNA field who wish to express their public

concern. But in the meetings and discussions that preceded publication of the guidelines the focus remained on safety measures; scarcely a voice raised the fundamental question of whether the research should continue at all. Rather, on the implicit assumption that the work ought to proceed, they devoted painstaking effort to the formulation of safety precautions to prevent accidents. Here there was some controversy, the participants being divided between those who wanted lax rules, and those who wanted still laxer rules. The viewpoints varied with the participants' degrees of vested interest in recombinant research, and most had been involved to some degree. As Professor Chargaff said, "... the incendiaries formed their own fire brigade." In pointing out that the decisions have all been made by scientists, Senator Edward Kennedy, Chairman of the Senate Subcommittee on Health, objected that "the factors under consideration extend far beyond their technical competence." There has been no significant input from experts in public health, ecology, sociology, ethics or philosophy, and no effort has been made to inform the public of the dangers or to solicit popular opinions.

Briefly, the guidelines have two basic features. The first is physical containment. This means that the laboratory must be equipped to minimize the chance that experimental organisms might escape. The laboratory is kept under negative pressure so that air does not escape but is pumped out through filtered vents. For more hazardous experiments the worker must shower before entering or leaving the facility. The second feature, called biological containment, involves the use of enfeebled organisms so that if some do escape, they cannot survive in the outside environment. None of the precautions is foolproof. Significant containment measures are required only for the more obviously dangerous types of experiments. In a discussion of safety at the recent Miles Symposium on recombinant molecules, the experts were divided between those who feel physical containment is unreliable and those who do not trust biological containment. Perhaps both are right.

In the course of 25 years of Army research on biological warfare agents at Fort Dietrich, equipped with the highest level of physical containment facilities, there were 423 accidental infections and three deaths. Accidents due to human error are inevitable, all the more so because scientists under pressure become inured to taking risks. The temptation to do things the easy, quick way instead of the safe way is hard to resist. In the case of recombinant DNA, it is an all or none situation—only one accident is needed to endanger the future of mankind.

Biological containment is a new concept in laboratory safety, one that has not really been tried. The rules therefore involve guesswork, and some are arbitrary. For instance, one of the National Institutes of Health rules states that an experiment using recombinant *E. coli* is safe only if no more than one out of 100 million of the bacteria is able to survive outside the laboratory. (It should be noted that 100 million is a small number as laboratory bacteria go.) This raises some difficult questions. In testing the safety of an *E. coli* strain how much time should be allowed for all but one of the 100 million bacteria to die? Since different recombinant DNA's inserted into the bacteria may affect their survival, how can they be tested in advance, without incurring a risk during the test? Obviously it is impossible. Dr. Stanley Falkow of the University of Washington School of Medicine has said, "It is also clear from our studies that a carried plasmid [i.e., a plasmid inside a bacterium] may have a profound effect in the survival and carriage of E. Coli . . . it may not be too far-fetched to suggest that some DNA recombinant molecules could profoundly affect the ability of [weakened] *E. coli* to survive and multiply in the gastrointestinal tract." Moreover, how can all the possible bacterial growth conditions outside the laborratory be simulated for the test? The National Institutes of Health committee agreed that there are no objective answers to these questions.

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GENETICS: CONFERENCE SETS STRICT CONTROLS TO REPLACE MORATORIUM

(By Nicholas Wade)

PACIFIC GROVE, CALIFORNIA.—In a meeting that will possibly rate at least a footnote in the history of science, an international group of biologists has voted in principle to lift the voluntary moratorium imposed last July on a new technique of genetic manipulation that involves constructing hybrid molecules of DNA. But the moratorium is to be replaced with safety conditions so stringent that for many experiments it will effectively remain in force for a period at least of months. The conference also recorded its wish that the most hazardous category of experiments made possible by the technique should not be performed under any circumstances whatsoever.

Like the moratorium that preceded it, the conference's statement has the power of moral censure only, but the guidelines it proposes will probably be followed closely by the national bodies in each country responsible for framing the relevant regulations.

Just as the moratorium seems to be unprecedented in the history of science, the action of the conference is a rare, if not unique, example of safety precautions being imposed on a technical development before, instead of after, the first occurrence of the hazard being guarded against.

The conference's decisions were reached in the explicit awareness that science no longer enjoys the automatic favor of governments and society, and that if the scientists present failed to regulate themselves in an evidently disinterested manner, others would do so for them. As it happens, the control measures proposed by the conference are considerably stricter than many of those active in the field believed necessary and furthermore include a quite novel safety feature stipulating that the organisms involved in the experiments shall be biologically incapable of surviving outside the laboratory.

The conference can also be seen as a personal triumph for its committee chairman, Paul Berg of the Stanford University Medical Center. It was Berg who first had scruples about the possible hazards of the technique when he developed an early version of it 2 years ago. It was he to whom the National Academy of Sciences (NAS) turned when the approaching dangers of the technique became evident. With a group of colleagues, Berg decided last July that the issue should be put before an international conference but, to prevent dangerous molecules being constructed in the interim, the group invited scientists throughout the world to join them in voluntarily deferring certain experiments involving the technique (see *Science*, 26 July 1974, p. 332).

It says much for the moral authority of Berg's group that, as far as is known, the moratorium has been observed worldwide. Although safety regulations are not a subject of intense interest to many scientists, almost everyone invited attended the meeting held last month at the Asilomar conference center. The committee was able to persuade a group of 140 competitive and strong willed individuals, most of them quite unaccustomed to being told how to do their experiments, to reach a remarkable degree of consensus on how the problem should be resolved.

The decision reached on 27 February at Asilomar will be far reaching because it governs a technique which is widely expected both to revolutionize the study of molecular biology and to bring some of the wilder fantasies of genetic engineers into the realm of the possible. The basis of the technique is a newly discovered class of enzymes which possess two special properties. They cleave DNA into segments of manageable size, a few genes or so in length, and they make cuts which chemically have "sticky ends," enabling a segment from one molecule to be annealed with that of another, even if the two molecules come from different species.

In fact, most foreseeable exploitations of the technique involve joining the DNA of different species into a single hybrid molecule, of which one part is the gene or genes to be studied, and the other is a vector—often the DNA of a virus—which has the ability to enter a cell and get itself (and its hybrid partner) replicated by the cell's genetic machinery.

These hybrid molecules look as if they will render tractable many problems in biology which people have long despaired of solving with present techniques. They are also the stuff of such science fiction scenarios as inserting nitrogen-fixing genes into plants and programming bacteria to synthesize insulin and other products of human genes, to cite but two of the possibilities mentioned at the conference.

The danger is that such manipulations may create novel arrangements of genetic material which have not occurred in evolution, with results that are impossible to predict. A likely host for many hybrid DNA's will be the standard laboratory organism, *Escherichia coli*, a common inhabitant of the human gut and nose. In the worse conceivable case, an *E. coli* bacterium infected by a virus which some manipulation had unintentionally rendered pathogenic might escape from the laboratory, infect the population outside, and set off a human epidemic of perhaps myxomatosis-like proportions. The incidence of laboratory acquired infections—5000 in the last 30 years, a third of them in laboratories with special containment facilities—suggests that the eventual escape of such an organism, if created, could probably be expected.

Few scientists acquainted with the power of the new technique would lightly forgo its use, yet how could the public be informed the moratorium was at an end when the unknown hazards that caused it to be invoked in the first place were just as unknown as before? This was the crux of the problem that the delegates at the Asilomar conference debated for 3½ days of concentrated and occasionally dramatic sessions. The 53 foreign delegates included scientists mostly from Europe and Russia. The Russians said not a word until the very end. The Europeans spoke very little except for the English, who had left a confused situation at home.

The British Medical Research Council (MRC) had in July, by confidential letter to its laboratory directors, effectively banned all the experiments placed under voluntary embargo by the Berg committee. But a government-sponsored group of scientists known as the Ashby committee concluded in December that the technique was too important to curb and that the experiments should proceed under certain safety conditions. (These were considerably more flexible than the conditions the Asilomar conference was to recommend.) The British government has not yet acted on its committee's suggestions, and there is concern that a recent fatal accident in handling smallpox virus at the London School of Hygiene and Tropical Medicine may lead bureaucratic minds to wonder if scientists' ideas about laboratory safety are safe enough.

The English delegates were thus well schooled in the political aspects of the problem. One of them, Sydney Brenner (MCR Laboratory of Molecular Biology), was perhaps the major influence on the conference

after Berg. A member of the conference organizing committee,* Brenner had the knack of intervening at crucial stages in the debate and holding the audience spellbound with arguments of urgent lucidity in favor of drawing up safety procedures so evidently tight that no one could reasonably accuse the scientific community of self serving. (One opponent complained privately that Brenner intimidated people.) He also was the leading advocate of developing biological safety barriers for the technique—a feature that lies at the heart of the conference's solution to its dilemma. In common with Berg and David Baltimore (MIT), Brenner always seemed to be more conscious than other delegates of the outside world looking in and gauging risks and behavior with a different yardstick. While some people were for drawing up safety guidelines that would minimize the risk, Brenner's definition of a successful guideline was one that, in the future, would be revised downward.

The organizing committee's chief opponents were James Watson (Cold Spring Harbor) and Joshua Lederberg (Stanford University Medical Center). Like a pair of *enfants terribles*, the two Nobel laureates were constantly discovering holes in the committee's positions and—although there seemed to be no concerted campaign—breaking the ice for the faction among the younger scientists who were eager to get the moratorium lifted on the easiest terms feasible.

The conference, held in a small chapel a few yards from the Pacific Ocean, was opened with a statement by Baltimore. He reminded people that if they failed to come to a consensus, if they split along lines he could easily imagine, there was no one else to appeal to, and the conference would have failed in its duty. "How was the consensus to be determined?" someone inquired. "The procedures by which the consensus will be determined will be largely determined by the extent of the consensus," was the unyielding reply.

The microbiological presentations which followed confirmed that K12, the common laboratory strain of *E. coli*, may be enfeebled from years of being kicked around genetically, but it can still survive long enough in the human gut to exchange genetic material (specifically, the extrachromosomal elements known as plasmids) with other bacteria in the region. This established a crucial link in the worst case scenario for a laboratory accident. It also pointed to caution in the use of plasmids (the major candidates along with viruses) for the vector part of hybrid molecules.

BENEFITS LOOK LARGER THAN RISKS

The conference next heard from Harold Green, one of its few outsiders. A Washington lawyer interested in public policy aspects of science, Green's chief point was the warning that at the inception of any new technology, the benefits, which are tangible and near at hand, are often permitted to outweigh the more distant seeming risks. Two examples which surfaced later in the meeting, though Green did not specifically cite them, were the biological technologies of polio vaccine and cytoplasmic sterility. Who could have argued against the benefits of polio vaccine in the 1950's?—yet the vaccine received by millions of people in the United States and abroad is now known to have been contaminated with SV40, a monkey virus which causes tumors in hamsters, though not, as luck would seem to have it, in man. Cytoplasmic sterility is the plant breeder's key to the miraculously high yields of American corn; in 1970, by which time most of the nation's crop was planted to the same successful strain, a blight to which the strain happened to be genetically susceptible wiped out 20 percent of the crop. This is the feeding equivalent, as one speaker pointed out, of 32 billion McDonald's hamburgers.

The conference's first attempt to grapple with its own risk-benefit situation was a document prepared beforehand by a working group under Richard Novick (Public Health Research Institute, New York). The group had looked chiefly at the first of the three types of experiment cited in the original moratorium—the use of plasmids or bacterial viruses as the vector parts of hybrid molecules. It had ranked possible experiments in six classes according to their expected degree of hazard and recommended for each class physical containment procedures which, in the group's judgment, would reduce the biohazard to an "acceptable" level of risk.

The group considered that its work could end up as "the nucleus of a definitive proposal," under which most experiments could be carried out under the appropriate degree of physical containment. The document was attacked by Lederberg for being too precise in its language—legislators would translate it into a "message from on high from which all further exegesis is forbidden"—but the heavier onslaught came from Brenner, who declared that the conference was not going to act as a licensing authority, and if it did he would resign from the organizing committee. The issue he said,

"Is how to proceed in this area without presenting any risk to ourselves, to the innocent within our institutions, or to the innocent outside them. . . . I think there are people here who feel that there will be a negotiable set of compartments and that any particular compartment would comply with their local conditions. I am utterly opposed to that way of thinking.

". . . If people think they are going to get a license from this meeting, a notice they can put up on their door, if they are just pretending there is a hazard and are going along with it just so that they can get tenure and be elected to the National Academy and other things that scientists are interested in doing, then the conference will utterly have failed."

The next event was when Watson got up and said he thought the moratorium should end. This was surprising because Watson had been a member of the committee that asked for it. The reason, he explained, was that "when we met I thought we should have 6 months to see if we could hear anything that would frighten us. As someone in charge of a tumor virus laboratory, I feel we are working with something which is instinctively more dangerous than anything I have heard about here. . . . The dangers involved are probably no greater than working in a hospital. You have to live with the fact that someone may sue you for $1 million if you are careless. That sounds very negative and rightwing, but I don't see any other way of doing it."

Watson was speaking for one side of an important divide in contemporary molecular biology, the cancer virologists and old-style microbiologists who are used to dealing with highly infectious agents and to whom, for example, such habits as shutting off washroom faucets with their elbows instead of hands were evidently second nature. Several of them spoke with horror of the "sloppiness" and "prostitution of microbiological technique" of the younger molecular biologists who have recently invaded the field but still treat viruses and bacteria as just another bench reagent. "It is the *E. coli* people who are screaming," said one tumor virologist who, like Watson, believed that the standard precautions were adequate, and that it was really a matter of whether individual scientists took any notice of them or not.

Over the next two days the conference discussed the reports of working parties studying the other two categories of experiment covered by the moratorium. The group under Aaron Shatkin (Roche Institute of Molecular Biology, New Jersey) considered the experiments involving animal viruses as the vector and concluded that they could be safely proceeded with under existing National Cancer Institute (NCI) guidelines for handling oncogenic viruses. One of the group's members disagreed. In a cogent minority view Andrew M. Lewis (National Institute of Allergy and Infectious Diseases) argued that no experiments should be undertaken until biologically safe vectors had been developed, and only then under the safety conditions judged suitable by the NCI for medium-risk cancer viruses.

A third working group under Donald Brown (Carnegie Institution of Washington) studied the class of experiments in which genes from animal cells would be inserted into bacteria. (The Berg committee had not embargoed this class but aked only that it be undertaken with caution.) A much discussed example of this class is the so-called "shotgun experiment," in which the total DNA of an organism is chopped into fragments, and the fragments inserted into bacteria and grown up in clones. The most obvious danger is that one of the clones may contain the genes for a hitherto repressed tumor virus. Brown's group ranked experiments in order of hazard, placing the shotgun experiment with primate DNA at the top of the danger scale.

The three working groups were largely composed of the people active in the field who had been most affected by the moratorium. For many of them, their chief concern was for the conference to agree to or amend the safety guidelines proposed so that they could get back to work again. But attempts to get the guidelines debated in detail were repeatedly sidetracked by people who raised more general issues, and the experimenters were generally unable to refocus the discussion. "The consensus here is that people want guidelines and containment so they can go and do their experiments, but no one will come out and say it—they're all chicken," one group leader observed privately.

The central dilemma the experimenters faced was that, despite the various attempts to rank the experiments in order of risk, no one had any real idea of what the risk might be or how to assess it, a point made in the following exchange on how precisely the guidelines could be written:

"MAALOE (University of Copenhagen). I think we are misbehaving ourselves very considerably at this moment because it is nonsense to my mind to try to proofread your report. . . . To imagine that we can lay down even fairly simple general rules would be deceiving ourselves. . . .

"LEDERBERG. If it is likely to be crystallized into legislation, we had better be sure that it is right.

"BERG. If you concede there is a graded set of risks, that is what you have to respond to.

"WATSON. But you can't measure the risk. So they want to put me out of business for something you can't measure.

"SAMBROOK (Cold Spring Harbor). As far as I am concerned there is no absolute containment [for hazardous materials] and all containment is inefficient.

"COHEN (Stanford University). If the collected wisdom of this group doesn't result

*The members of the organizing committee were Paul Berg, chairman (Stanford University Medical Center), David Baltimore (MIT), Sydney Brenner (MRC Laboratory of Molecular Biology), Niels K. Jerne (Basel Institute for Immunology, Switzerland), Richard O. Roblin (Harvard Medical School), and Maxine F. Singer (National Institutes of Health). Berg and Baltimore were also members of the ad hoc NAS committee that invoked the moratorium. The title of the meeting was the International Conference on Recombinant DNA Molecules.

in recommendations, the recommendations may come from other groups less well qualified.

"SINSHEIMER (Caltech). Watson says quite correctly that there is no way to measure the risk. But it would seem to me that in the end we will be regulated. We would be in a better position to face that if we take the position that some of the higher [risk] categories of experiment should not be done until more information is available. I can't think of anything that would impede science more than an epidemic around Stanford."

LAWYERS WARN OF DISASTER

The final evening of the conference was surrendered to a panel of lawyers with an interest in the public policy dimensions of science. Perhaps the most telling point was made by Roger Dworkin (Indiana University), who said that any reasonable scheme the conference came up with would be a success but that "any appearance of self serving will sacrifice the reservoir of respect that scientists have and will bring disaster on them." The law has a tradition of letting professional groups regulate themselves, but if they abuse that discretion, as the medical profession has done, they will find themselves being "massacred" in the courts.

Dworkin's point was followed up by Brenner:

"The issue that I believe is central is a political issue. It is this: we live at a time where I think there is a great anti-science attitude developing in society, well developed in some societies, and developing in government, and this is something we have to take into consideration. . . . Who really believes that natural science will increase your GNP? Maybe this is the end of this era. It is very hard to tell in history where you really are. . . . I think people have got to realize there is no easy way out of this situation: we have not only to say we are going to act but we must be seen to be acting."

With such thoughts possibly in mind, the delegates assembled the next morning to learn the organizing committee's opinion of their consensus. The document the committee had finished at about 4:30 a.m. that morning possessed considerably more bite than any of the sets of proposals drawn up by the three working groups. The most innocuous category of experiments were to take place in the "low risk" conditions of physical containment recommended by the NCI for handling tumor viruses such as SV40. All others were to be done in "moderate risk" or "high risk" conditions and were moreover to await the development of biological barriers in the form of bacteria unable to survive outside the laboratory and vectors designed to grow only in certain hosts. (High risk containment, to put these conditions in perspective, involves such measures as showering on leaving the laboratory and negative air pressure, and is generally reserved for handling the most dangerous known human pathogens, such as Lassa fever and plague.) Since many of the safe bacteria and vectors will not be available for months or even longer—Cohen at one point likened their arrival to waiting for the Messiah—the effect of the organizing committee's statement is to continue the moratorium, and in fact to extend it into the class of experiments originally excluded.

Berg presented the statement with the observation that it was the organizing committee's opinion of the consensus of the conference. This was somewhat adventurous in that, as one delegate pointed out, some of the statement's more rigorous prohibitions were being introduced for the first time. The organizing committee's positions were assailed by several members of the working groups who considered them too strict. Stanley Falkow (University of Washington, Seattle) complained that the plasmid group's document had been "prostituted" in the use made of it by the organizing committee. Cohen charged that the "bias of the organizing committee" was reflected in their adoption for tumor virus research, whereas other government standards relating to bacteria would have been more appropriate.

It was clear that the organizing committee did not intend to have its statement amended from the floor and was even reluctant to test its popularity against a vote. When a voting procedure was forced, the committee turned out to be reflecting a consensus that was every bit as solid as the committee pretended it to be. Its decisions on all three classes of experiment were upheld in separate votes by almost everyone present, with at most five hands raised in opposition.

The committee lost on only one point, a motion raised by Robert Williamson (Deatson Hospital, Glasgow) that a class of experiments rated at highest risk by several groups should not be performed under any circumstances, however good the containment. Berg at first resisted the suggestion—presumably because it would have represented a restriction, however formal, on academic freedom to research—but then allowed a vote, which passed with only five people dissenting.

RUSSIANS VOICE APPROVAL

With the business of the conference essentially complete, a spokesman for the Russian delegates stood up and said the organizing committee's statement was reasonable and acceptable and would be a useful guide for the relevant discussions in the Soviet Union. A final vote was taken to approve the entire statement of the organizing committee, which was approved with only two opposing votes (Cohen and Lederberg). One of the lawyers, Daniel Singer (Hastings Institute of Society, Ethics and Life Sciences), said it had been a moving experience for him as an outsider to watch the group grappling with a very difficult problem. Baltimore then paid tribute to Berg for his pivotal role in the conference's success, and with that the meeting was over.

A press conference held afterward was attended by the major newspapers of the country and Rolling Stone. Berg, weary from lack of sleep, was asked if he thought his original call for a moratorium was an overreaction. "Not at all. It has raised the level of discussion about this issue. Six months ago we had daily phone calls asking for pSC101 [a plasmid vector that confers resistance to tetracycline]. I would ask people what they wanted to do with it. Some of them had horror experiments planned with no thought of the consequences. But I was in the same position myself because I was going to do a similar experiment two years ago and someone called me up and asked if I had thought of the consequences."

There is a direct line of descent from Berg's first scruples to the decision reached by the Asilomar conference last month, but the sequence of events was by no means a foregone conclusion. Probably few other people could have asked for a moratorium, got it to stick worldwide, and then handled the issue with the openness and disinterest that disarmed resentment and led the world's scientific community to a notable and generally harmonious consensus.

By Mr. INOUYE:

S.J. Res. 35. A joint resolution to designate "Municipal Clerks' Week"; to the Committee on the Judiciary.

Mr. INOUYE. Mr. President, the profession of municipal clerk is a time-honored and historical one, extending to Biblical times and beyond.

The modern Hebrew translation of town clerk is "Mazkir Ha'ir," which literally means the city or town "Reminder." The English Bible—II Samuel, I and II Kings, Isaiah, and I and II Chronicles—called him the "recorder." The recorder kept the records of the important events of the time. The Hebrew "Mazkir" was "one who caused to remember" or "called to mind." He was among the highest of court officials—the chancellor who called the King's attention to important matters of state.

The town clerk was an official of varied powers and functions in different parts of the Greek world and was also recognized by the Romans in their colonial world. It was the town clerk who persuaded the rioting citizens of Ephesus to leave the followers of St. Paul unharmed and return to their homes, thus preserving the law and order of the time—Acts XIX.

In the Middle Ages,, "clerk" became synonymous with "scholar." He was the person who recorded the happenings of the day and tied together the past with the present. In England the town clerk became a respected and important official in local government, and when the colonists came to America the office of town clerk became an integral part of the democratic communities, recording the birth and death of its inhabitants, the land transactions, and the action of freemen assembled at the annual town meetings.

Today, the office of municipal clerk continues to be a key element of our local democratic system. Outside of the mayor, the municipal clerk is the most frequently found office in local government. The office now exists from the largest metropolis with over 8 million people to the smallest hamlet numbering 16 pioneering citizens. It is found in every State in the Union; is a highly respected office in Canadian local government; continues its ancient role in Israel; and can be found in democratic governments around the globe. And in these times, when much emphasis is being placed upon the advancement of women in government, it is the only profession in local government administration where over half of its members are women.

The duties of the modern municipal clerk continues to be as broad and as essential to our local citizens as they have been in the past. The municipal clerk maintains the official records and documents, records and publishes council minutes, and serves as the information center in handling inquiries from other municipal departments, other governmental units, and the citizens. In nearly three-quarters of our communities, the municipal clerk is the elections administration officer. In two-thirds of the municipalities, the municipal clerk manages the licensing of businesses and the granting of permits. Vital statistics is an important function of the municipal clerks in the eastern part of our country—especially in New England. The municipal clerk in many communities, especially the smaller ones and those in the South and Central States, also maintains the financial records. And a significant number, again especially in the smaller communities, serve as the chief administrative officer, overseeing all operations of local government and imple-

menting the programs and policies determined by the mayor and council.

I am today introducing a resolution calling on the Congress and the President to designate the second week of May as "Municipal Clerk's Week" in recognition of the important service that the municipal clerk provides to the people of America's cities and towns. I am hopeful that favorable action on this resolution can be taken in the near future.

ADDITIONAL COSPONSORS

S. 76

At the request of Mr. STONE, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 76, a bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors.

S. 233

At the request of Mr. INOUYE, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 233, relating to the medicare and medicaid programs.

S. 317

At the request of Mr. McGOVERN, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 317, to provide service pensions for certain World War I veterans and their widows.

S. 375

At the request of Mr. BELLMON, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 375, to amend the Wild and Scenic Rivers Act of 1968.

S. 433

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 433, to amend title 10, United States Code.

S. 627

At the request of Mr. GOLDWATER, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 627, to amend the Internal Revenue Code of 1954.

S. 664

At the request of Mr. BROOKE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 664, the Young Families' Housing Act.

S. 788

At the request of Mr. HUMPHREY, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 788, the Agricultural Emergency Assistant Act of 1977.

S. 820

At the request of Mr. HUMPHREY, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 820, a bill to authorize the Secretary of Agriculture to establish a demonstration program for application of existing energy conserving a renewable energy technology to farms and agricultural communities.

S. 821

At the request of Mr. HUMPHREY, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 821, the Agriculture Solar Energy Research Development and Demonstration Act of 1977.

S. 907

At the request of Mr. CRANSTON, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 907, the energy impact roads bill.

S. 913

At the request of Mr. BARTLETT, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 913, to amend section 1951(b)(2) of title 18, United States Code.

S. 924

At the request of Mr. JAVITS, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 924, the common situs picketing bill.

S. 926

At the request of Mr. CRANSTON (for Mr. Kennedy), the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of S. 926, to provide public financing for primary and general elections for the U.S. Senate.

SENATE RESOLUTION 107—ORIGINAL RESOLUTION REPORTED RELATING TO THE CONSIDERATION OF S. 650

(Referred to the Committee on the Budget.)

Mr. BELLMON, from the Committee on Agriculture, Nutrition, and Forestry, reported the following resolution:

S. RES. 107

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 650. Such waiver is necessary to permit consideration of statutory authority for new entitlements for wheat producers to become effective in a fiscal year for which the first concurrent resolution on the budget has not yet been adopted. The special program authorized by S. 650 is of an emergency nature, and it is necessary that the producers affected receive the earliest possible assurance that they may use their wheat crop in the manner provided for in the bill.

NOTICES OF HEARINGS

RURAL HEALTH HEARING

Mr. CLARK. Mr. President, I wish to announce that the Rural Development Subcommittee of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on S. 708, a bill to allow medicare reimbursement for rural health clinic services, and on related legislation. The hearing is scheduled for Tuesday, March 29, 1977, at 9:30 a.m., and will be held in room 324 of the Russell Senate Office Building.

Through Rural Development Subcommittee field hearings in New England and the Midwest last year, we learned that one of the biggest obstacles to health services in small towns and rural areas lies within the medicare program. A particular medicare policy prohibits coverage for health services provided by nurse practitioners and physician's assistants, unless a physician is present. This policy discriminates against many rural health clinics, which use these health providers precisely because physicians are not available on a permanent basis.

While testimony may comment on any aspect of this legislation, the following questions are intended as suggested topics of discussion:

First. How would legislation of this sort assist small communities in your area and throughout the country?

Second. In what manner should reimbursement be made for the services provided by nurse practitioners and physician's assistants?

Third. What requirements should a clinic fulfill, in terms of such factors as physician participation, arrangements for referral, and management policies, in order to qualify for reimbursement?

Fourth. What type of certification process should be used for the providers whose services would be reimbursed under this legislation?

All written testimony, which will be included in the printed record of the hearing, should be received by my office by Friday, March 25. Two copies of statements should be sent to: David Harf, Office of Senator DICK CLARK, 404 Russell Building, Washington, D.C. 20510.

NOMINATION OF CAROL TUCKER FOREMAN TO BE AN ASSISTANT SECRETARY OF AGRICULTURE

Mr. TALMADGE. Mr. President, on behalf of the Committee on Agriculture, Nutrition and Forestry, I wish to announce that the committee has scheduled a confirmation hearing on March 16, at 9 a.m. to consider the nomination of Carol Tucker Foreman to be an Assistant Secretary of Agriculture.

In that capacity, Mrs. Foreman would direct the Food and Nutrition Service, the meat and poultry inspection activities of the Animal and Plant Inspection Service and several functions currently performed by the Agricultural Marketing Service.

The hearing will be held in room 324, Russell Building. Oral testimony will be limited to 10 minutes, but written statements my be of any length and will be inserted in the official record in their entirety. Those who wish to testify should contact the hearing clerk of the committee at 224–2035 by close of business, Monday, March 14.

ADDITIONAL STATEMENTS

LEGISLATION INTRODUCED TO EXTEND TO NATIVE HAWAIIANS THE BENEFITS OF CERTAIN PROGRAMS OF FEDERAL ASSISTANCE PRESENTLY AVAILABLE TO OTHER NATIVE AMERICANS

Mr. MATSUNAGA. Mr. President, as we are all aware, our country was inhabited, long before what most of us perceive as its traditional discovery and colonization, by certain highly developed and distinct societies, the descendants of which we recognize today as native Americans.

It is one of the most regrettable portions of our history that as our country was founded and grew largely on the base of cultures developed elsewhere than in the areas which now comprise the

United States, these first Americans were preempted from the mainstream of American society. While we are witnessing today a resurgence of ethnic identity and pride in heritage among these groups, the legacy of years of misunderstanding and neglect is reflected in characteristically high unemployment rates and disproportionately high numbers of native Americans on our welfare roles.

In recent years, we have recognized our debt to native Americans by enacting legislation which recognizes the particular problems of these groups, and establishing programs designed to assist them in availing themselves of the same opportunities open to other segments of our society. As just one example, most native Americans are eligible for special manpower training programs under the Comprehensive Employment and Training Act of 1973. As another, special attention is given to most native Americans in certain of our Federal aid to education statutes.

These are programs to which I give my full support. However, there is one native American group whose members have been excluded, apparently inadvertently, as beneficiaries under many of the special programs mandated for native Americans.

I speak of that group which consists of descendants of the residents of the Hawaiian Islands prior to 1778, the year in which Hawaii first came to the attention of the Western world. These native Hawaiians are clearly native Americans to the same degree as American Indians and native Alaskans, with similar experiences of neglect anl resultant frustration. As such, I and many others strongly believe that they are entitled to the same degree of assistance as is provided under law to these other native Americans.

To remedy the present inequitable situation, I joined my colleague from Hawaii, Hon. DANIEL K. INOUYE, last week in introducing four bills which seek to designate Native Hawaiians as beneficiaries under certain Federal statutes enacted wholly or in part to provide assistance to native Americans. The statutes to which the bills are directed are the Comprehensive Employment and Training Act of 1973, the Elementary and Secondary Education Act of 1965, the Indian Financing Act of 1974, and the Indian Self-Determination and Education Reform Act of 1973.

With regard to the first of these, section 302 of the CETA legislation provides for assistance in the form of special manpower training programs for native Americans. Native Hawaiians do not presently enjoy the benefits of these programs. During the 94th Congress, in response to my inquiries into this situation, the U.S. Department of Labor, the administrator of these provisions of CETA, informed me that while it had no objections to including Native Hawaiians as beneficiaries under the manpower programs, it believed legislative clarification to be a prerequisite.

This was not the first time that a lack of clarity as to the status of Native Hawaiian Americans was evident, and in this case I did introduce remedial legislation in the House, as did Senator INOUYE in the Senate. The proposal passed the House as part of H.R. 11453, the proposed Emergency Employment Projects Amendments of 1976, but was not enacted into law. The bill which we have introduced, the proposed Native Hawaiian Manpower Act of 1977, represents a continuation of this effort.

Provisions of the landmark Elementary and Secondary Education Act of 1965 and subsequent legislation mandated programs of special assistance for the education of certain native American children.

Native Hawaiian children are presently not designated as beneficiaries of these programs, and our Hawaiian Native Educational Assistance Act of 1977 proposes that the appropriate legislation be amended accordingly to clarify the eligibility of Native Hawaiian children for such assistance.

In addition to these bills, we have also introduced two bills which seek to extend to Native Hawaiians the provisions of Public Law 93-638, the Indian Self-Determination and Education Reform Act of 1973, and Public Law 93-262, the Indian Financing Act of 1974. These laws appear also to have inadvertently excluding Native Hawaiians as beneficiaries, and the bills we have submitted seek to amend them accordingly.

Mr. President, the intent of the proposals which Senator INOUYE and I introduced last week—to assure that native Hawaiians participate equally in legislation designed to assist native Americans—is not new to the Congress. It recognized inherently that Native Hawaiians were native Americans when it passed the Hawaiian Homes Commission Act of 1920. More recently, Hawaiians were added in 1974 to the list of those qualifying for special assistance under the Community Services Act. The four bills which we have introduced, now designated as S. 857, S. 858, S. 859, and S. 860, represent a fair and necessary continuation of this effort, and I ask for their expeditious consideration by the Congress.

AN ADDITIONAL JUDGESHIP FOR NEW MEXICO

Mr. SCHMITT. Mr. President, in February of this year the Senate Committee on the Judicary held hearings on S. 11, the omnibus district court judgeship bill, and related legislation. S. 11, as introduced, contained the same proposal to create 45 new Federal judgeships as the Senate approved last year. Senator MCCLELLAN introduced an amendment containing the recommendations of the Judicial Conference of the United States for the creation of 107 new district court judgeships as well as the 45 judgeships in S. 11. I am pleased that the McClellan amendment included a provision for one additional judgeship for the New Mexico district, bringing the total number of Federal judgeships serving my constituents to four.

During its proceedings on these proposals, the Judiciary Committee received testimony from the Honorable H. Vearle Payne, Chief U.S. district judge for the district of New Mexico. Judge Payne detailed the remarkable record of his court and presented a compelling case for adding a Federal judge to his bench. I hope that the committee and the Congress will act promptly on the Judicial Conference's recommendations and will approve an additional judgeship for New Mexico.

Mr. President, I ask unanimous consent that the complete text of Judge Payne's statement of February 21 be printed in the RECORD, together with the introductory remarks of Senator DOMENICI and myself before the Judiciary Committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. H. VEARLE PAYNE, CHIEF UNITED STATES DISTRICT JUDGE, DISTRICT OF NEW MEXICO

Mr. Chairman, Gentlemen. I am Chief Judge H. Vearle Payne of the District of New Mexico. I was first appointed a District Judge on April 5, 1963, and I have been the Chief Judge of the District since January of 1964.

Let me state at the outset that I appreciate appearing before this Committee and I stand ready to clarify or to answer any questions which you may have concerning our need for an additional judgeship for the District of New Mexico as recommended by our Judicial Council.

The State of New Mexico comprises but one Federal District served by three District Judges—Judge Howard C. Bratton, Judge Edwin L. Mechem and myself. All of us, including our one full Magistrate are in residence in Albuquerque. We currently have four places of holding court—Albuquerque; Sante Fe, which is 60 miles from Albuquerque; Roswell, located 202 miles from Albuquerque; and Las Cruces, 225 miles from Albuquerque. Although our Clerk and his staff are located in Albuquerque, we have seven part-time magistrates located throughout the state and we have probation staff located in three locations besides Albuquerque.

The State of New Mexico comprises 121,666 square miles and is the 5th largest state in the union. The population as of 1977 is estimated to be 1,196,300, 37th in the Nation, with aproximately 400,000 residents per federal judge. I might add that although the population of the United States increased 5.6% from 1970 to 1976, the population of New Mexico increased 14.9% during the same period. Current indications are that our population in New Mexico is continuing to grow at a still higher rate.

It is not my intention to bore you by reciting a large number of case statistics as I am sure that these are already available to you both from the Administrative Office of the United States Courts and from your own resources. I do want to mention that the management statistics report for Fiscal Year 1976 published by the Administrative Office will reflect that we had a total of 1,096 case filings and 1,124 case terminations during the last Fiscal Year. I should also point out that the last judgeship added to our District was in 1970; however, since that time, our total case filings have increased over 50% which is about double the national percentage increase for the same period.

Although the management statistics report reflects that we had an average of 365 case actions per judgeship during Fiscal Year 1976, I feel it prudent to point out to this Committee that there are a number of factors which I believe should be considered in evaluating our request for an additional judgeship.

Like many other judges in the Federal judiciary, the judges in the District of New Mexico work diligently day in and day out with great dedication at their task of adjudicating and disposing of cases. Their

performance and accomplishments are well reflected in the average of 83 trials completed per judge during fiscal year 76. This, I might add, placed New Mexico second in the Tenth Circuit and fifth in the Nation as to the average number of trials completed by each judge. As you know, the National average was 49 trials per judge.

During the same period, the median time from "at issue-to-trial" of civil cases was three months, resulting in New Mexico being first in the Circuit and second in the Nation in this achievement. Our median time from filing to disposition of civil cases was six months, placing us second in the Circuit and seventh above all the other District Courts in the country.

The median time for disposition of our criminal cases in FY 1976 was 2.7 months. Because of our concern for disposing of cases in the shortest possible time, the District of New Mexico was one of the first districts in the country to implement the permanent time limit requirements of the Speedy Trial Act, and I might add, a full four years ahead of schedule.

As I indicated, New Mexico's geographical area covers over 120,000 square miles. Although the majority of our cases are heard in Albuquerque, we do think that periodically we must take the Court to the litigants located in the other quadrants of the State. Since two of our courthouses are located over 200 miles from Albuquerque, obviously, there is considerable travel time involved for the judges when they travel to Roswell or to Las Cruces to hold court.

As to the overall geographical area, I think it is significant for me to point out that 42% of the State's acreage is federally owned. This percentage does not include the large amounts of land tracts which the Government has taken or leased in conjunction with its missile testing and its NASA and other research activities. Additionally, within the State, we have three major Air Force bases, the White Sands Missile Range complex, the ERDA major facility at Albuquerque, and of course, the Los Alamos Laboratory and its multi-facet activities. I mention these as examples of some of the Federal projects in the State because as you can well imagine they do have quite a significant impact on our caseloads. The land condemnation activity alone has been extensive.

Let me also point out that, like many other States, New Mexico has been very much concerned and involved in energy resource exploration and development. In this regard, we have in New Mexico the largest known concentration of uranium deposits in the United States. There is a beehive of activity by various conglomerates attempting to develop this resource, as well as other resources such as oil, gas, coal, geothermal, and solar possibilities. We have already been faced with a multitude of very complex cases in this area, and, I am afraid to say, this appears to be but the beginning. Of particular importance is the fact that many of these resources are located on Indian lands, and a completely new area of complex civil Indian litigation has already risen as a formidable challenge to our District.

It is incumbent upon me to bring to the attention of this Committee that we are also being faced with an increasing number of Indian civil rights cases. These are emanating from issues arising from new legislation from Indian sovereignty questions, and also because we have three major Indian reservations and some twenty odd different Indian pueblos within the State. One significant issue which continues to be raised is the Indian claims of sovereignty and exclusion from State control.

Another example of complex and prolonged category of litigation faced by the District of New Mexico is the water rights case involving the U.S. Geological Survey, the Forest Service, Bureau of Land Management, Bureau of Indian Affairs, the Indian Tribes, the State Engineer's Office, Spanish Land Grants, and a multitude of individual water use claimants.

Any discussion of projection of judge needs for criminal cases must take into consideration the drug problem faced by New Mexico. As you are aware, New Mexico shares approximately 200 miles of common border with Mexico. Our U.S. Attorney has estimated that 90% of the heroin consumed in the United States is brought in through Mexico. Estimates are that a large portion of this and other drugs are brought into the country through New Mexico. Evidence of the extensive drug traffic through the State is reflected by the large number of drug cases prosecuted in the District in both the Federal and State courts. In fact, drug cases constituted the largest category of offense for criminal cases commenced within our District and within the entire Tenth Circuit during fiscal year 1976.

With an anticipated augmentation of DEA personnel and with the greater coordination being developed among the various drug enforcement agencies in the state and in the adjoining states, and now, also hopefully with Mexico itself, we expect that drug arrests will shortly increase considerably. New Mexico is experiencing an aerial drug delivery service that seems to rival that of a sophisticated modern airline. Last week alone, three small aircraft crashed in different parts in the State. Each one was carrying large amounts of marijuana and other drugs.

We do try some illegal alien cases. The total number of such cases does not come anywhere near the number which could be prosecuted. We have discussed this matter with the U.S. Attorney who has advised that the alien problem is one which is largely being ignored primarily because of assigning higher prosecution priorities to other types of offenses. He feels that, should he receive increased authorization for more assistants (he currently has 13), perhaps, the alien problem could be attacked more vigorously in the Courts.

The U.S. Attorney has stated that it is in the area of white collar crime that a major effort is being expended by his office. If such efforts are fruitful, we know that considerable time will be involved in trying such cases. For example, I personally spent six weeks last summer in trying our former State Attorney General. I was also involved in a nine week long trial involving bank fraud allegations. Needless to say, taking so much time for a single trial requires concerted effort in proper scheduling of judicial time in order to keep the other cases moving. It requires close cooperation and assistance from the other Judges so that we do not run afoul of the Speedy Trial Act time requirements. So far, we have been fortunate and have not had to release any criminal defendants for failure to meet these time requirements. The pressure, however, is increasing in this area. Additional Judge power is definitely needed, not only to assure compliance with the Speedy Trial Act, but also to assure that we do not let our civil cases take a back seat to this new requirement.

Let me add at this time, that in calendar year 1976, we processed 384 criminal defendants. Of these, we tried 66, or 17.2 percent; 197, or 51.3 percent, plead guilty; 18, or 4.77 percent, were transferred out of the District by Rule 20, and the remaining 102 defendants, or 26.8 percent, were dismissed.

I should also like to point out to the Committee that in the area of civil cases we are also experiencing an increasing number of Title VII, Equal Employment Opportunity cases. Although some of these trials are disposed of in two to three days, some of them are of prolonged duration. Judge Mechem is currently into the fifth week of a class action case where old age discrimination is being alleged.

These types of cases as well as Social Security cases are definitely on the rise.

The District of New Mexico also has its share of inmate petition cases since we have a state penitentiary which has almost doubled in inmate population during the last two to three years. This fact is reflected in the 104 state habeas corpus filings during FY 76 which represented a 147-percent increase over the 42 such filings in FY 75. Fortunately, we make full use of our Magistrate with inmate petitions so that we use only a minimum of actual Judge time in such cases.

The District has made, we think, highly efficient use of its supporting staff. For example, our full time Magistrate now assists our Judges with such matters as:

1. Supervising all inmate habeas corpus and civil rights actions, and where appropriate, conducting pretrial conferences and preparing legal memoranda in connection with the disposition of the actions by the District Court.
2. Appointing counsel for indigent criminal defendants.
3. Conducting all post indictment arraignments and taking of not-guilty pleas.
4. Conducting calendar calls of the criminal docket in the absence or at the request of the District Judges.
5. Hearing of motions for review of conditions of release under the Bail Reform Act.
6. Conducting preliminary hearings in probation revocation proceedings.
7. Conducting preliminary hearings in felony cases.
8. Conducting removal hearings.
9. Issuing search warrants under Rule 41.
10. Conducting hearings under 18 USC 3184 on demand for extradition by foreign governments.
11. Supervising discovery in civil cases, including hearing and submitting recommendations for disposition of discovery motions.
12. On designation in specific civil cases, hearing and recommending dispositions in non-dispositive motions and conducting final pretrial conferences.

I might add that we do not hesitate to ask for assistance of visiting Judges whenever there is a need and opportunity. Chief Judge Winner from Colorado assisted us for five days last summer, Senior Judge Christensen from Utah is scheduled to come to our District for three weeks next month and Senior Judge Palmieri from New York usually comes out every fall. By the same token, in 1976, Judge Bratton went to Denver for two days and to Tulsa for three days. I spent one week in Wyoming on a tax case.

Let me conclude by saying that our terminations of 375 cases per Judge during Fiscal Year 1976 did exceed the national average of 371 per Judge. Likewise, I would like to add that our bench times for all three Judges for Fiscal Year 76 was 345 days or an average of 115 days per Judge. These are trial bench days only and do not include the average of 13 court days for non-trial matters such as arraignments, hearings, sentencings, etc.

I might add that there were only four other Districts in the country during Fiscal Year 1976 which had a higher percentage of civil cases tried than New Mexico. Of the 749 civil cases terminated in FY 76, we actually tried 17.5%.

I have discussed a number of unusual situations, problems, and achievements by our District. I hope I did not leave you with the impression that we are a "super" district and that we have all the answers. I do admit that we do work hard and apparently our results and accomplishments have come to someone's attention as last year we were selected for special study by the Federal Judicial Center because our statistical per-

formance was classified as outstanding compared to other Districts. Dr. Steve Flanders and his team from the Federal Judicial Center spent almost two weeks with us trying to determine what procedures and techniques we were using with such good results in order that they might be passed on to other Districts not doing as well. I have not seen the completed report on the survey; however, I might suggest that the Committee receive a copy for a closer review of our operation.

Let me conclude by saying that three Judges in my District try to give to each case, whether civil or criminal, the quality of attention it deserves. We try to do this as efficiently as possible; however, it stands to reason that if our caseloads continue to rise as they have, then I am fearful that the quality of attention on such cases may suffer. I am certain that this Committee, nor does our District, care to see this happen.

We are in need of another judgeship to continue to provide the proper quality of judicial attention to each case coming before our Court.

Gentlemen, this concludes my presentation and I now stand ready to answer any questions which you may have.

New Mexico—fiscal year 1976 (ending 6–30–76)

Number of judges	3
Full-time magistrates	1
Civil filings	781
Criminal filings	315
Total filings	1,096
Total terminations	1,124
Settlements (percent)	82.5
PER JUDGE CRITERIA	
Filings	365
Terminations	375
Trials	83
Trial days	115
Court days	13
Total bench time (days)	128

STATEMENT

Mr. DOMENICI. Mr. Chairman, it is indeed a pleasure to appear before the Judiciary Committee today with the honorable and the distinguished Chief Justice of the United States District Court for the District of New Mexico. Although Judge Payne will go into some detail regarding the need for another judgeship in our district, I would also like to make a brief comment in that regard. But before I do that, I would like to speak briefly about the outstanding career of the distinguished Chief Judge from New Mexico.

Mr. Chairman, Judge Payne has had a long and varied career in the law; serving in executive, legislative, and judicial capacities. He was born in 1908 and was admitted to the New Mexico bar in 1934. He then served as Assistant Interstate Streams Commission Attorney, City Tax Attorney for Lordsburg, New Mexico, and Assistant Tax Attorney for the State Tax Commission. In 1939, he became a member of the New Mexico House of Representatives and served there for nine years; the last three of which as Speaker of that body. In 1955, Judge Payne was elected to the New Mexico Senate and served there until 1957. Then, he was appointed as Judge of the 6th Judicial District of New Mexico. He was subsequently elected to that post and served there until his appointment as a Federal Judge in 1963. Just a year after his appointment as a U.S. District Judge, he was elevated to the position of Chief Judge of that District. Judge Payne is a member of the New Mexico and American Bar Associations. And he is married to the former Donna Hackett.

As many of you know, I am the father of a rather large family of eight children. Judge Payne can take pride in easily topping that in that he has eleven children, one of whom was recently elected to the Supreme Court of New Mexico.

Mr. Chairman, Judge Payne's long and varied legal career makes him highly qualified to comment on the subject matter before this body today. As a practicing attorney in Albuquerque, I have had the pleasure to appear before Judge Payne. I can say without qualification that he is of the highest integrity and is completely devoted to his office. He is diligent and hard working yet very unassuming and humble. He is highly respected by the bar as a thorough and impeccably honest judge. The bar also views him as a practical judge who is extremely well versed in the law and I believe he has achieved this stature through his perseverance and continued study of the law. Lastly, yet importantly, in my experience before him he has always been extremely courteous to all those who appear in his court.

A noted West Coast attorney has recently written in an American Bar Association publication that a judge should be courteous, impartial, diligent and his judgment must have a sense of balance and practicality. He summarized by noting that if, at the end of a trial, the parties feel that they have been treated fairly and courteously, that the judge paid attention and did his homework and understood their arguments; then they are going to think that they have had a good trial judge. In my experience before Judge Payne, he clearly fulfills all of these qualities.

Before Judge Payne begins, I would like to make just a brief comment as to the need for additional Federal judgeships and, in particular, the needs in New Mexico.

Mr. Chairman, I will not ask the Committee's indulgence in reciting the statistical data which supports the need for an additional judgeship. In the first place, those statistics, in detail, are, as I understand it, in your hands. More important, however, Judge Payne clearly can put any such statistics in their proper perspective far better than I, so I will leave that subject matter to him. I would like to make some general observations about our Federal judicial system. I think that most of us believe that one of the most important components of justice in this country is a speedy disposition of the case at hand. I also think it is fair to say that few of us would find that the current disposition of all cases in our Federal courts is speedy enough. A quick examination of the Federal budget will show that we spend far less on our Federal judicial system than on the other two branches of our Federal form of government. While I am far from an advocate of massive increases in Federal spending, I think a small increase in the amount allocated to our judicial system for these additional judgeships will be money well spent.

While Judge Payne will detail these factors, I want to mention that one of the reasons that New Mexico needs the additional judgeship is the great distances between population centers in our State. The court meets in four separate widely dispersed locations and the travel time alone must be taken into account in assessing the needs of that court for judges. Related to this factor is our growing population and the amount of Federally owned and controlled land in New Mexico which generates cases in the Federal District Court. Further, I believe the Committee should consider a number of potential factors which could and probably will increase the caseload dramatically in this court. Several of those matters are illegal aliens and their employment, equal employment, water rights, and drug related cases.

Mr. Chairman, Senator Schmitt being in New Mexico today, was unable to appear here today. He has asked, though, to have his statement, supporting this additional judgeship, included in the record. I will not take further time of the Committee to read it, but will ask that it be included in the record.

Mr. Chairman, at this time, it is my distinct pleasure to introduce to this Committee the honorable and distinguished Judge Harry Vearle Payne of New Mexico.

STATEMENT OF SENATOR HARRISON SCHMITT

Mr. Chairman, I sincerely regret that, due to prior commitments in New Mexico, I am unable to be present at these important hearings on proposals for additional federal district court judgeships.

In the first place, I am in strong agreement with the recommendation of the Judicial Conference of the United States for the creation of 107 additional district judges in various federal districts throughout the Nation, including an additional judge for the New Mexico district. The federal courts are confronted with overcrowded calendars and an increasingly burdensome caseload. The work and time pressures on our federal judges are worsening. For some time I have advocated higher salaries for the judiciary in order to compensate adequately the members and attract more and better legal talent and experience to the bench. In addition to modernization and improvements in the federal judiciary system, I am convinced that there is an urgent need for increasing the number of judges, especially in those districts like New Mexico, where court activity has been heavy and is most likely to increase.

Secondly, I know of no one better able to plead the case for additional judgeships than Chief Judge Vearle Payne. In addition to his qualifications and experience as an attorney, a legislator and a judge, Judge Payne and the two other member of the U.S. District Court for New Mexico are among the hardest working judges in the federal system.

The track record of the New Mexico district court is fairly impressive. For instance, from the time a legal matter is at issue to the time it goes to trial, Judge Payne's court has taken about three months on the average, making that court second among all district courts in the nation.

The court has been averaging six months from the time the case is filed to the time it is disposed of. Moreover, it has taken a median period of 2.7 months for the court to dispose of criminal cases, bringing it in the upper third of the 94 court districts.

As the Committee members are aware, under the 1974 Speedy Trial Act the federal courts are required to try an individual within a certain time frame and are given four years to phase in these time requirements. My state's federal judges were so concerned with compliance that they were able to meet the permanent time limits by July 1, 1976, two years ahead of schedule. Today in the New Mexico district court, the period from day of arrest to day of trial is 110 days. While all of this attests to the diligence of our federal judges, I must still emphasize that there is need for an additional judge on the New Mexico federal bench. Let me cite a few reasons for this need that I am aware of.

As you may know, New Mexico is concerned with energy resources development, and future uranium exploration can be expected in the Grants area as well as on Indian lands. As a result, there will certainly be an increase in litigation involving mineral and tribal rights and those cases will take more docket time. In addition, there has been a sharp rise in discrimination and civil rights cases, and such litigation involving equal opportunity issues should continue to increase as New Mexico citizens become more aware of their rights under Title VII.

Mr. Chairman, Judge Payne will be able to discuss this matter with greater precision and expertise than can I. He is a worthy advocate for the needs and interests of the federal judiciary. I am pleased to endorse his

plea for an additional federal judgeship for the New Mexico district.

With regrets for my absence, I commend Chief Judge Payne to the Judiciary Committee.

GOOD JOE AWARD

Mr. METZENBAUM. Mr. President, Leonard J. Wolodzko, a distinguished biographer, researcher, and printer, long active in Cleveland's Polish community has been named the recipient of the Good Joe Award of 1977 by the Cleveland Society of Poles. I ask unanimous consent that the following article, highlighting Mr. Wolodzko's background be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WOLODZKO EARNS "GOOD JOE AWARD"

Kenneth Kuczma, President of the Cleveland Society of Poles, composed of businessmen and professional men of Polish descent, announced that Leonard J. Wolodzko, biographer, researcher, printer, and past president of the Society, has been selected as the recipient of the "Good Joe Award of 1977." This is the highest honor given by the Society to one of its members for contributing leadership to accomplish the objectives of the Society and for community involvement. The "Annual Good Joe Banquet" will take place on Saturday, March 19, 1977 at Carrie Cerino Restorante, 8922 Ridge Road North Royalton, starting with a reception at 7:00 P.M. and dinner at 8:00 P.M. The Chairman, Edward Ostry, will also serve as toastmaster with Casimir Bielen serving as co-chairman.

The honoree, Leonard J. Wolodzko, has been the owner-manager of Fairchild Printing Company, 5807 Fleet Avenue, Cleveland, Ohio since 1946. After holding many offices in the Society, he rose to the Presidency. As a veteran of World War II, he held active leadership positions in many veteran organizations. He has been a member of the Cleveland Club of Printing House Craftsmen since 1957; Board of Governors for 1963–64; Vice President for 1965–66; President for 1966–67; Chairman of Fifth District Conference in 1969; presently serving on Board of Directors; recipient of the "Graphic Arts Personality of 1967" by the Graphic Arts Council of Cleveland. Also, the biographer and publisher of "Biographical Sketches of American Officers of Polish Descent in the U.S. Armed Forces (1953–1966)." Presently, researching for publication "Bookmarks." This is a capsule form of American-Polish history since 1608. Other past and present organizations include the following: Polish Legion of American Veterans; past Executive Secretary to the Greater Cleveland Memorial Association; Knights of Columbus; past Secretary of the Ohio Division of the Polish American Congress, Inc.; Kosciuszko Foundation; appointed as correspondent to U.S. Assistant Secretary of State for Education and Cultural Affairs in relation to Poland for 1963–64; Alliance of Poles; Polish National Alliance; listed in the 10th edition of "Who's Who" in the Midwest and the 17th edition of "Who's Who in Finance and Industry." He resides with his wife, Eleanor, at 9265 Lawnpark Drive, Brecksville, Ohio, with his two daughters, Lenore and Leah Madonna.

CLARIFICATION NEEDED OF EMERGENCY NATURAL GAS ACT

Mr. STONE. Mr. President, during the debate on the Emergency Natural Gas Act of 1977, I attempted to clarify which pipelines would be eligible for making emergency purchases. That clarification appears at page 2686 of the CONGRESSIONAL RECORD of January 31, 1977, and reads as follows:

Mr. STONE. The Senator from Florida will be very brief.

I ask the Senator from Illinois to direct his attention to page 9 of the bill, section 6 (a), emergency purchases. The first lines provide:

The President may authorize any interstate pipeline or local distribution company served by an interstate pipeline (or class or category of such pipelines or companies) to contract, upon such terms and conditions as the President determines to be appropriate (including provisions respecting fair and equitable prices), for emergency supplies of natural gas for delivery before August 1, 1977.

The key word there is "any."

The Senator from Florida inquires of the Senator from Illinois, the manager of the bill: Is it the intention of that provision that if the President authorizes any one interstate pipeline, by the same authorization he would be authorizing all, or is it an exclusive grant that he could allocate to one, to the exclusion of the other interstate pipelines, and so forth?

Mr. STEVENSON. Mr. President, the Senator raises a good question. It is not the intent to be exclusive. This section is intended to authorize emergency sales for all interstate pipelines, not to just one or another.

Mr. STONE. I thank the Senator very much. It could become quite important to pipelines which would be required by other provisions to yield gas they now have and yet, if the President did not allocate them or authorize them, be barred from trying to buy some replacement supplies from some intrastate supplies they might locate.

Mr. STEVENSON. The Senator is absolutely right. He has raised a good question. It is not the intention of the bill to bar the pipeline from acting in those circumstances.

The word "any," as I mentioned earlier, is intended to refer to all pipelines.

Mr. STONE. I thank the Senator very much.

Mr. STEVENSON. I thank the Senator for the opportunity to clarify that provision.

Mr. President, at the first meeting between the Administrator of the Emergency Natural Gas Act of 1977 and the Emergency Gas Requirements Group, I am told that this colloquy was read to the Administrator and his staff. Despite being fully aware of this legislative history, 1 week later the Administrator issued an order which limited the pipelines who would qualify to make emergency purchases between now and April 30 to those pipelines who are serving only what the FPC refers to as priority number 1, number 2, and number 3 customers, which includes many customers other than the high priority or human needs customers which were to be provided for under the Emergency Natural Gas Act. Moreover, according to this order, any of these pipelines who are given preferential treatment to enter into emergency purchases between now and April 30 may sign contracts for deliveries to be made from May 1 through July 30, a period during which presumably all pipelines will be permitted to make emergency purchases, if any are left to be made.

Mr. President, I find this particular order to be contrary to the spirit and purpose of the emergency purchase provision of the Emergency Natural Gas Act. Moreover, I believe it is discriminatory and harmful to some States, such as Florida, where pipelines are not permitted to make these emergency purchases even though natural gas consumers are being deeply curtailed.

PHILIP HART: SYMBOL OF INTEGRITY

Mr. METZENBAUM. Mr. President, throughout his 18 years as the Senator from Michigan, Philip Hart consistently described the field of politics as "a high vocation." It was a description welcomed by those of us who believed that the title should be respected, not a term of opprobrium as it is in America today. But more importantly, Philip Hart lived and acted so that others more skeptical and cynical could accept that proposition, too. Senator Hart became a symbol of integrity and compassion in a field which is too often regarded as giving little weight to matters of the conscience. He set high standards for himself. And in doing so, he set high standards for his fellow Senators.

I served with Senator Hart only a brief period of time, but I am deeply aware of his contribution to the Senate as a body. His leadership, though quiet and unannounced, set the stage long ago for legislative reforms that took years to come to fruition in the fields of civil rights, consumer protection, antitrust and many others. Progress in those fields has been a direct result of hs persistent attention to substance, his willingness to weigh both sides of a question, and his determination to vote his convictions time and time again. That the Michigan voters returned him to the Senate for three terms, despite the unpopularity of some of his stands, speaks for itself: voters, too, are willing to place a premium on integrity. Philip Hart set an example not only for politicians, but for every American citizen who is concerned with the rights and needs of others.

Few people ever mistook the Michigan Senator as being "soft," and those who did quickly found out the truth. In an age of conflict, Senator Hart was a man who did not believe in all-out confrontation. His course was one of personal conviction based on quiet reason. He did not feel it was necessary to shout down an opponent; rather, his strategy was to impress an adversary with the rightness of his own position and with the integrity of the process by which he took that position. No one who knew Phil Hart ever questioned his integrity or his motives.

Philip Hart was a man who understood there are limits to the influence of an individual or a government. He was not one to despair when he failed to instantly achieve all he set out to do. Through persistence and courage, he worked to achieve his goal of helping make life more livable for the majority of our citizens.

Many of us will long remember the mark Philip Hart left on major legislation, but even more we will remember the man himself. Few have affected the lives of their fellow Senators so profoundly; even fewer are those who have been such a worthy symbol of the Senate as a

whole. Philip Hart, with his unbending belief that politics can be "a high vocation," was an inspiration to us all. He was truly "the conscience of the Senate."

A TRIBUTE TO PAUL DOUGLAS

Mr. MUSKIE. Mr. President, the Bowdoin Alumnus pays tribute in its current edition to a distinguished member of the Bowdoin class of 1913, Paul Douglas. While his political constituency was in Illinois, Douglas had deep Maine roots. These are examined in a sensitive article by G. Calvin Mackenzie of the George Washington University, who is also a Bowdoin alumnus. To share with my colleagues some insights into the character and development of a "gallant warrior" and a man of giant accomplishments in the U.S. Senate, I ask unanimous consent that the article by Mr. Mackenzie be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PAUL DOUGLAS: GALLANT WARRIOR

(By G. Calvin Mackenzie)

It was a seasonably cool afternoon in November of 1966 and a small crowd had gathered at National Airport in Washington, D.C. The textile workers were there, and the communications workers. There were some black women and a small group holding a banner reading, "National Council of Senior Citizens." The patriarch of Alaskan politics, Ernest Gruening, was there and so too was Hubert Humphrey. It was a spirited crowd, but its spirit was edged in sadness. They had come to welcome Paul Douglas back to Washington after his final, unsuccessful, campaign for the Senate.

They waited as his plane approached and then he appeared at the door, a figure familiar to most of them. With his unruly thatch of white hair, the magnificent falcon nose, and a mode of dress reflecting the absent-mindedness one expected of professors, Paul Douglas was easy to recognize in a crowd. As he came closer, a cheer rose and grew louder, and the group broke into a chorus of *For He's A Jolly Good Fellow*. "Nothing in my whole life," the senator said, "has touched me so much." Yet for many of those present there lingered a sense of incongruity, of the inadequacy of this show of appreciation. "How do you express what is inside you by hitting your hands together?" wrote Richard Strout of the *Christian Science Monitor*. "What do you sing to a gallant warrior?" What, indeed?

There is, first of all, the temptation to say that Paul Douglas was a man of profound contrasts. The child of the Maine woods who developed the deepest affection for the city of Chicago. The sensible, gentle Quaker who enlisted in the Marine Corps at the age of fifty. The erudite profesesor who derived so much pleasure from singing *Home on the Range* with the ward heelers on election night. The indefatigable fighter for the great causes of his generation who thought that the reform of Chicago's garbage dumps was perhaps his greatest political achievement and who delighted in the prospect that the city might name a landfill in his honor.

But the temptation to focus on the superficial contrasts of Paul Douglas's life must be resisted. For beneath these apparent paradoxes there lay steely fibres of profound conviction. The thread that tied so much of his life's work together was the compelling force of his own essential humanism, his sustained desire to assert the dignity and worth of man while trying to improve the quality of his living conditions. This devotion to the human side of social and economic progress informed his scholarship, it shaped his career, and it gave him the remarkable energy to persist in the face of what often appeared to be insuperable opposition. In his commitment to the goal of honest and humane government, and in his belief in reason and compassion as the only appropriate means to that end, Paul Douglas was a model of consistency.

The forests and the little villages of Maine provided the backdrop for Paul Douglas's boyhood. His childhood differed little from what it would have been had his birth come a century earlier, for Maine in the 1890s was still very much a frontier state. The tiny towns of Newport and Onawa and Greenville were little settlements, closer in amenities and values to the eighteenth century than the twentieth. Schooling was haphazard, hard physical labor was a way of life, family bereavements were commonplace. The Douglas family fell apart early in young Paul's life. His father, an itinerant salesman, was often absent and, when present, often drunk. His mother succumbed to tuberculosis when he was only four and he was cared for thereafter by a stepmother, whom he came to love deeply, and by an assortment of uncles and stepfathers.

His childhood in the backwaters of Maine was marked by prolonged periods of isolation, and this had two lasting effects on his life. Lacking an artificial environment, he was forced to find stimulation and spiritual sustenance in the natural one. He spent long hours exploring the woodlands that surrounded his home. He became a keen observer of the plant and animal life he found there, remarking at nature's regularities and speculating about its mysteries. He grew to love the cycle of the seasons and he could little abide his own impatience for the sap runs of spring and the harvests of autumn. He never lost this tender appreciation for the earth in its natural state. And as his life passed through the horrors of war and the frequent brutality of industrial development, he continued to cherish those parts and places of the world that men had not yet made ugly.

The isolation of his childhood had a second permanent impact on Paul Douglas's life. It made him a bookworm. His formal elementary and high school education was, at best, barely adequate. But it did help to raise the horizons of his own world by introducing him to the world of literature. At first he worked his way through the classics that one found in the undernourished village libraries of his youth. He devoured Washington Irving and the New England patriarchs: Longfellow, Lowell, Whittier, and Holmes. When Douglas was a teenager, his stepmother and uncles opened a small resort at Moosehead Lake. There his world was opened to the popular literature of the time and especially to the current newspapers and journals left behind by the transients of summer. For the first time he became aware of national politics. The causes and controversies of the first decade of the twentieth century came to life for him. He sought, in his own untutored way, to decipher the meaning of American occupation of the Philippines. He relished the vigor of Ida Tarbell's muckraking attacks on Standard Oil. And he found for himself a new pantheon of heroes. While most of his contemporaries idolized Teddy Roosevelt, Paul Douglas's imagination fixed on William Jennings Bryan and "Fighting Bob" La-Follette. From these early literary excursions, there sprung twin passions: one for the life of the mind, the other for the life of the nation.

After graduating from Newport High School, Douglas was able to round up enough money to enroll at Bowdoin College in the fall of 1909. He crammed a great deal of learning, and no small amount of fun, into his Bowdoin years. Intellectually, this was a period of significant development for Paul Douglas. Like many before and since (the present author included), he found himself unprepared for the rigors of his freshman year and he struggled with his studies. In subsequent years, however, he righted himself academically and by graduation time he stood near the top of his class. While at Bowdoin he formed a fast friendship with Professor Warren Catlin, a friendship that would last for more than sixty years. Catlin helped to introduce him to the "dismal science" of economics, which he found not at all dismal but, instead, rather stimulating and adventurous.

Toward the end of his life, Paul Douglas looked back on his Bowdoin years and several things protruded in his memory. The "most thrilling experience" of his college years was football. He was the starting center for the Bowdoin teams of 1911 and 1912, and while little fame was involved (he recalled drubbings on successive Saturdays by Harvard, Dartmouth, and Brown), he delighted in the sense of accomplishment derived from encountering and enduring physical pain in pursuit of collective goals.

Two of his Bowdoin courses also remained fresh in his memory. One was a course in Darwinism. Darwin's views are no longer the radical novelty they once were, but sixty years ago they were a source of high intellectual adventure. Douglas latched onto Darwin's ideas for their inherent vigor; but he also found in them confirmation and explanation for much of what he had personally observed during his youthful sojourns in the woods. He also had warm memories of the excitement provided by President Hyde's course in philosophy and ethics. Douglas was initially attracted to Hyde because the college president was an avowed Democrat at a time when the majority of his colleagues, avowedly, were not. From Hyde's lectures Douglas developed an interest in Kant and the Epicureans that delighted him as a college senior and later came to color much of his work in economics.

Paul Douglas's Bowdoin years were a time of intellectual growth, to be sure, but they were also a time for profound self-exploration. Bowdoin didn't make Paul Douglas into what he was to become. But the Bowdoin experience helped him to recognize within himself the potential for great achievement and great contributions. He left in 1913 with a Phi Beta Kappa key, with a scholarship for graduate study, and with the first kindlings of a fire in his belly: While at Bowdoin, he later said, "I began to be a social reformer."

Following graduate work at Columbia and Harvard, Douglas began to work full time as an academic economist. He held teaching positions of short duration at several colleges and then in 1920 he was appointed to the faculty of the University of Chicago. There he established a reputation for inspirational teaching and creative, prolific scholarship. His esteem among his colleagues began to move toward the heights it would reach in later years when his profession would accord him its highest honor: election to the presidency of the American Economics Association.

But Paul Douglas was no cloistered academic. By 1930 his writings had begun to attract the attention of leaders in business and government. With growing frequency he was asked to arbitrate labor disputes and to undertake comprehensive economic analyses for government agencies. Slowly there developed a new dimension to Paul Douglas's life. The distinguished professor was becoming an increasingly active public citizen. He was drawn into developing controversies over labor legislation and business regulation and social security, not as a detached scholarly observer, but as a participant, as a decision-maker. And he liked it.

Douglas found in public affairs an opportunity to express, sometimes even to sat-

isfy, his basic humanism. It was these contacts with the human side of social and economic problems that gradually moved him toward a career in public service. They also became the primary source of inspiration for his public actions. "Many of my congressional bills," he later wrote, "originated from these contacts with actual life. . . . The chief stimulus from which I learned was the turbulent flow of my experiences."

In 1939 Douglas sought and won a seat on the Chicago City Council. He was a lonely voice on the council, often finding himself on the short end of 49 to 1 votes. But he rather enjoyed struggling with municipal issues and, after some initial standoffishness, the ward politicians who made up the bulk of the council's membership came to value and appreciate his fair-mindedness and his commitment to the people he represented.

Despite Douglas's pleasure in serving on the council, the experience was short-lived. The onset of World War II thrust upon him the great moral and intellectual dilemma of his life. And he resolved it finally by resigning from the council and enlisting in the United States Marine Corps. That act seems almost ludicrous at first glance. Paul Douglas was fifty years old. His eyesight was not up to military standards. And years earlier he had pledged his devotion to the peaceful ideals of the Society of Friends. What was it that brought on the determination of such a man to go to war?

The answer is not simple. Douglas's first acquaintance with the Quaker faith came when he was in his mid-twenties. He was attracted by the simplicity of it, and by the transcendent optimism of its central tenets.

He wrote of his first brush with the Quaker philosophy: "For months this vision of what an individual could accomplish if guided by a true and informed inner light obsessed me. From a negative repugnance to physical force and violence as instruments of coercion, I felt a mission to try to practice the principle of redemptive love. I failed more than I succeeded, but felt my feet were on the right path and that I was trying to move in the light."

But the harsh reality of Axis aggression led Paul Douglas to set aside his profound distaste for physical force. He loved peace, but he loved freedom more. He cherished the notion of living in a world in which the power of active love could overcome oppression, but he recognized that he didn't live in such a world. And he recognized further that unless the terror of the fascist states was aggressively resisted, all hope would be dashed of ever creating such a world. So Paul Douglas became a private in the Marine Corps and went off to war.

The Marines were reluctant to fill his wish and send him into combat. But, in the face of his head-on determination, there was little the corps could do to keep him away from the front lines. Promoted to major and assigned as an adjutant, he took off the insignia of his rank and worked the front lines as a stretcher bearer. The younger Marines (and they were all younger Marines) never quite accustomed themselves to the vision of the white-haired eccentric they called "Pop" moving along the assault line, offering aid in the crush of battle. At Okinawa a bullet pierced Paul Douglas's arm and left it virtually destroyed. In later years he often referred to his left arm as an exceedingly fine paperweight, but he never publicly expressed the slightest regret at losing the use of his arm in the service of his country. Indeed he later recalled how, at the time of the wound, he felt overcome by a euphoric, almost shameless, sense of patriotism. "A deep wave of exultation swept through me," he wrote, "that at my age I had shed blood in defense of my country."

After evacuation back to the States, Douglas spent a prolonged period of recuperation in Washington where his wife was serving a term in the House of Representatives. When his therapy was completed he returned to the University of Chicago and to the pursuits that had filled his life before the war. He was soon drawn back into public life, however; and in 1948 he sought, and resoundingly won, a seat in the United States Senate. At an age when most men begin to think of retirement, Paul Douglas was just entering the most productive period of his life.

Douglas's eighteen years in the Senate were a time of difficult and vigorous legislative activity. The political agenda was filled with old business like medicare and civil rights, and with new business like the space race and the Cold War. Douglas was actively involved in all of these matters, but throughout his career there were a few key issues on which his passion and his energy focused most intensively. These included civil rights, housing reform, the preservation of legitimate competition in industry, and the reduction of wasteful government expenditures. Make no mistake about it: Paul Douglas was a liberal. But there was nothing doctrinaire about his liberalism. He supported the right of labor unions to organize and bargain collectively, but he would have been the last to argue that labor unions were always in the right and management in the wrong. He believed that the national government ought to use the full range of its powers to actively assist those of its citizens who lacked the means to sustain themselves. But he did not believe that all problems could be solved simply by throwing money at them. "To be a liberal," he once said, "one does not have to be a wastrel." And while he was widely identified with liberal causes throughout his career, it was his fierce independence rather than his liberalism that became the hallmark of his reputation.

As he had years earlier in the Chicago City Council, Senator Douglas often found himself on the losing side in Senate debates. He was cursed (or is it blessed?) with a vision that extended beyond that of many of his peers. His opponents frequently accused him of being too far ahead of his time, though perhaps the real problem was that they were too far behind theirs. In his efforts to achieve a full measure of human dignity for all Americans, to protect the rights of buyers as well as sellers, and to help rescue the cities and preserve the land, Paul Douglas was often at logger heads with the conservative barony of elders that controlled the Senate for most of his tenure there. He frequently lost the battles that he waged, not because he fought them poorly, but simply because the odds were too long. But some gracious Providence allowed Paul Douglas to live a long life and in his waning years he repeatedly experienced the joy of seeing his legislative seedlings come to fruit: The Civil Rights Act of 1964, Medicaid and Medicare, The Voting Rights Act of 1965, The Truth-in-Lending Act of 1968, and the creation of the Indiana Dunes National Lakeshore.

A great many things distinguished Paul Douglas's service in the Senate. But he will perhaps be remembered as much for the manner in which he served as for his ample accomplishments. Two characteristics stand out. One was his incredible persistence. He was never unnerved by the failure to win legislative battles. His wit was maintained and his temper controlled even in the hours of his most excruciating defeats. He was never less than open and fair in his dealings with his colleagues. He was forever guided by the belief that tomorrow is another day and that an admirable and honorable performance today would help to ensure a successful performance tomorrow. And he never ceased to believe that fighting the battle, even losing the battle, might ultimately help to win the war.

Douglas viewed the Congress as an educational forum of the first order, as a place to clarify issues and enlighten public opinion. Only a man who thought substantive objectives more important than career or self-satisfaction could have waged these battles as long and as arduously as Paul Douglas did. Typically, when the Congress finally approved The Civil Rights Act of 1964, he saw his role in retrospect as that of facilitator, not primogenitor: "The Congressional civil rights group had laid the basis for victory. By keeping the issue before the Congress year after year despite political defeats, we had finally helped to arouse the conscience of the country. We had forced the Congressional leadership of the Democratic Party to turn from bitter hostility to studied indifference and finally to ardent advocacy. We had been the whipping boys at every stage of the conflict and had been shunted aside at the conclusion. But we did not care. That was the law of life. The cause had won."

Paul Douglas had a sense of continuity that was uncharacteristic of modern legislators. He was no heady idealist, though he was certainly possessed of heady ideals. He was, in fact, the quintessential realist. In his view, it was the task of the committed legislator to pick up the causes passed on by his predecessors, to make every effort to build support for them in his own legislative lifetime, and then to pass them on to his successors. The lessons of his life had taught him that one man could make a difference, but only insofar as that one man could entice the support of others. No group of people ever disappointed Paul Douglas as much as those fellow liberals who thought politics base, who supported high objectives but would not fight for them. "How much better," he would say, "are the professional politicians than those who criticize them so caustically from the sidelines but never lift a finger to help the causes in which they say they believe."

The second distinguishing mark of Paul Douglas's public service was his unwavering commitment to the highest standards of personal integrity. What made this commitment all the more remarkable was that it was accompanied by a disarming lack of solemnity. He made a full annual accounting of his personal finances long before that was the convention. Indeed he began to do so in the first year of his service as a Chicago alderman. But he never took his colleagues to task for failing to make a similar accounting. He regularly fought a lonely battle in the Senate against "pork barrel" public works projects which he regarded as little more than raiding parties on the federal treasury. This is not the kind of action that endears a legislator to his peers, but again the senator never questioned the motives of his colleagues even as he attacked the unnecessary appropriations they wanted for their states. In this, as in all he tried to accomplish, he avoided personal attacks and sought to base his arguments on merit. Paul Douglas was a vigorous foe, but a fair one, and ultimately his reputation for integrity served him well and embellished the causes for which he fought so persistently.

Though Douglas demanded of himself the highest standards of integrity and personal morality, he rejected the view of politics as a set of transactions in moral absolutes. Bargaining and compromise are legislative ways of life and he was proficient at both. If the cause were just, he preferred half a loaf to no loaf at all. For him morality was often subjective and uncertain, hard for one man to impose on another. In his view, morality could emerge and survive only when politics was conducted openly, candidly, fairly, and courteously. And he sought always to comport himself in precisely that fashion. As a nation, we have only now begun to demand of our politicians the same standards

that Paul Douglas demanded of himself long before it was fashionable.

On the wall in Paul Douglas's Senate office there hung six portraits chosen by him with meticulous care. These were his political heroes: Abraham Lincoln, Jane Addams, John Peter Altgeld, Clarence Darrow, Robert M. LaFollette, and George W. Norris. These were men and women of courage and integrity, of intellectual vigor and unmeasured humanity. It seems clear to us now that the things that characterized their lives were the things that characterized is. Few of us are able in our own lifetimes to measure up to our heroes, but Paul Douglas did. His participation, like theirs, in the great political struggles of his time not only contributed mightily to the political discourse, but elevated it.

Paul Douglas was fond of saying that as a young man he wanted to save the world, in middle age he wanted to save the United States, and as an old man he was satisfied at helping to save the Indiana Dunes. But if his hopes narrowed, his vision never did. He never lost faith in the belief that humankind could make the world a richer place by seeking the truth and heaving to it, by permitting the full flowering of individual abilities and individual dignity, by conducting public affairs with candor and integrity.

For us to note simply that he did all of those things in his own lifetime would perhaps be song enough for Paul Howard Douglas, gallant warrior.

RESOLUTIONS OF GEORGIA STATE SENATE

Mr. TALMADGE. Mr. President, the Georgia State Senate, now in session in Atlanta, has adopted two resolutions which, for myself and my colleague, Senator NUNN, I bring to the attention of the Senate, and ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD as follows:

SENATE RESOLUTION 90

Urging the Georgia delegation to the United States Congress to assist in the efforts to obtain passenger train service to Macon, Georgia; and for other purposes.

Whereas, passenger train transportation brings many advantages of convenience and economy; and

Whereas, the city of Macon, center of the large and populous middle Georgia area, is not presently served by passenger trains; and

Whereas, Mercer University as well as a junior college and a proposed medical school are all located in Macon and have or will have a relatively large number of people who travel for both business and pleasure, many of who might make use of passenger train service were it available; and

Whereas, there are several foreign businesses now located in Macon, which businesses have employees, representatives and customers who are used to and enjoy riding passenger trains in other parts of the world; and

Whereas, the National Railroad Passenger Corporation (Amtrak) is presently considering the resumption of rail passenger service between Chicago and Miami and one of the several proposed routes would go through the Macon area; now, therefore, be it

Resolved by the Senate That the members of the Georgia delegation to the United States Congress are hereby urged to use their influence and persuasive powers to encourage the National Railroad Passenger Corporation to approve the proposed passenger train route between Chicago and Miami, which route goes through the Macon area; be it further

Resolved That the Secretary of the Senate is hereby authorized and directed to transmit appropriate copies of this Resolution to the members of the Georgia delegation to the United States Congress.

SENATE RESOLUTION 91

Urging the Congress of the United States to reconsider its actions increasing the unemployment tax, under the F.U.T.A. (Federal Unemployment Tax Act), being placed on Georgia employers; and for other purposes.

Whereas, Georgia employers have always maintained a responsible level in the Georgia Unemployment Benefits Trust Fund; and

Whereas, on July 31, 1976, there was $221,000,000 in this trust fund which was the fourth highest in the nation and when compared to total wages paid, sixth highest in the nation; and

Whereas, other states have exhausted their trust fund and had to borrow and the federal trust fund has become exhausted and owes the General Treasury of the United States in excess of $3 billion; and

Whereas, the federal share of the F.U.T.A. tax was increased 40 percent on Georgia employers, from .5 percent to .7 percent; and

Whereas, Georgia employers are being made through federal legislation to contribute to restore this bankrupt federal fund because other states have not acted responsibly regarding their unemployment insurance program; and

Whereas, the State of Georgia takes a strong stand that this increased F.U.T.A. tax is an inequitable penalty being placed on Georgia employers; now, therefore, be it

Resolved by the Senate That this Body urges the Congress of the United States to reconsider its actions and increase the federal unemployment tax on only the employers in the states that have caused the exhaustion of the trust funds; be it further

Resolved That the Secretary of the Senate is hereby authorized and directed to transmit an appropriate copy of this Resolution to each member of the Georgia Congressional Delegation and that this Resolution be placed in the minutes of the Congressional Record.

INCOME TAX CHECKLIST

Mr. INOUYE. Mr. President, the deadline for filing individual income tax returns is fast approaching and I am concerned that many of the recent changes in our Nation's tax laws may be particularly confusing to the elderly taxpayer.

The 1976 Tax Reform Act contained several special provisions affecting retirement income, credits for dependent care, personal exemption, the new elderly credit and other areas that may be of little use to the elderly unless they are aware these provisions exist.

To help protect the older taxpayers from possibly overpaying their income taxes, the Senate Committee on Aging recently released a checklist of current allowable deductions of special interest to the elderly. The committee emphasizes that its checklist is not intended to be an all-inclusive list of itemized deductions; it is instead a useful guide in assuring that taxpayers claim deductions, credits and exemptions to which they are legitimately entitled. The committee also says the checklist may help determine whether it would be more advantageous to itemize deductible expenses, claim the standard deduction or use the tax tables.

The Senate committee, along with the expert assistance of the Internal Revenue Service, has performed a valuable public service by creating this special checklist. I know the serious economic realities confronting the elderly in my home State of Hawaii, as well as elsewhere throughout the country, have warranted greater national attention. I am hopeful dissemination of important tax information contained in the checklist may increase awareness of our Nation's complex tax law and in the long run be beneficial to America's older taxpayers.

Mr. President, I have read reports that as many as half of all older Americans overpay their Federal taxes because they are unaware of the many tax-saving provisions in the law. To facilitate dissemination of the Senate Committee on Aging's publication that may help prevent such overpayment. I ask unanimous consent to have the publication printed in the RECORD.

There being no objection, the committee publication was ordered to be printed in the RECORD, as follows:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Itemized Deductions for Use in Taxable Year 1976)

[Prepared by the Special Committee on Aging, U.S. Senate]

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of a taxpayer's adjusted gross income (line 15c, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3 percent) but only to extent exceeding 1 percent of adjusted gross income (line 15c, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor);
Acupuncture services;
Ambulance hire;
Anesthetist;
Arch supports (prescribed by a doctor);
Artificial limbs and teeth;
Back supports (prescribed by a doctor);
Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. Taxpayer should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs;
Chiropodist;
Chiropractor;
Christian Science practioner, authorized;
Convalescent home (for medical treatment only);
Crutches;
Dental services (e.g., cleaning, X-ray, filling teeth);

Dentures;
Dermatologist;
Eyeglasses;
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed);
Gynecologist;
Hearing aids and batteries;
Home health services;
Hospital expenses;
Insulin treatment;
Invalid chair;
Lab tests;
Lipreading lessons (designed to overcome a handicap);
Neurologist;
Nursing services (for medical care, including nurse's board paid by you);
Occupational therapist;
Ophthalmologist;
Optician;
Optometrist;
Oral surgery;
Osteopath, licensed;
Pediatrician;
Physical examinations;
Physical therapist;
Physician;
Podiatrist;
Psychiatrist;
Psychoanalyst;
Psychologist;
Psychotherapy;
Radium therapy;
Sacroiliac belt (prescribed by a doctor);
Seeing-eye dog and maintenance;
Speech therapist;
Splints;
Supplementary medical insurance (Part B) under Medicare;
Surgeon;
Telephone/teletype special communications equipment for the deaf;
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.)
Vaccines;
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health);
Wheelchairs;
Whirlpool baths for medical purposes; and
X-rays.

TAXES

Real estate;
State and local gasoline;
General sales;
State and local income; and
Personal property.

If sales tax tables are used in arriving at your deduction, you may add to the amount shown in the tax tables only the sales tax paid on the purchase of five classes of items: automobiles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 15c, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible). Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in taxpayer's home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for repayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the "finance charge" if the charges are based on your unpaid balance and computed monthly.

Other charge accounts for installment purchases—may deduct the lesser of (1) 6 percent of the average monthly balance (average monthly balance equals the total of the unpaid balances for all 12 months, divided by 12) or (2) the portion of the total fee or service charge allocable to the year.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses to nonbusiness property—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. You may use Form 4684 for computing your personal casualty loss.

CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

Certain payments made for child and dependent care may now be claimed as a credit against tax instead of as an itemized deduction.

If a taxpayer maintained a household that included a child under age 15 or a dependent or spouse incapable of self-care, a taxpayer may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable the taxpayer to work either full or part time.

For detailed information, see the instructions for Form 2441 on page 17.

MISCELLANEOUS

Alimony and separate maintenance (periodic payments).

Appraisal fees for casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box for income-producing property.

Fees paid to investment counselors.

Subscriptions to business publication.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by the taxpayer's employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if employment requires it.

Payments made by a teacher to a substitute.

Educational expenses required by your employer to maintain your position or for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—Taxpayers may now claim either a deduction (line 32, Schedule A, Form 1040) or a credit (line 52, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

Presidential Election Campaign Fund.—Additionally, taxpayers may voluntarily earmark $1 of their taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

Filing status	Required to file a tax return if gross income is at least—
Single (under age 65)	$2,450
Single (age 65 or older)	3,200
Qualifying widow(er) under 65 with dependent child	2,850
Qualifying widow(er) 65 or older with dependent child	3,600
Married couple (both spouses under 65) filing jointly	3,600
Married couple (1 spouse 65 or older) filing jointly	4,350
Married couple (both spouses 65 or older) filing jointly	5,100
Married filing separately	750

Additional Personal Exemption for Age.—Besides the regular $750 exemption allowed a taxpayer, a husband and wife who are 65 or older on the last day of the taxable year are each entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus if your 65th birthday is on January 1, 1977, you will be entitled to the additional $750 personal exemption because of age for your 1976 Federal income tax return.

General Tax Credit.—A new general tax credit is available. For this credit, the taxpayer may claim the greater of (1) $35 per exemption shown on line 6d, Form 1040A or Form 1040, or (2) 2 percent of taxable income (line 15, Form 1040A or line 47, Form 1040) but not more than $180 ($90, if married, filing separately).

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, *but only one of them,* may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence by Elderly Taxpayers.—A taxpayer may elect to exclude from gross income part or, under certain circumstances, all of the gain from the sale of his personal residence, provided:

1. He was 65 or older before the date of the sale, and

2. He owned and occupied the property as his personal residence for a period totaling at least 5 years within the 8-year period ending on the date of the sale.

Taxpayers meeting these two requirements may elect to exclude the entire gain from gross income if the adjusted sales price of their residence is $20,000 (this amount will increase to $35,000 for taxable years beginning after December 31, 1976) or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds $20,000 (this amount will increase to $35,000 for taxable years beginning after December 31, 1976), an election may be made to exclude part of the gain based on a ratio of $20,000 (this amount will increase to $35,000 for taxable years beginning after December 31, 1976) over the adjusted sales price of the residence. Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded by an elderly taxpayer when he sells his home.

Additionally, a taxpayer may elect to defer reporting the gain on the sale of his personal residence if within 18 months before or 18 months after the sale he buys and occupies another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence or (2) you were on active duty in the U.S. Armed Forces. Publication 523 (Tax Information on Selling Your Home) may also be helpful.

Credit for the Elderly.—A new, expanded, and simplified credit for the elderly has replaced the former more complex retirement income credit.

A taxpayer may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if the taxpayer is:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

To be eligible for this credit, taxpayers no longer have to meet the income requirement of having received over $600 of earned income during each of any 10 years before this year.

For more information, see instructions for Schedules R and RP.

Earned Income Credit.—A taxpayer who maintains a household for a child who is under age 19, or is a student, or is a disabled dependent, may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if a taxpayer reported earned income and had adjusted gross income (line 15c, Form 1040) of less than $8,000, the taxpayer may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons livinig apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

KEYNES IS DEAD

Mr. THURMOND. Mr. President, I have just read an excellent article which appeared in the January 31, 1977, edition of the Wall Street Journal. The main theme of this article is that deficit spending is not necessarily the best way to get out of a recession and reduce unemployment. Prime Minister James Callahan, the leader of the Labor Party government in Great Britain, has even made statements to this effect.

Two very interesting points are brought out in this article. First, for the period between 1965 and 1974, statistics do not reveal any significant correlation betwen average annual growth in a particular country and whether or not there was a surplus or deficit for that country. Finland, for example, had approximately a 3.5 percent average annual surplus and a 5 percent average annual growth.

The figures for Italy were approximately a 4 percent average annual deficit and a 4.7 percent average annual growth.

Second, for the period between 1962 and 1971, the statistics are quite revealing when comparing government expenditures as a percentage of gross national product and the average annual rate of growth for that country. For example, Sweden had a 3.7 percent average annual growth rate for this period while the government expenditures were approximately 25.6 percent of gross national product. However, for Japan, average annual growth was 10.1 percent with government expenditures only 10.4 percent of gross national product.

I believe these are two extremely important and revealing relationships of which we all should take note. Mr. President, in order to share this important article with my colleagues, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Jan. 31, 1977]

KEYNES IS DEAD

"We used to think that you could spend your way out of a recession and increase employment by cutting taxes and boosting government spending. I tell you, in all candor, that that option no longer exists, and that insofar as it ever did exist, it only worked by injecting bigger doses of inflation into the economy followed by higher levels of unempoyment as the next step. That is the history of the past twenty years."

These words were uttered not by some superannuated gold bug, but by Prime Minister James Callaghan, the leader of the Labor Party government in Great Britain, the Keynesian homeland. We will place no bets on Mr. Callaghan's ability to put into practice this remarkable disavowal of the conventional wisdom that has taken Keynes' name; it much remains to be seen if his nation has the will to follow the policies implicit in such a statement. But at least Britain's glimpse of the economic gallows has wonderfully concentrated its mind. We wish the prime minister had something he could wave, like an IMF loan, to make sure his advice is heard by the new occupants of the U.S. Treasury.

For on this side of the Atlantic, the old conventional wisdom has been snatched from its deathbed by the economic program President Carter presented to Congress last Thursday. The program consists of enlarging the public sector through a jobs program, and enlarging the deficit through tax rebates. The chief debate seems to have been on the size of the package and the mix of the two policies, it being complacently assumed that these measures will in fact "stimulate."

Everyone knows, after all, that budget deficits stimulate demand and therefore employment; since the Keynesian revolution the centerpiece of every Economics I class in the English-speaking world has been government deficits run through a "multiplier" to boost GNP. Well, everyone who knows that deficits stimulate ought to take a look at the following table. Growth figures come from a friendly bank, and the average government budget position is compiled from a recent OECD special study.

Deficits and growth: 1965–74

[In percent]

	Av. def. (surplus +) GNP	Growth (av. ann.)
Italy	−4.04	4.7
Ireland	−3.42	3.9
U.K.	−1.19	2.5
U.S.A.	−.76	3.3
Netherlands	−.32	4.9
W. Germany	−.30	4.1
France	+.34	5.3
Canada	+.78	5.2
Portugal	+.79	6.8
Japan	+1.39	8.7
Australia	+1.43	5.2
Luxembourg	+1.95	3.7
Norway	+3.43	4.5
Finland	+3.54	5.0
Sweden	+4.08	3.5

What everyone knows is simply wrong; there is no way to read into this table the notion that deficits are good for you. It will be surprising to most Americans, first of all, to learn that not all governments run deficits all of the time. Indeed, in this period a majority of industrial governments were in sur-

plus when averaged over business cycles. The Scandinavian welfare states run the biggest surpluses of all due to their belief, considered fuddy-duddy in the U.S., that social security pensions should be funded like private ones. While obviously deficits are not the only factor at work, by and large nations with a budget balance to a moderate surplus do the best. Those with big deficits tend to do the worst.

If Lord Keynes were alive today, he would no doubt be back at the drawing boards. The above numbers do not necessarily refute his central thesis about economic problems arising from a mismatch of savings plans and investment plans, nor do the figures prove that deficits of certain amounts may not be appropriate under certain conditions. But conditions today are far different from what they were when The General Theory was written. As Oxford economist Walter Eltis has pointed out, through most of Keynes' life the gold value of the pound was precisely where Sir Isaac Newton had fixed it a century and a half before. If we had Lord Keynes today, surely he would have something instructive to say about an age of inflation. Unhappily, Lord Keynes is dead.

We are left with his disciples, who apply his theories so mechanically they even write them into computers. Staring into the computers trying to divine the future, the disciples lose touch with both the real world around them and the original mysteries of their craft. They do not notice that in fact deficits fail to stimulate, and have forgotten why they were ever supposed to.

While the Economics I texts tend toward a single-entry Keynesianism in which money to be multiplied comes magically from nowhere, Lord Keynes himself knew full well it had to be either printed or borrowed. He believed it could be borrowed without a reverse multiplier because the borrowing would tap otherwise unused "speculative cash balances." Feeding these idle balances into the spending stream would stimulate.

But are there idle balances in an inflationary economy? If so, isn't a deficit of, say, $45 billion enough to mop them up? What makes an extra $15 billion the magic number? Why not double the deficit and recover twice as fast? Is there perhaps some limit to the stimulative effect? Have we not in fact passed it? What happens on the other side? Oh, mighty computer, answer us this.

What in fact happens in today's world may not be written in the computers, but it is written plainly enough in recent experience. Instead of tapping idle balances, government borrowing competes with private borrowing for the same savings. This tends to lower capital investment and housing, which means slower economic growth. It also tends to induce monetary authorities to print money to cover the deficit, with higher inflation, higher interest rates, and eventually stagnation from depressed consumer and investor expectations. "A momentary economy," Lord Keynes wrote in the preface to The General Theory, "is essentially one in which changing views about the future are capable of influencing the quantity of employment."

Though we lack a new Keynes to guide us, our experience suggests that what plagues the economies of the Western world today is chiefly the expectation of inflation. The falling inflation and relatively restrained monetary policy of the last year or so have not led to a new recession. Instead, the recovery has proceeded, though unemployment remains high because of a rapidly growing labor force. But inflationary expectations remain, the Fed has recently allowed M-2 to swell, and the Carter program invites new deficits, new money growth and renewed inflation.

Beyond that there is the question of fiscal policy. A glance at the following table is suggestive. It was compiled by Edmund Stillman and Richard Ensor of Hudson Research Europe Ltd.:

Public spending and growth: 1962–1971

[In percent]

	Govt. expend. (ex. transfers) GNP	growth (av. ann.)
Sweden	25.6	3.7
Denmark	23.8	4.7
U.S.A.	23.2	4.4
Canada	22.4	5.5
U.K.	20.7	2.5
W. Germany	20.4	4.5
Finland	18.6	4.9
Belgium	16.5	4.8
Italy	16.0	4.8
Australia	14.9	5.4
France	14.0	5.8
Switzerland	12.9	4.1
Spain	12.3	6.9
Japan	10.4	10.1

In today's world, it seems, a large public sector is associated with slow economic growth. If the government takes more workers' savings and other resources, less is available for the more productive private sector. In particular, Hudson Europe finds that public spending tends to come at the expense of profit and therefore investment. But only increasing private investment can supply enough new jobs to accommodate a labor force growing, as the U.S. one is, by nearly three million workers a year.

President Carter has asked the wizards how to cure the economy, and they have peered into their computers to come up with bigger deficits and more public-sector jobs. Hemlock and nightshade may or may not cure some illnesses in the hands of a diagnostic genius, but clearly the prescription is not one for all seasons. Today it is not the cure but the cause of our economic ills. That is the raw historical experience the Prime Minister of Great Britain cites so eloquently. We only hope that President Carter can shake the grip of the wizards and focus on real experience without the brush with the gallows it took in Lord Keynes' homeland.

DeCONCINI ON RECYCLING BEVERAGE CONTAINERS

Mr. DeCONCINI. Mr. President, a number of States have passed laws that place a 5-cent deposit on beverage containers. The Congress itself is considering similar legislation on a national level.

The problems of litter and solid waste are certainly major ones, and rightfully the subject of national and State concern. My own philosophy, Mr. President, is that when a problem exists we ought to try and solve it through the free enterprise system. If that is not possible, then—and only then—should the Government involve itself.

I believe that the beverage industry in Arizona has come up with an imaginative solution to the litter and waste problem. Other States should consider the Arizona program as a possible model to emulate.

For the purpose, Mr. President, I ask unanimous consent to print in the RECORD an article outlining the Arizona approach to the beverage container problem.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WANNA HEAR MY BIRP?

(By Jerry Petrie)

It was in 1971 when the issue of container litter was first debated in the Arizona Legislature. That was also the year that the Arizona beverage industry—that is, the Arizona Wholesale Beer and Liquor Association and the Softdrink Bottlers Association of Arizona formed a non-profit partnership and developed plans to address litter in a meaningful way, with a positive program of action statewide.

We could have simply debated the merits of mandatory deposits and source reduction, that is: the elimination of certain containers from the marketplace. The Oregon approach to reducing roadside litter. Instead, we unveiled a program of voluntary container recycling—called the Beverage Industry Recycling Program, or BIRP—without legislation, and members of the 30th legislature agreed to give our plans a chance to succeed.

Starting with a single center in Phoenix in 1971, we now have five manned centers. Besides the Mesa, Glendale, and Tucson centers opened earlier, I am happy to say that we were able to open a center in Flagstaff on October 1 of this past year to serve Northern Arizona.

I'm also happy to report that we are currently hard at work on our sixth center and hope to have it open around February first. It will be located just west of Hayden in Tempe. Actually, it's on City of Scottsdale property with the City of Tempe. Actually, it's on City of Scottsdale-Tempe center.

With the completion of the six centers, BIRP facilities are convenient for 1,335,000 Arizonans, well over half of our state's population.

Each year our operations have been better than the year before and 1976 was no exception.

In 1971, we collected a total of 3,595,065 pounds. For this, we paid out $148,004.78.

In 1976, we collected a total of 17,706,004 pounds of materials! For this, we paid the public $1,310,065.39, up $300,000 from 1975.

None of this would have been possible if the legislature hadn't gone along with our program, by cooperating with our development efforts and by rejecting mandatory deposit proposals.

If the legislature had passed a bill encorporating the mandatory deposit approach, BIRP would have been put out of business. All the natural resources we have kept out of landfills and all the money we have paid our citizens would have stopped. We would be out of recycling because mandatory deposit laws practically eliminate canned beverage sales, and the recycling of empty cans, especially aluminum cans, is what keeps us, and many other recycling programs around the country, going economically.

Deposits or recycling? That is the question. We have proven that recycling is an economically feasible alternative. First, it was the Hatfields and McCoys who were causing all the problems. Now it's Hatfield and McCall who are trying to stir things up, and I am feuding with them.

I'm referring to Oregon Senator Mark Hatfield and former Oregon Governor Tom McCall, who have been loudly promoting their state's "Bottle Law" all over the country and in Congress. This law went into effect on October 1, 1972, and sets a five cent deposit on each container, except for a standard returnable bottle which can be used by more than one beverage company, which has a two cent deposit.

I haven't heard any Arizona Congressional representatives promoting our program, which started before Oregon's, on April 1, 1971. As Les Schlangen of AP has written, "Arizona recycling is the story that has been undertold," and yet we have been far more

effective in reducing container litter and even solid waste.

A mandatory deposit law forces retailers to buy back containers. This, in turn, tends to eliminate can sales which forces industry to shift to bottles.

Suppose you were a retailer and ran a small store, or even a large store for that matter. How would you like it if a customer came up to the counter with a big bag full of crushed empty cans, many still containing a little of their original contents? People can't resist squeezing the Charmin.

You would have to open the bag, sort and count all those cans to check the deposit markings, and determine how much of a deposit that customer, if in fact he was really your customer, would have coming.

It wouldn't take you long to realize that it would be the lesser of two evils to take back only the bottles. At least they would be more presentable, easier to count, and could be stacked in cases in your storeroom, crowded as it probably would be by now. Besides, the bottles would present far less of a sanitation problem for your store. So, you simply decide to stop selling canned beverages and, thereby, stop redeeming empty cans.

That's what happened in Oregon, where canned beverages sales dropped by 83 percent within the first year of their "bottle law." That is the real lesson learned in Oregon—retailers quit handling cans.

Pretty soon the canned beverage business is on the skids and the beverage and packaging industries have to scramble to shift to an all returnable bottle system. You may ask, as many have, what's so bad about an all returnable bottle system? I'm glad you asked.

The total conversion from cans to bottles causes needless expenditures which would amount to billions of dollars on a national basis. It would downgrade employment, waste energy, and raise consumer prices.

Now, let's look at cans and bottles. Bottles take up twice the space and 15 to 22 times the weight of cans, especially aluminum cans. Bottles take up more space from the manufacturer to the consumer. Returnable empty bottles are subject to breakage, and because they take up a lot of space in retail store rooms, the result is more frequent deliveries from suppliers. More deliveries mean more consumer cost. Deposit charges were recently increased here and this doesn't increase sales. Even with the new deposits, which amount to 10, 20, and up to 40 cents for the new two-liter bottles, many are still not being returned.

As a recyclable item, bottles are a problem. At BIRP, we have to keep them sorted by color and free of caps and metal rings. We then have to scoop the pile of glass with a front loader tractor into trailers for delivery to California. Arizona has no glass manufacturers. There is no local glass market and return freight is expensive.

Bottles simply do not have a high recycling value. We pay the public a half-cent a pound for the bottles and jars they bring to us. After paying for transportation to the coast and our own handling, we have been losing money on bottle recycling since we began. (Please understand that we are talking about recycling. Bottles, just like cans, are an important part of the marketing mix and each has a role to play. Bottles are not a total solution.)

The total conversion to bottles would also cause needless expenditures. Manufacturers would have to produce a larger inventory of bottles when shifting from our current system of both returnable and non-returnable containers to an all returnable system. This means that industry, from the brewers and local fillers to wholesalers and retailers, would have to provide more room to handle the same amount of product they are already handling.

Shifting from cans to bottles would mean the purchase of more expensive bottle filling equipment and the scrapping of equally expensive can filling equipment. It will mean more local delivery trips and more trucks requiring a lot more fuel.

Then, there's jobs. You've probably heard a lot about what would happen to jobs if a national bottle law passed. Maybe a few more jobs would result, but let's look at a much more important figure in terms of employment—payroll.

What happens when you have to fire skilled plant workers and end up hiring unskilled bottle sorters? It's like firing dad and hiring his son. Don't think about just jobs, think about payroll.

Think also about can manufacturing plants. Oregon didn't sell many cans before they passed their law. They had only one can plant. I say "had," because they don't have any now. The Emerald Can Plant closed shortly after the Oregon law took effect.

What about National Container Corporation's new plant in Phoenix? It will open this year, with some local development fund bonding. What about the other eight can facilities which are already operating in Arizona? Oregon had only one plant, we have nine. National's Plant alone will employ about 100 workers at its $3 million plant. Canning is big business in Arizona. And, as I've said, there are no glass plants here. They are in California.

Then, there's the consumer. You know, mandatory laws are really curfews. They impose definite limits on us as consumers. We'll have no choice as to what kind of container we want to buy our beverage in. Which would you prefer to take on a camping trip with you: bottles or cans?

What about prices? You've probably heard that prices haven't changed much in Oregon. Well, let's look at these current figures.

A six-pack of 12 ounce beer cans in Arizona sells for anywhere from $1.39 to $1.69 now that fair trade pricing has been removed. And I won't comment on that subject further. In Oregon, that same six-pack of beer costs between $1.69 to $1.84 plus a 30 cent deposit, that is, if you can find a store selling the cans.

In Arizona, a six-pack of nonreturnable 12-ounce beer bottles costs $1.69. In Oregon, the common bottle selected is an 11-ounce bottle, and a six-pack of those costs from $1.59 to $1.72 plus a 12 cent deposit.

For soft drinks, it's the same story. In Arizona, a six-pack of 12-ounce cans costs $1.35, compared to $1.49 plus 30 cents deposit in Oregon. A six-pack of returnable soft drink bottles costs 99 cents here plus 60 cents deposit. In Oregon, it's $1.19 plus deposit.

In Oregon, retailers have increased their margins to offset the higher cost of handling returns. The result is that the Oregon consumer pays more.

Then there's energy. The manufacture and distribution of beverage containers requires only 4/10 of one percent of our total national energy consumption to begin with.

Returnable bottles mean more local deliveries, long trips back to a brewery, more Arizona water to clean the soft drink bottles, and more power to heat the water. On the other hand, recycled aluminum requires only five percent of the energy required to manufacture aluminum initially from bauxite.

How can a "bottle law" save energy? You tell me.

All of which gets us back to the basic purpose of the law, the reduction of litter.

Containers account for less than twenty percent of the nation's litter. Maybe that's why Oregon, despite its best efforts, has only been able to reduce total litter by ten percent, according to its own figures.

What about solid waste? It's paper and food wastes and yard wastes for the most part. Containers account for less than six percent of the total.

So here we are in Arizona with BIRP. It's a program still unique in the nation—still the only true state-wide comprehensive program of its kind. It has removed over 58 million pounds of recyclable natural resources from our landscapes and landfills. It has paid our participating citizens nearly $4 million cash, money which has helped support many families during our recent economic problems, and which has become a prime fund raiser for many worthwhile community and charitable activities. BIRP provides jobs for everyone—paying jobs, no references needed. BIRP has also created a new industry, directly employing more than 30 workers with spending for payroll, goods, and services last year totaling $400,000. In addition, BIRP has saved hundreds of thousands of city trash removal dollars and state litter pick-up funds.

Add it all up and you'll find that BIRP is a $2 million industry here. Think about that positive impact on our economy compared to the negative impact of Oregon's legislation.

Last year we were honored nationally by the U.S. Department of Housing and Urban Development and the Bicentennial Commission in its "horizons on display" program for ingenuity and community problem solving, one of only 200 activities in the country so recognized.

We have had visitors from as far away as Japan and Australia visit our Phoenix Center and marvel at what we have been able to do, at our pioneering home-made equipment which efficiently handles materials for us.

So why do I keep hearing about Oregon and the Hatfields and McCalls? Why don't I hear something about what we in Arizona have done to solve a problem through free enterprise, rather than by passing another law?

In Arizona, recycling is the answer. It can be the answer in other states as well.

LEARNING ABOUT ENERGY THE HARD WAY

Mr. DOMENICI. Mr. President, now that warmer weather has made natural-gas-short days of just a few weeks ago seem much further away, perhaps we should all put a picture of mid-January Buffalo on our office walls as a reminder of a disaster that could have been—and still may very well occur in the future unless we act now.

I believe that a balanced energy policy can be forged in 1977. As a new member of the Energy and Natural Resources Committee, I intend to work constructively toward that end.

I know that science has many suggestions to offer us, and I am pleased by a recent editorial by Philip H. Abelson, in the February 25, 1977, issue of Science magazine.

Abelson suggests conservation, incentives to business to install energy-saving devices and to decrease wasteful consumption, as well as incentives to convert to coal rather than oil or natural gas in many industrial processes.

While this editorial does not mention the need for continuing basic research into solar, geothermal, and nuclear energy programs, I believe that this basic research is the key to any long-term solution of the Nation's energy problems.

The upshot of Abelson's editorial is that we in public office must lead. We

must have the courage to tell the American people that the days of cheap energy are past; that, like it or not, the Nation's economic health and national security will demand new priorities. I hope that the President's energy message will not flinch from such harsh truths and I pledge my support to those Presidential initiatives that I believe will take this Nation toward the goal of energy self-sufficiency and continued economic growth and freedom.

I ask unanimous consent, Mr. President, that the Science editorial, "Learning About Energy the Hard Way," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LEARNING ABOUT ENERGY THE HARD WAY

For more than a decade it has been obvious that the United States is destined to face enormous adjustments in its use of energy. The difficulties and costs of finding new oil and natural gas have been climbing rapidly and it is clear that potential discoveries are limited. The embargo of 1973–1974 should have led to vigorous action, but it was quickly ignored.

By mid-March the acute stage of the current energy shortage will have passed. Because supplies of foreign petroleum are available, a major disaster has been avoided. A huge shortfall has been in part made good by record imports of oil. The United States is fortunate in another aspect. Although generating equipment was taxed to the utmost, the electrical utilities were able to avoid massive power shutdowns.

And so, although domestic sources of oil and gas, continue to decline, the United States will luck through another energy crisis. But other crises will come, and will probably be more severe, for even with action now, many years must elapse before the gap between domestic production and consumption of energy can be made to decrease substantially.

In principle, conservation is the solution, with a goal of reducing energy consumption to half its present level. However, the record of the past 3 years provides little basis for hope that energy consumption can easily be cut. Industry has already made most of the simple moves such as fixing steam leaks. Those homeowners who are willing to turn down the thermostat have already done so.

To achieve really substantial economies will require investment of as much as a thousand billion dollars or more. Even were major changes to begin now, a decade or more would have to pass before their effects would be largely felt. Still a beginning must be made, but that will evidently require more incentives than have hitherto been supplied. The people must come to understand and believe that the various forms of energy—especially those based on oil and natural gas—are going to become steadily more scarce and much more expensive. Examples of incentives would be huge taxes on gasoline and heavy autos. Conversations with people in industry indicate that new energy-saving installations would be built if funds were available at low interest rates. Such construction would employ many workers.

Much of the energy that is consumed by industry is utilized for process heat. In principle coal rather than oil or natural gas could be used, and this substitution could be the fastest means for freeing supplies of natural gas and oil. However, in general, capital expenditures would be involved, and again financial incentives would speed the process.

Overall, the amount of energy moved in gas pipelines is about three times that transmitted electrically. For home heating there is no easy domestic substitute for natural gas. To replace methane by electricity in homes alone would require an investment in generating plants and heat pumps amounting to several hundreds of billions of dollars. Solar heating would also involve enormous investment.

Domestic supplies of both oil and gas could be increased. For example, additional amounts of methane might be obtained from fermentation of biomass, from disposal of organic matter in sanitary landfills, from gases associated with coal, from brown shales of the Appalachian Basin and elsewhere, from the low-porosity rocks of the Uinta and other western basins, from the geopressured zones of the Gulf Coast, and from Alaska. At some time in the future there will be synthetic methane from coal. Probably most practical is natural gas to be discovered by conventional drilling. Methane from all of these sources will be expensive.

The United States apparently learned nothing from the 1973–1974 embargo. Perhaps a second lesson will be more effective. If not, other lessons will come and they will be more harsh.—PHILIP H. ABELSON

FARMERS AND THE FREE MARKET

Mr. EAGLETON. Mr. President, as Congress begins its consideration of major new farm legislation it is worth reflecting on the tenuous position occupied by most family farmers in today's economy.

Unlike large corporations and unions which have the organization and amassed resources to influence, if not control, the play of market forces, the individual farmer is pretty much left to the mercies of shifting supply and demand patterns and the vagaries of weather. I do not think it is an exaggeration to call the family farmer our last link to the free-market system.

This role of the American farmer and the proper function of Federal farm programs is the subject of a thoughtful article in the most recent issue of Today's Farmer. The author, Mr. Fred Heinkel, president of the Midcontinent Farmers Association, is one of the most respected and knowledgeable men in his field and I commend his insights to my colleagues.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARTICLE BY FRED HEINKLE, PRESIDENT, MIDCONTINENT FARMERS ASSOCIATION

The free market system—it's a beautiful concept. In this country, we've been taught to revere it. And rightly so—because the concept has merit. It can provide incentive for productivity and progress. It can allocate resources to that use for which there is greatest need. It can provide opportunity, challenge and satisfactions.

Who would disparage the concept of a free market system? Certainly not I. We need to recognize, however, that reality can differ from the concept which inspired it—that a modified model can differ greatly from the original.

In this country, the so-called "free market system" is a modified model. And the modifications are of such dimension that inclusion of the word "free" results in misnomer.

Except for agriculture, the major industries of this country are controlled by a few large firms with power to control production and administer prices. Even labor has that power. Unless wage demands are met, workers withdraw.

In a free market system, prices should move up or down in response to supply-demand balance.

In recent years, we've seen automobile oversupply, with no corresponding drop in prices; rising unemployment, with no drop in wage levels. How long since there was a significant drop in the price of steel? Farm machinery? Transportation? Fuel? Health care? A phone call?

Where is the evidence of a free market system?

Only in agriculture—where prices of farm products continue to move up and down, day by day, week by week.

It is not my purpose or intent, at this point, to pass judgment on what has happened to the market system. But to be honest with ourselves, we might as well admit that the "free market system" is mostly myth.

Against that background, attempts to label federal farm program proposals as "threats to the free market system" are, in my judgment, less than honest. Such labeling is nothing more than a guise intended to shame farmers into taking what's left after others get what they want.

Without legislation to provide meaningful protection in a market system dominated by those who have protection, farmers can expect to get the hot end of the poker.

As farmers, we don't want to see any action that would destroy what remains of the "free market system." We believe that it should be retained and strengthened. But we do need effective farm programs to make that market system work for us the way it works for others.

We don't want a program to tell us how to farm our land. But we need a program that will enable us to survive and produce needed food and fiber within the market system that exists.

If—as in some other major industries—agriculture were controlled by a dozen or fewer giant corporations, it could handle its own problems. It could, for example, hold production to levels which would assure favorable prices. But such an agriculture, I submit, would be a greater threat to our existing market system than any government farm program yet proposed.

So those who are concerned about retaining the "free market system" might well direct their efforts toward development of a national farm and food program to provide the price and disaster protection needed to assure family farmer survival.

MILITARY UNIONIZATION

Mr. THURMOND. Mr. President, two recent articles on military unionization have caused me great concern. One article, "Unionization of Armed Forces," by Drew Middleton, appeared in the March 4, 1977, edition of New York Times, and indicated that President Carter's recent statement opposing unionization of the Armed Forces was unlikely to cool the controversy.

The other article, "AFGE Military Move Near," by Mike Causey, appeared in the March 5, 1977 edition of the Washington Post, and pointed out that members of AFGE would probably begin voting within the next few weeks on whether to admit Armed Forces personnel into the union.

I have pointed out on many previous occasions my concern that military unions be stopped before they are allowed to organize.

Mr. President, I ask unanimous con-

sent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD as follows:

UNIONIZATION OF ARMED FORCES

(By Drew Middleton)

President Carter's negative comments on unionization of the armed forces have focused attention on the often heated debate over the subject that has agitated the services in the last three months.

Speaking to Defense Department employes on Tuesday, Mr. Carter said he was opposed to unionization of the armed forces and was unaware of any "strong movement" toward it supported by leaders of national and international unions.

His words are unlikely to cool the controversy centered on the decision by the American Federation of Government Employees last December to authorize military membership. Supporters of the move say that a recruiting drive in the services may begin soon.

Senior officers of the services, including the Chief of Naval Operations and the Army's Chief of Staff, as well as Senator Strom Thurmond, of South Carolina, senior Republican on the Senate Armed Services Committee, and George Meany, president of the American Federation of Labor and Congress of Industrial Organizations, oppose unionization, along with military and veterans' organizations.

ON THE OTHER SIDE

The advocates include the leadership of the Government employees federation, which has a membership of close to 300,000, and a number of students of military affairs including David Cortright of the Center for National Security Studies and Charles C. Moskos Jr. of Northwestern University.

Both sides apparently agree that the reasons for the controversy are rooted in the character of today's volunteer forces and in the resentment in the forces over attempts by the Federal Government to curtail expenditure for personnel.

"The big brass shouldn't be surprised if the lower echelons in the military machine are interested in unionization," one veteran observer said.

"The brass has complained so long and so loudly about the prospective loss of benefits that, of course, this trickled down to the enlisted men, the employees, and they're very uneasy about their benefits," the source explained.

The prospect that the forces may prove a fertile field for unionization is attributable, many sources said, to the emphasis on the occupational aspects of service. The concept of military life as a calling, still held by many officers and noncommissioned officers, has been obscured to some extent by recruiting appeals that picture service life as a job, comparable to those in civilian life, rather than as a patriotic vocation.

The debate has been complicated by arguments over the effect of unionization on European forces. Six countries—Sweden, a neutral, and Norway, Denmark, Belgium, West Germany and the Netherlands, all members of the North Atlantic Treaty Organization—have more than 60 soldier unions of various types.

The European unions are not all-inclusive. In some countries they include separate unions for different grades. In Sweden, for example, there is a platoon officers' union and a company officers' union. There is another division in Europe between unions for professionals, usually officers, and conscripts.

Those who, like Mr. Cortright, support military unionism here, argue that European military unions have won considerable gains for servicemen. A conscript union in the Netherlands has forced increases in pay to the point that Dutch military pay is now the highest in NATO. The union has also brought about the elimination of inspections and unnecessary formations, made the length of hair and saluting optional and forced a reformation of the penal code, eliminating the most severe forms of punishment.

Senator Thurmond believes that "to all appearances, the Dutch army today is responsible to the union as much as to the Government."

"If military unions have proved irresponsible in other countries," Senator Thurmond wrote in "Defense Review," a publication of the American Enterprise Institute for Public Policy Research, "we can hardly permit them to be organized in the United States on the flimsy hyopthesis that they may possibly be more responsible here."

Senator Thurmond introduced a bill to prohibit unionization of American uniformed military forces last Jan. 19. It was supported by 33 other senators.

The basic fears among opponents of unionization are that it would weaken discipline and might even lead to strikes against unpopular wars or operations.

Adm. James L. Holloway Jr., Chief of Naval Operations, wrote last year: "Unionism in the sense that there would be collective bargaining to determine whether or not certain operations would be undertaken is unthinkable in the military sense."

DUTCH ARMY CALLED WEAK

The Veterans of Foreign Wars said in a statement that "unions would interfere with the chain of command, would impair discipline and response to orders."

Many senior officers, including Gen. Bernard W. Rogers, the Army Chief of Staff, and Gen. Russell E. Dougherty, commander of the Strategic Air Command, believe that intelligent, responsible leadership obviates the need for unions.

The evidence from Europe, according to Mr. Cortright, indicates "rather compellingly" the "unionization has had little negative consequence."

This view is contested by active officers. Most who have served in Europe regard the heavily unionized Netherlands army as the least efficient force in NATO's Central European front.

One consequence of unionization seldom cited was noted by Mr. Moskos in a paper recently delivered to a symposium at the University of Maryland.

He said there was a "potentially disquieting implication" that organized military unions might lead to a politicization of the services "arising from the usually close working relationship of the A.F.L.-C.I.O. with the Democratic party at national and local levels." Unionization faces several legal hurdles. Defense Department regulations forbid commanders from negotiating with unions although service members are allowed to join. However, military commanders are allowed to negotiate, and have done so, with unionized civilian employees on military installations.

Despite President Carter's chily attitude toward unions in the service, the tumult and the shouting are unlikely to die. The basic reason, cited repeatedly by soldiers and civilians, is that as long as the military offers itself to the recruit as just another job, the soldier, sailor and airman will ask for one of the fundamental rights of other job holders: membership in a union.

AFGE MILITARY MOVE NEAR

(By Mike Causey)

Members of the biggest federal civil service union will probably begin nationwide voting within the next few weeks on whether to admit, and actively recruit, uniformed personnel from the Army, Navy and Air Force.

The action, which would be the first serious attempt to unionize the U.S. military, is expected to be formally proposed next week. It will come from a special study group set up by the American Federation of Government Employees which now has about 280,000 all-civilian members, and bargaining rights for nearly 600,000 white-collar and blue-collar federal workers.

Last September, the giant AFL-CIO union convention altered its civilian-only constitution and directed its new president Kenneth T. Blaylock, to go ahead with the military sign-up if he thought it was necessary.

Blaylock said at the time that he would study the idea and would back unionizing drives in the military if he thought it would help strengthen the pay, working conditions and political clout of his civilian members—and be well received by the 2 million-plus enlisted personnel who would be eligible.

Earlier this year, Blaylock appointed a three-member committee—composed of AFGE regional vice presidents—to study the feasibility of organizing the military. Although an official announcement has yet to be made, there were strong indications yesterday that the committee would endorse the military sign-up, and ask the union's national executive council to recommend a nationwide referendum of AFGE members.

Top union officials were playing "I've Got a Secret" yesterday at a Washington Hilton meeting of local AFGE leaders from Defense bases. But talks to the group by several AFGE officials—plus off-the-record comments from some AFGE leaders—indicate that the military organization question will go to the council next week.

Head counters say the council will vote to recommend the referendum with AFGE members voting within their own locals. At least two, and maybe all three of AFGE's top national officers would strongly back the idea of military members.

President Carter said last week that he is against unions in the military. But he added that he would not actively promote legislation pending in the Senate and House that would outlaw any union activity in the armed forces. The President also said—even as the AFGE group was meeting—that there were no "serious" discussions by any unions relating to organizing the military. There will be next week.

Ironically, the idea of recruiting military members came to AFGE leaders, in part, as a device to club the Ford administration over the head. Ford was considered antifederal employee by the big union, which endorsed the Carter-Mondale ticket. AFGE officials said frankly they would use the threat of organizing the military to "keep the White House guessing" as to their intentions, and perhaps buy more favor from Ford if he were re-elected.

Now the AFGE is having problems with President Carter that it did not foresee from candidate Carter. Among them, the new President has endorsed a Ford administration ploy to sharply whittle back the system used to pay the government's half million blue-collar workers. About 55 per cent of AFGE's membership comes from mechanical, trade and craft workers in government, most of them in the Defense Department.

The presence of AFGE locals—from SAC air bases and the Pentagon to Navy installations in the Pacific—means that the manpower and machinery for recruiting military personnel is already in place should the union decide to expand to military members.

Many of the union's presently all-civilian members oppose the idea of organizing the military. The major argument is that it would dilute services the union now supplies to them. Others are concerned that a congres-

sional backlash—especially if a military sign-up flopped—could hurt the union's lobbying on Capitol Hill and anger the President.

The official green light should come this week from the union's ruling council, and then ballots will be going out to civilian members asking if they want to bring in the military.

TRIBUTE TO SENATOR JAMES ABOUREZK

Mr. McGOVERN. Mr. President, recently the distinguished junior Senator from South Dakota announced his intention not to run for reelection. Mr. colleague and friend JIM ABOUREZK, made that decision based on the highest of motives, the desire to devote more time to his family than service in the Senate will allow.

In recognition of those motives and of his service to the State of South Dakota and the Nation a number of newspapers chose to comment. I ask unanimous consent that a column by Tom Braden entitled, "The Abourezk Antidote," from the January 29, 1977, edition of the Washington Post; a column by Mary McGrory appearing in the Washington Star of March 1, 1977; the Mitchell Daily Republic, editorial of January 26, 1977, and the comments of the editor of the South Dakota State University Collegian of January 26, 1977, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 29, 1977]

THE ABOUREZK ANTIDOTE

(By Tom Braden)

This town will miss Sen. James Abourezk (D-S.D.) but not for the reasons he handed out the other day.

At the same time Abourezk announced that he would not run again, he issued a list of his "accomplishments." They were largely parochial (flood relief for Rapid City) and what wasn't parochial wasn't really accomplished.

Oddly, perhaps, Abourezk didn't mention in his list the one thing for which he will be remembered here. He was the Senate's only spokesman for the Palestinians and for the Arab cause in general. There is nobody to succeed him, and so the country will be deprived of the forceful presentation of a minority view.

Abourezk is of Lebanese descent—his father emigrated to South Dakota and became an Indian trader—and he never let anybody forget it. Time after time he rose to deplore what he considered to be the one-sidedness of U.S. policy in the Middle East and to point out that the land the Jews call home is called home by the Arabs, too.

Not that this was a big issue in South Dakota. When Abourezk came to the House in 1971, he hadn't given a thought to the Middle East. But as the problems in the Middle East became the problems of Washington, he began to read, to listen to questions. Increasingly, it seemed to him that U.S. policy ignored legitimate Arab aspirations.

In 1973, a few months before the war of that year, he warned of "an evitable head-on collision" unless Americans modified their policy of all-out support of Israel in favor of "scrupulous even-handedness." Israeli leaders pounced upon the phrase "evenhandedness" and turned it into a synonym for appeasement. For the first time, Abourezk began to feel the stings usually accorded to minorities of one.

They didn't stop him. By 1975, he was urging "those who are dedicated to the survival of Israel" to signal the Israelis that "survival depends upon compromise." He urged the United States and Israel to negotiate with the PLO and called Arafat "the most moderate leader obtainable."

And last year he spoke approvingly of the demand of Palestinians for a national entity of their own, of the kind of which they were deprived when the Israelis drove them from their homes in 1948. He said Israel's refusal to discuss the demand has created an impasse."

All this is bold talk, given the climate of opinion in this country; and some of it, given the climate at the time it was spoken, seemed outrageous. It is my own view that Abourezk overstates the Arab case. But never mind. In this country the Israeli case is overstated every day from every podium. Abourezk has been a useful antidote.

And during the time in which he has been speaking he has gained not followers exactly, but a few listeners who occasionally echo his views. The Senate has, in fact, become more "evenhanded" and so has the public opinion as a whole.

It is no longer considered appeasement to suggest that Israel ought to talk to the PLO provided, as Abourezk always stipulated, that the PLO recognized Israel's right to exist. And other senators are beginning to question Israel's total reliance upon a blank check from the United States.

It was a quirk of history that a man from South Dakota with an interest in farm legislation and monopoly-busting should find himself in the center of a hot debate on foreign policy. But Abourezk held up one side of the argument and did it bravely. To his list of accomplishments, he ought to add the title, "Minority of One."

[From the Washington Star, Mar. 1, 1977]

ABOUREZK THE HERETIC COMMITS THE ULTIMATE

(By Mary McGrory)

It's a month now since James Abourezk, Democrat of South Dakota, announced his retirement from the Senate after one term.

The Arabs are mad. The Israeli lobby is glad. The Indians are sad. He has no regrets.

Ever since he got here in 1972, Abourezk has been complaining about the clubbiness, the stuffiness, the hypocrisy of the place. Other members feel the same way. But Abourezk is doing something about it. He's walking away.

The Senate's leading nonconformist, he voted against the Sinai Agreement. When he visits the Middle East, he calls on Yasir Arafat of the PLO. He sticks up for the Indians.

His office speaks of his singularity. His staff calls him by his first name. On the walls, there are pictures of braves instead of politicians.

People assume that because he is for the Arabs, he is also on the side of the oil companies. But the fact is that he brought up, for a surprisingly strong vote, the first divestiture bill in the Senate.

From the day he arrived, he gave notice he was not going to be one of your "go-along, get-along types." His first speech in the Senate was a vehement attack on Richard Nixon. He also voted against the confirmations of Elliot Richardson, Nelson Rockefeller and Henry Kissinger.

He has taken on the leadership of his party, and its barons. Just recently, he led a fight against the appointment of ultraconservative Sen. James Allen, D-Ala., to the Judiciary Committee. He stood up in the caucus and said he thought it was ridiculous to reward Allen, who has tried to wreck (he used an earthier verb, as he often does) every piece of Democratic legislation. He called for a secret ballot out of consideration for those who might not want to vote against a colleague who was sitting right there. The vote was lost.

"Goddamn closet conservatives," Abourezk grumbled.

Four years of bucking the tide in the Senate convinced him, he said, that reform of national politics can only come "when you have people who want to make a contribution rather than a career—once you start worrying about staying you start cutting corners."

He wavered only once in the decision. That was when ambitious young Larry Pressler, a Republican who has his eye on the Senate, "began strutting around." A poll, commissioned by Pressler backers, showed the congressman beating the senator by 75-25.

Abourezk asked his wife, Mary, if she would mind if he changed his mind and ran again.

"She got sick to her stomach," Abourezk says with his usual directness, "and that was the end of that."

Mary Abourezk found Washington official life so empty that at one point she took a job in a dentist's office.

The one thing that might have swayed him, he said the other day while dandling his 6-months-old granddaughter on his knee, was the prospect of having Bella Abzug, a fellow hell-raiser, as a colleague in the Senate.

"That would have tempted me," he said. "I would have had some company."

He bridles at the suggestion he was fleeing from certain defeat at the hands of Pressler, who he calls a "Sanforized, preshrunk Republican."

"All the job-rating polls showed I was about the same, all the way through. How can you beat an incumbent who does his homework?"

Despite his out-front stands, Abourezk has always been diligent and conventional in constituent service. Many South Dakotans who disagreed with him, especially about the insurgent Indians, were proud of his independence.

He feels a twinge of guilt about the Indians. He comes by his Indian sympathies naturally. He was born on the Rosebud Reservation in South Dakota. His Lebanese-born father was a peddler, who set up a general store for the Sioux.

After a hitch in the Navy, Abourezk was settling down as a bartender. With his wide-open face and genial manner, he was made for the role. He also was an excellent bouncer. It was a Jewish doctor, he enjoys telling people, who changed the course of his life. Dr. Joseph Studenberg of Winner, S.D., opened his mind to politics, gave him The New Republic to read and I. F. Stone's Weekly and told him to make something of his life.

Abourezk enrolled in the South Dakota School of Mines and subsequently put himself through law school. In his first try in politics, he won a seat in the House in a district that had been Republican for 34 years.

In 1972, when George McGovern was being beaten in South Dakota for the presidency, Abourezk made it to the Senate. Now he's quitting "to spend time with my family." He will also play the guitar, tend his plants, take pictures and practice law in Washington and South Dakota.

He is looking forward to being treated like a human being.

"Nobody's indispensable," he says cheerfully. That's heresy to his 99 colleagues who have persuaded themselves that they are, and that there is no life after the Senate. Abourezk, the heretic has committed the ultimate heresy.

[From the Daily Republic Mail, Jan. 26, 1977]

ABOUREZK—A COMMITMENT FULFILLED

Sen. James Abourezk's announcement Monday that he will not seek re-election to that position opens the door for an even more interesting political season in 1978.

The Abourezk decision will leave Republicans and Democrats alike scrambling for a shot at the prestigious political plum.

What the general public and political experts rush to uncover, is Abourezk's ulterior motive in his decision.

But from here, we can see nothing about Abourezk's announcement that was anything but a sincere explanation of his desire to be closer to his family and practice his legal pofession.

Abourezk has been and will continue in the next two years to be a credit to his political profession and a compliment to the people of South Dakota for choosing him for a position of extreme importance.

He has been a tireless worker for the good of South Dakota and for the good of a nation. In particular, he has recently been cited by both the State Dept. and the National Security Council for his efforts in keeping some Middle East nations from raising their oil prices. With that bipartisan praise, there can be no question that his efforts were recognized as a value to this country regardless of which side of the aisle was making the observation.

Abourezk is regarded as a popular senator partially because of his down-to-earth approach of running his office. He has been a responsive senator and no doubt will continue to be just that in the next two years.

As Americans, we find it hard to accept the fact that someone who has had success in political office would step away from it without much reluctance and offer the simple explanation that his family is more important. But for those who know Jim Abourezk, they can easily understand that he is a man of commitment and a man of sincerity.

It takes a certain breed of politician and a special type of person to leave office while he is ahead. This is what Abourezk will be doing, knowing that he has done his best to fulfill his only promise he made to his constituents in the 1972 campaign . . . "Work hard hard and do the best I can to serve the people of South Dakota."

[From the Collegian, Jan. 26, 1977]

LOSS OF SENATOR ABOUREZK WILL HURT SOUTH DAKOTA

South Dakotans should be saddened by the announcement earlier this week by Sen. James Abourezk that he will not seek reelection in the 1978 general election.

Abourezk represents a voice heard far too few times in the nation's capitol. A voice which calls for changes that are desperately needed; a voice which cannot be stilled by criticism; a voice that is heard and respected by other Congressmen—something that will most likely not be achieved by his successor.

America and South Dakota need such a voice during these trying times.

Too few Congressmen have had the guts to call for a moratorium on nuclear power plants; too few Congressmen have had the guts to stand above petty politics; too few Congressmen have had the guts to fight for Indian rights; and far too few Congressmen have had the guts to support the environment as Jim Abourezk has.

He has served South Dakota well. As one farm lobbyist put it, "He has always been an outspoken supporter of the family farmer." The fact is, Jim Abourezk has always been an outspoken supporter of South Dakota and the United States.

Abourezk may be a prime example of a pure, untarnished South Dakotan. Born of immigrant stock, he knows the problems of the underprivileged. Raised in a rural community, he knows the effects of a drought on an agricultural economy. And being a South Dakotan, he stands behind what he believes and says—with a word that can be trusted.

His concern for his family is also typically South Dakotan. Not many politicians would give up such a promising career for their families. His background has taught him the importance of family and heritage. His statement that he was not "the least bit reluctant" about his decision demonstrates the importance his family holds in his life.

South Dakota and the nation will sorely miss Jim Abourezk. Fortunately, he does have two years remaining in which to carry on his fine job. But it will be with a saddened heart that we bid him farewell in 1978.

We wish him the best of luck in the future and thank him for all he has done—for South Dakota and for America.

THE RISING COST OF HOUSES

Mr. BROOKE. Mr. President, last July, I introduced the Young Families Housing Act, a measure designed to help first-time home buyers cope with the escalating cost of housing.

There is no doubt in my mind that this legislation is essential. And if there is any doubt in the minds of others, I would hope they will read the two articles by David Nyhan of the Boston Globe and William Claiborne of the Washington Post on the current state of our housing market. The articles clearly document that the dream of owning a home is severely threatened by the soaring costs of buying one.

Among other things, the study says the average sales prices of new homes is rising twice as fast as family incomes. It points out the startling fact that only a fourth of our population can afford a $48,200 house, the average price for today's houses. And it predicts that the average price of a house will increase to $78,000 within 6 years. At that point, most middle-income families will be hard pressed to own their own homes, according to the study.

These are just a few of the alarming statistics which the study brings to light. I hope my colleagues will review these articles carefully, for I feel they underscore the need for measures like the Young Families Housing Act (S. 664).

Mr. President, I ask unanimous consent that the two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Mar. 4, 1977]

NEW HOUSE TOO COSTLY FOR 75 PERCENT OF AMERICANS

(By David Nyhan)

Only one-quarter of American families could afford a median-price new house in 1975, where twice that many could afford one five years earlier.

And unless the Carter Administration is able to reverse the trend, "The United States would enter the 1980s with typical new homes selling for $78,000," says a new study of housing patterns.

The Joint Center for Urban Studies of Harvard and MIT released a report on housing through 1985 at a news conference yesterday in New York.

It said the housing problems that used to be faced by the poor are now affecting average-income families.

Some big-city housing will become unneeded as millions of Americans leave urban centers for rural and small town living.

The Carter Administration should focus on "better, more affordable housing for the poor, with secondary emphasis on improving the homebuying climate for the young and for people with average income," said director Arthur P. Solomon.

The baby-boom children of the 1940s and '50s are now forming households of their own, but few can afford a new house. The median-price new home (half cost less, half cost more) went from $23,400 to $44,200 between 1970 and 1976.

Three out of five new homes last year were purchased by families with incomes over $20,000. More than 20 million new housing units will be needed by 1985.

There will be more but smaller households, as Americans become widows or widowers, divorce, leave home earlier, and marry later.

Solomon singled out New Hampshire and upstate Michigan as examples of rural areas that are attracting citydwellers.

He characterized the '60s as the decade of "suburban sprawl," the '70s as "the movement to the Sun Belt," and added, "Now, 'Back to the country' is the word for the '80s."

Housing programs for the poor should include ways "to provide additional income for the poor," he said.

Projecting population growth by region, the center estimates the Northeast will gain only 3.3 million residents by 1985, while the South will get 15.3 million, the West 7.2 million, and the north central region 4.6 million.

As sale prices soared, the other costs of home ownership rose even faster. Between 1970 and 1976, the monthly cost of home-ownership—heat, utilities, property taxes, insurance and maintenance—rose 102 percent, while median family income rose less than half that much.

"The poorer third of the population has been completely priced out of the market," the report stated. "In 1965–66, they purchased 17 percent of new houses. Today, only four percent are sold to the lower third."

Almost half of the new houses sold in 1975 and 1976 went to families where both the husband and wife work. Lumping in existing houses, three out of five first-home buyers came from families where both husband and wife hold jobs.

[From the Washington Post, Mar. 4, 1977]

DREAM OF HOME OWNERSHIP IMPERILED BY SPIRALING COSTS

(By William Claiborne)

NEW YORK, March 3—The American dream of home ownership is in danger of becoming obsolete within half a decade because by then the average house will cost $78,000.

That is the major finding of an authoritative study or the nation's housing plight conducted by Massachusetts Institute of Technology and Harvard University.

Already, according to the Harvard-MIT Joint Center for Urban Studies, the sale prices of new houses have increased twice as fast as family incomes; barely a quarter of the nation's households can now afford a home costing $48,200, the curent average price.

The poorer third of the population has been completely priced out of the market, and the only families who can afford to own the average house are earning $20,000 or more—the top quarter of the nation in terms of earning power.

The price spiral will escalate above $78,000 for modest new homes beyond the 1980s, and most of the middle-class population will be hard-pressed to own their own homes, the study said.

"We're not crying out a crisis, but we do have the warning signs of a crisis a few years down the road," said Arthur P. Solomon, director of the joint center and a former White House adviser to President Johnson.

The Harvard-MIT research organization has been preeminent in forecasting housing needs since its widely publicized 1973 study disclosed that 13 million American homes were physically unsound, overcrowded or excessively expensive for the occupants.

Since 1970, according to the study released here today, the average-income family has lost ground as the cost of home ownership—mortgage and interest payments, taxes, insurance and maintenance—has outstripped increases in income.

The median sales price for new homes increased nearly 90 per cent from 1970 to 1976, and the monthly ownership costs of new homes increased during the same period by more than 100 per cent.

The median sales price for existing homes increased 65 per cent in the same period, and the monthly ownership costs for existing homes jumped 73 per cent.

In contrast, the median income, nationally, increased during the period by 47 per cent, while the consumer price index rose 46 per cent.

"The cost squeeze on middle-income families is replacing the slum as the major problem in housing in this country," said Bernard Friedman, coauthor of the report, which was funded in part by the Department of Housing and Urban Development.

The study disclosed that:

Despite a near-record 1.6 million new housing starts in 1976, the number is 20 per cent below current need.

While in 1970 almost half the U.S. families could afford to buy average-priced new homes, only 27 per cent of the families could afford an average-priced new home last year.

The number of low-income families living in physically inadequate units has declined since 1960, but the number paying an unreasonably high percentage of their incomes on housing has more than doubled.

While the commonly accepted measure for personal finance used to allow for one-fourth of monthly salary for housing costs, many U.S. families are now paying 35 per cent or more.

To compensate for spiraling house costs, the research team found, Americans are making concessions that significantly affect their quality of life. Some withdraw from the housing market and become renters, while others restort to pooling the incomes of both husband and wife.

Other families stretch their resources thinly by eliminating many nonessential expenses, while some have resorted to buying mobile homes.

At the same time, there are sociological factors increasing the pressure on the housing market, the study found. These ir clude increasing numbers of young adults and senior citizens who split from the family nucleus to set up housekeeping, and a steadily increasing divorce rate.

Also, population shifts toward the Sun Belt states and the exurban areas of the Northcentral and Northeast regions of the country are creating additional housing pressures in some areas.

The Harvard-MIT unit called for a "strong national housing policy with a constructive partnership between the public and private sectors."

The policy, the group reported, should focus on better and more affordable housing for the poor, with secondary emphasis on improving the home-buying climate for the young and persons with average incomes.

When pressed for specific recommendations, Solomon and Friedman suggested reforms in federal monetary policies that would lower the home mortgage interest rate, possible adoption of a variable mortgage interest rate that would fluctuate with rises and drops in inflation, re-examination of environmental restraints on the housing industry that push home development costs upward, and adoption of new regulations that would help stabilize the cyclical effects of the roller-coaster construction industry.

ALASKAN GAS PIPELINE ROUTE

Mr. McGOVERN. Mr. President, after 18 months of hearings and exhaustive study, Administrative Law Judge Nahum Litt of the Federal Power Commission has concluded that the FPC should recommend Presidential approval of the Mackenzie River Valley route proposed by the Arctic Gas Pipeline Co. for a trans-Canada pipeline to move Alaskan natural gas to the lower 48 States. Judge Litt's decision is entirely consistent with FPC staff findings released on December 7, 1976, and clearly reflects some of the hard lessons we have already learned from our experience with Alaskan oil.

In 1973, when the Alaskan oil pipeline route was under consideration, I joined with Senators BAYH, HUMPHREY and MONDALE to urge that this precious resource be transported directly to the neediest parts of the country via a trans-Canada pipeline similar to the one now envisioned for natural gas. Our views did not prevail, but as we predicted at the time, the decision to construct the Alaskan oil pipeline instead of seeking a Canadian alternative has led to serious difficulties. In spite of claims to the contrary, it now appears quite likely that a good percentage of our Alaskan oil production wil eventually find its way to Japan. The west coast will experience a glut of Alaskan oil, but the eastern two-thirds of the country will become more dependent than ever on foreign energy sources.

The arctic gas proposal will bring Alaskan natural gas directly to the areas in which it is most urgently needed—a major advantage by any reckoning. But in addition, the arctic gas plan makes far more sense than the alternative proposals in terms of costs, construction problems, energy efficiency and the speed with which it can be expected to deliver Alaskan gas to hard-pressed industrial, commercial, agricultural, and residential consumers. Once all the necessary approvals have been secured, it will take 6 years and an expenditure of approximately $8.5 billion by the arctic gas consortium before the gas begins to flow.

If constructed, the arctic gas pipeline will follow the most rational route available in terms of topography and the most attractive one from the Canadian point of view. By moving along the Mackenzie River Valley, the line will avoid mountainous terrain and the associated construction problems. At the same time, the Mackenzie route will provide Canada with an attractive incentive to enter a joint undertaking by making it possible for our northern neighbor to exploit the large gas reserves in the Mackenzie Delta field at far lower cost than would otherwise be possible. Cooperation could permit both nations to realize great economies of scale.

Of the two proposals rejected by Judge Litt, the so-called "El Paso plan" is by far the less attractive. Under this arrangement, gas would be piped from the North Slope fields along the existing Alaskan oil pipeline corridor to liquification plants. Liquified natural gas would then be shipped in specially constructed tankers to California, reconverted to its original form and distributed though existing pipelines. By some estimate, this complex, dangerous and expensive process would cost American consumers $845 million per year in excess of what it would cost to pipe the gas through Canada. Furthermore, the liquification process itself would consume 78 percent more energy than the pipeline—an amount sufficient to supply the needs of four cities the size of Washington, D.C. To look at it in another way, as compared to the pipeline, the LNG process could consume as much as a year's worth of Prudhoe Bay production over the life of the project. We simply cannot afford to squander our nonrenewable resources in this manner.

The second alternative to the Mackenzie River Valley route—the Alcan pipeline—is a questionable proposition for a variety of reasons. It would be costlier than the arctic gas plan, would require approximately 1,200 additional miles of pipeline and would be capable of transporting a lower volume of gas. In the likely event of large new gas finds on the North Slope, the Alcan line would require new construction, increasing both the eventual price to the consumer and the likelihood of long-lasting environmental damage. And according to FDC staff experts, Alcan capital cost estimates and construction schedules are unrealistic.

Mr. President, although I believe that Judge Litt and the FPC staff have reached sound conclusions in this matter, I do not mean to imply that the Mackenzie River Valley route is without drawbacks. In my view, the major problem with the route is that it would have to cross the Arctic National Wildlife Range and could, at least temporarily, disrupt the fragile ecology of that region. I believe that every effort should be made to protect this unspoiled wilderness area.

On the other hand, when we consider the environmental implications of the two alternative proposals, it may well be, as the FPC staff concluded, that the arctic gas line is the lesser environmental evil. Once completed, the line will probably not require additional construction work to accommodate new gas finds, as would the Alcan line, and it would not, of course, involve the risks and uncertainties connected with liquified natural gas. If we are going to build a pipeline—and build one we shall—we shall have to pay an environmental cost. The evidence I have seen so far indicates that the most efficient route is also the least disruptive in the long run.

Finally, some have argued that in spite of the obvious advantages of the trans-Canada route, it would be inappropriate to construct an important facility of this kind across the territory of a foreign country. In my view, this argument flies in the face of our long history of warm relations and interdependence with Canada. I find it hard to believe that anyone could seriously maintain that the Nation with which we share the longest un-

defended border in the world is about to become a hostile power.

Mr. President, the FPC will make its route recommendation to President Carter by May 1. The President, in turn, is scheduled to send his recommendation to the Congress by September 1, though it would be possible for him to defer a decision until December 1. Once the President has submitted his recommendation, Congress may choose to disapprove his plan by joint resolution within 60 days. I believe that the case is clear-cut and I hope that all parties can agree to move ahead with this vital project without undue delay.

Mr. President, I ask unanimous consent that an article by Margot Hornblower on this topic which appeared in the February 2, 1977, edition of the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FPC JUDGE BACKS ALASKA GAS LINE THROUGH CANADA

(By Margot Hornblower)

Alaska's immense natural gas reserves should be transported in a 4,175-mile pipeline through Canada that branches into Western and upper Midwestern states, a Federal Power Commission judge recommended yesterday.

Administrative Law Judge Nahum Litt said an $8.5 billion proposal by the Alaskan Arctic Gas Pipeline Co., a consortium of 16 U.S. and Canadian companies, is "vastly superior" to proposals by two other companies, El Paso Alaska Co. and Alcan Pipeline Co.

Arctic's proposal would make more gas available sooner, at less cost and with less environmental impact, he said.

The pipeline, which has major political, economic and foreign policy implications, has stirred fierce controversy in Congress, government agencies, industry, and environmental circles.

The judge's decision is the first step in administration compliance with a law passed by Congress last year. The law requires the full Federal Power Commission to recommend a route to President Carter by May 1. By Dec. 1, Carter must make a decision, and Congress may overturn it by joint resolution within 60 days.

While the pipeline will not relieve the current natural gas shortage, it will allow the United States to exploit the estimated 22 trillion cubic feet of Prudhoe Bay gas that represents 10 per cent of the nation's reserves—more than a year's supply for U.S. consumers.

When it is completed in the early 1980s, the pipeline is supposed to carry 2.5 billion cubic feet of gas daily to energy-hungry states from California to New York. It is, the FPC said, the largest private undertaking in the nation's history. (The $8 billion Alaska oil pipeline is 800 miles long).

The judge's decision drew immediate criticism from competing companies and from environmentalists.

John C. Bennett, vice president of El Paso Alaska, said Litt ignored the danger that Canadian provinces could unreasonably tax the pipeline, thereby raising consumer prices here.

El Paso wants to build the line across Alaska, paralleling the almost completed oil pipeline, and then carry the gas by tanker to a West Coast terminal.

Bennett said Arctic's line, which would pick up gas from Canada's Mackenize Delta, could be delayed indefinitely by Canadian Indian and Eskimo land claims now under government review.

A coalition of environmental groups including the Sierra Club, National Audubon Society, and the Environmental Policy Center, called Litt's decision "outrageous. We're going to fight it on the rooftops, in the streets, in the barnyards in Congress," said Sierra Club attorney Brock Evans.

The Arctic gas route would traverse the the length of the 14,000-square-mile Alaskan Wildlife Range, which environmentalists say is the last unspoiled mountain to shore Arctic wilderness area.

From Alaska it would cut southwest into Canada, dividing into two legs at Carolina, Alberta. The western leg would cross British Columbia, Washington and Oregon, ending near San Francisco. The eastern leg would cross Saskatchewan, Montana, North Dakota, Minnesota, Iowa, and Illinois, ending near Chicago.

The El Paso proposal also raises environmental questions because it would rely on liquefied natural gas tankers, which are subject to explosions and leaks, and because it would transport the gas to California rather than to energy-starved Midwestern states.

Environmentalists prefer the Alcan route, which would bypass the wildlife range and bring the gas across Canada and into California and the Midwest.

Judge Litt said Alcan's proposal, which would require 4,600 miles of pipeline is "neither efficient nor economic," and relies on an undersized pipeline and poorly planned construction.

Litt said that while El Paso's proposal would require more transportation and storage facilities than the company projected, it would be a viable alternative should the Arctic line be rejected.

His decision came after 18 months of hearings. The testimony, briefs and counter-briefs amount to 45,000 pages of transcripts. In the end, however, most participants say the decision will be a political one, fought out in the halls of Congress and White House conference rooms.

Vice President Mondale, who as a senator from Minnesota sponsored the pipeline legislation requiring a prompt decision, represents Midwestern interests that favor the Arctic line.

The legislation forbids court suits, thereby ensuring that critical energy supplies will not be held up in lengthy litigation by environmentalists or competing companies.

Because of transportation costs, the new gas will not be cheap. Sales contracts have not been signed with the energy companies that own the Prudhoe Bay reserves, but the FPC estimated the average wholesale price will be $2.41 per thousand cubic feet—about $1 more than the present nationwide ceiling on interstate gas. Unregulated gas sells for about $2 per thousand cubic feet.

While Litt acknowledged in his 430-page decision that the Arctic Wildlife Range should be protected, he said the pipeline's effect would be small and of limited duration. He added, however, that the range's oil and gas reserves should be exploited—a possibility deplored by environmentalists.

He also rejected arguments that migratory snow geese would be severely harmed and that 915 miles of snowroads would disrupt wildlife migration patterns.

Litt said "mitigative construction measures," can reduce the line's impact on the birds and that aircraft flights, the most serious hazard, will occur less frequently than once every two hours. Evans, however, said the flat Alaska terrain will carry construction noise for 30 miles.

On the taxation issue Litt said that the United States' long, friendly relationship with Canada assured stability and rational treatment of "a mutually beneficial business enterprise."

However, accounting for growing Canadian nationalism, he added, "Even if it is assumed that a Canadian government would come to power predisposed to act unreasonably, such imprudence could be countered with equally unsavory activities on the part of the U.S."

LEGISLATIVE PROGRAM OF THE VETERANS OF FOREIGN WARS FOR THE FIRST SESSION OF THE 95TH CONGRESS

Mr. THURMOND. Mr. President, today the Commander-in-Chief of the Veterans of Foreign Wars of the United States, the Honorable R. D. "Bulldog" Smith, presented to the Senate Committee on Veterans Affairs the priority legislative program of the VFW for the first session of the 95th Congress.

Accompanying Commander Smith before the committee were Cooper T. Holt, national executive director, and Don Schwab, director of the national legislative service.

The Veterans of Foreign Wars, founded in 1899, currently boasts a membership approaching 1.8 million, all of whom have served our country overseas in time of war or armed conflict.

During his presentation, Commander Smith emphasized that the first priority in veterans programs still remains caring for the needs of the service-connected disabled and the survivors of veterans with service-connected deaths. Cost-of-living increases in education benefits, expansion of the national cemetery system, additional funding for greater quality medical care, and attending to the needs of the nonservice-connected disabled continue to remain priority concerns of the VFW. Other concerns expressed by Commander Smith were the maintenance of quality medical personnel in our VA hospitals, the continued independence of the VA hospital system, the expansion of nursing care facilities to meet the needs of our elderly veterans, and the necessity of maintaining the integrity of the Veterans' Administration as the sole agency to administer the programs for the Nation's 29 million veteran population.

Mr. President, the membership of no organization has made more meaningful sacrifices to preserve our freedom than the VFW. Likewise, no organization and its leadership fought harder to preserve the Veterans Affairs Committee as a separate and independent committee in the Senate.

Mr. President, in order to share Commander Smith's comments with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

STATEMENT OF R. D. SMITH

Mr. Chairman and members of the committee: I am delighted to appear before this full, separate Veterans' Affairs Committee rather than as we feared for a while, a subcommittee of a Human Resources Committee. We all experienced four very trying months during the consideration of reorganization of the Senate and I wish to take this opportunity to thank those Senators who rose and spoke to retain this Committee and the many who worked behind the scenes toward the same end. I would be remiss, indeed, in not also expressing my sincere gratitude to those professional staff members who throughout this period worked closely with my Executive Di-

rector and Legislative Director. I wish to congratulate you, Senator Cranston, upon your election as Chairman of this vital Committee and to welcome Senator Matsunaga, who is a life member of the Veterans of Foreign Wars, as a new member of the Committee.

Accompanying me today are the national and state officers who comprise the leadership of our great organization and who are directly responsible for the twenty-fourth consecutive year of increased membership which has passed the 1.8 million mark this year.

My purpose here today is to present our priority legislative program for this First Session of the 95th Congress. The voting delegates to our 77th National Convention held in New York City last August passed more than 200 resolutions, the preponderance of which address improving veterans' benefits, enforcing those laws enunciated in the United States Code, and rejecting proposed administration, negative legislation to reduce and erode existing benefits. The most important of those coming within the jurisdiction of this Committee have been included in our pamphlet entitled "VFW Priority Goals Legislative and Security for 1977" and are appended to my testimony. Without objection, it is requested such be printed in its entirety, as a portion of the official transcript of this hearing.

The bread and butter issues, of course, merit our first consideration. Our greatest debt is to those veterans who made a special sacrifice and have suffered disabling disabilities defending our nation during periods of war and hostility and to the survivors of those who made the supreme sacrifice. Therefore, and based on current inflation, we recommend an increase of not less than six percent, which could be higher by the time hearings are held and legislation passed, to benefit those in receipt of compensation and dependency and indemnity compensation.

I wish to commend this Committee for including in legislation which became Public Law 94–581, the Veterans Omnibus Health Care Act of 1976, a provision to extend CHAMPVA coverage to the widow or surviving children of a veteran who, at death, suffered from a permanent and total service-connected disability regardless of the cause of death, fulfilling another of our priority goals. However, I sincerely hope this Congress will see fit to go the one step further to fulfill another of our priority goals, and grant dependency and indemnity compensation to the survivors of veterans in this same category. As you are aware, there are some 122,000 such veterans for whom their spouses have had to constantly care, restricting employment opportunities and, upon the death of the veteran and the termination of compensation payments, are often left in dire financial straits and devoid of marketable skills.

The inadequacies of the pension program for our comrades in need due to their nonservice-connected disabilities and their widows has been of growing concern to the VFW, as you well know. We believe the pension program should be so restructured as to permit those who answered the nation's call to duty and served in uniform during times of peril, and their widows, to live in dignity well above the poverty level afforded welfare recipients. Our priority goals include supporting restructuring of the pension program to benefit all recipients and not be more restrictive than present law. However, it is our opinion, at this time, that action on pending pension legislation other than granting a cost-of-living increase of at least six percent should be deferred until after the study by the Veterans Administration, mandated by Public Law 94–432, has been submitted to Congress and sufficient time elapsed for a thorough study thereof.

With respect to educational benefits we were gratified Public Law 94–502, the Veterans Education and Employment Assistance Act of 1976, removed the restriction to undergraduate work imposed on the nine month extension granted by Public Law 93–508, fulfilling another of our priority goals. As you are aware, the VFW fought this restriction for Vietnam veterans when H.R. 12628 was being considered by Congress and, again, when the Congress resoundingly spoke in behalf of veterans and overrode the Presidential veto of the Vietnam Era Veterans Readjustment Assistance Act of 1974. Likewise, we have repeatedly opposed the Administration's attempt to reduce from ten years to eight years the time allowed for completion of education for Vietnam era veterans. While on the subject of education, we also recommend a cost-of-living increase for those pursuing educational programs under the GI bill, of at least six percent.

One of our continuing priority goals calls for the establishment of a national cemetery in every state so that our honored veterans may be interred near their survivors. Our veterans were called to the colors by the Federal Government and the Federal Government should assume this responsibility and should not shunt it off on the various States.

The quality and availability of medical care for our veterans has historically been of prime concern to the Veterans of Foreign Wars. The Veterans Administration has over the years in general acquitted itself well in carrying out its responsibilities in this area. However, there presently exists on the one hand impediments in existing law, and on the other, the need of new legislative initiatives if care provided in Veterans Administration hospitals and medical facilities is to be, in fact, second to none.

One provision of Public Law 94–581 has caused extreme hardship to veterans with nonservice-connected disabilities entitled to aid and attendance and housebound benefits, and has subjected the Veterans Administration to considerable criticism. This is the interpretation of out-patient care by the General Counsel and the Medical Administrative Service of the Veterans Administration requiring such disabled veterans to utilize Veterans Administration health care facilities and to surrender their contract fee cards previously honored by private physicians and facilities. Most of these veterans are aged and infirm, their health has deteriorated and they often lack both the physical stamina and necessary ready finances to travel to VA facilities. Additionally, many permitted their health insurance policies to expire as they felt secure with their government issued contract fee card to obtain local medical attention. We do not believe such was the intent of the law, but if the Veterans Administration interpretation is permitted to stand, we surely need timely remedial legislation. The Veterans' Affairs Committee of the other body will soon consider H.R. 3696, deleting the restrictive words from Section 612(g), Title 38 United States Code. I trust this Committee will act upon this measure quickly when it is referred, so that the contract fee cards will soon be returned to these needy disabled veterans.

Legislation which will expire this Fiscal Year, the Veterans Administration Physician and Dentist Pay Comparability Act of 1975, Public Law 94–123, as amended by Public Law 94–581, although supported by the Veterans of Foreign Wars, is at best stop-gap legislation which due to continuing inequities falls short of its intended goal. Another of our priority goals is to seek enactment of permanent legislation to establish salary levels more attractive to VA health care personnel.

There is no doubt the "Bonus Bill," as it is commonly known, has had a desirable effort upon the recruiting and, in particular, the retention of VA physicians and dentists. However, not everyone is in agreement with respect to the extent of success of the program. While according to Senate Report 94–1206, VA full-time physician strength reached an all time high of 5,815, Senate Committee Print No. 66 states the largest employment increase, 87 percent, has been in part-time physicians. Of great concern to the V.F.W. is the fact that 31 percent of all physicians within the Veterans Administration are foreign medical graduates. This growing trend toward dependence upon foreign medical graduates is disturbing. Their formal qualifications are definitely less than those of American-educated physicians and too often a language barrier exists which must be a detriment to the treatment and well-being of the patient.

In view of the foregoing, steps must be taken to authorize pay scales to motivate graduates of American medical schools to eagerly seek permanent full-time employment within the Veterans Administration. Recent federal pay increases raising top salaries for VA physicians to $47,500 per annum should nearly eradicate retention problems. However, some form of permanent additional incentive plan must be forthcoming for recruiting purposes and retention within critical specialties. Perhaps waiver of the Dual Compensation Act for retired Armed Forces Physicians permitted within the Department of Defense might be the answer. As a comparison, permit me to quote from an article in the October 18, 1976 edition of Medical Economics by its Senior Editor, Arthur Owens; namely, ". . . a majority of office based M.D.'s now pull down at least $58,000 annually, after professional expenses. . . ." Mr. Owens obviously refers to general practitioners; not specialists, or surgeons, whose special skills rightly cost more.

Notwithstanding the high quality professional care rendered by the vast majority of dedicated Veterans Administration health care personnel, serious nagging problems continue to exist throughout the hospital and medical care system. For example, the concerted effort to phase-out of the VA system care for our nonservice-connected disabled veterans, understaffed and underfunded ambulatory care programs, undue affiliated medical school influence in VA hospitals and the continuing untenable bed occupancy rate of 83 percent throughout the 172 VA hospital system. With 17 percent of the beds constantly unoccupied it is the same as having closed down 29 hospitals each and every month while veterans in need of care are turned away by admitting physicians—even dropping dead shortly thereafter. Compounding this dilemma, seven new and one replacement hospitals are scheduled to be constructed. For whom? The veterans now denied care, or are we to have instead of 29 empty hospitals, 36 empty hospitals to care for welfare recipients under a national health insurance program? We believe many veterans in need of hospitalization are turned away by admitting physicians. If not, why the following acceptance rates? Albany, N.Y. 55.2%, Cleveland, Ohio 58.6%, Huntington, W. Va. 59.7%, Jackson, Miss. 44.9%, Kansas City, Mo. 58.7%, New York, N.Y. 59.9%, West Haven, Conn. 41.5%—seven hospitals below 60%. Obviously, one reason is that the revision of bed designations; i.e., general medical, surgical and psychiatric is long overdue. We have no position regarding the various national health insurance programs before Congress other than they shall not invade the VA hospital and medical care facilities. If all empty beds within the system are not filled by veterans who need and apply for hospitalization, then those beds should be allocated to the dependents of 100% permanently and totally disabled veterans—those with the most need and most deserving.

The elderly veteran is a fast-growing quandary, now spoken of as the "graying of America." The average age of all American veterans is 47 years. Almost half of our

29.7 million veterans, 13.3 million, are between 50 and 60, 2.3 million are over 65, and 123,000 are 85 and over. Many are widowers with no close kin or, most unfortunately, children who do not want the responsibility of caring for those who reared them and cannot afford placing them even in substandard nursing homes.

Needless to say, the 18.5 thousand VA, community, and state nursing home beds and the 18.4 thousand VA, and state home domiciliary accommodations will not meet the growing need. The House Veterans' Affairs Committee has advanced legislation to increase combined grants to state nursing homes and domiciliaries from $10 million to $15 million per annum, but this is only a small step in the right direction. Unfortunately, we have entered an "enlightened" age wherein people abandon their senile parents in the emergency rooms of community hospitals. No law can make these people properly care for their aged parents even if the "children" can be identified. In such an atmosphere, alien to most of us, we cannot let our honored veterans be cast aside. We must now make provisions for them. It is, indeed, a sad commentary that the government must now make provisions for our heretofore honored and aged heroes who are too much burden for their children whom they reared and nutured; but such is the case.

While on this subject, I must congratulate this Committee for having shepherded through the Senate legislation which became Public Law 94–417, increasing payments to state veterans homes. The per diem rate increases, from $4.50 to $5.50 for domiciliary care, $6.00 to $10.50 for nursing home care, and from $10.00 to $11.50 for hospital care retroactive to January 1, 1976, was both welcome and needed.

The Third Concurrent Budget Resolution reduced to $18.1 billion the $19.5 billion authorized for the Veterans Administration in the Second Concurrent Resolution for the Fiscal Year 1977 ending September 30, 1977. Most of this reduction is attributable to the over estimate in GI bill participation. However, President Carter's proposed VA Budget for the Fiscal Year 1978, commencing October 1, 1977, is $19.1 billion. We believe this proposed budget understates the need by at least $1.5 billion and should be approximately $20.6 billion. The President's recommended compensation increase of 4.9 percent effective October 1, 1977 and pension increase of 5.3 percent effective January 1, 1978, both fall short of a realistic six percent. No provision has been made for a cost-of-living increase for our Vietnam veterans availing themselves of the GI bill and it is needed. These shortages represent another $229 million to be added to the budget. The budget also contains a false savings of $266 million in proposed negative legislation to take away benefits which this Committee has repeatedly refused to do. In addition, the budget contains no funds for either new legislative initiatives or a meaningful restructuring of the pension program. We will include these items in our testimony before the Appropriations Committee.

Another area of deep concern to the V.F.W. is the President's request for an extension of the Reorganization Act of 1949, which lapsed for the fourth time in 1973. Under the authority requested the President could transfer all or any part of an agency or its functions to another agency; abolish all or part of the functions of an agency; consolidate all or part of an agency; or change the name of an agency or the title of its head, among other measures, unless either House of Congress adopts a resolution opposing the plan before Congress has been in continuous session for 60 calendar days. Inasmuch as the Veterans Administration is an agency, we would much prefer that the President be required to submit legislation to Congress to be voted up or down following appropriate hearings. Our fears in this area are not unfounded since when the President was Governor of Georgia his reorganization bill to the state legislature called for combining the Georgia State Department of Veterans' Services with Human Resources. Only an out-pouring of protest from the veterans organizations in Georgia prevented this from happening. To be forewarned is to be forearmed and we must be vigilant and prepared to act quickly, if such dehumanizing of our veterans is proposed.

I commend this Committee for having held oversight hearings during the 94th Congress with respect to the failure of the Department of Labor to carrying out the mandates of Congress with respect to veterans' employment. I would hope that more such hearings will be held particularly in view of the added new Help Through Industrial Retraining and Employment Program (HIRE).

I trust that each of you will be with us tonight at our annual Congressional Banquet at the Shearton-Park Hotel. We will be honoring the Honorable Herman E. Talmadge of Georgia, Chairman of the Agriculture and Forestry Committee of the United States Senate, and also an outstanding member of this Committee. The reception will begin at 6:00 P.M. with dinner promptly at 7:00 P.M. I want to assure you our program will conclude around 9:15 P.M.

Thank you.

DISTRICT OF COLUMBIA FINANCIAL OVERSIGHT COMMISSION

Mr. EAGLETON. Mr. President, at the meeting of the Temporary Commission on Financial Oversight of the District of Columbia on March 1, 1977, the Commission determined that it should seek a project manager responsible to the Commission who would be in charge of contract administration, preparing RFP's, reporting the progress of contracts and directing the day-to-day activities of the contracting firms who were hired by the Commission pursuant to Public Law 94–399. This person would also be available to provide technical advice to the Commission.

Persons with experience in managing the installation of and design of financial reporting systems are encouraged to submit résumés indicating their background and experience. The submission of such résumés will be treated confidentially. Persons interested in applying should submit their résumés by March 15, 1977, to either Mrs. Ruby Martin, 3110 Longworth House Office Building, 20515, 202–225–4456; or Robert Harris, 6222 Dirksen Senate Office Building, 20510, 202–224–8785.

THE OAHE PROJECT

Mr. McGOVERN. Mr. President, the commonsense South Dakota approach to State and national problems is often reflected in the columns of our weekly newspapers. Randy Howell, in his column "Son of the Middle Border," appearing in the Potter County News of Gettysburg, S. Dak., has written such a column in relation to the Oahe Irrigation project, for which funding has been "suspended" by President Carter for fiscal year 1978.

Like most South Dakotans, Mr. Howell believes that the Federal Government made a commitment to our State for irrigation development when some 500,000 acres of land were taken away to provide the reservoir area for the great dams on the Missouri River.

He correctly points out the desperate need we have for transferal and distribution systems to move water both east and west from the Missouri River. The Oahe Irrigation project is part of that total water development concept.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SON OF THE MIDDLE BORDER

(By Randy Howell)

Howdy.

Something to stand upon.

That's what an historical site marker near Pierre says the Indian word "Oahe" means.

We wonder if the Indians, speaking that word generations ago, had any idea that Oahe would become a portent, the beginning of a pathway that could lead to solid footing for South Dakota's agriculture-based economy.

It is not, however, unreasonable to believe that the Indian's—something to stand upon—would become a possible dream. A dream that would revolutionize the concept of farming in what at one time was referred to as the Great American Desert.

A possible dream. Something to stand upon. Something real. Dryland farms irrigated by the mighty waters of what was to become Lake Oahe. Oahe is a dream with a future begun by those who knew the lessons of the past and learned from them. Oahe is a dream of courage and action not far removed from the pioneer spirit that brought the Great American Desert into bloom when the world, secure in its sheep pen, said dryland farming could not be done.

Oahe is the possible dream of a new generation, schooled by the wisdom and work experience of an older generation that built America's heartland. Oahe is agricultural man at his best, breaking new ground today for an investment in tomorrow. Oahe is the seed that germinated in dryland and set root in a soil where rainchecks bounced for insufficient funds. Oahe is water in the First Bank of South Dakota, agriculture.

You and I both know what has been happening to the Oahe project. It is like a dream turned nightmare to most of us who dare to dream that the future of agriculture in our home state could be better. No one said it would be easy, but then it wasn't easy before Oahe came along either. In fact, things that come to easy are often no better.

Let me talk to you about easy things. It is easier to react than to think. It is easier to follow when one should lead. It is easier to watch when one should act. It is easier to destroy than to build. It is easier to fight than to work together. It is easier to shoot from the hip than to put your sights on a worthy goal. It is easier to do what you did yesterday rather than chart a course for tomorrow.

Yes, my middle border friends, all these things are easier for today, for the man or woman unconcerned about a possible dream for tomorrow.

If South Dakota loses the Oahe project it will be the darkest day in the history of this young state. It will represent the shirking of a responsibility you and I have to go out and face tomorrow with courage and wisdom to help shape the future of dryland farming.

Before you get too self satisfied in your quiet approval of the way Oahe has become a ping-pong ball in political backrooms, let me ask you a few questions about yourself and your future.

South Dakotans seem to pride themselves in being independent, conservative, anti-government people. How in the world are

you going to maintain your independence when corporation after corporation buys family farm after family farm to "save you from the drought?"

South Dakotans more often than not pride themselves in being hard workers, people dedicated to free enterprise and education. Some call it the American Dream, others simply "getting ahead."

How do you propose to chase it or even qualify to enter the race if you maintain your present production while the market for food in the world expands? Hungry people are not going to listen to excuses about any drought now or in the future; they will simply buy from a food producer who has learned to exercise some control over the production of foodstuffs.

That's free enterprise at work. And, you know as well as I that that is what happens in the marketplace . . . supply and demand. You may think the country is importing too much beef now. Well, I cannot wait to hear from you when not only that importing increases, but wheat, corn, oats, barley, rye and a host of other crops start coming into this country. They will come at an impossible rate because the South Dakota farmer and other midwestern farmers like him cannot get it together long enough to have an influence on their own future.

And, answer this, how can a South Dakotan scream about federal government intervention out of one side of his mouth and, out of the other side, refuse to embrace a project that would help lead to his own economic strength and independence.

If you think federal government disaster programs help keep the feds off your back, you've got another thing coming. If you can want independence and yet do nothing to work for it, if you pay lip service to being a self-made, self-sufficient man and run down to the local welfare office for another federal, strings-attached crisis grant, you speak with forked tongue.

The time has come to talk of water. The time has come to talk of irrigation. The time has come to talk of tomorrow. The time has come to talk of something to stand upon.

MS. MARGUERITE KLUTTZ

Mr. EAGLETON. Mr. President, it has come to my attention that an esteemed Federal Government employee who is a native of Missouri is retiring after nearly a quarter of a century of noteworthy Federal service to the field of education. I would like to insert the following information in today's record as a small tribute to the many Americans who devote a substantial part of their lives, energy, and wisdom to the performance of public service. The person retiring from public service is Ms. Marguerite Kluttz, who is a native of Clinton, Mo., and who resides at present in the District of Columbia. Ms. Kluttz served in public schools in Warsaw, Independence, and Brentwood, Mo., as well as in two school systems in the State of Kansas. She also served in military dependent schools in Tripoli, Libya, and Wiesbaden, Germany.

Ms. Kluttz began her service in the U.S. Office of Education as a research assistant in mathematics and science, then moved to a position with the National Defense Education Act as an assistant specialist in mathematics. Under ESEA title III, she served as a program officer. With ESEA title V and title IV consolidation, she has served as an education program specialist, working with State departments of education to improve the leadership resources and management of those agencies. Ms. Kluttz ably represented the Federal Government while serving as an individual program officer, as a member of State management review teams, as coordinator of a special project on managing change in complex organizations, and as coordinator of a special project on metric education.

In these capacities, Ms. Kluttz made a significant contribution, and it gives me great pleasure today to acknowledge that distinguished service to the field of education and to the Federal Government, and through this Government, to the youth of the Nation. It is hoped that her commitment, contribution, and dedication will serve as an example to others who carry on the governmental function of providing an equal and adequate educational opportunity for the young people of this great country.

AUTHORITY FOR THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY TO FILE REPORTS UNTIL MIDNIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry have until midnight tonight to file any reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. DECONCINI). The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 6968(a), appoints the following Senators to the Board of Visitors to the U.S. Naval Academy: the Senator from Arkansas (Mr. BUMPERS) (Armed Services), the Senator from Tennessee (Mr. SASSER) (Appropriations), the Senator from Maryland (Mr. MATHIAS) (Appropriations), and the Senator from Rhode Island (Mr. CHAFEE) (At-large).

ORDER FOR THE CONSIDERATION OF S. 427 ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, and I have cleared this with the distinguished Republican leader, that on Thursday after the two leaders have been recognized under the standing order, the Senate proceed to the consideration of S. 427, a bill to provide additional authorizations for the public works employment program, to authorize a program for employment of teenaged youth in community improvement projects, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no interruption in the colloquy appear in the RECORD.

The PRESIDING OFFICER. Without objection, is is so ordered.

NOMINATION OF PAUL C. WARNKE TO BE AMBASSADOR—SALT NEGOTIATIONS

Mr. ROBERT C. BYRD. Mr. President, I should like to ask a question of the Chair.

Is it not a fact that the time tomorrow between the establishment of a quorum, beginning at 3:30 p.m. or, in the alternative, between the disposition of any motion which may be made immediately after the establishment of a quorum and the vote at 5 p.m. on the nomination, if it has not been disposed of in some manner prior to that time, is to be divided equally between the majority leader and the minority leader?

The PRESIDING OFFICER. The Senator is correct. Or the designee.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10:30 a.m. tomorrow.

The motion was agreed to; and at 5:44 p.m., the Senate recessed in executive session until tomorrow, Wednesday, March 9, 1977, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 8, 1977:

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be asigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. William G. Moore, Jr., [redacted] FR (major general, Regular Air Force), U.S. Air Force.

CONFIRMATION

Executive nominations confirmed by the Senate March 8, 1977:

COUNCIL ON ENVIRONMENTAL QUALITY

Charles Hugh Warren, of California, to be a member of the Council on Environmental Quality.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

IN MEMORIAM TO THE RT. REV. MSGR. ANDREW J. ROMANAK, P.A. PASTOR-EMERITUS OF ST. MARY'S ROMAN CATHOLIC SLOVAK CHURCH OF PASSAIC, N.J.

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. ROE. Mr. Speaker, on Sunday, March 13, residents of my Congressional District, State of New Jersey will gather at St. Mary's Parish Hall, Passaic, N.J., with the Holy Name Society in memoriam to one of our most distinguished members of the clergy and good friend of all of our people, Rt. Rev. Msgr. Andrew J. Romanak, P.A., pastor emeritus of St. Mary's Roman Catholic Slovak Church who went to his eternal rest on February 7, 1977. He passed away peacefully and serenely, as he lived, in the rectory were he resided since his resignation as active pastor 5 years ago at the mandatory age of 75.

Monsignor Romanak was ordained to the holy order of the priesthood on May 26, 1923, and has served as spiritual adviser and reverend father dedicated to the well-being and happiness of each and every member of the many parishes he has served throughout the State of New Jersey.

Mr. Speaker, the quality of his leadership, the richness of his wisdom, and the abundance of his caring and dedication to our young people and adults alike have been warmly expressed on a number of occasions during his lifetime by the Honorable John C. Sciranka, editor of the Slovak Catholic Sokol and the Slovak Catholic Federation, and president of the Slovak Newspapermen's Association of America. With your permission, I would like to insert at this point in our historical journal of Congress a copy of Editor Sciranka's statement memorializing Monsignor Romanak's lifetime of good works on behalf of his fellowman, as follows:

MSGR. ANDREW J. ROMANAK, P.A.

(By John C. Sciranka)

Catholics in the diocese of Paterson, New Jersey and the people in general have lost a great friend in Msgr. Andrew J. Romanak, P.A., who served as a dedicated priest for 54 years.

His funeral on Thursday, February 10, 1977 was the best testimony of his popularity and admiration. Bishop Lawrence B. Casey was the principal concelebrant of Mass of Christian Burial with 150 priests. Also the Most Rev. Archbishop Thomas Boland, his classmate, and Bishop Michael J. Dudick of his neighboring Byzantine Catholic Eparchy and representatives of other denominations paid him tribute.

Representatives of various fraternal organizations, including the Knights of Columbus, the Holy Name Society and the Slovak Catholic Sokol, came from near and far to join the throng of mourners. His successor, Father John J. Demkovich, who with his parishioners honored him on his 80th birthday on November 30th, 1976 delivered the funeral eulogy in Slovak.

Father Francis Bischof of Ogdensburg, New Jersey, who spent 12 years with him as his assistant and also as his successor-director of the Pope Pius XII Diocesan High School, delivered the eulogy in English.

Other newspapermen paid him deserved tribute, including the local publications, namely, The Herald-News of Passaic-Clifton, The Morning and Evening Paterson News, the Beacon, The Monitor of Trenton, The Jednota (Union) of Middletown, Pa., the Czech and Slovak Radio in New York City reported his passing and reviewed his prolific life as a priest, educator, fraternalist and leader. I joined them by paying tribute to him and may his life be an inspiration to us all.

Msgr. Romanak, a priest for 54 years, had taken part in the establishment of the newly created Diocese of Paterson. He was the Diocesan Director of Catholic Youth, examiner of the clergy and a member of the Bishop's Board of Consulators.

In 1949, Pope Pius XII elevated him to Domestic Prelate, with the title of Right Reverend Monsignor, and to Prothonatary Apostolic in 1958.

Born in Newark, November 30, 1896, Msgr. Romanak attended St. James R. C. School and was a graduate of St. Benedict Preparatory School, Seton Hall College and Immaculate Conception Seminary at Darlington. He was ordained a priest on May 26, 1923, in St. Patrick Cathedral, Newark.

His first assignment was to Assumption of the Blessed Virgin Mary R. C. Church, known as St. Mary Roman Catholic Slovak Church. He was involved in many diverse activities at the parish, including directing Slovak plays, in addition to caring for the spiritual needs of his parishioners. After serving for four years, Msgr. Romanak was assigned to Sacred Heart R. C. Church, Rockaway, New Jersey.

He spent 18 years at Sacred Heart parish, during which time he established mission churches at Green Pond, Oak Ridge, Cozy Lake and Marcella.

Msgr. Romanak returned to St. Mary Church as pastor in 1945.

While at St. Mary, Msgr. Romanak also served as director of Pope Pius XII Diocesan High School. He served as director and chairman of the Passaic Local Assistance Board, chairman of the Board of Governors of St. Mary Hospital, chaplain of the Passaic police and the fire departments. Also honorary national chaplain of the Slovak Catholic Federation of America and its Eastern region, and chaplain of Assembly 1, Slovak Catholic Sokol. The intersection of First and Monroe Streets in Passaic was named Msgr. Romanak Plaza in his honor by the city of Passaic.

More than 600 parishioners and other friends attended a dinner in his honor after he retired and became pastor-emeritus in November 1971.

Mr. Speaker, it is indeed a privilege to call to your attention this exemplary profile of an outstanding member of our clergy. I respectfully request that you and our colleagues join with me in a moment of silent prayer to the memory of a great American, the Right Reverend Monsignor Andrew J. Romanak, in appreciation for all of his good works in service to God through the acts of faith, hope and charity—instilling within the hearts of all the noble bonds of brotherhood enriched with understanding, respect, goodwill, and communion among all mankind. We memorialize Monsignor Romanak and the spiritual and humane legacy that his leadership has inspired among our people throughout the many congregations he has served. May he rest in peace.

PROTECTION FOR VETERANS' AND WIDOWS' PENSIONS

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. SHARP. Mr. Speaker, today I join my colleague from Indiana (Mr. HAMILTON) in sponsoring a bill to help 4.4 million older Americans. This legislation would prevent the Veterans' Administration from reducing pension benefits as a result of cost-of-living increases in social security benefits.

The Veterans' Administration presently bases a veteran's benefit amount on his current income minus certain deductions. The income that remains, "countable income," is then used to place the veteran in an income bracket with an assigned pension amount. As his countable income increases, his benefits may decrease if he enters a new income bracket.

Because social security increases are considered countable income by the Veterans' Administration, even these minimal amounts lift many veterans into the next highest income bracket, causing a substantial reduction in their veterans pensions. The veterans or their survivors find that while receiving a social security increase intended to allow them to keep up with the cost of living, their veterans pensions are reduced or cut off entirely. Such reduction often results in a net loss of income. For example, it is estimated that the recent social security increase effective on January 1 of this year is resulting in a $76 average monthly loss in total income to recipients of veterans pensions. Instead of receiving extra income because prices are rising, they receive less.

I believe in the principle that Federal benefit programs should not duplicate each other, thus costing more than necessary or providing recipients with undeserved benefits. But we must not allow the application of this principle to permit lowering the standard of living for 4.4 million veterans pension recipients during a time of inflation and hardship.

The present method of benefit determination fails to allow these people to maintain an already meager standard of living.

This legislation would instruct the Veterans Administration to disregard cost-of-living increases in social security benefits when calculating a veteran's pension. If passed, this bill will be retroactively effective to January 1, 1973.

I realize that legislation to do this has been introduced many times in the past without success. It is my hope that those of us in Congress will act this year so that these older veterans and survivors will no longer be deprived of the financial assistance that they have earned, that they need, and that they so greatly deserve.

THE NEED FOR A NATIONAL ENERGY POLICY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. DINGELL. Mr. Speaker, articles appear in the press from time to time expounding the problems that this country confronts in its efforts to achieve a unified energy policy. Some of these articles make sense, others are not so fortunate.

I believe that the column by Tom Wicker in the New York Times of last Friday, March 4, makes a great deal of sense, and I believe that all Members should consider Mr. Wicker's points very carefully.

Among other things, Wicker points out that:

The energy crisis is not going to go away, as most Americans thought it did when the Arab embargo ended in 1974.

He further states that:

The first and most basic step that has to be taken by Jimmy Carter: he has to convince the American people that there is an unavoidable energy crisis that is going to require change, sacrifice and hard choices from all of them.

The Subcommittee on Energy and Power has engaged in a series of hearings in the last Congress and plans a new set of hearings in the next few weeks on the precise nature of the long range policy questions that confront our country. It should be pointed out, however, that Mr. Wicker's statements are nothing less than the hard truth and the sooner we recognize these truths and deal with them, the better the country will be for it.

The article follows:

[From the New York Times, March 4, 1977]

CARTER'S OIL PROBLEM

(By Tom Wicker)

WASHINGTON, March 2.—The Carter Administration is serious in a way that its predecessors were not about coping with an energy problem that is real, growing, and a grave threat to modern civilization.

The energy crisis is not going to go away, as most Americans thought it did when the Arab embargo ended in 1974. It is not going to be solved by gimmickry or swift technological breakthroughs.

The energy crisis is not merely the product of an oil company conspiracy, as some consumers think, although company policies do affect oil and gas supplies and prices. Nor is the crisis going to be broken by giving the oil companies even greater profits and more incentives to produce, although these might result in some increase in production.

The hard truth, as the Carter Administration sees it, is that the world's oil supplies cannot much longer sustain the world's increasing oil consumption. It is not true that if proper policies are followed enough new oil fields can be located and tapped so that the world can go on consuming oil as at present—an annual rate of increase of about 7 percent in the United States, for the worst example in the world.

World capacity to sustain such expansion will flatten out in the 1980's; if consumption then continued at the same level, the world's oil would disappear in the first decade of the 21st century. Oil consumption therefore has to be reduced here and throughout the world, and new energy sources have to be developed.

That is the reality that neither Richard Nixon in his Watergate travel nor Gerald Ford in his brief tenure ever really drove home to the American people or finally addressed himself to, in realistic policy. That is the reality that underlines the Carter Administration's pleas for a Cabinet-level Department of Energy and that is the reality Mr. Carter himself will finally lay before the American people when he announces a comprehensive energy policy in April.

Conversations with officials heavily involved in developing that policy—men like James Schlesinger, who will head the Energy Department, and Secretary of Transportation Brock Adams—stress one point. If the nation begins taking sensible steps now to cope with the energy crisis, it can do so with relatively little change in its so-called lifestyle. But if it does nothing, or too little, the modern American way of life will become impossible to sustain within three or four decades.

Mr. Adams, for example, will announce by July 1 a set of standards for the automobile companies that, beginning with 1981 models, will require the development by 1985 of cars that will deliver 27.5 miles to the gallon of fuel. By 1985, therefore, Americans are going to be driving smaller, lighter, less powerful cars, perhaps with innovative engines or fuels. But they will still be using automobiles and Detroit will still be making them (and making profits from them) and the mobility and convenience of that mode of transportation will have been largely preserved.

The Carter energy policy will require, for another example, a much higher level of housing insulation than now exists for many houses, and may have to offer some form of subsidy to help individual homeowners achieve it. But the overall pattern of suburban living need not necessarily be much altered.

It is not hard to see other things that will have to be done—more reliance on coal reserves, for example; new processes to gassify and desulphurize coal; far greater emphasis on solar energy research; more consistent and sensible regulatory procedures. A stiff gasoline tax or some other device to force reduced consumption probably will be necessary, too.

But the real problem, for the moment, is political. Mr. Schlesinger is concerned, for one thing, about the tendency toward what he called "Balkanization"—the breaking up of the country into regional and state interest groups pushing their own energy requirements at the expense of others. Beyond that, the first and most basic step has to be taken by Jimmy Carter, he has to convince the American people that there is an unavoidable energy crisis that is going to require change, sacrifice and hard choices from all of them.

That might better have been done at the time of the embargo in 1973 and 1974, but the moment slipped away; just recently oil imports rose to the level of 10 million barrels daily, more than twice pre-embargo levels. The long hard winter just past gives Mr. Carter a new opportunity to make the case, and his energy advisers says he aims to do it.

RELIGIOUS FREEDOM FIGHTER

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. STEERS. Mr. Speaker, at this time, when our Nation is seeking to make a stronger statement for human rights throughout the world, it is appropriate that the Maryland State Department of Education and the Maryland Bicentennial Commission have sponsored an essay contest entitled "Charles Carroll of Carrollton: His Sacred Trust."

Charles Carroll was a significant spokesman for religious freedom and for separation of church and State in the history of Maryland and the Nation.

But let us have the winner of the essay contest, Elinor Schilling of Woodward High School in Rockville, tell the story:

CHARLES CARROLL OF CARROLLTON—HIS SACRED TRUST

Independence, orderly government, religious liberty, and visionary economic development tower among the legacies entrusted to America by its founders. Charles Carroll of Carrollton, a Marylander whose life spanned the years 1737–1832, was among those founders who so firmly implanted these attributes that they still influence and govern our state and nation. His contributions form a sacred trust, the example and exercise of which help maintain national independence in a dangerous world, orderly government capable of withstanding the trauma of a Watergate, religious and civil liberty for all Americans despite contending claims, and economic development which gives the ordinary American a more comfortable standard of living than aristocrats in Carroll's day could boast.

Best remembered for having outlived the other signers of the Declaration of Independence, Carroll's signature represents thought and action far more significant than mere longevity. Historians Nevins and Commager list him among that small group of leaders of the Revolution, including Samuel and John Adams, Jefferson, Jay, Hamilton, and Franklin, whom they characterize as "educated men, writers and thinkers."

From his grandfather, Charles Carroll the Settler, and his father, Charles Carroll of Annapolis, both of whom left him vast lands in Maryland, Charles Carroll of Carrollton acquired a love of learning and a deep sense of duty. Classical education in French Jesuit schools, succeeded by studying law in London, cultivated an articulate man of philosophical but practical intellect. By the time he returned home in 1764, he judged necessary and desirable eventual separation of the American colonies from Britain. An exponent of free trade, he felt increasingly the wrongness of English taxation and regulatory policy.

As a revolutionary and separatist, Carroll became prominent in 1773 through an exchange of letters in the Maryland Gazette with Daniel Dulany, supporter of the fifth Lord Baltimore, Proprietor of Maryland. Under the pseudonym "First Citizen," he attacked "Antilon's" (Dulany's) defense of the proprietor's right arbitrarily to fix certain fees without reference to the colonial assembly. Acclaimed by the "popular" party, which opposed the proprietor, Carroll's arguments augmented support in Maryland and other colonies of separation from England.

Carroll worked hard for independence. Widely acknowledged a "most flaming patriot," he joined other Maryland patriots, aroused by England's closing of Boston Har-

bor, in a committee formed in Jnue, 1774, to work with other colonies' committees to "effect such association as will best secure American liberty." On June 28, 1776, while serving as delegate in the Maryland convention occupied with drafting a new constitution for the colony, he moved Maryland's joining the other colonies to declare independence. As delegate to the Second Continental Congress, Carroll signed the Declaration of Independence on August 2, 1776, willingly pledging his life, property, and sacred honor.

A revolutionary regarding independence, Carroll was no radical; he believed in orderly, stable government as the best guarantee of life, liberty, and the pursuit of happiness as proclaimed in the Declaration of Independence. Influenced by classical studies of the ideal republic and by his wealth and education, and concerned by the challenge of radicals, Carroll worked in the Maryland convention to insure that the new state constitution represented evolution from colonial government and precluded the anarchy he feared might ensue in a time of change and turmoil. Retained were the features of a small, select, upper legislative house and of property qualifications for voting and holding office. His belief in the efficacy of these devices as bulwarks against majority tyranny and his recognition of the revolutionary nature of the proposed federal constitution led Carroll to espouse that document vigorously in Maryland. In 1789, after its ratification, the state legislature, where he had been serving in the upper house, elected him one of Maryland's first two United States Senators.

A man of his class and time, Carroll continued to prefer government by the elite, resulting in erosion of his popularity and eventual departure from politics. One man, one vote, without property qualifications came eventually without the consequences feared by Carroll. His strong conservatism in this respect, derided by his political opponents and by some later historians, however, should not obscure his contributions to the practice and theory of evolutionary, orderly government. In other, later crises, such as the Great Depression of the 1930's and Watergate, the legacy served America well.

Americans value their guarantees of religious freedom. A haven of religious tolerance in early colonial days, Maryland changed following England's "Glorious Revolution" of 1688. The Church of England became the established church, supported by taxation. Roman Catholics were debarred from public office and the franchise. The Catholic Carrolls chafed under the discrimination. In their exchange in the press in 1773, Dulany attacked Carroll on religious grounds. Carroll, responding with a brilliant defense of his beliefs, and urging separation of church and state as a guarantee of religious liberty, revealed Dulany a bigot and Catholics patriots.

Protestant dissenters, who also opposed Anglican establishment, supported Carroll's arguments as did Catholics throughout the colonies. His case represented a significant advance toward religious and civil liberties Americans now enjoy. Other actitons, too, contributed toward liberty. During the Revolution, he opposed in Maryland's legislature, albeit unpopularly and unsuccessfully, the arbitrary seizure of Loyalist property. Later, in 1789, unable to reconcile the principles of the Declaration of Independence with slavery, he proposed a bill gradually to free the slaves in Maryland. He was ahead of his time in that, too.

During the Revolution, religious disabilities began to fall. In 1776–1777 Carroll helped draft and defend the new Maryland Constitution and its Declaration of Rights ending the Church of England's official status and restoring political rights of Catholics and most others. To Carroll's delight, the First Amendment to the U.S. Constitution guaranteed separation of church and state. However, a long road lay ahead to full liberty. In Maryland, disabilities for Jews remained until 1826. Slavery continued. Even the Emacipation Proclamation of 1863 did not apply, for Maryland was not part of the Confederacy. In 1865, seventy-six years after Carroll's effort, slavery was abolished in Maryland by state action.

Carroll fostered economic development. Maryland owes much to those who did not allow their landed wealth to block their vision for the wider development and prosperity of the state. Carroll's father set an example in founding the Baltimore Iron Works. Carroll influenced the legislature to approve a railroad to open the port of Baltimore to Ohio Valley trade. A painting in the B & O Transport Museum in the old Mount Clare Station depicts the scene on July 4, 1828, when he broke ground at Mount Clare for construction of the Baltimore and Ohio. At age 91, venerated as the surviving signer of the Declaration of Independence, Carroll symbolically ushered in a new age of economic development just over a half century after he and his compatriots acted for independence, orderly self-government, and religious freedom in America.

Charles Carroll of Carrollton emerges as an inspiration in the Bicentennial year. A man who perceived the future good and acted on it, he left a sacred trust that applies to public and private well-being today as it did in his day. Its continued wise application assures America's future in liberty and justice.

THE TEACHERS FEDERAL CREDIT UNION OF LONG ISLAND PETITIONS ON CREDIT UNION REFORM

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. DOWNEY. Mr. Speaker, I have recently received a petition signed by over 1,700 members of the Teachers Federal Credit Union. This vigorous financial institution has served the Suffolk County, N.Y., teaching community for many years, and I would like to take this opportunity to relay the views of these individuals to my colleagues.

The petition supports the expansion of credit union services as contained in two pieces of legislation introduced during this session of Congress: H.R. 3365, the Depository Institutions Amendments of 1977 and H.R. 1528, the Credit Union Modernization Act.

The House, by passing title IV of H.R. 3365 which contains a provision allowing credit unions to offer mortgage loans with a maximum term of 30 years, has shown its commitment to the expansion of credit union services. H.R. 1528, a more comprehensive credit union reform bill introduced by Congressman ST GERMAIN and REUSS, further provides credit unions with the legal authority to expand the number of financial programs they can offer to their membership. The establishment of a central liquidity fund and the freedom to invest credit union funds more diversely are among the provisions of this act.

The members of the Teachers Federal Credit Union have presented me with a well prepared petition supporting the enactment of this type of legislation. I would like to add my voice to theirs in calling upon my colleagues to seriously consider the merits of these proposals. It is my hope that the 95th Congress will produce a well-rounded package of legislation which will enable credit unions to better serve their members.

FEASIBILITY STUDY OF POWERPLANT ENLARGEMENT AND REREGULATING RESERVOIR, HUNGRY HORSE PROJECT, FLATHEAD COUNTY, MONT.

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BAUCUS. Mr. Speaker, today I am introducing a bill which would authorize the Secretary of Interior to engage in feasibility investigations on enlarging the powerplant and building a reregulating reservoir as part of the Hungry Horse Project in northwestern Montana. This project offers great promise as we seek to meet the Northwest's power needs.

Hungry Horse is one of the major projects in the long-range plan for control and use of the waters in the Columbia River basin. It plays an important role in the program for meeting the growing power load in the Pacific Northwest and in the plans for providing a storage system for control of devastating floods. It also contributes to irrigation and navigation, and is a valuable recreation area. Construction of the dam and powerplant was completed in 1953.

The present power yield from the existing four-unit powerplant produces a dependable capacity of some 238 megawatts. The average annual energy developed at the site is 94 megawatts, based on the current studies utilizing the Bonneville Power Administration Seasonal System Model. An overload rating of some 328 megawatts is attainable with suitable head.

The feasibility study I proposed would cost about $500,000 and would evaluate the provision of additional generating capacity at Hungry Horse Powerplant. The existing installed powerplant capacity of 285 megawatts could be increased to about 485 megawatts. A new 200-megawatt powerplant adjacent to the existing plant and a reregulating dam about 2½ miles downstream would be the principal features. The plant would be run in conjunction with the existing powerplant when the water and hydraulic head are available. A 60-foot high reregulation dam with a pool capacity of about 5,000 acre-feet would be useful in smoothing out releases from Hungry Horse Powerplant. Fish and wildlife, recreation, flood control, and water quality aspects would also be considered, particularly in regard to operation of the reregulating reservoir. Also, the feasibility of installing a variable level intake structure at the dam will be evaluated in the study.

Envisioned characteristics of the new, enlarged power generating complex at

Hungry Horse would be 408 megawatts dependable capacity, about 106-megawatt average annual generation, and an overload rating of 428 megawatts. The facility could be peaked 6 days per week, 9 hours per day during the most critical period of peaking requirement—usually January. In addition to consideration of a new powerplant, there may be potential gains in the electrical limit at the existing powerplant by rewinding generators. This potential will be evaluated as a part of the feasibility study.

The effects of powerplant enlargement on the water level of Hungry Horse Reservoir would be minimal, and recreation uses should not be adversely affected. Streamflow conditions below the reregulating dam will be critical to fish and wildlife resources.

The study would be closely coordinated with the U.S. Fish and Wildlife Service and the Montana Fish and Game Department to arrive at a plan which will afford beneficial production of power as well as downstream benefits to fish and wildlife.

The potential for enlarging Hungry Horse powerplant was evaluated in the current western energy expansion study with additional preliminary appraisal evaluation by an interdisciplinary team. At present, power benefit evaulating methodology and power values are under question. Because of this, power benefits for the Hungry Horse project enlargement were calculated using two approaches, both assuming a cost of $54 million, July 1975 price levels, a 6⅜ percent interest rate, a completion date of fiscal year 1981, and 200-kilowatt power production. The first approach is the incremental analysis whereby the additions to the existing plant are treated as a separate plant with its own capacity and energy values. This is the more stringent test, and results in a benefit-cost ratio of 1.57 to 1. The second approach is the "with-without" analysis whereby the entire powerplant is looked at before and after the addition. In this method, the difference in benefits is attributable to the addition, and results in a benefit-cost ratio of 3.14 to 1.

Based on these analyses, the benefits from additional hydropower generating capacity at Hungry Horse would exceed its costs, beneficial environmental impacts from a new reregulating pool could occur, and possible adverse environmental impacts from the new facilities appear to be minor. Based on these favorable findings, an appraisal investigation would be started in fiscal year 1978 to evaluate various possible powerplant enlargements and reregulating reservoir sizes and operations in more detail. If the results in the early stages of the appraisal study are favorable, it would be highly desirable to immediately convert the study to feasibility level in order to eliminate unnecessary delays in completing the planning which is a prerequisite to the development of needed hydropower facilities.

Powerplant enlargements of about 200 megawatts would be evaluated. Geologic investigation and topographic mapping would be required to determine site conditions for the new powerplant and reregulating dam. Cooperative studies would be carried out with the appropriate Federal and State agencies, including the fish and wildlife and recreation agencies, the Bonneville Power Administration, and the Corps of Engineers. These cooperative studies would be needed in part to determine the best river operation when all competing needs are considered.

Hungry Horse storage and generating capability make this project a key unit in the Columbia River system. Its favorable headwater location provides control of a principal tributary stream. Generation at Hungry Horse powerplant has a marked effect throughout downstream power producing and storage facilities since coordinated releases made at Hungry Horse pass through other major power and storage facilities before reaching the Pacific Ocean.

A substantial amount of water now passes Hungry Horse Dam in excess of the hydraulic capacity of the existing powerplant. The current national energy problems have pointed out the critical need to develop new electric power production wherever possible. Hydroelectric power is desirable because it is a clean energy source which uses water—a renewable resource.

The Montana State study team, made up of the Montana Department of Natural Resources and Conservation and other State and Federal agencies, is preparing a "level B" plan for the Flathead River basin. The study team reports that: First, the Flathead basin is a net importer of electric power; second, the major problem in providing electric power for the basin is that of meeting ever growing loads; and third, nuclear and fossil-fuel generating plants are not viable alternatives to hydropower in this basin because they are more costly. There is no projected development of thermal plants in the basin.

The Montana State study team reports that there are a number of good sites in the basin for new hydroelectric facilities. However, proposals to develop much of this potential have met with strong opposition. The major reasons for this opposition are adverse environmental impacts and the fact that some of the potential hydroelectric projects would adversely impact Glacier National Park, wilderness areas, or scenic streams. Public Law 94–486, which was enacted October 12, 1976, adds much of the headwaters of the Flathead River to the Wild and Scenic Rivers System. This legislation includes the South Fork of the Flathead River from its origin to the Hungry Horse Reservoir, and with these limits would not directly affect the powerplant enlargement proposal.

In this context, the potential enlargement of Hungry Horse Powerplant is extremely attractive; preliminary indications are that dependable generating capacity could be increased about 60 percent. The powerplant enlargement would provide increased generating capacity to meet growing power needs while causing minimal adverse environmental impacts.

A reregulating pool is needed on the South Fork of the Flathead River downstream from Hungry Horse Dam under present conditions. The preliminary findings of the Montana State study team include the recommendation that the Bureau of Reclamation study the feasibility of constructing a reregulating dam below Hungry Horse Dam in the near-term future. The immediate need for the reregulating facility is to smooth out release from Hungry Horse Dam; the State study pointed out that the reregulation would be especially useful during peaking operations at the existing powerplant, making the resulting smoothed out South Fork Flathead River flows more compatible with those of the Flathead River downstream.

I am confident of local and State support for the potential Hungry Horse Powerplant enlargement and reregulating reservoir. Montana citizens support careful resource development, and Flathead basin residents have become extremely interested in protecting and improving their high quality environment. These potential improvements in the Hungry Horse project are in line with the current preliminary recommendations of the Montana Department of Natural Resources and Conservation and the other members of the Montana State study team. Since these recommendations and the draft level B plans for the Flathead River basin were developed only after a planned basinwide public involvement program, the new hydropower installation and the potential reregulating pool should enjoy public support.

Mr. Speaker, if preliminary estimates on the cost-benefit ratio are at all reliable, expansion of the Hungry Horse facilities would be an investment with a very attractive rate of return for the American public. A feasibility study is certainly warranted, and I ask the support of my colleagues in seeing that the legislation is passed.

POSITIVE ACTION, NOT PHONY VOTES, ON THE PAY RAISE

HON. JOSEPH S. AMMERMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. AMMERMAN. Mr. Speaker, I have been distressed to learn that an attempt has been made to turn the vote on the motion to adjourn this House February 17 into a "symbolic" vote on the recent pay hikes for Members of Congress and other high Federal officials.

I do not think this House is well served when routine procedural votes are later given important substantive meanings. To me, a vote to adjourn is a vote to adjourn and I explained this to my constituents in a recent column for the newspapers in the 23d district.

Not long after he became President, John F. Kennedy said ruefully of his office's burdens:

> It is easier to make the speeches than to make the judgments.

This is just as true for Members of Congress as it is for members of the executive branch.

A Congressman has to vote "yes" or "no" on numerous complicated issues. He does not get to vote "maybe" or "yes, but" or "no, with some reservations." The electronic voting machine records only "yeas" and "nays."

It has been reported that I voted in favor of adjourning the House on February 17. That is correct—it is matter of public record.

What is absolutely false is the contention that this was a vote in favor of the congressional pay raise.

There was no House vote on the salary package. Unlike the Senate—which voted in favor of the raises, incidentally—the House rules greatly limit the Members' freedom of action on the floor. And the parliamentary situation was such that no vote on the pay raise was possible in the House.

Had there been such a vote, I would have voted against the increases. In the opinion of most observers, a majority of the House would have done likewise. But there was no vote.

Some Members, including most of those on the minority side who were trying to make this a partisan issue, tried to turn the routine vote on adjourning for the weekend into a symbolic vote on the pay raise issue.

For as long as I have been in public office, I have taken the position that I am not going to play games with my votes. I did not cast phony "symbolic" votes in Harrisburg and I am not going to do that now that I am in Washington.

To me a vote to adjourn is a vote to adjourn—nothing more and nothing less.

As I read the angry letters about the pay raise that I have received in my office, it is obvious to me that I could have saved myself some aggravation by voting against adjournment. But I do not think I was sent to Washington to play silly games.

There was not going to be a vote on the pay raise. I knew it and so did those Members who voted against adjournment. The proof of the matter is that minutes after the adjournment resolution was voted down the House did adjourn—by unanimous consent.

I am still waiting to see stories in the press complaining about those Members who voted against adjournment but then agreed to the unanimous consent motion.

Rather than casting phony votes, I have been trying to take positive action on the pay raise issue and related matters.

I have introduced legislation which would prevent the 2,500 top Federal officials who benefited from the recent pay hike from receiving an additional cost-of-living increase this fall.

Members of Congress were not the only ones who received a raise. All the top officials of the Federal Government from the Vice President on down were included in the same package. Since their salaries are reviewed by a special presidential commission every 4 years, I think it is highly improper for them to receive annual cost-of-living increases, too.

Second, as a member of the Committee on House Administration, I worked on the legislation to establish a new ethics code for the House which was overwhelmingly adopted last week.

The code sharply limits the outside earnings of representatives, bans unofficial office accounts—the so-called slush funds—and restricts congressional free mailing privileges during campaigns.

It seems to me that such positive actions are worth a thousand symbolic votes.

IS WARNKE SOFT OR JUST FLEXIBLE?

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. ICHORD. Mr. Speaker, on Sunday, March 6, 1977, the Sunday Star ran a lead editorial entitled: "Moonshine on Mr. Warnke." This editorial was a shallow analysis of a letter Congressman LARRY MCDONALD of Georgia had signed citing some reasons for opposing the nomination of Mr. Warnke. The editorial really did not answer the main criticisms directed at Mr. Warnke. Congressman MCDONALD responded with a letter to the editor, which appears today in the Washington Star. His letter, in my view, answers the Star editorial in a very effective manner. For those who might have been misled by the Star editorial of last Sunday, I commend his letter to the attention of my colleagues:

IS WARNKE SOFT OR JUST FLEXIBLE?

Your editorial in support of the nomination of Paul Warnke to be head of the Disarmament Agency and U.S. negotiator at the SALT talks ("Moonshine on Mr. Warnke," March 6) became so involved in irrelevancies that you missed the main arguments against his confirmation.

Warnke certainly understands that his long history of opposition to American defensive weapon systems is his Achilles heel. This explains why he used the altered quotation in answer to Sen. Jackson's questions when he was before the Senate Armed Services Committee. Warnke continues to be a member of the board of advisors of the Center for Defense Information, an active lobby against American defensive armaments.

The point that you missed concerning Warnke's service as an agent for the pro-terrorist government of Algeria was the possibility of conflict of interest. As I pointed out last week in my statement to the Senate Armed Services Committee:

On March 26, 1975, Warnke registered with the Justice Department as an agent of the Algerian government. On Oct. 6, 1976, Warnke appeared as a voluntary witness before the Senate Foreign Relations Committee in opposition to American commitments to achieve an Egyptian-Israeli disengagement in the Sinai. As this disengagement was of great value to the government of Egypt, and to a peaceful settlement, it was opposed by the more extreme elements in the Middle East, including the Algerians. While testifying, Warnke never mentioned that he was a paid agent of the Algerian government. Before he is confirmed by the Senate, he should be fully questioned about this possible conflict of interest.

You also missed the major point concerning Warnke's role in the Pentagon Papers Case. Again, as my testimony reflects, Warnke had treated the Pentagon Papers, which contained highly classified and sensitive documents, as his own property. By storing a set at the Rand Corporation he was following in the footsteps of Theodore Sorensen whose similar attitudes towards classified documents resulted in the clear lack of confidence shown to him by the Senate.

While Americans are divided on the Warnke nomination, our enemies are not. Warnke has been strongly supported by Soviet, East European and American communist party propagandist. It does not seem sensible to send as a negotiator one who is so warmly regarded by your adversary.

LARRY P. MCDONALD,
Member of Congress.

WOLVES CAN BREATHE EASIER—FOR NOW

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. WHITEHURST. Mr. Speaker, the Wednesday, March 2, 1977, edition of the Kansas City Times contained an editorial which I would like to share with my colleagues, since it relates directly to the provisions of, and the need for, my bill H.R. 2884. This bill would extend the "reprieve" which the recent court decision has given the wolf in Alaska, and I hope that my colleagues will see fit to give it their support.

The article follows:

WOLVES CAN BREATHE EASIER

The Alaskan wolf has won a reprieve, at least temporarily, in federal court. This may not save the species from eventual extinction, but it surely buys the time that is necessary for the Department of the Interior to work out a co-ordinated wildlife policy on federal lands. This has not been done in the past.

The issue was joined when the state of Alaska refused to delay its projected wolf kill, which was designed to bring the wolves and the magnificent caribou, the Alaskan reindeer, into balance. Conservationists have never believed the wolf was to blame. The once-vast herds of caribou were thinned dangerously by the irrational hunting laws that prevailed.

Under extreme pressure, Alaska has limited the caribou harvest this year to 3,000 to permit the diminishing herd to recover from past excesses. Previously there had been no limit on the number of reindeer that could be bagged each year, nor on the age or the sex of the animals that were claimed. The indiscriminate hunting continued on a year-round basis, with no closed seasons.

It is little wonder the herd was decimated, but instead of naming man as the culprit, which he obviously was, Alaskan officials found it more convenient to place the blame on the wolf.

This irrational policy has enraged conservationists in the 48 contiguous states. Perhaps the most outspoken of the opponents has been Dr. John Grandy, the executive vice-president of the Defenders of Wildlife. That group, along with other leading outdoor organizations, took the matter to court.

Among his many strong and telling comments, these two statements by Dr. Grandy emphasize the views of the opposition: "The wolf is being used as a scapegoat to pay for the state's (Alaska) failure to practice ecologically sound wildlife management in the past." And "we believe this is outrageous treatment of public wildlife on public lands."

Certainly the final decision on the fate of

the wolves should be made by the American people, not the Alaskans acting on their own. The federal court order means the Department of the Interior, representing the public, will now be able to study the problem carefully and come up with a balanced and practical solution. The Defenders of Wildlife, and the other organizations that joined as plaintiffs, are prepared, on behalf of the nation, to settle for nothing less.

AMERICAN LEGION LEGISLATIVE PRIORITIES

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. ROBERTS. Mr. Speaker, the American Legion held its Annual Mid-Winter Conference in Washington, D.C. February 20–23, 1977. The Honorable William J. Rogers of Kennebunk, Maine, a veteran of World War II, serves as the National Commander of this great organization. Over the years Commander Rogers has held several offices within the American Legion at the national state and local levels. In August, 1976 at the National Convention of the American Legion in Seattle, Washington, Bill Rogers was elected National Commander. In addition to his work on behalf of the veterans of this country, he also has an intense interest in the welfare of the entire youth and adult population of Maine and in this respect is involved in numerous civic affairs in Maine. The State of Maine has good reason to be proud of Bill Rogers.

On February 22, 1977 Commander Rogers, accompanied by other national officers and the Washington legislative staff of the American Legion, as well as a large number of his fellow Legionnaires, appeared before the House Veterans' Affairs Committee to present the legislative recommendations of the American Legion. I would like to share with my colleagues the statement of Commander Rogers which reflects the concern that he and his organization have for this Nation's veterans and their dependents.

The statement follows:

STATEMENT OF WILLIAM J. ROGERS

Mr. Chairman and Members of the Committee: The American Legion is most grateful for this opportunity given me, as its National Commander, to present to the Committee, matters relating to veterans affairs, that we believe will come to the attention of Congress during the present session. With the Committee's permission, I shall proceed to the matters of substance.

VETERANS ADMINISTRATION FISCAL YEAR 1978 BUDGET

Prior to completing his term of office, President Ford, in accordance with existing law, submitted to Congress his proposed Budget for Fiscal Year 1978. As of this writing, President Carter has yet to send to Congress any Budget modifications he may intend to recommend.

The American Legion is in the process of studying the Budget proposals for the Veterans Administration. Appropriation requests for Fiscal Year 1978, total $18.414 billion. We can offer several observations at this point and subject to future Budget modifications suggested by the new Administration.

Employment levels for VA are projected at 215,732, an increase over last year's level of 3,353, of which 3,488 are for medical care. We commend this increase in the medical care allocation, but we also draw attention to a projected decrease in employees totalling 571 for Veterans Services and for Compensation, Pension and Education. Based on continuing work loads, as we understand them, we question whether an employee decrease at this time will continue to guarantee prompt and efficient service to veterans in these important areas of activity. Our initial reaction to this proposed reduction is that employee decreases be deferred pending experience, especially in the education program during Fiscal Year 1978.

We are pleased with the projected increase in the requested appropriation for medical care. We are especially mindful of the increase of $27.6 million in construction funds. In our judgment, it is critical to the future of the veterans medical care program that the renovation and replacement of aging and outdated facilities, within the VA system, go forward steadily. Construction funds for two hospitals are included in the new Budget, and plans are underway for the replacement of 6 additional hospitals, as well as continuing improvements in existing facilities. We trust that Congress will view these plans favorably. They have the full support of The American Legion.

The proposed Budget includes a number of legislative proposals put forth by the outgoing Administration. We will comment on three of them.

The Budget includes again, a proposal for the elimination with what is termed "duplicate burial benefits." The use of this terminology is a distortion. The burial benefits provided for veterans, are a gratuity, intended to insure that every veteran will be buried with dignity and respect. This is an honor surely due to those who have defended the Nation in its Armed Forces. The Social Security death benefit, is an earned benefit, paid for by every citizen who pays Social Security taxes. It is wrong to refer to these as "duplicate benefits," and we hope that Congress will not look with favor on a proposal of this kind.

The outgoing Administration also proposed a return from 10 to 8 years in the period of eligibility for the education program. The 10-year period was provided by Public Law 93–337, which The American Legion supported. We see no reason whatever to regress from the present delimiting period for this benefit. The 10-year period now provided is fair and reasonable, and eligible veterans should be able to complete their education within that period of time. We hope that Congress will not entertain legislative proposals along these lines, and that the new Administration will not pursue such legislative goals.

The Budget also includes a legislative proposal to authorize an amount of $3.750 million, to enable the Federal Government to share with the States the cost of establishing and maintaining State veterans' cemeteries. This is a proposal The American Legion supports. The need for veterans' cemeteries exceeds the ability of the Federal Government to meet it entirely. So far, three States have commenced a program along these lines, and we hope other States will follow suit. The goal is to provide a suitable place of honor for the interment of the Nation's veterans. National cemeteries, and State veterans' cemeteries can be the focal point for patriotic commemoration by succeeding generations of Americans of those who have defended the Nation in time of war and armed conflict. This country is built upon the sacrifices of those, who, since the time of the American Revolution, have responded to the call to arms, to defend it against its enemies. It is important to our heritage that the commitment and the sacrifices of all those who have served shall never be forgotten.

VETERANS' ADMINISTRATION MEDICAL CARE PROGRAM

It is not possible to submit to this Committee, a statement of this kind, without making a special reference to the VA medical care program. The American Legion is pleased that the proposed Budget includes necessary increases in fund allocations for this program. We continue to believe that the VA medical care program is the finest single health care delivery system functioning in the world today. It represents a national commitment to the welfare of American veterans that represents better than anything else could, the value the American people place on the services of those who have been members of the Armed Forces.

The triad of treatment, teaching and research that comprise the principal elements of the VA medical care program, together form a medical care system that offers to veterans the best possible hope for health care as and when they need it. The primary responsibility of the VA system continues to be the care of those who have been injured or disabled as a result of their service. Today that responsibility is being met. And its adjunct is first class medical care for all those who, by reason of health needs, or their economic condition, have to look to the VA for assistance.

We believe that Congress views the importance of this incomparable health care program as an irrevocable commitment to the nation's veterans. Its maintenance at its present level of excellence requires constant attention, and provision of adequate funding. We look to Congress to provide the oversight and the funding, and to this end we pledge our full support.

PENSION REFORM

With reference to major legislative matters requiring attention within the veterans benefits program during Fiscal Year 1978, we believe the most important is the need for a reform of the veterans death and disability pension program. We take this opportunity to again point out that the present program is not adequate to the needs of those it is designed to serve. These are mainly those who have become permanently and totally disabled by reason of illness of age, and the dependent survivors of those who have died.

For several years past, we have petitioned Congress for legislative reform of this program to make it responsive to the needs of eligible beneficiaries. That reform has not yet been accomplished, and I can tell you, that the greatest volume of correspondence received at our Headquarters is from older veterans, and from widows who, in increasing numbers find themselves in desperate financial need, with no hope of relief from any of the Federal programs that are intended to help them, including the veterans pension program.

The pension legislation that we are proposing again this year, includes the following elements that would:

1) assure a level of income above the national measure of poverty;

2) prevent veterans and widows from having to turn to welfare agencies for financial assistance;

3) treat similarly circumstanced pensioners equally;

4) provide the greatest pension for those with the greatest need; and

5) guarantee regular increases in pension which fully account for increases in the cost of living.

I do not believe it is necessary for me to expand on these goals in this statement. When this Committee is ready to consider the legislation we are proposing to achieve the goals, we will be prepared to support them at length.

The ultimate goal, however, that we ask the Committee to keep before it, is that all of the nation's veterans, and their dependents and survivors shall be afforded the opportunity to finish their lives in dignity, and reasonable comfort, without having to depend upon the mercies of the public welfare. We believe this is what the American people want for their veterans, and it is thus the responsibility of Congress to provide it.

DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

The continuing responsibility of Congress to look to the needs of those who have been injured and disabled in service, and of the survivors of those who have died in, or as a result of service, must constantly be kept in view.

Historically, Congress has been responsive to these needs, and it is our sincere belief that Congress should be commended for its concern for these most deserving classes of beneficiaries.

The 94th Congress made necessary adjustments in compensation and dependency and indemnity compensation rates in response to inflationary pressures. The point is, however, that those inflationary pressures continue, and the disabled veterans and survivors have nowhere else to look but to Congress, to protect them economically from the consequences of the inflation that persists in our national economy.

It is our request that this Committee shall, in due course, review the compensation and DIC tables, in relation to the economic indexes, and propose necessary adjustments. The American Legion will support this Committee effort, and we rely on the full Congress to enact needed legislation when it is developed by the Committee.

NATIONAL HEALTH INSURANCE

The American Legion continues to observe with close attention the national debate on national health insurance. The legislative vehicle to provide such insurance will not be the responsibility of this Committee. The Members, however, will participate in the Congressional decisions on whether there shall be a national health insurance program, and what form it will take.

We are mindful that the new Administration is committed to a national health insurance program, and we anticipate that legislation to achieve it will be proposed to this Congress, either during the present session, or the next.

The basic decision as to whether the American people shall now have national health insurance is not the business of The American Legion. The impact of such a program on the VA medical care system for veterans, is however, very much the business of our organization. Through special committees we have studied this matter for a period of several years. It is our conclusion that there will, in fact, be a measurable effect by national health insurance on the VA system. Our goal is that such effect shall not be adverse to the best interests of veterans.

To insure the achievement of this goal, we shall, at the proper time and place, submit to Congress, certain recommendations, for which we solicit the support of the Members of this Committee.

Briefly, it will be our request that legislation to effect national health insurance shall include among its basic provisions:

1) recognition of the VA medical care program as a Federal deliverer of health services exclusively for the nation's veterans;

2) that the VA system, as it is now constituted in the VA Department of Medicine and Surgery, shall continue to be so maintained; and

3) that a veteran who exercises his option to seek needed medical care from the VA, shall not be required, on any statement of inability to pay, to include therein, consideration of any benefits to which he may be entitled under a national health insurance program.

The objective of these legislative requests is to insure that veterans will be able to continue to exercise the option to choose VA medical care, in a system that is designed and maintained for them and is responsive to their particular needs.

We earnestly hope for the support of all of the Members of this Committee for the inclusion of these protective provisions in a national health insurance program.

NATIONAL CEMETERY SYSTEM

One of the significant Congressional achievements in the postwar period, has been the establishment of the National Cemetery System within the Veterans Administration.

This is a legislative goal of The American Legion that has been substantially achieved, with resulting benefits to veterans. A great proportion of veterans entertain a desire to find their final rest in a place of honor, in company with their comrades in arms. The establishment of the National Cemetery System, and its present expansion and development does much to make the fulfillment of this desire achievable.

The four new national cemeteries that are now being established, and the additional ones that are projected will relieve a growing need, in a nation that now has nearly 30 million veterans, whose ages span the Twentieth Century. We recommend to Congress, consideration of an additional cemetery, as soon as possible, in the Midwest, possibly in the Michigan, Indiana, Ohio region. We continue to receive requests for consideration of national cemeteries through American Legion organizations in other parts of the country, and as the need for them becomes apparent, we shall submit further recommendations.

Additionally, as mentioned earlier in this statement, joint funding of state veterans' cemeteries will help to alleviate the need for more cemetery space for the nation's veterans.

JOBS FOR VETERANS

It is important for me, before concluding this statement, to address the continuing problem of Jobs for Veterans. No returning serviceman is truly rehabilitated until he has achieved a satisfactory position in the economic structure of the nation—that is, until he is gainfully and steadily employed.

The unemployment rate among veterans continues to be distressingly high. In January, with a national unemployment rate of 7.9 percent, the rate was 8.6 percent for young male veterans in the 20–34 age group, which includes most of the veterans of the Vietnam Era. In the youngest veterans group, those between 20–24, the unemployment rate was 18.3 percent, compared to 12.5 percent for nonveterans of the same age. The disabled and black unemployed veterans are hardest hit.

We are pleased to note that the new Administration has announced that the plight of these unemployed veterans is one of its highest priorities. We await positive action to alleviate their problem.

It must be said that in our judgment, the Department of Labor, to this point, has not measured up to its responsibilities with reference to unemployment among veterans. It has failed to implement remedial legislation, until prodded to do so by concerned Members of Congress and veterans' organizations. The latest legislation intended to help unemployed veterans, Public Law 94–502, created the position of Deputy Assistant Secretary of Labor for Veterans Employment. In view of the unsatisfactory record of the Department of Labor in fulfilling legislative mandates, the American Legion still advocates the establishment of a full Assistant Secretary of Labor, with the authority to effectively carry out and coordinate veterans employment matters, with a Veterans' Employment Service as a separate agency within the Department of Labor.

Among other objectives we seek, to improve the veterans unemployment rate, is a recommendation that priority employment service for veterans provided in state employment offices, be limited to wartime veterans only. This is because the veterans of the Vietnam era specifically are having the hardest time in the job market.

Compared with earlier training programs under the Manpower Development and Training Act of 1972, veterans have been faring badly in programs under the Comprehensive Employment and Training Act (CETA). We urge corrective legislation to provide that 35 percent of all new public service jobs and training slots be filled by veterans. And since efforts have been unsuccessful to have the Department of Labor either define veterans organizations as "community based organizations," and, therefore, eligible for membership on CETA planning councils, or listed separately as organizations to be included, we seek legislation to amend CETA to insure that veteran organizations will have a voice at the local level on employment and training programs that are federally financed.

Essentially, it must be said, that positive action is necessary, now from Congress and the Executive Branch, to achieve an immediate impact on the excessively high unemployment rate among veterans, and particularly among Vietnam era veterans.

JUDICIAL REVIEW OF DECISIONS OF THE ADMINISTRATOR OF VETERANS AFFAIRS

Measures have been introduced to amend title 38, United States Code, to provide for the judicial review of the administrative decisions of the Administrator of Veterans Affairs.

Except as to suits arising from contracts of government life insurance and matters arising under the veterans home loan provisions, section 211(a) of title 38 of such code provides that the decisions of the Administrator on any question of law or fact under any law administered by the Veterans' Administration providing benefits for veterans and their dependents or survivors shall be final and conclusive, and no other official or any court of the United States shall have power or jurisdiction to review any such decision by an action in the nature of mandamus or otherwise.

Section (b) adds that the Administrator may require the opinion of the Attorney General on any question of law arising in the administraion of the Veterans Administration.

Judicial review of the Administrator's decisions has been the subject of Congressional consideration in the past, and properly so, as the ultimate decision is a question of policy to be resolved by the Congress. The arguments in favor of such legislation generally arise from a feeling that a veteran or his dependent, dissatisfied with the administrative determination, should have available recourse to judicial consideration of the claim. The fact that the Congress has consistently barred all judicial review of the decisions of the Administrator in other than contractual matters since 1924, demonstrates its views that the considerations in opposition thereto, are more compelling. As recently as 1970, in view of the increased judicial encroachment upon the finality of these decisions, the Congress firmly and unequivocally reaffirmed its intent that the Administrator's decisions be final when it added to section 211(a) the concluding words "by an action in the nature of mandamus or otherwise."

Based on our many years of presenting appellate issues to boards of original jurisdiction in VA regional offices, to the Chief Benefits Director and the Chief Medical Director

for administrative review of lower decisions, and to the Board of Veterans Appeals for appellate review, it is the opinion of The American Legion that the Veterans Administration is guided by a sincere desire to serve the best interest of veterans.

If The American Legion was convinced that an advantage to veterans or their beneficiaries or survivors could be derived from a judicial review of the Administrator's decisions, we would recommend or support such legislation.

But we are not convinced and we do not believe that there would be any net advantage to veterans or their dependents or survivors as a class if judicial review of the Administrator's decisions was authorized.

There are a number of other matters of importance to veterans that should engage the attention of Congress this year. The American Legion awaits opportunity to present them. In this statement I have confined myself to those that are at or near the top of our priority list of goals.

The American Legion continues to rely upon Congress, as it has through the years, to respond to the needs of the veterans, as it becomes aware of them. The bond between Congress and the nation's veterans, extends throughout our history, and the responsiveness of Congress has resulted in the most comprehensive program of veterans benefits that any nation has provided to its war veterans. For that fact The American Legion is most grateful, and we look forward to a continuing dialogue with the new Congress, in the interest of all veterans.

Once again, we thank the Members of the committee for this opportunity.

LITHUANIA

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BURKE of Massachusetts. Mr. Speaker, the State of Lithuania became a free republic by a proclamation of the Lithuanian National Council on February 16, 1918. Until June 1940, Lithuania experienced privileges of an independent nation. On that date, however, the Soviet Union subjugated the peoples of Lithuania and the sovereign state ceased to exist.

Under Soviet domination, Lithuania has been exposed to brutality and injustice; which is manifested in the violation of the treaties signed by the Soviet Union with the Lithuanian Government in the years 1920 and 1926. Fifty years ago Lithuania held certain rights; rights that were deeply cherished. Today, these rights fail to exist for these people. The usurpation of the State of Lithuania by the Soviet Union should not be condoned by any of the free nations of the world. On the contrary, in the interest of democracy, the Soviet Union should be condemned for the injustice that it is causing the Lithuanians.

Being a democratic nation, the United States is able to relate to the feelings held by these people. The democratic rights, that all free nations share, are too sacred to be withheld from other nations of want. In order to restore these rights to the people of Lithuania, it is mandatory that the U.S. representatives to the Belgrade Conference insist that the Soviets acknowledge "the full implementation of the basket III provisions of the final act of the European Security and Cooperation Conference in Helsinki." I am confident that my colleagues in the House recognize this and share my concern.

A LIST OF ISSUES APPROVED AT MEETING

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. RUSSO. Mr. Speaker, I would like to insert in the RECORD a list of the issues the Subcommittee on Special Small Business Problems of the House Committee on Small Business approved at the subcommittee's organizational meeting on Thursday, March 3.

CRIME AND ITS IMPACT ON SMALL BUSINESS

The subcommittee will hold a series of hearings on the impact of the Nation's growing crime wave on small business. The growth in national crime indicators becomes more dramatic with each passing year. Latest statistics show a 16-percent increase in shoplifting, an 18-percent rise in thefts over a $50 value, a 9-percent rise in daylight robberies. Smaller businesses now are forced to operate in almost nightmarish circumstances. The subcommittee, as a result, will ask all segments of the small business community to testify and will also call upon all the appropriate Government agencies and departments in an attempt to find out the economic impact of this problem and to propose some remedies to help stem the tide.

COMMUNICATIONS ISSUES AFFECTING SMALL BUSINESS

The subcommittee has the Federal Communications Commission under its investigative jurisdiction. Several issues involving communications and small business have been brought to the subcommittee's attention. At the organizational meeting, the members decided that two areas of inquiry would serve as a beginning in this field. Other issues will be examined as they come to the attention of the subcommittee. The two areas decided upon were:

The Effect of the Motion Picture Association's Self-Regulation Code Upon Small Independent Movie Producers, and

The Effect of Cable Television and Other Problems Upon the Nation's Motion Picture Theaters.

REGULATORY PROBLEMS OF THE INDEPENDENT OWNER-OPERATOR IN THE NATION'S TRUCKING INDUSTRY

The subcommittee agreed to complete hearings on this subject begun in the last Congress. Field hearings at as yet undetermined sites will be held in the West, Midwest, and South. Later this week the subcommittee will release a staff report summarizing the issues raised during the 94th Congress hearing.

Due to our investigative jurisdiction over domestic transportation, the subcommittee will receive the Civil Aeronautics Board's response to recommendations outlined in last Congress report on the CAB and small business.

Anyone interested in testifying on any of the areas outlined should contact Linda Parker at (202) 225–9368.

In addition to myself, members of the subcommittee are Representative IKE SKELTON, Democrat of Missouri, Representative RICHARD NOLAN, Democrat of Minnesota, Representative ANDY IRELAND, Democrat of Florida, Representative DALE E. KILDEE, Democrat of Michigan, Representative JAMES C. CORMAN, Democrat of California, Representative WILLIAM S. BROOMFIELD, Republican of Michigan, Representative MILLICENT FENWICK, Republican of New Jersey, and Representative DAN MARRIOTT, Republican of Utah.

Professional staff of the subcommittee are Stephen P. Lynch at (202) 225–9368—majority, and Marvin W. Topping at (202) 225–4038—minority.

AMERICA HAS BEEN BLESSED BY GOD

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 8, 1977

Mr. TALMADGE. Mr. President, Mr. Ted Shiflett of Rome, Ga., has written a poem, "America Has Been Blessed by God," in honor of President Jimmy Carter, and I ask unanimous consent that it be printed in the Extensions of Remarks.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

"AMERICA HAS BEEN BLESSED BY GOD"

(By Ted Shiflett)

(Dedicated in honor of a fellow Georgian—President Jimmy Carter)

America has been blessed by God with peace, brotherhood and tranquillity,
Like no other nation in the history of mankind.
While other nations have in years past crumpled into oblivion; America has endured!
America has been blessed by God.

America has been blessed by God.
Her enemies have been many, but have fallen in defeat.
Although she has fought many wars, she has been the greatest lover of peace the world has ever known.
America has been blessed by God.

America has been blessed by God.
She has a flag of red, white and blue.
The red stands for her blood that has flowed all over the world in the past two-hundred years;
The white for her righteousness which has cleansed all of mankind;
The blue for her healing of the wounds of war, slavery, poverty and all evil.
America has been blessed by God.

America has been blessed by God.
You can tell by her mountains, her valleys, her woodlands, her churches, her farms, her freedom, her justice
Which has made our land the greatest nation the world has ever known.
America has been blessed by God.
I'm glad I'm an American.

KENNETH A. LANE

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. KILDEE. Mr. Speaker, it is a privilege and an honor for me to place in the CONGRESSIONAL RECORD a tribute to Mr. Kenneth A. Lane. Mr. Lane, having faithfully served his community in the field of education for 28 years, retired from employment with the Michigan Department of Education on February 26, 1977. He completed a career of outstanding service to the handicapped citizens of Michigan, having served as a rehabilitation counselor, district officer supervisor, and regional supervisor of vocational rehabilitation services.

Mr. Lane and his wife, Virginia, have three married children: two sons and one daughter. They are also proud of their five grandchildren. Ken's education includes graduation from Flint Central High School in 1934, graduation from Eastern Michigan University in 1939 with a bachelor of science degree, and graduation from the University of Michigan in 1948 with a master's of art degree in vocational guidance.

He has participated in numerous in-service workshops in the field of rehabilitation, and has attended many supervisory and management seminars. Ken was promoted to the position of district supervisor of the Flint office in 1958 and then was advanced to regional supervisor in 1964. His regional responsibilities included supervision of eight district offices serving a nine-country geographical area.

Before joining the Flint office staff in 1949 as a vocational rehabilitation counselor, Mr. Lane was a supervisor of training facilities for the Veteran's Administration in the Flint area. He spent 3 years in the Armed Forces during World War II, and was an industrial arts instructor and coach at Longfellow Junior High School in Flint for several years.

Ken has also been active in many civic activities and has served on the board of a number of State and local organizations. His affiliations—fraternal. civic, and professional, have included the following:

Kappa Phi Alpha Fraternity—vice president, 1936.

Eastern Michigan University Men's Union—board of directors, 1936–39.

Boy Scouts of America—board chairman, 1939–43.

American Legion, member, 1945.

LaSociete 40 & 8 Voiture 1116, member, 1947.

Michigan Rehabilitation Association, board of directors, first vice president, 1950 to present as a life member.

National Rehabilitation Association, board of directors, 1950 to present as a life member.

Goodwill Industries, board member, 1955–64.

Flint Council Social Agencies, board member, 1958–68.

Genesee County Cerebral Palsy Association, board of directors, 1961–65.

Genesee County Human Services Council, board member, 1971.

Human Services Planning Council, board member, 1972.

Manpower Area Planning Council, board member, 1973.

Recognition for his achievements was accorded to him in 1974, his name and achievements were recited in "Who's Who in Michigan."

His accomplishments in the field of athletics in high school and college are certainly not the least of his achievements. He was nominated and elected to the All Eastern Michigan University football team for the 1930–40 era, and was nominated a candidate for tackle position on the All-American Little College Conference in 1938.

Professionally, he has served as either chairman or cochairman of a number of rehabilitation projects. In 1973, he was cochairman of TRIPOD—toward rehabilitation involvement by parents of the deaf—a five-State regional conference held in Columbus, Ohio. He was named Outstanding State Employee in 1957. He received an Outstanding Service Citation from the Governor's Commission on Employment of the Handicapped in 1964, and received a citation from the President's Committee on Employment of the Physically Handicapped in 1965.

Ken Lane has faced numerous challenges in meeting the great demands for rehabilitation service as both a district and regional supervisor and has performed them beyond expectation.

It is with pride that this well-deserved commemoration of Kenneth Lane's contributions to the people of Michigan is recognized.

PRESIDENT CARTER'S DEPARTMENT OF ENERGY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. ANDERSON of California. Mr. Speaker, I want to congratulate the administration on their proposal to reorganize the Federal Government's energy affairs.

Our goal of energy independence depends on an effective coordination of unrelated, but interdependent energy functions of our Government. To this end, the President has proposed that the Federal Energy Administration, Energy Research and Development Administration and the Federal Power Commission be consolidated into the Department of Energy. This department also would assume the energy-related responsibilities from six other Federal departments and agencies.

Second, the administration's plan provides for an improvement in the regulatory machinery that has infuriated and frustrated many citizens in the past. In my own area of southern California, the independent refiners and producers have bitterly complained about the regulatory powers, and regulations coming from these agencies. "The legislation meets this concern by establishing a board of hearings and appeals within the Department which is free from the control of the Secretary of Energy."

Third, with the ongoing controversy about accurate information on our energy resources, the administration's legislation consolidates the major data programs of the various agencies into an Energy Information Administration within the new Department.

Mr. Speaker, I hope the Congress will make the administration's proposal a top priority, for the establishment of an effective energy policy assumes a system of streamlined administration for energy.

TRANSFER AMENDMENT—"BRAINS VERSUS BULLETS"

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. MITCHELL of Maryland. Mr. Speaker, as a member of the Budget Committee, I am preparing a transfer amendment for consideration on the floor of the House of Representatives. The amendment would transfer $15 billion from the defense function of the 1978 budget resolution to programs that create employment, revitalize the cities, build rural and urban housing, assist in providing education for the masses, investigate startup for national health insurance, and assist older and retired citizens. The amendment will earmark a new epoch in America. An epoch identified with brains rather than bullets; peace as opposed to hostility; and trust contrary to apprehension.

Not since the Johnson administration promised a "Great Society and victory in Vietnam" has the guns versus butter dilemma so dominated the American economy. As the United States enters its third year of economic stagnation, congressional debate on the Federal budget has become a battleground. The demands of the poor and unemployed are pitted against the "scare" tactics of the Pentagon in a fierce competition over scarce Federal funds.

But where previous efforts to control military spending have failed, a new strategy is emerging which holds out greater hope for the future.

Congress has a new budget process which requires that spending priorities be set early in the year before any money is appropriated. This process can be a powerful level for whichever point of view is best organized to use it.

This spring Americans will have an opportunity to reduce military spending dramatically and transfer the savings to programs aimed at economic recovery and meeting human needs. Broad public support for the transfer resolution contained inside is essential for this strategy to succeed.

THE ECONOMIC NEED FOR REDUCED MILITARY SPENDING

The Pentagon would have us believe that the size of the U.S. military budget

sends an important signal to foreign leaders across the globe. That may well be. But a much larger group of people also get the message: The 25 million Americans living in poverty; the 8 million unemployed; the young receiving an inadequate education and the old without a meaningful role in society; not to mention the millions in the Third World who starve while U.S. agriculture could do more to help. Each of these groups know from bitter experience that the U.S. Government has not honored its often-repeated commitments to meet their needs in times of crisis. And they know the military budget is pushing them to the back of the line.

The new administration, while promising economic recovery, has made a clear commitment to slow down the growth of Federal spending so as to allow revenues to catch up and produce a balanced budget.

"Fiscal conservatism" as this approach is called will harm those already suffering from the recession unless restraint on spending applies to the Pentagon as well. If it does not, the burden of reduced Federal spending will fall on domestic programs and penalize those least able to protect themselves.

Some would stand this argument on its head and claim that programs meeting human needs are squeezing the Pentagon rather than the other way around. These critics will point out that between 1971 and 1976 Federal and social economic spending increased four times faster than the military budget. An impressive statistic, but what does it reveal?

Slow growth in the military budget during this period should be expected as the desirable result of ending the Vietnam war.

The period encompasses the deepest economic recession in the United States since the 1930's. In hard times, naturally, the programs created to meet human needs will require more money. According to Government figures, every 1 percent of the labor force that is unemployed—roughly 1,000,000 workers—costs the U.S. Treasury $14 billion in lost tax revenues, while adding $3 billion in recession-related costs, like unemployment compensation.

In other words, it is the recession combined with steadily increasing military spending which is "squeezing" the Federal budget and the American taxpayer. It will take more money to end the recession; and if Americans really want a balanced budget, something will have to give.

Given this situation, how can President Carter first, create jobs—at a cost of $1 billion for every 100,000 jobs; second, launch new social programs; third, increase the military budget; and fourth, still balance the budget by fiscal year 1981. He cannot. Therefore, he faces some tough choices.

If President Carter intends to balance the budget by fiscal year 1981 and initiate new programs in the areas of national health insurance, aid to the cities, and others, then * * *

Growth in existing programs—both military and domestic—must be restrained to cover inflation only.

Such restraint would mean keeping military outlays to approximately $107 billion in fiscal year 1978. Can President Carter "hold the line" with the Pentagon asking for between $115 and $120 billion?

If President Carter drops his commitment to a balanced budget, he postpones some difficult choices; but he risks higher inflation and damages his credibility with important sections of Congress and the American people.

President Carter's own inclinations are clear.

He said:

> There will be no programs implemented under my administration unless we can be sure that the cost . . . is compatible with my goal of having a balanced budget before the end of that term.

President Carter's path through these difficult choices will be determined, at least partly, by coordinated pressure from the American people. For President Carter to respond to a message that most Americans want a balanced budget and needed expanded social services and economic recovery, he will have to reduce military spending. He will be encouraged to take this difficult step by popular support for foreign policy reforms which allow reductions in the military budget, as well as by the economic crisis.

Foreign policy reform and domestic economic recovery go hand in hand. They are the crucial components of a new definition of national security which emphasizes the internal strength of American society equally with U.S. military power.

A NEW FOREIGN POLICY AGENDA

America needs a new foreign policy. It would be logical to assume that the end of the Vietnam war and over a decade of improving relations with the socialist countries would have created agreement about what that policy should be. But it has not. Instead, Congress and the media are filled with cold-war style debates which sound like the 1950's.

The United States is increasingly isolated in an interdependent world. It needs a foreign policy based on hard-headed perceptions of the common interests which unite nations, the limits of military power, and the need to cooperate with different political systems.

But which new foreign policy initiatives should have top priority?

First. By adopting a nonintervention-ist foreign policy, we can demilitarize our relations with Asian countries. The United States has used military power to pursue its goals in Asia since the end of World War II. American withdrawal from Indochina should have closed the door on an era of ill-fated Asian interventions. Instead, the United States is maintaining or increasing its military support for brutal dictatorships in South Korea, the Philippines, Indonesia, Thailand, and Taiwan as if they represented vital U.S. security interests.

They do not. Present military commitments to these regimes are the product of the now-abandoned cold-war strategy to encircle, contain and roll back Asian communism. America has economic interests in the region, but they are not served by propping up a circle of petty dictators who depend more on outside assistance than internal support.

America's pledge to fight "no more land wars in Asia" can be fulfilled finally by the demobilization of most U.S. troops in the area. Such a disengagement should occur while fully guaranteeing the security of Japan—the one definitive U.S. interest in the area.

Second. We can end covert CIA interference in the affairs of other countries. Recent exposures of past and present CIA covert operations have made the CIA the best example of what the American people do not like about U.S. foreign policy. Americans simply do not support their Government interfering in elections, assassinating political leaders or sabotaging economies overseas. The disbanding of the CIA's operations division would be like extending a hand of friendship to many nations hostile and embittered by past covert intervention.

Third. We can deny U.S. sanction for torture and terror by strictly applying existing laws barring military aid or sales to countries violating fundamental human rights. In so doing, we cut America free from the "entangling alliances" with right-wing dictators which have so isolated the United States in the world community.

Fourth. We can improve United States-Soviet relations and reduce the risk of war. Rarely has there been a greater opportunity to defuse the United States-Soviet arms race. The opportunity stems partly from the obviously dangerous and disagreeable consequences of taking the next step in the escalation.

The United States is poised for an intense and costly effort at improving the accuracy and invulnerability of its missiles. The Soviets, while still far behind, are moving in the same direction.

For the Soviets, the prospect of the United States possessing an ability to destroy Soviet missiles in their silos is extremely threatening. Some U.S. experts believe that U.S. development of these highly accurate missiles will encourage the Soviets to launch a "first strike" during a crisis. The obvious solution is not to take the next step, and instead to begin arms reductions.

Similar reasoning applies to the development of cruise missiles. Their small size and ability to be launched through torpedo tubes of submerged submarines make it impossible to verify the number of missiles in a country's arsenal. Consequently, continued development of them is equivalent to sabotaging any future agreements which require the verification of the number of nuclear-tipped missiles. Again the solution is to wait.

The opportunity is also based on President Carter's statements. Shortly after the election, he said:

> I think we ought to freeze at the present level, the number of missiles, the number of warheads, overall throw weights and qualitative status.

In addition, he has commented favorably on recent Soviet proposals for arms reductions by saying,

> I think they are encouraging.

The much publicized Soviet "threat" in Europe also should be scrutinized for an opportunity to reduce arms. Consi'

ering troop strength, tanks and aircraft, the U.S./NATO forces are roughly balanced with Soviet/Warsaw Pact Forces. This "balance" represents an increase in Soviet strength; but the "balance" may create a situation ripe with opportunity for mutual force reductions, hopefully including the removal of the 7,000 tactical nuclear weapons deployed throughout Europe by the United States.

By canceling development of new, destabilizing weapons and by halting the development and production of new nuclear devices, this transfer amendment would communicate a policy of restraint to the Soviets. This message should be accompanied by vigorous diplomatic activity aimed at achieving a parallel Soviet response. If that is accomplished, we may well have ended the arms race.

ATLANTA JOURNAL, SENATOR NUNN OF GEORGIA OPPOSE WARNKE FOR ARMS NEGOTIATOR.

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. STRATTON. Mr. Speaker, tomorrow afternoon the Senate will vote on the nomination of Paul Warnke to be head of the Disarmament Agency and the chief SALT negotiator. More than a month ago I was the first witness to testify against Mr. Warnke before the Senate Foreign Relations Committee.

Today the anomaly of a man with Mr. Warnke's long-held, frequently espoused views in tart opposition over the past 8 years to every single improvement in our defense capability, serving as chief U.S. spokesman in dealing with the Soviets has finally been understood by the American people and by an increasing number of Members of the Senate. There is a real chance that Mr. Warnke's usefulness as a negotiator will be seriously impaired by the size of his opposition in the Senate, even if he wins the bare majority needed for confirmation tomorrow.

Mr. Speaker, there is strong opposition to Mr. Warnke in this vital role even in Georgia. Under leave to extend my remarks, I include a hard-hitting column by John Crown which appeared in yesterday's Atlanta Journal, and also, from the same edition, a news story from Washington outlining the opposition to Mr. Warnke by Georgia's junior Senator, Sam Nunn.

The articles follow:

SOVIET SUPPORT FOR WARNKE

(By John Crown)

On Wednesday of this week the U.S. Senate is scheduled to vote on the controversial dual nomination of Paul Warnke to head the disarmament agency and to be our chief negotiator with the Soviet Union in the celebrated Strategic Arms Limitation Talks (SALT).

The amount of arm twisting that President Carter is having to do to insure the confirmation of Warnke is giving rise to speculation that the president is about to expend virtually all of his blue chips.

But Warnke's support is not limited to President Carter. He has also won strong support from the Soviet official news agency Tass, from the Soviet official newspaper Izvestia, and from the Soviet-controlled Communist party newspaper in the United States, Daily World.

Having Tass, Izvestia and Daily World strongly supporting Warnke's confirmation as chief negotiator with the Soviet Union is the equivalent of General Motors strongly supporting a particular individual to head the United Automobile Workers in their negotiations with General Motors. Except that in the case of Warnke the stakes are higher inasmuch as they involve the survival of this nation.

In our local newspapers I have seen news stories about conservatives mounting a campaign against Warnke's confirmation. But the news story I have not seen is a United Press International dispatch that Sen. Henry Jackson, D-Wash., declared that Warnke "has shattered my confidence" and that he would vote against confirmation.

Now there are a great many good things that can be said about "Scoop" Jackson, but one thing that cannot be said in truth is that he is a conservative. He is a political liberal all the way. Here's what Sen. Jackson had to say:

"I cannot vote to confirm as our chief negotiator a man who has shattered my confidence that I know where he stands, that I know what he believes. I do not know where Mr. Warnke stands. I do not know what he believes.

"And I do not expect to be able in the future to place confidence in the explanations he will be called upon to make when we have before us a treaty whose meaning derives as much from the negotiating record as from its necessarily incomplete and partial language."

Warnke was approved by the easy going Senate Foreign Relations Committee which has jurisdiction in his case. He appeared before the Senate Armed Services Committee, too. Since that committee does not have jurisdiction no official vote was taken, but it is reported an unofficial tally showed a vote of 13-to-5 against confirmation.

Even if the evidence against Warnke's marshmallow approach to the Soviet Union were not so glaring, there would be justification for refusing confirmation on the basis of who will lead his defense in the Senate. None other than lackluster George McGovern, the South Dakota inanity. If ever two persons deserved each other, Warnke and McGovern are those persons.

Rep. Larry McDonald of Georgia's Seventh District has been in the forefront of the fight against Warnke's nomination. And he's had some cogent comments on the matter:

"I find it disturbing that Warnke remains a member of such an extreme advocate of disarmament and U.S. abandonment of its allies as the Center for Defense Information. CDI statements supporting disarmament and its lobbying efforts here in Congress have been praised by the Soviet Union and its satellites throughout its existence. . . .

"Neither the responsibility for evaluating arms control proposals as ACDA head nor the top negotiating responsibility should be entrusted to such a partisan advocate of unilateral disarmament as Warnke."

How the Senate will vote on Wednesday is debatable. As of this writing it appears that Warnke may get the votes for confirmation.

If he is confirmed, any treaty he brings to the Senate for approval should be regarded with distrust, apprehension, and grave concern. Warnke is nothing more than a unilateral disarmament type, out of touch with reality, who would—presumably unknowingly—dig the grave for our burial.

NUNN OPPOSES WARNKE AT SALT

(By Charles Hayslett)

WASHINGTON.—In his first major break with the Carter White House, Sen. Sam Nunn has announced he will oppose the nomination of Paul Warnke to head the United State's delegation to the Strategic Arms Limitations Talks (SALT).

Nunn warned in a statement to the full Senate that confirmation of Warnke, a longtime critic of many U.S. weapons systems, "could be misinterpreted by the Soviet Union, to say nothing of our allies, as a signal of U.S. willingness to make concessions on issues which in fact we may not be prepared to make.

"Mr. Warnke's past positions will not be forgotten by the Soviet negotiators," said Nunn, "and I fear that an inherently difficult negotiation will become more difficult by reason of this appointment."

Nunn said he would support Carter's nomination of Warnke to head the Arms Control and Disarmament Agency (ACDA), by far the less controversial of the two jobs for which the President nominated Warnke. That nomination is expected to clear the Senate with ease.

Despite published reports to the contrary, Nunn, Georgia's junior senator and a member of the Senate Armed Services Committee, had never before said he would oppose the Warnke nomination as SALT negotiator. Prior to his Senate statement he had never gone further than to say he had serious questions about the nomination.

Sen. Herman Talmadge, the state's senior senator, has yet to take a public position on the Warnke nomination, which the Senate began debating last week in preparation for a vote within a few days. He was out of town Monday and unavailable for comment.

Nunn, meanwhile, tempered his opposition to Warnke by saying he has complete confidence that President Carter "will involve himself more deeply in the SALT negotiation than any past president, and that he will master the complexities of arms control with considerable expertise.

"What is at issue here is not the President's policy but the suitability of Mr. Warnke to negotiate it," he added.

HAPPY BIRTHDAY

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. MARKS. Mr. Speaker, I call attention to the fact that the Girl Scouts of the United States are celebrating their 65th birthday this week. It was March 12, 1912 that Juliette Low gathered together a few of her friends in Savannah, Ga., and began what is today an organization of over 3 million girls between the ages of 6 and 17. It's said that 1 out of every 8 girls in that age group is a Girl Scout.

In our own 24th Congressional District, in Pennsylvania, there are 13,445 Girl Scouts along with 2,500 adult volunteers. Our girls are in the Penn Lakes Council which has a summer camp at Hawthorne Ridge in Erie County. Last summer there were 1,973 day campers, 3,483 troop campers, and 331 resident campers who took part.

Two girls from the district have been selected for international scouting opportunities this summer. They are Melinda Coleman of Farrell and Debbie Bar-

ker of Saegertown. Melinda will go to Mexico and Debbie to Kenya.

I have always been impressed with the Girl Scouting program because it offers activities that stimulate discovery, promote friendships, develop skills and build self-confidence. I am always impressed, also, by their sales ability during Girl Scout cookie time, now underway. Money from those sales go for camping purposes.

I commend the girls, their parents and the scouting leaders and wish Girl Scouts, U.S.A. a very "Happy Birthday."

IMPORTED COLOR TV SETS ENDANGER JOBS IN UNITED STATES

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. NOWAK. Mr. Speaker, last September 11, labor organizations and five companies representing the domestic color television industry filed a petition with the U.S. International Trade Commission seeking relief from the marked increase in foreign color TV sets that have appeared in U.S. markets.

The petitioners are seeking the imposition of quotas on the importation of color TV sets for 5 years.

Among the points made by the petitioners:

First. Imports have increased their share of the U.S. market from 18 to 42 percent between 1975 and 1976.

Second. Almost 90,000 jobs are threatened by the spiraling growth of imports.

The International Trade Commission is expected to make its recommendation to the President shortly. Certainly the continued lagging condition of our domestic economy strongly suggests that an equitable decision would address the vital need to protect American jobs.

Following is an article from the January 19, 1977, editions of the Buffalo Evening News which provides more detail on the implications of the pending petition before the International Trade Commission:

QUOTAS ASKED ON IMPORTING COLOR TV SETS

WASHINGTON, January 19.—The U.S. Trade Commission was urged Tuesday by Western New York and other interests to recommend that President Carter impose import quotas on color television sets.

"The survival of the American color-television industry is in jeopardy," asserted J. W. Abel, president of the United Steelworkers of America. He said at least 50,000 job opportunities for American workers were lost in 1976 because of the "flood" of color TV set imports.

Rep. Stanley N. Lundine (D., Jamestown) noted in his testimony before the commission that Corning Glass Works in his district was among those seriously affected by the imports. Corning produces glass "envelopes" used in the manufacture of TV picture tubes.

Mr. Lundine said that 10 years ago, the U.S. imported 240,000 color television sets a year, about one-twentieth of the domestic market. Imports are expected to rise to more than 2 million sets this year, about one third of the market, he added.

"It is my judgment that the facts of this case support a finding by the commission that the color-television industry has been seriously injured and that import relief is appropriate," the congressman testified.

Allen W. Dawson, executive vice president of Corning Glass, is co-chairman of the Committee to Preserve American Color Television. He previously presented the industry case at commission hearings in Chicago.

Among the petitioners are Corning Glass and GTE Sylvania Inc., which recently closed a color-television plant in Batavia. Adam Ziccardi, president of Local 352, Batavia, of the International Union of Electrical, Radio & Machine Workers, is among those presenting the case for import quotas to the commission.

So is W. P. Schuster, vice president of engineering for Sylvania; Charles Pillard, formerly of Buffalo, president of the International Brotherhood of Electrical Workers, and George Parker, president of the American Flint Glass Workers Union, which represents Corning Glass employes.

Stanley Nehmer, economic consultant to the petitioners and a former deputy assistant secretary of commerce, told the commission that import quotas, not higher tariffs, were the only practical remedy to save the American industry.

A PATRIOTIC POEM

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. SHUSTER. Mr. Speaker, I would like to bring to the attention of the Members of the House of Representatives an excellent poem entitled "My Love" by Robert D. Launtz of James Creek, Pa. This poem reflects the thoughts of one of my constituents regarding his love for our country. I am sure that this work also reflects the feelings of all of us in this Chamber today. I insert Mr. Launtz' poem into the RECORD:

MY LOVE

As I think of all the many blessings and security that I enjoy, and I never walk a road or climb a mountain nor tread a valley that I don't think of America my home.

I never see a sunrise or sunset or feel a drop of rain on my face that I don't think how God blessed me to love my country.

And with this special love comes the joy of freedom and happiness and of liberty, to see to feel and to gaze at the magnificent sight of a thousand rainbows is truly the glorious feeling of freedom.

With every step, every breath and every heartbeat I give thanks and say with dignity and pride, America is my home, my land.

The waving grain, the rolling plains and the lush green green valleys the mountain tops are the horizons and the America's sight of grandeur, a citadel of democracy, a land of the free home of the brave.

As I close my eyes, bow my head and in silence I say "America" my land, my home, to all this, plus much much more deserves all my gratitude of love and for especially allowing me to breathe, to walk, to stand to live in America my land, my home.

—ROBERT D. LAUNTZ.

SOVIET SUPPORT FOR WARNKE

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BRINKLEY. Mr. Speaker, we in this body recognize that every issue has more than one dimension, and we certainly recognize this feature in the current debate over the nomination of Paul C. Warnke to be the U.S. chief arms negotiator. Debate is healthy, should be full, free, and complete, and is not intended by men of goodwill to injure anyone in any way; rather, it is designed to provide information as to the best choice among the choices available.

A different look at the Warnke controversy is taken by Columnist John Crown in the March 7 edition of the Atlanta Journal, and in my opinion, it completes the picture, it is a new dimension.

This dimesion is worthy of our consideration, and expresses the sentiment of many concerned Americans including my colleague, Dr. LARRY MCDONALD, who serves with me on the House Armed Services Committee and who has been in the forefront of the effort to make certain that our arms negotiators take tough stands in the best interest of the United States of America.

My sincere hope is for fair stands to be taken which I believe will be in the best interest of the United States and not to dismiss out of hand the good intentioned efforts of altruists—accompanied by hard-headed logic and judgment—toward arms limitations. May all of us be catalysts toward eradicating atomic weapons from the face of the Earth, but may we not be beguiled into doing our share unilaterally. I insert this article in the RECORD, and I commend it to the attention of every Member of the Congress:

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(By John Crown)

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The amount of arm twisting that President Carter is having to do to insure the confirmation of Warnke is giving rise to speculation that the president is about to expend virtualy all of his blue chips.

But Warnke's support is not limited to President Carter. He has also won strong support from the Soviet official newspaper Izvestia, and from the Soviet-controlled Communist party newspaper in the United States, Daily World.

Having Tass, Izvestia and Daily World strongly supporting Warnke's confirmation as chief negotiator with the Soviet Union is the equivalent of General Motors strongly supporting a particular individual to head the United Automobile Workers in their negotiations with General Motors. Except that in the case of Warnke the stakes are higher inasmuch as they involve the survival of this nation.

In our local newspapers I have seen news stories about conservatives mounting a campaign against Warnke's confirmation.

But the news story I have not seen is a United Press International dispatch that Sen. Henry Jackson, D-Wash., declared that Warnke "has shattered my confidence" and that he would vote against confirmation.

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"And I do not expect to be able in the future to place confidence in the explanations he will be called upon to make when we have before us a treaty whose meaning derives as much from the negotiating record as from its necessarily incomplete and partial language."

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THREE OUTSTANDING YOUNG PEOPLE

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize three outstanding young people, Kathryn Suzanne Baker and Anthony Erby Stamper, both of Long Beach, Miss., and Michael John Miezgoda of Biloxi, Miss., who are here in Washington this week to participate in the 1977 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the Presidential Classroom students and commend these young Americans on their interest and attitude toward our Nation's destiny.

HISTORY OF WARREN TOWNSHIP

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. JACOBS. Mr. Speaker, the excellent scholarship at Warren Central High School in Indianapolis is demonstrated by the following summary of the excellent history of Warren Township done by students at Warren Central. Those principally responsible for this good work are Lynn Baker and Courtney Campbell, as well as Herbert Korra who is the faculty's sponsor.

Their work is a source of pride for all Americans:

HISTORY OF WARREN TOWNSHIP

(By Lynn Baker and Courtney Campbell)

(Herbert Korra, Faculty Sponsor, Social Studies Department)

The research, writing and final preparation of *The History of Warren Township* has taken nine months of work.

An effort of this type involves many who have given us assistance along the way.

We hope that this Bicentennial project will be both a foundation and a stimulus to additional, varied research into the history of Warren Township.

Art work: Steve Drummond, cover design; Leonard Wilcher and Carol Hudson, illustrators; and Clyde Foster, faculty advisor.

Printing: Tom Applegate, Annette Bellows, Mike Bilyeu, Mark Blankenship, Bill Buckheister, Cindy Clark, Wendell Craig, Jim Crouch, Mike Dalton, Larry Daniels, Roy Delk, Jim Eggert, Mike Elliott, Russell Ennis, Pat Farley, Steve Fisse, Brian Gioe, Frank Helfrich, Brian Howland, Rick Jenkins, John Jones, Pat Kendall, Ron Klue, Matt Lane, Rick Laughlin, Mary Leppert, Roy Lewark, Paul Lundberg, Mike Mallory, Jim McClain, Mike Ostewig, Greg Pinkman, Mike Ridgeway, Mark Shane, Phil Thompson, Rick Vail, and Wayne White, faculty advisor.

Pictures: Mr. and Mrs. Robert Hudson, Mrs. Gertrude Combs, Otto Meir, Mrs. Bessie Fye, Ed Huntington, Mr. and Mrs. Ellenberger, Mr. and Mrs. Gilbert Franke, and Mr. and Mrs. Spencer Askren.

Interviews: Mr. and Mrs. Ellenberger, Mr. and Mrs. Sam Rumford, Mr. and Mrs. Spencer Askren, Mrs. Glenn White, Mr. and Mrs. Gilbert Franke, Mrs. Olan Hudson, Lucinda Scotton, Mr. and Mrs. A. B. Snider, Mr. and Mrs. Richard Askren, Mr. and Mrs. Ed Huntington, Mrs. Elmer Fye, Otto Meir, Mrs. Irene Hill, and William Giesing.

Contributors: Joe Ogle, Warren Central Sophomore; Mrs. Nancy Nixon, typist; Myles Eley and Sandra Dragoo, editors; Librarians (Warren Central High School Media Center; Warren and Hilton U. Brown Branches, Indianapolis-Marion County Public Library; Indiana State Library).

HISTORY OF WARREN TOWNSHIP

A SUMMARY

From the beginning 'til the white man came

"My name is Mingo and I belong to the Miami Tribe." So begins the History of Warren Township; a history that recounts the development of a region of central Indiana from its physical molding in its glacial past, through its Indian and pioneer cultures, to its present status as a part of the 11th largest city in the United States.

The history relates the physical development of the Warren area during the last Ice Age when the great Wisconsin glacier deposited rich fertile soil in the area. This glacial movement accounts for the slight hilliness of much of the land. In its original state, Warren Township had many swamps and low marshes and was thickly covered by underbrush and timber. The land and waters contained varied and plentiful wildlife.

The prehistory (c. 20,000 B. C. to 1600 A. D.) of this region is divided into four traditions of ancient Indians belonging to the eastern North America group. The existence of the Paelo, the Archaic, the Woodland, and the Mississippian are well documented through the respective remains of their fluted projectile points, graves, pottery, and towns. The historic Indians of the Warren Township area were the Miami, Potowatomi, Delaware, and Shawnee. Also, the Mohicans, Munsee, and Nanticoke of the eastern tribes and the Kickapoo, Wia, Pankashaw, and Hurons of the northern tribes inhabited the region.

With the coming of the European explorers, numerous colonial claimants contested the ownership of the land with each other and the Indians. Finally, the region was included in the Northwest Territory of the United States.

The Warren Township area was included in an 1818 land purchase from the Indians and then organized as part of the state of Indiana. "After we agreed to this treaty you call New Purchase, our hopes of living in those fine woodlands were lost. Then the white settlers came. First the white man measured the land and then he sold it," Mingo concluded.

The early settlers

The early development of Warren Township was closely tied with the growth of Indianapolis. Organized in the aftermath of the creation of a new capital city for Indiana, Warren Township would serve the city by producing its food, lodging its visitors and later residents. Simultaneously, the Warren community would develop uniquely, progressively and independently of the city.

After the treaty of the "New Purchase," the Indiana General Assembly approved the location of the new state capital in the former Indian lands. It also created Marion County and designated Indianapolis as the county seat. At the first meeting of the new Marion County Commissioners on April 15, 1822, the county was divided into 13 townships one of them being Warren. It was good policy at this time to name counties and townships after Revolutionary War heroes. Thus, Marion County was named for Francis Marion and Warren Township for Dr. Joseph Warren. The actual organization of the new township was delayed, due to the lack of population, until May 1, 1826.

According to most information, Harris Tyner, a South Carolinian by birth, seems to be the "first" settler of the Warren community having arrived in 1821. In 1823 he was joined in the settlement of this area by Henry Brady, a Pennsylvanian by birth. Other settlers from Kentucky, Ohio, Virginia, New York, and Europe soon arrived establishing homesteads. The main business that originated in the wilderness centered around taverns, or traveler inns, for settlers on their way to Indianapolis.

In 1824, the murder of nine Indians by five white men created a wave of fear among the settlers of Indian vengeance raids. But, pioneer justice was swift. Three of the murderers were hanged, becoming the first white

men in America to have the dubious honor of being executed for killing an Indian. Of the remaining two murderers, one escaped and one was pardoned.

From a farm community to an industrial complex

By the 1850's the pioneers, after enduring the two basic elements of pioneering: self-sufficiency and isolationism, had truly become farmers. Wood frame houses replaced log cabins, towns were developing, and businesses were taking the odd job tasks from the pioneer enabling him to devote his time to his farming. Agriculture and the manufacture of farm implements grew rapidly as the focus of Warren community life.

Rapid developments in transportation aided in the early prosperity of the farming community and its subsequent transformation to an urban industrialized community.

Roads connected the Warren area with distant communities. Brookville Roard was the main thoroughfare to Cincinnati, Ohio where the major market was located. The National (Cumberland) Road, paralleling the Centerville Road, brought travelers from the east. The Michigan Road (Southeastern Avenue) provided a link between Madison on the Ohio River and Lake Michigan. An important local, roadway, the German Pike (Raymond Street), facilitated travel from the southern portion of Warren Township to Indianapolis.

By 1855, three railroads, the New York Central, the Pennsylvania, and the Baltimore and Ohio, crossed the township serving its residents. In the early 20th century, five interurban lines provided the Warren community with rapid commuter service to Indianapolis and surrounding cities and towns.

During the most trying times of our country's history, citizens of Warren Township actively participated in the struggle. At home, movements to abolish saloons and protect the interest of farmers were very popular.

A small town—its past and present: Cumberland

Located in the mideastern section of Warren Township, Cumberland was named for the Cumberland Road. It developed from the need for accommodations for the traveling public and the workers on the road construction.

The town was laid out July 7, 1831 by Henry Brady on Samuel Fullen's land. Cumberland Hall and several taverns provided a welcome relief to the early travelers on Cumberland Road. By 1884, the town could boast it had three physicians, four stores, a post office, a railway station, a hotel, two blacksmith shops, a grist mill, two saw mills, a school house, and three religious denominations. Later the town included creameries, slaughterhouses, a cabinet factory, and a greenhouse.

Since the 1830's, Cumberland has experienced its own unique growth. It has developed eastward into adjacent Hancock County and expanded its services, both public and private, and continues to play an integral role in the life of residents of the eastern part of Warren Township.

The community of Irvington

John Wilson and Joseph Sandusky were early settlers in the area of Warren Township that was to become the town of Irvington. Jacob Julian, a community planner, together with Sylvester Johnson purchased a portion of the Sandusky land that had been farmed by John Ellenberger and began a venture in establishing an ideal community.

The town was surveyed in 1870 and was named for Washington Irving. The original plan contained looped and curving streets wandering in all directions. The street plan was based on Hogarth's graceful "S" curve. Irvington was intended to be a quite residential suburb. The name itself bespoke culture. The streets were named after authors and prominent local men. Clauses were inserted in every deed prohibiting the establishment of undesirable enterprises like distilleries, saloons, and slaughterhouses.

The location of a college in the town set the stage for the cultural atmosphere that developed rapidly in Irvington. In 1875, Northwestern Christian University was established in the town. The name was soon changed to Butler University and remained in the community until 1928 when it was re-located north of Indianapolis.

Irvington developed into a fine residential community noted for its many churches and clubs. A beautiful park was created out of the wooded farm area owned by John Ellenberger. The town was annexed to the city of Indianapolis in 1902.

People make history and make a community live. From the very beginning, the people of Irvington had a special way of life. That life can still be seen in the quite residential area today.

The churches: A picture of the religious community

From the earliest settling of the Warren community, the church has been a major factor in the development of the township.

Warren churches and the year of their establishment include: Old Bethel United Methodist Church (1832); First Baptist Church of Cumberland (1833); St. John's United Church of Christ (1855); Faith United Methodist Church (1844); Cumberland Methodist Episcopal Church (1851); Trinity Lutheran Church (1874); Downey Avenue Christian Church (1875); Irvington Methodist Church (1878); First Baptist Church of Irvington (1887); St. Paul's Evangelical Church (1891); Eastminster United Presbyterian Church (1891); Irvington Presbyterian Church (1897); Our Lady of Lourdes Catholic Church (1909); St. Matthew's Episcopal Church (1913); Emerson Avenue Baptist Church (1921); Alleyne Chapel A. M. E. (1921); Irvington Church of Christ (1923); Fourth Church of Christ, Scientist (1922); Franklin Road Baptist Church (1927); Abundant Life Memorial Church (1930's); Christ Lutheran Church (1947); Holy Spirit Catholic Church (1947); Irvington Church of the Nazarene (1947); Eastlawn Wesleyan Church (1949); Irvington Friends Meeting (1956); Eastgate Christian Church (1957); Seventh Day Adventist (1957); St. Simon's Catholic Church (1960); Gethsemane United Presbyterian Church (1962); Warren Hills Christian Church (1963).

The church community has grown from a log cabin church amidst farmland to many churches of different faiths amidst a growing community. Their influence has aided in developing the minds and morals of Warren Township and will continue to do so.

The school system

As was common among the Hoosier pioneers, the intellectual life of Warren Township started very early. The first schoolhouse in the township was located on the farm owned by Andrew Moorhous. It was built before 1827 as a settler's cabin and converted for school purposes. Henry Brady was the first master James O'Brien and Elias H. Shimar were early schoolmasters at two other township schools.

When the responsibility for education was passed down to the township level from the state level in 1851, the Warren Township Trustee divided the township into nine school districts. By 1883, 12 schools were in operation teaching 436 children with an average daily attendance of 277 pupils.

District No. 9, or the Lowell District, has the distinction of having the oldest continuous school system in the township. A chronicle of this district's educational development can be found in The History of *Lowell District Warren Township* by Mrs. Pearl Brady.

The schoolhouse in District No. 5 had special prominence because of its central location in the township and its use as a civic center. The school was called "Township House" since it was the meeting place for public gatherings called to discuss township business and concerns.

Secondary education in the township was accomplished at Township House, Irvington High School, Butler Preparatory School, Cumberland High School, and Shadeland High School until 1923 when the proposal for a consolidated central junior and senior high school in Warren Township was accepted. In the fall of 1924, Warren Central High School opened its doors. From that time the school has been known throughout the state as an initiator of ideas. This reputation was sustained and strengthened under the progressive leadership of Principal Cornelius Eash.

Parochial schools have also provided education for elementary pupils within Warren Township. German immigrants founded one of the oldest of the township's parochial schools in 1852, St. John's Evangelical Lutheran School. Holy Spirit Catholic School and Trinity Lutheran School are two other parochial schools noted in Warren Township history.

The murals of Indiana

One of the most unique projects that was initiated at Warren Central High School was the construction of a series of 23 murals entitled "History of Man in Indiana."

Harold McDonald, a Warren Central alumnus, was the artist commissioned to do this project in 1939. The murals depicted: The Prehistoric Period; The Advent of Man Into Indiana; The Mound Builders; The French Explorers and the Indians; Early French Settlements; Capture of Fort Sackville by General Clark; The Indiana Territory; Indiana Becomes a State; Capital Commission Chooses Indianapolis; Communal Society in New Harmony; Lincoln in Indiana; Deportation of the Indians and Advent of Modern Travel; The First State Fair; The Civil War Period (1860–1865); Cultural Growth (1866–1889); Natural Resources and Industry (1890–1900); Early 20th Century Transportation, Communication, Education; World War I (1917–1918); Post-War (1919–1928); Depression Years (1929–1940); World War II (1941–1946); Post-War (1946–1950); and Anxiety.

The murals were removed to prevent their destruction in 1960 during the conversion of the old high school into Woodview Junior High School. Mr. McDonald took the artwork with him and retained possession of the panels for a number of years. But, he felt the murals "had been unconditionally rejected by Warren Township," and he eventually destroyed them.

Warren Central High School now lacks this unique artistic touch. The priceless Indiana saga, once a showpiece in the state, was forgotten in the name of progress.

Famous people of Irvington

Harry E. Barnard (1874–1946) chemist; Allen R. Benton (1822–1914) educator & linguist; Amos Butler (1860–1937) zoologist & ornithologist; Scot Butler (1844–1931) educator; Demarchus C. Brown (1857–1926) librarian & author; Jessica C. (Mrs. Demarchus) Brown (d. 1941) lecturer; Hilton U. Brown (1859–1958) newspaper director; Emma P. (Mrs. Henry) Bruner, inventor; Henry L. Bruner (1861–1945) zoologist & author; Grace J. Clark (1865–1938) newspaperwoman & author; Effie L. Cunningham, editor; Jacob D. Forrest (1866–1930) corporation manager; William Forsyth (1854–1935) artist; Ray C. Friesner (1894–1952) botanist; Winnfred E. Garrison (1874–1969) author,

poet, educator & sculptor; Katherine M. Graydon (1858–1934) educator; Helene Hibben (1882–1968) sculptress, dancing & kindergarten director; Paxton Hibben (1880–1928) journalist & lawyer; Thomas C. Howe (1867–1934) educator; Will D. Howe (1873–1946) author, educator & editor; George W. Julian (1817–1899) lawyer, author & Congressman; Maude L. Rumpler (d. 1967) club woman; Clifton A. Wheeler (1883–1953) artist; Harvey W. Wiley (1844–1930) chemist & author; Martha Zoercher (1868–1948) editor.

AL SHANKER OUTLINES BANK'S FAILURE TO RESPOND

HON. THEODORE S. WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. WEISS. Mr. Speaker, the following article in the form of a paid advertisement by Albert Shanker, president of the United Federation of Teachers, appearing in last Sunday's New York Times, outlines the resistance and irresponsible attitude on behalf of the banks regarding New York City's fiscal crisis. I would like to share with my colleagues an important side of the crisis which describes the hostage status the banks propose to impose on the city:

RISKING DEFAULT TO SEIZE POWER—BIG BANKS WANT 20-YEAR CONTROL OF CITY

(By Albert Shanker)

Just a few weeks ago, it appeared that New York City had at long last solved its most serious problems and would soon be entering a new and better period. The City had prepared a financial plan for 1977–78 which balanced the budget without additional layoffs or reductions in city services. Also, large amounts of new money began to flow to the City from federal legislation enacted last year. The employee pension funds and the banks were expected to agree to stretch out the repayment of principal on their investments, thus giving the City more time. But most important was President Carter's statement that bankruptcy was not an option for New York City. As soon as the President issued his statement, the price of MAC bonds shot up; obviously, his assurances created a market for them all across the country.

But that optimistic period did not last long. The State Court of Appeals ruled that the state had no constitutional right to enact the moratorium on the repayment of City bonds and that the repayment of about $1 billion would have to take place soon. Even with this big problem before it, the City and the municipal unions proposed plans to take the City out of the new crisis, plans that would meet the $1 billion repayment and enable the City to live under a balanced budget next year.

But all these plans were shot down by the clearinghouse banks.

The banks said they would not cooperate in relieving the City of its immediate problems unless the long-range problems were solved now. Specifically, the banks noted that by June 1978 the City had to find a way of getting back into the money market, selling its own bonds—and they demanded that the City agree now to a program for doing that. The banks gave the City a set of demands, 10 pages of them.

As part of their price for helping the City avert disaster, the banks proposed the creation of a "New York State Local Finance Commission" which would "monitor and control the budgeting and financing of New York City and its covered agencies." While the banks proposed the Commission for New York City, they expressed the hope that ". . . the Commission would in time monitor and control the budgeting and financing of all subdivisions within the State although not necessarily with the same blunt restrictions." Thus, the proposal for the City is clearly a first step toward similar bank control of all governments in New York State.

Another demand was that "the City would be prohibited from adopting increases of more than 5% in its appropriations over that appropriated for the previous fiscal year . . ." These controls, the banks said, must last over the full period of the new City bonds—20 years, or more. This means a 20-year loss of self government for the City imposed at the very moment when it has balanced its budget and put its house in order. The limit of 5% increases in the budget would be disastrous. Assuming that inflation pushes the cost of living up by 7% a year over the next 20 years and the budget can only be increased 5% each year, the banks are asking that 20 years from now New York City have 40% fewer policemen, firemen, teachers, health services, museums, colleges, universities. In other words, the City will be cut to about half of its present services over the next 20 years!

By making these most unreasonable demands, the banks have once again undermined the ability of the City to find investors and have brought the City to the brink of default. Perhaps they feel that this is their last opportunity to gain long-term control over City government, because if the City gets past this crunch, it will never again be in such a vulnerable position. In the continuing talks, some of the banks' demands outlined above may change. But just before the weekend, news accounts described the banks' position as having "stiffened."

There can be no question that the City of New York must live within its means. It must have balanced budgets. On this question, the unions and city employee pension funds have a much greater interest than the banks. At present the banks own $1.4 billion of City and MAC securities, while the retirement systems hold $2.2 billion. By June 30, 1978 the banks will still hold the same $1.4 billion (they have put in no new money since September 1975), but the employee retirement systems, by investing the funds agreed upon in December 1975, will hold $3.8 billion.

Yes, there must be a balanced budget. And there must be fiscal responsibility. But this need not and should not be accomplished by a board which goes far beyond monitoring whether the overall budget is balanced and instead *controls* the items *within* that budget. Or by a board which reduces the budget to the point where civilized life becomes impossible in the City.

If the banks want to be reasonably certain that the City will live within its means, they can have such assurances. But if they want to occupy City government as a foreign power for 20 years or more, the answer must be no. That the banks seek such control is indicated, too, by their outspoken opposition to any labor representation on whatever mechanism ultimately monitors the City's finances. They have said that such representation—by the union pension funds, who are in fact the City's real bankers—would "compromise" the "necessary independence" of such a board. What the banks want are "people of stature with a reputation to protect who will inspire confidence in investors"—in other words, bankers.

At this point it is irresponsible for the banks to allow New York City to go into default over an issue which is in the future. After all, there is an Emergency Financial Control Board in existence now. It will remain in existence for 16 months more. There is plenty of time to argue about what mechanism should replace it after it goes out of business. But there is no time to lose in figuring out how to repay the $1 billion in moratorium money.

If the City does go down in the days ahead, it is important that the people of New York know why: because the banks refused to do their part to solve the immediate problem unless they got what they wanted in terms of control of the City for the next 20 years.

THE THREAT OF SKYROCKETING POPULATION GROWTH

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. SCHEUER. Mr. Speaker, world population, which now stands at 4 billion and is expected to double in the next 35 years, is the source of many of the world's most pressing problems—pollution, illiterary, unemployment, disease, hunger, starvation, and the depletion of the world's nonrenewable natural resources. In approaching these problems, Congress should not overlook the importance of stabilizing population growth.

I would like to call my colleagues' attention to a thoughtful and provocative editorial in Parents magazine by Lester R. Brown, president of Worldwatch Institute and the author of "In the Human Interest" and coauthor of "'By Bread Alone," in which Mr. Brown discusses various programs and policies governments have initiated to encourage families to have fewer children. The editorial follows:

THE THREAT OF SKYROCKETING POPULATION GROWTH

NEW WAYS TO LIMIT POPULATION GROWTH EVERYWHERE IN THE WORLD

(By Lester R. Brown)

The frightful consequences of world overpopulation are beyond the comprehension of most people. At the present rate of increase, world population (now at 4 billion people) will double in about 35 years. In the poorest countries, more and more children will die of starvation. Parents' hopes for their children will be frustrated by overcrowding, inflation and unemployment.

In some countries the figures herald certain despair for the future. In Mexico, for example, population is projected to double before the end of this century. How the Mexicans, already suffering from too many people and too few jobs, can possibly provide housing, education, work and adequate nourishment for twice as many people, is not clear. Millions have already illegally crossed the border into the United States in search of jobs.

Overpopulation is commonplace in some parts of the world and worsening. At the beginning of the Christian era the population of the entire world was only about 250 million, and it took 1,600 years (to about the time when the Pilgrims landed at Plymouth Rock) for population to double, reaching 500 million. The next doubling took an eighth of that time, only 200 years, and within the following 150 years, world population almost tripled.

We have reached, and in some ways overreached, the limits of growth our planet can sustain. Pollution worsens. Oceanic fisheries collapse from overfishing. Forests dwindle as the cutting of wood exceeds their regenerative capacity.

Some governments such as that in India sense that more people are now dying of malnutrition and illnesses related to it. Half of all deaths in the world are accounted for by children under the age of five. Children in the poorest families in the poorest countries—Haiti, Ethiopia, India—are the most frequent victims.

At the 1974 World Population Conference, controversy raged over what women need more—the pill or a job to encourage them to have smaller families. Mothers from the villages of Nepal and the grass huts of tropical Africa would have found such debates ridiculous. Of course, women need both a better life and the means to undertake family planning.

But it is not likely that more jobs, higher incomes, and a better standard of living will come rapidly to the poor of Latin America, Africa and Asia. To provide the money for such a shift in conditions in poor countries would require massive aid from the richer countries—aid which those countries are hard-pressed now to offer.

Even so, population growth *can* be slowed—without big budgets and expensive social programs. Hope for smaller families rests with the young couples of the world. The Chinese Family Planning Program, the largest such program in the world, uses the saying, "Praise one; extol two; criticize three; forbid four," to encourage couples to have fewer children.

Where government legislation and programs reach the hearts and minds of their people, birthrates have already begun to fall. And governments can influence families in subtle ways. Changing tax laws and legal regulations concerning the distribution and use of contraceptives, modifying social policies—these can help to form an atmosphere that will lead to voluntary, responsible family planning. In all too many countries, the prevailing laws and customs are the products of a bygone age, which needed and, therefore, rewarded large families, and imposed social disapproval on those who preferred to have fewer children. Times have changed and now we need different policies.

Laws and customs which regulate everyday life also affect the birthrate. In many countries it was socially acceptable for women to marry as early as the age of twelve, about when they physically become capable of having children.

Tax laws favoring large families are nowhere more in evidence than in the United States. The standard income tax deduction, intended to help out with the expenses of raising children, is the same for each child, whether the child is a family's first or their fifth. These laws have been copied throughout the world as progressive legislation which is helpful to parents. But no thought has been given to the impact that subsidies to large families have on school costs, inflation and eventually on unemployment.

A number of countries now take a different view, allowing tax deductions only for those who have a small family.

Singapore allows tax breaks for only the first three children; the Philippines gives deductions for only four. In Taiwan, where government employees were once encouraged to have larger families through grants of money, officials have recently decided such a program was undermining their efforts in family planning. Today, the government subsistence allowance is substantially less after the third child.

YOUTH UNEMPLOYMENT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. HARRINGTON. Mr. Speaker, the problem of youth unemployment is one that deserves far greater attention than it has previously received. I wonder how many people in this Nation are aware of the fact that the unemployment rate for youth exceeds 15 percent. For minority youths this figure is greater than 35 percent. Yet we have not grappled with specific programs designed to bring about full employment for the youth of this Nation. We must realize that full employment among the youth of our Nation means full employment in the adult sector as well. High unemployment among youths only perpetuates high unemployment, dehumanizing frustration, and an unconscionable squandering of human resources through all sectors of our economy.

While several excellent pieces of legislation have been introduced in the 95th Congress to address these specific problems, I would like to bring to the attention of my colleagues legislation which has been introduced in the Commonwealth of Massachusetts by Representative Melvin H. King of Suffolk County.

Mr. King has introduced an outstanding piece of legislation which will provide for full employment amongst the youth of the Commonwealth. It is especially timely because Massachusetts has the highest unemployment rate among youth of any State in the continental United States.

Today, hearings were initiated in the Commonwealth of Massachusetts to consider Representative King's far-reaching legislation. I would like to submit Representative King's legislation into the RECORD at this time and urge my colleagues to review it:

AN ACT TO PROVIDE FULL EMPLOYMENT FOR YOUTH IN THE COMMONWEALTH

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Declaration of purpose. The General Court of the Commonwealth of Massachusetts finds that presently, Massachusetts has the highest unemployment rate of any state in the continental United States. The youth (under age 25) are the hardest hit. The official unemployment rate among youth under 25 is 30% of the total work force unemployment rate of 18%. It is the purpose of this act to require that the state of Massachusetts commit itself to full employment for youth by providing 90,000 jobs within the next year.

SECTION 2. That these jobs be created in the main through state promoted and financed construction projects which would be socially useful. These would include but not exclusively be schools, hospitals, recreation facilities, day care centers, residential housing, mass transit, alternative energy, and marine services and recycling.

That youth employed on these projects would be trained in the highly skilled long-term occupations associated with the construction and supply industries, thereby creating a stable workforce for society as a whole.

That jobs would also be created in professional and paraprofessional socially useful areas including but not exclusively teachers, teacher-aides, social workers, social worker aides, lab technicians, artists, musicians, writers, etc.

"Fair rates of compensation" refers to remuneration at wages reflecting regional levels of compensation, statutory minimum wages, or those wages established by prevailing collective-bargaining agreements, whichever is highest, and under working conditions consistent with trade union or prevailing standards, whichever is higher.

SECTION 3. Adequate consideration must be given to such individuals and groups as may face special obstacles in finding and holding useful and rewarding employment and shall provide or have provided through the coordination of existing programs special assistance including but not limited to counseling, training, and, where necessary, transportation and migration assistance. Such individuals and groups shall include those suffering from past or present discrimination or bias on the basis of sex, age, race, color, religion, political belief or national origin, the physically or mentally handicapped, potentially employable recipients of public assistance, the inhabitants of depressed areas, urban and rural, veterans of the Armed Forces, people unemployed because of the relocation, closing or reduced operations in industrial or military facilities.

No person in Massachusetts shall on the grounds of sex, age, race, color, religion, political belief, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Act.

Six months maternity leave with no loss of seniority will be guaranteed to women on this program.

SECTION 4. That no more than 2% of monies allocated will be used for administrative expense.

SECTION 5. The state board overseeing the implementation of the program will represent in composition the people affected by the program will include representatives of Labor, Civil Rights, Youth and Women's organizations, etc. On the local levels boards will be elected from the community with guaranteed representation to the racial and ethnic groups in the community in proportion to the degree to which they need the program.

SECTION 6. This program shall be funded through a combination of the following—a raise in the tax of the assets of stocks and bonds over the amount of $150,000, a raise in the tax of property assets over the amount of $250,000, a raise in the tax of corporate profits over the amount of $100,000.

SCIENCE TALENT SEARCH

HON. DAN GLICKMAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. GLICKMAN. Mr. Speaker, from time time to time we in Congress receive information regarding the achievement of some of our younger constituents. Often because of their youth and the magnitude of their achievement very special recognition is in order.

Recently I became aware of a most impressive example of academic achievement which I would like to share with my colleagues in the House of Representatives.

The following outstanding high school seniors from Kansas' Fourth District have won honors in the science talent search. I am sure my colleagues will join me in congratulating Lori Kay Schmidtberger for her project "Pyramid Power: Secret of the Ages;" William Wesley Alden for his "Hormone Receptor Site Interactions of Malignant and Non-Malignant Tissue Cultures;" and Theodore John Vlamis for his work on the "Effectiveness of Experimental Treatments in Inhibiting and Reversing the Sickling of Erythrocytes Containing Hemoglobin S."

INTRODUCTION OF BILLS TO MAKE THEFT OF LICENSED TWO-WAY RADIO EQUIPMENT OR TRAFFICKING IN STOLEN EQUIPMENT A FEDERAL OFFENSE

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BEARD of Rhode Island. Mr. Speaker, today I am introducing two bills that I believe are overdue in the face of developments of the past 2 years in connection with what has been termed the "CB Explosion." A day hardly goes by that virtually every newspaper in the country does not have at least one item about the the theft of two-way radio equipment. For many years, installations of two-way radios in cars, trucks, boats, and airplanes have been subject to the depredations of ripoff artists, people who grab these expensive pieces of equipment and sell them to fences, unscrupulous dealers and others who engage in the illegal trade of stolen goods. It might be well to remember that nearly all of this stolen equipment has been licensed by the Federal Communications Commission.

With the sudden national burst of interest in personal communication, millions of citizens band radios are operated in vehicles of all kinds as well as in homes and business places. Thefts of two-way radio equipment have become a major public and police problem. This is an old story to amateur radio operators and to the owners of boats that are equipped with two-way radios.

I would hope, by the passage of these two bills, that thieves would be deterred from stealing two-way radio equipment because this legislation would establish such a crime as a Federal offense and at the same time, establish heavy penalties for theft of such equipment or receiving the stolen equipment.

Also, this legislation would spur citizens band operators who are not licensed and operating in violation of Federal law, to obtain the required FCC permit to operate. We know that there are several million CB sets in operation that are not licensed. The electronics industry and other sources indicate that there are some 14 million CB radios and the FCC reports that they have issued only 5 million permits. Engraving the official call letters of the licensee on or inside the cabinet of a two-way radio, while not now required by law or by this legislation, would go a long way toward minimizing the current wave of thefts of this kind of radio equipment.

I believe this legislation will go a long way toward alleviating a serious crime problem. And, we should remember that any of these two-way radios is not only an instrument of personal communication but is also an extraordinary instrument for safety on land, in the air, and at sea.

I urge consideration of this legislation so that theft or traffic in stolen two-way radio equipment will become Federal offenses, punishable by the provisions laid out in these bills.

ANOTHER SIDE TO CONGRESSIONAL PAY RAISE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. McCLORY. Mr. Speaker, the subject of the increase in salary for Members of Congress as well as those in the executive and judicial branches of Government has resulted primarily in castigating the Congress. For my own part, I have expressed opposition to the manner in which the congressional salary increase has been accomplished—deploring the refusal on the part of the House of Representatives to bring to a vote the separate issue of the congressional salary increase.

What has disturbed me and others is the general criticism of the Congress and the impugning of our active lives, particularly in behalf of our lawmaking duties and our constituent services.

A most illuminating article appeared in the Tuesday, March 1, issue of the Daily Courier-News of Elgin, Ill., in my congressional district, by the columnist Richard Crabb. Mr. Crabb's article, based primarily on statements of our distinguished colleague from Illinois, Representative PAUL SIMON, casts this issue of the salary increase and the onerous duties of Members of Congress in a refreshing and informative light.

Mr. Speaker, I am attaching Mr. Crabb's article containing generous quotes from Congressman SIMON in the hope that my other colleagues as well as the general public may benefit:

THERE'S ANOTHER SIDE TO CONGRESSIONAL PAYRAISE COIN

(By Richard Crabb)

Let's have a look at the other side of the coin.

Perhaps the major reason citizens found it so hard to accept the recent nearly 30 per cent salary hike for congressmen who already had incomes of $44,000 are the repeated incidents of poor personal conduct by individuals in Congress.

The Fannie Fox capers with Wilbur Mills and the escapades of Elizabeth Ray with former Rep. Hays get intensive nationwide, even worldwide, front page news coverage.

There are two unfortunate aftermaths of which serious citizens need to be aware and keep in mind.

The first is that many citizens, perhaps even most people to one degree or another, conclude that these incidents are typical to some extent of the conduct of members of Congress generally.

An even more unfortunate reality of the aftermath is that there is no existing means by which citizens can be given a reasonable view either how hard the average member of Congress works or the unusual conditions under which he or she is forced to work.

Nor are reporters entirely derelict either. There are many stories from Washington about unusual service given by members of Congress, but these stories run far back in most newspapers, if at all, while Wilbur and Fannies continue to command front page space even if they don't want it.

This is just a fact of life in our communications system.

Two stories out of Washington this past week illustrate this reality perfectly.

U.S. House Speaker O'Neill was asked by a reporter if he was going to refuse the pay hike as some congressmen have announced they would. The Speaker replied that he did not intend to refuse the additional pay.

He went on to explain that congressmen as a group are faced with many unusual working conditions, some of which involve them in heavy expenses that most families do not have to bear.

As an example he pointed out that members of Congress must maintain two homes, one in their district and one in Washington. Even as long as he has been in Congress, the Speaker pointed out that he had not been able to get both his homes paid for. The additional pay would be welcome, he said.

Cong. Paul Simon, formerly lieutenant governor of Illinois and now representing a southern Illinois district in Congress, made a particularly revealing announcement during the week that sheds much light on the difficult conditions under which a congressman works.

Simon sent his news release to the news services and to many Illinois newspapers. It didn't make many front pages nor broadcasts, but it should have. It could turn out to be much more important than the announcement earlier that the Carter family would serve nothing more than wine at House dinners.

"This day's mail (referring to a day in late February) is like most others," said Simon. "It included nine invitations to receptions in and around Washington.

"And in the same mail, I have a letter from a labor union unhappy because I didn't show up at their recent Washington reception."

Simon went on to explain, "When I first came to Washington as a House member, I tried to drop in briefly at quite a few receptions and dinners. But I soon discovered that I couldn't afford the expenditure of time. It was soon obvious to me that while it was pleasant visiting, little of a constructive nature was being accomplished.

The Illinois congressman began working on a solution to the problem of attending receptions.

"I started suggesting to people who invited me to receptions that, rather than my going to their cocktail parties, they come by my office for a 10-minute chat on whatever they wished me to know.

Reaching beyond his own problem, Cong. Simon added, "Let me add a further word to the many organizations that hold receptions in Washington. My guess is that most members of Congress feel about as I do about attending receptions.

"I think they would sooner have the organizations save their money and send a representative to their offices where more substantial conversation can take place."

Simon then put the case for his non-attendance at Washington receptions bluntly.

"There is simply too much to do in too little time. The conscientious member of

Congress, and most are that, works a great deal more than 40 hours a week and so do members of his staff.

"Right now I have a pile of mail on my desk that has accumulated during a visit to my district. It is piled more than a foot high, mail that my staff has already opened and thinks I should read. Should I leave all of that to visit one or two of a half dozen receptions going on tonight? The answer, for me at least, is no."

SOVIET JEWS AND EXIT VISAS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. WAXMAN. Mr. Speaker, in accordance with the vigil participated in by many of my colleagues on behalf of those denied emigration visas by the Russian Government, in direct contravention to the terms of the Helsinki accord, I ask the Members to consider the cases of Lena and Arkady Rabinov, and Yuli and Inna Kosharovsky.

Arkady Rabinov was born in Leningrad in 1947. He graduated from the Leningrad Electro-Technical Institute of Communications with an engineering degree in radio electronics. He first applied to emigrate to Israel in 1972 but was refused because of his knowledge of "state secrets." Arkady applied to emigrate only 4 months after graduation; therefore the reason given for denial of his visa seems to lack credibility. Additional petitions were submitted in 1973, 1974, and 1975, and all were refused. During these years, Rabinov and his wife Lena, also an engineer, were harassed, discharged from their jobs, and kept under observation by the KGB. Despite the difficulties put in their way, the Rabinovs have carried on a continuous struggle for granting of their exit visas. They presented protests to the Supreme Council, to President Podgorny, to Mr. Brezhnev, and staged hunger strikes and demonstrations in Leningrad and Moscow. Due to the support they have received from English and American visitors in Leningrad, and supportive articles in the Washington Post, the Philadelphia Inquirer and Toronto Daily Mail, the KGB, in January 1976, informed the Rabinovs that they "no longer have knowledge of state secrets." They were encouraged to reapply for exit visas, but were refused yet again, with no reasons given.

Yuli Kosharovsky, a radio engineer, and his wife Inna, a mathematician, applied for their exit visas in Moscow in 1971, and have been unable to find employment since that time. Yuli has been sent to jail on six different counts on fabricated excuses and again jailed last October for participating in a peaceful demonstration protesting the lengthy visa delays. He and 12 other demonstrators were sentenced to 15 days. He and his wife have been under constant surveillance for 6 years. Their visas are being refused on the grounds of Yuli's work in secret classifications, but it has been 8½ years since he held a job involved with secrets—which are now published material. Yuli and Inna are, therefore, no longer security risks.

I am deeply disturbed over the plight of these two families, especially since a television prime-time broadcast in Russia on January 22, 1977, of a program called "The Trader of Souls." People wishing to leave Russia, and Jewish activists were depicted as "soldiers of Zionism inside the Soviet Union," and accused of being part of a Western-based anti-Soviet conspiracy. Those who have appealed to the Soviet Union on behalf of Russian Jews were shown as dupes of Zionist propaganda or as agents of Jewish finance. The program was obviously intended to incite the Russian population at large, and to create an atmosphere in which proceedings against Soviet Jews wishing to leave Russia, their imprisonment or disappearance, would—at least within the Soviet Union—be regarded as just punishment for their transgressions.

I appeal to the Members to join me in keeping the Rabinovs and Kosharovskys in the public eye, so that their cause is known, and hopefully so that the Soviet Union will be aware of our deep concern, and will permit them to emigrate.

PREVENTION OF JOB DISCRIMINATION AGAINST PERSONS AGE 65 AND OLDER

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BOB WILSON. Mr. Speaker, today I am introducing legislation which, if enacted, will strengthen the Age Discrimination in Employment Act of 1967 by extending its application to all workers 40 years of age and older.

As you know, Mr. Speaker, section 12 of the act reads:

> The prohibition in the Act shall be limited to individuals who are at least forty years of age but less than sixty-five years of age.

My bill will simply remove the upper limitation and make it illegal to discriminate in employment on the basis of age against anyone over 65 as well.

The Age Discrimination in Employment Act has helped this Nation make great strides by assisting the elderly to find meaningful and needed employment. However, the present 65-year upper limitation is greatly hindering many who seek jobs. By inserting this limit, Congress has in effect sanctioned discrimination against senior citizens. Each day we are forcing into retirement some 5,000 Americans who reach their 65th birthday.

I should note that many of these retirees are women who cannot start work until after their children are grown. Their forced retirement costs the Government considerable expense in income maintenance programs such as food stamps and social security.

I believe that age alone is a poor indicator of ability to perform well in a job. Just because a person has reached the age of 65 does not mean that he or she no longer has any intellectual ability. Many Members of Congress certainly exemplify this. In light of the increased life expectancy and higher health levels for this older person, there is no justification whatsoever in placing a capable person into an oblivion of inactivity.

Testimony in hearings in the House Select Committee on Aging has repeatedly shown that inactivity is the elderly's greatest enemy. In fact, inactivity actually accelerates the aging process. By forcing them into retirement, society in effect bids the elderly farewell, saying that he or she no longer is of any use and thus has no further reason for being.

Mr. Speaker, our Nation is also the loser when the elderly are denied the opportunity to work. We are ignoring the experience, skills, and wisdom of those who are still very capable of contributing and enriching all our lives.

The elderly have the same rights as all Americans. They deserve freedom of choice, including the following:

To retire in dignity or to work;

To work for pay or as a volunteer; and

To work full time or part time.

Ability, not age, should determine whether a person is hired or retired.

I make note that older Americans do not want any special privileges. They only want the right to compete on equal terms in the job market. It is Congress duty to assure them that they will have this right and that they will have a chance to live as decent a life as their younger fellow Americans.

TRIBUTE TO INTERNATIONAL WOMEN'S DAY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Ms. MIKULSKI. Mr. Speaker, today marks the 120th anniversary of the march staged by the women garment textile workers on the Lower East Side of New York City. On that day in 1857 these courageous, exploited women marched to demonstrate against their impoverished working conditions and demanded equality for all working women. When the women left their poor neighborhood and entered a more wealthy one, the march was violently dispersed by the police. In 1860, 3 years later, these women formed their own union.

To commemorate this historic event, 61 years later a similar demonstration was organized to make the same demands as had been leveled in 1857 for shorter working hours and better working conditions. Added to these demands were those calling for legislation banning child labor and the right to vote for women. This time, the police did not impede the march's progress.

In 1910, in Denmark, an international congress designated March 8 as International Women's Day and recalled the 53-year struggle since that day in New York. It was decided then that day would be set aside to internationally commemo-

rate women and their fight for equality. So let us remember those women today who struck one of the first blows for the recognition of women's rights and who are receiving tribute today in nations around the world.

ENDANGERED SPECIES ACT AMENDMENT

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BEARD of Tennessee. Mr. Speaker, I would like to draw the attention of the Members of this body to a problem, the impact of which has not, as yet, been fully appreciated.

The Endangered Species Act passed the Congress in 1973. It was important legislation which embodied principles we cannot allow to be undermined. The principle objective of this bill was to insure that we would never again unthinkably cause the extinction of unique plant and animal life. That principle must be protected. However, as with so many pieces of legislation which after enactment are exposed to the real test of implementation, certain problems arise. One particular problem which has been brought home to me rather forcefully, is the lack of any flexibility in the current law. There appears to be no leeway whatsoever to allow valuable public projects to go forward if there is a risk that any endangered specie might be adversely affected.

The consequence of this inflexibility is that multimillion-dollar projects are forced into a "go or no-go" situation without regard to any other consideration. Compounding the problem is the fact that the law is not only applied to projects on the drawing board, but also to those that are substantially underway, and even those that are virtually complete. I find the rigidity of that universal application of the law simply unreasonable.

Of course, the incident which has triggered my concern was the recent decision by the Sixth Circuit Court of Appeals which stopped construction on the Tellico Dam project in Tennessee. Construction was halted because a new addition to the endangered species list was found to be present in the project area. It is important to note that construction began on the Tellico project in 1967, 6 years before the Endangered Species Act became law, and 8 years before the species in question was designated as endangered. I draw your attention to the lack of flexibility I mentioned earlier that prohibits this project from going forward, in spite of the fact that it is 90 percent complete, and the American taxpayer has already invested $116 million in the project.

A similar situation exists in my own district in Tennessee. The Tellico Dam decision, if not reversed, will certainly bring to a halt, construction on the Duck River project, which is now approaching 40 percent completion. To date, about $60 million has been invested in this project which, if allowed to continue, will be a vital asset to the entire area. The project will reduce flooding, provide a dependable water supply, create a broad range of new recreational opportunities, and stimulate economic growth and development for the region.

Certainly, conflicts of this type are not restricted to Tennessee. The impact of the Tellico decision will be felt all across the country. Such conflicts place unnecessary strains on the Endangered Species Act, and I can not help but think that agitation to severely revise the act will become more pronounced as these conflicts arise with more frequency. It is my feeling that we should not allow this to happen, but to avoid it, we must find some reasonable accommodation as soon as possible. Therefore, I have introduced a piece of legislation, that in my judgment, offers a reasonable way out of this dilemma.

The objective of my legislation is to try to establish some rational guidelines within the act which will allow certain public projects to continue. Those projects would have to be major public undertakings, where construction began prior to any legal requirement to insure the safety of a specific endangered specie. However, projects to be exempt would be required to assure that before going forward every possible modification would be undertaken to avoid damage to a listed specie. Of course, under this bill the specie would remain on the endangered list and would thus be afforded all the protection of the current law where the specie existed outside of the project area.

Thus, the bill attempts to provide some very carefully limited flexibility to the act without disturbing the act's underlying principles. I do not propose that this is the only, or even the best alternative, but I do suggest that debate on this subject is necessary, and I hope that this piece of legislation will act as a vehicle around which that debate might occur.

APPROPRIATE TECHNOLOGY PROGRAMS CONTINUE TO EVOLVE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BROWN of California. Mr. Speaker, over the past few years the Congress has addresed the concept of appropriate, or intermediate technology in a variety of areas. I am pleased to note that this process is continuing and the programs only recently established are beginning to take shape.

The agencies which have explored or funded appropriate technology programs include the National Science Foundation, the Community Services Administration, the Agency for International Development, and the Energy Research and Development Administration. The program in ERDA is currently in limbo because of the failure of the Congress to enact the fiscal year 1977 authorization bill for ERDA, and the opinion of the administration that they need this bill's language to carry out an appropriate technology program. I am confident that this technicality will be resolved and the small grants program for appropriate technology will soon be a part of the overall ERDA energy program.

One of the more thoroughly considered appropriate technology programs is funded by the Community Services Administration. The National Center for Appropriate Technology is now reality, and it is attempting to handle a meager area of responsibility with a meager amount of funds. The trials and tribulations of the NCAT were recently described in Science magazine. Because this subject is relevant to so many of my colleagues, I ask that this article be inserted in the RECORD at this time.

[From Science, March 4, 1977]

NCAT: APPROPRIATE TECHNOLOGY WITH A MISSION

(By Constance Holden)

"Appropriate technology" could be on its way to becoming a household term. The proponents of small, environmentally sound, human-centered technologies have found a Bible of sorts in E. F. Schumacher's book *Small Is Beautiful*, which has also been widely read by government officials including Jimmy Carter.

Now, appropriate technology is getting a small but significant boost from the federal government which has awarded $3 million to a new National Center for Appropriate Technology (NCAT), located in Butte, Montana.* The money comes from the Community Services Administration (CSA), the agency that has charge of some of the leftovers of the old Office of Economic Opportunity. NCAT hopes to serve as an information clearing-house for the thousands of small groups around the country that are experimenting with appropriate technologies: what makes it unique, however, is that its specific mission is to link these efforts with the needs of low-income people.

The people behind NCAT, many of whom come from a background of community activism, believe the time has come to bring appropriate technology out of the small, experimental places where it has been incubating for some years, and apply it where they believe it is most needed: in ameliorating the food, housing, and energy problems of the poor. They emphasize that what they are looking for is not the development of a "poor people's technology." Rather, they would like to see low-income people become leaders in the adoption of technologies upon which everyone must increasingly rely in the future.

* The U.S. government is slowly shifting some priorities in this direction, perhaps more so in the foreign aid area (where it is also referred to as intermediate technology). The Agency for International Development some years ago decided to shift its emphasis to rural development rather than high technology, and AID now has $20 million which is being put into a semiprivate corporation called Appropriate Technology International. The purpose of this group, according to Ted Owens at AID, will be to beef up local small technology enterprises wherever they can be found. Another glimmer is to be found at the Energy Research and Development Administration, which has a $10 million authorization to include an office of appropriate technology in its office of energy conservation. Maxine Savitz, director of this office, says it plans to do cooperative work with the NCAT. Finally, the National Science Foundation is conducting a study of appropriate technology.

Appropriate technology generally means technology that is small, easy to understand and maintain, cheap, dependent on local resources, and fitted to local needs. It makes heavy use of renewable resources, ranging from labor to garbage, and makes minimal demands on capital and on nonrenewable environmental and energy resources.

Common examples of such technologies are solar heat collectors, windmills, recycling of waste to produce methane and compost, composing toilets, urban greenhouses, and rooftop hydroponic gardens.

But the term is fast gaining connotations that go beyond development and dissemination of techniques and hardware. Nowadays, appropriate technology implies a constellation of values that emphasize self-reliance, political and economic decentralization, the reduction of peoples' dependency on large institutions over which they have no control, and the development of tools that enhance peoples' relationship with their work, rather than eliminate opportunities for individual creativity.

NCAT is engaged in a perilous undertaking. It involves mobilizing the most demoralized and resource-poor segment of the population, while at the same time developing working relationships between technical professionals and residents of poor communities. That means reorienting professionals to challenges that are more social than technical in nature. Scientists, after all, are fond of envisaging our future in terms of such things as orbiting space colonies (which architect Dennis Holloway, an NCAT board member, calls an extreme example of "inappropriate technology. . . . F - - - the earth and then leave").

NCAT's location in Butte is owing to a convergence of circumstances. A few years ago R & D consultant Jerry Plunkett, who now heads the new Montana Energy and Magneto-Hydrodynamics Research Institute (MERDI), wanted to broaden the institute's scope to include alternative and small technologies. He got his senator, Mike Mansfield (who was Senate majority leader), interested in the idea. He later hooked up with people at CSA, who have been putting money into home insulation projects for poor people since the fuel crisis of 1973.

CSA eventually gave MERDI a planning grant to work out the design for an appropriate technology center. The planning committee took over a year to get the idea in final shape. There were great hagglings over the definitions of "low-income" people and of "appropriate technology" (for example, does this term apply to solar collectors manufactured by Honeywell Corporation when the technology is appropriate but is produced by a large, high-technology "inappropriate" concern?). Some purists felt that having a center at all went against the doctrine of decentralization. The appropriate technologists and the community organizers on the committee suffered from a communications gap, according to board chairman, Milwaukee social worker Anthony Maggiore—the former, for example, had to drop some of their utopian visions and learn about grappling with the rude and intractable realities of poverty.

Finally, there was extensive debate over the center's relation to MERDI. Most of the planners did not like the idea of NCAT being part of MERDI, as Plunkett had envisaged, because they felt the institute was overly oriented to high technology and were put off by all the bankers and copper magnates on the board. Ultimately NCAT was planned as an organization independent of MERDI but with a contractual relationship to it.

The NCAT board will eventually have 27 members, including representatives from Community Action Programs (CAP's), representatives from all the usual downtrodden constituencies, technical people, and a smattering of "establishment" types.

If the members appointed so far are any indication, the leadership is unlikely to be co-opted by industrial tycoons. They include people such as Sam Love, environmentalist and energy consultant who predicted the energy crunch long before most; David Morris, codirector of the Institute for Local Self-Reliance in Washington, D.C.; Helga Olkowski of Berkeley, a pioneer in integrated (nonchemical) urban pest control; Alfred Navarro of the California farm cooperative movement; and Holloway, a University of Minnesota architect who is interested in "squatter architecture" and predicts that by 2000, 50 percent of the world population will be living in squatter communities.

The $3 million appropriation to CSA, engineered by Mansfield shortly before his departure from the Senate, is divided three ways. A little over $1 million is for grants ranging up to $50,000 from NCAT to CAP's, of which there are over 865, and Community Development Corporations. These will channel applications to NCAT for grants to inventors and community projects (the immediate priorities are insulation, particularly for mobile homes, and supplemental energy sources). One million dollars is for outreach, education, training of community workers in the uses of appropriate technology, a technical assistance hotline between NCAT and CAP's, and regional conferences.

Finally, there is an $800,000 contract for a "technical research staff" in MERDI that will do research and evaluation on small technologies. This might involve comparing different kinds of solar collectors, or delving into the cheapest methods of processing cellulose for building insulation. MERDI, for example, is currently developing a home furnace that is tiny, efficient, and capable of switching among coal, oil, and gas. MERDI will be in the position of supplying the quality control—everyone is concerned that new technologies be sound ones acceptable to the population as a whole, and not half-baked innovations that cast low-income people as guinea pigs in poorly thought out programs.

NCAT is still at the embryo stage, and there is not too much to be told yet about its mode of operation. It has an executive director, James Schmidt, a former CAP director, and is looking for office space to house an eventual staff of around 30. Outreach workers from the center will be planted in CAP offices and regional CSA offices around the country. The center plans soon to shower CAP's, appropriate technologists, and community groups with its Request for Proposal, and the first grant may be made as early as next month.

Aside from promoting appropriate inventions, just what sort of undertakings does NCAT hope to stimulate? Perhaps the best available example of the combination of community action, self-reliance, and appropriate use of technology in a poor community is supplied by the East 11th Street project in lower Manhattan. East 11th Street was born from a crisis, a not uncommon facilitator of new ideas.

According to Travis Price, who was on the NCAT planning committee and who has been advising this project, it all started when a dilapidated building was allegedly burnt out by the landlord who hoped to collect insurance money on a losing deal. It was a classic ghetto neighborhood, populated mostly by Puerto Ricans whose average annual income was $1,500. A group of people on the block got together to buy the shell of the building before it was demolished by the city. This was 3½ years ago. After a year and a half of trying to get a mortgage (the area was "redlined" and no bank would give them a loan) they got a loan from the city, and started rebuilding the thing themselves. Price got involved somewhere along the way, and tried to help the group look for ways to reduce fuel bills. They finally obtained money from the CSA and the Department of Housing and Urban Development to install a windmill and solar collectors on the roof, and to insulate the building. Now, says Price, not only the building but the neighborhood is transformed. It is owned and maintained by its 30 tenants. Using "sweat equity"—labor instead of capital—construction costs have been 40 percent of what they would have been normally. The flat plate solar collectors have supplied 85 percent of hot water needs, and the windmill supplies virtually all the common electricity needs (in fact, says Price, they got into a fight with the power company because the windmill was feeding power back into the grid—the consumers were becoming producers! The dispute was eventually resolved with the help of lawyer and former U.S. Attorney General Ramsey Clark). Price says the project has had side effects throughout the community. A few years ago, the main "cottage industry" was stripping cars. Now the strippers are working to rehabilitate several other buildings on the block.

The actual technology that has been used to transform this particular neighborhood involves nothing novel. In fact, as Price points out, "appropriate technology" in this case can be as simple a thing as using a roller brush instead of a paintbrush. He already looks to future developments, such as greenhouses (even without special heating, a greenhouse can prolong the growing season by a couple of months), hydroponic roof gardening, aquaculture (growing fish in the basement), and starting small companies to produce the relevant products. In the far future, he talks of such projects as establishing cooperative farming within a 50-mile range of the city so residents can bypass the local supermarket.

Appropriate technology is not going to be all that easy to sell. The country and its scientists are, after all, still in the grips of the idea that new, higher technologies—rather than simplification of life-styles—are what are needed to solve our problems. And there are countless intitutional obstacles, ranging from federal R & D funding priorities to loan policies and building codes, to the wide-scale adoption of small technologies.

The NCAT idea should get a good boost from the impending visit to these shores of E. F. Schumacher himself. Among other engagements, Schumacher was scheduled to meet with NCAT people in Butte at a governors' conference to be held in late February; this month he is to lead a workshop, sponsored primarily by NCAT, at George Washington University in Washington, D.C.

No spokesman, however eloquent, is going to reorient this country's values to small is beautiful; however, as prices continue to climb and resources diminish, more and more people will find themselves resorting to appropriate technology, whether or not they call it that.—CONSTANCE HOLDEN

VOICE OF DEMOCRACY CONTEST

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. YOUNG of Alaska. Mr. Speaker, This year the theme for the Veterans of Foreign Wars Voice of Democracy Contest was "What America Means to Me." Over 500,000 students from over 8,000 secondary schools participated in this year's 30th annual contest.

I would like to take this opportunity to include the text of the winning speech from my State written by Paul Gerard Ossowski of Kodiak, Alaska:

WHAT AMERICA MEANS TO ME

America means opportunity. That is how it all began. The early settlers came to the

new world for opportunity to worship in keeping with their consciences and to build a future on the strength of their own initiative and hard work.

The new continent was bountiful; land was seemingly unlimited. Over the years immigrants poured in, bringing their individual gifts, their talents, and traditions to the new country. This is one reason why America appears to other nations as a "melting pot", consisting of people from every conceivable race and national heritage, joined in the common cause of democracy. Despite our wide range of ethnic groups, we still maintain a sense of unity. The rest of the world often sees only our diversity. But we Americans understand the mystery of our indivisible union. This bond serves us in peace as well as in war.

God and man made America what it is—but America has made us what we are today. We are unique among nations in that we consist of a multitude of races, traditions, religions, cultures and nationalities. We have a great deal to be thankful for. We have fuller freedom for self-government and greater opportunities for self-fulfillment than have ever existed elsewhere.

Because of the way in which our predecessors shaped our nation, Americans in our first 200 years have overcome the full spectrum of adversity—winning independence, taming the wilderness, and surmounting the terrible effects of civil war. In the past half century, we Americans have beaten the Great Depression and powerful armed aggression.

MUSIC IN OUR SCHOOLS WEEK

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. LEGGETT. Mr. Speaker, I rise today in recognition of "Music in Our Schools Week," March 7 through March 12, as designated by the Music Educators National Conference. This national observance is to focus public attention on the goals and processes of music education in our schools.

This third nationwide observance of "Music in Our Schools Week" presents an opportunity to strengthen support to all aspects of music education. The Music Educators National Conference has proclaimed "Harmony in the Arts" as the general theme for 1977 as a cooperative effort with teachers and students of drama, dance, graphic arts, and humanities.

The Highlands High School Marching Band of North Highlands, Calif., has won many awards and trophies from throughout California under the direction of William Hill, chairman of the school's music department. At Highlands High School a special tribute is being planned. Gerald Lopes, president of the Capitol District California Music Educators, and a teacher at Highlands High School where he instructs choral students and directs the school orchestra, has announced a 2-day music festival to be held on Friday March 11 and Saturday March 12. Over 5,000 music students will attend the music festival, appearing in 112 different groups of bands, choirs, and orchestras.

Music education provides opportunities to all students to express their creative abilities and develop their individual talents and brings about awareness of appreciation for positive attitudes toward all peoples and cultures, traditional and emerging. The many benefits of music in our schools certainly makes the program worthy of recognition.

THE QUESTION OF QUOTAS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. MICHEL. Mr. Speaker, there is perhaps no more potentially explosive issue confronting the American people than that of the quota system or reverse discrimination as it is sometimes called. Although the subject is complex and cannot be easily either explained or analyzed, basically what we are dealing with is this question: Is it in the interest of justice for the Government to set goals or timetables or to otherwise deal with Americans along racial lines?

My own answer to that question is that despite the benefits that might be gained by a group or class by favorable goals or timetables for hiring or education, in the long run such programs are inherently unjust.

The Washington Post, March 4, 1977, contained an editorial "A Color-Blind Government" which deals with the difficulties of the subject and provides some interesting questions as well. I do not always agree with editorials of the Washington Post, but I must say that they are consistently well written. Clear writing does not always mean clear thinking—but it is a good thing in itself. I would like to insert this editorial in the RECORD:

A COLOR-BLIND GOVERNMENT?

It is tempting to read far more than is actually there into the Supreme Court's decision upholding a legislative apportionment plan based on racial quotas. The temptation arises because the issue of giving racial minorities a better opportunity in society extends far beyond apportionment to education, employment, housing and many other areas government touches. In legal terms, the means for achieving this opportunity are much alike—whether you call them racial quotas, race-centered remedial measures, or reverse discrimination—because they all focus on race as the distinction between various groups of citizens.

Judged by the cases that lie ahead, the apportionment case decided Tuesday was easy. Yet the Justices split four ways with no one position mustering more than four votes. Taken to the lowest common denominator, seven justices agreed that states covered by the Voting Rights Act can design legislative district boundaries along racial lines in order to provide an opportunity for minority representation in the state legislature. This case involved a plan that distributed a Jewish area in New York among several predominantly black districts so that each district would be 65 per cent black, thus creating a good chance for electing a black legislator.

In one sense, the decision is not unusually important since the facts are peculiar and the absence of a majority opinion reduces its value as a precedent. But the fact remains that the Court approved, for the first time, the use of a precise racial quota by a state government in dealing with its citizens—and that is important. If such quotas are permissible in the crucial area of voting, for instance, should they not also be permissible in other fields such as admission to college or hiring for jobs? The trouble of course—both constitutionally and politically—is that any time someone is included in a group because of a racial quota, someone else is excluded because of race. And for many who believe the Constitution requires government to be color-blind, that is racial discrimination pure and simple.

There are distinctions between voting and other matters that may have been critical to the Court's handling of this case. The first is that as long as politicians believe racial groups vote in blocs, racial factors will be considered (openly or secretly) in apportionment decisions; to argue that those decisions must be made on racially neutral grounds, as Chief Justice Warren E. Burger does in dissent, is to ignore reality. The second is that the Court has held in several prior cases that states must take race into account in apportionment matters and, indeed, has required that black districts be created in some states because prior apportionment plans had split the black vote deliberately in order to squelch black representation. The third is that the purpose of the New York plan was not to reduce the representation of a minority group or to give a racial group higher representation than it had population in the relevant political jurisdiction. The fourth is the existence of the Voting Rights Act in which Congress specifically authorized the use of race-oriented remedies to overcome prior racial discrimination.

Some, but not all, of these factors exist in other areas where quotas or other race-oriented devices have been used. And we are not about to guess how the Justices will regard them in another case now pending—a claim by a white student that he was unconstitutionally discriminated against when his application to a California medical school was rejected while several minority applicants with lower test scores were admitted. That case has other elements too—the attempt to provide minority representation in a key profession, an effort to create a mixed student body, and so on.

There is great appeal in the Chief Justice's position that the government must be color-blind and it is, of course, the goal toward which the country must move. But there is also an awful dilemma. If the government in all its forms cannot consider race for any purpose, the possibility exists that racial minorities will be frozen into the existing social, educational and professional patterns. But if it does consider race, at least in more than a remedial sense, then how much actual change can one say there has there been in the last 25 years—except for the color (or colors) of the preferred race? We, along with the Court, are going to ponder that this spring.

CONGRESSIONAL RURAL CAUCUS $16.4 BILLION ANTI-INFLATION JOB-CREATION PROPOSAL

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BRECKINRIDGE. Mr. Speaker, my colleagues, the Honorable ED JONES, GILLIS LONG, PARREN MITCHELL, RICK NOLAN, JAMES BROYHILL, JIM HANLEY, LARRY PRESSLER, MIKE HARRINGTON, and I have taken a special order at the con-

clusion of business, Thursday, March 10, for the purpose of discussing the Congressional Rural Caucus—CRC—$16.4 billion anti-inflation job-creation proposal, the funding of the Rural Development Act of 1972, and the expansion of FmHA and SBA loan programs.

The Congressional Rural Caucus and subcommittees of both the House Agriculture and Small Business Committees held extensive hearings on this subject March 3 and 4, receiving testimony from a wide cross-section of our people—business leaders, public officials, rural development officials, our minorities and financial institutions.

It is imperative that we take action to stimulate our economy and provide sufficient jobs for our people. Our plan envisions the creation of 3 million new private sector jobs targeted at cities, counties, towns, and rural areas throughout America with high unemployment, while, at the same time, giving the taxpayer a 7 to 1 return on his tax dollars.

I urge my colleagues to be present for, and to participate in, this discussion in which we and our constituents have a direct and vital interest as taxpayers.

WHITE HOUSE CONFERENCE ON SMALL BUSINESS

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BALDUS. Mr. Speaker, today, I introduced House Resolution 386, recommending that President Carter convene a White House Conference on Small Business, early in his administration. This effort is made jointly with those of the Honorable Senator GAYLORD NELSON, chairman of the Senate Committee on Small Business and his colleagues, in introducing Senate Resolution 105 on March 3, making a similar request to the President.

I associate myself with Senator NELSON'S timely remarks contained in the CONGRESSIONAL RECORD of March 3, S3405–3406, and would like to expand on them.

Senator NELSON contends that small business has been largely neglected by the Federal Government. The effects of that neglect are threefold.

First, Congress and the executive branch have teamed up to pass a multitude of laws regulatory of the Nation's business. All too often, those regulations are aimed at big business—Wall Street business—not small business, or Main Street business, if you will. Yet, in the promulgation of these laws and regulations governing the conduct of business, very little effort or initiative has gone into assessing the economic impact these regulations have on small business. While these regulations are usually not aimed at small business, they rarely exempt small business from their scope and effect. Nor have many other imaginative ways of lifting the economic burden of these regulations from small businessmen been developed or explored.

Second, in providing grants, loans, tax incentives and other benefits to business, the Federal Government has done a miserable job of insuring that small business got its share. Industry, by virtue of its size, presence, lawyers and accounting departments, and lobbyists has garnered most of the Federal program pie.

Third, the Federal Government has been particularly neglectful in the research and statistics it has generated on behalf of small business. The activities of the House and Senate Small Business Committees have been particularly successful in promoting the statistical story of the neglected small business.

The whole story, however, has not been told. It would be of immense value to small business for the White House to take a personal and official interest in the problems of the Main Street businessman.

INSTITUTE FOR POLICY STUDIES PRODUCES "SON OF LINOWITZ" REPORT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. McDONALD. Mr. Speaker, on Monday, February 28, a 22-page report entitled "The Southern Connection: Recommendations for a New Approach to Inter-American Relations" was released by the Institute for Policy Studies' Transnational Institute—IPS/TNI—in Washington, D.C. The report was produced by an ad hoc working group on Latin America brought together by IPS/TNI Director Orlando Letelier in 1976 and headed by Roberta Salper, coordinator of IPS's Latin American unit.

The IPS/TNI report bears a marked similarity to the reports of the Ford and Rockefeller brothers funded Linowitz Commission—Commission on United States-Latin American Relations—and can be seen as an effort to crystallize and emphasize certain Linowitz recommendations. Indeed, at least four of the other six working group members—Abraham F. Lowenthal, Richard R. Fagen, Riordan Roett, and Robert Pastor—worked for the Linowitz Commission.

The Linowitz Commission reports are being used as a guide for U.S. abandonment of its leadership role in the Western Hemisphere and for institution of a new policy of nonintervention against Communist aggression on America's doorstep. The relationships between the Institute for Policy Studies, which has long supported the Castro regime and its revolutionary subversion in Latin America and in this country, and the Linowitz Commission bears close examination in this context.

Persons involved with the Linowitz Commission state that the IPS/TNI condensation is being called the "Son of Linowitz" report; and that it was in fact not written by Roberta Salper, but by Abraham Lowenthal, who now heads the Latin American studies program at the Woodrow Wilson International Center and formerly was director of studies for the Council on Foreign Relations. He scarcely troubled himself to alter the wording of the original. A number of CFR members and staff were involved with the IPS/TNI report.

IPS/TNI answers the question as to why it would devote time to reducing the Linowitz Commission recommendations to a skeletal workbook format by acknowledging that their readership targets are principally the new administration and Congress.

In brief, both the Linowitz Commission reports and the IPS/TNI "Son of Linowitz" call for sweeping changes in U.S. foreign policy toward Latin America and the Caribbean. They call for the United States to state that it will never intervene directly with military force or with any economic or other political pressure to try to stop the imposition of totalitarian Marxist-Leninist regime; that the United States give away the Canal Zone and Panama Canal to the leftist dictator of Panama; that the United States withdraw militarily from the Caribbean leaving the Cuban Communists free to carry out subversion and/or direct intervention; and that the United States provide the technology and food and finished goods to subsidize the Communists.

A comparison of Linowitz I, Linowitz II, and "Son of Linowitz" is instructive:

On the Panama Canal:

The most urgent issue the new Administration will face in the Western Hemisphere in 1977 is unquestionably the smoldering dispute with Panama. * * *

The new administration should make it an early priority to clear the air and to focus its own and the public's attention on what is really at stake in Panama.

* * * the Panama Canal is no longer vital * * * the waterway is useful * * *.

* * * the United States does not need perpetual control of the Canal nor exclusive jurisdiction over the Canal Zone to protect its legitimate interest in the Canal. Indeed, the greatest threat to maintaining an open Canal is likely to come from nationalist Panamanian resentment of U.S. attempts to continue to maintain a colonial enclave in Panama. Linowitz II, p. 5.

* * * Panama is now the most urgent hemispheric issue for the new Administration.

* * * the Canal is useful to the United States, but not vital; * * *

Our country's legitimate interests would best be served by recognizing that we do not need to exert perpetual control over the Canal nor reserve exclusive jurisdiction over the Canal Zone.

We * * * recommend:

That the American public be fully informed of the justice and desirability of negotiating a new Treaty. Such a move would make U.S. Senate ratification, Congressional implementation, and U.S. public acceptance of the Treaty easier. IPS/TNI "S.O.L.," pp. 7–8.

The assertion that the Panama Canal is "not vital" is simply false. All but our largest ships can pass through the canal. What is needed is modernization and expansion of the canal's facilities so that larger ships can transit with ease. The canal makes it unnecessary for this country to maintain two separate fleets in the Caribbean and Pacific at a considerable saving in cost to the American taxpayers.

The American people have expressed

their opposition to the giveaway of the Panama Canal and Canal Zone to the Torrijos regime in letters to their Congressmen and Senators, and in numerous public opinion polls. U.S. citizens show more sense than the left academic elite of the Linowitz Commission and IPS/TNI. The request for a propaganda campaign to promote the abandonment of our treaty-held sovereignty over the Canal Zone and canal is a bald admission that there is active opposition to the giveaway among Americans.

Furthermore, neither the Linowitz reports nor the IPS/TNI "Son of Linowitz" mention that the Panamanians are ruled by a leftist dictator who is closely allied with Fidel Castro, as are the leading members of his bureaucracy. Dictator Torrijos can be expected to use the canal capriciously to either forbid transit or exact extravagant rates from the vessels of non-Communist Latin American countries who have been struggling against Cuban-directed revolutionary terrorists.

It should also be noted that Sol M. Linowitz, who takes responsibility for both Commission reports, is currently co-negotiator with Ambassador Ellsworth Bunker of a new canal treaty with Panama. Linowitz's long-stated views that the United States should hand over control of the canal and Canal Zone to Torrijos, combined with the new administration's expressed desire for a hasty settlement, have reportedly caused the Panamanian dictator to further harden his demands for total control.

Linowitz's role as director of a bank which has made large loans to the Torrijos regime indicates a major conflict of interest with his role as U.S. Canal Treaty negotiator. The surrender of the canal to the Panamanian dictator will enable his government to extort the funds which will enable Panama to pay back its loan to Linowitz's bank.

Mr. Linowitz was a registered foreign agent for the Allende government of Chile while Orlando Letelier was Unidad Popular's Ambassador to the United States. Once his minority coalition had gained power, Allende abused his Presidency to smuggle in weapons to arm the MIR terrorists of which his nephew was a leader and for his paramilitary organization, the Group of Personal Friends—GAP. Both the Chilean Communist Party and the Chilean Socialist Party to which Allende and Letelier belonged are Marxist-Leninist revolutionary parties which have worked in close alliance since 1958 and were preparing a coup to seize total power. Some of the funds used to buy arms and smuggle Czech and Soviet weapons into Chile were embezzled from government accounts: other funds were obtained from smuggling heroin and cocaine into the United States, a project in which Orlando Letelier was implicated by the Chilean military government after Allende's overthrow.

It is of interest that the Institute for Policy Studies' Ad Hoc Working Group on Latin America was brought together under the general supervision of Orlando Letelier in 1976 while the second Linowitz Commission report was being prepared.

Letelier upon his return to the United States worked to stop U.S. economic and other support of Chile. He called upon his wide circle of contacts in Washington to effectuate that goal. After his murder in September 1976, it was discovered that Letelier was a paid Cuban intelligence agent; and that the "private" funds he distributed so freely came from the Cuban Communists and also apparently from the World Peace Council, an international Soviet apparatus for supporting terrorists and propagandizing for Western disarmament.

In February 1974, Sol Linowitz participated in a Capitol Hill Conference organized by the Fund for New Priorities on the overthrow of Allende. His role as a foreign agent for the Allende government was not published.

On United States-Cuban relations:

Recommendations:

(a) The President should make clear the determination of the U.S. government to use its powers to the full extent permitted by law to prevent terrorist actions against Cuba or any other foreign country or against U.S. citizens, and to apprehend and prosecute perpetrators of such actions. Our expectation is that Cuba would then prevent the lapse of the anti-hijacking agreement.

(b) Thereafter, representatives of the Administration should indicate to Cuban representatives that the U.S. is prepared to lift its embargo on food and medicines and enter into subsequent negotiations with Cuba on the whole range of disputed issues * * *. Linowitz II, pp. 10–11.

* * * we recommend:

1. That the new Administration take the first step * * * by announcing and undertaking strict measures to enforce national and international laws barring the use of U.S. territory, personnel, or resources as a basis for terrorist acts or plans, and also by cutting whatever ties may still exist between U.S. Government agencies and those who engage in terrorism or sabotage against Cuba. * * *

3. If such talks are fruitful, we recommend that the U.S. embargo on food and medicine be lifted. This significant gesture would indicate that the United States wishes to enter into negotiations on other outstanding issues * * *. IPS/TNI "S.O.L.," p. 11.

Both the Linowitz Commission and the IPS/TNI report call for "ideological diversity," meaning American acceptance of the Communists' "right" to impose a totalitarian regime in Cuba and other countries and make them the base for undermining neighboring countries.

The Linowitz Commission and IPS/TNI demand U.S. Government action to prevent terrorist actions against Cuba and ignore the fact that the exile Cuban groups are penetrated thoroughly by Castro's secret police one of whom admitted upon his safe return to Havana participating in the assassination of an anti-Castro exile leader in Miami. In other instances, acts of violence have been instigated by Castro's DGI agents provocateur who set up duped exiles for arrest.

Furthermore, the Cuban Communists began exporting revolutionary terror to many Latin American countries in the 1960's. These activities continue unabated and have caused death and injury to thousands.

In this country, the Cubans coordinate support work for a wide range of Soviet-sponsored terrorist groups in Africa, the Middle East, Far East and Latin America. The Cubans are linked to the Weather Underground Organization and the FALN terrorists in this country and dominate the Marxist-Leninist Puerto Rican Socialist Party which has been involved in violent activities for over 15 years. Selected members of the Venceremos Brigade have received training in sabotage and terror tactics in Cuba; and Cuba has provided sanctuary for a number of U.S. revolutionaries wanted for criminal activities.

Nevertheless, Linowitz Report I asserted:

Whatever the case in the early 1960s, Cuba's material support of subversive movements in other Latin American countries has diminished in recent years. Its residual activities appear to be largely rhetorical; they do not now threaten the security of the United States nor of the Latin American countries.

That Linowitz report was published in mid-1975, the year after the founding of a "terrorist international," the Revolutionary Coordinating Committee—JCR by Castroite and Trotskyite groups in Argentina, Chile, Bolivia, and Uruguay. Even as the report appeared, the JCR had as many as 6,000 armed guerrillas in Argentina with many additional supporters, and was attempting to infiltrate 2,000 heavily armed guerrillas over the Andes into Chile to lead a planned uprising.

Under the pretext of ending terrorism, both the Linowitz report and IPS/TNI ask the U.S. Government to in effect break up Cuban exile organizations who still hope to free their homeland from Communist rule. It should be noted that for Communist regimes, "sabotage" includes all antiregime activities including circulating antiregime literature, labor organizing, and many other nonterrorist activities.

The IPS/TNI report euphemizes the Communists' confiscation of property and businesses owned by Americans, the forced collectivization of the Cuban economy, and the transformation of Cuba into a Soviet satellite, mercenary training center and base for subversion and terror as Cuba's challenge to "the rules of U.S. dominance." Among its recommendations are negotiations in which Cuba would pay some compensation for stolen U.S. property in exchange for U.S. abandonment of our naval base at Guantanamo held by lawful treaty.

On "Non-Intervention" and "ideological Diversity":

Unilateral U.S. military intervention, such as occurred in the Dominican Republic in 1965, must not be repeated. Covert U.S. involvement in the domestic politics of Latin America, such as occurred recently in Chile, is indefensible and should be ended. * * * such activities * * * are inconsistent with a mutually respectful world order * * *. Overt or covert intervention by other nations does not necessarily justify employment of such * * * practices by the United States. * * *

Latin American nations will continue in the coming years to possess widely varying political and economic systems. Although such diversity in the hemisphere may sometimes directly affect U.S. interests, these tendencies clearly reflect the desire of nations

of the hemisphere, north and south, to determine their own futures. Linowitz I, pp. 24–25.

"* * * the new thrust of U.S. policy in Latin America should be to support the ideologically diverse and experimental approaches to development that are gaining support around the world. Underlying this recognition and response must be the acceptance of ideological pluralism in both economic and political affairs.

"* * * the primary implication of accepting ideological pluralism is clear: the United States must not intervene to shape governments and societies to our views and preferences. Instead, the United State must recognize the right of peoples around the world to determine the nature of their political and economic institutions for themselves. Accepting the principle means, for example, that the United States will not boycott and isolate (or ultimately invade) any country, however small or near, because of political and economic differences.—IPS/TNI "S.O.L.," pp. 3–4.

The intention is clearly for the United States to forever abandon its military option in the Western Hemisphere, and to agree never to aid any government or organization resist Communist subversion and terrorism regardless of the training, arms, financing and propaganda support from Communist countries. In effect this would give carte blanche to the Soviets and the Cubans who even now are well advanced in plans to transform Jamaica into a Marxist-Leninist dictatorship.

On "Human Rights":

* * * the U.S. government should try to assure that its programs do not aid or abet repressive regimes in carrying out inhumane activities. Linowitz I, p. 26

"We believe that U.S. policy toward foreign economic and military assistance * * * should honor and support human rights. IPS/TNI "S.O.L.," p. 5

However, there is a major inconsistency in the "human rights" proposals. The United States is asked to deny economic and security assistance to countries like Argentina,, Brazil, Chile, and Uruguay on the grounds that they are authoritarian. Yet in each of those countries, the authoritarianism was a survival response against aggression in the form of subversion, terrorism and attempted civil war instigated by the Marxist-Leninists with Cuban backing. In each of those countries there is economic freedom, the right to own private property, businesses, and land, freedom of worship, and the right to travel or to emigrate to another country. There are varying amounts of press censorship in political and national security areas. There are varying amounts of political freedom, but the various Communist and revolutionary groups which had been involved in the subversion and terrorism are banned.

In each of these countries the individual has many more freedoms than exist in any Communist regime whether it be Cuba, the Soviet Union, Yugoslavia, or Vietnam.

Nevertheless, the United States is asked to cut off security assistance, forbid arms sales, and end economic arrangements—in effect, to apply pressure in support of the Communist revolutionaries—while establishing relations and providing aid and economic assistance to that festering sore of totalitarianism in Cuba which even now is operating terrorist cadres in our land and is training American citizens as terrorists in Angola and Aden.

It is instructive that the IPS/TNI report also asserts that it would be a "most dangerous delusion of American omnipotence" for the United States to hope that such a course of action would improve human rights in any country. The real result would be to weaken free world countries resisting subversion while at the same time propping up the faltering economies of the Communist camp with food and high technology exports.

IPS/TNI GROUP STAFF

In light of the strong bias toward Cuba foreign policy goals in the Western Hemisphere exhibited by both the Linowitz Commission reports and the IPS/TNI "Son of Linowitz" group, an examination of the staff of the ad hoc group, their involvements with the Linowitz Commission, and with other Latin American activities may be instructive.

Roberta Salper, coordinator of IPS's Latin American Unit, served as a member of the U.S. Zone Central Committee of the Castroite Communist Puerto Rican Socialist Party—PSP—prior to her joining the Institute for Policy Studies staff. In 1976, IPS codirector Richard Barnet recommended her to the Council on Foreign Relations. After the 25th Congress of the Communist Party of the Soviet Union in Moscow, Salper arranged for private meetings at IPS with Guyana's Cheddi Jagan. Among the results was a coordinated campaign against the pro-U.S. Jamaican Labour Party alleging an attempt to "destabilize" the Castro-allied government of Prime Minister Michael Manley by the United States.

Salper states that Orlando Letelier, "colleague and friend," read the first draft of the "Son of Linowitz" report prior to his murder.

Salper has been complaining that her salary is less than that of male IPS staffers, and some of her colleagues claim that her taking credit for "Son of Linowitz" which Abe Lowenthal actually wrote is an effort to appear more active and earn a raise.

Abraham F. Lowenthal, director of the Latin American program at the Woodrow Wilson International Center for Scholars in Washington, D.C., was from 1974 through December 31, 1976, acting director and then director of studies at the Council on Foreign Relations.

Lowenthal was "special consultant" to the Linowitz Commission and in fact was the author of the IPS/TNI report.

In a broadcast interview last week, Lowenthal first argued that diplomatic and trade relations with Cuba would benefit U.S. businessmen and the U.S. economy. However, under questioning, Lowenthal admitted that the potential Cuban market was small and quite insignificant with regard to the U.S. economy and balance of payments deficit. Pressed further, Lowenthal admitted that the real Cuban questions were "political."

Guy F. Erb, senior fellow, Overseas Development Council, who has urged that the U.S. Congress not "jeopardize" détente with the USSR by tying commercial and credit relations to human rights issues in the Soviet Union.

Riordan Roett, a consultant to the Linowitz Commission and director of Latin American Studies at Johns Hopkins University's School of Advanced International Studies.

After the Allende Unided Popular government was deposed in 1973, Roett headed the Emergency Committee to Aid Latin American Scholars—ECLAS—which received a $40,000 grant from the Ford Foundation to organize the placement of Chilean Marxists as instructors at American colleges and universities. Among those "placed" was Orlando Letelier, the Cuban agent.

Robert Pastor, executive director of the Linowitz Commission—Commission on United States-Latin American Relations, "an independent bipartisan group of 20 private citizens." The IPS/TNI report notes:

Due to his commitments while serving as Executive Director of the Linowtiz Commission and his successive appointment to the staff of the National Security Council (January 1977), Robert Pastor did not participate in the preparation of the last draft and the final version of this Report.

Richard Rees Fagen, a consultant to the Linowitz Commission; professor of political science at Stanford University and 1975 president of the American Political Science Association.

Fagen traveled to Cuba in July 1969, with a group of U.S. revolutionaries, mostly members of the Weatherman faction of SDS, to meet with North Vietnamese Communists and Vietcong officials. With Fagen on that trip were Robert "Bo" Burlingham, indicted with other Weatherman leaders in a bomb conspiracy plot, a former Ramparts editor and since 1974 an editor of the radical journal, Working Papers for a New Society, cosponsored by IPS and its offshoot, the Cambridge Policy Studies Institute; Sandra Levinson, a strident Castroite now active with a Cuban propaganda outlet in New York City called the Center for Cuban Studies; James Petras who combines support of Castro with his Trotskyism; and Saul Landau, active in support of the Cuban Communists since the 1960's, an IPS fellow, and with Orlando Letelier codirector of IPS's Transnational Institute.

Fagen was a recipient of Ford Foundation grants in 1967–68, 1969, and 1972–73 during which period he lived in Chile as a "consultant" under the Marxist Allende regime.

In 1967 Fagen was a founding sponsor of the U.S. Committee for Justice to Latin American Political Prisoners—USLA—a front of the Trotskyite Communist Socialist Workers Party, the U.S. section of the Fourth International which has organized the training of Latin American Trotskyites as terrorists by the Cubans since 1962. USLA's function is to provide support to arrested members of revolutionary groups. Fagen has retained his Trotskyite contacts. serving as a USLA "honorary" executive board member in 1974 and in July 1976 signing a letter protesting the Peruvian Government's expulsion of the

Trotskyite terrorist Hugo Blanco, a leader of the Fourth International.

Fagen has been active in the agitation against the non-Communist government of Chile which deposed Allende in 1973. He was a sponsor of the second Chile Solidarity Conference in 1975 organized by the Communist Party, U.S.A. controlled National Coordinating Center in Solidarity with Chile and in which many Castroites are also active.

In July 1975 and again in 1976, Fagen was a sponsor of the Venceremos Brigade's yearly celebration of the Cuban Communist July 26 holiday, and in 1975 signed a letter inviting Melba Hernandez, a Cuban Communist leader active in the World Peace Council's terrorist support programs, to speak at the New York City rally. Fagen is a sponsor of the Cuba Resource Center, a propaganda mill which works closely with the Venceremos Brigade and the Center for Cuban Studies.

Fagen is a supporter of the North American Congress on Latin America—NACLA—established from the SDS Radical Education Project and characterized frankly by the SDS leadership as the intelligence-gathering arm of the revolutionary left. NACLA staffers have very close ties to the Cuban regime, and CIA turncoat Philip Agee credited NACLA along with members of the Cuban Communist Party with having aided him in producing his book. Said Fagen of NACLA "long before the Establishment press and Congress took note, NACLA understood what was happening in Chile and why." Mrs. Patricia Fagen was active in the Emergency Committee to Aid Latin American Scholars headed by Riordan Roett.

Richard R. Fagen is currently a member of the Board of Trustees of the Council on Hemispheric Affairs—COHA—as are Institute for Policy Studies codirector Richard Barnet, Fund for Peace president, Nicholas Nyary, Ernest Chanes of the National Emergency Civil Liberties Committee—NECLC—and others involved with attempts to manipulate the academic and political communities.

Michael Locker, with IPS/TNI fellow Michael Klare who has recently been lecturing on U.S. arms policies to the USSR's World Peace Council, the Fund for Peace in Washington, and at the University of Havana, Locker was a founder of the North American Congress on Latin America—NACLA.

In his anti-CIA expose, "Inside the Company," Philip Agee states the book could not have been written without the encouragement of representatives of the Communist Party of Cuba, the resources of the Cuban Government, and information provided by John Gerassi, Nicole Szulc, and Michael Locker of the North American Congress on Latin America. In the U.S. edition of Agee's book, all mention of Locker is omitted.

Locker has been a sponsor of the Tricontinental Information Center which disseminated Cuban materials supporting revolutionary armed struggle and terrorism; a founding sponsor of the Trotskyite U.S. Committee for Justice to Latin American Political Prisoners—USLA—and is active in the leadership of the Cuba Resource Center.

Locker and NACLA were among the first of the Castroite New Leftists to understand the value of detailed research and analysis of U.S. Government agencies and businesses to the revolutionary left. The range of NACLA interests is from the security practices at the plants of U.S. defense contractors and other vital businesses to negotiations with Third World countries for development of resources, and the economics of American bases in the Caribbean.

The value of a sophisticated industrial research organization operating full time with full access to the publicly available data in the United States to other countries in competition for international markets is obvious. However, not all of NACLA's information is derived from public sources and some of it is obtained by subterfuge.

Locker is currently president of Corporate Data Exchange, Inc., which has its office in room 706, 198 Broadway, New York, N.Y. 10038—212/962-2980. Formed in 1975 and closely associated with the National Council of Churches' Corporate Information Center, Locker's CDE researches stock ownership of major companies so that radical activist groups can apply economic pressure against businesses with investments abroad more easily.

Credit for the "Son of Linowitz" IPS/TNI report is also given to Robert Bond, a member of the staff of the Council on Foreign Relations; Joan Lipton of the University of Texas at Austin; Mark Schneider of the office of Senator EDWARD M. KENNEDY for his "pertinent observations;" IPS codirectors Marcus Raskin and Richard Barnet; and two staffers on the IPS Latin American Unit, Marcia Grandon and Waldo Fortin.

I find it disturbing and significant that Americans in influential government and academic positions are working to promote U.S. foreign policy changes in Latin America with Castroite intelligence-gathering organizations like NACLA; and that their views coincide in a number of areas with those of Cuban intelligence agents like Orlando Letelier with whom they have been in contact. The activities of the Cuban DGI spy agency in this country are long overdue for investigation by this body, and I recommend such an investigation be commenced immediately.

THE NATIONAL RIP-OFF ACT

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. GOLDWATER. Mr. Speaker, this bill ought to be renamed the National Divorce Act or perhaps the National Experimental Tax Act, or better still, the National Rip-off Act.

Why the National Divorce Act? Under this bill, the committee has actually increased the already inequitable tax penalty for married couples who both work. As an example, the 1976 tax penalty for a married couple who earned $15,000 a year each was $794. Under the tax tables devised for 1977, the penalty for that couple was increased to $840. At this rate, maybe churches should devise a way to sanction a marriage under God and simply ignore the legal sanction. This way, the laws of God are satisfied, and the couple can continue to file as single taxpayers.

Although the aforementioned is bad enough, probably the worse part of this bill is the unbelievable plan the committee devised for distributing $50 to certain lucky Americans. Please note that I did not say "rebate" or "taxpayers" because fully 28 percent of the proposed handout goes to individuals who had no tax liability. But that is not even the worst. Under this bill, a single person earning $25,000 a year can plan on a $50 check this June. A family of four who lives on $25,000 a year can plan on $200. However, a family of 10 whose income is only $5,000 more can forget it because they are not going to get one red cent. Unbelievable. I am told that the committee was looking for a simple plan to feed money into the economy in a hurry. Well I have got to give them credit, because this plan is certainly simple.

THE NATIONAL FLOOD INSURANCE PROGRAM

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. RAHALL. Mr. Speaker, today I have introduced legislation which will amend the National Flood Insurance Act of 1968 for the purpose of extending the program and raising the amounts of coverage available to family homeowners and businesses.

The present coverage under the program is $35,000 on a single family dwelling and $100,000 on all other types of buildings.

My legislation will allow the Secretary of Labor to increase the amounts of coverage as it is reflected by any increase in the cost of building materials and in wages paid to construction workers.

Also the legislation will extend the program to September 1979.

Communities eligible in the Fourth District of West Virginia are: Cabell County—Barboursville, Milton, Huntington; Logan County—Chapmanville, Logan, Man, Mitchell Heights, West Logan; Wayne County—Ceredo, Fort Gay, Kenova, Wayne; Mingo County—Delbarton, Gilbert, Kermit, Matewin, Williamson; Raleigh County—Beckley, Lester, Sophia, Rhodell; Wyoming County—Mullens, Oceana, Pineville; McDowell County—Anawalt, Davy, Vaeger, Keystone, Kimball, Northfork, War, Welch; Mercer County—Bluefield, Bramwell, Matoaka, Oakvale, Princeton.

Mr. Speaker, West Virginia families are being faced with the possibility of record flooding this spring when the snows and ice of this harsh winter are melted by the warm temperatures and rains.

Now is the time to act, not after flooding has occurred, the families of West Virginia need Congress help now. I urge my fellow colleagues to support this legislation.

AMERICAN SOCIETY FOR MEDICAL TECHNOLOGY WITHDRAWS ITS REPRESENTATION ON ASCP BOARD OF REGISTRY

HON. ROBERT W. DANIEL, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, one of my constituents, George J. Carroll, M.D., of Suffolk, Va., is presently serving as president of the American Society of Clinical Pathologists, a professional medical society, in existence since 1922. One of the best known and most highly respected activities of this organization is its board of registry, which certifies clinical laboratory personnel.

The American Society of Clinical Pathologists is holding its national meeting this week in Miami Beach, Fla., and one of the matters to be discussed at that meeting is the recent action by the American Society for Medical Technology to withdraw its representation on the board of registry. The ASMT is involved in the establishment of another certification agency. My constituent, Dr. Carroll, recently issued, on behalf of the organization he heads, a statement regarding this action. Because the clinical laboratory occupies such an important position in the delivery of quality health care to our citizens, I would like to share with my colleagues the text of Dr. Carroll's statement:

STATEMENT OF THE AMERICAN SOCIETY OF CLINICAL PATHOLOGISTS REGARDING THE DECISION OF THE AMERICAN SOCIETY FOR MEDICAL TECHNOLOGY TO WITHDRAW FROM THE ASCP BOARD OF REGISTRY

The American Society of Clinical Pathologists has been advised by the President of the American Society for Medical Technology that ASMT has withdrawn its representatives to the ASCP Board of Registry effective January 17, 1977, and will no longer participate in its operation.

The ASCP-ASMT relationship on the Board of Registry has been a long and productive one. ASMT has been represented on the ASCP Board of Registry since 1940, and has had full voting membership for 28 years. At the time of their withdrawal, they had equal representation and the immediate past chairperson of the Board was an ASCP-certified medical technologist, representing the ASMT. Considering this long association, as well as the possibility of misunderstanding of the status of the Board of Registry as a result of this action, I believe that a policy statement by ASCP is in order. I want to begin this statement by emphasizing that the Board of Registry will continue its examinations and all other activities as scheduled, with no interruption.

ASMT has given as a reason for its withdrawal a recent communication from the Federal Trade Commission, which is part of a massive inquiry directed to all professional organizations within the health community. In view of this inquiry, ASMT suggests that its continued participation in the activities of the Board of Registry might somehow constitute an impropriety.

ASMT further cites a 1975 position statement, which was part of the ASMT Future Directions Program, and in 1976 became action by their House of Delegates emphasizing that organization's commitment to establishing an "autonomous certification agency with representation from, but not limited to, ASMT and ASCP."

The officers and Board of ASMT apparently feel that the policy discussions with ASCP regarding the Board of Registry, which have been ongoing for the last year, were not progressing rapidly enough. ASCP was making a strong commitment to these policy discussions. The roles of the two Societies, as well as possible changes in the Board of Registry have been discussed, and reorganization proposals have been drawn up. In view of ASMT's announcement that they have been involved in planning for this new certifying agency for the past five years, one must question whether ASMT's officers and Board took seriously our commitment to arrive at mutually satisfactory policy relationships regarding the Board of Registry. ASMT has now announced the establishment of its own "independent certification agency", which it refers to as "a certification agency designed by and for laboratory professions".

It is apparent that ASMT made this move with some planning and consideration. This is evidenced by the 1975 Future Directions Statement and their announcement of plans to have a certification examination by summer of this year. I sincerely hope that all factors have been carefully considered and all the possible ramifications of this action havo been examined.

A wide proliferation of certification agencies within the medical laboratory field can only weaken the significance of all certification and ultimately will weaken the professions themselves. Board of Registry certification, particularly for the medical technolcgist, is respected not only in this country but throughout the world. The ASCP certification is a mark of excellence and attests to high competence. It represents quality and credibility to the general public, all levels of government, laboratory professionals and physicians.

The Board of Registry has gained this respect and prestige over 48 years through the efforts of qualified, hard-working and dedicated persons in ASCP and ASMT. Important relationships have been established with organizations such as the American Association of Blood Banks, National Registry for Clinical Chemistry, the American Academy of Microbiology, the Society of Nuclear Medicine-Technology Section, the American Society of Hematology, the American Society of Cytology, and the National Society for Histotechnology. These organizations add stature, provide valuable input to examination content and are active in the development of criterion-reference examinations. The Board of Registry's experience and high level capabilities in constructing, validating and administering examinations and in certifying personnel, has led to a strong leadership role on the steering committee for the establishment of a National Commission for Health Credentialing Agencies. Evolving programs include periodic self-assessment, assessment-directed continuing education, on-job evaluation and competency evaluation. These programs are ready for implementation. It is unrealistic to believe that this capability, this type of leadership, this respect and prestige, will be attained by a new certifying agency in the foreseeable future.

Any new agency will be costly and an increased financial burden for the societies and the individual technologists involved. More important, however, it will be divisive and unnecessarily duplicative. If there ever was a time for the professions heavily involved in the medical clinical laboratory to remain cooperative and of single purpose, it is now. Further splintering can only confuse the government and public, with less understanding and acceptance of the legitimate needs of the medical laboratory professions.

Finally, the ASCP regrets that ASMT feels it must withdraw because of the current inquiry by the Federal Trade Commission. The FTC has issued subpoenas to some 40 medical specialty societies. This proceeding is purely in its preliminary stages. ASMT's withdrawal apparently placed substantial reliance on this FTC matter, as their announcement stated, "This action was necessary to prevent the society from being placed in legal jeopardy." We are advised that the Federal Trade Commission is conducting a thorough investigation into the ASMT files. It is unfortunate that the impression has been left that this investigation is one of the reasons for ASMT's withdrawal.

Furthermore, the comments of John F. Sembower, Esq., ASMT's legal counsel, as communicated to the ASMT president and which have been given wide circulation, suggest that another reason why he endorsed the proposed withdrawal statement was the 1967 investigation of the Department of Justice of ASCP, ASMT, and the College of American Pathologists. It is unfortunate that Mr. Sembower did not point out that after the thorough investigation by the Department of Justice in 1967, in which ASCP fully cooperated, no charges were filed against ASCP.

The American Society for Medical Technology has stated that "the profession will now have the opportunity to benefit from a certification system designed to meet credentialing needs." The profession has had the benefits of such a system since the establishment of the ASCP Board of Registry in 1928. It is our intention to continue the Board's operation as we have for 48 years.

Examinations will be given as usual and there will be no change other than the fact that the technologists sitting on the Board and its many examination committees will no longer officially represent ASMT. Applicants for any category of certifying examination offered by the ASCP Board of Registry should submit their application in accordance with established and published procedure.

In keeping with ASCP's desire to make the Board responsive to the needs of the registrants, changes and improvements will be made as deemed necessary, after careful consideration. Our commitment to progress for the Board is evidenced by our concern with such research projects as: (1) Development of criterion-referenced, competency-based examinations and evaluations systems; (2) Development of multiple pathways to certification as a technician in the generalist area; and (3) Development of appropriate recertification/continued competency assessment instruments.

We deeply regret that ASMT does not wish to continue in its participation in the activities of the Board of Registry, or in this commitment to the Board's progress.

A CZECH HERO

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. DELANEY. Mr. Speaker, yesterday marked the 127th anniversary of the birth of one of Europe's greatest scholars

and statesmen—Thomas G. Masaryk. It was he who, with his student Eduardo Benes, founded the modern Czechoslovakian nation in 1918 after his people had lived through over 300 years of tyrannical Hapsburg domination. It was he who served as Czechoslovakia's first President.

As early as 1891, in the Austro-Hungarian parliament, Masaryk was fighting for the rights of Slavic minority groups. In 1917–18 he came to the United States to seek our support and met personally with President Wilson. This led to an official declaration of sympathy for Czech goals and to the formal recognition of the Republic by the Allied powers in the fall of 1918.

To quote Masaryk's own words as he reminisced in 1928:

In a sense, the United States is Czechoslovakia's foster parent. It is upon President Wilson's immortal charter of freedom, as embodied in his famous Fourteen Points, that the foundations of our State are laid. We have tried to pattern our young republic after our great sponsor.

When Tomas Masaryk died in 1937, this coachman's son who became a "presidential liberator" was internationally loved and respected.

Mr. Speaker, let us all remind ourselves of the living legacy of this Czech hero's dedication to the cause of freedom. May the spirit he constantly demonstrated—the spirit he passed through Benes to Dubcek and which is alive even today—again liberate Czechoslovakia from the yoke of oppression.

THE WORLD REFUGEE SITUATION: A REPORT

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. KOCH. Mr. Speaker, as a consistent supporter of legislation and funds to aid refugees, it was extremely interesting to receive the U.S. Committee for Refugees' "1977 World Refugee Survey Report" which provides a background for understanding the problems of persons displaced by warfare and social unrest in many parts of the world. I am appending some excerpts from that report which I feel will be of interest to my colleagues. These provide an overview of the world refugee situation; specific reports on the situations in Lebanon, Latin America, and Eastern Europe; background concerning the various international conventions and organizations dealing with refugee problems; and a summary of the U.S. Government role in caring for refugees:

THE WORLD REFUGEE SITUATION: AN OVERVIEW

The most dramtic refugee story of 1975–76 is the result of a decade of war on the Indochina peninsula. During the war, some ten million persons were displaced at one time or another in Vietnam. A quarter of the population of Laos, about 700,000 persons, was also displaced along with large numbers of Cambodians.

Assistance to Indochina is coordinated by the United Nations High Commissioner for Refugees (UNHCR) in cooperation with the United Nations International Children's Educational Fund (UNICEF), the World Health Organization (WHO), the World Food Program (WFP), the Food and Agricultural Organization (FAO), and the International Red Cross.

About 260,000 Cambodians, Laotians and South Vietnamese fled abroad in 1975. Many Indochinese, mostly Vietnamese, were resettled in the U.S. and a smaller number found homes in a variety of other countries.

There are also more than 70,000 Indochinese, mostly Laotians, in refugee camps in Thailand. The UNHCR, in cooperation with various voluntary agencies, has upgraded conditions in the camps. Although the Thai government feels the refugees cannot be absorbed into Thai society, there are projects underway to make the refugees agriculturally self-sufficient, creating "refugee villages" out of refugee camps.

In Cambodia, hundreds of thousands of people are being moved by the government, frequently at gunpoint, from one area of the country to another, according to Western intelligence sources and Cambodian refugees. The regime's rationale for the move is to increase the rural work force.

Perhaps the worst conditions are faced by the "boat people"—those Indochinese refugees refused temporary asylum by any country. They are forced to stay on board the boats they used to flee their homes or are even ordered back out to sea, to wander from port to port facing the threat of typhoons. There are already 2,600 such people and, since Asian countries refuse to take in more refugees, most new escapees are finding themselves in this situation.

Outside Indochina, there are other recent major dislocations. The aftermath of independence struggles in Angola, Guinea-Bissau and Mozambique, civil war in Lebanon, the 1974 political conflict on Cyprus, the 1973 coup in Chile, and the struggle of the Iraqi Kurds for self-determination have all created serious refugee situations.

In addition, there are long-standing problems, not frequently publicized, which require continued assistance by the international community. The UNHCR spends about 60% of its regular budget for on-going refugee programs in Africa. Refugees from Eastern Europe and the Soviet Union continue to flee to the West. The year 1974 marked the greatest influx of refugees from the Peoples Republic of China to Hong Kong since the early 1950s. Despite the reversal of the Hong Kong government's asylum policy in that year and its replacement with a strict deportation policy, the exodus did not cease in 1975–76. For over a quarter of a century, relief has been provided for Palestine refugees through the United Nations Relief and Works Agency for Palestine Refugees (UNRWA). However, a large budget deficit and the civil war in Lebanon have seriously threatened UNRWA's operations.

LEBANON

Lebanon has amply proven the axiom that civil wars are the bloodiest of all conflicts. Beginning in the summer of 1975, the fighting has caused serious damage to the country's economic and social structures and brought a tremendous amount of suffering to the Lebanese people.

The key issue in the war has been the relative proportion of political power to be held by the Christian and Moslem communities. Yet there have also been a number of complicating factors, including Syrian involvement and the presence of 200,000 Palestinian refugees.

Although the number of armed men fighting is relatively small, the intensive battles in highly populated areas, indiscriminate use of artillery, looting and atrocities by both sidees, and the breakdown of social services, have led to the displacement of a very large portion of the population. Hard data are extremely difficult to obtain, but most estimates agree that 500,000 out of the total population of 2.5 million, have fled the country or have been forced to abandon their homes for more secure areas of Lebanon.

Both Christians and Moslems have been involved in this exodus. About 150,000 have migrated within the country and most of the rest have gone across the border into Syria. Of the remainder, thousands have gone to Egypt, the United Arab Emirates, and Europe (particularly France).

Many of those leaving the country have some money or relatives abroad who can provide assistance. Syria has given aid to those coming there. In fact, the UN High Commissioner for Refugees has not classified these people as refugees because, it is believed, most of them will return when the fighting diminishes.

The greatest need is experienced by those still within Lebanon. Many are in makeshift camps and require blankets, clothing, shelter and medicine. A great number of civilians have also been wounded in the shooting.

Even when the conflict ends, reconstruction will be costly and complex. Lebanon's economy has been dependent on its position as a Middle East financial and commercial center, supplying harbor, business and middle-man services to the entire region. Tourism was also an important part of the Lebanese economy. Disruption of all these activities may have reached a level from which the economy might never recover. Outside aid will be, then, a necessity for the foreseeable future.

The UNHCR appealed for $50 million in emergency relief in 1976. The U.S. Congress has appropriated some $20 million for assistance, mostly to the International Red Cross and the American University of Beirut Hospital.

In 1975, Sen. Kennedy charged the State Department and Immigration and Nationalization Service with "bureaucratic indifference" toward Lebanese seeking a U.S. haven. However, the situation has clearly improved since then. A number of special actions have been taken, including extending the visa of Lebanese now in this country, cutting red tape for visa applications, and utilizing parole program extensions. Several thousand refugees have taken advantage of this offer.

Some 2700 stateless people, mostly Assyrians and Armenians, who were caught in the fighting have also been helped by a variety of agencies including the State Department, ICEM, UNHCR, and the National Council of Churches. They were evacuated from Lebanon and 2300 of them have been admitted to the United States.

LATIN AMERICA

The search by refugees for asylum in Latin America has come to resemble a game of musical chairs.

As military coups have overthrown several governments in South America, opponents of these regimes have fled to neighboring countries. At first, when the leftist government of Salvador Allende ruled Chile, thousands of political refugees from Brazil and Bolivia came into the country. When a coup overthrew that elected government in September 1973, the right-wing military junta cracked down on these refugees.

Next, joined by thousands of Chileans, the refugee flow went to Peronist Argentina. Two years later, this regime too was overthrown by the military. The hunt for a fresh haven is now going on.

The unwillingness of many South American governments to accept many refugees is due to the fact that many of them are identified with the political left. Hence regimes fear that they will engage in leftist activities

within the country of asylum or prove an embarrassment in relations with their home countries.

About 4000 of the refugees in Argentina—mostly Chilean but including many Bolivians and Uruguayans—have been resettled in 40 host states. Of the remainder, 2000 have received permanent work/residence permits in Argentina, 6000 are being supported by aid from UNHCR and voluntary organizations, and an additional 2000 are receiving no assistance.

Since a bloody guerrilla war between left and right wing terrorists has been going on in Argentina, inevitably some of the refugees have become targets. In June 1976, files were stolen from the offices of the leading voluntary agency—a Catholic group—engaged in refugee work in Buenos Aires. Two days later, 24 of those on the aid lists were kidnapped and tortured by rightist armed groups.

Understandably, UNHCR has made resettlement of the refugees stranded in Argentina a high priority.

Three thousand Chilean refugees have successfully transitted through Peru to resettlement in other countries. Only a very small percentage have been given permanent asylum there.

About 10,000 more Chileans have been granted asylum in a wide variety of Latin American countries, particularly in Mexico.

Some controversy developed over whether the U.S. would take some of the refugees in, particularly given U.S. support for the anti-Allende coup. A number have been admitted, but congressional pressure sought to extend parole status. The Justice Department is considering admission of 200 refugees each from Argentina and Uruguay.

EASTERN EUROPE

The main refugee problem in Europe remains the steady flow of people from the USSR and Eastern Europe to the West.

This is a unique refugee situation. Here, the people in question want to leave their home country, but they are often held back by the government. In general, only those are allowed to leave who can claim another nation—Jews to Israel and ethnic Germans to West Germany—plus a small number of dissidents whom the state wishes to eliminate from political life.

At times of crisis, there has been an outpouring of refugees, as after the 1956 Hungarian revolt and the 1968 Soviet invasion of Czechoslavakia. Yet the steady, if less publicized, population movements are also sizeable.

Between 1972 and 1976, over 100,000 Jews left Russia, mostly for Israel, although about 10,000 came to the U.S. during that period. Emigration reached a peak of 35,000 in 1973, declined to 20,634 in 1974, and decreased to around 13,000 each in 1975 and 1976.

The refugee level is determined not so much by the individual wills of those wishing to leave as by the Kremlin's willingness to raise—or lower—emigration quotas. Applicants for exit visas are virtually assured of losing their jobs, of being subjected to social ostracism, and sometimes to arrest or imprisonment. To become a refugee at all, then, is something of a "privilege." It is estimated that 150,000 Jews are awaiting permission to go, a process often taking years.

A similar, though more tolerant, situation exists in Romania, from which around 12,000 Jews have emigrated between 1973 and 1976. Romania has met U.S. requirements for "most favored nation" status in trade relations. The Jackson-Vanik Amendment tied these benefits to an easing of emigration policy.

The U.S. has also appropriated money for resettling Jewish refugees in Israel and, in 1975, accepted about 5200 people for residence here.

Ethnic Germans, primarily from the USSR and Poland, have also been allowed to emigrate to West Germany. After a 1975 treaty, 24,000 will be allowed to leave Poland annually up to a total of 125,000 people. West Germany, however, estimates that up to 280,000 wish to depart. In addition, around 12,000 ethnic Germans are permitted to leave the USSR for West Germany each year. The Bonn government says the number of those who desire to emigrate from the USSR is around 300,000.

Easing of emigration restrictions in Poland and Romania have been matched, to some extent, by East Germany in recent years, though other East European states lag behind.

There are also people still classified as refugees from earlier waves of emigration. In France, for example, there are 17,000 people from the USSR and 27,000 from Poland, Hungary, Romania and Czechoslovakia still given that status.

INTERNATIONAL PROTECTION

Office of the United Nations High Commissioner of Refugees (UNHCR)

The first international assistance to refugees began under the auspices of the League of Nations in 1921, with the appointment of Fridjof Nansen as High Commissioner for Refugees. This assistance consisted of legal protection and immediate relief and resettlement programs. During the following three decades intergovernmental committees were created to deal with refugee problems as they arise.

Before the establishment of the United Nations High Commissioner (UNHCR) for Refugees, first the United Nations Relief and Rehabilitation Administration (UNRRA) and later the International Refugee Organization (IRO) were entrusted with the mandate to take care of both refugees and displaced persons.

The UNHCR began its work within the framework of refugee groups who fulfilled the definitional requirements of its Statute. At the time, most of the world's refugees were from Europe. In recent years, however, refugee situations have been created in virtually all corners of the globe, many outside the specified activities of the UNHCR.

In 1959, the United Nations General Assembly passed a resolution authorizing the High Commissioner to use his good offices in the transmission of contribution for assistance to refugees outside the limitations of the Statute.

Such special assistance activities in the seventies include (1) the airlift of 250,000 refugees, resulting from the independence of Bangladesh, across the Asian subcontinent. (2) repatriation assistance to Guinea-Bissau and Mozambique and (3) coordination of humanitarian assistance to displaced persons in Cyprus, Southeast Asia, and Angola.

In some respects, the special programs of the UNHCR have signaled a return to the original concepts adopted by the United Nations at a time when its activities covered uprooted persons as a whole.

Starting in 1971 for a period of five years, the annual regular program of material assistance required an input of some $60 million. By comparison, contributions for the UNHCR's special humanitarian task amounted to over $350 million during the same time period.

Special areas of concern: Asylum, eligibility, acquisition of nationality and family unity

Asylum

The Universal Declaration of Human Rights states that everyone has the right to "seek and enjoy in other countries, asylum from persecution." It does not, however, provide for the right to be granted asylum.

The 1951 Convention relating to the status of refugees contains the principle of non-refoulement, whereby no refugee within the territory of a Contracting State may be expelled or returned to a country where he might be subjected to persecution. Yet this principle only applies to persons already within the territory of a contracting state and the Convention does not specifically state the right of the refugees to be granted asylum and the duties of states to admit them.

In 1967, the United Nations General Assembly unanimously adopted the Declaration on Territorial Asylum which articulates the basic principle that asylum is a peaceful, humanitarian act, and not to be regarded by any state as an unfriendly act. It further states that no person shall be subjected at the frontier, or, if he has already entered the territory in which he seeks asylum, expulsion, or compulsory return to any state where he may be subjected to persecution. This document, although not legally binding, serves to crystallize internationally certain principles regarding territorial asylum. These principles have been adopted on a regional basis in the 1969 Organization for African Unity Convention on the Specific Aspects of Refugee Problems in Africa.

The U.N. High Commissioner for Refugees has stated that the adoption of an international convention on territorial asylum would "contribute to the strict observance of the principles of asylum and non-expulsion on a more universal basis than heretofore." UNHCR reports from 1974 to 1976 have called attention to serious problems regarding asylum.

The need for a legally binding international instrument on territorial asylum is greater than ever and a Diplomatic Conference was held from January 10 to February 4, 1977 in Geneva to consider a Convention on Territorial Asylum.

Eligibility Determination

The determination of eligibility of refugee status is often made "ad hoc" because no formal administrative procedures have been adopted by states adhering to the 1951 Convention and 1967 Protocol. Even if such a procedure is established an official, in many cases, is free to interpret and apply judicial criteria.

The Office of the UNHCR has encouraged nations to establish official commissions to apply the legal criteria contained in the 1951 Convention and 1967 Protocol.

Dr. Paul Weis, former head of the Legal Division of UNHCR, has recommended that formal procedures be established in Contracting States where they do not already exist, along with safeguards of due process and right of appeal. It is also recommended that determination of eligibility be made by a collegiate body and not by a single official, especially if this official is a member of the police, security or immigration agencies.

Regarding "de facto" refugees, those who do not meet the specific requirements for refugee status contained in the Convention and Protocol, Dr. Weis suggests that appropriate bodies consider extending the minimum standards of the 1951 Convention to include those who have left their country of origin for serious reasons without fulfilling the condition of a "well-founded fear of persecution."

Family Unity

In many refugee cases, family members are often separated for a number of years. This leads to a great deal of human suffering and serious economic, social and psychological problems arise when minor children or aged parents are deprived of family support. The Final Act of the Conference of Plenipotentiaries on the Status of Refugees and Stateless Persons recommended that Governments take the necessary measures for the protection of the refugee's family, with a view to assuring its unity, especially in cases where the head of the family has fulfilled the necessary conditions for admission to a particular country.

At the 1975 Conference on Security and Cooperation in Europe in Helsinki, thirty-

five heads of state adopted the following declaration: "The participating States will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their families with special attention being given to requests of urgent character—such as requests submitted by persons who are old and ill."

The UNHCR, Red Cross and Red Crescent Societies, and the Intergovernmental Committee for European Migration (ICEM) are working to implement this declaration.

THE UNITED STATES GOVERNMENT AND REFUGEES

Since World War II, the United States has provided over $3 billion in refugee assistance and accepted some 1.8 million refugees as immigrants.

In 1975 more than 130,000 Indochinese refugees, mostly Vietnamese, fled their war-torn land to begin a new life in the U.S. An additional 3,400 Laotians and 11,000 Indochinese from refugee camps in Thailand entered the U.S. in 1976. A special task force under the Department of Health, Education and Welfare has been set up to facilitate their resettlement in the U.S.

Perhaps the mass migration of Indochinese was the most dramatic refugee operation the U.S. Government undertook in 1975–76 but it was not the only one. During this same period some 1,600 Chilean refugees, many of whom had been in detention since the 1973 coup, entered the U.S. The U.S. Government has also agreed to accept an additional 200 Chilean refugees who have been endangered by serious violations of refugee rights as a result of events in Argentina. As in the case of Indochinese refugees, Chileans are admitted to the U.S. on a "parole basis."

About 2,000 Cuban refugees came to the U.S. from Spain in the past year. Some are eligible for resettlement assistance from the Cuban Refugee Program which currently benefits some 29,000 persons with cash assistance.

In the Middle East, the majority of 2,700 stateless Armenians and Assyrians who fled the fighting in Lebanon to safe havens in Greece are being settled in the U.S. along with a number of Lebanese who have fled the war.

Also some 400 Iraqi Kurds, defeated in their 1974 struggle for autonomy, found new homes in this country during 1976.

Through the State Department's U.S. Refugee Program, in cooperation with the Intergovernmental Committee for European Migration and voluntary agencies, the U.S. assisted in the resettlement of some 5,500 Eastern European refugees in Western European countries. Also, some 14,000 Jews from the Soviet Union were given migration assistance to Israel and other countries.

In addition, the State Department operates a Far East Refugee program which assists refugees in Hong Kong and an educational asssistance program for minority students from Southern Africa.

The U.S. Department also cooperates with the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), and the Intergovernmental Committee for European Migration (ICEM). Only in such a spirit of partnership can permanent solutions be found to the problems of the world's refugees.

RECRUITER CALLS ARMY A SUCCESS

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. STEIGER. Mr. Speaker, last week a report prepared for the Senate Armed Services Committee's Manpower Subcommittee expressing criticism of the All-Volunteer Army received a good deal of publicity. The report was prepared by a business administration professor at the University of Pittsburgh, William King.

Professor King's analysis has been strongly disputed by the head of Army recruiting for Wisconsin and upper Michigan, Col. Robert Ainsworth. "The active army has been tremendously successful beyond our fondest hopes in both quality and quantity," Colonel Ainsworth told the Milwaukee Sentinel on March 4.

The colonel backed up his statement by citing decreases in the number of "lower mental category" volunteers and increases in the number of high school diploma volunteers. His statement is another clear indication that the facts are on the side of the Volunteer Army.

Because of the importance of Colonel Ainsworth's statement, I am today inserting it into the RECORD.

The article follows:

[From the Milwaukee Sentinel, Mar. 4, 1977]

RECRUITER CALLS ARMY A SUCCESS

The head of Army recruiting for Wisconsin and Upper Michigan Thursday disputed a congressional report that characterized the all-volunteer Army as a failure.

"The active army has been tremendously successful beyond our fondest hopes in both quality and quantity," said Col. Robert Ainsworth.

He was responding to the analysis of a report prepared for the Senate Armed Services manpower subcommittee, which called for a back-up draft. The report labeled the all-volunteer Army a "sinking ship" full of misfits.

"I don't know where he got his statistics, but I don't agree with him," Ainsworth said of William R. King, professor of business administration at the University of Pittsburgh and author of the report.

Ainsworth cited decreases in the number of "lower mental category" volunteers and increases in the number of high school diploma volunteers as proof of the success of the all-volunteer Army.

The lower mental category decreased from 20% of 196,000 volunteers in 1974 to 8% of 192,000 in 1976, he said. High school graduate volunteers increased from 78,000 to 91,000 during the same period.

According to Ainsworth, the all-volunteer Army has been above 100% each year since its beginning. The Wisconsin-Upper Michigan District has run "around the 90% mark" during that time but "we get a higher percentage of diploma volunteers," he said.

Ainsworth also noted that the report could possibly have relied heavily on first quarter statistics, which were down slightly.

Peak volunteer periods occur following midterm and June graduations, he explained.

Spokesmen for the Navy and Air Force declined to comment on the congressional report.

VIRGIN ISLANDS SEEKS HELP TO BALANCE ITS BUDGET

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. DE LUGO. Mr. Speaker, the economies of our off-shore territories have been ravaged in recent years by inflation, dollar devaluation, increased competition from developing countries, as well as increased social demands. Last year, for the first time since 1954, the Virgin Islands was forced to seek Federal assistance in order to balance its budget and to provide a minimum level of public services.

In order to help bring the off-shore areas back to fiscal health and to help make them self-supporting once again, I have written to the President requesting that he set up a Presidential Commission charged with investigating the unique economic and social problems of these areas and making appropriate recommendations to assure their continued progress under the American flag. I would like to take this opportunity to share this letter with my colleagues:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 4, 1977.

President JIMMY CARTER,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am respectfully writing to request your support for the creation of a Presidential Commission charged with investigating the unique economic and social problems of the off-shore territories of the United States and making appropriate recommendations to assure their continued progress under the American flag. I would hope that such a commission would parallel the task of the one most recently recommended by the Government of Puerto Rico, but I must stress that while there are similarities in our situation, there are significant differences as well.

As you may know, Congress unanimously enacted legislation last year authorizing the people of the Virgin Islands and Guam to write their own constitutions, thus providing for the fullest measure of internal self-government in their relationship with the United States. While this legislation, which affirms the fundamental principle of government by consent of the governed, represents a significant and far-reaching advance in our present situation, it must be emphasized that these constitutional documents will not be addressed to the more difficult and sensitive issue of Federal-Territorial relations.

In the original draft of the constitution legislation I introduced, I included a provision for the establishment of a commission to study all aspects of the relationship of the laws and Government of the Virgin Islands to the laws and Government of the United States, and to submit to the Congress appropriate recommendations based thereon. Recognizing, however, the inherent complexity of the question of Federal relations, it was decided to separate the two issues in the interest of quick legislative action. The speed, as well as the unanimity, with which the Congress moved to grant the people of the off-shore areas the authority to organize their own governments has, I think, borne out the correctness of this course.

With the Legislature of the Virgin Islands moving expeditiously to call a constitutional convention pursuant to the above authority sometime this Spring, I believe the time has now come to address those problems which cannot be specifically resolved in the constitution itself.

Since it was purchased by the United States in 1917 and first administered by the Department of the Navy, the Territory of the Virgin Islands has achieved important and almost continuous economic, political and social progress. In 1936, Congress enacted the first Organic Act for the Virgin Islands, which provided for a greater degree of self-government, a comprehensive revision of the Colonial Dane Law of 1906, and many of the constitutional protections which most

Americans take for granted. In 1954, Congress enacted a comprehensive revision of the Organic Act, which provided for additional measures of self-government and contained a number of fiscal provisions designed to assist the local economy and to make the Territory self-supporting. I should add that, until 1954, the Virgin Islands Government had to make an annual pilgrimage to Washington to request "Federal Deficit Appropriations" to meet its fiscal obligations.

These changes resulted in unprecedented prosperity for the Territory, but recent years have brought new problems and challenges. I need not recite the litany of statistics that describes our present situation, but suffice it to say that unemployment remains intolerably higher than the national average, per capita income has yet to achieve mainland standards, and a lagging economy continues to nurture festering social ills. Last year, for the first time since 1954, the Virgin Islands was forced to seek Federal assistance in order to balance its budget and to provide a minimum level of public services. I believe that these difficulties have been caused in part by the gradual erosion of the benefits originally enacted by Congress in the Revised Organic Act. Diminished by inflation, dollar devaluation, increased competition from developing countries, as well as new social demands, it is apparent that the legislation of the 1950's needs to be updated and adjusted to meet the requirements of the 1970's and beyond.

It is to this end that I believe a Presidential Commission composed of high level Federal officials representing different departments and agencies will best be able to serve. It would provide an important and timely opportunity to review existing legislation and policies, and to make comprehensive recommendations to assure that the people of the Virgin Islands, as well as the other off-shore areas, have the necessary resources to meet the challenges of both the present and the future.

I should like to stress that this Commission would not be charged with addressing the question of political status. The people of the Virgin Islands have affirmed on a number of occasions that the constitutional status of the Territory remain unchanged. However, as we begin the third century of our nation's existence, I believe that the establishment of a U.S. Territorial Commission will be a significant step forward in the relations of the United States with its off-shore areas.

I would be pleased to meet with you or your designated representative at any time in order to discuss the specifics of this proposal, which I hope will meet with your approval and support.

With warmest personal regards, I remain

Sincerely,

RON DELUGO,
Member of Congress.

VFW VOICE OF DEMOCRACY: THE LAND OF GOLDEN OPPORTUNITY

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. McCORMACK. Mr. Speaker, I have the distinct pleasure to announce that for the second year in a row the winner of the VFH voice of democracy scholarship program in Washington State is one of my constituents. This year's winner is Miss Kelli Lee Sager of Wenatchee, Wash., who has written an essay entitled "The Land of Golden Opportunity." I respectfully request that her essay be printed in the RECORD:

"The Land of Golden Opportunity." For people all over the world, this phrase seems synonymous with The United States of America. And with good reason. Equal opportunity has been the underlying ideal which has distinguished our country for more than 200 years. This is the base upon which our structure of democratic principles is built and the embryo that gave birth to the multitude of freedoms we enjoy today.

Throughout history, great men and women have supported this ideal. Well remembered is Thomas Jefferson, who quoted, "We hold these truths to be self evident, that all men are created equal." And following his example, every leader of our nation has declared equality between all citizens.

But what this concept spoke of was not an absolute equality. This kind of "equalitarian utopia" is neither achievable, nor desirable. No one person is born totally equal to another. Some are wealthier, brighter, prettier, bigger, smaller . . . and no two are exactly the same. If they were, there would be nothing to strive for; no chance to better one's self. Yet the ideal of equal opportunity provides the hope for achievement that gives us the courage to persevere.

Our ancestors were seeking this equality when they first landed at Plymouth Rock. What they sought was the opportunity to worship freely, and they braved an impossible journey to find it. They could no longer live in a country where advancement depended on lineage or wealth and where opportunities were restricted to government sanction. When our forefathers fought a revolution for independence from Great Britain, it was this that they were fighting for. Our Constitution guaranteed equality, and although, it took many years and two notable amendments, it was finally achieved—equality, regardless of race, creed, color or sex.

But the American Revolution was not the only battle fought for these aims. Thirty six years later, when England denied the United States equal trading opportunity, our fledgling nation dogmatically stood its ground by declaring war on the world's most powerful country. And the War of 1812 is remembered because England grudgingly gave in, and withdrew trade barriers.

It was for accomplishments like these that our country became known as the Land of Opportunity—a land of pride in the past, devotion to the present, and most important of all, hope for the future.

Thousands of people from every corner of the world believed that America was their hope for the future, and they left their homes, their countries, to seek a better life in this land. They rejected the social hierarchies, the kinds and dictators of their native lands, to accept the government "of the people, by the people, and for the people" promised them in the United States. And when the immigrants came, they contributed as much to our culture as they received. Men like John Audubon, Albert Einstein, Alexander Graham Bell and Henry Kissinger enriched us with their talents because they were given the opportunity to do so!

The colonists brought with them another trait—distrust of a strong central government. It reminded them too much of the unresponsive leaderships in their homelands. They advocated states' rights to insure freedom from tyranny. It was the 10th Amendment to our Constitution that guaranteed state rights and thereby provided a check-and-balance system between federal and local governments.

This striving to fulfill the idea of equal opportunity has been reflected in our many freedoms—free speech, religion, press, and to assemble with whomever we please. Through choices provided us in juries, polling booths and the marketplace, we are given infinite opportunity to influence the course of our nation. But just as a civilization can be traced back to a single set of parents, so can this multitude of freedoms and guaranteed rights be traced back to the singular, most important ideal of all—equality of opportunity.

This ideal is what our country is founded on, what we are envied for and renowned for . . . and this . . . is what America means to me.

ZERO-BASE BUDGET INFORMATION

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BAUCUS. Mr. Speaker, the Subcommittee on HUD and Independent Agencies of the Appropriations Committee will hold Congress first hearing on a zero-base budget next week.

On Wednesday, March 16, the Consumer Products Safety Commission will be reviewed on the basis of their zero-base budget submission.

Because ZBB has proved strong congressional interests, I have been submitting materials on the subject as background. The following article is a thorough explanation of ZBB by one of its leading proponents. In the near future, I shall submit articles giving other sides of the discussion.

The article follows:

THE ZERO-BASE APPROACH TO GOVERNMENT BUDGETING

(By Peter A. Pyhrr)

(Abridged from the January/February 1977 issue of the *Public Administration Review* journal of the American Society for Public Administration.)

Zero-base budgeting is an emerging process, which has been adopted by a variety of individual organizations in many sectors of the economy, as well as state and local governments.

There are three key users of the zero-base analysis in government:

1. Legislative (Congress, state legislature, city council)
2. Executive (President/OMB, governors, mayor/city manager)
3. Agency (agency director, program and department managers).

The focus of each user is obviously different, with the legislature requiring more summarization and focusing on public priorities and objectives, the agencies requiring more detailed information and focusing on program implementation and efficiency, and the executive straddling the needs of legislature and agency. However, regardless of specific information needs and focus, the legislature, executive, and agencies must all address themselves to two basic questions:

1. Are the current activities efficient and effective?
2. Should current activities be eliminated or reduced to fund higher-priority new programs or to reduce the current budget?

These two questions are the focus of the zero-base budgeting process.

None of the organizations that I am familiar with that have implemented the approach have added additional time onto their calendar for the preparation of a zero-base budget (other than design and training prior to the budget preparation process which is a normal start-up requirement of any new process). To be sure, zero-base budgeting

usually involves more managers and takes more management time than the traditional budget procedures. However, it must be taken into account that the zero-base approach includes objective setting, program evaluation, and operational decision making, as well as budget making, whereas traditional budgeting procedures often separate these management aspects. In the worst case, the traditional budget process is merely a way to obtain an appropriation with the operational decision making and operating budgets determined after the total appropriation has been obtained. If we added the total of these additional management elements to the time used by the traditional budgeting process, then the time requirements of zero-base budgeting do not add to management's burdens. In fact, after the initial year's implementation, the zero-base approach can actually reduce management's burden as the zero-base thought process and methodology become ingrained into management's normal way of problem solving and decision making.

ZERO-BASE BUDGETING PROCEDURES

The zero-base approach requires each organization to evaluate and review all programs and activities (current as well as new) systematically; to review activities on a basis of output or performance as well as cost; to emphasize managerial decision making first, number-oriented budgets second; and to increase analysis. However, I should stress that zero-base is an approach, not a fixed procedure or set of forms to be applied uniformly from one organization to the next. The mechanics and management approach has differed significantly among the organizations that have adopted zero-base, and the process must be adapted to fit the specific needs of each user. In governmental jurisdictions, for example, certain expenditures may be fixed by law.

Although the specifics differ among organizations, there are four basic steps to the zero-base approach that must be addressed by each organization:

Identify "decision units."

Analyze each decision unit in a "decision package."

Evaluate and rank all decision packages to develop the appropriations request.

Prepare the detailed operating budgets reflecting those decision packages approved in the budget appropriation.

DEFINING DECISION UNITS

Zero-base budgeting attempts to focus management's attention on evaluating activities and making decisions. Therefore, the "meaningful elements" of each organization must be defined so that they can be isolated for analysis and decision making. For the sake of terminology, we have termed these meaningful elements "decision units." The definition of decision units in most organizations is straightforward, and the decision units may correspond to those budget units defined by traditional budget procedures.

For those organizations with a detailed budget unit or cost center structure, the decision unit may correspond to that budget unit. In some cases, the budget unit manager may wish to identify separately different functions or operations within his budget unit if they are significant in size and require separate analysis. He may therefore identify several "decision units" for a budget unit. If an organization has a well-developed program structure, the decision unit may correspond to that lowest level of the program structure (program element, activity, function). Decision units may be defined at the sub-program level if there are separate organizational units within that program element. The resulting decision packages at the sub-program element level can then be grouped to evaluate the program element. In the same manner, decision packages for each program element (or sub-program element) can be grouped to evaluate each program.

The decision packages built around each decision unit are the building blocks of the budget and program analysis. These building blocks can be readily sorted either organizationally or programmatically. For those organizations without a detailed program structure, the information and analysis developed by zero-base provides a readily usable data base from which a program structure can be developed.

Decision units can also be defined as major capital projects, special work assignments, or major projects. Each organization must determine for itself "what is meaningful." In practice, top management usually defines the organization or program level at which decision units must be defined, leaving it to the discretion of each manager to identify additional decision units if appropriate.

THE DECISION PACKAGE CONCEPT

The "decision package" is the building block of the zero-base concept. It is a document that identifies and describes each decision unit in such a manner that management can (a) evaluate it and rank it against other decision units competing for funding and (b) decide whether to approve it or disapprove it.

The content and format of the decision package must provide management with the information it needs to evaluate each decision unit. This information might include:

Purpose/objective

Description of actions (What are we going to do, and how are we going to do it?)

Costs and benefits

Workload and performance measures

Alternative means of accomplishing objections

Various levels of effort (What benefits do we get from various levels of funding?)

The key to developing decision packages is the formulation of meaningful alternatives. The steps that should be used in developing decision packages include:

1. Alternative methods of accomplishing the objective or performing the operation: Managers should identify and evaluate all meaningful alternatives and choose the alternative they consider best. If an alternative to the current method of doing business is chosen, the recommended way should be shown in the decision package with the current way shown as the alternative not recommended.

2. Different levels of effort of performing the operation: Once the best method of accomplishing the operation has been chosen from among the various alternatives methods evaluated, a manager must identify alternative levels of effort and funding to perform that operation. Managers must establish a minimum level of effort, which must be below the current level of operation, and then identify additional levels or increments as separate decision packages. These incremental levels above the minimum might bring the operation up to its current level and to several multiples of the current level of effort.

The identification and evaluation of different levels of effort is probably the most difficult aspect of the zero-base analysis, yet it is one of the key elements of the process. If only one level of effort were analyzed (probably reflecting the funding level desired by each manager), top management would be forced to make a yes or no decision on the funding request, thus funding at the requested level, eliminating the program, making arbitrary reductions, or recycling the budget process if requests exceeded funding availability.

A decision package is defined as one incremental level in a decision unit. There may be several decision packages for each decision unit. It is these incremental levels that get ranked. By identifying a minimum level of effort, plus additional increments as separate decision packages, each manager thus presents several alternatives for top management decision making:

Elimination:

Eliminate the operation if no decision packages are approved.

Reduced Level.—Reduce the level of funding if only the minimum level decision package is approved.

Current Level.—Maintain the same level of effort if the minimum level, plus the one or two incremental levels (bringing the operation from the minimum level to the current level of effort) are approved.

(NOTE.—The current level of effort refers only to the level of output or performance sometimes referred to as a "maintenance level." However, even at the current level of effort, managers may have changed their method of operation and made operating improvements, so that the current level of effort may be accomplished at a reduced cost.)

Increased Levels.—Increased levels of funding and performance if one or more increments above the current level is approved.

The minimum level of effort is the most difficult level to identify, since there is no magic number (i.e., 75 per cent of the current level) that would be meaningful to all operations. The minimum level must be identified by each manager for his/her operations. The minimum level must be below the current level of effort. The minimum level should attempt to identify "that critical level of effort, below which the operation would be discontinued because it loses its viability of effectiveness." There are several considerations which can aid managers in defining the minimum level of effort:

1. The minimum level may not completely achieve the total objective of the operation (even the additional levels of effort recommended may not completely achieve the objective because of realistic budget and/or achievement levels.)

2. The minimum level should address itself to the most critical population being served at attack the most serious problem areas.

3. The minimum level may merely reduce the amount of service (or number of services) provided.

4. The minimum level may reflect operating improvements, organizational changes, or improvements in efficiency that result in cost reductions.

5. Combinations of 1 through 4.

By identifying the minimum level, each manager is not necessarily recommending his operation be funded at the minimum level, but is merely identifying that alternative to top management. If a manager identifies several levels of effort, he is recommending that all levels be funded.

THE RANKING PROCESS

The ranking process provides management with a technique to allocate its limited resources by making management concentrate on these questions: "How much should we spend?" and "Where should we spent it?" Management constructs its answer to these questions by listing all the decision packages identified in order of decreasing benefit to the organization. It then identifies the benefits to be gained at each level of expenditure and studies the consequences of not approving additional decision packages ranged below that expenditure level.

The ranking process establishes priorities among the incremental levels of each decision unit (i.e., decision packages). The rankings therefore display a marginal analysis.

In large organizations, top management may be forced to rely primarily on management summaries in lieu of concentrating on the decision packages. In the State of Georgia, decision packages are ranked to the program level in each agency. The Budget Office prepares executive summaries based on the decision packages and program rankings sub-

mitted by each agency for the governor's review.

It is also possible to prepare "activity decision packages" (an activity being the lowest element in the program structure). Activity decision packages would then be ranked for each program. "Program decision packages" could then be prepared based on the activity decision packages and the ranking at the program level. The program decision packages could have a format and content similar to the activity decision package, but provide a summary and program analysis for use by top agency management and the executive and legislative review process.

Regardless of organizational size and form of top management review, the decision packages and rankings form the backbone of analysis and decision making. The nature of each review process must be specifically designed to fit the size and personality of each organization.

PREPARING THE DETAILED OPERATING BUDGET

The budget or appropriation requests prepared by each organization are usually subject to some form of legislative review and modification. If the legislative appropriation differs markedly from the budget request, many organizations that have used traditional budgeting techniques are forced to recycle their entire budgeting effort to determine where the reductions should be made. Under the zero-base budgeting approach, the decision packages and rankings determine specifically the actions required to achieve any budget reductions. If the legislature defines reductions in specific program areas, we can readily identify the corresponding decision packages and reduce the appropriate program and organizational budgets. If the legislature identifies an arbitrary reduction (e.g., reduce budget five per cent), each agency can use its rankings and eliminate those decision packages that it considers to be the lowest priority.

In the final analysis, each organization will have a number of approved decision packages which define the budget of each program and organizational unit. The decision packages also define the specific activities and performance anticipated from each program and organizational unit. This information can provide the basis for both budget and operational reviews during the year.

PRACTICES AND PROBLEMS

The term "zero-base" has many different connotations. To those who have merely heard the term, it tends to mean "the process of throwing everything out and starting all over again from scratch," or "reinventing the wheel." These connotations are incorrect and imply an effort of impractical magnitude and chaos.

In a more practical vein, "zero-base" means the evaluation of all programs. The evaluation of alternatives and program performance may occasionally lead us to completely rethink and redirect a program, in which case we do "throw everything out and start all over again." However, in the great majority of cases, programs will continue, incorporating modifications and improvement. For the majority of programs, we will concentrate our analysis on evaluating program efficiency and effectiveness and the evaluation and prioritization of different levels of effort.

This pragmatic approach offers us an extremely flexible tool. Managers can "reinvent the wheel" in those situations where preliminary investigation indicates the need and potential benefits of such an aproach, and can concentrate their effort on improving programs that appear to be headed in the right direction.

The zero-base approach has led to major reallocation of resources. For example:

The State of Georgia experienced a $57 million (5 per cent of general funds) revenue shortfall. Governor Jimmy Carter used the zero-base analysis to reduce budgets across 65 agencies, with reductions ranging from 1 per cent to 15 percent. Program reductions within each agency ranged from no change to elimination.

In a political environment, the expectations for major shifts in resource allocations must be qualified. The major reallocations of resources will normally take place within major agencies such as shifting administrative and maintenance cost savings into direct program delivery. However, it is unrealistic to expect a 20 per cent decrease in the Department of Education to fund a 40 per cent increase in Mental Health. The political realities do not usually allow such shifts. It is also unrealistic to expect an automatic tax reduction due to zero-base budgeting. When cost reductions are achieved, the overriding political tendency is to plow the money back into increased services in other programs.

If we can't realistically expect major funding reallocations among major agencies, and if we can't expect a tax decrease, then why do zero-base budgeting? I believe that there are four overriding reasons that make the zero-base approach worthwhile:

1. Low priority programs can be eliminated or reduced. How the savings are used is a completely separate question.

2. Program effectiveness can be dramatically improved. Such improvements may or may not have a budgetary impact.

3. High impact programs can obtain increased funding by shifting resources within an agency, whereas the increased funding might not have been made available had the agency merely requested an increase in total funding.

4. Tax increases can be retarded. The first three benefits can significantly reduce the necessity for increased taxes by allowing agencies to do a more effective job with existing revenues. For the hard-nosed executive or legislature, budgets can be reduced with a minimum of reduced services.

The zero-base approach is not without its problems. The major problem is the threat that many bureaucrats feel towards a process which evaluates the effectiveness of their programs. The zero-base process also requires a great deal of effective administration, communications, and training of managers who will be involved in the analysis. Managers may also have problems in identifying appropriate decision units, developing adequate data to produce an effective analysis, determining the minimum level of effort, ranking dissimilar programs, and handling large volumes of packages. For many programs, workload and performance measures may be lacking or the cause/effect and program impact may not be well defined so that the analysis will be less than perfect. Therefore, zero-base budgeting should be looked upon as a longer-term management development process rather than a one year cure-all.

If done properly, the zero-base approach is not subject to the gamesmanship one might anticipate. The traditional budget approach offers maximum opportunity for gamesmanship because current operations are seldom evaluated and many discreet decisions are never explicitly identified and get "buried in the numbers." However, the zero-base approach removes the umbrella covering current operations and requires managers to clearly identify operating decisions. In zero-base, most obvious forms of gamesmanship would be to avoid identifying reasonable alternatives, to include the pet projects within the minimum level package, and to rank high priority programs low in the ranking in order to obtain additional funding. If the decision packages are "formatted" adequately to display the alternatives considered, workload and performance data, descriptions of actions, and enough cost data so that discretionary items cannot be built into the cost estimate, it becomes very obvious when such gamesmanship is attempted. Also, because the entire ranking of decision packages must be displayed, it is very easy to challenge a high priority item that received a low ranking or a low priority item which received a high ranking.

The problems in implementing zero-base budgeting are not to be minimized. The specific needs, problems, and capabilities of each organization must be considered in adapting the zero-base approach. Although most of the basic concepts of the zero-base approach have been maintained, the specifics of administration, formats, and procedures have been different for each organization that has adopted the approach. Zero-base can be applied on an intensive basis throughout all levels of an organization, applied only to selected programs, or applied only at major program levels rather than involving all operating managers. The strategy of implementing the zero-base approach must be developed for each organization, depending on its specific needs and capabilities. It should be considered a management and budgetary improvement effort that may require several years to reach full utilization and effectiveness.

VOICE OF DEMOCRACY WINNER FROM MISSISSIPPI

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BOWEN. Mr. Speaker, I am very pleased to bring to the attention of the House of Representatives and the American people the fact that the Mississippi winner of the voice of democracy speech contest sponsored by the Veterans of Foreign Wars and its Ladies Auxiliary is a constituent of mine, Miss Tracey Y. Porter, of Route 1, Boyle, Miss.

Miss Porter's winning essay in this statewide and nationwide scholarship contest should be an inspiration to all of us who are concerned that today's young people comprehend fully the importance of American democracy and what it has meant to our Nation these past 200 years.

Miss Porter has compiled an outstanding record, both academically and in student leadership activities at Bayou Academy, where she is a senior this year.

Her winning speech is as follows:

VFW VOICE OF DEMOCRACY MISSISSIPPI WINNER

(By Tracey Y. Porter)

What does America mean to me? I had to question my innermost feelings in order to accurately express my opinion on this subject. All the sentences, paragraphs and page I wrote were a meaningless conglomeration of pat phrases I had heard all my life. I discarded all those and began to think with my heart, not my brain. I discovered that what America means to me cannot adequately be expressed with long sentences and lofty paragraphs, but in a single word . . . MORE! America means MORE! That small word says it all.

The Random House Dictionary of the English Language has two meanings for the word "more". One is "something of greater importance" and the other is "additional or further".

"Something of greater importance". Surely America is that! America is more than just

a country. It is a nation of achievement and excellence. She has raised many great people whose contributions have had an important impact on my life. Thomas Edison gave me the light that illuminates my world; Betsy Ross created the American Flag which symbolizes to me the pride and independence of my country; and Mrs. Draper, my seventh grade teacher instilled within me a true understanding and appreciation of my Pledge of Allegiance.

America is more than just the third largest populated country. It is a group of people, a family, who live together in equality. America is more than just a governmental system. It is a democracy, a government run by the people.

That which is "additional or further"—in comparison with other nations, America has more. More freedom for the individual, freedom of religion and freedom for the news media. We have a Bill of Rights to secure all these liberties. However, we also have more responsibility as each person is responsible to work with his fellow man for the good of the country. We are also obligated as individuals to contribute in any way possible to make this land a better place for our descendants.

For such a young nation, America's history is filled with more examples of courage, bravery, and heroism. Many fearless men fought valiantly for my country . . . George Washington, Teddy Roosevelt and my Daddy.

As American citizens there is something about us that stands out in comparison with people of other lands. That is our undying spirit of nationalism—we have more. Of course, the United States, like other countries, sometimes suffers from internal strife but we Americans stand united and proud in the face of external conflict. Our supply of moral energy is boundless!

Each American has his own feelings about his country, but to me . . . America means MORE!

SELF-DETERMINATION FOR NORTHERN IRELAND

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. ZEFERETTI. Mr. Speaker, for over 800 years the people of Ireland have been forced to live under the shackles of English domination and colonial rule. Upwards of 20 million Irish-Americans are citizens of the United States, and I feel that the American people as a whole are concerned with the persistent carnage that has occurred with frightening regularity in the streets of Belfast and elsewhere.

The minority Roman Catholics of Northern Ireland, outnumbered two to one by the Protestant majority, have been the victim of a war of discrimination since 1920 when the country was partitioned. In terms of legal rights, the Catholics have been reduced to second-class citizens and have been denied equal opportunity in employment, housing and other basic human rights enjoyed by their Protestant neighbors.

This policy of outright discrimination has been allowed to continue for decades by a British Parliament that chose to ignore these injustices rather than attempt to right them. These deep-rooted inequities reached a boiling point when, in 1969, the minority sought to obtain their rights and was met with organized violence. Since that time the towns and countryside have been a veritable battleground marked by fire-bombings, shootings and death. In addition to the more than 1,000 people killed during the past 8 years, more than 17,000 men, women and children have been injured by bullet and bomb. The most abhorrent aspect of these figures is that many of the killed and wounded are innocent victims of the violence surrounding them; people unconnected with any political cause.

The British response to the disturbances in Northern Ireland was to send troops to quell the violence and to protect the rights of the Catholics. Initially, members of the minority welcomed the troops, but they soon realized that the Army had joined the oppressors in attempting to crush their efforts to live as a free people.

The policy of internment, a classic act of international illegality, has long been used by the British Army as a means of subduing the minority. Only recently has our longtime ally, Great Britain, admitted before the European Court of Human Rights that she has approved the torture of suspects in Northern Ireland. While British officials claim that these tortures have been discontinued, this confession gives the American people a clearer picture of the tactics practiced by the occupying forces in the Belfast area. Human rights have been violated as a matter of course.

The original purpose of the British Army's intervention was to gradually put down the violence in hopes that, in a safer climate, the two communities would agree on a new shared administration whose policemen would then replace the soldiers. That policy, while well-meaning, has failed miserably. The Army's presence is a highly visible reminder of British political domination of the area and, rather than quell the violence, the sight of large numbers of soldiers and arms has instigated the citizenry into committing even more brutal acts of vengeance.

During this time, although fully aware of the gross injustices inflicted upon the minority in Northern Ireland, the U.S. Government has remained silent. By ignoring the issue, we are giving implied support to the practice of suppressing the Irish desire for self-determination.

The United States has at its disposal the means to alter Britain's colonial reign over Northern Ireland. Should Congress and the Carter administration serve notice on Britain that our long-lasting relationship may be in jeopardy, Britain may take a closer look at her policies of repression against the human rights of this minority.

Therefore, I am introducing a sense of the House Resolution that calls for self-determination for the people of Northern Ireland, which I feel is a true expression of the mood of the American people.

Several years ago, John F. Kennedy stated,

Justice will be served in great measure if all the people of Ireland are given the opportunity to choose their own form of government.

It is my sincere hope that the adoption of this resolution will prove instrumental in ultimately leading to lasting peace and justice in a troubled land so dear to the hearts of millions of Americans.

WHAT AMERICA MEANS TO ME

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. WEAVER. Mr. Speaker, Kathleen Lucy Fitzgerald is the Oregon winner of the Voice of Democracy scholarship program sponsored each year by the Veterans of Foreign Wars and the Ladies Auxiliary. The theme of this year's contest is, "What America Means to Me."

Kathleen is a senior at Brookings-Harbor High School in Brookings, Oreg. She has been very active in 4–H for many years and also has an interest in music. Her future plans include attending the University of Oregon next fall, with a major in communications.

Her speech, along with those of every State winner, is entered in the national finals of this competition. We in the fourth congressional district are most proud of her accomplishments. I place her speech in the CONGRESSIONAL RECORD.

SPEECH BY KATHLEEN LUCY FITZGERALD

America is everything to me. America is home, it is a thrilling source of history. It is people, it is land, America is government and democracy, justice and freedom.

America is beautiful. It is the challenging, ever-changing and rewarding country that makes me proud to be an American.

American cannot be summed up in a sentence, or a paragraph, or a book. If this were possible, our country wouldn't be the myriad of color, variety and depth that it is.

America means home to me. I am always aware that I am one of the luckiest people in the world. I live in a brilliant country, with vast amounts of beauty, freedom and bounty.

America was founded by people who were seeking a more ideal way of life, at the cost of their property, strength and their very lives. But the early Americans did not lose their courage, the courage that led them away from tradition, security and their homelands to strike out with determination as they neared their goals of reaching a more perfect way of life. Not a life of ease and comfort, but one that demanded everything the new Americans could muster. They struggled, and suffered, and soon began to grow accustomed to hardship.

We, the Americans of the 20th Century, still possess the spirit, the will and the strength of the earliest pioneers.

America is people. People with a rich land of opportunity to choose from, people living and breathing air in a democratic society. People, building, and improving, and producing!

America is people with a tradition of hope, freedom and happiness. People with a history of success, and the standards of education to continue it.

America—where any citizen can run for office, where there are equal rights and fair justice. Where everyone has the right to speak and read and write as he chooses.

America is land. A country so large it is impossible to take it all in at once. A nation full of absolute beauty, with the widest and most varied assortment of climates and terrain. Oceans and rivers, mountains, valleys

and plains, deserts, beaches, forests, fields—One person cannot ever know all of the beauties in America. Beauty that is preserved and protected by citizens who are appreciative of our great asset. An infinite amount of wildlife and natural resources that are ours to enjoy and be secure in knowing that they will never be lost.

We are the children of our great heritage, the fruit of many generations of Americans.

We were given our country, our heritage and our freedom by our courageous ancestors who left us to preserve this great nation, America.

Freedom means being free to work for the things you want in life, not freedom from work, or worry. We are here to uphold the life, liberty, and pursuit of happiness.

We must benefit from our nation and put more into it so that the next generation has as much as we have of our rich and vital nation, our strong, beautiful country, America.

THE PROFESSION OF ARMS IN AMERICA

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. ARMSTRONG. Mr. Speaker, in recent months we have been faced with a tide of skepticism about our armed services—from attacks on the pension system, to proposed cutbacks in military benefits, to doubts about the "real" Soviet threat. But most of these evaluations have come from outside the military community.

I have received a copy of a speech by a young military officer which asks a series of important and provocative questions about the profession of arms.

All too often, in my opinion, we have forgotten that the profession of arms is just that—a profession. Invariably those nations and countries which have denied that profession have faded from prominence, often from existence.

I commend this dedicated officer's thoughts to the attention of my colleagues:

THOUGHTS ON THE PROFESSION OF ARMS IN AMERICA TODAY: TROUBLED TIMES

The illustrious 18th century soldier, Maurice Saxe, Marshal of France, once remarked that: "The human heart is the starting point in all matters pertaining to war." This morning I shall speak from the heart to give you my feelings on a few gut issues which I consider critical with today's profession of arms. These issues are among the most discussed among my close friends both in the Army and my Air Force contemporaries at the Academy. These are the things which trouble us and which occupy our thoughts. I would like to talk to you about three disturbing trends:

(1) The leadership dilemma.

(2) The officer: Careerist or professional?

(3) The problem of narrow perspective.

Please bear with me. I shall try to address these problems from the perspective of an insider: an Army officer, and from the viewpoint of an outsider, albeit a close observer, of the Air Force officer corps. I have spent three of the last five years on exchange programs with blue-suiters and have listened attentively as they expressed their particular concerns. While I don't presume to be an expert on the Air Force, I feel that I can at least comment effectively on the views of my contemporaries. I take this dual approach because I suspect that the issues I discuss today cut across all four service lines, in one form or another.

The hallmark of officership is effective leadership. Not management, leadership—the human quality which has enabled some men to inspire others to charge up Cemetery Ridge, Pork Chop Hill, or Hamburger Hill, or to fly into the target areas at Schweinfurt, Regensburg, Ploesti, or the Thanh Hoa Bridge.

Army leadership, at least at the troop level, faltered during the late 1960s. That it did falter cannot be denied. Perhaps the best way to demonstrate the extent of the problem is to look at conditions before and after the fall. Discipline reflects leadership.

I served as an airborne infantry soldier for five years before my commission in 1962. In the units I served with as an enlisted man, it was completely unthinkable to insult, talk back to, or otherwise show disrespect to an NCO, the leader responsible for training his men, seeing to their welfare, and insuring that they performed as a team. The lieutenant platoon leader was just "there". Though I cannot remember the names of my platoon leaders, I can remember almost every one of my squad leaders, platoon sergeants, and first sergeants.

But during the Vietnam war, soldiers went so far as to rebel against and, in some instances, assault their own officers. It would not be fair to say that this breakdown of discipline resulted only from a degenerate, overweight, and unmotivated Army. The Prussian Clausewitz, in *On War*, stated clearly and for all time that: "War is an instrument of policy. . . . If policy is grand and powerful, so also will be war." It follows then that a weak and indecisive policy will find itself reflected in the character of the war effort. It is not too surprising that this nation sent some rather unwilling, unbelieving men off to be soldiers in the late 1960s, particularly in view of the attacks on US policy in Southeast Asia by the press, the hippies, the yippies, and a (to use the nicest word I can think of) naive Congress. The American soldier fights and dies for what he believes in, only what he believes in. In view of the Nation's lack of support for its soldiers at war, it is probably remarkable that more problems did not occur. It the government will not mobilize public opinion, as it did in WWI and WWII, we can hardly expect more than another humiliating defeat in any protracted war in the future.

But, we must deal with those things we can control within the profession, after all we call the shots in our own ranks. It is all too easy to escape our duty by casting the blame on others. I'm afraid we officers must bear the blame for this deterioration in discipline among our soldiers. It is we who have oversupervised to the point that the NCO Corps has been effectively denuded of all but the trappings and symbolism of what should be the real leadership backbone of any army. In my opinion, this is the root of the problem. It is we officers for the most part, who must set the system right again.

Almost as hard to live down as the original crisis during the war, are the ill-conceived "cures" we resorted to in the early 1970s. I'm speaking of the array of councils that sapped the commander's authority, the granting of more and more privileges like beer in the barracks, go-go girls, and the approach to the soldier that we wanted to join him, rather than he joining us. In short, we almost turned our army from a Sparta into an Athens. I have been told by some friends in the field that the discipline crisis continues unabated; others report that the crisis has bottomed out and that the situation is improving. I genuinely hope that the latter is really the case. The moral character and combat effectiveness of an Army depend upon its discipline which is, according to the late General Patton: "Prompt, cheerful, and AUTOMATIC obedience."

The Air Force has taken a different tack on the whole subject of "leadership" by subordinating it to "management." Now the sophisticated weaponry of today's Air Force makes it a technologically-oriented service. Technical know-how is indeed important, but until we put all our hopes in missiles buried far beneath the earth, there will still be a demand for that flying leader. General Lucius D. Clay observed this trend and offered this in response in a last year's issue of Air Force magazine:

"A myth has been conceived and is growing that management and command are synonymous. They are not. Devotees of the myth see management as a replacement for command. There is great danger in that concept. Management has a proper place in the operation of a military service, but management must be recognized for what it is, a system of bookkeeping that is primarily associated with statistics. Statistics are static. They can do nothing except provide a means of measuring. Command is the relationship between people. People do things."

To be sure the Army is primarily a people service and the Air Force is overwhelmingly technical, but sound leadership concepts can be arrived at for both. I suspect that at the root of it all are those qualities which have proven through history to be the foundation of successful leadership. Those features of successful leaders have been variously described, as principles, traits, qualities, or other even more sophisticated and fanciful management terminology. The managers have even attempted to quantify them. But they cannot be programmed and run on computers. They are human qualities and, simply stated, boil down to: Guts, Brains, and Heart.

In order to address ourselves to the substantive issues, we must first eliminate certain peripheral irritants that occupy our time and thoughts. The officer career management system is the topic most discussed among my contemporaries. In short, how to succeed, or how not to fail. Variations on the theme can be heard at the office, in coffee shops, and at stag bars—everywhere officers gather. You can read about it in the Times or the Air University Review, or Army magazine.

Basically, we are not convinced by the briefing teams sent out from the puzzle palaces at Alexandria and Randolph. And we are not convinced that the system can't be better. The real demands of professional officership need our attention, not the career system.

What is officership anyway, a career or a profession? The way the two words are tossed around it's hard to tell the difference. When speaking to cadets about their upcoming responsibilities, I like to draw a distinct line between the "careerist" and the "professional".

I'm sure Webster would not bear me out, but to me the careerist is one who coasts or floats along for 20 or 30 years, always in a smooth deep channel, without ever really encountering the treacherous reefs of responsibility that we call duty. He is that individual who chooses to punch his staff ticket in the war zone while his buddies do the flying and fighting. He is that officer who spends the last 10 years of his service planning and plotting his "second" career after retirement. In my view, such an individual is unfortunately misguided to say the least. Many, perhaps even the majority, of the younger Army and Air Force officers whom I know are careerists. I know several senior officer careerists too. It's a shame, but it's true.

I do know a few professionals, however; and they are my closest associates. Call it

a clique if you will. We don't mind. We are intent on the pursuit of the profession of arms.

We believe that the American Soldier, Sailor, Airman, or Marine deserves to be designated a professional. Overall, he has a proud tradition of service to his Nation. As a member of a uniformed service, he has dedicated himself to preparedness for war as he also pursues peace. He must competently manage or apply the tools of violence to achieve his country's goals. The most binding part of the soldier's contract is the unlimited liability clause—it is he who must first lay his life on the line. It is not choice, it is duty, once the oath is taken. No other profession can demand this ultimate sacrifice. There is no room in our midst for careerists and we should eliminate them from our ranks, and that word from our vocabulary.

The one feature which weakens the American military's status as a professional institution is our reluctance to continuously and effectively police our own ranks. We have, in the past few years, seen general officers and senior soldiers involved in all sorts of disreputable, illegal behavior. We have seen all the wrath of a frustrated Army descend on one young lieutenant—rightfully so—but that lieutenant was certainly less than prepared to command troops on the morning he walked into My Lai. Surely, the system bears the responsibility for his training. Meanwhile, the senior officers connected with the same incident seem to have escaped, relatively unscathed. Scandals have occurred in the other services too. Our dirty laundry flaps in the breeze for all to see. We should hope that the people can quickly forget; we officers cannot afford to forget.

Now, we can't do much about saving our benefits if Congress decides to take them away. And we can't do much about the reduction of our Armed Forces to the point where we present a less than credible deterrent to the Russians. Little, that is, except tell the civilian lawmakers when and why we think they are wrong. But the three problems addressed herein are unique in that they can be corrected within the American profession of arms.

The entire military community is concerned about the breach of contract currently underway regarding not only our benefits such as Exchange and Commissary, but also our pay and allowances. In short, we and those we command lay our lives on the line. We deserve the "implied" benefits which we all considered when we signed on for the job. And I might add, we appreciate the efforts of the retired community in helping the representatives of the people of this great Nation to honor their contract with their defenders.

At the same time, we are incensed at the attacks on senior professional soldiers from the press and Congress. Many of us see the recent attacks on General Brown as vicious, calculated assaults on the credibility of the military. The uniform has been slandered by dirty politics in an election year. We believe that sort of thing hurts us and helps the enemy. We are worried that we may have to play catch-up football in the next war, because of the naivete of our elected officials, who seem to be oblivious to the realities of the Russian threat. By fanatically urging troop reductions and weapons project cancellations such as new aircraft, cruise missiles, and the main battle tank they flirt with the lives of their own sons and daughters. They are, as Clausewitz would say, ". . . treading a slippery path upon which the God of War may surprise [them] [They] must always keep [their] eye[s] on the enemy lest [they] have to defend [themselves] with dress rapier[s] if the enemy takes up a sharp sword."

Now, in addressing the final issue I would like to draw you into your place in all of this:

All too often, soldiers view their job in the narrow perspective of current conditions with no regard for how things got that way. We seem to take great delight in reinventing the wheel every few years. Only since I have begun teaching military history at the Air Force Academy have I really understood that there are lessons to be learned through painful introspection and the study of history. I went through the whole Vietnam war before I ever realized those traumatic times were not aberrations, that those dramatic moments were not "firsts" or "one of a kind", but were really quite symptomatic of the American way of war. If we had cared enough to look at history, we would have realized that the American involvement in Vietnam was the predictable culmination of definite historical trends and events. Only recently have I been able to compare the draft riots of the late 1960s to those in New York City in 1863. Had I examined history earlier, I would not have found it so surprising that the American people did not support such a far-way war. After all, in the winter of 1777–78, Philadelphians preferred to sell food and supplies to the British for good money, rather than take the worthless Continental currency that would have purchased sustenance for George Washington's starving troops at Valley Forge.

I took for granted the typical American impatience to get on with the war, with little regard for the people whose war it was to begin with. Had I known what I know now, I could have compared the typical American attitude toward the Vietnamese with the attitude of most Americans at the turn of the century toward the Cubans, Filipinos, and Hawaiians. I have only recently been able to draw valuable lessons on counter-guerrilla tactics from the Seminole Wars of the 1830s and to realize that success in counter-insurgency is measured in political terms, not body count, weapons captured, or other superficial military criteria. But in Vietnam nobody bothered to tell me that while I was busy running up the body count!

Here is where you come in. You were the professional warriors who saw to it that the Kaiser, Hitler, Tojo, and the Chinese Reds didn't get to us during the last half-century. Surely you remember the loyal, effective Corporal or Sergeant who handled your troops and took care of you when the going was tough. Perhaps you will agree with General Ira Eaker when he recently listed his two favorite quotations about the importance of leadership: (1) From an ancient fable, "A flock of sheep led by a lion will always prevail over a pride of lions led by a sheep" and (2) from Field Marshal A. P. Wavell, "The more mechanical become the weapons with which we fight, the less mechanical must be the spirit which controls them." We in today's military seem to forget what you learned and know to be correct. A few years back we even lost the chain of command amongst a maze of hastily erected councils, boards, and committees.

As graduates of years of military experience, perhaps you can help us to find ways to make young officers believe in their Nation, their profession, and themselves as professional soldiers with responsibility to match the benefits. You know the influential people who run the services. You can perhaps mention to those people that many active duty officers are genuinely concerned as to the health of their profession. Please do not hesitate to write in the warriors' trade journals. Add your concerns to those of ours, if you feel the way we do. The fight to keep benefits is one thing; far more important is the fight to keep this Nation properly armed and its soldiers believing. You would not have been officers if you could not lead, and if you could not communicate, and if you could not influence opinions. I urge you to talk to your influential friends. Write letters. Tell it like it is. For as goes the health of the profession of arms, so goes this Nation.

DINGELL-BROYHILL AUTO EMISSION AGREEMENT REACHED WITH UNITED AUTO WORKERS UNION

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. DINGELL. Mr. Speaker, Congressman JAMES T. BROYHILL of North Carolina and I have reached an agreement with Mr. Leonard Woodcock, president, United Auto Workers Union, on automobile emission control standards for model years 1978 and beyond. That agreement included the participation of Senators DON RIEGLE and ROBERT GRIFFIN of Michigan. Legislation reflecting this agreement has been introduced as H.R. 444 and S. 919.

On March 1, 1977, the participants held a news conference for this announcement and explanation of the agreement. Elsewhere in the Extension of Remarks for today is the statement delivered by Mr. Woodcock as he announced the agreement.

Included at this point in the RECORD is the statement I issued at the news conference regarding the auto emission agreement and our joint efforts to go forward to secure enactment in Congress:

STATEMENT BY THE HONORABLE JOHN D. DINGELL

I am very pleased to participate in this news conference today and in the agreement those of us at this table have reached on a schedule of automobile emission control standards for the model years 1978 and beyond.

We have constructed a schedule of standards that Congress should be able to move forward expeditiously. I am urging that it be adopted as promptly as possible.

By this agreement we have strengthened and balanced from an environmental and energy conservation standpoint, both schedules of standards we have been advocating to date.

In calling this news conference regarding this agreement today, we are also announcing that Congressman Broyhill and I in the House and Senators Riegle and Griffin in the Senate, will shortly introduce this new schedule of emission standards in legislation and will be launching an active campaign for enactment. This campaign will go forward with efforts in the House and the Senate and in conjunction with Mr. Woodcock and the UAW.

The new legislation will be an amendment to the 1970 Clean Air Act which both the House and Senate committees now have under consideration, including the need for revising auto emission regulations.

Both Congressman Broyhill and I and Senators Riegle and Griffin previously this year introduced a mobile source emission control bill, H.R. 2380 and S. 714, containing the Dingell-Broyhill standards that the House overwhelmingly adopted last fall, September

15th, 224 to 169. The Dingell-Broyhill standards, which had the support of the administrator of the environmental protection agency, Mr. Russell Train, were regrettably deleted in the ensuing House and Senate conference report last year, a conference report which later died October 1st, in a Senate filibuster against stationary source emission control provisions.

Mr. Woodcock, testifying before a Senate subcommittee in early February, announced auto emission standards the UAW planned to pursue. Those standards were most similar to the original Dingell-Broyhill/Riegle-Griffin schedule.

The bill we will introduce will contain the new emission schedule and the other provisions of the sections on mobile sources in the current H.R. 2380 (Dingell-Broyhill) and S. 714 (Riegle-Griffin).

This will be a complete package which adequately responds to needed changes in the Clean Air Act regarding mobile sources.

As you will recall those of you who followed the auto emission issue last Congress before it died, legislation Jim Broyhill and I pursued, provided for a gradual tightening of automobile emission standards. Today this agreement will continue the gradual tightening of standards, a schedule which continues to balance environmental objectives and energy conservation goals and savings for consumers while continuing the rate of clean air improvement.

Our new schedule of emission standards establishes portions of Mr. Woodcock's recommedations and includes provisions from the schedule the four of us in the Congress have been pursuing.

It is essential that the phased-in schedule of emission standards we are announcing today move forward to enactment. The production of automobiles for 1978 model year begins in a few months and it is agreed by all parties that the statutory standards in the law cannot be met in 1978. Those levels are unnecessary.

During congressional consideration of this issue last year, the House and Senate both passed bills extending the 1977 current standards through model year 1978. It is essential that those standards be maintained, if due only to the mere passage of time, for model year 1979.

This time table is essential for the purposes of providing certainty in the automotive industry and to continue to assure the workers in that industry their jobs.

This new bill will differ from the original Dingell-Broyhill/Riegle-Griffin proposal in three respects:

1. The hydrocarbon standard for the 1980–81 period is set at the original statutory level of .41 GPM instead of .9 GPM.

2. The final carbon monoxide standard which would have been in effect in model year 1982 is instead carried over indefinitely at the interim 1980–81 standard of 9 GPM.

3. A range of NO_x is given for the ultimate standard instead of leaving it entirely to EPA discretion.

Frankly, I am concerned about the potential fuel economy impact of going to .41 GPM hydrocarbon standards in 1980—two years sooner than my original schedule. We have, however accelerated the HC standard in response to concerns about hydrocarbon emissions generally—even though calculations using EPA methodology show that the two-year pull-ahead will change the health impacts by less than one percent.

This minimal change is because California cars in the area where the photochemical oxidant problem is acknowledged to be most serious, are already meeting and will continue to meet the more stringent standard. So, most of the health benefits of going to more stringent hydrocarbon standards will have accrued regardless of when the 49-State standard is promulgated.

Present estimates for manufacturers indicate that the fuel economy penalty of a .41 HC standard in 1980 is between 2 percent and 10 percent. I continue to be concerned that this is a high price to pay for these slight gains in air quality. However, of the three pollutants, automotive HC emissions are strongly implicated in smog formation; and, if any clean-up should be accelerated, it is agreed that HC control is probably the priority.

The revision to the ultimate CO standard is based on recent data that indicates that the originial 3.4 GPM standard is not needed for health reasons, and technical data which shows that three-way catalyst systems may have great difficulty attaining both low NO_x levels and the 3.4 GPM CO standard. On the health side, there is increasing evidence that a 9 GPM standard is more than adequate to protect public health.

Both the interagency task force report on motor vehicle goals beyond 1980 ("the 300 day study") and the air quality, noise and health panel report prepared by EPA in supprt of the task force indicate that if a 9 GPM CO standard is established:

The average carbon monoxide concentration in the year 2000 would be 20 percent of the average concentration experienced in 1971–73, yielding an 80 percent reduction even in the presence of growth in vehicle use and in stationary source CO production;

No air quality control region in the United States would violate the carbon monoxide air quality standard in the year 2000; and

There would be no cardiac health deaths attributable to carbon monoxide air quality in the year 2000.

In fact, the executive summary of the motor vehicle goals study (page 22) states: "Control of carbon monoxide (CO) at the present level of 15 gpm is sufficient to reduce projected excess cardiac deaths and persons days of discomfort to zero by 2,000 as emission-controlled cars replace older vehicles. Lower CO emission levels do not change these health indicators."

The State of California has recently decided that a carbon monoxide standard of 9 gpm is sufficient for its needs. At a meeting of the California Air Resources Board on November 23, 1976, long-term standards for all three pollutants (HC, CO, and NO_x) were recommended with the long-term standard for carbon monoxide remaining at today's California level of 9 gpm.

There is a strong case that more stringent CO standards than 9 gpm are not needed and there appear to be some strong technical arguments for holding at the 9 gpm level. Before completing my discussion on our new standards, I must comment on the serious concern that is held regarding the three-way catalytic converter. This device, that is not in mass production, shows some sign of being able to achieve somewhat lower emission levels than those currently in effect. The three-way converter, planned to be placed on some new cars, is to be combined with an overall complex system of emission control devices which may not have durability even for the EPA 50,000 mile certification test.

There is no indication though that the motorist would have incentive to have the three-way catalyst repaired. Also, there is the question of the availability of repair services for the device that would be sufficient to maintain the Federal Fleet Emission Standards.

It is also known that the three-way converter will require excessive amounts of rhodium at this stage of its development. Rhodium is a rare and expensive metal, a by-product of platinum whose only known sources in any amounts today are South Africa and the U.S.S.R. These are questionable sources. This is a fact that could lead to short supplies of rhodium, especially in consideration of mass produced vehicles, 10-million a year.

I question how much dependency can be placed on the three-way catalyst.

The final change made to the original Dingell-Broyhill/Riegle-Griffin emission schedule is on the ultimate oxides of nitrogen standard. Originally we would have authorized EPA to set the NO_x standard to be effective in model year 1982. This approach was recommended: (1) because there continues to be substantial debate over what level of control of oxides of nitrogen is needed for health reasons; and, (2) because of the concern that a final standard too stringent could preclude a number of technologies that show real promise of achieving both air quality and fuel economy improvement. In the revised bill EPA would have authority to set the NO_x standard in the range of 1 to 2 gpm. This appears to be the range that will ultimately represent a balance of fuel economy and air quality goals. Factors to be considered in determining the ultimate NO_x include technical availability and practicability, impact on fuel consumption, and cost of compliance. If these factors determine that the NO_x standard should be revised upwards toward 2.0 gpm, the revision will occur if it will not endanger public health.

Also Administrator may grant a waiver up to 2.0 gpm NO_x for innovative technology that is shown to be extremely fuel efficient and if the waiver upwards to 2.0 would not endanger public health. I cite the diesel, the CVCC, stratified charge, and lean burn as some examples.

I think the facts can be said to argue for accelerated HC control although I continue to be concerned about fuel economy impact. I also think there is now a strong case for a 9 gpm CO standard. In my opinion, the original Dingell/Broyhill bill offered a reasonable balance among the objectives of air quality and fuel economy improvement, minimized cost and stable auto employment. It appears that the new proposal sponsored by Dingell-Broyhill, Riegle-Griffin, Woodcock-UAW is technologically achievable.

I cosponsor this revised schedule because it is reasonable and balanced and it is critical that we unite and resolve our differences in order to avoid the catastrophic production disruptions, product and consumer impacts that will result if we do not get on with the task before us.

NUCLEAR PROLIFERATION

HON. BILL LEE EVANS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. EVANS of Georgia. Mr. Speaker, I would like to share with my colleagues the following paper prepared and brought to my attention by Jeffrey M. Brookstone, Ph. D., assistant professor of economics and business, Macon Junior College, Macon, Ga.:

NUCLEAR PROLIFERATION: CAPABILITIES, COSTS, CHOICES AND CONSTRAINTS

(By Jeffrey M. Brookstone)

The pressing questions about nuclear proliferation are four in number: (1) How do we control the spread of nuclear weapons? (2) Can we halt the spread and sale of nuclear power technology? (3) Are national export controls on nuclear products effective? and

(4) What priority should be assigned to developing non-nuclear sources of energy if this development means slower national economic growth? To understand and answer these questions, the capabilities, costs, choices and policy constraints about U.S. nuclear proliferation policies must be discussed.

I. NUCLEAR CAPABILITIES

Not every nation is a nuclear one. Long ago the United States, Great Britain, the Soviet Union, France and Mainland China developed nuclear capabilities. Recently, India, Israel, South Africa, Switzerland and Poland have developed constructive and destructive sources of nuclear technology. To these ten nuclear nations must be added at least a dozen more soon-to-be or threshold nuclear powers: Japan, Taiwan, South Korea, Pakistan, Indonesia, Saudi Arabia, Egypt, Libya, Algeria, Spain, Argentina and Brazil. Whether or not these countries and the original nuclear countries choose to use their nuclear atoms for peace or for conflict is of central concern to us.

Presently, under the Nuclear Non-proliferation Treaty, more than 93 nonweapons powers and 3 weapons powers, including the U.S., the Soviet Union and Britain have signed. France, China, India, Israel, South Africa and Pakistan have not signed. Imagine for a moment if one party knowingly or even accidently precipitated a nuclear war. Former Secretary of Defense, James Schlesinger, estimated, for example, that if our primary nuclear adversary, the Soviet Union, attacked the roughly 45 operational Strategic Air Command bomber bases in the U.S., total casualties would number approximately 700,000. In rough terms, that figure translated to destroying entirely the population of six cities the size of Macon. Indeed, the stakes are high. Who could imagine living in America, if after a comprehensive nuclear military attack, the injured, and sick resulting from direct and indirect nuclear effects would number 5,100,000 citizens and the delayed fatalities resulting from nuclear fallout numbered an additional 6 million U.S. citizens?

To protect itself from this destructive nightmare, the United States has developed a stockpile of strategic and nuclear weapons. The stockpile has the destructive force of 615,385 Hiroshima bombs. Not too many years ago, one Hiroshima atomic bomb killed more than 100,000 civilians. Today, of course, not only do more nations have the capacity to make nuclear weapons, but these instruments of death can be fired from submarines, portable missile launchers and supersonic bombers. If some of you still question the seriousness of nuclear proliferation, then consider the following recent developments:

The Soviet Union now spends 11 to 13 percent of its gross national product, approximately $144 billion in 1975 on defense, while the United States spends 5.75 percent of its gross national product, 26 cents out of every tax dollar or approximately $110.1 billion for defense in the current fiscal year.

Since 1964, the number of armed military forces in Russia grew from 3.4 to 4.4 million men while, since the Vietnam War, U.S. armed force totals have fallen to 2.1 million men.

Since 1955, three times as many ships have been added to the Soviet Navy than has to the United States' Navy.

Russian submarine launched ballistic missiles have increased in the last decade from 29 to over 700 in number. The U.S. has not increased its numbers of submarine launched ballistic missiles, holding but 655.

Former Secretary of State Kissinger, aware of these developments, has said: "The essence of the contemporary problem in the military field is that the term 'supremacy', when casualities will be in the millions, has practically no operational significance as long as we do what is necessary to maintain a balance."

Yet maintaining a nuclear balance but controlling proliferation represent two horns of a nuclear aged dilemma.

What constitutes nuclear balance? The U.S., for example, has about 7,600 nuclear warheads for intercontinental and submarine launched ballistic missiles. The Soviets have 2,300 nuclear warheads. Although the U.S. nuclear arsenal includes 1,054 intercontinental ballistic missiles operated by the Strategic Air Command; 656 U.S. Navy submarine launched ballistic missiles; 453 Air Force bombers equipped with nuclear bombs and short range attack missiles; and NATO employs 6,800 more tactical nuclear weapons at American disposal, we stand forewarned by the Defense Department and the U.S. intelligence community that the Soviet Union is seeking nuclear weapon superiority. If the Soviets do indeed build their next generation of nuclear missiles, Soviet intercontinental ballistic missiles in the SS-16 through the mobile SS-20 categories will all be equipped with multiple warheads. This process is called MIRVing and accounts for the following anecdote. When asked by an American author what he would do if he heard a siren announcing a nuclear attack on Moscow, the Russian citizen replied, "Put on a sheet and crawl to the cemetery—slowly." Why slowly? "So you don't spread panic." Indeed, this story illustrates that a superpower nuclear war is no laughing matter. U.S. intelligence estimates indicate that ten Americans would die for every Russian in such a war.

Nevertheless, to maintain U.S. nuclear strength and add to the problems of controlling nuclear proliferation, the 1978 Defense Budget allocates $234 million for the Navy's Tomahawk missile and $4 million has been set aside for research and development of the land launched cruise missile. Given the scant, real achievements of Kissinger's détente policies we must ask if the nuclear arms race has lessened?

Unhappily, using a blend of criteria such as throwweights, equivalent megatonnage, or strategic balance, it is fairly clear the nuclear arms race hasn't let up. Presently, although the quality of American weapons outweighs the increasing Soviet quantitative advantage, in the near future Americans will confront a rather displeasing reality: the sheer numbers of Soviet nuclear weapons will take precedence over the quality of American weapons. Indeed, already, NATO Commander-in-Chief, Alexander Haig, notes that Soviet defense spending has placed more strain and increasing pressure on our Western European NATO allies than at any other time in the last 27 years. Given this fact, to reassure ourselves and our Allies, the Defense Department has ordered changes in the F-16. The F-16 will be made to deliver atomic bombs. This change and others indicate the critical costs involved in controlling nuclear proliferation.

II. COSTS OF CONTROLLING NUCLEAR PROLIFERATION

To monitor the increasing costs of nuclear weapons sales and export of nuclear technology, one international and two special governmental bodies have been established. The first, the International Atomic Energy Agency (IAEA) is a special United Nations agency headquartered in Vienna, Austria. The IAEA analyzes sales of nuclear materials and verifies that no fissionable material is diverted to military use. Domestically, in addition to the Federal Energy Administration, both the Energy Research and Development Administration (ERDA) and the Nuclear Regulatory Commission (NRC) have supplanted the old Atomic Energy Commission. ERDA and the Nuclear Regulatory Commission oversee the 55 nuclear reactors presently operating in the United States as well as the 164 breeder reactors currently being constructed in the U.S. The Department of Defense is the agency responsible for spending $150–$180 million each year to build and maintain America's strategic nuclear weaponry.

In the plutonium age, the costs of developing the peaceful and strategic uses of nuclear power are quite significant. For example, the first prototype liquid-metal breeder reactor to be completed at Clinch River, Tennessee, at minimum, will cost $10.7 billion. The current estimates for maintaining the United States' stockpile of strategic war materials is $6.5 billion. The latest overall cost estimate by the Air Force to build 244 B-1 bombers at $93.8 million per plane comes to $22.8 billion. Indeed, former Secretary of Defense Rumsfeld suggested that by 1982 the U.S. defense budget will total $156.4 billion. Clearly, of central concern is the overall cost of reducing the spread of nuclear arms. This cost takes several forms.

First, the U.S. must develop the peaceful uses of nuclear power and technology. This will cost approximately $1.2 billion. This sum will be spent on reprocessing plants to strengthen natural uranium so the uranium can be used in fuel reactors. This development should discourage other countries from building their own nuclear reprocessing plants.

Second, more than half a billion dollars, approximately $521 million should be spent to develop a program for the safe, long-term disposal of nuclear wastes. Additionally, the cost of solidifying nuclear wastes will approximate $180 million.

Lastly, while the costs remain indeterminate, substantial monies must be spent to prevent nuclear terrorism, hijacking, theft and uranium blackmail. Fissionable materials are too easily sabotaged or pilfered in transit. Electronic warning systems, armed police, military guards, and other costly preventive measures must be undertaken to protect military and commercial exchanges of nuclear materials. As the world's leading commercial supplier of nuclear technology, fuel and reactors as well as the world's primary arms merchant, $10 billion last year or approximately 50 percent of the world's total, the United States faces truly critical choices in the future on how nuclear proliferation will be contained.

III. ALTERNATIVE POLICIES ON NUCLEAR PROLIFERATION ISSUES

If the U.S., like Shakespeare's Hamlet, must take arms against a sea of troubles, what choices are open to Americans in the realm of nuclear proliferation? At least five alternatives are of central concern to us.

As a diplomatic alternative, the successive rounds of the Strategic Arms Limitation Talks, Salt I through VI offer some hope of reduced nuclear arms development. In November, 1974, with the signing of the Ford-Brezhnev Vladivostok agreement, an overall ceiling of 2,400 nuclear missiles and bombers for both the U.S. and Soviets was agreed upon. Approximately half of these missiles could have multiple nuclear warheads (MIRV's). Because of disagreement over the Soviet Backfire missile bomber system and the U.S. cruise missile system, current SALT negotiations are just now resuming. America and President Carter have a definite choice to negotiate forthrightly, or prove fundamental Soviet sincerity in refusing to curtail the nuclear arms race.

As a commercial alternative, the U.S. could easily unilaterally ban exports of nuclear technology until effective proliferation controls are developed. While such a ban might, in the long run, result in rule of thumb standards for nuclear controls, in the short run, substantial U.S. business would be lost to our West German, Japanese, and French nuclear competitors.

As a military, strategic alternative, the

U.S. can press for stronger adherence to the nonproliferation treaty. Although achieving universal bans on nuclear testing and disarmament are desirable goals, in a world of increasingly intolerant nation states, it would be best to reward American allies for their selective foreign policy support by permitting limited and closely controlled purchases of U.S. nuclear technology. This has already occurred. For example, as a gesture to Peking, two Control Data Corporation Cyber 172 computers not sold by the U.S. to the Soviets were sold by Americans to the mainland Chinese for $2 million. Similarly, the U.S. sells Israel jet engines and the Israelis rebuild these engines, install them in high performance Super Mysteres military aircraft, and then sells the planes to third countries such as Honduras. Additionally, because Iran shares a 1,250 mile border with the Soviet Union, the United States has agreed to sell the Shah of Iran 160 F-16 fighter planes for more than $3 billion. All of these purchases as well as military sales to Saudi Arabia indicate controlling the spread of nuclear arms will cost the United States incalculable millions.

As an energy, technology alternative, the U.S. can seek to reduce plutonium and uranium as sources of long term American energy. Plutonium, a known potent and deadly carcinogen, costs more than enriched uranium to produce. Using laser technology, enriched uranium is a safer alternative fuel. However, with 55 operating nuclear reactors in the U.S. currently and with more on the way; and with FEA projections of nuclear power supplying 30 percent of our energy needs by the year 2000, it appears unlikely plutonium will not be the centerpiece of America's third century energy needs. Already the Soviet Union has embarked on a massive construction program to increase Russia's nuclear power output by the 1980's. If construction continues as planned, by 1980, the Soviet nuclear capacity will be 19.4 million kilowatts. This will equal France or West Germany's nuclear capacity.

In light of these alternative policy choices, what constraints must the United States exercise in controlling nuclear proliferation?

IV. CONSTRAINTS ON NUCLEAR PROLIFERATION

As a post industrial, high technology society, to remain economically strong and competitive, the United States must continue its leadership in the research and development of nuclear technology. The United States no longer has a monopoly on nuclear technology. Consequently, it is essential that the U.S. urge other nations to accept the provisions of the Treaty on the Non-Proliferation of Nuclear Weapons which urges the fullest possible exchange of equipment, materials, and scientific and technological information for the peaceful uses of nuclear energy. Definite diplomatic and commercial sanctions should be enforced against nations who ignore this treaty. In this way, when the United States develops a new method of using lasers to extract Uranium-235 from uranium ore, this less expensive commercial method of producing nuclear fuel will not be utilized to produce more dangerous nuclear weapons.

A top priority, limiting exports of American nuclear weaponry, should be examined. Presently, some 400,000 civilian jobs are related to U.S. armament sales. Every sale of a sophisticated instrument of destruction deprives a developing economy of needed health, nutritional and consumer goods purchases. The President, not the Department of Defense, should have the ultimate last approval of overseas arms sales of American nuclear weaponry. Similarly, more jobs in nondefense sectors of the U.S. economy should be created.

Efforts to reach a new Strategic Arms Limitation Agreement must proceed. Secretary of Defense Harold Brown and President Carter will need to convince the Soviets to discontinue building their Backfire bomber force. If the Backfire bomber is completed, by 1985 Russian's accurate multiple warheads and missiles will exceed America's destructive forces, forces whose payloads are delivered over half the time by our SAC Bombers. Reducing the 2,400 heavy bomber ceiling with the Soviets will not be easy. Indeed, hearings of the House International Relations Committee and the Senate Foreign Relations Committee are now underway to assess Soviet might and strategic strength. Breaking the Salt deadlock is critical. Now is the time to seriously involve the Soviet Union in substantial arms control arrangements. Now is the time to involve the Soviet Union in the process of peaceful change in the international system. Three strategies can be utilized in this task.

First, persuade the Soviets to sign an extensive joint declaration of the principles of nuclear deterrence. Through the Nuclear Suppliers Conference, enlist members who sell all forms of nuclear technology to also sign this declaration. Second, curtail planned development of the U.S. cruise missile system for a designated period, from 12 to 18 months. Enlist the United Nations' International Atomic Energy Agency to inspect openly that development of the cruise missile system has been halted. Insist then that the Soviet Union agree to a similar halt and IAEA inspection of the Soviet's Backfire Missile bomber program. Third, if neither a joint declaration nor a missile development moratorium is forthcoming, proceed to strengthen and upgrade the entire range of American conventional and strategic forces and military hardware. Although this last alternative is costly and will do nothing to control the ravages of nuclear proliferation, this action will indicate to the world that America's liberty is priceless.

V. SUMMARY

In conclusion, after a serious look at the capabilities, costs, choices and constraints in controlling nuclear proliferation, a bit of perspective is required. One humorist recently noted that the Defense Department shouldn't be worried. We have more than 7,600 deliverable nuclear warheads, which makes us very safe—so long as we don't ask the U.S. Post Office to deliver them.

Fortunately, with the incoming Carter Administration, competent officials are now beginning to grapple with the issues raised here. One, former Harvard University professor of government, Joseph S. Nye, Jr., will head a new office in the State Department charged with developing a policy against the spread of nuclear weapons. Nye and others will apply reasoned analysis to determining how and why the sale and spread of American nuclear technology will continue. If stronger export controls are required on American nuclear sales overseas, then we must put them into effect efficiently and totally. Lastly, to Energy Director James Schlesinger and President Carter fall the awesome task of developing a national program for energy sufficiency based on a variety of plutonium and uranium based nuclear processes. The cost of this program will initially appear astronomical. However, American ingenuity and innovation in the peaceful uses of nuclear technology will provide the world's leadership in the approaching 21st century. Without American leadership, efforts at nuclear proliferation control are pointless.

MORE ON THE DROUGHT

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BAUCUS. Mr. Speaker, yesterday I introduced a resolution, House Resolution 384, calling for the creation of a Select Committee On Drought.

This morning's Washington Post had two front page articles which support my belief that the Western drought has reached crisis proportions.

For the benefit of my colleagues who are interested in the drought problem, I am presenting today the text of my resolution and the two Post articles.

I will be calling for cosponsors on the resolution for reintroduction on March 24.

The material follows:

FARM STATES' RIVER LEVELS KEEP FALLING

(By William Nye Curry)

A prolonged and parching drought reduced stream flows to well below normal in 80 per cent of the nation last month, and groundwater levels reached record lows on a grand scale.

The Mississippi River, drainway of much of agricultural America, ran at about 60 per cent below normal, according to a new report by the United States Geological Survey. Together, the nation's "big five" rivers—the St. Lawrence, Columbia, Ohio, Missouri and Mississippi—averaged 40 per cent below normal.

The report also said ground water levels, which usually build in February to be tapped later in the year, declined in about half of the 140-plus observation wells used by the survey to monitor groundwater.

The survey findings come at a time of heightened concern over the effects of months of sparse rainfall on much of the nation's farmland. Dust storms, the shadowy specters of the 1930s that stripped fertile cropland bare, are increasingly frequent.

An Agriculture Department meteorologist said the next two to six weeks will tell what toll the dry weather will exact on the winter wheat crop, which helps to fill not only the U.S. breadbasket but those of many other nations.

The February measurements marked the third straight month of below-normal flows in the "big five" rivers. After above-normal flows in November, December was 6 per cent below normal, January 33 per cent and February 40 per cent.

Geological Survey scientists said some streams in the Pacific Northwest dropped to their lowest February levels in more than 70 years of recordkeeping. A hydrologist with the National Weather Service, Joseph A. Strahl, said yesterday that the Columbia River basin there is expected to get only half of its normal water supplies between now and October.

Strahl said the same crazy wind patterns that gave the country its bitter freeze also prevented normal winter rainfall.

Sixteen flow-monitoring stations in 10 states recorded their lowest flows for February since records were begun, in one case as far back as 85 years. The 10 states are California, Colorado, Hawaii, Idaho, Michigan, Wisconsin, New Hampshire, Oregon, Utah and Washington.

The drought has helped leave more than 17 million acres of land vulnerable to wind damage, according to the Agriculture Depart-

ment, and another 3.8 million acres since Nov. 1 have already been reduced in fertility or productivity because of winds.

Topsoil from parts of Texas, Colorado and Kansas passed over the East Coast last week as a result of dust storms—the first time that has happened since the 1930s, an Agriculture spokesman said.

"Wheat is starting to green up" in some areas of the Great Plains, said Agriculture meteorologist Richard Felch, "but at the present time there is not enough moisture to carry it for very long."

He said eastern Oklahoma has had some moisture but Kansas, eastern Colorado and most of Nebraska "remain pretty dry."

"There is a potentially very serious situation in store there," says Lester R. Brown, president of the non-profit Worldwatch Institute, a research organization here. He said that if harvests are substantially affected, near panic conditions could arise in other nations, "since the whole world is so dependent" on U.S. grain.

CALIFORNIA EYES MANDATORY WATER RATIONS

(By Bill Richards)

LOS ANGELES, March 7.—California officials have begun drawing up a contingency plan for mandatory statewide water rationing while Gov. Edmund G. Brown Jr. warned here today that, unless the current drought eases, the state faces "a disaster of unmeasurable magnitude."

Brown acknowledged that the contingency plan would impose mandatory rationing on all of the state's 21.5 million residents. But he said he would be reluctant to implement such a drastic measure except as a last resort.

"The specter of the drought is gathering momentum," the governor told nearly 1,000 state and local officials gathered here for the start of a two-day conference on the two-year Western drought. Other state officials predicted that water shortages this year could cost California up to $6 billion in agricultural losses alone.

James G. Youde, acting director of the state Agriculture Department, said cattlemen lost $500 million in the last year from the drought and this year the loss could be far worse.

Twenty-nine counties have been declared disaster areas as a result of livestock and other farming losses.

Officials have estimated that in addition to agricultural losses the drought could increase the unemployment rate here by nearly three percentage points because of layoffs in water-using industries. Officials also worry that water in some rivers has dropped so low that their sewage proportion has reached dangerously high levels.

The sewage content of the American River, near the capital at Sacramento, has reached 12 per cent because of reduced water levels, officials said last week.

California has been one of the states hit the hardest by the drought, in part because it has lasted the longest here and also because so much of the agricultural output is dependent on water from mountain snowpacks. This year, said Ronald B. Robie, director of the Water Resources Department, snowpacks feeding water supplies are only 20 per cent of what they should be.

Already about 30 communities in Northern California have imposed mandatory water rationing on their residents because of the drought. Attorney General Evelle J. Younger ruled last Friday that the governor has the power to declare mandatory rationing throughout the state and some legislators have been calling on Brown to exercise that power soon.

Several weeks ago Brown ordered telegrams sent to about 1,000 of the larger water districts asking that they tell the Water Resources Department how badly they had been affected and what their absolute minimum needs were.

Brown said today that this was part of a plan for mandatory rationing statewide if needed. The governor noted, however, that different portions of the state have different requirements and that a blanket rationing plan could be difficult if not impossible to enforce.

Instead Brown said it is more likely that as the drought continues the five-member Water Quality Control Board—which he called California's "water supreme court"—would tour districts where the situation is most critical and order mandatory cutbacks where required.

"Persuasive power is always better than coercive power," said the governor.

Brown has called for a statewide voluntary cut of 25 per cent in water use. Officials said today it is too early to tell how effective the request has been, but in areas like southern California, which has not been directly affected by the drought, there are indications that it is not working.

H. RES. 384

Resolved, That (a)(1) there hereby is established in the House of Representatives a select committee to be known as the Select Committee on Drought (hereinafter in this resolution referred to as the "select committee"). The select committee shall be composed of fifteen Members of the House.

(2) Members of the select committee shall be appointed by the Speaker of the House. One member of the select committee shall be designated by the Speaker to serve as chairman of the select committee.

(3) At least one member of the select committee shall be chosen from each of the following committees of the House. The Committee on Agriculture, the Committee on Appropriations, the Committee on Banking, Finance and Urban Affairs, the Committee on Government Operations, the Committee on Interior and Insular Affairs, the Committee on Public Works and Transportation, the Committee on Science and Technology, and the Committee on Small Business.

(4) Any vacancy occurring in the membership of the select committee shall be filled in the same manner as the original appointment.

(b) The chairman of the select committee may establish such subcommittees of the select committee as he considers appropriate. Any such subcommittee shall be composed of not less than four members of the select committee.

SEC. 2. The select committee shall not have legislative jurisdiction. The select authority shall have authority—

(1) to conduct a comprehensive study and review of drought problems and possible solutions for the Western United States, including, but not limited to a comprehensive survey of the physical, economic and social impacts of the drought on the people, communities, and states immediately affected (as well as the national and global economic, energy and nutritional impacts of the drought); an examination of the causes of the drought; an array of possible solutions to the drought as demonstrated or contemplated in either this country or abroad; a thorough examination of the adequacy, comprehensiveness, responsiveness, efficiency and effectiveness of existing or proposed drought-related disaster relief programs.

(2) to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies relating to the drought.

SEC. 3. (a) For purposes of this resolution, the select committee, or any subcommittee thereof authorized by the select committee, may sit and act at such times and places as it considers appropriate whether the House is sitting, has recessed, or has adjourned.

(b) For purposes of this resolution, the select committee, or any subcommittee thereof authorized by the select committee to hold hearings, may hold such hearings, and may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, documents, and other exhibits and materials, as it considers necessary. Subpenas may be issued under the signature of the chairman of the select committee or any member of the select committee designated by him, and may be served by any person designated by such chairman or member.

(c) A majority of the members of the select committee shall constitute a quorum for the transition of business, except that the select committee may designate a lesser number as a quorum for the purpose of taking testimony. The chairman of the select committee, or any member of the select committee designated by him, may administer oaths or affirmations to any witness.

(d) The select committee and any subcommittee thereof and its staff may conduct field investigations or inspections. Members and staff of the select committee may engage in such travel as may be necessary to conduct investigations relating to the purposes of this resolution.

SEC. 4. The select committee may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, and clerical and stenographic assistants as it considers necessary to carry out the purposes of this resolution. The select committee may reimburse the members of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the select committee, other than expenses in connection with meetings of the select committee or any subcommittee thereof held in the District of Columbia.

SEC. 5. The provisions of clause 2(g)(1) of rule XI of the rules of the House shall apply to the select committee.

SEC. 6. (a) The select committee shall report to the House with respect to the results of any investigation conducted by the select committee, or any subcommittee thereof, under section 3(d).

(b) The select committee shall submit an annual report to the House which shall include a summary of the activities of the select committee during the calendar year to which such report applies.

(c) Any report of the select committee under this section which is submitted during a period in which the House is not in session shall be filed with the Clerk of the House.

SEC. 7. The select committee shall cease to operate one year following enactment of this resolution.

HISTORY OF THE NURSE CORPS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. EILBERG. Mr. Speaker, on February 6, 1977, I had the privilege of attending the 108th Combat Support Hospital Nursing Service's, first celebration of the founding of the Army Nurse Corps, which was held in conjunction with the commemoration of the Army Nurse

Corps,' 76th anniversary. The 108th Combat Support Hospital, the first combat support hospital in the State of Pennsylvania, donated a pair of Army fatigues and boots in honor of this occasion to the Philadelphia Mueusm for Nurses, the only museum devoted exclusively to nursing in Pennsylvania.

At this time, I submit for the RECORD a history of the Army Nurse Corps and the 108th Combat Support Hospital:

HISTORY OF THE NURSE CORPS

(By Brenda Turner)

In peacetime and wartime, whenever this country has been engaged in war and wherever men have been injured or in need of care, women have served as nurses.

Since 1775, the Army Nurse has served in the field of battle and in garrison. They have devotedly aided mankind, caring for victims of disaster and disease throughout the world.

The following is a brief history and overview of selected milestones in the evolution of the Army Nurse Corps and some notable contributions that were made.

Immediately following the Revolutionary War, the Continental Congress established a plan for a hospital with a nurse for every ten patients. The women who served were not "nurses" in the modern sense, but they helped blaze the trail for another generation nearly 100 years later when modern schools of nursing were established.

On 10 June 1861, two months after the Civil War began, the Secretary of War appointed Dorothea Dix, famed for her work on behalf of the mentally ill, as Superintendent of Women Nurses for the Union Army. Miss Dix headed the list of about 6,000 women who received a short nursing course from Dr. Elizabeth Blackwell, the first woman physician in the United States. This was 84 years later and the Surgeon General gave the nurses a raise from $8 a month to $12 a month.

At the onset of the Spanish American War, almost 1200 nurses volunteered, serving in the United States, Cuba, Puerto Rico, the Philippines, Hawaii and Japan, and on the hospital ship *"Relief"*. Following the war, twelve nurses died of typhoid fever; another, Clara Louise Mass volunteered for experimental research for the Yellow Fever Commission and gave her life thereby helping to establish a mosquito vector as the transmitter of the disease.

In February 1901, Dr. Anita Newcomb McGee, Vice President of the National Society of the Daughters of the American Revolution wrote a bill, later passed by Congress, establishing a permanent Female Army Nurse Corps of the Medical Department. A Reserve Corps was also authorized by the Medical Department. Each reserve nurse signed an agreement to enter active service whenever required and to report by letter to the Surgeon General every six months. There were 37 nurses who wore the Badge of the Army Nurse.

In April 1917, the United States entered World War I. By June there were 1,176 nurses; one year later, 12.986 nurses, 10,000 of them reserve. By Armistice Day the Army Nurse Corps was 21,480 strong. Nurses had served in France, Belgium, England, Italy and Siberia. They had been assigned to casualty clearing stations and surgical teams in field hospitals as well as to mobile, evacuation, base, camp, and convalescent hospitals. Several nurses were wounded but none died as a result of enemy action. The Distinguished Service Cross was awarded to three Army Nurses, and twenty-three received the Distinguished Service Medal.

1920 saw Army Nurses granted the status of officer ranking from Second Lieutenant through Major. Later came full pay and privileges of the grades and eligibility for the GI benefits. Fifty years later the first Army Nurse Corps Brigadier Generals, Anna Mae Hays and Elizabeth Hodsington were appointed.

Nurses were at the fall of Bataan and Corregidor, waded on shore at Anzio Beachhead, and helped to evacuate following the Normany Invasion during World War II. Victory in Europe Day found 52,000 Army Nurses serving in 1,059 facilities overseas and at home.

The decorations and awards continued for meritorious service and bravery under fire through Korea and Vietnam. The Army Nurse Corps also pioneered in many areas of nursing practice, community health nursing, nursing education, administration and research.

The list goes on and on, bringing us to today. February 6, 1977, is the 76th Birthday of the Army Nurse Corps. The nurses of the 108th Combat Support Hospital are again pioneering as the first of the Army Nurse Corps in the Pennsylvania Army National Guard. We, too, pledge to continue the proud tradition and blaze trails for the future.

We, the nurse corps officers, are proud to be members of the Pennsylvania Army National Guard and especially the 108th Combat Support Hospital. The 108th has a long and illustrious history, dating back over one hundred and thirty-five years. Here are but a few highlights from a lengthy and meritorious lineage:

The unit was organized December 11, 1840, in the Pennsylvania Militia as the National Guards, a volunteer militia company assigned to the 1st Volunteer Infantry Regiment at Philadelphia.

The unit was mustered into federal service April 27, 1861, as the 19th Pennsylvania Volunteer Infantry Regiment and mustered out August 9, 1861, at Philadelphia.

The unit was then reorganized and mustered into federal service September 1861–March 1862, as the 90th Pennsylvania Volunteer Infantry Regiment. The 90th mustered out November 1864, at Fort Dushane, Virginia, after participating in campaigns at: Manassas, Antietam, Fredericksburg, Chancellorsville, Gettysburg, Wilderness, Spottsylvania, Cold Harbor, Petersburg.

The unit was reorganized October 2, 1867, in the Pennsylvania Militia as the 2nd Infantry Regiment (National Guard).

In 1870, the Pennsylvania Militia was redesignated as the Pennsylvania National Guard. From this point in history, the Pennsylvania National Guard was mustered into Federal Service numerous times and on October 23, 1916, the 2nd Infantry Regiment was converted and redesignated the 108th Field Artillery, an element of the 28th Division.

The 108th was demobilized May 24, 1919.

During World War I, the 108th participated in the campaigns at: Oiss-Aisne, Manes-Argonne, Ypres-Lys, Champagne, Lorraine, and was awarded the Luxembourg Croix-de-Guerre and the streamer embroidered with "Luxembourg".

The 108th Field Artillery was again inducted into Federal Service on February 17, 1941, at Philadelphia and inactivated on October 25, 1945, at Camp Shelby, Mississippi. During World War II, the 108th participated in the campaigns at: Normandy, Northern France, Rhineland, Ardennes-Alsace, Central Europe.

On November 22, 1946, the unit was reorganized and federally recognized as the 108th Field Artillery Battalion at Philadelphia.

The 108th also saw periods of active federal service throughout the Korean Conflict.

On June 1, 1959, the unit was reorganized and redesignated as the 108th Artillery, an element of the 28th Infantry Division. The last redesignation before becoming the 108th Combat Support Hospital occurred in May of 1972, when the unit became the 108th Field Artillery and served in this capacity until January 1976, when it was converted and redesignated as the 108th Combat Support Hospital. Its present home station is Philadelphia.

WATER POLLUTION CONTROL

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. EDGAR. Mr. Speaker, I would like to insert a portion of the testimony of Ms. Khristine L. Hall, on behalf of the Natural Resources Defense Council, Inc., before the House Public Works Subcommittee on Water Resources on H.R. 3199, a bill to amend the Federal Water Pollution Control Act:

STATEMENT OF KHRISTINE L. HALL

Mr. Chairman, members of the Committee, we appreciate this opportunity to testify before you regarding H.R. 3199, which contains amendments to the Federal Water Pollution Control Act of 1972.

Basically, we feel that Congress did its job well when it passed the Federal Water Pollution Control Act of 1972. The Act contains a comprehensive, interwoven scheme aimed at restoring the chemical, physical, and biological integrity of the Nation's waters and at improving the waters so that by 1983 they may once again be used for fishing and swimming. While we realize that some minor tinkering with the Act's provisions may be necessary to clarify ambiguous provisions and to rectify a few problems, changes of the magnitude reflected in some provisions of H.R. 3199 are insupportable and unnecessary. Some provisions of H.R. 3199, particularly the proposed amendment to Section 404, would leave a gaping loophole in the otherwise comprehensive scheme of the Water Act and would threaten the achievement of the Act's goals. Any changes that are made, should be made only after hearings on and study of the Water Act as a whole, to make sure that all relevant factors are taken into account before amending the Act. We understand that there will be a full review of the Act's goals and requirements later this year. Issues raised in H.R. 3199 may receive a full airing and detailed consideration at that time. With that basic premise in mind, I will address specific sections of the bill.

We would like to express our support for the funding authorization provided by this bill, but we urge that it be reported without the controversial, substantive amendments now attached.

SECTION 16—AMENDMENTS TO SECTION 404

The Section 404 program protects against two types of discharges which are among the most serious threats today to the chemical, physical and biological integrity of the Nation's waters: first, discharges of dredged spoil which are frequently contaminated with heavy metals such as mercury and cadmium and chlorinated hydrocarbons such as PCBs and kepone and, second, discharges of fill materials which can result in the destruction of irreplaceable wetlands—the most valuable and productive part of the aquatic environment. The proposed amendment in HR 3199, almost identical to last year's Wright Amendment, would allow these discharges to occur without permits or regulation in the great majority of the country's waterways. It would leave unprotected most of the country's stream miles, most of

the country's wetlands and indirectly all the downstream waters that depend on these streams and wetlands. Section 16 would thus create a glaring loophole in the 1972 Act. It would undermine the Act's integrity and would render its goals unachievable.

The Section 404 program has become highly politicized during the past two years. It has been the victim of tremendous misunderstanding. We are unfortunately still living with the poisoned atmosphere created by the Corps of Engineers' press release of May 6, 1975. Among other misstatements, that release said that federal permits may be required by the farmer "who wants to deepen an irrigation ditch or plow a field." Senator Muskie, upon reading this release, demanded that it be retracted. Over a year ago he stated on the floor of the Senate:

"The Corps, in what appears to be a deliberate attempt to distort Federal water pollution policy for purposes which I do not understand, publicly announced that a court decision which upheld the intent of Congress as regards the meaning of navigable waters would have the effect of placing thousands of farmers in violation of Federal law. Nothing could be further from the truth and the Corps knows it. . . .

"I only hope that this matter can now be ended and we can get on with the job of regulating the discharge of dredge or fill materials in such a manner as to protect both the nation's wetlands and the quality of all the nation's waters."

Former EPA Administrator Train, members of Congress, and others joined with Senator Muskie in expressing these views. If only Senator Muskie's advice had been followed. Unfortunately it was not. The Corps' alarmist and unsupported claims were repeated and even further exaggerated in countless government news releases and agricultural and forestry newsletters and articles. Long after the Corps to its credit had put together and begun to implement a workable and reasonable program, the distortions referred to by Senator Muskie were perpetuated by certain groups with narrow commercial interests in need of a broader political base to achieve their objectives, one of which appears to be to escape all regulation under this Act.

One argument sometimes made by opponents of the Section 404 program is that the courts are responsible for extending the program beyond Congress' intent. This is not true. Take the question of whether the 1972 Act and the Section 404 program were meant to extend beyond traditionally defined "navigable waters." I am aware of not one but ten court decisions holding that a much broader jurisdiction was intended, and the Environmental Protection Agency and the Department of Justice have consistently supported this view. The reason for this essentially unanimous position is the clarity of the 1972 Act's language and history on this point. Section 502(7) defines "navigable waters" as used in the Act to include all "waters of the United States," and the Conference Report states that:

"The conferees fully intend that the term 'navigable waters' be given the broadest possible constitutional interpretation unencumbered by agency determinations which have been made or may be made for administrative purposes." Conference Report, at 144.

As Congressman Harsha noted in last year's House debate on the Wright Amendment:

"The courts did not adjudicate a new definition of navigable waters. . . . The Court has upheld our position on that. It did not redefine navigable waters." Congressional Record 16558, June 3, 1976.

All that the District Court did in NRDC & NWF v. Callaway, 524 F. Supp. 79 (D.D.C. 1975), was to require the Corps of Engineers to regulate the discharge of the two types of pollutants assigned to it in the same areas that EPA regulates other pollutants.

Similarly, there is no serious doubt that the wetlands associated with our estuaries and streams are part of "the waters of the United States." Certain wetlands, for example coastal wetlands below mean high tide, have always been included in the traditional definition of navigable waters.

When the 1972 Act abandoned the artificial limitations of the navigation servitude, that abandonment not only extended the Act's jurisdiction upstream to non-navigable waters but also laterally into the wetlands that are an integral part of the aquatic ecosystem.[1] Otherwise, for example, an industrial polluter could escape regulation under Section 404 merely by dumping its wastes into a marsh or other wetland instead of into the stream itself.

Most fundamentally, the basic goals of the Act in Section 101—protecting the chemical, physical, and biological integrity of the Nation's waters and providing an aquatic environment for the protection and propagation of fish, shellfish, and wildlife and for recreation in and on the water—could not even be approximated if wetlands were artificially segmented off and excluded from the protected "waters of the United States." The House Report states that the "integrity" goal in Section 101 is intended to refer "to a condition in which the natural structure and function of ecosystems is maintained." (House Report at 76). Wetlands are the most vital and productive part of the aquatic ecosystem, and we could never make much progress towards protecting that ecosystem and the integrity of the Nation's waters if wetlands were unprotected. Consider the following:

Fully two-thirds of the annual U.S. harvest of fish and shellfish can be traced back to wetlands.

Ducks, other waterfowl and numerous other wildlife species are almost completely dependent upon wetlands for nesting and feeding habitat.

The pollutant removal, water cleansing properties of wetlands are enormous. A 500-acre wetland has been shown to assimilate tons of phosphates, nitrates, animal wastes, sediment and other pollutants on a daily basis while enriching the surrounding waters with oxygen. The wetland is the farmer's pollution control plant. Runoff from agricultural areas is already a serious pollution problem and will become proportionately more important as controls on other pollution sources are implemented. Without wetlands to act as natural filters, agricultural pollution of downstream areas, including drinking water supplies, would be far more servere.

If wetlands were not within the Act's jurisdiction, we could easily find ourselves a decade hence having spent billions on controlling industrial and municipal discharges but with an aquatic environment more impoverished than today's.

Congress recognized the importance of full protection of the aquatic environment when it observed in its report on the Act that: "Water moves in hydrologic cycles and it is essential that discharge of pollutants be controlled at the source. Therefore, reference to the control requirements must be made to the navigable waters, *portions therof, and their tributaries.*" (Senate Report at 77; emphasis added.)

Finally, we would also note that there has never been any serious question that Section 404 reached the discharge of fill material. The phrase "or fill material" is in Section 404 itself, but its origins go back as far as the Senate Report. The Senate bill had the Administrator of the Environmental Protection Agency regulating the discharge of all pollutants, including dredged and fill material. In describing EPA's responsibilities, the Senate report states:

"In establishing the levels of best practicable and best available technology for point sources the Administrator should not ignore discharges resulting from point sources other than pipelines or similar conduits. *For instance, the Administrator must give proper attention to the control of dredged spoil disposal and fill operations . . .*" (Senate Report at 51; emphasis added.)

For all these reasons, the Corps was certainly correct when it established a Section 404 permit program which covered both navigable waters and their tributaries, included wetlands and regulated discharges of both fill materials and dredged spoil. Yet the Corps took special precautions in its July 25, 1975, regulations to ensure that its program did not extend to areas where it did not belong, that it did not become mired in the processing of innumerable individual permits for trivial matters and that it cooperated fully with state and local authorities and programs. The Corps regulations provide:

That "normal farming, silviculture and ranching activities, such as plowing, cultivating, seeding and harvesting" will not be covered;

That fills for the purpose of the maintenance of existing structures such as dikes, dams, highways, etc., will not be covered;

That only point source discharges will be covered and nonpoint sources excluded;

That general permits applying to many dischargers can be used to reduce red tape and delay where activities have a minimal environmental impact; and

That joint processing and other cooperative steps can be followed where a state is operating a permit program for similar activities.

We believe that the program set out in the Corps' July 25 regulations is reasonable, is not overregulatory and deserves broad support and acceptance. It has our support and acceptance. The experience with the program over the past two years bears out these conclusions. These conclusions are also borne out by information recently compiled by the Corps of Engineers in response to inquiries from Senators Randolph and Baker. Tabulations covering July 1, 1975, through December 1, 1976, reveal that there were only 236 applications nationwide for Section 404 permits for nonexempt agriculture, silviculture, and ranching activities. It is these interests which have been most vocal in protesting "over-regulation" under Section 404. Last year's dramatic claims that Phase II would bring a flood of applications from these sources and lead to overregulation simply cannot be supported. In addition, the Corps' figures show the general permit program has already begun to work well in the areas of agricultural and silvicultural activities, cutting back on red tape and delay.

In over 600 instances where an individual permit would otherwise have been required, the activity has been covered by a general permit, making an individual permit unnecessary. More general permits are being developed.

No one—not the Corps, EPA, the environmental community, or the public—no one wants to see the Corps wasting its time on trivial discharges. We can assure this Committee that if the Corps should ever become overzealous and begin to get involved in activities outside the 404 program, or which have no significant environmental effect, then we will join with the other members of this panel in opposing the Corps' action. Un-

[1] Prior to the court's ruling in *NRDC & NWF* v. *Callaway* the House Government Operations Committee was calling upon the Corps to abandon its narrow view of Section 404's jurisdiction and to use that provision "to protect additional wetlands from the damaging effects of dredging and filling." H. Rep. No. 93-1396, 93d Cong., 2d Sess. (1974), at 14-27.

till then, though, the Corps and EPA should be left to run the program as it is now constituted, especially if the alternative course is to cripple the program as Section 16 would do.

It is also worth noting here that Section 16, although it may remove the permit burden for some dischargers, will impose additional requirements on others. Section 16 makes the primary test of federal jurisdiction the mean high water mark. However, accepted engineering practices of determining mean high water lines may be unreliable and expensive, since the determination often depends on the establishment of tidal data which may be nonexistent or highly questionable. In fact, the General Development Corporation of Florida claims that an amendment such as Section 16 "can only create further confusion and chaos in an already complex area just at a time when some degree of consistency is being achieved." [2]

The attack on the Section 404 program is nothing less than an attack on the integrity of the 1972 Act. Section 16 would allow the discharge of both dredged spoil and fill material to go unrelated in most U.S. streams and rivers. It would jeopardize about three-fourths of all U.S. wetlands. Wetlands are not only among our most valued resources; they are among our most threatened. Already half of America's wetlands have been destroyed. And we are still losing our wetlands at a rate of over 200,000 acres a year. The Fish and Wildlife Service has concluded that an amendment like Section 16 could leave even the largest swamps and freshwater marshes such as the Okeefenokee and the Everglades unprotected. The consequences would be extremely serious.

One of the most serious problems with Section 16 is that it will open an enormous loophole in the Water Act which will permit and may even encourage the discharge of some of the most hazardous pollutants known—toxic and carcinogenic substances—into roughly 85 percent of the Nation's surface waters and wetlands. Section 16 would simply preclude the regulation of the discharge of these materials into these areas when they are present in dredged or fill materials of any kind. Furthermore, under the proposed amendment, it will be impossible to determine when or where toxic substances are present in dredged or fill materials prior to discharge. Absent regulation, no mechanism will be available by which to require the advance testing necessary to protect public health.

Both the National Cancer Institute and the World Health Organization have concluded that 60–90 percent of all human cancers are caused by chemicals in the environment, including some of the very substances the discharge of which will be permitted by Section 16.

Sediments dredged from the bottoms of our streams and rivers are found increasingly to be contaminated with toxic and carcinogenic materials. One example is the presence of cancer-causing PCBs in Antietam Creek in Maryland, a non-navigable tributary upstream of Washington's water supply intakes. Another example is the presence of kepone in sediment in a small trout stream in Pennsylvania, some thirteen years after a company on the stream stopped its discharge of kepone. These dangerous chemicals persist in the sediment of many of the nation's waters. the federal jurisdiction of which would be abandoned under Section 16. Whenever these streams are dredged, for instance for a channelization or flood control program, the toxic materials can be released into the water column, threatening the aquatic environment, and in some cases human health. Yet these discharges would not be subject to testing and regulation under Section 16.

Millions of cubic yards of dredged materials, much of it contaminated with toxic materials, must be disposed of each year in the U.S. Under Section 16, it could be dumped into any waters other than those that are or could be used for navigation.

In addition, dischargers would be free to dump into the majority of our waters unprotected by Section 16 anything they can get away with calling "fill." If a chemical company has some severely contaminated soil it has to get rid of, it could conceivably buy some wetland acreage and dump the soil as "fill." No permit required.

Testimony submitted by the Environmental Defense Fund last year in the Senate's oversight hearings on Section 404 enumerates many cases where toxic materials could be used for fill and would be left unregulated by Section 16. I have appended that portion of EDF's testimony which lists these case examples and urge you to read it.

Section 16 would also authorize the inclusion of any type of discharge, no matter how serious, under a general permit. Environmental groups support the concept of the general permit in the Section 404 program. However, the general permit should not be allowed for environmentally damaging discharges. A loose, vague, and criteria-free general permit authority invites administrative and legal challenges which would create confusion and delay.

Section 16 would also allow delegation of the permit program to the states, but again without any criteria for program adequacy such as those established in Section 402. Without criteria in law, the Corps must establish them by administrative rulemaking. Sound criteria such as those Congress wrote into Section 402 are needed to give an interested state a stationary target, to prevent delegation to an inadequate state program, and to preserve national uniformity in order to protect those states which do come forward with good programs. Program uniformity in Section 404 is even more important than in Section 402, because Section 404 lacks nationally uniform discharge standards for individual permits.

Finally, Section 16 exempts many federally authorized or assisted projects from Section 404 requirements. We do not for one minute believe that the Corps has the authority to use Section 404 to veto projects which Congress has authorized. On the other hand, it seems equally clear that the 404 process has a useful role to play in the planning of these projects.

Defenders of Section 16 may point to the fact that it does at least attempt to protect the small portion of our wetlands associated with traditionally navigable waters. There are at least four flaws in even this limited claim:

(1) Section 16 defines "adjacent wetlands" as something distinct from "navigable waters." Yet under other provisions of the 1972 Act, which are essential to make Section 404 work, *e.g.*, Section 301, it is only "navigable waters" that are protected. So "adjacent wetlands" are probably not protected at all by Section 16.

(2) The language of Section 16 excludes the historical test of navigability. The result is that many waters which are covered by the traditional test of navigability are not protected under Section 16.

(3) Under Section 16, the wetlands aspects of the Section 404 program can be delegated to the states without any statutory restraints or criteria. Yet the vast majority of states are unprepared at present to handle the Section 404 program. It is noteworthy that a recent study by the Interstate Commission on Water Pollution indicates that of the states which would seek to administer the Section 404 program only six met certain threshold tests of program adequacy.

[2] Letter to Sen. Jennings Randolph from Arthur L. Harper, General Development Corporation, Miami, Florida, August 4, 1976.

CUBAN EXILE GROUP FAVORS EMBARGO LIFTING

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BINGHAM. Mr. Speaker, contrary to popular notion, a great many Cuban Americans favor improved relations with Cuba, including a lifting of the U.S. trade embargo. Graphic proof of such support is contained in a letter I have received from the leaders of a Miami-based organization known as Cuban Group for Family Reunification.

This organization consists of Cuban exiles in the United States who have immediate family—in many cases wives or husbands and children—in Cuba. On the basis of responses they have received to advertisements in Spanish-language magazines in recent months, they estimate that there are more than 1,500 such divided families, and many more families longing to restore contact with more distant relatives in Cuba.

This week, the leaders of Cuban Group for Family Reunification took time off from their jobs and traveled a long distance at their own expense to Washington to deliver their message to Government leaders. That message is that the U.S. embargo has only imposed hardships and suffering on the 9 million Cubans in Cuba, and that the best way to ease the problems of human separation between the United States and Cuba is to lift the embargo as a step toward negotiation and normalization of relations.

Mr. Speaker, the letter stating the views of Cuban Group for Family Reunification delivered to me yesterday follows:

CUBAN GROUP FOR
FAMILY REUNIFICATION,
Miami, Fla., March 7, 1977.

HOUSE OF REPRESENTATIVES,
International Relations Committee,
Washington, D.C.

HONORABLE COMMITTEE: Cuban Group for Family Reunification is formed by Cubans living in the United States, but unfortunately our families (wives or husbands, and kids) are still in Cuba. For several years they have been trying to get exit permits to get out from Cuba, but the Cuban Government has denied them that permit, even though our families have air fare and visas to fly to Spain or Mexico.

Our goal is to get exit permits for our families, so we could reunite with them, but at the same time we don't forget 9 million Cubans living in Cuba. We consider that U.S. embargo against Cuba aimed to overthrow Castro, has only imposed hardships and sufferings to Cuban population.

We advocate for lifting U.S. embargo against Cuba, as the first step towards diplomatic and commercial relations between both countries.

When Arab countries in 1973 imposed an oil boycott on U.S., it arose an angry reply from U.S. Government, but at the same time U.S. has kept Cuba for 15 years under a total trade embargo.

Latin American countries, at the beginning, backed the embargo, but today only a few do it. The majority has established diplomatic and trade relations with Cuba, leavthe United States in an isolated position.

European countries, Canada and Japan never bother to consider an embargo of

Cuba, and for years had been enjoying a half billion dollars market, without any competition from the United States.

If U.S. maintains cordial relations with Russia, China, etc., as well as all kind of repressive regimes, we don't see any trouble to start talks with Cuba. U.S.A. and Cuba are very close neighbors, it imposes ties that neither country could ignore, like much necessary air piracy treaty and fishing agreement.

Besides other economic and political issues, there are too several humanitarians problems, like family reunification, American citizens in Cuba's jails, homesick elderly Cubans who want to return to Cuba, etc.

We believe there is a way only to find a solution to all difference between U.S.A. and Cuba, it is to lift the embargo of Cuba and to start negotiations to discuss all problems without any preconditions.

Everybody in this country believes that Cubans living in the United States oppose restoration of diplomatic relations between U.S.A. and Cuba. That is a myth. We can assure you that a great majority of Cubans living in this country wants U.S. to lift economic embargo of Cuba and to normalize relations.

Only a small minority opposes it, but unfortunately that minority controls the Spanish news media in U.S.A., backed by powerful economic and political groups. There are too, extremist groups spreading terrorism among Cuban community in order to silence public opinion.

If U.S. considers useful to consult Cubans living in the United States, we suggest to make a poll among rank and file Cubans.

Poll results will show that a high percentage of Cubans favor diplomatic and commercial relations between Cuba and U.S.A.

They feel that better relations between both countries, will permit them to visit their relatives in Cuba, at the same time there will be better postal and telephone communications, and much less restrictions to send goods and medicines to Cuba.

We have come to Washington to express our organization's views on the issues of normalization of relations between the United States and Cuba.

Cuban Group For Family Reunification very much hopes that present Administration will reach an agreement with Cuba, to end 17 years of "cold war" between both countries.

Sincerely,

MIGUEL A. BETANCOURT.
REINALDO TORRES.
FERNANDO MENA.

RUBIE McCOLLOUGH IS HONORED FOR OUTSTANDING SERVICE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. STOKES. Mr. Speaker, I rise today to bring to your attention and to the attention of my distinguished colleagues in the U.S. House of Representatives, the outstanding record of accomplishments of Mrs. Rubie J. McCollough of Cleveland, Ohio.

Nothing could please me more, Mr. Speaker, than to convey to you the deep feeling of respect and admiration that I have for this remarkable woman. For more than 30 years, she has been at the forefront of the struggle for social, political, and economic survival in the black community and the entire city of Cleveland. The residents of her neighborhood look to Rubie McCollough for leadership and guidance and she, Mr. Speaker, is a most persuasive and eloquent spokeswoman for their legitimate concerns. No matter what the problem—a street in disrepair, a troubled child, a family in financial need, a civic dispute—Mrs. McCollough finds a way to get the job done.

As founder and director of the Harvard Community Services Center, 18240 Harvard Avenue, Cleveland, Mrs. McCollough has initiated a wide variety of comprehensive social services for the Lee-Harvard-Miles community. Mr. Speaker, the center has preschool and child care programs, tutoring, day camp, family and individual counseling, and elderly day care, to name but a few. Furthermore, the center provides a central meeting place for neighborhood organizations and social groups, making it an important focal point for community activities.

Mr. Speaker, we in Cleveland feel fortunate that Mrs. McCollough chose to come to our city back in 1945. Prior to that time, she was a native of North Carolina. Born in the town of Enfield, Mrs. McCollough later went on to receive a bachelor of science degree from North Carolina Central University. During the early years of her professional career, she served as a high school teacher, and as the secretary to the registrar at Shaw University. In 1945, Mrs. McCollough came to Cleveland to take a position at the Phillis Wheatley Association, where she remained for 23 years.

Mrs. McCollough's professional career is but one indication of her overall commitment to her community. She is also very active in the Mount Zion Congregational Church, the NAACP, the Phillis Wheatley Association, Lee Harvard Community Association, the Eldamere Street Club-West, Northeast Ohio Areawide Coordinating Agency, Urban Services Advisory Committee of the Cleveland Public Library, the Cuyahoga Community College Evaluation Committee, the S. Wilder Dietary Technology School Committee of Cuyahoga Community College, the Cleveland Board of Education Evaluation Committee, and the Advisory Committee of Desegregation of the Cleveland Board of Education. Mr. Speaker, Mrs. McCollough's impact on the city of Cleveland has been so significant that two former mayors, Ralph Locher and my brother Carl Stokes, elected her to serve on their top advisory commissions.

Anyone of Mr. McCollough's stature and influence is a welcome addition to boards of trustees. She sits on the trustee boards of Community Action Against Drug Addiction, past president; the Lee-Harvard Community Association, the Lee-Seville-Miles Development Corporation, and is the vice chairperson of Cuyahoga Community College. Her former trustee positions were with the YWCA, the United Area Citizens Agency, and Fair Housing, Inc.

Mr. Speaker, I am sure that it comes as no surprise that Mrs. McCollough has received numerous awards for her long history of community service. It is a long list, but I feel that it is important to name them all to emphasize the extent of Mrs. McCollough's impact on our city:

AWARDS

Kiwanis, Area Council Neighborhood Service award	1968
The Phillis Wheatley Association (23 years service)	1969
Cleveland Club of the National Association of Business Women's Club, Inc., Community Services award	1970
Silver Tankard award	1970
Career Women's Civic Club, Community Service award	1970
NAACP, Community Participation award	1971
United Area Citizens Agency, Dedicated Service award	1973
Southeast Economic Development Corporation Outstanding Achievement in Social Service	1974
City of Cleveland, Resolution for Outstanding Service	1974
Library Advisory Committee, Resolution of Appreciation	1974
Northeast Ohio Areawide Coordinating Agency, Community Involvement	1974
Lee-Harvard Community Association, Outstanding Service	1976
Future Outlook League, Outstanding Work with Youth and Senior Citizens	1976
Cleveland PIVOTS, Outstanding Community Work	1976

Mr. Speaker, on April 1, 1977, Rubie McCollough will add one more award to her impressive list. From all over Cleveland and Ohio, her friends and relations will join to honor her at a testimonial dinner at the North Randall Holiday Inn.

As an honorary chairperson of the testimonial dinner, I would like to take this opportunity to ask my colleagues in the House to join me in praise of Mrs. Rubie McCollough. Her sense of dedication and commitment to the well-being of her community and city should stand as a shining example to all of us gathered here today. Mr. Speaker, Rubie McCollough has given so much to Cleveland. All we can offer in return for her outstanding service is our admiration, our respect, and our continued devotion.

NATIONAL EMPLOY THE OLDER WORKER WEEK

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BRADEMAS. Mr. Speaker, the week beginning March 13, 1977, has been designated by Presidential proclamation as "National Employ the Older Worker Week." This action should help to encourage the private and public sectors of American society to observe this week with appropriate activities and programs encouraging employment opportunities for older workers.

Mr. Speaker, large numbers of Americans are discovering that advancing age is a serious barrier to job opportunities because of the many false stereotypes which are widely accepted about older workers.

The proclamation of National Employ the Older Worker Week, which was approved by a joint resolution of Congress on April 21, 1976, can help to create a more favorable climate for the employment of mature workers.

Mr. Speaker, as chief sponsor of that resolution in the House of Representatives which was cosponsored by 219 other Members of the House, I am pleased to insert at this point in the RECORD the proclamation of President Carter designating "National Employ the Older Worker Week."

[Presidential Documents]

PROCLAMATION 4487—NATIONAL EMPLOY THE OLDER WORKER WEEK, 1977

(By the President of the United States of America)

A PROCLAMATION

Our prosperity as a nation rests on our productivity as workers. Our happiness as individuals begins with our ability to find useful, rewarding jobs.

That is why I feel it so important that jobs be available for all our people able to perform them—people in every region, of every religion and color, and of every age. Time and again in our history we have benefitted from the skill and dedication of our older workers. But too often prejudices and stereotypes—not limitations of ability—have kept older Americans from fulfilling their full potential at work.

The law now recognizes our special responsibility to assure older workers an equal chance for jobs and promotions. Many private groups and organizations are now working to improve prospects for older workers. The efforts deserve our vigorous support.

To encourage and support educational efforts designed to make employers more aware of the advantages of hiring older workers, the Congress, by joint resolution approved April 21, 1976 (90 Stat. 396), has requested the President to issue a proclamation designating the week beginning March 13, 1977, as National Employ the Older Worker Week.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate the week beginning March 13, 1977, as National Employ the Older Worker Week. I call upon State and local officials, as well as labor, business, veterans, farm, religious, scientific, professional and other groups, to join with older workers in making the American people aware of the value of employing older men and women. I urge all Americans to observe this week with appropriate ceremonies, activities and programs designed to promote employment opportunities for older workers.

In witness whereof, I have hereunto set my hand this 14th day of February, in the year of our Lord nineteen hundred seventy-seven, and of the Independence of the United States of America the two hundred and first.

JIMMY CARTER.

STATEMENT BY MR. LEONARD WOODCOCK, PRESIDENT, UNITED AUTO WORKERS UNION, ON AUTO EMISSION STANDARDS AGREEMENT WITH MEMBERS OF CONGRESS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. DINGELL. Mr. Speaker, I am pleased to insert in the RECORD the March 1, 1977, news conference statement by Mr. Leonard Woodcock, president, United Auto Workers Union, regarding the agreement on auto emission standards reached by the UAW with myself and Congressman JAMES T. BROYHILL of North Carolina and Senators DON RIEGLE and ROBERT GRIFFIN of Michigan. We have introduced legislation reflecting this agreement, H.R. 4444 and S. 919.

Mr. Woodcock's statement follows:

STATEMENT OF LEONARD WOODCOCK, PRESIDENT, UAW

For some time the United Auto Workers has been concerned about the auto emission standards contained in the Clean Air Act and in the pending amendments to that Act. Our goal has always been to see the adoption, enforcement and monitoring of standards that are, first and foremost, consistent with protecting the public health. We have recognized that must utilize practical technology and be done in a manner that helps achieve the national goal of energy conservation through increased fuel efficiency in automobiles.

To this end, the UAW secured the services of a totally independent and highly regarded expert on this issue, David Ragone, Dean of the College of Engineering at the University of Michigan. We have endorsed Dean Ragone's recommendations, which reflect the most recent developments, regarding a timetable and goals for controlling the three principal pollutants in automobile exhausts: hydrocarbons (HO), carbon monoxide (CO), and oxides of nitrogen (NO_x).

Last month, in testimony to the Senate Committee on Environment and Public Works, I set forth the UAW position. That differed from both the Conference Committee action last year and the desires of the auto companies, but I said then that the UAW position "is not put forth as a bargaining position intended to achieve some other objectives." The urgency of the situation required that a focus be established for a realistic and responsible solution.

The key elements of the UAW proposed standards for auto emissions and the attainment schedule, based on Dean Ragone's recommendation, are as follows:

Model year:	*HC*	*CO*	*NO_x*
1978–79	1.50	15	2.0
1980–81	.41	9	2.0
1982 and later	.41	9	[1] 1.0

[1] EPA could increase up to 2.0 if air quality permits. Also EPA is to formulate program of waivers, up to 2.0, for innovative engines—such as diesels—that can produce fuel economy substantially higher than comparable vehicles.

I would be less than candid if I did not acknowledge that this position has been attacked, from different directions, as being either too lenient or too restrictive.

We are convinced, nevertheless, that it is the correct position.

Because of our conviction that the independently arrived at UAW position is correct, we are especially pleased to announce today that Representatives Dingell and Broyhill and Senators Riegle and Griffin have all agreed to adopt and to support the UAW position outlined above.

These able men have all previously introduced legislation with different standards than those proposed by the UAW. The revised legislation that they have now agreed to introduce will include the UAW emission standards, as well as other mobile source provisions of the legislation they introduced earlier in the 95th Congress.

We have already begun discussion with other Senators and Congressmen, of both parties, and are confident that there will be a broad coalition, embracing diverse regional and ideological groups, supporting the Riegle-Griffin and Dingell-Broyhill legislation in their respective bodies of the Congress. What you see today is the emergence of what will be an effort of great breadth with a coalescing of support for the UAW position.

I might say, in anticipation of the inevitable question, that we are talking about a substitute for the proposed amendments to the Clean Air Act only for the portion of the Clear Air Act Amendments on mobile sources. Our proposal will not move to strike nor to amend in any way the stationary source provisions of the pending legislation.

Let me emphasize that adoption of revised automobile emission standards is an urgent requirement.

There is widespread agreement that the law presently in effect imposes requirements, for 1978 and subsequent model years, which are unnecessary and infeasible. The 94th Congress clearly agreed with that conclusion—alternative requirements were approved by the Senate, the House, and the Conference Committee—even though no proposed revision received final approval.

It is important to remember that the 94th Congress did enact mandatory fuel efficiency standards which first become applicable for 1978 model autos. The UAW supported that legislation, and pointed out that our concern about the emission standards was based primarily on the need for increased fuel efficiency. There is a trade-off between increases in fuel efficiency and decreases in emissions. That should not override the concern for public health, but any unnecessary margins of safety in the emission standards should be eliminated.

While each of the auto emission bills approved last year by the Senate, the House, and the Conference Committee provided the same standards for 1978 models, there was lack of agreement with respect to subsequent requirements. Rapid action is needed to resolve the questions regarding future standards, or auto production will be severely disrupted with widespread economic impact. Production of 1978 models is expected to begin this summer; the industry's only realistic option has been to assume that the applicable standards will be those agreed upon last year. Engineering decisions, certification procedures, and other long lead time actions must be taken quite soon with respect to 1979 models. Equally important preliminary manufacturing decisions must be made soon with respect to 1980 and later models.

Finally, I want to make it clear that because of the emergence of broad-based support for the UAW proposal on emission standards, it is our intention to wage a vigorous fight in both the House and Senate for the proposal outlined above.

Mr. Speaker, I also have inserted my statement on the auto emission agreement those of us in Congress have reached with Mr. Woodcock—UAW and which appears elsewhere in today's RECORD of Extensions of Remarks.

POSTHUMOUS AWARD CITES BUFFALO OFFICER'S HEROISM

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. NOWAK. Mr. Speaker, on March 1, I inserted in the CONGRESSIONAL RECORD a copy of a Buffalo Police Department re-

port detailing the heroic efforts of Officer Carl Reese, who died of a heart attack on February 1 after working long hours assisting victims during the blizzard that began January 28.

On March 1 also, the Buffalo Police Department posthumously awarded the department's Medal of Merit to Officer Reese. The award was received by the officer's widow, Elaine, and her son, Michael, 8.

The following article from the March 1, 1977, editions of the Buffalo Evening News details the report of that award ceremony.

I would like to share this with my colleagues as an example of the type of devoted and dedicated service the citizens of our Nation receive from our public safety officers.

The Nation owes a great debt to men of high caliber like Officer Carl Reese.

The article follows:

ONLY ROSES, MERIT MEDAL REMAIN FOR WIDOW OF HEROIC OFFICER

(By Mike Vogel)

Lt. John Brown waited until the television cameras, microphones and lights had all been cleared away.

Then he walked quietly past the departing officials and reporters, over to the couch where Mrs. Elaine Reese sat with her son, Michael.

"Here's a little something else," he murmured, handing her a large bouquet of dark red roses.

Amid the official praise for the young widow's late husband, Carl, the moment came as a time of personal regard from the radar squad officers who had worked with him.

For Carl Reese, 38, had made what police officials, in awards presentations today, termed "the final sacrifice."

He died of a heart attack on Feb. 1, after long hours of aiding blizzard victims through the Jan. 28 storm.

For a series of rescues which included two separate mile-long trips on foot through the blizzard to bring medication to storm victims, Police Officer Reese was posthumously awarded the department's Medal of Merit.

Mrs. Reese and her son, Michael, 8, were at a special ceremony in the office of Police Commissioner Thomas R. Blair, who presented her with a plaque and citation.

Later, she joined the families and friends of 25 more officers who were honored for their heroism and service during 1976.

In the larger Police Academy hall, officials presented the Medal of Valor to ten more officers, the Medal of Merit to two patrolmen, and commendations to 13 men.

The award winners, previously announced in The News, were congratulated by the commissioner and Erie County Sheriff Kenneth R. Baum for acts of heroism ranging from fire rescues to the capture of armed suspects.

Commissioner Blair said that the awards were recommended by a committee of police officers of all ranks, and the fact that the highest honor, the Medal of Honor, was not awarded reflects "the very high standards of service these officers demand from their brother officers."

The men, he said, had shown a common ability "to act without hesitation in the pursuit of their sworn duty to protect the people of the city of Buffalo."

In the back of the room, a young widow sat with her son, and listened.

TRIBUTE TO DAVID OBEY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. ZABLOCKI. Mr. Speaker, on March 7 the Washington Post ran, what is in my opinion, an excellent story on our distinguished colleague from Wisconsin, Representative DAVID OBEY, under the byline of Mary Russell.

The article accurately portrays Representative OBEY as a man of integrity, strong-willed, honest, and hard-working. As a close friend, I can personally vouch for these attributes.

In his performances before this body, Representative OBEY has consistently and ably demonstrated his sensitivity to people and his willingness to fight for what he believes in. He is a public servant in the true sense of the word.

Mr. Speaker, I am pleased to call attention and to share the Washington Post article entitled "Hot Blooded Obey Wins From Within," with my colleagues:

HOT-BLOODED OBEY WINS FROM WITHIN

(By Mary Russell)

Almost from the moment Rep. David R. Obey (D-Wis.) was elected to the House eight years ago at the age of 30, it was clear he was going to leave a mark on the place.

What kind of a mark wasn't clear. "I think he probably got into a fight with George Mahon on his very first day," Rep. Lloyd Meeds (D-Wash.) said.

Mahon, chairman of the powerful Appropriations Committee on which Obey now serves, was just the first one Obey took on. He was appointed to a military subcommittee whose chairman made it a custom for members to stand when high-ranking generals and admirals appeared to testify. Obey refused. The chairman sent a staff member to inform Obey that he expected him to rise with the others. Obey told the chairman to go to hell.

In the House, a man off to that kind of start usually remains an outsider forever, playing the role of a dissident, a bomb thrower, almost always in a minority, and rarely effective.

Though Obey remains as intense, blunt and hot-tempered as the day he came, he is now an insider, with a growing reputation as a reformer and seats on not only Appropriations but the Budget Committee and the Democratic leadership group, the Steering and Policy Committee.

He avoided becoming a permanent outsider by a capacity for hard work, a perfectionist drive to be precise and not a shotgun attacker, a willingness to learn, and an obvious concern for the institution. Rep. Richard Bolling (D-Mo.), who learned from Sam Rayburn how to work on the inside, became Obey's mentor, teaching him to work with the leadership and use House procedures to get what he wanted.

Last week Obey insured his reputation for effectiveness as he became responsible for pushing through the House a comprehensive strengthening of the code of ethics, requiring fuller financial disclosure, an end to the use of campaign funds for personal or unofficial office expenses, an end to "slush funds" of private contributions for a member's unofficial expense account, and a 15 per cent limit on outside earnings.

Since June, Obey has headed first a task force and now a commission of House members and outsiders that is providing a broad overhaul of internal operations—from the scheduling of House sessions to the accounting system.

Though the ethics package passed by an overwhelming 402 to 22, that vote belied the fight it took to get it passed. In the end it was a motherhood issue the members were scared to oppose, but behind the scenes hard fights took place.

Last June, after Wayne Hays was toppled when it was revealed he had put his mistress on his payroll, Obey was appointed by then Speaker Carl Albert to clean up the mess. Not the sex scandal mess—that was up to individuals—but the mess Hays had left by using the chairmanship of the House Administration Committee to shower the members with perks through the accounting system.

By July Obey had drafted a package that required members to account for almost every penny spent on office expenses, travel and newsletters. He ended a practice of allowing them to take the stationery allowance in cash and using it for anything from putting kids through college to buying a car.

Obey acknowledges he thought financial disclosure was enough. But he was convinced by commission hearings and by Rep. Lee Hamilton (D. Ind.) that outside income was the source of an enormous potential for conflict of interest.

Obey was also convinced by his close friend, Sen. Gaylord Nelson (D-Wis.). Nelson took Obey to see Senate Majority Leader Robert Byrd (D-W. Va.). Byrd agreed the Senate must adopt a similar ethics code, appointed Nelson to head the committee, and the two worked on the details of the package informally together.

Obey's first indication that the code he was producing was in trouble came when he began to take it to committees that had jurisdiction over its various parts.

First the ethics committee made a prohibition on gifts so restrictive that a member would have to account for every desk calendar sent to him.

Then the House Administration Committee balked at its part.

Obey flew into one of his rages. Sources said he marched in to Speaker Thomas A. (Tip) O'Neill, who had endorsed his plan for a new ethics code, and threatened to abandon the project unless O'Neill got the committees in line.

O'Neill called the House Administration Committee members and that afternoon they adopted the package Obey wanted.

The Rules Committee became the biggest problem.

Obey wanted a ruling that would allow floor votes up or down on each proposal but would prevent members from amending it to death. The five committee Republicans were committed to opposing that rule. More importantly, at least four Democrats on the 16-man committee had personal problems with the income limit.

Claude Pepper (Fla.) and Morgan Murphy (Ill.) had lucrative law practices. Shirley Chisholm (N.Y.) was a star on the lecture circuit. And B. F. Sisk (Calif.) opposed the limit.

O'Neill invited the Rules Committee Democrats to breakfast, at which he pounded the table demanding their cooperation. They were not convinced. Next day, O'Neill got tougher. They were all his personal friends, O'Neill said, but by God they would find themselves on the District of Columbia Committee next year if they failed him on this one.

Every Rules Committee Democrat fell in

line. "He's got the guts to do what Speakers are supposed to do—lead," Obey said.

Adoption of the rule was the key vote on the floor. The whip system went to work and it passed 266–153, almost a straight party line vote. "Once you had that rule it was very hard to attack each issue frontally," Obey said.

"Obey thinks he's the goddamned Pope," one member still chafing over the income limit said. "He thinks once he proposes something, it's got the doctrine of infallibility attached to it."

"Obey's a tough and gutsy guy," said Meeds, a member of the commission. He acknowledged Obey's style may someday cause a backlash, but said, "His great strength is he's so honest and aboveboard and committed, he is forgiven a lot."

It's not that Obey is a protester of the '60's or even an angry young man from the '50s. It's just that he's always been that way. In seventh grade he decked a nun who hit him. In high school he became politicized when right-wing backers of Joseph McCarthy attacked his history teacher.

Obey got his master's degree from the University of Wisconsin in 1960, intending to become a political science professor. But he thought experience in the state legislature might help. At 24 he was elected from his home county in Wausau. To make money he tended bar at his father's supper club on weekends. "That's where I really learned about politics. Members of the county board came in for lunch and after meetings, and I really learned how county government operated."

Obey is not finished with his work. He still intends to go over the management system of the House, do something about audits of accounts and the support systems before his commission goes out of business in December.

He feels that the Republicans are attacking Congress as an institution and dragging it down. "It's unfair as hell and politically stupid," he said.

He does not believe that his work will be hailed in the press or will do much for the image of Congress. But he himself is satisfied.

REVIEW OF FEDERAL WATER RESOURCE PROJECTS AND POLICIES

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. JEFFORDS. Mr. Speaker, on Tuesday, March 8 the Environmental Study Conference sponsored a briefing for Members and staff on the administration's upcoming comprehensive review of Federal water resource projects and policies. President Carter ordered this review when he recommended a deletion of funds from the fiscal year 1978 budget for 19 major water projects of the Army Corps of Engineers and Bureau of Reclamation. The briefing was designed to provide Members and staff with information on the goals and scope of the review, its schedule of action, its provisions for congressional and public involvement, and general criteria for project evaluations. Information was provided by a panel of representatives from the key executive agencies involved in the review, including representatives from the Interior Department, the Corps of Engineers, the Office of Management and Budget, and the Council on Environmental Quality, as well as the Soil Conservation Service of the Agriculture Department, and the President's Domestic Council.

These representatives provided for those in attendance the following letter from Secretary Andrus and the attached material which I believe should be made a part of the RECORD for all interested parties:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 8, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is to report progress to date on the review of water resource projects directed by President Carter. The purpose of the review is to carry out a complete evaluation of the 19 projects listed in the President's February 21st message to the Congress and of all other water resource projects and to develop comprehensive policy reforms. Although the President's February 21 announcement did not specifically mention the Department of Agriculture, or the Tennessee Valley Authority, it was intended that small watershed projects (P.L. 83–566) and subwatershed projects (P.L. 78–534) were to be included in the project reviews, as well as the Tennessee Valley Authority's water resource development projects.

Representatives of the Department of the Interior, the Department of the Army, the Department of Agriculture, the Tennessee Valley Authority, the Council on Environmental Quality, the Office of Management and Budget, and the White House Staff began meeting on Friday, February 25, to develop criteria for carrying out the review.

At the first day's meeting the participants agreed on the following three criteria as the basis for an initial screening to determine which projects do or do not require more detailed evaluation:

1. No additional major adverse environmental impacts would result from project completion.

2. Ratio of remaining direct benefits to remaining direct costs exceeds unity when discounted at a rate of 6⅜ percent.

3. No credible question remains to be resolved concerning the safety of project structures.

Each of the construction agencies will screen projects authorized for installation for which funds are proposed for obligation for installation during fiscal year 1978. In the case of the Department of Agriculture, the remaining authorized projects, proposed for funding in later years, will be evaluated in the same manner by July 15, 1977. Projects satisfying all three initial screening criteria will be exempted from further evaluation. The screening and evaluation task force of each agency will include representation from at least one other construction agency, CEQ, and OMB to help assure uniform application of the criteria. These same agency task forces will carry out the further evaluation of projects to enable each Departmental Secretary and the Chairman of TVA to prepare recommendations on his program prior to April 15.

In their February 25 meeting the representatives exchanged views on the criteria to be used for the further evaluation of projects after the initial screening. This discussion brought out a number of differences among the projects of the four agencies and the need to make allowance in the criteria for addressing the differing aspects in an equivalent manner.

The representatives reached agreement on the aspects which should be addressed in the further evaluation of projects. However, they concluded that they needed certain data on all projects, presented in a standard format, in order to develop sound criteria for evaluating these aspects of each project. Enclosure 1 is a list of the types of data which the responsible agency will compile in the standard format for each project requiring further evaluation. The list is indicative but not necessarily all inclusive of the areas to be covered by evaluation criteria.

As determined jointly by the agencies, and at the appropriate time in the review process, more detailed information will be compiled on individual projects including critical benefit assumptions, local conditions, and impacts of alternatives.

Tasks which will proceed in sequence are the initial screening of projects, the compilation of data on the projects identified for further evaluation, and the evaluation itself. The same process will be reiterated for the Department of Agriculture projects to be reviewed by the July 15 deadline.

We shall let you know the results of these steps as soon as they are completed.

Sincerely,

CECIL D. ANDRUS,
Secretary.

INFORMATION BASE FOR FURTHER EVALUATION OF WATER RESOURCE PROJECTS

Responsible agencies will compile the following information in a standard format for all water resources projects not exempted from further evaluation by the initial screening.

A. ECONOMIC

1. Federal and non-Federal Costs:

a. Total.

b. Sunk through FY 1977.

c. To complete. (Tabulate total, land and relocations, and construction for each line.)

2. Benefit/Cost Ratios:

a. Current Rate (6⅜%). Remaining Primary.

b. Authorized Rate. Total Primary.

c. Rate applicable for appropriations in fiscal year of initial construction funding. Total Primary.

3. Average annual benefits and costs by project output, including separate identification of any flood control benefits from protection of future development; effective non-Federal cost share by purpose, where available.

4. Amounts already paid and remaining to be paid by non-Federal interests and project beneficiaries; terms of repayment.

5. Status of Definite Plan Report or Design Memorandum and Environmental Impact Statement.

6. Net direct employment impact both on- and off-site.

7. Whether opportunity costs associated with foregone recreation benefits and hydroelectric power generation have been incorporated in benefit/cost analysis. If not, estimate dollar value using market rates.

8. Water use as proposed by project (irrigation: volume of water diverted vs. volume of water consumed; municipal and industrial: average daily per capita water use).

B. ENVIRONMENTAL

1. Significant impacts on:

a. Agricultural and/or forest productivity (acreage, type; cropland, grazing land, forest).

b. Upland wildlife habitat (acreage, types of wildlife affected).

c. Wetland habitat (acreage, type).

d. Commercial and/or sport fisheries resources (area, type).

e. Water quality (short-term, long-term; eutrophication, salinity, flow reductions).

f. Inducement for floodplain development (urban and agricultural acreage).

g. Existing or potential recreational uses (type, magnitude).

h. Threatened or endangered species (specify).

i. Potential induced downstream flooding (magnitude, frequency).

j. Cultural, historic, and archeological resources (type, extent).

k. Parks, wilderness areas, wild, or scenic rivers (specify).

2. Nature and extent of mitigation of or compensation for any adverse impacts listed above and enhancement.

C. SAFETY

(Data required only for projects where credible questions remain to be resolved concerning safety of structures.)

1. Status of design in relation to stage of project development.

2. Conditions requiring special consideration in design, such as seismic and foundation conditions.

D. INSTITUTIONAL

1. Identification of beneficiaries, including for direct beneficiaries estimated number of individuals, farms where available, and identification of all beneficiaries receiving over 5% of direct project benefits.

2. Any involvement with international obligations.

3. Extent of displacement of area residents.

4. Are costs within project authorization ceiling?

5. Status of local assurances and contractual commitments of non-Federal interests.

6. Extent to which project beneficiaries have been investments whose return is contingent upon completion of the Federal project.

7. Effect on Indians (Federal trust responsibilities, etc.).

8. Litigation.

E. ALTERNATIVES

1. Reasonable alternatives where available.

2. What use of project can be made in present scale or what changes are necessary to make it useful short of completion?

CRAIG ALLAN KEEFER—NEW YORK'S VOICE OF DEMOCRACY ESSAY CONTEST WINNER

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. GILMAN. Mr. Speaker, I am proud to share with my colleagues New York's winning essay in the Voice of Democracy competition sponsored by the Veterans of Foreign Wars in conjunction with the Ladies Auxiliary to the VFW and the National and State Associations of Broadcasters. Craig Allan Keefer, of Newburgh, N.Y., was chosen at a broadcast of NBC television to represent New York in the final judging of the essays. Craig has accomplished what few high school students are able to, achieving an honor which he will undoubtedly remember for a lifetime, having been chosen over all the other contestants in New York State, and having succeeded in creating a script which reflects the goals and philosophies of the Veterans of Foreign Wars. The VFW's dedication to furthering the cause of democracy and the insurance of democracy for all Americans are truly worthy ideals. Craig must be very proud to have been chosen as a representative of the Voice of Democracy.

In his high school career, Craig Keefer has received several outstanding honors. A student at the Newburgh Free Academy, he is a national merit semi-finalist, the recipient of the faculty math award for 2 years, and the Optimist International Oratorical Contest. Craig is also the president of his school's chapter of the national honor society. In addition to enjoying and excelling in school, Craig works 30 hours in the local grocery store and even finds time for his hobbies, photography and magic.

I wish Craig success in all his future endeavors, and in particular, in his studies at Rensselaer, where he plans to pursue a course in mechanical engineering. I am proud of Craig and very proud of the fact that such a fine young man is part of New York's 26th District.

In order to afford my colleagues an opportunity to share Craig's thoughts, I insert Craig's fine essay at this point in the RECORD:

1967–77 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM, NEW YORK WINNER, CRAIG ALLAN KEEFER

The meaning that the institution of America holds for me can most readily be discerned through a brief examination of the letters comprising the word "America". Each of these letters stands for one of seven important concepts that constitute what America means to me.

The leading "A" in America brings to mind the Ancestry that is shared by all of the peoples of the United States without regard to personal background. This ancestry of which I speak refers to the first American colonists. It is necessary that this ancestry should form the foundation of my meaning of America because these people and their beliefs formed the cornerstone upon which the United States of America was established.

The "M" reminds us of the Melting Pot that America truly is. It is very difficult to find another country with a populace composed of people with so many different backgrounds. The variety of ideas and customs that these people have brought into this country have helped it become the great nation that it is today. It is the combination of the best of these customs and beliefs that has come to be known as the American tradition.

The "E" in America represents the equality that, more and more, America has come to represent. This equality is not limited to any one prominent area but it applies to a number of realms within our country. It might be said by some that there is no true equality to be found anywhere in this country, however, this can be attributed to the fact that our country is, was and always will be composed of human beings, none of which is perfect. The important aspect of this is that equality has been strived for throughout our history and presently this equality is becoming more a reality than an ideal.

One of the greatest things about our country is that we have consistently had a government that was both responsive and responsible, signified by the letter "R." In general, our government has responded to the needs and desires of its peoples, and in so doing, it has become a tool for the benefit of the people rather than an instrument for their exploitation. In addition, all of the branches of our government have been accountable to the people for their actions, a factor which emphasizes America's democratic position.

This brings up one of the distinctives that definitely serves to make the United States a great place to live, that is, the importance of the individual, represented by the letter "I". This is perhaps one of the strongest points of the American philosophy. It is upon this concept that our voting system is based and it is through this voting process that the vast majority of decisions are made. This voting process determines the men and women who will be representing us in our government, and that, perhaps, is the most important decision that can ever be made. So we see that the individual is at the very heart of our political system, and this is an integral part of what America means to me.

The "C" is a symbol of the cloudy days that our country has already weathered. From the Whiskey Rebellion and the Civil War, right on up to the political events of the past few years, the strength of our country has been under a constant challenge. The fact that we have survived these events and, in most cases, emerged from them a bit stronger than we were when we began is a very reassuring thought.

Finally, this brings me to the most encouraging part in what America means to me and that is the Anticipation of the future, represented by the last "A" in America. The citizens of America can be very proud of the history of this country and the many accomplishments that have been inscribed in the annals of America. We can be happy to think of how nice things were way back when, but that's not the end. Our country is one in which much faith can be placed in spite of human errors of the past. Because of this, we can look to the future with an attitude of confidence and this is what has characterized the prospects for the future of America since its birth in 1776. This makes clear the one word that summarizes what America really means to me; and that word is hope. It is only because of this word that I can truthfully say the things I have already said. It is this word that will continue to fortify the strength of America and it's this word that will give people the desire to survive. Hope, the strength of the past, the light of the present and the key to the future!

ANNOUNCING WORKABLE CLEAN AIR STANDARDS

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. BROYHILL. Mr. Speaker, for several months congressional efforts have been directed toward establishing a sensible clean air policy for our Nation. Last week, my colleague JOHN DINGELL, Mr. Leonard Woodcock and I had the opportunity to announce the formation of a new coalition to lead the fight for a cleaner environment. A new set of automobile pollution standards, embodied in H.R. 4444, marks a new era of cooperation between labor, industry, Government, and the consumer which hopefully will result in an equitable and effective program for combating our national pollution problem.

I would like to take this opportunity to insert into the CONGRESSIONAL RECORD my remarks from our press conference on March 1:

The Auto Emissions standards that we advocate today will permit us to achieve our national clean air goals and at the same time will not result in unreasonable cost in-

creases in automobiles which would have to be borne by consumers.

John Dingell and I have repeatedly called for a balanced approach to a clean air program. It is my belief that the bill we are introducing represents the best combination of Environmental, Economic, and Consumer concerns possible. Last year, an inter-agency study concluded that extreme pollution standards would result in much higher consumer costs with relatively little to show in the way of long-term air quality improvements. A recent update of that study only echoed that conclusion: That moderate, more feasible standards would achieve the same health benefits, at minimal cost to the consumer. It told us that we could take into consideration the economic factors and concerns of our citizens without sacrificing their health.

Our bill, the Mobile Source Emission Standards, addresses several of the problems encountered when attempting to control automobile emissions. It protects the environment through a stringent schedule of pollution controls. It protects the individual by preserving his rights as a consumer. It protects the working American by incorporating an approach which is feasible both economically and technologically.

We have included in the bill several provisions dealing with different segments of the automotive industry. These sections of the bill are intended to preserve a competitive situation and thus safeguard the rights of the consumer as well as of the independent businessman. Specific provisions address the "after market" parts industry as well as the thousands of independent repair and maintenance stations upon which we all depend. Our emissions schedule allows auto manufacturers opportunity to perfect and implement new, more efficient pollution-control technologies. This will be achieved without sacrificing either our economy or clean air goals.

The 1970 Amendments to the Clean Air Act included a provision which has diminished competition in the automobile aftermarket and which threatens to have an even greater anti-competition effect in the near future. The uncertainties surrounding the warranties provisions will give the consumer little choice but to return his vehicle to the dealer for warranty work, maintenance and repair. The consumer might well have his service work performed more cheaply and as effectively by an independent service establishment, but he will be tied to an automobile dealer by the fear of losing his warranty protection. Our bill would provide that the maintenance instructions must include notice to consumers that they might have their service performed at independent service centers. It would also reduce the warranty to 18,000 miles or 18 months so as to lessen the anti-competitive effect and reduce consumer cost.

The purchase of an auto is often the second largest purchase of a lifetime. In my judgment there is no need to set such stringent standards as would drive up the cost to consumers in return for minimal environmental benefits.

JAMES T. BROYHILL,
Member of Congress.

BLACKS IN THE MEDIA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. RANGEL. Mr. Speaker, on February 24, 1977 an article appeared in the New York Times describing a unique TV station in Jackson, Miss.

The style of operation and different modes of programing are not the only reasons that WLBT is unique. The main reason is that the general manager, William H. Dilday, Jr., is the only black general manager in America.

The station, which has no owner, turns its profits over to educational projects that benefit blacks in Mississippi.

However, the station is in the midst of a struggle to secure its license from the Federal Communications Commission.

Before Mr. Dilday took over the station in 1972 the license was revoked from its former owner. The revocation was the result of racial discrimination.

As a black I strongly support the issuance, by the FCC, of a license to WLBT and other black networks interested in entering the industry.

I hope my colleagues will read the article which follows. I feel it will be very informative:

[From the New York Times, Feb. 24, 1977]

BEHIND THE SCENES AT WLBT IN JACKSON

(By Les Brown)

JACKSON, MISS.—What is unusual about television station WLBT here is not always apparent on the screen. Most hours of the day it is a fairly typical NBC affiliate carrying the standard commercial fare.

The hints of unorthodoxy are in the locally originated programing. A black newsman, Walter Saddler, anchors the 6 P.M. newscast and a white woman, Marsha Halford, the 10 o'clock report. There is also a daily educational children's program in the mornings whose hostess is black and a weekly prime-time documentary on local issues that occasionally examines outmoded laws in the state.

These alone set WLBT apart from most television stations in the United States, but the real differences are behind the screen.

Since 1972, WLBT has been run by the only black general manager in American television, William H. Dilday Jr.

About 40 percent of the station's staff is black and more than one-third of the employees are women. The station has no owner, and its profits—which are considerable—are given away chiefly to educational projects that benefit black residents of the state.

LANDMARK COURT DECISION

How long WLBT will operate in this manner is uncertain. The Federal Communications Commission must eventually award the license to a business concern. The agency has been weighing the relative merits of five applicants for the license ever since Lamar Life Insurance Company, in a landmark court decision in 1969, lost its right to broadcast on Channel 3 for pursuing a policy of discrimination against blacks.

The contest for the license since then has taken bizarre twists and turns, and the involvement of citizens groups determined to see that blacks have fair representation in the new ownership has added to the confusion. The disposition of the license may still be years away.

Lamar lost the license, after 15 years of ownership, after the office of communication of the United Church of Christ presented evidence, obtained from monitoring the station, that WLBT maintained racist policies in a city where blacks make up 40 percent of the population.

During the civil-rights struggle, the station had given voice only to the segregationist point of view and was known, on occasion, to post a "Sorry, lost our picture" slide when a black person appeared on a network broadcast. Some Jackson residents who recall those days say the deletion of blacks extended to ballplayers in baseball telecasts.

WLBT was one of only two commercial television stations in Jackson at the time, and because it was considered an important local resource, the F.C.C. permitted the station to remain on the air on an interim basis in the custody of a newly formed nonprofit organization.

That caretaker organization, Communications Improvement Inc., with a biracial board of 18 prominent members of the community, recruited Mr. Dilday—a Bostonian with the physical proportions of a football player—as operating head.

In what was represented as a temporary position, Mr. Dilday has already had a longer run than most network presidents have in jobs that are purported to be permanent.

Mr. Dilday began with two handicaps: He had never lived in a Southern city before—in fact had never previously traveled below Washington—and he had had a scant three years of broadcasting experience as personnel director for WHDH-TV in Boston.

But during the five years of Mr. Dilday's stewardship, WLBT has increased both its share of the audience and its annual profits over what they had been under the Lamar management.

"I never think of us as nonprofit," Mr. Dilday said in an interview. "I play by all the rules of commercial broadcasting, compete the way the others do—worrying about demographics, audience-flow and the rest—and send all the money I can to my board of directors."

Mr. Dilday expects this year's revenues to approach $3.7 million and the profits to be about $500,000. The profits could be considerably higher, he says, but for the fact that WLBT must pay $30,000 a month to the former licensee, Lamar, for the use of its facilities, equipment and broadcast tower.

"They're making more money out of this now than they did when they held the license, and they have none of the worries," Mr. Dilday commented sardonically.

TASK MORE DIFFICULT

Mr. Dilday's success with the station has made the F.C.C.'s task in awarding the license considerably more difficult than it would have been if WLBT were struggling to remain profitable. The station has an estimated market value of $18 million.

The commission came close to making a decision in 1973. After two years of holding comparative hearings on the five competing applicants for the license, an F.C.C. administrative law judge determined that it should go to an organization known as Dixie National Broadcasting Corporation, which was 40 percent owned by Dixie National Life Insurance Company.

Three of the principals of Dixie National, Rubel L. Phillips, William D. Mounger and James Roland, had been active in Republican politics in Mississippi. All are white. The three black shareholders in the corporation controlled less than 4 percent of the stock.

SINGLE NEW APPLICATION

However, soon after the recommendation was made by the F.C.C., Mr. Phillips was indicted in the $40 million Stirling Homex stock swindle, and last January was convicted of forging a signature to a Federal document in behalf of Stirling Homex.

Another organization vying for the station was effectively disqualified after its principal figure, Charles Evers, a civil rights activist and brother of the late Medger Evers, published his autobiography, "Evers." In the book, Mr. Evers described himself as having once engaged in a number of illegal activities, including pandering and bootlegging,

and thus revealed himself as a probable tax-evader.

A few months ago, two of the applicants agreed to drop out, in return for reimbursement of their expenses, while members of the remaining three groups worked out a merger creating a single new applicant calling itself TV 3 Inc.

Whittling down the field of bidders to a single organization would seem to smooth the way for an F.C.C. decision, but two influential citizens groups—the United Church of Christ in New York and the Community Coalition for Better Broadcasting in Jackson—have petitioned the F.C.C. to deny the merger.

Their opposition to TV 3 Inc. centers on William D. Mounger, its chairman and second-largest stockholder, who, they contend, holds segregationist views. In their filings with the F.C.C., the citizens groups identify Mr. Mounger as a former official of a segregated private school.

"We don't think the merger will provide the services we'd like to see delivered by the station," said Alex Waites, a member of the Community Coalition. "While basically we object to the backgrounds of some of the principals, we also find that blacks hold 31 percent of the stock. What we and the United Church of Christ want is 51 percent black ownership."

"We don't care how long this drags on," Mr. Waites said. "We wouldn't care if the station were left the way it is, run by a caretaker group."

ANNOYANCE EXPRESSED

Reuben Anderson, a black lawyer in Jackson who has specialized in civil-rights cases and is a shareholder in the merged group as well as its general counsel, expressed annoyance with the citizens-group opposition and despaired that "this thing could drag on to the year 2000."

"I don't think the United Church of Christ could ever be satisfied with any group of Mississippians that might be put together," he said. "But here we have an opportunity for blacks to control 31 percent of a profitable, successful broadcast operation.

"Some people think we're a bunch of Uncle Toms for going along with this thing. But we have to make a start somewhere, to participate in something more than a beauty shop. This is what the citizens groups ought to be encouraging, rather than opposing.

"The issue is dividing a good black community here."

Mr. Anderson said the expense of competing for a station license "makes it difficult for blacks to buy into this kind of operation and tends to favor the wealthy whites who can hang in." According to his estimates, his organization has spent close to $300,000 since 1969 to remain in the contest for the license and he personally has already invested $10,000.

He said the new organization, TV 3 Inc., had already made an offer to Mr. Dilday to remain as general manager, with assurances that nothing at the station would be changed unless he wished it to be.

"Everyone has great respect for Bill Dilday's abilities," Mr. Anderson said. "He runs a tight ship and keeps everyone in line. He's hired the best people, and the whole staff respects him."

Mr. Dilday acknowledged receiving the offer, but said he had not accepted it, because he felt obliged to remain neutral until the matter of ownership was settled.

Last week his neutrality faced an uncomfortable test when B. B. McClendon, Jr., one of the key stockholders in TV 3 Inc. was identified in the station's Wednesday night "Probe" documentary as one of the real-estate speculators (called "vultures" by some in the program) who buy up land from people unwittingly delinquent in their property taxes.

The broadcast said that most of those who lost their land in this manner were the poor and the elderly, ignorant of the Mississippi laws. Frequently they are blacks.

The news department checked Mr. Dilday for permission to include Mr. McClendon in the documentary, recognizing that in naming him the station might appear to be interfering with the application for the license.

"This has nothing to do with the license," Mr. Dilday told the newsman. "If it is factual and pertinent to the story, we have to run it. Go ahead."

THE HIGH COST OF FEDERAL REGULATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. ASHBROOK. Mr. Speaker, on numerous occasions I have brought to the attention of my colleagues the high cost of Federal regulation. Such regulation costs the businesses of our Nation—and indirectly the consumers—billions of dollars every year.

Dow Chemical Co. has completed a pioneering study in this field. The Dow study indicates that Federal regulatory activities cost the company $147 million a year. It also concludes that as much as $60 million of that amount is the result of either excessive or questionable regulation. These costs are passed on to Dow's customers.

It is time that Congress gave careful consideration to the problem of Federal overregulation. We cannot afford to continue adding billions of dollars to the cost of doing business.

Following is an article from the March 5 edition of the Washington Star that discusses the Dow study in more detail:

REGULATION COSTS DOW $147 MILLION

(By Stephen M. Aug)

The Dow Chemical Co., in what may be the first study of its type, has concluded that federal regulatory activities cost the huge chemicals firm $147 million a year—and about $60 million is the result of either excessive or questionable regulation.

The Dow study, which took a company task force about 15 months to complete, indicates that the area in which the largest percentage of excessive regulation occurs is health and safety. The study says that of the $22 million annual cost, $9 million—or 41 percent—is clearly excessive, while another $1 million is questionable.

The study never has been made public, but a draft was made available to The Washington Star, which had requested it some months ago. Paul Oreffice, president of Dow U.S.A., was scheduled to use some of the material in a talk today in Freeport, Tex.

The study separates the broad areas in which there is financial impact from federal regulation. Aside from health and safety, these include: $63 million to meet environmental requirements (including $19 million of excessive cost and $2 million questionable); transportation, $45 million ($16 million excessive, $4 million questionable), and a miscellaneous area of $17 million, with $6 million of excessive cost and $3 million questionable.

The regulations, the study says, range from specific equipment requirements for pollution control to the determination of wording that would be acceptable in an advertisement for plastic film and child-proof closures on containers for many products.

But the study concedes, "it would be wrong to imply that all regulations are wrong or unnecessary . . . . Many of the rules under which Dow must operate deal with expenditures that are necessary for the safety and protection of our workers, our customers and the public at large.

"The results show that Dow's managers recognize that under the present laws and regulations about 59 percent of the costs covered by regulations are appropriate and thought to be necessary." The costs, the study points out, are passed along to Dow customers.

In conducting the study, the task force divided the company into 119 units which were examined individually. Regulatory costs were identified by product or product family, business group and location and by government program involved.

The task force chairman, Joseph Bevirt, a senior analyst on Dow's marketing management staff at Midland, Mich., conducted interviews with managers of more than 100 of the units examined.

When the study was undertaken, it was considered by some observers to be perhaps the most detailed examination of the cost of government regulation ever undertaken by a private corporation, and it was expected to be a pilot study for similar efforts by other corporations.

The Dow study covered 71 federal agencies whose activities concern the corporation.

Dow this past January canceled plans to build a $300 million petrochemical complex in California because of what the company considers regulatory roadblocks. An advance copy of Oreffice's speech today says, "after more than two years and costs exceeding $4 million for an environmentally sound project, we hadn't even reached first base in the regulatory red tape maze."

By the time the project was canceled, he said, Dow had obtained only four of the 65 permits it needed from federal, state, local and regional regulatory bodies. It is still possible, though, that some parts of the canceled project may be built at existing Dow operations on the Gulf Coast.

PARTNERSHIP COOPERATION NEEDED, NOT CONFRONTATION

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. EVANS of Delaware. Mr. Speaker, on February 7, 1977, I had the opportunity to speak before the Home Builders Association of Delaware. On that same night, Mr. Frederick V. Quercetti was inaugurated as president of the association and made what I consder to be some very sensible remarks with respect to the future of our country.

As a member of the Housing Subcommittee, I was particularly impressed with Mr. Quercetti's comments on the partnership which should be formed between Government and the private sector. If we are to achieve economic progress, we must have cooperation, not confrontation between these two important sectors. Government should stimulate and assist, not replace, the private sector.

Mr. Quercetti also points out very clearly the basic fact that Government by itself does not create money. Every cent it spends comes from the taxpayers of this country. I hope that as we consider the various pieces of legislation coming before the House, we will remember that it is the taxpayers' money which we are using to fund our many massive programs.

The statement of Mr. Quercetti follows:

INAUGURAL ADDRESS BY FREDERICK V. QUERCETTI

I will try to keep my comments short.

We, whatever your position, builders, apartment owners, contractors, bankers, lawyers, politicians, realtors, all of us who are involved in the growth and development of Delaware have some serious problems. Some are unique to Delaware, some are unique to the Northeastern United States and some are problems of Western civilization.

In reverse order I would like to talk about our civilization. I am going to quote Kenneth Clark from his book *Civilisation*. I think he has a lot to say to us.

First on Civilization: "What is civilization? I don't know. I can't define it in abstract terms. But I think I can recognize it when I see it. Great nations write their book of their deeds, the book of their words and the book of their art. Not one of these books can be understood unless we read the two others, but of the three the only trustworthy one is the last . . . . Writers and politicians may come out with all sorts of edifying sentiments; but they are what is known as *declarations of intent*. If I had to say which was telling the truth about society; a speech by a Minister of Housing, or the actual buildings put up in his time. I should believe the buildings."

Whatever civilization is, its buildings and its builders are basic to its life. We live in a time when it is fashionable to advocate no building, no development and no growth. It is no wonder that we have problems.

Some say our civilization is in decline. Mr. Clark said of decline. "Decline shows that however complex and solid civilization seems it is actually quite fragile. It can be destroyed. What are its enemies? Well, first of all fear—fear of war, fear of invasion, fear of plague and famine that make it simply not worthwhile constructing things—and then exhaustion, the feeling of hopelessness which can overtake people even with a high degree of material prosperity."

Clark said civilization requires confidence—confidence in society, belief in its philosophy, belief in its laws. Civilization needs vigor, energy and vitality; in other words that bad word, the unspeakable word "Growth".

I am sick and tired of the no-growth attitude that prevails in our civilization. We cannot stand still and take a breath and stop growth. No people have ever been able to do that. The Romans tried it, so did 15th century Spain. Their attitude was, now that I have made it let's stop everything so that I can keep what I have. The attitude that now that I have made it, let's stop everything so that I can keep what I have, fails. It fails because it denies jobs to the young, the possibility of a better life for the poor, incentive to be creative, for those who would create, and financial security.

Our civilization must grow; we must not be afraid to face the challenges of the future. We must have confidence in our ability to meet the needs of the future through a new partnership between government and the housing sector the private sector and labor.

We are all interdependent on each other. No sector can enjoy the luxury of going it alone. It is important that all sectors realize that the building industry is not some orphan to be cast out when the going gets tough. We are 25% of the gross national product. Building is a part of growth whether it is home building, factory building, farm building or city re-building. Whatever—building is vital to the economic and cultural health of our civilization. Without building and growth we will have only dust and ashes to give our children.

Our State is, as this winter clearly shows, a part of the Northeast. Some people like to think that we are part of the South but it is very clear that we are part of the North, at least in terms of the weather. We must all unite in an unprecedented spirit of cooperation. The private sector, along with the state governments of the Northeast, must work hard to create a more productive atmosphere.

We have to have a regional approach to our problems. State and local governments must, on a regional level, remove the many needless bureaucratic rules and regulations that have helped in bringing the Northeast to its knees. We must compete as a region to survive. In everything in nature we must compete so let's stop griping about our problems, let's face them; and turn them around.

Finally, the problems of Delaware. The home builders of Delaware realize that without people, home building is pretty tough.

State and county government must realize that the only real productive dollar that government has to spend is the money taxed or borrowed out of the individual or corporate pocket.

Money does not come from God. It comes from the individual or the corporate pocket. The government by itself creates no money. It is our money. If you reduce the number of individuals and corporations in this state, and increase services or fail to live within your means, the result is higher taxes that increasingly burden those individuals and corporations left in this state. This problem of increasing taxes is even worse for senior citizens and the poor who are crushed by ever higher taxes.

Delaware must shed its anti-business, anti-growth image.

We must actively seek out new industry. We must follow the example of the Sun Belt states in the South and New Hampshire in the North. For fiscal sanity and reasonable taxes we need industry. We need new jobs which will create revenue and new homes, which in turn will create even more jobs and more revenue.

Certainly growth costs money, but the lack of growth costs even more money.

We can't have it both ways. Either we are going to grow and meet the challenge of the future or we are going to have no-growth and stagnation.

We builders want to see tax reform. Taxes, for example, on corporate executives are too high. It is these corporate officers who decide whether new installations should grace our state. If we tax them at a ridiculous level they certainly will not choose Delaware. They will go some place else.

I call for government reform. County and state government must complement each other, not duplicate the same services. We are much too small a state for two county governments or two state governments.

Delaware has its own port, rail connections, an interstate highway, excellent airport facilities and a major International Airport on its doorstep. We homebuilders offer our help and co-operation, along with other parts of the private sector in bringing hope and vitality to this State.

With the advantages we have the present state of economic stagnation in Delaware is absolutely inexcusable. We implore all of you to help us. We especially implore those of you in government to understand the issues of growth for all of our sakes.

Help us to help Delaware.

OSHA DEFEAT PROVES YOU CAN FIGHT CITY HALL

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1977

Mr. HANSEN. Mr. Speaker, Ronald Reagan has an enviable way with words which can weave a factual account into an interesting and inspiring message. His March 4 radio account of the story and principles behind the successful fight to get OSHA's warrantless inspections declared unconstitutional is both plain and patriotic. Included here is a reprint from the Reagan radio program:

MORE ABOUT OSHA

The other day, I said it was possible to fight city hall and even the marble halls in Washington. Here is confirmation of that fact.

I mentioned a businessman in Idaho who had been encouraged by his Congressman, George Hansen, to stand up to OSHA. This isn't a case of "let's you and him fight"—Congressman Hansen has accepted the chairmanship of an organization called "Stop OSHA".

Bill Barlow and his four sons have a plumbing, heating and electrical subcontracting business in Pocatello, Idaho. They have 35 employees in their family-owned business.

Bill said he knew that OSHA would get around to him sooner or later. So, in the meantime, he did a lot of studying and thinking. He came to the conclusion that such inspection of private property by government was a violation of a constitutional right under the Fourth Amendment. Incidentally, OSHA bases its right to search without a warrant on Section 8(a) of the Occupational Safety and Health Act.

Well, when the inspectors finally reached the Barlow firm, Bill said "not without a warrant". You'll remember that, earlier, a lady in New Mexico had done this and was upheld by a federal court. In Bill's case, however, OSHA declined to get a warrant and obtained a court order instead. Bill refused to obey the order and was cited for contempt of court. He petitioned for the empanelling of a three-judge court, challenging the constitutionality of Section 8(a) of the OSHA Act. On December 30th, the U.S. District Court ruled in his favor, ruled that Section 8(a) is, indeed, unconstitutional and that it "directly offends against the prohibitions of the 4th Amendment of the Constitution of the United States of America."

Bill Barlow still faces the contempt citation but is hopeful it will be dismissed. So am I. Here is a citizen who, like the farmers at Concord Bridge, took a stand for what he believes is right and, thanks to him, freedom is a little more secure for all of us.

This may well be a landmark decision. OSHA has announced it will appeal to the U.S. Supreme Court but, in the meantime, suspend further inspection in Idaho. Congressman Hansen has said this isn't good enough; that, pending a Supreme Court decision, inspections everywhere should be suspended. He is introducing a resolution to that effect in Congress.

Powerful forces are rallying to support OSHA and first in line is the AFL-CIO. Bureaucracy itself feels threatened because OSHA isn't the only agency that has been guilty of search-and-find-guilty missions. The AFL-CIO claims that all government inspections are threatened, but this is a scare tactic exaggeration.

The court, in its decision, specifically

stated that heavily regulated industries; those, for example, having to do with food and drugs could be subject to warrantless inspections as a condition for obtaining licenses and that this would not be a violation of constitutional rights.

The people should be on the side of Bill Barlow. All that he is asking and all that the District Court upheld is that shopkeepers, farmers and manufacturers should have the same constitutional protection we give to suspected criminals; they can't be searched without a warrant showing probable cause.

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Wednesday, March 9, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MEETINGS SCHEDULED

MARCH 10

9:00 a.m.

Armed Services
Subcommittee on Tactical Air Power
To hold closed hearings on proposed military procurement authorizations for fiscal year 1978 for tactical weapons.
212 Russell Building

Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon
322 Russell Building

Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Nuclear Regulatory Commission.
4200 Dirksen Building

9:30 a.m.

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Geological Survey.
1114 Dirksen Building

Finance
To hold hearings on the nomination of Arabella Martinez, of the District of Columbia, to be an Assistant Secretary of Health, Education, and Welfare, 9:30 a.m.
2221 Dirksen Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear testimony on funds for the Peace Corps, the Inter-American Foundation, International Organizations and Programs, and U.N. Environmental Fund.
1318 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittees
To continue hearings on proposed budget estimates for fiscal year 1978 for certain units in the Executive Office of the President, and for the Office of Federal Procurement Policy.
1224 Dirksen Building

Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Navy witnesses on procurement programs.
1223 Dirksen Building

Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Navy witnesses on procurement programs.
1223 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol

Armed Services
Subcommittee on Research and Development
To resume closed hearings on fiscal year 1978 authorizations for Navy research and development programs.
224 Dirksen Building

Banking, Housing, and Urban Affairs
To hold oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Finance
To hold hearings on the proposed Tax Reduction and Simplification Act of 1977 (H.R. 3477).
2221 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget to receive testimony on welfare programs.
357 Russell Building

Energy and Natural Resources
To hold hearings on the nominations of Guy Richard Martin, of Alaska, to be an Assistant Secretary of the Interior; and Robert L. Herbst, of Minnesota, to be Assistant Secretary of the Interior for Fish and Wildlife.
3110 Dirksen Building

Human Resources
Subcommittee on Health and Scientific Research
To hold hearings to receive testimony on procedures used by the Food and Drug Administration for testing new drugs.
4232 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.

Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards: (S. 682, 568, 182, 715).
5110 Dirksen Building

Environment and Public Works
To review those items in the Presidential budget for fiscal year 1978 which fall within its legislative jurisdiction with a view to making recommendations thereon to the Budget Committee.
4200 Dirksen Building

11:00 a.m.

Foreign Relations
Subcommittee on Foreign Assistance
To hold hearings to receive testimony from Administration witnesses concerning international financial institutions.
4221 Dirksen Building

1:30 p.m.

Appropriations
Agriculture Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.
1114 Dirksen Building

2:00 p.m.

Appropriations
Public Works
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear representatives of the Bureau of Reclamation.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for U.S. Postal Service, the Office on Federal Paperwork.
1224 Dirksen Building

Energy and Natural Resources
To consider S. 925, to provide the Secretary of the Interior with temporary authority to take actions to mitigate the adverse impacts of the 1976–77 drought on Federal Reclamation Projects, and S. 36, authorizing funds for certain programs of the Energy Research and Development Administration for fiscal year 1977.
3110 Dirksen Building

Judiciary
Business on committee organization.
Room to be announced

MARCH 11

9:00 a.m.

Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon
322 Russell Building

9:30 a.m.

Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

Finance
To hold hearings on the proposed Tax Reduction and Simplification Act of 1977 (H.R. 3477).
2221 Dirksen Building

10:00 a.m.

Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Air Force witnesses on procurement programs.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on health programs.
357 Rusesell Building

Foreign Relations
To review items in the Presidential budget for fiscal year 1978 which fall within its legislative jurisdiction, to be followed by closed briefing by former Defense Secretary Clifford on his recent trip to Greece, Turkey and Cyprus.
S-116, Capitol

Human Resources
Subcommittee on Education, Arts and Humanities
To hold hearings on S. 701, to provide Federal financial assistance to educational institutions to meet the emergency caused by high fuel costs and shortages.
4232 Dirksen Building

11:00 a.m.
Special Aging
Business meeting.
155 Russell Building

MARCH 14

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies
To resume hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration; and to consider supplemental appropriations for fiscal year 1977 for activities falling within the subcommittee's jurisdiction.
1224 Dirksen Building

Judiciary
To resume hearings on S. 11, and printed amendment No. 40 thereto, providing for the appointment of additional district judges.
2228 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration.
1224 Dirksen Building

MARCH 15

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 and on proposed supplemental appropriations for fiscal year 1977 for the Trust Territory of the Pacific Islands.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Council of Economic Advisers, the Council on Wage and Price Stability, the National Security Council, and the National Center for Productivity and Quality of Working Life.
1224 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration, American Battle Mounments Commission, and for the U.S. Army Cemeterial Expenses.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Banking, Housing, and Urban Affairs
Subcommittee on International Finance
To hold hearings on S. 69 and 92, to amend and extend the Export Administration Act.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 9, proposed Outer Continental Shelf Lands Act Amendments.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Election Commission, the Civil Service Commission, the Defense Civil Preparedness Agency and the Federal Labor Relations Council.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Department of Defense and AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

MARCH 16

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed supplemental appropriations for fiscal year 1977, and on proposed budget estimates for fiscal year 1978 for the administration of the Trust Territory of the Pacific.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear Secretary of Defense Brown.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building

Budget
To hold hearings in preparation of reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on causes of deaths and injuries involving cars and tractor trailers.
235 Russell Building

Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration, with testimony on nuclear aspects.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs to hear representatives of the Energy Research and Development Administration.
Room to be announced

MARCH 17

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the

Alcohol, Drug Abuse and Mental Health Administration, and Saint Elizabeth's Hospital.
S-128, Capitol

Banking, Housing, and Urban Affairs
To mark up proposed legislation to extend the Export Administration Act and related matters.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building

Commerce, Science, and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1978 authorization for Government intelligences activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Health Resources Administration.
S-128, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for Public Works programs, to hear testimony on national security programs.
Room to be announced

MARCH 18

10:00 a.m.
Appropriations
Defense
To resume hearings on proposed budget estimates for fiscal year 1978 for research, development, testing and evaluation program of the Army.
1223 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephone, computers, etc.)
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 929 and S. 689.
5110 Dirksen Building

Human Resources
Handicapped Subcommittee
To hold oversight hearings on developmental disabilities.
Room to be announced

Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Government Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs, to hear representatives of Environmental Research and Development Administration.
Room to be announced

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission.
1114 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

Human Resources
Handicapped Subcommittee
To receive testimony on the administration's legislative proposals for programs for the handicapped.
Room to be announced

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearing on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on activities of the Electronic Fund Transfer System Commission.
4302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on U.S. Monetary policy.
357 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Governmental Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activites.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government, to hear public witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephone, computer, etc.).
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3802 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federal affected areas and emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until: 1 p.m. 457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occupational, vocational, and adult education programs.
S-128, Capitol
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1378 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the U.S. Railway Association—Office of Rail Public Counsel.
235 Russell Building
Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center to be located on the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education and welfare programs, and for library resources.
S-128, Capitol

MARCH 25

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Congressional witnesses.
1223 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for 1977 from officials of Amvets
Until: Noon

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development
1318 Dirksen Building
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings to inquire into domestic communcations common carrier policies (i.e., telephones, computer, etc.).
235 Russell Building
Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (Proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings in proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 29

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment to hear Congressional witneses.
1223 Dirksen Building
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget

estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Appropriations
Public Works Subcommitte
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Government Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
S-128, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

MARCH 30

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1976 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the defense establishments, to hear public witnesses.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Social Security Administration.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office for Civil Rights, Inspector General, Policy Research and General Management.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for

public works projects, to hear members of Congress and public witnesses.
Room to be announced

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building
Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building
Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission; Office of Consumer Affairs and Consumer Information Center.
Room to be announced
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and independent agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1976 for the Federal Aviation Administration.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies to hear public witnesses.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

10:00 a.m.

APRIL 21

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

Appropriations
Transportation Subcommittee
To continue hearings on proposed estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 28

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs

To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing and Urban Affairs
To hold oversight hearings on U.S. montary policy.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
5302 Dirksen Building

MAY 12

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building
2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 24

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 26

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

CANCELLATION
MARCH 15

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 658, 182, 715).
5110 Dirksen Building

HOUSE OF REPRESENTATIVES—*Wednesday, March 9, 1977*

The House met at 3 o'clock p.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Acquaint now thyself with him, and be at peace; thereby good shall come unto thee.—Job 22: 21.

Eternal God, our Father, who art the strength of Thy people in every age and our strength in this present hour, make Thyself real to us as we bow humbly in Thy presence. Help us to realize our dependence upon Thee and our constant need of Thy guidance, Thy wisdom, and Thy love. Give us to feel that Thou art with us always and that with Thee we are made ready for every task and equal to every experience.

We pray for peace in our world, for good will among our people, and for a faith in Thee which gives us courage and helps us on our upward way. Send us out into this day strong in Thee and with the spirit of love in our hearts. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

ALLEGED U.S. INVOLVEMENT IN CHILE

(Mr. ROBERT W. DANIEL, JR., asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, according to news reports a man chosen to serve the United States has instead effectively betrayed the interests of our Nation. This person is Brady Tyson, deputy leader of the U.S. delegation to the U.N. Human Rights Commission.

What Mr. Tyson did yesterday was to arrogate unto himself the prerogative of asserting U.S. involvement in the overthrow of the Marxist Allende government of Chile, something for which a Senate committee last year was unable to find any evidence, and then to apologize for that supposed action.

It is noteworthy, I think, that this Mr. Tyson was recruited into his position of responsibility by our U.N. Ambassador, Andrew Young, who last month spoke warmly of the stability and order which Communist Cuban troops can bring to a country.

With friends like this handling our foreign affairs we hardly need enemies.

THE CARTER ADMINISTRATION'S DO-IT-YOURSELF DIPLOMACY

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, in the short time he has been in office President Carter has made a unique, if not bizarre, contribution to international affairs by his administration's do-it-yourself diplomacy. American Ambassador to the United Nations, Andrew Young, said 2 days ago that U.S. troops might be sent to Rhodesia as a peacekeeping force. The White House denied that any such plans were being made. Now, this morning we read that Brady Tyson, deputy leader of the U.S. delegation to the U.N. Human Rights Commission has "apologized" for alleged American intervention in Chilean affairs. The White House said such an apology had never been cleared with the President.

Mr. Speaker, what is going on in this administration? So far as foreign relations is concerned, no one can say. This do-it-yourself diplomacy is confusing other nations and confusing the American people as well. I do not think it is an exaggeration to state that not within the memory of anyone in this Congress has there been such a disgraceful lack of coordination and internal discipline among high-level foreign policymakers than we have seen in this administration. This is the kind of blundering that can lead to war, Mr. Speaker, and President Carter better shape up his appointees and do it quickly.

He might begin by calling in Ambassador Young and asking him just what he meant when he told the Washington Post that black American soldiers will not obey orders if the President felt it was in the national interest to side with South Africa.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 9, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:20 p.m. on Wednesday, March 9, 1977, and said to contain a message from the President wherein he transmits the eighth special message for fiscal year 1977 under the Impoundment Control Act of 1974.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

WITHDRAWAL OF PROPOSED RESCISSION AND REPORTING REVISIONS TO THREE DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–94)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I am withdrawing one previously proposed rescission and reporting revisions to three deferrals previously transmitted.

The withdrawal is for the business loan and investment fund of the Small Business Administration. Two of the revised deferrals are increases which relate to programs in the Department of

Defense while the third reflects a decrease in a Department of Transportation deferral. The combined effect of these revisions is to increase the amount deferred by $27.7 million.

The details of the rescission withdrawal and each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *March 9, 1977.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 9, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:20 p.m. on Wednesday, March 9, 1977, and said to contain a message from the President concerning Youth Employment.

With kind regards, I am,
Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

NEW YOUTH UNEMPLOYMENT PROGRAMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95-95)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Education and Labor and ordered to be printed:

To the Congress of the United States:

As part of the economic recovery package I sent to Congress on January 31, I requested $1.5 billion, to be spent over an 18-month period, for new youth unemployment programs.

This reflected my concern about continued high unemployment rates among our young people. Unemployment for those between the ages of 16 and 19 is now 18.5 percent, and a total of 3.4 million people aged 16 to 24 are out of work.

Today I wish to outline the programs we intend to begin as soon as these funds are made available. They include proposals developed in the Congress. Under the wide discretion granted by Title III of CETA, we are able to begin these programs without additional legislation. But because I believe that full Congressional participation is essential for projects of this magnitude, I will soon present to the Congress my request for specific authorizing legislation.

Although a wide variety of agencies have programs for unemployed youth, most are carried out by the Department of Labor. During Fiscal Year 1976, some two million young people took part in programs under the Comprehensive Emplovment and Training Act. These included:

—160,000 in public service jobs
—500,000 in work experience programs
—200,000 in on-the-job and classroom training programs
—40,000 in the Job Corps
—1,135,000 in the Summer Neighborhood Youth Corps programs.

We are recommending two changes in these ongoing efforts:

First, an increase of $342 million for the Job Corps, which will double the program, and

Second, a one-year extension of the Comprehensive Employment and Training Act, which was made law in 1973 and expires this year. CETA established a new system under which States and local communities are responsible for planning and operating their own employment and training programs. I have asked the Congress for this one-year extension to give us time to review the program and consider what steps would make it most responsive to the problems of the unemployed.

Beyond these changes, we must take a broad look at Federally-funded employment and training programs for our young people. My Administration is now proposing three new initiatives, developed in consultation with Congressional leaders, which we can begin under current legislative authority but for which we will seek a specific legislative mandate.

First—A National Youth Conservation Corps, similar to the Civilian Conservation Corps of the 1930's. This would be administered by the Department of Labor through agreements with the Agriculture and Interior Departments and on State park and forestry lands. The Youth Conservation Centers would employ young Americans aged 16 to 24 in conservation programs and in the maintenance and improvement of public parks, forests and recreation areas. We plan to spend $350 million over the next 18 months for 35,000 jobs under this plan.

Second—Youth Community Conservation and Improvement Projects, developed by State and local government would employ those aged 16 to 19 in well-planned, well-supervised projects of obvious local benefit. Funds would be available for needed supplies and equipment. Projects would include improving neighborhoods and communities and maintaining and restoring natural resources on publically owned land. Rural as well as urban governments would be eligible; both would submit applications to the Department of Labor through the CETA system. We would concentrate these projects where the need was greatest, but they would be open to all unemployed youth. Between now and October of 1979 we plan to spend a total of $250 million for 30,000 jobs.

Third—Comprehensive Youth Employment and Training Programs, through the CETA system to enlist a full range of employment services in States and local communities to provide young people with jobs and training.

As with our current CETA program, community-based organizations and other local agencies would be eligible to operate job programs.

This plan would be aimed at disadvantaged or low-income Americans between the ages of 16 and 21 who are out of school and out of work.

Half the funds would be allocated to the 466 prime sponsors under the CETA system. The allocation formula would be based on the unemployment rate and proportion of poor people in each area.

The other half of these funds would be used by the Secretary of Labor to encourage innovative and experimental programs. Three-quarters of the money would be spent through the CETA system, on the basis of applications to the Secretary. These applications would be judged by the standards of local need, program quality, and the prime sponsor's record. The Secretary would use the rest of the money to carry out and test innovative projects.

We are planning to spend $900 million for 138,000 such jobs.

While implementation can proceed promptly under the existing authority of Title III of CETA, by April 1 of this year I will submit to the Congress a new title to the Comprehensive Employment and Training Act, embodying these three new youth initiatives. In developing this legislation I have directed the Secretary of Labor to work with interested members of Congress and the public.

In March 1933, in a message to Congress proposing the Civilian Conservation Corps, President Roosevelt said: "It (the C.C.C.) will conserve our precious natural resources. It will pay dividends to the present and future generations. . . . We can eliminate to some extent at least the threat that enforced idleness brings to spiritual and moral stability. It is not a panacea for all the unemployment but it is an essential step . . ."

It is in that spirit that I send this message to Congress on our youth employment programs.

JIMMY CARTER.

THE WHITE HOUSE, *March 9, 1977.*

CALL OF THE HOUSE

Mr. BOLLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 58]

Andrews, N.C.	Eckhardt	Murphy, N.Y.
Archer	Evans, Ga.	Myers, Michael
Ashley	Fraser	Patten
Beard, Tenn.	Gibbons	Pettis
Boland	Gonzalez	Regula
Brown, Calif.	Hagedorn	Roe
Burton, John	Harsha	Runnels
Cederberg	Heckler	Ruppe
Chisholm	Horton	Santini
Clay	Howard	Scheuer
Conyers	Koch	Sikes
Cornwell	Le Fante	Steed
Cotter	McCormack	Teague
Davis	McEwen	Udall
Diggs	Mann	Waxman
Dingell	Marks	Young, Alaska
Dornan	Mathis	
Drinan	Mineta	

The SPEAKER. On this rollcall 380 Members have recorded their presence by electric device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. DORNAN. Mr. Speaker, on the rollcall we just had I tried to record my presence. I looked up and there was no light by my name. The box I am using,

I see, is dead, the last one on this side and the one on this side.

I was here, Mr. Speaker, and I ask that my presence be noted.

PERSONAL EXPLANATION

Mr. MARKS. Mr. Speaker, I also was here during the call of the House, and I tried to get my card in the slot to record my presence. It did not work, Mr. Speaker, and I also ask that my presence be noted since I was here all of the time.

ESTABLISHING A SELECT COMMITTEE ON ETHICS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up a privileged resolution (H. Res. 383) and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 383

Resolved, That there is established in the House of Representatives a select committee to be know as the Select Committee on Ethics (hereinafter referred to as the "select committee").

SEC. 2. (a) The select committee shall consider and may report to the House on any bills or resolutions which may include provisions incorporating and integrating into permanent law applicable provisions and appropriate modifications of rule XLIII, rule XLIV, rule XLV, rule XLVI, and rule XLVII of the Rules of the House of Representatives, and which may hereafter be referred to the select committee by the Speaker. The select committee shall have exclusive jurisdiction over the bills and resolutions referred to it.

(b) The select committee shall have jurisdiction to adopt regulations, and may issue advisory opinions, respecting the application of rule XLIII, rule XLIV, rule XLV, rule XLVI, and rule XLVII of the Rules of the House of Representatives.

SEC. 3. (a) The select committee shall be composed of sixteen Members of the House, who shall be appointed by the Speaker, one of whom he shall designate as chairman.

(b) Any vacancy occurring in the membership of the select committee shall be filled in the same manner as the original appointment.

(c) For purposes of this section, the term "Member" means a Representative in, or Delegate or Resident Commissioner to, the House of Representatives.

SEC. 4. (a) Insofar as applicable, the provisions of rule XI, clauses 1, 2, and 3, shall apply to the select committee.

(b) Any bills or resolutions and accompanying reports of the select committee shall be subject to the Rules of the House of Representatives in the same manner as though reported from a standing committee of the House.

(c) The select committee may utilize the services of the staffs of committees and commissions of the House.

SEC. 5. Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House of Representatives, the select committee may incur expenses in connection with its duties under section 2 of this resolution.

SEC. 6. (a) The authority of the select committee to report bills and resolutions referred to it shall expire on September 30, 1977.

(b) Not later than December 1, 1977, the select committee shall adopt regulations described in section 2(b) of this resolution.

SEC. 7. The select committee shall expire on December 31, 1977, and its records, files, and material shall be ferred to the Committee on Standards of Official Conduct.

COMMITTEE AMENDMENTS

The SPEAKER. The Clerk will report the first committee amendment.

The Clerk read as follows: On page 2, line 9 strike out "sixteen" and insert in lieu thereof "nineteen".

The committee amendment was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows: On page 3, line 12 strike out "ferred" and insert in lieu thereof "transferred".

The committee amendment was agreed to.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. ANDERSON), for the minority, pending which I yield myself 5 minutes.

Mr. Speaker, this is the fourth step in a long process. We have had a series of partisan fights in the last Congress and in this one over the question of reform. It had to be a partisan matter because we were dealing with the substance of reform, and the Democratic Party had the responsibility to reform the institution in which it was the majority party.

Many of the things that had been done, which convinced the people of the United States that all of us were corrupt and our institution was corrupt as a whole, were things that could be identified with the Democratic Party, and the Democratic Party had the responsibility as the majority party for dealing with the House that it had the responsibility for organizing.

It was perfectly natural for our Republican friends to feel that they should try to exploit that situation. They tried. They tried twice before the last election and they failed. They carried it through once more, and I think perfectly legitimately, a week ago today when we had another partisan fight over the rule. But the partisanship should have come to the end with the vote on the adoption of the proposition. It was adopted by an enormous bipartisan vote of, I believe, over 400 Members, Republicans and Democrats.

It seems to me that as we get to this point where we will establish a select committee to deal with the implementing of the matters on which the House has already acted, it would be possible for us to shift our gears.

I guess nobody feels that I am afraid of a partisan fight, because I have led the three that we have had heretofore, but the House made its decision a week ago and all we are seeking to do now is to provide for a select committee to deal with and to implement the decision that the House made. I do not think I have to prove either my partisan credentials or my nonpartisan credentials.

I am the only surviving author here of the Committee on Standards of Official Conduct. That came out of a subcommittee that I chaired in the Rules Committee, and that legislation was adopted a long time ago. In a previous Congress when I was the chairman-to-be of a Committee on Organization, I recommended that the matter be dealt with by a bipartisan committee. I was severely criticized by some of my friends on the Democratic side. The Republicans naturally liked it because there was a substantial majority of Democrats in the House.

Now all this select committee we are providing for in this resolution is going to do is to make a series of decisions implementing what we have already done, turning it into law, final rules, recommending regulations, making regulations, and all of that is going to go back into the committee system in the normal fashion, and then the enforcement of the financial code of ethics and all the other ethics provisions will be in the final control of a bipartisan committee.

In carrying out our responsibility today it is natural that this committee should have a partisan majority. There is nothing startling in this resolution. There is no cause for a fight. It would seem to me that it should be adopted overwhelmingly and that it should be supported overwhelmingly by both sides of the aisle.

I will yield to a couple of speakers to explain a couple of matters and then I will reserve the balance of my time to see what comes.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, if the debates of the past few days are beginning to sound like a broken record, it is because the leadership needle has worn a groove in that old favorite, "Yes we have no amendments, we have no amendments today." And if the report in yesterday's Washington Post is accurate, if you dance out of step you are likely to find yourself banished to the Siberia of the House committee system.

Now I cannot imagine that any free-thinking, freely-elected Members of this body would be so intimidated and threatened as to forfeit his right to offer amendments and vote as his conscience dictates in this Chamber. Even the Democratic Caucus last year abandoned its rule which permitted the Caucus to bind Members' floor votes.

Yesterday in the Rules Committee I offered four very serious and sincere amendments to this resolution—amendments which I feel will strengthen the resolution and the Select Committee on Ethics which it would create. All four of those amendments were defeated. Then the gentleman from Missouri (Mr. BOLLING) moved to report the matter as a privileged resolution, without an open rule and thus without any opportunity to offer amendments on the floor. That motion was carried on a narrow 9–7 vote. It was not a completely partisan vote, just as this resolution is not and should not be a partisan matter. I cannot speak for the Democrats who voted against this closed procedure, but I think they voted against it, not because they necessarily supported my amendments, but because their conscience and sense of decency, fairness, and openess dictated that they reject this stuck record of, "Yes, we have no amendments, we have no amendments today." I commend them on their vote for openness just as I am encouraged by the bipartisan vote against the closed rule on the tax bill yesterday.

I recall that when I first came to this

body in 1961, we had another new Democratic President who was having some difficulty making his way through our archaic, obstructionist, and secret legislative maze. At that time, scores of books were written urging congressional reform. The three favorite targets of the reformers have been the Senate filibuster, the House Rules Committee, and the committee seniority system. The thrust of the reforms was to break down the legislative roadblocks and open up the process to truly democratic participation. The sweetheart contract between the Rules Committee and Ways and Means Committee over closed rules on tax bills was especially singled out by the reformers as an insult to the integrity of the House and a travesty on our democratic traditions.

Over the years, we have gradually adopted the necessary reforms to open up this system and insure greater participation for all Members in our process. I would hope we are not now witnessing the backswing of that pendulum and a reimposition of the will of the few on the many for the sake of expediency. I would hope we are not returning to the era of closed rules in which sweetheart deals are struck between the leadership and powerful committee chairmen to bar amendments on this House floor. If we are, then we might as well sign over a pack of blank proxies to the leadership and go back to our districts. The taxpayers could save a lot of money by substituting rubber stamps for their elected Representatives.

Some years ago a member of the other body wrote a book entitled "The Arrogance of Power," in references to the presidency. Is it possible that this same malady has so afflicted the Congress that we are expected to accept the leadership or the Rules Committee decisions as perfect and infallible, and therefore not subject to question or amendment in this Chamber? I would hope not.

I am reminded of a debate which took place in this Chamber in the fall of 1974 over a resolution to reform our committee system—the product of the bipartisan Bolling-Martin Committee. The gentleman from Missouri (Mr. BOLLING) demonstrated extreme patience while that resolution was sidetracked for some 6 months in the Democratic Caucus. His select committee had labored long and hard on that reform and it was carefully crafted and well thought out. And yet, the gentleman understood that it was controversial and not perfect; he accepted the fact that Members had legitimate concerns and respected their right to offer amendments. On the opening day of debate, September 30, 1974, he stood in this well and said the following:

> I, least of all, expect the Members of this institution to rubberstamp any committee's proposal which affects this institution, which affects their careers, which affects the welfare of the country, casually. I would not want to take the full responsibility for any mistakes. I want the full responsibility to be shared by us all, as the Constitution requires that it be.

And yet, he is asking us today to be the rubberstamp of the Rules Committee on a proposal which affects this institution and the careers of us all. He now says he wants to accept the full responsibility for any mistakes and does not want us to share in that responsibility as the Constitution requires that it be.

Mr. Speaker, I can anticipate the response of the gentleman from Missouri. On that particular reform effort in 1974 his resolution lost to a Democratic caucus substitute. But does that make this constitutional argument any less valid? Does that now justify that we become rubber stamps to a committee and abdicate our responsibility to a few? I think not.

Mr. Speaker, unfortunately the parliamentary situation which now obtains does not permit us to substitute a completely open rule. So at least the old argument we have heard does not pertain—that is, that unless we accept the Rules Committee resolution as it now stands, this whole matter will be unravelled and amended to death. The best we can do at this point is to defeat the previous question and offer one amendment. Members are already aware of what that amendment would do. I have sent "Dear Colleague" letters to all Members today explaining it and have inserted its text in yesterday's CONGRESSIONAL RECORD. That amendment in the nature of a substitute would do four simple things, none of which are frivolous or destructive.

As I summarized them in my letter, they would: first, give the Select Committee on Ethics the authority to recommend improvements in the investigative procedures of the House Committee on Standards of Official Conduct, our standing committee on ethics; second, give the select committee authority to recommend a systematic and periodic audit procedure over our financial ethics reports, including the allowances and expenses of Members and committees; third, establish a 10-to-9 majority to minority party ratio; and fourth, give the House a 30-day period to review and veto any regulations proposed by the select committee.

Mr. Speaker, the whole purpose of this select committee is presumably to carry through on the implementation and enforcement of the ethical standards which we recently adopted. And yet, House Resolution 383 only goes half-way toward meaningful enforcement by confining the select committee to reporting implementing statutes and reguluations, then plopping the whole thing in the lap of the Committee on Standards of Official Conduct. This limited authority neglects two of the most important aspects of putting teeth in these reforms, and those are the issues of adequate investigative and enforcement procedures for the Committee on Standards of Official Conduct, and adequate auditing of the financial matters required by the reforms.

The Committee on Standards of Official Conduct has been faulted in some quarters for not being active and vigorous enough in investigating allegations of misconduct. This is through no fault of the members on that committee but rather, I suspect, due to the difficulty in filing a complaint in the first place, and minus that, the understandable reluctance of the committee to initiate an investigation without guidance from the House. Clearly, a review of clause 4(e) of House Rule X is in order to overhaul, update, and facilitate the investigative process of the Standards Committee. I have recommended one reform, for instance, in House Resolution No. 155 to 157, with 53 cosponsors, to permit the House to direct an ethics committee investigation and to require that committee to file a report on any investigation it undertakes.

As the rule now stands, no investigation may be undertaken except by majority vote of that committee, the will of the House notwithstanding. And it is now discretionary for the committee to file a report on its investigations, though in the 93d Congress it was mandatory. I am sure other Members have ideas as to how our Standards Committee can be assisted in its difficult assignment and become a more active and effective enforcement agent for the House. A select committee on ethics should be permitted to make recommendations for strengthening that committee.

I also think that committee should make recommendations to the House for establishing a vigorous and consistent auditing procedure of our various financial ethics reports, including our House allowances and expenses. I know the argument will be made that the Obey Commission is looking into this, but it seems to me this is a more logical and immediate concern of a select committee which is being established to implement and enforce our financial ethics reforms. The President's Commission on Salaries—the so-called Peterson Commission—recommended that "vigorous and consistent auditing" be an integral part of a new Code of Public Conduct. To quote from page 4 of that report:

> An appropriate body or bodies should be established—or if an existing one is to be so charged, it should be strengthened—to insure that these requirements are fully enforced and that all information disclosed under this Code of Public Conduct is regularly and adequately audited and *publicly reported*.

This should be an immediate priority concern of this Select Committee on ethics if we are to put teeth into our financial ethics package now.

My third amendment would establish a nearly bipartisan ratio on the Select Committee on Ethics, with 10 from the majority party and 9 from the minority party. I do not understand how we can maintain that nonpartisanship is necessary for a standing committee on ethics but not for a Select Committee on Ethics which will be turning its responsibilities over to that standing committee upon its expiration.

The Bolling-Martin committee in the 93d Congress had recommended extending the jurisdiction of the Standards Committee to campaign finance and the franking privilege as well as the code of conduct, financial disclosure and lobbying. To quote from its report:

> The select committee believes that a more powerful committee is needed to guard the public interest against unethical conduct by House Members.

And, to quote further on from that report:

A further reason for transferring the several functions mentioned above is that this committee is uniquely bipartisan, to the extent of having equal membership from the majority and minority parties. *Thus it is in a position to be especially even-handed in dealing with sensitive issues relating to public trust of elected officials.*

Would the gentleman from Missouri, the author of that report, now have us believe that these very same sensitive matters should no longer be entrusted to an "even-handed" bipartisan committee? Are we now to believe that such sensitive issues relating to public trust of elected officials are best left to an unevenhanded, lopsided majority party controlled committee? I do not think it will do to argue that the minority cannot be trusted with such numbers. After all, the Bolling-Martin committee was completely bipartisan, and here is what Mr. BOLLING said of it on September 30, 1974:

We started out as a group of 10 men, five Republicans, some of them conservative, and five Democrats, some of them liberal. We ended up with a unanimous report, with not any detail of which all ten of us agree, but we ended up with a proposal on which there was a decision to report something we considered worthy of doing to the House.

Why should we believe that a nearly bipartisan select committee on ethics will be any less unified in its concern for reporting something worthy to the House? Would not its product be more credible and acceptable to the public and House alike as the product of a bipartisan effort?

Finally, I have offered an amendment to give the House an opportunity to review any regulations proposed by the select committee and, within 30-days of their publication, adopt a resolution of disapproval if it should disagree with those regulations. This is the same type of provision we have for reviewing regulations proposed by the Federal Election Commission and many Government agencies. The amendment contains a provision for discharging a resolution of disapproval from the Rules Committee if not reported within 10-calendar days of its introduction. Just last summer we stripped the House Administration Committee of its authority to adjust allowances without review or approval from the House. By the same token, I think we must retain to ourselves the right to review and act on any financial ethics regulations recommended by this select committee.

After all, we are the ones who will have to comply with them. We should not permit these regulations to go into effect without our approval any more than we should abdicate to the select committee the right to enact implementing statutes without approval by the House. We have the constitutional obligation to determine the rules of this House and therefore cannot delegate this responsibility to a select committee any more than we now permit the Rules Committee to amend the House rules without approval by the full House.

Mr. Speaker, having explained my package of four amendments, I urge defeat of the previous question on House Resolution 383 so that I will have an opportunity to offer an amendment in the nature of a substitute incorporating these amendments and also giving the House an additional hour to debate this important resolution. Let us demonstrate by our vote today that we are not a rubber stamp of the Rules Committee and that we are able to responsibly exercise our independent judgment on amendments offered on this floor.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Speaker, I commend the gentleman on his very forthright and his very courageous statement.

The gentleman from Missouri said he did not lack courage to get into a partisan fight. I can understand that with a 2-to-1 majority the gentleman from Missouri may feel very courageous in that respect.

But I would suggest that the gentleman in the well (Mr. ANDERSON of Illinois) is demonstrating the kind of courage in this House of Representatives that I would like to identify with. He has taken an objective and bipartisan position on this issue.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. RODINO), the distinguished chairman of the Committee on the Judiciary.

Mr. RODINO. Mr. Speaker, I support the concept of a Select Committee on Ethics as envisioned by House Resolution 383. The House, it seems to me, may have a very genuine duty as well as need to legislate regarding the matter of its Members' financial responsibilities; by vesting exclusive legislative jurisdiction over that matter in one select committee it is exercising what I believe is a valid prerogative under the rules of the House.

In recent days I have been strongly critical of the proliferation of select committees in this House. In most cases, such committees—especially investigative select committees—merely serve to duplicate effort, delay legislation, squander the expertise of standing committees and entail an unconscionably unnecessary expense. But House Resolution 383 is carefully drafted to meet a circumstance in which the House has perceived an immediate need to legislate—in a narrow area, where existing legislative jurisdiction is either wholly uncertain or scattered over several committees. In these circumstances, establishing a select committee and giving it exclusive, narrow legislative jurisdiction will not duplicate effort, will not delay legislation and need not squander the expertise of standing committees. Indeed, I note the intent of the leadership to appoint as members of the select committee individuals who can draw upon the very expertise already developed in this area by the regular committee structure.

Mr. Speaker, I therefore support House Resolution 383 and intend to vote yes at the conclusion of this debate.

There is a question, however, that I have regarding section 2 of the resolution and I hope the gentleman from Missouri, might clarify the scope of that provision.

Is the legislative jurisdiction conferred upon the select committee intended to encompass financial disclosure requirements for executive and judicial officers of the United States, or is it limited in scope to Members of Congress?

The reason I inquire, of course, is that the gentleman from Wisconsin, Mr. Kastenmeier, has introduced with co-sponsors a financial disclosure bill that includes the executive branch and a subcommittee of judiciary is planning to move ahead on that proposal. Indeed, the subcommittee in the last Congress reported such legislation, but too late to accommodate further consideration.

Mr. Speaker, as long as the House is frank and forthright about the actual conferring of legislative jurisdiction, I do not seek to question the responsibility of the select committee to move in the area of financial disclosure. But I do wish to fulfill my own responsibility as chairman of the Judiciary Committee, and the committee will or will not move ahead in this matter depending upon the scope of the select committee's exclusive jurisdiction.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Missouri.

Mr. BOLLING. Mr. Speaker, it is intended that the legislative jurisdiction of this select committee be limited in scope to Members of Congress only.

Mr. RODINO. Mr. Speaker, I thank the gentleman.

Mr. BOLLING. The language states that, too.

Mr. RODINO. Mr. Speaker, I merely wanted to get that assurance from the gentleman from Missouri. I note, too, with great approbation that the Speaker of the House intends to nominate to this committee or appoint to this committee the various Members who have served on some of the committees that have expertise. I am delighted that this is the case, and I wholeheartedly support this very necessary resolution as presented in this limited manner.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Speaker, the gentleman from Missouri (Mr. BOLLING), as he did last week, brings partisanship into this effort to improve the quality of our rules.

I would like to remind him that if I as a Republican or he as a Democrat commits an offense that is not in keeping with our high office as Members of this House, it is not the Republican Party nor is it the Democratic Party that suffers; it is the entire body. I am disturbed by this, and I find that that kind of a suggestion is degrading not only to me and to my party but to the entire House.

Mr. Speaker, at the close of last week we declared a code of ethics for all the people to hear and gush over. Somehow, it recalled to me the last sentence of "Trinity," Leon Uris' brilliant historical

bestseller, almost as if I were comparing Congress with my native soil, "For you see," he despairs in his closing, "in Ireland, there is no future, only the past happening over and over."

The code is a combination of commands, prohibitions, and penalties expected to remove tarnish and restore to our image a long lost luster. We argued and fought over strengths and weaknesses. We finally voted it into our House regulations and are about to follow with the establishment of a select committee, the function of which will be to mould those regulations into law.

Taken as a whole, it is a moderately good product. But it has one conspicuous, glaring weakness. It is totally devoid of any special undertaking on the part of the Members as individuals. It lacks that which was needed to restore true faith in the House of Representatives—it lacks character.

To the select committee about to be voted into being, I offer a suggestion that will supply what is required in any ethical code worth its salt—personal commitment.

To the Members who will be named to the committee I propose an addition to the oath of office to include an unqualified pledge of honorable conduct during the term of each Congress.

First, I would add after our representations of faith and allegiance to the Constitution the following: "I will not lie, cheat, or steal or use my public office for improper personal gain."

Second, I would require the House to elect by secret ballot an honor committee to pass judgment on alleged violations of the congressional honor code and to recommend to the whole House moderate to severe punishment for honor violations.

Third, at the swearing-in ceremony each Member of Congress would tender to the honor committee an undated signed resignation to the end that where a serious violation of the code occurs a unanimous vote of the committee could recommend to the whole House acceptance of the offender's offer to resign.

Mr. Speaker, this proposal would supply to the rather drab fabric of the resolution of last Wednesday the strong thread of personal commitment to honorable performance of duty. It would make more accurate your remark, made at the close of debate, when you sympathized with those Members who would be greatly affected by limitations placed on outside earned income by saying, "It is a sacrifice we all must make."

If we are content to rely on commands and prohibitions alone to restore our vanished prestige, we are just kidding ourselves. If we have the backbone, the raw courage to make the personal pledge of honor, we might be the first Congress since 1776 that could truthfuly say of our effort, in words not unlike those of Jefferson:

> . . . and for the support of such declaration, with firm reliance on the protection of divine providence, we mutually pledge to each other (and the people of this blessed land) our congressional lives, fortunes and sacred honor.

Mr. BOLLING. Mr. Speaker, I yield myself 1 additional minute.

I rise to correct a mistake I made in my reply to the gentleman from New Jersey (Mr. RODINO). I spoke too hastily. The legislative scope of the select committee is limited to Members of Congress and those who seek to become Members of Congress by becoming candidates and those who are Members-elect.

I wanted to clarify that, Mr. Speaker.

Mr. MILFORD. Mr. Speaker, will the gentleman yield for a question?

Mr. BOLLING. I yield to the gentleman from Texas.

Mr. MILFORD. I am curious as to why we even need an additional Committee on Ethics. We have a standing Committee on Standards of Official Conduct.

Why do we need a separate committee?

Mr. BOLLING. The answer is that we need to make a transition from the adoption of the Commission recommendation finally back to the standards of conduct. We also need to reconcile any differences between what we do and what the other body does, which applies to both of them.

Mr. MILFORD. If the gentleman will yield further, could not the existing standing committee do that?

Mr. BOLLING. It could be done, but there are five different standing committees; and this was deemed to be the most efficient and easiest way by which it could be done, and I believe it to be so.

Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, the question of auditing has been brought up; and I thought we ought to address that question.

When the Commission started its work, it divided that work into four basic categories. One of the categories was a review of administrative units and accounts. It was decided very early that the auditing function and the question of auditing, an ongoing audit, would be placed within the jurisdiction of the Task Force on Administrative Units, which I have the privilege of chairing.

We are even now preparing a total investigation and a total oversight of the administrative units and will get, I assure the gentleman from Illinois (Mr. ANDERSON) and others who have brought up this issue, into the question of auditing. I think we will bring to this House and to this floor recommendations with regard to auditing which will be approved by everyone.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I rise in support of the creation of the Select Committee on Ethics and I commend the Rules Committee for taking action so promptly on this matter.

However, Mr. Speaker, I am sorely disappointed that once again the majority leadership has made use of their steamroller to quash constructive debate and perhaps, amendment of a bill that will affect all of us in this Chamber.

I am amazed that this measure was not brought out under an open rule. My colleague, Mr. ANDERSON of Illinois, presented four amendments yesterday in the Rules Committee. None of these amendments represented a sinister effort to gut the select committee. One would have provided a more balanced membership of the committee. Another would have given the committee the responsibility of recommending a systematic and periodic audit of matters required to be disclosed under the financial ethics resolution, including the expenses and allowances of House Members, committees, and officers. The third would have given the committee responsibility for making recommendations for improving the procedures for handling allegations of official misconduct in the House Standards of Official Conduct Committee, and the fourth amendment would have permitted the House to review and disapprove any interpretive regulations proposed by the committee.

I believe these amendments would have strengthened the authority of the select committee and at the very least, we should have been given the opportunity to vote upon them.

However, steamroller aside, I believe the select committee should be created. The work of the Commission on Administrative Review spans five committee jurisdictions: House Administration, Rules, Standards on Official Conduct, Judiciary, and Post Office and Civil Service. The select committee would have the exclusive jurisdiction over incorporating those changes made to the House Rules which were adopted last week. There are also recommendations that were made by the Obey Commission that cannot be enacted through House rules but only through either a change in existing law or writing new law such as applying title I—financial disclosure—to those running for Congress.

I also believe the debate over title VI—outside earned income—certainly demonstrated the need for interpretive rules and regulations. It will be extremely important that these rules are clearly understood by the Members so as to avoid violations.

Mr. Speaker, I am not a fan of creating additional levels of committees around here. However, because the committee will write legislation that would otherwise take months if we used the sequential referral method, I believe the establishment of this committee is worthy of our support.

Mr. Speaker, the distinguished gentleman from Missouri (Mr. BOLLING) said that the Democratic Party had the responsibility to inform the House, and I concur in that statement 100 percent.

However, that responsibility is not a unilateral responsibility, and I see no reason that the House has to accept, without a chance to debate adequately or without a chance to offer amendments, those forms of ethical reform which a certain group in this House thinks are worthwhile.

I say that, Mr. Speaker, because the House ought to have the chance to make other suggestions and to determine for

itself, by vote of each of its Members who so chooses to vote, exactly which reforms it wants adopted.

Therefore, Mr. Speaker, I think it is really an outrage that this House is presented with another bill which cannot be amended.

Just last week, Mr. Speaker, we did the very important tax bill. That bill was brought to us under a closed rule. Prior to beginning work on the tax bill, we had the ethics bill. That was brought to us under a closed rule. Today we have a followup ethics proposal which is probably less controversial. But even it is brought in under a closed rule. That is almost a perfect record of undemocratic procedure.

Nevertheless, it is insulting to every Member of this body to have this resolution before us under another closed rule. We do not need to have an elite group in this House take responsibility for us. Each of us was sent here to represent our constituency, and we ought to have the opportunity to make our suggestions and to see those suggestions stand or fall by a full vote of the House.

Mr. Speaker, I was delighted to hear the distinguished gentleman who is chairman of the Subcommittee on Administrative Units of the Commission on Administrative Review (Mr. MEEDS) tell us how he is so eager to get into the auditing of accounts. However, it is quite obvious that every time some kind of an audit is suggested on a retroactive basis that everyone around here seems to want to run for cover. What do you suppose makes everyone so nervous?

Obviously, the gentleman is speaking about audits in the future sometime. I would also suggest that the Commission on Administrative Review has no legislative authority, so it seems to me appropriate that this particular select committee which will be created by H. Res. 383 is the one which ought to have audit responsibility, or at least be directed to establish audit responsibility.

This is an amendment I suggested to the Committee on Rules. They did not see fit to adopt it. I would like to have a chance to propose it to the House. I do not have that opportunity because of the way this bill is being presented to us as a privileged resolution.

Mr. Speaker, I urge the House to vote down the previous question so we can have an open, honest rule rather than have the elected Members of this House be handed unamendable, infallible royal fiats by an elite group.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Speaker, it is with a keen sense of disappointment and frustration that I follow today's proceedings on the establishment of a Select Committee on Ethics. The issue of ethics reform bears directly on this institution; yet we are confronting a parliamentary situation which seeks to limit the right of Members to offer amendments. It was but 1 week ago that the House faced a similar situation during the consideration of House Resolution 287. The ideals of free and open action are once again being ignored. In the words of Judge Brandeis:

> Our Government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example.

I regret that once again the example of Congress strikes against the very democratic principles of our heritage.

There will rightly be an effort to defeat the previous question. In the past such efforts have been little more than partisan divisions. Today, perhaps, we will assume the responsibility to remove the constraints imposed on this House.

I cannot understand the reasoning which motivates Members of the majority leadership to undertake such a concerted effort to restrain the debate on the ethics issue. In a House with a 2-to-1 Democratic majority, there is no reason to fear any Republican amendments which may be partisanly cast. In a House where virtually all Members desire to achieve viable and long-lasting ethics reforms, there is no reason to fear any weakening or vitiating amendments.

The amendments proposed by the gentleman from Illinois (Mr. ANDERSON) represent judicious improvements to House Resolution 383, improvements which would enhance the ability of the select committee in dealing with the issue of ethics reform. There is no question that the gentleman from Illinois has few equals in his knowledge of, and appreciation for, the procedures of this institution. Yet the powers that be would restrict the ability of the House at large to consider his recommendations. I have no doubt that in an open forum these amendments would attract wide support from both sides of the political aisle.

While today's debate prevents Republican amendments, it likewise obstructs the majority party's own membership from exercising their rights and duties as legislators. We talk of the necessity of bringing into this House individuals from all walks of life, with multivaried expertise, and then, as the procedures today would indicate, their opinions and views are unwelcome.

The House is not a stranger to abuses of procedure; the descriptions of Czar Reed and of caucus rule are commonly reviewed in historical accounts. These events mark a time when Congress lost tolerance for the rights and views of the minority. Are we reentering a period of similar discord? I would hope not. There is, however, an unmistakable arrogance of power evident in today's procedures. Congress appears embattled by a lack of faith in its own membership by adhering to the restrictions on debate presently imposed.

I would hope the vote on the previous question will transcend partisanship. Today's majority may well be tomorrow's minority. Their rights deserve to be respected no matter what the vicissitudes of political fortune might bring.

We all share differing perspectives on the needs of ethics reform. During the debate on the recently adopted ethics proposals, additional recommendations were advanced by Members of both parties. But under the restrictions enforced, the opportunity to consider such proposals was lost. It is by a process of free and open debate that the best legislative product can be fashioned. It is regrettable that in the ongoing debate on ethics reform, this House continues to impose silence on its Members. Perpetuating these restrictions on debate does not display credit on our abilities as legislators nor does it convey credit to the principles of representative government.

There is no better way to demonstrate faith in this House, in our own capabilities, in the very constituencies which selected us to serve, than by defeating the previous question.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 2 additional minutes.

In my remarks a few minutes ago I referred to the splendid work that had been accomplished in the 93d Congress under the leadership of the distinguished gentleman from Missouri in an effort to reform the committee system of this House. I did not have time when I was in the well earlier to mention that that committee recommended at that time extending the jurisdiction of the Standards Committee to campaign finance, to the franking privilege, as well as to the code of conduct which was on the books at that time, and also to financial disclosure.

I want to quote just a word from its report:

> The select committee believes that a more powerful committee is needed to guard the public interest against unethical conduct by House Members.

The report went on to say:

> A further reason for transferring the several functions mentioned above—

And that included, as I said, financial disclosure and ethics—

> is that this committee is uniquely bipartisan, to the extent of having equal membership from the majority and minority parties. Thus it is in a position to be especially even-handed in dealing with sensitive issues relating to public trust of elected officials.

And then the gentleman went on in his report by saying:

> We started out as a group of 10 men, five Republicans, some of them conservative, and five Democrats, some of them liberal. We ended up with a unanimous report, with not any detail of which all ten of us agree, but we ended up with a proposal on which there was a decision to report something we considered worthy of doing to the House.

I wonder why it is today that we consider a nearly bipartisan Committee on Ethics would be any less unified in its concern for reporting back to this House something that was worthy of our consideration. I would hope that the gentleman from Missouri and the Members on his side of the aisle would go back and reread and rethink their position and adopt the very sage advice that they gave this House back just two Congresses ago.

Mr. BOLLING. Mr. Speaker, does the gentleman from Illinois have any addi-

tional speakers? Will he yield back his time? I would like to close the debate.

Mr. ANDERSON of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I am not going to conclude debate unless the gentleman yields back his time.

I reserve the last word.

Mr. Speaker, I can move the previous question any time I want to.

Mr. ANDERSON of Illinois. Go ahead.

Mr. BOLLING. All right, Mr. Speaker, I yield myself 5 minutes.

I would like to state at the outset, if the gentleman will not pursue the customary approach, I will be glad to move the previous question without his having yielded back his time.

The gentleman from Illinois is probably the most eloquent man in the House. He makes remarkably able speeches. And the gentleman from Illinois almost always has a contribution to make on any rule that might possibly be of interest to him.

The curious thing about it is that he does not seem to know the rules very well, because he has participated many times in exactly this process without complaint. It happens that the committee on which he serves and on which I serve, the Committee on Rules, has the right, which it exercises here, to report a privileged resolution, and the privileged resolution, the one that deals with the order of business or whatever else, is protected by custom and rule by the previous question which is in the hands of the Member handling the resolution and by the fact that the Member does not yield for anything except debate.

Time and time again the gentleman from Illinois has participated in precisely this process without comment. Now he chooses to make his comment on this I suppose for his own reasons. But in addition to that he proposes to offer some amendments, and I have discussed one of them, the reason why we have a partisan majority, and I do not plan to pursue that. It is clear. He makes it clear.

But he proposes to give the Select Committee on Ethics more of his own committee's jurisdiction without, I suspect, knowing it. He proposes to take away from the Rules Committee, which has the right to deal with the rules and the jurisdiction of other committees, that power and give it to the select committee, of reorganizing the Committee on Standards of Official Conduct.

Now, Mr. Speaker, that does not make any sense to me to do that. That is not the purpose of what we have been doing for these months. The purpose is to leave the Committee on Standards as it is and implement the Commission report. The third proposal of the gentleman from Illinois is something we have gone over and over again. There has never been anything like a majority for it. It is to direct the committee to, in effect, order the impossible. There is nobody that I know of who seriously believes it is possible to audit all the accounts of Members and committee backwards, to go back and look for a year or 2 years.

There is nobody I know of who has looked into it who really believes that that is a possibility.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I will be happy to yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, my friend, the gentleman from Missouri, will remember that last July there were some unhappy events and there was a discussion of the possibility of auditing the vouchers, the books of each and every one of the 435 Members of the House. Not wanting to assume the responsibility unilaterally, I asked for the advice of three of the largest accounting firms in the United States. All committees, it was suggested, should be audited. In the first place, I was reliably informed that it would be possible, as the gentleman has just stated, to go back 1 year at a cost of about $6,000 per office and to do a complete audit on all of the committees would cost approximately $15,000 each. It is simply too costly.

We now have a reform already in existence and reports coming forth which will, in effect, be an audit of every single committee and every single office without the enormous expense and the impossible task of doing it.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. BOLLING. Mr. Speaker, I yield myself 5 additional minutes.

I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, I thank the gentleman for yielding further.

There are in the rules now, and they will be tightened, I am sure, means by which every office is, in effect, audited without bringing outside people in to do so. At any time if there is a necessity for an outside audit, I, for one, would support it.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from New Jersey.

Mr. Speaker, the other amendment that the gentleman offers proposes to give the House the opportunity to vote up or down in a certain period of time regulations proposed by the select committee. What that does, and it really demonstrates an almost total lack of understanding of the rules, is to upgrade regulations into rules. The Members of the House will have the opportunity to deal with all laws and rules. That is provided in the resolution.

Now, I am not much given to trying to be humorous, because I am not very good at it; but some of the older Members will recall that for some years the Republicans had a habit of offering something called "constructive alternative proposals"—"constructive Republican alternative proposals." As anyone can see, I am stumbling already. If we spell it out it spells a word. I suggest that today my friend, the gentleman from Illinois (Mr. ANDERSON) is overcome by the need to offer constructive Anderson Republican proposals, and that spells another word and the word is "Carp" and I looked it up.

It means to find fault or complain querulously, and that means to complain habitually. I suspect that it may be valid on this occasion.

Mr. Speaker, I move the previous question on the resolution.

PARLIAMENTARY INQUIRY

Mr. ANDERSON of Illinois. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ANDERSON of Illinois. I have time remaining. Do I not have a right to respond to the gentleman from Missouri?

The SPEAKER. Not if the previous question has been moved, and it has been moved.

Mr. ANDERSON of Illinois. Even though the gentleman mentioned my name and made numerous references to me for the last 10 minutes?

The SPEAKER. The Chair is aware of that.

The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. ANDERSON of Illinois) there were—yeas 79; nays 35.

Mr. ANDERSON of Illinois. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 242, nays 175, not voting 15, as follows:

[Roll No. 59]

YEAS—242

Addabbo	Diggs	Kazen
Akaka	Dingell	Keys
Alexander	Drinan	Kildee
Allen	Duncan, Oreg.	Koch
Ammerman	Early	Krueger
Andrews, N.C.	Eckhardt	LaFalce
Annunzio	Edwards, Calif.	Lederer
Applegate	Eilberg	Leggett
Ashley	Ertel	Lehman
Aspin	Evans, Colo.	Levitas
AuCoin	Evans, Ga.	Lloyd, Tenn.
Badillo	Evans, Ind.	Long, La.
Baldus	Fary	Long, Md.
Barnard	Fascell	Luken
Baucus	Fisher	Lundine
Beard, R.I.	Fithian	McFall
Bellenson	Flippo	McKay
Benjamin	Flood	Maguire
Bevill	Florio	Mahon
Bingham	Flowers	Markey
Blanchard	Flynt	Mathis
Boggs	Foley	Mattox
Boland	Ford, Mich.	Mazzoli
Bolling	Ford, Tenn.	Meeds
Bonior	Fountain	Metcalfe
Bonker	Fraser	Meyner
Bowen	Fuqua	Mikulski
Brademas	Gammage	Mikva
Breaux	Gaydos	Milford
Brinkley	Gephardt	Miller, Calif.
Brodhead	Giaimo	Mineta
Brooks	Gibbons	Minish
Brown, Calif.	Ginn	Mitchell, Md.
Burke, Calif.	Gore	Mitchell, N.Y.
Burke, Mass.	Gudger	Moakley
Burlison, Mo.	Hall	Moffett
Burton, John	Hamilton	Mollohan
Burton, Phillip	Hanley	Montgomery
Byron	Hannaford	Moorhead, Pa.
Carney	Harrington	Moss
Carr	Harris	Mottl
Cavanaugh	Hawkins	Murphy, Ill.
Chisholm	Hefner	Murphy, Pa.
Collins, Ill.	Heftel	Murtha
Conyers	Hightower	Myers, Michael
Corman	Holland	Natcher
Cornell	Holtzman	Neal
Cornwell	Hubbard	Nedzi
D'Amours	Huckaby	Nichols
Daniel, Dan	Ichord	Nix
Danielson	Ireland	Nolan
de la Garza	Jenkins	Nowak
Delaney	Jenrette	Oakar
Dellums	Johnson, Calif.	Oberstar
Dent	Jones, Tenn.	Obey
Derrick	Jordan	Ottinger
Dicks	Kastenmeier	Panetta

Patten	Satterfield	Udall
Patterson	Scheuer	Ullman
Pease	Seiberling	Van Deerlin
Pepper	Shipley	Vanik
Perkins	Simon	Vento
Pickle	Sisk	Walgren
Preyer	Skelton	Watkins
Price	Slack	Waxman
Rahall	Smith, Iowa	Weaver
Rangel	Solarz	Weiss
Reuss	St Germain	White
Richmond	Staggers	Whitley
Risenhoover	Stark	Whitten
Roberts	Steed	Wilson, C. H.
Rodino	Stokes	Wilson, Tex.
Rogers	Stratton	Wolff
Roncalio	Studds	Wright
Rooney	Stump	Yates
Rose	Thompson	Yatron
Rosenthal	Thornton	Young, Mo.
Rostenkowski	Tonry	Young, Tex.
Roybal	Traxler	Zablocki
Russo	Tsongas	Zeferetti
Ryan	Tucker	

NAYS—175

Abdnor	Fenwick	Myers, Gary
Ambro	Findley	Myers, Ind.
Anderson, Calif.	Fish	O'Brien
	Forsythe	Pattison
Anderson, Ill.	Frenzel	Pike
Andrews, N. Dak.	Frey	Poage
	Gilman	Pressler
Archer	Glickman	Pritchard
Armstrong	Goldwater	Pursell
Ashbrook	Goodling	Quayle
Badham	Gradison	Quie
Bafalis	Grassley	Quillen
Bauman	Guyer	Railsback
Beard, Tenn.	Hagedorn	Regula
Bedell	Hammer-schmidt	Rhodes
Bennett		Rinaldo
Biaggi	Hansen	Robinson
Blouin	Harkin	Rousselot
Breckinridge	Harsha	Rudd
Broomfield	Heckler	Runnels
Brown, Mich.	Hillis	Ruppe
Brown, Ohio	Hollenbeck	Sarasin
Broyhill	Holt	Sawyer
Buchanan	Horton	Schroeder
Burgener	Hughes	Schulze
Burke, Fla.	Hyde	Sebelius
Burleson, Tex.	Jacobs	Sharp
Butler	Jeffords	Shuster
Caputo	Johnson, Colo.	Sikes
Carter	Jones, N.C.	Skubitz
Cederberg	Jones, Okla.	Smith, Nebr.
Chappell	Kasten	Snyder
Clausen, Don H.	Kelly	Spellman
	Kemp	Spence
Clawson, Del	Ketchum	Stange'and
Cleveland	Kindness	Stanton
Cochran	Kostmayer	Steers
Cohen	Krebs	Steiger
Coleman	Lagomarsino	Stockman
Collins, Tex.	Latta	Symms
Conable	Leach	Taylor
Conte	Lent	Thone
Corcoran	Lloyd, Calif.	Treen
Coughlin	Lott	Trible
Crane	Lujan	Vander Jagt
Daniel, R. W.	McClory	Volkmer
Derwinski	McCloskey	Waggonner
Devine	McDade	Walker
Dickinson	McDonald	Walsh
Dodd	McHugh	Wampler
Dornan	McKinney	Whalen
Downey	Marks	Whitehurst
Duncan, Tenn.	Marlenee	Wiggins
Edgar	Marriott	Wilson, Bob
Edwards, Ala.	Martin	Winn
Edwards, Okla.	Michel	Wirth
Emery	Miller, Ohio	Wydler
English	Moore	Wylie
Erlenborn	Moorhead, Calif.	Young, Alaska
Evans, Del.		Young, Fla.

NOT VOTING—15

Clay	Le Fante	Murphy, N.Y.
Cotter	McCormack	Pettis
Davis	McEwen	Roe
Gonzalez	Madigan	Santini
Howard	Mann	Teague

The Clerk announced the following pairs:

Mr. Le Fante with Mr. Gonzalez.
Mr. Santini with Mr. Davis.
Mr. Murphy of New York with Mr. Teague.
Mr. Cotter with Mr. Clay.
Mr. Howard with Mr. Roe.
Mr. McCormack with Mr. Mann.

Mr. BONKER changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ANDERSON of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 410, nays 1, not voting 21, as follows:

[Roll No. 60]

YEAS—410

Abdnor	Conable	Hammer-schmidt
Addabbo	Conte	
Akaka	Conyers	Hanley
Alexander	Corcoran	Hannaford
Allen	Corman	Hansen
Ambro	Cornell	Harkin
Ammerman	Cornwell	Harrington
Anderson, Calif.	Coughlin	Harris
	Crane	Harsha
Anderson, Ill.	D'Amours	Hawkins
Andrews, N.C.	Daniel, Dan	Heckler
Andrews, N. Dak.	Daniel, R. W.	Hefner
	Danielson	Hightower
Annunzio	de la Garza	Hillis
Applegate	Delaney	Holland
Archer	Dellums	Hollenbeck
Armstrong	Dent	Holt
Ashbrook	Derrick	Holtzman
Ashley	Derwinski	Horton
Aspin	Devine	Hubbard
AuCoin	Dickinson	Huckaby
Badham	Dicks	Hughes
Badillo	Diggs	Hyde
Bafalis	Dingell	Ireland
Baldus	Dodd	Jacobs
Barnard	Dornan	Jeffords
Baucus	Downey	Jenkins
Bauman	Drinan	Jenrette
Beard, R.I.	Duncan, Tenn.	Johnson, Calif.
Beard, Tenn.	Early	Johnson, Colo.
Bedell	Eckhardt	Jones, N.C.
Bellenson	Edgar	Jones, Okla.
Benjamin	Edwards, Ala.	Jones, Tenn.
Bennett	Edwards, Calif.	Jordan
Bevill	Edwards, Okla.	Kasten
Biaggi	Eilberg	Kastenmeier
Bingham	Emery	Kazen
Blanchard	English	Kelly
Blouin	Erlenborn	Kemp
Boggs	Ertel	Ketchum
Boland	Evans, Colo.	Keys
Bolling	Evans, Del.	Kildee
Bonior	Evans, Ga.	Kindness
Bonker	Evans, Ind.	Koch
Bowen	Fary	Kostmayer
Brademas	Fascell	Krebs
Breckinridge	Fenwick	Krueger
Brinkley	Findley	LaFalce
Brodhead	Fish	Lagomarsino
Brooks	Fisher	Latta
Broomfield	Fithian	Leach
Brown, Calif.	Flippo	Lederer
Brown, Mich.	Flood	Leggett
Brown, Ohio	Florio	Lehman
Broyhill	Flowers	Lent
Buchanan	Flynt	Levitas
Burgener	Foley	Lloyd, Calif.
Burke, Calif.	Ford, Mich.	Lloyd, Tenn.
Burke, Fla.	Ford, Tenn.	Long, La.
Burke, Mass.	Forsythe	Long, Md.
Burleson, Tex.	Fountain	Lott
Burlison, Mo.	Fraser	Lujan
Burton, John	Frenzel	Luken
Burton, Phillip	Frey	Lundine
Butler	Fuqua	McC'ory
Byron	Gammage	McCloskey
Caputo	Gaydos	McDade
Carney	Gephardt	McFall
Carr	Giaimo	McHugh
Carter	Gibbons	McKay
Cavanaugh	Gilman	McKinney
Cederberg	Ginn	Madigan
Chappell	Glickman	Maguire
Chisho'm	Goldwater	Mahon
Clausen, Don H.	Goodling	Markey
	Gore	Marks
Clawson, Del	Gradison	Marlenee
Cleveland	Grassley	Marriott
Cochran	Gudger	Mathis
Cohen	Guyer	Mattox
Coleman	Hagedorn	Mazzoli
Collins, Ill.	Hall	Meeds
Collins, Tex.	Hamilton	Metcalfe
Meyner	Rahall	Stokes
Michel	Railsback	Stratton
Mikulski	Rangel	Studds
Mikva	Regula	Stump
Milford	Reuss	Symms
Miller, Calif.	Rhodes	Taylor
Miller, Ohio	Richmond	Thompson
Mineta	Rinaldo	Thone
Minish	Risenhoover	Thornton
Mitchell, Md.	Roberts	Tonry
Mitchell, N.Y.	Robinson	Traxler
Moakley	Rodino	Treen
Moffett	Rogers	Trible
Mollohan	Roncalio	Tsongas
Montgomery	Rooney	Tucker
Moore	Rose	Udall
Moorhead, Calif.	Rostenkowski	Ullman
	Rousselot	Van Deerlin
Moorhead, Pa.	Roybal	Vander Jagt
Moss	Rudd	Vanik
Mottl	Runnels	Vento
Murphy, Ill.	Ruppe	Volkmer
Murphy, Pa.	Russo	Waggonner
Murtha	Ryan	Walgren
Myers, Gary	Sarasin	Walker
Myers, Michael	Satterfield	Walsh
Myers, Ind.	Sawyer	Wampler
Natcher	Scheuer	Watkins
Neal	Schroeder	Waxman
Nedzi	Schulze	Weaver
Nichols	Sebelius	Weiss
Nix	Seiberling	Whalen
Nolan	Sharp	White
Nowak	Shipley	Whitehurst
O'Brien	Shuster	Whitley
Oakar	Sikes	Whitten
Oberstar	Simon	Wiggins
Obey	Sisk	Wilson, Bob
Ottinger	Skelton	Wilson, C. H.
Panetta	Skubitz	Wilson, Tex.
Patten	Slack	Winn
Pattison	Smith, Iowa	Wirth
Pease	Smith, Nebr.	Wolff
Pepper	Snyder	Wright
Perkins	Solarz	Wydler
Pickle	Spellman	Wylie
Pike	Spence	Yates
Poage	St Germain	Yatron
Pressler	Staggers	Young, Alaska
Preyer	Stange'and	Young, Fla.
Price	Stanton	Young, Mo.
Pritchard	Stark	Young, Tex.
Pursell	Steed	Zablocki
Quayle	Steers	Zeferetti
Quie	Steiger	
Quillen	Stockman	

NAYS—1

McDonald

NOT VOTING—21

Breaux	Howard	Murphy, N.Y.
Clay	Ichord	Patterson
Cotter	Le Fante	Pettis
Davis	McCormack	Roe
Duncan, Oreg.	McEwen	Rosenthal
Gonzalez	Mann	Santini
Heftel	Martin	Teague

The Clerk announced the following pairs:

Mr. Le Fante with Mr. Breaux.
Mr. Santini with Mr. Davis.
Mr. Murphy of New York with Mr. Gonzalez.
Mr. Cotter with Mr. Rosenthal.
Mr. Howard with Mr. Teague.
Mr. McCormack with Mr. Clay.
Mr. Mann with Mr. Patterson of California.
Mr. Heftel with Mr. Roe.
Mr. Ichord with Mr. Duncan of Oregon.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF JOINT COMMITTEE ON PRINTING AND JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. THOMPSON. Mr. Speaker, I offer a privileged resolution (H. Res. 389) appointing members of Joint Committee on Printing and Joint Committee of Congress on the Library, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 389

Resolved, That the following named Members be, and they are hereby, elected members of the following joint committees of Congress to serve with the chairman of the Committee on House Administration:

Joint Committee on Printing: Mr. Hawkins of California; Mr. Dickinson of Alabama.

Joint Committee of Congress on the Library: Mr. Nedzi of Michigan; Mr. Brademas of Indiana; Mr. Devine of Ohio; Mr. Stockman of Michigan.

Mr. THOMPSON. Mr. Speaker, this is a routine resolution conforming to the law. Under the law, the Joint Committee on Printing and the Joint Committee of Congress on the Library are statutorily established. The chairman of the Committee on House Administration is automatically a member, and then the other members are appointed from the respective subcommittees.

I have nothing more to say except, Mr. Speaker, that in the other body there has been under consideration the abolition of these joint committees. If that were to take place, I simply want to notify my colleagues that I would resist that, and if the other body does not want to join with us on such joint committees, then the House will assume the full responsibility for the Library of Congress and for the Government Printing Office.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE LATE HONORABLE FRANCES PAYNE BOLTON

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, I have the sad responsibility to announce the death this morning of my distinguished predecessor, the Honorable Frances Payne Bolton of Ohio.

Congresswoman Bolton and her husband before her served the people of the 22d District of Ohio for over 40 years. Her late son, the Honorable Oliver P. Bolton, was a Member of the House during a part of the time that his mother served here. She was the matriarch of one of Ohio's and the Nation's most distinguished families. This was indeed a congressional family. Frances Bolton was famous for her philanthropic actions and her generosity. She was deeply involved and took a leading role in helping the developing nations of Africa. The people of the Cleveland community have been helped in countless ways by her commitment to public service.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life and achievements of the late Frances Payne Bolton, a former Member of this body.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE FUNDING RESOLUTIONS

(Mr. DENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DENT. Mr. Speaker, we have before us today several committee funding resolutions. As this is my first term as chairman of the Accounts Subcommittee I would like to take a brief moment to extend my most sincere appreciation for the great job that my colleagues on the Accounts Subcommittee have done in reviewing the various committee budgets. I am proud that the Accounts Subcommittee at this time has been able to save the taxpayers over $1 million.

This was not an easy job, in fact often the Accounts Subcommittee was presented with a fait accompli. Under the caucus rules and the rules of the House, each committee must make allowances in their budget request for 1 majority and 1 minority staff person for each subcommittee. In addition, again under the rules of the House each of the standing committees must have 6 subcommittees. We have gotten ourselves in a position where staff costs and operating costs of committees are skyrocketing. Some committees have almost doubled, or even tripled what they received in the 93d Congress, most of these increases are attributed to meeting the requirements of the House rules.

So I ask you Mr. Speaker, how then do you expect the Accounts Subcommittee to exercise fiscal responsibility and bring the House in line when we are required by the caucus and rules of the House to give these committees expanded staffs. There were numerous times when a committee chairman said to us that he regrets having to request an increase but that increase usually reflected increased costs on the subcommittee level which allows for maximum staffing.

So here we are Mr. Speaker, we are asked to give the committees an increase so that they can beef up their staffs and meet their heavy workload but on the other hand we are also asked to allow x amount of dollars for a ceiling level to provide for consultants. Do not misunderstand, I approve of the use of consultants on a limited basis, but I think that with all this money going for high-paid staff, some of those staffs should have an expertise in an area, so that we do not have to keep relying on consultants. In closing, Mr. Speaker, I want to again thank my distinguished colleagues on the Accounts Subcommittee for their support because as I said earlier it is an almost impossible job to hold the line on committee spending but we tried and I am very proud of the job we have done.

PROVIDING FOR THE EXPENSES OF THE INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY THE COMMITTEE ON EDUCATION AND LABOR

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 248) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 248

Resolved, That effective January 3, 1977, the expenses of investigations and studies to be conducted by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $2,000,000, including expenditures.

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Of such amount, $150,000 shall be available for each of eight standing subcommittees of the Committee on Education and Labor. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and not to exceed $3,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the word "Resolved" and insert:

That effective January 3, 1977, the expenses of investigations and studies to be conducted by the Committee on Education and Labor, acting as a whole or by subcommittee, not

to exceed $1,900,000 including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Of such amount, $150,000 shall be available for each of eight standing subcommittees of the Committee on Education and Labor. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,000 of such total amount may be used to provide for specialized training, pursuant to section 202 (j) of such Act, as amended (2 U.S.C. 72a (j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, I have a question that applies to all of the resolutions, and I wonder if the gentleman from Pennsylvania (Mr. DENT) could at this point respond.

During the consideration of these committee funding resolutions, did the testimony before the gentleman's committee show that most of the committees of the House have budgeted funds to raise the salaries of the highest paid employees consistent with the so-called congressional pay raise? In other words, under existing legislation, they are limited to about $39,000 annually and now I understand then employees could go up to as much as $52,000.

Mr. DENT. Mr. Speaker, the figure that was used in the committee by the chairman was $47,000 for level V.

It is up to the discretion of the chairman who shall receive the newest level which may go up to $52,000. This is allowed under the Rules of the House which provide two top level people per each committee.

Mr. BAUMAN. If the gentleman will yield further, this would be permitted for all employees of committees in this same top grade, they would now be raised to $50,000?

Mr. DENT. No. It would be only for the standing committees that we have before us today.

Mr. BAUMAN. But it would be up to all standing committees. Could the gentleman tell me how many employees might be involved, the total number?

Mr. DENT. There are 2 for each committee, and today there are 15 committees before us, so that would be 30.

Mr. BAUMAN. And all of the standing committees intend to follow that procedure?

Mr. DENT. I say the possibility is that they can pay them that, but many committees have said that they will not pay them that. It is up to the chairmen, at the discretion of the chairmen, when the House has authorized it. Many of the chairmen have not, nor did they ask for any amount containing a specified sum for that purpose. A couple of the committees did.

Mr. BAUMAN. I thank the gentleman. Mr. Speaker, at this point I would be remiss if I did not observe that everyone of these committee funding resolutions provides for significant increases in expenditures over last year. Every year we see yet another increase. We now have more than 20,000 employees on Capitol Hill, an enormous increase over the number of only a few years ago. Yet we are no more efficient and perhaps less so. But no one wants to cut back on their empires and the taxpayers must foot the bill. Sooner or later the American people will realize that the Congress must be held accountable for its own spending habits. I see no hope that accountability will be achieved in this present Congress.

The committee amendment was agreed to.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATION AND STUDY OF WELFARE AND PENSION PLANS TO BE CONDUCTED BY COMMITTEE ON EDUCATION AND LABOR

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution H.R. 279) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 279

Resolved, That the expenses of a special study and investigation of welfare and pension plans to be conducted by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $226,000 including expenditures for the employment of attorneys, actuaries, investigators, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $10,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Such $226,000 shall be available and allocated to the Subcommittee on Labor Standards in connection with its ongoing study and investigation of the impact and effect of the Employee Retirement Income Security Act of 1974 on private pension and welfare plans and public employee pension and welfare plans pursuant to sections 3021 and 3031 of that Act, and related bills. Particular need has been demonstrated to continue a professional study of vesting, funding, portability, benefit insurance, fiduciary responsibility, adequate disclosure, and other aspects related to the expansion and full effectuation of private and public pension and welfare plans as a meaningful supplement to the social security system.

The Subcommittee on Labor Standards, through the Committee on Education and Labor, shall report to the House as soon as practical during the present Congress the results of its investigation and study with such recommendations as it deems advisable.

SEC. 2. Except as provided by section 3031 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1231), no part of the funds authorized by this resolution shall be available for expenditure in connection with the study of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with rspect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON WAYS AND MEANS

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 221) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 221

Resolved, That, effective January 3, 1977, the expenses of investigations and studies to be conducted by the Committee on Ways and Means, acting as a whole or by subcommittee, not to exceed $2,319,500, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $125,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(1)). The monetary limitation established by the preceding sentence on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House. The chairman of the Committee on Ways and Means shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committe amendment: Strike out all after the resolving clause and insert:

That, effective January 3, 1977, the expenses of investigations and studies to be conducted by the Committee on Ways and Means, acting as a whole or by subcommittee, not to exceed $2,115,000, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $125,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(1)). The monetary limitation established by the preceding sentence on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. Not part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House. The chairman of the Committee on Ways and Means shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The committee amendment was agreed to.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES AUTHORIZED BY COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 275) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 275

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation, acting as a whole or by subcommittee, not to exceed $2,000,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $70,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and not to exceed $20,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of those monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Public Works and Transportation shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 256) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 256

Resolved, That effective January 4, 1977, expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed $867,500, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $135,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organization thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1964, as amended (2 U.S.C. 72(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Post Office and Civil Service shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the

resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 4, 1977, expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed $800,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $135,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Post Office and Civil Service shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, is this the resolution for the Committee on Post Office and Civil Service?

Mr. DENT. Yes. Mr. Speaker, if the gentleman will yield, this is the resolution for the Committee on Post Office and Civil Service.

Mr. ROUSSELOT. If we need any extra funds, how much do we increase it this time?

Mr. DENT. As I understand it, they asked for $867,500, and the committee gave them $800,000.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, last year, as I note by the RECORD what was spent, the committee utilized $467,000. What is the necessity to increase the funds to $800,000?

Mr. DENT. Because the committee came up before the Subcommittee on Accounts and laid out the program adopted for this year. Little was done last year in that committee; very little was done on subject matters that are important. Therefore, the committee decided unanimously that it was necessary for them to have the increase. Also, a certain amount of the increase was mandated by salary increases made by the House of Representatives.

Mr. ROUSSELOT. Salary increases for whom?

Mr. DENT. Top men, a certain number, one for the minority, one for the majority, and one for each subcommittee.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I might say that one of the principal reasons for the return of funds from last year's budget was because there were moneys returned by the minority. It was necessary to raise the committee budget this year because of minority requests, in addition to providing for very important work. I would have to disagree with the chairman of the Subcommittee on Accounts that there was nothing of substance done by the Committee on Post Office and Civil Service last year.

Mr. DENT. Mr. Speaker, if the gentleman will yield, I did not say that.

Mr. CHARLES H. WILSON of California. I misunderstood the gentleman; I apologize.

Mr. DENT. I said that little was done in certain areas of their jurisdiction, and this year they are picking it up and going to do what could have been done last year.

Mr. CHARLES H. WILSON of California. Mr. Speaker, if the gentleman will yield further, I can assure the gentleman that in the area of oversight of the Postal Service, which I think is of great necessity, considerable will be done.

Mr. ROUSSELOT. I agree with the gentleman: That requires a lot of attention.

Mr. CHARLES H. WILSON of California. Every term of this Congress has considered it. I can assure the gentleman that there is a considerable amount that we hope to be able to do this year. That is one of the reasons that I have raised the question about House Resolution 319.

I think that the problems of the Postal Service are much more important to the people of this country than another expeditionary force on Korea that I just question why the gentleman from Minnesota (Mr. FRASER) is going to get twice as much money than the two subcommittees that have oversight of the Postal Service.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, if we can be assured that this additional funding will help us perform our oversight function and reduce the annual deficit that the Post Office is now creating of almost $2 billion a year, maybe there would be no objection to this matter.

Mr. DENT. Mr. Speaker, if the gentleman will yield, I assure the gentleman that that is a function of that committee and that it has the money to do so now.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The committee amendment was agreed to.

Mr. DERWINSKI. Mr. Speaker, as the ranking minority member of the Post Office and Civil Service Committee, I fully support the funding request contained in House Resolution 256 and urge its approval.

Chairman NIX and I and the subcommittee chairmen worked closely in preparing the original funding request for a higher amount and feel it can be justified. But at this time I am not objecting to the recommended reduction by the Committee on House Administration.

I want to commend our distinguished chairman for his fairness in recognizing the new role of the minority in this Congress, as is evidenced by his agreement to the funds requested by the minority and earmarked in this resolution. In the absence of research support from the executive branch which we had available over the past 8 years, we now need additional staff and resources to properly perform our role as the constructive opposition. This we can do under this funding resolution.

In addition, with dimunition of postal and civil service legislative status in the other body, it becomes more important for our committee members both majority and minority, to put a higher degree of effort into processing bills we bring to the House. The fragmentation of postal and civil service jurisdiction on the other side of the Capitol places a greater emphasis for professionalism and precision on our committee, and I can assure the House that will be the goal of the minority operating under the funds allowed by this resolution.

Mr. Speaker, I again wish to express my support for the resolution under consideration.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR THE EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY THE COMMITTEE ON SCIENCE AND TECHNOLOGY

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res.

297) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 297

Resolved, That effective January 3, 1977, the expenses of investigations and studies to be conducted by the Committee on Science and Technology, acting as a whole or by subcommittee, not to exceed $1,498,400, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2) U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $167,800 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), and not to exceed $5,800 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a (j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Science and Technology shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1977, the expenses of investigations and studies to be conducted by the Committee on Science and Technology, acting as a whole or by subcommittee, not to exceed $1,398,400, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $167,800 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $5,800 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Science and Technology shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The committee amendment was agreed to.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR THE EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY THE COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 321) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 321

Resolved, That effective January 3, 1977, the expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, not to exceed $1,096,630, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $75,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Merchant Marine and Fisheries shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1977, the expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, not to exceed $900,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $75,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Merchant Marine and Fisheries shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire imediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman explain the resolution to us? This is a Merchant Marine and Fisheries funding resolution. My understanding is that the Administration Committee provided $900,000 for the Merchant Marine and Fisheries Committee; is that right?

Mr. DENT. Yes; it is.

Mr. ROUSSELOT. Further reserving the right to object, as I read the figures, this committee was funded for $225,000 last year. They had been authorized to spend $353,000 in 1976. That same committee is now asking for $1,096,000, though the Committee on House Administration increased them to $900,000. What is happening? Why such a major increase?

Mr. DENT. If the gentleman will yield, the chairman of that committee and his ranking member made the best case for the increase of the full amount that they had asked for. We felt that because they were getting geared up 2 months late, we would take that 18 percent from them at this point, but we left it open. If they pursue the program they laid before us, they will more than return any amount of money that can be spent. This is one of the big subject matters they are going to study. Only 1.6 of 1 percent of the bulk cargo coming in and out of this country is carried by American flagships. Not one tourist type boat operates out of the east coast, and only two out of the west coast. We are in a position where other countries are stipulating that their bottoms have to be used even in cases where we supply money for the purchase by loan and by International Monetary Fund for purchases of products we have to ship in their bottoms. This is the most important committee, so far as I am concerned, in a matter of the defense of this Nation. We are in a position in this country where we could not man enough ships because we do not have them, and without foreign flagships, we could not in any way carry on even a minor military campaign if we ever were called upon to do so.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, does that require this much of an increased staff to do all of this?

Mr. DENT. It certainly does.

Mr. ROUSSELOT. Why?

Mr. DENT. Because of the fact that they have seven or eight different studies that they are going to have to make at this particular time. They are going into the whole picture, not only of the need militarily, but into the need insofar as our merchant marine is concerned, which is practically a dead institution.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, does this committee have jurisdiction over military ships?

Mr. DENT. I would like to say there is a member of the committee here who was up at the hearings and contributed a great deal to them. The committee was very much inclined all the way along to give the merchant marine the full amount—and I, very frankly, would have given them the full amount if I could have mustered the votes, because I have tried to get this matter of a study done for the last 10 years.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, I would be glad to yield to whomever the gentleman suggests.

Mr. BREAUX. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Louisiana.

Mr. BREAUX. I thank the gentleman for yielding.

With regard to the Merchant Marine Committee budget this year, I am disappointed there has been a cut in the request we made to the Committee on House Administration. I think it merely reflects the fact that we have undergone restructuring of the Committee on Merchant Marine and Fisheries, which is something that most all of the other committees in the House did 2 years ago. We did not do it 2 years ago. This budget request reflects the reorganization of the Committee on Merchant Marine and Fisheries. As the chairman noted, it is important for our oversight responsibility. We now have a complete new structure which will be in operation for the first time. Each subcommittee has been restructured. Each subcommittee chairman has been given additional authority under his jurisdiction. We have created an additional ad hoc Subcommittee on Maritime Education and Training. This reflects a restructuring and reorganization of the entire committee to reflect the changes in the House, which was not done 2 years ago.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, is most of the staff increase going to be for an oversight subcommittee? The gentleman mentioned oversight.

Mr. BREAUX. Mr. Speaker, if the gentleman will yield I will respond.

Mr. ROUSSELOT. I yield to the gentleman from Louisiana.

Mr. BREAUX. Mr. Speaker, the increase is spread out across the board on the entire Merchant Marine and Fisheries Committee.

I might add in the hearings there was bipartisan support of the request by the ranking Republican member, the gentleman from Michigan (Mr. RUPPE), the gentleman from California (Mr. MCCLOSKEY), and the gentleman from New Jersey (Mr. FORSYTHE), who all came and spoke very strongly for the additional funds that were requested and justified in each and every case.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, will the gentleman from Pennsylvania tell us what was the vote in the committee on this?

Mr. DENT. Unanimous.

Mr. ROUSSELOT. I do not think so. That is not my understanding.

Mr. DENT. It was unanimous in the full committee.

Mr. ROUSSELOT. What was the vote in the subcommittee?

Mr. DENT. It was unanimous in the full committee. I do not know what it was in the subcommittee. I have 15 of these requests before me.

Will the gentleman from Ohio (Mr. DEVINE) refresh our memories on this?

Mr. ROUSSELOT. I yield to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. I thank the gentleman for yielding.

Mr. Speaker, on the first page of the report it says there were 15 ayes and 8 nays in adopting the motion to report this to the full committee.

Mr. ROUSSELOT. What was the controversy about?

Mr. DEVINE. There was a little discussion about the amount of the increase.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I have two questions I would like to ask of the manager of the resolution. On page 3, beginning on line 10, the sentence reads:

> Not to exceed $75,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants.

Mr. Speaker, am I to conclude that those intermittent consultants could be individuals put on the payroll for a very temporary period such as an inspection trip to Scotland, let us say, or something of that nature?

Mr. ROUSSELOT. I yield to the gentleman from Pennsylvania to respond.

Mr. DENT. Mr. Speaker, the question of consultants, as I recall, had utmost scrutiny by this committee. There has just been a new chairman and many members have been appointed to the committee. I have opposed all along the employment through this particular method of funding of consultants. We are funding consultants on a blind basis. I have warned and told every committee chairman who has come before me that we cannot probably change it at this point, but we intend to follow this up, and we will not be recognizing, if I am still chairman, any requests from committee chairmen for consultants. This will be a different function and it will go to the committee headed by the gentleman from Pennsylvania, from Allegheny County, Mr. GAYDOS; it will come as a separate resolution, as a contract with that particular committee, and not be funded by this funding of the committees of the House.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I do not mean to embarrass anybody, but I would like to ask a question. We have become very ethical in the last couple of weeks, and I wonder if the gentleman would comment on whether or not in staff hiring it is ethical to have a husband and wife on the same committee staff?

Mr. DENT. If the gentleman will yield, there has never been any action taken by the Congress except to put restrictions on Members of Congress. There has never been any restriction on the staff. It is not unethical. It is not illegal. It is not a practice I would smile upon or approve, if I had it to do.

Mr. KETCHUM. I thank the gentleman.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Speaker, I thank the gentleman for yielding. I think it only proper at this time that I do comment, as chairman of the Subcommittee on Contracts, on the question raised by the previous Member.

The GSA, when we had our difficulty last year, audited the full Committee on House Administration and the Subcommittee on Contracts, on which I have the privilege to serve as subcommittee chairman.

The report we derived after that study was to the effect that: First, the rules and regulations and safeguards pertaining specifically to consultants were given the A–OK, 100-percent approval.

Second, the report said that it was the best functioning subcommittee on the entire House Administration Committee as far as we were concerned.

To respond to the question raised by the gentleman, we must have consultants and funding resolutions to provide certain funds to be used for consultants because there is work to be performed that does not fall within the ordinary work performed by a staff member. So consequently consultants are a necessity.

We have all the safeguards, all the guidelines. We have written reports over the signatures of both the majority and minority members of the full committee.

So if we inquire of this subcommittee as to why we have consultants and whether we are properly protected in the hiring of consultants, I would have to say the audit shows unequivocally and without question that the committee is run properly and stood up under scrutiny of the audit.

Second, we must have consultants because the staff members cannot do the work that is demanded of the committees of the House and all the subcommittees unless they go to consultants across the Nation.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's comments. Several people have participated here.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The committee amendment was agreed to.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED, PURSUANT TO HOUSE RULE XI, BY THE COMMITTEE ON VETERANS' AFFAIRS

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 132) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 132

Resolved, That effective January 3, 1977, the expenses of the investigations and studies to be conducted pursuant to House rule XI, by the Committee on Veterans' Affairs, acting as a whole or by subcommittee, not to exceed $539,100, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)) of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(j)) and not to exceed $15,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Veterans' Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1977, the expenses of the investigations and studies to be conducted pursuant to House rule XI, by the Committee on Veterans' Affairs acting as a whole or by subcommittee, not to exceed $500,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)) of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)) and not to exceed $15,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject, which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Veterans' Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The committee amendment was agreed to.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR THE EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY THE COMMITTEE ON INTERNATIONAL RELATIONS

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 313) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 313

Resolved, That effective January 3, 1977, the expenses of investigations and studies to be conducted by the Committee on International Relations, acting as a whole or by subcommittee, not be exceed $1,609,983.28, in-

cluding expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $85,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purposes.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on International Relations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE EXPENSES OF THE INVESTIGATION AND STUDY AUTHORIZED BY A RESOLUTION ADOPTED ON FEBRUARY 3, 1977, BY THE COMMITTEE ON INTERNATIONAL RELATIONS

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 319) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 319

Resolved, That effective from January 3, 1977, the expenses of the investigations and studies to be conducted by the Committee on International Relations, acting through its Subcommittee on International Organizations, pursuant to the resolution adopted on February 3, 1977, by the Committee on International Relations, not to exceed $368,000 including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $11,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on International Relations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective from January 3, 1977, the expenses of the investigations and studies to be conducted by the Committee on International Relations, acting through its Subcommittee on International Organizations, pursuant to the resolution adopted on February 3, 1977, by the Committee on International Relations, not to exceed $300,000, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $11,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $11,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof, pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on International Relations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from California for purposes of debate only.

Mr. CHARLES H. WILSON of California. Mr. Speaker, why is this money not included in the International Relations Subcommittee resolution? Why is this a separate resolution?

Mr. DENT. Mr. Speaker, it is a separate resolution because the Committee on International Relations made it a separate resolution by passing it unanimously, I understand, in the committee to create this particular committee.

Mr. CHARLES H. WILSON of California. Mr. Speaker, if the gentleman will yield further, were they embarrassed by it and is that why they wanted to separate it from their own resolution?

Mr. DENT. Mr. Speaker, I would not know why, except they felt they could properly do so in order to have a more efficient investigation separated from the regular duties of the subcommittee.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I think the resolution is completely unnecessary, but I am not going to call for a rollcall vote. I think it should be a part of the International Relations Committee's total budget.

I do not know why Mr. FRASER—and I am happy that he is on the floor—did not enlarge his study to include Iran. I just saw a very interesting story on "Sixty Minutes" last Sunday night on Iran, and it seems to me that one of the subject matters for Mr. FRASER's committee—and I would be happy to yield to him—would be the intelligence organization in Iran. I do not know why he is not including that in his study or why he is not including Brazil in his study. I do not know why he is not including India in his study. I do not know why he is not including all of these countries which have been violating human rights, and why he continues to go off on this wild goose chase on Korea.

Mr. FRASER. Mr. Speaker, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Speaker, I think two points need to be made. First, this investigation is not into the human rights problems in South Korea. We have held hearings on that question in the past. This deals with illegal or improper acts that have arisen out of a close relationship between the United States and Korea, KCIA activity, the academic community and the media, the rigging of military contracts and the establishment

of front organizations in the United States.

These are the kinds of problems we are looking into. We are not looking at the human rights problem in South Korea.

Second, in the past we have held hearings on problems of human rights in Iran and Brazil, but in this case we are not looking at the human rights issue.

Mr. CHARLES H. WILSON of California. Is the gentleman getting involved in the Armed Services Committee's jurisdiction on the military relations between Korea and the United States?

Mr. FRASER. If the gentleman will yield further, I will say no, we are not getting into the policy issue on whether we should have troops in Korea or whether they should be withdrawn. We are not getting into foreign policy issues generally. We are simply looking at alleged illegal actions, most of which allegedly occurred in the United States.

Mr. CHARLES H. WILSON of California. If I may continue, will the gentleman tell me to what extent we are looking at the illegal activities of the U.S. CIA? As far as the Koreans and the Iranians are concerned, I understand they model their CIA, or whatever it is they have, after our own CIA. Is the gentleman concerned about what we have been doing?

This comes under the jurisdiction of the State Department and under the jurisdiction of the Committee on International Relations. I would be interested in knowing what the gentleman has to say.

Mr. FRASER. As the gentleman will recall, both the House and Senate had select committees looking into the activities of the U.S. intelligence organizations. These committees have been active in the last few years. I think that matter has been adequately investigated.

Mr. CHARLES H. WILSON of California. Well, the gentleman has not really told me a good reason why he needs $300,000.

Mr. Speaker, this $300,000 represents twice as much money as the House Administration Committee gave to the Post Office and Civil Service Committee for the study of the Postal Service. We intend to try to do something that the American people are really concerned about, the operation of the Postal Service. I know this does not seem like a very big, important problem to some Members of Congress here, but I would suspect that if a poll were taken of Congressmen's constituents, they would say that the Postal Service is a lot more important than one of these wild goose chases so far as Korea is concerned.

I do not know how much longer we have to go. We have an ethics committee and an expense committee looking into Korea. The Justice Department has been trying to get something on three or four Congressmen for the last 2 years and has not been able to find a thing, so I do not know what this committee is up to and what it is all about.

Mr. DENT. Mr. Speaker, the committee considered very, very seriously this whole matter.

The explanation given which I do not want to take the time to read, is convincing enough that the subcommittee and the full committee voted unanimously for this resolution. I am sure that they were not anxious to spend the money on any wild goose chase. I am also informed that there has been previous work done in this area by investigations and that it was very important for the Nation itself and for the Congress to note some of the details they hope that they will be able to expose and bring back to the Congress.

Mr. CHARLES H. WILSON of California. Mr. Speaker, perhaps if I called for a rollcall vote on this resolution I would be the only Member who would vote no. I am not going to call for it. But I want the record to show that I am not in favor of the resolution. I think the money could be spent better some place else.

Mr. DENT. I thank the gentleman for his comments. I think the record will show that the gentleman is opposed to it.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield for the purpose of debate only to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, as ranking minority member of the International Organizations Subcommittee, I wish to express my opinion that this request for a wide-ranging, free-wheeling probe of Korean-American relations by our subcommittee departs markedly from our normal procedure.

It is my understanding that concurrent investigations are being carried out by the House Ethics Committee, the Justice Department, and the Securities and Exchange Commission, and I expect appropriate interest in this subject by Senate subcommittees. I have no objection to our subcommittee continuing its review of United States-Korean relations as we have done over the past 4 years, but this substantial staff with resultant increased costs is unnecessary.

Mr. FRASER claims this investigation will help to "identify and correct sources of discord" between South Korea and the United States. This sounds good, but have we not already identified the source of the discord? After all, the press spotlight has been on these matters for quite a while. In terms of diminishing or correcting the reported abuses, most of which remain unsubstantiated, is it not reasonable to argue that what has been unearthed to date has already made the point, both with the Koreans and others?

In pondering the wisdom of this inquiry, we must also evaluate its foreign policy implications. Why are we picking on South Korea over the other countries we have similar relations with? Is singling out one of our few solid Asian allies really called for, especially when it could provoke a series of deeply destabilizing events affecting both the security of our troops in South Korea and the general stability of the Far East?

As I indicated earlier, our subcommittee has had an ongoing interest in United States-Korean relations. As ranking minority member, I am pleased to cooperate with Mr. FRASER, subject to whatever legitimate differences of opinion exist between us. However, there are many other subjects within the legitimate jurisdiction of our subcommittee, and I wish to give them equally needed attention.

Mr. Speaker, my purpose is to make these points for the RECORD, not to contest the funds in House Resolution 319. I recognize, as I hope others do, that it was uncertainty over U.S. policy that contributed to the decision in North Korea to invade South Korea in 1950. I do not want history repeated.

South Korea is not a democracy as we practice it. It does have, however, a responsible government. South Korea has been a staunch ally, and when we compare South Korea to North Korea, there is no doubt as to their overall progress compared to the stagnation and suffering under Communist-ruled North Korea.

I will cooperate with Mr. FRASER in expediting the probe. I believe that it will not produce abnormal new information. Then, it is my hope that our subcommittee can concentrate on many other pertinent matters, including the U.N. General Assembly record, human rights violation in Africa and in Eastern Europe, and the positive initiatives the United States can take to pursue stability, progress, and the easing of political tensions throughout the world.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield for the purpose of debate only to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Speaker, I would like to add my voice to the remarks of the gentleman from California (Mr. CHARLES H. WILSON) and the gentleman from Illinois (Mr. DERWINSKI).

Mr. Speaker, we spent a great deal of time earlier this year establishing an investigation and assigned it to the ethics committee. I see that the ethics resolution provides for $535,000. I see that the resolution we are now pursuing allows $300,000 for a complete duplication of effort.

I just cannot conceive of there being a need for redundancy. We have enough of it around here already. It seems ridiculous, to me, that two committees are going to sort of follow parallel paths in the Korean investigation. The Ethics Committee has the money. They have the mandate. I simply cannot understand why we need to go into it further.

Mr. DENT. The testimony before the committee was to the contrary of that proposition. They will not follow the same path. If either one of the committees finds that something leads to the other one, I imagine they will give it to them. It was questioned very heavily along the very same lines the gentleman has discussed, and they were satisfied they were not going to be crossing each other and traveling on parallel paths where there is a question involving charges of one kind or another, some serious and some probably not serious, against Members of Congress.

The other is a matter of covering activities within this country, activities of the representatives of foreign governments. That is a completely different subject matter.

Mr. KETCHUM. Mr. Speaker, I would have to agree there is probably some justification in that, but I would certainly hope that the committee investigates the intrusion. I presume this refers to the committee's investigation of Korean activities. I would certainly hope the committee would devote a little bit of its time to the activities of the Soviet Union and of Red China, if they would not be stepping on somebody's toes.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. DENT. Mr. Speaker. I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. DENT. Mr. Speaker, with the permission of the Member of the House who has asked to speak on House Resolution 357, I am asking that the consideration of that resolution take place last.

Therefore, Mr. Speaker, at this time, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 233) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 233

Resolved, That (a) effective January 3, 1977, the Committee on Standards of Official Conduct is authorized, in carrying out its functions and duties under the rules of the House, to incur such expenses, not to exceed $530,000, as the committee considers appropriate, including expenditures—

(1) for the employment of committee staff personnel; and

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)).

Such expenses shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

(b) Not to exceed $450,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1945 (2 U.S.C. 72a(i)); but such monetary limitation shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Standards of Official Conduct shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDING FOR SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 269) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 269

Resolved, That effective January 3, 1977, the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control, not to exceed $722,204, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (i)), shall be paid out of the contingent fund of the House on vouchers authorized by such select committee, signed by the chairman of such select committee, and approved by the Committee on House Administration. Not to exceed $30,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Narcotics Abuse and Control shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding. I rise in support of House Resolution 269, offered by the distinguished chairman of the Select Committee on Narcotics Abuse and Control, the gentleman from New York (Mr. WOLFF) and the select committee's distinguished ranking minority member, the gentleman from Florida (Mr. BURKE), to provide $722,204 for the work of the select committee.

Under the leadership of my esteemed colleague, the select committee has covered considerable ground during its 7 months of existence. It has issued two interim reports—consisting of a summary of testimony, together with its finding and conclusions—of its oversight hearings on Federal agencies which have jurisdiction over the multifaceted narcotics problem and of its hearings on drug law enforcement in New York City. The committee has also issued a preliminary staff study of drug abuse in the New York City schools and a report on the select committee's seven nation fact-finding mission. To study in detail the national and international aspects of the narcotics problem, several task forces have been established within the select committee. Hearings on the sensitive issue of marihuana decriminalization has been scheduled for the week of March 14.

The select committee has moved forward swiftly to try to shed light on why our Nation's efforts to control the drug trafficking in this country have been so ineffective.

But much work remains to be done. The issues and problems associated with narcotics abuse and control are complex. The narcotics tidal wave has reached crisis proportions in cities and towns throughout our country. It has affected the young and the not-so-young, claiming thousands of lives annually through overdosage and maiming hundreds of thousands whose tortured minds and bodies have suffered from the deadly effects of drug addiction.

Mr. Speaker, in order to enable the select committee to help establish policies and programs that hopefully will bring drug addiction—a scourge of all mankind—under control, I urge my colleagues to support this funding resolution.

If we are going to make any meaningful dent in this billion dollar criminal trafficking, it will require a significant commitment of money and manpower. Hopefully, the work of this committee will help us take steps in the right direction—in the direction of ridding society of this scourge.

Mr. BURKE of Florida. Mr. Speaker, I would like to express my strong support for House Resolution 269 which provides funding for the Select Committee on Narcotics Abuse and Control during the first session of the 95th Congress. This legislation will allow the select committee to proceed with its work which the House in creating this committee found was needed.

Mr. Speaker, the work of the Select Committee on Narcotics Abuse and Control will be important to the work needed to bring the illegal use and sale of narcotics under control. It is clear

that drug abuse is a very complex problem having social and legal dimensions both national and international in scope. It is a problem which cuts across all attempts at specific categorization and reaches into all aspects of our national life.

In the past, the approach to this problem has been fragmented. No way exists by which the seven present House committees could adequately coordinate their efforts or their findings no matter how well they functioned. Each committee was designed to be concerned with only a small portion of the total problem. This, of course, reflects the organizational structure of the Congress which operates according to jurisdictional specialization. But, this splintered approach precluded the construction of a comprehensive view of drug abuse.

With the funding of the Select Committee on Narcotics Abuse and Control last fall, the Congress can hopefully for the first time examine the drug abuse problem in its many dimensions. With the establishment of the select committee the Congress now has an instrument to both complement and to coordinate the work that was being conducted by other committees and agencies. In fact, the select committee has already begun preparation of the Congressional Resource Guide to Drug Abuse which will be used by the standing committees of the House of Representatives.

Mr. Speaker, as you and our colleagues know, the select committee has no legislative jurisdiction. It is solely a fact-finding, oversight committee. In order to carry out its investigations, it must have the staff to collect, correlate, study, and evaluate information for the benefit of all the standing committees which do have legislative jurisdiction. In addition, it must be able to conduct independent investigations into aspects of the drug abuse problem not open to scrutiny by other sources. To do this, the select committee will have to go into the field—domestically and internationally—to carry out its work.

It was with these purposes in mind that House Resolution 269 was introduced. This legislation stipulates that the bulk of the funds requested will go to staff salaries and field-work expenses. Funding for consultants and organizations will be strictly limited. Furthermore, all duplicative investigation of subjects presently being investigated by other committees of the House will be prohibited. By so limiting its expenses, the select committee will be able to operate as economically as is consistent with the aim of producing positive results. Because of this policy, the select committee was able to return to the Congress last year nearly 30 percent of its authorization.

Mr. Speaker, I urge you and all my colleagues in the U.S. House of Representatives to support House Resolution 269. Nothing could be more worthy of your support than this effort to rid the Nation of the scourge of addiction, misery, desolation, and death which goes by the name of drug abuse. If the select committee which will receive these funds can really accomplish what we hope it can, then the money will be more than well spent. Their task will not be easy, and their work will be hard. I urge your support to this request by them for the funds requested in House Resolution 269.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 329) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 329

Resolved, That effective January 3, 1977, the expenses of investigations and studies to be conducted by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed $319,000 including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $19,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the District of Columbia shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1977, the expenses of investigations and studies to be conducted by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed $275,000 including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202 (1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $19,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the District of Columbia shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Maryland for the purposes of debate.

Mr. BAUMAN. Mr. Speaker, I would like to ask the gentleman from Pennsylvania (Mr. DENT) to comment on the allegations which were made in the Washington Post regarding the staff of the Committee on the District of Columbia to the effect that at least two members of the staff and possibly others were not performing duties as members of the staff of the committee but were in fact working in the offices of individual members of the committee for those members in their capacity as a regular staff member.

I understand that the chairman of the committee gave assurances at the hearing that this was not the case, but that in at least two instances staff members later said they were in fact paid by the

committee but were not employed to handle committee business.

What is the situation within this committee, and what assurances does the House have that the staff members are performing duties for a committee rather than working for Members?

Mr. DENT. Mr. Speaker, if the gentleman will yield, the chairman of the committee was asked that question and was asked to elaborate on it. He assured the committee that the allegations were not true.

This question is for the committee to decide, whether or not we believe a newspaper article or believe the chairman of the committee under the conditions. We have to live together and work together, and we are trying to run this House.

We probably would have to give more consideration to the word of Members of Congress rather than of a newspaper item. We would do that in any case, and when it comes to the word of the Member, I would have to believe that over the news item.

Mr. BAUMAN. Mr. Speaker, as the gentleman from Pennsylvania (Mr. DENT) knows, each of us has to file a statement monthly certifying that all of our employees are in fact engaged in official duties either in Washington or in our district offices.

It seems to me that the least we could expect is a certification by whatever means necessary and that the same is true with respect to committee staff, including the Committee on the District of Columbia.

Mr. DENT. The committee requested every chairman to submit a list of his employees, their salaries, their positions, where they were employed, which offices they were in, where the offices were, and so forth. I have here the report of the committee chairman of that particular committee, and I assure the gentleman that every other committee that has been before the Subcommittee on Accounts has given the information requested.

Mr. BAUMAN. Is the gentleman saying that the chairman of the Committee on the District of Columbia and all other committees have now certified that these employees are indeed doing the work of the committee and not being used by members of their personal staffs?

Mr. DENT. There is nothing additional here that is not a legitimate addition of a person working for a committee, and each committee has proved that to be so, at least on the record presented to the Subcommittee on Accounts.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman.

The committee amendment was agreed to.

Mr. DENT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING ADDITIONAL FUNDS FOR EXPENSES OF COMMITTEE ON HOUSE ADMINISTRATION TO CARRY OUT ITS RESPONSIBILITIES UNDER 2 U.S.C. 382 ET SEQ., AND THE RULES OF THE HOUSE OF REPRESENTATIVES

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 361) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 361

Whereas under article I, section 5 of the Constitution of the United States, the House of Representatives shall be the Judge of the Elections, Returns and Qualifications of its own Members; and

Whereas under rule X(1) (11) of the House of Representatives, the Committee on House Administration has jurisdiction over contested elections; and

Whereas the Committee on House Administration has pending before it seven contested elections as follows:

1. Contest: Hill against Clay.
2. Contest: Moreau against Tonry.
3. Contest: Saunders against Kelly.
4. Contest: Pierce against Pursell.
5. Contest: Paul against Gammage.
6. Contest: Young against Mikva.
7. Contest: Dehr against Leggett.

Now, therefore, be it

Resolved, That the Committee on House Administration is authorized to incur such further expenses (not in excess of $72,500) as the committee considers advisable to carry out its responsibilities under section 382 of title 2, United States Code, et seq., and the Rules of the House of Representatives. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania.

Mr. DENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, a couple of Members asked me what this is for. It is for $75,000, and it is for the seven contested elections.

This year we formed a new type of task force with three persons on it that would take up each contested election rather than have it go through the Subcommittee on Elections, which is a subcommittee that has been disbanded.

Mr. Speaker, this was provided simply because we wanted to get these election contests over as quickly as we could so that we will know where the Members stand in elections that are contested.

Mr. Speaker, this is for only $75,000.

Mr. Speaker I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON THE JUDICIARY

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 357) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 357

Resolved, That effective January 3, 1977, expenses of investigations and studies to be conducted by the Committee on the Judiciary acting as a whole or by subcommittee, not to exceed $1,296,115.45, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $90,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the Judiciary shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. DENT) is recognized in support of the resolution.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DENT. Mr. Speaker, I yield to the gentleman from Ohio (Mr. ASHBROOK) for purposes of debate only.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for yielding.

For the purpose of cutting down debate, I would simply say that I am making precisely the same argument I made

on March 29, 1976, when the funding resolution of the Committee on the Judiciary was before the Congress. I would refer the Members to page 8444 of the CONGRESSIONAL RECORD of that date to show the precise arguments that were made then and that I would make today.

To summarize and to keep it short, Mr. Speaker, it is very simple: In the 94th Congress a majority abolished the Subcommittee on Internal Security. The argument was given that the functions of that committee could be done, indeed, better accomplished, by transferring them to the House Committee on the Judiciary.

Mr. Speaker, under rules of the House adopted earlier this year, rule X, clause 1(m)(19), one of the mandates for the Committee on the Judiciary is as follows:

> Communist and other subversive activities affecting the internal security of the United States.

I point out that in the past 2 years nothing has been done on this mandate, although I would indicate to the House of Representatives that at least a majority part of it has established panels or special investigations into intelligence, assassinations, FBI and CIA oversight, investigations into Korean influence, and into other areas which could be accomplished by the Subcommittee on Internal Security.

I make these points, I would say to the Members of the House, not in criticism of our able chairman. I fully understand his position. He neither wanted nor requested the additional responsibilities which are contained in the House rule X clause 1(m)(19). His position was very clear. He has never misled me. He has never misled anyone. However, it is the responsibility of this committee, and for that purpose I will offer the same motion to recommit that I did in 1976, which incidentally received only 160 votes, indicating some interest in this proposal. I do think that these functions either should be directed by the Committee on the Judiciary, or the House should take an action to establish an Internal Security Committee. For that purpose I do want to make that point at this time and will offer a motion to recommit at the proper time.

Mr. McDONALD. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield for purpose of debate only to the gentleman from Georgia.

Mr. McDONALD. Mr. Speaker, today's brutal terrorist events in our Nation's Capitol have taken at least one life. As we debate, scores of hostages are still being held at three separate locations. As terrorist acts take place and it becomes more apparent that the authorities are unable to act, we face the threat of an escalation of the problem.

In this country there are support groups to aid terrorist organizations in the Middle East, Latin America, and Africa. These U.S. support groups contain persons who might join with the overt terrorists in planning and carrying out attacks against innocent civilians. Although I have exposed many of these groups in the CONGRESSIONAL RECORD, the extent of the danger posed by support groups for foreign and domestic terrorists needs to be fully investigated by Congress.

In two speeches on February 17, 1977, I exposed international and domestic activities involving Middle Eastern terrorist organizations. One of these, the Palestine Liberation Organization, was in the process of setting up a Washington, D.C., office when thwarted. Another group of Palestinian terrorists, the Rejectionist Front, backed by two extremist countries—Libya and Iraq—has sworn to keep on with terrorism and has made international terror its speciality. It too has its supporters in the United States. In a second speech I pointed out that American Jews were scheduled to be the next target of U.S. transnational terrorists. This has happened today. As I said then and repeat, "threats against the safety of any of our citizens are threats against the safety of all of us."

Terrorism is an unacceptable method of warfare. It differs from guerrilla war which is targeted against an enemy's military targets. Terrorism is a violent attack on a noncombatant segment of the community, for the purpose of intimidation to achieve a political or military objective. Those who would rationalize and support terrorist tactics would deliver Western civilization into a new Dark Age of barbarism.

To Marxist-Leninists terrorism is a useful tactic to be applied whenever conditions are appropriate. They have used terrorism in many parts of the world and have encouraged emulation by irrational elements of the population. Communist regimes have provided training and weapons for many terrorists.

President Carter has ordered the FBI to investigate today's tragedies. That is too little and too late. The FBI's ability to cope with terrorist threats has been severely reduced as a result of the decisions of the previous Attorney General. Legislation that could aid the FBI in this area has been placed on a back burner because there is no House Committee on Internal Security. In the Senate, its Subcommittee on Internal Security is being allowed to die.

The Judiciary Committee has held no hearings on the threats to our internal security from domestic and international terrorist organizations since it received the mandate from the House in January 1975.

If Judiciary is unable to undertake carrying out the mandate of the House, then the House Committee on Internal Security should be reestablished. Congressman ASHBROOK and I have both introduced resolutions to reestablish the House Committee on Internal Security which would have the responsibility to investigate terrorist groups and their support networks.

The Judiciary Committee has reported out only one bill concerning terrorism. That bill only concerned the protection of diplomats from terrorist acts. None of today's victims are diplomats.

Congressman ASHBROOK's bill against terrorism (H.R. 152) has been pending before Judiciary for over 2 years without any action being taken or hearings held.

This body has a responsibility to investigate and develop legislation to cope with the terrorist problem. Today's incidents reflect the shameful inaction of Congress in fulfilling these responsibilities.

Mr. RODINO. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from New Jersey.

Mr. RODINO. Mr. Speaker, recognizing the interest of the gentleman from Ohio, I would nonetheless like to point out that the Committee on the Judiciary, of which the gentleman is a member, is composed of seven subcommittees, each of which has certain jurisdiction assigned to it, part of that jurisdiction being that of the former committee. It is so structured that the Subcommittee on Criminal Justice, for example, has jurisdiction over matters which deal with the question of terrorism. Terrorism bills that have been introduced in this Congress have certainly been assigned to that subcommittee.

The Subcommittee on Courts, Civil Liberties, and the Administration of Justice has jurisdiction over the question of wiretapping and intelligence, and various other matters that were previously dealt with by the Internal Security Committee. The Subcommittee on Civil Rights and Constitutional Rights has jurisdiction over matters that deal with other security questions about which the gentleman is concerned.

All of these subcommittees, in fact, as well as the Subcommittee on Crime, are presently constituted so that whatever legislation is introduced in the House dealing with matters that involve internal security will be undertaken by these subcommittees. The very fact that these subcommittees may not have yet brought anything to the attention of the full Committee on the Judiciary is something that I believe lies within the expertise and discretion of those subcommittees. The gentleman knows that we are determined to do that which we feel we should do responsibly.

Other than that, I must say that knowing what the recommittal motion of the gentleman is, it should be defeated. The gentleman's recommittal motion provides that not more than $300,000 of this amount be exclusively allocated for this purpose. I believe that this would be a usurpation of the discretion and judgment of the full Committee on the Judiciary which should have its own role as to how it will allocate those funds and its work.

Therefore, knowing that the gentleman has had a continuing interest—and I commend him for being as persevering—and knowing that the House took the ac-

tion last Congress that it did—and this Member was not then seeking the additional jurisdiction—and knowing that we do have a responsibility, I say that this is certainly not the way to go. When the motion is made, I urge my colleagues to vote down that motion.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Massachusetts for the purpose of debate only.

Mr. DRINAN. Mr. Speaker, I want to associate myself with the remarks of the distinguished chairman of the Committee on the Judiciary. As a member of the House Internal Security Committee for 4 years, and as a member of the House Committee on the Judiciary, I can say that we have done everything that was mandated to the House Internal Security Committee, that we have not neglected that area, that we follow everything about espionage and internal security, and we have followed everything that we should in those areas to enforce the laws of the United States.

I agree, therefore, with the comments of the distinguished chairman of the Committee on the Judiciary.

Mr. WIGGINS. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from California.

Mr. WIGGINS. I thank the gentleman for yielding.

I cannot help but remember what occurred in this Chamber about 10 minutes ago when we approved the so-called Fraser committee. It occurred to me at that time that that committee perhaps could be named the House Committee on Un-American Activities since its mandate was to inquire into certain un-American activities with respect to a particular ally and its agents. We used to have a committee here called the House Committee on Un-American Activities, later Internal Security, that was devoted to the examination of the agents of an adversary, but for reasons of policy which escape me, we killed that committee. But now we have resurrected another one with limited jurisdiction, of course, to examine into the conduct of our allies.

Well, perhaps misdeeds have occurred, but I think it is well to bear in mind what we are doing as we have this problem at present with respect to the Committee on Internal Security.

Mr. DENT. I thank the gentleman for his contribution.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. WRIGHT). Is the gentleman opposed to the resolution?

Mr. ASHBROOK. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ASHBROOK moves that House Resolution 357 be recommitted to the Committee on House Administration with instructions that said committee forthwith report back to the House said resolution with the following amendment, to wit: On page 2, line 8 of the resolution add the following new sentence: "Not to exceed $300,000 of the total amount provided by this resolution shall be used to carry out activities within the jurisdiction of the Committee on the Judiciary under the provisions of Rule 10, clause 1 (m) (19) of the Rules of the House of Representatives.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 159, nays 249, not voting 24, as follows:

[Roll No. 61]

YEAS—159

Abdnor	Fish	Myers, Ind.
Anderson, Ill.	Fountain	Nichols
Andrews, N.C.	Frey	O'Brien
Andrews, N. Dak.	Gilman	Poage
Archer	Ginn	Pressler
Armstrong	Goldwater	Pursell
Ashbrook	Goodling	Quayle
Badham	Grassley	Quie
Bafalis	Gudger	Quillen
Barnard	Guyer	Regula
Bauman	Hagedorn	Rhodes
Beard, Tenn.	Hall	Risenhoover
Bevill	Hammer-schmidt	Robinson
Biaggi	Hansen	Rousselot
Bowen	Harsha	Runnels
Breckinridge	Heckler	Ruppe
Brinkley	Hefner	Sarasin
Broomfield	Hightower	Satterfield
Brown, Mich.	Hillis	Sawyer
Brown, Ohio	Holt	Schulze
Broyhill	Hubbard	Sebelius
Buchanan	Huckaby	Shuster
Burgener	Hyde	Sikes
Burke, Fla.	Ichord	Skubitz
Burleson, Tex.	Jeffords	Smith, Nebr.
Butler	Jones, Okla.	Snyder
Byron	Kasten	Spence
Carter	Kazen	Stangeland
Cederberg	Kelly	Stanton
Chappell	Kemp	Steiger
Clausen, Don H.	Ketchum	Stratton
Clawson, Del	Kindness	Symms
Cleveland	Lagomarsino	Taylor
Cochran	Latta	Thone
Cohen	Lent	Tonry
Coleman	Lloyd, Tenn.	Treen
Collins, Tex.	Lott	Trible
Conable	Lujan	Vander Jagt
Crane	McDade	Waggonner
Daniel, Dan	McDonald	Walker
Daniel, R. W.	Mahon	Walsh
de la Garza	Marriott	Wampler
Derrick	Martin	Watkins
Derwinski	Mathis	White
Devine	Michel	Whitehurst
Dickinson	Milford	Whitley
Dornan	Miller, Ohio	Whitten
Duncan, Tenn.	Mitchell, N.Y.	Wilson, Bob
Edwards, Ala.	Montgomery	Winn
Edwards, Okla.	Moore	Wydler
Emery	Moorhead, Calif.	Wylie
English	Mottl	Young, Fla.
Evans, Ind.	Myers, Gary	Zablocki

NAYS—249

Addabbo	Foley	Myers, Michael
Akaka	Ford, Mich.	Natcher
Alexander	Ford, Tenn.	Neal
Allen	Forsythe	Nedzi
Ambro	Fraser	Nix
Ammerman	Frenzel	Nolan
Anderson, Calif.	Fuqua	Nowak
Annunzio	Gammage	Oakar
Applegate	Gaydos	Oberstar
Ashley	Gephardt	Obey
Aspin	Giaimo	Ottinger
AuCoin	Gibbons	Panetta
Badillo	Glickman	Patten
Baldus	Gore	Patterson
Baucus	Gradison	Pattison
Beard, R.I.	Hamilton	Pease
Bedell	Hanley	Pepper
Bellenson	Hannaford	Perkins
Benjamin	Harkin	Pickle
Bennett	Harrington	Pike
Bingham	Harris	Preyer
Blanchard	Heftel	Price
Blouin	Holland	Pritchard
Boggs	Hollenbeck	Rahall
Boland	Holtzman	Railsback
Bolling	Horton	Rangel
Bonior	Hughes	Reuss
Bonker	Ireland	Richmond
Brademas	Jacobs	Rinaldo
Breaux	Jenkins	Roberts
Brodhead	Jenrette	Rodino
Brooks	Johnson, Calif.	Rogers
Brown, Calif.	Johnson, Colo.	Roncalio
Burke, Calif.	Jones, N.C.	Rooney
Burke, Mass.	Jones, Tenn.	Rose
Burlison, Mo.	Jordan	Rosenthal
Burton, Phillip	Kastenmeier	Rostenkowski
Caputo	Keys	Roybal
Carney	Kildee	Russo
Carr	Koch	Ryan
Cavanaugh	Kostmayer	Scheuer
Chisholm	Krebs	Schroeder
Collins, Ill.	Krueger	Seiberling
Conte	LaFalce	Sharp
Conyers	Leach	Shipley
Corcoran	Lederer	Simon
Corman	Leggett	Sisk
Cornell	Lehman	Skelton
Cornwell	Levitas	Slack
Coughlin	Lloyd, Calif.	Smith, Iowa
D'Amours	Long, La.	Solarz
Danielson	Long, Md.	Spellman
Delaney	Luken	St Germain
Dellums	Lundine	Steed
Dent	McClory	Stokes
Dicks	McCloskey	Studds
Diggs	McFall	Thompson
Dingell	McHugh	Thornton
Dodd	McKay	Traxler
Downey	McKinney	Tsongas
Drinan	Madigan	Tucker
Duncan, Oreg.	Maguire	Udall
Early	Markey	Ullman
Eckhardt	Marks	Van Deerlin
Edgar	Marlenee	Vanik
Edwards, Calif.	Mattox	Vento
Eilberg	Mazzoli	Volkmer
Erlenborn	Meeds	Walgren
Ertel	Metcalfe	Waxman
Evans, Colo.	Meyner	Weaver
Evans, Del.	Mikulski	Weiss
Evans, Ga.	Mikva	Whalen
Fary	Miller, Calif.	Wiggins
Fascell	Mineta	Wilson, Tex.
Fenwick	Minish	Wirth
Findley	Mitchell, Md.	Wolff
Fisher	Moakley	Wright
Fithian	Moffett	Yates
Flippo	Mollohan	Yatron
Flood	Moorhead, Pa.	Young, Mo.
Florio	Moss	Young, Tex.
Flowers	Murphy, Ill.	Zeferetti
Flynt	Murphy, Pa.	
	Murtha	

NOT VOTING—24

Burton, John	McCormack	Staggers
Clay	McEwen	Stark
Cotter	Mann	Steers
Davis	Murphy, N.Y.	Stockman
Gonzalez	Pettis	Stump
Hawkins	Roe	Teague
Howard	Rudd	Wilson, C. H.
Le Fante	Santini	Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. McCormack against.
Mr. Rudd for, with Mr. Le Fante against.
Mr. Stockman for, with Mr. Santini against.
Mr. Young of Alaska for, with Mr. Cotter against.

Until further notice:

Mr. Clay with Mr. Staggers.
Mr. Gonzalez with Mr. Murphy of New York.
Mr. Davis with Mr. Howard.
Mr. Charles H. Wilson of California with Mr. Stark.
Mr. Roe with Mr. Mann.
Mr. Hawkins with Mr. John Burton.

Messrs. GUDGER, HALL, WHITLEY, HEFNER, BRECKINRIDGE, RISENHOOVER, TONRY, MILFORD, FISH, and HUBBARD changed their vote from "nay" to "yea."

Mr. EVANS of Georgia changed his vote from "yea" to "nay."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DENT. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks immediately preceding the calling up of the resolutions just agreed to.

Mr. Speaker, I further ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolutions just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

JOINT REFERRAL OF H.R. 451 AND H.R. 2998 TO COMMITTEE ON THE JUDICIARY AND COMMITTEE ON EDUCATION AND LABOR

Mr. RODINO. Mr. Speaker, I ask unanimous consent that the bills H.R. 451 and H.R. 2998 be jointly referred to the Committee on the Judiciary and the Committee on Education and Labor.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection?

ILLEGAL ALIEN PROBLEM

(Mr. SISK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SISK. Mr. Speaker. In the past 2 days I have introduced two bills designed to deal with the illegal alien problem, a problem which I am sure my colleagues know, has reached crisis proportions.

The first bill, which I am pleased to report has been cosponsored by Mr. BEDELL, Mr. BURGENER, Mr. BURKE of Florida, Mr. DERWINSKI, Mr. HEFTEL, Mr. HYDE, Mr. HANNAFORD, Mr. ICHORD, Mr. KETCHUM, Mr. KREBS, Mr. LOTT, Mr. MATHIS, Mr. MONTGOMERY, Mr. MURPHY of New York, Mr. PURSELL, Mr. ROE, Mr. SIMON, Mr. TREEN, Mr. CHARLES H. WILSON of California, and Mr. WON PAT, would expand the social security card to make it counterfeit proof and the sole identifier of eligibility to work. The social security system is the one jurisdiction which applies to every potential worker in the United States and, therefore, it seems to me to be the likely area for cutting down on the number of illegal aliens. Under my proposal, which incidentally appears to be in line with what Secretary of Labor F. Ray Marshall called the administration's program to deal with illegal aliens, the new tamper-proof cards would be issued only to those persons legally entitled to work in this country and employers who hired anyone who did not possess such a card would be subject to a fine, imprisonment, or both.

In my opinion, this approach has many advantages over previously considered alternatives, notably, H.R. 1663, the Eilberg-Rodino bill which would simply make it illegal for employers to knowingly hire illegal aliens. While I am sympathetic to that bill's intent, I am not certain it will hit its target, and in trying to do so it could possibly do harm to unwitting citizens. More importantly it would place enforcement responsibility in the hands of employers, a responsibility which certainly rests with the Federal Government.

As noted in an editorial which appeared in the Washington Post as far back as March 1975:

> Asking the people who deal in the wholesale employment of illegal alien labor to make a "good faith" effort to ascertain that their employees are legal residents is likely to turn out to be a waste of time in most cases. The probability of willful evasion is greater than the probability of general compliance.

A bona fide inquiry may merely consist of putting the question verbally or asking the prospective employee to sign a declaration of his legal status. Beside the obvious difficulty of providing how real an effort the employer made—especially if we must rely on frightened aliens for corroboration—it seems more than likely that an alien who has risked his life and violated immigration law to get into the United States will not truthfully sign the statement of legality.

It is also important to consider the threat such a system poses to the civil liberties of minority group members and especially to foreign looking or sounding Americans no matter how many antidiscrimination clauses are inserted. Prejudiced employers could avoid hiring minorities by claiming that the applicant appeared to have fraudulent documentation.

Under my bill, enforcement responsibility would be where it belongs—with an agency of the Federal Government. The employer would be spared the role of policeman or enforcement officer and legal discrimination against minorities would be prevented since all workers would need the card when seeking jobs.

One of the most frequently voiced reservations about this approach is the fear that it would become an identity card, a threat to privacy—I believe it would not. I agree with those who oppose a national ID card, but as Secretary Marshall stated recently:

> If they can make a card that gives me money at the bank at night when nobody is there, and I can buy goods in the store with a card which only needs a phone call to check my card number, then I think we can make a noncounterfeitable social security card for workers to use when they are getting jobs.

Furthermore, Congressman EDWARD I. KOCH, who was the sponsor of the Privacy Commission, last year endorsed this social security card approach. He noted:

> I am not convinced that the expressed reservations as to threats to citizens' rights are valid, and in any event there is a balance which must be achieved. If we choose not to deal with the problem in this way, then we run the risk of discriminating against minority groups.

I realize that this tamper-proof card will be of minimal value if the identification presented to obtain one is fraudulent. The criminal use of false identification is a multibillion-dollar national problem. A growing army of criminals and fugitives is using a screen of false credentials in welfare fraud, illegal immigration, drug trafficking, passing bad checks and phony credit cards, and in hundreds of other crimes. Counterfeit birth certificates, voter registration cards, social security cards, drivers licenses, and green cards are used frequently by illegal aliens. Therefore, in line with the recommendation of the Federal Advisory Committee on False Identification, I have introduced another bill which would close most of the existing loopholes in Federal legislation dealing with false identifications. For the most part, existing Federal statutes only cover the obtaining, transfer or fraudulent use of specific Federal documents such as the misuse of passports. However, the mere possession of false documents with fraudulent intent is not presently a crime. It is essential that such possession be prohibited if the criminal using fake ID's is to be stopped before he obtains Federal identification and commits crimes in another identity avoiding detection. Illegal alien crime is reportedly increasing in every area of the country. We are, literally, creating a society of people completely outside our legal and social order, who have learned that "to lie is to survive," that "laws are made to be broken," and that "deviousness is the passport to success." In Los Angeles, for instance, the sheriff's department has been building up a special countywide file, devoted to the peculiar aspects of growing crimes by illegal aliens, such as burglary, auto theft, and shoplifting. Because the arrestees are in this country illegally, the file cannot rely on standard

police data such as birth dates and social security numbers. So investigators have accumulated the pictures, fingerprints, names, and known aliases of about 200 suspects to date, a costly and time-consuming process. My bill will hopefully cut down on the use of false documentation by severely penalizing the manufacture, alteration, transfer, sale, possession, or use of any false identity or any document obtained by use of false statements or identification in the application or identification in the application process.

I urge the Committee on Ways and Means and the Committee on the Judiciary to hold immediate and extensive hearings on this legislation so that we might move closer to solving effectively the illegal alien problem.

INITIATIVE TOWARD CUBA

(Mr. FINDLEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FINDLEY. Mr. Speaker, I applaud the concern the administration has demonstrated for improving the status of U.S. relations with Cuba and I note with great interest the most recent expression of this concern. The administration has announced that it is lifting restrictions on travel and currency transactions which have previously inhibited American visits to Cambodia, Vietnam, North Korea, and Cuba. I hope that it is not incorrect to interpret this change in U.S. policy as a step toward reopening a diplomatic dialog with Cuba. Establishing relations with Cuba is an important initiative to which this country should devote serious effort.

Unfortunately, however, preconditions outlining acceptable Cuban international behavior have frequently been linked to the American interest in developing bilateral relations with the government of Fidel Castro. Preconditions which the United States may require of Cuba or Cuba of this country will only confuse the process of normalization of relations.

The establishment of diplomatic relations should be regarded as a mutual convenience to the nations involved rather than as a mechanism for conferring approval upon existing governments. Bilateral relations facilitate communications and increased contacts which promote greater understanding. It is in the interest of the United States, therefore, to seek relations with those governments which appear to be permanent and whose authority is unchallenged by legitimate rivals. That certainly can be said of the Castro regime in Cuba.

It would be inaccurate to give the impression that our recognition of Cuba implies a U.S. approval of that nation whether or not it forgoes military activity in Africa. There is much beyond Cuban interference in the affairs of Angola and neighboring states that we find offensive and would continue to disapprove even should we agree to bilateral relations. We need firmly, therefore, to disassociate the concept of approval from recognition by eliminating preconditions from discussions of normalization of relations with Cuba.

Establishing diplomatic relations with Cuba is in the interests of the United States. This country must have confidence in our continued ability to influence the behavior and attitudes of other nations. We will not be able to exert fully this influence, however, should we persist in closing off to ourselves the normal diplomatic channels which would permit our interaction with Cuba.

MR. TYSON'S APOLOGY

(Mr. HAGEDORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAGEDORN. Mr. Speaker, the remarks on alleged U.S. involvement in Chile by Brady Tyson, U.S. delegate to the U.N. Human Rights Commission, are extremely disturbing; particularly when read in the context of Ambassador Young's earlier remarks that his office served as point man for Carter administration policies, taking the heat on controversial positions before they are formally declared.

If Mr. Tyson's remarks are in fact U.S. policy, as he continues to suggest they are, it would be nice for President Carter or Secretary Vance to make this clear. If they are not, they might consider appointing in Mr. Tyson's place an individual who better appreciates the difficulty foreign observers have in distinguishing between personal and official statements.

Mr. Tyson should be assured that there are already ample numbers of UN diplomatic types willing to attack U.S. policies, foreign or domestic, without our own representatives having to apologize for our alleged crimes. Despite extensive Senate hearings on this subject, there is no evidence that the United States played a significant role in subverting the Allende regime. Even were this proven to be the case, there are many citizens in the country, for which Mr. Tyson is apologizing, who see no need for it to atone for the sin of contributing to the overthrow of a hostile Marxist regime, deeply involved in the destruction of democracy in Chile. The Allende regime, when last viewed, was busily engaged in shutting down opposition presses, inciting class war in Chile, inviting increasing numbers of Soviet advisers to the country, and generally contributing to the destruction of the Chilean economy.

Mr. Tyson may also believe that the 1976 Presidential election represented a referendum on the question of American involvement in Chile. Had President Carter promised the American people Mr. Tyson's appointment prior to the election, this might well be the case. Mr. Carter was astute enough not to do this, and Mr. Tyson's contention is ludicrous. I would suggest to Mr. Tyson that he could far more profitably spend his time and effort focusing on the concentration camps and mass executions occurring in Vietnam and Cambodia rather than ferreting out supposed violations of Salvadore Allende's human rights.

U.S. VISAS AND THE HELSINKI FINAL ACT: THE NEED FOR REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 30 minutes.

Mr. DRINAN. Mr. Speaker, I will soon introduce legislation to remove from the Immigration and Nationality Act those sections which mandate the exclusion from the United States of all present and former members of the Communist Party. These arbitrary provisions constitute violations of the freedom of travel and emigration principles of the Helsinki Final Act. At a time when the United States is urging the Soviet Union and other nations to comply with precisely these features of the Helsinki Agreement, it is essential that we remove from our own law the antiquated and unnecessary prohibition against entry into the United States by those who hold certain political beliefs.

The legislation which I intend to introduce would retain the Attorney General's discretion to exclude from the United States all those who might pose a legitimate threat to our security or who have demonstrated an inclination to violate our laws. Only the automatic exclusion of "aliens who are anarchists" and "aliens who are members of or affiliated with the Communist Party" would be affected. The Attorney General would retain full discretionary authority to deny visas to:

Aliens who advocate or teach or who are members of or affiliated with any organization that advocates or teaches (i) the overthrow by force, violence, or other unconstitutional means of the Government of the United States or of all forms of law; or (ii) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government, because of his or their official character; or (iii) the unlawful damage, injury, or destruction of property; or (iv) sabotage.

According to the terms of the Immigration and Nationality Act—also known as the McCarran-Walter Act—individuals who hold anarchist or Communist beliefs or who are or have been in the past associated with groups which advocate such beliefs are ineligible to receive tourist or immigrant visas to enter the United States and must be deported if they are discovered on U.S. soil. The only recourse is an uncertain appeal for administrative relief. These arbitrary exclusions, part of a law enacted over the veto of President Truman during the height of the Red scare in 1952, are repugnant to the principles of free travel, emigration, and exchange of ideas embodied in the Helsinki Agreement. They also constitute an anomalous violation of

our Nation's traditional commitment to the unfettered exchange of ideas and the right to travel and emigrate freely, without fear of discrimination based on past or present political beliefs or associations.

These provisions of the Immigration and Nationality Act have caused a large number of nonsensical and embarrassing exclusions. Two years ago, Dr. Giogio Napolitano, a professor of economics, was invited to speak at several prestigious American universities. Dr. Napolitano was denied a tourist visa because he is the Italian Communist Party's principal expert on economic policy. Many European labor leaders and scholars have failed repeatedly in their efforts to obtain tourist visas because of present or past membership in the Communist Party. "I want to go to your wonderful country," George Marchais, the mayor of Marseilles and the leader of the French Communist Party said recently. "But they will not let me do it because I am a dirty Communist."

At a time when visits to the United States by the leaders of the Soviet Union and other Communist nations are commonplace and diplomats and consular officers from Communist countries live and work in Washington, New York, and other cities, it is absurd to deny tourist visas to individuals simply because they are members of the Communist Party. Can anyone seriously believe that all such people by definition pose some sort of threat to the security of the United States?

Individuals who seek entry into the United States conditionally—as refugees—or as immigrants also suffer inequities due to the arbitrary exclusion of all present or past members of the Communist Party. In many instances, such membership reflects more a desire for professional advancement than an ideological commitment. And yet all members are automatically excluded. There have been instances in which individuals who have been expelled from the Soviet Communist Party for anti-Soviet activities and who have subsequently evidenced a commitment to democratic, anti-Communist principles have been denied permission to enter or live in the United States by operation of the Immigration and Nationality Act. It is time to end these anomalies and inequities by removing the act's mandatory exclusions for political reasons.

The new administration is to be commended for its forthright defense of human rights around the world and for its insistence on compliance with the Helsinki Final Act. But if the United States is to remain an effective international advocate of the principle of "freer movement and contacts" among nations and individuals, we must demonstrate to the world our own commitment to these ideals. To the extent that our own laws violate the spirit of Helsinki Final Act and the basic principles which underly it, our moral authority is compromised.

President Carter addressed the need to reform our immigration law in his discussion of the Helsinki Agreement and international human rights at his press conference on February 24.

The President stated:

> We are a signatory of the Helsinki Agreement. We are ourselves culpable in some ways for . . . restricting unnecessarily, in my opinion, visitation to this country by those who disagree with us politically.

In June the 35 nations which are signatories to the Helsinki Act will meet in Belgrade to plan an autumn conference to review the progress toward the act's implementation. The continued unnecessary and arbitrary denial of visas for ideological reasons will surely compromise our Nation's ability to call upon others to honor the Helsinki accord's freedom of travel and emigration provisions. I believe that we should establish the commencement of the Belgrade Conference in June as the target date for the repeal of the antiquated sections of our law preventing entry into the United States by all those who hold certain political beliefs.

Both the New York Times and the Washington Post have called for the repeal of the Immigration and Nationality Act's arbitrary political exclusions. Both point out that such action would in no way permit genuinely dangerous individuals to enter the United States. I reproduce below the editorials in the Washington Post of February 12 and the New York Times of February 24, urging the repeal of the relevant sections of the immigration law. Following these editorials, I insert a draft of the bill which I will soon introduce to repeal these sections:

[From the Washington Post, Feb. 12, 1977]

U.S. VISAS AND HELSINKI

The beginning of a new administration is a good moment to dump overboard the law that prohibits Communists from visiting the United States. It was a foolish law when it was enacted two decades ago. In recent years it has become a constant embarrassment. Worse, it is open to exploitation by precisely the people at whom it was aimed.

That exploitation has been particularly effective in the hands of the Italian Communists. In fact, many of them have traveled in this country; the law permits waivers of the anti-Communist rule for people who are coming merely as tourists, or to visit relatives, or as members of delegations, or for a variety of other reasons. But, repeatedly, prominent Communists have also applied for visas to come here as public figures and to talk about politics. In the past, these applications have consistently been denied. That's where the State Department's present dilemma arises. If these applications should now be granted, the Communist Party in Italy can wave them around as open evidence that the United States is softening in its opposition to them. That's not a message that the State Department wants to deliver. But if the department keeps denying these applications, it makes the U.S. government look like yahoos and simpletons.

Two years ago, for example, the State Department denied a visa to Giorgio Napolitano, the Communist Party's spokesman on economic policy. He had been invited here by several universities. Mr. Napolitano is a man of considerable intellectual distinction. To bar him on grounds that he constitutes a menace to the republic, at a time when Washington is full of Eastern European diplomats (not to mention the Peking Chinese) is ludicrous. But to have admitted him in the delicate period before the last election would have seemed a symbolic gesture undercutting the hard-pressed Italian government.

For some months the Italian Communist paper Unita has had an application pending for a visa to open a permanent bureau in this country. So far, it hasn't been granted, out of the same uneasiness about concessions to the Western European Communist parties. Meanwhile, of course, Tass and the other state-operated news agencies of Eastern Europe are in full swing in Washington.

The remedy to the dilemma is simple: Congress can repeal those lines of the visa law that make Communist membership and ideas a criterion. Unfortunately, there seems to be great reluctance in Congress to lay hands on these old anti-Communist laws, no matter how harmful they prove. But there will never be a better moment than the present, with no major European elections in prospect.

There's another reason for action that may, in coming months, prove more important than all the others. The Helsinki Treaty puts a special emphasis on "freer movements and contacts" among nations and their citizens. So far Americans have seen this language chiefly as a weapon against Soviet restrictions on travel and other civil rights. President Carter has made it clear that he intends to keep bringing up the Soviets' transgressions against the spirit of the Helsinki agreement. Surely most Americans support him heartily. But if the United States is going to keep pressing the Soviets on this tender point, Americans are going to have to give some attention to the blemishes in this country's own record. One of them is the ideological test for a visa.

If Congress abolishes it, Europeans could come here to talk and to listen, regardless of political stripe. Italian Communists would no longer have a standing invitation to use this country's own bad law to score points. Much more important, this country would have given the world further evidence of its commitment to the Helsinki principle.

[From the New York Times, Feb. 24, 1977]

THE AGE OF SUSPICION, STILL TICKING

The Attorney General's list is gone. The Subversive Activities Control Board has disappeared. The hysteria and witch-hunting of the 1950's have become topics for television retrospection. Yet the McCarthy Era still lives, ticking away in our laws, creating embarrassment and harm to the national interest. Yesterday, in his news conference, President Carter took disapproving note of one of the most repellent legacies. His view merits applause and prompt translation into corrective legislation.

At issue is the "excludable aliens" provision of the McCarran-Walter Immigration Act of 1952. Embedded in its list of those who may not be admitted to this country—like maniacs, beggars, prostitutes, people with communicable illnesses, stowaways and drug addicts—are anarchists and Communists. The clear implication was and is that the United States, bulwark of free government and free expression, fears contagious ideas as much as it fears contagious diseases.

That implication is not a harmless historical artifact of law. It is reawakened regularly, as in 1969, when a Belgian writer, a Marxist, was forbidden to come to the United States for six days to attend a university conference. Or last year, when an Italian Communist authority on foreign affairs was denied entrance to attend another conference, shortly after the leader of Italy's neo-Fascist Party was admitted readily.

Such incidents transmit signals of hypocrisy through the world. Now, in the wake of the Helsinki agreement provisions concerning human rights, contact and travel, the signals have become even more piercingly dissonant. We signed the agreement. We criticize its violation elsewhere. What can our answer be when offending countries retort: Well, why don't you let our people visit your country?

The practical application of the exclusion

provision exacerbates the problem. In fact, most foreigners excludable for political reasons apply for and receive waivers permitting them to enter. But the need to review each case makes each a new issue of principle. Each time a waiver is granted, the United States implies that it has examined and endorsed the politics of the applicant. That posture is wrong, harmful and, considering the xenophobic aims of the McCarran-Walter Act, even perverse.

The President couched his remarks yesterday in most becoming terms. When it comes to human rights, he said, "We are ourselves culpable in some ways" for restricting visitors who disagree with Americans politically. The President's view should be rapidly developed into a new law, one which more truly signals America's faith in her freedom. It is time, at last, to bury this lingering legacy of the age of suspicion.

H.R. —

A bill to carry out the principles of the Helsinki Final Act pertaining to freedom of travel and migration, by providing that aliens who are associated with certain political organizations or who advocate certain political beliefs shall not be ineligible to receive visas and excluded from admission into the United States, or deported from the United States, because of such association or beliefs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 212(a)(28) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(28)) is amended—

(1) by striking out subparagraphs (A) through (E);

(2) by redesignating subparagraph (F) as subparagraph (A);

(3) in subparagraph (G)—

(A) by striking out "advocating or teaching opposition to all organized government, or"; and

(B) by striking out "or (v) the economic, international, and governmental doctrines of world communism or the establishment in the United States of a totalitarian dictatorship;";

(4) by striking out "paragraph (G)" and inserting in lieu thereof "subparagraph (B)" in subparagraph (H);

(5) by striking out "subparagraphs (B), (C), (D), (E), (F), (G), and (H)" and inserting in lieu thereof "subparagraphs (A), (B), and (C)" in subparagraph (I); and

(6) by redesignating subparagraphs (G), (H), and (I), as amended by the preceding provisions of this section, as subparagraphs (B), (C), and (D), respectively.

SEC. 2. Section 212(a)(29) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(29)) is amended—

(1) by inserting "or" after "security,"; and

(2) by striking out ", or (C) join, affiliate with, or participate in the activities of any organization which is registered or required to be registered under section 7 of the Subversive Activities Control Act of 1950".

SEC. 3. Section 241(a)(6) of the Immigration and Nationality Act (8 U.S.C. 1251(a)(6)) is amended—

(1) by striking out subparagraphs (A) through (E);

(2) by redesignating subparagraph (F) as subparagraph (A);

(3) in subparagraph (G)—

(A) by striking out "advocating or teaching opposition to all organized government, or"; and

(B) by striking out "or (v) the economic, international, and governmental doctrines of world communism or the establishment in the United States of a totalitarian dictatorship;";

(4) by striking out "paragraph (G)" and inserting in lieu thereof "subparagraph (B)" in subparagraph (H); and

(5) by redesignating subparagraphs (G) and (H), as amended by the preceding provisions of this section, as subparagraphs (B) and (C), respectively.

SEC. 4. Section 241(a)(7) of the Immigration and Nationality Act (8 U.S.C. 1251(a)(7)) is amended to read as follows:

"(7) is engaged, or at any time after entry has engaged, or at any time after entry has had a purpose to engage, in any of the activities described in paragraph (27) or (29) of section 212(a);".

SEC. 5. The Subversive Activities Control Act of 1950 (50 U.S.C. 781 et seq.) is amended by striking out section 6.

THE WARNKE NOMINATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. EDWARDS) is recognized for 10 minutes.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I wish to express my concern over the nomination of Paul Warnke to be Director of the Arms Control and Disarmament Agency and chief negotiator in the strategic arms limitation talks with the Soviet Union.

Mr. Warnke has often expressed his views about the United States-Soviet disarmaments talks. I have found his views inconsistent with the strong negotiating position that must be taken by our representative at future SALT talks.

Mr. Warnke has opposed most of the important new U.S. defense programs of the past decade. Defending Senator McGOVERN's proposed unilateral freeze on nuclear arms production Warnke argued that—

> Construction (of U.S. nuclear weapons) would simply unsettle the situation and provoke another round. (The New York Times, September 13, 1972).

I am bothered, as are many Americans, by the recent reports from CIA analysts and independent experts who warn that the Soviets may be driving toward complete nuclear superiority. The United States must enter into any strategic arms limitation talks from a position of strength, not one of weakness. But in "Foreign Policy," spring, 1975, Mr. Warnke had this to say about strategic nuclear arms:

> If we must accept the insistence that the momentum of our strategic weapons programs must be maintained in order to bargain effectively, the talks have become too expensive a luxury.

It seems doubtful that Mr. Warnke can be expected to credibly negotiate with the Soviets when he has been so critical of exactly those weapons systems which constitute America's principal bargaining assets.

Mr. Warnke believes that if the United States were to disarm, the Soviet Union would soon follow. He has obviously not looked closely at the evidence.

The United States delayed deployment of antiballistic missiles in the hope that the Soviets would do the same. They did not. Likewise since 1967 the United States has held steady at 1,054 ICBM's, while the Soviet Union has advanced from a position of inferiority to one in which they now hold a substantial lead. Again, since 1967 the number of U.S. submarine launchers has been held at a constant 656, while the Soviets have advanced well beyond that number.

Mr. Warnke served as the principal national security adviser to Senator McGOVERN during the 1972 Presidential campaign. McGOVERN's defense budget proposals, strongly endorsed by Warnke, included discontinuation of MIRV's and Minuteman III, and opposition to development of the cruise missile, the ABM, and the bomber defense. At no time in the SALT negotiations have the Soviets advocated, even as a bargaining position, such sweeping cuts in American strategic forces.

It is clear that Mr. Warnke is definitely not the man to head future U.S. SALT II negotiations because he can only weaken the bargaining power of the U.S. delegation. I urge every Member of the Senate to reject Mr. Warnke's nomination.

ECONOMIC MODELS AND THE BUDGET PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, with the institution of a new budget procedure last year and creation of the House Committee on the Budget, the legislative process has become very dependent on the forecasts and predictions of economists at the Congressional Budget Office for measuring the impact of budgetary decisions. Unfortunately, we in the Congress are not sufficiently aware of the serious weaknesses in these economic forecasts and we should beware of relying on them too heavily in implementing policy.

Essentially what the economists do is plug the various policies into a computer which contains a model of the economy. This model is simply a huge set of mathematical equations which supposedly simulate various parts of the economy. By varying the input data, it is therefore possible to get a simulation of how the various policies will impact on the economy.

As I see it, there are two serious problems with this approach. First is the assumption that it really is possible, even in theory, to mathematically duplicate the complexities of the economy. Second, is the fact that any model will necessarily conform to biases, errors, and oversights of the people who built it. This is done by making certain assumptions about how the economy operates which are part of the model itself.

Those who build these complex econometric models ought to be more concerned about the limits on their methodology. It was John Maynard Keynes, generally regarded as the most influential economist in this century, who said in "The General Theory of Employment, Interest and Money":

> Too large a proportion of recent "mathematical" economics are mere concoctions, as imprecise as the initial assumptions they rest on, which allow the author to lose sight of the complexities of the real world in a maze of pretentious and unhelpful symbols.

More recently, Prof. Wassily Leontief, winner of the Nobel Prize in economics, told the American Economic Association that the weakness of mathematical models is:

By the time it comes to interpretation of the substantive conclusions, the assumptions on which the model has been based are easily forgotten. But it is precisely the empirical validity of these assumptions on which the usefulness of the entire exercise depends.

Despite these reservations about their validity, econometric models are enormously popular. The three most important are the Chase, DRI, and Wharton models. Each of these is essentially based on Keynesian economic theory and is heavily weighted to give preference to policies which follow its outlines. By way of illustration, the Wharton model is the brainchild of Prof. Lawrence Klein, a very liberal Keynesian economist who was a close adviser to President Carter. Similarly, the DRI model belongs to Prof. Arthur Okun, a long-time adviser to Democratic administrations and member of the Council of Economic Advisers under President Johnson. Consciously or unconsciously, these men have built econometric models which are geared to give better responses for Keynesian policies than for alternative policies.

To understand how this works, one needs to know that Keynesian economic theory is heavily weighted toward the demand side of the economy, rather than the supply side. Thus it is assumed that when the economy is not growing, this is caused by a lack of demand, which can be replaced by increased government spending. Consequently the econometric model is designed to show this.

Unfortunately, people do not simply produce in response to demand. This fact has been pointed out in a recent article by Prof. Paul Craig Roberts:

Everyone has heard of supply and demand except the builders of econometric models, who apparently have heard only of demand. As a result the models cannot take into account two additional reasons why people produce: for income and for profit. Since they cannot simulate supply side effects, they cannot show the impact that alternative policies have on these two powerful economic motives.

A correct model would show the relationships between quantities of productive inputs and their prices. However, the models upon which economic policy depends only relate numbers of people employed to levels of spending. Thus, the models show that a tax rebate and a permanent personal income tax rate reduction stimulate GNP and employment by stimulating spending. But they cannot show that only a rate reduction also stimulates production by increasing the after-tax rewards to work and investment. Indeed, in the models a reduction in personal income tax rates only affects GNP and employment by raising disposable income, and production increases only in response to increased spending.

In the past few weeks the Congress has been considering many parts to President Carter's economic stimulus package. I believe that the results promised by the administration and the Congressional Budget Office are based on faulty econometric models and faulty economic reasoning. I therefore urge my colleagues not to accept the promises of increased GNP and employment which have been coughed up by a computer somewhere without considering whether the policies we are considering can possibly acheive the predicted results.

Furthermore, I think immediate steps should be taken to either abandon the use of econometrics entirely in Congress or develop a model which can more closely approximate the real world. Otherwise we will be making serious errors of judgment for which the whole country will suffer.

FINANCING OUR SOCIAL SECURITY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 10 minutes.

Mr. CONABLE. Mr. Speaker, for most of its 40 years, our social security system has enjoyed widespread support. And at the heart of that public acceptance lies the concept of earnings-related rights.

We should not lose sight of this fact when we face—as we surely must—some hard decisions on social security financing.

There are those who would scrap the earned-right concept and finance the system, in part or in whole, through general revenues. They argue that the payroll tax is regressive and has reached a palatable limit.

But social security is not merely a device for collecting taxes. It is a benefit program, and the benefits one receives are related to the contributions one makes. Those benefits are heavily weighted in favor of low income contributors. When considered in light of the weighted benefit formula, the tax is not regressive.

The payroll tax unquestionably is high—a development about which Republican members of the Committee on Ways and Means have been warning this body for 7 years. But it is foolish to assume that shifting from a payroll tax to an income tax, or to some other levy on the people, makes tax collection any easier or the total tax burden any lighter. Collectors of general revenue also are concerned with acceptable limits.

The social security levy also has a restraining value. The earmarked payroll tax clearly shows the system participant what he is paying for protection against a loss of earnings due to death, disability, or retirement. If contributions were assessed less directly the system would lose a valuable cost control, or fiscal discipline, mechanism.

None of this is to suggest that I look with enthusiasm on a further increase in either the tax rate or the taxable wage base. Far from it. But I believe that the integrity of the social security system should be preserved. When we consider changes in it, we should think in terms of strengthening, not weakening, of reducing its undesirable characteristics while maintaining its desirable features. And I would put the system's insurance character at the top of the desirable list.

A REALISTIC APPROACH TO CUBA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOLLENBECK) is recognized for 5 minutes.

Mr. HOLLENBECK. Mr. Speaker, the President and Secretary of State have expressed a desire to establish diplomatic relations with Cuba. Although I do not oppose this as an ultimate goal, I am concerned that some have advocated that we begin discussions without establishing preconditions to such talks. The utmost caution must be followed to insure that any negotiations be undertaken with a strong, forthright stand on the issue of human rights.

It may be time to begin thinking of more communication and visitation with Cuba, but we should not forget the plight of those who have been separated from their friends and relatives for so long. As the elected Representative of a district with more than 50,000 Cuban-American residents, I urge that we take care to guarantee that they and their relatives be accorded dignified treatment.

Mr. Speaker, today I am recommending that a congressional task force be established to work with the State Department in coordinating a gradual renewal of diplomatic relations with Cuba. Members of Congress can contribute much in insuring that such relations be established with prudence and caution. I would like to insert in the RECORD a copy of the letter I am sending to members of the leadership requesting that this action be taken.

It is time for solid, well considered diplomacy—not gimmicks and public relations stunts which ignore the true plight and treatment of Cuban citizens by their government.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 9, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, Capitol Building, Washington, D.C.

DEAR MR. SPEAKER: I want to express the interests of my constituents and all those who have waited so long to open a channel of communication with the government of Cuba.

The President and Secretary of State have expressed a desire to begin relations with Cuba, and I do not oppose that ultimate direction. But it is important to remember the lack of caution that marked the rise of Fidel Castro. It cannot be repeated.

It may be time to renew thoughts of communication and visitation with Cuba, but the utmost caution is dictated. Close watch by Congress is mandatory to ensure proper regard for rights of Cuban-Americans. As the elected Representative from a district that has more than 50,000 Cuban people residing therein, I would like a proper delegation to consider the situation in depth before the start of discussions with Mr. Castro.

I ask you to establish a Task Force to strive with State Department officials to coordinate a gradual renewal of relations with Cuba. Input by Representatives in Congress would be productive in the Task Force's work. Most importantly, Cuban-Americans in New Jersey, New York and Florida must be allowed to convey their feelings as part of the consensus of our Nation's direction.

A new relationship with Cuba should not begin with a baseball game, when relatives of those playing and viewing are not humanely free. A responsible government must move quickly to a stage of communication that includes all Cuban and American people, wherever residing, in a cause of dignity and freedom.

There are many with relatives in New Jersey and other states who have spent too many tears and too many years waiting for the day when they will be reunited with their loved ones, or even for the chance to talk freely on the telephone. I wholeheartedly share their dream of the day when they may once again embrace each other.

Mr. Vance may offer no preconditions to diplomatic talks, but I have very strongfelt preconditions. I ask for dignified treatment of those in Cuba with relatives in the United States. Mental anguish for them is worse than physical torture. A valuable first step to talks on the issues facing both Cuba and the United States—a new anti-hijacking treaty, fishing rights and sugar trade—must begin with a firm and dignified approach to the human rights of Cuban citizens. There is much more at stake than a ballgame or a concert.

Sincerely,

HAROLD "CAP" HOLLENBECK,
Member of Congress.

IDA LOAN TO VIETNAM SHOULD BE WITHHELD UNTIL MIA'S ARE ACCOUNTED FOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Florida. Mr. Speaker, as you know, you and I and other Members of Congress met this morning at the White House with President Carter, Secretary Vance, and members of the Cabinet to discuss our foreign aid program. One of the subjects that was of great concern to me, is a proposed loan to Vietnam by the International Development Agency, the World Bank's soft loan affiliate. The loan is being proposed by the World Bank on the basis of a study done recently by an International delegation from that agency that visited Vietnam in January and February. The loan is suggested for the development of such things as an irrigation system in the Mekong Delta, and the expansion of northern coal mines. These are projects for a civilized country, and we shouldn't lose sight of the fact that they are being proposed for a country that has violated all of the principles of human decency in very recent years. Personally, I cannot support any program of foreign aid for Vietnam that is fostered by a contribution of American tax dollars, but since one is being considered, I asked President Carter to consider using this request from the World Bank, an agency to which the United States contributes substantial support, as a point of leverage in gaining cooperation from Vietnam on an issue that matters dearly to all Americans, a complete accounting for the more than 1,000 American prisoners of war that are still listed as missing in action. Secretary Vance reminded the President that a five-man U.S. delegation, headed by Leonard Woodcock, is scheduled to leave for Vietnam on March 16 to discuss the release of the names of those Americans still listed as missing in action. President Carter told us that he would direct the Secretary of State to instruct the members of our delegation to keep this proposed loan by the World Bank in mind when conducting their negotiations. I am pleased that the President supports my thinking in this matter, and I urge my colleagues to consider adopting a similar stand.

THE UNITED STATES AND INTERNATIONAL ORGANIZATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Florida. Mr. Speaker, last year the United States contributed $1.35 billion to the support of international organizations. In 1975 it contributed $1.2 billion and in 1974 it contributed just over $1 billion. This brings the total to over $3.5 billion over the past 3 years.

That is a lot of money. And the American people have a right to know what these funds are being used for and if they are being used effectively.

Mr. Speaker, the world has changed dramatically since the United States first began participation in these organizations over a quarter of a century ago. Following World War II the United States was the undisputed leader of the free world. Those nations not under the yoke of Soviet communism looked to us for guidance. Since then, almost 100 new nations have come into existence and many have evidenced hostility to the United States.

It is high time, then, that the United States reexamine its membership in these organizations. Our policy should be to continue aid only to those organizations which really accomplish something worthwhile and which are compatible with the interests of our national policy.

Although not new, recently more and more international organizations have begun acquiring many disturbing aspects. Many are now manifesting traditional organizational problems. For instance, the dramatic increase in the number of international organizations has led to the problem of overlapping and ineffective coordination. In addition, the development of huge bureaucracies unsupported by modern management techniques and modern personnel practices have become a major problematic area.

However, to me the most disturbing fact about international organizations today is the numerical dominance and assertiveness of third world countries. Unlike earlier times, Third World countries now tend to vote as a bloc and to use that vote for purposes contrary to our national interest. The following will illustrate:

First. Third World countries have tended to use international organizations to give legitimacy and support to such causes as the Palestine Liberation Organization and have repeatedly introduced resolutions condemning the policies of Israel.

Second. Third World countries have tried to use these organizations to gain political influence in connection with disputes over the Middle East, Rhodesia, South Africa, Panama, Puerto Rico, Taiwan, and the like.

Third. Third World countries have attempted to embarrass and condemn governments which they have opposed.

Fourth. The admission of a large number of Communist nations has tended to change the basic character of these organizations.

Fifth. Third World countries have tended to use the assessed budgets—of which the United States contributes nearly 80 percent—for development programs designed to assist them alone rather than the more traditional programs beneficial to all the members of the organization.

Sixth. Even though Third World countries contribute only a small percentage of the budget, they tend to take advantage of the "majority rule" principle and to run international organizations independent of the views of the United States.

Mr. Speaker, there is no doubt that the United States must act to combat these and other similar excesses. It can no longer afford to support organizations becoming increasingly hostile to our interests. To remain in them and to be, at the same time, subjected to continual irresponsible abuse from those who are really our friends is against the best long-term interests of the American Government and the American people. In fact, such foreign policy on our part is foolish and irresponsible. A complete review of U.S. involvement in all international organizations must be made with the practical view in mind to stop giving our money and resources to those whose only repayment will be to help those whose goal is and will always be to destroy our country.

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 10 minutes.

Mr. ASHLEY. Mr. Speaker, at the request of the administration, I have today introduced the proposed Housing and Community Development Act of 1977. The Subcommittee on Housing and Community Development has just completed 2 weeks of hearings on the administration's proposals, as presented in testimony by HUD Secretary Harris on February 24, and will undoubtedly make numerous changes and additions to these proposals during its markup of housing and community development legislation later this month. The following is a section-by-section summary of the bill:

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1977: SECTION-BY-SECTION SUMMARY

TITLE I—COMMUNITY DEVELOPMENT AMENDMENTS

Definitions

SEC. 101. This section would amend section 102(a) of the Housing and Community Development Act of 1974 by redesignating paragraphs (10), (11), (12), and (13) as (12), (13), (14), and (15), respectively, and by inserting a new paragraph (10) which would define the term "age of housing" to mean the number of existing housing units constructed in 1939 or earlier based on data compiled by the United States Bureau of the Census and referable to the same point or period in time, and a new paragraph (11) which would define the term "extent of growth lag" to mean the number of persons who would have been residents in a metropolitan city or urban county, in excess of the

current population if such metropolitan city or urban county had had a population growth rate between 1960 and the date of the most recent population count referable to the same point or period in time equal to the population growth rate for such period of all metropolitan cities.

Authorizations

SEC. 102. Subsection (a) would amend section 103(a)(1) of the Housing and Community Development Act of 1974 by striking the second, third, fourth, and fifth sentences and inserting in lieu thereof language authorizing appropriations for the purposes thereunder in amounts not to exceed $3,500,000,000 for the fiscal year 1978, not to exceed $3,650,000,000 for the fiscal year 1979, and not to exceed $3,800,000,000 for the fiscal year 1980. All amounts appropriated for these purposes in prior and future appropriation Acts would remain available until obligated.

Subsection (b) would amend section 103(a)(2) of such Act to provide that, of the amounts approved in appropriations Acts pursuant to section 103(a)(1), $350,000,000, $265,000,000, and $250,000,000 for the fiscal years 1978, 1979, and 1980, respectively, would be added to the amount available for allocation under section 106(d). These amounts would not be subject to the provisions of section 107. Of these amounts not more than $175,000,000, $25,000,000, and no amounts could be used under section 106(d)(1) in the fiscal years 1978, 1979, and 1980, respectively.

Subsection (c) would amend section 103(b) of such Act by authorizing the appropriation of $100,000,000 for each of fiscal years 1978, 1979, and 1980 for grants for the financial settlement of projects and programs assisted under the categorical programs, terminated in section 116(a) of the Act, primarily urban renewal projects assisted under the Housing Act of 1949, as amended, to units of general local government which require supplemental assistance which cannot be provided through the allocation provisions of section 106 of the Act.

Subsection (d) would amend section 103(c) of such Act by redesignating it section 103(d) and adding a new subsection (c) to provide that, in addition to the amounts made available under section 103(a) and (b) of the Act, and for the purpose of assisting severely distressed cities that require supplemental grant assistance under section 119 as proposed by this Act in order to alleviate excessive physical and economic deterioration through neighborhood reclamation and community revitalization, there would be authorized to be appropriated not to exceed $400,000,000 for each of the fiscal years 1978, 1979, and 1980.

Eligible activities

SEC. 103. Subsection (a) would amend section 105(a)(4) of the Housing and Community Development Act of 1974 by making eligible for assistance the financing of public or private acquisition for rehabilitation of privately owned properties and by eliminating the requirement that the rehabilitation of such properties be undertaken only when incidental to other activities.

Subsection (b) would strike "economic development" from section 105(a)(8).

Subsection (c) would amend section 105(a) of such Act by adding a new paragraph (14), which would make eligible for assistance under the Act activities not otherwise authorized under section 105 which are carried out by public or private nonprofit entities, when such activities are necessary or appropriate to meeting the needs and objectives of the community development plan described in section 104(a)(1), including, but not limited to, (A) acquisition of real property; (B) acquisition, construction, reconstruction, rehabilitation, or installation of (i) public facilities, site improvements, and utilities, and (ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements; (C) planning; and (D) assistance to local development corporations meeting criteria established by the Secretary in regulations.

Allocation and distribution of funds

SEC. 104. Subsection (a) would make a technical amendment to section 106(a) of the Housing and Community Development Act of 1974.

Subsection (b) would amend section 106(b)(1), (2), (3), and (4) of such Act by requiring the Secretary to determine the amount to be allocated to each metropolitan city which would be the greater of an amount that bears the same ratio to the allocation for all metropolitan areas as either—

(A) the average of the ratios between—

(i) the population of that city and the population of all metropolitan areas;

(ii) the extent of poverty in that city and the extent of poverty in all metropolitan areas; and

(iii) the extent of housing overcrowding in that city and the extent of housing overcrowding in all metropolitan areas or

(B) the average of the ratios between—

(i) the extent of growth lag of that city and the extent of growth lag in all metropolitan cities;

(ii) the extent of poverty in that city and the extent of poverty in all metropolitan areas; and

(iii) the age of housing in that city and the age or housing in all metropolitan areas.

The Secretary would be required to determine the amount to be allocated to each urban county which would also be the greater of an amount that bears the same ratio to the allocation for all metropolitan areas as either—

(A) the average of the ratios between—

(i) the population of that urban county and the population of all metropolitan areas;

(ii) the extent of poverty in that urban county and the extent of poverty in all metropolitan areas; and

(iii) the extent of housing overcrowding in that urban county and the extent of housing overcrowding in all metropolitan areas; or

(B) the average of the ratios between—

(i) the extent of growth lag of that urban county and the extent of growth lag in all metropolitan cities and urban counties;

(ii) the extent of poverty in that urban county and the extent of poverty in all metropolitan areas;

(iii) the age of housing in that urban county and the age of housing in all metropolitan areas.

In determining the average of ratios under paragraphs (1)(A) and (2)(A), the ratio involving the extent of poverty would be counted twice, and in determining the average of ratios under paragraphs (1)(B) and (2)(B), the ratios involving the extent of growth lag, the extent of poverty, and age of housing would be weighted as .20, .30, and .50, respectively.

Subsection (c) would amend section 106(b)(5) of such Act by redesignating it as subsection (b)(4) and by requiring the exclusion from urban county basic grant determinations under section 106(b) of the Act units of general local governments located in the county which, *inter alia*, "are entitled to" ("receive," under present law) hold-harmless grants pursuant to section 106(h) of the Act.

Subsection (d) would amend section 106(c) of such Act to limit the basic grant phase-in provisions of such section to funds approved for distribution to metropolitan cities and urban counties in fiscal years 1975, 1976, and 1977.

Subsections (e)(1) and (g)(1) would amend sections 106(d)(2) and 106(f)(1)(B) of such Act by specifying that discretionary grants for metropolitan and nonmetropolitan areas would be primarily for comprehensive community development programs.

Subsections (e)(2) and (3) would amend section 106(d)(2) of such Act by providing for the allocation of the discretionary balance for metropolitan areas on a State-by-State basis (current law makes this allocation for each metropolitan area).

Subsections (e)(4) and (g)(2) would amend sections 106(d)(2) and (f)(1)(B) of such Act, respectively, by requiring the exclusion of units of general local government which "are entitled to" ("receive," under present law) hold-harmless grants from computations to determine discretionary grant allocations for metropolitan and nonmetropolitan areas.

Subsections (f) and (g)(2) and (3) would amend sections 106(e) and 106(f)(2) of such Act, respectively, by removing the requirement that funds be reallocated during the same program period in which they are allocated and by requiring the Secretary to reallocate funds which are determined not likely to be fully obligated "within a reasonable time" (existing law requires reallocation of sums which are not likely to be fully obligated during the same program period in which they are allocated).

Subsection (h) would amend section 106(g)(2) of such Act to assure that, during the phase down of hold-harmless, metropolitan cities and urban counties receive the greater of the amount computed using factors of growth lag, poverty and age of housing or the amount computed using factors of population, poverty and overcrowded housing plus any phased-down hold-harmless amount.

Subsection (i) would make several technical changes in section 106(i) of such Act.

Subsection (j) would amend section 106(j) of such Act by permitting the Secretary to determine the date by which a smaller community must waive its hold-harmless entitlement and by authorizing single year waivers.

Discretionary fund

SEC. 105. This section would amend section 107(a) of the Housing and Community Development Act of 1974 by extending the Secretary's Discretionary Fund through fiscal year 1980.

Urban development action grants

SEC. 106. Subsection (a) would amend section 104(a) of the Housing and Community Development Act of 1974 by requiring applicants for grants under section 119, as proposed by this Act, to meet the application requirements of section 104(a).

Subsection (b) would amend title I of the Housing and Community Development Act by adding a new section 119 at the end thereof.

Subsection (a) of the proposed section 119 would authorize the Secretary, in order to promote the primary objective of the block grant program of the development of viable urban communities and from the total amount of authority approved in appropriations acts under section 103(c), to make urban development action grants to severely distressed cities to help alleviate physical and economic deterioration through reclamation of neighborhoods having excessive housing abandonment or deterioration, and through community revitalization in areas of population outmigration or stagnating or declining tax base. Grants made under this section would be for the support of severely distressed cities that require increased public and private assistance in addition to the assistance otherwise made available under this title and other forms of Federal assistance.

Subsection (b) of proposed section 119 would require that urban development action grants be made only to cities that have, in the determination of the Secretary, demonstrated results in providing housing for persons of low and moderate income and in

providing equal opportunity in housing and employment for low- and moderate-income persons and members of minority groups. The Secretary would be required to issue regulations establishing criteria in accordance with the preceding sentence and setting forth minimum standards for determining the level of physical and economic distress of cities for eligibility for such grants, which standards would have to take into account factors such as the age and condition of housing stock, including residential abandonment; average income; population outmigration; and stagnating or declining tax base.

Subsection (c) of proposed section 119 would require that applications for assistance under this section—

(1) include documentation of eligibility for grants in accordance with the standards described in subsection (b) of proposed section 119;

(2) describe a concentrated Urban Development Action Program setting forth a comprehensive action plan and strategy to alleviate physical and economic distress through systematic change, which program would have to be consistent with the Community Development Program described in section 104(a)(2) and the housing assistance plan described in section 104(a)(4) of the block grant authority, and, where it exists and is in effect, the Overall Economic Development Plan (OEDP) as provided for in section 202(b)(10) of the Public Works and Economic Development Act of 1965, as amended. Such program would be required to be developed so as to take advantage of unique opportunities to attract private investment, stimulate investment in restoration of deteriorated or abandoned housing stock, or solve critical problems resulting from population outmigration or stagnating or declining tax base;

(3) include the activities to be undertaken in the Urban Development Action Program, together with the estimated costs and general locations of such activities; and

(4) indicate public and private resources which are expected to be made available toward achieving the action plan and strategy described in paragraph (2) of proposed section 119.

Subsection (d) of proposed section 119 would provide that, to the extent that the application requirements of section 104(a)(4) of the block grant program have been satisfied in connection with a grant made pursuant to section 106 of the program, such requirements would be determined to have been met for purposes of proposed section 119.

Subsection (e) of proposed section 119 would require the Secretary, in making grants under the section, to establish selection criteria which could include, but would not be limited to, demonstrated performance of the city in housing and community development programs; impact of the proposed Urban Development Action Program on the special problems of low- and moderate-income persons and minorities; extent of financial participation by other public or by private entities; impact on the physical, fiscal, or economic deterioration of the city; extent to which the program describes activities representing a special or unique opportunity to meet local priority needs or the objectives of this title; feasibility of accomplishing the program in a timely fashion within the grant amount available; and comparative degree of physical and economic distress among applicants.

Subsection (f) of proposed section 119 would permit an Urban Development Action Program to include, in addition to activities authorized under section 105(a) of the block grant program, such additional economic development and neighborhood development and conservation activities as the Secretary may determine to be consistent with the purposes of this section.

Subsection (g) of proposed section 119 would prohibit any assistance for business loans or industrial development under the section unless the Secretary first determines that such assistance is not available under the Public Works and Economic Development Act of 1965, as amended.

Rehabilitation loans

SEC. 107. This section would amend section 312(h) of such Act by extending to October 1, 1979, the period within which obligations pursuant to section 312 may be entered into.

Comprehensive planning

SEC. 108. This section would amend the second sentence of section 701(e) of the Housing Act of 1954, as amended, by authorizing the appropriation of not to exceed $62,500,000 for fiscal year 1978 to carry out the purposes of section 701.

TITLE II—HOUSING AUTHORIZATIONS

Amendments to the U.S. Housing Act of 1937

Section 201(a) would provide, subject to release in an appropriation Act, $1,232,120,000 of additional annual contributions contract authority under section 5(c) of the United States Housing Act of 1937 (hereinafter the "1937 Act") on October 1, 1977.

Section 201(b) would eliminate a restriction on the Secretary's discretionary authority to provide Section 8 housing assistance payments equal to the debt service attributable to a dwelling unit unoccupied beyond 60 days. At present, the Secretary may make such payments, for up to one year, for units in projects covered by mortgages insured under the National Housing Act only if the mortgage is co-insured under section 244 of that Act. The amendment would delete that restriction.

Section 206(c) would provide an additional authorization of $665,000,000 on or after October 1, 1977, for appropriations for operating subsidies for public housing projects under section 9(c) of the 1937 Act.

Increase in FHA maximum mortgage amounts

Section 202 would amend section 203 (basic home mortgage insurance), section 222 (mortgage insurance for servicemen), section 234 (mortgage insurance for condominiums), and section 235 (homeownership for lower-income families) of the National Housing Act to increase the maximum insurable mortgage amounts prescribed under those sections as follows. Subsection (a) would increase maximum insurable mortgage amounts under the section 203(b) program from $45,000 to $60,000 for single-family units, from $48,750 to $65,000 for two- and three-family units, and from $56,000 to $75,000 for four-family units. Subsection (b) would increase the amounts under the section 222 program from $45,000 to $60,000 for single-family units. Subsection (c) would increase the amounts under the section 234 program from $45,000 to $60,000 for single-family units. Subsection (d) would increase the amount under the section 235 program from $25,000 to $31,000 (and from $29,000 to $36,000 in high-cost areas), and would increase the maximum provided with respect to families of five or more persons from $29,000 to $36,000 (and from $33,000 to $42,000 in high-cost areas).

Decrease in downpayment requirements

Section 203 would amend sections 203(b)(2), 222(b)(3) and 234(c) of the National Housing Act to decrease downpayment requirements under the section 203(b), section 222 and section 234 programs. It would do so by authorizing the insurance, under those sections, of mortgages involving a principal obligation not in excess of 97 per centum of the first $25,000 of appraised value (100 per centum in the case of veterans if the mortgage is insured under section 203), plus 95 per centum of appraised value in excess of the first $25,000. Present law authorizes insurance under those sections of mortgages involving a principal obligation of 97 per centum of the first $25,000 of appraised value, 90 per centum of such value in excess of $25,000, and 80 per centum of such value in excess of $35,000, except that if the mortgagor is a veteran, section 203(b)(2) presently authorizes mortgage insurance of 100 per centum of the first $25,000, 90 per centum of value in excess of $25,000, and 85 per centum of value in excess of $35,000.

Experimental financing

Section 204 would amend section 245 of the National Housing Act. That section, as presently written, authorizes the Secretary of HUD, on an experimental basis, to insure mortgages and loans with varying rates of amortization related to anticipated variations in family income.

Section 204(1) would remove language in section 245 which places the use of section 245 authority on an experimental basis.

Section 204(2) would remove the present restriction which limits the outstanding aggregate principal amount of mortgages which may be insured pursuant to section 245 to one percent of the outstanding aggregate principal amount of all mortgages and loans estimated to be insured under title II of the National Housing Act in any fiscal year. It would add a provision limiting the principal obligation (including all interest to be deferred and added to principal) of any mortgage insured pursuant to section 245 to 97 percent of the appraised value of the property covered by the mortgage.

However, section 204(2) would retain existing authority to insure mortgages under section 203 for the full amount of the first $25,000 of appraised value in the case of veterans by providing that, where the mortgagor is a veteran, a mortgage insured under section 203 pursuant to section 245 may have an outstanding principal balance with the higher loan-to-value ratio permitted under section 203 for purposes of determining the maximum insurable amount.

Section 204(3) would add a new provision to section 245 which would provide for a limited preemption of any State restrictions on interest rates which otherwise would apply to a mortgage insured pursuant to section 245 because of the method provided under the terms of the mortgage for payment of principal and interest, if that restriction would not apply in the absence of a graduated payment mortgage provision of the mortgage.

Urban homesteading demonstration

Section 205 would amend section 810 of the Housing and Urban Development Act of 1974 by increasing, from $5,000,000 to $15,000,000, the amount of appropriations authorized for fiscal year 1978 for the urban homesteading demonstration program authorized by that section.

Housing for the elderly

Section 206 would amend section 202 of the Housing Act of 1959 to remove a provision requiring that receipts and disbursements of the elderly housing fund established under that section shall not be included in the total Federal budget and shall be exempt from limitations on annual expenditures or net lending. This amendment would have the effect of placing the section 202 housing for the elderly and handicapped program fully within the United States Budget.

Flood insurance studies

Section 207 would amend section 1376(c) of the National Flood Insurance Act of 1968 to authorize the appropriation of not to exceed $108,000,000 for fiscal year 1978 for flood insurance studies and surveys under that Act, and of such sums as may be necessary for each fiscal year after fiscal year 1978.

Research authorizations

Section 208 would amend section 501 of the Housing and Urban Development Act of 1970 to authorize the appropriation of not to exceed $60,000,000 for research, study and demonstrations under the Department of Housing and Urban Development's research authority under title V of that Act. Section 208 also would authorize the appropriation of such sums as may be necessary for research under title V for each fiscal year after fiscal year 1978.

TITLE III—PROGRAM EXTENSIONS

Extension of FHA mortgage insurance programs

Section 301. This section would extend for one year (through September 30, 1978) the authority of the Secretary of Housing and Urban Development to insure mortgages or loans under certain HUD–FHA mortgage or loan insurance programs contained in the National Housing Act.

Subsection (a) of this section would extend the authority for Title I—property improvement and mobile home loan insurance. Under existing law, this authority will expire on June 29, 1977.

Subsection (b) would extend the Secretary's general mortgage insurance authorization under section 217. This authorization specifies the period of time (through June 30, 1977 under existing law) during which loans or mortgages may be insured under various HUD–FHA insuring authorities, including: section 203—basic home mortgage insurance; section 207—rental housing insurance; section 213—cooperative housing insurance; section 220—rehabilitation and neighborhood conservation housing insurance; section 222—mortgage insurance for servicemen; section 223—miscellaneous housing insurance, including insurance in older, declining urban areas and for existing multifamily housing projects; section 231—housing for the elderly; section 232—nursing homes; section 233—experimental housing; section 234—condominiums; section 237—special mortgages; section 240—homeowner of fee simple title; section 241—supplemental loans for multifamily housing projects; section 242—hospitals; and section 243—homeownership for middle-income families.

Subsection (c) would extend the authority for section 221—housing for moderate income and displaced families, except the authority to insure mortgages under section 221(d)(2) would not be extended beyond June 30, 1977. Under existing law, insuring authority under section 221 will expire on June 30, 1977.

Subsections (d) and (e) would extend respectively the authority with respect to section 235—homeownership for lower income families and section 236—rental and cooperative housing for lower income families. These authorities would otherwise expire on September 30, 1977.

Subsection (f)(1) would extend to September 30, 1978 the insuring authority with respect to section 244—mortgage insurance on a co-insurance basis, which would otherwise expire on June 30, 1977. Subsection (f)(2) would provide for a parallel extension of the period during which statutory percentage limitations apply with respect to the aggregate principal amount of mortgages insured pursuant to Section 244.

Subsection (g) would extend the Secretary's authority under section 245 to insure mortgages and loans with varying rates of amortization related to anticipated variations in family income. Under existing law this authority will expire on September 30, 1977.

Subsections (h), (i), (j) and (k) would extend authorities with respect to Title VIII—armed forces related housing (subsections (h) and (i)), Title X—land development (subsection (j)), and Title XI—group practice facilities (subsection (k)). These authorities would otherwise expire on June 30, 1977.

Extension of flexible interest rate authority

Section 302. This section would extend through September 30, 1978, the Secretary's authority administratively to set interest rates for FHA-insured mortgage loans to meet the market at rates above the statutory maximum. Under existing law, this authority to set rates above the statutory six percent maximum will expire on June 29, 1977.

Extension of national flood insurance program

Section 303. This section would extend through September 30, 1978, the Secretary's authority to enter into new flood insurance contracts under the National Flood Insurance Act of 1968.

Subsection (a) extends the Secretary's authority under the regular flood insurance program from June 30, 1977 to September 30, 1978.

Subsection (b) would extend the authority to provide flood insurance under the emergency program from September 30, 1977 to September 30, 1978.

LEGISLATIVE AGENDA FOR THE 1ST SESSION OF THE 95TH CONGRESS—CONGRESSIONAL BLACK CAUCUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL) is recognized for 5 minutes.

Mr. MITCHELL of Maryland. Mr. Speaker, I am submitting for the RECORD the Congressional Black Caucus' legislative agenda for the 1st session of the 95th Congress. This is the third year in which the Caucus has presented a formal legislative agenda, but the first year since the Caucus was formed that we have an administration with similar goals. We have also seen greater support among Members of Congress for positions expressed by the Caucus. This agenda deserves the full support of the Congress, the administration, and citizens across the country.

The legislative agenda follows:

CONGRESSIONAL BLACK CAUCUS LEGISLATIVE AGENDA

For the first time since the Congressional Black Caucus was formed in 1970, a Democratic President sits in the White House. We believe that this presents a unique opportunity to pass into law many of the legislative proposals which have been supported by the Caucus. For the past two years, we have published a Legislative Agenda setting forth bills of primary concern to the Congressional Black Caucus and to minority and other underrepresented citizens across the country.

A number of those bills have become law. Others have moved to the threshold of passage. But still others, frequently in the face of veto threats, have remained dormant. Now is the time for action.

We do recognize the need for reforming and strengthening existing governmental institutions. We hope to cooperate in efforts to make those changes. Yet the point made in the 1976 Legislative Agenda remains strikingly true today: that money can do for the economically weaker members of our society what it has done for the stronger. We need to recognize anew that programs of tax "incentives" and federal guarantees to corporations and tax shelters for the wealthy are no different in kind than housing subsidies or food stamps for the poor. It should be an important guidepost in designing programs to aid the less affluent in the country that "invisible" aid, such as through the tax system, should reach the poor as well as the wealthy.

The five primary areas of attention for the Caucus this year will be: 1) full employment, 2) minority business enterprise, 3) strengthening equal opportunity and affirmative action laws, 4) universal voter registration, and 5) foreign affairs, particularly with respect to the African nations and other developing countries. Other areas of the Caucus agenda include: 6) housing and urban development, 7) transportation, 8) health, 9) income security/welfare, 10) energy, 11) education, 12) criminal justice, 13) access to justice, 14) communications, 15) the arts, and 16) Martin Luther King, Jr. Birthday National Holiday.

To achieve our legislative goals, Caucus members will bring unified strength to bear through a system of Caucus subcommittees. Each member will have responsibility for leading Black Caucus efforts to see that Congress acts to pass the legislation which we support. These subcommittees will work closely with a network of persons throughout the country who will provide expert advice in each subject-matter area and support in each State and congressional district for the Caucus' program.

Through our newsletter, "For the People," and through individual informational mailings, the Caucus works to provide facts upon which an informed electorate can participate fully in the political and legislative decision-making process. This year, the focus will be upon bringing individuals with special interest and expertise on the issues of concern to the Caucus in closer touch, so as to provide more extensive advice and support for our mutual goals.

This year's Congressional Black Caucus Legislative Agenda is more concise than those of the past two years. In order to maximize our effectiveness on legislative issues, primary emphasis will be on those measures which Caucus members will actually manage through the legislative process. The names of Members with primary responsibility for each subject area are listed in the Agenda. The detailed factual documentation for our position can be found in part in past agendas and also in many other documents. More detailed statements of particular issues will be put forth during the year as we communicate with those in our legislative support network about these issues. It is particularly important to take into account the position papers adopted at the Caucus of Black Democrats Issues Conference at Charlotte, North Carolina, April 30–May 1, 1976. Over 1000 leading Black Democrats, including members of the Congressional Black Caucus, gathered at that time and produced one of the clearest and soundest statements of the goals of Black Americans that has been put forth. It received broad and deep support from many persons across the country. Now it deserves to be put into effect.

1. Full employment (Representatives Conyers and Hawkins).

The Caucus calls for immediate passage of the Full Employment and Balanced Growth Act, H.R. 50, known as the Hawkins-Humphrey bill. This important legislation would provide for the reduction of adult unemployment to the level of not more than 3 percent in four years while restraining inflation. Youth unemployment would be reduced commensurately. The Full Employment Act reached the threshold of passage in the 94th Congress; it has received the endorsement of President Carter. With at least 8 million Americans unemployed and an unemployment rate around 8 percent, the bill should be passed without delay.

The Caucus also calls for rapid passage of

a youth employment and training bill, consistent with the Full Employment Act, and legislation providing for funding of national community-based organizations training youth. The Supplemental Unemployment Benefits program, which provides for 65 rather than 39 weeks of unemployment compensation, should be extended during the continuing period of economic hardship.

2. Minority enterprise (Representative Mitchell).

The Congressional Black Caucus calls for immediate hearings on and prompt passage of the Minority Enterprise Act. In 1972, minority business receipts constituted 0.7 percent of total business receipts nationally. The Minority Enterprise Act would greatly strengthen the federal government's support for small, minority-owned businesses by centralizing programs presently scattered throughout the government, by increasing maximum loan amounts under the Business Loan Program, by waiving all bonding requirements for minority small business concerns under small business procurement programs, and by assuring minority businesses a minimum proportion of the business opportunity under federal contracts.

3. Equal opportunity (Representatives Burke, Clay, Chisholm, Hawkins and Jordan).

The Caucus will work strenuously for effective enforcement of the civil rights laws and will counter any efforts to limit progress toward equal opportunity. A recent Library of Congress study estimated that in 1976 job discrimination resulted in a wage and productivity loss to the Gross National Product exceeding $55 billion. Additionally, increasing attacks in the form of lawsuits and amendments to congressional legislation continue to imperil affirmative action programs. We call for passage of legislation: (1) to consolidate and strengthen federal equal employment opportunity agencies, (2) with an explicit prohibition against discrimination in the provision of government services at the state and local levels, (3) to prohibit discrimination in hiring and promotion in the United States Congress, and (4) to amend Title VI of the 1964 Civil Rights Act, which prohibits discrimination where federal funds are involved, to provide the same timetables and procedures for effective enforcement that have been incorporated into the Revenue Sharing and Law Enforcement Assistance Acts, (5) legislation to ensure that pregnancy not be treated differently from other disabilities under employee health insurance plans so as to eliminate discrimination now permitted under a recent court decision.

4. Universal voter registration (Representatives Fauntroy, Hawkins and Jordan).

Passage of legislation to permit voter registration by mail in federal elections is a matter of the highest priority. Bills to provide this simplified form of voter registration have passed both the House and Senate at different times. The national voter participation rate has declined from 64 percent in 1964 to 53 percent in 1976. With a President who has pledged support for such legislation, action should take place swiftly. We should then move toward total elimination of voter registration requirements in all elections as has been done in the states of Minnesota and North Dakota. The Caucus renews its call for full voting representation in the United States Senate and House of Representatives for the District of Columbia. We endorse legislation to revise the Hatch Act so as to permit full participation by federal government employees in the political process.

5. Foreign affairs (Representatives Burke, Collins, Dellums, Diggs, Hawkins, Nix, Rangel and Stokes).

In the Caucus Legislative Agenda for 1976, a detailed statement covering many issues in the international arena was set forth. We hold to that statement of principles. Our primary focus remains bringing about majority rule in southern Africa, and to that end we support legislation (1) to repeal the Byrd Amendment permitting the importation of Rhodesian Chrome so long as the illegal regime in that country remains; (2) to deny the foreign tax credit for taxes paid South Africa; (3) greatly increased U.S. contribution to the African Development fund.

Additionally, the Caucus supports the establishment of a permanent House Select Committee on Intelligence.

The Caucus also calls for a re-examination of the role of the U.S. in the world community, particularly as it relates to the massive spending demanded in our defense budget—spending which has direct impact on our ability as a nation to meet human needs. With respect to the military, we support legislation to end the "less-than-honorable" discharge procedures, which have resulted in life-long harm to persons who have committed minor indiscretions in the military, and to upgrade the administrative discharge procedures.

Further, we re-emphasize our commitment to vastly expanded economic development of the Third World countries, with particular concern for Africa and the Caribbean nations, and a re-dedication to human rights throughout the world.

6. Housing and urban development (Representatives Burke, Collins, Fauntroy, Mitchell and Stokes).

In one of the richest nations of the world, 75 percent of American families still cannot afford to buy a house. There must be a careful review of the Housing and Community Development Act of 1974 to determine whether it has succeeded in giving sufficient emphasis to central city areas. The concept of block grants with limited federal restrictions should be examined to determine whether assistance under this program reaches communities and citizens with the greatest need. Ensuring that any allocation formula gives greater emphasis to the least affluent jurisdictions is a primary concern within the context of the present program structure.

The Caucus calls for the establishment of an urban development bank to provide funding for a variety of urban needs and services, supports passage of the Foreclosure Forbearance Standards Act to require that certain procedures be followed prior to foreclosure of a federally-related home mortgage, and legislation to require correction of any population-based formulas to reflect the admitted 1970 census undercount of Blacks.

7. Transportation (Representative Burke).

The Congressional Black Caucus recommends an early and comprehensive reevaluation of our transportation policies. Many of our major metropolitan areas are in need of mass transit systems to alleviate vehicular congestion and air pollution in downtown areas. A re-examination of our transportation priorities with a view to conserving scarce fuel supplies while providing accessibility for all our citizens, particularly to jobs, should result in policies to create additional employment opportunities and expedite revitalization of our urban areas as well.

A number of other transportation issues will be part of the Caucus Legislative Program: (1) expansion of minority employment within the Department of Transportation and within other segments of the transportation field and (2) procurement and contract set-asides for minority business firms to reverse the limited access minorities have had to business opportunities related to transportation.

The Caucus also recommends that Federal Highway Trust Fund monies be allocated for the development of urban mass transit systems and that a moratorium be imposed on new highway construction within metropolitan areas.

8. Health (Representatives Ford, Metcalfe and Stokes).

The Caucus has vigorously sought passage of legislation to provide for a system of national health insurance. There is strong support and demonstrated need for such a program, yet concern about cost, which fails to recognize the savings in unifying existing health costs, and the cost in human terms, continues to impede action on the bills before Congress. To receive Caucus support, a health insurance program must contain three essential elements: 1) comprehensive coverage, including dental expenses, 2) trust fund financing based on ability to pay and 3) reliance on the federal government as the insurer, along with the elimination of coinsurance or deductibles. We are concerned that efforts to pass a much more limited program of catastrophic health insurance will limit progress toward comprehensive national health insurance.

The Caucus supports legislation to provide grants to establish regional demonstration programs to encourage secondary school students from disadvantaged backgrounds to pursue careers in the health professions, and endorses H.R. 3432 which would create such a program. Because the minority community is critically underserved by the current health care delivery system, and because only 1.6 percent of the nation's 350,000 physicians are black, it is essential that such incentive programs be established.

It is also essential that medical schools be established in association with traditionally black colleges, as has been done recently at Morehouse College, and that federal financial assistance be provided to nurture these institutions.

Further, the Caucus supports legislation to prohibit the use of federal funds to perform psychosurgery, and will also press for greater federal appropriations for those programs which provide services for maternal and child health care, hypertension, alcoholism, drug abuse and other health matters of special concern to blacks.

9. Income security/welfare (Representatives Chisholm and Rangel).

Reform of welfare programs must be undertaken this year. These reforms should be comprehensive, should include cash as well as in-kind assistance, and should set assistance levels responsive to real needs and regional cost-of-living variations. Any welfare reform program which is passed must contain two key elements: it must be federally funded, and must provide work incentives and opportunities and training and not punitive work requirements.

The Caucus endorses the Food Stamp Act, introduced in 1976 by former Congressman Andrew Young, which would provide adequate levels of nutrition through a just system of food stamp distribution.

The Caucus restates its commitment to fundamental tax reform. The Congress, during the past two years, has made some changes in the income tax code, but a fundamental restructuring of the system, with a goal of redistribution of income, remains a primary concern.

10. Energy (Representatives Rangel and Stokes).

The Caucus calls for a re-examination of the nation's energy policy goals. The question of energy is central to all other major national policy areas, especially economic, health, and environmental; and is also central to international policies regarding every key worldwide problem area.

Specifically, the Caucus is concerned about the implication of national energy goals and priorities, and related budget levels for creating high levels of employment and reducing fuel costs for low and moderate income households. In the long term, moreover, the importance of conservation cannot be overestimated. We believe that energy shortages must be addressed primarily through energy

conservation and the development of new energy sources rather than through price increases. It is essential that the energy price structure produce equity as well as efficiency, and federal subsidy of energy consumption for low-income households would achieve this end.

The national energy plan and program must be viewed as one major component of a national economic plan. The Caucus is committed to H.R. 50 as the encompassing planning framework within which national energy goals, priorities and budget decisions and their impacts have to be developed and evaluated.

In addition, consistent with the concern we have expressed for effective anti-trust legislation and enforcement, the Caucus endorses legislation to provide for both horizontal and vertical divestiture by the oil companies. Concentration of economic power in the oil industry, as in many other industries, results in higher prices, and actions that are frequently not in the best interest of consumers.

11. Education (Representatives Chisholm and Hawkins).

In 1977, the Congress will review the Elementary and Secondary Education Act, which will expire in 1978 unless renewed. Title I of that Act, which provides funds for the educational needs of disadvantaged students, needs to be strengthened with assurances that aid under the Title continues to be targeted only for those with most need for this assistance.

Any effort to alter the allocation formula so as to dilute the current focus on students from the lowest-income families must be resisted. Additional incentives for quality education and teacher performance should be included. We will continue to work for additional assistance to traditionally Black colleges and for minority students in higher education.

The Caucus also strongly advocates passage of a comprehensive child care bill, making it possible for many women who wish to work to do so, and will be analyzing carefully the proposals for this legislation this year.

12. Criminal justice (Representatives Conyers and Rangel).

There is a continuing need for extensive reform of the criminal justice system, including reform of the federal criminal code in a manner which avoids the numerous defects of S. 1 of the 94th Congress. In light of these urgent needs: (1) we renew our call for passage of a strong and effective gun control law and for the creation of an ombudsman for federal prisons, (2) we endorse legislation to reform the grand jury system, and (3) we vigorously advocate legislation with respect to drug abuse which will (a) provide incentives and sanctions for controlling the foreign production and distribution of opiates as provided for in the International Opium Control Act; (b) make skills development and jobs the centerpiece of the nation's treatment and rehabilitation strategy; and (c) provide sufficient targeted funding to cities with high levels of drug-related crime so that a coordinated prevention rehabilitation and criminal justice system attack can be waged. Further, there is a continuing need for review and oversight of the Law Enforcement Assistance Administration.

13. Access to justice (Representative Jordan).

Passage of legislation to remove limitations imposed by the Supreme Court decisions on the right of individuals to have cases heard before federal courts is a matter of the greatest urgency. These limitations involve such matters as standing to sue, class actions, exhaustion of remedies, habeas corpus, and immunity of government officials. Legislation to restore full access to the Federal courts was introduced last year (S. 3296) and additional legislation for this purpose will be introduced this year. Further, we believe that the federal Legal Services Corporation has been one of the most successful government programs and deserves renewal and expansion this year.

14. Communications (Representatives Clay and Stokes).

In 1977, the Congress will begin to review the Communications Act of 1934, which has not received thorough legislative scrutiny since its passage. It is essential that revisions of this important legislation proceed with a full awareness of and responsiveness to implications for minority group persons. This includes such areas as licensing requirements and licensing term, frequency allocation, coverage of new technology and facilities for educational broadcasting. Out of approximately 973 operating television broadcast stations, only two are owned by Black Americans. Of the two, only one is located in the United States. More than 8000 radio broadcast stations are in operation, but barely more than 50 of these broadcast businesses are Black-owned.

The Caucus will continue efforts to improve minority representation through ownership in broadcasting, especially in public broadcasting and to provide programming more reflective of minorities' interest, to allocate funds to minority-owned public broadcasting firms, and in the area of telecommunications policies. One of the most important issues in terms of federal equal opportunity efforts is the purchase by federal agencies in their own advertising campaigns of a greater share of time and space in minority-owned media.

15. The arts (Representative Burke).

The Caucus calls for review of federal funding with respect to the arts, and the allocation of a fair share of federal dollars to minorities in the arts. Such agencies as the National Endowment for the Arts must also have among staff members an adequate representation of minority persons. The specific requirements of Title VI of the 1964 Civil Rights Act should be attached to these institutions. There is special concern that equal employment opportunity laws be effectively enforced against major theater arts companies.

16. Martin Luther King, Jr. birthday national holiday (Representatives Conyers and Fauntroy).

Passage of legislation making January 15, the birthdate of the late Dr. Martin Luther King, Jr., a national holiday has had the strong support of the Congressional Black Caucus in the past Congress and last year was adopted by the Democratic National Convention as part of the Party's platform. Recognition of this great leader, who would be the first Black American so honored, would be an important symbolic step in progress toward full inclusion of Blacks in American society.

CONSERVING ENERGY AND MAKING JOBS: THE RESIDENTIAL ENERGY CONSERVATION ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. RUESS) is recognized for 15 minutes.

Mr. REUSS. Mr. Speaker, I today introduce H.R. 4757, a bill to provide for a federally financed low-interest loan program to save energy in residential dwellings. Despite the fact that the United States has experienced severe natural gas shortages and higher energy prices, it continues to waste energy at an alarming rate. This energy conservation proposal could, at little or no cost to the Federal Government, substantially reduce energy consumption in residential dwellings and create as many as 100,000 jobs annually.

During the month of January, the natural gas shortage caused thousands of factories to be closed. The Commerce Department estimated that gas-caused unemployment rose to over 1 million before the weather improved and the immediate crisis subsided. Many have returned to work, but some will continue to feel the sting of the shortage because pipelines serving some plants will have to refill near-empty storage fields before resuming gas delivery to them.

Higher energy prices have caused significant dislocation through our economy, but none more immediately burdensome than those to householders. This long winter, which made January the coldest month in recorded history for 25 cities, will cost billions of dollars extra in home heating.

About 10 percent of all energy used in the United States is for heating and air-conditioning our 75 million residences. Numerous studies show that some 50 million of these residences are underinsulated or totally uninsulated, and that as much as 50 percent of all energy used in these dwelling units may be wasted due to inadequate insulation, poor construction, or inefficient heating systems. Thus, an opportunity for significant savings of energy is at hand.

The Residential Energy Conservation Act of 1977 would accelerate the capital investment necessary to realize these savings by authorizing the Federal Government to advance money, at approximately its own low borrowing costs, to utilities—or to local Department of Housing and Urban Development offices—who would relend the money to householders investing in energy conservation measures. Items eligible for such loans would be wall and ceiling insulation, storm doors and storm windows, caulking, weather stripping, flue modification, and other items as determined by HUD in consultation with the Federal Energy Administration.

HOW THE PROGRAM WOULD WORK

The Department of Housing and Urban Development—HUD—would be primarily responsible for administering the program. The program would be stretched out over a period of years because of supply and labor constraints in the affected industries and areas. The exact phase-in period would be determined by HUD in consultation with the Commerce and Labor Departments.

Homes retrofitted by contractors certified by local HUD offices would be inspected on a spot basis. For noncertified contractors and for installations performed by homeowners, each home would be inspected to certify that it is sufficiently insulated. Standards of adequate insulation, and restrictions on prices paid for insulation, would be established by State or local authorities in order to reflect geographic differential in costs and environmental conditions and to prevent abuse.

The Secretary of HUD would be authorized to decline to implement the program in any area where he deter-

mined that the standards were too low to provide substantial benefits or too high to justify the costs of compliance.

To finance the program, the Treasury Department would borrow money at the market rate. The borrowed funds would be loaned—through the utility or HUD—to homeowners to pay for retrofitting. Homeowners would repay the loan—through their utility—over a 10- to 25-year period, at a rate determined by the Secretary of the Treasury to approximate the interest costs to the United States of funds obtained from the issuance of public debt of appropriate maturity in the light of the anticipated life of outstanding loans made to homeowners under this proposal, plus a differential not exceeding three quarters of 1 percent per annum to cover losses and expenses.

The utilities would be disbursing and collection agents for these loans. The funds would be provided to them by the Treasury Department and loaned to the homeowner, except where the HUD alternative is used. Repayment would be made as part of the homeowner's utility bill. Homes heated by natural gas would receive and repay loans through the natural gas utility. Other homes would, as a matter of convenience, receive and repay loans through their electric utilities, because virtually all have accounts already set up with them.

FINANCIAL COSTS

The annual financial impact of the program can be roughly estimated. Typical 1976 costs for insulating the average "uninsulated" home are shown in the following table:

	Average material cost	Average labor cost	Percent fuel savings
Wall and attic insulation	$440	$210	20
Caulking and weather-stripping	85	80	5
Storm windows (10)	250	55	8
Storm doors (2)	200	80	7
Flue restrictor	75	25	10
Total	1,050	450	50

For underinsulated homes, an average retrofitting cost would average half that for an uninsulated home.

There are about 75 million homes in the United States, of which some 50 million are underinsulated or uninsulated, in about equal proportions. Recognizing that capacity constraints in the materials supply industries will slow things down, the minimum time in which the program could be completed would be 7 years. For complete coverage over 7 years, 3.5 million uninsulated houses would be retrofitted each year at a cost of $1,500 per house, and 3.5 million underinsulated homes retrofitted at a cost of $750. The resulting capital requirement would be some $7.8 billion per year, for a total of $54.6 billion, less the amount of principal repayments received during the initial 7 years.

The net cost for the loan program would be essentially zero, although there would be a number of years of negative cash flow in the beginning. This initial negative cash flow would be offset later as the homeowners begin to pay back their loans to the government. Of course, any additional Treasury incursions into the capital market can have a crowding out effect.

Costs also exist for the Department of Housing and Urban Development, which would be charged with administering the technical aspects of the proposal. The cost of administering such aspects of the program as certifying contractors and inspecting homes, thus assuring adequate compliance with established energy conservation norms, is assumed at $20 to $100 million annually.

After 7 years, HUD's services would no longer be needed because that phase of the program would terminate. The costs of HUD's services could be met either by general revenues, or alternatively could be passed on to the homeowner via the utility.

The main cost of the proposal is to the homeowner in installing the appropriate energy conservation measures. Assuming a 20-year payback period, the estimated $1,500 retrofitting cost for an uninsulated home, at 8-percent interest, would require payments of $153 per year; for the underinsulated home, the payments would be $77 per year. The total homeowners' cost the first year, assuming 7 million homes are retrofitted, is $803 million.

These costs accumulate each year by $803 million, as an additional 7 million homes are retrofitted, until, at the end of the 7th year, the total cost in terms of annual loan repayments for all homeowners is $5.62 billion per year. This level remains constant until the end of the 20th year. Then as the oldest loans become paid, the total of $5.62 billion begins to decrease by $803 million annually for the next 7 years. At the end of 27 years, all the homeowners have paid the utilities, the utilities have repaid the Treasury, and the Treasury has repaid the money markets.

PRIORITIES

Under an appropriate system of priorities, the program can be phased in by HUD so as to avoid inflationary effects, while yielding very substantial benefits in terms of reducing both fuel costs and unemployment. The phase-in should be timed so that planned installations do not get ahead of available insulation material and labor. Priorities would be based partly on cost-benefit ratios and partly on the need for employment opportunities. The cost-benefit criterion would benefit those areas of the country which can realize the greatest energy savings with a given amount of expenditures.

In general, these areas would probably include the New England, Northeast, Mid-Atlantic, and upper Midwest States where the housing stock is older and the weather more severe. Consideration of the need for jobs would tend to benefit those areas suffering the greatest economic hardship in terms of unemployment. The application of this criterion would serve, in addition to the energy benefits, to reduce the inflationary potential of the program.

THE POTENTIAL FOR ENERGY SAVINGS

The Congressional Research Service has estimated total energy consumed for heating in the 1976–77 heating season at between 8 and 9 quadrillion Btu's. Assuming a residential energy use of 8.5 quads—midrange—the amount of energy that could be saved would seem to be about 2.7 quads per year, or 4 percent of 1976 total U.S. energy consumption. The following table translates the potential energy savings into 1976 dollars, taking into consideration the differences in type of fuel used and costs of those fuels, on the assumption that fuel prices remain constant in constant dollars—an improbably conservative assumption:

Type of fuel	Percentage of homes heated	Quadrillion Btu's saved annually	Fuel price per therm (dollars)	Potential energy savings (billions of dollars per year)
Natural gas	55	1.51	.2024	$3.06
Fuel oil (No. 2)	24	.66	.3199	2.11
Electricity	8	.22	.952	2.09
Propane	6	.16	.381	.61
Other	7	.19	.200	.38
Total	100	2.74	-----	8.25

Therefore, the full potential for energy savings is $8.25 billion per year in 1976 dollars.

If 7 million homes are retrofitted each year, then $1.18 billion, or one-seventh of the total potential savings, would be realized the first year. These annual savings will accumulate each year by $1.18 billion, as each 7 million homes are retrofitted, until at the end of the seventh year, when all of the eligible homes are assumed to have been adequately insulated. At the end of the seventh year, savings will total $8.25 billion which will continue to be an annual savings.

To the extent that these savings conserve our precious domestic energy resources, we are ahead. To the extent that they lessen our dependence on foreign energy imports, we are ahead. Either way, we are ahead.

OTHER CONSERVATION MEASURES

Although H.R. 4757 covers only residential structures, there is no question but that a large potential for energy conservation exists in the commercial sector. I would urge the Small Business Ad-

ministration to accord a high priority to those applicants who are unable to obtain financing elsewhere for energy conservation investments. I also urge the Department of Commerce to provide information, encouragement, and assistance for this type of investment to the maximum extent consistent with their statutory responsibilities. It may be that an additional investment tax credit for such investments should be considered.

We hope and expect that the loan program to be authorized by this bill, together with measures the Administration can take without additional legislative authority, will suffice to bring about a very high proportion of participation on the part of owners of energy wasting structures. If this does not turn out to be the case, however, we shall need sterner measures.

Specifically, if necessary, rate structures should be altered so as to impose on the operators of energy-wasting homes and buildings the costs associated with new supplies of energy, whether gas, electricity, or oil. For valid reasons of social policy, we have cushioned the impact on the consumer of rising energy costs by giving him the benefit of a form of cost averaging or price control. But if consumers do not make the necessary improvements in conservation practices—improvements which are clearly in their own long-term best interest—economic penalties on waste will have to be imposed.

The use of Federal borrowing power—at no net cost to the taxpayer—is justified by two urgent needs—conserving energy and reducing unemployment. Insulating is highly labor intensive. This program, if phased in over a 7-year period, would create an estimated 700,000 man-years in installation jobs during the 7-year period, plus an indeterminate number of jobs in the industries producing materials. This is a conservative estimate, since an FEA official has estimated that retrofitting gas-heated homes alone would produce about 72,000 jobs per year.

Let me summarize the advantages of this proposal over other proposals which have been made. First, the proposal would cover dwellings heated with oil as well as those obtaining their energy from electric and gas utilities. Second, it does not confer a monopoly on utilities in the delivery of insulation services, an area in which they have no special expertness. Third, this proposal avoids the complexities and inequities which would inevitably result from an attempt to incorporate investments made by third parties and having widely varying useful lives into the rate base of a utility. Fourth, this proposal is broad in scope, encompassing the full range of possible residential energy conservation investments, rather than being limited to one or two categories of items. Fifth, the proposal is superior to tax credits, which have a heavy cost to the Treasury.

H.R. 4757 provides an opportunity for residential energy consumers to help themselves and their country.

The text of the bill follows:

H.R. 4757

A bill to provide for low-interest loans of Federal funds for the insulation of residential dwellings

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as

FINDINGS

SEC. 2. The Congress hereby finds and declares that—

(1) approximately 50 million homes in the United States have inadequate insulation;

(2) inadequate home insulation results in a substantial and an unnecessary waste of the energy resources of the United States;

(3) the elimination of such waste deserves the attention and assistance of the Federal Government.

PURPOSES

SEC. 3. The purposes of this Act are—

(1) to accelerate the capital investment necessary to eliminate energy wasted in homes by establishing a program for low-interest loans to encourage such investment; and

(2) to reduce unemployment by scheduling the implementation of such program to benefit regions of the United States with high rates of unemployment.

LOAN AUTHORITY

SEC. 4. (a) Except as provided in subsection (c), the Secretary of the Treasury shall, on request of any authorized administrative authority, make loans (subject to subsection (b)) to such authority for the purpose of enabling it to carry out any energy conservation investment program described in section 5.

(b) With respect to any loan made by the Secretary of the Treasury under subsection (a)—

(1) the terms of such loan shall be not more than 25 years; and

(2) the rate of interest per annum on such loan shall be, at the election of the Secretary of the Treasury, either—

(A) a rate for each fiscal year (or any portion thereof) during which such loan is outstanding, equal to the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt at the end of the most recent fiscal year preceding the year to which the rate applies; or

(B) a rate for all fiscal years (or any portion of a fiscal year) during which such loan is outstanding, equal to the average annual rate estimated by the Secretary of the Treasury for all interest-bearing obligations of the United States which may form a part of the public debt during the term of such loan, adjusted to the nearest one-quarter of 1 percent, plus three-quarters of 1 percent for administrative expenses of and losses to the Secretary in carrying out this Act.

(c) No loan may be made under subsection (a) to any authorized administrative authority which is an electric or gas utility unless such authority applies under section 7(a) (at such time as the Secretary may prescribe by rule) to assume inspection responsibility for any dwelling with respect to which such authority may make a loan under section 5.

ENERGY CONSERVATION INVESTMENT PROGRAM

SEC. 5. (a) Any authorized administrative authority which receives any loan under section 4 shall carry out an energy conservation investment program which shall use funds from such loan to provide loans (subject to subsection (b)), on the request of any owner of any dwelling which does not comply with insulation standards applicable to such dwelling under section 6, to such owner for the purpose of insulating such dwelling in compliance with such standards.

(b) With respect to any loan made under subsection (a) by any authorized administrative authority to the owner of any dwelling—

(1) the term of such loan shall be not more than 20 years;

(2) the rate of interest per annum on such loan shall not exceed in any fiscal year the rate of interest applicable to such year on the funds received by such authority under section 4 from which such loan is made, plus one-quarter of 1 percent for the administrative expenses of such authority;

(3) the amount of such loan shall not exceed the amount necessary to insulate such dwelling in compliance with insulation standards applicable to such dwelling under section 6;

(4) such loan shall be recorded with the appropriate State or local agency;

(5) any payment under such loan shall be the obligation of any person who owns such dwelling on the date such payment is due; and

(6) such payments may, in the case of any such loan made by any authorized administrative authority which is an electric or gas utility, be repaid in connection with regular billings for electricity or gas used in such dwelling.

INSULATION STANDARDS

SEC. 6. (a) The insulation standards which shall be applicable to any dwelling for purposes of this Act shall be the insulation standards applicable to such dwelling under State and local law.

(b) If the Secretary determines that any dwelling under subsection (a) is inappropriate because such standard—

(A) is too low to provide a substantial reduction in the amount of energy wasted as a result of inadequate insulation in dwellings, or

(B) is too high for the benefits of energy conservationto justify the costs of complying with such standard,

the Secretary may, under regulations prescribed by the Secretary, provide that no loan may be made under this Act with respect to such dwelling.

COMPLIANCE WITH INSULATION STANDARDS

SEC. 7. (a) (1) The Secretary may designate, for purposes of this Act, any person to assume inspection responsibility for any dwelling if—

(A) such person, in an application submitted to the Secretary at such time and in such manner as the Secretary may prescribe by rule, agrees to comply with the requirements of this section; and

(B) the Secretary approves such application.

(2) In designating qualified applicants under paragraph (1) to assume inspection responsibility for any dwelling, the Secretary shall give preference to such applicants as follows:

(A) First, any State or local agency which the Governor of such State selects to assume enforcement responsibility for such dwelling;

(B) Second, any State or local agency with authority to administer housing or similar codes for such dwelling; and

(C) Third, any electric or gas utility which is an authorized administrative authority and which provides electricity or gas to such dwelling.

(b) Any person who assumes inspection responsibility for any dwelling—

(1) shall, at the request of the owner of such dwelling, inspect such dwelling to determine whether it is in compliance with insulation standards under section 6; and

(2) shall, in the case of any such dwelling

with respect to which a loan is made under section 5, verify (in accordance with subsection (c)) that such loan is used to insulate such dwelling in compliance with such standards.

(c) To verify that any loan made under section 5 is used in compliance with insulation standards under section 6, any person who assumes inspection responsibility shall—

(1)(A) certify persons to perform insulation installations, based on the reliability of such persons to accomplish such installation in accordance with such standards; and

(B) randomly inspect dwellings in which such installations are made to verify such reliability; and

(2) in the case of any insulation which is not installed in any dwelling by any person certified pursuant to paragraph (1), inspect such dwelling.

(d) If no agency or utility is designated under subsection (a) to assume inspection responsibility for any dwelling, the Secretary shall assume inspection responsibility for such dwelling.

ADMINISTRATIVE AUTHORITY

SEC. 8. (a) The Secretary shall, after consultation with the Secretary of Labor and the Secretary of Commerce—

(1) prescribe such rules as the Secretary determines may be necessary to carry out this Act; and

(2) schedule, among regions of the United States, the implementation of this Act, taking into consideration with respect to such regions—

(A) the amount of energy savings which will result from the insulation of dwellings;

(B) the unemployment rate; and

(C) the inflationary impact of such implementation.

(b) The Secretary may, in accordance with rules prescribed under subsection (a), designate any electric or gas utility to be an authorized administrative authority for any dwelling to which such utility provides electricity or gas.

DEFINITIONS

SEC. 9. For purposes of this Act—

(1) the term "authorized administrative authority" means the Secretary or any electric or gas utility which the Secretary designates under section 8;

(2) the term "dwelling" means—

(A) any townhouse or detached single-family residence,

(B) any residential unit in any condominium or cooperative housing project, and

(C) any apartment building containing less than 5 residential units,

which is located within the United States and the construction of which was completed before the date of the enactment of this Act;

(4) the term "insulation" means any wall, ceiling, or floor insulation, storm (or thermal) window or door, caulking, weather stripping, flue modification, or other similar item (as determined by the Secretary in consultation with the Administrator of the Federal Energy Administration)—

(A) which is specifically and primarily designed to reduce, when installed in or on a building, the heat loss or gain from such building; and

(B) which meets such performance specifications as the Secretary may prescribe by rule; and

(5) the term "Secretary" means the Secretary of Housing and Urban Development.

REVOLVING FUND

SEC. 10. (a)(1) There is hereby established in the Treasury an energy conservation investment program fund which shall be available to the Secretary of the Treasury without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts. The fund shall be used for the payment of the expenses of the Secretary of the Treasury and for the carrying out of the obligations under this Act of the Secretary of the Treasury.

(2) There shall be deposited in such fund amounts received by the Secretary of the Treasury in connection with loans under this Act.

(b) Money in the fund not needed for current operations may be invested in direct obligations of, or obligations which are fully guaranteed as to principal and interest by, the United States or any agency thereof.

(c) There are authorized to be appropriated to the fund established by subsection (a) such sums as may be necessary to carry out this Act.

COMMENTS ON THE TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, yesterday the House took an innovative step toward assisting the economic recovery with the passage of a modified set of tax proposals first offered as elements of President Carter's economic stimulus package.

With an emphasis on stimulating consumer spending, and without my vote, a $50 tax rebate was authorized for all taxpayers and their dependents who have an annual income of less than $25,000. While I support the attempt to increase consumer purchasing power, I have serious reservations about the effectiveness of the $50 rebate. The economy needs more lasting stimulus, and for this reason I voted against the $50 rebate, and for permanent tax cuts. Permanent tax reductions on middle income families, as well as for the individuals on fixed and low incomes, must be seriously considered in the future. With rising consumer prices and ever higher fuel bills, the standard of living for those income groups is continuously being eroded. This situation presently exists in the Second Congressional District in Colorado, where the median annual income is $11,200.

Additionally, the proposal to extend a tax credit equal to 40 percent of the wages of new employees—not to exceed $4,200 per new hiree—to business is needed to help martial the capabilities of the small business community to assist a sustained recovery from the current economic situation. This was substituted for the Carter proposals; I voted for this, and it is a good start toward a different way of stimulating the growth of employment. In particular, this measure will allow small business to enlist in the fight against unemployment, a commitment which many in the second district will make if they have Federal assistance in the form just voted.

With the extension of the tax credit to businesses hiring new employees, the jobs tax credit represents an attempt to assist the small business community in achieving higher levels of employment and increased productivity in the private sector. If economic recovery is to be achieved, a mutually conceived and supported economic policy must be pursued by the combined efforts of the public and the private sector, an approach realized in this legislation.

Along the same lines, I recently cosponsored H.R. 2691—the small business, jobs tax credit bill—which would have more far-reaching efforts than the jobs tax credit adopted yesterday. However, the concept is the same. We must begin by deemphasizing the creation of public service jobs, and create more jobs in the private sector, using such tools as the jobs tax credit. As comparative figures attest, the cost of creating one public service job is $8,500 in comparison to the $3,100 cost of creating a job using the employment tax credit scheme.

The foundation for long-range economic stability must be laid now, if the Nation is to secure stable economic growth throughout this country. The purchase of plant and equipment is currently at a low ebb. In order to secure long-range economic growth, the Congress has a special duty to devise the fiscal tools and tax incentives to assist capital spending.

Another one of the tools which must be considered in this long-range planning scheme is an adjustment of the investment tax credit. President Carter offered an increase of 2 percent in the investment tax credit in his first set of tax proposals. Further study must be conducted before a final judgment is made on the merit of such an increase, with special attention paid to the present debate over the need for capital accumulation. I know that the Congress and the administration are deeply involved in assessing our capital markets and projecting them over the next decade, and I hope this assessment is finished soon and agreement is reached on shortfalls that exists, if any. Then we can proceed to design the appropriate instruments to encourage capital accumulation in the future.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. EVANS) is recognized for 5 minutes.

Mr. EVANS of Indiana. Mr. Speaker, the House presently has under consideration the Tax Reduction and Simplification Act of 1977 and I would like to address several comments to the passage of this bill.

This legislation is designed to provide a stimulus to our economy in the way of increasing consumer spending, expanding the production of goods and services, and providing incentives for reducing unemployment. The intent of this bill is a most worthy one and it is an approach that could be most productive in attaining a renewed confidence in our economy and in helping many of our fellow citizens get back to work.

Specifically, I am in support of the permanent increase in the standard deductions, the tax credit to businesses to stimulate employment, the tax simplification provisions, and the extension of the individual and corporate tax reduc-

tions through 1978. I endorse the new simplified method of computing taxes through the use of tax tables incorporated with the standard deductions, personal exemptions, and general tax credit.

As a result of these benefits and as a result of a questionnaire I recently distributed in my district which showed that almost 60 percent of those responding were in favor of this bill, I am going to cast the Sixth District's vote for passage.

I would like to say, however, I have reservations about the tax rebate section. It is the opinion of many knowledgeable persons that this $50 refund will have a very limited effect in stimulating our economy. As many economists have pointed out, a tax rebate can only be effective if these moneys are used to purchase capital goods which otherwise would not be bought. Because of our severe winter most, if not all, of the tax rebate may well go to pay heating bills, medical costs, or other expenses incurred which are directly related to this past winter. Such consumer action will have little positive effect in diminishing inventory stocks or creating additional commerce to help our lagging industrial productivity.

In my opinion, this House would have been far wiser in adopting provisions which would use these funds for lowering our national debt. Yet, as with many decisions, the approval of this legislation is a compromise between agreeing with tax simplification, increased standard deductions, and the business tax credit provisions; and questioning the tax rebate section.

HEARINGS OF THE SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, AND INTERNATIONAL LAW, ON H.R. 94, GRAND JURY REFORM ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, I wish to announce that the Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary will hold 1 day of public hearings on Thursday, March 17, to consider H.R. 94.

This bill would establish certain rules with respect to the appearance of witnesses before grand juries in order to better protect the rights and liberties of such witnesses, to require notice to a grand jury of its rights and duties, to provide for independent inquiries by grand juries, to require periodic reports to Congress, and for other purposes.

The hearing will be held in room 2237, Rayburn House Office Building, and will commence at 9:30 a.m.

Testimony will be received from Richard E. Gerstein, State's attorney, Metropolitan Dade County, representing the American Bar Association, and a panel consisting of Ms. Linda Bakiel, grand jury project; Prof. Anthony Scott, Rutgers University School of Law; Robert L. Borosage, Center for International Security Studies, and Ms. Doris Petersen, Center for Constitutional Rights.

INTERPRETATION OF DATA INSERTED IN RECORD BY HON. JACK KEMP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. FISHER) is recognized for 5 minutes.

Mr. FISHER. Mr. Speaker, I rise for a brief comment in reference to data inserted into the RECORD by my esteemed colleague, the honorable JACK KEMP. Knowing that Mr. KEMP would not wish his statement to be misinterpreted, or to lead to incorrect inferences on an important legislative issue, I wish to clarify the interpretation of the data.

On January 4 of this year Mr. KEMP inserted into the RECORD a table, which has been reprinted several times since, referring to revenue effects of tax reduction legislation between 1963 and 1968. The data in the first line of the table were provided by the Congressional Research Service and show Treasury Department projections of revenue costs of three separate tax acts during this time period. These data are not projections of the aggregate changes in revenue collections from year to year, but rather estimates of the changes in revenue collections from what collections would have otherwise been each year without the tax legislation.

The data in the second line of Mr. KEMP's table show the annual growth in total receipts of the Federal Government, including all taxes and miscellaneous receipts, during the same time period. Thus, the two lines of the table are not contradictory, as some people have mistakenly inferred. The second line shows actual Federal revenue growth each year; the first line shows estimates of how much higher income tax collections would have been each year had the tax reduction legislation not been enacted.

LEGISLATION TO AMEND TITLE XIX OF SOCIAL SECURITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHEUER) is recognized for 5 minutes.

Mr. SCHEUER. Mr. Speaker, today Representative JOHN MOSS and I are introducing a bill that amends certain sections of title XIX of the Social Security Act and provides Federal funding for medicaid fraud and abuse control and prevention units at the State level. This bill also outlines the standards that would have to be met in order for such fraud and abuse control and prevention units to receive Federal funding. In formulating these standards we have used as our model New York's office of the Special State Prosecutor for Nursing Homes, Health and Social Services. This unit is generally considered to be an outstanding example of what can be accomplished in the area of fraud and abuse control and prevention on the statewide level.

Representative MOSS and I hope this bill will be accepted as an addition to H.R. 3, the medicare-medicaid antifraud and abuse amendments now being jointly considered by the health subcommittees of the House Ways and Means and Interstate and Foreign Commerce Committees. As Members long and actively interested in legislative efforts to control and limit medicaid fraud and abuse, we both feel strongly that any legislation dealing with this very serious problem must include incentives for States to make an all-out effort to close loopholes and curb illegal and unethical practices in this as well as other Federal health programs. Medicaid, after all, is a State-Federal program. In the closing weeks of the 94th Congress our Health and Environment Subcommittee passed legislation creating the Office of the Inspector General and giving the Federal Government increased power and jurisdiction to fight the battle of fraud and abuse so pervasive in our health programs for the poor. It simply makes sense to have similar fraud and abuse control and prevention capabilities on the State level. Many States have seen the urgent need for such enforcement units but presently lack the financial resources to do the job effectively.

Under this bill, States wishing to set up fraud and abuse prevention and control units would receive 90 percent Federal funding for the first 3 years and 75 percent thereafter if the State unit:

a. Is a single identifiable administrative entity of the State government, separate and outside of the State agency that administers or supervises the administration of the State plan under title XIX.

b. administers a statewide system for the detection of fraud and abuse in connection with provision of all medical assistance under the State plan.

c. has prosecutorial authority to enforce the laws respecting fraud and abuse.

d. has procedures for reviewing and acting upon complaints of patient abuse and neglect by health care facilities receiving payment under the State plan.

e. provides for the collection, within the guidelines established by the Secretary, of overpayments made under the State plan to health care facilities.

f. employs auditors, attorneys, and investigators and is organized in such a manner as the Secretary determines by regulation to be necessary to promote the effective and efficient conduct of the entity's activities.

g. makes biannual reports to the Secretary with recommendations.

I am in full agreement with those who feel that fraud and abuse are not the only hooks on which we should hang all ills of medicaid. Myriad and vastly confusing and ever changing eligibility requirements as well as major differences in the benefit package offered by States, have resulted in many poor not receiving any benefits or where eligible, receiving services that can only be considered as painfully less than adequate. The nightmarish complexities of administering the program have greatly compromised the effectiveness as well as the credibility of medicaid. The new administration has pledged itself to dealing with these serious problems and we are sure that Congress will support such efforts.

Nevertheless, we cannot for one moment label fraud and abuse as a minor problem within the current medicaid

program. In fiscal year 1978 we will spend as a nation, $47 billion on medicaid and medicare. It is estimated that between 15 to 20 percent of this outlay will be wasted through fraud and abuse, moneys that could be spent on providing more and improved health services to that segment of the population most in need of such benefits. Above all, we cannot in good conscience consider taking a next major step toward a national health program as long as we lack the proven capability to administer a program that is not constantly beset by scandals and plagued by outrageous ripoffs. Our taxpayers deserve better.

Effective State enforcement agencies can be a major step toward controlling present fraud and abuse in the medicaid program as well as help to prevent such unethical and illegal practices in future health programs as they are developed. Only under an all out effort on both the Federal and State level can we restore public faith in medicaid as a program not continuously scandalized in newspaper headlines but rather one that provides needed quality health services to our Nation's poor, under nationalized and disciplined cost-control processes and procedures.

STUDY ON TAXATION OF FOREIGN SOURCE INCOME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, Mr. President, on January 5, 1976, Chairman AL ULLMAN appointed me, as chairman, and nine other members of the Committee on Ways and Means to a special task force to study certain specific issues involving the taxation of foreign source income and to report back to the committee our recommendations. I am very pleased to announce that the task force has completed its deliberations and today released its report analyzing the issues and alternatives the task force legislative changes.

The Ways and Means Committee, during its consideration of the Tax Reform Act of 1976 (Public Law 94–455), agreed to a number of major changes which produced significant reform in the taxation of foreign source income. These changes are reflected in titles X and XI of the Act.

However, during its consideration of the Act, several matters were presented to the committee for consideration which would have produced a substantial change in longstanding tax policy. Other matters were raised before the committee for the first time at a late stage of legislative markup, thus not affording interested parties a full opportunity to comment. Some of the issues involved important Federal-State relationships. Others involved important relationships between the United States and foreign countries. In addition, questions were raised as to whether the decisions of the committee fully dealt with certain problems or whether in some instances other solutions might have been preferable.

Therefore, the committee decided to establish a special task force on foreign source income to analyze the issues involved and recommend the full committee any appropriate legislative changes. The areas that the committee requested the task force to consider are:

First, the tax treatment of shipping income;

Second, the exclusions from tax of certain earned income of private employees abroad and of overseas allowances of government employees;

Third, State taxation of foreign source income;

Fourth, the limitations of foreign tax creditors; and

Fifth, the deferral of tax on income derived from foreign corporations controlled by U.S. shareholders.

The task force met weekly from February 11, 1976, until June 30, 1976. It agreed to tentative recommendations in each area as it completed its consideration of the issues involved. Since the task force met during the period that Congress was considering the Tax Reform Act of 1976, many of the tentative recommendations of the task force were contained in the act.

The report of the task force released today discusses the present law and background of each of the five areas considered by the task force, the issues and the alternative resolutions which the task force considered, an analysis of the various alternatives, and the recommendations of the task force for consideration by the committee.

The first area considered by the task force, the taxation of shipping profits from the operation or lease of foreign-registered ships in the United States, was not addressed in the Tax Reform Act. The task force considered a number of issues and alternatives in the area. In deciding on its recommendations in this area, the task force gave special consideration to the extent to which each of the various alternatives it considered presented the potential for retaliation by foreign governments against U.S.-registered shipping. The recommendations of the task force in this area are as follows:

(1) *Treaty country exemption.*—Shipping income which is exempt from U.S. tax under one of the various tax treaties that the United States has with other countries should continue to be exempt from U.S. tax.

(2) *Taxation of nontreaty country shipping.*—The present Internal Revenue Code provisions exempting income derived from the operation of ships registered in countries which do not tax income of U.S.-registered ships should be modified. Income would continue to be exempt under the Code from U.S. tax income only where the shipping either (a) is engaged in the foreign commerce of the country of registry, or (b) is owned and operated by residents of the country of registry.

(3) *U.S. source rules and alternative tax.*—The U.S. source rules would be modified so that one-half of the taxable income from shipping into and out of the United States would be treated as U.S. source income (although in many cases that income would still be exempt under the rules stated above). In cases where a foreign shipper is not willing to file a tax return to pay any U.S. tax due (and make his books available to the IRS), a tax equal to 5 percent of one-half of the shipping charges on the cargo loaded or unloaded in the United States would be imposed (where the exemptions stated above do not apply) on the shipper. In either case, the tax would be imposed with respect to the aggregate taxable income derived from, or the aggregate shipping charges for, the shipment of the cargo from the U.S. port to the ultimate country of destination or to the United States from the country of origin, whether or not the cargo is off-loaded in an intermediate foreign port and switched to a different ship or mode of transportation for the remainder of the trip.

(4) *Treaty negotiations.*—The Treasury Department should be instructed to initiate discussions with countries with which the United States has tax treaties exempting shipping profits, with a view to modifying these tax treaties to provide rules similar to those recommended for nontreaty country shipping.

The second area considered by the task force, the taxation of U.S. citizens working abroad, was addressed in part by the Tax Reform Act. The act reduced the amount of the exclusion for income earned abroad by private citizens and eliminates the various benefits which expanded the scope of the exclusion. No changes were made in the taxation of overseas allowances of government employees.

With respect to the taxation of income earned abroad by U.S. citizens in private employment, the task force makes the following recommendations:

(1) *Repeal of exclusion of income earned abroad in most situations.*—The $15,000 exclusion provided in present law for income earned abroad by a U.S. citizen in private employment who is a bona fide resident of a foreign country for the full taxable year, or who is present in a foreign country for 17 out of 18 months, should be phased out with respect to most U.S. citizens. In lieu of the general exclusion for earned income, a deduction should be provided for certain educational expenses provided in kind or reimbursed by the employer and an exclusion would be provided for the value of employer-supplied municipal-type services.

(2) *Employees of U.S. charities.*—The $20,000 exclusion provided in present law for overseas employees of U.S. charities should be retained.

(3) *Engineering or construction workers.*—The exclusion would also be retained with respect to U.S. construction and engineering workers employed on a project to build or construct a permanent facility outside the United States for unrelated parties.

The task force also recommends that the present system of a blanket exclusion for the statutory allowances and benefits provided to civilian employees of the United States Government serving overseas be replaced with a system which treats private and public overseas employees in the same circumstances more nearly the same. Such a system would provide for the taxation of that part of the overseas allowance which constitutes an economic benefit to the employee but allow an exclusion or a deduction for that part of the allowance which represents a business cost or which reflects the peculiar nature of being an overseas employee of the United States Government. More specifically, this would provide for the following modifications:

(1) *Repeal of special exclusion for allowances.*—The exclusion from gross income under section 912 of certain statutory allowances and benefits provided to civilian employees of the Government who work in foreign countries, Alaska and Hawaii, and the

territories and possessions of the United States, would be phased out over a 4-year period. The task force also agreed that if its recommendation is adopted by the committee, the committee should communicate that decision to the appropirate committees of the Congress so that they could review the compensation levels of the employees stationed abroad of the departments under their jurisdiction.

(2) *Modification and clarification of the tax treatment of certain expenses and allowances.*—The Internal Revenue Code provisions which would otherwise govern the tax treatment of the allowances and expenses of civilian employees of the Government would be modified and clarified in certain respects as described below:

(a) In recognition of the extraordinary costs involved when travel from the foreign post is required for reasons other than personal enjoyment, deductions would be allowed (where the costs are reimbursed or provided in kind) for costs incurred to visit immediate family members in the case of serious illness, injury, or death, or to prepare and transport, or to accompany, the remains of employees and family members who may die abroad, or for other similar expenses.

(b) In situations where adverse conditions at the employee's post compel the family to live elsewhere, a deduction would be allowed (where the expenses are reimbursed or provided in kind) for the employee's additional costs involved in maintaining his abode separate from that of the family.

(c) In recognition of the fact that the employee normally intends to remain overseas only for the duration of his assignment, moving expense deductions (to the extent the costs are reimbursed or provided in kind) would be allowed for costs incurred by a retiring Government employee in moving from an overseas duty station to a permanent home in the United States.

(d) Since international moving often requires that temporary living accommodations be obtained for a longer time than ordinarily required in domestic moving, the limitation on deductible temporary living expenses and other indirect moving costs would be expanded to cover those incurred in the 30-day period preceding and the 60-day period following the move (instead of only 30 days after the move). Also, the dollar limits on such expenses ($1,500 for premoving and house-hunting expenses and $3,000 for overall indirect moving expenses) would be increased to 1½ times the domestic allowances.

(e) Overseas Government employees would be allowed a deduction of up to $2,000 per year per child for reimbused private school tuition costs. In addition, municipal-type services, including schools, provided by the Government in kind to its overseas civilian employees would be excluded from income.

(f) A deduction would be allowed with respect to that portion of the overseas housing costs (to the extent reimbursed or provided in kind) which exceeds a base amount the employee might be expected to incur if stationed in Washington, D.C.

(g) The application of the provisions under which individuals receive deductions or exclusions would be reviewed to provide assurance that overseas employees—public and private—are provided more comparable treatment.

With respect to the third area considered by the task force, the method used by States in computing taxable income earned within the States' borders, the task force recommends that the States be precluded from taking into account, under the unitary method or any other method, the income of foreign affiliates of corporations doing business within the States until such time as that foreign income is subject to Federal income tax. The task force recommends further that no limitation be placed on the power of the States to apply their appointment formula, under the unitary method or otherwise, to income of foreign affiliates which had been excluded under paragraph (1) above, if and when such income become subject to Federal income tax.

The recommendations of the task force with respect to its fourth area of consideration, the foreign tax credit, are in substantial part, reflected in the Tax Reform Act of 1976. However, the 1-year delay in the disallowance of foreign tax credits for amounts paid as taxes under production-sharing contracts provided in section 1035 of the act may need to be extended for an additional year in order to insure that the companies are able to renegotiate their contracts.

The task force decided not to make any recommendations to change the law with respect to the final area of its consideration, the tax treatment of deferred earnings of foreign corporations controlled by U.S. shareholders.

In its consideration of the several questions referred to it, the task force found that fundamental change by the United States in the taxation of foreign source income in many areas requires the agreement and cooperation of foreign governments. Certain changes which might otherwise have been appropriate were found not to be acceptable if unilaterally adopted by the United States because they would subject U.S. business operating abroad to tax while their foreign competitors would not be similarly taxed, thus placing the U.S. businesses at a competitive disadvantage. Others were found to be unacceptable because they would subject foreign businesses to U.S. tax under circumstances involving a substantial possibility of retaliatory taxes by foreign governments against U.S. businesses operating abroad. Therefore, in addition to its specific recommendations directed toward the particular issues considered by the task force, the task force strongly recommends that steps be taken to initiate multilateral discussions between the United States and our major trading partners to consider a broad range of tax and investment questions, in particular those areas where unilateral action by any single nation is not feasible.

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The task force report is the result of long and hard effort over the past year by the members of the task force and by the staff. We believe that the report is an important document, and we present it to the full committee in the hope that it will serve as the basis for the committee's future deliberations with respect to the taxation of foreign source income.

Finally, there is one additional issue that I would like to address briefly. I am joined in these comments by Messrs. VANIK, PICKLE, COTTER, JONES, MIKVA, CONABLE, VANDER JAGT, and FRENZEL.

Subsequent to the last meeting of the task force, it came to our attention that the effect of the integrated tax systems of certain foreign countries may be to discriminate against investment in those countries by United States persons as compared with similar investments by their own residents. Our system is not integrated—that is, it does not afford individual shareholders a credit against their personal income tax on dividends for taxes paid at the corporate level. Accordingly, when attempting to redress this discriminatory effect by tax treaty, the United States is frequently in an unequal bargaining position. We are greatly disturbed about this matter, and we recommend that the Ways and Means Committee focus its attention on appropriate steps to respond to this discrimination, including if necessary the possibility of amending section 896 to permit retaliatory action in the case of countries which in this respect discriminate against U.S. shareholders.

The United States has recently been negotiating with a view to adapting tax conventions to reflect the integrated tax systems of such countries as France and Germany. Those countries integrate corporate and personal income taxes by refunding to resident shareholders part or all of the corporate tax paid with respect to distributed profits.

Where a credit with respect to the foreign corporate tax is granted only to residents of the foreign country and only

in respect of dividends paid by corporations resident in that country, the corporate tax burden increases in direct proportion to the foreign corporation's degree of United States ownership. The discrimination against American investment that results when an integrated system gives refunds or credits only to its resident shareholders can be quite substantial.

For example, the German tax on distributed profits is 36 percent; and the entire 36-percent tax is refunded to resident shareholders. Effectively, therefore, Germany imposes no corporate tax on companies distributing profits to Germans, whereas it imposes a 36-percent corporate tax in respect of profits distributed to Americans. To illustrate, assume that a German corporation earns $100, pays $36 in tax, and distributes the remaining $64 to its shareholder. If he is a German resident, he will receive an additional $36 from the German Government in the form of a tax credit or refund. The entire $100 will be subject to personal income tax at progressive rates. Thus, if the German shareholder's marginal tax bracket is 25 percent, he will apply $25 of the $36 granted him by the Government as a credit against his tax and obtain a refund of $11. After tax, therefore, he nets $75 with respect to a $64 dividend. By contrast, an American company or individual is entitled only to $64, less German withholding tax; and the $64 received by an American, like the $100 received by the German, will eventually be subject to personal income tax.

Under U.S. internal law the effective corporate tax rate does not depend upon the nationality of the shareholder. Thus, corporate investment in the United States by a national of another country obtains treatment similar to that accorded investment by our residents—including the investment tax credit—whether or not the other country agrees by treaty to give our residents treatment comparable to that accorded their own. This puts the United States at a negotiating disadvantage.

We are greatly concerned about this situation and will, unless a mutually satisfactory resolution is forthcoming, recommend that the committee consider legislation which would give the President authority, if he determines that a foreign country does not accord investment by United States residents treatment comparable to investment by residents of that foreign country, to tax investment in the United States by nationals or residents of that country at comparably discriminatory rates.

DÉTENTE, HELSINKI AND HUMAN RIGHTS: THE BRITISH VIEW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 15 minutes.

Mr. FASCELL. Mr. Speaker, we in Washington will have the pleasure this week of welcoming back an old friend, James Callaghan, the Prime Minister of the United Kingdom, and of getting to know a new one, Dr. David Owen, who recently became the Secretary of State for Foreign and Commonweath Affairs. I had the privilege of meeting Dr. Owen last November in London when, as Minister of State with responsibility for European Affairs, he received me in my capacity as chairman of the Commission on Security and Cooperation in Europe. In his office and later with his colleagues at the Foreign Office, I had very helpful discussions on the British Government's views on the Helsinki agreements of 1975 and the prospects for advancing their implementation.

Last week Dr. Owen put those views on the public record in a thorough, balanced and forward-looking speech to the Diplomatic and Commonwealth Writers Association in London. In my opinion, his remarks combine a healthy realism about the limits of détente—"a relationship in which competition between the two systems exists side-by-side with the search for common ground"—with a firm idealism. I especially commend the point he made that the Helsinki principles are integral to international security.

We are determined to encourage the free movement of people and ideas and respect for human rights.

Dr. Owen said:

Without these we cannot hope for peace and stability in the longer term. It is not a question of interfering in other people's internal affairs . . . abuses of human rights, wherever they may occur, are the legitimate subject of international concern.

Dr. Owen stressed that détente is "a permanent state of negotiation" in which the Helsinki Final Act has a value that "is fundamentally long term, as a charter and code of behavior for what we hope will in time become a more normal and open relationship between both governments and peoples in East and West." His is a measured and serious view on which I believe we should all reflect. Therefore, in welcoming him to Washington for what I am certain will be forthright and productive discussions of American and British policy aims, I include the full text of his speech in the RECORD for the information of all my colleagues:

SPEECH BY DR. DAVID OWEN

The Cold War marked the high point of mutual hostility between east and west. Since 1953 the two sides have tried instead to build a more constructive and less dangerous relationship. The initial steps were hesitant. There were rebuffs. At the time of Cuba, in Mr. Khrushchev's graphic phrase . . . the smell of burning hung in the air . . . but there were also genuine steps forward: For instance the 1963 test ban treaty and the 1968 nuclear non-proliferation agreement. Slowly east and west came to recognize a common interest in the management of their relations to avoid military confrontation and nuclear war. On this foundation a variety of building blocks have since been put into place which today form the structure we recognize as detente.

No one with a grain of sense would deny the basic proposition that as a result of the detente process—a process which began almost twenty-five years ago and to which successive American presidents and leading statesmen in all parts of Europe have contributed—east/west relations are more stable and the world safer. The quantity of nuclear weapons on both sides has regrettably increased in this period. But there has been a qualitative improvement in the way in which east and west seek to manage the mutual threat presented by each other's nuclear arsenals.

We have replaced the crude and arbitrary approach of the 1940's and 1950's with relatively sophisticated techniques for managing relations. This applies not only to the super powers but also to relations between the countries of Europe, east and west.

It is most crucially reflected in the relationship between the U.S. and the Soviet Union. I suspect that few people realize that between 1971 and 1974 something like twenty-five bilateral agreements were signed between the United States and the Soviet Union, all contributing in a variety of ways to the development of a more stable relationship. The central achievement has been the willingness of the U.S. and the Soviet Union to engage in talks on strategic arms limitation—to exchange views and data, and to try and reach agreement, in areas of the most advanced military technology. As a result there is today less risk of misunderstanding, less risk of military confrontation and therefore less risk of nuclear catastrophe.

Britain's commitment to detente and the search for a more constructive relationship with the Soviet Union and eastern Europe is as firm today as it was on the eve of the Helsinki Conference in 1975. But over the past eighteen months a widespread feeling has developed in the west that too little has changed for the better and that some important things may even have changed for the worse.

No objective observer can deny that the Warsaw Pact continues to increase the effectiveness of its armed forces—on land, sea and air—and that this process has gathered momentum in the period of detente. Many rightly ask what all this military effort is for. Many also rightly ask whatever happened to the seventh principle of the Helsinki Final Act, pledging signatory States to uphold human rights and fundamental freedoms. What has happened to the commitment to the free exchange of peoples and ideas, into which the thirty-five states who signed the final act have entered, and which remains more an aspiration than a reality?

As a result public opinion in the west has tended to display an increasing skepticism both towards the final act and by extension towards the process of detente itself. But it is equally true that some of this skepticism and disappointment has been misconceived, and that expectations have outstripped by far the limits of what detente could have reasonably delivered.

For while detente has substantial achievements to its credit, the process started from a low threshold and represents to date only a limited, though vitally important, accommodation in Europe and between the superpowers. We are witnessing the early stages of this process, not its culmination. Detente has solved some of the most urgent and obvious problems in East/West relations and it has established a basic framework for the solution of those which remain. But there is still a long way to go.

The blunt truth is that the first and easier stage of detente is over. The issues which are today on the agenda of east/west relations are more complex, more contentious and far more intractable. We are beginning to encroach on fundamental attitudes, on human behaviour, and the issues go to the heart of each side's perception of itself and its interests. Inevitably we cannot expect to maintain the momentum of the early 1970s.

This makes it all the more important that we should be realistic. Detente on its own could not, and was never intended to, stop the Soviet Union from being a world power, still less to convert the Russians and their allies from communism. Already in the last century it was clear that it was only a matter of time before a country of the size, popula-

tion and resources of Russia emerged as a global power. Any idea that detente could or should have reversed this process is absurd. The basic premise from which we in the West must start is that the Soviet Union is a world power with national interests and ambitions to match, which inevitably bring it into competition, and sometimes confrontation, with the West. To this we must add that communist ideology invests the naural rivalry between East and West with a dynamic of unceasing struggle.

Increasingly, as we have devised mechanisms for reducing military tension, this struggle has become one for the minds of men. As the prime minister has said, there is no armistice in the war of ideas. But this is a struggle from which we have no reason to shrink. Why else do we permit a free flow of information and ideas in both directions? We are confident that our model of society is better adapted to satisfy human aspirations, both intellectual and material. True, we in the West have our problems. But they are of a complexity and sophistication which communist societies are only just beginning to encounter. Above all western society thrives on the intellectual ferment and the unfettered expression of human creativity in all its forms.

So, sweeping away the unreal expectations and delusions of recent years, we see that detente so far has to be placed in the context of a relationship in which competition between the two systems exists side-by-side with the search for common ground. The scope for accommodation between East and West is limited by this competition. Some ask whether it is worth our while to try and expand the limits.

The answer must be emphatically, yes, the present relationship is essentially unstable. It still carries the risk of miscalculation and disaster. We have to reduce this risk even further.

But, as we try and open up the frontiers of east/west understanding, the Jekyll and Hyde nature of detente—competition on the one hand, co-operation on the other—will constantly assert itself. This is not something which we should try and sweep under the carpet. Both sides have everything to gain from frankly and openly facing up to the consequences of their differing perceptions of detente. In the last analysis this offers east and west the best long term hope of progressively reducing the area of confrontation between them, and of progressively increasing the area of common ground. It would be folly indeed for one side to make the process of detente so distasteful to the other that it would prefer to opt out altogether. The golden rule must be that neither side should pursue policies which so raise the level of confrontation that the structure of detente is itself threatened.

This is, of course, easier said than done. Detente is an immensely complex process, comprising innumberable strands and relationships on different levels: political dialogue, commercial and technological exchange, cultural contacts, ideological debate and military vigilance. There is no magic formula which will enable us, east or west, to strike the right balance in our relations at all times. Both sides are still feeling their way. All we can say is that balance there must be between the elements of confrontation and co-operation, whether we are talking of the detente process as a whole or of its constituent parts.

These considerations apply with particular force to the Helsinki final act. While the act marked an important stage in the development of cooperative relations between east and west there is no denying that several of its provisions contain the seeds on confrontation. It is important therefore that we should clearly understand its significance. The final act is not a treaty which has given the sanction of international law to the status quo in Europe. It is, on the contrary, a declaration of purpose which looks to the future, not to the past. It provides specifically for peaceful change. Its value is fundamentally long-term: as a charter and code of behaviour for what we hope will in time become a more normal and open relationship between both governments and peoples in east and west. It reflects detente's highest aspirations.

Anyone judging the final act in terms of quantifiable, concrete results, would conclude that progress so far has been extremely limited. But the government never expected the provisions of the final act to be implemented immediately or all at once. Those in this country who have already dismissed the final act as not worth the paper on which it is written are at best shortsighted, at worst all too ready to substitute short-term political rhetoric for long-term political progress. In pressing for the implementation of the final act, we are in many areas dealing with entrenched attitudes which in the nature of things will not change overnight. But recent events in Europe have shown that the final act has already begun to be an inspiration and a point of reference for those who want to see their societies evolve peacefully and constitutionally in a more open direction.

We note for instance that the signatories of Charter 77 in Czechoslovakia insist that they are Communists, profess no wish to overthrow the regime, concern themselves strictly with freedom of speech and basic human rights, and all quote the final act. It is in the chords which it has spontaneously struck, without any outside assistance, in some of the countries of Europe that we see one of its most interesting and hopeful effects.

The final act is a document which sets out certain basic human rights in black and white and which thirty-five governments, including those of the Warsaw Pact, have signed and published. Given a consistent and well thought out political strategy for implementation, its objectives are capable of achievement. But there is no room for false optimism, for claiming breakthroughs on spurious evidence. The public are not fools; they will judge detente by actual achievements, not political posturing.

How can we make progress over detente in 1977?

We must refine still further our techniques for managing crises between East and West. This is not so much a matter of reaching specific agreements as of reducing to an absolute minimum the area of possible miscalculations between the two sides. It means that we should be as well informed as possible of each other's intentions and preoccupations—and here high level bilateral visits and contacts have an important role to play. We in Britain will always welcome exchanges of view with Soviet and othern Eastern European leaders. My talks earlier this week with the Hungarian foreign minister were a useful example of this continuing process. But these exchanges will be of strictly limited value unless both sides accept the basic premise that detente is indivisible and does not stop in Europe. We have made it plain to the Soviet Government that the continuing credibility of detente depends on the restraint and responsibility off all states in their approach to crises inside and outside Europe.

We must try and extend the techniques of management to the whole spectrum of East/West relations. Detente should not be just about the absence of war and the avoidance of crises: it should tell us something about conditions of peace. This means that we should try and adopt a more coherent and systematic approach to all aspects of our relations. We must maximize our cooperation in areas of common interest: for instance, in the vital area of nuclear non-proliferation where Britain and the Soviet Union are both members of the nuclear suppliers group.

We must improve the stability of the East/West military balance. The emphasis here must be on the discussions between the United States and the Soviet Union about the further limitation of strategic arms, and on the talks between the two military alliances at Vienna about balanced force reductions in Europe. A clear index of progress towards detente will be the outcome of the second round of SALT: we can by all accounts be reasonably hopeful that there will be some advance this year. Another indication will be whether we can make progress at the MBFR talks in Vienna. The need for greater military confidence between East and West lies at the core of detente.

We must bring a human dimension to detente and work for the full implementation of the Helsinki final act. The first task of the Belgrade meetings must be to conduct a thorough review of the progress already made in implementing the final act. The British Government's approach will be wholly constructive. But while we shall take care to avoid fruitless polemics, we shall not hesitate to state our views frankly where we consider the performance of countries to be demonstrably unsatisfactory. We for our part, together with our closest friends and allies, started at the outset from a high-level of existing achievement, since when we have taken steps to remedy deficiencies we found in our performance. It is no fault of ours if the overall achievement to date is small. The Warsaw Pact countries had and still have much ground to make up.

Some governments will doubtless put forward new proposals for consideration at Belgrade. The Soviet Government has already done so in the economic field. We shall consider any such proposals strictly on their merits. But the Belgrade meetings cannot plan sequels or supplements to the final act until we are all statisfied that the final act itself is working effectively. We must check the foundations first before building further.

The need for steady, measured implementation applies with equal force to all three of the so-called baskets of the final act. Yet central to the West's perception of detente is the belief that it cannot simply be a matter for inter-state relations, but has to be reflected in people's daily lives. This is why Basket 111 is important to us. It makes, for instance, specific provisions for the reunification of divided families. The Communist countries should not be surprised if the British Government raise, as we have done and will continue to do, individual family cases with them.

We are determined to encourage the free movement of people and ideas and respect for human rights. Without these we cannot hope for peace and stability in the longer term. It is not a question of interfering in other people's internal affairs. The United Nations Charter, the Universal Declaration of Human Rights, the U.N. Covenants on Human Rights and the final act itself demonstrate beyond any shadow of doubt that abuses of human rights, wherever they may occur, are the legitimate subject of international concern. The dignity of man stands on values which transcend national frontiers. And in the democracies of the West it is inevitable and right that foreign policy should not only reflect the values of society, but that those who conduct foreign affairs should respond positively to the weight of public opinion and concern.

In Britain we will take our stand on human rights in every corner of the globe. We will not discriminate. We will apply the same standards and judgments to Communist countries as we do to Chile, Uganda and South Africa. President Carter whose obvious concern for the whole area of human

rights is crucially important, has made it clear that this will also be the attitude of his administration. I am looking forward very much to seeing him and Mr. Vance in Washington next week.

We recognise that the issues of human rights is only one strand in the complex East/West relations. It is no part of HMG's policy to promote campaigns of denunciation or to assume the role of agents-provocateurs. Equally, the Communist countries must recognise that concern for human rights is not a diversionary tactic but an integral part of foreign policy in the Western democracies. Of course we have to balance morality with reality. The art again lies in striking the right balance. This is a subject on which I welcome and seek to stimulate public discussion and debate.

In the last analysis it is the government which must judge how best to give effect to the principles to which we all aspire, and inevitably different circumstances will require different measures. Yet, while the government has to determine policy, one thing is certain. Unless the government enjoys public support for its policies, those policies cannot be sustained. In a democracy such as ours no government can or should ignore legitimate concern voiced by sections of public opinion over the plight of individuals in other countries who are deprived of basic human rights.

Equally the public must recognize that, in deciding how best to register this concern, governments have to take into account the complexity of inter-state relations and the different levels on which these operate. This is not an excuse for dodging the issue: it is the means by which we try to draw the fine line between measures that stand a chance of being effective and those which will spark counter-productive reaction. In practice this means that sometimes private pressure may be more effective. At other times a strong public stand may be necessary.

At times the public declarations of government will not be as exhilarating as, for instance, some of the highly articulate statements of famous exiles from eastern Europe or elsewhere. Their message as an appeal to individual hearts and minds to stand up for humanity carries conviction. I applaud their courage and also those individuals in our society who respond so generously to their appeal. Governments may have a less declaratory message. For a government's first task is to help provide and sustain the framework of peace and security within which human rights can be discussed, championed and enlarged. Open debate can only deepen understanding of these complex issues, and I am confident that the supporters of détente have everything to gain and nothing to lose from wide-ranging public discussion.

Whatever some may claim, there is nothing irreversible about détente. It is a permanent state of negotiation. It carries with it no built-in guarantee against failure or reversal. Unless we move forward in the areas I have indicated, we could place in jeopardy all the achievements of détente so far.

We in the west must do all we can to ensure not only that détente does not go into reverse but also that it broadens the area of common ground between east and west. This calls for good will and high negotiating skill. Above all it means that we in the west must be sure of ourselves: we must be secure in the cohesion of our alliances and partnerships. We must be secure in our faith in our own democratic institutions. And we must be secure in our ability to deter threats to our security for whatever quarter. On this basis, I believe that we can make such a contribution to détente that cooperation and mutual confidence will reach a new level of achievement, to the benefit of all the peoples of Europe, west and east.

AGING COMMITTEE CHAIRMAN PEPPER TESTIFIES ON MEDICARE-MEDICAID FRAUD AND ABUSE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, in my capacity as chairman of the Select Committee on Aging and the Subcommittee on Health and Long-Term Care, I testified on March 3, before a joint hearing on the Subcommittee on Health of the Committee on Ways and Means and the Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce on the subject of fraud and abuse in the medicare and medicaid programs.

I expressed my strong support for legislation which has been introduced by my colleagues DAN ROSTENKOWSKI and PAUL ROGERS, H.R. 3, which seeks to strengthen the tools available for eliminating and preventing fraud and abuse in these important health programs. I am pleased that the authors of this legislation saw fit to include in this bill two proposals that I have advanced—first, a requirement that both providers and suppliers under medicare and medicaid disclose upon request ownership interest of 5 percent or more. Second, the committee included my proposal reaffirming the intent of Congress that medicaid be the payor of last resort where third parties such as insurance companies and no-fault insurance programs have an obligation to pay. I believe these two provisions serve to greatly strengthen this legislation, and I have commended my colleagues on including them in H.R. 3.

Further, I outlined several steps I believe we must take to strengthen medicare and medicaid and to insure the integrity of our health care programs.

Legislation I have introduced or cosponsored embodies these proposals, and I want to share them with my colleagues in the House. First, I believe we should require home health service providers to have a utilization review plan along the lines as those now required of hospitals and skilled nursing facilities. Second, we should require an annual audit of the financial statements of home health service agencies by an independent certified public accountant as a basis for cost-related reimbursement. I believe that we should endeavor to make payment to all health care institutions under both medicare and medicaid on a cost-related basis.

In addition annual, unannounced, on-site Federal audits of medicare and medicaid nursing homes should be required.

Third, while H.R. 3 embodies a number of provisions which would strengthen the role of Professional Standards Review organizations, I believe that we could go a step further, and I have proposed that we make it clear that long-term care facilities—as well as medical institutions—are to be subject to review by PSRO's. Moreover, I have proposed that nurses, social workers, guidance counselors, and other health professionals be included in PSRO's.

I intend to work vigorously to see the enactment of these and other proposals which are included in legislation I have proposed.

As I indicated in my testimony, I believe we owe it to beneficiaries and recipients—as well as the taxpayers who support medicare and medicaid—to prevent fraudulent activities which bloat the programs, and in the end, prevent those who most need help from getting it. American taxpayers deserve to know that their tax dollars are being used in the wisest and most efficient possible manner, and we intend to give them this assurance. But we do not have to do it at the expense of expanding the availability of health care to all Americans of every age and every income.

I reiterate what I said to my colleagues on these two important subcommittees. We do not have to have a tradeoff between expanded health care on the one hand, and fraud and abuse on the other. And we do not have to tolerate corruption or mismanagement to press forward with our goal.

Mr. Speaker, I include my remarks of March 3, 1977, in the RECORD:

STATEMENT BY CONGRESSMAN CLAUDE PEPPER

Chairman Rostenkowski, Chairman Rogers, I appreciate the opportunity to speak in support of H.R. 3, the Medicare-Medicaid Anti-Fraud and Abuse Amendments, which I have joined in sponsoring. As Chairman of the Select Committee on Aging, I have an abiding concern that these programs be something of which we can all be proud. I believe this bill can take us a long way toward restoring integrity and fiscal soundness to the Medicare and Medicaid programs, and I urge that it be enacted as expeditiously as possible.

Medicare and Medicaid have made health care possible for many millions of Americans. But the cost of providing this care has escalated year after year, reaching enormous proportion. In fiscal year 1976, Medicare cost the Federal government $17.8 billion. Medicaid cost Federal and State governments a total of $15.5 billion, and is projected to account for $18.6 billion in expenditures in fiscal year 1977.

Together, these two programs will cost Federal and State governments more than $40 billion this fiscal year.

Rising costs in these programs are symptomatic of what is happening in health care across the board. In 1975, Americans spent $108 billion for personal health care services. In 1976, they spent $126 billion. The Congressional Budget Office estimates that in 1980, it will be up to $224 billion—more than double in just five years.

The new Administration and the Congress are committed to a joint effort to slow down the unconscionable increase in health care costs. And it comes none too soon. The success of our efforts now will affect the quality and availability of health care in America for the rest of this century.

I offer this word of caution. Our efforts to pinpoint and end abusive or fraudulent practices must not be seen as a retreat from our commitment to assure Americans of good health care. Rather, they should be viewed as necessary to preserve these programs and bring about the expansion of benefits that are vital to the well-being of so many Americans.

I have fought, for example, and will continue to fight, for expanded coverage of

home health care as an alternative to institutionalization of the elderly.

We will not retreat. We will not fold our tents and steal away into the night. We simply owe it to beneficiaries and recipients—as well as the taxpayers who support Medicare and Medicaid—to prevent fraudulent activities which bloat the programs and, in the end, prevent those who most need help from getting it. American taxpayers deserve to know that their tax dollars are being used in the wisest and most efficient possible manner. We intend to give them this assurance.

By the same token, Americans of every age and every income deserve access to quality health care at a price they can afford. These dual goals are central to our discussion here today. They must be the end result of our efforts.

I am pleased that the authors of H.R. 3 saw fit to include at least two proposals that I have advanced. The first, in sections 3 and 8, would require providers and suppliers under both programs to disclose, upon request, ownership interest of 5 percent or more. Congressman Edward Koch and I proposed disclosure in H.R. 453, which has 68 additional cosponsors. It was also recommended by the Subcommittee on Health and Long-Term Care, which I also chair, and by the full Committee on Aging last year. It is imperative that operations which involve Federal funds be carried out in the broad daylight.

Second, I commend the authors of this legislation for including, in section 11, a requirement reaffirming the clear intent of Congress that Medicaid be the payor of last resort where third parties such as insurance companies and auto no-fault insurance programs have an obligation to pay. This is the intent of my own bill, H.R. 1128, which has been cosponsored by 64 of our colleagues.

The Social Security Act requires each State to take all reasonable measures to determine the legal liabilities of third parties to pay for covered medical services. The Department of Health, Education and Welfare estimates that between $200 and $500 million could be saved each year through a vigorous program of collecting from liable third parties. Yet HEW State audit agency reports have proved that recovery programs by the States are sadly lacking. And several States have enacted laws, primarily automobile no-fault insurance programs, which serve to make Medicaid the primary payor, rather than the payor of last resort as intended by Congress.

Medicaid costs the State—not just the Federal government—a great deal of money. The States should recognize that it is in their own interest to seek out other parties which have responsibility to pay for medical services that otherwise deplete state budgets. I have urged, and will continue to urge, that HEW emphasize the necessity that States comply with this important legal requirement.

In addition to the provisions for disclosure of ownership and third-party liability, I would briefly describe other ways I have proposed to bring costs under control. My bill, H.R. 1116, which has 73 cosponsors, and which seeks to expand the availability of home health services, provides three steps I believe we should take to insure honest and cost-effective operations.

First, the bill would require home health service providers to have a utilization review plan along the lines as those now required of hospitals and skilled nursing facilities. This would assure that periodic assessment of need is carried out to provide for the most efficient use of scarce resources.

Second, it would require an annual audit of the financial statements of home health service agencies by an independent certified public accountant as a basis for cost-related reimbursement. The auditor's opinion would state that expenses of the agency are in conformance with allowable expenditures as authorized in HEW regulations and guidelines. This would ensure that the financial statements are accurate, but even more importantly, that the cost claimed in the financial report are legitimate, honest costs involved with providing health services. This is an important concept and one which deserves the careful consideration of your committees.

Moreover, our committee strongly recommended, in a report last year, that annual, unannounced, on-site federal audits of Medicare and Medicaid nursing homes should be required. These should be undertaken immediately, at least on a random basis. That report points out that there has been a "dearth of audits" of the Nation's nursing homes. The report pointed out that 20 States had not audited a single Medicaid nursing home. I quote from the report: "Testimony revealed that hundreds of thousands of dollars had been inappropriately spent in those that had been audited."

I am a cosponsor of legislation introduced by my colleague on the Committee, Edward Beard, to require these audits, H.R. 1620.

Two bills I have offered (H.R. 1116 and H.R. 1126) and H.R. 453, introduced by Representative Koch and me—have as their aim making payment to all health care institutions under both Medicare and Medicaid on a cost-related basis.

In the 92nd Congress, the Senate Finance Committee expressed concern that in the absence of statutory requirements, some long-term care facilities were being under-paid by Medicaid while others were over-paid. Section 249 of Public Law 92-603, requiring reimbursement on a reasonable cost-related basis, resulted from that concern. I believe that we should expand this concept. Not only will it save money, but it will also give the assurance that adequate funds are provided to support a high quality of patient care in health care institutions. I believe we must emphasize this goal in all our future deliberations.

Third, I am pleased that the bill before you, H.R. 3, places emphasis on the role Professional Standards Review Organizations can play in eliminating and preventing fraud and abuse. The bills to which I referred earlier, H.R. 1116 and H.R. 1126, would go a step further and make it clear that long-term care facilities—as well as medical institutions—are to be subject to review by PSROs. Moreover, my bills would require that nurses, social workers, guidance counselors, and other health professionals be included in PSROs. Broader representation by these groups can only serve to enhance the PSRO system and assure a wide range of viewpoints. Once again, this has the support of the Aging Committee.

In conclusion, I commend my colleagues on these two important Subcommittees of the House for their energetic approach to solving the very serious problem of fraud and abuse in our medical programs.

My committee and I are committed to do everything we can to assist you in these efforts. The money we save can and must be directed to making health care more readily available to all Americans.

These programs certainly are not perfect! But we cannot use that as an excuse to fall behind in the fight to provide the benefits we know our people need. Neither let us fail—because of our zeal—to require strict accounting of the money we spend. An earlier American said it in a way that applies to everything we try to do in a democracy: "The condition upon which God hath given liberty to man is eternal vigilance."

We don't have to have a trade-off between expanded health care on the one hand and fraud and abuse on the other! And we don't have to tolerate corruption and mismanagement to press forward with our goal. Let's keep this in mind in the days ahead.

WE MUST ASSURE THE INTEGRITY OF HOME HEALTH AGENCIES AS WE WORK TO EXPAND HOME HEALTH BENEFITS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, in an unusual joint effort, the Subcommittees on Oversight and Health of the Ways and Means Committee, along with the Special Committee on Aging in the Senate have undertaken an important investigation and review of fraudulent and abusive activities among home health agencies. As chairman of the Select Committee on Aging, and the Subcommittee on Health and Long-Term Care, I have a deep interest in the outcome of this review and its effect on our efforts to expand the availability of home health care under medicare.

I want to share with my colleagues testimony I made available for this joint hearing. My statement points to several proposals I have offered to aid in the ongoing work to eliminate and prevent fraud and abuse by home health care providers. At the same time, I strongly believe that we must press forward with our goal of making home health care more readily available to the millions of Americans who can most apropriately utilize these services in order to avoid confinement in a long-term care institution.

As many of my colleagues are aware, I have introduced a package of legislation which addresses what I believe to be many of the most prominent needs of older Americans. Two of these bills in particular, H.R. 1116 and H.R. 1126, embody proposals which I believe can make significant improvements in the administration of these programs. But we must be mindful of the fact that assuring the integrity of all health providers is an ongoing effort. The existence of unscrupulous activities cannot be used as an excuse to hold back in providing the kinds of health care that we know our people need. Study after study and report after report, by the Department of Health, Education, and Welfare, by the GAO, and by my Subcommittee on Health and Long-Term Care, have produced more than ample evidence of the critical need to make home health care available to prevent the unnecessary and unwarranted institutionalization of older Americans who are capable of remaining in their own homes. The vast majority of home health agencies are administered honestly and conscientiously. We should not punish those—or, more importantly, the elderly who would benefit by their services—because of the unscrupulous or illegal activities of a few.

We will enforce the law, and we will seek out and eliminate those activities which work against our goals, but this must be viewed as one part of our overall goal: expanding vitally needed home health benefits on the one hand and maintaining constant vigilance on the

other hand to insure the integrity of these programs.

Mr. Speaker, I wish to have my testimony prepared for the joint hearing by the Subcommittees on Oversight and Health of the House Ways and Means Committee and the Senate Special Committee on Aging appear at this point in the RECORD:

As Chairman of the Select Committee on Aging, I am pleased to have the opportunity to express my views on the timely and important topic of fraud and abuse among home health agencies.

The integrity of the health care system in America is dependent to a great degree on our efforts in Congress to eliminate even the appearance of fraudulent or abusive activity in federally supported or endorsed health care programs. American taxpayers and all who benefit from federal or federally assisted health programs deserve to know that these programs are the best we can provide in our effort to insure every American of good health care at a decent cost. I commend the efforts of my colleagues on these two important committees of Congress who are endeavoring to address the important and complex issue of fraud and abuse in home health programs.

I continue to believe that home health care must be a vital component of our American health care system, providing services which are at the same time more personal and individual and cost efficient, as well. Experts are in agreement that home health care will be less costly than institutional care at lower levels of impairment. Care for those with low disability is significantly less expensive in their homes than in even the lowest level of institutional care.

The area of home health care has been studied for many years. In 1974, the General Accounting Office reported to the Congress that home health care—while not a substitute for appropriate institutional care—is generally a less expensive alternative when such care would meet the patient's needs. The GAO reported that several studies focusing on savings realized by early transfer of patients from hospitals to home care programs have pointed out that such care can be less expensive than institutional care.

The Department of Health, Education and Welfare has recognized the need for alternatives to institutional care and has funded projects to study this area. In 1975, the General Accounting Office reported in its review of twenty studies dealing with the cost of home care that nineteen presented data which supported the proposition that home health care can be less expensive under some circumstances than alternative institutional care. I firmly believe that expanding the availability of home health care is important to the well-being of older Americans, and for that reason I have introduced a number of proposals whose aim it is to make home health care more generally available so that institutionalization of the elderly can be the exception, rather than the rule it has become. Implicit in my proposals is acknowledgement of the fact that any health service which is financed in whole or in part by the federal government must be financially sound.

I am gratified that the authors of H.R. 3, the Medicare-Medicaid Anti-Fraud and Abuse Amendments, Congressmen Rogers and Rostenkowski, have included in this important legislation two proposals I have advanced. The first is the requirement that providers and suppliers under both Medicare and Medicaid disclose, upon request, ownership interest of 5 percent or more. Congressman Edward Koch and I proposed disclosure in H.R. 453, which has 68 additional cosponsors. It also was recommended by the Subcommittee on Health and Long-Term Care, which I also chair, and by the full Committee on Aging last year. It is imperative that operations which involve Federal funds be carried out in the broad daylight.

Second, the authors of H.R. 3 included my proposal for a requirement reaffirming the clear intent of Congress that Medicaid by the payor of last resort where third parties such as insurance companies and auto no-fault insurance programs have an obligation to pay. This is the intent of my bill, H.R. 1128, which has been cosponsored by 64 of our colleagues.

The Social Security Act requires each State to take all reasonable measures to determine the legal liabilities of third parties to pay for covered medical services. The Department of Health, Education and Welfare estimates that between $200 and $500 million could be saved each year through a vigorous program of collecting from liable third parties. Yet HEW State audit agency reports have proved that recovery programs by the States are sadly lacking. And several States have enacted laws, primarily automobile no-fault insurance programs, which serve to make Medicaid the primary payor, rather than the payor of last resort as intended by Congress.

Medicaid costs the States—not just the Federal government—a great deal of money. The States should recognize that it is in their own interest to seek out other parties which have responsibility to pay for medical services that otherwise deplete state budgets. I have urged, and will continue to urge, that HEW emphasize the necessity that States comply with this important legal requirement.

It is my expectation, and my hope, that this legislation will be enacted with the greatest possible speed.

H.R. 1116, which I introduced on January 4, 1977, and which is cosponsored by 73 of my colleagues in the House, includes a number of provisions which would assure the integrity of home health agencies and prevent opportunities for abuse or fraud. Means of achieving control over the quality of performance of home health service providers would be improved by amending the definition of "home health agency" in section 1861 of the Social Security Act to require home health service providers to have in effect a utilization review plan along the same lines as those now required of hospitals and skilled nursing facilities. This would assure that periodic assessment of need is carried out to provide for the most efficient use of scarce resources. The Secretary would be given authority to make appropriate changes in regulations that would take into consideration the non-institutional character of home health service providers.

Another change proposed by my bill, H.R. 1116, would require an annual audit of the financial statements of home health service agencies by a certified public accountant as a basis for cost-related reimbursement. The auditor's opinion would state that expenses of the agency are in conformance with allowable expenditures as authorized in HEW regulations and guidelines. This would ensure that the financial statements are accurate, but even more importantly, that the costs claimed in the financial report are legitimate, honest costs involved with providing health services. This is an important concept and one which deserves the careful consideration of the Committees of the Congress.

To conform other sections of the Act affected by the proposed changes, provisions in the Social Security Act dealing with duties and functions of Professional Standards Review Organizations would be amended to make it clear that nursing homes, intermediate care facilities and home health agencies, as well as medical institutions, are to be routinely subject to review by such professional organizations. Moreover, another provision of this bill would require the inclusion in Professional Standards Review Organizations of nurses, social workers, guidance counselors, and other health professionals as well as physicians.

Further, my bill proposes to supplement that section of the medicare law which defines reasonable cost by adding a proviso that "payment with respect to services provided by hospitals, skilled nursing facilities and home health agencies shall to the maximum extent practicable be on a reasonable cost-related basis." A similar provision is included in H.R. 1126, which I also introduced on January 4, 1977, and it provides that the federal requirement for state medical plans that makes it necessary for states to pay "for skilled nursing facility and intermediate care facility services provided under the plan on a reasonable cost-related basis," after July 1, 1976, shall also apply to "nursing homes, health agencies and other long-term care providers."

I believe we should encourage the concept of cost-related payment to all health care institutions under both medicare and medicaid. In the 92nd Congress, the Senate Finance Committee expressed concern that in the absence of statutory requirements, some long-term care facilities were being underpaid by Medicaid while others were overpaid. Section 249 of Public Law 92-603, requiring reimbursement on a reasonable cost-related basis, resulted from that concern. I believe that we should expand this concept. Not only will it save money, but it will also give the assurance that adequate funds are provided to support a high quality of patient care in health care institutions. I believe we must emphasize this goal in all our future deliberations.

I believe that proposals such as those I have outlined are central to our efforts to assure the integrity not only of home health care providers but indeed of all sectors of our health care system.

Congress and the Administration must let it be known that we will not tolerate fraudulent or abusive activity by those who are fortunate enough to participate in federally finaced health care programs. We must act, in the ways I have described, and in others deemed to be necessary, to tighten applicable laws and regulations and to maintain adequate oversight so that opportunities for such activity are not available.

However, I strongly believe that we must guard against giving the impression that we are less than supportive of the concept of home health care as an essential, indeed the most natural, component of health care delivery. The Subcommittee on Health and Long-Term Care has given a great deal of study and attention to both the philosphy and the practice of providing health services in the home for those who do not require the full-time attention of skilled health professionals. A Subcommitte report of January, 1976 entitled "New Perspectives in Health Care for Older Americans: Recommendations and Policy Directions" revealed some of our findings on this subject. For example, a January, 1975 study contracted by the Department of Health, Education, and Welfare cited figures indicating that between 144,000 and 260,000 persons, or between 14 to 25 percent of the approximately one million elderly persons in skilled and intermediate nursing homes, may be "unnecessarily maintained in an institutional environment." As further evidence of the extent of over-institutionalization the Subcommittee heard from Dr. Robert Morris who testified in behalf of the Levinson Gerontological Policy Institute of Brandeis University that depending on the area of the country which was examined, unnecessary institutionalization ranges from 10 percent to 40 percent. These figures represent persons

who have been placed in long-term care institutions because there were no alternatives available to them.

In addition, my Subcommittee has collected evidence that there are from two to three million non-institutionalized aged persons who are bedfast, home-bound, or have difficulty in getting outdoors without help. Morever, the National Council of Senior Citizens estimates that one out of six older Americans who do not reside in institutions need help in social services if they are to be able to remain in their homes. These facts tell us that we need to take a long and hard look at how federal policies may contribute to what has become the national rule, rather than exception, of placing older people in institutions whether or not it is actually necessary.

I quote from this subcommittee report: "It is a tragedy of our times that we as a nation should find ourselves in the position of thinking of home health care for the elderly as an alternative to institutionalization. Somehow, it shocks the conscience and goes against the grain to deal with the subject in that context. It only stands to reason that in the natural order of things it should be just the reverse. Institutionalization should be an alternative to home health care.

While there will always be highly disabled patients who require full-time institutionalization in nursing homes, persons capable of remaining in their own homes should have the right to choose".

That is why I have proposed legislation to expand coverage of home health care under the medicare and medicaid programs. Essentially my proposals would strike the requirement for prior hospitalization under Part A and eliminate the limit currently in the law of 100 home health visits following discharge from the hospital or skilled nursing facility. My proposed legislation would also amend Part B of medicare to broaden home health coverage. Part B would be amended to strike out language that limits coverage to 100 home health visits and provide instead that home health coverage is available under Part B to the extent that it is not available under Part A without limit. Limitations in Part B that restrict home health coverage to not more than 100 visits a year would be repealed.

H.R. 1126 would amend Title XIX of the Social Security Act (medicaid) to include an expanded definition of home health services that would qualify for medicaid coverage. This expanded definition of home health services would make medicaid funding available for nutritional counseling, professional guidance and personal counseling, periodic chore service, and hospital outreach services.

These merely are general descriptions of the proposals I have introduced, and which I believe merit the careful consideration of the legislative committees of the Congress. The provisions I have described are but a small portion of the proposals I have introduced to address what I believe to be the serious needs of older Americans.

But I hope that my remarks have indicated clearly my deep concern that our efforts here not jeopardize in any way the work that currently is underway to expand vitally needed home health services for the benefit of all Americans.

In summary, I commend my colleagues for undertaking this most valuable effort to detect and address fraudulent activities which could in the future impair our ability to deliver home health services to those who desperately need them. At the same time I urge that you give equally needed emphasis to the priority of expanding home health services to address the vast unmet need which exists.

A BACKLASH ON HUMAN RIGHTS? WE MUST NOT BE INTIMIDATED BY THE BLUSTERING OF TYRANTS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am intrigued by the facade of indignation which has erupted around the world in reaction to the Carter administration's forthright stance on human rights. First the Soviet Union threatened an end to détente if the support for the Soviet dissidents continued. The fact is that the Soviet Union has already committed itself through the Helsinki Accords to observance of basic human rights. It is an international obligation. The fact also is that détente is in the interests of both nations. The Soviets are not doing us a favor by negotiating an arms control agreement; they need it as much as, if not more than, we do.

Right-wing dictatorships were cheering the United States on in our challenge to Soviet oppression. Dictators in such countries as Argentina, Chile, and Brazil did not think that the United States was meddling in the internal affairs of the Soviet Union by speaking out in favor of internationally recognized human rights. The cheering turned to stony silence and then anger when these tyrants found that they were not exempt. Uruguay, Argentina, and now Brazil have refused U.S. aid because of our statement on human rights in those countries. They call it intervention in the internal affairs of their countries. But think of it, we have been providing military aid to those countries to help them maintain their own internal security against internal insurgents. Is not that really a form of intervention that we must stop if we are to support human rights? In any event, as the Carter administration has stated, "Human rights concerns transcend national boundaries."

I am disturbed by murmurings within both the State Department and the press that we are risking too much by continuing these efforts on human rights. Is our country now going to turn timid? Are we going to lose our nerve when it comes to supporting the most cherished of our beliefs. I hope that we do not.

We seem to be bombarded by cries of indignation from tyrants all over the world. Castro says: "Do not talk to me about human rights." To Castro, we must say: "We have committed many mistakes and have tried improperly to intervene in the internal affairs of your country through assassination attempts and subversion. That interventionism is now in the past. President Carter is not responsible for those mistakes. We will speak out." In this light, I would mention that in January a group of 30 liberal Democrats in the House sent a letter to Castro asking for the release of Huber Matos, to which there has been no reply. Mr. Castro, we will not be dissuaded by your blustering.

There are reports of anger on the part of both the government and the opposition in Brazil about expressions of concern about human rights in Brazil. Let us not be fooled. Just yesterday, a member of my staff talked to a group of Latin Americans who told him that President Carter's stance on human rights has brought an outpouring of enthusiasm and hope from the peoples of Latin America. Of course, the opposition party in Brazil must protest the State Department's human rights report. If it does not, the opposition party will be outlawed and suppressed. But the peoples of Brazil, of El Salvador, of Nicaragua, of Uruguay quietly hope that we do not fail them. Their governments silence them with guns and torture; international opinion must provide them with a voice in defense of their basic human rights.

We should not be strident in our defense of human rights, but neither can we be faint-hearted. Of course, totalitarian governments, whether they are right-wing or left-wing, have reacted viscerally to our defense of human rights. After all those dictatorial regimes rely on systematic violations of human rights to remain in power. By simply speaking in defense of basic human rights, we are striking fear in the hearts of tyrants around the world.

Let us not be intimidated by the blustering of tyrants.

FEDERAL HELP FOR BIKEWAYS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on January 10, 1977, Congressman TIM WIRTH and I introduced H.R. 955, the Bikeway Transportation Act of 1977, which would authorize the Secretary of Transportation to make grants for the construction of bikeways to be located in urbanized areas or to connect urbanized areas with national, State, or local parks, seashores, or recreational areas. The bill would authorize a total of $45 million, $22.5 million per year to be funded from the Highway Trust Fund, and $22.5 million per year to be funded per fiscal year to be funded from general revenues in the Treasury not otherwise appropriated. Today I am pleased to reintroduce this bill with Representative RALPH S. REGULA as a cosponsor. In the near future we will be asking others to cosponsor this legislation.

The tremendous demand for bikeways was recently demonstrated by the $6 million bikeway demonstration program, which was authorized in the 1973 Highway Act. Senator BOB PACKWOOD and I were instrumental in obtaining a $6 million appropriation for this demonstration program in the fiscal 1976 Transportation Appropriations Act. When this money became available, 495 individual demonstration projects with a total cost of $141 million were submitted to the Federal Highway Administration Regional Offices by local governments of the 50 States, the District of Columbia, and Puerto Rico. A total of 41 of these proj-

ects in 31 States, with a total cost of $6 million, were finally selected in October 1976, for the demonstration program. Another 59 projects throughout the country made the final selections in their regions, but could not be funded. I am appending the list of both those selected and those 59 which were not.

It is increasingly apparent that there is a demand and a need for bikeways, and that past Federal legislation has only begun to meet these requisites. Beginning with the Federal-Aid Highway Act of 1973, the Federal law allowed each State to use a maximum of $2 million from Highway Trust Fund apportionment and up to a total of $40 million nationwide, for the construction of bikeways. These funds, unlike the separately authorized bikeway demonstration program, come directly out of those given each State for highways, if the State chooses to use its allocation for a bikeway. The amount available for bikeways was increased to a maximum of $2.5 million per State, and to a maximum of $45 million nationwide in the 1976 Highway Act. However, for every dollar of Federal assistance that a State allocated for bikeways, the State lost a dollar which would have been spent for highways. So, although many States do set aside some of their highway money for bikeways at the beginning of each year, most have wound up the year using the funds for highways instead of bikeways. For example, in fiscal year 1976, the States requested $21 million for bikeways at the beginning of the year, but ended by only spending $2.9 million during that time period.

If we adopt this legislation, we will enable many new bikeways to be built. Statistics show of a growing interest and commitment to the bicycle, which has tremendous value as a mode of transportation and recreation. Furthermore, bikeways will help reduce many bicycle injuries now taking place as bicycles compete for space on the highways.

Bicycles make it possible to save large amounts of energy. If 5 percent of the commuters now using cars converted to bicycles, over 780 million gallons of gasoline would be saved each year. Besides saving energy, the use of bicycles by commuters can reduce traffic congestion, high noise levels, and air pollution. I have been informed that air pollution, 60 percent of which comes from the automobile, costs the United States at least $16 billion per year. Emission reductions from increased commuter bicycle use could range between 2 and 10 percent.

Commuter or recreational bicycling also provides a wide range of health benefits. These include controlling body weight, enhancing the cardiovascular status, and improving the adequacy of the blood supply to the muscles of the extremities and the heart.

According to the Bicycle Manufacturers Association, there are approximately 100 million bicycle users in the United States. An Ann Arbor, Mich. study shows that the greatest increase in bicycle use and ownership over the past few years has been in the 18- to 45-year-old group. If we also take note that 40 percent of all urban work trips made by automobiles are 4 miles or less and would take 20 minutes or less by bicycle, it becomes obvious that there is a great potential for the bicycle as a commuting vehicle.

Studies show that a large percentage of people would indeed commute to work by bicycle, if the proper bicycle facilities were provided. For example, in a study done by the Philadelphia Coalition for EPA, in June 1973, it was found that 38 percent of the bike owners said they would commute by bicycle, if safe bikeways and secure bicycle parking were available. Of the nonbike owners surveyed, 17 percent said they would buy a bicycle for commuting, if there were bikeways and bike parking. This EPA-funded study also revealed that with modest provisions for bicycle ways and bike parking, an estimated 5 to 10 percent of all those who commute to the city could be diverted to bicycle commuting.

A study done last December in the Washington, D.C., area concluded that projected bicycle ridership by 1985 is not high, given the lack of projected bike facilities, and will make only a small contribution to reducing auto travel. The study concluded:

> The key factor required to generate increased cycling is development of safe bicycle facilities.

Cities that have introduced extensive bikeways and other facilities have indeed met with extraordinary success. The city of Davis, Calif., uses the bicycle as a major transportation mode. With bicycles representing 40 percent of rush hour traffic, the city has decreased its rush hour traffic and has almost no parking problems; and a separated bikeway system has reduced auto-bicycle accidents.

It is understandable that potential bicycle commuters show great concern for their safety and desire separate roadways for their bikes. Statistics show that bicycle accidents have been increasing at the rate of approximately 15 percent per year. In 1976, there were 1,100 deaths as a result of bicycle accidents, and estimates of bicycle accidents involving cars range as high as 1 million per year.

The bicycle has great potential for relieving some of the problems of our cities and suburbs, such as congestion, air pollution, and energy shortages. Furthermore, bicycle use provides many recreational and health benefits. Yet, in order for the bicycle to be used on any large scale for commuting and recreation, it is necessary to build a system of bikeways. The legislation we are proposing would spur the development of such a bikeway system.

I am appending the list of those bikeways funded under the bikeway demonstration program, and those selected in each region but not funded:

BIKEWAY DEMONSTRATION PROJECTS SELECTED FOR FHWA FUNDING

STATE, PROJECT, AND FUNDING

California

Concord-BART Bikeway Trail, $362,000.
Bay Bridge Bike Commuter Shuttle, San Francisco, $112,000.
Santa Cruz Transit-Bike Facilities, $20,320.

Colorado

Central City Bike Loop, Colorado Springs, $81,280.
Columbine Trail Bikeway, Golden, $260,000.
City of Lakewood Bikepath, $40,000.

Florida

Brevard County Bikepath, Cocoa Beach, $38,702.
North Main Street Bikeway, Gainesville, $115,180.

Indiana

Erie and Wabash Canal Bikepath, Indianapolis, $229,320.

Iowa

Finkbine Commuter Bikeway, Iowa City, $53,200.

Kansas

Manhattan Bikeway, $32,000.
Wichita Bikeway, $73,640.

Kentucky

City of Louisville Bikeway, $273,173.

Louisiana

Jefferson Parish Bikeway, New Orleans, $244,533.

Maine

Orono-Old Town Bikepath, Bangor, $118,600.

Maryland

National Institutes of Health Medical Complex Bikeway, Montgomery County, $244,000.

Massachusetts

Chicopee-West Springfield Bridge Bikeway, $280,000.

Michigan

Civic Center Drive Bikeway, Southfield, $80,000.

Mississippi

City of Jackson Bikeway, $72,944.

Missouri

Kansas City Bikeway, $126,886.
City of Springfield Bikeway, $68,886.

Montana

Missoula Bikeway, $117,000.

Nebraska

Antelope Creek Bikeway, Lincoln, $200,000.

New Hampshire

Town of Salem Bikeway, $94,300.

New Jersey

Paterson Bikeway System, $146,784.

New York

North Bronx Bicycle System, $352,000.

North Carolina

Avent Ferry Road Bikeway, Raleigh, $145,380.

North Dakota-Minnesota

Fargo-Moorehead Bicycle Systems, $102,000.

Ohio

Avon Lake Residential Bike/Walkway, $32,000.
Miami Conservancy District Bikeway, Dayton, $320,000.

Oregon

Valley River Bicycle-Pedestrian Bridge, Eugene, $288,000.

Pennsylvania

Philadelphia Commuter Rail-Rapid Transit Interface Project, $145,820.
Philadelphia Valley Forge Trail, $73,340.

Tennessee

City of Knoxville Bike Trail, $71,600.

Texas

City of Austin Bikeway, $168,000.
City of Fort Worth Bikeways, $217,000.

Virginia

Williamsburg Environs Bikeway, $132,590.

Washington

Clark County Urban Bikeway, $40,320.

Puget Power Interurban Trail, King County, $320,000.

West Virginia

City of New Martinsville, $80,000.

Wisconsin

Hales Corners Model Bikeways, Milwaukee County, $27,200.

BIKEWAY DEMONSTRATION PROJECTS NOT SELECTED

CITY/COUNTY AND STATE, NAME OF PROJECT, AND ESTIMATED FUNDING COST

Anchorage, AK., Campbell Creek Bikeway, $463,400.

Huntsville, AL., Vicinity Alabama "A & M" Univ., $484,000.

West Memphis, AR., City of West Memphis, $172,000.

Cupertino, CA., City of Cupertino, $8,000.

Garden Grove, CA., City of Garden Grove, $80,000.

Monterey Park, CA., Monterey Peninsula Recreation Trail, $500,000.

Marion County, CA., Northwest Pacific Railroad Tunnel, #3 Bikeway—Marion County, $300,000.

San Diego, CA., San Diego University, $272,800.

San Marcos, CA., Senior Citizens Bikeway System, $277,307.

Santa Barbara, CA., University of California, $400,000.

Pueblo, CO., Fountain River Bicycle Trail, $240,000.

Denver, CO., Platte River Greenway, $800,000.

West Haven, CT., Savin Rock Bikeway, $696,000.

Stratford, CT., Town of Stratford Bikeway System, $400,000.

Wilmington, DE., Wilmington and suburbs, $136,000.

Atlanta, GA. (2 projects), Nat'l Demonstration Bkwy for Atlanta (2A), $1,330,000; Nat'l Demonstration Bkwy for Atlanta (2B), $206,159.

Davenport, IA., City of Davenport, $160,000.

Des Moines, IA., City of Des Moines, $512,000.

Boise, IA., Lucky Peak Bikeway, $438,000.

Moline, IL., Rock River Bike Route, $48,000.

Tinley Park, IL., Tinley Park Bikeway Program, $80,000.

Ft. Scott, KS., City of Ft. Scott, $140,350.

Baton Rouge, LA., City of Baton Rouge, $92,800.

Gorham, ME., Town of Gorham, $34,400.

Columbia, MD., Overpass and Approach to Columbia, $491,777.

Annapolis, MD., WB&A Railroad Right-of-Way Bikeway, $316,000.

Okemos, MI. Bikeway Program, $177,600.

Ypsilanti, MI., Huron Valley Bikeway, $288,000.

Ellisville, MO., Town of Ellisville, $140,000.

Durham, N.C., City of Durham, $96,000.

Raleigh, N.C., Crabtree Creek Bikeway Project, $400,000.

Durham, N.H., Durham Bikeway, $193,807.

Trenton, N.J., Delaware & Raritan Canal, $400,000,

Morris County, N.J., Patriots Path, $768,000.

Somerset County, N.J., County of Somerset, $470,400.

Albuquerque, N.M., City of Albuquerque, $191,200.

Westchester County, N.Y., Bronx River Bikeway, Westchester County, $300,000.

Syracuse, N.Y., Ley Creek Bikeway, $240,000.

Buffalo, N.Y., Niagara River Walk Trail, $500,000.

Troy, N.Y., Uncle Sam Bikeway, $200,000.

Putnam County, N.Y., Putnam Division Bikeway, $148,500.

Stillwater, OK., City of Stillwater, $209,000.

Norman, OK., City of Norman, $56,000.

Klamath Falls, OR., "A" Canal Bikeway, $226,845.

Salem, OR., Cherry-Brooks-12th Street, $145,552.

Beaverton, OR., Raleigh Hills-Progress Bikeway, $280,000.

York, PA., Codorus Corridor, $144,182.

Hanover, PA., Hanover Township, $200,000.

Warwick, R.I., City of Warwick, $648,000.

Pawtucket, R.I., 10 mile River Bikeway-East Providence & Pawtucket, $202,960.

Charleston, S.C., City of Charleston, $272,903.

Rapid City, S.D., Rapid City, $232,000.

Bryan, TX., Bryan-College Station, $416,960.

Provo, UT., Utah County, Provo, $164,320.

Blacksburg, VA., Town of Blacksburg, $19,425.

Essex, VT. (2 projects), Essex Junction Village, $73,320.

Burlington & Lamoille Rail Bed Bikeway, $50,240.

Kent, WA., Green River Bike Trail, $24,880.

Seattle, WA., S.R. 520 Arboretum Interchange to Northrup Interchange, $80,000.

Cheyenne, WY., Cheyenne Bikeway Plan, $85,152.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HANSEN) to revise and extend their remarks and include extraneous material:)

Mr. EDWARDS of Oklahoma, for 10 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mr. CONABLE, for 10 minutes, today.

Mr. HOLLENBECK, for 5 minutes, today.

Mr. YOUNG of Florida, for 5 minutes, today.

Mr. BURKE of Florida, for 5 minutes, today.

(The following Members (at the request of Mr. RAHALL) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ASHLEY, for 10 minutes, today.

Mr. MITCHELL of Maryland, for 5 minutes, today.

Mr. REUSS, for 15 minutes, today.

Mr. WIRTH, for 5 minutes, today.

Mr. EVANS of Indiana, for 5 minutes, today.

Mr. EILBERG, for 5 minutes, today.

Mr. FISHER, for 5 minutes, today.

Mr. SCHEUER, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HANSEN) and to include extraneous matter:)

Mr. MICHEL in two instances.

Mr. FREY.

Mr. ARCHER.

Mr. FINDLEY.

Mr. MCKINNEY.

Mr. SNYDER.

Mr. QUAYLE.

Mr. ASHBROOK in two instances.

Mr. JOHNSON of Colorado.

Mr. BADHAM.

Mr. DERWINSKI in two instances.

Mr. HAGEDORN.

Mr. KEMP.

Mr. FORSYTHE.

Mrs. HOLT.

Mr. ABDNOR in two instances.

(The following Members (at the request of Mr. RAHALL) and to include extraneous material:)

Mr. KOCH in three instances.

Mr. CARNEY.

Mr. FISHER in two instances.

Mr. EARLY.

Mr. PEPPER in two instances.

Mr. BINGHAM in five instances.

Mr. AUCOIN in three instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. MOORHEAD of Pennsylvania in three instances.

Mr. EDGAR.

Mr. YATRON.

Mr. MCDONALD.

Mr. HUBBARD.

Mr. PATTISON of New York.

Mr. DOWNEY.

Mr. WIRTH in two instances.

Mr. HAWKINS.

Mr. FITHIAN.

Mr. PANETTA.

Mr. RANGEL.

Mrs. MEYNER.

Mr. ROSENTHAL.

Mr. DANIELSON.

Mr. PERKINS.

Mr. CHAPPELL.

ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p.m.), the House adjourned until tomorrow, Thursday, March 10, 1977, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

983. A letter from the Deputy Secretary of Defense, transmitting a report on the real and personal property of the Department of Defense as of June 30, 1976, pursuant to 10 U.S.C. 2701(b); to the Committee on Armed Services.

984. A letter from the Chairman, Securities and Exchange Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

985. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a quarterly report on the programing and obligation of funds for Lebanon relief and rehabilitation, pursuant to section 495(e) of the Foreign Assistance Act of 1961, as amended (90 Stat. 762); to the Committee on International Relations.

986. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of an order entered in the case of an alien found admissible to the United States, pursuant to section 212(a)(28(I)(ii) of the Immigration and Nationality Act (66 Stat. 182); to the Committee on the Judiciary.

987. A letter from the Commissioner, Immigration and Naturalization Service, De-

partment of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens pursuant to section 212(d)(6) of the act (66 Stat. 182); to the Committee on the Judiciary.

988. A letter from the National Adjutant, Veterans of World War I of the U.S.A., Inc., transmitting the organization's financial report as of September 30, 1976, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

989. A letter from the Acting Comptroller General of the United States, transmitting a report on the audit of the financial transactions of the Office of the Attending Physician Revolving Fund for the period August 1, 1975, through September 30, 1976, pursuant to the Legislative Branch Appropriation Act, 1976 (89 Stat. 283); jointly, to the Committees on Government Operations, and Appropriations.

990. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the Army's Hellfire air-to-surface missile program (PSAD-77-27, March 9, 1977); jointly, to the Committees on Government Operations, and Armed Services.

991. A letter from the Acting Comptroller of the United States, transmitting a report on the examination of financial statements of the Bureau of Engraving and Printing Fund for fiscal years 1974 and 1975, pursuant to section 6 of the act of August 4, 1950, as amended (88 Stat. 1964; 31 U.S.C. 181d); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY (by request) (for himself and Mr. REUSS):

H.R. 4703. A bill to amend the community development bloc grant program authorized by title I of the Housing and Community Development Act of 1974 to provide a more equitable allocation of funds, to authorize a fuller range of community development activities, and to establish an urban development action grant program for severely distressed cities; to amend section 312 of the Housing Act of 1964; to amend section 701 of the Housing Act of 1954; to provide authorizations for and amend laws relating to housing; to extend certain FHA mortgage insurance and related authorities and the national flood insurance program; and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BAUCUS:

H.R. 4704. A bill to amend the Rural Development Act of 1972; to the Committee on Agriculture.

By Mr. BLANCHARD (for himself, Mr. MINETA, Mr. APPLEGATE, Mr. CAPUTO, Mr. BENJAMIN, Mr. EVANS of Georgia, Mr. BREAUX, Mr. WALKER, Mr. HEFTEL, Mr. GLICKMAN, Mr. EDWARDS of Oklahoma, and Mr. PEASE):

H.R. 4705. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to establish a procedure for zero-base review of Government programs every 5 years, and for other purposes; to the Committee on Rules.

By Mr. CARTER:

H.R. 4706. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. DENT:

H.R. 4707. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of providing that units of general local government receiving grants under the hold-harmless provisions of such title shall be entitled, after fiscal year 1977, to continue to receive at least the amount to which they are presently entitled under such provisions; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4708. A bill to require an employer which assumes the ownership or operation of a business to honor the terms and conditions of a collective-bargaining contract; to the Committee on Education and Labor.

By Mr. DOWNEY (for himself, Mr. ADDABBO, Mr. BADILLO, Mr. BONIOR, Mr. CARNEY, Ms. CHISHOLM, Mr. CONTE, Mr. CORRADA, Mr. EDWARDS of Oklahoma, Mr. FORD of Tennessee, Mr. GLICKMAN, Mr. HARRINGTON, Mr. HOWARD, Ms. KEYS, Mr. LLOYD of California, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. NEAL, Mr. OTTINGER, Mr. RAHALL, and Mr. RICHMOND):

H.R. 4709. A bill to amend section 226 of the Social Security Act to make inapplicable, in the case of individuals suffering from multiple sclerosis, the present requirement that an individual under age 65 must have been entitled to benefits based on disability for at least 24 consecutive months in order to qualify for medicare benefits; to the Committee on Ways and Means.

By Mr. DOWNEY (for himself, Mr. ROE, Mr. SKELTON, Mr. SOLARZ, Ms. SPELLMAN, Mr. STARK, Mr. VENTO, Mr. WEISS, Mr. CHARLES WILSON of Texas, Mr. CHARLES H. WILSON of California, and Mr. YATRON):

H.R. 4710. A bill to amend section 226 of the Social Security Act to make inapplicable, in the case of individuals suffering from multiple sclerosis, the present requirement that an individual under age 65 must have been entitled to benefits based on disability for at least 24 consecutive months in order to qualify for medicare benefits; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. BINGHAM, Mr. BRADEMAS, Mr. CORMAN, Mr. EDWARDS of California, Mr. FORD of Michigan, Mr. FRASER, Mr. HAWKINS, Mr. MCFALL, Mr. MCKINNEY, Mr. MOSS, Mr. ROYBAL, and Mr. SEIBERLING):

H.R. 4711. A bill to direct the Administrator of Energy Research and Development to establish a system of research and development of energy-conserving industrial technologies with due regard for the need to operate such a system in a manner which will stimulate depressed sectors of the American economy; to the Committee on Science and Technology.

By Mr. FASCELL (for himself, Mr. LEVITAS, and Mr. NEAL):

H.R. 4712. A bill to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes; to the Committee on Government Operations.

By Mr. FISHER:

H.R. 4713. A bill to provide for the resolution of claims and disputes relating to Government contracts awarded by executive agencies and instrumentalities thereof; to the Committee on the Judiciary.

By Mr. FLORIO:

H.R. 4714. A bill to require that the allowances available to a teacher in a Department of Defense overseas dependents' school shall be provided without regard to the location at which the teacher was recruited; to the Committee on Post Office and Civil Service.

By Mr. FORSYTHE (for himself, Mr. MURPHY of New York, Mr. LEGGETT, Mr. BREAUX, and Mr. PRITCHARD):

H.R. 4715. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 regarding the issuance of interim permits for ocean dumping, and for other purposes to the Committee on Merchant Marine and Fisheries.

By Mr. FOUNTAIN:

H.R. 4716. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. FRASER (for himself, Mr. CONTE, Mr. MCCLOSKEY, Mr. MIKVA, Mr. NEAL, Mr. STARK, Mr. STEERS, Mr. VANIK, and Mr. WAXMAN):

H.R. 4717. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; to the Committee on International Relations.

By Mr. FRENZEL (for himself and Mr. QUIE):

H.R. 4718. A bill to amend the Internal Revenue Code of 1954 to allow the deduction of certain expenditures for food and lodging primarily for medical care; to the Committee on Ways and Means.

H.R. 4719. A bill to repeal section 933 of the Internal Revenue Code of 1954 which provides an income tax exclusion for income received by residents of Puerto Rico from sources within Puerto Rico; to the Committee on Ways and Means.

By Mr. GLICKMAN (for himself, Mr. SCHEUER, Mr. AKAKA, Mr. CHARLES WILSON of Texas, Mr. PANETTA, Mr. HAWKINS, Mr. WAXMAN, Ms. MIKULSKI, Mr. GEPHARDT, Mr. WINN, Mr. WHITLEY, Mrs. KEYS, Mr. VENTO, Mr. MOAKLEY, Mr. BLANCHARD, Mr. HUGHES, Mr. THONE, and Mr. SEBELIUS):

H.R. 4720. A bill to require research into the comprehensive and various uses of grain or grain products in the development and use of fuels; and for other purposes; to the Committee on Science and Technology.

By Mr. HAMMERSCHMIDT:

H.R. 4721. A bill to amend title 38 of the United States Code to increase the rates of disability and death pension and of dependency and indemnity compensation for parents; to the Committee on Veterans' Affairs.

By Mr. HAMMERSCHMIDT (for himself, Mr. ALEXANDER, Mr. THORNTON, Mr. TUCKER, and Mr. TAYLOR):

H.R. 4722. A bill to amend the Internal Revenue Code of 1954 to repeal the provisions which require use of the accrual method of accounting for certain corporations engaged in farming; to the Committee on Ways and Means.

H.R. 4723. A bill to amend the Internal Revenue Code of 1954 to exempt certain corporations from the provisions requiring the accrual method of accounting for corporations engaged in farming; to the Committee on Ways and Means.

By Mr. HANLEY:

H.R. 4724. A bill to eliminate cost-of-living pay adjustments for Members of Congress, to provide that recommendations of the President with respect to salaries of Members of Congress shall take effect only after approval by the Congress, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HOLLAND:

H.R. 4725. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself, Mr. APPLEGATE, Mr. AUCOIN, Mr. BADILLO, Mr. BALDUS, Mr. BAUCUS, Mr. BINGHAM, Mr. BONIOR, Mr. BROWN of California, Mr. BUCHANAN, Mrs. BURKE of California, Mr. PHILLIP BURTON, Mr. BUTLER, Mr. CAPUTO, Mr. CARR, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CORNWELL, Mr. CORRADA, and Mr. COUGHLIN):

H.R. 4726. A bill to amend the Federal Rules of Evidence to provide for the protection of the privacy of rape victims; to the Committee on the Judiciary.

By Ms. HOLTZMAN (for herself, Mr. D'AMOURS, Mr. DAVIS, Mr. DELLUMS, Mr. DIGGS, Mr. DODD, Mr. EDGAR, Mr. EDWARDS of California, Mr. ERTEL, Mr. EVANS of Georgia, Mrs. FENWICK, Mr. FISH, Mr. FITHIAN, Mr. FLOOD, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FRASER, Mr. FRENZEL, Mr. GAMMAGE, Mr. GEPHARDT, and Mr. HANNAFORD):

H.R. 4727. A bill to amend the Federal Rules of Evidence to provide for the protection of the privacy of rape victims; to the Committee on the Judiciary.

By Ms. HOLTZMAN (for herself, Mr. HARKIN, Mr. HARRINGTON, Mr. HARRIS, Mr. HORTON, Mr. HUGHES, Mrs. KEYS, Mr. KINDNESS, Mr. KOCH, Mr. KOSTMAYER, Mr. KREBS, Mr. LEACH, Mr. LEDERER, Mr. LE FANTE, Mr. LUNDINE, Mr. MCCLOSKEY, Mr. MCKINNEY, Mr. MAGUIRE, Mr. MARKEY, Mr. MARKS, and Mr. MAZZOLI):

H.R. 4728. A bill to amend the Federal Rules of Evidence to provide for the protection of the privacy of rape victims; to the Committee on the Judiciary.

By Ms. HOLTZMAN (for herself, Mrs. MEYNER, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOSS, Mr. NIX, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON of California, Mr. PEPPER, Mr. PICKLE, Mr. PRITCHARD, Mr. RANGEL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ROYBAL, and Mr. RYAN):

H.R. 4729. A bill to amend the Federal Rules of Evidence to provide for the protection of the privacy of rape victims; to the Committee on the Judiciary.

By Ms. HOLTZMAN (for herself, Mr. SARASIN, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, Mr. STEERS, Mr. TONRY, Mr. TRAXLER, Mr. TREEN, Mr. TSONGAS, Mr. UDALL, Mr. VENTO, Mr. VOLKMER, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. CHARLES WILSON of Texas, Mr. CHARLES H. WILSON of California, Mr. WINN, Mr. WIRTH, and Mr. WON PAT):

H.R. 4730. A bill to amend the Federal Rules of Evidence to provide for the protection of the privacy of rape victims; to the Committee on the Judiciary.

By Mr. ICHORD (for himself and Mr. MCCORMACK):

H.R. 4731. A bill to facilitate the management of intermingled national forest system and privately owned lands by providing for cooperative boundary fencing and noxious weed control programs; to the Committee on Agriculture.

By Mr. JACOBS:

H.R. 4732. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Ms. JORDAN:

H.R. 4733. A bill to amend the discrimination provisions of title II of the Public Works Employment Act of 1976 to conform such provisions with the comparable provisions of the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

By Mr. KEMP (for himself and Mr. LAFALCE):

H.R. 4734. A bill to reform programs administered under the Comprehensive Employment and Training Act; to the Committee on Education and Labor.

By Mr. KEMP (for himself, Mr. RHODES, and Mr. FLYNT):

H.R. 4735. A bill to provide for permanent tax reduction for individuals and businesses in order to expend both job opportunities and productivity in the private sector of the economy; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. BADILLO, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mr. CLAY, Mr. CONYERS, Mr. DELLUMS, Mr. DRINAN, Mr. DUNCAN of Oregon, Mr. EDGAR, Mr. EDWARDS of California, Mr. HARRINGTON, Mr. HAWKINS, Ms. HOLTZMAN, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MAGUIRE, Mr. MITCHELL of Maryland, Mr. NIX, Mr. RANGEL, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SCHEUER, and Ms. SCHROEDER):

H.R. 4736. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. SOLARZ, Mr. STARK, Mr. STEERS, Mr. UDALL, Mr. WAXMAN, Mr. WEISS, and Mr. WON PAT):

H.R. 4737. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. WIRTH, and Mr. REGULA):

H.R. 4738. A bill to authorize the Secretary of Transportation to make grants for the construction of bikeways; to the Committee on Public Works and Transportation.

By Mr. LEGGETT (for himself, Mr. FORSYTHE, Mr. BREAUX, Mr. MURPHY of New York, Mr. PRITCHARD, Mr. BIAGGI, Mr. DE LA GARZA, Mr. YOUNG of Alaska, Mr. AUCOIN, Mr. ZEFERETTI, Mr. LENT, Ms. MIKULSKI, Mr. AKAKA, Mr. EVANS of Delaware, Mr. JENRETTE, and Mr. PATTISON of New York):

H.R. 4739. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LEGGETT (for himself and Mr. FORSYTHE):

H.R. 4740. A bill to increase the appropriations authorization for fiscal year 1978 and authorize appropriations for fiscal year 1978 to carry out the Marine Mammal Protection Act of 1972; to the Committee on Merchant Marine and Fisheries.

H.R. 4741. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out State ccoperative programs under the Endangered Species Act of 1973; to the Committee on Merchant Marine and Fisheries.

H.R. 4742. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Atlantic Tunas Convention Act of 1975; to the Committee on Merchant Marine and Fisheries.

By Mr. LONG of Louisiana (for himself, Mr. KINDNESS, Mrs. FENWICK, Mr. WEISS, Mr. BADILLO, Mr. MOAKLEY, Mr. GILMAN, Mr. CONTE, Mr. RICHMOND, Mr. VENTO, Mr. WHITLEY, and Mr. GRASSLEY):

H.R. 4743. A bill to amend the Interstate Commerce Act to establish timing requirements and penalties with respect to the settlement of property damage claims, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. LUJAN:

H.R. 4744. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly; to the Committee on Ways and Means.

By Mr. MCKAY:

H.R. 4745. A bill to provide for the conveyance of any right, title, or interest which the United States may have in certain real property by the Secretary of the Interior to the city of Provo, Utah; to the Committee on Interior and Insular Affairs.

By Mr. MEEDS (by requests):

H.R. 4746. A bill to extend certain authorities of the Secretary of the Interior with respect to water resources research and saline water conversion programs, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of Ohio (for himself, Mr. DEVINE, Mr. GUYER, Mr. ANDREWS of North Dakota, Mr. LOTT, Mr. DERWINSKI, Mr. TREEN, Mr. MOLLOHAN, Mr. LENT, Mr. WHITEHURST, Mr. KETCHUM, Mr. BEVILL, Mr. HUGHES, Mr. KEMP, Mr. FOUNTAIN, and Mr. DAN DANIEL):

H.R. 4747. A bill to amend section 901(a) (relating to prohibition of sex discrimination) of the Education Amendments of 1972 to exempt sex segregated physical education or gym classes from the prohibition of such section; to the Committee on Education and Labor.

By Mr. MURPHY of New York:

H.R. 4748. A bill to provide for the designation of the libraries of accredited law schools as depository libraries of Government publications; to the Committee on House Administration.

By Mr. MURPHY of New York (for himself, Mr. BROWN of California, Mr. BALDUS, Mr. PANETTA, Mr. JONES of Tennessee, Mr. ABDNOR, Mr. CARNEY, Mr. CEDERBERG, Mr. ADDABBO, Mr. AKAKA, Mr. HEFTEL, and Mr. SKELTON):

H.R. 4749. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation; to the Committee on Education and Labor.

By Mr. GARY A. MYERS (for himself, Mr. MOORHEAD of California, Mr. BADHAM, Mr. NIX, and Mr. PURSELL):

H.R. 4750. A bill to provide for the construction and operation by the Energy Research and Development Administration of a National Coal Conversion Demonstration Facility; to the Committee on Science and Technology.

By Mr. NEDZI:

H.R. 4751. A bill to amend title 44, United States Code, to provide that Senators and Representatives in Congress may designate nationally accredited law schools as depository libraries; to the Committee on House Administration.

By Mr. PEPPER (for himself and Mr. SAWYER):

H.R. 4752. A bill to direct the Coordinating Council on Juvenile Justice and Delinquency Prevention to organize and convene a national conference on learning disabilities and juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

By Mr. PERKINS:

H.R. 4753. A bill to authorize the Secretary of Agriculture to carry out a program of nutrition information and education as part of food service programs for children conducted under the School Lunch and Child Nutrition Acts; to the Committee on Education and Labor.

By Mr. QUAYLE (for himself, Mr. MATHIS, Mr. WINN, Ms. MEYNER, Mr. DAN DANIEL, Mr. ERTEL, Mr. RUNNELS, Mr. LOTT, Mr. BOWEN, Mrs.

HOLT, Mr. ROBINSON, Mr. CEDERBERG, Mr. JOHN T. MYERS, Mr. SKELTON, Mr. KINDNESS, and Mr. HAGEDORN):

H.R. 4754. A bill to amend the Occupational Safety and Health Act of 1970 to provide that such act shall not apply to employers, including farming operations, having 25 or fewer employees; to the Committee on Education and Labor.

By Mr. QUAYLE (for himself, Mr. DUNCAN of Tennessee, Mr. MOORHEAD of California, Mr. HIGHTOWER, Mr. COLLINS of Texas, Mr. WALKER, Mr. FREY, Mr. COCHRAN, Mr. EMERY, Mr. BURGENER, Mr. WHITLEY, Mr. EDWARDS of Oklahoma, Mr. WHITEHURST, Mr. GINN, Mr. ARCHER, and Mr. MCDONALD):

H.R. 4755. A bill to amend the Occupational Safety and Health Act of 1970 to provide that such act shall not apply to employers, including farming operations, having 25 or fewer employees; to the Committee on Education and Labor.

By Mr. QUILLEN:

H.R. 4756. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to prohibit Federal motor vehicle safety standards which require shoulder belts; to the Committee on Interstate and Foreign Commerce.

By Mr. REUSS:

H.R. 4757. A bill to provide for a federally financed low-interest loan program to save energy in residential dwellings; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROGERS (for himself, Mr. PREYER, Mr. SCHEUER, Mr. WAXMAN, Mr. FLORIO, Mr. MAGUIRE, Mr. MARKEY, Mr. OTTINGER, and Mr. WALGREN):

H.R. 4758. A bill to amend the Clean Air Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. MAGUIRE, Mr. PREYER, Mr. SCHEUER, Mr. WAXMAN, Mr. FLORIO, Mr. MARKEY, Mr. WALGREN, Mr. CARTER, and Mr. MADIGAN):

H.R. 4759. A bill to amend the Public Health Service Act to regulate research projects involving recombinant DNA; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL:

H.R. 4760. A bill to provide that elderly persons residing in dwelling units receiving Federal assistance shall be provided with certain rights in the lease agreements between the elderly persons and the owners of the units; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4761. A bill to provide for the monthly publication of a Consumer Price Index for the Elderly and to provide for studies to be made with regard to utilizing such index in determining cost-of-living adjustments authorized in certain Federal programs for individuals; to the Committee on Education and Labor.

H.R. 4762. A bill to amend the Older Americans Act of 1965 to provide a national meals-on-wheels program for the elderly, and for other purposes; to the Committee on Education and Labor.

H.R. 4763. A bill to amend the Older Americans Act and the Public Health Service Act to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

H.R. 4764. A bill to establish within the Department of Health, Education, and Welfare a Home Health Clearinghouse to provide elderly persons with a single place where they can obtain complete information on the Federal health programs available to them, and to create within the Department an Assistant Secretary for elderly health with responsibility for all health and health-related matters involving the elderly; to the Committee on Interstate and Foreign Commerce.

H.R. 4765. A bill to amend the Legal Services Corporation Act to provide legal assistance to older persons in connection with their participation in certain health insurance and medical assistance programs under the Social Security Act; to the Committee on the Judiciary.

H.R. 4766. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives for the modification of certain facilities and vehicles so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 4767. A bill to amend title XX of the Social Security Act to provide for the reallotment of unused social services funds, in any fiscal year, to States which will use such funds during the succeeding year in furnishing services aimed at preventing or reducing inappropriate institutional care by making home or community care available; to provide additional Federal matching for multipurpose senior center programs; and to provide for the standardization of eligibility requirements for the funding of senior centers; to the Committee on Ways and Means.

H.R. 4768. A bill to amend the Social Security Act to establish a program of food allowance for older Americans; jointly to the Committees on Agriculture, and Ways and Means.

H.R. 4769. A bill to provide a comprehensive program of employemnt services and opportuntiies for middle-aged and older Americans; jointly to the Committees on Education and Labor, and Post Office and Civil Service.

H.R. 4770. A bill to amend title XVIII of the Social Security Act to include hearing aids and dentures among the items and services for which payment may be made under the supplementary medical insurance program; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. SCHEUER (for himself and Mr. Moss):

H.R. 4771. A bill to amend title XIX of the Social Security Act to provide funding for State medicaid fraud and abuse control and prevention units; to the Committee on Interstate and Foreign Commerce.

By Mr. SISK:

H.R. 4772. A bill to amend title 18 of the United States Code to prohibit the production and knowing possession of false documents or papers of the United States, and the use of false information in obtaining any official document or paper of the United States which includes a statement or other indication of identification of U.S. nationality; to the Committee on the Judiciary.

By Mr. SISK (for himself and Mr. NOLAN):

H.R. 4773. A bill to amend the Perishable Agricultural Commodities Act, and for other purposes; to the Committee on Agriculture.

By Mrs. SMITH of Nebraska (for herself, Mr. SANTINI, Mr. SYMMS, Mr. WALKER, Mr. TRAXLER, and Mr. GRASSLEY):

H.R. 4774. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. SNYDER (by request):

H.R. 4775. A bill to provide comprehensive services for the blind; jointly, to the Committees on Education and Labor, and Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 4776. A bill to amend the Social Security Act to prohibit public utilities from shutting off the supply of heat, light, or power to private residences without adequate prior notification to and investigation by the appropriate State welfare agencies; to the Committee on Ways and Means.

By Mr. SYMMS:

H.R. 4777. A bill to amend the Perishable Agricultural Commodities Act, 1930; to the Committee on Agriculture.

By Mr. THORNTON (for himself, Mr. HAMMERSCHMIDT, Mr. TUCKER, Mr. EDGAR, Mr. MOORHEAD of California, Mr. PURSELL, and Mr. GORE):

H.R. 4778. A bill to establish in the Energy Research and Development Administration and Energy Extension Service to oversee the development and administration of State plans for the development, demonstration, and analysis of energy conservation opportunities, and the development of programs to encourage the acceptance and adoption of energy conservation opportunities by energy consumers; to the Committee on Science and Technology.

By Mr. TRAXLER (for himself, Mr. ANDREWS of North Dakota, Mr. BRODHEAD, Mr. SAWYER, Mr. MURPHY of New York, Mr. PRESSLER, Mr. NOLAN, Mr. COLEMAN, Mr. KRUEGER, Mr. FORD of Michigan, and Mr. HIGHTOWER):

H.R. 4779. A bill to authorize the Secretary of Agriculture to make financial assistance available to agricultural producers who suffer losses as the result of having their agricultural commodities or livestock quarantined or condemned because such commodities or livestock have been found to contain toxic chemicals dangerous to the public health; to the Committee on Agriculture.

By Mr. WALKER:

H.R. 4780. A bill to amend chapter 44 (relating to firearms) of title 18 of the United States Code to exclude penguns from the definition of firearms used for the purposes of that chapter; to the Committee on the Judiciary.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BLOUIN, Mr. BUCHANAN, Mrs. CHISHOLM, Mr. DICKS, Mr. EDWARDS of California, Mr. EMERY, Mr. FAUNTROY, Mrs. FENWICK, Mr. LE FANTE, Mr. LONG of Maryland, Mrs. MEYNER, Ms. MIKULSKI, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of New York, Mr. NEAL, Mr. PRITCHARD, Mr. ROSENTHAL, Mr. SOLARZ, Ms. SPELLMAN, and Mr. WAXMAN):

H.R. 4781. A bill to provide that social security benefit increases occurring after May 1977 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WHITEHURST (for himself and Mr. FITHIAN):

H.R. 4782. A bill to authorize a career education program for elementary and secondary schools, and for other purposes; to the Committee on Education and Labor.

By Mr. WHITEHURST (for himself, Mr. BAUCUS, Mrs. FENWICK, and Mr. ROE):

H.R. 4783. A bill to amend the Ports and Waterways Safety Act of 1972, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 4784. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. WHITEHURST (for himself, Mr. PEPPER, and Mr. SIMON):

H.R. 4785. A bill to amend section 3682 of title 39, United States Code, to increase the size and weight limits for parcel post mail; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST (for himself, Mr. LAGOMARSINO, and Mr. MURPHY of New York):

H.R. 4786. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

By Mr. WYDLER:

H.R. 4787. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for income tax purposes of expenses incurred by an individual for transportation to and from work; to the Committee on Ways and Means.

By Mr. YATRON:

H.R. 4788. A bill to permit until July 1, 1980, the duty-free entry of Tricot and Raschel warp knitting machines; to the Committee on Ways and Means.

By Mr. ABDNOR:

H.R. 4789. A bill to amend the Internal Revenue Code of 1954 to deny tax exemption to any otherwise tax-exempt organization which invests in farm real property; to the Committee on Ways and Means.

By Mrs. COLLINS of Illinois:

H.R. 4790. A bill to amend the Immigration and Nationality Act to require that any alien who has been detained for further inquiry or who has been temporarily excluded shall have the right to be represented by counsel from the time of such detention or exclusion; and for other purposes; to the Committee on the Judiciary.

By Mr. HARKIN (for himself, Mr. SEIBERLING, and Mr. PATTERSON of California):

H.R. 4791. A bill to establish a program for repairing and relacing unsafe highway bridges; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. HOLLENBECK:

H.R. 4792. A bill to amend title II of the Social Security Act to increase to $4,000 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 4793. A bill to provide for the resolution of claims and disputes relating to the Government contracts awarded by executive agencies; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. AUCOIN, Mr. BADILLO, Mr. BROWN of California, Mr. DIGGS, Mr. FAUNTROY, Mr. MARKEY, Mr. MIKVA, Mr. MINETA, Mr. MOFFETT, Mr. NIX, Mr. OTTINGER, Mr. SCHEUER, and Mrs. SCHROEDER):

H.R. 4794. A bill to prohibit discrimination on the basis of affectional or sexual preference, and for other purposes; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. MONTGOMERY:

H.R. 4795. A bill to amend title 10, United States Code, to repeal sections which impose certain restrictions on enlisted members of the Armed Forces and on members of military bands; to the Committee on Armed Services.

By Mr. WEAVER:

H.J. Res. 312. Joint resolution proposing an amendment to the Constitution of the United States to establish a new procedure for the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. WHITEHURST (for himself, Mr. BAUCUS, Mrs. FENWICK, and Mr. ROE):

H.J. Res. 313. Joint resolution calling for protection of international waters from further pollution; to the Committee on International Relations.

By Mr. ARCHER:

H. Con. Res. 144. Concurrent resolution to disapprove the Retail Service Station Act of 1976 passed by the Council of the District of Columbia; to the Committee on the District of Columbia.

By Mr. HANLEY (for himself, Mr. AUCOIN, Mr. CHARLES WILSON of Texas, Mr. EDGAR, Mr. HOLLENBECK, and Mr. APPLEGATE):

H. Con. Res. 145. Concurrent resolution recommending the creation by the President of a special task force to report on factors relating to the need to deregulate the price of natural gas in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. HYDE (for himself and Mr. FRENZEL):

H. Con. Res. 146. Concurrent resolution expressing the sense of the Congress in favor of eliminating the reduction in veterans' pensions which results when cost-of-living increases in social security or railroad retirement benefits occur; to the Committee on Veterans' Affairs.

Mr. ST GERMAIN:

H. Con. Res. 147. Concurrent resolution calling for a regional conservation treaty to protect Northern Hemisphere pinnipeds; to the Committee on International Relations.

By Mrs. SPELLMAN (for herself, Mr. FAUNTROY, Mr. FISHER, Mr. HARRIS, Mrs. HOLT, and Mr. STEERS):

H. Con. Res. 148. Concurrent resolution to provide for a study of the impact that certain federally owned land has on local government; to the Committee on Government Operations.

By Mr. DOWNEY (for himself, Mr. FISH, and Mr. SCHEUER):

H. Res. 390. Resolution concerning human rights in the Soviet Union; to the Committee on International Relations.

By Mr. FRENZEL (for himself, Mr. HAGEDORN, Mr. NOLAN, Mr. OBERSTAR, Mr. STANGELAND, and Mr. VENTO):

H. Res. 391. Resolution expressing the sense of the House of Representatives with respect to the establishment of a national telecommunications policy; to the Committee on Interstate and Foreign Commerce.

By Mr. WALKER (for himself, Mr. KOSTMAYER, and Mr. SARASIN):

H. Res. 392. Resolution establishing a select committee to investigate all acts of the Government of the Republic of Korea, or of persons representing Korean business interests, to influence Members of the House of Representatives or officers or employees of the Federal Government or State governments; to the Committee on Rules.

By Mr. WRIGHT (for himself and Mr. RHODES):

H. Res. 393. Resolution authorizing additional funds for the leadership offices, and for other purposes; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. SMITH of Nebraska:

H.R. 4796. A bill for the relief of Sterling G. Caulkins, T. Sgt., U.S. Air Force (retired); to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.R. 4797. A bill for the relief of the United Broadcasting Co. of Florida, Inc., to the Committee on the Judiciary.

By Mr. HORTON:

H.R. 4798. A bill for the relief of Antonio Di Maria; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3843

By Ms. OAKAR:

Page 6, following the period at the end of line 11, insert the following: "Those members appointed pursuant to clause (3) shall include an equal number of male and female members."

SENATE—*Wednesday, March 9, 1977*

(Legisltative day for Monday, Februaury 21, 1977)

The Senate met in executive session, on the expiration of the recess, at 10:30 a.m. and was called to order by the President pro tempore.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou who hast taught us to keep all Thy commandments by loving Thee, the eternal God, and our neighbors as ourselves, grant to us the spirit of brotherhood and genuine good will, that we may be devoted first to Thy service and then to the service of our country. Forgive us if we have shown love toward mass-man in distant places while neglecting to show love to those with whom we work day by day. Grant us the fullness of Thy grace that we may ever show kindness, magnanimity, courtesy, and firmness in the right, overcoming evil with good, bearing one another's burdens, and so fulfill the law of Christ, in whose name we pray. Amen.

THE JOURNAL

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, March 8, 1977, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. CRANSTON. Mr. President, I ask unanimous consent that committees may meet throughout today's session of the Senate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR SCHMITT TOMORROW

Mr. CRANSTON. Mr. President, I ask unanimous consent that Senator SCHMITT may have 15 minutes reserved tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDENT pro tempore. The minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair for recognizing me under the standing order.

THE WARNKE NOMINATION

Mr. BAKER. Mr. President, the Senate today turns to a nomination of extraordinary importance. It is important in many ways, in terms of the future policy of the United States, and in terms of the perception of the world of the efforts by the United States to continue the initiatives begun by former President Nixon and former President Ford to bring about a strategic arms limitation between the United States and the Soviet Union.

Much controversy has arisen over this nomination. There has been a spirited debate which will continue today. I intend to participate in that debate during the course of the day and to reiterate my opposition to this nomination.

But I take this opportunity, at the beginning of this legislative period, to point out that in debating this issue, in debating the confirmation of this nominee, we are not engaged in a partisan confrontation and conflict but we are involved in the very essence of the American political system; that is, the monitoring of the performance of the executive department by Congress, the testing of administration proposals in the dichotomy which is the essence of the two-party system, in the ventilation of the ideas of the majority and the minority, and by the expression of the views of 100 Senators in 100 different ways.

I am sure the people of the United States do not misunderstand that fact, because we have an understanding by instinct of the American genius for self-expression and our ability to synthesize public policy out of the crucible of debate. But I urge that our friends abroad not misunderstand either, because in this debate we are not saying that the United States does not wish to pursue the earlier initiative toward strategic arms limitation or mutual and balanced force reductions. This debate does not signal that America has turned to the right or left, is more hawk than dove, but rather signals that the essential American political process of testing is still under way in Congress.

I do not know the final outcome of the rollcall that will occur at 5 o'clock this afternoon. But I do know that in this debate, this exercise in self-government, in this careful scrutiny and searching examination of this nominee for this position, the system will be stronger for having undertaken it. I suggest then, to our friends abroad, our fellow citizens at home, our colleagues in the Senate, and to the administration that we should celebrate that exercise and not condemn it.

Mr. President, I reserve the remainder of my time under the standing order.

Mr. STEVENS. Mr. President, in the remainder of the leader's time on our side I reaffirm what he has said about the Warnke debate. Many of us have severe misgivings over the nomination that would send Mr. Warnke to negotiate the SALT II agreement in view of the comments, statements, and the articles he wrote before his nomination. For myself I believe that the Russians who will attend those sessions will have read not only every word that he has said in connection with his confirmation hearings but they will have read everything that he said before, that he wrote before, and everything that anyone wrote about him before, and I hardly see how a person can negotiate on the basis of a strong American consensus in view of his own statements and writings in the past which are not consistent with that consensus.

The President has said, and I have great respect for his point of view, in this regard that we ought to give Mr. Warnke an overwhelming vote so that when he goes to this negotiation those on the other side of the table would know that he has the full force of the American system behind him. Again with due respect to the President, the President of the United States was elected by 51 percent of the vote of the people who voted in this Nation. When he goes abroad he has the full support of the American system because he is clothed with the authority of our Presidency.

Should Mr. Warnke go to the negotiating table he similarly will have the full force of the American system behind him and if he is confirmed we are dedicated to the proposition that politics, partisanship, and disagreements stop at the water's edge and we will support him if he goes.

What we are trying to do is warn that he should not go, that he is not the person who should represent the United States as we seek a meaningful second agreement in these strategic arms limitations talks. That does not mean that we do not have great respect for him as a man, respect for his intelligence and his capability, and his dedication to his point of view. But unfortunately at the height of rhetoric in this country in the period of dissent Mr. Warnke expressed some rather extreme points of view which in my opinion today should disqualify him for stating the American position on the disarmament questions at the SALT II negotiations, but I state that again, reaffirming what our leader on this side of the aisle has said, we seek to articulate these differences of opinion without regard to partisanship and with due regard for the task that Mr. Warnke will have should the majority of the Senate decide that he should undertake this task at the request of the President and to assure the President and all concerned that if he is confirmed we will do our utmost to support him in that regard. But we hope that should he be confirmed he will take heed of those who have expressed the opinions in the Senate Chamber that he should proceed with caution and be certain that he is in fact representing the American consensus and not his own point of view.

Mr. President, I yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I would like to respond very briefly to the statements of the two minority leaders.

It is very plain that Mr. Warnke, if confirmed—and I believe he will be confirmed—will be representing in the negotiations positions determined by the President of the United States. It is plain that Mr. Warnke will be checking constantly with the President on any new matters that arise in the process of the negotiations that are of substantive importance.

The President has repeatedly assured both the country and the Congress, the last time as recently as yesterday, that that is the way the negotiations will be conducted and that Mr. Warnke's mission will be carried on—if he is confirmed, as I believe he will be. Mr. Warnke has also made plain that he understands what is his proper role.

I would also like to express my appreciation for the statements of the two leaders of the minority in the U.S. Senate that they will support the SALT efforts once they are underway and, of course, presuming that the end product is one that merits ratification by the Senate; and I further welcome the statements of the two leaders, along with those of many other Senators on both sides of the aisle who oppose Mr. Warnke, that they recognize the grave dangers of nuclear anarchy and the nuclear arms race in this world, and that they are committed to doing all they can to see to it that we are successful in negotiating safe, verifiable—where necessary—agreements to curtail and, we hope, to end the incredibly dangerous arms race. Thus many of us supporting Paul Warnke look forward to working very closely with many who oppose Paul Warnke in seeking to achieve the goal of an end to the nuclear dangers that face all of us.

Mr. President, I yield back the remainder of my time.

The PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee (Mr. SASSER) is recognized for not to exceed 15 minutes.

THE ETHICS LEGISLATION

Mr. SASSER. Mr. President, I rise today to offer my strongest possible support for the ethics legislation that is now before this body for consideration. It is my hope that we shall act quickly to enact the proposals which have been reported out of the committee.

I take this opportunity, Mr. President, to commend the Senator from Wisconsin (Mr. NELSON) for the yeoman work and service that he has done in shaping a code of ethics for this body.

The people of this country want to have faith in their elected officials. They want to respect the Congress of the United States. But we must provide the leadership for which they are asking.

I am sure that every Member of this body is aware of the results of a poll released last month that showed Congress rated shamefully low on the list of organizations that had the confidence of the public. A vast majority of Americans believe that ethical standards play little or no role in the daily activities of Congress. If we want to improve that image, we must meet this issue head on: we must pass this strong ethics legislation.

The Congress led the public to believe that a strong, vital code of conduct would go along with the increase in pay that we

recently accepted. To ignore now the call for this meaningful and tough code of ethics will only further tarnish our reputation. We must now demonstrate that we are worthy of the pay increase, and one way to make that point is to pass this legislation.

This code of conduct will prove to be successful in several areas that need substantial reform. It contains many provisions that are certain to cause hardships for many Members of both Houses. But we cannot hope to regain the faith and trust of the American people unless we are willing to sacrifice some personal convenience. We cannot hope to improve our image by espousing only traditional rhetoric. We must pass legislation that has teeth in it: legislation that substantially raises the required ethical standards of Senators.

It disturbs me that many Americans no longer look with confidence to their elected officials. Because there have been so many instances of governmental actions taken in secret and governmental actions taken for personal gain, people question the motives of their leaders. I believe that those in public office should be as open with the people as possible. The people should be able to rest assured that their leaders do not seek office for personal gain, or for the enrichment of their friends and associates. The American public should not tolerate even the appearance of wrongdoing on the part of their elected officials.

The proposed code of conduct is probably the most rigorous and most meaningful set of ethical standards ever enforced by a representative body. Some of my honest, honorable, and scrupulous colleagues—I might say, Mr. President, that I believe every Member of this body is honest, honorable, and scrupulous and I might also also add that I believe one of the most meaningful experiences of serving in this body is to have the opportunity to associate with, I think, some of the finest individuals that this country has produced.

But even some of those individuals say that this code is too strict, that it discriminates against those of us who are not wealthy. But these are not ordinary times, and Congress does not now enjoy the prestige that is due the greatest deliberative body in the world. Thus, it is proper and appropriate that this unusually tough set of standards be adopted now.

Of particular importance to me is the provision that requires full financial disclosure by Senators. This issue is one of extreme concern not only to me, but to all the citizens of my State, in fact, the issue of financial disclosure became the most important single issue in the minds of the voters in last year's senatorial election in my home State. I hope that 1976 will be the last year in which financial disclosure will even be considered as a campaign issue. I hope that disclosure of personal finances will become a regular habit for Members of both Houses of Congress.

Mr. President, as Senators know, to make a full disclosure of one's personal financial situation is not an easy thing to do. But I feel that such a disclosure law is now a necessity. Because of abuses in the past, elected officials today must take the extra step to prove to the people that Members of Congress are indeed above reproach.

Several other provisions in this ethics package deal squarely with the matter of true reform. By placing a strict 15 percent limit on outside income, we can guarantee that the work of Congress will be a full-time job. I am aware of the sincerity of the opposition to the limitation on outside income, but, speaking as one who will be affected by this restriction more than many of my colleagues, I wholeheartedly endorse its implementation. No private interest should be allowed to interfere with the responsiveness of Congress in protecting the interests of the people.

We should consider the gratuities that go along with being a U.S. Senator, and should also remember that being a Senator is now a full-time job; in the past it has been only a part-time position. When the Congress recessed for the summer for several months, Senators had more time to devote to their personal affairs. But now, we are receiving a healthy salary. We are receiving many fringe benefits, and enjoy the status that accompanies the position. We should be willing to give up our private outside interests. The people who have placed their interests in our hands deserve no less than full-time representation and attention.

This body must also act to abolish unofficial office accounts, more commonly referred to in the press as "slush funds." The potential for abuse of such an account is obvious. What good does it do to limit contributions to Federal campaigns and to require a full accounting of all expenditures and contributions in a campaign if, after being elected, a Member can establish an account, funded largely by special interest groups, ostensibly for the purpose of defraying expenses not covered by official office accounts?

The appearance of impropriety in the case of an unofficial office account is unavoidable, even if actual wrongdoing can be avoided. We should do nothing to exacerbate the concern shared by many that Congress serves only the special interests that are able to buy votes or to influence important legislation through gifts and financial contributions.

Along this same line, I strongly endorse the prohibition of gifts of over $100 in value from lobbyists, and support the requirement for disclosure of almost all gifts, regardless of the source. Along with the ban on unofficial office accounts, this will make it easier for us to demonstrate to the public that the private special interests cannot unduly influence legislation affecting the entire country.

It is my hope that Members of this body will consider this code of conduct seriously, because I know it is a matter of serious concern to the public. Before Congress can act on new programs and new policies that will be discussed as we begin this session, Congress must move to gain the support of the people. This code of conduct is essential to any future efforts to rally the support of the people behind substantive legislation.

President Carter has led the way. He has broken the ground by requiring a tough standard of conduct for high-ranking officials in the executive branch; likewise, this branch of Government must be ready to demonstrate its commitment to true reform. There is no doubt that Congress lags far behind President Carter in having the confidence of the American people. We have only to read the polls to know that. I believe that a large part of the President's current prestige is due to his willingness to conduct an open and honest administration.

He has made great efforts to show that his administration will not tolerate conflicts-of-interest on the part of those who serve in it, and he has proven that his administration will be open to the participation and the advice of the people.

We have already heard the President say that, in the event of a policy disagreement between the administration and Congress, he will take his case to the American public. As things now stand, there is no doubt that he would be successful in his attempt. President Carter has won the confidence of the people, and he will be able to use that popularity to his advantage. Unless we take steps now to regain the confidence of the people we represent, the will of the majority of the Congress could be thwarted on major public policy issues. I fervently hope that such disagreements between the President and the Congress will be few and far between, but they are inevitable, even among friends. I do not want this body to see its legislative program passed over because the people of America do not trust us to do their business.

It is up to us to enact a strong code of conduct. The President has done so, the House of Representatives has done so; now it is time for this august body to enact strong ethics legislation.

The American people want this set of standards passed, and we cannot afford to let our own selfish interests stand in the way. I think we should remember the words of Thomas Jefferson, who said:

When a man assumes a public trust, he should consider himself as public property.

I thank the Chair.

Mr. BAKER. Mr. President, I yield myself 3 minutes.

The PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I point out that my distinguished junior colleague from Tennessee has just made an eloquent, timely, and important statement on the question of senatorial and congressional conduct and the question of a code of ethics. While the junior Senator from Tennessee has engaged fully and actively in debate in the time that he has been present with us as a colleague, I believe that this is the first time he has made a formal presentation to the Sen-

ate. I do not know whether to characterize that as a major speech or not, but in any event, it is the first formal presentation, I believe, that he has given us. I rise, Mr. President, to commend him for it, not only for what he said but for his choice of subject.

There is very little that is more important, in my view, than reestablishing confidence in Congress in the minds of the people of the United States. I think the suggestions made by my colleague from Tennessee are relevant and important, and I commend him for this effort.

NOMINATION OF PAUL C. WARNKE TO BE AMBASSADOR—SALT NEGOTIATIONS

The PRESIDENT pro tempore. The Senate, having recessed in executive session, will now continue with the nomination of Mr. Paul C. Warnke, which the clerk will state.

The second assistant legislative clerk read the nomination of Paul C. Warnke, of the District of Columbia, for the rank of Ambassador during his tenure of service as Director of the U.S. Arms Control and Disarmament Agency.

The Senate resumed the consideration of the nomination.

The PRESIDENT pro tempore. Who yields time?

Mr. SASSER. Mr. President, I suggest the absence of a quorum.

Mr. BAKER. Mr. President, I ask unanimous consent that the time on the quorum call be equally divided.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield 15 minutes to the distinguished junior Senator from Oklahoma.

Mr. BARTLETT. Mr. President, today we will vote on the nominations of Mr. Paul C. Warnke to be Director of the Arms Control and Disarmament Agency and also to be chief negotiator at the strategic arms limitation talks with the rank of ambassador. Voting on such nominations is seldom controversial. The legislative branch, and particularly the Senate, recognizes that the President of the United States must have trusted and loyal agents to administer the executive branch and especially to formulate and carry out our foreign policy.

The tradition of deference to the judgment of the President on nominations is very strong in the U.S. Congress and the tradition of bipartisan foreign policy is nearly as strong. The nomination and confirmation proceedings relating to the Director of the Arms Control and Disarmament Agency would normally not take up more than 1 inch of one newspaper column. Ambassadors generally get no more than half of that.

The two nominations for Mr. Paul Warnke, however, have been the subject of extensive newspaper coverage and editorial opinion for over a month and have resulted in 2 full days of hearings before the Senate Foreign Relations Committee and another 3 days of hearings before the Senate Armed Services Committee, a committee which would not have dealt with this matter were it not of great importance to the national security of the United States. By holding 4 days of debate on the nominations, the Senate itself has gone even further than either of its two committees. Senator after Senator has announced his opposition to Mr. Warnke as the debate continues, and, equally significant, many Senators have refused thus far to announce that they would vote to confirm this nominee of the President of the United States.

I would guess that the members of the Armed Services Committee will vote 13 to 5 against the confirmation of Mr. Warnke to be SALT negotiator. There is great doubt that Warnke will receive the two-thirds vote which is symbolic of Senate support for ratification of any treaty Mr. Warnke might negotiate. What does this all mean? It means that Paul C. Warnke lacks the confidence of an overwhelming majority of the Senators and, therefore, lacks the broad support which any individual holding either of these important foreign policy positions must have. That the debate has gone on this long without a clear judgment in favor of Mr. Warnke should be sufficient to deny confirmation. I for one will vote "No" on both nominations.

Paul Warnke is an extremely able man with a long record of public service. He has appeared on Capitol Hill many times, and there are few Senators who have not heard him testify at least once. Why then does the Senate lack confidence in Mr. Warnke's suitability to be our chief SALT negotiator and also Director of the Arms Control and Disarmament Agency? The answer seems clear. Mr. Warnke is a man with a history of commitments to security policies which many Senators, and most Americans, believe to have been unwise. His commitment to those policies was made clear by his numerous writings, his frequent trips before congressional committees, and his participation in the 1972 Presidential campaign.

Mr. Warnke's past statements form a consistent pattern. For the last 10 years, the United States has been disinvesting in defense, relying increasingly on the good will of the Soviet Union to justify the abandonment of our own military superiority. During those same 10 years, the Soviet Union has been embarked upon a major drive to obtain first strategic parity, and now it seems clear that their goal is superiority. While the United States is spending 5.4 percent of its gross national product on defense, the lowest level since before the Korean war, the Central Intelligence Agency estimates that the Soviet Union is spending between 11 percent and 13 percent of their GNP on military programs. Some estimates of Soviet defense spending range as high as 19 percent. During this decade which has led to the end of American superiority Mr. Warnke appeared before the Congress numerous times to advocate reduced defense expenditures.

More damaging to Paul Warnke's current credibility than his opposition to overall defense spending levels designed to meet the Soviet threat has been his consistent record of opposition to the muscle in the defense budget, especially strategic programs. The defenders of Mr. Warnke have pointed out that many distinguished observers have opposed some of the programs that Mr. Warnke resisted. He has not been alone in his opposition, but he has been consistent. But what his defenders fail to take into account is the fact that, at one time or another, Mr. Warnke has opposed every strategic program of the last 10 years except the Trident I missile.

However, the Trident I missile, which was test fired for the first time less than 2 months ago and which will not be operational with even one missile until after 1979, is a MIRV'ed missile, and Mr. Warnke originally opposed the MIRV'ing of American missiles. He has also opposed the follow-on Trident II missile and the Trident missile-launching submarine. Of course, Mr. Warnke is also on record as having opposed the Minuteman III missile, the Safeguard antiballistic missile system, the B–1 bomber, the Poseidon SLBM, the submarine-launched cruise missile, the MX mobile ICBM, and improvements in the accuracy of our land- and sea-based missiles.

In a few cases, Mr. Warnke has indicated that he would have been willing to support alternative weapons systems to those which he has opposed—for example, the Narwhal submarine instead of the Trident submarine. However, in every such case, the selection of Mr. Warnke's alternative would have resulted in major delays in our strategic program, and in many instances there was not a realistic alternative available or even a vague alternative suggested by Mr. Warnke. At the time, Mr. Warnke welcomed such delays in our programs for, as every Senator knows by now, he hoped they could be used as examples of unilateral restraint to be modeled by the Soviet Union. However, the ultimate implications of these delays are made clear in the following exchange which took place during the Armed Services Committee hearings:

> Senator BARTLETT. "If these systems that are being deployed or have been deployed had not reached the state they have now, would you say that we would have rough equivalency or parity with the Soviets or would they have superiority?"
>
> Mr. WARNKE. "I think that we would be in much worse shape at that point. I am trying to avoid the word superiority because it is susceptible of so many interpretations, but obviously they would have a greater advantage than we have . . ."

Again, the case against Mr. Warnke does not rest on his opposition to this weapon or that. The case against Paul Warnke is founded in his persistent inability to recognize trends in the stra-

tegic balance adverse to the United States.

Mr. Warnke's view of nuclear strategy prevents him from seeing any trends in the strategic balance dangerously adverse to the United States because he starts from the premise that nuclear superiority with severe military or political implications is nearly impossible for either superpower to obtain. For Mr. Warnke, the United States and the Soviet Union are two "apes on a treadmill" each foolishly trying to outrace the other. Mr. Warnke is confident that the United States would never let the Soviet Union sprint out of sight in the arms race. Indeed, he believes that it is American technology which normally sets the pace.

Mr. Warnke's preoccupation with American military technology is also of concern to many Senators. While Mr. Warnke suggests that the threat of an American technological response can serve to deter the Soviet Union from pushing for superiority, he also believes that the creativity of American military technology spurs the qualitative arms race. Thus, Mr. Warnke is faced with the dilemma of restraining his main deterrent against a Soviet arms build up. Several Senators, including myself, are concerned that Mr. Warnke might sacrifice our scientific and industrial advantages through unequal agreements or arms control impact statements.

Perhaps most of all, however, the Senate has grown dissatisfied with those explanations of Soviet behavior which only see a reaction to American action. The growth of Soviet strategic forces, ground forces in Eastern Europe, ships on the high seas, and advisers in southern Africa and the Middle East have served to remind everyone of the underlying goals of the Soviet system. Mr. Warnke's simple stimulus-response interpretation of the arms race fails to take into account the motivations which will also drive the Soviet negotiators at the Strategic Arms Limitation Talks.

Personally, I do not appreciate blaming the United States for the fast pace of the Soviets in the research, development, and procurement of conventional tactical, nuclear, and strategic nuclear weapons systems.

Mr. President, I hope I have made two points clear for my colleagues today. First, if you have concern over the two Warnke nominations, you have good reason. And second, if 4 days of discussion have not yet convinced you that Paul Warnke is the man for these two important full time jobs, then you should vote no on these nominations.

I advise my colleagues that I will be voting against Mr. Warnke on each nomination. I think the issues involved relate to one just as they relate to the other.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. METZENBAUM). On whose time?

Mr. BARTLETT. I ask unanimous consent that the time be divided equally between both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield 20 minutes to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, the debate the last 3 or 4 days on the nomination of Mr. Warnke has brought up many comments that I think need to be corrected. There has been a recurring theme for 2 or 3 days that those of us who oppose Mr. Warnke somehow oppose disarmament. I want to dispel that thought completely. This Senator certainly does not oppose cutting down the arms race. Those comments that have been made by Senator CHURCH, Senator HUMPHREY, and others about the horrors of nuclear war are certainly true. It is certainly true that both sides have built up tremendous amounts of arms.

But what is at issue here is not that anyone that I know of is against disarmament. But those of us who oppose Mr. Warnke are opposed to unilateral disarmament or initiatives, as he chooses to call it, and despite the fact that we continue to hear about statements from Mr. Warnke about his so-called apes on a treadmill, that we just mimic each other, and that all we have to do is be nice on our side and that somehow the Russians will also be nice. I think all we have to have is not even 20/20 hindsight but just a little bit of hindsight to look at what has gone on for the past 30 years. These are not opinions; they are facts.

At the end of World War II the Soviet Union was practically devastated. Their army was very small. They had no nuclear weapons. They had no capability to attack anyone. The United States, at that point, was the strongest military power the world had ever known. We were the only possessor of nuclear weapons. We had more than 12 million men under arms. If we had so desired, with the rest of the world being in as weakened condition they were, we certainly could have taken over the world. But what did we do? We unilaterally disarmed immediately after World War II. The armed services were cut dramatically and quickly, and at that very time the Soviet Union started their buildup and we saw what happened in Korea. We were once again caught with our pants down, so to speak, not being very well prepared and started another build up. The Russians used that 3-, or 4-, or 5-year period to great advantage.

The thing that disturbs me about Mr. Warnke more than anything else is not specific positions on particular weapons systems. We have dealt in the Armed Services Committee and here in the Chamber in a great deal of detail and trivia about individual weapons systems and whether someone is for or against them. I think what is far more important and at issue here is the attitude, and I consider—and I said this to Mr. Warnke in the Armed Services Committee, so I am not saying anything that he has not heard—this is a brilliant, intelligent, and very skillful in his answering and shading of questions in the Armed Services Committee to make it appear that he has not changed his mind but is extremely naive as to what has taken place.

The man over and over and over again, over a period of years and in all the testimony before the committees of the Senate, continues to think that unilateral initiatives will solve the problem, that if we are simply nice, they will correspond. How does that explain the tremendous buildup over the last 30 years? How does it explain in my questioning of him on specific examples, such as 1967 when we said that we would unilaterally limit our ICBM's to 1,054 and at that time the Russians had about 500. Ten years later we still have 1,054 and they have some 1,600.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. GARN. So how did the unilateral initiative look? I will not take the time of the Senate to go through the examples we did in the Armed Services Committee; but over and over and over again there is evidence, hindsight, fact, not opinion, that we have taken unilateral initiatives and the Russians have not followed suit.

Mr. LEAHY. Will the Senator yield for a question?

Mr. GARN. I yield for a very brief question, because I only have 20 minutes.

Mr. LEAHY. It is a two-part question. Having not only served on the Armed Services Committee and gone through all the same things the Senator has and having read with interest the Senator's remarks both here and reported from the committee, but I also went through the preliminary discussions about the matter while still serving on that committee, there are two basic questions.

One, am I right in understanding the Senator, while he opposes for all the reasons he has stated this particular nomination that the Senator does believe, however, in an arms control policy, however defined, or would I be correct in understanding that the Senator feels that strong steps, steps including military steps, should have been taken following World War II to maintain the Soviet Union in a greatly military subservient role? It either could have meant military action on the part of the United States against the Soviet Union——

Mr. GARN. I am sorry. The Senator from Oklahoma interrupted me.

Mr. LEAHY. Let me take it in two parts. Does the Senator believe in a concept as a policy for this country of efforts to bring about arms control?

Mr. GARN. I have already stated in my opening remarks that I did, but I did not believe in a naive policy of unilateral initiatives.

Mr. LEAHY. And the Senator has made reference several times, both today and at other times, about the greatly subservient military posture of the Soviet Union following World War II, that is, subservient to the United States. Does the Senator in any way suggest that we could have taken any kind of military action or should have taken any kind of military action during the last 30 years, or so, to have maintained the Soviet Union in that position?

Mr. GARN. No, I absolutely do not, and I have never suggested that we should. What I am suggesting——

Mr. LEAHY. I thought not, and I just wish to make it clear for the record.

Mr. GARN. What I am suggesting is that we should not be so naive as to continue to make unilateral initiatives, because I was trying to explain the examples over and over and over again for 30 years of us taking action which elicited no corresponding reaction on their side, except to continue to build their military forces from a point where they had nothing and we have everything, until at the very best there is rough parity today. I think that has been foolish and naive.

The Senator knows I have been very critical of President Ford and Henry Kissinger on what I considered détente being another name for appeasement, and I am disappointed that President Carter in this appointment is continuing at least that much softness if not a great deal more, and I again base my opinions on hindsight.

We can talk about the unilateral initiatives, and there is so much overwhelming proof that they have not followed suit; then even when we have an agreement, we have not had sufficient means to police or to verify those agreements. As to the test ban treaties of the late 1950's, the Russians kept them until it was not to their benefit to keep them any more and they broke them. There is an unbroken string of violated treaties over and over and over again for 30 years, and that is why Mr. Warnke scares me to death, that as brilliant as he is he is so naive that after 30 years of watching the Russians at work and seeing what they can do he then writes an article that we are merely apes on a treadmill. He argues that the Soviet behavior can only be an imitation of ours, that we are the only superpower model that they have to follow; and he still holds that thesis and he said so in the Armed Services Committee.

I wonder now, Mr. Warnke, then where the parallel is for the Soviet domination of Eastern Europe? Did we give them that example? Where do we dominate? Where did we give them the example for that?

I asked him who first deployed the ABM system? It was the Russians; it was not us. Where did they get the model for that? Who did they copy? They did not copy anyone. They did it all by themselves. How did they learn to do that without a model?

Since 1965, the U.S. defense budget has declined in absolute terms. Have the Soviets followed our model? They certainly have not. Since 1965, we have not increased the number of our missile launchers and have not developed a new missile system.

The Soviets have four systems in production right now. There are indications that as many as seven more will be developed and deployed before 1985. The Soviets have continued to increase their missile launchers until they now have half again as many as we have.

Where was the model? Apes on a treadmill? I do not believe that. I think the evidence shows just the opposite. Whose model were they following then? There was not any other country that had ICBM's in that number. The same is true with the submarine-launched missiles: We now have the same number we had in 1967. The Soviets have 800, a dramatic increase. What model were they following there? They have been developing a missile-launching site in the Barents Sea, a location from which they can threaten major U.S. cities, and where they are virtually invulnerable. What superpower were they aping there?

And so on and on, with the most overwhelming evidence—I say evidence, in fact, that they have not responded to unilateral initiatives; and yet we have a man proposed to be the negotiator who believes we are apes on a treadmill and they are copying us, and all we have to do is turn the other cheek and they will be nice.

That kind of man, in my opinion, is naive, regardless of how brilliant he is. He scares me to death, and I do not want him negotiating for the United States.

I wonder, from all of this, if we might conclude, then, that there are other factors other than aping, other initiatives which drive the Soviet policies, such factors as ideology, for instance, and that these other factors may be more powerful than our so-called example.

On and on it goes. I quote from the Evans and Novak political report on February 1, where they say:

> Perhaps the most remarkable aspect of the early stages of the Carter Administration has been its sharp turn Leftward on foreign and national security policy, raising a tough question on the Moderate-to-Right Wing of the Democratic Party . . . .
>
> (1) The job recommendations of the Jacksonite Coalition for a Democratic Majority have been almost totally rejected. In the State Department, in particular, the appointments are all Left of Center.
>
> (2) The appointment of Paul Warnke as outspoken belittler of Soviet nuclear power as compared to the U.S. and author of tracts indicating that the U.S. should make unilateral arms cuts, as SALT negotiator is a lightning rod not only to hard-liners but defense-minded moderates. . . .
>
> (3) Just what course ex-Rep. Andrew Young will take as U.N. Ambassador causes much consternation, following his CBS interview statement that Fidel Castro's Cuban expeditionary force was a stabilizing influence in Angola.

There is an amazing statement from a Carter appointee, an American black man, a former distinguished Member of Congress, who thinks it is a stabilizing influence for Cubans to travel across the ocean and kill black nationalists:

> One thing is known: The appointments in the national security field are so soft-boiled that the appointments by themselves—whatever final policies emerge from the Oval Office—have set up damaging tremors.

And so on.

The closing statement from this Evans and Novak report is as follows:

> (4) In positions not even faintly suggested in his campaign, Mr. Carter seems headed for (a) relations with—and perhaps even financial aid to—Vietnam; (b) relations with Cuba without demands being met on withdrawal of troops

I continue to be concerned, not about individual weapons systems as much as attitude; and I just frankly cannot comprehend that in a man with Mr. Warnke's brilliance, his obviously great capabilities, and I do not doubt his sincerity, his intent, or his motives, but in the light of his 30-year record in going from a position of unbelievable superiority to, at best, rough equivalence, if not being behind the Russians in many areas where the national security of the country is involved, we have a man who seems to think he can go there and be nice and pleasant, and the Russians will respond.

He could not answer my questions. He could not come back with answers as to why they went beyond the 1,054 ICBM's, or why, in all these other areas, they have ignored what we did and continue to ignore it, and yet we have other recommendations in the foreign policy field right now that we unilaterally stop the only ICBM production line, not only in the United States but in the free world, while the Russians continue to operate four and contemplate opening seven more.

I do not understand this kind of logic. I do not understand this lack of ability to benefit from the past. My foresight is no better than anyone else's, but I do not think there are too many Americans, Democrats and Republicans, across the country who do not think we have been taken tremendous advantage of by the Russians, that they cannot be trusted, that they are liars and cheats, that there is absolutely no guarantee whatever that they will keep their word, either verbally or in writing, and that they do not want to allow onsite inspections or have others view what they are doing.

Then we have Mr. Warnke not acknowledging changes in position. There is nothing wrong with changing your mind. Senator HUMPHREY talked about that. Yes, Senators change their minds, too. The point is, you ought to admit it. If he has made all these statements over the years, from writing articles to his testimony before congressional committees, which are contradictory to his present position, all Mr. Warnke had to do was admit that, in the light of new evidence, he has changed his mind. But I share the feelings of the Senator from Washington (Mr. JACKSON) that his credibility has now come into question, because of his testimony, his shading

of previous admissions, and his unwillingness to admit that there have been some changes of position.

In my individual views in the report of the Armed Services Committee, in the last paragraph, I said:

I am perfectly willing to be proven wrong, and I hope that I will be. If I am, I will say, as Mr. Warnke so often has during our hearings on his nomination, that I do not regret having opposed him, but that changed circumstances now show him to be the obvious choice to continue. As he explains it, that will not be a change of mind.

I just wish the Senate would look more carefully at this man's record, his public statements, and his committee testimony, and look with the hindsight of the last 20 years.

I shall oppose the confirmation of the nomination of Mr. Warnke for both of these positions, not because he is not qualified, but because I think he is extremely naive. Naivete in this type of a situation, in a very deadly game with the Soviet Union, is dangerous to the security interests of this country.

Mr. President, I ask unanimous consent to have printed in the RECORD a national public radio commentary entitled "Warnke and Strategic Policy," by former Senator James L. Buckley, and ar. article entitled "Nuclear Nerve Endings," written by Stephen S. Rosenfeld and published in the Washington Post of Friday, February 25, 1977.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL PUBLIC RADIO COMMENTARY—WARNKE AND STRATEGIC POLICY

(By Hon. James L. Buckley)

The controversy over Paul Warnke's designation as Chief Negotiator for Strategic Arms Limitations reminds us once again that there are few areas of public policy that are more important or less understood than that over which he has been asked to preside.

Mr. Warnke is, or at least was until a month or so ago, committed heart, soul and mind to the policy of mutual assured destruction that for too many years has dominated our strategic thinking.

Put in its simplest terms, this policy is based on the proposition that a nucelar war can best be deterred if we and the Soviets are each able to absorb an initial attack with sufficient weapons surviving to be able to deliver a retaliatory strike on the aggressor so devastatingly destructive as to render an initial attack unthinkable in the first place. As Mr. Warnke once described it, it is a policy in which each side holds a razor to the other's neck.

In pursuit of this theory in the 1960s and early seventies, we deliberately placed a ceiling on the number of our own ICBM's so that the Soviets could catch up with us; we avoided measures to protect our own cities from atomic attack (our now-discontinued ABM defenses having been designed to protect our retaliatory missile sites, and not our people); and, until recently, we refused to work for the degree of warhead accuracy that would allow them to be aimed at specific military targets rather than cities.

Aside from the questionable morality of a policy that deliberately exposed our own urban populations to atomic obliteration, there is only one thing wrong with the line of reasoning that went into the development of the mutual assured destruction doctrine—and that is that all the evidence suggests that the Kremlin refused to buy it.

With a more than five to one throw-weight or payload advantage in its submarine-launched and intercontinental ballistic missiles, the Soviet Union has long since moved beyond the numbers of strategic weapons required to meet the needs of any policy of deterrence. Yet they are continuing to invest massive sums in developing and deploying still larger missiles while working hellbent to catch up with our warhead technology in order to translate that payload advantage into an equivalent advantage in the number of warheads they can aim at U.S. targets. Furthermore, it is clear from their own military writings and huge investment in mass population shelters and underground manufacturing facilities that the Soviets do not share Mr. Warnke's conviction that nuclear warfare is unthinkable. Rather, they are directing their considerable energies to planning on surviving and winning such a war with essential populations and production base intact.

Recent estimates suggest that the Soviets may be able to absorb a nuclear exchange with a loss of no more than eight to ten million people. Given the communist mentality, such a loss is entirely acceptable. Stalin, after all, was willing to liquidate about twenty million of his own citizens in order to consolidate his power over them. We, on the other hand, would stand to lose upward of ninety million people.

When the Soviets achieve the inevitable technical breakthroughs that will enable them to knock out the bulk of our deterrent weapons while avoiding the direct attacks on our cities, they will have turned the policy of deterrence into a one-way street. Would an American President really react to a first-strike that destroyed most of our strategic weapons installations but few of our people with a non-fatal retaliatory blow against the Soviet Union, if the inevitable result would be the annihilation of our defenseless cities?

What is happening, then, is that the Soviets are well on their way to achieving what could be a decisive reversal of the positions we occupied at the time of the Cuban missile crisis when, in a showdown, the Soviets had no alternative but to back away. And what is equally important, if our allies perceive that we would not risk a nuclear exchange in their defense, they will become subject to enormous political pressures to acquiesce in Soviet demands.

That is why the nuclear numbers game is so important; why we must work for a new strategic arms limitation agreement that will provide for true parity on a self-enforcing and self-policing basis; why it is dangerous to have as our SALT negotiator anyone who, whatever his intelligence, is not able to liberate himself from the misconceptions of the doctrine of mutual assured destruction.

[From the Washington Post, Feb. 25, 1977]

NUCLEAR NERVE ENDINGS

(By Stephen S. Rosenfeld)

Cool, rational, unflappable, Paul Warnke this week made the best case for arms control's contribution to national security on his way to virtually certain confirmation as the administration's arms control chief. He was impressive. But he was troubling, too.

The trouble lies in his unspoken premise of Kremlin rationality and predictability, the expectation that Russians act pretty much the way Americans do on account of a necessary mutual regard for survival in an age when a holocaust is only the touch of a button away.

With a condition shortly to be noted, I share that premise. It is vital psychologically in order to let one lead a normal life in the nuclear age. To imagine that a Soviet onslaught might be coming would be an insupportable personal burden.

It is also vital politically in order to tame the impulse to buy security only with arms. Nothing would fuel the arms race more than a conviction by one or both sides that the other was irrational and could not be relied upon to exercise a prudent restraint in its own self-interest.

And if one side were crazy, there would be no point trying to impress it with restraint—or with certain death if it dared start a war.

But now for the condition. The evidence as I read it does not always support the premise of Kremlin rationality. This is so especially when the Russians, either in a crisis abroad or in relation to their own citizens at home, act in a way suggesting that they do not feel themselves bound by the limitations that are imposed by our values and our institutions.

If you say that the United States, too, has sometimes acted cynically and even criminally, I will agree and add that our traditions and laws remain in force to pull us back toward our image of our better selves.

If you say that the Soviet Union has had good reason to be frightened of us, I will also agree and add that a special danger resides in the centralization of power in Moscow and in the insensivity to individual suffering and loss that such centralization makes possible.

Nobody who questioned Warnke this week or last probed into these matters, but Sen. Jake Garn (R-Utah) headed briefly in that direction. Garn is no strategic sophisticate but he knows what he fears. Warnke's nomination, he said, "scares me to death. . . . Doesn't their ideology and their feeling about dominating the world have something to do with their policy?"

One can argue with Garn over his interpretation of Soviet motives, and over the extent to which one can base policy on a plumbing of motives, but he is entirely right, I think, to bring his fear out into the open. That is what is truly at the bottom of most people's judgments on issues affecting national and personal survival. It is not a phony issue.

Most important, it is not just emotion that feeds the fear. There is some rational basis for it, too. It lies, as I say, in the license which the centralization of power gives the Kremlin.

There is an obvious need in public discussion to be "objective" and "factual," even though, as the latest extended debate on the Soviet-American strategic balance is reaffirming, the factual material does not lead to a single or simple conclusion. But the survival factor inevitably brings into play a measure of feeling that is part of our personal and political reality, as difficult to acknowledge as it may be.

I would note here that of all the men who have addressed themselves to nuclear fate in recent years, the two "best" are Nikita Khrushchev and Hubert Humphrey. They strike me as possessing the healthiest respect for the irrational, the best combination of sense and fear.

Americans, liberals in particular, regularly disparage the fear quotient and portray others who are more obviously suspicious of the Russians as primitives or worse. But it is misguided to ignore the genuine feelings, even when they are not expressed explicitly or elegantly, of people with whom you're debating these issues. You will lose them and anger them. And, of course on the "merits," as only events can ultimately prove, you may be wrong.

If nuclear conservatives operate from an assumption that the Russians are malign—

an assumption that translates into the arms race—then, nuclear liberals sometimes make a no less flawed assumption of Soviet benignness. This is supportable neither by the historical record nor by the requirements of American security in these uncertain times.

We should, then, argue the "nuclear math," in my colleague George Wilson's nice phrase. But we are entitled to consult our own nerve endings as well. The balance? That's the trick.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. LEAHY. Mr. President, is this time to be divided equally?

Mr. TOWER. Yes, to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I have been very disturbed to hear it said on the Senate floor and to read in newspaper columns that those who oppose the Warnke nomination are opposed to arms reduction and to hear the clear implication that those who oppose the Warnke nomination are mindless warhawks who are prepared to see the world destroyed in a nuclear holocaust. That is not an honest contention, in my view, and I wonder by how many people it is honestly held. I do not see how it can be asserted that reasonable men, as I think the opponents of Mr. Warnke are, want to see the world involved in a nuclear conflagration. That is a pretty serious charge.

What if those of us who oppose the Warnke nomination were to say that the proponents of Mr. Warnke want to surrender to the Soviets absolute military superiority and the ability to wage nuclear war against us with impunity? We would be called demagogues, and rightfully so.

I was very disappointed to see the President of the United States join the chorus this morning when he said:

> I think that many of the people that oppose Mr. Warnke just do not want to see any substantial reduction in atomic weapons even if they are agreed to mutually by us and the Soviet Union and even if they are designed to reduce the threat of nuclear destruction of the world.

Mr. President, we are all willing to see a reduction of nuclear weapons if they are mutually agreed to by the Soviets and the United States and if they are meaningful reductions that apply to both the United States and the Soviet Union. But it occurs to me that we do not, to quote the President again, "reduce the threat of nuclear destruction of the world" if we reduce our own strategic war capability to such a point that the Soviets possess such absolute nuclear superiority that nuclear war may become very thinkable to them, indeed, because they can initiate nuclear war without risk to themselves.

I cannot understand how intelligent men and women can think that the Soviets have some genuine fear of aggression from the United States or a preemptive attack by the United States. They know that our weapon systems are not configured for a first strike or preemptive strike. They know that it is not our policy. They know of our restraint and forbearance in the past.

Up until 15 years ago, we could have initiated a preemptive war against the Soviet Union and defeated them, and we did not do it even in the face of the most severe provocation, starting back in 1948 when they sealed off Berlin. How did we respond to that? Not by destroying the Soviet Union, as we could have then, because we possessed vastly superior weaponry and they did not have the capability to retaliate. We responded in peaceful fashion with an airlift into Berlin. We did not respond to a Soviet-provoked attack against South Korea in 1950 by fighting a preemptive war against the Soviet Union or against China that we could have won.

I do not see how anybody could think that the Soviets have genuine concern that the United States will initiate a nuclear war against them. The only Soviet concern is that we may thwart them in their design to establish a Soviet hegemony over all the world.

Mr. President, I reject the either witting or unwitting demagoguery of those who suggest that those of us who oppose Mr. Warnke are mindless warhawks that are insensitive to the threat of nuclear holocaust. Quite to the contrary. If we reduce our strategic incapability to the point where we cannot retaliate, the Sovies might think in terms of nuclear war as a viable option and they might try to cause us to submit to nuclear blackmail and in the event of a refusal on our part, launch a strike against us, a nuclear strike, knowing that we cannot retaliate.

Those of us who oppose Mr. Warnke are as opposed to the idea of nuclear war as the proponents. I had reservations, myself, about the wisdom of the United States having dropped atomic weaponry on Nagasaki and Hiroshima. I do not think we needed to do it. The Japanese were already on their knees. But we did it. And we showed the world, we demonstrated the destructive power of atomic weaponry.

I certainly do not want this earthly ball consumed by fire; neither does anyone else who opposes Mr. Warnke. But if it is not to be so consumed, then it must mean that the United States and its allies must possess sufficient nuclear capability to deter the Soviets from any kind of nuclear adventure in the hope that, by launching a first strike, they could ultimately dominate the world at an acceptable cost to themselves.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. I say to the Senator from Texas that I welcome many of the remarks that he made just now—not all of them, but quite a few of them.

Charges have been made that some of us supporting Mr. Warnke, or that Mr. Warnke, himself, favor unilateral disarmament. I think the Senator from Texas knows that really is not the case with Senators on this side of the aisle.

Mr. TOWER. If the Senator will yield, I think I stated that at the outset.

Mr. CRANSTON. Yes.

Mr. TOWER. Were we to do so, we would be accused of demagoguery, and rightly so.

Mr. CRANSTON. I know the Senator from Texas has not made that charge.

Coming back in the other direction, I recognize that most of those who are opposing Paul Warnke have the same grave concerns about nuclear war that the Senator from Texas has and that I have. I assume that they all know we must avoid nuclear war.

One person, one Member of the Senate, very active in the effort against Mr. Warnke, indicated to me he does believe some of those opposing Mr. Warnke have no confidence in arms control and do not really favor the concept of arms control.

I know that many who are opposing Mr. Warnke do believe very strongly in arms control.

Frankly, I see no way, and many others on both sides of this particular argument about Paul Warnke see no other way, short of arms control to avoid the grave dangers of nuclear war sooner or later.

As the Senator from Mississippi, the chairman of the Armed Services Committee (Mr. STENNIS) stated yesterday, he has grave concern that sooner or later we may have nuclear war by accident if not by intent.

So we have a great responsibility, I believe, to seek to achieve arms control agreements of a safe and verifiable nature—verifiable where necessary—that can reduce and hopefully even end the danger of nuclear war upon this planet.

I look forward to talking with the Senator from Texas after this particular battle about Paul Warnke is over to see to it that we can move toward effective arms control agreements.

Mr. President, at this time I yield such time to the Senator from North Carolina as he may wish.

Mr. MORGAN. Mr. President, until this time I doubt that anyone in this Senate knows or has reason to believe or reason to know how I planned to vote. As a matter of fact, I was not sure until this morning how I was going to vote on this nomination.

But I think without a doubt the nomination of Mr. Warnke has been one of the most controversial nominations made by our President. It has certainly stirred the emotions of many people throughout the country, though I must say in all candor I doubt that the American people are as up in arms about this nomination

as some of my mail would tend to indicate.

First, let me say that I think Mr. Paul Warnke, though I have never known him until this nomination was made, is an honorable man. I do not believe he could have served under Secretary of Defense McNamara and under Secretary of Defense Clark Clifford as an Assistant Secretary of Defense if he had not been an honorable man.

I do not believe that former Secretary of Defense Melvin Laird, who no one can accuse of being soft on American defense, would have endorsed Paul Warnke if in any way he thought that his integrity or his patriotism was in doubt.

So I think we are not talking about the integrity of the President's nominee, and I hope to goodness we are not talking about the patriotism of Paul Warnke simply because some of us do not agree with him.

I am one of those who has not and does not agree with Mr. Warnke on many of his positions with regard to national defense. Many of the weapon systems he has opposed, I have been in favor of. But I think in all candor we should acknowledge that he has not always been opposed to weapon systems just to be opposed to them.

Many times he has come forth with an alternate system which he has recommended. And who knows who was right? We will never know who was right and who was wrong. But because I disagreed with him on many of his recommendations does not make him wrong and me right, or vice versa.

Simply because he has been willing to move forward at times and perhaps advocate a unilateral disarmament and I have not been willing to do so does not make him right and me wrong, or vice versa.

Nor does it make him soft on communism, Mr. President.

I have never read such mail in my life as has been coming into my office. This morning I have had letters that said if I voted to confirm the nomination of Mr. Warnke, I would surely be removed from the U.S. Senate.

It may be that during the next election, Mr. President, the good voters of North Carolina in their wisdom might see fit to remove me from the Senate. But I am satisfied that if they do, it will not be because I exercised my best judgment on a nomination made by the President of the United States.

I am also satisfied that if the time should ever come when the voters remove me from the Senate they will not replace me by some of those who engage in character assassinations with people with whom they disagree.

So I am going to vote for Paul Warnke. I am going to vote for him for Director of the Arms Control and Disarmament Agency and I am going to vote for him as the chief negotiator for the President of the United States, not because he would be my personal choice, but the choice is not mine. The American people placed that choice upon the President of the United States and, in the absence of compelling reason, I think we have an obligation to give the President of the United States the opportunity to choose those with whom he is going to advise and consult.

There are occasions when I think the Senate should exercise its veto power. I must say in all candor I thought the nomination of Mr. Sorensen was one of those that justified such action. I would have voted against Mr. Sorensen and I advised the President against appointing Mr. Sorensen.

But just because we disagree with a man's philosophy does not mean there is reason enough to reject the nomination of the President and especially a President who has just carried his message to the American people and has been accepted by the majority of the American people.

I am not worried about Mr. Warnke selling out America. In the first place, he is going to be there as a representative of the President. But if he were inclined to do so, any kind of agreement that he or the President enters into has to be ratified by two-thirds of the Members of this great body. I am sure the Members of the Senate will never ratify any kind of disarmament agreement which in any way will weaken the strength and the defenses of this Nation or the security of this Nation.

Mr. President, I wish that the American people had better access to the debates that occur on the floor of the Senate and would sit down and express to us their real thinking and their real reasoning on these issues. I appreciate all kinds of mail. I like to hear from people who oppose any issue on the floor of the Senate or who support it; but, in all candor, I think I should say that I prefer that it at least be logical and responsible and not engage in character assassinations.

What concerns me about this kind of mail is that letter after letter after letter makes the same quotations, from the same sources, and sometimes they clip out the same articles from some periodicals, and they will even write their messages around the margins. Of course, these letters give us some indication of how some of the people in our States think. But I have enough confidence and faith in the people of my State of North Carolina and in the people of the other States of this Nation to believe that they are willing to accept the recommendation of our President on this issue, especially in light of the fact that the Senate will have the last word in any kind of agreement that has been entered into.

So I hope, Mr. President, that as we proceed with the remainder of the day and debate this issue, we will do so on the merits of it and not engage in questioning the integrity of those with whom we disagree.

Mr. CRANSTON. Mr. President, I congratulate the Senator from North Carolina on a courageous and wise statement on a very important matter that is now before the Senate.

No one can question the commitment of the Senator from North Carolina to the national defense needs of our country. He has made that position very clear by his actions before and since entering this body. He is now a member of the Armed Services Committee. He has become thoroughly acquainted with our national defense needs, though he was well acquainted with this matter before, through that service.

I suspect that it is what he knows about our national defense needs and about the monumental dangers of nuclear war that, in part, has caused him to come to the decision he has made; because I assume that he recognizes that we must avoid nuclear war, if we can, for national defense purposes, survival purposes, and that one way to do that is to seek sensible arms control agreements, verifiable where necessary, with other nations.

As the Senator points out, any agreements negotiated by the United States, by Mr. Warnke—presuming the confirmation of his nomination today—will be subject to ratification by this body. At that time, we can look at them, with great care, to insure that they do not entail any undue risks for our country.

I also am gratified to note that the Senator has analyzed that mail carefully—I think some have not—and has recognized that it represents one segment of a viewpoint but not all viewpoints, that much of it is generated by organizations and contains exactly the same language and exactly the same comments in letter after letter after letter.

If the people of our country were fully aware of the dangers of nuclear war, were fully aware of the necessity to take steps to reduce the danger of that war, there would be overwhelming support for the effort to negotiate sensible arms control agreements with the Soviet Union and with others.

I am delighted that the Senator recognizes the responsibility that the President has in picking the team that will undertake those very important negotiations.

Mr. TOWER. Mr. President, I yield myself 3 minutes.

I think many of us become annoyed by these mass mailings, where forms are clipped out of newspapers or are printed on postcards. The fact is that they do represent a segment of voter sentiment or the people involved would not send them. I think they are part of the right of the people to keep their Members of Congress informed as to their views. Not every citizen feels himself capable of couching his thoughts in words that can be understood by the recipient.

I wonder whether those of us who complain about these post cards or letters that all say the same thing always make individual replies, in our own offices, to every constituent when a number of them write about a specific issue. If any man in this body does not resort to the use of form letters, he should present himself here and tell us how, on earth, he does it, when he may get thousands of letters on one issue.

I do not think that we should suggest

that our constituents should not send us form letters, when we do precisely the same thing; and my guess is that we send out more than we receive.

The suggestion has been made that the people should trust the President to make the right appointment. I think that ordinarily we do around here. But, after all, the Constitution has vested in us the responsibility for advice and consent, and it is one that we should exercise.

I did not hear all these appeals to confidence in the President when Mr. Haynsworth was nominated for the Supreme Court, or when Mr. Griffin Bell was nominated to be Attorney General. I did not hear them when Mr. Sorenson was nominated. As a matter of fact, it was congressional pressure that convinced the President that he should reconsider the nomination of Mr. Sorenson. Some of those who are now supporting the nomination of Mr. Warnke were vocal in their opposition to Mr. Sorenson.

The PRESIDING OFFICER (Mr. GLENN). The Senator's 3 minutes have expired.

Mr. TOWER. I yield myself additional time

I think that the people of this country are entitled to hear an opposing viewpoint. They are entitled to use mass mailings, if they wish, to convince Members of Congress that there are substantial numbers who think as they do. This is a part of the democratic process. Sometimes private groups have to communicate directly with their constituent members and urge them to inform their Senators and Representatives because their message does not get across in the media.

To suggest that the media are completely without bias and never editorialize in the presentation of the news is naive in the extreme.

I do not believe that we in Washington always get a clear view of what people are thinking out in the country, by getting up every morning and reading the Washington Post and the New York Times, prestigious publications though they may be, or listening to the comment on public issues on such distinguished channels of the media as NBC, CBS, and ABC.

So I believe that the groups that oppose Mr. Warnke's nomination are acting perfectly properly and responsibly, fulfilling their duty, as they see it, when they communicate their concern to those who will listen and urge them, by whatever means, to make their sentiments manifest to the Members of this body.

Mr. President, there is too much at stake here to impute dishonest motives or irrational motives to one side or the other in this debate.

That is why I express disappointment at the demagoguery resorted to by some in suggesting that those of us who oppose the Warnke nomination do not want to see world arms reductions, do not want to prevent a nuclear holocaust.

It is just as demagogic as the suggestion on the part of those who oppose Mr. Warnke that his proponents are advocates of placing the United States in such an inferior military position that it is vulnerable to nuclear blackmail.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

Mr. SPARKMAN. Mr. President, will the Senator withhold it?

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SPARKMAN. Mr. President, first of all, I want to say I agree with all the Senator from Texas has said. I think he has made a very fine statement, the kind we would expect from him. But I am diametrically opposed to his view with reference to Mr. Warnke. I think that is clear enough.

By the way, he mentioned those form letters in replying to constituents. I do not use form letters. I write a letter and then have it run off, of course, on the automatic machines. I sign those letters and send them to my constituents. I have made a practice of that ever since I have been here.

I think the Senator from North Carolina made a very fine statement in a very few minutes. I get that mass mail, as every Senator does, and I reply to my constituents. But I want to say this: Ever since I have been in Congress—and that now is nearly 41 years—I have made it a practice to weigh the issues, to study the facts, and then to vote the way I think is right regardless of the mail I may have received.

I read the mail—I am glad to have these views and I reply to my constituents and other correspondents, stating my position clearly and frankly. I think it has worked very well.

Mr. President, the Senator mentioned some of the outstanding newspapers, and it just happens that I saw two items in the Washington Post this morning. One of them is the editorial entitled "The Warnke Arithmetic," a very fine, forceful, understandable editorial in support of Mr. Warnke. The other was an article written by Victor Zorza entitled "The Kremlin Joins a Senate Fight."

I ask unanimous consent that both of those may be inserted in the RECORD as a part of my remarks.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

THE WARNKE ARITHMETIC

The logic of some of those opposing Paul Warnke's nomination as arms control director and SALT negotiator is bizarre. If they said they did not share his view that sensible arms control, like sensible arms building, can strengthen national security, that would be understandable. We're on Mr. Warnke's side, but one can argue it. But instead, the more determined Warnke opponents, offering no substantial larger rationale, claim they can cripple him by stacking up 40 or more votes against him for the post of SALT negotiator. For the politically less sensitive post of arms control director, his confirmation by a big majority seems assured.

Why do his foes wish to cripple a nominee they cannot defeat? More to the point, why do they wish to cripple President Carter, whose policies (not Mr. Warnke's own) Mr. Warnke would be following? Why do they wish, as Victor Zorza suggests on the opposite page, to play into the hands of Soviet hawks? Why do they ignore the existence of a built-in safety net that the Senate itself provides: the simple fact that any treaty negotiated by Mr. Warnke on behalf of—and under instructions from—the administration must come back to the Senate for ratification?

The theory is heard that this represents the last-ditch stance of those who fear that Mr. Carter, his campaign hints notwithstanding, is serious about trying by negotiation to reduce the risks and costs and strains of relations with the Russians. Broadly speaking, the contrary view is that Moscow will respond, if at all, only to repeated demonstrations of strength and will. Yet the weeks-long assault on Mr. Warnke has shed virtually all pretense of being a reasoned debate. Astonishingly enough, it has finally come down to the petty nitpicking matter of whether Mr. Warnke removed a comma from a copy of some 1972 testimony he recently distributed in the Senate.

With the comma, the words in question imply that if the Russians had nuclear superiority it should not worry Americans; without the comma, the implication is that Russian superiority should worry us. We find it absurd to think that Mr. Warnke or any other serious person would advance the former view. In fact, by his own account, he did not. The original testimony had been given orally. The original comma resulted from a typographical error in a transcript. Sen. Edmund Muskie, for one, drawing on seven years of close consultations with Mr. Warnke, yesterday vouched for his consistency and integrity in the strongest terms.

The vote on Mr. Warnke comes today. Everyone grants there's no problem in his becoming Arms Control and Disarmament Agency director. If, say, about 35 senators vote to deny him the second hat as SALT negotiator, that would be something he could work with and perhaps even profit from; that total could bolster the American negotiating position by allowing the Carter administration to indicate to the Russians that it must take due account of conservative sentiment at home. But if something like 40 or more senators vote against Mr. Warnke, then the administration's arms control hand will have been materially weakened and that of the Soviet hawks correspondingly strengthened. Do Senator Jackson and his fellow members of the attack squad really want to take the responsibility for crippling the Carter administration in its exercise of one of the principal means available for enhancing the security of the United States?

THE KREMLIN JOINS A SENATE FIGHT

(By Victor Zorza)

One member of President Carter's inner circle who might well have a decisive influence on the shape of any Soviet-U.S. agreement to limit strategic arms confesses to being "troubled" by some of the suggestions lately advanced by the President. Carter has suggested to Moscow that, for the sake of reaching a quick SALT agreement, the accord could exclude the U.S. cruise missile and the Soviet Backfire bomber. But the man whose advice on SALT the President regards as crucial takes a harder line on this, as on a number of other issues. He fears that if those two weapons were excluded, the Russians could in time develop their own cruise missiles and could then mount them on the Backfire bomber, thus acquiring a greatly enhanced strategic capability.

Carter is willing to consider a test ban treaty which would allow peaceful nuclear explosions for such projects as the diversion of Siberian rivers. His adviser says he would

be "very concerned" if this happened. So many explosions would be needed, he says, to accomplish the Soviet river diversion project that "we would have no assurance that they weren't gaining useful military information from them." On some issues he takes an even tougher stand than James Schlesinger did when he was Secretary of Defense. Schlesinger was willing to reduce, unilaterally, the number of tactical nuclear warheads in Europe. But Carter's man insists that to do so now, during the negotiations, would be to give the Russians something for nothing.

This list, which could be greaty extended, comes from a conversation with Paul Warnke, whose nomination by Carter as his chief SALT negotiator and head of the Arms Control and Disarmament Agency has been bitterly opposed by Senate hardliners, who will be voting on it today. Having listened for years to Paul Warnke expound his views on the Soviet Union, I have always considered him a hardliner, so what he says now comes as no surprise to me. But when I tried out his views on several hardline senators yesterday, without at first revealing his identity, they were so surprised to hear who these remarks came from that some of them left me with the impression that they might reconsider their opposition to him.

It all goes to show how some of the most important decisions in Washington, where the flow of information is supposed to be free, are made out of ignorance and out of emotional or political prejudice, much as they are made in Moscow, where the flow of information even within the decision-making elite is often severely restricted.

So what else is new, one might ask? What is new is that the hawk/dove fight on Warnke's nomination coincides with a hawk/dove fight in Moscow on the next SALT agreement. The hardline senators who distrust the Kremlin fear that Warnke's dedication to arms control might cause him to sell out to the Russians, just to achieve progress in arms limitation, regardless of his hardline view of the Kremlin.

In Moscow, Brezhnev and the moderates are now on top. But the Moscow hardliners are in a position to fight back, and they too, paradoxical as it may seem, would prefer to see Warnke sustain a moral defeat in the Senate. Warnke will easily get the majority vote he needs to be confirmed, but the Senate hardliners say that they can inflict a moral defeat on him by casting 40 votes against him. This would deny him the two-thirds majority which Carter wants—the same majority that the President would need for the ratification of any SALT treaty he might negotiate with Moscow.

The hardliners, who claim that the Warnke forces "haven't got a chance of getting two-thirds," believe that by denying him the votes, they are telling Carter that he must negotiate a tough SALT agreement if it is to secure ratification. But the effect of their action may be the very opposite of what they intend.

Any new SALT agreement could result only from a series of concessions made by each side to the other in the process of bargaining. The Kremlin could only make the far-reaching concessions that are necessary to secure an agreement if Brezhnev manages to persuade his own hawks that he too has obtained far-reaching concessions from Washington. But if the Senate hardliners show, by denying Warnke now a two-thirds vote, that they could block a SALT agreement which entails U.S. concessions, they would be giving the Moscow hawks the very weapon they need.

Why, the Moscow hawks would argue, should the Kremlin make concessions, if Washington is simply going to grab what it can get, and then fail to honor the bargain? After all, they would recall, this was precisely what happened when President Nixon got a whole series of concessions from Brezhnev in exchange for promises which the Senate never allowed him to fulfill. It took Brezhnev a long time to regain what he lost to the Moscow hawks at that time.

If all that the hardline senators want is to make sure that Warnke does not sell out to the Russians, their chance to do so will come when he brings the SALT treaty back to them for ratification. The best way to impress Moscow with the Senate's determination to have a foolproof treaty would be by giving him a massive vote to confirm his nomination. Every vote cast against Warnke will be a vote for the Moscow hardliners in their own fight in the Kremlin.

Mr. SPARKMAN. Mr. President, President Carter held a news conference this morning. I will read just a very brief excerpt from an early wire dispatch. It says President Carter—

Expressed complete confidence in Paul Warnke to be the U.S. arms negotiator. He acknowledged that he was concerned over the lack of confidence shown in Warnke during the Senate fight on his nomination. Asked whether the Senate debate would have any effect, Carter said that "I don't believe the exact vote in the Senate will have an effect on the future negotiations with the Soviet Union on SALT (Strategic Arms Limitation Talks.)"

EXTRACTED FROM PRESIDENT'S PRESS CONFERENCE, MARCH 9, 1977

A complete text of his remarks in regard to the Warnke nominations will come to me very soon. When it does, I ask unanimous consent to have that introduced into the RECORD in its entirety.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Question: What effect in your mind, if any, is the extent of debate in the Senate over Mr. Warnke's qualifications to be the chief SALT negotiator going to have eventually on our negotiating position?

The PRESIDENT. I don't believe that the exact vote in the Senate on Mr. Warnke's confirmation will have a major effect on future negotiations with the Soviet Union on SALT.

The obvious impression that concerns me is a demonstration of lack of confidence of the Senate in my own ability and attitudes as a chief negotiator. Obviously, as President, any decisions made with the Russians on reduction of atomic weapons would have to be approved by me.

I have promised the Joint Chiefs of Staff, who in the past perhaps have been by-passed in the process, that we will always know ahead of time what our position will be at the negotiating table. I have not promised the Joint Chiefs of Staff that they would have the right to approve or disapprove every individual item in the negotiations. But I hope that the Senate will give Mr. Warnke a strong vote.

I think that many of the people that oppose Mr. Warnke just do not want to see any substantial reductions in atomic weapons, even though they are agreed to mutually by us and the Soviet Union or even if they are designed to reduce the threat of nuclear destruction of the world.

I feel very deeply that we ought to pursue with every possible means an agreement with the Soviet Union for substantial reductions in atomic weapons. I think Mr. Warnke agrees, most of the Senators agree.

So there are a wide range of reasons for not voting for Mr. Warnke. I have complete confidence in him. I might say there is one more very significant guard against any error that I and Mr. Warnke and the Secretary of State and others might make.

The Senate has to approve by a two-thirds vote, after complete open debate, any agreements signed with the Soviet Union. So, I think the attacks on Mr. Warnke are primarily by those who don't want to see substantial reductions in nuclear weapons in the world.

Mr. SPARKMAN. Mr. President, I certainly agree with what the Senator from Texas has said about a holocaust, that we do not want to loose one on the world. I am just as much opposed to that as he or anybody else is. But I do not think any such dire result as that necessarily would result from the confirmation of Mr. Warnke.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes.

Mr. TOWER. I did not suggest that that would be the result if Mr. Warnke is confirmed.

Mr. SPARKMAN. No, no.

Mr. TOWER. But what I was saying was that those of us who oppose Mr. Warnke have just as deep a concern for the destructive power of nuclear war as those who support his nomination.

Mr. SPARKMAN. And I said I agreed with what the Senator said.

Mr. TOWER. I am disappointed in the fact that some people who support Mr. Warnke say those of us who oppose him are opposed to arms reduction. We are not.

Mr. SPARKMAN. I could point out many things that have been said by those opposing him, and the Senator knows the intimation has been that it may have just such dire results. I do not believe there is anything that will support any such proposal as that.

Mr. Warnke will be the President's representative in the SALT talks. He will be acting under the direction and, I might say, the direct control of the President of the United States. It will be the President who will be carrying on the negotiations.

The Constitution places in the President the authority and the responsibility to make foreign policy for this country. He feels that he is following a correct course in this. He is confident in Mr. Warnke as his negotiator, and I am, too.

Mr. President, I wish my good friend, the Senator from Mississippi (Mr. STENNIS) were here at this time, but I will go on and say this, and talk to him about it later: Senator TOWER is a member of the Armed Services Committee, and we have on our desks a bulky document of the hearings together with individual views from the Armed Services Committee filled with all kinds of statements. No vote was taken, but we have seen in the press the report as to how the vote in that committee would have gone.

Senator STENNIS discussed this matter with me before we had ever had hearings and said he would want Mr. Warnke to come before the Armed Services Committee, and he bore down frequently on the fact that he recognized that this was a

matter wholly within the jurisdiction of the Foreign Relations Committee and he would recognize that point.

I regret that this document has been issued that certainly would leave anyone to believe the Armed Services Committee was trying to exert its influence here to defeat the action recommended by the Committee on Foreign Relations, following extensive hearings with Mr. Warnke and his critics.

By the way, I invited members of the Armed Services Committee, any of them who wanted to, to sit with us. In fact, there is a standing invitation to any Member of the Senate who wants to do so to attend the meetings of the Committee on Foreign Relations. We have had any number of Senators sit in. We had some sitting in when we were holding these hearings.

And all of them had the invitation to be there. The committee, after those extensive hearings, took a vote of Democrats and Republicans alike, and that vote was 15 to 1 on the ACDA position and 14 to 2 on the SALT position. I do not see how greater confidence could be expressed by Democrats and Republicans alike. The one vote against both nominations was by a Republican, Senator DANFORTH, and he has made his views known. Senator DANFORTH had what he felt were good reasons and, of course, he had the right. We assured him that his views would be carried in the report that we made to the Senate, and they are carried in the report of the Foreign Relations Committee.

Mr. President, I have the rollcalls here on both those matters, and they will be very interesting reading for the Members who might wish to see exactly how Senators have voted on these issues. We had a hard fight on the B–1 bomber. I am sorry Senator JACKSON is not present. Senator CULVER proposed last year that we withhold procurement funds for the B–1 bomber until February 1, 1977, and that vote carried. Senator JACKSON voted with the majority to delay the B–1.

Senator BENTSEN, of Texas, led a very strong fight in 1972 against accelerating the Trident.

I never thought, because Senator BENTSEN was actively opposed to accelerating the Trident, that that meant he was in favor of all of these dangers that have been expressed here. At other times, Members of this Senate expressed their opinions, their views, their wishes in those rollcalls. I recommend to Senators that they might wish to go back and check those rollcalls to see how the different Senators voted on these matters.

I do not question any Senator's integrity or voting the way he thinks the vote should go.

I think that Mr. Warnke will do a good job. He has had a distinguished career. He has always shown himself to be a patriotic American. I believe that he can be trusted to do a good job representing the President in the negotiations. I have complete confidence in his doing a job that will be good for this country, and I am glad to voice my support of him.

I reserve the remainder of my time.

Mr. BUMPERS. Mr. President, will the Senator yield me 5 minutes?

Mr. SPARKMAN. I yield.

Mr. BUMPERS. Mr. President, first I thank the Senator from Alabama for yielding me time to make a few comments.

I wish to say, first of all, I am on the Armed Services Committee, and it was during the hearings of that committee that I made up my mind to support Paul Warnke. No. 1, I thought he was one of the most intelligent men I had ever heard testify before a Senate committee; No. 2, I thought he made a very sensible, rational defense of everything he had ever said or written; and, No. 3, after coming out of the Foreign Relations Committee into the Armed Services Committee and being, I will not say harassed, but questioned very intensely——

Mr. SPARKMAN. Grilled.

Mr. BUMPERS (continuing). For 3 days, he showed a remarkable amount of patience. It is in this category that so many people have always felt the United States lost out, that the Soviet Union somehow or other possessed some sort of degree of patience that no American negotiator can possibly match, and this is where we always lose at the negotiating table. His patience was absolutely remarkable based on the tenor of the questions and the conduct of his questioners.

Second, I wish to say that the U.S. Senate has abdicated a great right that it could have otherwise shown in making these debates a very enlightening and edifying experience for the American people. I must say—and I do not say this in deprecation of the Senate—the past few days have certainly not been the U.S. Senate's finest hour.

I for one impugn no bad motives to people who oppose Paul Warnke's nomination. On the contrary, it is the very essence of the American system that we stand here and disagree with each other over either Paul Warnke or the whole concept of arms reduction or arms control. And it is that system, I say to Senator SPARKMAN, that I championed so strongly, and it is one of the reasons I ran for the Senate because I wanted to be a part of preserving our system.

When we talk about superiority, it is our system that is so infinitely superior to the Soviet system. As a part of our system, we have faith in the American people to understand. I am trusting that my constituents—and probably a majority of those who have followed this debate do not favor Paul Warnke—will understand my vote. And I will do everything I can to enlighten them as to why I have voted for him.

I have received the same mail that my distinguished colleague from North Carolina (Mr. MORGAN) says he has received. I welcome the mail, because it is only when I receive it do I have a chance to inform and enlighten my constituents. As well as representing them, I think one of the highest responsibilities I have is to keep them informed. I will inform them and I will do the very best I can to explain to them why I voted for Paul Warnke.

It is our system that we all love and cherish that has given these great human freedoms and human rights, which we love so much and desire to preserve.

It is the Berlin Wall and the presence of the Red Army in most of Eastern Europe, or the threat of the presence of the Red Army in all of Eastern Europe, that is the manifestation of the absolute abject total failure of their system.

It is a strange thing how everyone in this body and everyone in this country understands that, agriculturally, the Soviets do not even come close to us and they have to come into our grain markets, year after year, to feed their people. Those of us who have been to Russia, and that includes almost every Senator in the Chamber right now, have seen what can only be described as substandard health care.

Everyone who has been there has seen substandard consumer goods. Everything about their economic, social and political system is an abject failure in the eyes of every Senator in the U.S. Senate, as well as in the eyes of all the people of this country.

Yet, when we talk about their military prowess, we somehow or other assume that even though they fail in every other critical category, somehow in this category they are vastly superior. We talk out of both sides of our mouths because we say that technically no nation on Earth can even commence to compare with the United States, and we believe that, except when we engage in these debates. Then, somehow or other, we lose all of our sense of balance and rationality, and ascribe to them some kind of superiority which simply does not exist.

I have only been on the Armed Services Committee for 2 weeks——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BUMPERS. Will the Senator yield me some additional time?

Mr. SPARKMAN. Yes; how much?

Mr. BUMPERS. Two minutes.

Mr. SPARKMAN. I yield the Senator 2 additional minutes.

Mr. BUMPERS. I have been on the Armed Services Committee for 2 weeks, and I have done nothing but go through top-level, top-secret, classified briefings. I have heard Senators on this floor talk about how the Soviet Union is militarily superior to us in every way. I can only say simply that either the people who have been briefing me have either been deliberately deceiving me or they do not know what they are talking about, because I have had no briefings to indicate that the Soviet Union is in an overall superior position to us.

Finally, Mr. President, I came to this body with the hope that I could make a contribution. Sometimes my idea of making a contribution goes against the grain of my mail and the advice of some of my very best friends. But there are several things I hope I can accomplish while I am here. First, I hope I can keep my faith in the American people and in their ability to understand what we do. Second, I hope I can maintain my faith in the President and his keenly

stated desire to eliminate all nuclear weapons from the face of this Earth. Third, I have immense faith in the Secretary of State, in the Joint Chiefs of Staff, and finally in the U.S. Senate to make a sensible, rational decision in this whole area, which we will all have to do.

Mr. GARN. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. If the Senator will yield to me for 1 more minute. I want to reduce the chances of my children and my grandchildren being incinerated, either by mistake, by accident, or by miscalculation.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. GARN. Mr. President, will the Senator respond to a question on our time?

The PRESIDING OFFICER. On whose time?

Mr. GARN. On the minority's time. The distinguished Senator from Arkansas and my good friend from Alabama stated correctly that the vote was 15 to 1 in the Foreign Relations Committee. The Senator from Arkansas and I serve on the Armed Services Committee together, and the question I would like to ask him is, even though we did not take an official vote, does he share my opinion that had we had the legal oversight in the Armed Services Committee—the same point the distinguished Senator from Alabama made—Mr. Warnke's nomination would have been rejected by probably a 2-to-1 majority of both Republicans and Democrats? Does the Senator feel that is a fair statement?

Mr. BUMPERS. I would not conjecture on the majority, but certainly I would agree with the Senator's conclusion that the nomination would have been rejected by the Armed Services Committee.

Mr. GARN. That is the only point I wish to make: that while the Committee on Foreign Relations, Republicans and Democrats, did approve it——

Mr. SPARKMAN. Fifteen to one for ACDA and 14 to 2 for SALT.

Mr. BUMPERS. While I am not on that committee, again let me point out that we did not have jurisdiction of the matter.

Mr. GARN. This is my estimate based on public statements, because no vote was taken: that in the Armed Services Committee the vote would have been 12 to 6, with 6 Republicans and 6 Democrats against, a bipartisan rejection from the committee that deals with weapons systems.

Mr. SPARKMAN. Of course, Mr. President, the Armed Services Committee deals with weapons systems, but they have no jurisdiction of foreign relations. The Senator recognizes we have complete jurisdiction, and that committee which has complete jurisdiction voted 14 to 2, Democrats and Republicans, for confirmation in the SALT job.

Mr. GARN. I did not challenge the Senator's statement.

Mr. TOWER. Senator GRIFFIN and DANFORTH voted against Mr. Warnke on the Foreign Relations Committee for SALT negotiator.

Mr. SPARKMAN. That is correct. It was 14 to 2. We split the decision. It was 15 to 1 on the first question, and 14 to 2 on the other.

I think that is pretty telling. Remember that I have issued a standing invitation to any Senator who wants to attend the Foreign Relations Committee sessions, and I specifically invited Senator STENNIS as chairman of the Armed Services Committee to come in and sit with us. We did have representation there, though not many of them came. But we performed our duty, we voted overwhelmingly in favor of Mr. Warnke, and I believe the nomination ought to be approved.

The Senator from Texas made some reference to Judge Carswell, was it?

Mr. TOWER. Haynsworth.

Mr. SPARKMAN. The two were up together, as I recall.

Mr. TOWER. No, they came separately.

Mr. SPARKMAN. But within the same period of time.

Mr. TOWER. Carswell was the result of Haynsworth's rejection.

Mr. SPARKMAN. Well, I voted for both of them. I want the Senator to know that, because I believed the President had the right to use his judgment.

As a matter of fact, I think doubts ought to be resolved in favor of appointments of importance that any President of the United States makes, whether he is a Democrat or a Republican. I have voted that way through the years that I have been here.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield 10 minutes to the Senator from Connecticut.

Mr. WEICKER. I thank the distinguished Senator from Texas. First, Mr. President, I ask unanimous consent that Barbara Katowski of my staff may be accorded the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, within months of having become First Lord of the Admiralty in 1912, Winston Churchill broke with the bulk of traditional Liberal Party opinion—which wished a unilateral reduction in British armaments—by proposing the construction of more ships for the British fleet. David Lloyd George, then Chancellor of the Exchequer, led the Cabinet's antishipbuilding faction, until, one morning before a breakfast meeting, he announced to Churchill his change of mind. George's wife had raised the subject the previous evening, George explained to Churchill:

> She said, "you know, my dear, I never interfere in politics; but they say you are having an argument with that nice Mr. Churchill . . . . Of course I don't understand these things, but I should have thought it better to have too many (ships) rather than too few."

I mention that story, Mr. President, as an illustration of one of the two traits of an arms negotiator—caution. The other one is steadfastness. I shall oppose the nomination of Paul Warnke to the posts of Director of the Arms Control Disarmament Agency and SALT negotiator, because his considerable testimony before two Senate committees has left me with serious doubts about his possession of those two necessary qualities.

Mr. President, we may argue the merits of the individual defense programs with which Mr. Warnke has disagreed—or, as we now have it, has had varying degrees of reservation—the Trident submarine, the Cruise missile, the B–1 bomber, the XM–1 tank, the Trident II missile, and the like. We can discuss policy issues—whether or how many troops to have in Europe, or the size of our conventional forces, or planning for a two-and-a-half, one-and-a-half, or one-enemy war. Yet, I sincerely believe, however one stands on these issues individually or in bulk, that it is impossible for any serious person to say that Mr. Warnke's record has been cautious.

He has been a gadfly for a radically lower defense budget, for severe limitations on defense spending, and against virtually every major weapons system of the past decade. Mr. President, the gadfly has its place. But it is not in Geneva staring down bears. Mr. Warnke can make a contribution to his Nation. But not as defender of and negotiator on a long, vital list of military weapons systems virtually none of which he supported prior to his confirmation hearings.

The second characteristic this Senator believes essential to the head of crucial negotiations, such as the ones into which Mr. Warnke will be thrust, is steadfastness.

In this, I am sorry to say, Mr. Warnke has raised doubts about himself which no one who agreed or disagreed with him on policy would have entertained just a few weeks ago.

Mr. President, in the past several weeks, Mr. Warnke has attempted to fog and muddle a record which up to this time has been as clear as it has been consistent. This is, to my mind, the saddest result of this nomination process, yet it is one which, once recognized, makes opposition a matter of duty.

In 1972, in testimony before the Foreign Relations Committee, Mr. Warnke described the Cruise missile as having "little more merit than a nuclear arrowhead shot from a cross-bow."

In his confirmation hearings in 1977, he said:

> . . . I cannot defend today everything I may have said in the past, and I won't try to do so. Obviously, the cruise missile technology has progressed amazingly since 1972. . . . We have to look at it very closely. I think that it's not a decision that ought to be reached specifically.

In 1974, he said of the Trident II missile:

> The 4,000 mile Trident I missile—usable in the existing force—is a worthwhile program, but the . . . 6,000 mile Trident II missile . . . (is) not and should be suspended at least until an evaluation can be made as to the proper replacement for Polaris.

But in 1977, at this confirmation hearings, it was different again:

I have supported consistently the Trident missile, because that's what gives you the increased capability. The Trident missile, of course, initially raises the range from 2,000 miles to 4,000 miles, and I believe that the follow-on one (Trident II) has a range of 6,000 miles. That is a distinct increase in the deterrent efficacy of our force, and I support it.

Indeed, the whole confirmation process so confused the nominee that he could not remember that he had written in his most widely discussed article in foreign policy:

We face a single military threat, not a hostile world.

Or that he had said in 1974:

I think we have to recognize two things. One of them is that when we talk about Soviet aggression, we do so because that is the *only* real military threat because they *only* have the capability.

And, thus, he told the Foreign Relations Committee:

I certainly don't believe that our strategic interests are limited to Western Europe, to Japan, and to Israel. What I have suggested is that the *primary* military threat is the Soviet Union and that military forces ought to (be) optimized to deal with that particular threat. (Emphasis added.)

In conclusion, Mr. President, it is never easy nor pleasant to oppose a nominee to an important post. Nevertheless, it is sometimes necessary. I believe that as the United States enters the second round of these delicate negotiations, with the results of the first round still inconclusive, the intentions of our nuclear counterpart still not wholly clear, Mr. Warnke's confirmation would not be in the Nation's best interest. Should Mr. Warnke be confirmed, I hope nothing more than that he prove me wrong. This is not the issue on which to be proven right.

I yield the floor, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I suggest the absence——

Mr. SPARKMAN. Will the Senator yield?

Mr. TOWER. I yield.

Mr. SPARKMAN. Mr. President, a lot has been said about Mr. Warnke's changing his mind. I want to quote from testimony from a statement made by Mr. Warnke in the course of a debate with Senator BUCKLEY. This is what he said:

Although I am not prepared to accept these political implications as controlling or to see them determine policy to the degree and at the cost reflected in the proposed fiscal 1973 defense budget, I cannot discount them completely.

This was made during the year 1972:

They should be made explicit and subjected to the trial of informed public debate. If they play a real part in the design of our strategic force posture, they belong in the public review of our purposes.

And also reading from another part of it, he said:

We could not, as I see it, be comfortable with a situation in which we possessed no more than the theoretical minimum needed to destroy some predetermined percentage of Soviet society. Neither could our friends overseas. We could not be sure that, in a true crisis, some Soviet planners might not argue persuasively that we had miscalculated on the low side and thus that we would not dare rely on the deterrent efficacy of our strategic forces. Perhaps even more serious might be the impact of such minimal retaliatory deterrent strategy on Soviet adventurism and the perception of other countries as to who holds the whip hand. Certainly in terms of the political objectives for which strategic sufficiency is maintained, we could no longer count confidently on our ability to protect smaller allies from nuclear blackmail and political coercion. Even if the retaliatory strength were deemed adequate to prevent a nuclear strike against the United States, would it in fact be sufficient in the eyes of other countries to permit them to resist possible Soviet pressures for accommodation or capitulation?

As I see it, we should not permit the development of so gross a numerical discrepancy as to lead, even arguably, to this kind of situation.

In my own thinking, therefore, the criteria for strategic sufficiency add up to three—one major, and two distinctly subsidiary. We must be sure, in order to deter a Soviet first strike, that we have an assured and invulnerable retaliatory capacity to inflict clearly unacceptable losses on the Soviet Union. Regardless of absolute capacities, our forces should not be allowed to fall into a position of imbalance so gross as to have adverse political connotations. This does not mean that we must match the Soviet nuclear arsenal missile-for-missile and megaton-for-megaton. It does mean that the disparity should not become so great as to lead the Soviets to misjudge their freedom to act in opposition to our interests or to lead our friends to doubt our willingness to respond to even the most severe provocation. Third, maximum deterrent efficacy against limited nuclear attack warrants possession of the ability to respond with less than our Sunday punch.

A force that meets this tripartite test is a force that can achieve all feasible objectives for our nuclear weapons.

Mr. President, I do not see how it can be claimed that he has changed his posture, when, back in 1972, he was making these statements, warning that we had to maintain a sufficiency in nuclear weapons.

I reserve the remainder of my time, Mr. President.

Mr. GRIFFIN. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. On whose time? Unless there is an agreement, it will be charged equally.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. SARBANES). Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, we are awaiting the arrival of Senator BIDEN. Pending his arrival in the Chamber, I yield to the Senator from Alabama.

Mr. ALLEN. Mr. President, I ask the Chair's indulgence and the Senate's indulgence, because I recently have been ill and have just gotten up from an illness of some 4 days, and my delivery may be interrupted from time to time. I had thought that this issue was of such great importance that I should, in the carrying out of my duties as a Senator from the State of Alabama, make my views known on this most important question before the Senate.

Mr. President, I believe the Senate should give great respect to the judgment of the President of the United States in assessing appointments made by the President for which Senate confirmation is required. The prerogatives of the President in selecting his Cabinet and top advisers ought not be dismissed casually, and the decisions of the President in appointing individuals to high office should, in the absence of extraordinary circumstances, be given our ready approval and consent. In that spirit I have voted in favor of confirmation on occasions where I have held very serious reservations. I did so because I believed and trusted that the President had considered the whole man and that the President, after a full appraisal of all factors involved, had determined that the particular nomination was in the best interest of our country.

Mr. President, we are today considering one of the last major appointments made by our new President, and I regret to say that I cannot support the choice he has made in this instance—or, since it involves two appointments, in these instances. I will vote against the confirmation of Paul Warnke both as Director of the Arms Control and Disarmament Agency and as chief negotiator for the United States in our strategic arms limitation talks with the Soviet Union.

The Soviet Union is now spending about $50 billion a year more than the United States for military purposes. The red army is more than three times larger than the U.S. Army. It possesses five times as many tanks, six times the artillery, and more than twice the number of armored personnel carriers. The United States has only approximately 6,000 first-line tanks—and I am told half of those are inoperable for lack of money to buy spare parts—to defend against 42,000 main battle tanks manned by the Soviets. Since 1965, the United States has developed only one new intercontinental ballistic missile system, the Minuteman III, which is MIRV'ed with three warheads, whereas in the same time the Soviet Union has developed the SS–19, SS–18, and SS–17, MIRV'ed with six, eight, and four warheads, respectively. Moreover, the new Soviet missiles are large throw-weight weapons that within the next 3 to 4 years could easily provide a strategic missile capability far in excess of that possessed by our current Minuteman force. Since 1966, the Soviet Union has added to its Navy more than three times as many ships as have been added to the United States Navy. The Soviet Navy is now reckoned by many to be superior to our naval forces. At a strength of about 550,000, the Air Defense Force of the Soviet Union alone is nearly equivalent in strength to the entire U.S. Air Force. When the Soviet Air Force is

included in the calculation, the imbalance is overwhelming. The Soviet space program has been given a heavy military emphasis. Out of approximately 1,300 missions flown since 1957, more than 700 have been primarily military in nature. As of December 31, 1976, 18 fractional orbital bombardment missions had been flown, and although the program reportedly terminated in 1971, with the launch last year of Cosmos 881 and 882, the fractional orbit bombardment system program appears to have resumed. The Soviet outer space satellite interceptor program was given renewed importance during the last year, and there is substantial evidence that—contrary to the terms of SALT—U.S. monitoring satellites were deliberately blinded for periods of time sufficient to mask a major nuclear test.

Perhaps the seriousness of the total strategic imbalance now developing between the United States and the Soviet Union is best highlighted by noting simply that the Soviet Union is now spending approximately 15 percent of its gross national product directly for military purposes, whereas the United States is spending less than 5 percent. In that connection, we ought also to recognize that more than 60 percent of U.S. defense expenditures are devoted to personnel costs, whereas only approximately 12 percent of Soviet expenditures are allocated to that purpose.

So, Mr. President, it is against the backdrop of the startling growth of the military might of the Soviet Union that we must consider the nomination of Paul Warnke. I admire Mr. Warnke very much. I think he is a gentleman and a scholar and a man of great ability. I certainly feel that he is a loyal, patriotic American citizen. I have reviewed his record, and I can only conclude that his confirmation would be a grave error and a dangerous decision threatening the future safety and freedom of our people.

I do not believe Mr. Warnke has a sufficient understanding of military weapon systems to perceive with flexibility the potential of new weapon concepts. In reviewing the 1972 hearings held before the Senate Committee on Foreign Relations when the committee was considering SALT I, I frankly was shocked to read Mr. Warnke's assessment of the cruise missile system as having "little more merit than a nuclear arrowhead from a crossbow." Virtually all of us now recognize that the cruise missile system represents a major strategic breakthrough by permitting us to deploy a compact, versatile, highly accurate, difficult-to-counter, and relatively inexpensive weapon. Yet, Mr. Warnke with incredible lack of perception, equated the new weapon with the crossbow.

I am deeply concerned, too, Mr. President, that Paul Warnke seemingly does not understand the basic fact of life that concluding an agreement to limit development of one particular type of strategic weapon should have no direct bearing on decisions to continue development of other different systems. I mean simply that an agreement to limit, for example, MIRV'ed intercontinental ballistic missiles should not be interpreted to mean that development efforts in other areas not covered by that agreement ought to cease. We can be sure that the Soviet Union will pursue every possibility not specifically covered by agreement and monitored with reliability. The United States would be foolhardy not to adopt a corresponding attitude.

Yet Mr. Warnke advised the Senate in 1972 not to respond to known Soviet intentions for development outside the SALT agreements because, in his judgment, the antiballistic missile aspect of the agreement meant that the United States needed "no more MIRV's, no new bombers, no larger submarines—instead of bargaining chips, I think our restraint can create the best climate for further progress in arms limitations."

So, Mr. President, the concept that by limiting ourselves in the development of offensive nuclear strength would call upon the Soviets, and that they would so limit themselves, that if we make the first move toward limitation without any agreement on their part to do so, they would limit themselves, I feel is naive, and I cannot support any such theory as that.

Mr. President, our restraint, while we were not producing new systems, produced the SS–16, SS–17, SS–18, and SS–19 intercontinental ballistic missiles, extensive development of MIRV's for ICBM's, the construction of new Soviet missile-firing submarines, the development of new MIRV'ed submarine-launched ballistic missiles, and the long-range Tupolev variable geometry "Backfire–B" bomber. We cannot again afford the luxury of that stupendous miscalculation.

I might say Mr. Warnke wholly fails to understand the significance of increases in the size and number of missile warheads in attaining first strike capability against hard targets, nor does he understand seemingly the advantage gained in possessing a vastly larger capacity for delivering those warheads. And to give some evidence of my point, I would remind the Senate of this remarkable statement he had in 1972 to the Committee on Foreign Relations,

> . . . even if our potential adversary should elect to pour additional resources into additional warheads, we need have no concern.

Let me repeat that, Mr. President, "We need have no concern."

And he continues—

> Instead, we might feel some gratification that he has not used these funds for more meaningful and more mischievous purposes.

I would feel that a person who is that out of touch with reality has no business representing our country in the most critical area of our foreign policy.

Now, Mr. President, I could continue to catalog statements from the RECORD against Mr. Warnke. I make no statement against him personally because, as I said, I think he is a man of high talent, a man of great ability, a man of great diplomatic skill, but harboring the views and concepts that he does would cause me to not be willing to put these important functions in his hands.

I could continue, as I say, to catalog statements from the record against Mr. Warnke's record, and I could go into further detail in explaining his lack of understanding of strategic concepts. I could point out his record of naïveté in failing to appreciate the need for absolutely reliable verification of compliance with all aspects of any arms limitation agreement with the Soviet Union, but I know others have already covered these topics in great depth.

In the examination of any aspect of Mr. Warnke's career, the net result is ultimately and consistently the same. He is intelligent but lacks common sense, he is an idealist but would create an environment in which ideals must perish, and in sum, he is a dreamer without being a prophet. He is not a man into whose hands the fate of 220 million free people can be entrusted.

I apologize once again, Mr. President, for my illness and my handicap in making the remarks I have made.

Mr. McINTYRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McINTYRE. Who is controlling time? I ask for 3 minutes.

Mr. CRANSTON. Mr. President, I yield such time as the Senator may wish.

Mr. McINTYRE. I thank my good friend.

Mr. President, I rise in support of the nominations of Mr. Paul Warnke to serve as Director of the Arms Control and Disarmament Agency and as Head of U.S. delegation to SALT. I would like to discuss with my colleagues the results of the Armed Services Committee's inquiry into the military implications of these nominations.

As the Armed Services Committee did not have jurisdiction over Mr. Warnke's nomination, I viewed the hearings as an opportunity to better inform myself on the issues surrounding the nomination in order to aid me in forming my opinion as an individual Senator.

At the outset of my questioning I stated the criteria which I feel should apply to all nominations sent to the Senate for confirmation.

While the Senate has the constitutional responsibility to confirm or not confirm the President's nominations, each nominee does represent the President's choice for his family of advisers. Thus, the burden of proof must be very, very heavy for the Senate to reject that choice.

Mr. President, I do not argue that it is the Senate's responsibility to defer to the President in his choice of advisers. Indeed, the solemn constitutional requirement that the Senate confirm the President's high-level appointees represents an important check on the President by the American people through their elected representatives in the Senate.

Precisely because this is a constitutionally derived responsibility, the Senate must fulfill its responsibility absent partisan considerations, and under the standard that the burden of proof must be very, very heavy for the Senate to reject the President's choice. This is the standard I have applied across the

board during the years I have served in this body.

The most fundamental judgment which the Senate must make is on the basic competence and character of the nominee. In the course of the Armed Services Committee hearings on the military implications of this nomination, no question was raised about Mr. Warnke's professional competence. All were agreed on Mr. Warnke's competence in his current position as an attorney, and in his previous service with the Department of Defense.

On the question of Mr. Warnke's character, the witnesses were careful to make the necessary distinction between questioning the suitability of Mr. Warnke's character, and disagreeing with him on specifics.

I asked Admiral Moorer, former Chief of Naval Operations and Chairman of the Joint Chiefs of Staff:

Do you have any reservations about Mr. Warnke's character?

Admiral Moorer answered:

No, I have nothing to make me have any reservations about his character, Senator McIntyre. I do not mean to suggest in any way that this is a personal thing with me at all.

Admiral Moorer continued, echoing my point about making a distinction between personal disagreements on specifics and a judgment on the nominee's character.

I do not mean to suggest in any way this is a personal thing with me at all. I do have reservations about his opinion and the positions he has taken in the past.

The only challenge to Mr. Warnke's character came from Mr. Nitze, who claimed to be a better American than Mr. Warnke. After discussing his comments with me after the hearing, however, Mr. Nitze offered a clarification of his remarks for the hearing record. In my opinion, this clarification demonstrated that Mr. Nitze's challenge to Mr. Warnke's character stemmed from the personal disagreements he has with Mr. Warnke on specific issues, rather than on questions of basic character and competence.

Once the distinction between disagreements on specific issues and judgments about a person's character and competence were agreed upon and recognized, I believe it became clear that indeed—Mr. Warnke's character and competence have never been in question.

Given the absence of substantive questions about Mr. Warnke's character and competence, a large measure of the Armed Services Committee's proceedings focused on personal disagreements about strategic policy and specific weapon developments.

It is important to note that the committee's hearings were marked by agreement of those goals. Indeed, when Mr. Warnke and our distinguished witnesses, Mr. Nitze and Admiral Moorer, on the basic goals and objectives of U.S. military posture.

All were agreed that both a strong defense posture and an equally strong arms control policy enhance the security of the United States. Further, it was agreed that the primary purpose of our strategic forces is to deter nuclear conflict.

Toward these ends, Mr. Warnke endorsed the Triad—a highly survivable force of land and sea-based ballistic missiles and intercontinental manned bombers.

No, Mr. President, the base issue was not the goals or objectives of the U.S. defense posture. Disagreements centered on specific methods of assuring achievement of those goals. Indeed, when Mr. Nitze was asked during the Foreign Relations Committee hearing:

Aren't your different judgments really the basic root of your opposition to Mr. Warnke's nomination?

He answered:

I think that is probably true.

Because Mr. Warnke and I have also disagreed on a number of those specifics, I felt it necessary to offer the admonition that we take care not to let personal disagreement on specific issues color our judgment of the nominee's character and competence. As I noted before, we were careful throughout the hearing to make this distinction. As a result, no serious questions about Mr. Warnke's character or competence emerged.

As the committee membership explored its differences of judgment on specific issues with Mr. Warnke, it became clear that those different judgments have been well within the spectrum of methods on which reasonable persons can differ in pursuit of commonly agreed goals.

For example, we discussed the Trident submarine as the method by which the Department of Defense and Congress chose to increase the survivability of our sea-based ballistic missile platforms.

Mr. Warnke and I disagreed on whether the Trident was the best method of achieving this goal. Mr. Warnke agreed that smaller submarines with the Narwahl-type propulsion system produced in greater numbers, would be more survivable than the larger Trident produced in fewer numbers.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. McINTYRE. In my view, this is a classic example of disagreement over specifics within a reasonable spectrum. Even Mr. Nitze stated in testimony before the Armed Services Committee:

On the issue of the Narwahl versus the Trident, I do not think that is the kind of difference of opinion on which I would raise any question at all about a person's qualifications.

I might also point out that Mr. Warnke was not alone in proposing the smaller submarine as an alternate to the Trident.

Mr. TOWER. Mr. President, will the Senator yield for a question on this point?

Mr. McINTYRE. I am happy to yield.

Mr. TOWER. The Senator from New Hampshire, of course, is the very able chairman of the R. & D. Subcommittee and has dealt with submarine warfare. Why would the Narwahl be a more survivable submarine? Is the Narwahl a more survivable submarine than the Trident on an individual basis?

Mr. McINTYRE. Mr. President, in reply to the distinguished Senator from Texas, let me say that in my personal opinion the Trident was the better way to go, but I think that it is reasonable to argue that if you had more smaller submarines armed with fewer Poseidons or Trident missiles in the ocean the better off you would be than to put your eggs, so to speak, in 10 or 11 baskets, as we plan to today.

I myself would have disagreed with Mr. Warnke on this, because I felt that the Trident submarine represents the type of huge missile-carrying SSBN's, as we call them, that can do the greater job in the end if they ever become necessary.

Mr. TOWER. So that actually the theory behind the advocacy of Narwhal is maybe if some of them go enough of them would survive. Is that the idea that we are playing, in effect, a numbers game?

Mr. McINTYRE. I do not think there is any great illogic or logic to the argument that you could do the job better with more of the smaller ones than you could with fewer of the larger ones. They could be equipped to fire the same Trident I missile.

Mr. TOWER. This disturbs me because it follows the McNamara line of buying more and cheaper aircraft, that you would lose a larger number but it would be a cheaper way to go, and you would have a larger number survive. What that fails to take into consideration is that you lose a larger number of American personnel, and I do not know how you feed human life through a cost-effectiveness machine.

Mr. McINTYRE. I say to my good friend that a very strong argument could be made that the Narwhal might have been a more cost-effective way to accomplish that end of the triad which we feel all is so important—greater survivability. If we only have 11, one of the things we live in fear of is that our Russian friends may somehow be able to detect our submarines. That is one of the things in the R. & D. field we look into every year, what progress, if any, is being made, if somewhere there is a breakthrough in the ability to detect our huge big Trident submarines. As I remember now the Trident submarine will be the length of two football fields, is that not about right? About 590 feet long.

But the point I seek to make is that for Mr. Warnke to argue that he thought the best way to do it, the most cost-effective way, was with smaller submarines with a newer propulsion system, the Narwhal propulsion system, as opposed to the huge Trident submarine, was a reasonable position to take. It did not prevail, and I am personally happy it did not prevail.

To continue, I might also point out that Mr. Warnke was not alone in proposing the smaller submarine as an alternate to the Trident. At the time this issue was hotly debated, Secretary Schlesinger, who was then Secretary of Defense, fa-

vored the smaller submarine, as did a good portion of the Department of Defense and the so-called small sub faction in the Navy.

Mr. President, I mention this because in my view this represents another test of whether Mr. Warnke's views, while different in some instances from those of some Members of this body, including myself, were within a responsible and a reasonable spectrum of opinion.

As with this example of the Trident versus the smaller submarine, Mr. Warnke has been joined by very respectable company in questioning other weapons developments.

In 1974 and 1975, nearly half the Senate agreed with Mr. Warnke's position of opposing counterforce developments in our ICBM force in votes of the full Senate. Further, Secretary Laird and an overwhelming majority agreed with that same position in 1971.

In questioning the cost-effectiveness of the AWACS and SAM–D systems, Mr. Warnke has been joined by serious and thoughtful members of the Senate Armed Services Committee.

Not, I might say, Mr. President, this Senator. I have never been in disagreement with the SAM–D system, especially, which I think is a very fine system now coming into fruition, though at a tremendous cost to the taxpayers of this country. The SAM–D system, Mr. President—an air defense system is based on a tremendous technology, and it looks as if it will be a highly successful weapon system.

Let these examples suffice to demonstrate the very point Mr. Nitze agreed with in his testimony before the Foreign Relations Committee:

> The kinds of judgments that you are talking about . . . are of such a nature that reasonable people can differ with an equally strong commitment to a strong national defense and the security of this country.

The Armed Services Committee closely examined the question of Mr. Warnke's suitability to head the U.S. delegation to the strategic arms limitation negotiations.

Some members had advanced the argument that Mr. Warnke's opposition to specific weapons systems might somehow handicap his negotiating efforts.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. McINTYRE. I am happy to yield.

Mr. SCOTT. Mr. President, I would agree with the distinguished Senator from New Hampshire that reasonable people may well disagree with regard to a particular weapon and as to its effectiveness, and whether we should procure a given weapon. My concern with Mr. Warnke is the same concern that the distinguished Senator from Washington expressed in the questions that were asked on page 17 of the hearings before the committee, where he asked:

> You recommended:
> (1) Against the B–1.
> (2) Against the Trident submarine and the Trident II missile.
> (3) Against the submarine-launched cruise missile.
> (4) Against the AWACS programs.
> (5) Against the development of a mobile ICBM, by the United States.
> (6) Against MIRV deployment.
> (7) Against improvements to the U.S. ICBM force, including improved guidance and warhead design.
> (8) Against the development of the XM–1 tank and for reductions in the procurement of the M–60 tank.

He goes on with 13 different items, then, and Mr. Warnke says:

> Yes, sir, Senator, that is absolutely correct.

What I am suggesting is that if a man has been against substantially every weapons system, does that not put him in a different position than that of exercising the judgment of a reasonable man?

When he gets there, and the Soviet negotiator knows that the feelings he has expressed in the past are against all of these weapons, will he not be inclined to wait around and be patient until he has an opportunity to get the negotiator to go back to the previous position that he stated in past years, that would call for the reduction of our weaponry? It is not any one system that I criticize Mr. Warnke for, but it is this consistent pattern that he has shown.

I remember, as I am sure the distinguished Senator from New Hampshire does, Mr. Khrushchev, when he was up at the United Nations, taking off his shoe and pounding it on the desk and saying he was going to bury us. This is the type of hard-nosed Soviet negotiators we are going to have. Would it not be in the interest of our Nation to have someone taking off his shoe and pounding it on the desk, or having just as hard-nosed an individual representing the interests of the United States as the Soviet Union does? He is not going to be up against some patsy. Would the Senator care to comment on that?

Mr. McINTYRE. I will be happy to.

Mr. President, as far as Mr. Warnke being said to be flatly against the B–1 is concerned, let me tell Senators I have lived with the question of B–1 a long time, and it is a very marginal weapons system. I come down on the side of the B–1, but this is a plane that is going to cost the taxpayers of this country $100 million a copy, and maybe more, particularly if the buy is reduced.

At the time the B–1 was under consideration, and since it has been the sweetheart of the Air Force, for many reasons. First, the Air Force cannot envision an air force without a bomber. But try as we would to get the Air Force to take a look at some other method of accomplishing the mission, for example the standoff bomber, with the ability to release a missile from a standoff position. But we could not induce them to change their position.

So, the very fact that the man was opposed to the B–1 should be modified by the fact that he may very well have thought there was a better way to do the job.

We have already talked about the Trident submarine. Reasonable people could disagree over whether a few big submarines were more suitable than or a small sub and more of them. So there can be no damning of Warnke for taking a position against it.

Then there was the cruise missile, the so-called SLCM or what we call the Tomahawk program. A few years ago, other weapons were thought to be more cost-effective, but today the sea-launched cruise missile is very much in the news. As to his opposition to the sea-launched cruise missile—SLCM—I would like to remind the Senate as a whole that in 1973 the defense appropriation bill approved by the Senate opposed the SLCM. Furthermore, last year the committee the distinguished Senator from Virginia is on denied funds for full-scale development of the strategic variant of the sea-launched cruise missile.

I am worried about the Tomahawk. I am worried about verifiability when it comes to the Tomahawk. You cannot tell whether this missile will go 400 miles, 2,000 miles, or 4,000 miles as you observe it. So the submarine-launched cruise missile is a very controversial weapon system, even today.

Moving down the list on page 17 of the Armed Services Committee hearings to the AWACS. Well, we are doing our best to sell this command and control plane for NATO requirements, but we have not had any buyers yet. I can see where a reasonable man would say that is a pretty expensive way to go about the airborne warning and control mission, particularly when we think about the significant differences between the positions of our NATO allies and our own.

Mr. President, the mobile ICBM potential, coupled with the accuracy we now have achieved, would be the most destabilizing weapon development ever created. There should be no discredit to Mr. Warnke for being opposed to the mobile ICBM, when we have not even achieved it today—as my good friend from Virginia knows, we do not have any mobile ICBM. We worry about the fact that the Soviets may have something of this order. A unilateral statement by the last of our negotiators indicated that we were opposed to mobile ICBM's, but we forgot to get our Russian friends to agree to that proposition.

The mobile ICBM, I tell my good friend from Virginia, we now consider questionable.

As we look at the new MX missile, which was slowed last year has again been modified, even in its development stage, by President Carter's budget.

The MX neglects the fact that we cannot put it in the same silos we have our Minuteman in if they are so vulnerable. So to be opposed to a mobile ICBM is to be opposed to a different theory of strategic confrontation.

We are now talking about a weapons system that puts at risk the Soviets counterforce. I do not want to get too detailed about this today with my good friend from Virginia. All I am saying is that judgments on weapons systems are not as black and white as my friend from Virginia would indicate. If someone took a position opposing these it does not necessarily mean he will not be the best damn negotiator we ever had.

Next on the list is, "Against MIRV deployment."

The Senator is quoting out of context.

Was Mr. Warnke opposing MIRV deployment 5 or 6 years ago, before the Russians caught on to it? Yes. If we had been able to stabilize then, we might be better off than we are today. However, that opportunity was lost and we and they now have MIRV.

As for improvements to the U.S. ICBM force, including improved guidance and warhead design.

I had great difficulty, as a member of the R. & D. Subcommittee, in understanding why in the name of God we had to increase accuracy. I dare not think about the accuracy at 3,000 or 4,000 miles at a cost of billions of dollars to the people of this country. We have so much accuracy now it scares the living daylights out of this Senator, because it is a very destabilizing development for our missiles.

Next the list says Mr. Warnke was against the development of the XM–1 tank and for reductions in the procurement of the M–60 tank.

Mr. SCOTT. Will the Senator yield?

Mr. McINTYRE. Not until I answer the question.

On the XM–1 tank and reduction in procurement of the M–60 tank I have no particular knowledge. We had a great deal of trouble, Mr. President, trying to come up with a tank. We think this XM–1 may be a good tank. It seems it is superior to the German Leopard, although we are seeking commonality with our German friends. But the tank has always been controversial. There are some people in the Senate who think that, because the Russians have 4,000 or 7,000 or 10,000 tanks, somehow we have to have the same number.

There are some people in this Senate, and I do not have to go much further than the distinguished junior Senator from Virginia, who think that because the Russians have 4 million people under arms somehow we should have a standing army of 4 million.

For the reduction of U.S. tactical nuclear weapons in Europe from 7,000 to 1,000.

Well, I do not know that I agree with Mr. Warnke on that position, but I must say, Mr. President, the one thing the Senator from New Hampshire is scared to death of is a nuclear holocaust. One way the wire could get tripped would be in the fact that we have a lot of tactical nuclear mines and weapons situated in Europe today. I do not know but it may be that a tactical nuclear weapon could go off, because of, we will say, by a Russian surge of tanks coming across the line in the attack mode.

One of these tactical nuclear weapons would go off and we would find ourselves escalating rapidly.

I happen to be a student of the philosophy that limited nuclear war would not remain limited. I do not believe in this nuclear war fighting. I think when somebody tells the President of the United States that California has been completely destroyed and Montana has gone over the side of the hemisphere and 10 million people have been killed, that the President is going to say, "Why don't we fire about nine of our Minutemen IIIs and see what we can do around Moscow." I believe, as JOHN PASTORE said, we are going to "push the red button" or "pull the trigger."

So I say reasonable men can differ on how many tactical nuclear weapons we want in Europe. As Mr. Warnke pointed out, we have nuclear mines now in position. If one of those goes off, are we on our way to a nuclear war exchange? I do not know.

Some reasonable people could disagree as to how many nuclear tactical weapons we should have in Europe.

Mr. McGOVERN. Will the Senator yield for a question?

Mr. McINTYRE. Yes.

Mr. McGOVERN. It may be a slight point but it is basically a question.

Mr. McINTYRE. I yield.

Mr. McGOVERN. First of all, Mr. President, I commend the Senator for the line of argument he is making here today, that many of these weapons systems that Mr. Warnke has questioned have also been questioned by senior members of the Armed Services Committee. In some cases the systems have been delayed by a vote of the Armed Services Committee, and in other cases the amount of funds have been reduced. So I think it is important to recognize that these are questions on which very thoughtful people totally committed to our national defense can disagree.

There is one point I would like to call to the attention of the Senator from New Hampshire and I would be interested in his comments.

I believe a straw man has been set up in the last few days with regard to the percentage of votes that Mr. Warnke may get or may not get here in the Senate when we vote this afternoon.

Frankly, I do not think it makes very much difference whether he gets 35 votes against him or 40 votes against him. If the Senate confirms him, as provided under the rules of the Senate and by the Constitution, with 51 votes, he is then confirmed as the President's SALT negotiator and also as the head of the Arms Control and Disarmament Agency.

I would hope that all of us in this body who understand that we were elected by a majority vote, not by a two-thirds vote, would understand that we are operating within the political and constitutional process and that Mr. Warnke will be so operating, regardless of what the vote is as long as he gets one more than a majority.

Let me just call the Senator's attention to the fact that when President Kennedy was elected President of the United States he was elected with a margin of 120,000 votes, far less than 51 percent of the American people who went to the polls that year voting for him. That did not prevent him in the crucial Cuban missile showdown from forcing Mr. Khrushchev to back down. Mr. Khrushchev did not say, "I am not going to back down to a man who only got elected by slightly more than 50 percent of the vote." He knew he was dealing with the President of the United States.

When the Soviets deal with Paul Warnke they are going to know they are dealing with the President of the United States, with his designated nominee, with the man he wants to represent the position of the President.

Today, the President was asked at his press conference—and I would like to call the attention of the Senate to it, and particularly the attention of the Senator from New Hampshire—"What effect in your mind, if any, is the extent of debate in the Senate over Mr. Warnke's qualifications to be the chief SALT negotiator going to have eventually on our negotiating position?"

This is what the President said:

> I don't believe that the exact vote in the Senate on Mr. Warnke's confirmation will have a major effect on the future negotiations with the Soviet Union on SALT.

He goes on to point out that eventually the Senate has to approve by a two-thirds vote, after complete and open debate, any agreement signed with the Soviet Union.

It seems to me that is the important thing to keep in mind. Once we have this vote this afternoon—and I am confident Mr. Warnke will be given a majority vote—we do not want to leave the impression in anyone's mind that there is anything all that unusual about some Senators dissenting.

I think of other cases. The late President Johnson came to the U.S. Senate by a margin of 79 votes.

Mr. TOWER. Eighty-seven.

Mr. McGOVERN. That did not prevent him from taking his position here in the Senate as a confident, aggressive, forceful Senator to the point where he rather quickly became the majority leader of the Senate.

He did not sit back and say, "Well, I think you ought to have somebody else who has a little more confidence back in his home district." The Constitution provided if you had the majority you were the Senator from Texas.

Mr. TOWER. Will the Senator yield?

Mr. McGOVERN. I do not have the floor. I cannot yield.

Mr. TOWER. On my time?

Mr. McGOVERN. I do not have the floor.

Mr. TOWER. I was just going to say if we were sending Lyndon Johnson to negotiate with the Russians I would be all for him because he would clean their pockets but good.

Mr. McGOVERN. I appreciate what the Senator is saying. The size of the vote has nothing to do with the effectiveness of a negotiator. I do not want the impression to stand this afternoon that Mr. Warnke is going to be crippled somehow if 35 Senators have the bad judgment to vote against him, particularly when the Senator from Texas reminds us that even a Senator who won by less than 51 percent of the vote would have been as tough a negotiator as we could have sent to deal with the Soviet Union. Even President Carter only got about 51 percent of the vote. I have heard Senators stand up and say that they have confidence in President Carter dealing with the Soviet Union but they object to this nominee, and that they think that, somehow, they are going to weaken

him by holding him below 60 votes here in the Senate.

The whole point of this is that I would like to ask the Senator who came to the Senate the same day I did, some 14 years and more ago, if he does not think that somehow, a straw man is being created here that really has nothing to do with the eventual qualifications of Mr. Warnke to do the job. Does the Senator think that, even though as much as a third of the Senate or more opposes this nomination, Mr. Warnke is the kind of man who is then going to shrink back and say, "Well, I am powerless to do anything in dealing with the Soviets, because some people disagreed with my nomination"?

Mr. McINTYRE. Let me say to my distinguished friend, known back in 1963 as "landslide McGovern"——

Mr. McGOVERN. I won on a recount. I had to go through a recount before it was determined I was a U.S. Senator.

Mr. McINTYRE. I would like to see Warnke get a substantial vote in the Senate, but I say wholeheartedly that, as long as Mr. Warnke carries the Senate, he becomes the negotiator and he will be working with the Carter administration. I think he is going to prove to be one tough negotiator and I think it should not take one whit away from his ability to function, to try to get not just any arms limitation agreement but a good limitation agreement.

Mr. McGOVERN. Did the Senator see the piece by Victor Zorza in today's Washington Post where he discusses what the impact of a strong vote against Mr. Warnke might be—not on Mr. Warnke, but on the hawks in the Kremlin? If not, I would like to call the Senator's attention to it.

Mr. McINTYRE. I had to be at the House of Representatives at about 7:45 this morning. I had to throw the Post on the floor and get out.

Mr. McGOVERN. If I could read just two or three sentences from Mr. Zorza's analysis, his point, in brief, is not so much that opposition here in the Senate is going to cripple Mr. Warnke, but that it will strengthen the hands of those so-called hawks in the Kremlin who are arguing that any kind of agreement they negotiate with an American negotiator is not worth anything because the Senate will not accept it.

When Mr. Nixon made some of the arrangements in the spring and summer of 1972 with Brezhnev, having to do with most-favored-nation status and the export-import credits and so on, he was unable to deliver on those arrangements that he had negotiated with Brezhnev because, as the Senator knows, the Senate blocked those agreements.

The point that Mr. Zorza makes is that if, in fact, there are 35 votes here in the Senate against Mr. Warnke, it may not affect Warnke at all, but it could lend encouragement to those hard-liners in the Kremlin who have been trying to persuade Brezhnev and the other Soviet leaders that it is not worth negotiating a reasonable agreement with the United States because the Senate will probably end up blocking it in any event.

To read his exact words, Mr. Zorza says:

> But if the Senate hardliners show, by denying Warnke now a two-thirds vote, that they could block a SALT agreement which entails U.S. concessions, they would be giving the Moscow hawks the very weapon they need.
>
> Why, the Moscow hawks would argue, should the Kremlin make concessions, if Washington is simply going to grab what it can get, and then fail to honor the bargain?

Then this final conclusion by Mr. Zorza:

> The best way to impress Moscow with the Senate's determination to have a foolproof treaty would be by giving him a massive vote to confirm his nomination. Every vote cast against Warnke will be a vote for the Moscow hardliners in their own fight in the Kremlin.

I think it is that part of the vote that disturbs me, the impact that strong opposition to Mr. Warnke will have on the Kremlin, whether or not they feel it is even worthwhile to negotiate seriously with us.

With the Senator's willingness, I ask unanimous consent that this complete article by Mr. Zorza be printed at this point in the RECORD, along with extracts from President Carter's press conference of today and other newspaper articles relating to this question. If the Senator prefers, we can put all of this at the end of his remarks.

Mr. McINTYRE. I do not think so. I think it might be well to put it in as part of the colloquy.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, March 9, 1977]

THE KREMLIN JOINS A SENATE FIGHT

(By Victor Zorza)

One member of President Carter's inner circle who might well have a decisive influence on the shape of any Soviet-U.S. agreement to limit strategic arms confesses to being "troubled" by some of the suggestions lately advanced by the President. Carter has suggested to Moscow that, for the sake of reaching a quick SALT agreement, the accord could exclude the U.S. cruise missile and the Soviet Backfire bomber. But the man whose advice on SALT the President regards as crucial takes a harder line on this, as on a number of other issues. He fears that if those two weapons were excluded, the Russians could in time develop their own cruise missiles and could then mount them on the Backfire bomber, thus acquiring a greately enhanced strategic capability.

Carter is willing to consider a test ban treaty which would allow peaceful nuclear explosions for such projects as the diversion of Siberian rivers. His adviser says he would be "very concerned" if this happened. So many explosions would be needed, he says, to accomplish the Soviet river diversion project that "we would have no assurance that they weren't gaining useful military information from them." On some issues he takes an even tougher stand than James Schlesinger did when he was Secretary of Defense. Schlesinger was willing to reduce, unilaterally, the number of tactical nuclear warheads in Europe. But Carter's man insists that to do so now, during the negotiations, would be to give the Russians something for nothing.

This list, which could be greatly extended, comes from a conversation with Paul Warnke, whose nomination by Carter as his chief SALT negotiator and head of the Arms Control and Disarmament Agency has been bitterly opposed by Senate hardliners, who will be voting on it today. Having listened for years to Paul Warnke expound his views on the Soviet Union, I have always considered him a hardliner, so what he says now comes as no surprise to me. But when I tried out his views on several hardline senators yesterday, without at first revealing his identity, they were so surprised to hear who these remarks came from that some of them left me with the impression that they might reconsider their opposition to him.

It all goes to show how some of the most important decisions in Washington, where the flow of information is supposed to be free, are made out of ignorance and out of emotional or political prejudice, much as they are made in Moscow, where the flow of information even within the decision-making elite is often severely restricted.

So what else is new, one might ask? What is new is that the hawk/dove fight on Warnke's nomination coincides with a hawk/dove fight in Moscow on the next SALT agreement. The hardline senators who distrust the Kremlin fear that Warnke's dedication to arms control might cause him to sell out to the Russians, just to achieve progress in arms limitation, regardless of his hardline view of the Kremlin.

In Moscow, Brezhnev and the moderates are now on top. But the Moscow hardliners are in a position to fight back, and they too, paradoxical as it may seem, would prefer to see Warnke sustain a moral defeat in the Senate. Warnke will easily get the majority vote he needs to be confirmed, but the Senate hardliners say that they can inflict a moral defeat on him by casting 40 votes against him. This would deny him the two-thirds majority which Carter wants—the same majority that the President would need for the ratification of any SALT treaty he might negotiate with Moscow.

The hardliners, who claim that the Warnke forces "haven't got a chance of getting two-thirds," believe that by denying him the votes, they are telling Carter that he must negotiate a tough SALT agreement if it is to secure ratification. But the effect of their action may be the very opposite of what they intend.

Any new SALT agreement could result only from a series of concessions made by each side to the other in the process of bargaining. The Kremlin could only make the far-reaching concessions that are necessary to secure an agreement if Brezhnev manages to persuade his own hawks that he too has obtained far-reaching concessions from Washington. But if the Senate hardliners show, by denying Warnke now a two-thirds vote, that they could block a SALT agreement which entails U.S. concessions, they would be giving the Moscow hawks the very weapon they need.

Why, the Moscow hawks would argue, should the Kremlin make concessions, if Washington is simply going to grab what it can get and then fail to honor the bargain? After all, they would recall, this was precisely what happened when President Nixon got a whole series of concessions from Brezhnev in exchange for promises which the Senate never allowed him to fulfill. It took Brezhnev a long time to regain what he lost to the Moscow hawks at that time.

If all that the hardline senators want is to make sure that Warnke does not sell out to the Russians, their chance to do so will come when he brings the SALT treaty back to them for ratification. The best way to impress Moscow with the Senate's determination to have a foolproof treaty would be by giving him a massive vote to confirm his nomination. Every vote cast against Warnke will be a vote for the Moscow hardliners in their own fight in the Kremlin.

[From the Washington Post, March 9, 1977]

THE WARNKE ARITHMETIC

The logic of some of those opposing Paul Warnke's nomination as arms control director and SALT negotiator is bizarre. If they said they did not share his view that sensible arms control, like sensible arms building, can strengthen national security, that would be understandable. We're on Mr. Warnke's side, but one can argue it. But instead, the more determined Warnke opponents, offering no substantial larger rationale, claim they can cripple him by stacking up 40 or more votes against him for the post of SALT negotiator. For the politically less sensitive post of arms control director, his confirmation by a big majority seems assured.

Why do his foes wish to cripple a nominee they cannot defeat? More to the point, why do they wish to cripple President Carter, whose policies (not Mr. Warnke's own) Mr. Warnke would be following? Why do they wish, as Victor Zorza suggests on the opposite page, to play into the hands of Soviet hawks? Why do they ignore the existence of a built-in safety net that the Senate itself provides: the simple fact that any treaty negotiated by Mr. Warnke on behalf of—and under instructions from—the administration must come back to the Senate for ratification?

The theory is heard that this represents the last-ditch stance of those who fear that Mr. Carter, his campaign hints notwithstanding, is serious about trying by negotiation to reduce the risks and costs and strains of relations with the Russians. Broadly speaking, the contrary view is that Moscow will respond, if at all, only to repeated demonstrations of strength and will. Yet the weeks-long assault on Mr. Warnke has shed virtually all pretense of being a reasoned debate. Astonishingly enough, it has finally come down to the petty nitpicking matter of whether Mr. Warnke removed a comma from a copy of some 1972 testimony he recently distributed in the Senate.

With the comma, the words in question imply that if the Russians had nuclear superiority it should not worry Americans; without the comma, the implication is that Russian superiority should worry us. We find it absurd to think that Mr. Warnke or any other serious person would advance the former view. In fact, by his own account, he did not. The original testimony had been given orally. The original comma resulted from a typographical error in a transcript. Sen. Edmund Muskie, for one, drawing on seven years of close consultations with Mr. Warnke, yesterday vouched for his consistency and integrity in the strongest terms.

The vote on Mr. Warnke comes today. Everyone grants there's no problem in his becoming Arms Control and Disarmament Agency director. If, say, about 35 senators vote to deny him the second hat as SALT negotiator, that would be something he could work with and perhaps even profit from; that total could bolster the American negotiating position by allowing the Carter administration to indicate to the Russians that it must take due account of conservative sentiment at home. But if something like 40 or more senators vote against Mr. Warnke, then the administration's arms control hand will have been materially weakened and that of the Soviet hawks correspondingly strengthened. Do Senator Jackson and his fellow members of the attack squad really want to take the responsibility for crippling the Carter administration in its exercise of one of the principal means available for enhancing the security of the United States?

[From the Washington Post, March 9, 1977]

WARNKE DEBATE HARSH ON EVE OF SENATE VOTE

(By Spencer Rich)

Sen. Henry M. Jackson (D-Wash.) accused Paul Warnke yesterday of "deceit," misrepresentation and attempts to "mislead the senate," on the eve of today's Senate votes on Warnke's appointments as U.S. disarmament negotiator and adviser.

Debate was strident and harsh. Jackson attacked Warnke for allegedly doctoring a 1972 document and attempting to blame it on his typist. Edward M. Kennedy (D-Mass.) called Jackson's motives for opposing Warnke, as described in a newspaper article, "irresponsible and reprehensible" and "a new low," if true. Barry Goldwater (R-Ariz.) raked over President Carter not only for the Warnke appointment but for his Africa policy, economic policy and arms policy in general.

Opposition is based on fears that Warnke, in negotiating an arms treaty, will give too much away to the Soviets, allowing them to gain a military advantage. Many senators consider his past positions too "soft."

But Carter countered that argument in a meeting with congressional leaders yesterday, saying that he—not Warnke—would make all the key decisions.

Jackson denied a newspaper report that said, in effect, that he was deliberately attempting to drum up a big Senate vote against Warnke, so that, even if confirmed, he would be so weakened by the show of non-confidence that eventually Carter would have to replace him with a "stronger" man. Jackson wasn't present at the time of Kennedy's remarks and didn't respond to them.

Meanwhile, Kennedy, Edmund S. Muskie (D-Maine), George McGovern (D-S.D.) and Thomas F. Eagleton (D-Mo.) accused Warnke's critics of opposing him because they actually oppose arms limitations.

In a brief statement delivered calmly and without personal attack, Armed Services Committee Chairman John C. Stennis (D-Miss.) said he will vote against Warnke both as disarmament negotiator and as head of the Arms Control and Disarmament Agency. Warnke's past positions against development of new weapons would weaken "his ability to carry on negotiations and bring back a treaty that can be accepted," Stennis said.

Assistant Democratic Leader Alan Cranston (Calif.) said his latest count shows at least 58 votes for Warnke as negotiator, and more for the ACDA post. The vote on negotiator takes place at 5 p.m. today, on ACDA one hour later.

The harshest attack came from Jackson. He said Warnke in recent hearings had falsely told senators that he had been concerned in 1972, in connection with an arms agreement, about the disparities in numbers of nuclear weapons between the United States and Russia. Jackson said Warnke, in sending up a copy of his 1972 statements to prove it, had first "doctored" the meaning by dropping a comma from a key statement, then had blamed it on a typist. Jackson read off a long list of 1972 statements in which Warnke appeared totally unconcerned about disparities in numbers.

His point was that Warnke didn't really understand the importance of numerical disparities but won't admit it, and is falsifying documents to make it appear he did.

Furiously scrabbling through old documents, Warnke defenders Hubert H. Humphrey (D-Minn.) and Cranston finally came up with a couple of counter-quotations that they said undercut Jackson's charges.

"What you're trying to do is not only split hairs. You're trying to take a nit out of a gnat and make an alligator of it," Humphrey said.

Goldwater said the Warnke nomination reflects the "dominant obvious position of the Carter administration on foreign affairs, namely, a position of weakness" that reminds him of appeasement. He also criticized Carter for "virtually declaring war" against various African nations because of their policies and for "worn-out" economic nostrums.

The Emergency Coalition Against Unilateral Disarmament released a letter urging Carter to withdraw the nomination. The group, which was formed to oppose Warnke, said he had tried to misrepresent his past positions.

Townsend Hoopes, former under secretary of the Air Force, who is actively supporting the nomination, said in response:

"Almost everything about the so-called Emergency Coalition Against Unilateral Disarmament is as phony as a three-dollar bill . . . Paul Warnke has never advocated anything remotely resembling unilateral disarmament, nor has anyone in the Carter administration."

EXTRACTED FROM PRESIDENT'S PRESS CONFERENCE ON MARCH 9, 1977

QUESTION. What effect in your mind, if any, is the extent of debate in the Senate over Mr. Warnke's qualifications to be the chief SALT negotiator going to have eventually on our negotiating position?

THE PRESIDENT. I don't believe that the exact vote in the Senate on Mr. Warnke's confirmation will have a major effect on future negotiations with the Soviet Union on SALT.

The obvious impression that concerns me is a demonstration of lack of confidence of the Senate in my own ability and attitudes as a chief negotiator. Obviously, as President, any decisions made with the Russians on reduction of atomic weapons would have to be approved by me.

I have promised the Joint Chiefs of Staff, who in the past perhaps have been by-passed in the process, that we will always know ahead of time what our position will be at the negotiating table. I have not promised the Joint Chiefs of Staff that they would have the right to approve or disapprove every individual item in the negotiations. But I hope that the Senate will give Mr. Warnke a strong vote.

I think that many of the people that oppose Mr. Warnke just do not want to see any substantial reductions in atomic weapons, even though they are agreed to mutually by us and the Soviet Union or even if they are designed to reduce the threat of nuclear destruction of the world.

I feel very deeply that we ought to pursue with every possible means an agreement with the Soviet Union for substantial reductions in atomic weapons. I think Mr. Warnke agrees, most of the Senators agree.

So there are a wide range of reasons for not voting for Mr. Warnke. I have complete confidence in him. I might say there is one more very significant guard against any error that I and Mr. Warnke and the Secretary of State and others might make.

The Senate has to approve by a two-thirds vote, after complete open debate, any agreements signed with the Soviet Union. So, I think the attacks on Mr. Warnke are primarily by those who don't want to see substantial reductions in nuclear weapons in the world.

Mr. McGOVERN. I thank the Senator and appreciate what he is saying here today, and also his courtesy in yielding to me.

Mr. CRANSTON. Will the Senator yield?

Mr. McINTYRE. Mr. President, let me say that by yielding to the distinguished Senator from South Dakota, I meant in no way to take us off the subject matter the junior Senator from Virginia and I were on.

I think if the Senator from South Dakota had waited a little bit, I was going to talk about something that came up that bears on the question of the size of the vote.

We did not put that exact question to our witnesses, but the Armed Services

Committee closely examined the question of Mr. Warnke's suitability to head the U.S. delegation to the strategic arms limitation negotiations. Some Members had advanced the argument that Mr. Warnke's opposition to specific weapons systems—which I was discussing with the distinguished junior Senator from Virginia—might somehow handicap his negotiating efforts.

On at least two separate occasions, Mr. Nitze testified that, based on his recent and extensive negotiating experience with the Soviet Union, Mr. Warnke's past positions would have no impact whatsoever on his negotiating ability.

In response to the question by the distinguished Senator from Texas that "* * * isn't having a self-proclaimed defense and unilateral disarmament advocate appointed as the SALT negotiator something of a signal to the Soviets of either a softness on our part or an unbridled eagerness to arrive at any kind of an agreement?"

Mr. Nitze—who was there opposing the nomination—answered:

I'm not sure, Senator Tower, that I would agree with that. I think the Soviet Union negotiates with the opposing delegation on the assumption that whatever the delegation says represents the considered government position and I don't think that past positions would necessarily affect the Soviet negotiations.

The distinguished Senator from South Carolina later asked:

In your judgment how would this attitude of Mr. Warnke's against even development of many essential weapons programs impact on his position as a SALT negotiator?

Mr. Nitze replied:

I'm not sure there is a direct connection, Mr. Senator.

I do not think whether the vote is 61 to 12 or 52 to 48 will make any difference. The Russians will know they are dealing with President Carter's negotiator. So I agree with the Senator from South Dakota.

Mr. McGOVERN. That is the basic point I wanted to make to the Senate. I did want to draw attention to the fact that if there is any danger at all in hardening the Soviet position, that danger lies in voting a large bloc of the Senate against Mr. Warnke, rather than showing that we stand with him. The one danger, it does seem to me, that there might be in a strong vote against Mr. Warnke is that we might decrease the chances of a reasonable negotiating posture as far as the Soviets are concerned.

I thank the Senator.

Mr. McINTYRE. I say to my distinguished majority whip before I yield to him, would he give me the courtesy of saying how long he wants to be involved, because I would like to finish my colloquy with the junior Senator from Virginia?

Mr. CRANSTON. I am asking the Senator to yield so I may ask a question, not of him but of the Senator from Texas on something he said a moment ago. I do not think it will take too long.

Mr. McINTYRE. I yield to the Senator from California.

Mr. CRANSTON. The Senator does not have to yield, but I thank him for the very, very fine forceful statement that the Senator is making on this important matter.

I wish to ask the Senator from Texas about one remark he made. He said that if Lyndon Johnson were the negotiator it would be great because "he would clean their pockets but good," meaning the Soviet Union's pockets.

Is it really not true that if we are going to negotiate, whoever does the negotiating, successful arms control agreements cannot be in the context of cleaning the other party's pockets? It has to be in the context of an agreement that is mutually acceptable.

Mr. TOWER. I was simply paying tribute to the extraordinary negotiating ability of Lyndon Baines Johnson as demonstrated on the floor many, many times. I perhaps spoke in superlative terms.

Let me say I do think we need the kind of negotiator that is going to negotiate us into a situation in which there will be concessions made on their part that are at least commensurate with any concessions that we might make. If we could talk them into reducing their posture to an inferior status to ours, I think that would be splendid. Then we could all rest easier at night without having to face the threat or fear of a preemptive attack on their part.

Mr. CRANSTON. The Senator has said nothing with which I can disagree. I think that, realistically, we have to recognize that the negotiations have to be seen by both sides as to their mutual advantage or our effort toward a safer world will not be successful.

Mr. TOWER. I believe that the Soviets have no fear that we might launch a first strike against them. We are not configured for a first strike. We have been provoked many times in the past, when our military power was clearly superior to theirs, and have resisted whatever temptation there might have been to fight a preemptive war against them. I think they have no doubt about our intentions. What they want to do is be in a sufficiently strong position that we cannot thwart any ventures on their part, such as placing missiles in Cuba if they choose to, or gobbling up lesser countries that have no strength to resist them by themselves.

(At this point, Mr. RIEGLE assumed the chair.)

Mr. CRANSTON. The Senator from Mississippi, the chairman of the Armed Services Committee, yesterday made plain his concern that we may have accidental war, that a miscalculation, a mistake, something along those lines, could precipitate war, one against the other, totally inadvertently. I think that is a concern we must have and they must have until we work out successful arms control agreements.

Mr. TOWER. I think we all have that fear. I would like to see nuclear weapons obliterated altogether. As I said earlier, I do not think it was necessary for us to drop the atomic bombs on Japan.

Mr. CRANSTON. I agree.

Mr. TOWER. I believe the Japanese were down on their knees at that time.

Mr. CRANSTON. I agree.

Mr. TOWER. From where I was sitting on the sidelines, I was delighted when we dropped them, but in retrospect I do not believe we needed to.

The point I am trying to make is that we should not only be willing to reduce our own strategic arms capability, but must make certain they do, too. Because if ours is reduced to a dangerously low point and theirs is maintained at a relatively high point, they might consider then that nuclear war is not unthinkable at all, that it is worth the risk they would take and the losses they might sustain.

Mr. CRANSTON. I hope that those who think nuclear war is a risk worth taking—of course, we cannot be certain of that point——

Mr. TOWER. We cannot assume they have the same mentality we do.

Mr. CRANSTON. That is correct.

Mr. TOWER. Certainly, they do not place the high premium on human life that we do.

Mr. CRANSTON. If the Soviets, regardless of all factors, want to dominate the world, we will not have successful negotiations and we will know where we stand. We cannot tell for certain what notives lead nations to do what they do. If they started out trying to catch up with us after the Cuban missile crisis, to which the Senator from Texas alluded, if that is what started this buildup, which I grant is a significant factor to take into account now, perhaps they would be willing to achieve mutually verifiable and mutually acceptable arms control agreements.

That certainly must be our hope.

The only place the Senator and I really differ, over something we are not debating at the moment, he and I, is the matter of Warnke's qualifications. I think the whole negotiation is under the instructions of the President. At any rate, as the Senator knows, it will all come back to this body for ratification or rejection.

Mr. TOWER. In that connection, one of my concerns about Mr. Warnke is his poor judgment on technological trends. What a negotiator has to consider is not only what our own technological capacity is or may be in the future, but what is likely to happen in the Soviet Union.

A man that makes such grievous errors of judgment in terms of our own technological capability in an open society like ours is likely to make even greater and more serious miscalculations in terms of technological trends in a closed society like the Soviet Union.

That is my concern. It is not just that we get the Soviets to reduce their nuclear capability and that we reduce our nuclear capability, but that they be reduced commensurately to the extent there is at least a rough equivalency.

None in anybody's arsenal would be ideal. But we better beef up our conventional forces or we face other hazards.

The theory is that if we are in a stalemate, we are more likely to fight a conventional war. But the point I would like to make is the reductions have to be, if not symmetrical, asymmetrical to the extent the advantages do not lie to the other side. If it lies to our side, splendid, but I do not think it is going to.

But if we cut our nuclear arsenal down substantially and they cut theirs, but still the margin between the two is suf-

ficiently high in their favor, they might be tempted if not to launch an initial strike, at least to engage in political adventures in which they would know we could do nothing about it; that is to say, they could use the threat without firing a shot and achieve some political objectives we do not want them to achieve.

Mr. CRANSTON. I agree with that final point.

I apologize to the Senator from New Hampshire.

Mr. McINTYRE. Let me say, Mr. President, before I yield to the Senator from Virginia, it is true that we are not configured for a first strike as of this moment. But no one in this room should think that we do not have a counterforce ready and that our Soviet friends do not know it. Warheads, that is the bang. In that field we lead our Soviet friends two to one, and in hard kill ability we again have great superiority. Not a first strike, but we have enough to deter our Soviet friends for a number of years as long as we can go the way we are now.

I am happy to yield to the Senator from Virginia. We were engaged in a colloquy sometime ago; let us get back on track.

Mr. SCOTT. I appreciate the Senator yielding. I understand the reasons for yielding to other persons for various questions.

The thrust of my remarks was not that Mr. Warnke had been against any one particular weapon, but the fact that he had been against all of the major improvements as outlined by Senator JACKSON in his questioning on page 17 of the Armed Services Committee hearings.

It is not any one. It is the combination, all of them put together, because reasonable people can disagree, as the distinguished Senator from New Hampshire and I might well disagree on a particular weapon.

I did have a little concern when I heard the distinguished Senator from New Hampshire say that the accuracy of these intercontinental ballistic missiles frightened him. I hope he was speaking of the accuracy of the Russians or any potential enemy, rather than the accuracy of the weapons that our own country has.

When he referred to me, and if I understand him correctly, that I would favor our having 4 million men under arms because the Soviet Union has 4 million men under arms, of course, that is not correct.

But I do not see that we can compete with the Soviet Union or with Red China, their combined total is over 7 million under arms, but I feel that when we cannot compete with them manpowerwise, then we must be superior in weaponry and equipment in order to obtain an equal balance.

I appreciate the courtesy of the distinguished Senator in yielding.

Mr. McINTYRE. I think one point should be made, Mr. President, and I do not know if it was made on this argument. A lot of firepower, so-called, has been rained down on Mr. Warnke for what has been his critical stance at various points during the last 10 or probably even 12 years.

Mr. Warnke, to my knowledge has not had for a number of years the inside information that I have as a Senator, that Mr. Nitze had as a negotiator at SALT, that Admiral Moorer had as Chief of Staff of all our forces, that Senator JACKSON has had with all his experience on Armed Services, or Senator TOWER has had.

Mr. Warnke's criticisms in many cases, I think, have been justified. I did not always agree with them. But in the Trident I missile, I say to my good friend from Virginia, Mr. Warnke has always been for it.

Mr. Warnke always has favored something that I have been quite interested in, and that is the air cruise launch missile. We have seen demonstrations of this. So it is not fair to say that Mr. Warnke has systematically or always opposed every weapons system. He has been critical of many of them; but when you take in the time frame of the beginning of the system, the question of cost effectiveness was always very much on Mr. Warnke's mind.

So I wish to continue to make some response, if I may, as to the remainder of these weapons systems in question.

I have stated why any reasonable person might be upset at the number of tactical nuclear missiles we have in Europe and how they could be the threshold when we bounce ourselves over and get into a nuclear holocaust, not meaning to.

Since I have been in the Senate, there have been many discussions about our withdrawing troops from Europe. One time, Senator NUNN and I happened to be in Turkey at a NATO meeting, and it was very frustrating to have our German allies talk to us about the fact that American troops were very poorly deployed so far as readiness for a possible conventional confrontation was concerned. They said the troops were all too far from the south, too far back from the lines; that there were too many supply depots. Senator NUNN came back and made an issue of that and has tried to change it.

So it would not be unreasonable for a person looking at where our troops were to say that if we are going to keep them there, we might as well withdraw them. There is nothing unreasonable about that position.

As to the 12th reason which was supplied by the Senator from Virginia, for a $14 billion cut in defense budget in the fiscal year 1974 submission and a $11 billion cut in fiscal year 1975, this, in my opinion, would be a difficult position for Mr. Warnke to sustain. However, he might be asserted to make these arguments in the hope that, somehow or other, we could restrain the temptation we have to give the military—our Army, Navy, and Air Force—everything they would like to have.

So it is not that unusual for someone to be strongly for a cut in defense budget.

In addition to Mr. Nitze's assessment that Mr. Warnke's past positions would have no effect on his negotiating abilities, my colleagues are undoubtedly aware that Mr. Warnke assured the Armed Services Committee that he would not favor "scrapping" weapons systems now in our arsenal because he had questioned their development in the past. Mr. President, I feel this testimony by Mr. Warnke and Mr. Nitze puts into proper perspective the relationship between the SALT negotiator role and a position a negotiator has taken in capacities other than as head of the U.S. delegation to the SALT talks.

The most important outcome of the Armed Services Committee's inquiry into Mr. Warnke's qualifications to be our head SALT negotiator were the tough standards for verification and unambiguous language in the SALT II and other agreements that Mr. Warnke will subscribe to.

Mr. Nitze claimed that the United States dependence on unilateral declarations and less-than-precise language in the Interim Agreement on Offensive Weapons were diplomatic necessities which might also be required to get future arms control agreements.

Further, Mr. Nitze testified—and he is the "hardliner"—that these diplomatic necessities were resorted to in the case of SALT I because it was the delegation's judgment that an agreement with ambiguous language clarified by unenforceable unilateral declarations was better than no agreement.

In contrast, let us listen to the man whom President Carter wants as his chief negotiator. This is what Mr. Warnke testified:

> * * * my feeling is that there are some agreements which are considerably worse than nothing, and that we should not go into arms control negotiations with the idea that we have to come out with an agreement. We should come out with an agreement if it improves our national security. An agreement which is unverifiable or is questionably verifiable does not, in my opinion, comport with our national security; therefore, I would regard the verifiability of an agreement as being sine qua non if having an agreement. I think that is one of the difficulties that we have with the SALT I Interim Offensive Arms Agreement, there are too many things that are left to unilateral declarations. The Soviet Union has not concurred in those unilateral declarations; therefore the general impression of violation of at least the spirit of the accords has been spread around. That seems to me to disservice the cause of arms control and disserves the national security.

This points out, as did my colleague on the Armed Services Committee, the distinguished Senator from Georgia, that Mr. Warnke is to the right of Mr. Nitze on standards for verification and precise language in future arms control agreements.

In sum, Mr. President, I submit that Mr. Warnke is the right person to negotiate on behalf of the United States and world security. I base this on Mr. Nitze's testimony that Mr. Warnke's past positions will not in any way detract from his ability to negotiate.

Further, I base this on Mr. Warnke's enunciation of tough standards for arms control negotiations—standards which, hopefully, will allow the United States to avoid the weaknesses of the Interim Agreement on Offensive Weapons.

I, for one, look forward to a renewal of emphasis on efforts in the area of tough-minded arms control negotiations. This, along with the maintenance of a strong

defense, will insure and enhance our security. I reiterate my support for Paul Warnke's nominations as Director of the Arms Control and Disarmament Agency and head of the U.S. delegation to SALT, as the focal point of this renewed emphasis on arms control as a fundamental of U.S. national security policy.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. I yield 30 minutes to the Senator from North Carolina.

Mr. HELMS. I thank the Senator from Texas.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. What is the time situation?

The PRESIDING OFFICER. The proponents have 6 minutes remaining and the opponents have 57 minutes remaining.

Mr. HELMS. Prior to 3:30.

The PRESIDING OFFICER. Prior to the agreed-to quorum call at 3:30.

Mr. HELMS. I thank the Chair.

Mr. President, I ask unanimous consent that Mr. John Carbaugh and Mr. Dick Bryan have the privilege of the floor during the discussion of this matter and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, it is regretable that the proponents of Mr. Warnke have so obviously elected to debate his nomination in a vacuum. They discuss Mr. Warnke's personal qualities, and his past career. They emphasize that he is a gentleman, which he surely is, and that he is a distinguished public servant. They infer that his integrity is being impugned, and that it is somehow impolite to question his judgment.

But I have yet to hear any of his advocates address themselves in any objective way to this Nation's duty and, consequently, the duty of the representatives who will be dealing with the Soviet Union in arms control negotiations and in form formulating U.S. arms control policy.

If the Senate will bear with me, the Senator from North Carolina would like to take a few minutes of the time allotted to him to examine the kind of problems that must be solved by Mr. Warnke if he is confirmed for the two posts to which he is nominated.

Last week, I was privileged to be selected as ranking minority member of the Subcommittee on Arms Control of the Senate Armed Services Committee. It is from this perspective that I will discuss Mr. Warnke's nomination.

What we have to do in the Senate, Mr. President, is to decide whether Mr. Warnke's views and past decisions qualify him to deal realistically with the problems at hand. Much has been said questioning his views, and attempting to ascertain just what they are at the present time. Sometimes the focus has been very intense on this statement or that statement, and the media have often interpreted this intensity as an attempt to dispute Mr. Warnke's veracity and integrity. For my part, I do not question Mr. Warnke's integrity. The real question is whether this man can deal with the Soviets in a fashion to protect the security of the American people—indeed, the free world. It is a question of whether he understands what the Soviets always seek to achieve whenever and wherever they sit down to negotiate.

THE SOVIET VIEW

Let us shift the focus, therefore, from Mr. Warnke, for the moment, to the Soviets. What lies behind their negotiations? Let us put aside, even, the parallel lists of numbers and strategic systems. What do we find when we look at the Soviets? How do they approach negotiations? Are their goals and assumptions symmetrical with ours? Will the nature of the arms control process in the Soviet Union help to shape the outcome of a final SALT treaty draft?

First, we find, when we look at the Soviet disarmament negotiation process, that it is totally different from ours. In the United States, the debate on arms control is conducted in public. We have technical arguments known only to specialists; but the broad outlines of disarmament policy are carried out in full view, and publicized widely.

The Arms Control and Disarmament Agency is responsible for the conduct of studies and the provision of advice relating to arms control and disarmament policy formulation; it prepares for U.S. participation in international negotiations.

The Director of the Agency functions as the principal adviser to the President and the Secretary of State on arms control and disarmament matters and, under the direction of the Secretary of State has primary responsibility within the Government for such matters. He also must inform the public directly on such issues, and report to Congress, so that we can engage in public debates such as this. Not so, Mr. President, in the Soviet Union.

In addition, we have a full array of private specialists with academic and professional credentials, who write both for specialist publications and for the general public. The point is that in the United States there is no restriction on public debate, or on the airing of dissenting views.

But the Soviet system is quite different. Arms control matters are in the hands of a small, secret decisionmaking group. Ultimately, it is the Politburo that makes the basic decisions. Although there is a small unit within the Foreign Ministry that is concerned with disarmament, the activities of this unit are limited to technical preparation of conferences and the arrangement of conference details with international agencies and commissions.

The Politburo lays down the basic arms control policy, and does not allow the presentation of opposing views. Even when Soviet experts are requested—usually under the signature of Leonid Brezhnev himself—to prepare papers and analyses, these papers are restricted to factual matter only and not to the outlining of alternative proposals. There is a systematic elimination of professional dissent within the system—not to speak of public dissent.

Indeed, the limitation of strategic arms is viewed as a military question, not as a disarmament question. Its main purpose is to limit U.S. development of new strategic systems, once the Soviets have attained superiority in a given field. Thus U.S. proposals are accepted only when they do not hamper the Soviet military program.

But within the community of experts, the only publications permitted are those which describe the purported growth of U.S. armaments. Even a clear reduction of U.S. arms is portrayed by the Communists as an increase. Nothing is permitted to be published or circulated which describes the rapid increase of Soviet arms and strategic systems. Not only are the Soviet people unaware of the total extent of Soviet military preparations, but even the Soviet civilian experts have to rely on estimates of Soviet strength published in the West.

Needless to say, any Soviet expert who bucks the system, or attempts to discuss alternatives is immediately under intense pressure. Promotions do not come on time, if ever; outside travel is restricted; papers are not accepted for publication. Civilians, basically speaking, do not participate in any meaningful way Decisions are made by military professionals, and of course by the Politburo itself on the key questions.

There is, of course, a reason why the Soviets suppress mention of Soviet strength. By doing so, and by pointing to alleged increases in United States defense efforts, they are able to demand more and more from their people. And this "more and more" is measured in the constantly increasing percentage of the Soviet GNP to military uses. The indisputable facts are that the United States is constantly reducing its effort, while the Soviets are constantly increasing theirs. Proponents of U.S. disarmament frequently charge the United States with inspiring an "arms race" in which the Soviets are struggling to keep up to us. But, in fact, there is no such race. The Soviets are striving to achieve military superiority, and they do not intend to limit any weapons systems in which they do not have that superiority.

INCORRECT ESTIMATES

American experts—and Mr. Warnke is among them—have consistently underestimated the intention of the Soviet Union. They have been wrong on predicting Soviet achievements on nearly every major strategic system. They have been wrong, as Joseph Alsop pointed out the other day in the Washington Post, in estimating the Soviet expenditures on military preparations. In fact, they have been wrong by a factor of 200 percent.

It is only because of courageous dissent by a handful of men within our intelligence community, putting forth a position that has now been proved accurate by painstaking research and by the evidence of Soviet defectors who had access to the real Soviet military budget, that we are now beginning to understand the magnitude of the economic sacrifice imposed on the Soviet people by their Communist masters.

Now why have these experts been wrong? They have been wrong for two reasons: First, they have assumed that

the Soviets are basically decent fellows who are operating on assumptions that are a mirror image of the U.S. policy elite. Or, as Mr. Warnke put it, we are two apes on a treadmill.

Second, they have failed to understand that the Soviet and American systems are not parallel. The two systems are set up for fundamentally different purposes, with two opposing philosophies of political control. Some of our self-declared experts do not understand the nature of a totalitarian system.

It is apparently beyond their comprehension that the whole Soviet nation could be controlled for the sake of power and for the sake of the state. Our own system, with all its deficiencies, still contains a concept of checks and balances. We can still reject the self-appointed experts if we so choose—and that is the issue here today—not Mr. Warnke's personality, or his intelligence, or his ability to articulate a bewildering obfuscation of the plain realities of life.

Thus, our experts have not been able to understand a whole economic system that is dedicated primarily to military superiority. Every economic decision, every political decision, every diplomatic decision is ordered to one end: The goal of domination. Thus, the Soviet economic system is organized to conceal Soviet military effort, and to bookkeep the costs of military expansion to sectors normally regarded as civilian in nature. Thus, the Soviets make preparations that defy the laws of the marketplace, even at great economic inefficiency, if by so doing it will strengthen the military goal. That is why our estimates of Soviet military effort were wrong. And, of course, it is able to use diplomacy, including the negotiation of arms control agreements, to further the goal of military superiority.

But is military superiority usable in today's nuclear world? Our experts say that it is not usable, and we have already renounced superiority. We say that it is no longer attainable, particularly in negotiations, where common sense would seem to say that neither side would accept inferiority if they have the means to prevent it. Thus we have the doctrine of retreat, identified as "rough equivalence," as the goal of negotiations. It seems reasonable to our experts that if: First, superiority is unattainable; and second, no one will accept inferiority, that third, some sort of equivalence is a realistic goal. We are therefore negotiating to define that equivalence.

But inherent in that quicksand doctrine is the shift of attention from the goal of superiority to something less than superiority. When we accept the concept that superiority is unattainable, we no longer strive for it. And when we no longer strive for it, our creative attention is directed elsewhere.

On the other hand, the human mind is infinitely fertile. When something is needed badly enough, eventually ways can be found to get it. It may not be done directly, but mankind is generally able to think of ways of getting it indirectly, using creative methods that no one else has thought about. In the context of the matter before us, the Soviets may be helped in their task, if the other party—the victim, we may say—is looking elsewhere.

That is precisely what the United States is doing. We are looking elsewhere; we have accepted the defeatist goal of "equivalence" as the only reasonable goal. And we assume that the Soviets are doing likewise. But the evidence is mounting that the Soviets are not only seeking superiority—the goal we have abandoned—the Soviets are achieving it. And while we have our attention diverted to the concept of equivalence, the Soviets are working to obtain superiority before we realize what we are doing to ourselves.

There is already evidence that the Soviets are thinking up ways to attain supriority by developing concepts that are far removed from the discussions in SALT. We are already hearing, for example, of the Soviet interest in exotic devices that might have the capability of rendering our strategic systems useless. Some of them are so exotic that we have to assume that the Soviets have achieved an intense research and development that is unmatched by our own country. I do not know whether they have achieved it. But if one country is dynamic in its development, while another country is content to embrace the status quo, the advantage falls into the lap of the adversary.

Much has been said about the rapid expansion of the Soviet civil defense system. If reports are accurate—and the Joint Chiefs seem to agree with only minor reservations—then the Soviets may have found a means to minimize the damage which we could inflict on their people to a level which is acceptable to them in an inevitable showdown. And if the damage is within acceptable limits, the Soviets could well decide to use the nuclear superiority which they already have, even though it may not yet be superior in every respect.

Mr. President, we must not assume that nuclear war is unthinkable to the Soviets. The evidence is that they are indeed thinking about it.

The discouraging thing is that so many of our American experts have been constantly wrong about significant developments of Soviet strategic capability. The odds are that they are wrong today. We have consistently underrated Soviet capabilities and intentions. And I see nothing in what Mr. Warnke has said, either in the past or at the present, which suggests that he understands what the Soviets are really up to.

I will admit that it is difficult to categorize Mr. Warnke's views. To normal men, the statements that Mr. Warnke has made in the past and those he is now making do not seem to agree. He professes to see no contradiction, and perhaps there is none.

But I would say this, Mr. President: Mr. Warnke has been wrong in the past and he is wrong today, whatever his statements mean, or wherever the commas fall. He has not shown the least inkling of understanding the way that the Soviet system operates at large, or the way that the Soviets conduct disarmament negotiations, or for what purpose.

It will be a mistake to send such a man to negotiate with the Soviets—a man who fails to understand the nature of his adversaries in the Soviet disarmament system. There is a basic failure of communication. It is hard to escape the conclusion that any agreement that he will bring back is bound to be flawed, and is bound to reflect a structure that will enhance the Soviets' drive for superiority. Let me emphasize that I do not say that Mr. Warnke will consciously agree to a document that, on the face, guarantees Soviet superiority. But is it not possible that, unless he understands the context of Soviet negotiations, and places it within the whole sweep of Soviet goals and methods, then the document will be a fatal blow to our survival and independence?

Let us look at Mr. Warnke's views.

THE WARNKE RECORD

Mr. Warnke's past record of statements has been discussed at great length over the past several weeks. Indeed, Mr. Warnke has shown himself to be a prolific and persistent advocate over the last 8 years.

He has stated his opposition, at one time or another, to a number of strategic systems deemed necessary to this Nation's defense—indeed, its very survival—including the following: the B–1 bomber as replacement for our rapidly aging force of B–52's; the Trident submarine and the Trident II missile; the submarine-launched cruise missile; the airborne warning and control system—AWACS; deployment of MIRV, our multiple warhead missiles which give this country one of its few areas of advantage over the Soviets; improvements in this Nation's intercontinental ballistic missile force—ICBM—including improved guidance and warhead design; development of the XM–1 tank; and the F–14 aircraft.

Additionally, he has supported reductions in the procurement of the M–60 tank, our main battle tank for NATO use in Europe; reduction in U.S. tactical nuclear weapons in Europe from 7,000 to 1,000, and at a time when these weapons were the subject of arms limitation negotiations—MBFR; withdrawal of 30,000 U.S. troops from Europe, again at a time that such reductions were the subject of negotiations; defense budget cuts, including $14 billion in fiscal year 1974, and $11 billion in fiscal year 1975, not to mention his endorsement of 1972 Presidential candidate GEORGE MCGOVERN'S $32 billion defense-cut proposal; and finally a 3 percent overall yearly defense budget cut—in terms of fiscal year 1975 dollars—which would mean a reduction of an estimated additional $26 billion from the already lean budget proposed by President Carter.

Mr. President, I can understand a concern that military spending, like almost all other kinds of Government spending, is increasing. Indeed, I intend to work diligently to see that the taxpayer gets the most for his defense dollar as a member of the General Procurement Subcommittee of the Armed Services Committee.

But in Mr. Warnke's case, Mr. President, the spending cuts he has proposed have no clear bearing on alleged Government waste, but rather must be seen in the light of using spending cuts to promote arms control objectives. When Mr. Warnke's opposition to a large number of strategic weapons systems is seen in this light, what emerges is a consistent pattern. Mr. Warnke has advocated reductions in this Nation's conventional and strategic forces that—had his advice been heeded—could have put the already shaky security position of the United States in serious jeopardy.

In addition, Mr. Warnke can be certain that his Soviet counterpart sitting across the negotiating table will take every opportunity to remind him of his past positions at every delicate point in upcoming strategic arms limitation talks.

Mr. Warnke's call for the use of unilateral restraints by the United States has been the cause for much concern. As I understand it, Mr. Warnke is saying that in order to induce the Soviets to reduce their forces, the United States first must set an example by taking some unilateral action—a restraint—and then sit back and wait for the Soviets to see the wisdom of our action and do likewise.

As noble an ideal as this might seem in the abstract, it has not worked in reality. I need only cite a few examples.

During the Kennedy administration, it was suggested that this Nation exercise restraint by unilaterally declaring a cessation of atmospheric nuclear testing, in the hope of obtaining an atmospheric test ban treaty. We finally did get such a treaty—but only after the Soviets took advantage of our unilateral declaration. While the United States exercised restraint, the Soviets continued with atmospheric testing until they obtained all the information they needed, information that we did not possess about our own weapons. They did not agree to the test-ban treaty until after this testing was completed—and after severe warnings from President Kennedy.

So much for that example of unilateral restraint.

More recently, the United States announced that it was our understanding of the SALT I agreement that neither signatory would proceed with development of mobile ICBM's. This was another unilateral declaration by the United States, another act of restraint. Did the Soviets follow the example set by the United States, and exercise restraint of their own? The answer, as always, is no. The Soviet Union unilaterally proceeded with the development of the SS–20 mobile ICBM.

I have mentioned two specific initiatives of unilateral restraint. In the broader view, this country has exercised unilateral restraint on a much larger scale. For all practical purposes, the strategic forces of this country have been restrained for the last 10 years.

We have remained at a strategic force level of 1,054 ICBM's, 41 strategic submarines with some 650 sea-launched missiles, and about 500 aircraft for quite some time now.

And the Soviet response to this clear act of restraint?

The Soviets have increased and modernized their ICBM's, and now have in excess of 1,500 such missiles; they have deployed the new Backfire strategic bomber; and have several years work into the development of their mobile ICBM. And I mention only a few areas of Soviet advancement—all at the expense of the security of this country.

It is generally agreed that the United States has moved from a position of superiority at the beginning of this period of general U.S. restraint to one of "rough equivalence" today.

Can the American people have confidence in such doctrine? Indeed, can the public have confidence in anyone who seriously puts forth such a proposal, and urges its implementation in dealing with the Soviet Union in the face of continued Soviet refusal to recognize its validity?

THE CONSTITUTIONAL DUTY

Mr. President, much has been said by Mr. Warnke's advocates about allowing the President his own choice of advisers, that he should be able to staff the executive branch with whomever he pleases. Those who hold this view argue that the Senate should dutifully approve the President's nominees, unless some question of an ethical nature is raised.

There are those who accept this view without question. I do not. The Constitution of the United States is unmistakably clear about a Senator's duty to advise and consent. It is equally clear when it speaks of the duty to provide for the "common defense" of this Nation.

It is, after all, the security of the Nation which is at stake here. After all of the debate over Mr. Warnke's past views and present interpretations; after all of the talk about ABM's, ICBM's, ALCM's, SLCM's, SALT talks, MBFR negotiations, and every other acronym is over; after all of the obfuscation about exotic weapons systems; who can be surprised that the public does not adequately understand what is going on?

The inevitable, inescapable question, Mr. President, is: Our people, our way of life, our country—are they secure?

That is the question before us.

I have listened attentively to Mr. Warnke's testimony. I have watched him respond to tough questioning by Senators on the Armed Services Committee. I have questioned Mr. Warnke on a number of matters myself. I have studied his record—his record before both Senate committees dealing with his nomination, and his record of the past decade.

I have come to the conclusion that Mr. Warnke cannot be the realistic negotiator this Nation needs at this critical point in our history. Nor do I feel that Mr. Warnke is sufficiently alert to the thrust of Soviet actions to serve the President and the Congress as adviser on arms control and disarmament. Unfortunately, Mr. Warnke seems to possess a singular inability to comprehend the Soviet goals and techniques.

I cannnot support Mr. Warnke's confirmation as Chief Negotiator, nor can I support his confirmation as Director of the Arms Control and Disarmament Agency.

As the Soviet Union moves rapidly and unhesitatingly toward meaningful superiority in both conventional and strategic nuclear weaponry, the United States cannot afford to have as its chief arms control adviser—let alone its strategic arms limitation negotiator—a man whose record so clearly discloses an unfortunate inability to see perilous trends and respond to them appropriately.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. SCHMITT. Mr. President, I yield myself 5 minutes.

I compliment the Senator from North Carolina on his remarks and his excellent summary of the situation as it stands with respect to the nomination of Mr. Warnke. I particularly compliment him on bringing into the discussion the concept of the historical tradition of the Soviet Union and of the imperial Russians before them in terms of negotiations and of what they believe.

I think it is important to realize that throughout the recorded history of that vast country, its people have respected one thing, and that is power, both their own and that of other peoples. I think we have to remember that that has not changed. There is no indication in recent history or in past history that that has ever changed.

They also have a tendency for precipitate action, and I think we have to remember that. We have seen it illustrated far too frequently in our own lifetimes; but it is also evident in the history books far back into the history of Russia.

I think it is also important to underscore and emphasize the Senator's remarks about their investment, and the fact that their investment in weapons systems is far greater than our own at the present time. We have to be concerned about that, lest we wake up one morning, as the Senator suggests, and find that we no longer have an option as to whether we will preserve and protect freedom around this world or give in to totalitarianism.

In that regard, I think it is important to realize that Mr. Warnke has a misconception, I think, about the perception that other people have about our role in this world; and I will be noted as being fond of quoting Mr. Warnke, but that is where we receive the perception other people have of him.

Let me quote again, as I did yesterday, from "Apes on a Treadmill" an article that he wrote in 1975:

> Vaunting rhetoric about our peacekeeping role, our worldwide commitments, the morale of our allies, control of the seas, and our indispensable leadership of the free world now awakens as much derision as respect.

I am sure my colleague would agree, and I hope that all Members of this body would agree, that there is no derision of those phrases and of our role in maintaining the implication of those phrases among those around this world who desire freedom. There is no derision among those people of our efforts in this country to provide a con-

tinual, fertile ground for the seat of freedom.

I think it is unfortunate that Mr. Warnke apparently as recently as 1975 holds such views.

Mr. HELMS. Mr. President, if the Senator will yield, he is exactly right. He is making the kind of statement that I wish all Senators were present to hear. I might comment, Mr. President, that the Senator is a welcome addition to this body and I personally am glad he is here.

Mr. SCHMITT. I appreciate the Senator's comment.

I might continue, Mr. President, to remind our colleagues once again that the debate here is primarily, in my mind, a policy debate. The man has been discussed and his ideas have been discussed. But the important thing is, what is the policy reflected in those ideas which is apparently being endorsed now by the President of the United States? That is what I disagree with, this policy, a policy that responds more to the reduction of strength in this country rather than its maintenance.

I think it is important also to realize that in questioning the policy—and it is questioned, it seems to me, by a large number of Senators—we are providing guidance to the President of the United States and to his negotiators about what we as Senators believe, and what our constituents believe, should be done, and that no President and no negotiator should ignore the guidance that we will provide today by our vote.

This vote is not to weaken a negotiator, whomever that may be, but to strengthen him by having behind him a clear understanding of what the will of the American people is at this point in our history with respect to both the maintenance of our strength and to attempts to provide, through arms control, that there will never be any necessity to use that strength.

Mr. President, I yield the floor.

The PRESIDING OFFICER. (Mr. (MATSUNAGA). Who yields time?

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. CRANSTON. I suggest the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New Mexico.

Mr. SCHMITT. Mr. President, I yield 15 minutes to the distinguished Senator from Wyoming to use as he desires.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 15 minutes.

Mr. WALLOP. Thank you, Mr. President. I do not have 15 minutes of statement but I do have remarks I have thought out carefully and wish to have them appear in the RECORD.

Mr. President, several points have been raised against the nominations of Paul Warnke to be Chief Negotiator at the SALT talks and the Director of the Arms Control and Disarmament Agency. Some deserve repeating.

First, there is a certain inconsistency in his opinions and a verbal maneuvering around past statements which make many people nervous. Second, his opposition to various weapons programs would make him an ineffective bargainer. He believes that we are too preoccupied with numbers, and has already advocated unilateral reductions to levels far below those being proposed in current arms limitation discussions. In short, he gives the impression that he is willing to reach arms control agreements at virtually any cost.

Third, he has a false perception of the growing Russian threat and our consequent need for a strong defense. His failure to recognize trends in strategic balance and Russian maneuverings could be disastrous to the United States and free world interests.

The Senate must now demonstrate that it is concerned with the substance of any new arms control agreements rather than with the ease by which they are obtained. We cannot afford to rush into agreements merely to fulfill campaign promises when the future of our Nation is at stake.

I feel that to understand disarmament one must first understand armament, its uses and the reasons for balanced withdrawal from hostile postures. Mr. Warnke gives little indication that he understands armament. Part of the understanding of armament is to get away from simple arguments of strength and deal instead with the arguments of the use of that strength. Strength—the numbers and weapons systems—gives us the option of whether or not to use that strength. Not having the strength eliminates that option.

I believe that most Americans would like that option available, and I am most concerned about a fundamental misperception that Mr. Warnke appears to have. He underestimates what is the essential goodness of Americans and America and when we are willing to exercise the option to use our strength. It seems to me that Warnke feels there is a need for an international public act of contrition, a repentance for a sin. Our sin is embodied in his vague notion of equating might with right: That we a powerful people are ipso facto a bad people. A strong defense does not make either a bad country or a malevolent people. It is not the strength itself which is good or bad, it is the uses of that strength upon which judgments will be made. Frankly, unlike Mr. Warnke I put my faith in the American people to determine when our strength should be used.

The vast majority of Americans take pride in their country, their institutions, and their cherished freedoms. This faith in America does not rest with one man, one party or one region. It is a faith in the quintessential democratic process: the freedom and responsibility to make decisions. With this in mind, I believe that Mr. Warnke grossly misinterprets how Americans intend to use their strength, as well as their ability to decide when to use their strength. I do not think Americans will make those decisions lightly.

But Mr. Warnke's disillusionment with recent American experiences clouds his perception of Americans' ability to make the decision of when to use our strength. I strongly believe that there are certain values and certain principles which are so fundamental to our survival that we would fight. What I do not see in Mr. Warnke is a recognition of that fact; he seems so eager to castigate us, to take away our options and our freedom to decide, that he has forgotten that we would fight, and fight hard, if pressed, in legitimate defense of freedom. We must have the option of having the material strength to fight.

With Mr. Warnke as chief negotiator and the principle U.S. arms control advocate, we would not have that option. For this reason, I will oppose his nominations.

I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield 5 minutes to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I rise this afternoon to speak in opposition to the confirmation of Mr. Paul C. Warnke to be Director of the Arms Control and Disarmament Agency and Chief Negotiator of the U.S. SALT delegation.

I should like first to commend my colleagues who have preceded me in speaking in opposition to the nomination before the Senate. I compliment them for the depth of their analysis and the comprehensive manner in which they have detailed the record on this nominee. In particular, I praise Senators HAYAKAWA and MOYNIHAN for their speeches before this body, for their eloquence and clarity of thought. This Congress will be greatly served by the fresh spirit and insightful language which these two men bring to Washington.

During my examination of the lengthy record which has been assembled by the Foreign Relations Committee and the Armed Services Committee, I was particularly impressed by the individual views of the junior Senator from Missouri.

As a new member of the Foreign Relations Committee, the junior Senator from Missouri wrote of the two constitutional duties of this body in the field of foreign affairs: the confirmation of Presidential nominees and the ratification of treaties. It was his position—and it is a position in which I fully concur—that it is far "better for the Senate to foreshadow its position on * * * a treaty before it is negotiated than to be faced with the question of whether to ratify a treaty after the negotiation process is completed."

The confirmation process should be more than an analysis of personal competence and integrity and should focus upon the nominee as the embodiment of

a point of view. Thus, the Senate should be presented with a conceptual choice on the question at hand and through its vote, should announce its position on the conduct of foreign policy.

Yet the ability of the Senate to fulfill this constitutional obligation has been frustrated in the case of Mr. Warnke by the very process which should have facilitated it; that is, the confirmation hearings and Mr. Warnke's presentation there. The junior Senator from Missouri writes of the conflict and resultant confusion from Mr. Warnke's past and present views concerning the F–15, the B–1, mobile ICBM's, the concepts of minimum deterrence, mutual restraint, and nuclear superiority.

Mr. President, I do not wish to speak at great length this afternoon. I have already presented my views to the Armed Services Committee in a statement which the Senator from Mississippi has attached to the report of that committee and has inserted in the RECORD. In that statement, I detailed the views of Mr. Warnke which gave me greatest pause, and I reflected at length on my concern with the changes which overtook Mr. Warnke in his appearance before the Senate committees.

I believe that there is little question but that Mr. Warnke has changed his positions. Senator THURMOND believes he has changed. Senators TOWER and JACKSON and NUNN believe he has changed. Senators GOLDWATER, SCOTT, BARTLETT, and HELMS believe he has changed.

Even those who support his nomination feel he has changed. Senator JAVITS, on Monday during this debate, spoke of Mr. Warnke's change in positions. Senator HUMPHREY, during hearings before the Committee on Foreign Relations, felt compelled to explain away the change which he perceived by a curious distinction between being a writer of articles and being in a position of responsibility and power.

Yet there is another manner in which the confirmation process has been frustrated—that of the obfuscatory nature of Mr. Warnke's responses during his appearances before the Senate committees. Whether this obfuscation was purposeful, inadvertent, or the result of his training and orientation, it has nevertheless taken place.

Senator CANNON, after listening to a day and a half of testimony by Mr. Warnke, spoke out on this subject:

Mr. Warnke, one of the problems I have had in these hearings is hearing words used by you on different occasions that mean two different things to me, and many others, but represent no change of position to you.

It was this approach of Mr. Warnke's, this use of conflicting and confusing language, of convoluted and complex responses which rendered almost impossible the search for Mr. Warnke's true position on the important issues of national defense and arms control.

During questioning by Senator HELMS, the following exchange took place:

Senator HELMS. One final question, sir. Supposing that the third job (as chief arms control evaluator) were offered to you, would you accept it?

Mr. WARNKE. I would regard that as being imprudent on the part of the executive branch. It never occurred to me that I would have that function. It seems to me that ought to be done in an interagency context and that appropriately it is headed by the National Security Advisor.

Senator HELMS. Would you give me a yes or no answer?

Mr. WARNKE. Well, I think that that was a lawyer's way of saying that I don't think he should have that authority to act.

Later in an exchange with Senator HARRY BYRD, concerning the unauthorized disclosure of the Pentagon Papers, Senator BYRD asked, with regard to Daniel Ellsberg:

Senator BYRD. Do you think he should be prosecuted?

Mr. WARNKE. I have already answered that question, I believe, Senator Byrd, that I did not disagree with the lawsuit brought against Dr. Ellsberg.

Discussing the matter of the Soviet arms buildup, Senator JACKSON inquired of Mr. Warnke:

Senator JACKSON. What do you think they are up to? The direction they are going now, what do you see?

Mr. WARNKE. Well, as I have stated in my opening statement, were they to continue with their present programs, were the present trends to continue unopposed by us, they would have in effect some sort of a strategic edge. Whether that would be meaningful superiority in military terms, I am not sure.

Senator JACKSON. Didn't you indicate to me, when I asked you the question in my office, that it was your view that it looked like if the Soviets keep going this way that they were out to get superiority?

Mr. WARNKE. I did. I think I have just tried to say the same thing now.

Here we have a situation in which the Senator asking the question knew the answer. He was expecting a specific statement since he had asked the question previously. Yet in this case, as in numerous others, Mr. Warnke's response was so convoluted and confused as to render almost impossible an understanding of his position.

Throughout the hearings, Mr. Warnke drew distinctions where none in fact existed and saw synonyms where the reverse was true. Mr. Warnke saw no difference between "opposing" and "questioning" a proposed weapons system. Additionally, he would not distinguish between "development" and "deployment" and felt that "too good" and "unnecessarily expensive" were interchangeable in describing the deficiencies in a weapons system.

As well, Mr. Warnke saw a difference between unilaterally refraining from going ahead with development and refraining from going ahead with developments until they became strategically important while attempting to get arms control negotiations underway.

The Senator from Washington has, during the debate on this nomination, spoken concerning the lack of clarity and candor demonstrated by Mr. Warnke. I can appreciate Senator JACKSON's concern and confusion, particularly given the following exchange which he had with Mr. Warnke:

Senator JACKSON. So that you have not made any changes?

Mr. WARNKE. I cannot say that I have made no changes. I have changed my mind in some instances.

Then less than one page later:

Mr. WARNKE. All I can say once again, Senator Jackson, is I cannot document any change in my fundamental position because my fundamental position has not changed.

Senator JACKSON. Have your statements changed?

Mr. WARNKE. I don't believe that they changed significantly. No, I don't.

Senator JACKSON. Well, have they changed? And when and where did they change? That is what I as asking.

Mr. WARNKE. I don't believe they changed.

Recently, the Senior Senator from Arizona placed in the RECORD the results of a public opinion poll taken last December which reveals that 65 percent of the American people believe that the United States should be militarily stronger than Russia, while only 29 percent feel that we are. Additionally, according to a poll conducted in September 1976, Americans indicate that they believed that the Soviet Union is virtually the equal of the United States and that this stand will persist into the future. As well, 71 percent of those polled felt that spending for military and defense purposes should be increased or kept at present levels.

During the past 2 weeks, I have received nearly 300 cards and letters from my constituents in opposition to this nomination. I am aware that this phenomenon is not an isolated one. I suspect that every Member of this body has received similar correspondence.

If there ever was a statement by the American people on a question of foreign policy, this is one. The American people have rejected the philosophy and the approach of this nominee.

I believe it my duty and responsibility to represent the people of Wyoming by voting not to confirm Mr. Warnke.

The PRESIDING OFFICER (Mr. MATSUNAGA). Who yields time?

The Senator from Hawaii suggests the absence of a quorum.

If nobody yields time, time will be charged equally against both sides.

The Senator from Kansas.

Mr. DOLE. Mr. President, during the past several weeks, Congress and the American people have had an opportunity to become better acquainted with Mr. Paul Warnke, and with his philosophy of arms development and control. Mr. Warnke has been nominated by the President for two important positions which bear heavily on the future of American defense capabilities: The directorship of the Arms Control and Disarmament Agency, and the Ambassadorial role of Chief Negotiator at the ongoing SALT talks with Soviet representatives. The nominations have been given the close scrutiny which is justified by their significance in determining the defense capabilities of this Nation. Both the Foreign Relations and Armed Services Committees of the Senate have questioned Mr. Warnke about his beliefs and intentions regarding defense, and the media has focused public attention on the nominations as well.

At this time, the Senate confronts its

responsibility either to confirm or deny these nominations based on our judgment of Mr. Warnke's personal qualifications to fill these positions. It is neither a simple nor insignificant responsibility. As head of both the ACDA and the SALT negotiating team, Paul Warnke will have a heavy influence on our Nation's strategic weapons policy, both in the immediate and long-range future. Not only will he be responsible for advising the President on arms control issues in general, but he will, if confirmed, be the key figure representing the United States at the bargaining table with the Soviets.

I have concluded that Paul Warnke is not the best person to fulfill these critical duties at the present time, after having carefully considered the present context of arms control negotiations, the personal qualifications of Mr. Warnke, and the likely consequences of his confirmation. I want to elaborate further on these considerations, for this decision to vote against confirmation was not undertaken lightly or in a partisan vein.

I object very strenuously to the inference by President Carter that anyone who votes against Mr. Warnke somehow is not interested in meaningful arms limitation. That sounds like some campaign statement which might have come before last November, but it is not the case. President Carter must know it is not the case. He must also know that his predecessor, Mr. Ford, made every effort to have some meaningful arms limitations and made a great deal of progress in that area.

My decision was based on a deeply rooted concern about the future defense posture of this Nation, and the steps which we take now to determine it.

The first stage of the bilateral strategic arms limitation agreement was completed in 1972 and was praised at the time as a tangible product of the era of détente. Both the United States and Soviet Union had made concessions regarding future development of nuclear weapons and delivery systems. But there has been growing public concern in recent years that the U.S. defense posture, as a whole, has weakened in the afterglow of détente. While the United States has pared down its own development of defensive systems, the Soviet Union has enhanced its own defensive and aggressive capabilities. While we have been talking about reducing annual defense budgets, the Soviets have expanded their own strategic, tactical, and civil defense systems, to the alarm and dismay of many Americans who had hoped for "reciprocal restraint" in these areas.

Total defense spending in this country has been declining as a percentage of gross national product and Government outlays for several years. Soviet spending, at the same time, has been increasing and now is twice as large a portion of Soviet GNP as U.S. defense spending is of our GNP. Presently, the Soviets hold leads in many categories of both strategic and conventional forces. According to a Library of Congress study prepared for the Senate Armed Services Committee in 1976, our power relative to the Soviet Union has declined drastically over the past 10 years: In intercontinental missiles, we have gone from 600 ahead to about 600 behind; in Polaris-type submarines, we have gone from 500 ahead to 13 behind; in intercontinental bombers, we have gone from 500 ahead to 300 behind; in tactical aircraft, we have gone from 2,900 ahead to 350 behind; in ground force divisions, we have gone from 130 behind to 150 behind; and in major surface ships, we have gone from 130 ahead to 70 behind. The Soviets are deploying a new advanced strategic bomber, the Backfire, and they are building two new classes of missile-firing submarines. In addition, they have been expending a great deal of effort in civil defense preparations to protect both population and industry in the event of nuclear war. Our own defense expenditures are at their lowest level in a generation.

Clearly, this is a time when we can ill afford to speak lightly of unilateral initiatives in arms control. Unilateral initiatives control no one but the initiator. President Carter pledged during the recent campaign to maintain for the United States "a defense capability second to none." His appointments will largely determine whether that objective is met. Yet, already the Secretary of State has commented publicly on the "critical importance" of reducing conventional arms, suggesting this Nation might consider taking "action ourselves to demonstrate leadership" in reducing arms shipments abroad. Now, Mr. Carter's nominee for Chief Negotiator with the Soviets is a former Assistant Secretary of Defense who has spoken in the past of "unilateral initiatives" on arms control to inspire "parallel restraints" by the Soviet Union.

This second round of negotiations on strategic arms limitations by the United States and Soviet Union will largely determine whether the United States fully regains "equivalence" with the Soviet Union in all aspects of defense capabilities, or whether we continue to slip behind to a disastrous level. It is in this context that Mr. Warnke himself, and his personal philosophy, must be evaluated.

THE WARNKE PROFILE

My concern about Mr. Warnke's nomination as Chief Negotiator stems both from the positions he has associated himself with in the past, as well as from the obvious inconsistency of some of his present statements with those he has made previously. As chairman of the Advisory Committee of the Council on National Priorities and Resources, and as a proponent of the repudiated "alternative defense posture" advanced by the Democratic nominee during the 1972 Presidential campaign, Mr. Warnke has regularly criticized defense spending and specific strategic weapons systems developed in this country. While his qualifications as a negotiator are highly questionable, his role as an advocate of unilateral defense system reductions is clear.

The PRESIDING OFFICER. The time of the Senator from Kansas has expired.

All time in opposition has expired.

The proponents have 5 minutes remaining.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, inasmuch as no proponent seeks recognition at this time, I will be glad to yield some time to the distinguished Senator from Kansas (Mr. DOLE).

I have 5 minutes left?

The PRESIDING OFFICER. The Senator has 4½ minutes left.

Mr. ROBERT C. BYRD. Mr. President, I yield that time to the Senator.

Mr. DOLE. I thank the distinguished Senator.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 4½ minutes.

Mr. DOLE. Mr. President, as a matter of general philosophy, Paul Warnke has suggested that "the Soviets are far more apt to emulate than to capitulate. We should, instead, try a policy of restraint, while calling for matching restraint from the Soviet Union." He suggests that "the chances are good, moreover, that highly advertised restraint on our part will be reciprocated. The Soviet Union, it may be said again, has only one superpower model to follow. We can be first off the treadmill"—Foreign Policy, spring, 1975.

Paul Warnke's philosophy apparently is an outgrowth of the so-called "balance of fear" mentality which suggests that it is futile to bolster our current defense system since both the United States and the Soviet Union have sufficient capability to inflict unacceptable damage upon each other at present. In this regard, Warnke has stated that "when both sides have assembled thousands of warheads, the numbers game is not worth playing—and even substantial nuclear superiority, short of nuclear monopoly, could not be a decisive factor in any political confrontation between the United States and the Soviet Union"—AEI Debate Series, 1972. If, indeed, "the numbers game is not worth playing" as Mr. Warnke suggests, it is difficult to envision a meaningful dialog with the Soviet Union about future numerical levels of strategic weapons. Yet, this is what the SALT negotiations are all about. Furthermore, Paul Warnke's past criticism of specific strategic armaments, such as the Trident nuclear missile submarine and the B–1 bomber, make it doubtful that he could effectively utilize these weapons capabilities as bargaining points with the Soviets.

In his appearance before the Senate Foreign Relations Committee earlier this month, Mr. Warnke stated: "I reject any concept of unilateral disarmament on the part of the United States." In answering questions of the committee, he, in effect, refuted much of his earlier statements about the value of strategic arms negotiations, and he candidly observed that, "I cannot defend today everything I may have said in the past, and I will not try to do so."

In a subsequent appearance before the Foreign Relations Committee, former Deputy Secretary of Defense Paul Nitze—who has had years of experience dealing with the Soviets—expressed concern about Warnke's "highly cavalier attitude concerning significant cuts" in defense, and observed that Warnke's "positions are so different from all of the statements he made from 1969 to 1976 that I am disturbed." In addition, Mr. Nitze suggested

that "if we followed his position 5 years ago, we would be in a disastrous situation today."

A SOVIET CITIZEN'S PERSPECTIVE

Like Mr. Nitze, I am concerned about the inconsistencies in Paul Warnke's statements on U.S. defense posture, and I am particularly concerned about his past statements on unilateral defense reductions. As a member of the Congressional Commission on Security and Cooperation in Europe, which is monitoring the Helsinki agreement, I recently had an opportunity to pose a related question to Vladimir Bukovsky, the Soviet dissident recently released from the Soviet Union after spending 12 years in prison for his criticism of the Government. I asked Mr. Bukovsky about his impressions of the "reciprocal restraint" theory advanced by Mr. Warnke:

Senator DOLE. I think it has been suggested by some that a unilateral reduction in strategic weapons by our country would result in what has been termed as "reciprocal restraint" in the arms race by the Soviet Union.

In your opinion is it likely that such initiative by our nation would inspire or somehow encourage the Soviet Union to follow our example and slow the arms buildup in both nations?

Mr. BUKOVSKY. (Through interpreter). I think that the unilateral disarmament of which we are speaking here, the unilateral disarmament of the west can only bring about one result. All of us will find ourselves one day in Siberian concentration camps.

I think many Americans share the well-placed concern expressed by Mr. Bukovsky, who is so intimately aware of the instincts of Soviet Government officials.

Thus, it is because of the dismaying credentials which Mr. Warnke carries with him, as well as the disturbing inconsistencies in his expressed beliefs about disarmament, that I strongly feel Mr. Warnke is not the right person to represent the United States in negotiating arms limitations with the Soviet Union.

CONSEQUENCES OF CONFIRMATION

Because of his past statements on unilateral arms reduction, and because of his present vacillation on this topic, Paul Warnke's confirmation by the Senate could be expected to result in a more inflexible negotiating position by the Soviet Union at the SALT talks. Warnke himself is a symbol of those voices calling for a reduction and weakening of U.S. defense commitments, and his beliefs in this regard will not be overlooked by the Soviets. Their expectations will translate into obstinate negotiating positions that will likely be reflected in any final treaty language they will agree to.

The matter of verification of treaty pledges, for example, is of critical importance. The Soviets are well known for their ingenious capabilities to utilize loopholes in treaty language, and unless the SALT II proposal is designed to insure proper verification, its limitations will apply only to the United States and not to the Soviet Union. Thus, effective verification of arms control commitments is a key to U.S. national security, and I question whether Mr. Warnke has either the motivation or skills necessary to insure that this factor is properly considered.

I fear that Mr. Warnke's presence in Geneva will present Soviet officials with an opportunity to "test" the new administration on its commitment to a firm negotiating position on arms limitations. In this respect, the symbolic aspects of the confirmation may be as important as the practical aspects of the negotiations themselves.

Finally, the fact cannot be denied that Congress perception of the chief negotiator—and of the way he handles our interests at Geneva—will have an ultimate effect upon its willingness to ratify the final agreement. Logic itself would indicate that, if one-third of the Senate lacks confidence in the chief negotiator, the end product will itself be subject to skepticism. I say this not as a threat, but in recognition of a practical consequence of this confirmation. We need to have a representative in Geneva in whom both the Congress and the executive branch can place their strongest confidence. If that is accomplished, there will be much stronger confidence in the final treaty agreement on strategic arms limitation which is reached at Geneva.

FATEFUL DECISION

In conclusion, I feel that the decision on confirmation of Paul Warnke as chief U.S. negotiator will bear significant impact upon the status of the American defense capability in the years to come. Even more than a single decision by this body on a specific budget request for a strategic weapon, this decision will have a lasting imprint upon the full aspect of the American defense posture for years to come. The issue goes beyond any simplistic arguments about sparing the administration embarrassment over a nominee, and beyond accusations of partisan politics. We are contemplating the appointment of a high-level official to represent our interests against Soviet designs on our Nation's security. The Senate must weigh this decision in that light, and act with the sobriety and wisdom which the decision deserves. Considered in this vein, I trust that a sufficient number of my colleagues will agree with me that a more suitable nomination needs to be presented to the Senate for confirmation.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement listing President Ford's initiatives prior to January 20, 1977.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

President Ford, through hard bargaining at the diplomatic table, made the world a safer place to live.

1. In one of his earliest actions, President Ford flew to the Soviet Union—and, at Vladivostok, in November 1974, broke a two and a half year deadlock—laying the groundwork for a new, long-term Strategic Arms Limitation (SALT) agreement.

2. The treaty the President negotiated provided, for the first time, on-site inspection and observation in monitoring nuclear explosions in the Soviet Union.

3. And, the Threshold Test Ban Treaty, signed in May by the United States and the Soviet Union, completed a set of treaties that will govern the conduct of every underground nuclear explosion for military or peaceful purposes for both parties.

The Ford Administration made a concerted effort to strengthen our alliances around the world, and to provide assistance to those dependent on us.

ADDITIONAL STATEMENTS SUBMITTED ON WARNKE NOMINATION

Mr. DECONCINI. Mr. President, the nomination of Paul Warnke by President Carter for the posts of head of the Arms Control and Disarmament Agency and chief SALT negotiator have generated considerable controversy both within and outside the Senate.

Like the rest of my colleagues, I have received a substantial volume of mail on the subject. Much of that mail is the result of a deep concern felt by many persons that Mr. Warnke may hold views on American defense policy which would ultimately compromise the ability of this Nation to defend itself. These expressions of concern are earnest, and I believe they demand a response by each of us who votes on Mr. Warnke's confirmation.

The first point I would raise is a simple one. Mr. Warnke was nominated by the President of the United States. The positions taken by President Carter both before and since the election make it quite clear that he views a strong, flexible American defense posture as the No. 1 priority for the Nation. The majority of the American people believe—and I share that belief—that the President's views on defense are sound and proper.

Keeping President Carter's defense policy in mind, I reiterate that Mr. Warnke is the President's choice. Unless we are to believe that the President has disavowed all his public and private views or that he was unaware of Mr. Warnke's background, we must conclude that the President is convinced that Mr. Warnke is able and willing to implement the defense policies articulated by the President. Since the controversy surrounding this nomination began, President Carter has stood behind his choice; both publicly and privately he has reaffirmed his belief that Mr. Warnke will serve not only the President but the Nation in a capable and effective manner.

The choice of Mr. Warnke and the subsequent strong backing of the nominee by the President are not necessarily sufficient reasons to confirm by the Senate, but I think they should and do create a strong presumption in favor of confirmation.

As I am sure my other colleagues in this Chamber have done, I have taken the time to study Mr. Warnke's words, attitudes, and positions. I would be less than honest were I to say that I agreed with every statement Mr. Warnke has made during a lengthy and substantial career in public service and as a distinguished writer in the field of defense policymaking. At various times in his career he has, it seems to me, relied too heavily on the doctrine of mutual assured destruction. He has also, occasionally, displayed some insensitivity to the political implications of the strategic balance on global politics.

In all fairness, I believe Mr. Warnke's opponents have misrepresented the con-

text within which he spoke and wrote. Mr. Warnke has been unjustly accused of making statements and suggesting policies that he neither made nor suggested. While Mr. Warnke's writing and public statements on defense policy have been within the mainstream of contemporary thinking, they have been represented as radical departures. Ideas which, in their proper context, reflected no more than differences in emphasis, have had implications drawn from them which were certainly not intended by their author and which have no real basis in fact.

Much of the mail I have received from constituents states that Mr. Warnke favors unilateral disarmament. I do not believe in unilateral disarmament; I strongly doubt that a single person in the United States Senate believes in unilateral disarmament; and, certainly, it is a well-established fact that President Carter does not believe in unilateral disarmament.

If Mr. Warnke advocated unilateral disarmament, I would not only vote against his confirmation but I would actively urge my colleagues to do the same. However, there is nothing in Mr. Warnke's public or private statements which suggests that he favors unilateral disarmament. One position he took in the past—which his opponents have tried to brand as unilateral disarmament—is, in reality, not that at all.

At various times, Mr. Warnke has suggested that one way to break the deadlock in arms limitations agreements was for the United States to take certain initiatives, such as not actively pursuing the development of some new weapons technology, as a signal to the Soviet Union that our intention to reduce the arms race was absolutely sincere. Once such an initiative were taken, he argued, the United States would be in a position to monitor Soviet reaction; we would be able to determine if the Soviets were willing to take commensurate steps. Of course, if there was no favorable response from the Soviet Union, then we would proceed with the new weapons system.

Without agreeing with Mr. Warnke's suggestion, it seems obvious that such a policy is designed to do two things. First, it addresses itself to the difficulties that are bound to occur in a formal negotiation when each side must justify any concession with a precise, usually numerical, opposite concession. Second, it addresses itself to the idea that perhaps the Soviet Union does not trust our formal declarations any more than we trust theirs.

I do not happen to agree with Mr. Warnke on this point. However, the suggestion is a legitimate one; but more importantly, it has little if any relationship to the idea of unilateral disarmament. Serious questions of national defense strategy are consistently subtle ones; unfortunately, the public debate is conducted without that subtlety and in a manner which caricatures the actual positions taken.

The genesis of this misconception is an article Mr. Warnke wrote in 1975. Since that time, Mr. Warnke himself has discarded the idea. In recent testimony before the Senate, he said:

> When you are at a time of active negotiations, I would not advocate taking any sort of restraint action except on the basis of concrete measures or parallel restraint which had been talked out with the Soviet Union. In other words, I do not think that in a negotiating context that I would advocate the kind of approach that I suggested in my 1975 article.

I find it difficult to condemn a man for taking a position—unilateral disarmament—which he never suggested in the first place. Even more to the point, the idea which Mr. Warnke discussed at the time, which is the apparent source of his opponents' contention that he favors unilateral disarmament, has itself been withdrawn by its author as an unworkable solution.

I do not agree with all the views Mr. Warnke has held about defense—nor does he. It is heartening, not frightening, that a man nominated to such an important position has demonstrated imagination and intellectual vigor. American society has always prized men of intellectual growth and flexibility. If this were not the case in science, we would still not have disabused ourselves of the notion that the Earth, not the Sun, was the center of our planetary system. It is only because men challenge old ideas that they ever have now ones. Not every challenge is correct or will lead to a new discovery, but without intellectual inquisitiveness we would stagnate.

Mr. Warnke's intellectual journey through the difficult terrain of startegic concepts is an open record, open for each of us to examine. I see in that record growth and change. At one point in that evolution, Mr. Warnke both in his own estimation and in my own, placed too much emphasis on the idea of mutual assured destruction. In 1972, he said, for example, that—

> Since each [side] has abandoned any real attempt to defend itself from nuclear attack, the number of warheads that would survive even an all-out first strike would be sufficient totally to devastate the attacker's society.

He went on to say that—

> In thus assuring retaliatory capability, the ABM treaty makes continuation of the missile numbers game a mindless exercise.

He has more recently concluded, however, that:

> We would want to move toward limiting the size of Soviet missiles because that is what presents the spectre of achieving some sort of first strike capability, or at least the capability to challenge our ICBM's and put us at a strategic disadvantage.

He has also said that:

> I think we should have, as I have said before, not only the assured retaliatory capability but also have apparent, perceived equality of nuclear forces, as well as the ability to utilize them in less than an all-out basis.

These last two statements reflect Mr. Warnke's current thinking on two terribly important aspects of strategic arms strategy. I concur with both conclusions. Because he had not reached those conclusions half a dozen years ago is not a sufficient reason to deny him our confidence today.

Much of the public debate over Mr. Warnke may, in reality, go far deeper. That is, do we want to attempt to reach some sort of arms limitation agreement with the Soviet Union at all? Like President Carter, I campaigned in favor of a strong defense posture for the United States. I remain absolutely committed to that view.

However, to believe in a strong national defense should not preclude us from wanting to ameliorate the current arms race with its concomitant nuclear proliferation. Our world is headed toward almost certain disaster unless we can do something to reverse present trends. We are sitting on a powder keg that could go off at any moment, destroying not only the present but the future as well. If we have any great task to achieve in the next generation, it is to defuse the nuclear threat.

At no point in pursuing such a goal would any reasonable man advocate that we leave ourselves defenseless and our enemies in a position to strip us of our freedom and our way of life. We must be prudent in our approach. And, perhaps, we will not be successful. But unless we creatively and energetically move in that direction, the prophesy of a holocaust will surely come true. We have, therefore, a responsibility not only to ourselves but to unborn generations to somehow undo what our fears and animosities, coupled with modern technology, have created.

I am convinced that the American people are sufficiently sophisticated to understand that we must try to limit nuclear weapons. I am equally as sure that they understand that this goal can be pursued without endangering our own security and national defense.

I will vote to confirm Mr. Warnke as Director of the Arms Control and Disarmament Agency and as SALT negotiator. In doing so, I want to make it quite clear that I do not necessarily share all of Mr. Warnke's views. However, I am convinced that the positions he stated at the Senate confirmation hearings are sound. I am committed, as I know Mr. Warnke is, to a strong national defense, and to the development of appropriate weapons technologies in the absence of sound, enforceable mutual agreements with the Soviet Union. In voting for Mr. Warnke, I am not committing myself in advance to endorsing any treaty that he and the President may negotiate in the future. I reserve the right to study and evaluate any such document to insure that it meets the criteria that I believe the American people want met.

Mr. HEINZ. Mr. President, the nomination of Paul Warnke as Director of the Arms Control and Disarmament Agency and Ambassador to the SALT negotiations has been cause for considerable controversy, both in the Senate and among the public at large. Serious questions have been raised with regard to Mr. Warnke's fitness for the posts, both in terms of his own integrity and other personal qualities and in terms of the policies he espouses.

Let me say first with respect to the former, I believe Paul Warnke to be a man of intelligence and responsibility, fully qualified to serve in the Federal Government. I regret any assertions to

the contrary and hope that our debate will not raise such questions but rather will concentrate on the issues of policy that are of paramount importance.

With respect to those policy issues, I confess to some misgivings. Mr. Warnke has shown a clear commitment to the goals of disarmament and the need for a meaningful arms control policy in his past writing and his present testimony—a creditable commitment which well qualifies him for the post of ACDA Director. That position, in my judgment, requires an advocate, a person of dedication who will seek simultaneously to educate the public about arms control and to increase public acceptance of and support for arms control policies. Such an advocate is of particular importance in an administration which has shown itself to be so concerned about this issue. Paul Warnke is well qualified for this role, and I will vote to confirm him in that office.

I do have some concerns, however, about the degree to which Mr. Warnke's own attitudes on arms control issues would impact on his ability to successfully negotiate a SALT agreement. Ironically, my concern about the wisdom of confirming Mr. Warnke as arms negotiator stems from the same record of advocacy for arms control that makes him an appropriate choice for ACDA Director. The SALT negotiations are not the place for that kind of overt advocacy. They are the place for a tough bargainer thoroughly cognizant of the realities of strategic systems in the nuclear age, of the intricacies of various weapons systems, and committed to the maintenance of a strong defense posture. Mr. Warnke would come to those negotiations with clear and publicly stated positions in opposition to many U.S. strategic systems, positions which would inevitably damage his credibility with the Soviets and put him in the awkward position of either public statements or put the United States in a weakened negotiating position by sticking to them. In short, Mr. Warnke is widely perceived by the public—and the Soviets—as being committed for and against particular defense policies and options, when what is needed by our chief negotiator is not specific policy commitments but maximum flexibility.

An additional problem Mr. Warnke and the President will have is that they have clearly associated themselves with those very desirous of an agreement. Certainly I support this desire for an arms control agreement, but we should also be aware of the fact the Soviet Union, in light of its experience with former President Nixon and Secretary Kissinger, may well believe that we are willing to pay a high price for an agreement, a belief that in and of itself puts us in a weaker negotiating position. We must make clear to the Soviet Union that we are not interested in an arms control agreement for domestic political purposes or in an agreement simply for the sake of having one. Mr. Warnke's past comments on arms control issues, however, would make it difficult to convince the Soviets otherwise, were he our chief SALT negotiator.

This concern, of course, is also a reflection of the President's policies. The administration must learn that wanting an agreement too badly and too publicly makes it more difficult for us to obtain an equitable agreement that protects our essential interests. Obviously the Senate will have the opportunity to review any treaty that is signed, but I believe it is also appropriate for us now to indicate our concern about the negotiating process and the form any treaty will ultimately take. Such statements on our part will serve as notice to the administration of our determination that a treaty be a fair and equitable one, not one which may sacrifice essential elements of our national security.

Finally, these remarks should not be construed as reservations on my part about the advisability of a SALT agreement. I have been and remain firmly committed to strategic arms control, and there is no disagreement between President Carter, Mr. Warnke, and myself over this principle. The goal of arms control is fundamental to our foreign policy and essential to the well-being of future generations. The process of achieving that goal, however, will not be an easy one. It will require maximum skill and patience on the part of the administration and its chief negotiator. I do not, however, believe that Mr. Warnke is the right instrument to achieve that goal as effectively and expeditiously as possible, and I will therefore oppose his confirmation as our Ambassador to the SALT negotiations.

Mr. BROOKE. Mr. President, I support the nominations of Paul Warnke to be Director of the Arms Control and Disarmament Agency and the U.S. Negotiator at the SALT negotiations. I do so because of my conviction that a President deserves to have his choice in the individuals he picks to serve with him, save in those instances, where a choice appears likely to bring the administration into conflict with the spirit and letter of the law. The nominations of Paul Warnke do not fall under this latter exception.

The distinguished senior Senator from New Jersey, Mr. CASE, correctly pointed out, during Friday's debate on these nominations, that the Senate is ill equipped to judge whether or not any particular individual is the best choice for any particular job. Our role, it seems to me, is to decide whether or not a nominee is competent enough to undertake the tasks a President assigns to him. Paul Warnke meets this test.

I have known Mr. Warnke for a number of years. Some views he has espoused have been compatible with my own; others have been contrary to what I believed to be the proper course for the United States to follow. Compatible views have included opposition to development and deployment of MIRV and MARV; opposition to the B–1 bomber program; and opposition to improvements in the accuracy of certain of our strategic missiles, improvements that I felt would have a deleterious effect on the strategic relationship.

We have disagreed over his call for unilateral U.S. troop reductions in Europe; over his advocacy of arbitrary ceilings on defense spending unrelated to developments in the strategic relationship; and over his opposition to the Trident submarine and Trident II missile.

There are other areas of disagreement. But, I do not find any to be of such moment as to justify opposition to Mr. Warnke's nominations to be the Director of ACDA and the chief negtiator for the United States in the SALT talks.

The debate these nominations have evoked is indicative of the changed strategic circumstances that confront the United States at the present time. It is factual, I believe, to assert that neither superpower has a significant advantage over the other in strategic nuclear capabilities. This is a substantive change from a decade ago when the United States had a clear edge in strategic capabilities.

As a corollary to this point, it is equally accurate to assert, in my opinion, that there has been over the past several years trends in relative strengths favorable to the Soviet Union. This has brought about the condition of rough parity in strategic forces while increasing certain disturbing disparities on the conventional side that favor the Soviet Union such as the manpower and armor imbalances vis-a-vis the European theater of strategic competition.

The present state of affairs does not justify a rapid increase in our defense spending nor wild exaggerations of Soviet capabilities. But any prudent man should recognize that a continuation of existing trends in the relative strategic and conventional capabilities of ourselves and the Soviets would lead eventually to intolerable risks for the United States. I believe Mr. Warnke's testimony during his confirmation hearings reflects his understanding of this point.

This changed international military context is forcing me as well as others to review previous positions advocated in the late 1960's and early 1970's. Some cherished beliefs may have become outdated by events. The strategic interaction of the United States with our allies and with our adversaries is a dynamic process. Only the misinformed would insist on a static approach to the subject. Therefore, it is not surprising to me that Mr. Warnke's views have altered over time. That he has been unable to articulate fully the reasons for his altered perceptions illustrates the difficult nature of the problems involved in coming to grips with the exceedingly complex subject of strategic superpower interaction, rather than a deliberate attempt to mask his real views. And I have no doubt that he will be compelled to constantly reexamine his positions and perspectives as he becomes deeply involved in negotiations with the Soviet Union. It is self-evident that anyone would have to do so in similar circumstances.

Mindless consistency is an inappropriate criterion for the Congress to insist upon in its deliberations on this subject. What the Senate has the right to expect, indeed, to insist upon, is that the Carter administration, through Mr. Warnke

and others, will constantly consult with the Congress and fully explain to the American people the initiatives it proposes to undertake in the negotiations.

I cannot emphasize enough the need for prior consultation with the Congress. I can think of nothing more destructive to the concept of effective arms control than the submission to the Senate of a SALT II agreement that could not command the necessary support for its ratification. Such support is not likely to be given if the Congress and the American people are not kept fully informed by prior consultation, as to the approaches advocated and adopted by our negotiators. I believe that this debate and the margin by which Mr. Warnke will be confirmed as SALT negotiator will be ample indication of this need for full and open consultation with the Congress.

A note of caution is also in order regarding the type of agreement that should be submitted for the Senate's approval. The 1972 SALT accords contained many loose ends. At that time it was reasonable to tolerate these in the expectation that further progress would be made in making the SALT effort more effective in limiting strategic initiatives. But 1977 is not 1972. The euphoria of the early SALT efforts has given way to the sober realization that the negotiating effort thus far has only altered the emphasis in strategic programs from quantity of delivery of vehicles to qualitative improvements and proliferation of warheads. A further sobering realization has set in that the Soviet Union does not necessarily agree with U.S. strategic thinking and appears intent on seeking some form of strategic superiority. Therefore, I am convinced that it is crucial that any SALT II agreement, to be acceptable, must avoid the ambiguities of SALT I. There should be no unilateral interpretations of significant clauses and concepts. Both sides should independently supply full information on the size and nature of their arsenals and their estimations of the other's arsenals. There should be clear statements of commitments that can be fully verified as to compliance with them. It is the burden of the Carter administration and Mr. Warnke, as its representative, to provide the Congress with evidence that these conditions have been met.

In concluding, let me once again indicate my belief that Paul Warnke understands his responsibilities and will fulfill them in a manner that will make him a successful negotiator and a prudent advocate of acceptable arms control agreements. He will have to be, for I am convinced that he will have a demanding taskmaster in President Carter and an enlightened but critical ally in the Congress. Ultimately, the responsibility for any SALT II agreements will rest with the President and the Congress. I am confident that Mr. Warnke can and will provide both branches of government with the information and advice necessary for wise decisions.

Mr. HOLLINGS. Mr. President, after listening for several days to those who oppose the confirmation of Paul Warnke, I am convinced that this whole rhetorical exercise boils down to an act of belated contrition by those who 5 years ago favored the SALT I Interim Agreement. The moans and cries of those who tell us that Mr. Warnke is going to give it all away in Geneva come from the same people who could not find it in themselves 5 years ago to turn down one of the most unequal agreements in the history of negotiating.

Where were they then, Mr. President? Where were they when the roll was called on that 14th day of September, 1972? Where were they when the Senate approved the Soviets building 1,618 ICBM's, while the United States would be stuck with the same number, 1,054, that we had had for a half decade already? Where were they when the Senate approved the Soviets constructing 62 ballistic submarines and 950 SLBM launch tubes to our 44 submarines and 710 launch tubes? When the Senate said to the Soviets, "You go ahead and build yourselves up to 313 behemoth heavy ICBM's, and don't worry about us, because we pledge not to build any?

Well, Mr. President, 88 were right here on the floor of this Chamber, voting "aye" to that agreement, and patting one another on the back—that is where they were. It was a lonely day for the distinguished Senator from Alabama, Mr. ALLEN, and for me, because we cast the only two votes against that unequal agreement.

I said that day, and let me quote from the RECORD:

> Any freshman law student could look at it and tell you, Mr. President, that it is unequal; any freshman law student seeking approval of this agreement would be called down by the court under the parole evidence rule.

Oh, but I was told, do not worry. The United States is way, way ahead in MIRV technology, and there is really nothing to fear from according the Soviets a 4 to 1 throw-weight advantage.

I spoke about that, too, on that day back in September of 1972:

> In all probability, they (the Soviets) are more advanced than our experts believe. The Soviet scientists and technicians have confounded our guesses before as I noted earlier. We never anticipated how quickly they could move, from their first atom bomb to their latest ICBM.

But no one listened, Mr. President, and we signed onto that devasting agreement. Things would be all right, everyone said. Our intelligence estimates could be relied upon. And our nuclear weapons in Europe were not covered by the agreement, so there was no real cause for alarm. Of course, neither were some 700 Soviet medium-range bombers capable of being used against us in Europe and even, in some contingencies, against us at home in the United States. It was a ridiculous argument, this assertion that even though we were giving up equality in strategic missiles, we still had overall parity when we considered the totality of the American striking force. An agreement is supposed to cover what is agreed upon—no more, no less. The attempt to recoup parity by a comparison of things not covered in an agreement is a fatal way to bargain.

Now, of course, all those opponents are chagrined. They are all embarrassed. They are looking for a scapegoat, and they have found him. His name, of course, is Paul Warnke. And they have a nice, neat theory in which to fit Mr. Warnke and to explain how people like Mr. Warnke are going to get us into all kinds of unequal and bad agreements.

Mr. Nitze laid it out for the Foreign Relations Committee, and Senator MOYNIHAN shared it with the rest of us yesterday. It seems that, once upon a time, when—

> . . . some 10 years ago it became increasingly clear that the United States had become strategically and politically over-committed in Vietnam, two schools of thought began to emerge as to the proper future direction of our national security policy. In one view, U.S. foreign and defense problems would continue, indeed might even become more serious as a result of Vietnam, and could well call for even more emphasis and greater prudence than had been devoted to them in the past. In the contrasting view, the problems of the past had arisen largely from our own errors springing from over-emphasis on foreign policy, and particularly its defense aspects. Those taking the latter view believed our true strategic interests were limited to Western Europe, Japan, and Israel; that the USSR presented our only military threat and that that threat could be deterred with forces less capable than those that had already been authorized. Therefore—so the argument ran—significant cuts could and should be made in a wide range of defense programs requested by the Executive Branch. It was hoped that the Soviet Union would agree to make certain parallel cuts, or at least reciprocate by restraining the pace of its own programs.
>
> There can be no question that Mr. Paul Warnke, who has now been nominated to be both Director of ACDA and head of the U.S. SALT Delegation, has been one of the most active, vocal and persistent advocates of the second point of view.

Mr. President, as history this is demonstrably false, and as an analysis of serious strategic thinking over the course of the past decade, it is little short of poppycock. Life is not that simple that we can take half of our strategic thinkers and put them in a little red box over there, and take the others and put them in a little blue box over here. I have listened to and read Mr. Nitze and Senator MOYNIHAN over the years, and I would be the last one to take their wide-ranging and often profound thoughts and categorize their sum total as nothing more than the little red box over there. Why they insist on so minimizing their own contributions, I do not know. If I charged them with being so simplistic, they would take rigorous and just exception, I would think. So I am not surprised that Mr. Warnke did the same thing. In his response to the letter from Mr. Nitze, Mr. Warnke devastates the simplicity of this theoretical argument, and notes that no evidence has been adduced—

> . . . to prove any such polarization among those who have studied and commented about national security policy, I do not agree that he (Mr. Nitze) has correctly described prevailing trends of thought. If such a division were to exist, moreover, I would fall in the first group and not the second, because I agree that U.S. foreign and defense problems have continued and will continue

and that they do indeed call for more emphasis and greater prudence.

Mr. President, I do not propose to take the time of the Senate this afternoon to answer point by point what Mr. Nitze and the others have said. Mr. Warnke did it cogently in his letter.

Now, with their theoretical argument having received its just rewards, Mr. Warnke's opponents have forsaken theory and turned amenuensis, and their argument now is that someone has been nefariously moving around commas and other deadly punctuation marks, thereby making it impossible for us to know what Mr. Warnke has been saying over the years.

Mr. President, I have studied the record, read the hearing transcripts, and listened to this debate. While I do not find 100 percent identity between what Mr. Warnke proposes now and what he proposed a decade ago, I find certainly as much consistency in what he says as in what his detractors say. And I think I understand the thrust of what Mr. Warnke's beliefs represent.

Mr. Warnke and I do not share the same approach to the problems of national security, armament, and disarmament. Of course, I am not being called upon to vote for him for the post of Secretary of Defense, or to confirm him to the Joint Chiefs of Staff. The agency to which he has been nominated is not charged with the responsibility of researching, developing, and deploying our national armada. It is charged instead with developing prudent approaches in the hope of achieving arms reductions. Somewhere along the line you have to make the assumption that the President's chief adviser on arms reduction believes in the potential of arms reduction. If you believe in divorce, you do not seek out the Catholic priest to be your divorce lawyer. And if you want to run that parish right, you do not have the divorce lawyer appointed pastor. We are not talking about putting Mr. Warnke in charge of the Defense Department. We are talking about making him Director of the Arms Control and Disarmament Agency and Ambassador to the SALT talks. As the President's chief adviser, the man ought at least to believe in that which he is charged to seek.

Mr. Warnke knows full well, because I have told him so, that my vote for his confirmation has nothing whatsoever to do with my future action on whatever arms reduction agreements he may be able to bring home. I intend to subject any SALT II agreements to the most searching kind of inquiry. As a matter of fact, one positive result that can come out of the heat of this debate is that by selecting Mr. Warnke, we probably insure that the Senate will look a little longer and probe a little deeper on SALT II than it did on SALT I. It has been said that if Mr. Warnke brings home an agreement, it will be that much harder to get it confirmed than it would have been if, say, Senator GOLDWATER negotiated and brought home a treaty. I say, "Wonderful." The trouble last time was that it was a sin to ask a question. Even those who had some reservations about it were afraid to ask because they thought their intelligence would be questioned.

So I will vote for Mr. Warnke's confirmation to both of the posts to which he has been nominated by the President. I do not find Mr. Warnke to be guilty of the kinds of sins his detractors allege. I find him opposed to unilateral disarmament and cognizant of the need to avoid in SALT II the kind of inequality we had in SALT I. I find that he does have a merited skepticism of Soviet intentions, and the record shows him to be cognizant of the need for a strong national security posture, even though we differ on emphasis and even though it is Congress and the President rather than Mr. Warnke who will be making the decisions on the direction of our military efforts. Mr. Warnke will perhaps take with him to Geneva more optimism than I would as to the possibility of achieving a meaningful arms reduction agreement. I wish him well in his endeavors, just as I continue to work for keeping our powder dry all the while. I find Mr. Warnke to be a sincere, patriotic, and articulate American, with considerable skills which could benefit us at the negotiating table. Certainly he was not outclassed by any of his detractors either in the committees or on the floor of the U.S. Senate.

PAUL WARNKE NOMINATION TO ACDA

Mr. CLARK. Mr. President, when the President nominated Mr. Paul Warnke to be Director of the Arms Control and Disarmament Agency and head of the U.S. negotiating team for the SALT talks, I and most of my colleagues here looked forward to the confirmation process as an opportunity for a full-fledged, responsible discussion of the entire arms control issue.

It was in that vein that the Foreign Relations Committee, on which I sit, heard Mr. Warnke for over 4 hours, and listened to his critics for even longer.

Unfortunately, our fond expectations have not been fully realized. In place of a reasoned debate, we have witnessed an effort to brand Mr. Warnke as inconsistent and naive in his attitude toward the Soviet threat, inexperienced in running a complicated negotiation, and softheaded in his approach to military superiority. Instead of a grappling with key issues, we have heard a series of allegations having little or nothing to do with the matters at hand.

Take the issue of commas. Now I regret that in the pressure to respond to allegations—and Mr. Warnke, I want to remind you—does not have the benefit of staff support—a comma got dropped in an old quote by him. What puzzles me, though, is how Mr. Warnke's opponents could seriously argue that what he said, in September 1972, with or without the comma, was intended to assert that superiority can never be translated into any sort of military capability or any sort of political potential. If they had just read on down the page in his letter to Senator STENNIS, they would have discovered that in May 1972, he said, in a public debate with Senator Buckley, that—

> Regardless of absolute capacities, our forces should not be allowed to fall into a position of unbalance so gross as to have adverse political connotations.

I do not know about Mr. Warnke's grammar, but the public record over the years testifies to his commonsense, and to his commitment to a consistent, reasonable approach to the problems of national security, including arms control.

We are also being told that Mr. Warnke's previous public statements on arms control prejudice his position as a negotiator. Has he not already given away his position?

Paul Nitze was asked whether such a signal—sending Warnke—"isn't a rather naive approach to what is expected to be a very tough negotiating stance on the part of the Soviet Union?" But even the opposition's star witness, Mr. Nitze, was not buying that. Four times Mr. Nitze refused to accept the premise that Warnke's previous statements would hamper him.

Nitze replied:

> I am not sure, Senator Tower, that I would agree with that. I think the Soviet Union negotiates with the opposing delegation on the assumption that whatever the delegation says represents the considered government position, and I don't think that past positions would necessarily affect the Soviet negotiator.

And then there is the litany about Paul Warnke's opposition to a whole series of weapons systems—Senator JACKSON listed 13, I think. I really believe this is a canard. Those critics know, first of all, the reasons in each case for his opposition. In every instance he was opposing certain systems not because he does not favor a strong national security stance, but because he took issue with the cost effectiveness of the system, or with its possible impact on the spiraling arms race. In many cases, Paul Warnke proposed alternatives to such systems.

Furthermore, without belaboring this point, everyone in this Chamber knows that there was a strong body of support for his views by Members of the Senate. Take the B–1 for example—just last fall a majority here voted to deny procurement funds for the program prior to February 1 of this year. Take the Trident submarine—Secretary of Defense James Schlesinger himself tried to get funds for a smaller ship—on the grounds that putting so many of our missile eggs on fewer submarine baskets made them more vulnerable.

Another item I would add to my red herring list is this issue of the two hats—whether he would be both ACDA chief and head of the SALT delegation. During our most effective and productive periods of arms control negotiations—under William Foster and Gerard Smith—the two jobs were held by one man. Under them we negotiated the ABM Treaty, and the Nonproliferation Treaty, and the Limited Test Ban Treaty.

One further point on this two-hat argument. I consider Mr. Warnke's appointment as head of ACDA to be an important signal that the President intends to restore vitality to this almost

moribund agency. My good friend HUBERT HUMPHREY, who was author of the legislation establishing this Agency, has pointed out how frustrating it was to watch how it was stripped of any responsibilities after Gerard Smith left in early 1973. With the exception of nuclear export policy, the Agency played virtually no role in this Nation's arms control policies. Returning to the procedure of having the ACDA head also run the SALT delegation will not only revive the Agency, but will immeasurably improve the coordination. Furthermore, in that capacity he will also be accountable directly to the Congress, insuring a more informed congressional review of the negotiations.

One particularly pernicious charge against Mr. Warnke is the allegation that he favors "unilateral disarmament." The term first surfaced in the scurrilous unsigned memorandum of which we have all heard, and I regret it crept back into the debate during the hearings and here on the floor.

Now, the record is absolutely clear on this point. In his foreign policy article on "Apes on a Treadmill," Mr. Warnke described in detail his ideas on unilateral initiatives, leading to mutual restraint. As he put it in the hearings:

> What I have suggested sometimes in my writing is that we try to explore the possibilities of getting during the course of negotiations some concrete measures of parallel restraint. I emphasize parallel restraint because, of course, it would have to be on a mutual basis.

Mr. Warnke is absolutely clear on this. He is talking about unilateral initiatives in carefully selected weapons areas, and for specific limited, 6 months, periods of time, as a means of possibly inducing the Soviets to practice mutual restraint. He stresses that this innovation would apply only to systems in which the United States has a distinct lead, and where our advantage would not be sacrificed by a slowdown for a specific period. As was evident during the hearing, it has been tried before, and worked, and I think he is quite right in saying it is a technique worthy of serious consideration. But, and this is the key point, in any case it has nothing to do with "unilateral disarmament."

It is very unfortunate that some of his critics have tried to confuse this issue.

I also regret that the discussion over Mr. Warnke's nomination has degenerated in part into an irresponsible mail-and-telegram campaign. Mr. President, my office has received a lot of this correspondence, and I want to tell you that it is really vicious. Many of them reflect the "Dear Friend" letter sent out by Representative LARRY MCDONALD of Georgia, who finds that the Warnke nomination "poses the single greatest threat to our national security in my memory." As the Washington Star observed editorially:

> Mr. McDonald must have a short memory; but one would not begrudge him his apprehensions if he had his facts straight.

His letter charges, for example, that Mr. Warnke was the ". . . architect of GEORGE MCGOVERN's scheme to slash $32 billion dollars out of our national defense budget." Well, Senator MCGOVERN went out of his way to tell our committee that this just was not true. The $32 billion concept—and that is not a fair description of it—was put together before Mr. Warnke joined Senator MCGOVERN's team. The letter also accuses Mr. Warnke of being a "registered agent" of the Government of Algeria. As everyone in this Chamber knows, this merely reflects our legal requirement that lawyers or firms who represent foreign nations must register with the Department of Justice.

It seems to me, Mr. President, that this series of issues has been raised to obscure the most basic point of all; that Mr. Warnke has been selected by the President of the United States to represent him in arms control negotiations, with the objective of achieving agreement within the outlines the Presdent has spelled out.

Now I know that some of Mr. Warnke's key opponents do not really like that idea. But it seems to me that they are trying to have it both ways. Ostensibly they support the President's arms control objectives. Several Senators—and I quoted some yesterday—specifically made the point that they support the President's approach. Their objection, they insist, is to Mr. Warnke, his record, and his views. But, Mr. President, I suggest that Mr. Warnke is being used as a strawman that the opponents can pummel in place of Mr. Carter's policies. And I believe they hope through the attack on Mr. Warnke to seriously limit the President's options in the negotiations.

Mr. Carter has said repeatedly that he specifically wants Mr. Warnke in both these slots because he and Mr. Warnke agree on basic policy issues. The President said again today: "I have complete confidence in him. It seems to me if the opponents really do support the President, they should support the President's choice for negotiator as well, instead of chasing around for misplaced commas."

That, Mr. President, is the point at issue today. Mr. Warnke's opponents really are not objecting to him. They are fundamentally opposing the arms control and disarmament policy which the President intends to pursue.

This intention seems to me perfectly obvious from a story in yesterday's New York Times. As is clear, the objective is "to weaken Mr. Warnke's position to the point of uselessness." The article continues:

> The stakes are higher than simply the future of the man who has been chosen as Director of the Arms Control and Disarmament Agency and Chief Negotiator on Limitation of Strategic Arms. The anti-Warnke coalition of Democrats and Republicans is seeking an overall role in shaping foreign affairs and national security policy by mustering enough votes against the President's choice.

And, Mr. President, the intention is to narrowly restrict the President's options in achieving an arms control agreement.

I have listened to the opposition spell out the necessity for maintaining superiority, the need for keeping ahead of the Soviets, and I can only conclude that they do not—as they profess—actually believe in arms control as a factor in national security policy.

The President evidently agrees. At his press conference this morning the President said:

> So, I think the attacks on Mr. Warnke are primarily by those who don't want to see substantial reductions in nuclear weapons in the world.

What they are proposing is unworkable—the Soviets are not going to accept any agreement which is to their disadvantage. Nor will we. Which is why we must negotiate a reasoned and balanced strategic arms control proposal. That is what President Carter intends to do. And the man he wants to run the negotiations is Paul Warnke. For that reason I expect that the Senate is going to confirm him with a solid majority.

Mr. GOLDWATER. Mr. President, the matter before us is a most important one. In fact, I do not believe it can be overemphasized. As I said yesterday, the Senate Armed Services Committee held hearings on the nominations of Mr. Paul C. Warnke to be Director of the Arms Control and Disarmament Agency and also our chief negotiator for the SALT II negotiations.

Now, although in a strict sense the committee confirmation process does not allow the Armed Services Committee to make a recommendation to the Senate on this matter, it is important that the Senate understand the conclusions arrived at by a majority of that committee.

Each of the Republican members of that committee submitted individual views to the 3 days of hearings that we conducted. In each case each member submitting his views was unequivocably opposed to the confirmation of Mr. Warnke for either position.

Mr. President, if you examine the statements submitted, I believe it can be seen that these Armed Services Committee members are not opposed to Mr. Warnke because of his politics or because he has been appointed by a Democrat administration. To the contrary, the Armed Services Committee has an outstanding reputation in this body for being nonpartisan. Mr. President, the objections voiced in each case are very valid and they are based on a perspective of Defense issues not normally covered by the members of the Foreign Relations Committee.

To further substantiate this point, my Democrat colleagues have subsequently spoken in opposition to the confirmation of Mr. Warnke, and if you will read their remarks closely, you will see that their objections are based primarily on the same points made earlier by the minority members of the committee.

I cannot stress too strongly that Mr. Warnke, if confirmed by the Senate, will have a direct impact on the very heart of our future national security and our future strategic deterrent force.

Mr. President, we on the Armed Services Committee have not been unaware of what the Soviet Union has been doing in the strategic area in the past few years. Every year we receive testimony that paints a more grim picture as to

our position vis-a-vis the Soviet Union. Not only is the Soviet Union making alarming progress in the strategic area, they are also making alarming progress in the conventional area as well. It is as I said, a grim picture and I will continue to do what I can to insure it does not get any worse.

Mr. President, Member after Member has gone over Mr. Warnke's past positions on numerous weapons, all of which at one time or another, he indicated he was opposed to or would cancel. This, as I have said in previous statements, brings me back to the point I made about my concern for Mr. Warnke's perception of the Soviet Union. It is obvious that we still do not have anywhere near the same perception of the Soviet Union, its intentions, and how we should deal with it.

This brings me again to my larger concern and that is that Mr. Warnke's selection may be a reflection of how the Carter administration believes the United States should deal with the Soviet Union. It is my judgment that we are moving toward an era of appeasement rather than dealing with the Soviet Union from a position of strength. We must not assume that the Soviet Union will ever do any more than adhere minimally to the letter of any agreement. If we expect or depend on the Soviet Union to follow the spirit of any agreement, we will be disappointed. We should not look for Soviet goodwill or good intentions unless that can be reduced to words in an agreement.

Mr. President, I wish to point out that these two positions for which Mr. Warnke has been nominated can be tremendously and possibly disproportionately influential on our foreign policy, our future defense structure and our national security. It may be that these two positions place more power and responsibility in the hands of one individual than is wise, even if that individual had the support of every Member of the Senate.

The stakes are extremely high and we should not forget that our system works best when power is judiciously distributed.

Mr. President, as I have said and as others have said, whoever represents the United States at SALT II should have the overwhelming support of the Senate, the Congress, and the country.

Mr. Warnke does not have that kind of support and, therefore, even if he is confirmed, it will not be in our best national interest.

MASS MAILINGS AGAINST WARNKE

Mr. HATFIELD. Mr. President, my office has been besieged by hundreds of form letters and postcards attacking the nomination of Mr. Paul Warnke to be Director of ACDA and chief U.S. negotiator at SALT. Of course, other offices are getting the same sort of mass mailing.

Some of these form letters make the incredible charges that Mr. Warnke is "a foreign agent for Communist Algeria," and that he "set in motion the chain of events which allowed Ellsberg to steal the Pentagon papers." I would charitably characterize these charges as serious misrepresentations. Whatever they are, they have confused the public when a very serious debate about strategic policy and arms control should be occurring.

Last Sunday the Washington Star ran an editorial about these mass mailings and the unfortunate effect they are having upon the general tenor of public discussion on this matter. I commend the Star for its editorial, and ask that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MOONSHINE ON MR. WARNKE

When President Carter nominated Paul C. Warnke some weeks ago to head the Arms Control Agency and carry on the strategic arms talks with the Soviet Union we hoped, as others did, that his confirmation hearings would become a forum for sober discussion of strategic issues.

That hope, which in retrospect appears a bit naive, sprang from the fact that Mr. Warnke had written and testified extensively on arms control and was, at the same time, opposed by some very serious people.

The Warnke hearings, however, only fitfully served an educative function. Mr. Warnke's critics, even some of the most responsible ones, absorbed themselves in a failing attempt to brand him a changeling who furtively toughened "soft" positions of the past to win confirmation.

Since the hearings ended, and the Foreign Relations Committee cleared his nomination, the resistance to Mr. Warnke has strayed even farther from sober debate. With Wednesday's Senate vote approaching, uncommitted senators are being treated to a mail-and-telegram campaign that shuns few propaganda techniques.

Consider, for instance, the "dear friend" letter recently issued by Rep. Larry McDonald of Georgia, who declares that the Warnke nomination "poses the single greatest threat to our national security in my memory." Mr. McDonald must have a short memory, but one would not begrudge him his apprehensions if he had his facts straight.

Of Mr. Warnke, Representative McDonald writes: "He is best known as George McGovern's national defense adviser during the 1972 campaign and the architect of McGovern's scheme to slash $32 billion dollars out of our national defense budget. If that is not enough to make him totally unfit for the job, he has recently been calling for unilateral disarmament—on the 'hope' the communists will follow suit." He adds, although the bearing of such charges, even if accurate, is not clear, that "since 1975 Mr. Warnke has been a registered agent of the government of Algeria . . . (and) set in motion the chain of events which allowed Ellsberg to steal the Pentagon Papers."

In citing the McGovern connection, Mr. McDonald appears to echo a widely-quoted Wall Street Journal editorial of February 16 which said in part: ". . . Mr. Warnke is best understood as George McGovern's defense secretary. . . . During the 1972 presidential campaign he was chief apologist for Mr. McGovern's plan to lop $30 billion off the Pentagon's budget."

Perhaps, to give him the benefit of a doubt, Representative McDonald is not aware that Senator McGovern has since corrected the Journal's misimpressions. First, wrote the senator in a letter to that paper, his "alternative defense budget . . . called for reductions over a three-year period, with the amount explicitly contingent upon how the Russians responded." But the main point is that Senator McGovern's defense white paper was not Mr. Warnke's architecture. "My arms budget recommendations," writes the senator, "were published in January of 1972 at a time when Mr. Warnke was advising Senator Muskie."

Let us pass over the interesting but irrelevant charge that Mr. Warnke has been a lobbying agent for Algeria—Washington lawyers frequently represent countries whose policies they do not necessarily endorse or approve—to the charge that he "set in motion the chain of events which allowed Ellsberg to steal the Pentagon Papers."

So, in the sense intended, did Gen. George Washington: By defeating Lord Cornwallis he set in motion a chain of events leading to the establishment of the American republic; and had he not done so, the Pentagon Papers would not have been there, many years later, for Dr. Ellsberg to steal.

This kind of argument depends, in other words, on historical regression in which final blame for almost any event can be pinned on almost anybody. In fact, after his departure from the Pentagon, Mr. Warnke stored his copy of the Pentagon Papers, unread, at the Rand Corporation, with the proviso that no one could see it who did not have top secret security clearance and who did not also gain the permission of two of three persons—himself, and his former deputies Morton Halperin and Leslie Gelb, who were involved in their compilation. Apparently, Messrs. Halperin and Gelb permitted Dr. Ellsberg to see the stored copy. But since Ellsberg enjoyed top secret clearance, they in no sense violated Mr. Warnke's painstaking procedures. Dr. Ellsberg violated his trust. Mr. Warnke, apart from having placed his copy at the Rand Corporation, did not.

We cite, and explore, Congressman McDonald's charges not in a spirit of apology for Mr. Warnke, who needs none, but only to illustrate what passes for argument these days in the anti-Warnke lobby. It would be unfair to suggest that the congressman's unfocused charges typify the serious case against Mr. Warnke's nomination. They are merely evidence that now that Mr. Warnke's responsible opponents have resigned themselves to his confirmation, the serious case has given way to moonshine.

Mr. PACKWOOD. Mr. President, thank you for giving me this opportunity to address myself to a matter which is of grave concern to me. I speak of course, of the nomination of Paul Warnke to be head of the U.S. SALT delegation.

Frankly, I am opposed to Mr. Warnke's nomination to this important position and I am opposed for two fundamental reasons. First, I believe Mr. Warnke's past record on defense spending and other major defense issues severely undermines his credibility as an effective and forceful U.S. arms spokesman. Second, I believe Mr. Warnke's credibility has been further undermined by his recent testimony before the Senate Foreign Relations and Armed Services Committees, testimony which was often inconsistent with previous positions he has taken.

A look at the record shows that in the past, Mr. Warnke has consistently opposed almost every major U.S. weapon systems initiative, including the Trident submarine and the Trident II missile—the submarine-launched cruise missile, the development of a mobile ICBM, and the MIRV and MARV re-entry vehicle programs. At the same time, he has constantly advocated significant reductions in the Nation's defense spending.

Mere opposition to a particular defense system by an individual is, of course Mr. President, not a sufficient reason to call into question his ability to make sound arms policy decisions. Nevertheless, in light of recent massive Soviet expansion of conventional and strategic forces, Mr. Warnke's virtual across-the-board opposition to U.S. strategic initiatives creates severe doubts about his ability to recognize trends in the strategic balance contrary to the best interests of the United States. As Adm. Thomas Moorer, former Chief of Naval Operations and Chairman of the Joint Chiefs of Staff, stated in testimony before the Armed Services Committee:

I agree that everyone has a right to be opposed to a particular weapons system. I think the key point here is that Mr. Warnke has been opposed to all of the weapon systems. There is a difference.

Mr. Warnke's prior positions on defense spending and weapons development are not the only reasons why his judgement on arms issues must be called into question.

Mr. Warnke has also continually urged that the taking of unilateral initiatives by the United States is the best means of securing arms controls. Recent history, however, has shown that such a policy of unilateral restraint has not been successful when tried by the United States. A case in point is the U.S. attempt in the early sixties to urge mutual restraint in the deployment of antiballistic missile systems. The effort met with little success. It was only after the United States abandoned its policy of restraint and began to develop an ABM system, that the Soviets considered negotiating a treaty limiting its deployment.

Now in all fairness to Mr. Warnke, it must be recognized that in recent testimony before the Senate Foreign Relations Committee, he concluded that in an active negotiating context he "would not advocate taking any sort of restraint action, except on the basis of concrete measures of parallel restraint, which had been talked out with the Soviet Union."

This apparent change of position by Mr. Warnke should comfort me, but it does not. In fact, it is this very change in position which leads me to the final point I would like to make today. Mr. Warnke, consistently in testimony before the Senate Foreign Relations and Senate Armed Services Committees presented views which were seemingly contradictory to his previously stated positions. Nevertheless, at no time did he admit that he had made any significant departure from past pronouncements. I believe it is this failure by Mr. Warnke to recognize changes in his own views that creates the most serious doubt in his ability to recognize subtle changes in the strategic positions between parties at the bargaining table.

In conclusion, I believe the American people and the Senate deserve a chief SALT negotiator in which they can have implicit trust and confidence. Paul Warnke is not that man. For this reason, I reaffirm my opposition to his nomination as Ambassador to the SALT talks.

A NEW APPROACH TO ARMS CONTROL

Mr. CULVER. Mr. President, the debate over Paul Warnke's nomination to be Director of the Arms Control and Disarmament Agency and chief of the SALT delegation has slighted the most important issues. These nominations are important because the issues are very important. This debate would not have happened if these nominations were not crucial to our national security. The basic question, which I believe has been slighted, is whether we support President Carter's and Paul Warnke's common approach to arms control and national security.

This debate occurs at a time when there is growing concern about our national security. We are especially concerned about the strategic balance between the United States and the Soviet Union. But we do not pay very much attention to the facts that worldwide buildups of armaments are racing ahead at a breakneck pace in at least three different areas.

There are underway vigorous efforts between the United States and the U.S.S.R. for ever better strategic nuclear weapons.

Influenced in part by the importance we attach to nuclear weapons, it appears that a number of other nations are considering nuclear weapons capabilities.

Still more states are building larger accumulations of powerful, accurate, sophisticated, and expensive conventional weaponry.

The facts of these arms buildups demand much more attention.

In 1960, the United States and the U.S.S.R. together had only 85 strategic missile launchers. In 1970, they had 3,300. By 1977, the number of missile launchers has leveled off at 4,060. But in this decade their force loadings of nuclear weapons have increased from 5,800 to 12,500; and it is these nuclear warheads that threaten to kill and destroy, not their launch vehicles. They have 10,000 more nuclear warheads stored in Europe for so-called tactical use.

In 1960, three nations—the World War Allies—had developed nuclear forces. Despite a Non-Proliferation Treaty, there are now 5 countries with nuclear arsenals, a 6th has demonstrated a nuclear explosive capability, and we estimate there are perhaps 10 other nations interested in the nuclear option.

In constant terms, annual world military expenditures of $130 billion in 1960 rose to $210 billion in 1970. Upward of of $300 billion is now being spent each year—I emphasize each year—on armaments. Annual world military expenditure is greater than either expenditures on education or health. Every year, it is equivalent to the combined gross national product of all the countries of Africa, the Middle East, and South Asia.

Despite severe inflation and a declining level of economic activity in most industrialized countries, the development and production of nonnuclear weaponry continues on a massive scale. In 1974, 387 different conventional aircraft, missiles, ships, and armored vehicles were under development or production, including 145 types of aircraft and 114 tactical missile systems.

The countries producing these weapons are selling them to those countries that cannot. In 1950, the value of imports of major weapons by the so-called Third World countries, at 1973 prices, was only $294 million. In 1960, $1.2 billion. In 1970, $2.2 billion. By 1974, 5 years later, Third World weapons imports had nearly doubled again—$3.9 billion. We are involved in a pathological competition in arms sales with little regard for the future.

By 1974, the number of countries spending over $1 billion per year on arms had increased to 20. A bare majority of 11 of these were in the 2 major alliances which until recently had dominated world military expenditures. Four of the newcomers are in the volatile Middle East.

These great buildups of armaments greatly increase both the chances for armed conflicts and the level of destructiveness at which major wars will be fought.

Continually increasing armaments levels are a basic source of world insecurity. Increased military capabilities are seen by neighbors and potential adversaries as threatening their security, prompting military responses which in turn threaten the other side, often all out of proportion to the original cause for concern. This effect is evident today as the United States and the Soviet Union justify new military programs as a necessary response to the other's increased capabilities. In crisis situations, military forces influence decisions even more directly, sometimes decisions for restraint and favorable outcomes, or decisions for preemptive attacks, or possibly a chain of events out of control.

History offers no comfort whatsoever that armaments on the present scale will not be used. If anything, it suggests that it is only a matter of time until they will be. The notion that so many nations can continue to build more and better weapons and not use them is historically absurd.

We have avoided a nuclear holocaust for 30 years. We may succeed in deterring one for another 30. That first war with nuclear weapons when deterrence breaks down 30 or 50 years from now may be limited at a level of less than all-out exchanges. But the probabilities, over time, over 50 or 100 years, of avoiding full-scale wars of incomprehensible destruction are very, very low.

Indeed, there are other ways in which military buildups undermine and threaten security. The expenditures on military forces drain away enormous resources from other increasingly serious problems, probably enough to remedy some of them. They go against the rise, in bold relief, of nonmilitary problems, conflicts over resources and injustice, terrorism, energy, famine, and climatic crises, pollution endangering our life support systems. These kinds of threats can easily lead to wars, but they cannot be alleviated by armaments. They beg for some of the resources dedicated to arms and more arms. It is amazing how little this emerging state of international affairs affects our decisions on weapons systems and

force structures, as well as our justifications for military budgets.

As we recognize that national security requires more than just defense, we should also recognize that the welfare of our citizens is threatened by serious domestic problems—the crisis in our health care, the uncalculated costs of persistent unemployment, our remaining deficiencies in housing and education. Additional weapons cannot reduce these threats to the well-being of our people.

Yet we are spending over $300 billion each year on armaments, producing 387 different kinds of aircraft, missiles, ships, and armored vehicles. Global investment in military research devours $25 billion of the $60 billion the world spends on research and development activities. We spend but $6 billion in health research. Some 400,000 scientists and engineers, nearly half the total engaged in research and development, are employed in military pursuits in the industrialized countries. And what are the benefits of these investments? The gain is the increased effectiveness of arms to kill and destroy.

I have described, as I see it, a very sobering situation. Three arms buildups, at unprecedented levels, simultaneous, speeding up. This is the context for our consideration of Paul Warnke's nomination to direct our arms control efforts. For two decades, arms control has been essentially a rearguard action to retard unfavorable developments, and we have not yet reached the subject of disarmament. We need more arms control and restraint, more far-reaching and innovative efforts to use arms control to help protect our national security. For the long term, this may be the most important aspect of our national security policy, and it is time that we approached this requirement in a purposeful, concerted way. This is the most important issue in the Warnke debate. It is unthinkable that civilized nations—and most of all our own country—should not mount an all-out counter offensive for arms control and peace.

Most of our citizens are disillusioned with arms control.

With all of the criticism of the interim offensive freeze, the benefits of the SALT ABM Treaty for our national security have been all but ignored. This treaty severely constrains an entire area of the nuclear arms competition. It insures the deterrent capabilities of our forces. It prevents large new efforts in offensive arms that both sides surely would mount to insure their deterrent against increasingly effective defenses. Little noticed, the treaty also prohibits the deployment of futuristic ABM hardware. The ABM Treaty was not the military answer to the prospect of widespread, destabilizing ABM defenses. It was a better way, a much safer way to prevent what could have been an extremely serious strategic situation today.

Even though there were serious shortcomings involved with the interim offensive agreement, the U.S.S.R., because of SALT, has not constructed any new ICBM launchers since 1971, in 6 years. In fact, the U.S.S.R. has dismantled 150 ICBM launchers as it commissioned new missile submarines. The interim agreement has not been without merit as a short-term freeze arrangement.

The SALT negotiation was difficult. The participants have very different, often conflicting national traditions and interests, different military doctrines and strategies, resulting in different force postures and different objectives on each side of the SALT table. Like any lawmaking process, as we in this profession should well know, SALT has its ambiguities and loopholes. This was inevitable. For this reason, a Standing Consultative Commission was set up to work out questions of compliance. The fundamental consideration, stated by President Ford and his Secretaries of Defense, is that the Soviet Union has lived up to the SALT agreements it made in May 1972.

The major problem with the first SALT agreements is not that they were overly ambitious, nor that the Soviet Union has cheated on them. The shortcomings of the first agreements result from their being too little, too narrow. For example, an earlier agreement to limit cruise missiles was discarded when the sides compromised in May 1971 and moved to a narrower arrangement. They were too late to prevent MIRV's.

The first SALT agreements have real value, because they are restraining Soviet nuclear capabilities, as well as our own, providing real benefits to our deterrent and to our national security. They are valuable also as a difficult precedent and as a mechanism for further nuclear arms controls.

But SALT today is unfulfilled, undeveloped potential. The talks have not reversed the drive for more and better nuclear capabilities. And they have not met our Non-Proliferation Treaty obligation to the nonnuclear states "to pursue negotiations in good faith on effective measures relating to the cessation of the nuclear arms race at an early date and to nuclear disarmament."

I believe that, as we consider Paul Warnke's nominations, we are at a critical decision point for our approach to arms control and national security policy. The United States and the U.S.S.R. are preparing and deploying new nuclear delivery systems and pursuing qualitative improvements that promise to alter the strategic environment and make the balance of deterrence less stable. We have not adequately considered the changes which much greater weapons accuracy and large-scale deployments of cruise missiles will make in the deterrence equations. Both sides also are moving with substantial effort into futuristic weaponry, and into the environment of space.

We are at a point when the U.S.S.R. has reached a real equivalence with the United States in nuclear weaponry, not to be confused with the false parity of missile launcher numbers in 1970, when the United States was beginning programs to increase its missile warheads fourfold. Parity is a difficult psychological adjustment, disconcerting for national security officials and for the American people. On the one hand, the Soviet military buildup poses some new and much increased risks, such as a possible Soviet breakthrough that could provide them with significant strategic advantages. On the other hand, their accomplishments demonstrate clearly that it will be very difficult, likely impossible, to reestablish and maintain our previous military superiorities vis a vis the U.S.S.R. In other words, in all likelihood, the new and increased threats for our security cannot be neutralized by more armaments. The recent evidence of Soviet determination urges more arms control, not less.

Most importantly, we finally have a renewed, strong commitment by President Carter for real arms control and disarmament. The President intends bold and aggressive attempts on all three fronts, in SALT, on proliferation policies, and to control foreign military sales.

At this time, we stand at the verge of further advances in weapons levels and capabilities, but also of new arms control opportunities. We can mandate the Presidnt's arms control initiatives by confirming Paul Warnke as his chief arms control adviser.

We are in effect at a point of strategic stalemate. Both the United States and the Soviet Union have sufficient forces to destroy the other as a functioning society, even after a well executed first strike. Neither side has, or can have, effective defense against preemptive or retaliatory strikes. Additional and improved weapons cannot return us to past superiorities. They can only raise the deterrent balance to a higher level of destructive capability and danger.

A cogent definition of arms control and disarmament suggested by Mr. Harlan Cleveland is the science and art of making military stalemates more stable and less expensive. By this definition, and by most measures, arms control has been a losing proposition. Controls are being lapped by arms in all three races.

Arms control is not central enough to our national security policy, and one reason is that arms control has not been approached on a broad and concerted enough basis to justify a central position in policymaking.

To make arms control more central to our national security policy, we must recognize that our security, in the first instance, involves threats against us, threats to our security and welfare, as well as our capabilities to threaten and thereby deter hostile actions by others.

Deterrence rightly is the cornerstone of our national security strategy, but while our capabilities to threaten the security of our adversaries may usefully deter aggression against us, they do not lessen the threat to our security if deterrence fails.

We need a new approach to national security policy in which weapons and arms control serve the same purposes: To increase our security, our safety against attack, by insuring an adequate deterrent and by making the stalemate of deterrence more stable and less expensive. We cannot simply continue to build all the weapons systems we want and ban only those we do not want.

To make arms control more central to national security, arms control must be broadened substantially. It must have

sufficient substance to survive. In fact, the issues require a broad approach, because they are related to each other and interact in the real world.

Strategic nuclear systems are linked with research and development programs. We must move away from the idea that knowledge has to be applied and that if a new weapon can be invented it had better be manufactured.

Proliferation is related to energy requirements and policy, and to defense policies that stress the political as well as military utility of nuclear weaponry. Most of my comments today deal with the inherent dangers of nuclear deterrence between two superpowers. We can only speculate about how well deterrence will work if five more states move into the nuclear club, but this situation can only be less stable and more dangerous.

Conventional arms sales involve regional ambitions, commercial competition, balance of payments considerations, bilateral political relationships, domestic politics, internal security matters.

The need for investments in food and health and industrial development without pollution calls out for the same resources expended lavishly on armaments, on arms which do not make us more secure from these problems.

I conclude that innovative, wide-ranging arms control limitations, reductions, and other arrangements provide the best, safest answers for many of the threats to the Nation's security and welfare.

Much of the disillusionment with the 1972 SALT agreements is because they have not lived up to their exaggerated billing. Arms control is no panacea for our national security. Agreements are very difficult and slow to reach, although I believe the time drag can be speeded up in some areas of negotiation. Many agreements may necessarily be limited in scope. Individually, not every agreement will be successful. Some may become unsatisfactory because of subsequent developments. There will be items that cannot be agreed. In actual negotiations and in general, we cannot expect to realize all of our arms control objectives. That fact of life should not be used to impugn the good faith of other parties.

A healthy pragmatism should encourage a new approach to arms control as well as make our expectations more realistic. Moving on a broad front, there are many areas of possible agreement. Real movement in arms control will encourage more arms restraint. We must never be imprudent. We can never agree to arms control arrangements that actually weaken our deterrent or have real potential for upsetting the military stalemate. But the traditional tendency on both sides is to err on the other side of this problem.

It should be possible to reach new agreements with the U.S.S.R. and other countries on the levels and characteristics of armaments, probably including reductions in some areas. We should be able to prevent some of the future weapons developments that promise to make deterrence less stable and more dangerous. We could free and target some resources for food and health and weather research. These possibilities are not nearly as difficult, and not nearly as sensitive to the dangers of noncompliance, as some would have us believe.

It would be mistaken to overload the arms control agenda. Arms control must be well considered if it is to endure. But certainly we are not faced with the problem of overload today. The danger today, I repeat, is that arms control does not have enough substance to survive.

The most important issue concerning Paul Warnke's nominations to be Director of the Arms Control Agency and chief of the SALT delegation is that we badly need a new approach to arms control. The President and ultimately the Congress will judge the wisdom of individual agreements. If we support President Carter's approach for more arms control to protect our national security interests, then we should support his excellent choice of Paul Warnke to be his arms control deputy.

Paul Warnke has demonstrated that he understands the need for more arms control. He has not been afraid to suggest arms control possibilities that many of his peers have neglected. He has been consistent in his approach to arms control and national security. That approach is to use arms control more vigorously to control arms buildups and competition which make military stability more and more problematic, to be in control of developments that directly endanger the American people.

Paul Warnke clearly appreciates the Soviet threat, but he has been more discriminating than most of his critics. He has recognized that more arms do not necessarily mean more security. He opposed MIRV deployments, realizing ahead of time that we were more secure with 2,000 warheads on our missiles than with 8,000 or 10,000 warheads ready on the missiles of our rival.

Paul Warnke saw that military spending is not the only measure of national security. He knows that some weapons promise more than they deliver, and cost more than they actually contribute to national security. He has argued that we cannot let preoccupation with nuclear numbers divert us from attending to other military problems.

Paul Warnke clearly is well qualified to give arms control advice to the President, both because of his past experience, and because he represents President Carter's commitment to a broader and more concerted use of arms control.

I strongly urge a mandate in these votes for Paul Warnke's approach. I urge a mandate for President Carter, assisted by the best arms control advice available, in his attempt to control the mad momentum of the arms buildups that are a grave threat to our future security, and to establish some momentum, at long last, for arms restraint.

"DOCTORING" THE RECORD

Mr. McGOVERN. Mr. President, I find it difficult to accept the argument advanced by the distinguished Senator from Washington (Mr. JACKSON), with regard to the nomination of Paul Warnke. It would seem that he expects Mr. Warnke to meet standards that even he has not met, with regard to accurately describing prior views and positions of the nominee.

Yesterday we heard the distinguished Senator from Washington state that—page 6686 of the CONGRESSIONAL RECORD:

> Mr. President, yesterday Mr. Warnke sent the Chairman of the Armed Services Committee a letter in which he "regrets" and seeks to correct what he calls "a number of (typographical) errors." There then follow in Mr. Warnke's letter 24 corrections of the most trivial and inconsequential nature—errors about which no issue was made, because no issue properly exists. Nestled among these 24 errors is a 25th which is in no sense a single "typographical error."

In fact there is no "nestling" at all. It is not the 25th error—it is the first in the list of errata submitted. I have the letter, and not only is this particular error not hidden, it is stated quite clearly in the front page of the cover letter to Mr. STENNIS, the chairman of the Armed Services Committee, what his response was on this matter.

But that is not all. Let us look at the distinguished Senator's (Mr. JACKSON) statements in this matter. On pages 120–121 of the Armed Services hearings, the distinguished Senator from Washington engages in just the same sort of apparently minor, presumably inadvertent, but to some people significant, alterations of testimony and past positions of another individual.

Personally, I find it unlikely that either Mr. Warnke or Senator JACKSON deliberately doctored quotations. The minor errors that occur in the transcripts of both Mr. Warnke and Senator JACKSON are more likely inadvertent staff errors. But if the Senator's own standard were used, then, the Senator from Washington could also be said to have engaged in doctoring of previous statements.

At page 120 in the hearing record, the Senator from Washington is quoted as having said to Mr. Warnke:

> Seventh, you testified at the confirmation hearing that some steps to insure the viability of our ICBMs would have to be taken if they become vulnerable, and that one step that would have to be explored is the Mobile Missile. In the past you have opposed the development of a Mobile Missile, and as recently as September, 1976, you said that you would not be prepared to spend even $1 billion to create the third leg of the Triad. In fact, you went on to say that: "If we had at the present time nothing but submarine launched ballistic missiles, and our strategic bomber force, I think that alone would be a very effective deterrent."

So the Senator from Washington was alleging that Mr. Warnke had said in September 1975 that he would not spend $1 billion. That is not what Mr. Warnke testified; that is an inaccurate statement. Mr. Warnke testified, at page 71 of the House Budget Committee hearings transcript, on September 11, 1975, again:

> It is a question of what you would do if you could face the problem anew as compared with what you do when you have the existing situation. I don't think that I would be prepared to spend billions.

Not $1 billion, but billions of dollars, "in order to create the third leg of a Triad." The statement appears to indicate that Mr. Warnke is unconcerned

about our current Triad. In fact, on the next page of his 1975 testimony, Mr. Warnke states:

That is why I don't favor eliminating our ICBMs now. We have them. We spent a lot of money for them. In my opinion, at the present time, they contribute incrementally at least to our strategic deterrent. Since we have the 3 legs of the Triad, I am not in favor of giving one up.

In his eighth allegation on page 121, the distinguished Senator apparently quotes Mr. Warnke's 1972 testimony in the following manner.

Ten surviving Poseidon submarines could aim 1600 warheads at the Soviet Union. They would run out of targets before they ran out of missiles . . . the continuation of the missile numbers game is a mindless exercise.

The Senator from Washington in so doing seems to violate at least two of the rules he illustrated yesterday for doctoring a statement. The Senator said yesterday:

First, punctuation that has the effect of altering the meaning of a statement can be changed.

And what he did in the quotation that I previously referred to was remove a period which—in Mr. Warnke's testimony, at page 183, of the 1972 hearings before the Foreign Relations Committee—existed as well as a very important modifying clause set off by a comma, which also he omitted. He also used a three-period ellipsis which indicates that the words are removed from a single sentence, when in fact he was running two sentences together. Thus the actual Warnke testimony had a period after the word missiles and the new sentence began:

In thus assuring retaliatory capability, the ABM Treaty makes continuation of the missile numbers game a mindless exercise.

In the statement of the Senator from Washington the reference to the ABM Treaty is completely removed, as well as the prior clause, and then a third doctoring rule is employed using the Senator's standards from yesterday, "finally the words of the statement can be rearranged"; because in employing the ellipsis and removing the nine words that begin the second sentence, the Senator inserted a modifying article "the" which does not appear in the original arrangement of the sentence and then inserted the word "is" although neither word was used in that way by Mr. Warnke in his testimony.

The substance as well of the qutotation is clearly effected by removing any reference to the ABM Treaty and the phrasemaking reference to the ABM Treaty and the phrasemaking reference to the ABM Treaty's important effect in assuring our retaliatory capability.

This lengthy discussion in my view is merely in order to demonstrate to my colleagues that the kind of nitpicking that the Senator from Washington and others have engaged in makes no sense whatsoever with regard to our understanding of either the Senator from Washington's views or the views of Mr. Warnke. The President has judged Mr. Warnke's views to be in accord with his own strong determination to act aggressively in the area of arms control.

Mr. THURMOND. Mr. President, an editorial entitled "Warnke's Myopia," appeared in the February 28, 1977, issue of the Augusta Chronicle newspaper, Augusta, Ga.

This article comments on the lack of Mr. Warnke's vision in maintaining U.S. military strength as reflected in his opposition to research and development.

This is a key point and one which has especially concerned me as well as other Members of the Senate. It is essential that research and development be conducted in vital weapons areas if we are to assure our military strength 5 or 10 years hence.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WARNKE'S MYOPIA

Although President Carter's choice of Paul Warnke to head the Arms Control and Disarmament agency is in trouble due to a number of Mr. Warnke's controversial views, we believe the Senate should reject him solely for his near-sighted views on military research and development.

Consider the following Senate hearing exchange between the man Mr. Carter wants as our chief negotiator with the Kremlin and Sen. John McClellan:

Warnke: ". . . (the Trident submarine and the B-1 bomber) are unnecessary and do not improve our military security."

McClellan: "Anything else?"

Warnke: "Programs designed presumably to increase the accuracy and yield of our existing strategic nuclear weapons. Things like the so-called MARV, the terminally guided maneuverable re-entry vehicle."

McClellan, unbelieving: "You would stop improving those weapons?"

Warnke: "Yes, I would stop improving them because it seems to me that destabilizes the strategic balance."

Sensing that he had shocked not only conservative senators but even several moderate-to-liberal lawmakers with these pronouncements, Warnke hastened to explain that he was not for stopping all research. "I would support advanced research on anti-ballistic missile defense," Warnke said, "what I am talking about is steps toward actual production."

Such reasoning should leave thinking Americans cold, and we are glad Senator McClellan quickly pointed out the fatal defect in this view.

"You just can't have a lot of research lying around," the Arkansas Democrat stated, "for when war comes along we won't have the weapons with which to defend ourselves. Surely you must be aware it takes years to apply research to actual production. We can't take the risk of saying we will develop a weapon and then let it lie on the shelf until something happens . . ."

We couldn't agree more. And we further agree with the observation of Sen. William Scott (R.-Va.)

Said Scott: "With your views, you should have been named to head the Peace Corps."

Mr. KENNEDY. Mr. President, the Senate has before it the task of passing on the suitability of Paul Warnke as the Director of the Arms Control and Disarmament Agency and as President Carter's negotiator for the talks with the U.S.S.R. on limiting strategic arms, two jobs which can affect the future of this Nation and the survival of mankind. Yet the debate on Mr. Warnke, first in the Foreign Relations Committee, later before the Armed Services Committee, and now on the floor of this Chamber has been focused almost entirely on minutia.

I submit that in this important task before us we have become blinded by the trees and failed to survey the forest. For the past 8 years Mr. Warnke has been an active participant in the debate on national security policy in presentations before many committees of Congress and a multitude of other public fora. In the past few weeks he has testified for more than 15 hours before the Foreign Relations and Armed Services Committees. It is inevitable that there will be differences of emphasis or even attitudes on individual subjects, not only between what he has said recently and in the past but even in the details of presentation—both currently and in earlier years. Trying to highlight every change in phraseology or to trap him in apparent inconsistencies can be fun and games, but it has no relationship to his qualifications for the post for which he has been nominated by President Carter.

I therefore now propose to go back to fundamental positions which have been long held by Mr. Warnke, which he has reaffirmed in recent days and which, I believe, are the determining factors on his suitability for the posts of Director of the Arms Control and Disarmament Agency and SALT negotiator.

Mr. Warnke supports now and has always supported a strong national defense. As general counsel and then as Assistant Secretary of Defense he served under three Secretaries of Defense, Robert McNamara, Clark Clifford, and Melvin Laird, and all three have praised his work in the Defense Department and publicly support his nomination. He continued his endorsement of a strong defense even after he moved into private life, even though he did not always agree with the Nixon-Ford administration on how this might be achieved.

He has repeated his support for a strong defense repeatedly during the recent hearings, although his critics have unfairly questioned his sincerity.

Mr. Warnke has always believed that there are two approaches to national security and that these are not necessarily incompatible. First, new weapons can be developed and procured in order to cope with an emerging threat. In the strategic area he has supported those weapons which improve the stability of the strategic balance and reduce the risks that deterrence will be eroded and decrease the incentives for initiating a nuclear strike. Thus he has consistently endorsed the early deployment of the 4,000-mile range, Trident I missile on the Polaris-Poseidon submarines in order to decrease any potential vulnerability of our submarine deterrent force at the earliest possible date.

He has equally consistently been opposed to certain new weapons systems on two grounds, which he has made clear in

all cases now and in the past: First, that the proposed new weapon might not be the best or even a cost-effective addition to our arsenals; and second, that the premature deployment of some weapons could foreclose the achievement of an arms control agreement which would enhance our security. He reaffirmed these principles at the recent hearings, giving specific examples of his past and present misgivings.

Many have questioned whether Mr. Warnke's past opposition to various weapons systems would not interfere with his ability to serve as the SALT negotiator. This argument has been effectively rebutted by none other than Paul Nitze, one of Mr. Warnke's otherwise strongest critics.

Repeatedly during the Armed Services Committee hearings Senators sought to elicit comments from Mr. Nitze on this score, and repeatedly he denied that this would have any effect on his negotiating ability.

In addition, William Foster and Gerald Smith who eminently served in the past as both Director and negotiator have endorsed Mr. Warnke for these two positions. Melvin Laird, Secretary of Defense while Mr. Smith held both offices, has also endorsed Mr. Warnke for both positions.

Thus, in sum, Mr. Warnke has consistently supported maintaining adequate conventional combat strength in Europe, reducing the risks of early initiation of nuclear conflict while maintaining the nuclear deterrent, and negotiating reductions in NATO-Warsaw Pact force levels. President Carter and the Nation will be fortunate to have an individual who has demonstrated such responsibility in the top arms control positions.

Those Senators who believe that our security requires that we explore responsibly all arms control avenues for reducing the dangers of nuclear war and other conflicts must support the nomination of Mr. Warnke as both the Director of the Arms Control and Disaramament Agency and for rank of Ambassador during his tenure of service as Director.

Mr. SPARKMAN. Mr. President, we are nearing the end of what has turned out to be a very vigorous and informative debate in regard to the nomination of Mr. Paul C. Warnke to be Chairman of the U.S. SALT negotiating team.

Few can doubt that Mr. Warnke's critics have sincere misgivings in regard to the nomination. Their criticism has involved numerous questions as to his consistency and his true beliefs in regard to national security policy and programs.

I listened to the charges, and have pondered them, and I conclude that although Mr. Warnke's thinking about various defense problems has altered over the years with changing times and circumstances, he has been willing to rethink problems rather than stick steadfastly to previously held positions. Through his writing over the years and his testimony in the past and now I detect a strong and fundamental dedication to arms control as a facet of national security policy. Mr. Warnke's record shows a continuous determination to try to find solutions that will preserve and enhance the national security of the United States.

The record before the Foreign Relations Committee and Armed Services Committee and on the floor makes it clear that Mr. Warnke supports the Triad—the concept of a mix of land-based and sea-based missiles and heavy bombers. He has had reservations about the best way to proceed to secure the components of the Triad. He has also been a consistent supporter of a strong conventional defense in Europe.

Some have charged that Mr. Warnke does not understand that strategic force numbers count. I believe he most assuredly does. The record of the Foreign Relations Committee SALT I hearings in 1972 demonstrates that he thought the coverage provided by the interim agreement was "disappointingly small." The record also shows that he knew these numerical discrepancies are less critical in an agreement of finite duration than they are in a permanent agreement. In his testimony before the Foreign Relations Committee, Mr. Warnke said:

> Missile numbers back in 1972 were less important than they are today because the Soviet MIRV program had not really reached its momentum.

Mr. Warnke continued:

> Now, the MIRV program, as time has gone on, has reached the point at which, if you continue with the present trend, they begin to cut down on our missile warhead lead. And therefore, if they have more missile launchers and some of those missiles are of heavier throw-weight, they could end up with a MIRV lead.
>
> Accordingly, an interim agreement might have been good for a couple of years. It is endurable for four or five years. But at this point it ought to be replaced by something which sets ceilings which are equivalent.

Mr. President, Mr. Warnke has made it clear that he believes our national security depends on both prudent arms control and an adequate U.S. defense posture. Even his strongest critics, such as Mr. Paul Nitze, do not disagree with that. Adm. Thomas Moorer, former Chairman of the Joint Chiefs of Staff, said in his testimony before the Armed Services Committee, he would agree with these goals with a caveat:

> I would reverse it and say it depends on an adequate defense posture followed by prudent arms control, if that is possible with the Soviets.

Admiral Moorer told the committee he had no reservations about Mr. Warnke's character or his competence.

The key underlying issue in all this is the value placed upon arms control measures and military programs. Unfortunately, some would follow what they call a strong military posture and ignore arms control completely. Some of Mr. Warnke's critics charge he would follow arms control with little concern for national security.

I would hope that as we near the end of this debate that it is clear that Mr. Warnke believes, as do I, and as, I suspect, do many of his critics, that arms control and national security go hand in hand. Arms control can enhance and reinforce our national security objectives. That is why we have tried for so long to achieve strategic arms limitation agreements. That is why, with a SALT II agreement possibly within our grasp, it is important that we have a man of the strength and probity and drive of Paul Warnke.

It is because Paul Warnke is what he is that President Carter chose him and is standing firmly behind him. The President has indicated on several occasions he is in complete agreement with Mr. Warnke's outlook.

We should give Mr. Warnke a strong endorsement as SALT negotiator. In voting for Mr. Warnke we will have reaffirmed our commitment to SALT, but we will not be prejudging the results. If and when Mr. Warnke comes back with an agreement, the Senate will give that agreement the closest scrutiny, not in any way a reflection on Mr. Warnke but as a fulfilling of our constitutional responsibilities.

I believe Mr. Warnke is capable of bringing back the kind of sound, comprehensive and verifiable SALT agreement which could be clearly perceived to be in the national interests of the United States. When that time comes, I think we will be glad we supported Mr. Warnke today, and I suspect many of Mr. Warnke's present critics will have good cause to support any SALT agreement he can help achieve as Chairman of the U.S. SALT delegation.

Mr. MATHIAS. Mr. President, I have known Paul Warnke a long time. I have seen him at work as a responsible and creative public official. I have seen him in the equally important and revealing role of father of an active, attractive, and highly talented family. I have seen the evidence of his interest in the life of our National Capital community.

As a result of this close-range observation, I have been able to make some judgments about Paul Warnke, about what he thinks and about how he feels.

In the first place, he is a highly patriotic American who is motivated by the finest instincts to render a public service. He does not need a job. On the contrary, accepting this job will cost him more than most of us earn in years of striving.

But he wants to serve as long as his service is useful.

Paul Warnke is a tough experienced negotiator. He would not occupy the position he holds among the leaders of the American bar if he were a push-over.

He understands the nature of military power and of national strategy. He would not be likely to be guilty of errors of omission or ignorance or innocence that would prejudice this country's interests.

But, even he will not have the last word. As an officer in the executive branch he will be subject to the instructions of the President. His work must be accepted by the President. The Senate must ratify whatever he and the President may achieve. The checks and balances of the Constitution will work with respect to Paul Warnke as they do with everyone else.

This is as it should be.

I am confident that Paul Warnke will

make a valuable contribution to our national well-being. I am grateful too that a man of Paul Warnke's considerable capabilities and attainments is willing to subject himself to the slings and arrows that fortune seems more and more to cast at those nominated to high office with the Federal Government.

I will vote to confirm Mr. Warnke with the greatest confidence and pleasure. I now ask unanimous consent to include in the RECORD an article by Victor Zorza which appeared in the March 10 Washington Post and which points out how much is at stake in the vote we will be taking this afternoon.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE KREMLIN JOINS A SENATE FIGHT

(By Victor Zorza)

One member of President Carter's inner circle who might well have a decisive influence on the shape of any Soviet-U.S. agreement to limit strategic arms confesses to being "troubled" by some of the suggestions lately advanced by the President. Carter has suggested to Moscow that, for the sake of reaching a quick SALT agreement, the accord could exclude the U.S. cruise missile and the Soviet Backfire bomber. But the man whose advice on SALT the President regards as crucial takes a harder line on this, as on a number of other issues. He fears that if those two weapons were excluded, the Russians could in time develop their own cruise missiles and could then mount them on the Backfire bomber, thus acquiring a greatly enhanced strategic capability.

Carter is willing to consider a test ban treaty which would allow peaceful nuclear explosions for such projects as the diversion of Siberian rivers. His adviser says he would be "very concerned" if this happened. So many explosions would be needed, he says, to accomplish the Soviet river diversion project that "we would have no assurance that they weren't gaining useful military information from them." On some issues he takes an even tougher stand than James Schlesinger did when he was Secretary of Defense. Schlesinger was willing to reduce, unilaterally, the number of tactical nuclear warheads in Europe. But Carter's man insists that to do so now, during the negotiations, would be to give the Russians something for nothing.

This list, which could be greatly extended, comes from a conversation with Paul Warnke, whose nomination by Carter as his chief SALT negotiator and head of the Arms Control and Disarmament Agency has been bitterly opposed by Senate hardliners, who will be voting on it today. Having listened for years to Paul Warnke expound his views on the Soviet Union, I have always considered him a hardliner, so what he says now comes as no surprise to me. But when I tried out his views on several hardline senators yesterday, without at first revealing his identity, they were so surprised to hear who these remarks came from that some of them left me with the impression that they might reconsider their opposition to him.

It all goes to show how some of the most important decisions in Washington, where the flow of information is supposed to be free, are made out of ignorance and out of emotional or political prejudice, much as they are made in Moscow, where the flow of information even within the decision-making elite is often severely restricted.

So what else is new, one might ask? What is new is that the hawk/dove fight on Warnke's nomination coincides with a hawk/dove fight in Moscow on the next SALT agreement. The hardline senators who distrust the Kremlin fear that Warnke's dedication to arms control might cause him to sell out to the Russians, just to achieve progress in arms limitation, regardless of his hardline view of the Kremlin.

In Moscow, Brezhnev and the moderates are now on top. But the Moscow hardliners are in a position to fight back, and they too, paradoxical as it may seem, would prefer to see Warnke sustain a moral defeat in the Senate. Warnke will easily get the majority vote he needs to be confirmed, but the Senate hardliners say that they can inflict a moral defeat on him by casting 40 votes against him. This would deny him the two-thirds majority which Carter wants—the same majority that the President would need for the ratification of any SALT treaty he might negotiate with Moscow.

The hardliners, who claim that the Warnke forces "haven't got a chance of getting two-thirds," believe that by denying him the votes, they are telling Carter that he must negotiate a tough SALT agreement if it is to secure ratification. But the effect of their action may be the very opposite of what they intend.

Any new SALT agreement could result only from a series of concessions made by each side to the other in the process of bargaining. The Kremlin could only make the far-reaching concessions that are necessary to secure an agreement if Brezhnev manages to persuade his own hawks that he too has obtained far-reaching concessions from Washington. But if the Senate hardliners show, by denying Warnke now a two-thirds vote, that they could block a SALT agreement which entails U.S. concessions, they would be giving the Moscow hawks the very weapon they need.

Why, the Moscow hawks would argue, should the Kremlin make concessions, if Washington is simply going to grab what it can get, and then fail to honor the bargain? After all, they would recall, this was precisely what happened when President Nixon got a whole series of concessions from Brezhnev in exchange for promises which the Senate never allowed him to fulfill. It took Brezhnev a long time to regain what he lost to the Moscow hawks at that time.

If all that the hardline senators want is to make sure that Warnke does not sell out to the Russians, their chance to do so will come when he brings the SALT treaty back to them for ratification. The best way to impress Moscow with the Senate's determination to have a foolproof treaty would be by giving him a massive vote to confirm his nomination. Every vote cast against Warnke will be a vote for the Moscow hardliners in their own fight in the Kremlin.

Mr. THURMOND. Mr. President, the naiveté of Mr. Paul Warnke, nominee as Director of the Disarmament Agency and SALT negotiator, is illustrated very clearly in his answers for the record to some questions I submitted which are printed on pages 152–155 in the committee hearings.

I will cite two or three examples. First, I questioned Mr. Warnke as follows:

Senator THURMOND. Mr. Warnke, would you explain for the Committee your theory to discourage the arms race through unilateral initiatives?

Mr. WARNKE. My idea was that in a condition of stalemated negotiations, an approach of reciprocal acts of restraint might be considered to break the impasse. We could announce a particular act, call on the Soviet Union to do likewise and if they did not respond in a short period, drop the proposal.

Mr. President, Mr. Warnke's position, as reflected in this answer represents two basic errors of judgment, in my opinion. First, he is encouraging the Soviets not to reach agreement by holding out the carrot of unilateral initiatives.

Second, he is advocating a unilateral initiative to break stalemated negotiations during a period of rough equivalence.

During his testimony, he favored unilateral initiatives of periods of about 6 months. These initiatives would have to involve delays or terminations of research and procurement programs. It would be extremely costly to delay a procurement program for 6 months and dangerous and costly to delay a research program for a similar period. Delays in research programs, where most of these initiatives would take place, often result in the delay of the entry of a weapon system into the force by a period of time much greater than the actual delay.

While I could see the benefits of unilateral initiatives in a period when we were clearly superior, I would consider them most dangerous in a period of rough equivalence. Mr. Warnke not only favors them outright, his position encourages the Soviets not to reach an agreement, because by doing so they would be rewarded by 6 months delay in a strategic research system in a U.S. effort to break the stalemated talks.

As a second example, the following question and answer for the record took place:

Senator THURMOND. Mr. Warnke, do you see today's announcement of slowing development of the Mobile MX program as such a unilateral initiative?

Mr. WARNKE. The President has indicated that if the Soviets ceased deployment of the SS–20 then we would not be forced to go ahead and deploy the MX. In that sense, it is a call for matching restraints by both sides.

Mr. Warnke is proposing in this exchange of questions that the United States halt deployment of the mobile MX missile in exchange for ceased deployment of the SS–20.

He is not asking the Soviets to dismantle these intermediate range mobile missiles. They have already been deployed, but merely to cease that deployment. Further, he is of the opinion that such an action by the Soviets would justify our termination of the mobile MX program.

Even Secretary of Defense Harold Brown has stated publicly that termination of the Soviet SS–20 program would not constitute an equal trade-off with the mobile MX. In other words, Secretary Brown recognizes the importance of the mobile MX to our strategic deterrence posture. He also recognizes that the mobile MX is a weapon system of far greater value than the SS–20 and, therefore, should not be traded on an equal basis.

During testimony before this committee, Secretary Brown was questioned about the mobile MX program and the Soviet SS–20 missile. An article on this testimony appeared in the Febraury 25, 1977 issue of The Baltimore Sun newspaper, Baltimore, Md. It was written under the by-line of Charles W. Corddry and I ask unanimous consent that this article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BROWN ASKS FOR SOVIET CONCESSIONS IF U.S. IS TO STOP MX ROCKET WORK

(By Charles W. Corddry)

WASHINGTON.—Harold Brown, the Secretary of Defense, in a preview of arms control negotiations, told Congress yesterday the Soviet Union would have to give up more than its regional SS–20 missile to get the United States to stop developing a more potent intercontinental rocket called MX.

Some listeners saw his comments as changing—or at least explaining more fully—the position President Carter took in a press conference February 8. Mr. Carter appeared then to suggest an agreed ban on the two mobile missiles.

When it was put to Mr. Brown in a Senate Armed Services Committee hearing that he was at odds with the President, however, he insisted his position was "quite consistent" with Mr. Carter's. The context indicated the President may have larger Soviet concessions in mind.

Understanding of the issue—which could loom large in the next round of talks with Russia—is complicated further by the testimony to the same Senate panel of Paul C. Warnke, Mr. Carter's choice for arms negotiator. Mr. Warnke said Wednesday he flatly opposed development of the U.S. mobile missile.

That clearly was not Mr. Brown's position as he testified in defense of a $2.8 billion cut in the Ford administration's last Pentagon budget. After the cut, which met some committee objections, the defense budget would be $120.4 billion for the year starting October 1.

Among cuts crticized were those that would shut down the production line for the Minuteman intercontinental ballistic missile.

The discussion on arms negotiations arose when Senator Jake Garn (R., Utah) protested the proposed closing of the Minuteman intercontinental ballistic missile line. He acknowledged a parochial interest, pointing out that the line provides 3,700 jobs in his state. More important, he said, it is "the only ICBM line in the free world," while Russia has four in operation.

The Minuteman is the standard U.S. land-based missile. There are 1,000 deployed in Western states in underground launch sites.

Secretary Brown said the U.S. will have to respond if the Soviet Union keeps on building up its strategic nuclear forces, but the more sensible approach is to develop the harder-hitting, mobile MX. Mr. Garn said the President proposed banning the MX and Soviet SS–20.

"The SS–20 is not an appropriate trade for the MX," Mr. Brown said. The Russians "would have to stop more than that" to get an end to the U.S. missile. He told a doubting Senator Garn that was "quite consistent" with Mr. Carter's position.

The SS–20 is an intermediate-range missile pointed at European rather than American targets. President Carter told his February 8 press conference he would like the Russians to stop deployment, though the missile is not intercontinental. He said it resembles the SS–16 which is intercontinental.

If the Russians would cease deployment of the "mobile type missile," Mr. Carter said, the U.S. could join in a mutual agreement. The U.S. then perhaps could avoid spending large sums on "our own mobile missile." The MX is the only U.S. mobile missile under development.

Mr. Carter went on to say, however, that Soviet moves toward intercontinental-range mobile missiles "would put great pressure on us" to have them.

What he wants included in an agreement on mobile missiles thus seemingly remains somewhat vague. The American MX was not conceived as an answer to Soviet mobile SS–20's but to a tougher defense problem. The increasing power and accuracy of Soviet ICBM's is expected to make the stationary Minuteman missiles vulnerable to knockout blows and reduce the credibility of U.S. deterrent forces.

In summary, Mr. President, the Soviet SS–20 is an intermediate range mobile missile. It is already being deployed. At present its range does not threaten the United States, but this missile could very easily be upgraded, giving it an intercontinental potential.

However, Defense Secretary Brown takes the position he would not trade the MX for the Soviet SS–20. In my judgment, he recognizes the deterrence value of the MX as being considerably greater than the Soviet SS–20. Secretary Brown is quoted as follows:

The SS–20 is not an appropriate trade for the MX.

He continues, the Russians "would have to stop more than that" to get an end to the U.S. missile.

Now here we have Mr. Warnke saying in testimony to the committee he would trade the SS–20 for the mobile MX. Once again we see his desire to reach an agreement puts him in a position even the new Secretary of Defense finds unacceptable. The U.S. MX was not conceived as an answer to the Soviet SS–20, but to a larger problem of assuring our land-based deterrent.

Mr. President, this is just such an example of my concern relative to the Warnke nomination. The Senate should also bear in mind that with all of Mr. Warnke's experience, which his opponents cite as being of great value, he has taken these weak and shortsighted views during the heat of his confirmation fight. A further example of Mr. Warnke's naiveté is illustrated in the following question and answer exchange:

Senator THURMOND. Mr. Warnke, if our nation had followed your advice over the past ten years to not even enter development of some systems such as mobile ICBM missile, the cruise missile and advanced re-entry systems, do you feel our position today would be in even greater jeopardy?

Mr. WARNKE. No, I do not. The systems I have favored would assure our present security.

Mr. President, this is an incredible answer. Mr. Warnke is stating in public testimony that he believes that the 13 defense cuts cited by Senator JACKSON, if having been accepted by the Congress, could be taken without endangering our present security.

While in some instances he proposed alternative systems, the Armed Services Committee was only able to identify one or two, the most prominent being a smaller size Trident submarine.

As I stated in my remarks Friday, Mr. Warnke recommended:

1. Against the B–1.
2. Against the Trident Submarine and the Trident II missile.
3. Against the Submarine-Launched Cruise Missile.
4. Against the AWACS program.
5. Against the development of a mobile ICBM.
6. Against MIRV deployment.
7. Against improvements to the U.S. ICBM.
8. Against the development of the XM–1 tank.

At the same time he:

9. Favors the reduction of U.S. tactical nuclear weapons in Europe from 7,000 to 1,000.
10. Favors the withdrawal of some 30,000 troops from NATO without waiting for the conclusion of an MBFR agreement.
11. Favors holding the Army at 13 rather than 16 divisions.
12. Favors a $14 billion cut in the Defense Budget in the Fiscal Year 1974 submission and a $11 billion cut in Fiscal Year 1975.
13. Favors reduction in Fiscal Year 1975 dollars of 3 percent per year in the Defense Budget, with the result that, applied to the Fiscal Year 1978 budget, the total reduction would amount to some $26 billion from the Carter recommendations to Congress.

Now he is telling us in reply to my questions made in the privacy of his own office for the record that the systems he has favored would assure our present security.

This attitude is totally without merit, and, in effect, takes the position that all of the Presidents, all of the Secretaries of Defense, and all of the Congresses of the past 10 years were in error. He takes the position that if we had cut all of the systems previously cited, not to include research and development of other systems which I cited during the hearings, that our present security would be assured.

Yet at the same time he agrees that we have rough equivalence with the Soviets today. This is inconsistent with his opinion that if we had followed his recommendations, our national security would be assured. In other words, he says that today we have rough equivalence, but at the same time he is saying that if all these programs had been canceled and these huge defense budget cuts had been made, we would still be secure.

Mr. President, there are but three examples of many in the testimony that clearly indicate this man is not in any manner suited for the position to which he has been nominated.

I recognize there has been great pressure on the Senate from the administration, and little attention in the press to the arguments against Mr. Warnke.

However, I would hope that the Senators would examine the record very carefully and I think in so doing, they would conclude as I have that Mr. Warnke's nomination should be rejected. This is not a matter of political preference, but rather a question that goes to the heart of the safety of our country. I believe in the long run our new President and his administration would be better served by the defeat of his own nomination and the submission of another candidate more acceptable for his job.

(This concludes additional statements submitted on the Warnke nomination.)

QUORUM CALL

The PRESIDING OFFICER. Under the previous order, the hour of 3:30 p.m. having arrived, the clerk will now proceed to call the roll to determine the presence of a quorum.

The assistant legislative clerk called

the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 11 Ex.]

Allen	Hart	Nunn
Baker	Jackson	Pearson
Byrd, Robert C.	Long	Riegle
Cranston	Matsunaga	Schmitt
DeConcini	McClure	Talmadge
Dole	Moynihan	Tower
Griffin	Muskie	Zorinsky

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk	Goldwater	Metzenbaum
Anderson	Gravel	Morgan
Bartlett	Hansen	Nelson
Bellmon	Haskell	Packwood
Bentsen	Hatch	Pell
Biden	Hatfield	Percy
Brooke	Hathaway	Proxmire
Bumpers	Hayakawa	Randolph
Burdick	Heinz	Ribicoff
Byrd, Harry F., Jr.	Helms	Roth
Cannon	Hollings	Sarbanes
Case	Huddleston	Sasser
Chafee	Humphrey	Schweiker
Chiles	Inouye	Scott
Church	Javits	Sparkman
Clark	Johnston	Stafford
Culver	Kennedy	Stennis
Curtis	Laxalt	Stevens
Danforth	Leahy	Stevenson
Domenici	Lugar	Stone
Durkin	Magnuson	Thurmond
Eagleton	Mathias	Wallop
Eastland	McClellan	Weicker
Ford	McGovern	Williams
Garn	McIntyre	Young
Glenn	Melcher	
	Metcalf	

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

The VICE PRESIDENT. A quorum is present.

The time is equally divided between the two leaders.

Who yields time?

Mr. BAKER. Mr. President, may I inquire of the distinguished majority leader if he has any further plans for the allocation of the remaining time before the rollcall?

Mr. ROBERT C. BYRD. May I answer this way?

Mr. President, I ask unanimous consent that at the hour of 4:30 p.m. today the distinguished minority leader be recognized and that upon the completion of his remarks I be recognized.

The VICE PRESIDENT. Without objection, it is so ordered.

Who yields time?

Mr. BAKER. Mr. President, for the information of the Senate I have three requests for time from Senator JACKSON, Senator MOYNIHAN, and Senator GRIFFIN.

I yield to the distinguished Senator from Washington for 10 minutes.

The VICE PRESIDENT. The Senator from Washington.

Mr. JACKSON. Mr. President, I ask unanimous consent that Christopher Lehman of the staff of Senator HARRY F. BYRD, JR., be granted the privilege of the floor in connection with the pending nomination.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, as we near the end of many hours of debate on the nomination of Paul Warnke it is time for a summing-up. It is time especially to put in perspective the reasons that many of us have for opposing Mr. Warnke's nomination to be chief negotiator for the United States at the forthcoming SALT negotiations. I believe it is important that the country understand the implications of the vote that will be taken today. It is important that the conclusions drawn from that vote should reflect what Mr. Warnke's opponents think and feel and say—and not what editorial writers who have scarcely followed these deliberations may be tempted to surmise.

Mr. President, I cannot support Mr. Warnke because I believe that he has failed to demonstrate that degree of candor before the Senate that would enable Senators to place confidence in his future dealing with this body. I base this unhappy conclusion on a close and careful examination of Mr. Warnke's record of judgments and recommendations over the years. When that record is set alongside his testimony of the last 3 weeks one finds glaring inconsistencies and wholesale changes which, against all reason, Mr. Warnke refuses to acknowledge.

Moreover, Mr. President, when I attempted to elicit a clarification from Mr. Warnke that might reconcile his present and past views I received from him a document that, far from resolving the matter, actually contained a doctored quotation.

As I explained yesterday, the quotation in question was altered in several ways. Some of those Senators supporting Mr. Warnke have attempted to portray the matter as a trivial semantic confusion that turns simply on the placement of a comma. Mr. Warnke blames his typist. The fact is that, commas apart, Mr. Warnke did not accurately describe his 1972 reaction to the SALT I interim agreement either to Senator GRIFFIN or to me. In fact, Mr. Warnke's view at the time was precisely the opposite of what he now says it was. On this the record is abundantly clear. I invite Senators who think otherwise to cite from the public record evidence to corroborate Mr. Warnke's claim that he was concerned about the numerical disparity in the SALT I agreement because it ". . . appears to give the Soviet Union a numerical lead." Despite his claim to two committees of the Senate, that was not Mr. Warnke's view in 1972. Again and again on the public record he maintained the opposite view. Again and again he argued that the numerical disparity in the interim agreement was not a cause for concern. How can any Senator place confidence in a man who tells you that he held one view when the record reveals he held the opposite. And when, in such a situation, one finds sentences from the record cut in half and rewritten to sustain a false claim, reasonable men ought to be gravely concerned.

Mr. President, in an editorial supporting Mr. Warnke this morning, the Washington Post has this to say:

> We find it absurd to think that Mr. Warnke or any other serious person would advance the . . . view [that] . . . if the Russians had nuclear superiority it should not worry Americans.

Absurd, indeed, Mr. President. But here is what Mr. Warnke has had to say on this matter—and here is what concerns many of us who oppose this nomination:

> . . . "inferiority" is no cause for alarm or even embarrassment if what we have is enough to deter any Soviet effort at a preemptive strike.

Or, again:

> . . . even substantial nuclear superiority, short of nuclear monopoly, could not be a decisive factor in any political confrontation with the United States.

Or, again:

> The second fallacy is that, regardless of any practical military utility a failure by the United States to maintain a cosmetic military "superiority" will cause us political disadvantage, the loss of bargaining position in arms limitation negotiations, and the sacrifice of the confidence of our allies.

Or, again:

> . . . we can accept the numerical imbalance [of the interim agreement] because it is in fact totally irrelevant to our security . . . missile numbers . . . are militarily meaningless.

Or, again:

> . . . we should not be concerned about [the Soviet] existing mathematical edge nor should we be concerned about any attempts that the Soviet Union might make to add additional, useless numbers to their already far more than adequate supply.

Or, again:

> . . . the continuation of the missile numbers game is in fact a mindless exercise . . . numerical superiority . . . is not translatable into either any sort of military capability or any sort of political potential.

I have quoted extensively from Mr. Warnke, Mr. President, because he has been, for many years, an articulate spokesman and proponent of the notion that numbers of strategic weapons are essentially without military significance and have political significance only if we say they do. Mr. Warnke says they do not. I ask my colleagues: How can we How can we send to Geneva a man who believes that it matters little whether the Soviets have even substantial nuclear superiority? SALT is about numbers. How can we sent to Geneva a man who believes that numbers do not matter? If one is indifferent to the numbers on each side—if one believes that an imbalance is meaningless—how can he credibly insist that a SALT II treaty must be based on equality?

Mr. President, many Senators who support Mr. Warnke have attempted to suggest that he is now being opposed because he testified against the deployment of one or another weapon system—the B–1, the Trident submarine, the Minuteman III, and the like. I readily concede that there are argu-

ments on both sides of the issue of whether we ought to have developed or deployed each of these weapons systems. But Mr. Warnke has opposed them all. He has opposed virtually every strategic weapon in the U.S. deterrent force, with the sole exception of the Trident I missile and, at times, the ALCM. I ask my colleagues: Would the United States be secure today if we had followed Mr. Warnke's advice? I believe not. And I believe that a careful reading of the record will reveal Mr. Warnke to have been imprudent in recommending massive cuts in our defense programs—cuts that went far beyond sensible and moderate restraint or that can be explained away as a search for greater efficiency.

Mr. President, I believe that our chief negotiator should be a man who has a realistic and informed view of our adversary's programs, policies, and objectives. Mr. Warnke has again and again demonstrated that he has neither. He views the crucial issues of strategic policy in the most mechanistic ways. He describes the United States and the Soviet Union as "apes on a treadmill." He has argued that "The Soviet Union ... has only one superpower model to follow. We can be quite sure that it will follow any bad example we provide."

I believe that this conception of the source of Soviet policy is as wrong as it is shallow. It is not a view on which a successful negotiation can be based. It betrays a debilitating relativism that I believe the Senate of the United States ought resoundingly to reject.

Mr. President, the suggestion has been made that those of us who oppose this nomination are, in reality, opposed to the achievement of a SALT II agreement that would reduce our dependence on nuclear weapons. Nothing could be further from the truth. I have long advocated deep, mutual reductions in strategic forces. Many others who oppose Mr. Warnke share my view. The issue before us is whether Mr. Warnke is competent to obtain such an agreement; whether his record, his judgment, his candor, and his appreciation of these issues inspires confidence that he will realize the objective we all share.

I have concluded that our prospects for a sound SALT agreement would be enhanced if another man were sent to represent the United States in those agreements.

On each of the issues—record, judgment and candor, I must oppose this nomination.

Mr. President, I yield back the unused portion of my time.

The VICE PRESIDENT. Who yields time?

Mr. BAKER. Mr. President, I yield 8 minutes to the distinguished junior Senator from New York.

The VICE PRESIDENT. The Senator from New York.

Mr. MOYNIHAN. I thank the distinguished minority leader.

Mr. President, I rise in response to a question put to me by the distinguished majority whip with respect to a statement in an address I made to the Senate on Friday in which I suggested that the world over, allies and uncommitted nations alike, are commencing a process of accommodation to Soviet power based on the presumption of a declining relationship of the United States to the Soviet Union.

Before I describe what seemed to me the basis for that perception, let me be emphatic in saying that I believe it also to be a wrong perception. It was inevitably the case that American power should decline from the extraordinary preeminence that followed the second world war, and indeed we were participants in bringing about a gradual redistribution of power in the world. And yet the adventures of the 1960's and early 1970's gave to a gradual and orderly process an abrupt and brutal quality that has simply diminished the reputation of the United States in the world today, a diminishment which it seems to me can be reversed if we will resume a prudent and confident course in world affairs; and it is that resumption with which this useful debate is concerned.

There are more grounds for confidence in the future today than we have had for years. It is a commonplace to observe that the United States has endured ordeals, has endured defeats in the last decade, and has yet shown a remarkable resiliency, a restorative quality that none could have known was there until the experience had been had.

Less noticed, it seems to me, is the equally striking lack, absence of such resiliency and such restorative quality in the Soviet system, which indeed is bent on a series of crises which it shows no capacity to surmount. The Soviet system is one which promises equality, yet seemingly cannot function without an implacable and devastating hierarchy of inequality between ruler and ruled. It is a system which promises plenty, but it is seemingly doomed to economic inefficiency and poverty. It is a system which promises fraternity, but in practice seemingly requires the implacable domination of the conquered peoples within the Soviet Union and in the subject nations on its periphery.

Indeed, it is these very contradictions that make it presently impossible for the Soviet Union to accommodate to the idea of a stable world order, a world order in which they would forego the relentless effort to expand the Communist system at the expense of the liberal societies of the West. If they could live with themselves as they are, they could accept the world as it is. But they cannot and do not.

What I am saying, then, is that at this particular moment there is a wholly unwarranted appearance of the diminution of American influence in the world and the rise of Soviet influence. Reality is otherwise. But it is in the nature of political life for appearance to become reality unless sharp measures are taken to redress the present imbalance.

While we are thinking of appearances, let us address three particular areas where the American position appears to the world to have declined.

In the military sphere, the most conspicuous event has been the failure of American arms in Southeast Asia. Our stated aims—the preservation of the independence of South Vietnam, Laos, and Cambodia—were not achieved. The import of this failure has not been lost on the rest of the world.

Yet the attention paid to Southeast Asia obscured in that period a profound and dramatic change in the world's military balance that occurred during that decade. I refer to the exponential growth in Soviet strategic nuclear forces, and the corresponding end of American strategic preponderance. The details of this change have been fully explored in this debate.

Other aspects of the military balance are equally striking. The change in the naval balance, for example, is dramatic.

During yesterday's debate our colleagues the Senator from Georgia (Mr. NUNN) and the beloved senior Senator from Minnesota (Mr. HUMPHREY) expressed their shared concern over the balance of conventional forces, especially in Europe.

There is a flesh-and-blood content to strategic relations that cannot be expressed by numbers. It can, on the other hand, be seen in behavior, by subtle changes in the attitudes of friend and foe alike—especially in times of crisis. In October 1973, for example, at a time of profound danger not only for the State of Israel but for the Western position in the Mediterranean world, our NATO allies in the main were unwilling to take a firm public position in our support. Indeed, even passive, unacknowledged cooperation was more than a little difficult to come by. They were simply prepared to look the other way. Did they fear that a dramatic confrontation with the Soviets would somehow confirm an American position of inferiority? Did they fear that, for the first time in 30 years, they were not on the side of preponderant power?

If the Western world has not drawn the proper conclusions from these experiences, the same cannot be said of the Soviets. It is not accidental that they began a whole sequence of political offensives against American and western positions as the immediate aftermath of the October war of 1973. The most striking, surely, was the Soviet airlift of Cuban troops to Angola, there to install a Marxist government of pro-Soviet bent, while pro-Western elements could only reflect on the bitter irony of a decade of rhetoric directed against the inordinate power of what was called Western neocolonialism on the African continent.

We recall, also, that another principal outgrowth of the crisis of 1973 was the rise of OPEC to a position of extraordinary international political and economic influence. Consider the remarkable fact that a handful of oil exporting nations in the Persian Gulf—primitive feudal states in the main—reached the conclusion that they could quintuple the world price of oil sold to the Western democracies, and that they would be able to get away with it. They assumed that they could successfully extract billions of dollars from the most powerful na-

tions in the world—and their assumption has been perfectly correct.

The VICE PRESIDENT. The Senator's time has expired.

Mr. MOYNIHAN. May I have 2 minutes?

Mr. BAKER. I yield 2 minutes to the Senator from New York.

Mr. MOYNIHAN. I would like to briefly cite that in the aftermath of OPEC, there has been one other development. A relentless conflict has seized the nations of Western Europe, such that increasingly the capacity of governments in that sector to govern successfully has not only diminished, but it may for this period have vanished. The world over, democracies are seen to be in travail or in retreat.

There is no ground for this perception save our own external appearances. We have the capacity to reverse it, and to assume a confident and forward position not based upon guilt about our past, but on confidence about our future.

The VICE PRESIDENT. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield 5 minutes to the distinguished majority whip.

The VICE PRESIDENT. The Senator from California.

Mr. CRANSTON. Mr. President, I am delighted that the distinguished Senator from New York made clear, in answering the question I posed to him off the Senate floor, that it was not his view that we were in the process of succumbing to Soviet superiority; it was his concern about the perception of others elsewhere which caused him to make the statement he made in the RECORD on March 4 at page 6396.

I would like to say, therefore, less to the Senator from New York but more to people elsewhere who may not have the same perception as what we have of what is going on in the world, what really appears to be occurring. This is not directly relevant, obviously, to the capacities of Paul Warnke to do the mission I think he will be doing, but in setting this in the proper framework.

I have great faith in the forces of freedom and the economies at the disposal of free nations. I think when we look at the world in balance we find a pretty good picture.

Take Eastern Europe. I will not make Jerry Ford's mistake and say there is no Soviet domination of those countries but certainly there has been, relatively speaking, more independent activity, mostly in Romania, somewhat in Poland and some in Czechoslovakia. The Soviet grip has not increased. There still is Soviet domination but, nevertheless, there still is greater flexibility.

Yugoslavia is independent. It is not a democracy but it is not a satellite of the Soviet Union.

In Western Europe, there is more freedom in Spain and Portugal than there was a while back.

There is increasing independence of Moscow on the part of Communist parties in Western European nations; now those parties are engaging in conventional electioneering.

We see the great strength and vitality of Germany, with France remaining reasonably strong and independent, with Britain having some economic problems—but certainly those are not attributable to the Soviet Union.

In the Middle East the prospects for a comprehensive peace settlement seem to be better than they have been in years. That seems to be the opposite of what the Soviet Union may have desired in that part of the world. Egypt threw out the Soviet military some time back. Saudi Arabia and Iran both seem strongly determined to withstand Communist infiltration, and they have the resources to exert great influence in their part of the world and nearby and elsewhere.

In Africa, the Communists certainly have some friends in Angola and Mozambique, Uganda and Somalia, but I think it would be a mistake to view those nations as pawns of the Soviet Union or to see those countries, saying the reverse of that, as our pawns if they are friendly or have some friends of ours in dominant positions.

It seems to me that the proper way to see African countries today is to see that they are experiencing new freedom to pursue what they deem to be in their best national interest. The United States should encourage that development.

Incidentally, is it not remarkable how much goodwill is retained in Africa for the United States, as evidenced by the response to Andy Young in his recent visit there? We must not confuse the growth of national independence in Africa with the growth of Soviet influence. The former, I think, is much more impressive than the latter.

In the Far East, China, obviously, is not the ally of the Soviet Union that it once was. In Japan we do have a strong ally, a very strong and powerful one.

In Southeast Asia Communists have made inroads but who is to say that Vietnam and the other nations there are satellites of the Soviet Union? There is considerable evidence that they are quite independent.

In Latin America we see no significant new danger signs of Soviet advances in that part of the world.

We live in a very complex multipolar world, and I see considerable evidence of failures on the part of the Soviet Union with their approach to make any great progress. I trust the world can see that, too, if others elsewhere will look carefully.

In terms of our own military strength to deal with whatever Soviet threats exist, and they do exist, the most recent Department of Defense report to the Congress for fiscal 1978—at pages 58 and 75—finally sums up that in total hard target kill capacity, including bombers—

The VICE PRESIDENT. The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, I yield 1 additional minute to the Senator from California.

Mr. CRANSTON. Mr. President, with reference most of all to accuracy and warheads, we are now ahead and will be significantly ahead in 1986. So we have to be careful what we say about movements in the direction of the Soviet Union.

What we have is an opportunity in the present world where we are quite strong, where we are the strongest, to negotiate from a position of strength. With the instructions that Paul Warnke will be given by the President we can do exactly that. We should be able to negotiate an end to the nuclear anarchy that can lead to greater safety for both the Soviet Union and ourselves, all our people and all peoples everywhere. That is really what this debate is all about.

The VICE PRESIDENT. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield 5 minutes to the Senator from Colorado.

Mr. HART. Mr. President, I strongly support the nomination of Paul Warnke to the dual positions of Arms Control and Disarmament Agency Director and U.S. Ambassador to the strategic arms limitation talks. I should add that I strongly support arms control.

Mr. President, I attended Mr. Warnke's confirmation hearings before both the Armed Services Committee and the Foreign Relations Committee, and have followed the discussions in this Chamber with great interest. It is clear to me from all the frantic discussions we have heard in the last few days that we have not had a review of the qualifications of the President's choice for these posts, as required by the Senate, but rather an intense study of this body's commitment or lack of commitment to arms control.

It seems to me ironic that in judging a man who has been selected by the President to advocate and seek acceptable means of stemming the buildup of nuclear arsenals, some Senators might find him unsuitable because he is not sufficiently dedicated to arms growth. We are not here considering the qualifications of the nominee for the Secretary of Defense. Rather, we are considering the man the President has chosen to help him achieve his priority objective of controlling the growth of nuclear arms.

My principal concern in this discussion is not Mr. Warnke's personal preferences for weapons systems, nor whether the syntax of his testimony follows precisely that of his previous statements. I am confident of his judgment on defense matters, and I have no reason to doubt his personal integrity.

My principal concern, rather, is with the contribution Mr. Warnke can bring to this Government's efforts to bring a halt to what the Senator from South Dakota so aptly described last Friday afternoon as the "mad momentum of arms spending."

Contrary to what we would like to consider having transpired here in the last week there has not been a serious debate over this issue. The proponents of Mr. Warnke's nomination have talked about the need for arms control. His opponents have focused on presumed discrepancies in his testimony. But, unfortunately, there has not been a serious debate on the question of how best to pursue the most serious problem this Nation and this world face. That is a control and

a limitation on strategic nuclear weapons. For that I think the American people have been the losers.

Opponents of Mr. Warnke have focused on presumed lack of candor on his part and discrepancies in his testimony. I ask each Senator here today who will be voting on this nomination this question: If any one of us had been placed before one of the committees hearing this testimony and the same question had been propounded 16 or 18 times and we had been asked to respond to that question, and then our responses to that question asked 16 or 18 different ways had been extracted and laid side by side, is there any Member of this body who can state here today that that testimony, word for word, and comma for comma, would have been exactly consistent? And particularly if that testimony had taken place over the period of time that Mr. Warnke's statements were scrutinized here.

There is anger because Mr. Warnke would not admit that he had changed his mind or changed his views. He did admit that he had changed his views. What he did not admit to was that he had changed his basic overall philosophy. I applaud him for that.

I do not think there is a Member of this body who could have stood up to the scrutiny that Mr. Warnke did and come out at the end of that scrutiny according to the standards which some of my colleagues have attempted to apply to Mr. Warnke.

Mr. President, as I indicated a day or so ago, I think there is even a more serious question underlying this debate than whether Mr. Warnke will be confirmed. That is the question of whether there is a certain intolerance among those who believe they possess some special knowledge of Soviet intent and Soviet capability. I think all of us are concerned about these issues.

I do not think anyone here knows what is going on inside the minds inside the Kremlin better than anyone else. We all have paid attention, we all have scrutinized, Soviet actions and Soviet capabilities. But I doubt there is one person here, or a collection of people here, who can claim to possess some special knowledge of what the Soviet Union intends, if for not other reason as long as the Soviet Union does not possess one single intention. I think that is a more serious question.

Mr. NUNN. Will the Senator yield?

Mr. HART. My time is up.

The VICE PRESIDENT. Who yields time?

Mr. NUNN. Will the Senator yield 20 seconds?

Mr. ROBERT C. BYRD. I yield 1 minute, Mr. President.

Mr. NUNN. There is an editorial this morning in the Washington Post by Victor Zorza who seems to know exactly what the Soviets think, not only the hawks but also the doves. It is a very, very good article. He is the only one I know who knows exactly what the Soviets are thinking, the inner debate which is going on there, the fact that this debate is affecting that debate, and the fact that the hard liners here are encouraging the hard liners there. It is very, very good on this point. I think the Senator could clarify all his questions about Soviet intent by simply reading the editorial page of the Washington Post.

Mr. HART. I must say Mr. Zorza has every right to put his oar in, because almost every other Senator has claimed to know what is going on inside the Kremlin.

Mr. NUNN. I have not heard that.

Mr. ROBERT C. BYRD. I yield 4 minutes to the distinguished Senator from Delaware.

Mr. BIDEN. I thank the distinguished majority leader.

Mr. President, I come to the floor of the Senate today even more deeply convinced than before that Paul C. Warnke is a splendid choice to head the Arms Control and Disarmament Agency and to be Chairman of the U.S. SALT delegation.

We have found over the past several days that the hardliners on our side very much fear that somehow Mr. Warnke will bring back a soft treaty. Yet their very approach in the course of this debate may serve to undermine the search for what they profess to want.

As has been alluded to just a few moments ago by my distinguished colleagues, one from Colorado and one from the great State of Georgia, the very well informed and thoughtful columnist, Mr. Victor Zorza, raises this very central question in his column in the Washington Post today. Other than the name Warnke, his is the name most mentioned today on the floor. I quote:

> The hardline senators who distrust the Kremlin fear that Warnke's dedication to arms control might cause him to sell out to the Russians, just to achieve progress in arms limitation, regardless of his hardline view of the Kremlin.

Mr. Zorza continues in the next three paragraphs:

> In Moscow, Brezhnev and the moderates are now on top. But the Moscow hardliners are in a position to fight back, and they too, paradoxical as it may seem, would prefer to see Warnke sustain a moral defeat in the Senate. Warnke will easily get the majority vote he needs to be confirmed, but the Senate hardliners say that they can inflict a moral defeat on him by casting 40 votes against him. This would deny him the two-thirds majority which Carter wants—the same majority that the President would need for the ratification of any SALT treaty he might negotiate with Moscow.
>
> The hardliners, who claim that the Warnke forces "haven't got a chance of getting two-thirds," believe that by denying him the votes, they are telling Carter that he must negotiate a tough SALT agreement if it is to secure ratification. But the effect of their action may be the very opposite of what they intend.
>
> Any new SALT agreement could result only from a series of concessions made by each side to the other in the process of bargaining. The Kremlin could only make the far-reaching concessions that are necessary to secure an agreement if Brezhnev manages to persuade his own hawks that he too has obtained far-reaching concessions from Washington. But if the Senate hardliners show, by denying Warnke now a two-thirds vote, that they could block a SALT agreement which entails U.S. concessions, they would be giving the Moscow hawks the very weapon they need.

In the Washington Post this morning, in an editorial entitled, "The Warnke Arithmetic," the question is asked: "Why do his foes wish to cripple a nominee they cannot defeat? More to the point, why do they wish to cripple President Carter, whose policies—not Mr. Warnke's own—Mr. Warnke would be following?"

Mr. President, I do not in any way impugn the motives of those who have here questioned Mr. Warnke's nominations in a very thorough way. I am sure they are sincere and they believe their opposition to be in the best interests of the United States.

However, I do believe that there is substantial reason in Mr. Zorza's argument that their efforts may be simply opposite to what is desired. A sizable vote against Mr. Warnke may serve to undermine the President's own efforts and may serve to undermine those in Moscow such as Mr. Breshnev, who do desire a new SALT agreement. I am convinced that Mr. Warnke wants a good, solid agreement. He told the Committee on Armed Services:

> Among the views I've espoused, as I have already said, has been the position that our security, and the world peace that I believe is essential to it, can be advanced and protected by sound, mutual, enforceable and verifiable measures of arms control.

Mr. Warnke earlier had told the Committee on Foreign Relations:

> It's been suggested that I have become a symbol of a certain philosophic position. I'm flattered at the attention but I have to reject the characterization. I don't believe that I represent a fixed philosophical position on the issues of arms control. I'm a strong advocate of arms control. I'm also a strong advocate of a strong national defense. I believe the two to be totally consistent and indeed, complementary.

The VICE PRESIDENT. The Senator's time has expired.

Mr. ROBERT C. BYRD. Mr. President, I yield 1 minute to the Senator.

Mr. BIDEN. Mr. President, the President of the United States in his press conference this morning expressed complete confidence in Paul Warnke to be the U.S. SALT negotiator. At the same time, according to press reports, he acknowledged he was concerned over the lack of confidence shown in Mr. Warnke during the debate. Mr. Carter said:

> I don't believe the exact vote in the Senate will have an effect on the future negotiations with the Soviet Union on SALT.

I believe the President is correct, although I will be much happier if the Senate gives Mr. Warnke a strong vote today. Whatever the specific outcome, Mr. Warnke will have the approval and backing of the Senate. He clearly has the strong support of the President.

I urge all of my fellow Members to consider their vote most carefully, remembering that the Senate will have the final say as to whether any new SALT agreement becomes a treaty binding upon the United States. We have this constitutional protection. We now have an obligation to send Mr. Warnke forth

with a clear mandate to do what he can to help insure that the arms control approach has a fair chance and that we are not hopelessly bound through our own mistakes, to a continuation of the arms spiral.

I conclude by adding one footnote to it.

The concern about whether or not Mr. Warnke is going to bring back a soft agreement seems to me to be a bit academic. The fact remains that the U.S. Senate has complete control over whether or not to accept or reject any SALT agreement that comes back. It seems to me we should send whoever we send to negotiate the President's position with as much weight and evidence of support from this body as we possibly can before he goes, because, if we do not like what he brings back, we can, in fact, vote against it. I hope that those who were considering voting against him would consider that very, very closely, because we do have the final say as to what is finally agreed to.

I thank the majority leader for the extra minute.

The VICE PRESIDENT. Who yields time?

Mr. BAKER. Mr. President, I yield the remainder of my time prior to 4:30 to the distinguished senior Senator from Michigan.

Mr. GRIFFIN. Mr. President, much reference has been made to the Washington Post lead editorial this morning, which argues that those who oppose Mr. Warnke's nomination, since they cannot beat him, should join him. The editorial takes the line that 35 votes against Mr. Warnke might be all right, but if there are 40 or more votes against him in this body, it will cripple him in his efforts to negotiate SALT. The suggestion is made that some of those who oppose Mr. Warnke should change their votes in some sort of show of unity. I find that reasoning both unpersuasive and preposterous.

Even if every Senator who really opposed Mr. Warnke's nomination were to swallow hard at 5 o'clock and vote for him as a bow to the Washington Post and its appeal for so-called unity, the lack of confidence so apparent in this body and throughout the country would still exist.

The Washington Post is wrong. Those who oppose Mr. Warnke in this debate do not wish to cripple him. Unfortunately, he is already crippled. And, as the evidence reflected in the RECORD in recent days clearly demonstrates, he was crippled by self-inflicted wounds.

We do not decide today whether to cripple a negotiator; we decide whether to send a crippled negotiator to SALT. Do we really fulfill our constitutional obligation if we pretend that the nominee is not crippled by his record, pretend that he enjoys a confidence which does not really exist?

To draw a rough analogy, we might imagine that Billy Kilmer had seriously injured his leg the night before the Dallas game. Would George Allen really be doing the Redskins any good by playing Kilmer and trying to pretend that nothing had happened? Or would it make more sense and be more responsible to start another quarterback who had two good legs to stand on?

I recognize there is a world of difference between football and arms control. We are not talking about a game here, we are talking about the most important negotiations this Nation may ever undertake. Under those circumstances, I submit that the stakes are far too important to start the action with a crippled quarterback.

It is all well and good to say that the coach will be sending in the plays from the Oval Office, but I remind my colleagues that the quarterback is there at the line, calling the audibles. This Senator, for one, does not want our chief negotiator going to the line burdened with the kind of handicap that Mr. Warnke has.

One thing is very clear, Mr. President: both the American people and many knowledgeable Members of the Senate have serious reservations about Mr. Warnke. I believe that this will be reflected in the vote at 5 o'clock.

It has been charged that some of Mr. Warnke's critics are opposed to a SALT agreement in principle. I do not know if that charge has any validity at all, but I do know it does not apply to this Senator or to many others in this body who have voiced their concern about the nomination. On the contrary, it is precisely because I do support the effort to obtain a meaningful and verifiable SALT II agrement that I am so troubled about sending Mr. Warnke to the talks as our negotiator.

The PRESIDING OFFICER. The time has expired.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. I yield my remaining time until 4:30 to the Senator from Michigan if he needs it.

Mr. GRIFFIN. I thank the majority leader.

In his prepared statement to the Committee on Foreign Relations on February 8, 1977, Mr. Warnke said:

> . . . [N]o arms control policy can succeed unless it has the solid support of the American people as expressed through their elected representatives.

I think every Senator should carefully weigh that statement—made by Mr. Warnke himself—along with the intense opposition that has been registered to his nomination in the past week, before voting. The issues at stake at SALT are too important and the unavoidable problems too many unnecessarily to inject a further barrier in the way of the prompt conclusion of a meaningful strategic arms control treaty. What is at issue here is not whether or not Mr. Warnke goes to those negotiations with a bare majority of votes, but whether he has the confidence of the United States Senate and the American people.

Mr. Warnke has himself indicated that he should not go unless he has that solid vote of confidence.

The VICE PRESIDENT. Under the previous order, the Senator from Tennessee is recognized.

Mr. CRANSTON. Will the Senator yield to me for a unanimous-consent request?

Mr. BAKER. Yes, I yield.

Mr. CRANSTON. I ask unanimous consent that Susan Pitts of Senator MCINTYRE's staff and Bruce VanVoorst of Senator CLARK's staff have the privilege of the floor during the remainder of the proceedings on the Warnke nomination.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. I yield 1 minute to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, last week, on March 1, I spoke in the Senate in opposition to the nomination of Mr. Paul C. Warnke as our Nation's Chief negotiator with the Russians in the effort to limit nuclear weapons, an objective I support.

I speak again today because I am even more convinced now that the choice of Mr. Warnke for this particular position is an unwise choice.

Mr. Warnke, a Washington lawyer who served 2½ years in the Department of Defense under President Johnson, undoubtedly is a man of brilliance, rather similar, perhaps, to that of his mentor, former Secretary of Defense, Robert S. McNamara.

But a brilliant mind and sound judgment do not necessarily go hand and hand, as our Nation learned the hard way in the case of Secretary McNamara.

For the past 5 years or more Mr. Warnke has been writing, lecturing, and appearing before congressional committees in determined opposition to virtually all of our Nation's major strategic weapon systems.

As I see it, the heart of the matter is this: How can a person who over a long period of time has been in public opposition to our strategic weapons program and has consistently sought to drastically limit our defense requirements, how can that person be an effective arms limitation negotiator with the Russians?

It is true that in his testimony before the Senate Foreign Relations Committee, after his nomination to the important position for which he is now being considered, Mr. Warnke sought to temper the positions he has consistently held during the past 5 years. The essence of his testimony was that the Senate should not hold his prior views against him because he had done some rethinking; and besides, he said, in some respects times have changed.

Later when he was called before the Senate Armed Services Committee, he seemed, during the early part of the hearings, to take a position similar to the one which he expressed before the Foreign Relations Committee, namely, that he had substantially modified his views.

Later during the Armed Services hearings, Senator JACKSON identified nine different points "on which it seems to me that there has, indeed, been a fundamental change in your view—and in some cases an outright contradiction."

Mr. Warnke replied that there has been no fundamental change in the views he has held over the past 5 years.

In listening to Mr. Warnke's testimony and in reading and rereading the transcript of the committee hearings, I

am completely bewildered as to just what are his views. Nor am I impressed with his candor, or with his consistency.

Frankly, I do not know where he stands—and I do not think the Senate does. Mr. Warnke, in his desire to obtain Senate confirmation seems to contradict himself, but then denies the contradiction.

This problem of varying interpretations of Mr. Warnke's words and views has persisted even in the current Senate debate. We have distinguished Senators defending Mr. Warnke for having the wisdom to recognize that nuclear forces beyond those required for an assured destruction capability are "superfluous and wasteful" and that once both sides have the forces required for this "then the relative numbers should have no bearing at all in any other context."

These Senators question why Mr. Warnke should be castigated for holding these views. However, in his confirmation hearings Mr. Warnke stated forcefully that relative numbers are of significance.

Now I suggest that this demonstrates clearly the fact that different people get different meanings from Mr. Warnke's words.

This would not be a serious matter if Mr. Warnke were being chosen for a professorial chair, for varying interpretations of a man's words are the very substance of academic debate.

However, the meaning of the specific terms of a SALT agreement should not be the subject of academic debate. We must have such precision that there is no room for varying interpretations.

We cannot have Mr. Warnke coming back months or years after an agreement and reinterpreting his own words and telling us that they do not really mean what we thought they meant.

This matter alone raises serious doubts about his abilities as chief negotiator for any agreement as complex as a SALT treaty.

We have discovered by experience that where there is the slightest doubt about the meaning of a phrase in the SALT I Interim Agreement the Soviets have taken every advantage. The imprecision of words in that treaty has caused considerable concern in this country and we cannot allow this to happen again.

If supporters of Mr. Warnke take one interpretation and opponents another from a single set of words, I suggest that any SALT agreement he negotiates will have a built-in weakness at its very foundation.

I would have no trouble supporting Mr. Warnke were he appointed to head the Department of Health, Education, and Welfare or the Department of Housing and Urban Development, for example.

But in the crucial area of national defense I have reached the conclusion that it would not be in the best interests of the United States to have as our chief negotiator with the Russians one, however brilliant he might be, who has been a consistent and determined opponent of so many of our defense programs and policies.

Never has our Nation lived in a more dangerous time, this age of nuclear weapons. The United States and people everywhere would be better off if there were no nuclear weapons existing in the world today.

But the fact is that not only the United States but many other nations have nuclear capability. The Soviet Union is at least equal to the United States in nuclear weaponry and in some respects is superior.

So long as there are nuclear weapons anywhere, the threat of nuclear war will hang over the heads of the nations of the world. Arms agreements in themselves will not prevent war. Indeed, unwise arms limitations agreements could lead to war.

I think it desirable to continue the Strategic Arms Limitations Talks with the Soviet Union.

But I think it is essential that the United States negotiator be one who fully appreciates that America must maintain a strategic capability second to none. It is vital that our negotiator fully realize the military might of the Soviet Union and its increasing nuclear capabilities.

Except for some inconsistent statements in recent days, perhaps in an effort to obtain Senate confirmation, I have seen nothing in the public record to inspire confidence in Paul Warnke as the protector of American interests in negotiations with the Russians.

In fact, Mr. Warnke has taken positions which would tend to weaken his credibility as a negotiator. He has repeatedly criticized the strategic program of the United States, while ignoring the recent, massive Soviet nuclear buildup.

In my view, his thinking with regard to our national defense posture is unrealistic.

In studying Mr. Warnke's record and listening to his testimony before the Senate Armed Services Committee and in transcripts. I have reached the conclusion that the positions he has taken on national defense during the past 5 years are totally out of step with that of the vast majority of Americans.

In listening to his testimony and in reading and rereading the transcripts of the committee hearings, I reached the conclusion that his apparent inconsistencies, his weaving and dodging, while those of a brilliant lawyer, do not inspire confidence.

It is vitally important, as I see it, that anyone who concludes a nuclear arms limitation agreement with the Russians be one in whom the Congress and the American people can place great confidence. In matters so complicated as nuclear weaponry, one must rely a great deal on the negotiator.

I must be frank to say that I do not have confidence in Mr. Warnke's national defense views.

I believe that his confirmation would send the wrong signal to the Soviet Union at this critcal time. His record is such that he would be the wrong man at the wrong time to be the principal American official in the field of arms control.

That being the case, I shall cast my vote against Mr. Warnke.

Mr. BAKER. Mr. President, we are entering now the last moments of the debate on the two nominations that are of extraordinary importance to the country. They come at an early, informative time in a new administration preparing to engage in negotiations with other countries, including the superpowers of the world. They come at a time when we are trying to define the role of America in an increasingly hostile world; at a time when the threat to survival, let alone peace, has never been greater, at least in terms of our technical ability to destroy each other.

They come, Mr. President, at a time when the Congress of the United States can lead the country, following a tradition of bipartisan support of a genuine effort by the United States to lead in the field of mutual and balanced-force reductions throughout the world and in terms of the limitation of strategic armaments.

I am sure, Mr. President, that all of my colleagues recall that it was in November 1969, that President Lyndon Johnson, in the closing time of his term as President of the United States, proposed what later became known as SALT I, the Strategic Arms Limitation Talks.

I was pleased, as I am sure the country was pleased, to see that President Nixon, after his election, took up that call and pursued it with diligence and I believe with effectiveness as he and Secretary Kissinger brought to successful culmination on May 26, 1972, the negotiations we refer to now as SALT I.

The same is so, Mr. President, in terms of its bipartisan nature, with the call by NATO in 1968 for MBFR—Mutual and Balanced Force Reduction.

So, Mr. President, it was particularly distressing to me to read a wire service copy today that quotes the President of the United States as saying:

> So I think the attack on Mr. Warnke is primarily by those who just do not want to see substantial reductions in atomic weapons.

Mr. President, it simply is not so. I know of no one in this Chamber who does not want a reduction of nuclear weapons. I do not know a single Member of the Congress of the United States on either side who is not dedicated to the cause of peace and the reduction of tensions. I do not know a single person in this body who does not want to continue the tradition of bipartisan effort in that respect.

Mr. President, I say to our colleagues that notwithstanding this remark by the President in a press conference, which was done, I am sure, extemporaneously; that notwithstanding those efforts, that I pledge myself and I believe all other Republicans will pledge themselves to a continuation of that bipartisan tradition, because survival is the only fundamental an empirical obligation that we can all agree on.

Mr. President, now on the Warnke nomination.

I intend to vote against Mr. Warnke. I do so having previously stated in this Chamber and publicly that I have an admiration for the man. I believe he is a loyal and dedicated citizen; he is a capable public servant; he is an outstanding lawyer. I do not doubt his loyalty for one

moment. But I believe his nomination is a bad choice. I think the President of the United States made a mistake.

If we are going to negotiate with the superpowers of the world, with the Soviet Union, if we are going to continue the bipartisan efforts to reduce tensions in this world, we must find somebody who will be the undoubted choice of the people and this Congress, the Senate in particular.

It will command the respect and the judgment of the people of the United States when he returns from wherever those negotiations are conducted and says to us and to the country, "Look, it is time now to give up some of those huge missiles, some of that destructive power that we have assembled since World War II. It is time. It is time that we did it. We have negotiated an agreement with the Russians so they will give up as much as we do and neither will have an advantage over the other. It is time," that negotiator must say.

He must be believed; he must be credible; and Mr. Warnke is not credible in that respect, once again, Mr. President, not because I doubt his loyalty or his integrity, but because of his spoken record, because of his positions on the issues, because he has opposed, as far as I know, every new weapons system that has been suggested.

If I were sending someone to Moscow to try to negotiate a strategic arms limitation treaty, I would send someone who would try hard for the maximum reduction in nuclear capability and someone who, when he came back, would be undoubtedly convinced of our assurance as a country, and as this Senate, for not having given a thing to the Russians.

I would take a BARRY GOLDWATER. I would take a BOB BYRD. There are many of our colleagues who would have no trouble convincing the country and the Congress that this was the right and proper thing to do.

Mr. President, I believe that there is something infinitely more important in the parliamentary system than just winning and losing. I believe it is important that we express our views; that we ventilate our differences; that we establish our understandings of each other's point of view; and that we have a decent regard for differing opinions.

I believe, Mr. President, that even if there are only two votes against the Warnke nomination, it ought to be debated at length and voted on in this Chamber, because it is of that importance.

I believe, Mr. President, it is the essence of the American political system that, unlike the Presidency where there is only one President, unlike the court which is apolitical, Congress owes the responsibility to serve as a forum for the exchange and cross pollination of ideas for the Nation; for the support or the failure of support for a position; for the expression of our aspirations, a clear definition of our fears; and to provide for a translation and synthesis of these things and effective fundamental public policy.

That is the function of the Congress. Congress is the only place where there is institutionalized and guaranteed the right to conflict, where out of that crucible of conflict come the right decisions that have led this country so long.

America has not always been great and right, because she has had right and great leaders. She has had her share, but she has been remarkably right through all her history, because we have had in this system the ability to reach out, to sense, to determine, to resonate to and to state and publish the ideas of the sovereign and the people of this country. That is what we are all about.

I believe, Mr. President, that 2 or 20 or 40 votes against the Warnke nomination is significant in the further efforts of mankind to save itself from extinction.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, the 1972 interim freeze on intercontinental and submarine missile launchers runs out in less than 9 months.

Replacing the freeze with a more comprehensive and longer lasting agreement is one of President Carter's top-priority hopes, and he has chosen Paul Warnke to serve as our country's chief negotiator of a SALT II treaty.

I view the upcoming SALT talks as being not only potentially fraught with great danger to the United States and the free world but also as offering a potential opportunity which, if handled properly by our own negotiators—and if Soviet leaders can be persuaded that to cut back on strategic weapons would be in their own self-interests—can prove to be one of the most significant steps ever taken toward insuring international stability and lowering the risks of global nuclear war. Hence, the forthcoming talks present both opportunity and peril for the United States and the free world. For better or for worse, the future of our country and our own sons and daughters may very well be profoundly affected by the outcome of these negotiations.

So, this is no casual matter that we discuss here today as we prepare to vote on the President's nominee to head the U.S. negotiation team.

I think I would be remiss if I did not commend my colleagues on both sides of the question for the great sense of duty and dedication they have demonstrated, both during the committee hearings and the debate on the nomination. Even though there is a deep division among us as to the nomination—which is the immediate matter at hand—there is no division as to the basic matter of protecting the security interests of our country. Let the Soviet Union and all the world take note of that.

The debate has been good in that, while it has appeared to concentrate around the person of Paul Warnke, in reality that debate has gone to the deeper matter of arms control and defense policy. Mr. Warnke has been only a focal point—the lightning rod in the forensic storm. If his nomination is confirmed, he will be the better for having stood the test, and his course of action will be more clear both to him and to the President. Soviet leaders are already aware, of course, that a Senate that may confirm a nomination by a bare majority may ratify a treaty by no less than two-thirds.

I do not subscribe to any view that Mr. Warnke's influence as a negotiator has been damaged by this debate. I also do not subscribe to the view that, if there are, say, 30 votes cast against Mr. Warnke's nomination, the Soviets will feel that the United States is serious in entering into negotiations; whereas, on the other hand, if there are 42 or 46 votes—or whatever the case may be—cast against Mr. Warnke, this will be viewed by the Soviets as an indication that any proposals advanced by the United States during the negotiations will lack seriousness and good faith. The Soviets are smarter than that. They know that the President of the United States is, in fact, the top negotiator and that Mr. Warnke will be acting as his agent. They also know that President Carter is sincere—almost to a fault—in his desire to get on with the negotiations. You can bet your bottom dollar that the Soviets will be aware of every word that has been stated in the hearings, and they will know therefrom that Mr. Warnke is an eloquent, articulate, tough, knowledgeable man who can hold his own against any adversary.

I have one other thing to say with respect to the debates. There have been intimations that those who favor the nomination of Mr. Warnke are soft on communism and favor unilateral disarmament, and that, on the other hand, those who oppose the nomination are war hawks bent on continuing the arms race even at the risk of nuclear war with the Soviet Union. This is all utter nonsense. This has been a reasoned debate by reasonable men who are concerned over national policy, who are concerned over any escalation of the strategic and conventional arms race, and who are dedicated to maintaining the national security interests of the United States. So I again commend my colleagues—both those who support and those who oppose the nomination—for the high sense of dedication and duty that they have demonstrated beyond doubt.

The qualifications of Mr. Warnke are self-evident. He is able, experienced, and highly knowledgeable as to matters involving national defense, weapons systems, and arms control.

The primary question that has given me concern has been that of the kind of overall policy Mr. Warnke would advocate and follow as chief negotiator at the upcoming SALT talks. Would he be soft? Would he be too idealistic and naive as to the intentions and motives of the Soviets? Would he be too trusting of his adversaries? Would he advocate unilateral restraints or initiatives on the part of the United States? Would he trade off the cruise missile for the Backfire bomber or settle for overall Soviet superiority just for the sake of bringing home an agreement? These and many other questions troubled me against the background of his public statements, articles, and testimony before congressional committees during the 8 years since he left the Government in 1969.

So what did I do? I turned to the transcripts of the hearings conducted by the Foreign Relations Committee and the Armed Services Committee, and to the transcripts, in four volumes, of the hearings of the Armed Services Committee. I read those transcripts myself, carefully, and reviewed them personally, not depending upon a staff member.

Many Senators on the Armed Services Committee evidenced repeatedly their concern with apparent conflicts and contradictions in Mr. Warnke's testimony given before the Foreign Relations and Armed Services Committees as compared with testimony by Mr. Warnke before congressional committees in previous years and as compared with statements by Mr. Warnke in written articles and otherwise.

Time and time again, the Senators brought to Mr. Warnke's attention these apparent contradictions; time and time again, Mr. Warnke sought to explain the apparent contradictions on the basis that time and events have brought about new circumstances, but that he felt the position he had taken at the particular time in years past was the correct position as of that time and under the conditions obtaining at that moment in time.

Regarding his opposition to certain weopons systems, he stated in the course of the hearings that his opposition was based, in many instances, on what he considered to be a per unit cost that was too high; or because, in his judgment at the time, there were alternative weapons systems which possibly could be developed at a lower cost per unit and which might provide greater overall combat capability; or because he felt that the development of a particular weapons system was premature as of that given moment and that efforts to achieve arms control should have been given priority over the procurement and deployment of such weapons system.

Let me say that in the case of some of the weapons systems which were questioned by Mr. Warnke, I found myself in agreement—for example, on the B–1. On the other hand, I found myself in disagreement with Mr. Warnke with respect to his opposition to some of the other weapons systems. Yet, in every instance, Mr. Warnke explained his reasons for opposing the particular weapons system; and although I might not have agreed with his conclusions in every instance, I was forced to recognize the logic of the viewpoint he expressed.

I have not had all of my concerns allayed by virtue of my careful reading of Mr. Warnke's testimony, but I must say that, although I was not present to observe his demeanor and performance before the two committees, I have been impressed from the transcripts by his obvious equanimity and patience, his articulate explanation of his views, and his very apparent great ability, knowledge, and expertise with regard to weapons systems, national defense, and arms control matters. It is important that one is present to observe the manner, the demeanor, the airing, the performance of a witness before a committee; that enters into one's judgment. I was not there, so I did not observe these things. His ability to articulate his strongly held beliefs under tough questioning has persuaded me to believe that he can be a tough negotiator, and that, acting under the instructions of the President, he can be firm and objective in the negotiating process.

I am also convinced from my reading of the transcript that he fully senses the untrustworthiness of Soviet leaders and the difficulty of formulating an agreement that will be verifiable, effective, and protective of the national security interests of the United States.

I am also convinced from my reading of the testimony that he believes that no agreement, let me repeat, no agreement, is better than a bad agreement, and that any agreement must be an enforceable, effective, verifiable agreement.

Rather than impose upon the Senate further at this time, I shall include in the RECORD at the close of this statement, many excerpts from Mr. Warnke's testimony before the Foreign Relations and Armed Services Committees which will deal with the many concerns and questions that I have had in my own mind with respect to his nomination for the rank of Ambassador during his tenure of service as Director of the U.S. Arms Control and Disarmament Agency.

Additionally, Mr. Warnke, as chief negotiator at the SALT talks, will not be the final arbiter of the U.S. position. The President of the United States, as has been so often stated in this Chamber within the last few hours, will make the ultimate and final decisions that will have to be implemented by Mr. Warnke. Mr. Warnke will be the President's agent in carrying out decisions that will have been reached as a result of extensive and thorough consultations among representatives of the Secretary of Defense, the Joint Chiefs of Staff, the Director of the CIA, the National Security Council, and the Secretary of State—all of which agencies and instruments of the Government will have been working together to determine our posture and strategy at the SALT talks.

Not only will the President of the United States be looking over Mr. Warnke's shoulder; the Senate of the United States will, in the final analysis, render the ultimate judgment on any proposed treaty that results from the SALT II negotiations. It would, of course, be unfortunate for Mr. Warnke to negotiate a treaty only to have that treaty rejected by the U.S. Senate, but it would be far worse were the Senate to ratify a treaty inimical to the national security interests of the United States. Both President Carter and Mr. Warnke must realize—and, I am sure, do realize—that the Senate will not rubberstamp just any agreement that is submitted to it, and that the American people will expect the U.S. Senate to reject any treaty that does not appear clearly to protect the national security interests of our country. If Mr. Warnke is viewed by the Soviets as a soft negotiator, and one whom they can easily roll over, I believe—based on my examination of all the transcripts of his testimony before the Armed Services and Foreign Relations Committees—and I do not claim, Mr. President, in having read those transcripts to have been the only Senator—I am sure all Senators have done that or certainly most of them have, and most Senators are more aware, I am sure, of the previous statements by Mr. Warnke in his lectures and in his written articles and in his previous testimony before congressional committees than I am.

I can only say that my position today, my viewpoint as expressed today, comes wholly from my own personal scrutiny, careful scrutiny, of every line of the testimony given by Mr. Warnke in his appearances before those two committees.

Moreover, Mr. President, if the Soviets misconstrue Senate confirmation of Mr. Warnke as an indication that the U.S. Senate will be soft, when it comes to ratifying a strategic arms limitation treaty, they will again be mistaken.

Mr. President, I speak today as a Senator from the State of West Virginia and I vote today as a Senator from the State of West Virginia. I have sought only to determine my own decision and position and not the position of others in this matter. I shall vote for Mr. Warnke for Ambassador to head the U.S. negotiating team, as I stated on last Friday night to the President and on Saturday to the press.

In casting my vote for Mr. Warnke, I am not voting to support a soft negotiator; nor am I indicating in advance that I will support the ratification of any treaty that is not sound, or not verifiable in its provisions, or which gives the Soviets loopholes through which they can secure advantages over the United States.

Second, I shall vote for Mr. Warnke, because I believe that the President—who will be the ultimate negotiator for our country—will be tough and sound in his judgment in dealing with the Soviets and that he, too, realizes that no agreement is better than a bad one.

Lastly, I shall vote for Mr. Warnke, because the Senate will be the final judge of a SALT II treaty.

The burden of responsibility on the Senate will be a great one, indeed, when and if it becomes our duty to consider the ratification of a SALT II treaty. I for one, hope that, when and if that time comes, there will be no pressure from the administration on the Senate to ratify such a treaty. I personally would resist, at that time, any effort on the part of the executive branch to lobby for such a treaty—and I say this most respectfully—because, while it would be necessary for the Senate to be enlightened and informed by the appropriate administration spokesmen with respect to the contents of a SALT II treaty, the final judgment would be one which the Senate ought to reach based upon its own independent study and consideration—unaffected in any way whatsoever by partisan or other factors.

The Senate has a constitutional duty to weigh the merits of a treaty negotiated by the executive branch, and should not have that judgment—which is a constitutionally protected independent judgment—influenced by the branch of Government which negotiated the treaty.

As a burned child dreads the fire, the Senate and the people will view a SALT

II treaty with greater skepticism than was the case with SALT I.

Let there be no doubt about that.

May Providence guide our negotiators, our President, and this Senate in the tests that lie ahead.

Now, Mr. President, I wish to deal in considerable detail with some of the concerns that have been expressed against Mr. Warnke, and, in dealing with those concerns, I shall simply quote Mr. Warnke's own statements from the record of the hearings conducted by the Foreign Relations Committee and the Armed Services Committee.

As to arms control and disarmament policy, Mr. Warnke looks upon it as being an important aspect of foreign policy, but he states in the printed hearings by the Foreign Relations Committee that such arms control and disarmament policy "must be consistent with national security policy as a whole—and this I regard as the key principle I would follow as Director of the Agency."

Regarding the direction of arms control policy under Mr. Warnke, he stated that it "must be toward greater stability at lower levels of destructive potential in both conventional and nuclear arms. This will be the philosophy by which I would be guided if confirmed as ACDA Director."

Mr. Warnke stated in the Foreign Relations Committee hearings:

I'm a strong advocate of arms control. I'm also a strong advocate of a strong national defense. I believe the two to be totally consistent and, indeed, complementary. But I believe that if anybody does think that I represent a fixed philosophical position, then some of them will be surprised, and some others will be disappointed.

That Mr. Warnke does not expect to pursue any personal predilections of his own at the SALT talks is evident in the following statement which he made to the Foreign Relations Committee:

As the chairman of the U.S. SALT Delegation, I would be the direct representative of the President. In Geneva, my job would be to implement the Administration's SALT policy, as developed through the inter-agency process in Washington. All of the national security agencies would also be represented on the Delegation.

That Mr. Warnke views his responsibility to keep Congress adequately informed in the field of arms control policy and in the negotiation of international agreements is evident from the following statement which he made before the Foreign Relations Committee:

Above all, in the development of arms control policy and in the negotiation of international agreements, the Director of ACDA must remain in very close touch and consult regularly with the Congress, the representatives of the American people. The ACDA Act provides that the Director shall advise the Congress on arms control. If confirmed, I shall do so on a regular and continuing basis, because certainly, no arms control policy can succeed unless it has the solid support of the American people as expressed through their elected representatives.

Anent unilateral disarmament, Mr. Warnke leaves no room for conjecture in the hearing before that committee. He says, "What I have suggested sometimes in my writings is that we try to explore the possibilities of getting during the course of negotiations some concrete measures of parallel restraint. I emphasize parallel restraint because, of course, it would have to be on a mutual reciprocal basis. I reject any concept of unilateral disarmament on the part of the United States."

To the fears expressed that Mr. Warnke has evidenced a lack of concern about equivalence or relative strength of strategic forces, the following statement may be responsive from the same hearings:

I don't believe in the theory of minimum deterrence . . . I believe and I have so stated, that if there was any significant apparent disparity between our strategic strength and that of the Soviet Union, that would render us far less secure. It would, for one thing, certainly discomfort our allies who might feel that we were yielding some sort of edge to the Soviets, and it could at a time of crisis encourage a degree of adventurism on the part of the Soviet leadership. So I believe that in addition to having an assured retaliatory capability, we should also have the forces that are known to possess that capability and that do not appear to be inferior to those of the Soviet Union.

Mr. Warnke was asked the explicit question attributing to him the view that the United States was and continues to be the initiator in the United States-Soviet arms race, to which Mr. Warnke replied:

That is not my view. What I have said on a number of occasions is that obviously both sides have to pay attention to what the other one was doing, and that as a consequence, there is a certain amount of superpower aping. I think that that is a fact. I think that it's a quite natural fact. But in many instances, the Soviet Union has been the one that led in initiating some sort of an arms system.

Regarding the statement that Mr. Warnke would view Soviet superiority in strategic forces as a circumstance that did not matter, Mr. Warnke responded thusly:

. . . to the extent that that statement has been interpreted as a suggestion that I believe the Soviet Union could safely be given strategic nuclear superiority over the United States, I regard that as being an incorrect construction, both of my statement and certainly of my views. I have suggested repeatedly I would continue to take the position that we could not yield strategic nuclear superiority to the Soviet Union. That is my position.

Mr. Warnke stated that we are now in a position of strategic nuclear parity with the Soviet Union:

Obviously, we could not allow that situation to become one in which the Soviet Union had the superiority that we had at one time. But they are also in a position in which they don't have to allow us to retain a strategic superiority because they have the means to cancel out that advantage. It is a nuclear stalemate and the question is how can you preserve that nuclear stalemate; how can you preserve a stable nuclear balance and reduce the risks that that may become unstable because of other developments? I think that that is where the role of arms control comes into play.

Addressing himself to the question that, based upon some of his earlier statements, he would follow a policy of restraint while calling for a matching restraint from the Soviet Union, Mr. Warnke said, "I don't believe that I would be in a position to implement that kind of idea in connection with the SALT talks, except, of course, in conjunction with a policy that had been developed and approved by the President of the United States. And that might very well depend upon the negotiating situation at that point."

Again, referring to a policy of restraint, Warnke said:

I would not recommend initiating any such unilateral action unless you had adequate lead time, and I believe that my writings have indicated that. . . . Moreover, when you are at a time of active negotiations, I would not advocate taking any sort of restraint action except on the basis of concrete measures of parallel restraint which had been talked out with the Soviet Union. in other words, I do not think that in a negotiating context that I would advocate the kind of approach that I suggested in my 1975 article. . . . Because if you were actively negotiating with the Soviet Union, it would strike me as being poor negotiating tactics to take unilateral, not previously announced, initiative of that kind.

Mr. Warnke's recognition of the essentials in strategic arms negotiations offer some assurance. He said:

We obviously have to make sure in any agreement that there is adequate provision for verification. I think in my opening statement I commented that it is necessary for the American public to have the assurance that there is no way in which undetected violations could undermine our security. . . . As far as the second point is concerned, that, obviously, is necessary for any success in strategic arms negotiations. They have to recognize that the alternative is that we have the means and the will to continue in the arms competition and to deny them any superiority. Otherwise, what would the incentive be for them to negotiate? Those strike me as two very sound principles, indeed.

Referring to his 1972 statements and positions on the cruise missile, Warnke was candid:

I cannot defend today everything I may have said in the past, and I won't try to do so. Obviously, the cruise missile technology has progressed amazingly since 1972. . . . My feeling today about the cruise missile is that we ought to look at it from the standpoint of what the strategic balance will be when the cruise missile is developed, what it does in terms of stable deterrence. As I understand it, at the present time, we have both the air-launch cruise missile, which, incidentally, I have supported consistently, and also a program which would develop either a sea-launch cruise missile or a land-launch cruise missile, or both. We have to look at it very closely. I think that it's not a decision that ought to be reached specifically.

Warnke summarized his concerns about SALT I, as follows, in testimony before the Foreign Relations Committee:

I was concerned, first of all, about the numerical disparity because it seemed to me that that made the agreement perceptually vulnerable. Any agreement which appears to give the Soviet Union a numerical lead is not one which is going to be very well received by our friends.

I was concerned about that. I was also concerned, of course, about the fact that in many instances it did not cover some of the programs which, it seemed to me, ought to be covered. I thought the agreement probably was reached too soon and in that respect, as

well as in many respects, was full of loopholes.

I think also I was concerned about the fact that some of the more important aspects were dealt with in the form of unilateral declarations. Now a unilateral declaration, it seems to me, is a built-in source of later recrimination and complaints because a unilateral declaration is, by definition, a statement that I am now prepared to say something that the other side will not agree with or will not say it agrees with. . . .

We have to be concerned both with military capability and with political perceptions. Now from the standpoint of political perceptions, respective numbers are of significance, and I believe that there was a degree of political vulnerability because of the numerical edge that the SALT I interim offensive arms agreement had in effect.

More than that, however, missile numbers back in 1972 were less important than they are today because of the fact that the Soviet MIRV program had not really reached its momentum.

Now at that point we had a very, very significant lead in nuclear warheads and, as former Secretary of State Kissinger said, "You aren't hit by missile launchers; you're hit by warheads." . . .

In other words, numbers have become more important as time has gone on because of the Soviet MIRV development. . . .

In 1972 I was concerned about the numerical imbalance in political terms, yes. . . .

Because I said that if you look at it from the standpoint of military capability, the imbalance that existed at that time in missile launches was without military significance because of the fact that we had such a significant lead both in accuracy and in numbers of nuclear warheads.

But perceptually, it obviously has been a source of concern.

And on the Trident submarine, Warnke commented:

The Trident submarine struck me as being quite questionable in being the appropriate follow-on submarine because of its size and unit costs.

I have been concerned about it because, really, the greatest security that we have with our S.L.B.M.'s, our submarine launched ballistic missiles, is their relative invulnerability. If anti-submarine warfare developments continue, then a larger submarine but a smaller fleet might render us less secure than if we had more submarines and, hence, more targets for the Soviet Union to have to search out and destroy.

I have supported consistently the Trident missile, because that's what gives you the increased capability. The Trident missile, of course, initially raises the range from 2,000 miles to 4,000 miles, and I believe that the follow-on one has a range at 6,000 miles. That is a district increase in the deterrent efficacy of our force, and I support it. But I wonder whether we shouldn't have that missile perhaps on more platforms.

When questioned about his opinion on the MX mobile ICBM, Warnke responded:

My position on that would depend upon how successful we are in negotiating an arms control agreement.

Obviously, if our ICBMs were to become vulnerable over a period of time, we would have to take some step to insure their viability and one that would have to be explored would be the mobile missile.

Now it has certain problems, of course, in terms of verifiability if you succeed in getting an arms control agreement. So it's a question of whether you can get the arms control agreement in time to make it unnecessary to develop the MX, and that, of course, depends upon the progress itself.

Asked about the F–14 and the F–15 planes, Warnke replied:

I have supported the F–15 plane. I have questioned whether the F–14, again, was an appropriate replacement for the F–4. I suggested that at one point we ought to explore a cheaper alternative. They have now come up with the F–18, which I support.

On the matter of conventional weapons, these are Warnke's words:

I believe, and I have said repeatedly, that we cannot yield superiority either in strategic or conventional arms to the Soviet Union. . . .

I don't think that we should have a reduction in our conventional capabilities because at the present time the CIA estimates are that the Soviet Union is spending more money than we anticipated on them, and, as a consequence, we would be rash, particularly at a time when we are trying to reach arms control agreements, to cut back on our actual capability. . . .

I have suggested in the past that we could reduce the defense budget, but that is not inconsistent with the position of maintaining a conventional capability. It is a question of finding more effective ways to perform the desirable and necessary missions.

Speaking of the sale of arms, Warnke said:

We are at the present point the world's leading arms supplier to foreign countries. Accordingly, it is appropriate for us to take a lead in trying to bring together some sort of a conference of the other principal arms suppliers, which would, of course, have to include the Soviet Union, as well as France, the United Kingdom and probably West Germany, and see if we can't reach some kind of overall international agreements on the control of these transfers.

What is to me of major concern is the fact that the quality and sophistication of the weapons that are being transmitted at the present time are increasingly high.

Now what that does, of course, is to exaggerate the possibilities for major conflict in some of these areas to which they are being transferred.

I think it is also shortsighted from the standpoint of preserving our own technological lead because when we transfer some of our more sophisticated systems to other countries, obviously the security of those systems is jeopardized.

Warnke's earlier opposition to the Trident submarine was again explained thusly:

One of the questions was whether you could retrofit the Poseidon submarines with the so-called Trident missile. It struck me that that might be the sounder course, and I advocated consideration of that as an alternative to going ahead with the Trident submarine.

Asked how he defined "restraint," Warnke responded:

What I mean by restraint is that when you are in a situation in which your security does not require going ahead with some sort of a new weapons development, that you announce that you are exhibiting restraint and call for a matching response from the Soviet Union. It is a way of achieving arms control by so-called reciprocal restraint.

Did he say any evidence of restraint at all on the part of the Soviets? Warnke stated:

There has not been and I don't think you're going to get it on the basis in which you just cut your defense budget and hope that they are going to cut theirs. For one thing, you wouldn't even be able to tell because of the difficulty of measuring their defense effort in comparison with ours. You would have to have very specific measures in which you call for very specific measures in response.

. . . Since we are now headed toward negotiations with the Soviet Union, I would think that any concrete measures of parallel restraint would have to be a part of the negotiating package, rather than being in any sort of informal context.

Warnke expressed his support for the manned bomber:

It is not my position that we ought to eliminate the manned bomber. I think we should have the manned bomber as part of our deterrent Triad. . . .

I think we are safer and that the deterrent is more complete with the Triad, because you've got the flexibility of the ICBM's and the accuracy, you've got the relative invulnerability of the SLBM's on the nuclear submarines. And you have in addition to that the fact that the bombers give you a couple of additional advantages, which, it's been said, for example, would complicate any type of attack plans that the Soviets might have.

You also can scramble them. You can keep them on alert so that they cannot be destroyed in an attack. And in addition to that, of course, they have the fail safe feature. They can be called back.

So then, I think the bomber force is a useful force to have.

Warnke said that the cruise missile "requires extensive study."

I don't know what the eventual position is that I would recommend with respect to the cruise missile. . . . I have an entirely open mind on Cruise missiles.

With regard to the B–1 bomber, Warnke stated his concern:

I have been concerned about the penetrability of the B–1 bomber, as compared with, perhaps, a stand-off bomber with a long range missile. . . .

The B–1 bomber was developed because of the concern about the highflying bombers that might be vulnerable to Soviet surface-to-air missiles. The concept of the B–1 was that it would come in low on the deck at very high speeds, and that the look-down capability of Soviet radar was sufficiently limited so that the chances of its being able to penetrate were greater.

Now whether the radar development has occurred in time since, I am not sure. It is my understanding, however, that the B–1 is not supersonic at low levels.

. . . If the B–1 bomber turns out to be the optimum bomber to replace the B–52, then that is the bomber we ought to buy.

Did he trust the government of the Soviet Union? Warnke stated my feelings exactly:

The answer has to be no. And that's why I say if you're going to get an arms control agreement, you have to have one that does not rely on trust, but which is, in fact, solid and verifiable.

Warnke was not unmindful of the Soviet civil defense effort:

I think that you have to keep a very careful eye on any civil defense efforts that are initiated by the Soviet Union. The reports that I have seen in the press would indicate that they have a very extensive civil defense effort going at the present time.

Now with the crazy nightmare logic of nuclear arms, civil defense can be destabilizing. It can have the same kind of impact as antiballistic missile defenses because if what it does is to eliminate the other side's retaliatory capability, then, obviously, it has destabilized the strategic balance. If the So-

viets are developing an effective civil defense system, it might put them in a position where they could calculate that a nuclear first strike followed by our response would not yield an acceptable damage to them. Then, obviously, the strategic balance would be destroyed. . . .

The number of warheads would become very important because of the fact that if they were able to destroy a substantial part of our ICBM force and then have a civil defense effort which would render them less than substantially vulnerable to our submarine launched ballistic missiles, then our assured retaliatory capability would be destroyed.

With respect to research and technology, Warnke said:

It seems to me that on the research side you have to maintain ongoing programs. I believe even on such things as ABM's, that the ABM treaty does not foreclose continued research into the possibilities of ABM.

I think that you have to continue with that kind of a strong research program to avoid technological surprise by the other side.

As you've suggested, for example, we rely now very heavily on our submarines and our submarine launched ballistic missiles as giving us the retaliatory capability that deters the Soviet Union. But that depends upon there not being the kind of anti-submarine warfare techniques that would render our submarines vulnerable.

We certainly ought to continue with the scientific effort that will enable us to know what is possible and to put us in a stage in which we are technologically still ahead of the Soviet Union.

My feeling is we have to take a very careful look at this entire question of whether or not we are building obsolete systems, systems which are not optimally designed to cope with the current kind of military environment.

I think that I would agree also with General Graham, that the debate shouldn't be just about the cost of the defense budget; it ought to be about the content. What is it that we're buying for the money, and are they in fact the systems which are best adapted to perform the missions which are the desirable missions in today's world? And I'd like to see more study done on that.

Warnke was asked about our demarches in the direction of human rights in the Soviet Union. His reaction:

I don't think that you are going to be able to get a strategic arms agreement that is any better by ignoring human rights as an element in the relationship between the Soviet Union and the United States. But I think the Soviet Union has to recognize that to the extent that they appear to be indifferent to issues of human rights, that that makes the negotiating climate far less auspicious and the chances of our reaching an agreement become far less.

I think that that is just one of the facts of life. To the extent that the Soviet Union behaves in a fashion which is consistent with our concepts of human liberty, it advances the prospects that we can negotiate a strategic arms agreement.

Warnke demonstrated an anxiety about Soviet threats to our space satellites:

If, in fact, there is any such move on the part of the Soviet Union, then that certainly is a development that we would have to look at with the gravest concern, and we certainly ought to have negotiations open to make sure that that sort of thing does not occur.

For one thing, as I understand it, it would be totally inconsistent with the provisions of SALT I, in which both sides undertook not to intefere with the other side's ability to verify what was going on. It's the sort of issue that ought to be discussed, therefore, in the standing consultative committee which has been established by SALT I. It also should be a subject of concern with respect to the outer space treaty.

I would regard any such activity on the part of the Soviet Union as being a very, very foreboding sign.

Repeating his position vis-a-vis conventional arms, Warnke stated it this way:

As far as my feeling about conventional force is concerned, contrary to believing that we ought to rely on tactical nuclear weapons, I believe we ought to study our conventional fighting capability far more closely than we have in the past. That is why I have supported consistently the maintenance of a substantial conventional military force in Europe. . . .

I think that what we ought to have is the ability to respond commensurate with the nature of the attack. Accordingly, I think we should have the quick reaction capability in Europe to deal with the least unlikely military contingency which would be an aggressor's attack perhaps of a limited nature for a limited objective.

I am not sure that we have our forces best prepared for that at the present time. That, to me, is a war which could very well occur under some circumstances and which would, in fact, remain conventional.

What I have suggested is that if you had a protracted conventional war, the chances of keeping that conventional would be very, very small because over a period of time, the changing tides of battle would put one side or the other in a position in which it felt it was losing and it would not be prepared to lose a conventional war.

Now, that to me is a less likely scenario than the more limited conventional war that would, in fact, remain conventional. I therefore feel that our conventional power has to be maximized to deal with the least unlikely military contingency.

I think that for us to have no conventional response would be just a serious dereliction of our defense responsibilities.

Warnke said:

A lasting agreement should embody the principle of equality. . . .

I think we should have, as I have said before, not only the assured retaliatory capability but also have apparent, perceived equality of nuclearforces, as well as the ability to utilize them in less than an all-out basis. So I don't accept the doctrine of minimum deterrence.

Emphasizing the necessity for adequate verification procedures, Warnke spoke clearly:

I think you would have to have verification procedures that would assure you that they were not violating the terms of the agreement and that would require, of course, such things as noninterference with national means of detections.

That is why I would be very concerned about any efforts to interfere with our satellites.

In addition, I would think that some measures of on-site inspection will become necessary when you reach the point of getting genuine arms control.

Now, I think that the Soviet Union would have to recognize that there would have to be what they would regard as more intrusive methods than they were prepared to accept in the past. Now, whether or not they will accept those kinds of measures. I don't know; but that would be part, it seems to me, of the precondition of having any kind of effective arms control regime.

Asked if he would recommend any agreement without effective verification procedures, Warnke stated flatly:

I would not recommend any such agreement. I would not. . . . An agreement which is not verifiable is worse than no agreement. It is a source of instability rather than stability.

Mr. President, all of the foregoing excerpts have been taken from the testimony given by Mr. Warnke in the course of hearings by the Committee on Foreign Relations. I wish now to refer to various statements by Mr. Warnke made during the course of his testimony before the Senate Committee on Armed Services.

I have taken all of the following excerpts from Mr. Warnke's opening statement before the Armed Services Committee:

Effective arms control agreements can limit the destructive potential of the armaments on both sides of a confrontation, can improve the stability of the strategic nuclear balance and can significantly reduce the prospect of surprise attack and hence the likelihood of conventional war.

* * * * *

I do not today support each and every recommendation I have advanced in the past eight years. In some instances, subsequent developments have overtaken the position and have required its reassessment.

* * * * *

The SALT I agreements which entered into force in 1972 were the first major steps taken to control strategic arms.

In the Interim Agreement on the Limitation of Strategic Offensive Arms the Soviet Union was permitted more strategic offensive ballistic missile launchers than the United States. This fact was offset by the United States' technological lead which included the deployment of missile systems equipped with multiple, independently targetable reentry vehicles, MIRVs.

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The Congress approved the Interim Agreement by a joint resolution. This resolution recognized that the arrangement provided therein would be unacceptable in a future longer-term agreement. The principle of equality espoused in the joint resolution led to the Vladivostok Understanding of 1974 which provides that both the United States and the Soviet Union would be limited to equal numbers of intercontinental strategic forces.

I think it is apparent that the strategic situation today has changed very significantly since 1972. The Interim Agreement on Control of Offensive Arms is not now an appropriate or workable basis for preserving strategic stability by curbing the rush of nuclear arms developments.

A disparity in strategic missile launchers which was offset then by our lead in MIRV technology could not now be accepted on a continuing basis. The principle of equality which the Vladivostok ceilings supply, and on which the Congress insisted, is the correct principle for future arms limitation and reduction.

Since the approach adopted in the Interim Agreement is no longer applicable, it is of considerable importance to incorporate the Vladivostok principle of equality into a treaty regime before the Interim Agreement expires in October of this year.

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There is quite natural concern over the Soviet civil defense program. If its aim is to enable the Soviet Union to withstand a strategic nuclear attack, it would be inconsistent with the pholosophy of the ABM Treaty.

These developments in the strategic situation and the problems they create can either be addressed by an increase and further refinement in United States strategic nuclear forces or, while there is still time, by the alternative of negotiated arms control measures.

* * * * *

This country must, of course, maintain the strategic forces necessary to deter aggression against ourselves and those whose security is integral to our own. I am therefore concerned over the pace of the strategic buildup by the Soviet Union.

I believe at the present time that a condition of rough equivalence exists, but if current trends continue our position could be in jeopardy at some point in the future.

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The question is whether we can only cope with these trends by the construction and deployment of more United States strategic nuclear systems, or whether we should attempt to negotiate sound and verifiable arms limitation agreements.

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But nuclear weapons are not the only arms relevant to our security. Conventional forces are at least equally important. It is of major importance that we have the conventional forces in Europe so as to maintain a high nuclear threshold, to lessen the reliance on nuclear weapons.

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I have been particularly concerned that our forward defense capability to meet a limited incursion from the East is not nearly strong enough. It is in the European Theater that war between the East and the West is least unlikely, and it is both important to deter the outbreak of such a conflagration and also to reduce reliance on the use of tactical nuclear weapons for survival.

Once nuclear weapons are introduced into combat in Europe, not only would great damage occur to an area of vital interest to the United States but also escalation to the enormous disaster of a strategic nuclear exchange would become a real possibility.

I believe that lowering the level of military confrontation in the European Theater in a balanced and verifiable manner would clearly serve our national interest.

I would plan to work very closely with Ambassador Stanley Resor at the MBFR talks with this objective in mind.

Mr. President, Mr. Warnke was asked to state his position toward the so-called Triad of deterrence—that is to say strategic posture, theater nuclear weapons and conventional forces, and this was his reply:

I believe that all three are important as far as deterrence is concerned and I have so testified and written on a number of occasions. I have testified against removing our tactical nuclear weapons from Europe. I have suggested that some part of them ought to be reexamined and removed because they are vulnerable. I have referred to such things as atomic demolition mines that would require utilization in the early stages of a war before a nuclear decision should be made.

It is very important we have first of all the conventional force, that we have then the tactical nuclear response in the event conventional forces are being defeated, and that we have, of course, the strategic nuclear forces also as part of our deterrence. I believe all three remain important.

A question was asked as to whether our conventional force in Europe should be prepared for a short, quick, Blitzkrieg type of attack rather than protracted war to which Mr. Warnke replied:

It ought to be optimized for the former role because I think that is the least unlikely contingency that would arise.

In answer to a question as to his advocacy of a position of unilateral restraint, Mr. Warnke responded as follows:

I have never advocated unilateral disarmament.

What I have advocated is that under some circumstances we could try a set of initiatives in which we call for a prompt and matching response from the Soviet Union. That has been tried in the past with a mixed record.

We don't know whether it is going to work or not; but what I suggested back in 1975 is that we try a measure of restraint, to do it with very, very great publicity, call upon the Soviet Union to respond with a matching restraint in six months or else we abandon our particular restraint. I don't regard that as unilateral disarmament.

Mr. Warnke was asked whether or not any agreement would be military or politically acceptable if it were highly sensitive to violation. Mr. Warnke gave what I consider to be a very satisfactory answer:

Senator, my feeling is that there are some agreements that would be considerably worse than nothing, and that we should not go into any arms control negotiations with the idea that we have to come out with an agreement. We should come out with an agreement if it improves our national security.

An agreement which is unverifiable or is questionably verifiable does not, in my opinion, comport with our national security; therefore, I would regard the verifiability of an agreement as being a sine qua non of having an agreement. I think that is one of the difficulties that we have with the SALT I Interim Offensive Arms Agreement, is that there are too many things that are left to unilateral declarations. The Soviet Union has not concurred with those unilateral declarations; therefore, the general impression of violation of at least the spirit of the accords has been spread around. That seems to me to disserve the cause of arms control, and disserves the national security.

Mr. Warnke indicated that, in some instances, the Soviets have reacted favorably to unilateral initiatives on our part. These are his words:

We have from time to time been able to start an initiative and get them to match it. We did so with respect to the Test Ban Treaty, the Limited Test Ban Treaty back in 1963. President Kennedy announced that we were stopping, unilaterally, atmospheric testing, and called on the Soviet Union to respond; and within a couple of months we were able to initial the Limited Test Ban Treaty.

There have been other instances. I cited, for example, the fact that the Congress voted against going ahead with the second ABM site at a time at which the Soviet Union was able to go ahead with the second ABM site. Subsequently that became a part of the ABM Limitation Treaty. The record is not entirely blank; there have been instances in which unilateral initiatives have been met by a matching response.

Obviously, that cannot be the heart of our defense policy. We cannot assume that if we just exercise restraint, that we are just good guys, that the Soviet Union will, in fact, also behave well and will become good guys.

As to what Mr. Warnke perceives the Soviet intent to be, in light of increased Soviet military expenditures, he had this to say:

It is very difficult to speculate on what the intent is of the Soviet Union because we understand so little about the decision-making process. I think it is only prudent that we have to assume that they don't wish us well. I think that it is only prudent to assume that they are trying to build up military superiority, and if they had military superiority they would utilize it to our disadvantage and that is why it seems to me that it is important for us both to maintain the military capability that prevents them from achieving that superiority and also to try and work out arms control agreements that will have the same effect but will lessen the level of both cost and risk. But certainly I don't think we can proceed on the assumption that the Soviet Union is not striving for superiority or would not use it to our disadvantage if they gained it.

Mr. Warnke was asked whether or not he, at any time, had ever advocated the unilateral disarmament on our country's part with the idea that it might lead the Soviets to do likewise. Mr. Warnke's answer follows:

I have not, Senator, no. What I have suggested, and I have said this before, is that with respect to increasing our strength that we might try a policy of reciprocal restraint where we would call upon the Soviet Union to give us a prompt matching restraint.

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What I proposed in an article back in 1975 was that we might announce a particular restraint proposal, call on the Soviet Union for a matching response, wait for a period of six months—no more than six months—see if they met it. If they did, then we could continue with that process. If they did not, we would then go ahead with our programs.

Mr. Warnke was asked what his recommendation to the President would be if he found the Soviets to be "a little intransigent and retractable on certain items" that he felt they should be more amenable on, to which Mr. Warnke replied thusly:

Well, my recommendation to the President, Senator, would be obviously that we not capitulate on anything that is important to our security and that if the price of getting an agreement is to yield on some issue which is of significance to us, then we are not going to get an agreement—at least I am certainly not going to recommend it.

Mr. Warnke referred to the unilateral declarations that were made by some of our leaders going back to the old SALT I agreement. Mr. Warnke's reaction was forthright:

My conviction is that with regard to any agreement which is entered into at this time on control of the defenses of nuclear weapons that we could not afford to have unilateral declarations. The trouble with the unilateral declaration is that you say "I am now about to say something" which you refuse to say; so that is almost a built-in formula for disagreement, and I don't think that in the kind of arms control agreement that we ought to use to replace the interim agreement, we ought to have that kind of a situation.

With regard to some of the weapons systems which he had earlier opposed, how did he think now in retrospect about them? Mr. Warnke's response follows:

I thought at the time I opposed these systems that they were objectionable either because they were not the optimum weapon system to build or because it was premature to make a decision on some of those systems and it might interfere with the best chance of effective arms control.

Now, in many instances circumstances have overtaken my position because we have gone ahead with the particular weapon system. Obviously we are going to have some B–1s. I understand that there is a question now as to whether the number of this year will be cut back from eight to five. We will have a mix and I regard that as being an entirely acceptable sort of a situation.

In other instances I have opposed, for example, the F–14 as being unnecessarily expensive. We are now going to have a mix. We will end up with a high-low mix with some F–14s and some F–18s. Again, I am not saying we should scrap the F–14s, they are a very useful weapon. I am delighted, however, that we are now ending up with a mix because that does reduce the unit cost and I think as a consequence improves the overall capability of our forces.

So the answer has to be that I believed at the time that my position was correct. I believe in retrospect that my position was correct, but I accept the fact that circumstances have moved on and I don't believe that the net result has to jeopardize our national security.

Mr. Warnke was asked his feelings as to the significance of any superiority which the Soviets might gain in the nuclear weapons field, to which he replied:

Well, superiority could be of two types. One could be the actual superiority that would enable them to challenge us and us not be in a position to respond because we could not prevail. Another one would be cosmetic superiority in which the perception of the rest of the world is such and their perception was such as to put us at a political disadvantage even if in military terms it might not mean the difference between victory and defeat.

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I said superiority is significant if it has military significance or if its cosmetic impact is such as to put you at a political disadvantage.

The nominee was asked whether he would advocate discontinuance of development of the cruise missile in exchange for the Backfire bomber in the SALT negotiation. Mr. Warnke's indication was in the negative:

I don't think that those are parallel programs, Senator Cannon, and as a consequence I don't think that that would be a useful tradeoff.

As to his opposition to the submarine-launched cruise missile, this is what he had to say:

I have opposed the submarine-launched cruise missile. I have favored, I believe, quite consistently, the development of the air-launched cruise missile as improving the viability and penetrability of our bomber force.

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I have difficulty thinking it would be an effective weapon as an alternative to the ballistic missile. I think that it is more vulnerable to air defenses; it requires that the submarine get out of relatively secure waters and come closer to the Soviet Union, and I think that the net impact might be a degradation rather than an enhancement of our strategic deterrent.

Concerning his opposition to AWACS, he stated:

I believe that what I said was that as far as the actual development and deployment of AWACS was concerned that I was troubled about it as a strategic warning system because it really defended against a bomber threat it really defended against a bomber threat that did not then exist, and as a tactical system in a hostile environment it might be too vulnerable.

Mr. Warnke's opposition to the Trident submarine was explained as follows:

With regard to the Trident submarine in particular, I supported the Trident long-range missile, but suggested that we would be better off in terms of possible antisubmarine warfare developments if we had more platforms from which to launch that missile.

Mr. Warnke's recognition of the need for enforceability and verifiability in any SALT II agreement was made clear by the following responses which he gave to questions asked by Armed Services Committee Senators:

I would say a bad agreement, a questionable agreement is much worse than no agreement at all.

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I would say the long-term goal, at least as long a term as I can foresee, is to reduce the risk of nuclear war by ending up with measures of arms control which are enforceable, which are verifiable and which do not give either side the kind of advantage that might lead to crisis instability. I think we have to recognize that any arms control agreement is going to have to be fair to both sides because, otherwise, there is no way in which it could endure.

If, for example, we were to end up with an imbalance on one side or the other, the side that found itself at a disadvantage would have to repudiate the treaty in its own national interest.

Mr. Warnke emphasized that he would be acting as an agent of the President in the SALT talks and that he would be candid in informing the Armed Services and Foreign Relations Committees regarding matters related to such talks:

The position that I would be advancing in the SALT talks would be a position which had been approved by the President.

I have pledged to this committee and to the Foreign Relations Committee that I would be totally candid with them. I would feel that that was essential to have any sort of consensus behind the treaty which had been arrived at.

As to what he perceived to be the long-term Soviet goal in arms negotiations, Mr. Warnke replied:

It is difficult, really, for anyone to determine what the long-term Soviet goal is. There have been very disquieting statements that have frequently been made by the Soviet leadership.

For example, I believe it was to the 25th Party Congress that General Secretary Brezhnev talked about the fact that detente improved the conditions for peaceful development of socialism and Communism.

Now, if they feel that an arms control agreement some how is going to advance their cause and diminish ours, then I don't think we can reach an arms control agreement. We wouldn't know how serious they are, how much in good faith they may be by lessening the risk of all-out war until we get into negotiations and find out whether they are reasonable, whether they are prepared to take reasonable steps toward some sort of accommodation.

In response to the expressions of doubt that a society which stifles dissent and practices repression against dissidents can be trusted to act in good faith in connection with arms reduction agreements, Mr. Warnke responded in this fashion:

A more generous attitude toward human rights obviously would improve the kind of negotiating climate in which we might be able to accomplish some sort of effective arms control agreements.

What we can be confident of, however, is that nations pursue their own self interests. Now, I would hope that the Soviet Union leaders are realistic enough to recognize that as the arms competition goes on, the risk increases, that there may be nuclear war and that nuclear war would threaten their survival as a society.

So that self interest might be a sufficient factor so that we would be able to reach some meeting of the minds about reasonable measures that would diminish the risk of nuclear war.

The following response by Mr. Warnke also indicates very little in the way of good faith on the part of the potential adversary can be assumed:

It has been my experience, Senator, that even in commercial negotiations you cannot assume too much good faith on the part of the other side, that they will endeavor to take advantage.

Where something as vital as our national security and survival are at stake, certainly I do not think any reliance can be placed on the good faith of the other side.

Mr. Warnke is apparently under no illusion as to the need for realism and toughness in dealing with the Soviets:

I have explained the attitude with which I would go into negotiations with the Soviet Union. I would recognize that they are serious. I would recognize that they would, if they could, get an agreement which would advance them and diminish our military capability.

I can assure you that that would not be, as far as I am concerned, even remotely an acceptable consummation of any arms control negotiation.

I agree with you that you have to be a tough negotiator.

Mr. Warnke also indicated that he would be careful to advance only proposals that are acceptable in terms of American security, and that he would be unwilling to accept unreasonable propositions from the Soviet Union:

I would have the advantage of course of complete interagency coordination so that we would know whether or not the proposals that we were advancing were proposals which were acceptable in terms of American security.

If those reasonable proposals are not accepted by the Soviet Union and they insist only on coming back with unreasonable propositions, then, obviously, we should not consummate any sort of a further SALT agreement, and we would then have to pursue the unilateral steps that are necessary to protect our security.

I cannot guarantee success.

There were those Senators who expressed skepticism as to Mr. Warnke's effectiveness as a negotiator in view of some of the perceptions that have resulted from his statements in recent years. Mr. Warnke responded in this way:

I don't believe that misperceptions of my past positions would in any way affect the ability of the Senate of the United States or

the people of the United States to analyze the treaty and determine whether or not we had a good deal.

* * * * *

I don't regard Soviet efforts in the world as being beneficent. I don't think that we can let down our military guard. I have sometimes taken positions which were at odds on particular weapon systems as to whether they were the best weapon systems for our military capability; but I have never supported any thing less than a strong military defense, and I have never been at all taken in by the proposition if we were just good guys the Soviets would behave in a similar fashion.

Presented with a scenario in which the Soviets might claim to need a small advantage just to compensate for hostilities toward their country on the part of countries other than the United States, Mr. Warnke was asked what his reply would be. It was as follows:

My reply would be completely negative, because it seems to me that we cannot encourage a situation in which we allow the Soviet Union to have, first of all, more in the way of strategic capability than we have because of their explanation that they don't really intend to use it against us.

At a time of crisis, that intention could readily shift.

Mr. Warnke was asked what action should be taken in the event of a Soviet violation of any arms limitation agreement. Mr. Warnke said:

I think in any agreement which was developed, there would be the counterpart of the present standing consultative commission which exists in the SALT I agreement. That is a joint U.S./Soviet commission which is empowered specifically to determine whether or not violations have existed, to consult about any sort of suspicion that either side had. I think that would be the initial resort that you would have.

Now if you are unable to receive any sort of assurance that there had been no violation or that any violation had been inadvertent and had ceased, then obviously, you would have to consider whether or not it was necessary at that point to claim a breach of the treaty and hence to repudiate it. That is the fundamental enforcement mechanism that you have.

In answer to a question as to our ability to monitor and exercise surveillance to assure ourselves of compliance and adherence to any arms control agreement, Mr. Warnke spoke as follows:

I think that the difficulty of verification is a constraining influence on the nature of an arms control agreement that you have reached. If you could count on total verification, then you could go a lot further than I think you are going to be able to go at the present time because of the limitations that exist.

I would hope that there would be a government-wide study of the various means of verification that exist or that can be developed. I don't know whether such a study has been conducted, but I think that one should exist. It ought to be one of the items with which any negotiator is armed in getting into SALT negotiations.

* * * * *

Verification is in fact the sine qua non of having an effective and enforceable arms control agreement.

Then, regarding onsite inspections, here is his reaction:

My feeling about on-site inspection is that it ought to be included in a treaty to the extent that it can be in fact effective. I am not sure that you could rely on on-site inspection as being the heart of any sort of verification system.

You would have to have, obviously, many other means of verification because otherwise, you would never be sure whether you had been shown just what the Soviets wanted to show you.

I close my excerpts from the testimony, Mr. President, with the three following questions and answers:

Mr. Warnke, would you today, in a negotiating context, advocate the kind of approach of unilateral restraints that you advocated in 1975?

Mr. WARNKE. I would not.

* * * * *

Would you today advocate a policy of unilateral restraints as an alternative method to negotiation?

Mr. WARNKE. I would not.

Do you today feel that a numerical imbalance is totally irrelevant to our security?

Mr. WARNKE. Not in view of the Soviet developments in MIRVs and in accuracy.

The VICE PRESIDENT. The Senator from Tennessee.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the nomination.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I only say that after the conclusion of the vote I intend to ask the majority leader for a modification of the time limitation agreement before the next vote.

The VICE PRESIDENT. The question is, will the Senate advise and consent to the nomination of Paul C. Warnke, of Washington, D.C., to be Ambassador during his tenure of service as Director of the U.S. Arms Control and Disarmament Agency. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. TOWER. Mr. President, may we have order?

The VICE PRESIDENT. The Senate will be in order.

The assistant legislative clerk called the roll.

Mr. MAGNUSON (when his name was called). Mr. President, on this vote I have a pair with the distinguished Senator from Indiana (Mr. BAYH). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

The result was announced—yeas 58, nays 40, as follows:

[Rollcall Vote No. 41 Ex.]

YEAS—58

Abourezk	Gravel	Metzenbaum
Anderson	Hart	Morgan
Bentsen	Haskell	Muskie
Biden	Hatfield	Nelson
Brooke	Hathaway	Pearson
Bumpers	Hollings	Pell
Burdick	Humphrey	Percy
Byrd, Robert C.	Inouye	Proxmire
Case	Javits	Randolph
Chafee	Johnston	Ribicoff
Church	Kennedy	Riegle
Clark	Leahy	Sarbanes
Cranston	Long	Sasser
Culver	Mathias	Sparkman
DeConcini	Matsunaga	Stafford
Durkin	McClellan	Stevenson
Eagleton	McGovern	Williams
Eastland	McIntyre	Young
Ford	Melcher	
Glenn	Metcalf	

NAYS—40

Allen	Griffin	Roth
Baker	Hansen	Schmitt
Bartlett	Hatch	Schweiker
Bellmon	Hayakawa	Scott
Byrd, Harry F., Jr.	Heinz	Stennis
Cannon	Helms	Stevens
Chiles	Huddleston	Stone
Curtis	Jackson	Talmadge
Danforth	Laxalt	Thurmond
Dole	Lugar	Tower
Domenici	McClure	Wallop
Garn	Moynihan	Weicker
Goldwater	Nunn	Zorinsky
	Packwood	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Magnuson, against.

NOT VOTING—1

Bayh

So the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the confirmation was confirmed.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, under the order the President is to be immediately notified of the confirmation.

The VICE PRESIDENT. The Senator is correct.

Mr. SPARKMAN. Mr. President, now that the Senate has confirmed Mr. Warnke as chairman of the U.S. SALT delegation, we turn to the question of whether Mr. Warnke should direct the Arms Control and Disarmament Agency.

My fellow Senators and I have spent very little time in the course of this discussion on the question of the future of the Arms Control and Disarmament Agency and Mr. Warnke's plans for that Agency.

From what I have seen of Mr. Warnke, I conclude that he is a man of character and principle and that he has considerable talent to bring to bear on the direction of that Agency. Many Senators are aware that this Agency has had difficult times over the past several years. I think Mr. Warnke is fully qualified and dedicated to reinvigorating the Agency and making it a major and effective part of the national security decisionmaking process.

I will let Mr. Warnke speak for himself on the key principles he would follow as

Director. He told the Committee on Foreign Relations:

Senator Humphrey has pointed out that the Arms Control and Disarmament Agency is of course a creation of this Congress with Senator Humphrey being an architect of the Agency. The express purpose that the Congress had in mind, and stated, was to create a new agency of peace to deal with the problem of reduction and control of armaments. And at the same time Congress noted that arms control and disarmament policy, being an important aspect of foreign policy, must be consistent with national security policy as a whole. That's right in the act. And this I regard as the key principle I would follow as Director of the Agency.

I support, of course, and I always have supported, a strong national defense, and I regard the objective of arms control similarly as being to enhance the security of the United States, as well as advancing the chances of world peace. In securing these goals, the act establishing the Agency makes arms control and disarmament an integral part of the process of making national security decisions.

As the committee knows, the Director of the Agency is by statute the principal advisor to the President, the National Security Council, and the Secretary of State on arms control and disarmament matters. It is his responsibility to view national security problems from this perspective and to search for and advocate arms control solutions to these problems. In any particular situation the President, of course, may or may not decide to employ arms limitation measures in resolving the questions of national security. But I believe it to be of the utmost importance that this alternative be presented at the highest levels of the Government.

So if confirmed as Director of the Arms Control and Disarmament Agency, I will do my best in this capacity to argue persuasively for arms control initiatives where I believe them to be warranted. In some instances, sound measures of arms limitation may do more to protect this country than new armament programs.

Also as Director of the Arms Control and Disarmament Agency, I would seek ways to head off new explosions of arms technology which could ultimately damage the security of this Nation. I would seeks ways to limit and reduce arms already in existence so as to make this country more secure. To accomplish this, any measures of arms limitations that are pursued must be soundly conceived and any agreements that are reached must be adequately verifiable. If the American public is to have confidence in an arms control regime that has been negotiated, then that public must know that their security cannot be undermined through undetected violations by another party to the agreement.

I think it should also be recognized that some new weapons system developments can help, rather than hinder, the objectives of sound arms control. By the time that long range nuclear armed ballistic missiles had appeared, the development of the submarine launched ballistic missile on nuclear submarines had a positive effect. It improves stability because of the invulnerability of this weapons system and has a consequent stabilizing effect on the strategic balance. The direction of arms control policy must be toward greater stability at lower levels of destructive potential in both conventional and nuclear arms. This will be the philosophy by which I would be guided if confirmed as ACDA Director.

It's been suggested that I have become a symbol of a certain philosophic position. I'm flattered at the attention but I have to reject the characterization. I don't believe that I represent a fixed philosophical position on the issues of arms control. I'm a strong advocate of arms control. I'm also a strong advocate of a strong national defense. I believe the two to be totally consistent and indeed, complementary.

But I believe that if anybody does think that I represent a fixed philosophical position, then some of them will be surprised, and some others will be disappointed.

Mr. President, I have no doubt that Mr. Warnke intends to adhere to those principles. Accordingly, I do not hesitate in urging the Senate to confirm him for this position.

Mr. BAKER. May we have order, Mr. President?

The VICE PRESIDENT. The Senate will be in order. The Senator from Tennessee.

Mr. BAKER. Mr. President, there is an order existent providing for 1 hour of debate before the next rollcall. I believe that is unnecessary. While most of my colleagues are here on our side, if there is no other point of view I am perfectly willing to agree with the majority leader that we modify that order to vote almost immediately.

The PRESIDING OFFICER (Mr. LEAHY). Would the leaders withhold until we have order in the Chamber?

May we have order in the Chamber?

Will Senators please restrain their conversations so their leaders can be heard?

The Senator from Tennessee.

Mr. BAKER. Mr. President, if there are no other——

Mr. BUMPERS. Mr. President, the Senate is still not in order.

The PRESIDING OFFICER. The Senator from Arkansas is correct. The Senate will please be in order. The galleries will be in order. There will be order before the Senate proceeds.

The Senator from Tennessee.

Mr. BAKER. I thank the Chair.

Mr. President, I hear no objection on our side to such a modification. I would ask the majority leader if he might be agreeable to modifying the previous unanimous-consent order to provide for a vote, as far as I am concerned, at this time, on the second nomination.

Mr. ROBERT C. BYRD. Mr. President, I see no Senator who wishes to be recognized at this time.

NOMINATION OF PAUL C. WARNKE TO BE DIRECTOR OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the period of time of 1 hour for debate on the second nomination be vitiated, that the vote occur immediately, and that there be a time limitation on the vote of 10 minutes.

The PRESIDING OFFICER. First, the clerk will state the nomination. The legislative clerk read as follows:

Nomination of Paul C. Warnke, of the District of Columbia, to be Director of the United States Arms Control and Disarmament Commission.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately upon the confirmation of the nomination, if it is confirmed, that the President be immediately notified of the nomination and that a motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the nomination of Paul C. Warnke, of the District of Columbia, to be Director of the U.S. Arms Control and Disarmament Agency? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Chair will remind Senators that this vote is limited to 10 minutes and asks the assistance of Senators in maintaining order so we can complete the vote in the 10 minutes time. The Chair requests that there be order.

The Chair reminds those in the galleries that order applies also to those in the visitors' galleries.

The clerk may proceed.

The legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) would vote "yea."

The result was announced—yeas 70, nays 29, as follows:

[Rollcall Vote No. 42 Ex.]

YEAS—70

Abourezk	Haskell	Muskie
Anderson	Hatfield	Nelson
Bentsen	Hathaway	Nunn
Biden	Heinz	Packwood
Brooke	Hollings	Pearson
Bumpers	Huddleston	Pell
Burdick	Humphrey	Percy
Byrd, Robert C.	Inouye	Proxmire
Cannon	Jackson	Randolph
Case	Javits	Ribicoff
Chafee	Johnston	Riegle
Chiles	Kennedy	Roth
Church	Leahy	Sarbanes
Clark	Long	Sasser
Cranston	Magnuson	Sparkman
Culver	Mathias	Stafford
DeConcini	Matsunaga	Stevens
Durkin	McGovern	Stevenson
Eagleton	McIntyre	Stone
Eastland	Melcher	Talmadge
Ford	Metcalf	Williams
Glenn	Metzenbaum	Young
Gravel	Morgan	
Hart	Moynihan	

NAYS—29

Allen	Danforth	Hatch
Baker	Dole	Hayakawa
Bartlett	Domenici	Helms
Belmon	Garn	Laxalt
Byrd, Harry F., Jr.	Goldwater	Lugar
Curtis	Griffin	McClellan
	Hansen	McClure

Schmitt	Stennis	Wallop
Schweiker	Thurmond	Weicker
Scott	Tower	Zorinsky

NOT VOTING—1

Bayh

So the nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, a motion to reconsider the vote is laid on the table.

Under the previous order, the President of the United States will be notified immediately of the confirmation of the nominations.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate returns to the consideration of legislative business.

The Senator from West Virginia is recognized.

WAIVER OF SECTION 402(a) OF CONGRESSIONAL BUDGET ACT OF 1974 WITH RESPECT TO CONSIDERATION OF S. 427

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to call up the waiver resolution at this time.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 106) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 427.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Under Public Law 93-344, debate is limited to 1 hour.

Who yields time?

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, this is the first waiver resolution of section 402, of the Budget Act in this session of Congress. So, I think it appropriate, in light of the fact that there are many new Members of this body, to explain what it is and what is in it in connection with the public works bill, which we shall take up tomorrow. It will not take very much time, perhaps 10 minutes, to present the matter and such time, in addition, as Members may want to take for questions, if any. Therefore, I shall proceed.

Mr. President, the Budget Committee today met and favorably reported Senate Resolution 106, a resolution pursuant to section 402 of the Budget Act, waiving the May 15 deadline for the reporting of authorizing legislation in the case of S. 427, the public works employment bill. S. 427 is the first major authorization bill to come before the Senate in this Congress. It is also the first major authorizing legislation reported in the Senate to implement the decisions taken in the third concurrent resolution on the budget which Congress adopted last week. S. 427 is also an integral part of President Carter's economic stimulus program submitted to the Congress on January 31.

Senate Resolution 106, waiving section 402 of the Budget Act in the case of S. 427, is necessary because S. 427 provides authorization for new budget authority for fiscal year 1977. Because the Congressional Budget Act prescribes a very tight timetable for completion of all authorization and appropriation legislation, it also provides that authorizations contemplating new budget authority for a fiscal year must be reported before the May 15 preceding the beginning of that fiscal year. Thus, legislation providing authorization for this fiscal year, which began on October 1, should have been reported by May 15 of last year.

This provision was included in the Budget Act to insure that all authorizing legislation is considered as far as possible in advance of the fiscal year in which it will take effect so that it could be considered in the formulation of the first concurrent resolution. In addition, this section was included to provide the Appropriations Committee with some reasonable notice of needed appropriations for the coming fiscal year so that the Appropriations Committee can meet the appropriations timetable spelled out in the Budget Act.

Legislation authorizing the enactment of new budget authority which is reported to the Senate after May 15 could delay the enactment of appropriations bills past the Budget Act deadline of 7 days after Labor Day for the completion of the entire appropriations process.

However, the Budget Act also recognizes that events outside the control of an authorizing committee may require the reporting of additional authorizations after the May 15 deadline. Significantly changed economic circumstances such as have occasioned the third budget resolution, President Carter's stimulus program, and S. 427 are among such factors.

To take the possibility of such changed circumstances into account, the Budget Act also provided that the May 15 deadline could be waived by the Budget Committee, upon the application of a committee reporting post-May 15 authorizing legislation. That application takes the form of a simple resolution reported by the committee in question when it reports the post-May 15 authorization bill. The legislative history of the Budget Act indicates that the May 15 reporting deadline is not to be lightly waived. Under these circumstances, the Budget Committee, in deciding whether to favorably report resolutions waiving section 402 of the Budget Act, will consider factors including: the reporting committee's effort to meet the May 15 deadline, the delay in the appropriations process engendered by the delayed reporting of the authorization, and whether the authorization was contemplated in the national priorities established in the congressional budget.

The Budget Committee has favorably reported Senate Resolution 106 in light of the urgent need for the consideration of the important economic recovery legislation S. 427 represents. The effect of defeating the consideration of this bill would be to prevent implementation of a major part of the programs contemplated by President Carter and Congress in adopting the third budget resolution.

In reporting Senate Resolution 106 to clear the way for Senate consideration of S. 427, the Budget Committee is not prejudging the merits of that bill. Individual Senators on the committee and in the Senate will form their own judgment about that bill and amendments to it. However, the committee did vote unanimously, under the special circumstances presented by this case, to favorably report Senate Resolution 106 waiving the May 15 reporting deadline.

Mr. President, in addition to the reasons I have already stated, special considerations affected title III of S. 427. Title III provides short-term interim funding of the ongoing waste treatment program. The Public Works Committee did report legislation to provide such funding before the May 15 deadline last year, reported the bill to the Senate, and the Senate approved it when it considered the legislation on the Senate floor. The legislation went to conference and died in conference when the Congress adjourned last year.

So title III of this legislation did, in fact, meet the May 15 requirement of the bill, but must be resurrected in S. 427 so that the Senate may again consider the matter and send it to conference with the House.

Therefore title III has a special case for the waiver under section 402 of the Budget Act.

This may appear to be and is, Mr. President, a technical matter, but it is a very important one. I thought in order to stress its importance I ought to take it up formally on the Senate floor.

Mr. President, I yield to my good friend the distinguished Senator from West Virginia, chairman of the Public Works Committee.

Mr. RANDOLPH. Mr. President, the able chairman of our Subcommittee on the Problems of Pollution in the Environment and Public Works Committee (Mr. MUSKIE) very properly calls attention to the need for the funding of the waste treatment program. This is a very important vital program.

I appreciate the Senator from Maine explaining the necessity for handling this matter in connection with the waivers that have been discussed.

Mr. MUSKIE. Mr. President, in response to the comments of my good friend from West Virginia, I say that although title III represents additional funding for an ongoing program, it is very appropriate to the purposes of the bill itself. This waste treatment program provides tens of thousands of jobs at a time when jobs are not available to over 7 million Americans, and some 34 States are in danger of running out of funding in this calendar year if we do not enact title III of this bill.

That would mean that the programs would slow down or come to a halt. It

would mean that the jobs would no longer be available at a time of high unemployment.

So title III is a very important part of the economic package that is represented by S. 427.

I know that is very much in the mind of my good friend from West Virginia as chairman of the Public Works Committee, and his deep concern for the economic stimulus that this legislation can provide to the economy.

Mr. President, let me now make a few observations with respect to the waiver resolution, Senate Resolution 106 and the bill itself, S. 427.

Mr. President, S. 427 would authorize several initiatives that were assumed in the third budget resolution for fiscal year 1977 which is now in place. As I will discuss more fully in a moment, however, the committee's approval of Senate Resolution 106 does not imply committee support of all titles of S. 427. On the contrary, the committee recommends immediate consideration of titles I and III, but agrees with sponsors of the various youth employment bills that title II be separated from the bill so that all seven major youth employment proposals now before the Senate can be considered together in an orderly manner.

Mr. President, S. 427, as reported by the Committee on Environment and Public Works, would authorize funding for public works employment, for youth employment, and for construction of water pollution control facilities and for other programs to protect the environment. The public works employment and youth employment proposals are major components of the economic stimulus package assumed in the third budget resolution that the Congress adopted on March 3.

This bill would authorize a total of $10.9 billion in budget authority this fiscal year, and $5.4 billion in budget authority in fiscal year 1978. If fully funded, estimated outlays would be $700 million this fiscal year, and $4.0 billion in fiscal year 1978.

The need for each of the programs in this bill was discussed during budget committee consideration of the third budget resolution, and the cost of this bill can be accommodated within the third budget resolution ceilings.

We have all shared disappointment as the hoped-for strong economic recovery has faltered in recent months. Far too many Americans still are without work. Far too much of this Nation's productive capacity still lies idle. Far too many still are hesitant and uneasy about our economic future.

Last September, when the Congress enacted the second budget resolution for fiscal year 1977, our goal was to have by the end of 1977 an unemployment rate of 6.1 percent. Now, 5 months later, that seems unreachable. In fact, CBO's most recent estimates are that the unemployment rate will be 7.0 percent at the end of this year. This means that as many as 6.8 million Americans may be without jobs.

In fact, the picture is even more troubling than the national statistics indicate. In some areas unemployment remains at levels higher than 15 percent—levels which simply cannot be tolerated. Among young people unyielding joblessness as high as 19 percent causes problems now and in the future. In the construction industry unemployment remains near 14 percent. These are precisely the problems that this legislation addresses.

Title I of the bill authorizes $4 billion in additional budget authority for the local public works program of the Economic Development Administration of the Department of Commerce. This program provides grants to State and local governments for public buildings, roads, and other local public works that will quickly stimulate employment. The extent of the need for this program was demonstrated when over $24 billion in projects were submitted in competition for the $2 billion made available in the first round of grants last December. It has been estimated that as many as 75 thousand jobs can be created for each $1 billion in spending. Senators RANDOLPH, BURDICK, and my other colleagues on the Environment and Public Works Committee deserve rich praise for having skillfully crafted a bill which corrects most of the problems encountered in the first round of grants and still allows these funds to be quickly released for projects badly needed in local communities hard hit by unemployment.

Title II of this bill proposes a new initiative to address the employment problems unique to the Nation's young people. This title is one among many useful attempts now under consideration to respond to the national concern surrounding the high unemployment rate and low earnings that persist among teenagers and young adults.

I want to congratulate my colleagues on their thorough consideration of alternative proposals for addressing the youth employment problems. Three legislative committees and the administration have worked together, in spite of differences of view, in the common interest of crafting a comprehensive legislative response to this pressing national problem.

I am neither an author nor a cosponsor of any of the various youth employment bills. However, in my responsibility to this body as chairman of the Committee on the Budget, I spoke about the alternative bills on the floor at the time of the passage of the third budget resolution. I also offered my additional views when the Environment and Public Works Committee reported this bill.

In 1976, 3.2 million Americans between the ages of 16 and 24 were in the labor force but unemployed. Youth represented 24 percent of the labor force, but 46 percent of the unemployed. An additional 262,000 who had become discouraged dropped out of the labor force altogether, and 1.4 million who wanted to work full time could only find part-time employment. Young people who cannot find work are incapable of supplementing family income and unable to develop employment records, skills, and the habits necessary to future employment.

The Senate is responding to this national concern. Both the Senate and House versions of the third budget resolution for fiscal 1977 assumed that $1.5 billion in budget authority and $600 million in outlays would be available for new efforts to reduce youth unemployment. In view of the fact that there are seven distinct initiatives, the Budget Committee did not express a preference for any single proposal, reserving the choice among competing proposals for the Congress as a whole.

Title II of S. 247 would establish local nonprofit agencies to provide for labor intensive public works projects for neighborhood improvements in urban areas and the maintenance of natural resources on publicly held land. It provides minimal training, but would cost roughly $11,600 per job compared to the $8,300 cost in the CETA program. Eligibility is unrestricted.

The youth title included in S. 427 would be appropriated by the State, Justice, and Commerce Subcommittee on Appropriations. An alternative proposal made by the Interior Committee would create a young adult conservation corps and would be appropriated by the Interior Subcommittee on Appropriations. The other five youth employment bills originate in the Human Resources Committee and would be appropriated by the Labor-HEW Appropriations Subcommittee. The Senate approach to youth unemployment will need to be carefully coordinated if an effective result is to be achieved within the funds available under the third budget resolution. The agreement I understand my colleagues have reached provides an opportunity to fashion legislation that avoids a budgetary horserace and the creation of competing lines of legislative and administrative authority.

Mr. President, I ask unanimous consent to have printed in the RECORD at the end of my remarks several tables prepared by the Budget Committee staff that compare the various youth employment bills. I hope my colleagues will consider this information in developing a bill to deal with youth unemployment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. Mr. President, title III of S. 427 authorizes in each of the fiscal years 1977 and 1978 budget authority of $5.4 billion for the Environmental Protection Agency construction grant and other programs. As I noted earlier, this title is similar to legislation that was considered by the 94th Congress but which did not pass in the final days of the last session. This will support construction of facilities to treat sewage and otherwise reduce water pollution. Many States have been fully participating in the construction program, and without these additional funds, as many as 34 States will run out of funds before the end of this fiscal year. If these funds are not provided, as many as 50,000 construction jobs could be lost this year, and up to 200,000 jobs lost next year. The water treatment facilities are needed. The jobs are needed. The Congress can and should act quickly.

Mr. President, with the understandings that I have outlined, I support adoption of Senate Resolution 106.

EXHIBIT 1

TABLE I.—FEDERAL OUTLAYS FOR MAJOR PROGRAMS AFFECTING THE EMPLOYMENT OF YOUTH, FISCAL YEAR 1976

	Total outlays (millions)	Percent to youth	Outlays to youth (millions)	Number of youth served (thousands)	Percent low income
Education:					
Guaranteed student loan (GSL)	$297	100	$297	923	26
National direct student loan (NDSL)	301	100	301	799	22
Supplemental education opportunity grants (SEOG)	268	100	268	447	39
College work-study (CWS)	362	100	362	973	31
Basic education opportunity grant (BEOG)	905	100	905	1,269	41
Vocational education	586	100	586	NA	NA
Training:					
CETA title I	1,698	57	968	905	76
CETA title III (other than summer youth)	126	47	59	20	NA
CETA title IV (Job Corps)	181	100	181	44	100
Work incentive program (WIN)	307	17	52	3	100
Veterans readjustment benefit [1]	5,079	7	356	209	NA
Job creating:					
CETA title II	544	22	120	55	47
CETA title VI	1,872	22	412	110	44
CETA title III (summer youth)	459	100	459	888	100
Youth Conservation Corps	[2] 35	100	[2] 35	20	38
Total	13,020		5,361	6,665	

[1] Also supports education activities.
[2] Half of these outlays were actually made during the transition quarter.

Source: U.S. Department of Labor and Office of Management and Budget.

TABLE II.—COMPARISON OF VARIOUS YOUTH EMPLOYMENT BILLS, ACTIVITY COMPONENTS

Bill	Public works	Conservation Corps	Public service jobs	Private sector jobs	Training program	Work experience	Job and career counseling	Other
1. Randolph (S. 427)	X				X [1]			
2. Jackson (S. 249)		X						
3. Cranston (S. 20)			X	X	X [1]		X [1]	
4. McClure (S. 503)			X	X [1]	X [1]	X [1]	X [1]	X [2]
5. Humphrey (S. 170)		X	X	X [3]	X [1]	X	X	X [4]
6. Mathias (S. 1)		X	X	X	X [1]		X	X [5]
7. Huddleston (S. 378)		X				X		

[1] Provided for but not as a discrete activity.
[2] Allows for a list of 19 activities to provide comprehensive manpower services—none are self-contained programs.
[3] The private-sector program has a major training component.
[4] Provides for expansion of Job Corps.
[5] Increases use of youth volunteers in VISTA.

TABLE III.—SERVICE DELIVERY MECHANISMS

Bill	CETA prime sponsors	Conservation Corps (administered by Agriculture and Interior)	Other existing	New mechanisms
1. Randolph				Local nonprofit corporation must be established to administer program.
2. Jackson		As the bill is only YACC entire program administered by Agriculture and Interior like YCC program.		
3. McClure	The entire program administered through CETA prime sponsors.			
4. Cranston				Projects administered by network of State and local commissions.
5. Humphrey	All except NCC and minor personnel training program administered through CETA prime sponsors.	National Conservation Corps (NCC)		Counseling and placement personnel training administered by public agencies, colleges and nonprofit private organization.
6. Mathias	Community service program: prime sponsors are one of many eligibles.	Young Adult Conservation Corps (YACC)	Youth Employment Service administered through State employment service.	Community service program: in addition to prime sponsors, any Federal, State, or local agency, any private institution or organization and any community based organization can apply and operate.
7. Huddleston				Corps to be operated through contract by public agency or any private nonprofit organization (organization must be 5 years old). Work-study program to be conducted under contract by LEAS and nonprofit institutions.

TABLE IV.—COMPARISON OF VARIOUS YOUTH EMPLOYMENT BILLS, COST PER SERVICE YEAR

	Cost/service year [1]	Bills						
		Randolph	Jackson	Cranston	McClure	Humphrey	Mathias	Huddleston
1. Public service jobs:								
(a) Non-CETA	$7,000		X					
(b) CETA	6,000			X	X	X	X	
2. Private sector jobs	(2)			[3] $7,150		(4)	(4)	
3. Public works jobs	10,000	X						
4. YACC	11,500		X		X	X		X
5. Training:								
(a) CETA (title I-type)	4,000			X	X	X		
(b) Job Corps	9,231				X			
6. Work experience:								
(a) High school work-study	2,650			X	X			X
(b) Summer youth	2,380							

[1] Estimates from CBO's "Public Employment and Training Assistance: Alternative Federal Approaches," February 1977, and Senate Budget Committee estimates. Based on fiscal year 1976 actual experience.
[2] No overall estimate.
[3] This estimate is derived from Senator Cranston's bill.
[4] Because training costs and wage levels are undeterminable it is impossible to cost out this program at this time.
[5] The proposal contained in the Mathias bill is a pilot project and no specific program is described; therefore, it is impossible to cost out at this time.

TABLE V.—COMPARISON OF VARIOUS YOUTH EMPLOYMENT BILLS

Bill	Age	Recipients, targeting on jurisdiction	Targeting on disadvantaged youth
1. Randolph	16 to 19	Take into consideration severity of youth unemployment in applicant's area.	None.
2. Jackson	19 to 23	Preference given to youth from high unemployment areas. (6 percent for 3 months).	None.
3. Cranston	End of compulsory education (usually age 16) through 21.	Targeted to areas of low-income and high unemployment	75 percent of the funds must go to youth from low-income families who have been unemployed 15 weeks or more or unemployed and out of school for 1 term.
4. McClure	14 to 24	Targeted to areas of unemployed youth and low-income	(Legislative priority asserted for "economically disadvantaged, unemployed and underemployed youths," but no requirement to target funds on these youth.)
5. Humphrey	16 to 21	Targeted to areas of high youth unemployment and low-income (NCC targeted on to areas of high unemployment as determined by Secretary of Labor).	None.
6. Mathias	16 to 24	YACC—preference given to youth from areas of high unemployment (counties having rate ≥6 percent for 3 months).	All programs other than YACC targeted on low-income youth (income less than the BLS lower living standard budget.
7. Huddleston	16 to 24	Youth Resources Corps and work-study projects priority given to youth from areas of high youth unemployment.	Work-study projects—special consideration to youth requiring part-time employment to remain in school.

TABLE VI.—COMPARISON OF VARIOUS YOUTH EMPLOYMENT BILLS

Bill	Authorized appropriation levels (millions)			
	Fiscal year 1977	Fiscal year 1978	Fiscal year 1979	Fiscal year 1980
1. Randolph	$1,500 (through 1978)			
2. Jackson	$50	"Such sums" to YACC (probably $1,150 for 100,000 jobs) projected.	"Such sums" to YACC (probably $1,150 for 100,000 jobs) projected.	"Such sums" to YACC (probably $1,150 for 100,000 jobs) projected.
3. Cranston		"Such sums" for national youth service programs, plus $350 for other programs.	"Such sums" for national youth service programs, plus $350 for other programs.	"Such sums" for national youth service programs, plus $350 for other programs.
4. McClure	$1,000	$2,800		
5. Humphrey	$375 plus "such sums" for NCC.	$2,150 plus "such sums" of conservation jobs (possibly $1,150).	"Such sums" for NCC (approximately $1,150).	"Such sums for NCC (approximately $1,150).
6. Mathias		$700	$2,100	
7. Huddleston	$550	$1,500	$1,500	

TABLE VII.—COMPARISON OF VARIOUS YOUTH EMPLOYMENT BILLS

Bill	Senate committee jurisdiction				Department/Agency jurisdiction				
	Public works	Interior	Human Resources	Labor	Commerce	Interior	Agriculture	Other	New agency
1. Randolph	X				X				
2. Jackson		X					Jointly administered		
3. Cranston			X						Establish office of youth initiatives in Executive Office of President.
4. McClure			X	X					
5. Humphrey			X	Establish new youth community service and National job information and career guidance service.		Jointly administered NCC program			
6. Mathias			X	New agencies—Youth employment agency and youth employment service.		Jointly administered YACC program		VISTA	
7. Huddleston		X				Jointly administered			

Table VIII—*Comparison of various youth employment bills*

Training

Randolph: Youth Community Improvement Program:

Projects described as "employment and training".

Application requires a description of job training and skill development opportunities to be provided.

Jackson: Young Adult Conservation Corps: None.

Cranston: Youth Initiatives Program:

Application requires a description of the opportunities for skill development and job training to be provided. In order to be approved the project must "provide effective means through which youths participating in the project may acquire knowledge and skills and receive basic education and training."

McClure: Comprehensive Employment Services for Youth:

Program "shall emphasize training and the development and creation of job opportunities." Among the many activities authorized:

(a) Reimbursements for training costs for out-of-school youth.

(b) Training on the job for out-of-school youth.

(c) Incentives to private employers to train or employ unemployed or low-income youth.

(d) Payment of allowances to youth in classroom training.

(e) Manpower training.

Humphrey: Youth Community Service Program:

Application requires description of job training to be provided.

Youth Opportunities in Private Enterprise: OJT is a major part of this program. Provides funds to employers for costs of training program and requires at least one month of training and work experience for each youth.

National Conservation Corps: No specific training requirement, but purpose of title "to provide employment and training of youth" in such projects.

Work Experience: Employers may be reimbursed for necessary costs of training participating youth.

Mathias: National Youth Service Program:

"The employer, to the extent practicable, will furnish counseling, testing, coaching, program orientation, and other appropriate service." (Training not specifically mentioned.)

Youth Wage Supplement Voucher: Employer required to furnish training and other manpower services.

Young Adult Conservation Corps: No training.

Huddleston: Youth Resource Corps: No training.

Work-Study: No training.

Mr. MUSKIE. I gather that the pending parliamentary question is on the adoption of the waiver resolution.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield to my good friend, the Senator from New York.

Mr. JAVITS. Mr. President, I noticed with great interest in the report on the resolution the statement of the Senator respecting the targeted youth employment bills.

I am delighted that Senator RANDOLPH is in the Chamber. Because of the extraordinary statesmanship and forbearance of Senator RANDOLPH and Senator STAFFORD, the authors of title II in the bill, which relates to targeted youth employment, they will stay their hand on that particular measure, and, hopefully, we will have a consensus measure which which has been introduced, in order to get a unified position.

Today, the President sent us a message which consummates that effort, what I consider a most constructive, cooperative effort, between the Executive and Congress.

I should like to pay my respects today—and I will do so again tomorrow—and call attention of the country to the fact that the very danger which Senator Muskie so wisely foresaw—that is, a race to the finsh line by the earliest bill on the scene—has been avoided through the statesmanship of these two fine Senators.

We will have an opportunity, together, to fashion a youth bill which I now feel very strongly will be a good one, as a separate item.

With Senator RANDOLPH's cooperation, the Human Resources Committee, of which I have the honor to be the ranking minority member, has now provided $2.5 billion in our budget request to the Budget Committee to take care of this type of activity.

We hear a great deal about things we do that are not right. Here is something we are doing which is right and defies all the conventions about Senators competing with each other. It is a fine example of working together to achieve a result in the most selfless possible way, and we owe the opportunity to Senator RANDOLPH and Senator STAFFORD.

Mr. MUSKIE. Mr. President, I join the distinguished Senator from New York in complimenting Senator RANDOLPH and Senator STAFFORD, other interested Senators, including the Senator from New York, and representatives of the administration, for resolving what promised to be a very sticky dilemma for the Budget Committee. There were some seven proposals for youth programs designed to get at the problem of youth unemployment, which is 50 percent of our total unemployment. The Budget Committee was not in a position to resolve it because we are not a legislative committee.

I am delighted that the raising of this question during the consideration of the third concurrent budget resolution should have triggered this kind of constructive and cooperative effort. So I am delighted to compliment all my colleagues on that effort, and I look forward to a resolution of the question.

Mr. JAVITS. I thank the Senator.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. RANDOLPH. I can say, for Senator STAFFORD and myself, that we are appreciative of the cooperation of the senior Senator from New York (Mr. JAVITS). His work was a factor in the development of this compromise, a good compromise. It gives the opportunity for us, hopefully soon, to join in a coordinated effort to take care of constructive youth employment.

Mr. JAVITS. I am very grateful to my colleague.

Mr. MUSKIE. Mr. President, I do not think it is necessary to ask for a rollcall vote on the waiver resolution. I am ready for the question.

The PRESIDING OFFICER. Is all remaining time yielded back?

All time is yielded back.

The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

S. RES. 106

Resolved, That, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 427, to provide additional authorizations for the public works employment program, to authorize a program for employment of teenaged youth in community improvement projects, and for other purposes. Such waiver is necessary for the Senate to complete action on legislation which authorizes a substantial portion of the administration's economic recovery program, and which authorizes funds for the waste treatment works construction grant program. These include three provisions authorizing appropriations for fiscal year 1977: $4,000,000,000 for the public works employment program, $1,500,000,000 for a youth community improvement program, and $4,540,000,000 for the waste treatment works construction grant program.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by May 15, 1976, because the continued necessity for economic recovery stimulus legislation could not have been anticipated.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. JAVITS and Mr. MUSKIE moved to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, it is getting to be a habit, but I would not want today to end without the RECORD showing that I complimented Mr. MUSKIE and Mr. BELLMON once again on the expeditious handling of their responsibilities in the Budget Committee.

Mr. MUSKIE. I thank my good friend, the distinguished majority leader. This is the right time of day to do it.

[Laughter.]

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

YOUTH UNEMPLOYMENT PROGRAMS—MESSAGE FROM THE PRESIDENT—PM 47

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Human Resources:

To the Congress of the United States:

As part of the economic recovery package I sent to Congress on January 31, I requested $1.5 billion to be spent over an 18-month period, for new youth unemployment programs.

This reflected my concern about continued high unemployment rates among our young people. Unemployment for those betwen the ages of 16 and 19 is now 18.5 percent, and a total of 3.4 million people aged 16 to 24 are out of work.

Today I wish to outline the programs we intend to begin as soon as these funds are made available. They include proposals developed in the Congress. Under the wide discretion granted by Title III of CETA, we are able to begin these programs without additional legislation. But because I believe that full Congressional participation is essential for projects of this magnitude, I will soon present to the Congress my request for specific authorizing legislation.

Although a wide variety of agencies have programs for unemployed youth, most are carried out by the Department of Labor. During Fiscal Year 1976, some two million young people took part in programs under the Comprehensive Employment and Training Act. These included:

—160,000 in public service jobs
—500,000 in work experience programs
—200,000 in on-the-job and classroom training programs
—40,000 in the Job Corps
—1,135,000 in the Summer Neighborhood Youth Corps programs.

We are recommending two changes in these ongoing efforts:

first, an increase of $342 million for the Job Corps, which will double the program, and

second, a one-year extension of the Comprehensive Employment and Training Act, which was made law in 1973 and expires this year. CETA established a new system under which states and local communities are responsible for planning and operating their own employment and training programs. I have asked the Congress for this one-year extension to give us time to review the program and consider what steps would make it most responsive to the problems of the unemployed.

Beyond these changes, we must take a broad look at Federally-funded employment and training programs for our young people. My Administration is now proposing three new initiatives, developed in consultation with Congressional leaders, which we can begin under current legislative authority but for which we will seek a specific legislative mandate.

First—A National Youth Conservation Corps, similar to the Civilian Conservation Corps of the 1930's. This would be administered by the Department of La-

bor through agreements with the Agriculture and Interior Departments and on State park and forestry lands. The Youth Conservation Centers would employ young Americans aged 16 to 24 in conservation programs and in the maintenance and improvement of public parks, forests and recreation areas. We plan to spend $350 million over the next 18 months for 35,000 jobs under this plan.

Second—Youth Community Conservation and Improvement Projects, developed by State and local government would employ those aged 16 to 19 in well-planned, well-supervised projects of obvious local benefit. Funds would be available for needed supplies and equipment. Projects would include improving neighborhoods and communities and maintaining and restoring natural resources on publicly owned land. Rural as well as urban governments would be eligible; both would submit applications to the Department of Labor through the CETA system. We would concentrate these projects where the need was greatest, but they would be open to all unemployed youth. Between now and October of 1979 we plan to spend a total of $250 million for 30,000 jobs.

Third—Comprehensive Youth Employment and Training Programs, through the CETA system to enlist a full range of employment services in states and local communities to provide young people with jobs and training.

As with our current CETA program, community-based organizations and other local agencies would be eligible to operate job programs.

This plan would be aimed at disadvantaged or low-income Americans between the ages of 16 and 21 who are out of school and out of work.

Half the funds would be allocated to the 466 prime sponsors under the CETA system. The allocation formula would be based on the unemployment rate and proportion of poor people in each area.

The other half of these funds would be used by the Secretary of Labor to encourage innovative and experimental programs. Three-quarters of the money would be spent through the CETA system, on the basis of applications to the Secretary. These applications would be judged by the standards of local need, program quality, and the prime sponsor's record. The Secretary would use the rest of the money to carry out and test innovative projects.

We are planning to spend $900 million for 138,000 such jobs.

While implementation can proceed promptly under the existing authority of Title III of CETA, by April 1 of this year I will submit to the Congress a new title to the Comprehensive Employment and Training Act, embodying these three new youth initiatives. In developing this legislation I have directed the Secretary of Labor to work with interested members of Congress and the public.

In March 1933, in a message to Congress proposing the Civilian Conservation Corps, President Roosevelt said: "It (the C.C.C.) will conserve our precious natural resources. It will pay dividends to the present and future generations. . . . We can eliminate to some extent at least the threat that enforced idleness brings to spiritual and moral stability. It is not a panacea for all the unemployment but it is an essential step . . ."

It is in that spirit that I send this message to Congress on our youth employment programs.

JIMMY CARTER.

THE WHITE HOUSE, *March 9, 1977.*

RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT—PM 48

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committees on Appropriations and the Budget, jointly, pursuant to the order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I am withdrawing one previously proposed rescission and reporting revisions to three deferrals previously transmitted.

The withdrawal is for the business loan and investment fund of the Small Business Administration. Two of the revised deferrals are increases which relate to programs in the Department of Defense while the third reflects a decrease in a Department of Transportation deferral. The combined effect of these revisions is to increase the amount deferred by $27.7 million.

The details of the rescission withdrawal and each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *March 9, 1977.*

MESSAGE FROM THE HOUSE

At 3:05 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the House has passed the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–855. A letter from the Chairman of the Securities and Exchange Commission transmitting, pursuant to law, the Forty-Second Annual Report of the Commission covering the fiscal year July 1, 1975 to June 30, 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

EC–856. A letter from the Executive Director of the Civil Air Patrol transmitting, pursuant to law, the Civil Air Patrol Report to Congress for calendar year 1976 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–857. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a prospectus which proposes construction of a new Border Station facility at Fort Kent, Maine (with accompanying papers); to the Committee on Environment and Public Works.

EC–858. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Status of the Trident Submarine and Missile Programs" (with an accompanying report); to the Committee on Governmental Affairs.

EC–859. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Loss of Millions of Dollars in Revenue Because of Inadequate Charges for Medical Care" (with an accompanying report); to the Committee on Governmental Affairs.

EC–860. A letter from the Secretary of Labor transmitting a draft of proposed legislation to extend the authorizations of appropriations for the Comprehensive Employment and Training Act of 1973, and for other purposes (with accompanying papers); to the Committee on Human Resources.

EC–861. A letter from the Acting Director of the Community Services Administration transmitting, pursuant to a law, a report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–862. A letter from the Director of the Office of Public Information of the Commodity Futures Trading Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–863. A letter from the Executive Director of the National Capital Planning Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM–85. A petition from the Mining Council, Beaver Company, Milford, Utah, protesting the proposed rulemaking for recordation of, filing proof of, and intention to hold unpatented mining claims; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Appropriations:

H.J. Res. 269. A joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1977, for disaster relief (Rept. No. 95–40).

H.R. 3839. An act to rescind certain budget authority recommended in the message of the President of January 17, 1977 (H. Doc. 95–48), transmitted pursuant to the Impoundment Control Act of 1974 (Rept. No. 95–41).

By Mr. METCALF, from the Committee on Governmental Affairs:

With amendents:

S. 213. A bill to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Internal Revenue Service and of the Bureau of Alcohol, Tobacco, and Firearms (Rept. No. 95–42).

By Mr. HUMPHREY, from the Committee on Foreign Relations:

With an amendment:

S. 489. A bill to amend the Foreign Assistance Act of 1961 (Rept. No. 95–43).

Without amendment:

S. Res. 108. An original resolution for waiver under section 402(a) of the Congressional Budget Act with respect to the consideration of S. 489. Referred to the Committee on the Budget.

By Mr. MUSKIE, from the Committee on the Budget:

Without amendment:

S. Res. 106. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 427. Considered and agreed to.

By Mr. CANNON, from the Committee on Rules and Administration:

Without amendment:

S. Res. 98. A resolution authorizing the printing of a history of the Committee on Finance as a Senate document (Rept. No. 95–45).

With amendments:

S. Res. 99. A resolution authorizing additional expenditures by the Committee on Finance for routine purposes (Rept. No. 95–46).

Without amendment:

S. Res. 100. A resolution authorizing the printing of the committee print entitled "Study on Federal Regulation, Volume II, Congressional Oversight of Regulatory Agencies" as a Senate document (Rept. No. 95–47).

Without amendment:

S. Res. 101. A resolution authorizing the printing of the committee print entitled "Study on Federal Regulation, Volume I, the Regulatory Appointments Process" as a Senate document (Rept. No. 95–48).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

James T. McIntyre, Jr., of Georgia, to be Deputy Director of the Office of Management and Budget.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILL REFERRED

The bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform was read twice by its title and referred to the Committee on Finance.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. WEICKER:

S. 946. A bill entitled "Whale Preservation Act"; to the Committee on Commerce, Science, and Transportation.

By Mr. BARTLETT:

S. 947. A bill to declare certain federally owned land known as the Yardeka School land to be held in trust for the Creek Nation of Oklahoma; to the Select Committee on Indian Affairs.

By Mr. HEINZ:

S. 948. A bill for the relief of Chin-Ah-Park and Chin-Suk-Park; to the Committee on the Judiciary.

By Mr. BELLMON (for himself and Mr. PEARSON):

S. 949. A bill to provide additional emergency credit for farmers and ranchers and to expand existing credit, and emergency credit authority available to farmers and ranchers under the Consolidated Farm and Rural Development Act; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JACKSON (for himself and Mr. HANSEN) (by request):

S. 950. A bill to authorize the appropriation of $12.4 million for rehabilitation and resettlement of Enewetok Atoll, Trust Territory of the Pacific Islands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN:

S. 951. A bill for the relief of Le Ba Kong; to the Committee on the Judiciary.

S. 952. A bill to require an explicit statement of legal authority as a preamble for every Federal document having general applicability and legal effect, and for other purposes; to the Committee on Governmental Affairs.

S. 953. A bill for the relief of Marcelino S. Silva and his wife, Emilie M. Silva; to the Committee on the Judiciary.

By Mr. DURKIN:

S. 954. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct, or to claim a credit for, amounts paid as tuition for his own education or the education of another individual; to the Committee on Finance.

By Mr. TALMADGE (by request):

S. 955. A bill to amend the Federal Crop Insurance Act and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DURKIN:

S. 956. A bill to amend section 1789(c) of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to waive the 2-year period of operation requirements in the case of courses offered by the branches or extensions of certain educational institutions; to the Committee on Veterans' Affairs.

By Mr. FORD (for himself, Mr. MAGNUSON, Mr. PEARSON, Mr. DURKIN, Mr. KENNEDY, and Mr. METZENBAUM):

S. 957. A bill to promote commerce by establishing national goals for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MAGNUSON:

S. 958. A bill for the relief of Ernesto Garcia, Jr.; and

S. 959. A bill for the relief of Chan Siu Ha aka (Linda Chan); to the Committee on the Judiciary.

By Mr. DURKIN:

S. 960. A bill to establish a National Oil and Gas Import Board, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (for himself, Mr. WILLIAMS, Mr. RIEGLE, Mr. RANDOLPH, Mr. PELL, Mr. BROOKE, Mr. CHURCH, Mr. DURKIN, Mr. HUMPHREY, and Mr. INOUYE):

S. 961. A bill to promote the healthy development of children who would benefit from adoption by facilitating their placement in adoptive homes, and for other purposes; to the Committee on Human Resources.

By Mr. BIDEN:

S. 962. A bill to amend the Federal Election Campaign Act of 1971, and the Internal Revenue Code of 1954 to provide for the disposition of excess campaign contributions held by a defeated candidate for Federal elective office or a retired, resigned, or deceased holder of such office; to the Committee on Finance and the Committee on Rules and Administration, jointly, by unanimous consent.

By Mr. THURMOND:

S. 963. A bill to provide that retired officers of the Armed Forces recalled to active duty and detailed to duty with the American Battle Monuments Commission shall not be charged against the authorized end strength level prescribed for the military department concerned; to the Committee on Veterans' Affairs, by unanimous consent.

By Mr. WEICKER:

S.J. Res. 36. A joint resolution to encourage formation of an international organization for the conservation of whales; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WEICKER:

S. 946. A bill entitled "Whale Preservation Act"; to the Committee on Commerce, Science, and Transportation.

S.J. Res. 36. A joint resolution to encourage formation of an international organization for the conservation of whales; to the Committee on Foreign Relations.

Mr. WEICKER. Mr. President, today, I am pleased to introduce companion pieces of legislation for the protection of whales. This legislative package provides a comprehensive approach toward whale conservation. It attacks whaling operations as they exist at the present time and moves toward permanent protection for whales on a global basis.

We are all aware of the unfortunate plight of whales. Many species are hunted and slaughtered daily to provide products, all of which are readily available from other sources. For many years, whales have been overexploited by man; at the present time some stocks are seriously depleted and others are close to extinction. Indeed, several species are already extinct as a direct result of man's activities. Whales are of great value to mankind, and we cannot afford to disregard the vital role they play in our marine ecosystem.

In 1972, the Congress of the United States demonstrated its concern for whale protection by ending commercal whaling by U.S. citizens through the Marine Mammal Protection Act. Although this ban on domestic whaling has been helpful, much more needs to be done before the problem can be resolved.

For several nations, whaling continues to be a sizable enterprise. The International Whaling Commission, IWC, has attempted to reduce whaling in order to save some species from extinction as well as to manage others for adequate conservation. Significant progress has been made in the IWC in recent years; quotas on many whale species have been reduced annually. However, the IWC cannot solve all problems either because many whaling nations are not IWC members or others choose not to abide by its recommendations.

With the implementation of the 200-mile fisheries conservation and management zone next month, the United States will assume jurisdiction for management purposes over fishery resources within 200 miles of its coasts. The opportunity now exists for us to extend unequivocal protection to whales within these waters, and since close to half of the IWC quotas for some whale species are presently

caught within 200 miles of our coasts by some foreign whaling fleets, a restriction on whaling within these waters would be particularly effective. Presently, it may be possible for U.S. authorities to issue permits to foreign whalers to continue to take whales within our conservation zone. Mr. President, I do not believe that the citizens of the United States who have shown great concern for the welfare of all whales, will stand for any whaling activities by foreign interests within U.S. waters. One bill that I am introducing today, entitled "The Whale Preservation Act," addresses this problem directly. It imposes a total ban on all commercial whaling except by certain aboriginal groups within the 200-mile fisheries conservation and management zone of the United States.

Whales, however, are highly migratory creatures and inhabit waters beyond as well as within the limits of any national jurisdiction, so in addition to providing for their protection within our own waters, we must continue to seek lasting global protection through international cooperation. We have the unique opportunity through the Law of the Sea Conference to gain this lasting protection by seeking to establish within the draft treaty the concept of a single international organization for the conservation and management of whales.

This international organization could well be an outgrowth of the already existing International Whaling Commission, but would have the advantage of being strengthened by the membership of all those nations who sign the treaty. The second piece of legislation that I am introducing today is a joint resolution to encourage establishment of just such an international organization for the conservation of whales; it directs our U.S. negotiators to establish such a position for the United States within the deliberations at the Third United Nations Conference on the Law of the Sea.

Mr. President, our Nation shares responsibility for the sorry plight of the whale today. But having recognized our wrongdoing, we must act to end the thoughtless waste of one of the world's great living resources.

Mr. President, I ask unanimous consent that the text of these measures be printed in the RECORD.

There being no objection, the bill and joint resolution were ordered to be printed in the RECORD, as follows:

S. 946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Whale Preservation Act".

SEC. 2. FINDINGS.—The Congress finds that—

(1) Whales are an important resource and are of great scientific and aesthetic value to mankind and constitute a vital portion of the marine ecosystem;

(2) Whales have been heavily exploited for many years with several species now totally or commercially extinct;

(3) The conservation and protection of all whales is of particular interest to the people of the United States;

(4) The United States has declared its authority and responsibility to conserve and manage all living resources, including marine mammals, within a zone that extends 200 miles from its shores;

(5) Under present law, the possibility exists for permits to be granted to foreign persons to engage in whaling within the 200 mile fisheries conservation and management zone;

(6) There is a present need to exclude the harvesting of whales within the 200 mile economic zone of the United States until whales are adequately protected on a global basis by an effective international management mechanism.

SEC. 3. DEFINITIONS.—For the purposes of this Act—

(1) the term "whaling" means use of any vessel, net, harpoon, explosive or other weapon for the purpose of capturing, detaining, harassing, transporting or killing whales.

(2) the term "Secretary" means the Secretary of Commerce.

(3) the term "person" means—

(a) any citizen or national of the United States or any foreign nation or instrumentality, and including any corporation, partnership, or other legal entity organized or operating under the law of the United States or any foreign nation or instrumentality;

(b) any agency, office or other public or quasipublic entity of the United States or any foreign nation or instrumentality; and

(c) any subsidiary which is partially or wholly owned by any citizen or entity referred to in subparagraph (a) or (b), regardless of where the subsidiary is located.

(4) the term "fishery conservation and management zone" is a zone contiguous to the territorial sea of the United States, the inner boundary of which is coterminous with the seaward boundary of each of the coastal States, and the outer boundary of which is a line drawn in such a manner that each point on it is 200 nautical miles from the baseline from which the territorial sea is measured.

(5) the term "United States" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, the possessions of the United States, and the Trust Territory of the Pacific Islands.

SEC. 4. PROHIBITION.—

(a) The Secretary shall, within 30 days of the enactment of this Act, declare it unlawful for any person either foreign or domestic to conduct whaling activities within the fishery conservation and management zone of the United States except as stated in Sections 4(b) and 5.

(b) Such restriction shall not apply to Alaskan natives, i.e. Indians, Aleuts or Eskimos who dwell on the coast of the North Pacific Ocean or the Arctic Ocean, or to such other provisions contained in 16 U.S.C. 1371 (b).

(c) It shall be a rebuttable presumption that any vessel or person except as provided in subsection 4(b) or section 5 of this Act which enters the fishery conservation and management zone of the United States carrying any whale, whale parts or whale products shall be considered to have been whaling within the fishery conservation and management zone of the United States and is in violation of this Act.

(d) The prohibition declared in this section shall remain in effect until such time as the Secretary shall determine that whales are adequately protected on a global basis by an effective international management scheme.

SEC. 5. PERMITS FOR DISPLAY AND RESEARCH.—

The Secretary may issue permits to citizens of the United States which authorize the taking of whales within the fishery conservation and management zone of the United States if the Secretary deems it necessary for purposes of scientific research or display or for enhancing the general health of an individual whale or whale stock. Such permits must be issued according to the provisions under subsections (a), (b), (c), (d) and (e) of 16 U.S.C. 1374.

SEC. 6. PENALTIES.—

(a) CIVIL.—any person who violates any provision of this Act may be assessed a civil penalty by the Secretary of not more than $50,000 for each such violation. No penalty shall be assessed unless such person is given notice and opportunity for a hearing with respect to such violation. Each unlawful taking shall be a separate offense. Any such civil penalty may be remitted or mitigated by the Secretary for good cause shown. Upon any failure to pay a penalty assessed under this subsection, the Secretary may request the Attorney General to institute a civil action in a district court of the United States for any district in which such person is found, resides or transacts business to collect the penalty and such court shall have jurisdiction to hear and decide any such action.

(b) CRIMINAL.—any person who knowingly violates any provision of this Act or of any permit issued thereunder shall, upon conviction, be fined not more than $100,000 for each such violation, or imprisoned for not more than one year, or both.

SEC. 7. ENFORCEMENT.—The Secretary, along with the Secretary of the Department in which the Coast Guard is located, shall enforce the provisions of this Act.

SEC. 8. WARRANTS AND OTHER PROCESS FOR ENFORCEMENT.—The judges of the district courts of the United States and the United States magistrates may, within their respective jurisdictions, upon proper oath or affirmation showing probable cause, issue such warrants and other process, including warrants or other process issued in admiralty proceedings in United States district courts, as may be required for enforcement of this Act.

SEC. 9. EXECUTION OF PROCESS; ARREST; SEARCH; SEIZURE.—Any person authorized by the Secretary to enforce this Act may execute any warrant or process issued by any officer or court of competent jurisdiction for the enforcement of this Act. Such person so authorized may, in addition to any other authority conferred by law—

(a) with or without warrant or process, arrest any person committing in his presence or view a violation of this Act.

(b) with a warrant or other process, or without a warrant if he has reasonable cause to believe that a vessel or other conveyance subject to the jurisdiction of the United States or any person on board is in violation of any provision of this Act, search such vessel or conveyance and arrest such person.

(c) seize the cargo of any vessel or other conveyance subject to the jurisdiction of the United States or any foreign nation used or employed contrary to the provisions of this Act or which reasonably appears to have been so used or employed; and

(d) seize, whenever and wherever found, all whales and/or whale products taken or retained in violation of this Act and shall dispose of them in accordance with regulations prescribed by the Secretary.

SEC. 10. DISPOSITION OF CARGO.—

(a) All whales or whale products or other cargo seized shall be held by any person authorized by the Secretary pending disposition of such proceedings. The owner or consignee of any such whale or whale product or other cargo so seized shall, as soon as practicable following such seizure, be notified of that fact in accordance with regulations established by the Secretary.

(b) The Secretary may, in lieu of holding any whale, whale product or other cargo, permit the person concerned to post bond or other surety satisfactory to the Secretary pending the disposition of such proceedings

(c) (1) Upon the assessment of a penalty

pursuant to this Act, all whales and whale products or other cargo seized in connection therewith may be proceeded against in any court of competent jurisdiction and forfeited to the Secretary for disposition by him in such manner as he deems appropriate.

(2) Upon conviction for violation of this Act, all whale and whale products seized in connection therewith shall be forfeited for disposition by the Secretary in such a manner as he deems appropriate. Any other property or item so seized may, at the discretion of the court, be forfeited to the United States or otherwise disposed of.

(d) If with respect to any whale or whale product or other cargo so seized—

(1) a civil penalty is assessed under this Act and no judicial action is commenced to obtain the forfeiture of such whale or whale product within thirty days after such assessment, such whale or whale product or other cargo shall be immediately returned to the owner or consignee; or

(2) no conviction results from an alleged violation pursuant to this Act, such whale or whale products or other cargo shall immediately be returned to the owner or consignee if the Secretary does not, within thirty days after final disposition of the case involving such alleged violation, commence proceedings for the assessment of a civil penalty pursuant to this Act.

S.J. RES. 36

Whereas whales are a resource that is of great ecologic, scientific and esthetic benefit to mankind;

Whereas whales migrate globally within and beyond areas of national jurisdiction and are therefore a common interest of mankind;

Whereas the great whales have been overexploited for many years resulting in severe depletion and near extinction of many species;

Whereas the present charter of the International Whaling Commission is not completely effective because it provides no power to enforce quota recommendations and membership by whaling nations is not mandatory;

Whereas a number of whaling nations are not members of the International Whaling Commission and many other non-International Whaling Commission member nations may enter into whaling operations in the future without International Whaling Commission influence;

Whereas the opportunity now exists through the Law of the Sea Conference to remedy present inadequacies in whale protection by adding a general obligation that would insure a single mandatory organization for the conservation and management of whales on a global basis;

Whereas the present provision in the Revised Single Negotiating Text of the Law of the Sea Conference relating to marine mammals neither provides for adequate conservation standards for protection of whales nor provides for a single international organization with effective power to insure the protection of whales;

Now, therefore, be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that the United States should work within the 3rd United Nations Conference on the Law of the Sea toward establishment of a single international organization for the conservation, protection and management of whales on a global basis. Membership in such an organization would be mandatory for all nations who are signatories to the treaty agreement, and such an organization should have sufficient powers to insure effective conservation and management of whale stocks. Such an organization should not preclude additional whale conservation activities by other interested groups.

By Mr. BARTLETT:

S. 947. A bill to declare certain federally owned land known as the Yardeka School land to be held in trust for the Creek Nation of Oklahoma; to the Select Committee on Indian Affairs.

YARDEKA SCHOOL LAND

Mr. BARTLETT. Mr. President, today I am introducing legislation to transfer a 5-acre parcel of land, known as the Yardeka Day School site, to the Creek Nation of Oklahoma. This 5-acre parcel was acquired by the U.S. Government in 1936 from a member of the Creek Tribe. School buildings were constructed on the site, and the property was used as a day school for Indian children from 1937 to 1953. At that time, pursuant to the act of June 4, 1953 (67 Stat. 41; 25 U.S.C. 293a), the property was conveyed by quitclaim deed to the Dependent School District No. 3, McIntosh County, Okla., with a provision that if the property was not used for school or other public purposes for a period of 1 year, the Secretary of the Interior could declare a forfeiture and title to the property would revert to the United States. The property was used by the school district for almost 10 years, then the children were transported to another school and the Yardeka School was closed. Thus, the property became excess to the needs of School District No. 3, and on July 26, 1965, in accordance with provisions of the deed in effect, all right, title, and interest to the land reverted to the United States.

The land is now surplus to the needs of the Federal Government. For the past few years, it has been under permit to the Creek Tribe and the classroom building located on the site has been used as a community and adult education center by the local members of the Creek Nation. A room has been added to the building, with the tribe furnishing the materials and the construction labor donated by the residents of the community. The tribe also uses the building for social affairs, home demonstration club activities, and as headquarters for two VISTA volunteers. In this predominantly low-income Indian community, these buildings serve as a focal point for group activity, and the tribal members derive many tangible and intangible benefits from its use.

The tribe is to be commended for its ability to provide this benefit for its members, however, it cannot under the present arrangement offer much in the way of physical improvements or additional services since it does not have title to the property and cannot make long-range plans for its use. It is the tribe's desire, and I support it in its wishes, to have the property conveyed to it in trust status so that it might make more and better use of it. The legislation I am introducing today will accomplish the wishes of the tribe.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 947

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to existing permits and rights-of-way, all right, title, and interest of the United States in the five acres, more or less, described as—West half of the northwest quarter of the northwest quarter of section 10, township 10 north, range 13, I.B.M., McIntosh County, Oklahoma—are hereby declared to be held in trust by the United States for the Creek Nation of Oklahoma.

By Mr. BELLMON (for himself and Mr. PEARSON):

S. 949. A bill to provide additional emergency credit for farmers and ranchers and to expand existing credit, and emergency credit authority available to farmers and ranchers under the Consolidated Farm and Rural Development Act; to the Committee on Agriculture, Nutrition, and Forestry.

EMERGENCY FARM CREDIT ACT OF 1977

Mr. BELLMON. Mr. President, the specter of wide-scale bankruptcy now hangs over large areas of American farm belt as farmers suffering from the winter's severity or from several years of drought find it impossible to secure needed credit. Others have been hurt by low prices and rising costs of production. Under these conditions large numbers of food producers are forced to sell out to pay their debts.

The problem is especially severe among young farmers who have not been able to build the financial reserves sufficient to tide them over a period of hard times. This is the group to which America must look for its future food supply. It is greatly in the national interest to provide a helping hand during these times of difficulty so that the Nation and our customers abroad may be well fed in future years.

Mr. President, to provide needed credit to help food producers survive the current difficulty, on behalf of the distinguished senior Senator from Kansas, Mr. PEARSON, and myself, I am today introducing the Emergency Farm Credit Act of 1977. This bill is similar to previous emergency acts passed to assist producers when prices fell far below costs of production. The mechanism for administering this act is in place and assistance to American hard pressed food producers will be available promptly after the bill becomes law.

The terms of the bill are relatively simple. After a food producer has exhausted the credit sources normally available and is unable to receive additional funds needed to continue food production, an application for a federally guaranteed loan may be made. The application is handled by the Farmers' Home Administration which is authorized to guarantee up to 90 percent of the amount loaned by a commercial bank or other lending institution.

This new source of credit allows private lender to continue financing food producers who can show ability to repay their loans when conditions return to normal. It will stop the forced sales by young farmers who are now being forced out of business by temporary adversity

and who will quickly return to sound financial health after the weather returns to normal and farm prices recover from the current slump.

Mr. President, past experience with programs of this kind show that losses suffered by the Government are minimal. Private lenders show good judgment in extending credit. Fundamentally, the Nation's agricultural enterprise is sound. The problem is that the capital demands of the industry are so high that food producers, especially young farmers, have a difficult time building sufficient reserves for periods of difficulty.

Mr. President, this bill is not a giveaway. This bill does not include low interest subsidies, grants, or loan forgiveness. The bill is an effort to keep American food-producing capacity high to meet both current and future needs. Our national interests demand that we continue to keep American agriculture strong. Passage of this bill will help achieve this goal.

Mr. PEARSON. Mr. President, I join with the distinguished Senator from Oklahoma in introducing the Emergency Farm Credit Act of 1977 to provide additional sources of credit to farmers and reduce the likelihood of numerous bank foreclosures.

Mr. President, the Emergency Farm Credit Act of 1977 provides a new source of loan authority. Under this temporary, 1-year authority, farmers would be able to obtain loans of up to $500,000. This act is patterned after the 1974 act that Congress created to provide some special help to livestock producers. However, we have made an effort to improve the mechanics of this program because I know there have been some problems in the administration of the 1974 act.

Mr. President, since the beginning of this year I have talked to numerous farmers and bankers across Kansas. It is clear to me that the present credit crunch facing Kansas farmers is severe and getting worse. Already, banks have found it necessary to foreclose on a significant number of farmers. Unless some immediate action is taken, there will be many more. I think we can prevent this by moving ahead very quickly on this matter and providing the additional loan authority.

Mr. President, Congress is now working on new farm legislation that will seek to solve the long-range problem of soaring costs and falling prices, and that work must go steadily on. But we must take action to make certain farmers are not forced out of business before the long-range solutions can be decided upon.

Mr. BELLMON. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 949

A bill to provide additional emergency credit for farmers and ranchers and to expand existing credit, and emergency credit authority available to farmers and ranchers, under the Consolidated Farm and Rural Development Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Farm Credit Act of 1977".

TITLE I—EMERGENCY LOAN GUARANTEE AUTHORITY

SEC. 101. (a) The Secretary of Agriculture (hereinafter in this title referred to as the "Secretary") is authorized and directed to provide financial assistance to farmers and ranchers, and to private domestic corporations and partnerships controlled by farmers and ranchers and engaged directly and primarily in farming or ranching, in the United States who, individually or as their principal stockholders and partners, are citizens of the United States.

(b) The Secretary shall guarantee loans, including both principal and interest, made by any commercial lending institution which otherwise meets the purposes and conditions of this Act. As used in this title, the term "commerical lending institution" includes the Federal Financing Bank only to the extent that such bank may hold the guaranteed portion of a loan made under this title.

(c) Not more than 90 per centum of the principal and interest of any loan may be guaranteed under this title.

(d) No fees or charges shall be assessed by the Secretary for any guarantee provided by him under this title.

(e) Loans guaranteed under this title shall bear interest at a rate to be agreed upon by the lender and borrower.

(f) Loans guaranteed under this title shall be for the period reasonably required by the needs of the borrower, taking into consideration the security the borrower has available, but not exceeding an original term of seven years. Loans may be renewed for not more than three additional years. The total principal balance outstanding at any one time on any loan guaranteed under this title may not exceed $500,000.

SEC. 102. Loans guaranteed under this title shall be secured by collateral adequate to protect the interests of the United States as determined by the Secretary, except that the Secretary may accept collateral which has depreciated in value owing to temporary economic conditions and which, in the opinion of the lender, together with confidence in the repayment ability of the borrower, is adequate security for the loan.

SEC. 103. Subject to the provisions of section 101(c) of this title, the Agricultural Credit Insurance Fund provided for in section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) shall be used by the Secretary for the discharge of the obligations of the Secretary under contracts of guarantee made under this title. Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this title. The Secretary in his discretion is authorized to use the proceeds of such fund to purchase, on such terms and conditions as he may deem appropriate, the guaranteed portion of any loan made pursuant to this title, including any expenses and fees incident to such purchases.

SEC. 104. Contracts of guarantee under this title shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

SEC. 105. Any contract of guarantee executed by the Secretary under this title shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder.

SEC. 106. The authority to make new guarantees under this title shall terminate on December 31, 1977.

SEC. 107. (a) The provisions of section 310 B(d)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(d)(6)) shall apply to loans guaranteed under this title.

(b) Contracts of guarantee executed pursuant to the provisions of this title shall be fully assignable.

SEC. 108. The Secretary is authorized to issue such regulations as he determines necessary to carry out this title. The proposed regulations shall be issued as soon as possible, but in no event later than thirty days after the date of enactment of this title. Insofar as practicable, the Secretary shall complete action on each loan application within thirty days after its receipt.

SEC. 109. The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate within one year after the date of the enactment of this title, and annually thereafter, with respect to the effectiveness of this title.

By Mr. JACKSON (for himself and Mr. HANSEN) (by request):

S. 950. A bill to authorize the appropriation of $12.4 million for rehabilitation and resettlement of Enewetak Atoll, Trust Territory of the Pacific Islands, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Wyoming (Mr. HANSEN) a bill to authorize the appropriation of $12.4 million for rehabilitation and resettlement of Enewetak Atoll, Trust Territory of the Pacific Islands, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the executive communication accompanying the proposal from the Secretary of the Interior be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 2, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a proposed bill, "To authorize the appropriation of $12.4 million for rehabilitation and resettlement of Enewetak Atoll, Trust Territory of the Pacific Islands, and for other purposes."

The proposed legislation was introduced in both the 93rd and 94th Congresses. We recommend renewed consideration of the measure and strongly urge that it be enacted.

Enewetak Atoll lies among the Marshall Islands, which are a part of the Trust Territory of the Pacific Islands administered by the United States acting on behalf of the United Nations. The atoll had been fortified by the Japanese during World War II and was captured by the United States in 1944, with the local inhabitants being placed under the jurisdiction of the U.S. Armed Forces. After the war, in 1947, the United States decided that the entire atoll was required for its atomic weapons testing programs, so notified the United Nations Security Council, and resettled the atoll's inhabitants on nearby Ujelang Atoll. The testing, carried out between 1948 and 1958, severely damaged Enewetak and rendered it uninhabitable.

The United States is committed to rehabilitating Enewetak, whose former residents are most anxious to return. Discussion among various Federal agencies has resulted in this task being allotted in the following manner: Department of Defense—maintaining ongoing facilities and operations in Enewetak, and for clean-up operations; Department of the Interior—rehabilitation of the atoll; Energy Research and Development Adminis-

tration—radiological monitoring and surveying.

This bill would authorize the appropriation of $12.4 million to enable the Department of the Interior to fulfill its portion of the Federal commitment. Since the nuclear use of Enewetak was primarily for the benefit of the United States, we request that a special authorization (separate from the authorization for the Trust Territory) be enacted. Such a procedure would show that the funds are specifically for rehabilitation and that they are not being siphoned from programs already slated for Micronesia under our Trusteeship commitments.

Based upon our master plan, prepared by a private consulting firm, we estimate the operation will cost $12,400,000. Included in this amount is approximately $4,400,000 for replanting of the area and for construction of housing and community facilities; approximately $5,500,000 for facilities, equipment, and operations pertaining to the rehabilitation effort and the remaining $2,500,000 for overhead, profit, and contingencies.

The Military Construction Appropriation Act of July 16, 1976 (P.L. 94–367) appropriated $20 million to the Department of Defense for the clean-up of Enewetak Atoll. It provided that none of those funds could be expended until such time as the Secretary of Defense received certification from appropriate administering authorities of the TTPI that an agreement had been reached with the owners of land on Enewetak Atoll (or their duly constituted representatives) that the appropriation shall constitute the total commitment of the United States for the clean-up of the atoll. The Act also provided that all feasible economies should be realized in the accomplishment of the clean-up project through the use of military services' construction and support forces, their subsistence, equipment, material, supplies and transportation, which have been funded to support on-going operations of the military services and would be required for normal operations of these forces. Such support should be furnished without reimbursement from military construction funds. The required certification has been received by the Secretary of Defense, and planning and preliminary work on the DOD Enewetak clean-up project are already under way. It is imperative that funds for this Department's rehabilitation and resettlement effort be provided at the earliest possible time, so that the efforts of Defense, Interior and ERDA can be coordinated to the maximum extent possible. Should coordination not be possible among the agencies, it is estimated that an additional $4 million to $5 million will be required.

On September 17, 1976, at Enewetak Atoll, the Acting High Commissioner of the Trust Territory released and returned to the people of Enewetak the permanent use and occupancy rights to their Atoll. At the same time, the people of Enewetak granted to the Trust Territory on the Pacific Islands the necessary residual use and occupancy rights for the rehabilitation, clean-up, and radiological monitoring of Enewetak. Further, on that date, the Acting High Commissioner, in turn, granted those residual rights to the United States, and also executed a quitclaim deed to the people of Enewetak for Ujelang, as it had been their home for 28 years and will be their key source of food for many years to come. The people of Enewetak will be resettled to Enewetak Atoll when the rehabilitation and clean-up projects have been completed.

Under section 2 of our proposed bill, any future award of compensation to a Micronesian inhabitant of the Trust Territory of the Pacific Islands (as defined in section 101(b) of Public Law 92–39, as amended) against the United States or the TTPI, would be subject to certain offsets for previous monies and considerations. One purpose of this section is to avoid payment of double compensation to the people of Enewetak in judgments on possible or future claims for property damage against the United States. Among the monies and considerations to be taken into account as offsets against future awards would be: $175,000 paid the people of Enewetak in 1956 for use and occupancy of their atoll for the United States' atomic testing program; a $1,020,000 ex gratia payment in 1969 to compensate the people of Enewetak for hardship and suffering caused by removal from their home atoll; and the final amount of any award payment by the Micronesian Claims Commission for post secure damages to the atoll pursuant to the Micronesian Claims Act of 1971 (85 Stat. 94), and the value of Ujelang Atoll, which is currently valued at $425,000, although such value is subject to fluctuation, where the people of Enewetak have resettled. Further, it will cost approximately $20 million for the United States, using military personnel to clean up Enewetak and approximately $12.4 million to rehabilitate and resettle the atoll.

The language in section 2 would apply to awards to all Micronesian inhabitants on claims for property damage against the United States. We believe that this provision should apply equally to all Micronesians in preventing double compensation on all awards and not just one group of people such as the people of Enewetak. Thus, the result of section 2 would be an equitable one.

The Office of Management and Budget has advised that this legislative proposal is consistent with the Administration's objectives.

Sincerely yours,

CECIL D. ANDRUS,
Secretary of the Interior.

By Mr. BENTSEN:

S. 952. A bill to require an explicit statement of legal authority as a preamble for every Federal document having general applicability and legal effect, and for other purposes; to the Committee on Governmental Affairs.

Mr. BENTSEN. Mr. President, today I am introducing legislation which will help bridge the gap between congressional purpose in drafting a law and the interpretation of that law as it is administered. The bill would require agencies to cite more specific legal authority for each new regulation or change in regulation which they issue.

Over the past several years, there has been an increasing tendency for agencies to write 50 pages of regulations to interpret one page of law. As the interpretative paper proliferates, congressional intent often becomes distorted or buried in the process. My legislation is designed to take away some of the latitude that regulators now have to make sweeping interpretations without specifying exactly where the authority is derived. Right now, all they have to say is which law gives them the authority for their regulations. That's pretty vague. And it is far too broad.

Mr. President, all I am asking here is that the agencies prove their case with chapter and verse, not just name a law and say that the regulation follows the intent of that law. In other words, we want them to specify what section of what law grants which authority when that regulation is printed in the Federal Register. We want them to more clearly delineate the precise route they are following when they say they are interpreting the law to carry out its purpose. We do not want to be left searching for an invisible connecting thread between the law's intention and its administrative interpretation. Maybe, it will cause some regulation drafters to step back and say, "How am I going to explain or justify what I am doing, so that the people out there will understand?" If they cannot come up with an answer, then the regulation should not be issued.

Mr. President, hardly a day passes that I do not receive at least one letter from a disillusioned and resentful constituent complaining about the adverse impact of Federal regulations. Often, the complaints are coupled with confusion and amazement over the rationale for rules affecting their businesses, their homes, their schools, and numerous other facets of their daily lives. Where, the question is often asked, does this far-removed, nameless person obtain such power? The source of authority, I am afraid, is all too frequently difficult to determine.

An example to illustrate this frustration occurred a couple of years when my office was flooded with mail protesting the seat belt interlock system. Nowhere in the law did it say that we should force people to use seat belts. Yet the bureaucracy wrote a lengthy regulation that had the force of law and mandated all new cars to have the interlock device. While I strongly favor seat belts as a safety device, the interlock devices caused more problems than they resolved, and were greatly resented by the American public.

The bureaucracy also stretched the intent of the law recently when it issued the regulations for the Clean Air Act. Ignoring the fact that Congress had mandated two types of automobile warranties, a production warranty and a performance warranty, the bureaucracy issued regulations making the two one in the same. Hopefully, if we can tie the bureaucracy more closely to the law, we can avoid this type of irritating and improper action by the bureaucracy.

We are the ones, Mr. President, who must answer to the people back home. We are the ones who must do something about the frequently unbridled and unjustified exercise of authority that can affect our constituents. This legislation is an attempt to address that problem and rejoin the links where they are broken between congressional purpose and bureaucratic administration of the law.

Mr. President, the American people's cynical attitude toward our Government that has increased dramatically in the past few years is not surprising, given the arbitrary and often absurd regulations with which they must contend. We have the opportunity with this bill to curb overzealous bureaucrats from seizing merely the title of a public law as justificaton for allowing their imaginations to run wild.

Perhaps, if we make the regulators prove their authority a little more clearly, they will not be so eager to write regulations of such sweeping magnitude. Then we, as lawmakers, can determine if people in the Federal agencies who do not have to face the voters are really following the intent of those of us who do.

By Mr. DURKIN:

S. 954. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct, or to claim a credit for, amounts paid as tuition for his own education or the education of another individual; to the Committee on Finance.

Mr. DURKIN. Mr. President, today I am introducing a bill which would give a tax credit or tax deduction to parents who are forced to pay skyrocketing school tuition costs. This bill gives Federal tax relief to every taxpayer who is paying tuition for educational programs and studies. The bill offers the taxpayer two forms of relief against the ever-increasing costs of receiving an education in this country.

The taxpayer can either take a deduction up to $1,000 for tuition paid to eligible educational institutions or he may take a tax credit up to $300 to offset these same expenses. The choice is the taxpayer's. Eligible institutions include: institutions of higher education, vocational schools, secondary schools, or elementary schools.

By giving the taxpayer the opportunity of taking a credit to defray educational costs, this bill provides tax relief to those taxpayers who do not itemize their deductions. Middle and lower income families are the ones who will primarily benefit from the credit. Relief is much needed. State property taxes are rising. The Federal Government must take some action to help reduce the financial burdens of educating our youth.

We are approaching an educational crisis in this country. Parents are now finding that they cannot afford to pay their children's tuition costs. Overburdened public school systems are facing taxpayer revolts and are being forced to shut their doors on the young seeking an education. Education—both private and public—is being assaulted.

The costs of education in this country are exorbitant. There is a national crisis when parents find that they cannot afford to pay their children's tuition costs.

The role of education in our society cannot be disputed. Education is vital to a democratic nation. A well informed and educated citizenry forms the foundation upon which our national institutions are built. An enabling education is also a vital necessity in the marketplace. The lifetime difference between a high school diploma and a college degree is approximately $280,000 and when an individual seeks to find employment, one of the first questions always asked is his educational background. We have to open up our educational process so that all can enjoy its benefits and rewards. But with rising costs in the academic community in terms of teachers, equipment and facilities, parents are faced with the shocking realization that they cannot afford to send their children to the schools of their choice.

The Supreme Court has recognized that parents have the constitutional right to direct and control the educational upbringing of their children. The state does not have a monopoly on the educational process. To grant the state this power would be to create a homogenous society where diversity of opinion and thought is stifled and discouraged. Diversity of opinion, education, ethnicity and religion are fundamental to our way of life. Parents send their children to private institutions in order to maintain and foster this diversity. This parental option and right must be preserved.

The bill introduced is a small step in the right direction. It would offset, to a modest degree, the staggering costs of educating children in private and public schools.

If the costs of private education in this country continue to rise, then many families will find that they are financially unable to send their children to these schools. Unable to send their children to private schools, parents will be forced to send them to public schools. Public schools which are now financially pressed will find themselves in the situation where the only way that they can survive and provide adequate services and facilities to the students would be by further increasing local property taxes. The taxpayers revolt witnessed this past year in Oregon and New Jersey would be a picnic compared to the voters' reaction when they see their local property taxes rise to meet the flux of students turned to public schools by private school closings.

But I do not introduce this bill solely for fiscal reasons. While the bill gives the hard pressed family some minor tax relief from the financial burdens of educating a family and preparing them for their social obligations and duties, the ultimate beneficiary is a pluralistic society. Diversity of education and attitudes strengthens this Nation's fiber. A homogenous society is an anathema to our democratic principles and beliefs. A tax deduction or credit for tuition costs will foster private and public education in this country and provide parents with the option of sending their children to the schools of their choice.

By Mr. DURKIN:

S. 956. A bill to amend section 1789 (c) of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to waive the 2-year period of operation requirements in the case of courses offered by the branches or extensions of certain educational institutions; to the Committee on Veterans' Affairs.

Mr. DURKIN. Mr. President, as a member of the Senate Veterans' Affairs Committee, I have been an avid supporter of providing quality educational benefits to the veterans of this Nation. The great majority of educational payments under the GI bill are made to veterans who conscientiously pursue an education or training program. However, I am also aware that a small number of veterans and institutions have abused the program, resulting in improper payments. In the Veterans' Education and Employment Assistance Act of 1976, we passed strong measures to curb such abuse, including the provision which requires that a branch or extension program exist for 2 years independent of veterans in receipt of Federal payments. In our rush to prevent abuse, however, I am afraid that we have fashioned a rule that is too rigid, and in its operation will deprive many veterans of a valuable educational experience. My bill will not destroy the 2-year rule. Rather, it will allow additional flexibility for the Administrator to waive the rule when it is in the best interests of the veteran and of the Federal Government.

In New Hampshire we have institutions of higher education that have established branch or extension programs in more remote areas of the State within the last 2 years. In many instances, these branch or extension programs are the only source of higher education for that area.

For the veteran in that area, these programs provide the only opportunity to receive an important and productive educational experience. We should not automatically presume that simply because these programs have not existed for a 2-year period that they do not provide quality education for the veteran. We must allow for a certain flexibility in the 2-year rule when its rigid operation would deprive a veteran of his sole opportunity for an education.

Mr. President, I am compelled to reemphasize that I am strongly in favor of those measures we instituted last session which were designed to curb abuse in the GI bill. My bill will simply allow for an equitable determination by the Administrator that the veteran is being disadvantaged by the operation of the 2-year rule. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 956

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 1789(c) of title 38, United States Code, is amended by adding at the end thereof a new sentence as follows: The provisions of this subsection may be waived by the Administrator in the case of any course offered by an institution described in clause (1) or (2) of the first sentence whenever the Administrator determines such waiver to be in the best interest of the veteran and the Federal Government.".

By Mr. FORD (for himself, Mr. MAGNUSON, Mr. PEARSON, Mr. DURKIN, Mr. KENNEDY, and Mr. METZENBAUM):

S. 957. A bill to promote commerce by establishing national goals for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CONSUMER CONTROVERSIES RESOLUTION ACT

Mr. FORD. Mr. President, today I am introducing along with Senators MAGNUSON, PEARSON, DURKIN, KENNEDY, and METZENBAUM the Consumer Controversies Resolution Act. This bill is designed to promote improvement in one of the most important areas of consumer protection—the resolution of controversies involving consumers. We have enacted a number of laws intended to protect the consumer from unsafe products and we have passed a number of laws which are intended to insure fair play in the marketplace such as the Magnuson-Moss Warranty Federal Trade Commission

Improvement Act. In the Warranty Act we attempted to provide some assurance that consumers injured by unfair warranty practices would have access to fair and adequate redress mechanisms sponsored by the private sector. However, the problem of the average American's inability to gain access to mechanisms capable of resolving consumer controversies is an area that has generally not received the attention it deserves.

For most American consumers there are few effective, fair, inexpensive or efficient ways to enforce consumer rights or settle consumer complaints. For many, going to a court of law, even to a small claims court, seems to be too expensive, a waste of time, or unnecessarily complicated by procedural obstacles. Thus, in many cases legitimate complaints are simply not filed; equitable settlements of disputes are avoided; potential defendants continue unscrupulous practices with impunity; and consumers remain frustrated because of a non-responsive legal-judicial system.

Typically, a citizen with a complaint involving a consumer good or service feels himself to be grievously injured. The new washing machine which does not work probably represents months of scrimping and saving and yet the manufacturer will not honor his warranty. That consumer wants to see principles of justice applied to his case. Even though the case is of great significance to the consumer and may be legally complex, the consumer soon learns that it is probably economically irrational for him to sue because he is unable to afford the fees an attorney would demand. He has merely a "small claim."

The small claims court system is located at the bottom of the civil court hierarchy. When the small claims court movement began early in this century, the first small claims courts were heralded as the "people's courts." The basic concept was to provide a forum for redress of the minor grievances of the average citizen through procedures which were simple, informal, quick, and cheap, unhampered by legal fictions and technicalities. As Roscoe Pound noted in 1913:

> A . . . problem is to make adequate provision for petty litigation, to provide for disposing quickly, inexpensively, and justly of the litigation of the poor, for the collection of debts in a shifting population, and for the great volume of small controversies which a busy, crowded population, diversified in race and language, necessarily engenders. It is here that the administration of justice touches immediately the greatest number of people.

Unfortunately, in too many cases the small claims courts have not lived up to their promise. Some have charged that they have become the domain of lawyers and corporate plaintiffs and serve merely as collection agencies for professional creditors. Too often, the "common man," the individual consumer whom the court was intended to serve, is the defendant instead. For many consumers small claims courts or other dispute resolving mechanisms are inaccessible. They are not open at convenient hours. They are located miles away from the consumer's residence. In some States a small claims court may not exist. The court forms, rules and procedures are sometimes needlessly complex and archaic. The courts have been characterized as tacitly allowing such abuses of the legal process as "sewer service" and mass entry of default judgments. Often, diversion programs such as mediation, conciliation and arbitration are alternatives which are simply not available to consumers.

Of course, examples of successful small claims courts which have lived up to their original promise do exist. However, a successful example like the Harlem small claims courts established in 1971 appears to be the exception to a rather dismal rule for consumers in most States. Nevertheless, such courts serve as models which deserve emulation and encouragement elsewhere.

Other devices for the resolution of consumer controversies are currently being devised and tried. For example, arbitration panels such as those which have been initiated by the Better Business Bureaus and other private organizations deserve further study and encouragement as well as other innovative diversion programs for civil disputes which have been implemented by the States and localities.

The legislation I am introducing today would promote the development and proliferation of effective complaint resolution mechanisms sponsored by both the public and private sectors. The bill has been drafted only after an extensive survey of existing literature in the field of dispute resolution. The findings and recommendations of two important studies have molded this legislation: "Little Injustices: Small Claims Courts and the American Consumer" published by the Small Claims Study Group in 1972, and a 2-year study conducted by the National Institute for Consumer Justice—NICJ—and released in 1973. The NICJ study specifically recommended Federal legislative initiatives in this area:

> For several reasons, the best approach to funding would seem to be to have the federal government finance part of the cost of the small claims courts.
>
> The main advantage of providing federal funding for small claims courts is that it will spur states and localities to establish small claims courts where they do not now exist. The bill would emphasize the desirability of having an inexpensive, speedy and fair means of receiving legal redress on small claims within reach of every citizen of the United States.

Similar legislation was introduced in the 93d and 94th Congresses. The bill was introduced as S. 2928 in January 1974. The Commerce Committee reported the bill to the Senate in August 1974 with an amendment. No action was taken by the full Senate in the 93d Congress. The bill was reintroduced as S. 2069 on July 9, 1975. The Commerce Committee reported the bill to the Senate on May 11, 1976, with an amendment. The measure was subsequently passed by the Senate with an amendment on August 4, 1976. The bill traditionally has been supported by a wide spectrum of the American public including consumer and business groups.

The bill provides for limited Federal Government involvement in developing meaningful mechanisms for the resolution of consumer controversies. The legislation would authorize the Federal Trade Commission to administer a program of financial assistance to States which formulate a plan meeting certain Federal standards. The bill would authorize matching Federal grants for locally controlled and administered small claims courts, arbitration, conciliation, consumer complaints centers, and other redress devices that are effective, inexpensive, and expeditious.

The bill is intended to encourage the States in developing and maintaining effective dispute resolution mechanisms. The bill is designed to encourage experimentation and innovation at the State and local levels and does not represent heavy handed Federal involvement in State court systems. The approach taken by the bill would give participating States the incentive, flexibility, and freedom to experiment and adopt redress mechanisms meeting their needs. It is anticipated that the programs the individual States develop would vary considerably in order to match the needs of their citizens. Any State plan that tends to fulfill the goals of the act could be approved by the Federal Trade Commission as long as that State has a plan that meets the requirements set out in the bill.

Additionally, the bill would provide for discretionary grants directly to the States, localities or nonprofit organizations without a matching requirement. Thus, the legislation would encourage further innovation by the private sector in consumer dispute resolution. The bill would also encourage the Federal Trade Commission to promote innovation and disseminate information about various methods of improving the resolution of consumer controversies. At the same time, the bill sets out guidelines which assure that the Federal Government will not subsidize unfair, ineffective or expensive devices for the resolution of consumer controversies. The bill would stimulate the States which now do not have small claims courts or which have ineffective systems to establish effective and efficient systems for the resolution of consumer disputes.

I am looking forward to early hearings and committee consideration of the Consumer Controversies Resolution Act and ask unanimous consent that the text of the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Controversies Resolution Act".

SEC. 2. FINDINGS AND PURPOSE

(a) FINDINGS.—The Congress finds and declares that—

(1) for the majority of American consumers, mechanisms for the resolution of controversies involving consumer goods and services are largely unavailable, inaccessible, ineffective, expensive, or unfair;

(2) the total amount of money involved each year in consumer controversies exceeds $100,000,000 but the amount involved in any single controversy is apt to be small, less in many cases than the cost of legal representation for the affected consumer;

(3) mechanisms for consumer controversy resolution either do not exist or are inade-

quately handling the enormous volume of such controversies;

(4) meaningful remedies in cases of fraud, deception, or overreaching and effective protection in cases of improper service of process, abuse of default judgments, unfair repossession of consumer goods, and other similar practices are unavailable to most consumers;

(5) a major portion of the goods and services which form the underlying subject matter of such controversies flow through commerce, the circumstances of their sale and distribution to consumers affect commerce, and the unavailability of effective fair, inexpensive, and expeditious means for the resolution of such controversies constitutes an undue burden on commerce; and

(6) while there have been substantial efforts on the part of the private sector to resolve consumer disputes and such efforts should be encouraged and expanded, effective consumer redress will be promoted through a cooperative functioning of both public and privately sponsored mechanisms.

(b) PURPOSE.—It is the purpose of the Congress in this Act to assure all consumers convenient access to consumer controversy resolution mechanisms which are effective, fair, inexpensive, and expeditious, and to promote better representation of consumer interests in appropriate forums.

SEC. 3. DEFINITIONS.

As used in this Act, the term—

(1) "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof, or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A);

(2) the term "Commission" means the Federal Trade Commission;

(3) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands;

(4) "State administrator" means the individual or government agency which is designated in accordance with State law, to direct, coordinate, or conduct a State system; and

(5) "State system" means all of the State-sponsored mechanisms and procedures within such State for the resolution of controversies involving consumers, including, but not limited to, small claims courts, arbitration, mediation, and other similar mechanisms and procedures.

SEC. 4. DUTIES OF THE COMMISSION.

(a) GENERAL.—The Commission shall, consistent with the purposes and goals of this Act —

(1) determine whether a State plan is in accordance with this Act, enter into or renew cooperative agreements with the States, and allocate and pay to the States funds appropriated for financial assistance to States under cooperative agreements pursuant to section 5;

(2) award discretionary grants pursuant to section 6;

(3) review the operation and effectiveness of State plans for resolution of controversies involving consumers which have been approved under this Act;

(4) encourage and assist the development and implementation of innovative concepts and approaches for the resolution of controversies involving consumers by both the public and the private sector;

(5) within 12 months after the date of enactment of this Act formulate, promote, and thereafter revise from time to time model small claims courts acts and ordinances which may be adopted by the States;

(6) encourage the coordination and dissemination of information with respect to public and private sector-sponsored mechanisms; and

(7) take such other actions as are appropriate to fulfill the purposes of this Act.

(b) OFFICE OF CONSUMER REDRESS.—The Commission shall establish, within 30 days after the date of enactment of this Act, an Office of Consumer Redress to assist the Commission in the administration of this Act.

SEC. 5. FINANCIAL ASSISTANCE TO STATES.

(a) AUTHORITY.—The Commission, pursuant to the procedures and requirements of this section, is authorized to enter into cooperative agreements to provide financial assistance to the States for the development, establishment, improvement, or maintenance of State systems or mechanisms for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers.

(b) COOPERATIVE AGREEMENTS.—The Commission may enter into a cooperative agreement with any State if such State—

(1) undertakes and submits the results of a comprehensive survey of the State system and major private sector-sponsored mechanisms for the resolution of controversies involving consumers pursuant to subsection (e) of this section; and

(2) in its application for a cooperative agreement under this section formulates and submits to the Commission a satisfactory State plan for the resolution of controversies involving consumers which (A) responds to the goals set forth in section 7 of this Act, (B) represents an effective response to the State's need for fair, expeditious, and inexpensive resolution of such controversies, and (C) meets the requirements of subsection (d) of this section.

(c) PROCEDURE.—(1) Upon entering into a cooperative agreement with a State under this section, the Commission shall publish in the Federal Register a summary of the State plan submitted by such State, notice of Commission approval of such plan, and a summary of such agreement.

(2) The Commission shall not finally disapprove any State plan submitted pursuant to this section, or any modification thereof, without first affording the State a reasonable notice and opportunity for hearing. A State may submit a revised or improved plan designed to better effectuate the purposes of this Act at any time.

(d) STATE PLANS.—A State plan under this section shall—

(1) provide for a State administrator authorized under the law of the State to receive and disburse moneys, to submit required reports to the Commission, and to supervise, coordinate, direct, or conduct the State system;

(2) require that funds expended for the development, establishment, improvement, or maintenance of the State system or of consumer controversy resolution mechanisms within the State for which application for a cooperative agreement is made are distributed in accordance with need and in a manner which would further the purpose of this Act; and

(3) provide satisfactory assurances that consumers, including low-income consumers, have participated in the development of and have commented on such plan or plans, which comments shall be submitted as part of an application for a cooperative agreement;

(4) provide a satisfactory description of a State's proposals for the development, establishment, improvement, or maintenance of the State system or of individual mechanisms located within the State; and

(5) be consistent with such other criteria for financial assistance as the Commission may establish pursuant to subsection (i) of this section.

(e) STATE SURVEY.—Any State which applies to enter into a cooperative agreement under this section shall undertake a comprehensive survey of the State system and major private sector-sponsored mechanisms within the State which discloses (1) the nature, number, and location of consumer controversy resolution mechanisms within the State; (2) the annual expenditure and operating authority for each such mechanism; (3) the existence of any program for informing the potential users of each such mechanism of its availability; and (4) data on the following factors with respect to each such mechanism, to the extent practicable and appropriate: (A) annual caseload; (B) amount in controversy jurisdictional limit, if any; (C) number of cases filed by corporations or partners and their disposition; (D) number of cases filed by individuals and their disposition; (E) availability and nature of legal or paralegal assistance; (F) number of default judgments entered each year, including an assessment of the nature of the case and the parties by category of plaintiff and method of service; and (G) copies of the rules and regulations applicable to the resolution of consumer controversies.

(f) USE OF FUNDS.—Moneys appropriated for financial assistance pursuant to this section shall be available to the Commission for allocation to the States under cooperative agreements. The purposes for which such funds may be used include, but are not limited to—

(1) compensation of personnel who provide assistance to consumers involved in consumer controversies, including personnel whose function it is to assist such consumers in the preparation and resolution of their claims and the collection of judgments;

(2) recruiting, organizing, training, and educating personnel described in paragraph (1) of this subsection;

(3) public education and publicity relating to the availability and proper use of consumer controversy resolution mechanisms and settlement procedures;

(4) improvement or lease of buildings, rooms, and other facilities and equipment and lease or purchase of vehicles needed to improve the settlement of controversies involving consumers;

(5) continuing supervision and study of the mechanisms and settlement procedures employed in the resolution of consumer controversies within the State;

(6) research and development of more fair, less expensive, or more expeditious mechanisms and procedures for consumer controversy resolution; and

(7) sponsoring programs of nonprofit organizations to accomplish any of the provisions of this subsection.

(g) REVIEW.—The Commission shall periodically review any State plan for the resolution of controversies involving consumers, and the implementation thereof, which has been approved and funded under this Act and for which there is experience (1) to determine whether such plan is being implemented in accordance with the goals of this Act; (2) to evaluate the success of such plan in terms of the purpose of this Act, and (3) to determine whether the State is complyi~g with the terms of the cooperative agreement. To assist such review, the State administrator in each such State shall submit to the Commission, not later than March 15 of each year, an annual report containing information in such form and detail as the Commission may require.

(h) REASONABLE NOTICE.—If the Commission finds, after giving reasonable notice and an opportunity for hearing to a State receiving financial assistance under this section, that—

(1) the State plan has been so changed that it no longer complies with the provisions of this section; or

(2) the State plan, as operated or maintained, fails to comply substantially with

any of the provisions of this section or with the applicable plan as approved;
the Commission shall notify such State of such finding of noncompliance. No further payments may be made under this section to such State by the Commission until it is satisfied that such noncompliance has been, or promptly will be, corrected, except that the Commission may authorize additional payments for any other program carried out by such State under this Act which is not involved in such noncompliance.

(1) ALLOCATION OF FUNDS.—(1) In allocating funds among the States available under this section the Commission shall consider, among other factors, (A) population, (B) population density, (C) need for consumer controversy resolution mechanisms, and (D) the financial need of States applying for financial assistance under this section.

(2) The proportion of the Federal share of the estimated cost of a cooperative agreement shall not exceed 70 percent of the total cost of such agreement. The aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for such purposes shall be maintained at a level which does not fall below the average level of such expenditures for the last 2 full fiscal years preceding the date of application for a cooperative agreement. Payments to a State under this section may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment, and may be made directly to a State or to one or more public agencies designated for this purpose by the State, or to both.

(j) JUDICIAL REVIEW.—If any State is dissatisfied with the Commission's final action with respect to the approval of its application for a cooperative agreement under this section or with its final action under subsection (h) of this section, such State may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located or in the United States Court of Appeals for the District of Columbia a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commission, or any officer designated by it for that purpose. The Commission thereupon shall file in the court the record of the proceedings on which it based its action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commission or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Commission may modify or set aside its order. The findings of the Commission as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commission to take further evidence, and the Commission may thereupon make new or modified findings of fact and may modify its previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Commission shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the Court, operate as a stay of the Commission's action.

SEC. 6. DEMONSTRATION PROJECTS.

(a) GENERAL.—The Commission, in accordance with the purposes of this Act, shall promote the development of consumer controversy resolution mechanisms through research and demonstration projects or other activities that will encourage innovation or effectuation of the purposes of this Act.

(b) DISCRETIONARY GRANTS.—Notwithstanding the provisions of section 5, the Commission is authorized to make discretionary grants, in a total amount each year not to exceed 25 percent of the financial assistance appropriated under this Act.

(c) ELIGIBILITY FOR GRANTS.—The Commission shall establish criteria, terms, and conditions for awarding grants for research or demonstration projects which are consistent with the purposes of this Act. Such grants may be made to units of local government, combinations of such units, or nonprofit organizations.

SEC. 7. GOALS.

(a) FOR STATE SYSTEM.—A State system is responsive to national goals if—

(1) there are sufficient numbers and types of readily available consumer controversy resolution mechanisms responsive to the goals set forth in subsection (b) of this section; and

(2) a public information program is effectively communicating to potential users the availability and location of consumer controversy resolution mechanisms and consumer complaint offices in such State.

(b) FOR CONSUMER CONTROVERSY RESOLUTION MECHANISM.—A consumer controversy resolution mechanism is responsive to national goals if—

(1) its forms, rules, and procedures are, so far as practicable, easy for potential users to understand, free from technicalities, and it is inexpensive to use;

(2) it is designed so that assistance, including paralegal assistance where appropriate, is provided to consumers in pursuing claims and collecting judgments;

(3) it is open and available for the adjudication or resolution of controversies during hours and on days that are convenient for consumers, such as evenings and weekends;

(4) it provides for adequate arrangements for translation in areas with substantial non-English-speaking populations;

(5) it has an amount in controversy jurisdictional limitation which is adequate to permit most consumer controversies within its territorial jurisdiction to be resolved therein;

(6) it is governed by reasonable and fair rules and procedures such as those which would—

(A) provide an easy way for an individual to determine the proper name in which, and the proper procedure by which, any person may be sued;

(B) encourage the early resolution of consumer controversies by means in addition to the adjudication of claims, including, but not limited to, such informal means as conciliation, mediation, or arbitration;

(C) provide for the qualification, tenure, and duties of persons charged with resolving or assisting in the resolution of such controversies;

(D) permit the use of consumer controversies resolutions mechanisms by assignees or collection agencies but only in a manner consistent with the purposes of this Act;

(E) provide methods for assuring that process served is actually received by defendants, including, but not limited to, procedures for supplemental notification after service of process, and that all parties are informed of the status of the case; and

(F) discharge the entry of judgments by default by requiring, as a prerequisite thereto, that the appropriate judge find, after a proceeding in open court, that—

(i) the defendant was given adequate notice of such claim; and

(ii) the plaintiff established a prima facie case demonstrating entitlement to judgment;

(G) insure that all sides to a dispute are directly involved in the resolution of such dispute; and that the resolution of dispute settlement efforts is actually carried out (including promoting effective means for insuring that judgments awarded to aggrieved individuals are paid promptly);

(H) encourage the finality of the resolution of such controversies; and

(I) provide useful information about other available redress mechanisms in the event that dispute settlement efforts fail or the controversy does not come within the jurisdiction of such mechanism.

SEC. 8. RECORDS, AUDIT, AND ANNUAL REPORT.

(a) GENERAL.—Each recipient of assistance under this Act shall keep such records as the Commission shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the project or undertaking supplied by other sources, and such other records as will assist in an effective financial and performance audit. This provision shall apply to all recipients of assistance under this Act, whether by discretionary grant or cooperative agreement with the Commission or by subgrant or subcontract from recipients of financial assistance from the Commission, or from any State administrator receiving financial assistance under this Act.

(b) AUDIT.—The Commission or any of its designated representatives shall have access for purpose of audit and examination to any relevant books, documents, papers, and records of the recipients of grants and financial assistance under this Act.

(c) COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of his duly authorized representatives, shall, until the expiration of 3 years after the completion of the program or project with which the assistance is used, for the purpose of financial and performance audits and examination, have access to any relevant books, documents, papers, and records of recipients of financial assistance under this Act.

(d) ANNUAL REPORT.—The Commission shall submit an annual report to the President and Congress simultaneously by June 15 each year. Such report shall include, but need not be limited to—

(1) a summary of any reviews undertaken pursuant to section 5(g);

(2) the results of financial and performance audits conducted pursuant to this section; and

(3) an evaluation of the effectiveness of the Commission in implementing this Act, together with any recommendation for additional legislative or other action.

SEC. 9. AUTHORIZATION OF APPROPRIATION.

For purposes of this Act, there are authorized to be appropriated to the Commission not to exceed $5,000,000 for the fiscal year ending September 30, 1978, and not to exceed $25,000,000 for the fiscal year ending September 30, 1979: *Provided*, That not more than 10 percent of the amount authorized to be appropriated under this Act shall be used for Federal administrative expenses.

Mr. MAGNUSON. Mr. President, I have a longstanding interest in and commitment to the need for small claims courts and other devices for the resolution of consumer disputes. This is the third Congress in which I have cosponsored the Consumer Controversies Resolution Act. In the Magnuson-Moss Warranty Act Congress included a provision which was intended to encourage the development of fair and effective business-sponsored dispute resolution mechanisms. It is apparent that we need to go further. American consumers deserve ready access to inexpensive forums in which their disputes can be resolved and relief granted.

I am certain that we have all had the experience at one time or another of having purchased defective merchandise. We receive no response to the angry letters we have written to the manufacturer of the product. We may attempt to take the product back to the store where we bought it, but, perhaps a scene ensues and we receive no satisfaction. We leave the store and vow never to go back. And usually that is where the matter ends. But that is not where the matter should end. We should be able to go before a court or another forum and have our case heard without delays and expense.

Unfortunately, suing someone is usually an expensive proposition especially when the amount in controversy is not large enough to warrant such an expenditure. Thus, the individual consumer is often left out of our system of justice regardless of the legitimacy of his complaint.

Undoubtedly, disputes between consumers and merchants and manufacturers will not disappear. It is necessary to resolve these disputes as expeditiously and equitably as possible. The bill before us would provide the States the opportunity of implementing or improving systems for the resolution of controversies involving consumers. The average citizen is entitled to and must have an effective, efficient, and inexpensive way to settle consumer disputes. The unavailability of such devices for resolving consumer controversies has contributed to many citizens' lack of respect for law and Government as well as growing cynicism about the social responsibility of the business community.

Citizen respect for the law is a function of how well the law serves the citizen. It is my hope that the measure introduced today will encourage respect for the law and serve the citizen well by placing the opportunity for fair resolution of conflicts easily within his or her grasp.

Mr. DURKIN. Mr. President, we have all heard the old story about the machine that costs $25 to purchase and another $50 to fix when it breaks down after the first week. This Congress has been vigilant in the past 10 years, led largely by Senator MAGNUSON, in expanding and protecting consumers' rights in the marketplace. Today, it is fair to say that consumers have the right to refund, repair, or compensation for products which are defective, and for products which do not comply with the representations made by their sellers and manufacturers. However, it is also true that often consumers have no quick and inexpensive means of enforcing these rights.

I am pleased to cosponsor the Consumer Controversies Resolution Act introduced today on behalf of the Consumer Affairs Subcommittee of the Committee on Commerce, Science, and Transportation. This bill would provide up to 70 percent matching Federal funds to States as an incentive for establishing or improving mechanisms for the resolution of consumer-business controversies. However, the Federal Government does not usurp the rights of States to develop their own individual plans. Instead, local ingenuity and planning is encouraged. To this end, this bill authorizes grants not only to States but also to private, nonprofit organizations which are innovative and willing to explore new ways of improving consumer access to legal remedies.

This bill does set certain suggested goals and guidelines for State programs which are based on the experience of various consumer groups, businesses, States, and municipalities which have attempted to deal with the problem of the high cost of justice. The suggestions in this bill, such as hearings on evenings and weekends at times more convenient for consumers, and the informal resolution of claims outside of a courtroom, are all aimed at one purpose—allowing aggrieved persons to gain satisfaction without getting swallowed-up in a time-consuming morass of court procedures established for much larger and more complex disputes.

Today the cost in legal fees and the time it takes for a case to be resolved in our court systems has made use of the judicial process almost prohibitive to the average citizen. As a result of this fact, various alternative devices such as arbitration, conciliation, and business-sponsored mechanisms are being developed to deal with this problem. For example, the Better Business Bureau—BBB—has established a consumer/business arbitration panel, made up of lawyers and nonlawyers, to handle disputes by informal, binding arbitration. Prior to the actual arbitration, the BBB makes its services available to attempt to mediate and resolve the dispute between the parties by agreement.

If mediation fails, the seller, the manufacturer, and the consumer can all be gathered together at a convenient time for all persons involved. The product can be inspected or tested if necessary by experts available to the BBB. At the hearing, strict rules of evidence do not apply. Instead, the consumer and businessman, without the need for an attorney—although they may have one present—state their case in their own words. The arbitrator decides the case in a fair and equitable manner in order "to do justice."

I applaud efforts such as this one made by the Better Business Bureau, and I encourage their use. One of the obligations of our legal system is to make access to be heard available on an equal basis to all Americans. This means it must be financially possible for lower- and middle-income consumers to be heard, not to be discouraged by long, expensive and time-consuming procedures which make it unrealistic to pursue a product complaint.

The controversies resolution bill recognizes the need for this inexpensive method of doing justice. It also recognizes that States, cities, and towns, consumer advocates, and honest businessmen interested in providing a good product and eliminating the harm of defective and faulty products, may all contribute their talents to development of plans within their individual communities or States.

I have always believed that the level of government to handle problems should be the level closest to the citizens which can do the job. This bill does not establish a Federal bureaucracy to handle a problem which the consumers and businessmen in the community can best deal with. Rather, it encourages the States to take heed of and encourage local efforts to come up with solutions best suited to the towns and communities which need effective dispute resolution systems.

It is up to this Congress to encourage these efforts. I am therefore looking forward to hearings on this controversies resolution bill to further explore this area. Redress through convenient, effective and inexpensive methods at the local level is the right of today's consumer. I believe this legislation is a good start towards exploring and achieving that end.

Mr. METZENBAUM. Mr. President, I am pleased to join my colleagues in cosponsoring the Consumer Controversies Resolution Act, introduced today by the distinguished Senator from Kentucky (Mr. FORD).

This bill provides for grants to States to establish or improve mechanisms such as arbitration panels, small claims courts, and consumer complaint bureaus. The bill's effects will be felt directly and where they are needed, in local areas close to home, all over the Nation. Paralegal personnel, and translators where appropriate, will be provided. Convenient locations and hours, such as evenings and weekends, will be provided. The amount in controversy limitation will be adequate to permit a majority of consumer complaints within the area to be resolved, and judgments awarded will be paid promptly.

The Senate Commerce Committee reported, in May 1976, that over 41 million Americans, many living in rural areas, had no access to a small claims court, let alone a responsive one. Such a situation prompts this long overdue legislation.

President John F. Kennedy, in his consumer message to Congress on March 15, 1962, identified four basic consumer rights—the right to be informed, the right to safety, the right to choose, and the right to be heard. It is the last of these which is specifically addressed by the Consumer Controversies Resolution Act. The American consumer has a right to be heard, and this act provides a forum designed for easy access and convenience which encourages him to be heard.

Access to effective, fair, inexpensive, and expenditious resolution of controversies between vendors and purchasers is one of our most pressing consumer needs. The day is long past when the slogan "the customer is always right" prevailed. Since we are all customers we all know first hand that our resources cannot measure those available to the manufacturer, the retail outlet, or the service industry or agent.

American consumers often find themselves frustrated at every turn when they try to press valid complaints. They recognize the futility and high cost of complaining through existing, unsatisfactory mechanisms. The barriers to "satisfaction guaranteed" are numerous and weighty. They must be removed in favor of convenient access to "satisfaction available, if not guaranteed."

The burgeoning consumer movement, growing steadily since the early 1960's, must see its needs fulfilled in this Congress. It is no accident that this year's intercollegiate debate topic focuses on consumerism. Today, potential consumer complaints lie dormant across the length and breadth of our Nation. As long as services provided and products manufactured remain imperfect to the degree that is probable in as complex and huge a society as ours, the consumer's right to be heard is tantamount to the right to produce held by providers of goods and services. And, as long as the right to be heard is recognized, it must be accompanied by an effective forum through which it can be implemented.

Findings of a recent study by the center for study of responsive law show that: "Consumers have many significant problems to complain about—consumers let many problems pass without taking any action at all—households of low socioeconomic status receive less than their fair share of remedies for purchase failures."

The study recommends that "complaining be made less costly," and calls for "the encouragement of complaint voicing so that buyers will be relieved of the pressures that nowadays lead them to forego making many perfectly reasonable complaints." Finally, it maintains that "small claims courts are a mechanism that can correct this abuse, if they are made more accessible and if people can be stimulated to use them."

I am especially pleased that the Commerce Committee is addressing the issue of consumer complaints in a manner which retains jurisdiction with the States while establishing Federal standards. This legislation is the complement to the badly needed federally based independent consumer protection agency. I look forward to both these arms of consumer need being met by this Congress.

By Mr. DURKIN:

S. 960. A bill to establish a National Oil and Gas Import Board, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. DURKIN. Mr. President, consumers in New Hampshire and throughout the Nation have been forced to lower their thermostats and increase their fuel payments this winter because collusion has replaced competition as the major force setting prices in the world energy market.

It is collusion, not competition, when the OPEC nations meet to set a uniform price for oil from country to country.

It is collusion, not competion, when the Seven Sisters—the giant multinational oil corporations—accept without protest OPEC's ever-rising prices, passing costs on to consumers and often receiving higher profits in the bargain.

It is collusion, not competition when the Seven Sisters make agreements with each other to exchange oil and seek markets where the prices are highest and the mutual returns the greatest.

And it is our consumers, and not the international oil cartel and Arab oil sheiks who suffer from this collusion. This year alone the fourfold increase since 1973 in the price of Arab oil deprived an estimated 2 million Americans of jobs and added uncalculated millions of dollars to energy bills.

Many people in our country today are facing the choice of heating their homes or putting food on their table, for they can barely manage both. The American consumer bears the heavy burden of collusive price increases, and yet there is no mechanism in place for directly representing the consumer's interests in the pricing and importation of oil and gas. The consumer is the "odd man out," and he is paying dearly for this exclusion.

Anyone who expects the giant multinational oil corporations to represent the best interests of energy consumers in negotiations with OPEC nations should be aware of two sobering facts:

The giant oil conglomerates may pass through the per-barrel increased cost of acquiring and importing oil, in some cases themselves determining without independent verification the amount of their increased expenses.

One oil producing country, Venezuela, now has a formal contract with a giant multinational conglomerate promising a percentage increase in the per barrel technical assistance fee paid the company equal to the percentage increase in the price of oil.

Thus, not only can the oil companies pass through their increased costs for acquisition, which, of course, includes increases in the per barrel OPEC price, but they can pass through their increased costs in importation, which includes transportation.

This is particularly significant because ineffective Federal enforcement has virtually placed the giant multinationals on an honor system in reporting some of these increased costs.

Although few realize it, for the past 3 years the Federal Energy Administration has been attempting to find out precisely what the multinationals were paying for transportation costs. Rather than securing precise figures from company records, FEA has only been able to pry from the multinationals their estimations of transportation costs.

Those close to this subject believe that the multinationals are providing overestimations, and they have every financial incentive to do so, for the transportation costs are used to determine how much they should be paid for a barrel of oil. The higher the transportation costs, the higher the price they receive, and the greater their estimated transportation costs over their actual transportation costs, the greater their profits. Some may be willing to take the oil company's word for their transportation costs. I am not.

The most blatant, and as yet virtually unreported, linkage of the interests of OPEC nations and the giant multinationals can be seen in the recent contract negotiated between Venezuela and one of the giant conglomerates. Under the terms of that agreement, the firm is paid a per barrel technical assistance fee to provide assistance and technical consultation to the oil producing state.

However, and this is the most disturbing new factor to emerge in the world oil market in recent years, the agreement specifically provides that the technical assistance fee may be adjusted monthly to reflect the increased cost of imported goods and the increased price of oil. The result is that early this year, when Venezuela raised its oil prices 9.6 percent, the net technical service fee, which was 15 cents per barrel, rose by 9.6 percent.

Mr. President, does anyone here in this Chamber believe that the cost of providing technical assistance just happened to increase by 9.6 percent? Does anyone here in this Chamber believe that the cost of providing technical assistance exactly parallels the increases in the price of oil? Does anyone here in this Chamber believe that a giant multinational under an escalating technical assistance fee contract has any incentive whatsoever to try to keep the price of oil down? Or do others here believe as I do, that such a company has every incentive to do what it can to see that the world price of oil rises, for in doing so it will increase his profits.

More disturbing than this is the realization that fully 60 percent of the oil produced in Middle Eastern OPEC nations is lifted from the ground by companies with either formal or informal technical service agreements with the host country. As of yet no contract blatantly calls for fee increases directly correlated to increases in OPEC prices in the Middle Eastern countries.

Additionally, because this phenomenon is new, there is no hard evidence that de facto arrangements have been made allowing for increases in payments to oil firms when prices are raised. However, there is increasing suspicion by those most familiar with these agreements that when OPEC increases its prices it also may sweeten the financial benefits the multinationals receive. For example, an extention of credit after a price increase could mean pennies per barrel in profits for the multinationals who often have cash flows of millions of dollars in any 1 day.

As I said, although I have not been able to secure any hard evidence of such deals in the Middle East, the trend is clear and I believe there is little question that the escalator agreement worked out in Venezuela will be the wave of the future in the Middle East as well unless something is done.

Those who question why OPEC would make agreements, which cut into their own profits, and those who argue that the oil companies have for the most part lost their control over production and thus their ability to set prices and determine their profits, simply do not acknowledge the incentuous relationship among the Seven Sisters and between the Seven Sisters and OPEC.

The multinationals depend on OPEC for a steady supply of oil. OPEC in turn depends on the multinationals for three functions which are absolutely vital to OPEC economic viability—refining, transportation, and sales to retail outlets. Because of these mutual interests, each side has a vested interest in the economic well-being of the other, which means that each side has a vested interest in seeing

the price of oil in the world market increase.

Mr. President, enough is enough. It is time the Federal Government, on behalf of American and world consumers, takes the steps necessary to break the back of the OPEC cartel and restore free market competition to the international energy market. The stakes go beyond the burdens felt by consumers as they pay record home heating bills. Rather, the stakes are literally the economic and military security of our country and much of the world.

I realize that an aggressive national policy aimed at breaking the OPEC cartel is not without its risks. OPEC may attempt to retaliate in ways that would reduce energy supplies to the United States.

However, I can assure you that the citizens of New Hampshire who must now keep their thermostats low in large part because of OPEC, would suffer even greater hardships if it meant both lower fuel costs and more abundant energy in the future.

Mr. President, the bill I introduce today is intended to break the link between OPEC and the multinationals. It will establish a National Oil and Gas Import Board that will be the sole importer of foreign oil and gas into the United States. The Import Board will replace the Seven Sisters and substitute in their place a single, aggressive buyer of oil and gas that will seek the lowest possible prices.

Under the terms of the proposed act, a five-member Board will be the only entity with authority to import oil and gas from any country except Canada and Mexico. Oil company contracts for importation of oil and gas entered into more than 90 days prior to enactment, however, will continue for the term of the contract, or for 5 years from enactment, whichever occurs first. Thus, within 5 years of enactment, the Board will be the sole importer of natural gas and oil in the United States.

Under the proposed legislation, the Import Board is directed to give first preference to the purchase of oil and gas from foreign nations or international entities which are willing to sell, or to negotiate to sell at prices below world market prices. Thus, for example, under the current dual OPEC pricing system, it would be incumbent upon such a Board to purchase as much of current U.S. import requirements from Saudi Arabia as possible, until other oil producing countries expressed a willingness to meet or better the Saudi price.

The President currently has the authority to designate the Federal Government as the exclusive importer of any or all of the crude oil, residual fuel oil, and refined petroleum products of foreign origin for resale in the United States. The authority is granted to the President in the Energy Policy and Conservation Act, 15 U.S.C. 60(b). To date, the President has not chosen to exercise this authority. The bill I introduce today in effect mandates the exercise of the discretion granted the President in the Energy Policy and Conservation Act, and creates by legislation the mechanisms for implementation of a Federal import program.

I realize that there have been other proposals for accomplishing the same goals that the National Oil and Gas Import Board is designed to accomplish. However, immediate and effective action to neutralize the power OPEC now exercises is essential for the present and future security of the United States, and the creation of an exclusive bargaining agent for importation is the most direct method of accomplishing this goal. We simply do not have the luxury of experimenting with less direct and more time consuming means which have less chance of success.

The time for experimentation has long since passed. Enactment of the legislation I propose today is an essential first step towards accomplishing what should be the first order of business in the Carter administration's energy program—that of breaking the OPEC cartel.

Mr. President, I invite the attention of my colleagues to an article by Irving Kristol, an American Enterprise Institute resident scholar, which makes a brilliant and persuasive argument for the need to deal with the OPEC cartel as soon as possible, and I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Feb. 22, 1977]

THE OPEC CONNECTION

(By Irving Kristol)

If political decadence can be identified with "a failure of nerve"—that is to say, an unwillingness to confront and cope with reality—then the reaction of the West to the emergence of OPEC is about as clear a sign of decadence as one could imagine. In every possible way, we have sought to minimize, ignore, and otherwise evade the new facts of life that OPEC has presented us with.

The modes of evasion are various. Many hard-headed bankers, for instance, have promptly concentrated their attention (and ours) on the terms of trade. They announce that the "recycling" of OPEC's new-found wealth is proceeding better than had been anticipated, and that the economics of the problem are quite manageable. This, of course, is economic nonsense. Why should we be pleased that Saudi Arabia buys our goods with our dollars, instead of burying those dollars in the sand? Is it easier for us to produce goods than to print dollars? Is it cheaper?

What the bankers seem unable to realize is that we are talking about a net transfer of real wealth—a levy, a monopoly tax—and that whether we transfer this wealth in the form of goods or dollar bills is of no economic significance to the nation as a whole (even if it does make a difference to bankers). As a matter of fact, that very term, "recycling," helps disguise the economic reality of the transaction that is taking place. The word, as originally applied to problems of pollution, signified a process that produced a net economic gain—what had been waste matter was now being converted into a marketable commodity. But as applied to our relations with the OPEC countries, it obscures the fact that we are talking simply about their gain and our loss.

Or take the popular rhetoric about the importance of "conservation." Obviously, if we arrange our lives so as to use less energy, we shall need less of it, and we shall then seem to be paying a smaller levy to OPEC. But we will in fact be paying the original total levy—only we shall be taking some of it out of our own hides. "Conservation" means making ourselves poorer by doing without—it doesn't affect the costs to us of the OPEC monopoly, but simply reveals those costs openly.

A MAJOR OPERATION

There is much to be said in favor of paying the costs of OPEC in this candid, self-disciplined way. But to listen to some of the apostles of conservation, one would think that it is a costless enterprise. That is because the conservationists of today—like their brethren, the environmentalists—are for the most part anachronistic hangovers of the 1960s. They still believe we live in an "affluent society," in which economics is no longer a significant problem as compared with something called the "quality of life." When they preach "conservation" they think that they are talking about sacrificing a few of the frills that decorate the American standard of living, and suggest that this may even be good for us. They fail completely to realize the profound crisis in world economics that OPEC has plunged us into. Continuing to pay for OPEC is not a matter of snipping off a few frills but of cutting to the bone.

The costs of OPEC, to the United States and to the West generally, are invariably underestimated and often unperceived. Thus, it is generally known that the United States' bill for oil imports next year will be in the vicinity of $40 billion. That is a lot of money—but when viewed as a percentage of our Gross National Product it does not seem wildly alarming.

But is that the full story? Certain factors seem to have been overlooked. For one thing, oil is not merely a commodity—it is also the dominant source of energy in our industrialized societies. When the price of oil rises, so do the prices of all alternative forms of energy. When we reckon the costs to us of OPEC, we ought to be thinking of energy costs, not oil costs. OPEC is as much responsible for the higher cost of coal and gas as it is for the higher cost of oil.

One may also properly wonder if it makes much sense to talk about the cost of oil to the United States and the cost of oil to the so-called Less Developed Countries (which, for this purpose, would include such a nation as Italy) in isolation from one another. Since 1973, the non-OPEC LDC's have increased their borrowing—mainly from the U.S. and Western Europe—by over $100 billion. Not all of this is the result of the increased price of oil, but much of it is. Does anyone really expect that the bulk of these loans will ever be repayed in full? Those countries are never going to be that flush.

The loans will be renegotiated unto infinity, until at some point they will be cancelled. In other words, we have huge hidden cost here, disguised by conventional bookkeeping. And those costs will increase, since the LDC's are going to have to keep on borrowing, as their economies grow and as the price of oil is steadily raised by OPEC. And we shall have to continue to lend, lest those countries collapse utterly, with economic and political consequences that are beyond calculation.

In addition, there is the effect of the increased costs of energy on our existing capital stock. As Charles Schultze pointed out, when he was still at Brookings, those increased costs have reduced the value of our industrial equipment, since the technology incarnated in existing capital goods was premised on much cheaper energy. Now we are, in effect, experiencing an involuntary write-down of that technology and that equipment. In the same way, increasing energy costs make all capital stock less productive than it would otherwise have been, so we experience a decrease in productivity.

The costs of OPEC, therefore, are far, far greater than we generally realize. And by our continuing refusal to face up to these costs and their implications, we have made matters even worse than they need have been. As Francis Kelly, of Blyth Eastman Dillon, has acutely observed, there are only four ways in which we could cope with those costs.

The first is inflation—printing money, which we are doing. But this provides only a temporary relief which is a prelude to longer-term debility.

The second is to place the burden directly on consumers by way of reduced real income and higher unemployment. No one dares avow such a policy, though it is to some extent surrepitiously followed.

The third is to put the burden on the public sector, by cutting government services. To the degree that such services are worthwhile, this is another cost for the consumer to bear. But, in any case, our politicians regard ths possibility as unthinkably sacrilegious.

The fourth is to pile those costs on the capital-formation sector, through reduced profitability. For the most part, this is the policy we have been following, with a predictable result: the eventual impoverishment of the American economy.

It is the OPEC connection that makes most current prescriptions of economic policy so irrelevant. The assumption behind all such prescriptions is that, if only the right advice is heeded, the American economy can return to a prosperous condition. But the OPEC levy, with its effects diffused through the world economy, makes such a prospect chimerical. That levy must be paid, not only today but tomorrow and the day after. We can pay it with inflation, we can pay it with unemployment, we can pay it by a general reduction in our standard of living—but pay we must. And the more successful we are in meeting those payments, the easier it will be for OPEC to increase its levy.

A THREAT TO WORLD COMMERCE

It is this same OPEC connection that is now threatening the whole structure of world commerce. As each nation seeks to evade its share of the cost, seeks to pass it on to others, a new spirit of protectionism is everywhere evident. To a very large degree, the extraordinary economic growth in the post-World War II decades was based on the growing volume of international trade and investment. The new protectionism is therefore economically self-defeating, but it is so attractive politically that it is hard to see what can prevent its gaining momentum.

Nor is there any easy escape from this OPEC connection. For the next decade or so we are "locked into" it. Even if we were to make Herculean efforts to develop alternative, economical sources of energy, putting aside all environmental considerations, the "lead time" necessary before they could make significant contributions to the economy brings us to 1985 or beyond. Nuclear power plants cannot be built overnight; neither can the vast transportation network needed to transport huge amounts of coal. And by 1985, the cost of oil imports to the consumer nations is estimated by Walter J. Levy at $300 billion! Who is going to pay that bill? And how?

The problem is OPEC. Though we can cope with OPEC in better or worse ways—and we have hitherto generally chosen the worse over the better—there is no way of coping that avoids oppressive economic costs. And, ultimately, political costs too: When a society finds itself in economic distress, it inevitably turns to government to do something about it. The OPEC monopoly doesn't merely violate free market principles. It will, if it endures, subvert all free market economies where (and to the extent that) they still exist.

The OPEC monopoly—like any other successful monopoly—is a political arrangement for economic ends. Coping with OPEC, therefore, is a matter of politics, not economics. Specifically, it is a problem for American foreign policy—yet it is not even on our foreign policy agenda. Until it appears on that agenda, the notion that we are somehow coping with OPEC is nothing but a costly and self-defeating illusion.

By Mr. CRANSTON (for himself, Mr. WILLIAMS, Mr. RIEGLE, Mr. RANDOLPH, Mr. PELL, Mr. BROOKE, Mr. CHURCH, Mr. DURKIN, Mr. HUMPHREY, and Mr. INOUYE):

S. 961. A bill to promote the healthy development of children who would benefit from adoption by facilitating their placement in adoptive homes, and for other purposes; to the Committee on Human Resources.

OPPORTUNITIES FOR ADOPTION ACT OF 1977

Mr. CRANSTON. Mr. President, twice before I have introduced legislation similar to the bill I am introducing today—the Opportunities for Adoption Act of 1977.

Mr. President, my colleagues should know that both during the 93d Congress and again during the 94th Congress, the esteemed Presiding Officer of this body not only was a chief sponsor of the bill, but, as former chairman of the Subcommittee on Children and Youth of the Committee on Labor and Public Welfare, it was he who led the effort to move the bill through the legislative process in the Senate.

I am proud to have been named last week to succeed the former Senator from Minnesota (Mr. MONDALE) as chairman of the newly created Subcommittee on Child and Human Development of the newly named Committee on Human Resources. As chairman of that new subcommittee, I intend to complete our unfinished business of the last Congress and work for early enactment of the Opportunities for Adoption Act.

During the closing months of the 94th Congress, we intensified our efforts to secure Senate passage of the Opportunities for Adoption Act. Unfortunately, due to the extraordinary rules under which we were operating in order to adjourn before the November elections, we were unsuccessful in our effort. During those months our staffs met extensively with experts in the field of adoption to hammer out refinements in our initial proposal so that we could develop a perfected piece of legislation. That version is the bill I am introducing today.

While I regret that I can no longer list my former colleague from Minnesota as a chief Senate cosponsor of the proposed Opportunities for Adoption Act, I am delighted that we can still point to him as a chief supporter of our legislation. I am very hopeful that the bill which we developed together during the closing months of the 94th Congress and which I am privileged to introduce today, will win wide support in this body and will be counted among the early Public Laws to be enacted under the Carter administration.

Mr. President, I am delighted that we have joining us in support of this measure a number of Senate cosponsors, including the chairman of the Human Resources Committee (Mr. WILLIAMS), a leader in the Senate in the field of adoption who was a principal sponsor with us in introducing the earlier versions of the bill and who has consistently contributed so much to our efforts to move this legislation. Also joining as cosponsors are the new members of the Subcommittee on Child and Human Development, the Senator from Michigan (Mr. RIEGLE), and our fellow committee members, the Senators from West Virginia (Mr. RANDOLPH), Rhode Island (Mr. PELL), and New Hampshire (Mr. DURKIN); and the Senators from Massachusetts (Mr. BROOKE), Idaho (Mr. CHURCH), Minnesota (Mr. HUMPHREY), and Hawaii (Mr. INOUYE).

NEED FOR THIS LEGISLATION

Mr. President, the need for this legislation is clear. It is estimated that there are at least 120,000 children across the Nation waiting in foster homes or in institutions because they are in legal limbo, are physically or mentally handicapped, or are otherwise difficult to place for adoption, due to their age or racial background. The tragedy of the adoption situation today is that the adopting public remains mostly white, wedded to the idea that adoption means a healthy white infant.

The legislation we offer today, Mr. President, is intended to benefit chiefly the 120,000 hard-to-place children.

In introducing S. 961 we are not attempting to interfere with the traditional role of the State in regulating domestic relations as they pertain to adoption. Rather, we are attempting to give leadership for the implementation of a plan of action, involving concerned agencies, adoptive parents, and public and private groups dealing with adoption, designed to overcome the longstanding barriers to interstate adoption—barriers which hinder the healthy and beneficial adoptive placement of so many thousands of children.

BARRIERS TO ADOPTION

In 1971, the Children's Bureau granted funds to the Child Welfare League of America for a project designed to identify the specific legal and policy provisions and practices that constitute common impediments to adoption. The study undertaken by Roberta Hunt for the League's Research Center and entited "Obstacles to Interstate Adoption" examines the varying and sometimes conflicting ways in which the States strive to achieve both socially desirable and legally incontestable adoptions.

Among the obstacles she summarizes are the following:

First. Conflicting termination or relinquishment proceedings among and even within States which result in a situation where the adoption of a child in one State would not be recognized as valid were the family to move to another State.

Second. Local laws and policies restricting the right to consent to adoption to executives of local agencies, thereby prohibiting the transfer of guardianship from State to State. This results in a situation where adoptive parents must go to the State of the child's origin to file a petition. And in some States, laws restrict

the filing of petitions to residents of that State.

Third. Conflicting State laws and policies regarding the termination of guardianships: The laws of one State making no provision for the termination of guardianship except in proceedings for adoption; the laws of another State requiring such termination even before the adoptive placement is made.

Fourth. Diversity in State adoption laws on the question of when an adoption decree may be granted.

Fifth. The existence of "importation and exportation of children" laws in some States which, while enacted a century ago to provide safeguards for the children by blocking their movement across State lines, now constitute an obstacle to interstate adoptive placements.

Sixth. The absence of uniform or coordinated interstate adoption assistance policies, for expenditures such as transportation, especially where older children are involved and preliminary visits across State lines are needed. In addition, the diverse provisions for subsidizing unusual adoption costs present obstacles to interstate adoption. For example, where a family in a State having adoption subsidy arrangements adopts a hard-to-place child from another State, that family will often be ineligible for subsidy assistance unless the other State also has a subsidy arrangement.

In her report, Ms. Hunt also suggests possible solutions to these obstacles, but concludes by citing the need for leadership in implementing a plan of action toward those solutions.

Our bill attempts to promote this leadership.

Mr. President, for the benefit of my colleagues, let me briefly describe the provisions of our bill:

SUMMARY OF S. 961, THE PROPOSED "OPPORTUNITIES FOR ADOPTION ACT OF 1977"

Section 2 sets forth the findings and declaration of the purpose of the act, to facilitate the removal of barriers to interstate adoption, and the placement in permanent adoptive homes of children with special needs.

Section 3 provides for the establishment of a Committee on Uniform Adoption Regulations to promulgate procedures which, when agreed to by each of the States, will result in uniformity of State adoption practices and facilitate interstate placement of children.

Section 4 provides for "grants for adoption assistance and services" to States—including Indian tribes—for allocation to approved adoption agencies. Adoption of the regulations promulgated by the committee under the previous section, when approved, will become conditions for approval of continued grant awards. The grants will be used, among other purposes, for adoption subsidy agreements, a practice whereby the special costs required to meet the needs of children with special needs will be borne by the State, as they would be if the child were in foster care or institutionalized, but the child will have the benefit of being adopted and placed in a permanent family situation. These subsidy costs have proven to be much less than if the child remained in foster care or an institution. Safeguards for the use of these funds are included in this section.

Section 5 provides for the establishment of a National Office of Adoption Information and Services in HEW. The office would administer the provisions of this act and evaluate their results, as well as carry out and promote educational programs related to adoption. The office will provide for a national adoption information exchange system to facilitate locating adoptive parents for children with special needs. It will seek to coordinate the programs established by this act with other Federal programs.

Section 6 mandates an HEW/Justice Department study to determine the nature, scope, and effects of interstate—and to the extent feasible, intrastate—adoptive placements which are not licensed by or subject to regulation by any governmental entity.

Section 7 provides authorizations of appropriations for carrying out the act—$20,000,000 for the first year and such sums as may be necessary for the succeeding 3 fiscal years, beginning in fiscal year 1978.

FAILURE OF PAST EFFORTS

Mr. President, since the early sixties attempts have been launched to provide a mechanism which, if adopted by each of the States, would break down the barriers to interstate adoption. None has satisfactorily achieved this end.

Previous attempts to enhance uniformity in State adoption procedures and law have been: The Interstate Compact on the Placement of Children, developed by the New York State Joint Legislative Committee on Interstate Cooperation. The compact, while limited in scope, provides a very useful mechanism for reciprocal arrangements between the two States involved in an interstate placement. It provides: First, that State "A" must notify State "B" of an intended placement; second, that State "B"—the receiving State—has the opportunity to investigate and approve the proposed placement; third, that State "A" or an agency in that State retains jurisdiction for the child until the adoption takes place; fourth, that all applicable laws of the receiving State must be complied with. The compact does not remedy the problems of weak State laws or procedures, nor does it address such issues as standards of quality, licensing, differences in mechanisms for freeing children for permanent placements, or financial responsibility for the interstate placement. In addition, the provisions of the compact can be easily avoided by black marketeers, since enforcement is lacking.

The final draft of the compact was approved by a 12-State conference held in January 1960, and 2 months later New York became the first State to ratify the compact. Ratification takes place through an enabling act, which is separate from the compact proper. By 1972, 15 States belonged to the compact. In that year the Children's Bureau awarded a grant to the American Public Welfare Association, which acts as the secretariat for the compact, to be used to encourage more States to join. The number of State legislatures to enact enabling legislation for the compact has increased to 41 since that time.

The Revised Uniform Adoption Act, proposed by the National Conference of Commissioners on Uniform State Laws and supported by the American Bar Association. It too has a limited scope—it deals with procedure in the State court where the adoption proceeding is instituted. First promulgated in 1953, the proposal was revised in 1969 and again in 1971 in an attempt to attract more states to adopt it. To date one State—North Dakota—has adopted the revised act, and three have adopted the original version.

"Legislative Guides for the Termination of Parental Rights and Responsibilities and the Adoption of Children"—also known as the Model Adoption Act, was developed in 1961 by the Children's Bureau in HEW. As its title implies, the HEW effort dealt only with the issue of valid consent. It was never adopted in total by any state, although several States adopted portions of the proposal.

SOLUTION PROPOSED BY S. 961

Mr. President, the sponsors of S. 961 believe this legislation can draw on and develop the efforts of the past and succeed in encouraging each state to adopt a comprehensive uniform mechanism—which would be the regulations promulgated by the committee—because the bill offers an incentive to States which was lacking in the past. The incentive is the grant money for which all States initially would be eligible. When the committee regulations are finally approved, however, adoption of them would become the conditions of further grant awards to a State, and only those States agreeing to the regulations would continue to be eligible for Federal financial assistance. Areas which the committee could address include standards of quality, waiting periods for adoption, licensure, enforcement, and financial responsibility of each State involved in an interstate placement.

The committee would be composed of not less than 11 nor more than 17 members generally representative of public and voluntary groups interested and with expertise and experience in facilitating the achievement of the purposes of the act, including national, State, and local child welfare organizations—including those representative of minorities—and adoptive parent organizations, and the Director of the new Office of Adoption Assistance which would be established under section 5 of the bill.

Mr. President, I would like to point out that adoptive parent organizations and representatives of groups working to enhance adoption opportunities for minority children were added to the Committee's membership on the basis of testimony presented during hearings held on this bill's predecessor—S. 1593—during the summer of 1975.

ADOPTION ASSISTANCE GRANTS

Mr. President, I have explained how the grant money authorized by S. 961 is designed to become an incentive to encourage the States to develop a comprehensive, uniform procedure to facilitate adoptions. I would like now to discuss the adoption assistance grants

themselves, since they have the potential for effecting significant change in the adoption process.

Section 4 of the bill authorizes, with legislatively prescribed safeguards, adoption assistance grants to be made available to a State to be funneled through State agencies principally responsible for services to families and children. These agencies would then allocate funds to public and private nonprofit adoption agencies meeting certain standards of quality—the establishment of such standards are required by the bill. Funds under these grants are authorized to be used for meeting part of the costs of some or all of the following services:

First. The adoptive placement of children with special needs and the training and support of necessary staff, including identifying children in need of adoption, locating and counseling their biological and legal parents, freeing appropriate children for adoption, locating suitable homes for such children, and providing preplacement, postplacement, and postadoptive counseling and other special services to children with special needs and to prospective and actual adoptive parents and other family members.

Second. The provision of prenatal, natal, and postpartum services to women who are voluntarily planning to place their children for adoption and who are unable to assume such costs, but only to the extent that there are not alternative sources of bearing the costs of such services readily available under other Federal or State programs in the community, such medicaid, maternal and child health services, or neighborhood health centers. We believe this provision, is important, Mr. President, for two reasons: One, it would provide expectant mothers, who do not feel able to raise their offspring, the financial assistance needed to carry their pregnancies to term, while better assuring them that their offspring will be placed in the healthy and beneficial adoptive situation afforded by agency adoptions. Such women might otherwise feel no alternative but to resort to abortion or to infant adoption black marketeers.

In this connection, Mr. President, President Carter has indicated his desire to support legislation providing such an alternative to abortion. I was pleased that he included in his revised budget for fiscal year 1978 a request for additional funds for foster care and adoption research. I believe that this provision in the bill offers the kind of assistance which President Carter has in mind.

In addition, Secretary Califano assured me when I queried him on the subject of adoption at his nomination hearing before the Human Resources Committee that he intended to "push hard" for adoption legislation as an alternative to abortion.

And, two, this provision would relieve agencies bearing costs for such purposes and enable them to direct their limited resources to furthering the placement for adoption of children with special needs.

Third, the provision of assistance to children with special needs by aiding prosective adoptive parents—who but, for their financial inability to meet a child's needs, would consider adoption—in defraying certain costs of supporting children with special needs, and assisting adoptive parents in finding special services for their children who require help because of a condition that existed prior to their adoptive placement, and, where appropriate, to defray the cost of that special service.

Mr. President, subsidized adoption has proven to be much less costly than institutional care, and in many instances, less costly than long-term foster care. Under either of these alternatives, the obligation of the State as guardian to support the child will generally continue until the child is 18.

Cost-effectiveness aside, however, Mr. President, the major importance of the concept of assisting adoptive parents in meeting special costs associated with adoption is that such assistance has proven to be vitally helpful in alleviating the difficulty of finding permanent homes for children with special needs and giving these children identification with their own mom and dad.

My own State of California has a successful adoption assistance program carried out pursuant to a bill named for its author, my good friend, former State senator and now Lieutenant Governor, Mervyn Dymally.

Since 1970 over 3,000 children in California have been placed in adoptive homes under this program. In Los Angeles County alone, during the period 1975 through 1976, 873 children were placed under subsidy agreements, at a cost savings for that 1-year period of $1,327,523. The county has estimated that if these children were carried in foster care until the age of 18, the additional cost to the county over that 1-year period would have been $16,777,651 not including the additional costs in service and administration. These cost savings are indeed significant. But let me give my colleagues several examples of the human savings as well, documented in a 1972 report on subsidized adoption prepared for the General Assembly of the State of Illinois:

Margaret, 8, and Sarah, 5, are sisters. Joseph, 3, is a half-brother. All were victims of severe physical and mental abuse.

Margaret was brain damaged and is emotionally disturbed as well as retarded. She also suffers partial paralysis of the vocal cords from being choked, an incident which resulted in her stepfather's being sent to prison.

Sarah is a borderline retardate who was raped at age three and suffered other severe parental abuse and neglect.

Joseph was also abused in his former home and is a very slow learner.

These youngsters were placed in August, 1967, with a foster mother who has given them the love and security they so desperately need. The foster mother is divorced and works the night shift at a hospital as a licensed practical nurse. Her salary is $356 per month, and she has been receiving $290 per month from the Department for care of the three foster children. A young woman reared by the foster mother and now living in her home provides supervision for the youngsters when the foster mother is at her job. To enable her to adopt the children whom she has grown to love as her own, the foster mother is willing to reduce the Department's monthly care payments to $185 and to pay a lawyer to represent her in the three adoptions.

The Department has approved subsidized adoption. The dollar savings to the State of Illinois will amount to an estimated $22,900. In human terms, the "savings" to the children from obtaining a permanent home is inestimable.

Mary is a "hard-to-place" child. She is black and was born 8 years ago with a left arm stumped and malformed. Since she was one week old, Mary has lived with Mrs. Jenkins, a widow who is poor in material terms but rich in love for her foster child. Mary has called Mrs. Jenkins "Mom" as long as she can remember. They have been through much, together, including the first fitting of a prosthesis on Mary's deformed arm. The prosthesis will need to be replaced two or three more times as Mary grows to maturity.

Mrs. Jenkins cannot afford a substantial loss of income, but she does want to adopt Mary. The Department has approved a subsidized adoption in which the agency will reimburse her for the lawyer's fee and will continue responsibility for Mary's medical care. The continuing monthly subsidy will be $75, or $17 less than the agency now pays for Mary's foster care. The estimated savings on "out-of-pocket" expenses over the next 10 years: $3,903.

Jimmy and Jonah are 4½-year-old twins who were born prematurely. Both have a hare lip and cleft palate. For some time, the boys received medical care, through the University of Illinois' Division of Services for Crippled Children, a specialized cleft palate clinic. Both have undergone successful surgery for repair of the defects, but Jonah still has an opening in his palate. Consideration is being given to a further operation.

A physician says "physically they are about like 2½-year olds and also in their apparent mental and social development. It is not realistic to assume they will ever reach normal intelligence or size." A psychologist is less fearful of mental retardation and believes the boys may continue to develop to "a low average to average intelligence potential."

Before the boys were six months old, the Department arranged through a private agency to place them with the Morris foster family. According to the caseworker, "much of the progress and continued development can be attributed to the Morris' support, incredible patience, and constant effort in behalf of the twins. Mr. and Mrs. Morris and their own children realize the limitations that the twins have physically and intellectually and accept their limitations with understanding and love."

Mr. Morris, an $810 a month design engineer, and his wife have adopted four children already, all of whom were "hard to place" by reason of physical or mental handicap or racial background. They range in age from six to seventeen years of age. Payments provided by the Department for care of the twins have represented the family's only income in addition to Mr. Morris' salary. However, the family recently received placement of a three-month old mulatto child who they will ultimately adopt.

The subsidy agreement worked out with Mr. and Mrs. Morris, enabling them to adopt the twins, calls for the Department to provide a $75 monthly subsidy per child instead of the $115 per month per child boarding care fee. The Department will also assume responsibility for the legal fees, plus any medical treatment, speech therapy, or special education costs relating to the twins' handicaps.

The dollar savings to the State of Illinois over the next 13 years is estimated at $12,120.

Jerry, a six-year old black youngster, has been considered for adoption by several families, but plans have fallen through in

each instance. This handsome, intelligent youngster has an allergic condition that has required treatment by a specialist nearly every week for the past two years.

Jerry has been in the Washburn foster home since he was one week old. Both the foster mother and the foster father, who was forced into early retirement because of a ruptured spleen, want to adopt Jerry. The child has assumed their last name and knows no other parents.

The family income is based on the father's Social Security and disability pension. The couple has cared for other foster children in the past, and will continue to do so. However, Jerry is the only adoptable youngster who has been with them on a long term basis. In fact, in 1967, when it became apparent that Jerry's chances for adoption were quite slim, a long-term placement agreement was entered into with the family. The Washburns agreed to pay full clothing costs with the Department paying just the regular boarding care fee, without a clothing allowance.

Subsidized adoption will facilitate agency withdrawal from the case through payment to the family for legal fees for the adoption and by agreement to underwrite the cost of Jerry's medical treatment for the allergies. He is expected to need this type of medical treatment for only two or three years.

The savings that will accrue to the State of Illinois as a result of subsidizing Jerry's adoption has been estimated at $9,924.

Pamela is 5 and has been in the same foster home since she was four months of age. She did not become adoptable until she was more than 2½ years of age, well past the baby stage which appeals to most potential adoptive parents. Her foster mother and foster father, a steelworker who makes $400 per month, had not pursued the matter of adoption aggressively because they could not afford to hire a lawyer.

The case record states: "There is a strong emotional bond between the child and the prospective adoptive parents. Placement with this family has given the child a secure early childhood. To make any other plan for the child would be destructive, traumatic. . . ."

The agreement recently approved by the Department of Children and Family Services calls for the agency to pay the family for necessary legal work to complete the adoption. This one-time fee will be more than offset by the foster parents' willingness to terminate the $81 monthly child care payment entirely. The savings, projected until Pamela reaches age 18, amounts to $15,782. Equally important, the parents and child are benefited by a program which enables them to become a permanent family.

Mr. President, in conjunction with this discussion on the merits of adoption assistance agreements, I would like to point out two provisions in S. 961 which were not a part of the previously introduced bill.

The first includes the open-ended age definition of "children with special needs"; previously we had defined age as being from birth to 18 years. We were prompted to make this change by the convincing testimony of Mark and Patricia Kravik, parents of five children, two of whom are adopted—one a moderately mentally retarded child. Here is what the Kraviks had to say in their testimony about the need to eliminate the arbitrary 18-year-old cutoff:

First, the term children with special needs as defined "between the ages of birth and eighteen years" (Sec. 1402, p. 10, line 3) is satisfactory when we are discussing 99 percent of the children for whom adoption subsidies were designed: the older child, sibling groups, or children with mild or correctible handicapping conditions. All these needs can be met by a short-term subsidy or one time payment to meet a specific need. For a very minute number of children, however, the nature of their handicapping condition is so severe that they will always remain in a state of financial, legal, and physical dependency. As one foster parent of a Down's syndrome child candidly stated: "It won't mean a damn thing when Lisa turns 18!" Similarly, a chronological age of 18 years is of no consequence to the child with cystic fibrosis, spina bifida, or cerebral palsy. These conditions do not terminate on a child's eighteenth birthday as this legislation implies. To tell a prospective adoptive parent that any assistance for this child's special need will totally disappear at age 18 is definitely a deterrent for adoption. In the case of the child with cystic fibrosis or spina bifida the parents will still be confronted annually by thousands of dollars of medical and hospital bills—bills for which no insurance company will accept coverage since these are pre-existing conditions.

As adoptive parents in this same position we have personally contacted over 50 insurance companies both locally and nationally in an attempt to obtain medical-hospitalization insurance coverage for our little boy who is brain damaged. The response was consistently negative. For any chronic, non-correctible, major medical or handicapping conditioning of a pre-existing nature they could not provide coverage either prior to or after age 18. Our little boy has already undergone massive seizures requiring medication, two operations involving major brain surgery, three months of hospitalization, and extensive physical and speech therapy. Doctors have informed us that it is not only possible but quite likely that he will undergo future seizures requiring further brain surgery and hospitalization. This can as easily occur after his eighteenth birthday as before. If it happens after 18, however, we will be faced with insurmountable medical costs. This is a real fear, a real deterrent to adoption for the parent of a child with a severe handicapping condition or permanent medical problem. Our child has an I.Q. in the range of 35–40, he will always require the care and shelter of our home and family. We fully understand what this challenge of parenting on a permanent basis involves. What we cannot accept are the insurmountable costs that medical treatment, hospitalization, therapy programs, or rehabilitative services will require for the moderately to severely handicapped child such as ours after age 18.

In a recent survey conducted by the Montgomery County Association for Retarded Citizens in Maryland the greatest problem articulated by biological families of handicapped children was the ultimate concern, not for the immediate needs of the handicapped child, but for his or her future as a handicapped adult. The greatest obstacle to biological families is likewise the greatest obstacle to adoptive families. The "foreverness" of a burden is something no one can accept. As adoptive parent we are willing to accept part of that burden—the aspect of parenting for a lifetime. What we cannot carry, in these times of diminishing resources and economic inflation, is the insurmountable financial burden of extensive medical and therapeutic servicee that our child will continue to require after 18 years.

We personally know a number of foster families who would be ready tomorrow to adopt if they had these reassurances for extended support services after age 18: Kathy, a two year old spina bifida child in Virginia; Timmy, a deaf and retarded baby in Virginia; Larry, an autistic four year old with severe behavioral problems in Virginia; Lisa, a three year old with Down's Syndrome in Maryland; Brian, a blind and retarded four year old in Washington, D.C., and Laurie, a developmentally disabled two year old permanently paralysed from the waist down in Washington, D.C.

These are precisely the children that this legislation should be facilitating the adoption of. In the past because of their double burden of homelessness combined with a severe handicapping or medical condition they were for the most part shunted into state institutions, warehouses for human beings. Instead, we have today foster families coming forth saying they want to adopt these children right now if they are given the necessary extended support services. Not to give them the long term services that would make this legislation truly effective in terms of facilitating adoption is condemning these children to lifetime foster care and/or institutionalization instead of the permanent adoptive families which they deserve.

Mr. President, the bill we are introducing today, by eliminating the arbitrary 18-year-old cutoff, is more responsive to the special and continuing needs of those children most in need—those with severe handicapping conditions.

Mr. President, a second new provision in S. 961 which I think is most important is contained in section 4(f). This provision is designed to remove other financial incentives now keeping children in foster care and apply them to adoptive placements. Let me give an example. If a family wants to adopt a physically handicapped child, that child, while in foster care, may be covered by medicaid. Once the child is placed in an adoptive home, medicaid ceases unless the family itself is medicaid eligible. Many adoptive families are not medicaid eligible, yet they do not themselves have enough money to pay for the child's medical needs. And they are faced with a situation where most private health plans will not cover preexisting medical problems. So the solution, unfortunately, is often to keep the child in foster care, rather than providing the permanence and security—and less expensive alternative—of adoption.

Section 4(f) addresses this problem by providing that, notwithstanding any other provision of law, no child receiving assistance under any law prior to such child's adoptive placement or adoption shall be deemed ineligible for such assistance solely by reason of such placement or adoption. In other words, we are vesting the assistance in the child, and overcoming what another hearing witness, Peter Forsythe, described as "an irony for handicapped children too bizarre to be believed."

Mr. President, I have discussed the two sections of S. 961 dealing with the role of the Committee on Uniform Adoption Regulations and the adoption assistance grants. I would like now to move on to the two sections of the bill dealing with the establishment of the National Office of Adoption Information and Services and the section which former Senator Mondale authored during our prior subcommittee work on the bill—section 6—which authorizes a joint HEW/Justice Department study of unregulated adoption placements.

NATIONAL OFFICE OF ADOPTION INFORMATION AND SERVICES

Mr. President, section 5 of S. 961 provides for the establishment, in the Department of Health, Education, and Wel-

fare, of a National Office of Adoption Information and Services. The Office would be the principal agency for carrying out the provisions of S. 961.

The Director of the Office would be charged with the responsibility of conducting an educational program on adoption, evaluating and measuring the impact of the programs authorized by the new act, insuring that adoption agencies receiving assistance authorized under the new act subscribe to standards of quality which he would prescribe, and of coordinating and consulting with other appropriate Federal entities charged with providing related services and benefits. The office would also provide for, directly or by contract or grant, the operation of a national adoption information exchange system to assist in the location of children in need of adoption and in placing them in healthy adoptive homes.

In addition to these duties, the Director would also be responsible for providing for the establishment of a national adoption data gathering, tracking, and analysis system. As you know, Mr. President, at the present time there is no mechanism in existence to provide exact information on the number of children being adopted, the number in foster care who are legally free for adoption, or even the number who are not legally free.

During the hearings on adoption and foster care which were held by the Subcommittee on Children and Youth during the summer of 1975, witnesses expressed the need for such a tracking system. Without such information, it is impossible to determine what resources are necessary to reach these children. In response to this call, Mr. President, we included among the Director's responsibilities that of providing for such a tracking system.

Another important point raised by the witnesses during these hearings was that we should look upon many adoptive placements as a course of last resort. There are instances where initial short-term support of families would have prevented the inappropriate or lengthy placement of children in foster care. Homemaker services, specialized day care, and family counseling can keep families intact and prevent the unwarranted separating of families in the first place.

To address this point, Mr. President, we included in our bill the authority for the Director to conduct demonstration programs to enhance the ability of families-at-risk to care for their children in their own home and to prevent the innappropriate placement of their children in foster care. This new authority is contained in section 5(b)(3) of S. 961, and I believe it is an important new aspect of our bill.

HEW, JUSTICE DEPARTMENT STUDY ON UNREGULATED ADOPTION PLACEMENTS

Mr. President, Senator MONDALE also was the author of section 6 of the bill which calls for a joint 2-year study by the Secretary of HEW and the Attorney General to determine the nature, scope, and effects of the placement of children in adoptive homes by persons or agencies which are not licensed by or subject to regulation by any governmental entity. The study will attempt to determine the number of such placements, the characteristics of the children involved; the methods by which adoptive parents are located and deemed to be qualified to adopt these children; the characteristics of such adoptive parents; the effects of these placements on the adopted children and any siblings in the adoptive family; the extent to which fees are charged for such adoption-related services, and the amount of such fees; the extent to which such placements comply with or violate applicable laws; and the effectiveness of existing laws or mechanisms, including the interstate compact on the placement of children, in protecting the interests of such children and meeting their physical, mental, psychological, emotional, and other needs.

Mr. President, the hearings to which I referred earlier chaired by Senator MONDALE as the chairman of the Subcommittee on Children and Youth, pointed to the existence of widespread abuses in the practice of independent adoptive placements. Although independent placements can be perfectly legitimate, the growing trend toward so-called "black market" adoptions is significant enough to merit our deep concern.

SUPPORT FOR S. 961

Mr. President, the proposed Opportunities for Adoption Act has the widespread support of many groups and individuals involved in the field of adoption. I wish to thank all those who have expressed their support for our bill, and who have played such a major role in helping us shape the measure we are introducing today. They include Mrs. Elizabeth S. Cole, director, North American Center on Adoption of the Child Welfare League of America; the National Conference of Catholic Charities; the Black Child Development Institute; Peter W. Forsythe, vice president, the Edna McConnell Clark Foundation; the American Public Welfare Association; the American Academy of Pediatrics; the North American Council on Adoptable Children; and the coalition on Children and Youth.

Mr. President, I am deeply grateful to the individuals representing these groups who have worked so hard with our staffs to assist us in developing S. 961. I am hopeful that the fruit of our labor will be the early enactment of this legislation and the concomitant national commitment today providing permanent, loving homes for those children in our country who otherwise will be relegated to a life of uncertainty, and in many cases, hopelessness.

Mr. President, I ask unanimous consent that the text of S. 961 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 961

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Opportunities for Adoption Act of 1977".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. The Congress hereby finds that many thousands of children remain in institutions or foster homes solely because of legal and other barriers to their placement in permanent adoptive homes; that the majority of such children are of school age, handicapped, or both; that adoption may be the best alternative for assuring the healthy development of such children; that there are qualified persons seeking to adopt such children who are unable to do so because of barriers to their placement; and that in order both to enhance the stability and love of the child's home environment and to avoid wasteful expenditures of public funds, such children should not be maintained in foster care or institutions when adoption is appropriate and families for them can be found. It is, therefore, the purpose of this Act to facilitate the elimination of barriers to adoption and to provide permanent and loving home environments for children who would benefit by adoption, particularly children with special needs, by—

(1) promoting the establishment of uniform adoption regulations in the States and territories of the United States in order to eliminate jurisdictional and legal obstacles to adoption;

(2) providing Federal financial assistance to States for the purpose of assisting certain public and private nonprofit agencies and certain adoptive and prospective adoptive parents in meeting certain costs of adoption in order to remove or alleviate the financial obstacles which present serious barriers to securing permanent and loving home environments for children who would benefit by adoption; and

(3) providing for the establishment of a National Office of Adoption Information and Services in the Department of Health, Education, and Welfare to (A) promote quality standards for adoption services (including preplacement and postplacement and post-adoption counseling and standards to protect the rights of children in need of adoption) and (B) provide for a national adoption information exchange system to bring together children who would benefit by adoption and qualified prospective adoptive parents who are seeking such children.

COMMITTEE ON UNIFORM ADOPTION REGULATIONS

SEC. 3. (a) The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") shall appoint a Committee on Uniform Adoption Regulations (hereinafter referred to as the "Committee") to be composed of not less than eleven nor more than seventeen members generally representative of public and voluntary groups interested and with expertise and experience in facilitating the achievement of the purposes of this Act (including, but not limited to, national, State, and local child welfare organizations (including those representative of minorities) and adoptive parent organizations) and the Director of the Office of Adoption Assistance established under section 5(a).

(b) The Committee shall—

(1) review current conditions, practices, and laws relating to adoption, with special reference to their effect on facilitating or impeding the finding of suitable adoptive homes for children who would benefit by adoption and the completion of suitable adoptions for such children;

(2) propose to the Secretary uniform adoption regulations which would facilitate adoption; and

(3) report its proposals to the Congress and the President not later than nine months after the date on which the members of the Committee have been appointed.

(c) Following receipt of the Committee's proposals, but not later than six months thereafter, the Secretary shall publish the proposed uniform adoption regulations in

the Federal Register for comment and, after soliciting and giving due consideration to the comments of interested individuals, groups, and organizations and consulting further with the Committee, shall issue and publish final uniform adoption regulations which shall apply in connection with the administration of the grant program established pursuant to section 4. Nothing in such uniform adoption regulations shall be deemed to conflict with the provisions of any interstate compact in operation pursuant to which States are making, supervising, or regulating placements of children, and no State shall be denied a grant under section 4 because of its participation in or implementation of any such compact.

(d) Members of the Committee, other than those regularly employed by the Federal Government, while serving on business of the Committee, shall be entitled to receive compensation at a rate not in excess of the daily equivalent of the rate payable to a GS–18 employee under section 5332 of title 5, United States Code, including traveltime, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of such title for persons in the Government service employed intermittently.

GRANTS FOR ADOPTION ASSISTANCE AND SERVICES

SEC. 4. (a) The Secretary, in accordance with regulations which he shall prescribe and giving due consideration to the needs of each State and to the needs of particular population groups within each State, shall make grants to States for allocation, by State agencies principally responsible for services to families and children, to public and private nonprofit adoption agencies which meet standards of quality prescribed pursuant to section 5(b)(5) for the purpose of assisting such agencies in facilitating the adoption of children with special needs. Funds provided in such grants shall be used for meeting part of the cost of some or all of the following services:

(1) The adoptive placement of children with special needs and the training and support of necessary staff (including identifying children in need of adoption, locating and counseling their biological and legal parents, freeing appropriate children for adoption, locating suitable homes for such children, and providing preplacement, postplacement, and postadoptive counseling and other special services to children with special needs, and to prospective and actual adoptive parents and other family members) without regard to the location of the agency serving the prospective adoptive parents.

(2) The provision of prenatal, natal, and postpartum services to women who are voluntarily planning to place their children for adoption and who are unable to assume such costs, in order to protect the health and welfare of both the woman and child; but only to the extent that assistance under other Federal or State programs in the community in question is not readily available to provide adequately for such services.

(3) The provision of assistance to children with special needs by—

(A) assisting prospective adoptive parents, who would consider adoption but for their financial inability to meet a child's needs, in defraying the placement, post-placement, and post-adoption cost of supporting children with special needs, in amounts of assistance determined by the Secretary to be adequate to enable such adoptive parents to adopt such children (including payment for legal fees and court costs); and

(B) assisting adoptive parents in locating, and where appropriate, defraying the cost of, post-placement and post-adoption special services to children requiring such services as a result of conditions which existed prior to their placement or adoption,

up to an amount not exceeding the amount which similar services would cost the State in question were it to provide or secure appropriate services as the guardian of such children. In no event may the amount of Federal financial assistance provided to any State for the purpose of providing assistance pursuant to clause (3) of this subsection exceed the per centum of the total cost of such assistance which would have been applicable for such service or support had such children remained in foster or institutional care.

(b) The Secretary, in cooperation with State agencies principally responsible for services to families and children, shall ensure that the following requirements are met in the provisions of assistance pursuant to clause (3) of subsection (a) of this section:

(1) Reviews of the need, as certified by the adoptive parent, for continuing, and the adequacy of, such assistance shall be made not less than annually.

(2) Assistance shall be made only pursuant to an adoption assistance agreement entered into by the adoptive parents prior to completion of the adoptive process. Such agreement may provide that assistance payments may be made before such adoption becomes final.

(3) In determining the appropriate amount of assistance to be provided, due consideration shall be given to the recommendations of any adoption agency through which assistance under this section is provided and which is presently supporting the child in question in foster care or institutional care, and of the prospective adoptive parents.

(4) A system shall be established in such State under which the foster parents providing care to a child in need of adoption will be notified of the possibility of the provision of the financial assistance for adoptive placement authorized by this section if it appears to be in the child's best interest to remain in the home of such foster parents. If such parents wish to file application to adopt the child and are found, after study, to be appropriate adoptive parents for the child but for their financial inability to meet the child's needs, they shall be provided (A) all necessary assistance in completing the legal and procedural requirements necessary to effectuate adoption, and (B) appropriate assistance, including payment for legal fees and court costs, pursuant to an adoption assistance agreement.

(c) The Secretary shall take such steps as he deems necessary to encourage and facilitate the consideration of comprehensive adoption assistance legislation by those States which have not enacted such legislation.

(d) The Secretary, in carrying out the provisions of subsection (a) of this section, shall insure that at such time as the final uniform regulations referred to in section 3(c) are published in the Federal Register, only States adopting and implementing, within an appropriate period of time which he shall determine, programs consistent with such regulations shall remain eligible for grants under this section.

(e) For the purposes of this Act—

(1) the term "children with special needs" means those children who are in special circumstances either (A) because they have established significant emotional ties with prospective adoptive parents while in the care of such parents as a foster child, or (B) because they are not likely to be adopted by reason of one or more factors such as physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, sibling relationship, or racial or ethnic factors;

(2) the term "adoptive parents" includes single persons able to meet the needs of prospective adoptive children;

(3) the term "special services to children" includes such special educational, social, medical, dental, surgical, physical therapy, mental health, and other services as are necessary to assure the well-being of children with special needs, to the extent that such special services relate to the factors set forth in subsection (e)(1) of this section; and

(4) the term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and any Indian tribe as that term is defined in section 102(5) of the Older Americans Act of 1965, as amended.

(f) Notwithstanding any other provision of law, (1) no child receiving assistance under any other law prior to such child's adoptive placement or adoption assisted pursuant to this Act shall be deemed ineligible for such assistance solely by reason of such placement or adoption if the adoption agency in question certifies the need for the child to continue to receive such assistance; and (2) no assistance provided to adoptive parents or prospective adoptive parents pursuant to this Act shall be taken into account as income, receipts, or resources for purposes of determining the eligibility of such parents or their respective adopted child for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal financial assistance.

(g) No financial assistance for any program under this Act shall be provided unless the grant, contract, or agreement with respect to such program specifically provides satisfactory assurances that such financial assistance will be used so as to supplement and increase the level of State and local funds expended for such purposes and in no case to supplant such State and local funds.

(h) Each State shall provide in its application for financial assistance under subsection (a) of this section satisfactory assurances that it will participate in the adoption information exchange system established pursuant to section 4(b)(6).

ESTABLISHMENT OF THE NATIONAL OFFICE OF ADOPTION INFORMATION AND SERVICES

SEC. 5. (a) There is hereby established in the Office of the Secretary a National Office of Adoption Information and Services (hereinafter referred to as the "Office") which shall be headed by a Director (hereinafter referred to as the "Director") who shall be appointed by the Secretary or his designee. The Office shall be the principal agency for carrying out the provisions of this title.

(b) It shall be the duty of the Director, in accordance with regulations which he shall prescribe, to—

(1) provide for the establishment of a national adoption data gathering, tracking, and analysis system;

(2) conduct a continuous educational program on adoption, including making grants to public and nonprofit private agencies and organizations, and to prepare, publish, and disseminate to all interested parties, private and public agencies and organizations (including, but not limited to, hospitals, health and family planning clinics, pregnancy counseling agencies, and social service agencies), and governmental bodies, information and educational materials regarding adoption and adoption assistance programs;

(3) conduct a program of grants and contracts to public and private nonprofit agencies and organizations for the demonstration of methods and programs to enhance the ability of families at risk to care for their children in their own home and to prevent the inappropriate or lengthy placement of children in foster care;

(4) measure and evaluate the impact of the programs authorized by this Act and, not later than ninety days after September 30 of each year, prepare and submit to the Secre-

tary, for transmittal to the President and the Congress, a report on such evaluation, which shall include, but not be limited to (A) the number of childuren placed in adoptive homes during the year preceding the annual report and the number of such children placed under adoption assistance agreements and the major characteristics of such children; and (B) estimates of the number of children currently in foster care and other custodial public or private institutions who have been in such status for six months or more, and the legal status of such children with respect to guardianship;

(5) insure that adoption agencies receiving assistance pursuant to this Act subscribe to standards of quality, in accordance with rules and regulations which he shall prescribe, for adoption services (including preplacement, postplacement, and postadoption counseling and standards to protect the rights of the children in question) and comply with the provisions of section 4(g);

(6) notwithstanding any other provision of law, provide for (A) the operation of, and take steps to insure the participation of State receiving grants under section 4(a) in, a national adoption information exchange system (including appropriate information necessary to facilitate the adoptive placement of children, utilizing computers and data processing methods to assist in the location of children who would benefit by adoption and in the placement in adoptive homes, of children awaiting adoption) and (B) the coordination of such system with similar State and regional systems; and

(7) coordinate and consult with other appropriate Federal departments and agencies with respect to the services and benefits provided under programs carried out by such departments and agencies and those provided for under this Act, and seek to coordinate and advise the Secretary with respect to the coordination of, such aspects of all other programs within the Department of Health, Education, and Welfare as relate to the purposes and provisions of this Act.

SEC. 6. (a) The Secretary and the Attorney General of the United States shall jointly provide for a study designed to determine the nature, scope, and effects of the interstate (and, to the extent feasible, intrastate) placement of children in adoptive homes (not including stepparents or relatives of the child in question) by persons or agencies which are not licensed by or subject to regulation by any governmental entity. Such study shall attempt to determine—

(1) the number of children placed each year by such persons and agencies;

(2) the characteristics of such children (including their age and special needs and the socio-economic level of their biological parents);

(3) the methods by which adoptive parents are located and deemed to be qualified to adopt children;

(4) the characteristics of the families which adopt such children (including their ages and socio-economic characteristics, the way in which they learned of the child's availability for adoption, and the number of adoptive and biological children already in the family);

(5) the effect of such placement on the well-being of the children and any siblings in the adoptive family;

(6) the extent to which fees are charged for such adoption-related services and the amount of such fees;

(7) the extent to which such placement activities comply with or violate applicable laws; and

(8) the effectiveness of existing laws or mechanisms, including the interstate compact on the placement of children, in protecting the interests of such children and meeting their physical, mental, psychological, emotional, and other needs.

(b) Not later than two years after the date of the enactment of this Act, the Secretary and the Attorney General shall submit to the Congress a report on the results of such study, together with any legislative recommendations deemed appropriate.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. (a) There are authorized to be appropriated to carry out the purposes and provisions of this Act, $20,000,000 for the fiscal year ending September 30, 1978, and such sums as may be necessary for such purposes, except as provided in subsection (b) of this section, for the succeeding three fiscal years.

(b) Of the amounts appropriated for any fiscal year in excess of $10,000,000 under subsection (a) of this section, not less than $2,000,000 shall be used for the purpose of carrying out the provision of section 5(b)(3) and 6.

Mr. WILLIAMS. Mr. President, today I am pleased to join my colleague, Senator CRANSTON, in sponsoring the Opportunities for Adoption Act of 1977. This measure is specifically designed to facilitate the placement and adoption of children, placing particular emphasis on helping find families for those young people who are disabled or who are otherwise hard-to place.

Mr. President, I joined in sponsoring legislation similar to this bill both in the 93d and 94th Congresses. Since that time this measure has received an outpouring of enthusiasm and support not only from other Members of this body but also from the many persons throughout the Nation who are vitally interested in amending the antiquated and outmoded adoption statutes existing among the various States. Unfortunately, we were not able to secure Senate passage of this important legislation before the close of the 94th Congress due to the tremendous pressures upon us prior to adjournment before the November elections.

Modifications have been made in the legislation from last year which, I believe, will greatly improve this measure. I am hopeful that this new bill will win the complete and immediate support of my colleagues so that we can assure the speedy enactment of this measure which is so critical for the happiness of so many of our adoptable children. In this endeavor, I join the author of this bill, Senator CRANSTON, and the other sponsors of this bill to work to secure the expeditious congressional approval of this important legislation.

Mr. President, there is clearly an urgent need for this legislation. It has been estimated that there are, at the very least, 120,000 children across the Nation waiting to find families of their very own. They are waiting in foster homes or in institutions because they are in legal limbo. They are waiting because they are physically or mentally handicapped. Or they are waiting because they are otherwise difficult to place due to their age or racial background.

Mr. President, adoption trends have been changing dramatically over the last decade. Children who are currently free for adoptive placement are not the healthy, white infants traditionally sought by couples, but rather, they are children for whom adoptive placement has not been made within 6 months after they are available for adoption placement. The Department of Health, Education, and Welfare has estimated though, that of the foster children that could be freed for adoption, 90 percent of them are physically and/or mentally handicapped, older, minority, or part of a sibling group. According to the National Council of Organizations for Children and Youth:

> At least two factors have contributed to this change. First, fewer unwanted infants are born each year as a result of the increased availability of abortion and contraceptives. Second, more single and/or teenage mothers are choosing to care for their children instead of placing them up for adoption.

Up-to-date figures on the actual total number of children in foster care or otherwise eligible for adoption are not available. According to 1971 statistics, however, we are potentially talking about more than 200,000 children.

Stabilizing the family environment is critical to the proper development of the child and yet, children who are in foster care placements often experience multiple placements and all too often are placed for very short periods of time. This makes it extremely difficult for the child to develop normally and to identify with a healthy family environment. It is important to realize that this legislation does not address itself to the problem of protecting the welfare of children in unsuitable situations, such as institutions and short term foster care placements. Instead, its purpose is to open the doors to adoption and the permanence and needed love of the family environment.

Senator CRANSTON has ably shown in his introductory remarks that there are many critical obstacles to adoption which virtually preclude countless thousands of children from being adopted and placed in a healthy family environment. The measure we are introducing today will, I hope, go a long way toward removing those impediments.

The essential provisions of the bill are as follows:

Section 1, the proposed "Opportunities for Adoption Act of 1977"—

Section 2 sets forth the findings and declaration of the purpose of the act, to facilitate the removal of barriers to interstate adoption, and the placement of children with special needs in permanent adoptive homes.

Section 3 provides for the establishment of a Committee on Uniform Adoption Regulations to promulgate procedures which, when agreed to by each of the States, will result in uniformity of State adoption practices and facilitate interstate placement of children.

Section 4 provides for "grants for adoption assistance and services" to States—including Indian tribes—for allocation to approved adoption agencies. The regulations promulgated by the committee under the previous section, when approved, will become conditions for approval of continued grant awards. The grants will be used, among other purposes, for adoption subsidy agreements, a practice whereby the special costs required to meet the needs of "children with special needs" will be borne by the State, as they would be if the child were in foster care

or institutionalized, but the child will have the benefit of being adopted and placed in a permanent family situation. The costs have proven to be much less than if the child remained in foster care or an institution. Safeguards for the use of these funds are included in this section.

Section 5 provides for the establishment of a National Office of Adoption Information and Services in HEW. The Office would administer the provisions of this act and evaluate their results, as well well as carry out and promote educational programs related to adoption. The Office will provide for a national adoption information exchange system to facilitate locating adoptive parents for children with special needs. It will seek to coordinate the programs established by this act with other Federal programs.

Section 6 mandates an HEW/Justice Department study to determine the nature, scope, and effects of interstate—and to the extent feasible, intrastate—adoptive placements which are not licensed by or subject to regulation by any governmental entity.

Section 7 provides for authorization of appropriations for the act—$20,000,000 for the first year and such sums as may be necessary for succeeding 3 fiscal years, beginning in fiscal year 1978.

This legislation does not attempt to interfere with the traditional role of the State in regulating domestic relations as they pertain to adoption. Rather, it attempts to give leadership for the implementation of a plan of action involving concerned agencies, adoptive parents, and public and private groups dealing with adoption, designed to overcome the longstanding barriers to interstate adoption—barriers which hinder the healthy and beneficial adoptive placement of thousands of children. Historically, the States themselves have imposed barriers to adoption. Time after time, direct conflicts in law and policy exist not only between the States but within the State structure as well. The approach of the Opportunities for Adoption Act is based on the experience of much trial and error by the States and their attempts to grapple with this untenable situation.

Mr. President, this bill encourages each State to adopt a comprehensive uniform mechanism for adoption practices by offering a financial incentive to institute consistency in State adoption practices. It is hoped that this incentive will prove to be the needed impetus for States to participate in this program.

At the outset of the program all States would be eligible to receive this grant money. Later, when the Committee on Uniform Adoption Regulations has approved regulations, certain other conditions would then be imposed. At that time, only those States agreeing and complying with the regulations would continue to be eligible for grant funds. The regulations would specifically seek to remedy the problems of weak State laws or procedures, unacceptable standards of quality, and various licensing differences, all of which will have a positive impact on freeing children for permanent placement.

As you can see, Mr. President, the establishment of the committee to devise a plan to unify the States adoption statutes, it vital to the success of a new, more efficient, effective and equitable adoption procedure throughout the Nation.

The membership of this committee would be composed of not less than 11 nor more than 17 members generally representative of public and voluntary groups interested and with expertise and experience in facilitating the achievement of the purposes of the act, including national, State, and local child welfare organizations, representative of minority group organizations, adoptive parent organizations, and the Director of the new Office of Adoption Assistance which would be established by authority of section 5 of this bill.

The thrust of the adoption assistance grants would be directed at providing a broad range of services for the adoptive placement of children with special needs, including services for women planning to put their own children up for adoption. These grants would also assist in providing needed help to the adoptive parents of a child with special needs. Such funds will assist in defraying costs for providing and finding the special services needed for the children who require help because of a condition that existed prior to their adoptive placement.

It is well documented that the cost of supporting a child with a disability can be extremely high particularly if many services are required to assist the child in living up to his or her potential. Thus, under this program, moneys that would normally be channeled into institutions or foster care situations for the treatment of the child would instead assist new adoptive parents in caring for their child in the home. To me, this is a far more sensible and compassionate way to approach this kind of needed care.

Mr. President, I think that it is important to point out two provisions in this bill which were not part of the previously introduced measure.

First, there is a change in the definition of "children with special needs" from the original "birth to 18 years" to a more inclusive open-ended age definition. This provision does away with the closed door approach to those individuals who, while past the chronological age of 18 years of age, find themselves incapable of divorcing themselves from dependence on someone else. Cogent testimony of some of our witnesses who appeared at the Children and Youth Subcommittee hearings, clearly illustrated the need to modify this proposal and embrace an open-ended age definition. I feel very strongly that the elimination of the arbitrary 18-year-old cutoff is more responsive to the needs of those children most in need—those with severe handicapping conditions.

The second new provision is contained in section 4(f) of the bill. This provision is fashioned to remove the incentives now keeping children in foster care and apply them to adoptive placements. Specifically, this section is designed to assist the children who have been receiving assistance under another law, such as medicaid, prior to the child's adoptive placement and who would, after adoption, lose this assistance money solely because of the adoption or adoptive placement. This is no new idea and, in fact, 39 States have enacted subsidized adoption legislation, including my own State of New Jersey.

Unfortunately, however, many of these States do not have subsidy programs which are operational, because of lack of funds or failure to issue proper guidelines. The cost-effectiveness of adoption subsidies has proven itself over and over. Yet universal action has not yet occurred which could save millions of dollars and allow lower income couples and individuals to adopt children thus providing these youngsters a better quality of life.

Mr. President, another feature of this bill is the provision dealing with the establishment of the National Office of Adoption Information and Services in the Department of Health, Education, and Welfare. Never before has there been a single center where all adoption data and tracking information could be stored and analyzed. This information exchange system would bring the knowledge on adoption up to the standards of the 20th century.

Other crucially needed studies and evaluations on adoption would be authorized under section 6 of the bill including a joint 2-year study by the Secretary of HEW and the Attorney General. The purpose of the study would be to determine the nature, scope, and effect of the placement of children in adoptive homes by entities not licensed by a governmental body. Such a detailed evaluation on independent adoption agencies will be extremely helpful in determining the quality of such systems, as well as determining where there may be abuses by such adoption agencies, including black market adoptions.

Mr. President, I have here briefly listed some of the provisions of the Opportunities for Adoption Act of 1977, and I think that it is clear that this legislation will redress a problem that has been too long overlooked—the welfare of our children in institutions and foster care placements.

By Mr. BIDEN:

S. 962. A bill to amend the Federal Election Campaign Act of 1971, and the Internal Revenue Code of 1954 to provide for the disposition of excess campaign contributions held by a defeated candidate for Federal elective office or a retired, resigned, or deceased holder of such office; to the Committee on Finance and the Committee on Rules and Administration, jointly, by unanimous consent.

SURPLUS CAMPAIGN FUNDS AMENDMENT

Mr. BIDEN. Mr. President, today I am introducing the surplus campaign funds amendment to prohibit personal use of unused campaign funds by people who seek Federal office unsuccessfully, by people who retire from Federal office, and by the estates of people who die while in Federal office. Senate rules already cover the incumbents.

Under the existing campaign financing law, anyone of us could raise more money than we need to finance our campaign, retire from the Senate, pay taxes on the

excess campaign money and pocket the rest. We should make this illegal.

Obviously, few people would divert such excess money to private use. But why let the temptation remain? Recent press reports of large sums of surplus campaign money may have given the public an incorrect impression.

Honesty, like confidence, is an intangible. Sometimes, the appearance of misconduct can be as damaging as misconduct itself. Let us be sure that we project the image and ideals that we mean to project. And then back those lofty thoughts with concrete action.

People are continuing to question the integrity of the Congress. They are not convinced that we are serious about ethics and only 22 percent express faith in us as an institution, according to a survey done for Congress by the Obey Commission.

That is a sad slide from 1965 when 64 percent gave us a favorable rating. To fall from such a position of respect is shameful, but to do it so quickly is even more depressing. We must be sure and relentless in regaining the regard of the American public. It cannot be done on the campaign trail; it cannot be done with rhetoric; it cannot be done in the media.

We must do it here.

Interestingly, although the Obey Commission survey showed public disdain for Congress as an institution, people still have faith in their own Representative. I would like Texas to know that it can trust others in addition to LLOYD BENTSEN and JOHN TOWER. I want Indiana to trust BIRCH BAYH—RICHARD LUGAR—and JOE BIDEN, too.

Our standards must apply across the board. Congress must be respected not for the power it exercises, but for the integrity it insists upon. If voters believe they are sending one good Congressman into a group of scoundrels, then our position is untenable.

My proposal will allow for every reasonable use of excess campaign money:

Send it to charity;

Help the Treasury of the United States;

Contribute to the Presidential Election Campaign Fund;

Or even save it, in a separate account, for your next try for elective office.

No one is here implying that our colleagues are profiting from election fundraising. It is simply a question of good faith. Unfortunately, the American confidence shortage has grown almost as alarmingly as our energy shortage. Let us continue the process that disclosure laws have begun.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced today by the Senator from Delaware (Mr. BIDEN) relative to amending the Federal Election Campaign Act of 1971 and the Internal Revenue Code of 1954, be jointly referred to the Committees on Rules and Administration and Finance. This is cleared with the minority. This request is, I am informed by the Parliamentarian, necessary by virtue of the nature and the content of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. THURMOND:

S. 963. A bill to provide that retired officers of the Armed Forces recalled to active duty and detailed to duty with the American Battle Monuments Commission shall not be charged against the authorized end strength level prescribed for the military department concerned; to the Committee on Veterans' Affairs, by unanimous consent.

AMERICAN BATTLE MONUMENTS COMMISSION

Mr. THURMOND. Mr. President, it has come to my attention that efforts are being made by the administration to terminate the authorization for six retired military officer positions allotted to the American Battle Monuments Commission. This authorization has been in effect since 1923 when the Commission was established.

This action by the administration appears to be a pennywise and pound foolish effort to grasp for straws. It will eliminate the professional staff assigned to the Commission. If nonmilitary retirees of equal ability, skill, and experience were to replace these capable officers, it would cost the Government considerable more money. Under the present arrangement, the Commission reimburses the Defense Department for all costs which include basic salaries, allowances, special overseas allowances, and transportation costs.

Mr. President, when the American Battle Monuments Commission was established in 1923, the enabling legislation (36 U.S.C. 121–138b) provided that the Secretary of the Commission would be an officer of the Regular Army. The legislation also provided that upon request of the Commission, personnel of the Army, Navy, Air Force, or Marine Corps, as the case may be, may be designated on a reimbursable basis to assist in carrying out the purpose of this Commission. The Commission has the responsibility to administer the cemeteries and memorials on foreign soil for all the American Armed Forces where they have served since April 6, 1917.

This authority has been utilized sparingly by requesting only the number of military personnel necessary to fill key positions involving command, control, and technical expertise. Although officers of the Navy, Marine Corps, and Air Force have been assigned to the professional staff of the Commission at one time or another over the 54-year existence of the Commission, the Army has generously provided the preponderance of support for operations.

Mr. President, the Commission has been provided an authorization of eight Army officers by the Department of Defense—DOD—through September 30, 1978, on a reimbursable basis. Six of these eight officers have completed their statutory active service and were recalled to active duty, with their consent, upon retirement for an indefinite period of service with the Commission. Their assignment to the Commission is on a completely reimbursable basis and should in no way be counted against the active duty strength authorized the Army or any other service that might be tasked to support the Commission. The other two officers are field grade officers of the Corps of Engineers who are assigned the Commission for 3-year tours of duty and could possibly be considered as chargeable to the strength of the Army, because of their eligibility for rotation to other assignments.

Although the fiscal year 1978 officer strength for the Commission was considered firm, the Army is now unilaterally withdrawing support for the position of the officer-in-charge of Commission's European office in fiscal year 1977. By this action, the Army plans to release Brig. Gen. John W. Donaldson from actice duty and revert him to retired status on August 1, 1977. This poses a serious problem to the Commission, as in addition to believing strongly that this key field office position should be occupied by an active duty military officer, General Donaldson accepted the position upon his retirement with the understanding that based upon precedence and past experience he would remain with the Commission until he either wished to revert to retired status, or was released by the Commission.

Mr. President, I believe that the most satisfactory solution to the problem would be to exempt the retired-recalled military personnel assigned to the Commission from the authorized strengths of the military departments who may furnish officers to the Commission. This would restore to the Army, at this time, one major general, one brigadier general, and four colonel spaces.

With the concerted effort being made by the President and the Congress to reduce the Federal payroll, it just does not make sense to deny this Commission full use of retired-recalled officers who work for 25 percent of their base pay plus allowances. These officers have already earned full retirement at 75 percent of base pay.

In effect, the Government is getting highly talented officers for little more than would be paid office secretaries in the grade of GS–8. A major general for $14,977, a brigadier general for $13,710, and four colonels at $12,144 each per year. Should military support be withdrawn, except for the Secretary whose position is statutory, civilian replacements for these other five officers who serve in retired-recalled status would cost the Government an additional $285,000 a year as a minimum. For the six officers currently serving in these positions, it costs the Government only $77,283 a year. The Government is saving $145,875 a year by employing retired military personnel.

In addition, it would be very difficult to find five civilian employees that would possess the wealth of expertise in the fields of administration, personnel, engineering, management, finance, and perhaps, above all, the selfless dedication of the military officers occupying these positions.

Consequently, I am recommending legislation which will authorize a retired military member to be recalled to active duty for assignment to the Commission without being charged against the strength under the law of the military department concerned. This is a very

minimal request which in summary means that six military spaces will not be chargeable to the Army strength. However, it is of great importance to our country, so that professional supervision can be maintained for the care and maintenance of 23 national cemeteries on foreign soil.

Mr. President, I urge my distinguished colleagues to act favorably on this important measure.

ADDITIONAL COSPONSORS

S. 18

At the request of Mr. McINTYRE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S.18, the Octane Disclosure Act of 1977.

S. 19

At the request of Mr. McINTYRE, the Senator from Indiana (Mr. BAYH), the Senator from Kentucky (Mr. FORD), the Senator from Washington (Mr. MAGNUSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Vermont (Mr. LEAHY), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S.19, the Fair Marketing of Petroleum Products Act.

S. 80

At the request of Mr. BURDICK, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 80, relating to the restoration of certain rights to Federal civilian and postal service employees.

S. 196

At the request of Mr. BURDICK, the Senator from Arizona (Mr. DECONCINI), the Senator from Texas (Mr. BENTSEN), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 196, to amend the Internal Revenue Code.

At his own request, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 196, to amend the Internal Revenue Code.

S. 256

At the request of Mr. PEARSON, the Senator from Nebraska (Mr. CURTIS) was added as a cosponsor of S. 256, the Natural Gas Act Amendments of 1977.

S. 297

At the request of Mr. PACKWOOD, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 297, relating to imported meat and dairy products.

S. 450

At the request of Mr. DURKIN, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 450, providing service pensions to certain World War I veterans and their widows.

S. 457

At the request of Mr. DURKIN, the Senator from Nevada (Mr. CANNON), the Senator from Minnesota (Mr. ANDERSON), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Nevada (Mr. LAXALT), were added as cosponsors of S. 457, to extend the delimiting date for completion for certain veterans and under certain conditions.

S. 514

At the request of Mr. RIBICOFF, the Senator from Montana (Mr. MELCHER) and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 514, to amend title XVIII of the Social Security Act.

S. 528

At the request of Mr. WILLIAMS, the Senator from Washington (Mr. MAGNUSON) and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. 528, relating to collective bargaining contracts.

S. 530

At his own request, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 530, relating to the common carrier telecommunications industry.

S. 647

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 647, for the relief of Marcus Bruce Paine.

S. 666

At the request of Mr. STEVENS, the Senators from South Dakota (Mr. McGOVERN and Mr. ABOUREZK) were added as cosponsors of S. 666, to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians and for other purposes.

S. 682

At the request of Mr. MAGNUSON, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 682, the Tanker Safety Act of 1977.

S. 687

At the request of Mr. MAGNUSON, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 687, the National Oil Pollution Liability and Compensation Act of 1977.

S. 694

At the request of Mr. KENNEDY, the Senator from North Dakota (Mr. YOUNG), the Senator from Iowa (Mr. CLARK), the Senators from Hawaii (Mr. INOUYE and Mr. MATSUNAGA), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Minnesota (Mr. HUMPHREY), were added as cosponsors of S. 694, a bill to adjust the status of Indochinese refugees to that of lawful permanent residents of the United States.

S. 740

At the request of Mr. PEARSON, the Senator from New York (Mr. JAVITS), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. 740, to amend the Internal Revenue Code of 1954.

S. 743

At the request of Mr. DURKIN, the Senator from Maine (Mr. HATHAWAY), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Vermont (Mr. LEAHY), the Senator from Nebraska (Mr. CURTIS), and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of S. 743, the Petroleum Marketing Practices Act.

S. 772

At the request of Mr. BARTLETT, the Senator from Nebraska (Mr. CURTIS), the Senator from South Carolina (Mr. THURMOND), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 772, to amend section 1011(d) of the Tax Reform Act of 1976.

S. 801

At the request of Mr. McINTYRE, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 801, a bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of providing that units of general local government which are not metropolitan cities or urban counties and which are receiving grants under the hold-harmless provisions of such title shall be entitled, after fiscal year 1977, to continue to receive at least the amount to which they are presently entitled under such provisions.

S. 804

At the request of Mr. DURKIN, the Senator from Vermont (Mr. LEAHY) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 804, relating to domestic crude oil and natural gas resources.

S. 805

At the request of Mr. McINTYRE, the Senator from Rhode Island (Mr. PELL), the Senator from Montana (Mr. MELCHER) and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of S. 805, the Solar and Energy Conservation Commercialization Act.

S. 806

At the request of Mr. McINTYRE, the Senator from Rhode Island (Mr. PELL) and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 806, the Renewable Energy and Energy Conservation Tax Act of 1977.

S. 807

At the request of Mr. McINTYRE, the Senator from Rhode Island (Mr. PELL), the Senator from Michigan (Mr. RIEGLE), the Senator from Montana (Mr. MELCHER), and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of S. 807, the Small Business Energy Research Incentives Act.

S. 903

At the request of Mr. HUMPHREY, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 903, to amend the Food Stamp Act of 1964.

S. 906

At the request of Mr. PELL, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor to S. 906, a bill to prohibit discriminatory practices with respect to physically handicapped persons.

S. 925

At the request of Mr. JACKSON, the Senator from Idaho (Mr. McCLURE) was added as a cosponsor of S. 925, to provide temporary authorities to the Secretary of the Interior.

S. RES. 105

At the request of Senator NELSON, the Senator from New Jersey (Mr WIL-

LIAMS) was added as a cosponsor of Senate Resolution 105 calling for a White House Conference on Small Business.

S.J. RES. 34

At the request of Mr. GOLDWATER, the Senator from South Carolina (Mr. THURMOND) and the Senator from Arizona Mr. DECONCINI) were added as cosponsors of Senate Joint Resolution 34 to designate National Patriotism Week.

AMENDMENT NO. 40

At the request of Mr. MCCLELLAN, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of amendment No. 40, intended to be proposed to S. 11, a bill to provide for the appointment of additional district court judges.

SENATE RESOLUTION 108—ORIGINAL RESOLUTION REPORTED RELATING TO THE CONSIDERATION OF S. 489

(Referred to the Committee on the Budget.)

Mr. HUMPHREY, from the Committee on Foreign Relations, reported the following original resolution:

S. RES. 108

Resolved, That (a) pursuant to section 402(c)(1)(A) of the Congressional Budget Act of 1974 (Public Law 93-344; 88 Stat. 297), subsection (a) of such section shall not apply with respect to the consideration in the Senate of the bill (S. 489) to authorize the appropriation of funds necessary to provide military assistance to Portugal in fiscal year 1977.

(b) Such waiver is necessary for the following reasons:

(1) The Committee on Foreign Relations, in reporting S. 489, is responding to events in Portugal that were not foreseeable prior to May 15, 1976.

(2) The Committee believes this assistance to be important to the national interest of the United States in that it will help strengthen NATO by providing the means for an enhanced Portuguese contribution to this vital alliance.

AMENDMENTS SUBMITTED FOR PRINTING

PUBLIC WORKS EMPLOYMENT ACT OF 1977—S. 427

AMENDMENTS NOS. 59 AND 60

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted two amendments intended to be proposed by him to the bill (S. 427) to provide additional authorizations for the public works employment program, to authorize a program for employment of teenaged youth in community improvement projects, and for other purposes.

AMENDMENT NO. 61

(Ordered to be printed and to lie on the table.)

Mr. HEINZ (for himself, Mr. BAYH, Mr. GLENN, Mr. METZENBAUM, Mr. PERCY, and Mr. SCHWEIKER) submitted an amendment intended to be proposed by them jointly to the bill (S. 427), supra.

AMENDMENT NO. 62

(Ordered to be printed and to lie on the table.)

Mr. PACKWOOD. Mr. President, tomorrow we are to consider legislation which will spend $4 billion on public works projects which were developed 4 to 5 months ago.

I have no problem with using the applications for funding sent to the Economic Development Administration last year, except for the fact that nearly every Western and Midwestern State has experienced widespread droughts during that time. In short, we are planning to spend $4 billion on a lot of projects which might not be needed nearly as badly as say a dam in one county, a fish ladder on some Indian reservation, or deeper wells in some other community. If Congress is to spend this tremendous amount of money we would at least provide local communities with a procedure for funding substitute projects that will reduce damage caused by droughts or other natural disasters.

Today I am submitting an amendment together with Senator MCGOVERN which will provide local communities the necessary flexibility to put this money where it is needed most. All my amendment would do is allow communities which receive EDA grants to substitute a new drought-related project using the same money that would have been spent on the original project. This proposal will release communities that are presently locked into building tennis courts and Olympic swimming pools when they really need deeper wells and water shortage facilities.

The new substitute project would have to meet certain basic criteria, but those rules should not be so stringent that the community does not have the ability to quickly apply the money on a needed drought-related project.

The new substitute project must, to the extent possible, achieve the same goals as the Public Works Employment Act is intended to achieve. It must serve to employ jobless persons in the affected community or at least prevent the possibility of future unemployment. The project should be one that can be under construction within, as near as possible, the same time constraints as the original project. The substitute project must also have to comply with all the provisions of the National Environmental Policy Act.

As the proposed Public Works Employment Act now stands, local communities will be given the opportunity to rank the projects they now have on file at the Economic Development Administration in the priority they are desired by the individuals in that community. I think this is an excellent idea. We should have done it last year in the first round of job's bill funding. My amendment would not slow down this project ranking process. Nor would my amendment slow down the Economic Development Administration's process of actually awarding grants to the qualified communities. That whole process should be encouraged to go forward at as rapid a pace as EDA can move.

My amendment would not alter the allotments to be given any State nor would it cost any additional money. Drought-stricken States or States with severe winter weather would be given no more money than States not suffering these calamities.

This type of amendment will prevent the possibility that communities all over the drought-ridden West will apply for money and then be disappointed because they do not receive the needed funding. We had a lot of very disappointed local governments after the last round of applications and grant funding. My amendment would only affect those communities which have already been chosen as ones that deserve grant money. This amendment is not, however, a mandate to local communities to spend money. It proceeds cautiously by putting a substantial burden on the local community to justify the expenditure of money for a disaster related project. They will have to give up a previously approved project to get the new project. If they decide the first project is more important, fine. They should have that choice. But they must also be given the discretion to spend money on projects which may reduce the damage caused by some intervening natural disaster.

Should the substitute project be more expensive than the one originally funded, the community would be asked to search for other funding sources or make up the difference from its own treasury. If the new project is less expensive the community will not be allowed to retain the excess unless the amount is minimal.

The most important aspect of this effort to remember is that we simply cannot spend $4 billion all over this country without even considering the major problems that have occurred between last year's application process and this year's funding. Should we do so the charge that Congress is unresponsive to the needs of Americans will be more than justifiably made.

The amendment I offer is a painless way of helping communities with high unemployment to achieve the means they need to reduce the impact of drought and other natural disasters. It will not reduce in any way the effectiveness of the Public Works Employment Act. It merely improves that act.

I ask unanimous consent that this amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 62

On page 21, after line 16, insert the following:

"SEC. 105. The Secretary of Commerce, acting through the Economic Development Administration, may allow any applicant which has received a grant for a project under section 102 of this title to substitute another project or projects if in the judgment of such Secretary (1) the Federal cost in the aggregate of such project or projects does not exceed the grant made under section 102 of this title, or if it does exceed the cost of the initial grant then the local community will provide funds to meet the excess; (2) if the project was selected on the basis of section 102(d)(7), the project or projects proposed for substitution are similar in immediate job-creating potential and relative time necessary for completion, and (3) the project or projects proposed for substitution will, in fact, aid in alleviating drought or other disaster conditions or damage."

AMENDMENT NO. 63

(Ordered to be printed and to lie on the table.)

Mr. PELL (for himself and Mr. CHAFEE) submitted an amendment intended to be proposed by them jointly to the bill (S. 427), supra.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. RIBICOFF. Mr. President, the Senate Governmental Affairs Committee will continue its hearings during the week of March 15th on S. 826, the Department of Energy Organization Act. Currently scheduled to appear will be:

Tuesday, March 15, 1977:

Mr. Joseph C. Swidler, former Chairman of the Federal Power Commission, Partner with Law Firm of Leva, Hawes, Symington, Martin and Oppenheimer.

Mr. Lee White, former Chairman of the Federal Power Commission, Attorney with Law Firm of White, Fein, Berville.

Mr. Edward Berlin, formerly with Berlin, Roisman and Kessler, Deputy Chairman, New York State Public Service Commission.

Mr. Robert McDiarmid, formerly Assistant to the General Counsel for the Federal Power Commission.

Wednesday, March 16, 1977:

Mr. Gary Deloss, Staff Attorney for Public Interest Research Group.

Mr. David Cohen, President of Common Cause.

Mr. Howard Gelt, Assistant to the Governor, Energy Policy Council.

Mr. James F. Flug, Director and Counsel, Energy Action Committee.

Thursday, March 17, 1977:

Mr. Frank Ikard, President, American Petroleum Institute.

Mr. Carl E. Bagge, President, National Coal Association.

Mr. Clyde Lilly, Chairman of the Board, Atomic Industrial Forum.

Mr. Willis Strauss, Chairman, Northern Natural Gas Association.

Mr. John J. Kearney, Senior Vice President, Edison Electric Institute.

Mr. George Lawrence, President, American Gas Association.

Additional witnesses may be added.

SPECIAL COMMITTEE ON AGING

Mr. CHURCH. Mr. President, the Special Committee on Aging will continue its hearings on "The Nation's Rural Elderly" in Denver, Colo., on March 23 at 11 a.m. The hearing is being held at the suggestion of the Western Gerontological Society, as the final event in that society's 23d annual convention. Part of the hearing will be based upon presentations on rural issues made at the conference. Another part of the hearing will be based upon field work performed in cooperation with the Colorado Congress of Senior Organizations. The hearing will take place in the Denver Hilton Hotel, where the Western Gerontological Society will hold its meeting.

CHANGE IN HEARING DATE, CIRCUIT COURT JUDGESHIPS

Mr. McCLELLAN. Mr. President, on March 3, 1977, I announced that an open public hearing had been scheduled by the Committee on the Judiciary on printed amendment No. 42 to S. 11 providing for additional circuit court judgeships.

The date for this scheduled hearing has been changed from March 11, 1977, to March 14, 1977, and will be held in room 2228 Dirksen Senate Office Building, commencing at 9:30 a.m.

All persons who wish to testify or submit a statement for inclusion in the record should communicate, as soon as possible, with Bill Westphal, 6306 Dirksen Senate Office Building, telephone 4-3618.

HEARINGS ON ACCOUNTING AND AUDITING PRACTICES AND PROCEDURES

Mr. METCALF. Mr. President, the Subcommittee on Reports, Accounting, and Management of the Committee on Governmental Affairs has scheduled hearings on accounting and auditing practices and procedures to be held on April 19 and 21, May 10 and 12, and May 24 and 26. The hearings on all 6 days will begin at 10 a.m. in room 3302 of the Dirksen Senate Office Building.

Any questions concerning these hearings should be directed to Jack Chesson, counsel to the subcommittee, room 161, Russell Senate Office Building, telephone: 224-1474.

SUBCOMMITTEE ON MONOPOLY

Mr. NELSON. Mr. President, the hearings by the Subcommittee on Monopoly of the Senate Small Business Committee on the Restrictive and Anticompetitive Practices in the Eyeglass Industry will resume on April 5 and 6, at 9:30 a.m. in room 318, caucus room, Russell Senate Office Building. Witnesses will be announced at a later date.

CHANGE IN STARTING TIME FOR HEARING ON PRODUCT LIABILITY PROBLEMS AND S. 527

Mr. NELSON. Mr. President, I wish to announce that the hearing scheduled to be held by the Small Business Committee on Product Liability Problems Affecting Small Business, and S. 527, on March 9, will begin at 10 a.m. instead of 9:30 a.m. as previously announced. The hearing will be held in room 6202, Dirksen Senate Office Building, and will be chaired by the Senator from Iowa (Mr. CULVER).

HEARINGS ON EDUCATION AND REVIEW ON PROGRAMS FOR THE HANDICAPPED

Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped, I announce that our subcommittee has scheduled hearings on education and the review of programs for the handicapped. The hearings will be held on Monday, March 21, 1977, and Tuesday, March 22, 1977, in room 4232, Dirksen Senate Office Building, starting at 9:30 a.m.

Persons wishing to testify should contact Mrs. Patria Forsythe, staff director, 10-B Russell Senate Office Building, (202) 224-9075.

LABOR SUBCOMMITTEE

Mr. WILLIAMS. Mr. President, I wish to announce that the Labor Subcommittee of the Committee on Human Resources will hold hearings on S. 717, the Federal Mine Safety and Health Amendments Act of 1977, a bill to promote safety and health in the mining industry, and for other purposes. These hearings are scheduled for Wednesday, March 30, 1977, and Thursday, March 31, 1977, commencing on each of those dates at 10 a.m., and will be held in room 4232 of the Dirksen Senate Office Building. Any person wishing to testify or submit a statement for the record should contact Michael L. Goldberg of the Labor Subcommittee staff at room G-237, Dirksen Senate Office Building, telephone number (202) 224-3674.

NOTICE OF NOMINATION HEARING

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Human Resources has scheduled a hearing on Thursday, March 10, 1977, at 10 a.m. in room 4232 Dirksen Senate Office Building, on the nomination of Arabella Martinez of Washington, D.C. to be Assistant Secretary for Human Development in the Department of Health, Education, and Welfare.

Persons wishing to testify or submit statements, please contact: Lisa Walker of the committee staff.

ADDITIONAL STATEMENTS

CENTRAL ARIZONA PROJECT

Mr. GOLDWATER. Mr. President, when President Carter ordered a halt for the funding of the central Arizona project, he said the action was taken because the CAP is unjustified on economic, environmental and safety grounds. I submit that this shows that the President is either totally misinformed on the nature of the project or that he has no regard for the truth. As a matter of fact, the CAP is entirely justified on all three grounds which have been debated for many years. Mr. President, like all of us who have been working on the central Arizona project from its very conception, I could refute all three arguments set forth by the administration. However, the job has been done for me, and very capably by a series of editorials which were published in the Phoenix Gazette. I ask unanimous consent that these editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

CARTER VERSUS THE CAP

President Carter's decision to terminate funding for the Central Arizona Project because it is "unjustified on economic, environmental and safety grounds" must have been made on the basis of woefully faulty and incomplete information. The fact is that the project is a matter of life and death for the people of Arizona.

Although new residents here usually take a dependable water supply for granted and even some of the oldtimers have lost sight of the importance of water resources development, the hard truth remains that much of Arizona is only marginally habitable in its natural state.

The cities of central Arizona, the green fields that surround them and the Arizona industries so important to the national economy stand on what once was wasteland and without water would become wasteland again. The Salt River Valley, where more than a million people live, is a throbbing metropolitan area only because hardy pioneers and the federal government formed a partnership in 1902 to provide a more dependable water supply by means of the Salt River Project.

Interestingly enough, that project involved a federal investment of slightly more than $10 million, an amount totally repaid in 1955. In the 20 years preceding the last payment, Valley residents had paid to the federal government various taxes totaling more than $600 million—a 600 percent re-

turn on Washington's investment. The prosperity that water has made possible here still enriches the federal treasury by enormous sums every year.

All of those statistics are offered by way of argument that contrary to President Carter's statement, the Central Arizona Project is indeed economically sound. While it does not promise to make more acres of desert bloom or to provide water for whole new cities, it is essential to protect at least partially the booming economy found here. Arizona, alas, is pumping groundwater faster than nature can replenish it, and CAP would reduce that overdraft significantly.

Ironically enough, President Carter's decision comes as the Arizona Legislature is trying to devise a formula to share water in the Tucson area, where the demands from agriculture, urban users and the mining industry exceed the supply. The Central Arizona Project offers the only hope of reducing that shortage anytime soon.

The President's concern for the environment is puzzling. The CAP alters the environment, to be sure, but man and his works surely must be considered a part of the environment, too. As far as a habitable desert environment for people is concerned, water makes the difference. The CAP certainly is justified from the perspective of a human environment.

As to safety, the President must be referring to questions that have developed about the safety of the proposed Orme Dam and the existing Stewart Mountain Dam. No clear dangers are posed by CAP, however, and if any develop, alternatives are available to continue the project with only slightly reduced benefits to this area.

By continuing the Central Arizona Project, the federal government would provide jobs not only directly on an essential reclamation project, but also indirectly with the Arizona industries dependent on an adequate water supply. And jobs are properly an important goal of the Carter administration.

If the President cannot be persuaded to change his mind, it is to be hoped that Congress can summon the wisdom to reverse what could be a potentially disastrous decision. And if the federal government decides to back out of its partnership on the Central Arizona Project, Arizona has little choice but to try to finish the project on its own. Without additional water, Arizona is headed for the worst kind of trouble—the sort that comes when people are confronted with that ancient enemy of mankind, drought.

Carter Reunites Us

Arizona is displaying commendable unity as the state mobilizes to keep the Central Arizona Project alive. If only that unity lasts beyond the initial shock into what may be a prolonged period of difficulty, water from the Colorado River still will flow into central Arizona.

The important consideration ever since CAP was a dream among such visionaries as Arizona Sen. Carl Hayden has been to get the first drop of water through a completed delivery system from the river into central Arizona.

That approach is probably more important than ever because the Central Arizona Project was far enough along—even before President Carter suddenly put it in jeopardy—for factional disagreements to begin to surface here. Differences over any water supply in arid Arizona are inevitable, of course, but it hardly makes sense to squabble about water that isn't here, ready to use. That's like arguing over who owns a rain cloud.

During all the years that Arizona was fighting for a start on the CAP, the water project was put above politics, regional considerations, and the conflicting interests of potential users. Democrats, Republicans, agriculture, industry, municipalities and other interests stuck together for the purpose of getting the water here.

So it must be again. Unfortunately, the CAP has developed some new opposition from a short-sighted element of no-growth advocates and self-proclaimed experts who see water as nothing more than another commodity, like steel or concrete.

The difference, of course, is that life on the desert depends upon the right amount of water being available at the right place at the right time. To the thirsty desert wanderer, the value of water is not measured in acre feet or miner's inches or in terms of crops or monthly water bills or money. Water is life.

So it is, in a collective perspective, with the CAP. Unless Arizonans who realize the importance of water, brought together by the current threat, stick together until Colorado River water starts flowing here, the consequences could be dire indeed.

Water, Economics and CAP

President Carter says he is cutting off funds for the Central Arizona Project because the project is uneconomical, among other things. The trouble with that argument is that on the desert, water is priceless and its value can't always—or even usually—be measured in dollars.

Put a man on the desert, say, around Gila Bend, on a summer day without water, and unless he knows a great deal about survival in one of the world's most hostile environments he probably will be dead in 48 hours. Toward the end, he surely would trade everything for a full canteen.

Arizona has whole cities of people living in such a hostile environment. Phoenix and Tucson, the state's largest communities, and several smaller towns as well, exist only because the water supply is adequate—for now. Tucson, the largest city in the United States without a surface water supply, is already in trouble because the town wells are going dry. Slowly perhaps, but surely. There is even now not enough water to meet domestic needs, to supply mining operations important to the city's economy and to support agriculture, an industry steadily dwindling as more water is put to domestic and industrial use.

So it is in the perspective of the empty canteen for entire cities that the $1.6 billion cost of the CAP must be considered. In other places where it is possible to dig a well with a shovel, the CAP would be an outrageous boondoggle. On the desert it could make the difference between thriving cities and ghost towns.

In any event, the economics of water on the desert should be of little concern to Washington because Arizona will repay 75 percent of the cost of CAP by the sale of water and from other revenues. The remaining cost is nonreimbursable because it involves expenditures for flood control, wildlife, recreation and other functions more properly charged to the federal government than to water users.

As a practical matter, of course, the federal treasury will recover the entire cost of the project many times over in federal income taxes and other revenues that will be generated if Arizona gets enough water to maintain a healthy economy. Moreover, Washington reduces the risk of heavy disaster relief in the event of drought here.

By straight mathematics, then, CAP is economical, especially so as Washington ordinarily figures things. More important, however, the water it would bring to the Arizona desert could make the same difference water has made on the desert since Genesis—the difference between good land and wasteland.

CAP and Environment

Although the Central Arizona Project would alter the environment, it would do no major violence to nature, and considering the enormous benefits it promises to the people of a parched land, it is difficult to figure how President Carter could conclude that the project is evironmentally unsound.

The environmental consideration was one reason offered by the President for terminating federal funds for the project. To the ecoextremists inclined to protest the movement of a single rock or bush except by the forces of nature, the project is, of course, disaster in the making. Reasonable conservationists who recognize that people are also part of the environment do not find CAP so objectionable.

The worst features of the project as it was once envisioned—the hydroelectric "cash register" dams at Bridge Canyon and Marble Gorge in the Grand Canyon area—were canceled long ago and new arrangements made to repay the cost of the project to the federal government from the sale of water and from other power generating resources.

That leaves Orme Dam, proposed for construction at the confluence of the Salt and Verde rivers east of Phoenix, as the single feature of the Central Arizona Project that is drawing heavy protest, because the impounded waters would force the relocation of Indians at Fort McDowell and would endanger the two eagle nests. The safety of the dam is also being questioned.

Orme Dam is not essential to CAP, however, the water project could be completed using alternative storage facilities. Orme Dam provides flood protection for Phoenix not found in the other options but, again, it is not needed for CAP water delivery. The adverse environmental and social impact of the proposed Orme Dam and the concerns about possible risky geological features at the site offer no reason to abandon CAP entirely.

The Lesson of History

To appreciate the importance of the Central Arizona Project to this area, it is necessary only to review a lesson of history. It starts in a dry year for the Valley—1897. By that time the Valley was a prosperous agricultural area, with perhaps 100,000 acres in crops irrigated by water from canals branching off the Salt River.

The primitive but effective canal systems, operated by various companies, depended upon the flow of the river. In 1897, it didn't rain in the mountains. Nor in 1898. Nor in 1899. Drought held the Valley in its grip.

At least 75,000 acres of farmland developed by pioneers over a 20-year period were left to revert to desert. Houses were abandoned. Trees died by the hundreds of acres in the Glendale area. Animals were turned loose to fend for themselves. What little water remained in the river was guarded by armed patrols. Dust boiled in great clouds over what had been an oasis.

A rain in February of 1900 proved more curse than blessing. It triggered a flash flood that wiped out the diversion dams on the river, dashing hopes for a spring crop that year. Then it was dry again. After a brief period of too much water, once again there was not enough.

That period of near disaster inspired the people here to try for a water storage system, an effort that culminated in the Salt River Project. With the project, the Valley has enjoyed a more dependable water supply, first for an essentially agricultural endeavor and later on for increasing urban and industrial use. Drought has threatened, however; in 1940 and again in 1951 the project's storage facilities held a water supply measured in days when the rains finally came.

This year, the runoff from the mountains is about 48 per cent of normal. The Salt River Project figures the 800,000 acre feet it has in storage is enough to stretch into a two-year supply, with supplemental pumping.

So central Arizona is not entirely safe from water shortage, and that is why the Central Arizona Project is so important.

CAREER CRIMINAL PROGRAMS

Mr. BENTSEN. Mr. President, I rise today to commend a major managerial innovation in the prosecution of criminal cases, one that has led to success against those who repeatedly terrorize our communities by committing violent crimes.

I refer to the career criminal programs, initially funded by the Law Enforcement Assistance Administration. Under these programs, local law enforcement officials receive incentive grants to establish units of experienced prosecutors and investigators to concentrate substantial resources on the prosecution of violent career criminals. This unit examines cases immediately upon their entry into the criminal justice system, assigning priority to those that involve dangerous career criminals.

Weak or unwinnable cases, usually involving innocent defendants or insubstantial evidence, are weeded out. This enables law enforcement to concentrate on those cases that are most important. Innocent people are often protected from long and expensive ordeals. Society is further protected from the highly dangerous offender. The limited resources of our overburdened criminal justice system can be most effectively targeted.

Mr. President, competent case screening can make justice more swift, certain and strict for the relatively few numbers of people who time and again commit violent acts. By emphasizing the truly dangerous offender and devoting scarce resources to these cases, higher conviction rates have been attained. By bringing evidence to the attention of the judge for sentencing purposes, those who are convicted of numerous violent crimes can receive the strict sentences they deserve.

I believe that prosecutors who have made this managerial innovation ought to be commended. I believe that local law enforcement officials are coming to grips with the problems created by the overwhelmed system they must work with. Already nearly 2,500 career criminals have been sent to prison for long terms in the 2 years that these programs have been in existence. I cannot emphasize enough that these are dangerous people, who have time and again committed dangerous and violent crimes against our citizens, and that very often they have received long prison terms.

Mr. President, recent statistics give us reason to hope that the rate of violent crime may well be decreasing. In part, I believe this is due to stronger and more effective efforts against those who repeatedly commit violent crimes. In Houston where the career criminal program has been cited by local officials as a major step forward, comparing the crime rate for the first 9 months of 1976 with the same period in 1975 shows reductions in violent crime. Murder and manslaughter are down 8.6 percent; robbery is down 16.5 percent; aggravated assault is down 6 percent; and the total rate of violent crime is down almost 12 percent. In Dallas, another city that has pioneered this approach, murder and manslaughter are down 2.1 percent; robbery is down 12.7 percent; aggravated assault is down 6.4 percent; and the total rate of violent crime is down 8.2 percent. In our Nation's Capital, where local law enforcement officials have cited this program, among others, robbery is down 22.2 percent and total violent crime is down 17.3 percent.

These are not merely numbers. These are people who are not murdered, people who are not assaulted, people who are not robbed. Often this is blood that is not shed. There are many factors that lead to these lower rates, some of which may be understood and others that may well be beyond short-term comprehension. Our people have indeed heard too many inflated promises made by those who wish that the right spech or the tough rhetoric, could make crime go away. Certainly there are no easy answers. But, Mr. President, there has been too much negativism in discussions of law enforcement. Prosecutors and police should be commended when they propose new methods to deal with complex problems. Case screening is one of those. I believe that this greatly needed managerial tool can do more than a thousand speeches to make our criminal justice system more responsive to the high rate of dangerous crime. Prosecutors who employ it should be encouraged. They should be commended. As best we can, we should give them the support they need to do this difficult job.

Mr. President, to this end, I have written to Attorney General Bell, seeking his ideas about whether and how these programs can be expanded and improved, and how local law enforcement officials can be further supported as they continue their battle against the career criminal. I am considering legislation to this end, perhaps to expand on my amendment, enacted in the last session, which encouraged these programs. I believe that this effort can help make our streets and communities safe from the relatively small but dangerous band of career criminals who habitually terrorize them. I am encouraged by the increasing interest in this problem shown by law enforcement officials, our citizens and press, and groups such as the National Association of District Attorneys.

I believe that the executive and legislative branches of the Federal Government can work together in helping local law enforcement officials combat the problem of career criminals, possibly through incentive grants that would lead to locally self-sufficient programs. The evidence indicates that this effort can be successful.

Mr. President, we can make our system of justice more swift and certain, and for the truly dangerous more strict. There is no better investment of the taxpayer's dollar than one that increases public safety for all of our citizens, who seek nothing more than the ability to conduct their lives without fear.

D-2 LANDS IN ALASKA

Mr. STEVENS. Mr. President, recently I was sent a copy of a resolution passed by the city council for Ketchikan, Alaska. The resolution concerns H.R. 39, one of a number of bills proposed for congressional consideration concerning the d-2 lands question in Alaska. The city council requested that I send a copy of the resolution to each Member of Congress. I am accommodating this request by inserting a copy of the resolution in the RECORD.

Mr. President, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION No. 1071

A resolution of the Council of the City of Ketchikan, Alaska, opposing HR 39, commonly referred to as Udall Bill, and requesting that the Congress of the United States take no action on said bill until input from Southeast Alaska is considered

Whereas, Southeast Alaska is an area of abundant natural resources, including timber, mineral ores, wildlife, and fish; and

Whereas, Southeast Alaska is also an area of incomparable natural beauty; and

Whereas, over a period of approximately the last seventy years, the residents of Southeast Alaska have utilized the natural resources of the area while simultaneously caring for and preserving the incomparable natural beauty of the area; and

Whereas, the residents of Southeast Alaska and of the City of Ketchikan depend on these natural resources for their livelihood and recreation; and

Whereas, the residents of Southeast Alaska and of the City of Ketchikan, Alaska, have a vital interest in the future use and development of the natural resources of Southeast Alaska; and

Whereas, the House Interior Committee has recently submitted a bill HR 39, commonly referred to as the Udall Bill, which would create five wilderness areas totaling 4.5 million acres, in Southeast Alaska, including 2.4 million acres in the Ketchikan area; and

Whereas, the Udall Bill will have a very great impact on the future development and economy of Southeast Alaska and the City of Ketchikan; and

Whereas, the drafters of the Udall Bill and the House Interior Committee failed to seek or consider the input of the residents of Southeast Alaska, or of the City of Ketchikan, in devising the Udall Bill other than to consider the views of the Southeast Alaska Conservation Council, a small interest group which does not represent the opinions or interests of the residents of this area; and

Whereas, there are currently other bills under study by the Congress dealing with the problem of land use in Southeast Alaska, pursuant to which first hand studies by congressmen have been made of Southeast Alaska; and

Whereas, these bills, which consider all aspects of the problem of land use in Southeast Alaska, necessarily represent a fair, more well balanced, and better considered solution to the problems of Southeast Alaska.

Now, therefore, be it resolved by the Council of the City of Ketchikan, Alaska.

Section 1: That it urges the House of Representatives of the United States to take no action on HR 39, the Udall Bill, until such time as the valid interests and concerns of the residents of Southeast Alaska and of the City of Ketchikan are given the consideration to which they are entitled.

Section 2: That public hearings be held in Southeast Alaska on the provisions of the Udall Bill, and on the proper course for future development of Southeast Alaska.

Section 3: That the Council of the City of Ketchikan invites Morris Udall, and the members of the House Interior Committee, to visit Ketchikan so that they may gain first-hand insight into Southeast Alaska thus enabling them to better draft legislation more realistically and fairly dealing with the problems of Southeast Alaska.

RULES AND SUBCOMMITTEE ASSIGNMENTS OF THE COMMITTEE ON VETERANS' AFFAIRS

Mr. CRANSTON. Mr. President, section 133B of the Legislative Reorganization Act of 1970, as amended, requires each standing, select, or special committee of the Senate at the beginning of each session to publish in the CONGRESSIONAL RECORD the rules the committee has adopted to govern procedures within the committee.

On March 2, the Senate Committee on Veterans' Affairs met in open session and unanimously adopted the committee's Rules of Procedure. I ask unanimous consent that the rules of the Committee on Veterans' Affairs be printed in the RECORD along with a list of the subcommittees and subcommittee memberships adopted at the same meeting.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROPOSED REVISED RULES OF THE SENATE COMMITTEE ON VETERANS' AFFAIRS MARCH 1, 1977

I. MEETINGS

a. Unless otherwise ordered, the Committee shall meet on the first Wednesday of each month. The Chairman may, upon proper notice, call such additional meetings as he deems necessary.

b. Meetings of the Committee or a subcommittee shall be open to the public except that, subject to the provisions of paragraphs (b) and (d) of Rule 25.7 of the Standing Rules of the Senate, a portion or portions of any such meetings may be closed to the public if the Committee or subcommittee so elects by a record vote of a majority of the members present.

c. The Chairman of the Committee or of a subcommittee, or the Vice-Chairman in the absence of the Chairman, or the Ranking Majority Member present in the absence of the Vice-Chairman, shall preside at all meetings.

d. No meeting of the Committee or any subcommittee shall be scheduled except by majority vote of the Committee or by authorization of the Chairman of the Committee.

e. The Committee shall notify the office designated by the Committee on Rules and Administration of the time, place, and purpose of each meeting. In the event such meeting is cancelled, the Committee shall immediately notify such designated office.

II. QUORUMS

a. Subject to the provisions of paragraph (b), five members of the Committee and four members of a subcommittee shall constitute a quorum for the reporting of legislative matters. Three members of the Committee or a subcommittee shall constitute a quorum for the transacting of any other business.

b. For the Committee to transact any business or for a subcommittee to report a legislative matter, at least one member of the Minority shall be present. If, at any meeting, business cannot be transacted because of the absence of such a member, the matter shall lay over for a calendar day. If the presence of a Minority member is not then obtained, business may be transacted by the appropriate quorum.

c. One member shall constitute a quorum for the purpose of receiving testimony.

III. VOTING

a. Votes may be cast by proxy. A proxy may be written or oral, and may be conditioned by personal instructions. A proxy shall be valid only for the day given except that a written proxy may be valid for the period specified therein.

b. There shall be a complete record kept of all Committee action. Such record shall contain the vote cast by each member of the Committee on any question on which a "yea" and "nay" vote is requested.

IV. SUBCOMMITTEES

a. No member of the Committee may serve on more than two subcommittees. No member of the Committee shall receive assignment to a second subcommittee until all members of the Committee, in order of seniority, have chosen assignments to one subcommittee.

b. The Committee Chairman and the Ranking Minority Member shall be ex-officio non-voting members of each subcommittee of the Committee.

c. Subcommittees shall be considered *de novo* whenever there is a change in Committee chairmanship and, in such event, subcommittee seniority shall not necessarily apply.

d. Should a subcommittee fail to report back to the Committee on any measure within a reasonable time, the Chairman may withdraw the measure from such subcommittee and so notify the Committee for its disposition.

V. HEARINGS AND HEARING PROCEDURES

a. Except as specifically otherwise provided, the rules governing meetings shall govern hearings.

b. At least one week in advance of the date of any hearing, the Committee or a subcommittee shall undertake, consistent with the provisions of section 133A of the Legislative Reorganization Act of 1946, as amended, to make public announcement of the date, place, time, and subject matter of such hearing.

c. The Committee or a subcommittee shall require each witness who is scheduled to testify at any hearing to file such witness' testimony with the Committee not later than twenty-four hours prior to the witness' scheduled appearance unless the Chairman and Ranking Minority Member determine there is good cause for failure to do so.

d. The presiding officer at any hearing is authorized to limit the time allotted to each witness appearing before the Committee or subcommittee.

VI. GENERAL

All applicable requirements of the Standing Rules of the Senate and of the Legislative Reorganization Act of 1946, as amended, shall govern the Committee and its subcommittees.

VII. AMENDMENTS TO THE RULES

The rules of the Committee may be changed, modified, amended or suspended at any time, provided, however, that not less than a majority of the entire membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose. The rules governing quorums for reporting legislative matters shall govern rules changes, modifications, amendments, or suspension.

COMMITTEE ON VETERANS' AFFAIRS

Alan Cranston, California, Chairman; Herman E. Talmadge, Georgia; Jennings Randolph, West Virginia; Richard (Dick) Stone, Florida; John A. Durkin, New Hampshire; Spark M. Matsunaga, Hawaii; Robert T. Stafford, Vermont; Strom Thurmond, South Carolina; Clifford P. Hansen, Wyoming.

SUBCOMMITTEES

*Compensation and Pension**

Herman E. Talmadge, Georgia, Chairman; Spark M. Matsunaga, Hawaii, Vice-Chairman; Jennings Randolph, West Virginia; John A. Durkin, New Hampshire; Clifford P. Hansen, Wyoming; Robert T. Stafford, Vermont.

*Health and Readjustment**

Alan Cranston, California, Chairman; John A. Durkin, New Hampshire, Vice-Chairman; Jennings Randolph, West Virginia; Richard (Dick) Stone, Florida; Strom Thurmond, South Carolina; Clifford P. Hansen, Wyoming.

*Housing, Insurance, and Cemeteries**

Richard (Dick) Stone, Florida, Chairman; Herman E. Talmadge, Georgia; Alan Cranston, California; Spark M. Matsunaga, Hawaii; Robert T. Stafford, Vermont; Strom Thurmond, South Carolina.

*Chairman and Ranking Minority Member are Ex Officio Non-Voting Members of All Subcommittees.

TAXING MARRIAGE

Mr. HUMPHREY. Mr. President, there is a defect in the tax laws, of which we are all now painfully aware, which puts the Federal Government in the position of encouraging people to choose "living together" over marriage.

The solution to this problem is under legislative study, and as always with tax questions, the solution will undoubtedly be complicated.

But one thing is clear now: penalizing marriages where both husband and wife are wage earners is a totally unacceptable policy.

A table prepared by the Office of Tax Analysis of the Treasury Department, shows the impact of the 1969 and 1976 Tax Reform Acts which effectively lowered the tax rate on single people while maintaining the tax rate of couples filing joint returns. For example, a couple where one partner earns $10,000 and the other earns $5,000—cumulatively earning just over the median income for a family of four—pays $221 more in taxes than they would pay if each person could file a single return.

The primary inequity occurs where both husband and wife are income earners. They cannot avail themselves of the benefits of income-splitting, and thus pay more taxes than if they had filed as individuals—which they would have done if they remained unmarried. There is some evidence that this anomaly has, in some cases, influenced whether people get married, and even whether they get divorced. It has encouraged legal legerdemain in the form of temporary divorces and remarriages to which the IRS is not always wise. An article in the New York Times, by John and Isabel Sawhill, highlights the irony and cruelty of the present situation.

Mr. President, I ask unanimous consent that the table and article referred to here, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARRIAGE PENALTIES IN 1976 LAW

THE MARRIAGE PENALTY IS THE EXCESS OF THE TAX A COUPLE PAYS WITH A JOINT RETURN OVER WHAT IT WOULD PAY IF BOTH PERSONS COULD FILE SINGLE RETURNS

Total family income	Dollar amount of marriage penalty when share of income earned by lesser-earning spouse is—					
	None	10 percent	20 percent	30 percent	40 percent	50 percent
$0	[1] 0	[1] 0	[1] 0	[1] 0	[1] 0	[1] 0
$3,000	[1] −$42	[1] 0	[1] 0	[1] 0	[1] 0	[1] 0
$5,000	[1] −233	[1] −$149	[1] −$69	[2] $12	[2] $87	[2] $130
$7,000	[1] −266	[1] −137	[1] −18	[2] 101	[2] 201	[2] 212
$10,000	[1] −383	[1] −163	[2] 43	[2] 191	[2] 216	[2] 221
$15,000	[1] −527	[1] −187	[2] 97	[2] 162	[2] 237	[2] 263
$20,000	[1] −762	[1] −240	[2] 56	[2] 189	[2] 258	[2] 243
$25,000	[1] −1,085	[1] −324	[2] 29	[2] 235	[2] 319	[2] 365
$30,000	[1] −1,406	[1] −442	[2] 13	[2] 320	[2] 497	[2] 565
$40,000	[1] −2,013	[1] −657	[2] 149	[2] 661	[2] 1,034	[2] 1,188
$50,000	[1] −2,697	[1] −799	[2] 334	[2] 1,188	[2] 1,743	[2] 1,910
$100,000	[1] −6,810	[1] −2,532	[2] 605	[2] 2,819	[2] 4,275	[2] 4,815

[1] No marriage penalty.
[2] Marriage penalty.

Note: In all tax calculations, deductible expenses are assumed to be 16 percent of income, and the maximum tax is not used.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis

[From the New York Times]

ACTUALLY, THIS ARTICLE IS ABOUT TAXATION

(By John C. Sawhill and Isabel V. Sawhill)

On Feb. 10, in a visit with employees of the Department of Housing and Urban Development, President Carter said, "Those of you who are living in sin, I hope you will get married." We wonder whether anyone has told him how much this could cost the individuals involved?

Take the case of a male bureaucrat living in sin with a female bureaucrat. (We all know that bureaucracies are naturally incestuous places.) If both have equally responsible and well-paid jobs classified at the upper end of the civil service salary scale, they would have an enviable joint income of $60,000 or $70,000 a year, and their combined Federal income tax would be about $15,000, depending upon actual income, and deductions. However, if they took Mr. Carter's advice and got married, the Internal Revenue Service would dun them an extra $3,000 or so a year in taxes.

This tax penalty on marriage was introduced into the tax structure in 1969 as a result of an attempt by Congress to give some relief to single taxpayers. Single people had complained that they did not benefit from the income-splitting provisions that tend to reduce the tax liability of those married couples who have only one paycheck and two people to split it between. In response to such complaints, Congress lowered the rates for single people. But in doing so, they made marriage the more expensive alternative for those single individuals who each have their own income and thus no one to split a paycheck with after marriage.

In other words, by reducing the tax burden on single individuals, and leaving the rates for married couples the same, Congress gave potential two-earner families the incentive to stay single. Perhaps the solution is to give married couples the option of using single rates.

Of course, no one makes decisions about something as serious and enduring as marriage on the basis of what it will do to their tax return. Or do they?

We have all read reports of the high cost of housing in Washington and sympathize with members of the Administration who are seeking homes in the area. Five years of living in sin at an annual tax savings of $3,000 could go a long way toward covering the down payment on a house in Georgetown, or at least one on Capitol Hill.

We are confident that once Mr. Carter is fully briefed about the complexities of our tax laws he will understand that, while no one is really against marriage per se, living in sin is certainly cheaper.

Incidentally, as part of his consideration of this issue, he might ask his advisers to think further about how to deal with the impact of current welfare and Social Security laws on incentives to get (and remain) married.

We cannot legislate morality, but we would do something about making it more affordable.

NOMINATION OF JUDGE WADE H. McCREE, JR., FOR UNITED STATES SOLICITOR GENERAL; AND DREW S. DAYS III, FOR ASSISTANT ATTORNEY GENERAL OF THE CIVIL RIGHTS DIVISION OF THE JUSTICE DEPARTMENT

Mr. BIDEN. Mr. President, I go on record opposing the nominations of Judge Wade H. McCree, Jr. for U.S. Solicitor General and Drew S. Days III for Assistant Attorney General of the Civil Rights Division of the Justice Department.

I voted against both of these men when they appeared before the Judiciary Committee during their confirmation hearings.

I did not vote against them because I doubted their capability or their integrity. To the contrary, I feel Judge McCree and Mr. Days will serve honorably and capably in their Justice Department positions.

I voted against them because we seem to disagree over an issue of great concern to me and the citizens of Delaware. The issue is forced busing. I oppose it. The citizens of Delaware oppose it. And, if my instincts are correct, the people in this Nation oppose it.

I am not convinced that Judge McCree and Mr. Days are committed to stopping it.

I base this belief on the discussions I had with Judge McCree and Mr. Days in my office and the office of the Attorney General, and on the verbal and written answers provided to me during and after their confirmation hearings.

The basic disagreement between us involves their interpretation of recent Supreme Court rulings on the subject of racial discrimination and how they relate to the case of Evans against Buchanan—the Wilmington case.

Beginning in June of last year, the Supreme Court began to fashion a new rule in racial discrimination cases. The basic rule which the Court first applied in the employment discrimination case of *Washington* v. *Davis*, 426 U.S. 229 (1976), the housing case of *Arlington Heights* v. *Metropolitan Housing Corporation* (Jan. 1977), and now seems prepared to apply to school cases, is that a court cannot impose a remedy for alleged discrimination based upon evidence of discriminatory effect alone. The Court now requires that there be a finding that a discriminatory purpose was a motivating factor in the constitutional violation for which the remedy is proposed.

The Wilmington case hinged on one major piece of legislation enacted by the Delaware State Legislature—the Educational Advancement Act of 1968. The act allowed for the consolidation of a number of school districts in New Castle County, Del., but excluded the Wilmington school district from the consolidation authority. The district court ruled that this act had the effect of discriminating against black children.

On the question of discriminatory purpose, however, the court said the following about the Educational Advancement Act:

> No language in the provisions at issue makes any reference to race, nor evidently, did the legislative debate over the Act contain any reference to race. Finally, all Wilmington legislators, black and white, voted for the Educational Advancement Act. In short, the record does not demonstrate that a significant purpose of the Educational Advancement Act was to foster or perpetuate discrimination through school reorganization.

This language appears to preclude a finding of racial intent or purpose in the Wilmington case.

In 1976, the Justice Department filed a memorandum with the Supreme Court on behalf of the defendants in the Wilmington case arguing, in essence, that the remedy ordered by the district court was too broad. It has been my hope that in light of the recent Supreme Court rulings discussed above, the Justice Department, through the Solicitor General, would expand on its memorandum to argue that there was no evidence of discriminatory purpose in the Wilmington case and, therefore, argue that the decision be reversed.

Based upon Judge McCree's and Mr. Days' response to my questions on this subject, I am not confident this will occur.

Mr. President, I ask unanimous consent that the written correspondence between myself and Mr. Days and Judge McCree be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MARCH 3, 1977.

Hon. WADE McCREE,
U.S. Department of Justice,
Washington, D.C.

DEAR JUDGE McCREE: As I mentioned in the course of hearings before the Committee, I would appreciate your response in writing to a number of questions before I am asked to vote on your nomination in Committee.

It is my understanding that former Solicitor General Bork filed a memorandum with the Supreme Court in the Wilmington case in which he committed the Department of Justice to filing a brief on behalf of the defend-

ants in the Wilmington case. I had always assumed that his brief would have addressed the question of the scope of the remedy in the Wilmington case and would have argued that the remedy ordered by the District Court was excessive. Will the Department of Justice honor Mr. Bork's commitment? If so, what position will the Department take in the brief on the question of the remedy? Will the Department of Justice also address the question of whether there has been a constitutional violation in the Wilmington case in light of the so called "segregatory purpose" test set out by the Supreme Court in the *Washington v. Davis* and the *Arlington Heights* cases? If so, what position will the Department take on that question?

In the next few days, I intend to introduce legislation which would implement the Supreme Court's decision in the *Washington v. Davis* and *Arlington Heights* cases. A copy of the legislation is attached. In essence, the legislation would apply to school desegregation cases the same rule which the Supreme Court has now applied to employment discrimination and housing—that a court cannot impose a busing remedy in a school case unless it finds that school officials were "motivated by a discriminatory purpose". Would the Justice Department support such legislation? If not, why not?

Sincerely,

JOSEPH R. BIDEN, Jr.,
U.S. Senator.

OFFICE OF THE SOLICITOR GENERAL,
Washington, D.C., March 4, 1977.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: At the close of the hearing of the Committee on the Judiciary on March 2, 1977, on the question of my nomination as Solicitor General, Senator Biden stated that he intended to file written questions to which he requested my written answers. He delivered a letter containing these questions to the Department of Justice yesterday afternoon and they were read to me here in Detroit, Michigan, where I had returned to attend to some business of my court.

In order to complete the record before your Committee as soon as possible, I have dictated the following answers over the telephone to a secretary in the Department of Justice with the request that they be hand-delivered to your Committee today. I am posting an identical signed letter today.

Respectfully yours,

WADE H. MCCREE, Jr.

Dictated but not signed.

1. Will the Department of Justice honor Mr. Bork's commitment?

I do not know the procedure within the Department of Justice for making decisions about participation as *amicus curiae* in the courts of appeals. I therefore do not know whether the role of the Solicitor General in these decisions is similar to his role in decisions about litigation in the Supreme Court. I regard Solicitor General Bork's representation to the Supreme Court that "we will present our views as *amicus curiae* in the courts of appeals" as a serious commitment. If I am an officer of the Department, I will urge that it be honored.

2. If so, what position will the Department take in the brief on the question of the remedy?

I cannot predict the position of the Department of Justice on the question of remedy in the *Evans* case because again it will depend upon the Department's internal procedures for developing positions to be taken in *amicus* briefs filed in the courts of appeals. I cannot determine what position I personally would take on this question before I have had an opportunity to study the record on appeal.

3 and 4. Will the Department of Justice also address the question of whether there has been a constitutional violation in the Wilmington case in light of the so-called "segregatory purpose" test set out by the Supreme Court in the *Washington* v. *Davis* and the *Arlington Heights* cases? If so, what position will the Department take on that question?

Because of the reservations expressed in response to the first two questions, I do not know whether the Department of Justice will address the issue whether there has been a constitutional violation in *Evans* in the light of the Supreme Court's opinions in *Arlington Heights* and *Washington* v. *Davis*. I have not had an opportunity to review fully the procedural history of the *Evans* case. Nevertheless, my tentative view is that the statement of Solicitor General Bork in footnote 1 of the memorandum he filed in the Supreme Court last October is correct. He stated there that he regarded the question as foreclosed in substantial measure by the Supreme Court's summary affirmance of the district court's decision on the liability question.

5. Would the Department of Justice support the Senator's proposed legislation?

I am not acquainted with the procedures within the Department of Justice for determining whether to support proposed legislation. I would be surprised if the role of the Solicitor General in such determinations is significant. I prefer not to express a personal opinion without careful analysis of the proposed legislation in light of applicable precedent.

Dictated but not signed.

MARCH 4, 1977.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During my confirmation hearing on Wednesday, March 2, 1977, Senator Joseph R. Biden, Jr., indicated that he wished me to respond to certain written questions prior to his taking any action on my nomination. I have received Senator Biden's questions and would like to take this opportunity to provide my responses in order to complete the Committee's record.

The questions posed[1] and my responses are as follows:

(1) Q. Will the Department of Justice honor former Solicitor General Bork's commitment to file a brief in the United States Court of Appeals for the Third Circuit on behalf of defendants in the Wilmington school desegregation case?

A. The Civil Rights Division is presently conducting a thorough review of the record in the Wilmington case preparatory to making a recommendation to the new Solicitor General on whether the Department should file a brief *amicus curiae* in the Third Circuit.

The *Memorandum for the United States*[2] filed in the Supreme Court in the *Wilmington* case states, "if the Court dismisses the appeal, we will present our views as *amicus curiae* in the Court of Appeals." (*Mem.* 10) The Civil Rights Division regards this commitment made by the former Solicitor General as a serious one, and will make its recommendation fully mindful of that fact.

(2) Q. If the Department does decide to honor former Solicitor General Bork's commitment, what position will it take in the brief on the question of the remedy?

A. On the issue of remedy, the *Memorandum* appears to question the approach taken by the district court, but then goes on to observe as follows:

The principles we have articulated would, we believe, require a substantial amount of student reassignment in New Castle County. The district court concluded [citation omitted] that there have been significant and continuing inter-district acts of racial discrimination. In our view, these acts would require a significant inter-district remedy. Because no plan for student assignments under the district court's approach has yet been formulated, however, it is impossible to say how a plan designed under the principles we have set out would differ from a plan complying with the remedial guidelines established by the district court. (*Mem.* at 9–10)

The Civil Rights Division intends to take the foregoing views of the former Solicitor General into consideration in making any recommendations on the issue of remedy.

(3) Q. Will the Department of Justice also address the question of whether there has been a constitutional violation in the *Wilmington* case?

A. The *Memorandum* indicates the view of the former Solicitor General that further consideration of the lower court's finding of liability was "foreclosed in substantial measure" by the Supreme Court's earlier summary affirmance in this very case. We find his analysis of the record on this point persuasive. This conclusion, however, will also be subject to our reconsideration.

(4) Q. Would the Justice Department support legislation that would prohibit a federal court from imposing a busing remedy in a school case unless it finds that school officials were motivated by a discriminatory purpose?

A. As a general rule, the Civil Rights Division is asked to comment on proposed legislation affecting civil rights before the Department of Justice communicates its position to the Congress. No such bill has been filed nor, of course, have any hearings been held that might serve to clarify the purpose and scope of such legislation.

As presently drafted,[3] however, the bill would not warrant the Department's endorsement in my estimation. As I understand the precedents, in a school desegregation case it is necessary to establish school authorities purposefully acted in violation of the Constitution before any remedy may be considered. Accordingly, I fail to see the purpose or utility of legislation that would repeat that requirement as to a single remedy—transportation.

I hope that the Committee will find the foregoing answers sufficiently responsive to Senator Biden's inquiries in view of the fact that ultimate authority for deciding most of the matters addressed lies with the next Solicitor General or Attorney General Bell not with the Assistant Attorney General for Civil Rights.[4]

Sincerely,

DREW S. DAYS, III,
Acting Assistant Attorney General, Civil Rights Division

Mr. BIDEN. Mr. President, these are two impressive lawyers. They did not want to commit themselves. And they did not commit themselves.

Mr. President, I cannot justify voting to confirm these men.

Sooner or later, we are all going to admit that busing does not work. That

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[1] I have taken the liberty of distilling from Senator Biden's letter the specific questions he wished answered. The full text of his letter is attached, however, for the Committee's information.

[2] A copy of the *Memorandum* is appended hereto for the Committee's benefit.

[3] A Copy of Senator Biden's proposal is attached.

[4] After the foregoing was drafted, I was informed that the Clerk of the Court of Appeals for the Third Circuit has requested the Acting Solicitor General to file a brief amicus curiae in the *Wilmington* case by not later than March 18, 1977.

instead of helping, it hurts. That it is a catastrophic mistake, which we need to correct.

And until we do, I will continue to speak out, to do what must be done, to serve my constituents.

We must face the issue of busing squarely. All of us.

RULES OF THE COMMITTEE ON APPROPRIATIONS

Mr. McCLELLAN. Mr. President, the Committee on Appropriations held its organizational meeting on February 23, 1977. At the meeting the Committee adopted rules of procedure for the 95th Congress.

In accordance with the provisions of the Legislative Reorganization Act, as amended, I ask unanimous consent that the rules adopted by the Committee be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES GOVERNING THE PROCEDURE OF THE SENATE COMMITTEE ON APPROPRIATIONS, ADOPTED PURSUANT TO SECTION 133(B) OF THE LEGISLATIVE REORGANIZATION ACT OF 1946, AS AMENDED

1. Meetings—

The Committee will meet at the call of the Chairman.

2. Quorum—

(a) Reporting a bill. A majority of the members must be present for the reporting of a bill.

(b) Other business. For the purpose of transacting business other than reporting a bill or taking testimony, one-third of the members of the Committee shall constitute a quorum.

(c) Taking testimony. For the purpose of taking testimony, other than sworn testimony, by the Committee or any subcommittee, one member of the Committee or subcommittee shall constitute a quorum. For the purpose of taking sworn testimony by the Committee, three members shall constitute a quorum, and for the taking of sworn testimony by any subcommittee, one member shall constitute a quorum.

3. Proxies—

Except for the reporting of a bill, votes may be cast by proxy when any member so requests.

4. Attendance of Staff Members at Closed Sessions—

Attendance of Staff Members at closed sessions of the Committee shall be limited to those members of the Committee Staff that have a responsibility associated with the matter being considered at such meeting. This rule may be waived by unanimous consent.

5. Broadcasting and Photographing of Committee Hearing—

The Committee or any of its subcommittees may permit the photographing and broadcast of open hearings by television and/or radio. However, if any member of a subcommittee objects to the photographing or broadcasting of an open hearing, the question shall be refererd to the Full Committee for its decision.

6. Availability of Subcommittee Reports—

When the bill and report of any subcommittee is available, they shall be furnished to each member of the Committee twenty-four hours prior to the Committee's consideration of said bill and report.

7. Points of Order—

Any member of the Committee who has in charge an appropriation bill, is hereby authorized and directed to make points of order against any amendment offered in violation of the Senate rules on the floor of the Senate to such appropriation bill.

COMMUNITY-BASED CAREER EXPLORATION PROGRAM OF BREMEN, GA., PUBLIC SCHOOLS

Mr. HUMPHREY. Mr. President, since I introduced the Comprehensive Youth Employment Act of 1977—S. 170—on January 11, I have received correspondence from all over the country describing innovative youth programs being developed at the local level. Many of these are local models for programs that would be established nationwide under my legislation.

One of the most impressive is a community-based career exploration program that has been set up in the town of Bremen, Ga. Since we in Washington often fail to see the forward-looking programs that work very well for youths in their own hometowns, I want to call the attention of my colleagues in the Senate to the Bremen program.

The Bremen program allows high school youths to spend a part of the schoolday at worksites throughout the community, most with private business, gaining experience with the work world by actually performing real jobs. The rest of the day is spent on academic subjects, either in school or in independent study.

At the end of the first year, Bremen school officials interviewed the youths who participated in the program and their parents. Every parent, and almost every youth, found the experience worthwhile—the compilation of the surveys which appears at the end of the material sent me by the Bremen schools is very enlightening and very encouraging.

This is exactly the kind of program that would be established in communities across the Nation under the work experience for in-school youth program in the Comprehensive Youth Employment Act of 1977. I hope we can make it possible for young people across the Nation to share in the valuable experience that is being provided for the young people of Bremen, Ga.

Mr. President, I ask unanimous consent that a letter to me from the Bremen public schools and a description of the community-based career exploration program be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BREMEN PUBLIC SCHOOLS,
Bremen, Ga., February 21, 1977.

Hon. HUBERT HUMPHREY,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: The Bremen School System was most interested in the bill you presented to the 94th Congress. Your interest in providing work and community service opportunities for youth along with better job information and counseling is a strong concern of Bremen. We have developed and implemented successfully a Community Based Career Exploration program that deals directly with these areas of concern.

We thought you might be interested in our model; therefore, we are sending you some information about CBCE. We are most happy with the results of this program after one year of operation. From this program, an organized and well-defined career counseling program has developed for all high school students.

The staff, students, and parents of the Bremen School System strongly urge you to continue through your efforts in Congress to support and encourage community involvement and career exploration in public school education. Our youth need career decision-making opportunities so that the world of work can be satisfying and rewarding.

Thank you for your concern.

Sincerely,

KATHY WALKER,
CBCE Coordinator.

COMMUNITY BASED CAREER EXPLORATION

(Bremen High School, Bremen, Ga.)

The Bremen School System felt the responsibility to help students make career decisions and to help students relate academics to those career decisions. After reviewing alternatives, the staff felt an adoption/adaptation of the EBCE (Experience Based Career Education) program in Charleston, West Virginia, could fill the needs of Bremen Students.

Because we were planning to meet the career needs of all our students, if possible, the faculty felt the program should have levels of involvement. Through faculty discussion and input, a program evolved called Community Based Career Exploration (CBCE). CBCE is designed for all students with participation limited only by age. (A student must be 16 years of age.)

CBCE contains two basic elements, an academic program and a career program. Academically, it can offer students an alternative to traditional classroom learning by placing students on CBCE Independent Study. The traditional curriculum then becomes highly individualized so that, if possible, academic concepts can be learned through experiences in the world of work.

The career element allows students to go to community worksites, where through observation and work, they gather information and knowledge about the world of work.

The community is the key to this program, for the community experience sites are the basic instructional tools. In CBCE, "The Community is the School."

Bremen has three plans of student involvement. Plan A allows students to spend two hours each day at a worksite and spend the remainder of the day in regular high school classes. Plan B involves students in CBCE for three or more periods with or without independent study. Plan C allows the student to be on a worksite for the entire school day, and he earns academic credit through CBCE Independent Study.

Students registered for CBCE have an orientation session where they take a series of Interest, Temperament, Aptitude and Occupational Tests. Using these results students plot their characteristics on a matrix that relates this information to 114 worker trait groups defined in the Dictionary of Occupational Titles. From this information, students are counseled as to the worker trait groups they should explore. The student and coordinator review the worksites available and select the worksites to be observed. A student is placed on a worksite for a minimum of three weeks and may observe as many as four worksites a quarter.

Each week a student has an In-house day which allows him to stay at school to have conferences with his Learning Coordinator to discuss his experiences, problems, academics and interests. Students observe on a worksite and actually get "hands-on" experiences. When they leave they have a good idea of what that job is really like. While at the worksite, students use career guides to analyze the job experiences and to compare their findings with the results of their initial self testing. This helps the students to

develop the ability to evaluate a situation and to see if that correlates with what he desires in the world of work.

CBCE PROFILE

(Community Based Career Exploration)

Affiliation: Appalachian Educational Laboratory, Charleston, West Virginia.

School: Bremen High School, Bremen, Georgia.

Grades: 10–12.

Population: 244 students.

Personnel: One project coordinator (20 hrs./week). One assistant coordinator (10 hrs./week).

Funding: 1975–1976 Federal Title III. 1976–1977 Local School Board.

Program Implementation:

Fall Quarter 1975–1976—Planning and organizing.

Winter Quarter 1975–1976—Student involvement with Plan A in grades 11–12.

Spring Quarter 1976—Student involvement using all Plans in grades 10–12.

Fall Quarter 1976–1977—Student involvement using all Plans in grades 10–12. Pilot site for AEL.

Objectives: To provide students with a hands-on approach to the world of work. To become acquainted with the "tools of the trade" in areas he might be interested and to learn the procedure for securing training and placement.

To provide students with the opportunity to be engaged in learning specific job entry skills.

To provide students with the opportunity to be exposed to the expectations of employers.

To explore and identify attitudes and abilities that are necessary to achieve success in an occupation and to develop an awareness of their individual strengths and weaknesses.

To provide students with the opportunity to see the relationship between his academic subjects and various professions.

To provide students with the opportunity to explore job opportunities of the future.

To provide better guidance to the student through individual counseling by teachers in an interdisciplinary approach.

STUDENT INVOLVEMENT

Activities:

Plan A—The student spends two periods per day on CBCE. The remainder of the day is spent in school classes.

Plan B—A student may have any combination of on-campus and off-campus periods. The student's schedule is unique to his needs. This is really a combination of Plan A and C.

Plan C—The student has school in the community for six periods a day. All academic credit is planned individually for each student.

EARNING ACADEMIC CREDIT

Plan A—The student will be on-campus for four class periods. He will select classes according to need and course offerings for the quarter. The student will attend classes in the traditional manner.

Plan B—The student may have classes as in Plan A plus take an academic course(s) on an independent study basis using a Learning Coordinator.

Plan C—The student will be on the work-site first through sixth period for four days each week. All academic studies will be on an independent study basis. The fifth day each week will be spent in-house at BHS to have conferences with Learning Coordinators. Students will take as many courses as necessary to fulfill requirements for graduation.

Evaluation:

The Career Maturity Inventory and basic skills tests were administered to the CBCE students and to a control group. AEL has not returned the results. Bremen administered surveys which are attached.

Commitments:

Local—The school board will fund the program totally utilizing a half-time person.

Parent Affiliation—AEL will sponsor Bremen as a pilot site giving personnel to aid in training sessions and materials used for demonstration.

Resources:

A high degree of community involvement is the key resource of CBCE. (Refer to summary report)

Strengths:

Economical—the major cost is personnel.

Effective—noticeable change in student attitudes.

Community Involvement—the community and the school system become closer.

Mobility—After career exploration, students find it easier to move into other vocational programs or more defined college prep classes.

Weaknesses:

Community cannot provide every career possibility, but does provide a high percentage.

Additional Local Efforts:

Rotary Club sponsored Career Day and ongoing lay-community career guidance program.

Role of National Manpower Institute and the Federal Interagency Steering Committee:

To serve as a disseminator of this project to other schools throughout the Southeast United States.

To provide technical assistance in expanding the concept to Junior High in some exploration manner.

To serve as a disseminator to State Departments, vocational areas, and institutions of higher learning.

To secure representatives of NMI for on-site visits for evaluative purposes and for recommendations.

1975–1976 SUMMARY REPORT

Applied mechanics	8
Cosmetology	4
Professional	13
Retailing	30
Finance	7
Realty and Insurance	4
Special Skills	12
Sociological	9
Trade and Industry	11
Total number of businesses willing to participate	98
Total number of businesses used	42
Total number of work sites used	61
Student enrollment winter quarter	20
Student enrollment spring quarter	14
Students involved in plan A	28
Students involved in plan B	4
Students involved in plan C	2
Total quarter hours credit awarded in career exploration	165
Total quarter hours credit awarded in academic I. S	55

The Community Based Career Exploration Program at Bremen has involved twenty-nine students this year during the Winter and Spring Quarters. The student and parent reaction to this program was most encouraging. To better evaluate the attitudes of students and parents, survey instruments were developed, administered, and evaluated.

The results of these surveys are attached. Twenty-six of the twenty-nine student surveys were returned, and eight out of twenty parent surveys were returned.

SURVEY OF PARENTS' ATTITUDES

Since their child had been enrolled in the CBCE program for at least one quarter, they were asked to respond to the following statements by circling "yes" or "no".

[*In percent*]

	Yes	No
I believe the CBCE program has had a positive effect on my child	100	
I believe that my child has a better understanding of the World of Work as a result of this program	100	
CBCE has helped my child toward making a career choice. (25% undecided)	75	
I have noticed an increased ability to handle responsibility since my child became involved in this program. (12% undecided)	88	
I believe that CBCE has had a positive effect on my child's academic work	88	12
I believe CBCE has increased my child's self-concept	100	
I would encourage other students to take the CBCE program	100	
I believe my child has a more positive attitude toward work as a result of this program	100	

A SURVEY OF STUDENT ATTITUDES

Students were asked to respond to the following statements by circling "yes" or "no".

[*In percent*]

	Yes	No
My CBCE experiences have helped me to make a decision concerning my future career	88	12
CBCE has helped me identify possible career choices not previously considered by me	62	38
CBCE has helped me learn more about the job entry skills required in my areas of observation	85	15
CBCE has given me the opportunity to show that I am a responsible person	96	4
My CBCE experiences have given me an opportunity to learn more about myself	85	15
I have a more positive attitude about school after being in CBCE	69	31
I have more confidence in my abilities since being in CBCE	85	15
The CBCE experiences have helped me to communicate better and more maturely with adults. (8% not sure)	92	
The CBCE experiences have shown me that I can be accepted in the adult community and in the world of work	92	8
I feel CBCE gave me the opportunity to learn skills and information that I could not learn in school	92	8
I would encourage my friends to take CBCE	88	12

THE 59TH ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF LITHUANIA

Mr. BROOKE. Mr. President, Wednesday, February 16, marked the 59th anniversary of the Declaration of Independence of Lithuania. On that day, Lithuanians in the United States and throughout the world celebrated Lithuania's Independence Day and recalled the glorious history of their beloved fatherland. I am proud and deeply honored to pay tribute to this great nation—a bulwark of freedom and a bastion of independence.

It has been quite some time since independence has been a reality for Lithuania. Her people, unwillingly under the dominance of the Soviet Union, desper-

ately yearn for the freedoms most Americans take for granted. Their daily lives under the Soviet yoke are testimonies of courage and fortitude in the face of adversity that few of us have or ever will experience. But, with the help of the Almighty, these hearty people keep individual freedom, liberty, and justice alive in their hearts. Their human yearning for freedom is unquenchable. Much to the chagrin of the Soviet Union, the hunger of the Lithuanian people for democracy has not died. And it will not die, in spite of efforts by the Soviet Union to kill it.

But the free nations of the Western World must help to keep alive the hopes of the Lithuanian people for the return to freedom which they once knew and which they hold so dearly. We cannot turn our backs on them and forget. The dedication of the United States to the cause and furtherance of individual liberty and fundamental human rights everywhere makes it imperative that we continue to express, in all appropriate ways, our disapproval of Soviet attempts to dominate Eastern Europe and crush all forms of dissent. In no way do I perceive the illegal incorporation of Lithuania into the Soviet Union as set in stone. And I know many of my colleagues share this perception.

Mr. President, let us all hope and pray together that the day will soon come when Lithuanians are able to shed the dark cloud of oppression now hanging over them and once again walk in the sunshine of freedom and democracy.

HUD SECRETARY HARRIS' STATEMENT BACKS COMMUNITY DEVELOPMENT INTENT

Mr. PROXMIRE. Mr. President, I call to the Senate's attention a New York Times story on March 8, 1977, headlined "HUD Threatens Cities With Cutoff of Funds if They Neglect Low-Income Housing."

In this story, Mrs. Patricia Roberts Harris, the Secretary of HUD, is quoted as saying that the Department "will be prepared to take whatever actions are appropriate to assure compliance" with the Community Development Act.

She also said:

We must make certain that every unit of government using Federal funds will use these funds in harmony with the national goals set by the Administration and the Congress.

Specifically, we will expect participating communities to accept a fair share of low- and moderate-income housing and to promote fair housing vigorously. We will expect communities to direct development and housing programs toward the benefit of low- and moderate-income citizens.

I commend Mrs. Harris for her statements. They speak directly to the major intent of the act, which is to link Federal assistance for community development with meaningful efforts to solve our Nation's housing problems.

Mrs. Harris has, in her testimony before the Committee on Banking, Housing, and Urban Affairs, spoken with deep feeling and understanding about the problems of our cities and about the purposes of our Federal housing and community development programs.

Her statements to the committee, like her statement before the League of Cities, should earn her high respect not only in the Congress, but among the elected officials of the country who have indicated their desire for a positive HUD effort to make our housing and community development programs work.

I ask unanimous consent that a copy of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HUD THREATENS CITIES WITH CUTOFF OF FUNDS IF THEY NEGLECT LOW-INCOME HOUSING

WASHINGTON, March 7.—The Department of Housing and Urban Development is threatening to cut off community development funds to localities that fail to use the money for projects that benefit low- and moderate-income residents.

Secretary Patricia Roberts Harris told 2,500 city officials meeting here today that the department "will be prepared to take whatever actions are appropriate to assure compliance" with the Community Development Act. A key aide, Carl Riedy, said she meant that cities that did not comply with the intent of the $3.2 billion program "could have their money withdrawn."

The Community Development Act is the nation's m·in weapon to combat urban blight. A successor to seven earlier programs, including Model Cit·--, it is up for renewal this fall. Under the present law, money is given to communities in block grants with very few strings attached. Among them, however, is one that directs the department to insure that priority be given to projects that benefit families with moderate or low incomes.

NO CITIES MENTIONED BY NAME

Mrs. Harris did not criticize any community by name.

A study by the Harvard-M.I.T. Joint Center for Urban Studies has said "there is evidence that local governments have used their freedom to shift funds from poverty neighborhoods to other parts of the city with at least tacit Federal approval."

About 2,485 localities, including more than 500 cities of more than 50,000 population, received community development funds in 1975.

"We must make certain that every unit of government using Federal funds will use these funds in harmony with the national goals set by the Administration and the Congress," Mrs. Harris told the National League of Cities, adding:

"Specifically, we will expect participating communities to accept a fair share of low-and moderate-income housing and to promote fair housing vigorously. We will expect communities to direct development and housing programs toward the benefit of low-and moderate-income citizens."

Phyllis Lamphere, president of the league of cities, said that city officials seeking Feder..l aid must pay more attention to economic policies that did not involve direct assistance. "From now on when we say 'more' to the Federal Government, it must be understood that we mean more concern about the effects and effectiveness of Federal policies," she said adding:

"The time is upon us when we must monitor Federal policy just as carefully as we monitor Federal revenue sharing, a time when we will realize that adverse Federal policy and administration can cost us more than Federal grants or payments will ever bring. Too often we are hypnotized by the prospect of the grant of several millions and oblivious of economic policy decisions that may cost us billions."

THE URGENT NEED TO CURB GASOLINE WASTE

Mr. PELL. Mr. President, over the weekend, the Washington Post published an excellent article by Russell E. Train, former Administrator of the Environmental Protection Agency, relating to our national energy priorities and more specifically, calling attention to the critical importance of making conservation the keystone of our energy policy and of the urgent need to curb the alarming rate of gasoline consumption and waste in the United States.

During the past few years since the Arab oil embargo of 1973–74, Congress and various executive branches have devoted considerable attention to the area of energy conservation as well as the problem of rising gasoline consumption. Most notably in this regard, the 94th Congress enacted significant legislation to reduce consumption including a $2 billion conservation loan guarantee program for industry and business, the establishment of mandatory thermal efficiency standards for buildings, appliance standards, and fuel economy standards for passenger automobiles.

In my view, however, at no time has energy conservation or specifically, the urgent need to curb gasoline waste been assigned the priority it should receive as part of our efforts toward the development of a national energy policy. This is especially disturbing when one considers that approximately 45 percent of all domestic demands for oil in the United States is used by automobiles and trucks. In this regard, I am most encouraged that President Carter, through his energy adviser, Dr. James Schlesinger, this week reaffirmed his strong commitment for a vigorous conservation effort as part of the energy program to be submitted to the Congress in April.

Mr. President, the excellent article of Mr. Train is very timely in view of our own debate on energy reorganization, as well as the formulation of national energy policy by the administration. As controversial as the subject of curbing gasoline consumption is, this article focuses succinctly on a major area that must be addressed in the very near future if we are to have a meaningful energy conservation policy and more importantly, curb the alarming rise in foreign oil imports.

Mr. President, I ask unanimous consent that the article by Mr. Train in the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE URGENT NEED TO CURB GASOLINE WASTE

(By Russell E. Train)

On the first Earth Day in April 1970, on campuses across the nation, automobiles were buried to the accompaniment of appropriate funeral rites and oratory. While these tongue-in-cheek ceremonies obviously represented a simplistic solution to the problem of auto pollution—to say the least—the students were right on target in highlighting the contribution of the automobile to the environmental problems of the nation. While we have made substantial progress since 1970 in reducing auto emissions, the plain fact is that the automobile was then and remains

today the single largest source of air pollution in most urban areas of the United States.

While environmental problems are still very much with us, we are now confronted as well by an energy crisis which continues to worsen and which threatens the security and economic stability of the country. And once again the automobile is front and center as the single largest source of energy waste in our society.

By our failure to act decisively, we have squandered three years, and we can no longer afford to read and then forget the warnings. For we face a clear and present danger. If we move boldly to conserve gasoline by wise use of tax policy, by insisting upon fuel savings in new models and by changing our habits, we can take a giant step toward ending energy waste—or, by failing once more to do so, we can continue on our present gas-guzzling way down the road to disaster.

Oil imports are now running at a mind-boggling rate projected at 8 million barrels a day in 1977, as compared to 7.1 million barrels per day in 1976 and only 3.4 million as recently as 1970. In 1975, 45 per cent of all domestic demand for oil in the United States was for autos and trucks. Of that amount, two-thirds went to fill the tanks of passenger cars and the balance to trucks. (These proportions remain relatively the same today.) Any national energy policy must give first priority to energy conservation, and no energy conservation program will succeed unless it deals comprehensively and effectively with the problem of the automobile.

How much of the gasoline consumption in autos represents waste is, of course, speculative and a matter of judgment. There is little doubt that a substantial proportion of that consumption is unnecessary. Comparison with European experience makes the point beyond dispute. Average fuel economy of the entire U.S. auto fleet in 1973 was 13.1 miles per gallon (15.6 mpg in 1975). In the same 1973 year, the average fuel economy of the Italian auto fleet was 25.8 and the average of other European countries ranged from 20 to 26—at a minimum, about 50 per cent better fuel economy performance than in the United States.

A broader-based comparison gives an even more startling picture. The United States uses approximately 3.7 times more energy per capita in the transportation sector than does West Germany—certainly an intensively developed nation with a high standard of living.

However one views these various figures, there is obviously a tremendous potential for improved automobile fuel economy in the United States.

TAKING CHARGE OF OUR CARS

What is the answer? Is it finally to make a reality of the 1970 Earth Day script and bury the automobile? Clearly not. Whatever penalties we pay in terms of air pollution, energy loss and otherwise for the use of our automobiles, the benefits in terms of individual mobility and freedom are so great that, we can assume, the individual transportation mode represented by the private auto is here to stay.

The need is to do a far better job of managing automobile transportation than we have in the past, to learn to enjoy its benefits without over-indulgence. We need to take charge of our cars and not permit them to mindlessly shape and structure our society for us. Of necessity, the time has come for us to ride our cars—not the other way around.

Clearly, there is no single or simple solution at hand. Any attack on the problem should probably involve a mix of approaches. And it does seem plain to me that jawboning the American public is not going to achieve significant results. The recent trend back to larger cars—contrary even to industry projections and in the face of repeated warnings—strongly suggests that we are going to indulge our taste for gas-guzzlers as long as we can get away with it.

An obvious place to start is with mandatory fuel economy standards for new cars, both domestic and imported. Congress has already made a beginning in this direction. The 1979 models must meet a fuel economy standard of 19 miles per gallon, and 20 mpg for 1980. The legislation likewise sets a "target" of 27.5 mpg for 1985.

The area where I feel the greatest concern is the period between 1980 and 1985 during which Congress has specified no standards and has left it up to the Department of Transportation (DOT) to set "interim" standards. Indeed, DOT has authority under certain circumstances to relax the 1985 "target" itself. My own experience at the Environmental Protection Agency with auto emission standards is that Detroit will work hard to secure the most lenient fuel economy standards it can get. The industry has historically used fuel economy as an argument against higher emission standards, and it can now be safely predicted that stricter auto emission standards (which Congress must address in the near future) will be used as an argument for less strict fuel economy standards.

This is not to belittle the interrelationship between emissions and fuel economy. The link between the two objectives is very real and the challenge is to achieve an optimum mix. (In this connection, I think it clearly not in the public interest to shift the emissions responsibility designed to protect public health from EPA to DOT as some have proposed.) DOT is presently engaged in developing a proposal for fuel economy standards for the post-1980 years, and it is vitally important that these be as strict as possible.

AN INCENTIVE FOR FUEL ECONOMY

One of the problems in this area is the inherent difficulty of making an accurate, advance judgment of what level of fuel economy can in fact be achieved in subsequent years. If such judgment is based solely on technology known and available at the time the judgment is made, we are probably selling short the industry's real capacity for technological innovation under pressure.

Consideration, it seems to me, could well be given to a statutory system for the post-1980 years which sets 27.5 mpg as the standard for 1981 and succeeding years and imposes a set of progressively greater charges based on the gap in any given year between a manufacturer's actual average fuel economy performance and the statutory standard. Such a system would have a dual advantage: it would avoid the need for highly controversial and difficult administrative standard setting, and, at the same time, it would create a strong incentive for manufacturers to achieve substantially improved fuel economy as rapidly as possible.

A charge system applying only to fuel economy could create an imbalance with the emissions control program by weighing Detroit's priorities in favor of fuel economy at the expense of the fight against pollution. Depending upon the outcome of the current congressional consideration of auto emission standards for model years after 1977, thought might be given to introducing a system of charges for non-attainment of statutory emission goals.

These suggestions for a system of charges grow out of my own conviction in the environmental area that economic charges of various types can serve to reduce much of the rigidity inherent in a purety regulatory program while at the same time, providing a strong market incentive for attainment of standards.

A related possibility which has been actively considered in earlier years and deserves fresh attention now is a system of excise taxes which would place a heavy charge on the purchase of a car with poor fuel economy (usually a larger car) and even provide a rebate to the buyer of a more fuel-efficient (usually smaller) car.

A major problem with all of these approaches directed to the design and purchase of new cars is that they can only be effective over a fairly extended period of time. Thus, the present mandatory fuel economy program will only be fully effective in 1985 (assuming no administrative relaxation of the standard), at which time it should produce a saving of about 750,000 barrels of oil per day.

HOW TO BEGIN

Such long-term approaches are absolutely essential but they do leave unanswered the question of what can we do right now to reduce significantly the current consumption of gasoline.

The most drastic step would conceivably be a system of gas rationing. Given the inequities and administrative nightmare inherent in gas rationing, it seems an unlikely option in the absence of a real threat to our foreign supplies. An alternative approach would involve a substantial increase in the present federal excise tax on gasoline, ranging from 25 cents to a dollar per gallon. This is the approach that brings cries of anguish from politicians.

I strongly suspect that fears of a voter revolt against higher gasoline taxes (properly distributed) are exaggerated and that public readiness to make reasonable sacrifices to improve the nation's energy situation are greatly underestimated. A recent Harris Survey showed overwhelming public support for a strong energy conservation program. Indeed, the poll reported that a 74-to-21 majority would support raising the price of gasoline by 50 cents.

The problems presented by a gas tax rise of this or comparable magnitude should not be overlooked. Necessarily, the burden would fall disproportionately on low income groups, and there would be much to be said for a system of rebates to help improve the equity of the tax.

Moreover, each cent of federal gas tax is estimated to produce about $1 billion in revenue, meaning that a 50 cent tax increase would take $50 billion out of the economy (using a simple linear projection which may not be entirely accurate). A substantial portion of funds of this magnitude would have to be returned to the economy on a reasonably current basis if major disruptions, including a severe deflation, were to be avoided. Rebates not only to the poor but to states and local governments would seem in order. A major stepup in federal funding for mass transit programs would also seem an attractive option.

The impact of a gasoline tax increase on gas consumption is somewhat problematical. The indications seem to be that demand is relatively inelastic and that consumption would not be particularly sensitive to a small tax increase. When fully effective, a 50-cent tax increase would, it is estimated, reduce oil consumption by something on the order of 600,000 barrels per day (compared with the 8 million barrels per day we expect to import this year).

In any event, it seems clear that, before any decision is made to go forward with a major increase in federal gas taxes, careful consideration should be given to structuring such a tax in ways that mitigate the burden on the poor and avoid economic disruption. Further, I would assume that for political reasons, if no other, any very substantial gas tax increase should be phased in over a period of years, thus significantly reducing the immediate impact on consumption.

Whatever the decision on a major increase in gas taxes, I would urge a relatively small increase (5 to 10 cents) now. Such an immediate step would retain the option of further increases in later years.

Admittedly, such an increase would not have a significant effect on consumption.

Nevertheless, it would provide a clear, tangible signal to our society at a time when such a signal—beyond mere rhetoric—is badly needed.

I recognize that it is much more palatable politically to design a conservation program that emphasizes requirements on auto manufacturers or charges on large car purchasers. These are important in themselves, but if we stop there, the program will tend to obscure the fact that any really effective energy conservation program is going to require personal effort and sacrifice on the part of all Americans. So long as we perpetuate the idea that national energy conservation can be achieved by someone else's sacrifice, we will be deluding ourselves and we will not solve the problem. We need to provide a signal that life-style changes are required. Some immediate increase in gas taxes could help provide this signal.

There is, of course, much that the individual citizen can and should do: more carpooling, slower driving, grouping trips, avoiding unnecessary trips, using mass transit where available, among other steps. In the latter connection, it is important that the federal government help provide the funding that can make effective mass transit options more broadly available.

Regular engine maintenance is not only important to emission control performance but also to saving energy. A properly tuned engine should provide improved gas mileage. I would hope that thought be given to a federal program designed to assist states and local governments in setting up inspection and maintenance programs.

It can be taken for granted that any mandatory requirements that impact on individual consumers are going to be highly controversial. However, the American people are far readier to undertake personal sacrifices in this regard than is generally assumed. It is clear that strong leadership is going to be required.

The time has come when energy conservation must become the keystone, the first priority of national energy policy. The statements by President Carter along these lines have been highly gratifying. I am confident that the American people are prepared to meet the challenge, and a good place to start is with our automobiles.

LEGISLATURE PASSES REFORM ACT RESOLUTION

Mr. HANSEN. Mr. President, in the early morning hours of March 1, the 1977 session of the 44th Legislature of the State of Wyoming adjourned. Prior to its adjournment, the legislature passed and the Governor of Wyoming signed a senate enrolled joint resolution pertaining to the Consumer Communications Reform Act of 1977.

In this resolution, the State of Wyoming called upon the Congress of the United States to conduct early hearings to reaffirm the stated objectives of the Federal Communications Act of 1934 of universal service of high quality and low cost. Additionally, the State of Wyoming acting through the State legislature, requested that the U.S. Congress reaffirm the authority of the State public utilities commissions to regulate the interconnection of equipment utilized in local telephone service.

It is my belief that this joint resolution is indicative of the concern and interest of the American people in this important area of telecommunications. I feel that it is imperative that the Senate move forward with all due speed to the consideration of the Consumer Communications Reform Act of 1977.

Mr. President, I ask unanimous consent that this joint resolution of the Wyoming State Legislature and the transmittal letter from the Wyoming Secretary of State be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF WYOMING,
Cheyenne, March 3, 1977.

Hon. CLIFFORD P. HANSEN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR HANSEN: As directed by the State Legislature, we are commending to your attention a resolution pertaining to the Consumer Communications Reform Act of 1977 passed by the Legislature and approved by the Governor on February 25, 1977.

Sincerely yours,

THYRA THOMSON,
Secretary of State.

ENROLLED JOINT RESOLUTION NO. 2

A joint resolution calling for the Congress of the United States to conduct early hearings on the Consumer Communications Reform Act of 1977 and to reaffirm the National Communications policy and to reaffirm the authority of the State Public Service Commission

Be it resolved by the Legislature of the State of Wyoming:

Whereas, the objective of the Federal Communications Act of 1934 is to assure the widest possible availability of basic telephone service at the lowest practicable cost to the consumer; and

Whereas, the nearly universal use of telephone service in the United States attests to the wisdom of this national policy of promoting an integrated switched communications network with end-to-end service responsibility; and

Whereas, in recent years the Federal Communications Commission, which was created by the 1934 act, made several decisions which have upset the traditional service responsibility of the telephone industry; and

Whereas, the Federal Communications Commission policy may permit the direct connection of nonutility provided telephone instruments, PBXs, and other types of terminal equipment to the telephone network; and

Whereas, the Federal Communications Commission also permits "specialized common carriers" to provide intercity private-line telephone service over selected routes carrying extremely heavy traffic which is highly profitable; and

Whereas, these decisions were adopted without analyzing the long term economic effect of such "competition" on the telephone industry; and

Whereas, these policies have begun to erode the revenues of telephone companies and an acceleration of this process will force the companies to seek new rates, causing residential and small business customers to pay higher rates or do without telephone service; and

Whereas, the net effect of the Federal Communications Commission policies reduces the subsidies provided to basic telephone service by revenues from long distance calling, business communications service and various optional services; and

Whereas, these subsidies have kept the rates for basic telephone service lower than they otherwise would be, reflecting the stated objectives of the Federal Communications Act of 1934 to assure the widest possible availability of basic telephone services; and

Whereas, a recent research study sponsored by the United States Independent Telephone Association indicates that the two types of so-called "competition" authorized by the Federal Communications Commission would result in rate increases of as much as 60% to residential customers and 56% to business users of basic telephone service within 10 years, exclusive of inflation;

Now, therefore, be it resolved by the Legislature of the State of Wyoming, that the Congress of the United States conduct early hearings to reaffirm the stated national communications policy of "universal service," the provision of high-quality, low-cost telephone service to the maximum number of people;

It is further resolved that Congress is requested to reaffirm the authority of the State Public Utilities Commissions to regulate the interconnection to the communications network of nonutility provided equipment utilized in local telephone service;

It is further resolved, that copies of this resolution be transmitted by the secretary of state to the presiding officers of each House of the Congress of the United States and to each Senator and Representative from Wyoming in the Congress of the United States.

MALCOLM CURRIE AND THE CONFLICT OF INTEREST LAWS

Mr. PROXMIRE. Mr. President, the hiring of former Pentagon research chief Malcolm Currie by Hughes Aircraft at a substantial salary represents a devastating example of the pitiful weakness of present conflict-of-interest laws. According to the New York Times and Time magazine, the salary offer was $180,000. Hughes Aircraft states it is $90,000 plus normal fringe benefits. Whichever figure one uses, the principle of potential conflict of interest remains the same.

While Dr. Currie may not have broken any laws and although it is difficult to prosecute conflict of interest under the existing weak regulations, it is clear that Dr. Currie's old firm, Hughes Aircraft, benefited significantly from Pentagon contracts during his tenure as Director of Defense Research and Engineering.

The acceptance of a high paying job with Hughes Aircraft gives the appearance of a reward for favorable decisions although this cause and effect is difficult if not impossible to document. Looked at another way, if Dr. Currie had fought funding for important Hughes projects, would they be so eager to have him back?

During the 3½ years that Malcolm Currie held the post of D.D.R. & E., Hughes Aircraft received more than $200 million annually in research development, test and engineering—R.D.T. & E.—contracts and an average of $800 million overall in Pentagon awards. The 4-year total for R.D.T. & E. contracting received by the firm was $826.3 million.

A number of Hughes programs funded under the Currie regime have been found to be highly questionable from a military or economic point of view. While his exact role in each of these examples is not clear, the number of major programs and dollar totals for funding represent important corporate business, though questionable for the taxpayer.

For example:

The Condor missile system, canceled by Congress in 1976 after being shown to be mismanaged and ill conceived.

Hughes was a subcontractor on the Condor.

The $317.7 million award to Hughes Helicopter for the advanced attack helicopter. Hughes Helicopter is controlled by Summa Corp. while Hughes Aircraft is controlled by the Hughes Medical Institute. While separate corporations, the directors/trustees of Summa and Hughes Medical overlap. The AAH has been criticized by the Congressional Budget Office and General Accounting Office as being overly optimistic in technology and timing and less cost effective than existing systems. It also has incurred huge cost overruns.

The Hughes Aircraft Roland missile program costing $487 million from fiscal year 1976–79 is designed to Americanize an existing off-the-shelf European missile. Considering the years this Americanization will take for a proven missile, it is difficult to see any cost or effectiveness advantages.

In sworn testimony before the Joint Committee on Defense Production Dr. Currie said:

> Hughes, I have known hundreds of people there for twenty years and I won't say that at a cocktail party someone might have said, "Mal, when you get out of Washington someday, we hope to see you" but nothing more definite than that.

In response to questions posed during a DOD investigation, Dr. Currie stated that he favored working on commercial business rather than in defense industry upon retirement. Obviously somewhere along the line he changed his mind.

This case, and many similar to it over the years, makes it imperative that Congress require a cooling off period for high-level Federal executives moving back to firms over which they had contracting responsibilities. In private business, the courts have held, a firm can protect its proprietary information by denying employment of a former employee with a competitor for certain periods of time.

We should be no less conscious of potential conflict of interest when it applies to the funds of the taxpayers.

Mr. President, the senior Senator from Indiana (Mr. BAYH) and I have introduced a bill which would prohibit for a 2-year period the employment of any former Federal official with any firm over which that individual had exercised procurement responsibility.

It would also establish a conflict of interest review board to examine possible conflict-of-interest cases and advise individuals on the application of the law. By setting these restrictions, the bill would reduce any temptation a procurement official might feel to favor a company in hope of getting a lucrative job or offer.

Mr. President, I refer interested parties to the congressional report titled "Conflict of Interest and the Condor Missile Program," as prepared by the Joint Committee on Defense Production for a thorough review of how one procurement decision was made in the executive department.

It should be noted that one of the findings of that report was that Dr. Currie personally intervened to minimize obstacles to Condor's continued funding and eventual production.

PUBLIC WORKS EMPLOYMENT ACT—SOME CRITICISMS ANSWERED

Mr. HUMPHREY. Mr. President, on February 14 the Wall Street Journal carried an article on its Op-Ed page by James C. Hyatt—entitled "The Public Works Controversy"—which tried to resurrect some of the tired old criticisms of public works programs that I thought were laid to rest once and for all when Congress passed the Local Public Works Capital Development and Investment Act last year.

These criticisms are being revived by some who want to scuttle the Public Works Employment Act (S. 427). This bill will provide an additional $4 billion to put Americans to work on local public works projects. I think this is an excellent program—we need these jobs and these projects—and I want to take the time, again, to answer some of those criticisms.

First, Hyatt says:

> Congress appropriated $2 billion for local public works last fall, but no worker has yet earned a cent.

Now, I wish Mr. Hyatt had done his homework, because there are projects that are already underway. Most of these are in the South, where the weather permits construction projects this early in the year. According to information the Economic Development Administration gave me a few days ago, there are two projects already under construction in Florida, two in Alabama, and one in South Carolina. There are also some projects going in the North—one in New York, one in Pennsylvania, and one in Delaware. Now I know this is not a large number. But it is an excellent start—most of these projects were not approved until the middle of January and some had actually begun to break ground and hire workers by mid-February.

In my own State of Minnesota, we have to wait a bit before we can get these projects going. We are still covered with snow, and in many places the ground is still frozen. But we are ready to go. In Duluth, which has received $5 million to build a new public library, the groundbreaking is scheduled for April 5. In the city of Roseville, which has received $345,000 for new storm sewers, construction will begin on April 4 or 5. The city of Hanover plans to use its $194,000 grant to construct a city hall and civic center, with the project set to start on April 1. And the town of Cokato, which has a $50,000 grant for a building which will house the township's mechanical equipment as well as provide a meeting hall, has already gotten going on its project. All of the funded projects are to be underway well before the 90-day limit set in last fall's bill.

This is an excellent record. By comparison, when Congress enacted title VI of the Comprehensive Employment and Training Act early in 1975 and established a large-scale program of public service employment, it took many communities months just to add new workers to their regular payrolls. Yet here we have a construction program that will have people to work within 90 days.

Mr. Hyatt's second problem with public works is the contention that too much goes to brick and mortar and too little goes to wages. Well, I like bricks and mortar. I want people working on projects that will have a lasting benefit in their local community. The public library in Duluth will still be around 50 and 100 years from now, and our grandchildren are going to be very happy that we had the foresight in 1977 to put people to work on lasting projects. The city hall and civic center in Hanover will provide meeting room for 17 civic organizations. And in Two Harbors, where the elementary and middle schools were built around 1900, the public works program has provided $2.6 million to tear down the old school buildings and put up two whole new schools. These are not leaf-raking projects, or filing and typing. These are construction projects that will provide needed local service for many years to come. And that is why I like brick and mortar.

Third, Mr. Hyatt asks if these projects reach the hard-to-employ worker. Well, the hardest to employ workers today are construction workers. In January, their unemployment rate was 15.2 percent, twice the unemployment rate of any other group of workers other than agricultural workers. These construction projects will give this group of workers the jobs they so desperately need.

Finally, Mr. Hyatt asks if slow-starting projects will aggravate inflation later by tightening up labor markets in an improving economy. Tight labor markets will not be a problem during the life of these projects. At the end of this year, the unemployment rate will be around 7 percent, and by the end of next year, it will be around 6 percent. Not until 1980 or 1981 will the economy be back at full employment.

Now, none of the projects that I know anything about will go much more than 2 years. The Duluth Library is scheduled for completion in the fall of 1978, while unemployment will still be above 6 percent. The meeting hall in Cokato, the storm sewers in Roseville, and the city hall in Hanover will all be finished by this fall when unempoyment will still be above 7 percent. Most of the school construction in Two Harbors will be finished by the fall of 1978, and the whole project will finish by the fall of 1979. Labor markets will not be tight even then.

Mr. President, Congress has developed a local public works program which eliminates all the problems that opponents have used to scuttle these programs in the past. The projects get going fast, useful facilities are constructed, unemployed workers are given productive jobs, and the projects end before labor markets tighten up too much.

There are over $20 billion in applications for local public works projects just waiting for approval by the Economic Development Administration, and I think we should move swiftly to get some of those projects started by enacting the Local Public Works Employment Act.

Mr. President, I ask unanimous consent that a table detailing unemployment in the construction trades throughout the country, compiled on January 5 by the Building Trades Department of the AFL–CIO, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

House Public Works: Attachment A—Compiled January 5, 1977

	Percent
Nation	27.1
Northeast Region	60
Mid-Atlantic Region	34.8
Mid-West Region	22.9
Western Region	20.5
Southern Region	24.5
Tuscaloosa, Ala	11.5
Bricklayers	4
Electrical workers	0
Laborers	25
Plasterers and cement masons	69
Plumbers	0
Fresno, Calif	21.8
Carpenters	22
Electrical workers	0
Iron workers	60
Painters	30
Plumbers	8
Roofers	30
Sheet metal	18
Los Angeles, Calif	15.1
Bricklayers	0
Carpenters	14.3
Engineers	12.2
Iron workers	21.5
Painters	15.9
Plumbers	22
Sheet metal	18
Oakland, Calif	29.3
Bricklayers	40
Carpenters	23.3
Laborers	10
Lathers	38
Lino and soft tile setters	3
Painters	33
Plasterers	35
Roofers	25
Sacramento, Calif	22.4
Bricklayers	9
Boilermakers	40
Carpenters	11
Electrical workers	11
Elevator constructors	7
Engineers	35
Glaziers	0
Iron workers	50
Laborers	41
Lathers	12
Marble polishers	8
Painters	14
Plasterers	24.5
Plumbers	16
Roofers	10
Sheet metal	17
San Diego, Calif	16.7
Bricklayers	18
Carpenters	24
Electrical workers	10
Glaziers	9
Laborers	13
Lathers	40
Painters	11
Plasterers	1
Roofers	13
Tile, marble finishers	12
San Francisco	30.3
Boilermakers	90
Carpenters	20
Elevator constructors	21.8
Engineers	31
Painters	10
Plumbers	15.4
Roofers	5
Tile and marble finishers	0
Santa Ana, Calif	9.5
Carpenters	12
Electrical workers	20
Laborers	8.1
Millmen and cabinet makers	2
Painters	2
Plasterers and cement masons	10
Roofers	20
Santa Barbara, Calif	29
Carpenters	10
Electricians	60
Laborers	24
Painters	35
Plumbers	28
Sheet metal workers	10
Delaware	44.5
Asbestos workers	0
Bricklayers	75
Carpenters	55
Electricians	25
Engineers	30
Iron workers	50
Laborers	55
Lathers	20
Millwrights	50
Painters	60
Plasterers	20
Pipe fitters	50
Plumbers	35
Sheet metal	35
District of Columbia	23
Carpenters	25
Glaziers	22
Iron workers	15
Plasterers	49
Sheet metal workers	14
Stone and marble mason	10
Tampa, Fla	34.8
Bricklayers	60
Carpenters	43
Electricians	15
Elevator constructors	45
Engineers	15
Iron workers	36
Laborers	50
Lathers	55
Millwrights	28
Plumbers	18.5
Sheet metal workers	50
Hawaii	16.6
Asbestos workers	11
Electricians	13
Elevator constructors	2
Lathers	20
Plasterers	35
Boise, Idaho	9
Bricklayers	5
Carpenters	11
Electricians	0
Laborers	20
Painters	10
Plasterers	10
Plumbers	On strike
Roofers	0
Sheet metal	0
Chicago, Ill	30.5
Boilermakers	10
Bricklayers	31.5
Cement masons	40
Electrical workers	12
Elevator constructors	19
Engineers	15
Glaziers	2.5
Iron workers	44.7
Laborers	70
Lathers	30
Machinery movers	27
Painters	17.5
Plasterers	6
Plumbers	11
Roofers	10
Rockford, Ill	10.3
Carpenters	0
Electrical workers	20
Engineers	10
Iron workers	0
Laborers	15
Plasterers	25
Plumbers	0
Roofers	10
Sheet metal workers	25
Paducah, Ky	49.4
Carpenters	40
Electricians	40
Iron workers	44
Painters	5
Plumbers	80
Roofers	10
Alexandria, La	29
Bricklayers	85
Electricians	0
Laborers	19
Lathers	20
Plasterers	60
New Orleans, La	15.5
Asbestos workers	0
Boilermakers	40
Electrical workers	5.5
Elevator constructors	6.5
Engineers	26
Laborers	10
Lathers	15
Millwrights	37
Painters	25
Plasterers	20
Roofers	8
Sheet metal	20
Shreveport, La	14.5
Carpenters	5
Cement masons	15
Electricians	2.1
Elevator constructors	10
Iron workers	27
Plumbers	30
Roofers	10
Portland, Maine	29
Bricklayers	8
Carpenters	65
Electricians	3
Laborers	25
Baltimore, Md	32.8
Asbestos workers	20
Boilermakers	35
Bricklayers	50
Carpenters	53
Cement masons	30
Electrical workers	35
Elevator constructors	10
Operating engineers	13
Iron workers	30
Laborers	33
Lathers	10
Marble finishers	7
Millwrights	34
Painters	0
Plasterers	50
Plumbers	36
Roofers	30
Sheet metal workers	55
Sprinkler fitters	33.3
Steam fitters	25
St. Paul-Minneapolis, Minn	11.5
Asbestos workers	11
Bricklayers	20
Carpenters	4
Cement masons	17
Electrical workers	18.6
Engineers	12
Floor coverers	1
Lathers	30
Painters	4.7
Sheet metal workers	17.5
United Association	25
Detroit, Mich	30
Asbestos workers	22.8
Boilermakers	14
Bricklayers	40
Carpenters	40
Cement masons	40
Electrical workers	33
Elevator constructors	14
Operating engineers	50
Riggers	60
Glaziers	10.5
Iron workers	11.5
Laborers	17
Lathers	28
Painters	22
Pipefitters	11
Plumbers	33
Resteel	40
Roofers	5
Sheet metal workers	22.5
Sprinkler fitters	3

House Public Works: Attachment A—Compiled January 5, 1977—Con.

	Percent
Tile layers	15
Kansas City, Mo	14
Carpenters	20
Cement masons	25
Glaziers	0.3
Iron workers	0
Laborers	6
Plumbers	11
Sheet metal workers	10
St. Louis, Mo	9.3
Asbestos workers	0
Boilermakers	10
Bricklayers	50
Carpenters	5
Electrical workers	4.5
Elevator constructors	3
Operating engineers	25
Glaziers	7
Granite cutters	0
Iron workers	25
Laborers	20
Lathers	21
Marble finishers	0
Painters	3
Pipefitters	0
Plumbers	19
Roofers	10
Sheet metal workers	5
Terrazzo finishers	15
Tile workers	4
Lincoln, Nebr	33.5
Bricklayers	10
Electricians	25
Laborers	50
Plumbers	50
Sheet metal workers	20
Buffalo, N.Y	36.4
Bricklayers	30
Cement masons	30
Elevator constructors	14
Engineers	46
Glaziers	29
Laborers	31
Marble finishers	40
Sheet metal workers	40
Long Island City, N.Y	77
Bricklayers	90
Carpenters	30
Iron workers	60
Riggers	75
New York City	67.5
Asbestos workers	45
Blasters and drillers	70
Bricklayers	84.5
Carpenters	40
Concrete workers	90
Elevator constructors	70
Iron workers	57
Laborers	70
Lathers	68
Marble setters	60
Painters	62
Plasterers	80
Plumbers	70
Roofers	60
Sheet metal workers	52.6
Rochester, N.Y	41.1
Asbestos workers	50
Bricklayers	45
Electrical workers	25
Engineers	50
Glaziers	25
Iron workers	28
Millwrights	35
Fargo, N. Dak	13.6
Carpenters	18.2
Engineers	40
Iron workers	1
Painters	1
Plumbers	1
Sheet metal workers	10
Northeastern Pennsylvania Council	19
Asbestos	33
Bricklayers	15.2
Carpenters	15
Cement masons	10
Electrical	20
Elevator constructors	12
Laborers	19.5
Lathers	34.8
Operating engineers	15
Painters	18
Plumbers	15
Pipefitters	25
Roofers	12
Sheet metal workers	20
Steam fitters	25
Boilermakers	25
Plasterers	3
Philadelphia, Pa	48.6
Asbestos workers	15
Boilermakers	31
Carpenters	70
Electrical workers	40
Elevator constructors	30
Engineers	35
Iron workers	32
Laborers	40
Lathers	50
Marble polishers	31
Painters	40
Plasterers	66
Plumbers	40
Roofers	80
Sheet metal workers	33
Scranton, Pa	28.2
Bricklayers	75
Carpenters	15
Electrical workers	20
Glaziers	35
Laborers	75
Painters	1
Plasterers	0
Plumbers and pipe fitters	3.1
Roofers	2
Akron, Ohio	24.8
Bricklayers	25
Carpenters	21
Electrical workers	19.27
Laborers	35
Painters	10
Cincinnati, Ohio	26
Asbestos workers	8
Bricklayers	40
Boilermakers	10
Carpenters	40
Elevator constructors	10
Engineers	20
Laborers	23.8
Lathers	50
Marble setters	50
Painters	24
Plumbers	9
Plasterers	30
Iron workers	15
Floor coverers	90
Sheet metal workers	13
Cleveland, Ohio	25
Asbestos workers	50
Boilermakers	10
Bricklayers	45
Engineers	14
Laborers	43
Painters	19
Plumbers	30
Plasterers	43.7
Lathers	30
Columbus, Ohio	10.6
Iron workers	14
Plasterers	18
Plumbers	13
Roofers	5
Sheet metal workers	5.79
Toledo, Ohio	14.1
Bricklayers	33
Carpenters	15
Elevator constructors	7
Glaziers	15
Painters	10
Plumbers	0
Roofers	3
Sheet metal workers	36
Portland, Oreg	11.6
Carpenters	15
Elevator constructors	11
Iron workers	18
Laborers	11.1
Lathers	0
Linoleum workers	0
Plasterers	10
Sheet metal workers	9
Dallas, Tex	24.2
Asbestos workers	0
Bricklayers	5
Carpenters	12
Elevator constructors	6.6
Electrical workers	33
Engineers	15
Floorlayers	50
Glaziers	10
Iron workers	50
Laborers	35
Lathers	0
Millwrights	52
Painters	20
Plasterers	60
Plumbers	16
Roofers	47
Sheet metal workers	11.5
San Antonio, Tex	41
Asbestos workers	30
Electrical workers	35
Elevator constructors	20
Engineers	40
Iron workers	80
Plasterers	14
Plumbers	30
Waco, Tex	12.5
Carpenters	0
Electrical workers	35
Painters	25
Plumbers	12
Sheet metal workers	10
Corpus Christi, Tex	11
Carpenters	9.4
Electrical workers	0
Engineers	20
Iron workers	20
Laborers	15
Millwrights	1
Operative plasterers	95
Plumbers	2
Seattle, Washington	18.5
Asbestos workers	5
Bricklayers	0
Plasterers	55
Sheet metal workers	15
Sprinkler fitters	20
Tacoma, Wash	17.9
Bricklayers	8
Carpenters	12.9
Electrical workers	25
Engineers	14.34
Painters	30
Eau Claire, Wis	26.2
Laborers	33.5
Painters	3
Plasterers	25
Plumbers	25
Roofers	0
Madison, Wis	26.3
Bricklayers	24.3
Carpenters	18.9
Electrical workers	43.3
Iron workers	32.3
Laborers	19.3
Painters	31.3
Plasterers	25
Plumbers	27
Sheet metal workers	51
Manitowoc, Wis	3.8
Bricklayers	4
Carpenters	0
Electricians	10
Engineers	5
Iron workers	0
Laborers	0
Painters	0
Plumbers	20
Roofers	0
Sheet metal workers	2
Milwaukee, Wis	13.3
Asbestos workers	2
Boilermakers	1
Bricklayers	3.6
Carpenters	22
Elevator constructors	6
Lathers	10
Plasterers	7.25
Plumbers	7
Sheet metal workers	0

TWENTIETH ANNIVERSARY OF GHANA'S INDEPENDENCE

Mr. BROOKE. Mr. President, on March 6, 1977, the people of Ghana celebrated the 20th anniversary of their nation's independence. It is an honor and a privilege for me to have this opportunity to pay tribute to Ghana and her wonderful people on this memorable occasion.

The people of Ghana can take pride in the tremendous progress they have achieved. Improvements have been made in their country socially, economically and politically. Despite the inevitable setbacks imposed by inflation and the oil crisis, the able management of Ghana's economy has resulted in a higher standard of living for her people. It is no small tribute to Ghana that her gross national product and per capita income rank among the highest in Africa.

Economic development has been enhanced by the initiation of "Operation Feed Yourself" and "Operation Feed Your Industries" programs, which have enabled Ghana to achieve self-sufficiency in the production of rice and other staple, and to diversify her agriculture to cover the agro-based industrial raw materials for her factories, thereby substantially reducing her reliance on foreign aid. And the Government has undertaken a vigorous program of irrigation and dam construction to meet the needs that have resulted from the southward spread of the Sahelian drought and other unfavorable weather conditions.

On the political front, the Government of Ghana has opened a national debate on a new constitution and has announced an early return to civilian rule. These efforts are serious and positive steps by the Ghanaian Government to nurture a political system that will result in the maximum utilization of the nation's best talents and resources to further accelerate the development process in Ghana.

Mr. President, the courage and strength of the Ghanaian people and their demonstrated determination and ability to help themselves should serve as a source of inspiration for all nations—young and old, rich and poor, developed and underdeveloped. Their efforts to build a better society for themselves and their children cannot be anything but successful if they continue in the tradition of their first 20 years as an independent nation. And it is most fitting that we in the U.S. Senate recognize Ghana's past achievements and extend our best wishes and sincere hopes for her continued success in the years ahead.

CONCERN FOR HUMANS TOO

Mr. PROXMIRE. Mr. President, I have always believed the United States to be a humanitarian Nation. Yet, despite my daily pleas before the Senate, we have unconscionably neglected for nearly 28 years to ratify the Genocide Convention Treaty.

The treaty would put the United States on record—along with more than 80 other nations—as committed to the proposition that international development should occur in an atmosphere of law, justice and human compassion.

In some ways, if it is not inconvenient, this body can be compassionate. We have, for example, enacted such legislation as the Marine Mammals Protection Act and the Endangered Species Act, in efforts to prevent the senseless slaughter of living creatures on land and in the sea.

Last year, Mr. President, the Senate Foreign Relations Committee found merit in the argument that if the U.S. Government has the power to make treaties governing the killing of seals, it is certainly capable of acceding to a treaty on the killing of people.

Mr. President, isn't it time, after 28 years, that we put our Nation on record as deploring the despotic destruction of human beings? Or will our humanitarian concerns continue to be expressed primarily in the protection of endangered species?

I urge that we ratify the Genocide Convention Treaty.

TAX RELIEF FOR AGRICULTURAL AIRCRAFT

Mr. HELMS. Mr. President, I am pleased to join the distinguished Senator from North Dakota (Mr. BURDICK) as a cosponsor of S. 196, a bill to exempt agricultural aircraft from the aircraft use tax and aircraft gasoline tax.

When Congress passed the Airport/Airways Development Act of 1970, a yearly excise tax to 2 cents per pound on the gross weight over 2,500 pounds of an airplane and a total fuel tax of 7 cents per gallon on aviation fuel were imposed. The revenues from the two taxes were placed in a trust fund for development, research, and improvement of public airports. The trust fund currently contains over $2 billion.

Agricultural spray planes seldom use public airports in North Carolina; accordingly, they do not receive the benefits which accrue from the taxes they pay. Nationally, approximately 4 percent of the total tax being paid by aviation is paid by agriculture aviation. Conversely, Department of Transportation analysis shows that agricultural aircraft use the Federal system less than one-half of 1 percent of the time.

Mr. President, the total tax burden for agricultural aviation under the 1970 act was $4.74 million last year. This tax plus administrative costs are passed on to the farmer, adding approximately 3 percent to the total cost of aerial application of agriculture chemicals.

North Carolina farmers as well as the entire agriculture sector have been plagued with severe inflation in the 1970's and I suggest that this exemption would be one equitable way to help ease increasing cost without decreasing general revenues and contributing to the national debt.

I ask unanimous consent that, at the next printing, my name be added as a cosponsor of S. 196, a bill to amend the Internal Revenue Code of 1954 to exempt agricultural aircraft from aircraft use tax and gasoline tax.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUESTIONS ABOUT SOVIET CIVIL DEFENSE

Mr. PROXMIRE. Mr. President, I call attention to the February issue of the Federation of American Scientists Public Interest Report. This particular issue deals with the viability of the Soviet civil defense program that we have heard so much of lately.

The newsletter provides us with four crucial insights into the issue of Soviet civil defense and its plausibility as a dangerous threat to our Nation's security.

First, the newsletter points out that the Soviet Union's defense policy statements treat civil defense as a prime survival measure during conventional war. The Soviets define civil defense in terms of nuclear war only as a secondary perspective.

Second, the newsletter effectively argues that the possibility of avoiding irreparable damage in a full nuclear exchange is practically nonexistent.

Third, the scenario of a country quickly rebuilding from the ashes of a nuclear holocaust is shown to be highly unreasonable.

Finally, and most important, this analysis suggests that each new boost in the arms race has been accompanied by sudden cries of alarm, fears that frequently have been proved groundless. The 1960 "missile gap" is a case in point. Let us hope that the Soviet civil defense alarm does not lead us into another wasteful burst of arms competition.

The FAS Public Interest Report should be of interest to all Senators. I ask unanimous consent that February's newsletter be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ARE WE THREATENED BY SOVIET CIVIL DEFENSE?

Evidently, there will always be among us those who reject the notion that deterrence is adequate. In the late fifties, exaggerated (missile gap) estimates of Soviet missile production led to fears that the U.S. retaliatory force of several hundred bombers might be destroyed. After 1,000 land-based and 656 submarine-based missiles were produced (and the gap exposed as a myth) the fearful turned to charging that the Soviet Union might be building an anti-ballistic missile system which—in concept if not in practice—might destroy in flight virtually all surviving U.S. retaliatory missiles.

We bought additional certainty in two quite different ways: MIRVing our missiles to penetrate any such defense and negotiating an agreement precluding significant anti-ballistic missile construction.

Now the same school of fear charges that the Soviet Union, with civil defense measures (especially city evacuation), might consider "acceptable" the destruction wreaked by several thousand (thousand!) nuclear warheads which, it is conceded, could not be destroyed in any Soviet first strike.

THE SCENARIO SPELLED OUT

The complete scenario is rarely spelled out in detail, the better implicitly to overlook its problems. But it runs something like this: in a crisis, the Soviet Union evacuates all of its

cities and then threatens to fire its missiles at our locatable forces (1,000 Minutemen missiles, tens of bomber bases, forward-based systems in Europe, etc.). Its leadership supposedly asserts that an evacuated Soviet population could rebuild the cities and industry destroyed by upward of 4,000 surviving American retaliatory warheads and, claiming that we could not, secures thereby some bargaining advantage.

Let us, at the outset, overlook the fact that the evacuation—which would take days, thereby alerting our forces—could only take place in good weather, and could only be maintained a short time, undermining enormously its value as a bargaining agent.

Let us overlook the fact that the engineering calculations of this school assume, among many other things, military discipline in movement, and in subsequent use of fallout shelters, by the entire population.

Let us also ignore the extreme difficulty of finding a crisis to which such apocalyptic methods, with their inevitable aftermath of coldest war, would be appropriate.

Above all, let us pass over the fact that the threat could only be made once since—assuming general nuclear war did not erupt—the United States would subsequently leap into a Sparta-like frame of mind that would easily generate such weapons as would make any renewal of this threat quite inconceivable.

Let us, instead, address the ultimate Strangelovian fear. Is such a threat credible—that is to say, could such an attack after evacuation be rationally pondered by a political leadership?

The Soviet leadership, no matter how diabolically construed, would need assurances for the survival of the Soviet Union as a modern economic, social and political entity.

Nuclear attack planners would have to concede that virtually all of the Soviet cities and small towns would be leveled. They could not confidently predict that the surviving population, evacuated or not, would emerge from the first winter as a viable entity: medically, nutritionally, or economically.

With the population's disease resistance lowered by radiation, with related grim changes in the ecology (e.g., insects, are more resistant than mammals or birds to radiation), and with sanitation enormously disrupted, the survivors could be expected to suffer terribly and unpredictably from plagues and epidemics of all kinds.

With the survival of stockpiled Soviet grain surpluses uncertain, with chronic Soviet agricultural difficulties further exacerbated by fallout, with great uncertainty of supply of needed agricultural inputs, with the uncertainties of climate enhanced by world-wide weapons effects, and with the existing absence of world food reserves underlined by the absence of American food surpluses, high percentages of surviving Russians would likely starve.

SURVIVING INDUSTRY AND SURVIVING POPULATION

Economically, a certain ratio between survival industry and surviving population is obviously necessary; but this scenario postulates an enormous success in saving people with only scattered success in saving industry. MIRV having increased by a factor of ten the number of separate targets that the U.S. can strike, our targeting capability has greatly outraced any industrial dispersion program which Soviet civil defense planners might have envisaged. Thus these planners would have to project a society, overwhelmed with ill and injured, having to rebuild shelter for the entire urban population.

Under such strains, postwar economic viability would be a question mark of real proportions. A great and sustained decline in numbers of population might go on for long periods before a steady state was reached years later in a stunted and completely demoralized society unrecognizable by present-day Moscow.

Not only medical, nutritional and economic integrity, but also political integrity is wholly beyond assurance. The loyalty of the border republics (Estonia, Ukraine, Latvia, Georgia) cannot be assured and the Soviet hold on eastern Siberia would be threatened by China. Far from taking over the world, the Soviet Union would itself risk dismemberment. The Eastern Europeans would, of course, seize the opportunity to assert their independence. Surviving nations everywhere would begin building their own nuclear weapons with a vengeance. Whatever parts of the world were not destroyed would be hard to subdue, especially with so little residual Soviet industrial and military capability.

It is wholly unnecessary to assume Soviet plans to run such risks to explain Soviet civil defense programs. In the first place, Western European states often reach the levels of expenditures per capita suggested for the Soviet Union and they are less clearly in the line of fire. For these states, it is wholly reasonable to conduct civil defense programs on a prudential basis—that war may occur, for whatever reason, is quite enough justification to maintain civil defense bureaucracies of some size. And the Russians have more reason than most to believe not only in war but in the possibility of survival against odds.

CIVIL DEFENSE AGAINST THE CHINESE?

In the second place, both the Soviet evacuation planning and the Soviet urban shelter program—between which the Soviet planners seem uncertainly to alternate—would be useful under certain circumstances against the Chinese. Just as we considered a "thin" ABM against the Chinese while rejecting as hopeless a "thick" ABM against the Soviet Union, so also could Soviet civil defense planners be considering, as effective in small nuclear wars, efforts which would be marginal in large ones. And, indeed, the rhetoric of the program, which often refers to "wartime production" being maintained and so on, is quite at odds with the alarmist notion that it would be used against a superpower like ours in an inevitably short war.

And perhaps most important of all, and never satisfactorily explained in these dark visions of the evacuation alarmists, is the reason why the Soviet Union agreed not to build an antiballistic missile system around its cities if it planned on threatening to launch and survive a nuclear war.

There are special dangers here to that same arms control agreement of real value negotiated so far: the ABM treaty. In particular, acceptance of easy nuclear war survival by means of evacuation could lead to a reassessment of city defense by anti-ballistic missiles either in the U.S. or the Soviet Union.

There are other costs to the insatiable urge for ever greater insurance against ever more absurd scenarios. It would be easy enough to move from that concept of totally "unacceptable damage" which we now call "assured destruction" to a concept of still more assured, still more total, destruction. We could, for example, build "dirty bombs" or thousands more warheads or something else, But can anyone believe that this would be the last move in the arms race? Can anyone doubt that the same preparations would be promptly made by the other side, to our increased peril?

Finally, whatever civil defense program is to be maintained in the United States, nothing could be more inappropriate, politically and strategically, than to cast that program—as these alarmists desire—in the context of a war-game response to a dangerous Soviet civil defense weapon.

Politically, it was a major and decisive error of Kennedy-era civil defense planners that their program was injected into the controversy surrounding the Soviet threat to Berlin. That history shows that no American civil defense program will be acceptable to the public except possibly on the prudential grounds that war might just occur and that, through civil defense, some lives might just be saved.

Strategically, if the Soviet program were to be really documented as undermining our deterrent—which is far from the present case—it would be absurd to recommend that U.S. civil defense could substitute, in redressing that problem, for reestablishing the deterrent.

What in the last analysis would "undermining our deterrent" mean? Need we go down that endless road of weapons aimed at proving that whatever Americans would survive the nuclear war would rebuild more rapidly than whatever Russians would survive? Or can we stop at some notion of "unacceptable damage"?

We are, today, as safe against calculated deliberate Soviet attack as we are going to get; only a desperate or an insane decisionmaker would undertake the risks at issue. To the insane decisionmaker we are already irrevocably vulnerable. What can be said about the desperate?

It can be said that politicians have already decided, in the nuclear age, that it is too dangerous to drive a nuclear power into a desperate corner. If, therefore, a Soviet civil defense program signals the undesirability of pushing the Soviet Union into a corner, then it merely signals something we already knew—and something the Soviet leadership already knows about us. Neither can be "rolled back." Soviet desperation already had higher risks of producing unwanted war than its civil defense could ever provide of deliberate calculated attack.

We do not know where this debate will lead, or what evidence will be adduced that has not been provided thus far. But on the basis of everything in the public domain at this time, we feel obliged to warn our fellow citizens that exaggerations of the threat we face abroad have consistently led—through overreaction and weaponry spirals—to real diminutions in the safety of our Republic.

CIVIL DEFENSE—A SOVIET VIEW

The United States Air Force has sponsored the translation of a basic Soviet civil defense text under the title "Civil Defense—A Soviet View" and made it available at the Government Printing Office. The Soviet text is naive, if not deliberately misleading, in its introduction. For example:

"Thanks to the relentless efforts of the Party and the government, in a relatively short time the missile forces have been converted into a powerful *shield* against the cunning intent of aggressors. Immediate *destruction* of the enemy's means of attack is effected by antimissile and antiaircraft defense. Soviet air defense forces, coupled with the air force, and air defense troops of the ground forces and the navy, reliably protect our country from enemy strikes.

"However, it is not possible to guarantee that *some* of the enemy missiles will not penetrate our air defenses." (p. 5) Emphasis added.

After discussing how modern nuclear war would attack not only armed forces but cities, industrial plants, etc., the text is sometimes plain silly:

"Destroying the morale of the population is one of the main goals of such a war."

The text refers to civil defense teams performing rescue operations as if they were fire brigades faced with V–2 bombs whose arrival could not be "completely" excluded:

"Performing rescue operations is one of the vital tasks of civil defense. Antiaircraft and antimissile defenses notwithstanding, it is still impossible to completely exclude the possibility of nuclear strikes on cities. Thus, civil defense formations must be ready to immediately go to the rescue of nuclear blast victims." (p. 10)

In fact, assuming, as Soviet civil defense workers must, that fallout occurs, the notion of going to the immediate rescue of nuclear blast victims is a form of pointless suicide. Rescue workers would be bottled up in shelters before any significant rescue could be effected.

After listing a number of injunctions to civil defense workers, including the preparation of various kinds of citizens at "work in centers of destruction," the text observes that civil defense makes it possible:

"... not only to reduce the number of casualties, but also to preserve items of material and cultural value, and *to guarantee uninterrupted work in rear areas.*" (emphasis added)

The notion of uninterrupted work in rear areas is a bizarre example of doctrinal lag. It shows the Defense Ministry refighting World War II.

One reason for whatever emphasis exists upon civil defense in the Soviet Union is the felt plausibility of other than nuclear wars—wars with which civil defense might be able to cope. The very first page of the Soviet foreword to this text defines civil defense in these terms and refers only secondarily to nuclear war:

SOVIET POPULATION AND INDUSTROYED
[Without evacuation] [1]

1 MT equiv. delivered warheads	Total population fatalities		Industrial capacity destroyed, percent
	Millions	Percent	
100	37	15	59
200	52	21	72
400	74	30	76
800	96	39	77
1,200	109	44	77
1,600	116	47	77

[1] Fiscal 1970 posture statement.

(Assumed 1972 total population of 247,000,000; urban population of 116,000,000.)

"Civil defense is a system of national defense measures directed toward protecting the population, creating necessary conditions for maintaining operational stability of the national economy in wartime, and, *if the enemy uses weapons of mass destruction, performing rescue and urgent emergency-restoration work.*" (emphasis added)

In short, reading the text, one gets a very different, much less fearsome appraisal of Soviet intent than that provided by Leon Goure. Professor Goure has been following Soviet civil defense for a quarter of a century, first at RAND and now at the University of Miami. He paints a picture of single-minded, calculated and hard-headed civil defense preparations that seem, on reading the actual text, to be rather more the product of historical experience, and of entirely predictable bureaucratic efforts, to cope with problems wholly unsolvable.

Professor Goure is extremely well positioned for, and proficient in, parsing Soviet quotes to document his impressions of their plans and intentions. But sometimes one feels that his command of the literature is being misused. For example, in his foreword, he paints a fearsome picture backed up by a quote from a leading Soviet spokesman:

"In their discussion of arms control and disarmament, Soviet spokesmen have consistently rejected the concept of equal security based on a U.S.-Soviet deterrence balance of 'mutual assured destruction.' Indeed, as they candidly acknowledge, a major aim of Soviet strategy and buildup of military capabilities is to preclude the application of the American retaliatory assured destruction strategy, and thereby negate the effectiveness and credibility of the U.S. deterrence posture. At the same time, the Soviet Union has been constantly seeking to strengthen its own deterrence and war-fighting capability. According to the Soviet view, the credibility and effectiveness of the latter depends not only on the offensive capability of the Soviet strategic and conventional forces and especially on their ability to weaken the 'enemy's offensive missile forces' by means of a pre-emptive first strike, but equally on the capability of the Soviet Union to survive and recover from a nuclear war. 'No country,' the well-known Soviet spokesman G. Arbatov points out, 'can set itself the aim of defeating the enemy at the cost of its own destruction.' " (p. xiii)

Would you believe that, on page 39 of his own work, *Soviet Civil Defense*, Professor Goure himself quotes the very same Arbatov as saying that "nuclear war would be suicidal for both" U.S. and U.S.S.R.! This unusual bit of Soviet candor is not only at odds with the impression given by quoting Arbatov above but fully explains that quote has having quite the opposite meaning.

As for Professor Goure's assertion that the Russians "candidly acknowledge" that a major aim of their strategy is to preclude the U.S. retaliatory assured destruction strategy, why then did they sign the ABM Treaty? This certified a government-wide decision to acquiesce in mutual deterrence. (Professor Goure was surprised at their decision to sign this document and has no firm conviction about their motives). And why did Brezhnev say, in July 1974, that accumulated nuclear weapons made possible "the destruction of all life on Earth several times"—a clear example of mutual deterrence rhetoric?

Finally, as for the doctrinal rejection of mutual assured destruction, this sounds ominous indeed until one investigates what the Russian spokesmen are saying. To quote from p. 36 of Goure's *War Survival in Soviet Strategy*, Soviet spokesmen reject the concept of security based on a balance of strategic deterrence because:

". . . such balance is inherently unstable because of constant improvements in weapons technology, the possibility of accidental escalation of a local war, or of political changes in the capitalist countries which might impel new leaders to risk nuclear war with the Soviet Union. In recent times, Soviet spokesmen refer to the discussion in the U.S. concerning the possibility of adopting a 'flexible option strategy' which may include a U.S. selective and limited first use of nuclear weapons in limited wars, or even against the Soviet Union in retaliation for Soviet aggression against third countries, and to the qualitative strategic arms competition, as proof of the instability of security based on 'mutual assured destruction.' "

In short, the Soviet position is a combination of recognizing that war can happen despite overwhelming deterrent capability (we would agree) and recognition that the United States is trying to devise strategies that will permit it to use nuclear weapons even in the face of these mutual deterrents.

AMERICA HAS SOUGHT FREEDOM TO USE

Of the latter there can be no question. For example, on September 11, 1974, Secretary of Defense Schlesinger warned the Senate Foreign Relations Committee against the danger to Europe that would arise if America were seen as "well-deterred" by the consequences of a nuclear strike at the Soviet Union. He explained that this was the reason for his changing U.S. targeting doctrine to permit greater access to less than all-out strikes.

Indeed an objective observer would find at least as many (if not more) indications in the U.S. strategic literature of an intention to use nuclear weapons first, and to carry nuclear war to the other country, as it finds in the Soviet literature. The Soviet declarations normally do little more than assert that any nation attacking the Soviet Union will get a "crushing rebuff." But the U.S. strategic literature, for 30 years, has been primarily devoted to figuring out how to threaten to use nuclear weapons against the Soviet Union—despite whatever nuclear balance existed—in the event of a Soviet attack on Europe. Thus our literature, paradoxically shows greater emphasis on "mutual deterrence" combined simultaneously with greater emphasis also on nuclear war-fighting. Public opinion (and common sense) has demanded the former while the NATO military "realities" have been viewed as demanding the latter.

But the parallels are really more striking than the differences. Just as Schlesinger worried that the United States might be deterred from taking action in a crisis, so Soviet military spokesmen try to find ways to assert that nuclear war is still an instrument of politics. And they do it also by expressing fear that the concept of mutual deterrence might make the Soviet Union vulnerable to U.S. "nuclear blackmail"—i.e., fearful of taking action in the face of American actions they considered hostile. This is the precise parallel to our NATO problem.

THE PROGRAM ITSELF

The Soviet civil defense programs, as seen by Professor Gouré, is as follows in quotes and through paraphrase.

Soviet civil defense has been growing since 1951, especially since 1961, with a marked upsurge since 1972. The Soviet leadership has come to view civil defense as a critical strategic factor which can determine the course and outcome of a nuclear war. It is now spending over the $1 billion a year it was estimated to be spending over the last two decades.

MEASURES PRESCRIBED

Planning would disperse the essential workers, who would then commute to the plant in the city (40 to 60 miles), while nonessential workers would be evacuated to more distant rural locations and small towns where they would be settled for the duration.

In the late 1960's, the authorities decided that the provision of effective blast shelters for all urban residents was too expensive. But in 1974, this position was reversed and "present indications are that shelter construction in the cities and construction of fallout shelters in the rural areas have been stepped up." Gouré believes that:

"... there is no doubt that the cumulative construction of shelters since the mid-1950's has resulted in a shelter capacity for a large fraction of the population and that more are being added every year, especially under the stepped up shelter construction program introduced in 1974. The population is also being trained in the construction of hasty shelters, and according to Soviet plans, the entire population should be able to secure protection in either blast or fallout shelters within 72 hours of an announcement by the government that a 'threatening situation' exists."

PERFECTION OF THE ECONOMY

According to official Soviet sources, since 1966 at least 60 percent of all new industrial plants have been located in small towns. This program was termed, by Colonel-General Altunin, a "decisive measure for ensuring the viability of the economy in wartime."

The Soviet civil defense program requires industrial plants to harden their facilities. There are "clear indications" that the hard-

ening process is very much in process of being carried out, although because of the considerable capital construction requirements, its completion will require a number of years.

SOVIET URBAN POPULATION

Cities, numbers of residents	Numbers of cities	Population Total (millions)	Population Percentage of total
500,000 and over	35	41.7	27.9
100,000 to 500,000	203	43.7	29.2
20,000 to 50,000	618	191.0	12.7
10,000 to 20,000	973	13.6	9.2
5,000 to 10,000	1,502	10.6	7.1
3,000 to 5,000	1,040	4.1	2.7
Less than 3,000	1,115	2.1	1.4
Total	5,699	149.6	100.0

STOCKPILING

The Soviet Union has on the order of one year's war reserve of grain, a considerable amount of food reserves in the cities, and much of total annual grain production kept at the farm, so that there would be sufficient food there to food urban evacuees.

GOURE'S APPRAISAL

The implementation of the program is uneven. Soviet authorities complain of public apathy, of oversimplified training, of neglect of industrial hardening measures, of problems in preventing the growth of large cities, of poorly trained civil defense units. No large-scale evacuation exercises have been held for entire cities.

It is "evident" that with a few days' warning, the authorities could evacuate the great majority of urban residents and provide them, as well as the rural population with protection against fallout. The knowledge of what to do in an emergency has become "well ingrained" in the majority of the population despite indications of popular skepticism.

AN ASSESSMENT OF THE ASSESSMENT

The rates of spending on civil defense in the Soviet Union should be assessed by the rate of spending in other countries ravaged by European-type wars. The $4 a year per capita estimate for Soviet Union is, its sources admit, only a guess. But would it be inappropriate in any case? The Swedes spend $4.02, the West Germans about $4.10 and the Swiss spend $50.00 per person annually!

Whether there was an upsurge in Soviet civil defense in 1972 is hard to establish but would be easy to explain. What could be more natural than for the Soviet Defense Ministry to increase its alloctaion to civil defense in the wake of a Politburo decision to agree, in that same year, to a prohibition on anti-ballistic missile systems?

The notion of dispersing essential workers and evacuating nonessential workers to rural locations is much less workable when one examines the above table. Rural locations must really mean rural to be out of the reach of the thousands of warheads. Is it really feasible to move more than a hundred million persons into rural areas and resettle them there for the duration? This is much like turning the society inside out.

It seems indicative of the difficulties this would pose that the authorities seem to have reversed themselves, as Goure notes, and to have ordered the construction of blast shelters in cities. But even civil defense enthusiasts, such as T. K. Jones, argue that blast shelters in cities would not be very effective.

The post-1966 dispersion of new industrial plants to small towns, often referred to, also underestimates the fact that even small towns are vulnerable to the retaliatory capability of a U.S. MIRVed force that can cover so many targets. As for food reserves, the one-year war reserve spoken of is not much insurance even if it exists. Food stockpiles may be attacked and destroyed—a significant number have been identified and no Soviet authorities can assume they would not be attacked. Furthermore, the very ability to grow food in a post-war world is unclear. There is the radioactivity in the soil which may preclude or complicate the growing, or the eating, of foodstuffs. There is the possibility that the war would so disrupt the ozone layer as to make prolonged exposure to the outdoors impossible for the farmer.

There are also other weapons effects not fully understood when detonations involving so many megatons are involved. For example, the possibility of a shift in the climate, due to particulates thrown into the atmosphere or some other weapons-related cause has to be considered.

THE SECOND OPTIMISM: INDUSTRIAL RECOVERY

But it is not enough to be optimistic about population survival. Since the cities are conceded to be destroyed, one must be optimistic also about industrial recovery. Such extraordinary optimism is to be found in the report of a leading civil defense enthusiast, T. K. Jones. But it is hard to credit.

INDUSTRIAL RECOVERY AFTER NUCLEAR WAR AS SEEN BY T. K. JONES

The conclusions of T. K. Jones are summarized in the graph on this page. It reflects the view that industrial recovery is basically dependent upon population survival and that recovery is an exceedingly rapid process.* For example, this graph suggests that a country could lose 50% of its work force (which means, in many cases, half its population) and all of its industrial capital and recover in 15 years! The recovery should be to prewar GNP level! (In particular, one reaches the absurd conclusion that GNP per capita would be about twice what it is now.)

If all the population survived, even if all the industrial capital value were destroyed, this graph suggests that the prewar GNP would be achieved in 5–7 years! The report suggests that this graph is the collective conclusion of a number of U.S. studies on recovery but does not reference them.

The second conclusion of this testimony is that it is relatively easy to avoid the destruction of the industrial capital value, so long as one is willing to close it down. The last caveat is very important since implementing protective structures for operating plants is considered enormously expensive. However, if the equipment were to be packed in sandbags, or earth, Jones argued that blast protection of up to 80 psi might be achieved. For further protection, equipment would have to be completely surrounded with foam plastic or metal chips from machining operations. In some cases, machines would have to be coated with grease and flooded in water, and so on. It was believed that, for $200–$300 million, preparations could be made to provide 40–80 psi protection and, for ten times that amount, 200–300 psi protection.

The third conclusion of this study is that the Soviet Union is well positioned to take advantage of the first two conclusions. It would disperse the population over a wide area, pack down industrial machinery and execute an attack.

The testimony shows, however, that there is little difference in casualties between an unevacuated population attacked in cities and an evacuated population attack by missiles that are ground burst so as to produce fallout. In short, seeing the evacuation taking place, U.S. planners might target weapons so as to attempt to create fallout.

Of course, if one assumes that the evacuated population can build effective fallout shelters and stay in them, then immediate fatalities can be reduced, according to this report, to about 10 million. But these shelters are assumed to provide a protection factor of 200 psi which, while described as "simple" in the testimony, is not so simple as all that. It would be necessary to stay in the shelters not only hours but a few days. The discipline required to do this would be extraordinary, since the shelters discussed in Soviet texts hardly provide room to move, with persons taking turns lying down, and so on. (The human problems associated with this need not be dilated upon). And the fallout provides all the recovery uncertainties mentioned above.

A COUNCIL MEMBER DISSENTS

"The editorial asks some very relevant questions about the credibility of the threat raised by a USSR civil defense posture based on evacuation. These are matters that deserve careful and serious debate. However, I cannot agree with what seems to me to be the underlying implicit assumption in the editorial—that an offensive stand-off such as we now have is stable, whereas a defense standoff, which would exist had the great powers opted for ABM and civil defense, is destablizing. I have never been convinced of this, although I realize this is the basis of our whole deterrent policy. To my mind a defensive confrontation would be better than an offensive confrontation. My main reason for so believing is that I don't see how suspicious antagonists can permit real disarament, and thus weaken the offensive deterrent, unless they can count on some safety through defensive systems—in short, civil defense may be a prerequisite for real disarmament.

I believe a dispassionate reexamination of the arguments for and against civil defense, in the present context, are called for. The editorial in imputing to those who favor civil defense Strangelovian instincts makes this reexamination more difficult. I therefore wish to register my dissent." Alvin Weinberg.

Editorial Note: Is it true that a "defensive stand-off . . . would" have existed if the great powers had opted for ABM and civil defense? Or would they have simply bought further offensive weapons: MIRV to overwhelm the defenses (as they have) and cruise missiles (as they are about to) which would circumvent the defenses, and so on? And if, in the long run, disarmament eventually reached the point where deterrents were not adequate, would adversaries—if still "suspicious"—rely upon civil defense, which only mitigates damage, to prevent war?

In any case, does the editorial really implicity presume that mutual deterrence is "stable" or does it only decry current exaggerations of the instability that civil defense can produce? In any case, above all, does it consider alarmist those who favor civil defense or those who want Soviet civil defense further neutralized?

* Industrial Survival and Recovery After Nuclear Attack; November 17, 1976 report to Joint Committee on Defense Production; prepared by Boeing Aerospace Company.

MARINE CORPS SHOWS THE WAY

Mr. HART. Mr. President, I bring to the attention of the Senate a statement made for the Armed Services Committee hearings on maritime posture by the Marine Corps, which I believe has great significance. In response to the question of whether Marine Corps division/air wing strength could be reduced below our lift capability without serious adverse effect, the Marine Corps made demurrals, but it also said:

There may well be potential for maintaining or even increasing force capability at lower strength levels by trading existing manpower for more efficient firepower systems now possible through modern technology.

This is indeed a statement of great significance—not least because one of the

services made it. The modern battlefield is not dominated by numbers of men, but by the number and quality of systems fielded. That is to say, manpower is not directly productive of combat power; firepower and mobility systems produce combat power, and a certain number of men are needed to operate those systems. Particularly for a country such as the United States, where manpower is comparatively expensive and capital comparatively affordable, maximum combat power is produced by raising to the maximum the ratio of capital to manpower.

The Marine Corps is to be commended in the strongest terms for being the first service to recognize this fundamental truth explicitly and publicly. In a short run view, this is a bit puzzling, in that the ratio of capital to manpower in today's Marine Corps is quite low. But from a longer range standpoint, the Marine Corps has repeatedly justified its own existence by being the leader in innovative military thinking. Following Gallipoli, conventional military opinion denied the possibility of successful amphibious operations. Fortunately for the United States, the Marine Corps refused to follow the conventional lead, and under the impetus of some hard-driving innovators it successfully developed doctrines and techniques for amphibious assault. Without this Marine Corps leadership, this Nation would have been hard pressed to conduct the Pacific campaign in World War II.

The decision by today's Marine Corps to base its future at least in part on the realization that force capability can be increased by trading existing manpower for capital investment may be as important as its previous decision to develop the concept of amphibious assault. Certainly with the Marine Corps' current structure of three foot infantry divisions, there is a significant amount of manpower which can be traded for capital with little risk of losing something valuable. As what is perhaps our most undercapitalized service, it is both courageous and appropriate for the Marine Corps to recognize the potential of trading manpower for capital, and I hope my colleagues will join me in commending the Marine Corps for its forward thinking. I hope the Armed Services Committee will not only support the Marine Corps in its efforts to implement this policy, but will provide positive encouragement for implementing it on a bold and broad scale. I also hope that in the event a reduction in Marine Corps manpower were proposed by the Defense Department, we should give serious consideration to permitting resources freed from manpower to be transferred to capital investment.

RULES OF THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, the Senate Small Business Committee held its annual organizational meeting on March 8, 1977. At that time, the rules, subcommittee structure and work program for 1977 were approved by the committee members.

In accordance with section 133B of the Legislative Reorganization Act of 1946, as amended, I ask unanimous consent that the rules of the Select Committee on Small Business be printed at this point in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

STANDING RULES OF THE SENATE SMALL BUSINESS COMMITTEE

(As adopted in executive session March 8, 1977.)

1. GENERAL

All applicable provisions of the Standing Rules of the Senate and of the Legislative Reorganization Act of 1946, as amended, shall govern the Committee and its Subcommittees. The Rules of the Committee shall be the Rules of any Subcommittee of the Committee.

2. MEETINGS AND QUORUMS

(a) The Committee will meet at the call of the Chairman. If at least three Members of the Committee desire the Chairman to call a special meeting, they may file in the office of the Committee a written request therefor, addressed to the Chairman. Immediately thereafter, the Clerk of the Committee shall notify the Chairman of such request. If, within three calendar days after the filing of such request, the Chairman fails to call the requested special meeting, which is to be held within seven calendar days after the filing of such request, a majority of the Committee Members may file in the office of the Committee their written notice that a special Committee meeting will be held, specifying the date, hour and place thereof, and the Committee shall meet at that time and place. Immediately upon the filing of such notice, the Clerk of the Committee shall notify all Committee Members that such special meeting will be held and inform them of its date, hour and place. If the Chairman is not present at any regular, additional or special meeting, the ranking majority Member present shall preside.

(b) In meetings to consider proposed legislation or to transact any other business of the Committee, other than hearings, a quorum for the transaction of business shall consist of a majority of the Members of the Committee, including at least one minority Member.

(c) In hearings, whether in public or closed session, a quorum for the taking of testimony not under oath shall be one Member of the Committee. A quorum for the taking of sworn testimony shall be two Members of the Committee, unless the witness voluntarily waives this requirement.

(d) Proxies will be permitted in voting upon the business of the Committee by Members who are unable to be present. To be valid, proxies must be signed and assign the right to vote to one of the Members who will be present. Proxies shall in no case be counted for establishing a quorum.

3. HEARINGS

(a) The Chairman of the Committee may initiate a hearing on his own authority or at the request of any Member of the Committee. Written notice of all hearings shall be given to respective Committee or Subcommittee Members. Notice shall be given as far in advance as practicable. No hearings of the Committee shall be scheduled outside of the District of Columbia except by consent of a majority of the Committee. Such consent may be given informally, without a meeting.

(b) Any Member of the Committee shall be empowered to administer the oath to any witness testifying as to fact if a quorum be present as specified in Rule 2(c).

(c) Subpoenas shall be issued only when authorized by a majority of the Committee. Such authority may be given informally, without a meeting. When so authorized, subpoenas may be issued by the Chairman or by any other Member of the Committee designated by him. A subpoena for the attendance of a witness shall state briefly the purpose of the hearing and the matter or matters to which the witness is expected to testify. A subpoena for the production of documents, memoranda, records, etc. shall state briefly the purpose of the hearing and shall identify the papers required to be produced with as much particularity as is practicable.

(d) Any witness summoned to a public or closed hearing may be accompanied by counsel of his own choosing, who shall be permitted while the witness is testifying to advise him of his legal rights.

(e) No confidential testimony taken or confidential material presented in a closed hearing of the Committee or any report of the proceedings of such a closed hearing shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee.

ROMANIAN EARTHQUAKE ASSISTANCE

Mr. KENNEDY. Mr. President, the full scope of the disaster which struck Romania during the early evening hours last Friday is only now becoming clear. A major earthquake, registering 7.5 on the Richter scale, hit just 65 miles from the heavily populated area of Bucharest, leaving a massive path of destruction and collapsed buildings in its wake—killing thousands and leaving thousands more injured and homeless.

Although reports are still preliminary and scattered, the Romanian Government, disaster relief teams, and journalistic accounts, all tell of a tragic toll in human life and physical destruction. The number of people killed will not be fully known until the debris is cleared, but unofficial estimates place the toll well above 2,000. Over 5,000 are known injured, with many still making their way to hospitals and infirmaries.

For those still alive, thousands have taken shelter with friends or relatives. And since the earthquake struck the urban area of Bucharest, millions of dollars of damage has been reported to housing and apartment complexes, as well as to commercial and industrial facilities.

As chairman of the Subcommittee on Refugees, I want to express my deep sympathy and concern to the people and Government of Romania. I am confident our Government, in concert with others in the international community, will respond generously to the Romanian Government's appeal for assistance.

I commend the Disaster Relief Office for already dispatching $85,000 in emergency medical supplies, and for preparing to provide additional relief and rehabilitation assistance as the need arises. Hopefully, the U.N. Disaster Relief Office will lend its support to the Romanian Government's appeals for international humanitarian assistance.

As longer-term rehabilitation and reconstruction needs are identified, I stand ready, with others in Congress, to introduce necessary legislation to offer America's helping hand to the people of Romania.

INTERNATIONAL BLACK MARKET IN U.S.-MADE WEAPONS SUPPLIES TERRORIST GROUPS

Mr. PERCY. Mr. President, across the globe, radical fringe groups believe that, although often lacking political influence, they can use terrorist and guerrilla tactics to achieve their goals. Such tactics are made possible by the thriving international black market in military weapons, many of which are of U.S. manufacture. In order to curb the illicit traffic in U.S.-made weapons, we must institute stronger controls on the export of arms and military supplies.

By law, all sales of arms for export must be approved by the State Department. But there are many loopholes which permit the diversion of arms to unauthorized buyers.

One loophole concerns the control of U.S. companies manufacturing weapons in other countries, through foreign licensees or subsidiaries. Since these operations do not involve the movement of arms across U.S. borders, they are not subject to U.S. export controls.

A second problem involves the export of arms by private individuals. Currently, each citizen leaving the United States may take along as many as three weapons without any sort of export license. What possible need is there for U.S. citizens to be taking that many weapons abroad?

Although this provision accounts for only a small portion of international arms traffic, it is a loophole which should be tightened.

A much larger portion of the illegal traffic originates in the transfer of legitimately-exported weapons to unauthorized parties. Foreign recipients of U.S. weapons must pledge not to transfer them without the approval of U.S. authorities. Yet there is no mechanism for enforcing this provision. As a result, legitimate recipients often find it to their financial or political advantage to divert these arms into the wrong hands.

There is good reason to believe that the State Department, in authorizing small-arms exports in particular, pays little attention to the possibility of this kind of illegal transfer. For example, the State Department was recently in the process of approving the sale of 10,000 submachine guns to the Government of El Salvador when undercover Treasury agents discovered a conspiracy to divert these weapons into the black market. The State Department was apparently unaware that El Salvador has only 5,000 men in its armed forces.

The Soviet Union and its allies have also been providing military equipment to insurrectionists and terrorists groups. We must continue to seek international agreements limiting the spread of weapons, particularly of the more advanced and destructive variety. In the meantime, we would do well to monitor more closely our own arms transactions.

To this end, the Senate Permanent Subcommittee on Investigations, under the capable leadership of Senator SAM NUNN, is currently investigating certain aspects of the problem of international arms trafficking. In particular, the subcommittee is looking into the phenomenon of the guns-for-drugs trade occurring along the Mexican border. As the ranking Republican on this subcommittee, I intend to encourage further investigation in this area.

There appeared in the Wall Street Journal of January 11, 1977, an interesting and well-researched article on this subject, written by Mr. Jonathan Kwitny. Mr. Kwitny is well known for his earlier exposés on securities frauds—which led him to write the highly acclaimed "Fountain Pen Conspiracy," on that same subject. Mr. President, I ask unanimous consent that this recent article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THRIVING BLACK MARKET PUTS MILITARY WEAPONS INTO AMATEURS' HANDS

(By Jonathan Kwitny)

The M–11 might be called the perfect assassination weapon. A U.S.-made hand machine gun that fires bullets by gas propulsion without sound, flash or smoke, it can empty its 32-round clip in approximately 1.7 seconds. It comes in two pieces, each nine inches long, and weighs about seven pounds. With it, one U.S. arms dealer says, "I could kill a hundred people in the next room and you'd never hear it."

The world is glutted with arms like the M–11: lightweight, lethal, low-cost and easy to use. They are being produced in such quantity and with so few controls that getting them poses no problem for any group of revolutionaries, vigilantes, terrorists or just plain crazies who are willing to spend a little time looking.

The U.S. and the Soviet Union bear about equal responsibility for allowing the illicit traffic in military weapons to get out of control. Small, sophisticated arms designed to put more firepower into the hands of individual soldiers are rolling off assembly lines in both countries, and are being shipped to other countries around the globe. Suppliers don't keep track of what happens to them after that.

Often, the arms land on the black market, where they are readily available to anyone with the patience to develop the right connections. An estimated $5 billion in arms that the U.S. abandoned in Vietnam hasn't even hit the black market yet, knowledgeable U.S. authorites say. If the Vietnamese begin dispersing that arsenal, it should be even easier for amateurs to arm themselves in the years ahead.

From a shelf in almost any library, you can pull down the military reference text, "Jane's Infantry Weapons," and find a grim catalog of destruction. An antipersonnel grenade maker's ad guarantees "uniform dispersion of fragments in every case." A firm called Euromissile boasts that its product enables "a mere infantry soldier" to destroy enemy tanks within a 6,500-foot range ("minimum training required") and lists write-away addresses in France and Germany. Jane's also features detailed, illustrated instructions on how to assemble and operate almost every known small arm, from the Thompson submachine gun to the M–11 and the Strela missile.

Some 14,000 of the M–11 and a similar M–10 have been made. They list for $80 each, although when a Marietta, Ga., manufacturer of the guns went out of business recently, M–10s were sold at auction for $5 to licensed dealers and representatives of foreign governments. "They're all over the world now," mostly in Third World countries, says Geoffrey WerBell of Powder Springs, Ga., whose father helped design the guns.

EASY TARGET: JETLINERS

The Strela is a Soviet-made, heat-seeking, precision guided missile. It can be toted comfortably on your back. Launched from the ground, it will knock a jetliner out of the sky at altitudes of up to 6,560 feet. According to Jane's, Third World countries that have taken delivery of Strelas include the People's Democratic Republic of Yemen (which has proclaimed an alliance with revolutionary movements elsewhere), Egypt, North Korea and India. U.S. intelligence sources say Strelas also have shown up in almost all Arab countries and some African nations, including Mozambique.

In 1973, Italian police burst in on five Arab terrorists setting up Strelas in a rented apartment four miles from Leonardo da Vinci Airport near Rome, directly under the traffic pattern for the north-south runway. Intelligence sources suspect that those Strelas were shipped originally from the U.S.S.R. to Egypt, which in turn sold them to Libya. Libya's head of state, Moammer Khadafy, is said to distribute arms to almost anyone who will use them against a government he opposes.

Libya has obtained from the U.S.S.R. large quantities of RPG–7 rockets, which weigh under 10 pounds and can destroy a tank, let alone a limousine or speaker's platform. In turn, Libya is believed to have supplied the Provisional Wing of the Irish Republican Army with RPG–7s and other weapons. A boatload of arms that intelligence sources had tracked all the way from Libya was intercepted off the coast of Northern Ireland in 1973. The IRA has used RPG–7s against armored British military vehicles and police installations.

PENTAGON IS MIDDLEMAN

U.S.-made weapons also find their way into the hands of revolutionaries and terrorists, though usually not directly through the government. Most are siphoned off into the black market after lawful sales to foreign governments or private individuals.

Most shipments of U.S. arms to foreign countries are commercial transactions, as opposed to the military-aid programs common in the 1950s. Many such sales, especially of big-ticket items like fighter-bombers, are made with the Defense Department acting as middleman. (Foreign governments and U.S. manufacturers often prefer title to the goods and payment to flow through the Pentagon.) Other sales, especially of small arms suitable for guerrilla use, are made directly by manufacturers to foreign buyers. All sales must be approved by the State Department, which keeps a list of hundreds of U.S. concerns that have registered to obtain arms-export licenses from the government on a sale-by-sale basis.

Among the most popular IRA weapons are the AR–15 rifle, made by Colt Industries Inc. in New York, and the AR–180, made by Armalite Inc., a privately held company in Costa Mesa, Calif. Both weapons can be bought legally in the U.S. by almost anyone. (They are considered civilian "sporting" weapons.) Both are versions of the M–16, the principal U.S. military rifle, which was developed by Armalite and is manufactured by Colt and its licensees. Jane's lists the price of an M–16 at $85; the AR–15 and AR–180 commonly retail for about twice that.

Federal law prohibits the sale to civilians of fully automatic weapons—those that fire repeatedly like a machine gun. For the civilian market, the manufacturers doctored the fully-automatic M–16 slightly and came up with the semiautomatic AR–15 and AR–180, which fire one shot for each pull of the trigger. With just a few hours of tinkering, however, the AR–15 and AR–180 can be made fully automatic. Many IRA weapons recovered by the British have been reconverted in this way.

Guns found on IRA members have been

traced by their serial numbers to American buyers, but this hasn't provided sufficient evidence to convict the Americans. A federal court in Philadelphia recently reversed the convictions of five men for illegally shipping more than 100 AR–180s to the IRA. Though the serial numbers showed that the Americans had purchased the guns in the U.S., the court noted that the serial numbers of guns sold overseas aren't registered. It might be proved, the court said, that the original buyers didn't simply sell the guns through a licensed exporter to an approved foreign buyer, who then transferred them to the IRA. The court did uphold the group's conviction for conspiring to sell the guns illegally, but only because the men unwittingly disclosed their plans to a government undercover agent who testified against them.

David Hopkins, who prosecuted the case for the Justice Department, thinks the government should record the serial number, place of origin and destination of every weapon leaving the country legally. However, he acknowledges that the number of weapons involved is "awe-inspiring."

Indeed, the defense in the Philadelphia case, arguing that the AR–180s could have entered Ireland from almost anywhere, presented a State Department report showing that 2.5 million firearms were legally exported from the U.S. in the five years ending last June 30. That figure didn't include the three firearms that anyone leaving the U.S. is allowed to take with him unlicensed. Nor did it include the many U.S. firearms—including M–16s and AR–180s—that are manufactured overseas under licensing agreements, or firearms sent abroad for use by U.S. troops that are "lost," siphoned off or stolen.

85 MILLION RIFLES

In a 1970 study designed to show the abundance of military rifles in circulation, Priscilla Clapp, then with a private research firm and now with the U.S. Arms Control and Disarmament Agency, calculated that more than 85 million such weapons are scattered around the world. She counted only the dozen or so most popular rifles, excluding the M–16. (Although Colt won't disclose production figures for the M–16, Miss Clapp estimated that 25,000 were being manufactured each month, a figure that agrees with Pentagon reports.)

The immense stockpiles held by private arms dealers also suggest that there are far more guns being made than there are soldiers to use them. Probably the largest such dealer is Samuel Cummings, whose firm, Interarms, is based in Monaco and has agents with pipelines into virtually every country in the world. Mr. Cummings says—and others have verified—that his warehouses contain more than 500,000 light arms and more than 100 million rounds of ammunition. That is enough to equip 40 military divisions, more than twice as many as the U.S. has in active service.

Mr. Cummings says he pays $5 to $25 for surplus submachine guns for example, and sells them for $25 to $60 after rebuilding them. Arms experts say that the Costa Rican civil war of the 1950s, the 1961 Bay of Pigs invasion in Cuba and possibly other wars were fought with weapons that both sides had bought from Mr. Cummings.

CIA CONNECTIONS

The American taxpayer helped establish Mr. Cummings in this lucrative business. He served as a weapons expert in the Army in the 1940s, then went to work for the Central Intelligence Agency. In the early 1950s he set up a private international concern that sold arms for the CIA. Some observers think it was an arms-laundering operation controlled by the agency. Interarms, a successor firm, now seems largely independent of U.S. control—except, of course, when it ships arms into or out of this country. However, it's doubtful that Mr. Cummings could operate so successfully were it not for the contacts he made while with the CIA.

Mr. Cummings and many other private arms dealers say they sell only to governments, and there's no indication that they do otherwise. But Washington sources say these arms often end up on the black market through official corruption, theft, or a government's collusion with nongovernment groups. And, the sources add, some private arms dealers don't have scruples about whom they sell to.

When it comes to guns. Communist governments have a reputation for being as profit-minded as any private trader in the West. According to many reports, Soviet arms often hit the black market through a Czech trading company that operates through a purportedly independent arms dealer in Amsterdam.

Persons who are aligned with revolutionary causes but are unwilling to pay black-market prices can get free or cut-rate arms at Libyan embassies in Europe, according to French sources. The method isn't guaranteed, but with a few months of waiting it has been productive, the sources say.

Another ploy, of course, is theft. One haul taken from a well-stocked arms depot can keep a violent group and even its allies in other countries supplied for years. Grenades stolen in 1972 from a U.S. military depot in West Germany by anarchists known as the Baader-Meinhof gang are believed to have been used two years later in other parts of Europe by Venezuelan and Palestinian terrorists.

MISPLACED MUNITIONS

In April 1976, a House Armed Services subcommittee reported that uncounted tens of thousands of U.S. military weapons have been lost or stolen from storage. The subcommittee found that records were "haphazard" and that "losses of sizable quantities of weapons and munitions were frequently written off as inventory errors without any investigation."

Weapons purchased from U.S. companies by South American governments for use by their internal police forces often wind up in the hands of right- and left-wing terrorist groups there, according to several sources, including Michael T. Klare, visiting fellow at the Center for International Studies at Princeton University. Mr. Klare, a specialist in international arms traffic, says right-wing groups often obtain weapons directly from the police, who covertly encourage vigilante-style terror that they can't carry out officially. Left-wing groups, he says, steal the same weapons by raiding police depots.

The State Department's decisions on overseas arms transfers are made after consultation with the Department of Defense and the Arms Control and Disarmament Agency. Recipients must pledge not to transfer the arms to third parties without American permission. But a system for enforcing such promises doesn't exist.

State Department officials refuse to discuss on the record whether violations of the no-transfer agreement have occurred. Gen. Howard Fish, who directs the Pentagon's review of foreign arms sales, says U.S. embassies keep "very, very good control" of American arms sent overseas. He says he is unaware that the IRA has been using American-made weapons.

SMALL ARMS GO UNNOTICED

Officials of the CIA, the Army and the arms control agency all acknowledge that they don't keep close tabs on U.S. weapons shipped overseas. It was ascertained in other interviews that nobody else does either. Government officials say that the transfer of major weapons systems, such as military aircraft, probably would be noted in the ordinary course of intelligence. But the transfer of small arms probably would not, they add.

As for the amount of investigation that precedes the granting of arms-export licenses by the State department, a recent case involving an attempt to put 10,000 U.S. submachine guns on the black market is hardly reassuring. Seven men, including the former military chief of staff of El Salvador, were convicted in federal court in New York for conspiracy to violate the arms-export laws. As part of the conspiracy, the El Salvador military chief was charged with taking a $75,000 bribe to provide phony export documents. The documents were submitted to the State Department as evidence that the guns were needed by his country's armed forces.

Apparently unaware that El Salvador's armed forces number only about 5,000 men, the State Department began routine processing of the export request for the 10,000 guns. Before a decision could be reached, however, the conspirators made the mistake of bringing an undercover Treasury Department agent into their plan, and he turned them in.

SOUTH AFRICAN SHIPMENTS

The State Department did approve a series of arms sales over the past few years in which the end purchaser was South Africa, a country under a U.S. arms embargo. The Justice Department is investigating the sales, made by Colt, the Winchester Group of Olin Corp. and possibly other arms manufacturers to third-party countries that transferred the weapons to South Africa under prearranged plans. Colt and Olin say the sales were engineered without their knowledge by employees who were fired after the sales were discovered. But when a former Colt employee pleaded guilty to an illegal sale last July, U.S. District Judge Robert C. Zampano in Connecticut said he doubted that the deals could have been made without the knowledge of "higher ups" at Colt.

Brandon Alvy of the Justice Department says, "The cases we have found have left tracks. I'm sure there are scores of cases we don't know anything about."

Some authorities still hope that an effective international agreement can be made controlling the spread of the sophisticated new weapons. The U.S., for its part, has forbidden Third-World sales of its Redeye missile, similar to the Soviet Strela. Iran, for example, has been denied Redeyes despite repeated requests for them.

A SOVIET LIMITATION?

Brian Jenkins, a Rand Corp. researcher who has written extensively on terrorism, believes that the Soviets might agree to some such limitation. "When a couple of airliners get knocked down and one of them is an Aeroflot," he says, the Soviets may begin to limit sales of Strelas to Third World countries. He adds: "In whose interest is it to have hundreds of these things loose in the world?"

But the battle to control more conventional weapons is clearly lost. An American doctoral student, just back from Bangkok, reports that M–16s were selling in stores there for $50 to $100, even though such sales are illegal in Thailand. A French journalist who is writing a book on illegal arms sales says he has accompanied arms dealers on regular runs to Africa. He says that just before being interviewed by this newspaper, he talked to a French dealer who was trying to black-market a shipment of 3,000 World War II American submachine guns for $20 each.

One arms-control authority says he's "frankly not that concerned" over reports of illegal machine-gun trades because "they're already out of control.

"Cut off the flow of munitions?" asks another rhetorically. "How are you going to cut off the flow of arms to terrorists when you can't even cut off the flow of arms to teen-agers who hold up stores right here in Washington?"

BOOZE, DOPE, AND KIDS

Mr. HATHAWAY. Mr. President, this is to announce the commencement of hearings into the effectiveness of federally funded programs designed to educate our Nation's youth to the dangers of misusing alcohol and drugs. The hearings will be held by the Subommittee on Alcoholism and Drug Abuse of the Committee on Human Resources on March 24 and 25, 1977, at 9:30 a.m., in room 4232 of the Dirksen Senate Office Building. Persons or organizations wishing to submit testimony should write to the subcommittee at A–609 Senate Annex, 119 D Street NE., Washington, D.C. 20008. Witnesses are required to provide 50 copies of their prepared testimony at least 48 hours in advance of the hearing.

The misuse of alcoholic beverages and many other potentially harmful drugs by teenagers and children has reached intolerable levels in America today. While the information we have is not as complete as we would prefer, the trends clearly indicate increased substance abuse by all age groups, especially of alcohol.

A recent California study, for example, found that the number of high school males using alcohol over 50 times a year has doubled since 1970—and that the proportionate number of high school females in the same category has more than tripled.

Another alcohol study commissioned by the Federal Government involved over 13,000 youths in grades 7 through 12. It found that approximately 40 percent of the children studied in that age group could be characterized as "moderate to heavy drinkers," meaning that they consumed alcohol on an average of at least once a week

In addition, the U.S. Department of Transportation estimates that about 60 percent of traffic fatalities among young adults are in some way related to alcohol.

Current information about drug misuse in these age groups is equally alarming. While the newest studies seem to indicate a leveling off of use in most categories of illicit drugs at last year's levels, those levels are still sufficiently high to cause the subcommittee considerable concern.

Considering current epidemic levels in the use and abuse of these substances, the subcommittee intends to take a hard and critical look at Federal programs whose ostensible purpose is preventing such activity. These programs, some of which have been funded for more than 5 years, are spread over several agencies of the Government.

Education programs using school settings are administered in the Office of Education, under the auspices of the Alcohol and Drug Abuse Education Act of 1970. This act expires at the end of the current fiscal year, and one of the questions confronting the subcommittee is whether, and in what form, to recommend its reauthorization.

Other programs are administered, both directly and by grant and contract, by the National Institute on Drug Abuse—NIDA—and by the National Institute on Alcohol Abuse and Alcoholism—NIAAA.

Federal agencies alone have spent nearly $80 million since 1975 on education and prevention programs. And while it would be unfair, and even ludicrous, to lay increases in teenage substance abuse at their doorstep, the amounts spent on prevention by these agencies are by no means trivial, and the effectiveness of their programs must be measured against this background of increased use and abuse.

In addition, the subcommittee must also examine their effectiveness in light of all the other social and cultural forces that affect the values and decisions of the young.

In that regard, there are several questions which I believe to be critical to the subcommittee's inquiry. These questions are not intended to be all-inclusive of our interests and concerns, nor should each of them be answered or addressed in detail by every witness. Rather, they are intended to provide some guidance to witnesses and other interested persons as to the scope of our inquiry.

The questions include:

1. Given the limited resources available, what are (or should be) the appropriate goals of alcohol and drug abuse education and prevention? To prevent or discourage all use of alcohol or drugs? To prevent initial use? To stop use already in progress? To educate regarding responsible use and the dangers of misuse?

2. To the best of our present knowledge, what is the current incidence of alcohol and drug misuse among youth, and how has that changed in the past two years? How could we improve our current measurement techniques?

3. What current techniques do we have, if any to measure the effectiveness of substance abuse education and prevention programs? What new measurement techniques are needed? To what extent do we currently spend new money and innovative new projects with inadequate information regarding the effectiveness of previous efforts?

4. To what extent is cooperation and coordination among substance abuse prevention and education authorities necessary or advisable? To what extent does such cooperation and coordination exist now?

5. What are the substantive differences between school-based and non-school-based education and prevention programs? Some research has shown that the fact of exposure to any such program may be more important than the type of program to which the individual has been exposed. Is that finding all or partly accurate? Whether or not it is accurate, given the limited resources available for education and prevention programs, is there any current justification for the continued separate administration of such programs, or for lack of close coordination and cooperation among them?

6. To what extent does the "prevention" of substance abuse involve broader values and moral choices than those which can be directly related to decisions about alcohol and drugs? To what extent might this factor reduce the effectiveness of programs targeted specifically on alcohol or drugs? Should other federal prevention programs, including those administered in federal health, criminal justice, and transportation agencies, also be more closely coordinated with substance abuse prevention efforts?

7. What effect do external societal forces, such as the media, have on substance abuse prevention and education programs? For example, does the extensive advertising of alcohol and over-the-counter drugs negate all or part of the impact of federal resources spent on education and prevention?

8. To what extent might certain types of education or prevention programs, as some researchers have suggested, actually increase the use of alcohol and drugs by the young? What attention should be paid to program evaluations which reveal that most youthful users are "more knowledgeable about drugs than drug educators"?

9. To what extent have non-federal funds, including non-governmental funds, been devoted to education and prevention? What role have federal agencies played in generating the expenditure of those funds?

These are some, but by no means all, of the questions that will be asked by the subcommittee in the course of these hearings. In asking them, however, there should be no implication that we are demeaning the importance of prevention. I still strongly believe what I said about this subject in another forum last year:

While it's so much easier just to mop up the casualties of alcohol and drug abuse in this country, it is hopeless to believe we will ever bring the problem under control without a major prevention effort.

It is thus because of the importance of this problem, not in spite of it, that we need to question the methods and techniques that have been tried in the past—and to attempt to set a realistic agenda and attainable goals for the future.

DOES "EQUAL PROTECTION" PROTECT EQUALLY?

Mr. ROTH. Mr. President, I commend to my colleagues an excellent article on equal protection of the law by George F. Will which appeared in the Washington Post, Sunday, March 6, 1977. The article treats the problems commonly referred to as "reverse discrimination" and discusses the Bakke case now pending before the Supreme Court. Mr. Will makes the excellent point that the 14th amendment guarantees equal protection of the law to "persons," not groups, and when access to a privilege is allocated on the basis of membership in a group, our society abandons the principle that rights belong to individuals.

Do affirmative action and similar quota programs square with the 14th amendment—or as Mr. Will states—

Does the equal protection guarantee protect individuals of all races equally?

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 6, 1977]

DOES "EQUAL PROTECTION" PROTECT EQUALLY?

(By George F. Will)

Storm clouds of controversy are banking over the Supreme Court. It has decided to say whether universitites can judge by different standards white applicants and applicants from certain approved minorities.

Alan Bakke, a white, was twice denied admission to a California medical school that reserved 16 of 100 places for minorities. The university acknowledged that it admitted minority applicants it rated substantially below Bakke. The California Supreme Court ruled (6–1) that he had been discriminated against because of his race, in violation of

the constitutional guarantee of "equal protection of the law."

The purpose of the university's quota system is to promote diversity in the student body and medical profession. The one judge who supported the university even went so far as to argue that "minority applicants possess a distinct qualification for medical school simply by virtue of their ability to enhance the diversity of the student body." That is, being from a minority constitutes a substantive qualification for medical school.

The university argues that without a quota system the best professional schools will become virtually all-white. But even if that hypothesis were demonstrable, it would not be grounds for a constitutional judgment. The 14th amendment guarantees equal protection, not equal protection only insofar as it promotes desired social outcomes.

The sole issue is whether the equal protection guarantee protects individuals of all races equally.

There is no constitutional complaint against the medical school giving preference to applicants who are interested in practicing in northern California, where there is a doctor shortage. Neither are there constitutional impediments to schools lowering admission standards when dealing with children of alumni, or large lads who throw footballs 70 yards, or the underprivileged—without regard to race.

The constitutional infirmity of reverse discrimination plans like the California quota system is that they involve racial classifying which, although benignly intended, is not benign in effect.

The U.S. Supreme Court has held that classifying citizens according to race is not inherently unconstitutional. Such classifications have been approved to integrate or facilitate bilingual education, and to uphold the right of some non-English speaking persons to vote. And last week, the Court held that states can deliberately design redistricting plans to create or preserve legislative districts where government-approved minorities are majorities.

But the California court noted that, although racial classifying has been approved with regard to several policies, in none of those cases "did the extension of a right or benefit to a minority have the effect of depriving persons who were not members of a minority group of benefits they would otherwise have enjoyed." And the court held that California's quota system clearly deprived Bakke of educational benefits because of his race.

But such quota systems are currently sanctioned by "progressive" thought, which has turned itself inside out since the 1950s. Then, Yale Law School (to cite just one among many examples) abandoned its quota system restricting Jewish entrants. In those days, it was understood that quotas are inherently discriminatory because, under quota systems, considerations of ethnic quantities supplant considerations of individual qualities.

When access to a privilege is allocated on the basis of membership in a group, society has abandoned the principle that rights belong to individuals, not groups. Such an abandonment is not a constitutional option: the 14th Amendment guarantees equal protection of the law to "persons," not groups.

The university argues that unconstitutional discrimination occurs only when a racial classification disadvantages a minority. But the California court rejected, with appropriate vigor, the notion that discrimination is constitutional if (as in Bakke's case) its injuries are inflicted by members of the majority race on persons of that race:

"Surely the complexion of the person who discriminates cannot be a significant factor in deciding whether an individual has been deprived of his right to equal protection."

What precedent can the Supreme Court cite in the unlikely event that it decides to support the university against Bakke? The California court noted: "It has been more than three decades since any decision of the United States Supreme Court upheld a classification which resulted in detriment solely on the basis of race." That decision, one of the darkest episodes in U.S. constitutional history, upheld concentration camps for Japanese-American citizens.

PUBLIC PARTICIPATION IN FEDERAL AGENCY PROCEEDINGS

Mr. KENNEDY. Mr. President, last November the Federal Communications Commission issued a press release announcing the adoption of a program to provide certain kinds of financial assistance to participants in Commission proceedings. Assistance would be available, the Commission said, where a person or group capable of making important contributions to an agency proceeding is prevented from participating because of a lack of sufficient resources.

The program adopted by the FCC was, in fact, considerably more limited in scope than similar proposals made by the Federal Communications Bar Association and by various public interest groups. It appears to consist of little more than a consolidation of existing Commission practices designed to alleviate the financial burdens on participants in FCC proceedings, such as the provision of free transcripts to parties who can make an in forma pauperis showing. Reimbursement will now be available, however, to broadcast or common carrier licensees who are threatened with loss of their licenses.

While the Commission, consistent with its statutory authority, may establish any kind of compensation program it sees fit, I was confused by the accompanying Commission press release which suggested that a radically new "financial assistance" program had been instituted. In reality, the Commission had affirmatively declined to institute the kind of genuinely effective program—direct financial assistance to participants to cover the reasonable costs of securing competent legal and technical assistance—which other agencies of the Government have already adopted. Indeed, the Consumer Product Safety Commission and the National Highway Traffic Safety Administration have already announced plans to begin providing such assistance, and other agencies—including the FDA, the CAB, and the EPA—are in various stages of rulemaking on the issue.

When the limitations of the Commission's program became more fully known, I wrote Chairman Wiley to request that the press release be rescinded, and changed to reflect more accurately the dimensions of the program that had in fact been instituted.

The significance of our exchange, Mr. President, lies not in our disagreement over the wisdom of the Commission's action or even over whether the Commission should at least have engaged in a rulemaking on the issue. Rather, the Chairman's comments are noteworthy because they underscore the urgent need for Congress to enact legislation to provide Federal agencies with express statutory authority to award the kind of financial assistance that is genuinely needed for effective public participation in their proceedings. And, we need to enact uniform guidelines for the exercise of that authority.

Committee hearings have now been completed on S. 270, the Public Participation in Federal Agency Proceedings Act of 1977, and in a relatively short time the Senate should have the opportunity to vote on this bill. The legislation will clarify the authority of agencies to provide this kind of assistance, and delineate the circumstances in which assistance should be provided. It will also give the agencies additional funds for this purpose. The Comptroller General has already stated in a series of recent opinions that most agencies of the Government already have statutory authority to provide—at their discretion—this kind of assistance. But, as Chairman Wiley states:

> The primary problem for the FCC is our uncertainty as to whether the Congress will support such a reimbursement program.

Clearly, Mr. President, Congress should demonstrate in the strongest possible terms its support for and commitment to funding for public participation in agency proceedings. The Comptroller General has agreed that, although the agencies have this inherent authority, Congress should spell out precisely how that authority is to be exercised. I welcome Chairman Wiley's comments because they emphasize the need for early Senate action on S. 270. We must insure that the programs which are now being considered and adopted by the various agencies are uniformly effective. Firm congressional support for the initiatives which several agencies have already undertaken in this area must now be forthcoming if Congress is to make certain that the Federal administrative process is truly open to the full participation of the American people.

I ask unanimous consent that my letter and Chairman Wiley's response be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE,
Washington, D.C., January 11, 1977.

RICHARD E. WILEY,
Chairman, Federal Communications Commission, Washington, D.C.

DEAR CHAIRMAN WILEY: The Senate Subcommittee on Administrative Practice and Procedure, which I chair, has in the past year been giving intensive consideration to legislative proposals which would authorize and encourage federal agencies to provide compensation for public participation which makes important contributions to agency proceedings. In addition, I have personally been following with interest the efforts of several agencies in attempting to establish

on their own initiative various mechanisms for providing such financial assistance to public groups.

I had hoped that the Federal Communications Commission would be among those agencies which have taken the lead in instituting broad compensation programs. Instead, I am concerned that the Commission has created the impression that it has begun a new program to provide substantially increased financial assistance to public participants in its processes, when in fact it has not. I am referring to a press release (Report No. 4760, November 15, 1976) entitled "Participants in FCC Proceedings May be Financially Assisted". This release announced an "experimental program" of "assistance" to participants in FCC hearing proceedings. The first two pages of this press release discuss standards for such "assistance", but never mention what such "assistance" actually consists of. Only on the last page does the release finally state that the assistance to be provided by the program does not involve "reimbursement of a party's out-of-pocket expenses" and therefore does not include such expenses as attorney or expert witness fees. But the release never states what "financial assistance" is included.

On the basis of the heading and tone of this release some members of the public, and indeed the subcommitee staff itself, were under the initial impression that the FCC had indeed taken a major step to develop a new and "substantial" program, as it was characterized in the release. But, when the full text of the Commission's decision was released two weeks later (FCC 76–1046, November 30, 1976), it appeared that the Commission specifically contemplated merely the provision of a free hearing transcript to and a reduction in the number of copies of pleadings to be filed by hearing participants who made an in forma pauperis showing. These two forms of indirect or procedural relief have, to our knowledge, already been consistently provided by the FCC to public intervenors in hearing cases upon request since at least 1974.

The only new element of the FCC's "program" seems to be that such relief will now be provided as well to broadcast or common carrier licensees. No additional forms of assistance to the public, such as those proposed by the Federal Communications Bar Association in its petition for rulemaking, are apparently contemplated.

I would appreciate an explanation as to the actual scope of the announced "program." I am particularly concerned that if my reading of the Commission's action is correct, that no genuinely new forms of relief are in fact to be provided, false public expectations have been created by the November 15 press release. If so, the press release should be rescinded and replaced with one that accurately reflects that the Commission has simply codified by rule some previously available forms of relief to public participants put forward by the Federal Communications Bar Association.

I am not arguing the merits of the FCC's decision in this matter. My primary concern is to set the record straight. I do regret, however, that the Commission has not seen fit at least to open a rulemaking or inquiry on the subject of direct reimbursement of the expenses of public participation in its rulemaking and adjudicatory processes, as other agencies (such as the Food and Drug Administration and the Consumer Product Safety Commission) have done. The information gathered in such a proceeding would be of great assistance to this subcommittee.

Sincerely,

EDWARD M. KENNEDY,
Chairman.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., February 10, 1977.

Senator EDWARD M. KENNEDY,
Chairman, Subcommittee on Administrative Practice and Procedure, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of January 11, 1977, concerning the Commission's action of November 10, 1976 in the matter of "Rules and Policies to Facilitate Participation of Indigent Persons in Commission Proceedings" (RM–2676).

I have reviewed the November 15, 1976 press release on this subject. Except with regard to two particular matters, I believe the release fairly and accurately depicts the action taken by the Commission. The first of these two matters concerns the word "financially" which appears in the heading. I agree that the word was misleading and regret its inadvertent inclusion in the release. The second matter concerns the last one-sentence paragraph on page one of the release. That sentence may also be misleading and should have been deleted. The rule applies to intervenors who are not seeking financial gain, but the Commission did not state in its Order adopting the new rule that individuals or groups "will not be allowed any personal financial gain."

While the Commission accepts responsibility for the accuracy of its press releases, it does not approve or see the releases before they are issued. The releases are prepared by the staff of the Public Information Office and reviewed by members of the staff who prepared the document adopted by the Commission (in this case, FCC 76–1046). In this instance, the reviewing staff regrettably failed to strike out the word "financially" which appeared in the heading. I sincerely appreciate your bringing the matter to our attention and, no less than you do, regret any misimpressions that may have resulted. A corrected release has been issued.

The rule adopted by the Commission encompasses any form of relief which does not involve the direct payment of appropriated funds to parties to the proceeding. Aside from the examples given in the Memorandum Opinion and Order, this may include making copies of a party's pleadings and serving them on other parties, and changes in the time and place of hearings which save on travel expenses and witness fees. In addition, the presiding judge may direct Bureau staff participating in the proceeding to share the burden of proceeding on an issue originally assigned to the intervenor, and to call witnesses the Bureau and intervenor wish to examine. Under such circumstances, the presiding judge may also direct the payment of witness fees. The procedural relief available is limited only by the needs of a qualifying party and the judgment of the presiding judge. Moreover, the benefits can be substantial, particularly in light of an intervenor's limited capacity to pay, and may amount to several thousand dollars in a major proceeding.

Although this program may appear to be a limited action to assist those parties who might aid the Commission in resolving public interest questions at issue, it is, in fact, new and important in a number of respects. For example, requests for assistance of this kind have had no prior sanction in our rules; action by the full Commission was required. Before the adoption of our rule, there were no procedures for filing such requests for relief and no clearly established standards for acting on them. An intervenor could not be sure of the showing required to obtain assistance, and could not reliably predict whether favorable action would be taken. The rule is a step forward in each of these respects. The presiding judge and petitioning parties are now provided guidance as to the procedures, standards and safeguards deemed advisable by the Commission. It is expected that these standards will be refined in a series of opinions by administrative law judges applying the rule to the facts of particular cases. By and large, the rule establishes a framework which could support even more extensive relief, including the direct reimbursement of expenses and relief in other types of cases, such as notice and comment rulemaking proceedings, if the Congress signals its approval of such expanded relief with a specific appropriation of the necessary funds.

I am enclosing for your information a copy of the Federal Communications Bar Association's petition for rulemaking. Except for the use of appropriated funds to pay witness fees, I think you will find that the forms of relief provided by the Commission closely parallel those proposed by the FCBA. The relief provided by the rule is also very similar to that recommended by the Administrative Conference of the United States (ACUS Recommendation No. 71–6, 1 CFR 305.71–6).

The question of issuing a Notice of Inquiry on the subject of reimbursement of expenses has been raised in a petition for reconsideration filed by Media Access Project and will be considered by the Commission in the near future. While it would be inappropriate for me to predict how the Commission may respond to this point on reconsideration, the primary problem for the FCC is our uncertainty as to whether the Congress will support such a reimbursement program, and believe it would be imprudent to proceed further without specifically earmarked funds for such purposes. As the Comptroller General put it, the scope and limitations of the use of appropriated funds are matters best left to the Congress, as was done in the case of the Federal Trade Commission by the provisions of Section 202(a) of the Magnuson-Federal Trade Commission Improvement Act. Under the circumstances of an already financially strapped FCC, struggling to employ every management efficiency to meet current regulatory obligations, I believe the Commission's deferral to Congressional guidance before taking on new obligations, however meritorious, is a prudent and sound exercise of agency discretion.

In closing, I should again emphasize that I share your concern that anyone may have been misled as to the scope of our action, and appreciate your calling the matter to our attention so that we could issue a corrected version of our press release. As to the merits of our action, I believe the adoption of our rule is a salutary action, and one which should facilitate reimbursement of out-of-pocket expenses if the Congress eventually opts for such a program.

Sincerely yours,

RICHARD E. WILEY,
Chairman.

POLICY ISSUES ASSOCIATED WITH REORGANIZATION OF FEDERAL ENERGY AGENCIES

Mr. PERCY. Mr. President, the Congressional Research Service has recently published a short report by Mr. David Gushee on the policy issues associated with reorganization of the Federal energy agencies.

Hearings on energy reorganization are currently underway in the Senate Government Affairs Committee. Mr. Gushee's report contains many useful insights, and I commend it to my colleagues.

I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

POLICY ISSUES ASSOCIATED WITH REORGANIZATION OF FEDERAL ENERGY AGENCIES

In recent years, but particularly since the oil embargo of 1973–74, the United States has struggled with energy policy issues and how best to organize the Federal government to deal with them. In 1974, the first legislative steps were taken with formation of the Federal Energy Administration, the Energy Research and Development Administration, and the Nuclear Regulatory Commission. These were intended at the time to be interim reorganizational moves pending enactment of a major departmental framework. With the election of a new President, the time is ripe for an extensive reevaluation of energy organization in terms of current and probable future national needs and goals.

Reorganization will require resolution of a number of basic issues relating to national objectives, not only in energy matters but in a number of other areas as well. Complex as energy policy itself is, it cannot be considered in isolation from social, economic, and international policies, programs, and objectives. Decisions in each policy arena affect each of the others, often in ways that cannot be predicted with confidence.

The United States has an energy policy and has had one for at least a century. That policy has been to rely to the maximum extent possible on prviat eenterprise to make the major investment, development and pricing decisions affecting enregy supply, in effect deliberately delegating to the private sector authority and responsibility for determining and changing the direction and content of national energy policy as a whole.[1] The issue is thus not whether we should have an energy policy but how, it at all, the one we have should be changed.

The answer will depend at least in part on the Nation's consensus on what the energy problem is. There are at least four definitions of this; therefore, the energy policy problem is which definition is right or, if all are, how important is each compared to othe others. The four are:

1. The sharp, unpredicted, and uncontrollable increase in world oil prices, with its impact on other fuel prices, domestic economic activity, and income distribution.

2. The dependence of the U.S. on oil and gas, two depletable resources whose exhaustion is probable within one or two generations.

3. The dependence of the U.S. on oil imports from sources whose interests are in part different from ours and whose stability is in question.

4. Long range impact of energy production and use on land, water, and air resources.

Policy responses optimum for any one of these definitions of the energy problem frequently exacerbate it as seen from one or more of the other perspectives. For example, a policy designed to soften the impact of higher energy prices causes major increases in oil imports. A policy designed to reduce imports rapidly will lead to higher domestic energy prices. A policy of expanded domestic energy production will be accompanied by increased environmental impacts.

The energy strategies chosen, therefore, will implicitly, if not explicitly, be based on a judgment concerning, among other considerations, the relative importance of each of these four problems. Since there is as yet no national consensus on what this judgment should be, the first major reorganization question is: At what level in the Federal Government should national energy policy decisions be made?

[1] Senate Interior Committee Print 93–43 (92–78), Energy Policy Papers, 1974, pp. 321–353.

NATIONAL ENERGY POLICY FORMULATION

Reorganization proposals over the past several years have placed the decision-making authority at the White House level (Percy, Hollings) or at the Energy Department level (Ford, Ribicoff). The rationale for a White House locus is that the most important problem is to decide what the energy problem is and that the values in conflict are too broad in impact to be resolved in an energy context alone. The rationale for policy-making at the department level is that the most important problem is the need to act rapidly and decisively now. In this case, the process of policy reformulation would be molded to a major extent in a de facto manner by the actions taken. The impact of energy actions on non-energy values would be subject to independent Presidential review.

In addition to overall policy formulation, four major programmatic areas are basic to the Federal role in energy:

1. Supply policy and programs.
2. Conservation policy and programs.
3. Data collection and analysis.
4. Regulation.

Three non-energy programmatic areas are also involved:

1. Non-energy mineral resources on public lands.

2. Public land management of non-mineral values.

3. Environmental protection, health, and safety.

Aside from the question of where the overall energy policy responsibility should be located, the important differences among energy reorganization proposals to date relate to (1) what programs should be included in each of these areas and (2) where these areas should be placed organizationally with respect to each other and to overall energy policy formulation. The former is a matter of effectiveness, primarily, in that like programs gathered together have an enhanced opportunity for effectiveness.

The latter, however, deals with issues of program integrity, in that each of the seven programmatic areas contains objectives whose attainment will require accommodation with conflicting objectives in one or more of the others.

PROGRAMMATIC ENERGY AREAS

Supply policy and programs

Concerns about where energy supply should be placed relate to all six of the other programmatic areas and to overall policy formulation as well. Those proposing separation from other functions are concerned lest supply program budgets and staffs and associated private sector interests dwarf all other programs, staffs, and interests and thus cause a de facto dominance of supply interests over conservation, regulatory standards, data analysis methodologies and assumptions, and so forth.

Those proposing integration feel that unplanned over-emphasis on supply options can be prevented by appropriate structural and procedural safeguards and that a unified command center's ability to act is the most important consideration.

Conservation policy and programs

The big question in energy conservation is how to make it happen. It is generally agreed that ERDA's energy conservation technology program is embryonic, that all major Federal departments and agencies have some role to play in improving the efficiency of energy use throughout the country and that there are many potential conservation opportunities that do not need new technologies. It is also agreed that implementing energy conservation actions is difficult because for each type of action there are thousands to millions of individuals or groups who must decide to change their ways of doing things. Yet, the presence of oil and gas price controls reduces the economic incentive to make conservation decisions.

In other words, ideas, leverage, and incentives are all in short supply. Most reorganization proposals to date place conservation technology development with energy supply technology development. The premise is that grouping technologists is more apt to lead to innovative technical thinking than setting up a number of smaller technical activities.

The one alternative proposal (Percy) adds ERDA's conservation technology development programs to each Federal Department in expanded sectoral conservation programs. The premise is that, in conservation, attitude, emphasis, and incentive are as important as technology. Technology needs will be dictated by market values; the best way to communicate these values to the technological thought process is to put the technologists' next to the markets. Their technologies would then serve the markets.

The counter-argument is that technological innovation is critical to improved efficiency of energy use and its distribution to many agencies will lead to loss of a critical mass of technical thinking.

Data collection and analysis

The policy issue involved in organization of energy data activities is how to protect the results from conscious or unconscious bias. The most controversial case in point is estimation of domestic energy reserves, the extent of which is of fundamental importance to both the nature and timing of energy actions. Information on energy consumption patterns is equally important, for both pricing and conservation policies.

The main debate has centered on insulation of data activities from influence by policy-makers. Of perhaps equal importance in the long term is the relationship between energy data and other social and economic data. Each Federal department collects data on its sector, including energy data sets. This fact raises questions of duplication of Federal effort, on the one hand, and impacts of energy actions on non-energy activities, on the other hand.

The Energy Conservation and Production Act (P.L. 94–385, August 14, 1976) established an Office of Energy Information and Analysis in the Federal Energy Administration, gave it quasi-independent status, and provided for an annual performance audit review by a team of outside experts designated by administrators of other Federal agencies with extensive data-collection and analysis activities. Current energy reorganizations proposals seek to add data collection activities in Department of Interior's Bureau of Mines, Bureau of Land Management, and Geological Survey, with much difference of opinion on how to do this, as well as on whether other data activities, such as those in Federal Power Commission, should also be added.

Regulation

Motivation to reorganize Federal regulatory agencies with programs affecting energy stems from perceptions that these programs are overlapping, duplicative, and uncoordinated—and thus are hindering implementation of energy policy initiatives. A 1974 report, known popularly as the Doub Report,[2] 'concluded, however, that while there is occasional duplication due to statutory overlap, there is surprisingly little actual duplication among agencies despite the potential for overlap. Rather, state, regional, and local regulation is generally far greater in impact than that of the Federal Government.

Some of these differences in perception stem from differing definitions of energy

[2] Federal Energy Regulation: An Organizational Study, April 1974. GPO No. 5210–00386.

regulatory activities; other differences stem from differing definitions of the energy policy problems. There are several kinds of regulatory activity—economic, environmental, health and safety, for example—which affect energy activities. Often their objectives conflict with each other, at least in part.

A primary issue, is the relative importance of the social goals of economic regulation and the economic goals of energy policy, who is to make the trade-offs among them, and what processes will be used in reaching the trade-off decisions. Obviously, the decisions reached will either follow from a reformulated energy policy or will collectively play a major role in creating a reformulated energy policy.

The regulatory questions have basically not been addressed in major energy reorganization proposals through 1976, beyond the Congressional decision to separate nuclear regulatory affairs from nuclear development activities when NRC and ERDA were created in 1974. On January 11, 1977, President Ford proposed merging the Federal Power Commission with FEA's petroleum regulatory programs in a new Department of Energy. President Carter's reorganization proposal has not yet taken final shape, although during the campaign he indicated an interest in combining a number of energy-related economic regulatory activities from NRC, Securities and Exchange Commission, and Interstate Commerce Commission with those of FPC and FEA.

NON-ENERGY PROGRAMMATIC AREAS

Non-energy material resources on public lands

The Federal Government owns a major share of remaining undeveloped energy resources such as coal, oil, gas, oil shale and tar sands, uranium, and geothermal steam, plus public lands, on which solar energy might be developed. There are also major deposits of minerals and metals and extensive water resources on Federal holdings. The issue is whether management of these non-energy resources, particularly water, should be handled in the same agency as energy or in a separate one.

Although there have been a few suggestions that energy resources are sufficiently important that they should be separated from the others, there has been much more debate about water resources. President Ford's proposal would separate water and minerals from energy development; President Carter's comments during the campaign indicated that, at that time, he agreed with this approach. President Nixon's proposal for a Department of Energy and Natural Resources (DENR) would have put them all together. The 1976 proposals of Senator Ribicoff and Senator Percy were, in this issue area, variants on the DENR theme. How to manage the Nation's water resources has been an issue for decades, greatly intensified by massive demands for water associated with development of energy resources in the Western U.S. However, there has not been much incisive debate on the pros and cons of collecting or separating the management of energy, non-energy, and water resources. From the variations in the proposals now on the table and in development, it would appear that there is not much consensus either.

Public land management

Public lands offer many values beyond their energy, mineral, and water resources. Grazing, forestry, fish and wildlife, recreation, and ecological stability, among others, are examples. There is no comprehensive national program providing guidelines on how to optimize among these values; in fact, some agencies are charged to hold and manage their lands (Forest Service, for example) while others have been charged with giving them away (Bureau of Land Management, for example).

In 1976, the BLM was mandated to increase the scope and complexity of its planning for optimum usage of the lands remaining in its jurisdiction (Federal Land Policy and Management Act, P.L. 94-579). This task is complicated by the 1872 Mining Act, which permits private claimants to obtain title to public lands without regard to the impact of such loss of control on the ability of BLM to plan for and manage its holdings.

A major energy reorganization issue, therefore, is how to resolve conflicts between classification for leasing of public lands for development of their resources and classification for other uses to which resource development would be inimical. This issue has not yet been addressed in DENR-type reorganization proposals, other than to leave the decisions within the Department of Interior.

In all major reorganization proposals to date, such decisions would continue to be made within a single Federal department, either Interior (Ford, Carter) or a DENR (Ribicoff, Percy).

The difference between the two types of proposals centers on where the energy supply policy interests lie—together with land management in the DENR approach, or in a separate department under either of the two Presidential approaches.

Environmental, health and safety protection

Four agencies—Nuclear Regulatory Commission, Environmental Protection Agency, Mining Enforcement and Safety Administration, and Occupational Safety and Health Administration—operate major regulatory programs designed to protect the environment, public health, and safety. The Council on Environmental Quality monitors the Environmental Impact Statement process. Other, smaller, programs also exist, the Office of Pipelines Safety in the Department of Transportation, for example.

All these programs affect both the economics and the timing of energy actions, usually negatively. In case after case, trade-offs must be made between energy objectives and regulatory objectives. The reorganization issue is whether these trade-off judgments should be made within one department or between agencies.

No major energy reorganization proposal currently on the table proposes inclusion of any of these major missions within an energy department, although suggestions have been floated from time to time. One proposal (Ribicoff, 1976) included Office of Pipeline Safety in its DENR. It would appear, therefore, that this issue is basically resolved in favor of separation, as was done in 1974 in the nuclear area when NRC was separated from developmental activities. Nonetheless, despite the explicit Congressional judgment favoring separation, informal proposals continue to be made, particularly with respect to EPA.

CONCLUSION

The ultimate organizational structure of Federal energy activities will depend on a number of judgments on what the national energy problem is and what types of actions should be emphasized. The issues associated with these judgments are controversial, because several basic national interests are at least partially in conflict with each other. It is probable, therefore, that a prime component of the energy reorganization debate will be an energy policy debate. If the energy policy debate is inconclusive, any organizational changes made will have a profound impact on, and may be the key factor in shaping a future de facto energy policy for the Nation.

ADULT DAY CARE CENTERS

Mr. KENNEDY. Mr. President, on numerous occasions through personal visits to private homes, nursing home facilities, and adult day care centers, I have had the chance to speak to the elderly people of Massachusetts and gain a better understanding of their most pressing needs.

The adult day care center represents an important and viable alternative to the existing extremes of either maintaining a private home or entering a full-time nursing care facility. Recently, I visited the Don Orione Home, which is one of six adult day care center programs in Massachusetts. Although these programs are part of the demonstration project, thus far, they have enjoyed tremendous success. For example, the Don Orione Home provides its members with medical advice, limited physical treatment, a noon meal, activities and entertainment, and an opportunity to meet people in an active environment.

In light of the success these programs have demonstrated, Mr. President, I ask unanimous consent to have printed in the RECORD two articles from the Chelsea Record newspaper and Business Week magazine. These articles attest to the great promise the adult day care concept holds for many elderly Americans.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Chelsea Record, Jan. 6, 1977]

DON ORIONE HOME DAY CARE CENTER OFFERS HOPE FOR SICK AND HANDICAPPED

"I was rotting away at home. I was a shut-in. I had no interest in life. I often believed death was the answer." These are the spoken words of a woman who recently celebrated her 60th birthday.

For "Betty Perrault of Somerville" life took a turn for the worse about 12 years ago as she was beset with physical ailments depriving her from employment at a Boston Hospital.

Her pains and ailments have not disappeared but they have been alleviated. Through it all this petite woman manages a smile and a pleasant "Good morning" when she arrives at the Adult Day Care Center at the Don Orione Home in East Boston.

Betty was referred to the newly-opened Center in October, 1975, from a nearby rehabilitation center in Boston. Until that time her only glimpse of the outside world was her trips for admission to a hospital or for outpatient visits at a clinic.

With tear-filled eyes she does not admit she had lost her stamina for living but that today she has a new outlook. She wholeheartedly states that it is because of the care she receives at the Adult Day Care Center.

Christmas has had a special meaning for her these past two years. She vividly remembers having spent her Christmas holidays in hospitals for 11 years.

Betty acknowledges the need for surgery but her physical condition is poor enough that it is considered medically inadvisable. She has long suffered with severe arthritis, psoriasis, bronchial asthma, borderline diabetes, enlarged liver and spleen, and a diseased gall bladder.

1976 has been a most significant year for Betty—it is the first year in over 12 years that she has not been admitted into a hospital. Her case history reveals two to three hospital admissions each year for periods of 30 to 90 days. Even the number of prescribed medicines has been dramatically reduced.

"My condition had deteriorated so much that it was recommended I be admitted into a nursing home. I refused! I felt young enough to fight it with a strong desire to get better. To me the nursing home setting may have caused me to lose my will for living."

For Betty, her own home has special meaning. She is able to share part of her life with her brother who is permanently disabled from

a serious car accident that occurred in the early 70's.

Her rekindled spirit during the past year has been remarkable and her concern for the future of day care Centers was evidenced several months ago in an address she presented to registered nurses at a seminar held at Boston College.

Her day at the Center includes special water and oil baths for her skin condition and periodic heat treatments for arthritis. Patients are given treatment as directed by their physician. Physical therapy is administered as directed by the physician and given by the staff therapists of the Home.

Patients at the Center receive a morning and afternoon snack. A well balanced noon meal is under the supervision of the registered dietitian of the Home. Arts and crafts plus a broad variety of entertainment keeps patients quite busy.

The Center is opened five days a week—Monday through Friday. Patients begin arriving at about 8:30 A.M. for a full day of activities. Some of the patients participate only two days a week while others attend the full schedule.

Transportation is arranged by the family or made available in cooperation with community services for the sick and elderly.

Most of the patients are offered this program in cooperation with the State's public health and public welfare departments. At present the Center is reimbursed at a flat rate of $12.00 per day per patient.

The program is staffed with a registered nurse who is the program director, a medical social worker, an activities director and an aide. Other services are made available through the administration of the Home.

According to Reverend Rocco Crescenzi, administrator of the Home, the introduction of this new concept in the care of sick and handicapped people has been a most rewarding experience.

He notes that the Home has endured a deficit of $12,000.00 this past year because the reimbursement rate was inadequate for the broad variety of services being offered to patients at the Center.

At present 39 people are enrolled in the program. Father Crescenzi personally believes that adult day care programs are a realistic alternative in the prevention of unnecessary and premature placement into nursing homes. "It is our ambition to help people to live in their natural environment, as long as possible, where they are most happy. At the same time this alternative helps relieve the tax burden for the citizens of our community. This new concept provides comprehensive care at a more economical cost because professional services to the Center are shared by the nursing home."

The future of the Adult Day Care Center remains questionable in the mind of Father Crescenzi. An increase in the enrollment of patients requires additional staff people. According to him the present reimbursement rate is inadequate and the Home may not be able to endure this financial burden. An optimist by nature, he is hopeful that the state will be able to adjust the rate in the very near future.

As for Betty, a former x-ray technician and executive housekeeper at the Deaconess Hospital, life continues to be meaningful as she comes each day to the Don Orione Adult Day Care Center.

[From Business Week, Feb. 7, 1977]

CARING FOR THE ELDERLY IN YOUR FAMILY

Next to bringing up teenagers and financing their college education, the hardest family problem faced by executives over age 35 is caring for elderly parents. Says a New York insurance executive: "Taking care of my 91-year-old mother has turned us upside down—emotionally and financially." His reaction is all too typical, and more and more executives today already under pressure at the office, face hard decisions on everything from nursing home care to planning for estate taxes.

The nursing home decision is probably the most crucial in the long string of hard decisions. And once made, it's just the beginning. Will we pick the right home? How can the cost be financed? Is one visit a week enough? No matter which way the executive looks in handling the affairs of the elderly in the family, he or she faces problems that require patience, persistence, and money. Is Dad's insurance right for him? Or should it be changed to provide him with more current income? Are the folks' wills in order? How much will a lawyer charge if a power of attorney for investment management becomes a must? Are there any rules for relating psychologically to aged parents?

If you are faced with this situation, it might be sensible to divide the myriad problems into two main parts and take a step-by-step approach:

RESIDENTIAL

When it appears that an aged parent, or parents, no longer can manage to live alone in their home, the first step is to get advice from their physician as to the degree of care needed. Then investigate the options for living the parents will have. "It is most important that this decision be shared with your parents," advises Dr. Robert N. Butler, director of the National Institute on Aging. The most common mistake is to decide sentimentally and hastily that a parent should move in with the adult child's family. This may work very well—if the relationship with the elderly parents has been good all along and the adult child's spouse is able to adjust to the idea.

But, says Barbara Silverstone, a teacher of social work at Columbia University and coauthor of the new book, *You and Your Aging Parent*: "Remember that if it's your parent, you may have a harder time with the adjustment than your wife or husband."

These are several types of residences available. A "skilled care" nursing home will cost $210 to $420 a week, plus at least 20% to 25% for extras (table, page 87). "Intermediate care" homes cost about 25% less and are hard to find, and residences for the "healthy elderly" cost about $800 to $1,200 a month for one person and $1,500 to $2,000 for two. But many times the best solution by far is for the aged parent to stay in his or her own home and get some form of day care. Costs may range from a few dollars a day for a teenager's help to $50 to $80 for a registered nurse.

FINANCIAL

The second hardest decision may be to judge when an aged parent needs help in handling money. Advice may be stoutly resisted, and when the decision is finally made, the harried executive may find that he has an awesome added financial burden. One major blunder: underestimating the time and leg-work required. ("You'll think you need a CPA just to file a medicare claim," warns Clinton S. Winter, an Atlanta businessman.) In fact, Social Security and medicare problems—such as hospitalization claims and tracing a lost Social Security check (a common problem)—can take hours waiting in line in a government office. To save time, get copies of all U.S. booklets on Social Security and medicare. Many of them are excellent.

But this is just the start, and once the decision to take over a parent's finances has been made, it's wise to schedule an appointment with the family lawyer and CPA. Two topics that are vital are possible sale of the parents' home and anticipating capital gains taxes—along with estate taxes—when a parent is aged and ailing. The gains taxes would arise upon the death of the parent and the sale of investments by heirs. Revised tax laws make these problems more immediate than in the past.

Here are some specific suggestions:

DECIDING WHERE THE AGED WILL LIVE

Dr. Robert Wray, a consultant on gerontology in Athens, Ga., notes that most elderly people want to maintain their own homes and live independently as long as they possibly can. Says Lula Egan, a 91-year-old New Jersey woman whose daughter is a business exectuive: "Of course, we want to hold on to that." She adds: "And we're better off." The experts agree and suggest that all forms of day care be investigated.

The simplest and cheapest arrangement is to hire an older teenager in the neighborhood for marketing, shoveling the walk, and maybe walking the dog in bad weather. A Dayton (Ohio) family hires a University of Dayton freshman for such chores for an elderly mother and aunt and pays $30 a week. A daytime housekeeper charges about $20 to $30 a day in most urban areas and will do a modest amount of cleaning and simple cooking. "Try to get one who smiles," says Dr. Butler.

A practical nurse who can administer drugs and perform general nursing care will charge about $35 to $45 for eight hours, and a nurse's aide—who, like all nurses, should be hired through a nurses' registry—charges $25 to $35.

A registered nurse can cost as much or more than a quality nursing home. The RN fee in Los Angeles, for example, is $86 for an eight-hour day, and the range in most cities is $50 to $60. Patient-care services cost 10% to 20% more in the New York and Los Angeles areas.

The crisis occurs when home care fails and it is the adult child as often as the parent who buckles under the home-care routine. Says Arthur Schneider, president of Schneider, Hill & Spangler Inc., a Philadelphia personnel consulting firm: "I gave Mother breakfast and dinner, but found that I couldn't keep up. I couldn't worry about my business and care for her properly." He then placed his mother in a series of nursing homes, and finally—when she became concerned about the expense—found a home run by a fraternal group providing good care at somewhat less cost.

His experience is all too common. To avoid shifting nursing homes, the experts advise, you should contact the social worker at a local hospital, or a family service agency that is a member of the Family Service Association of America, in addition to consulting the parent's doctor. A physician can help with the hard decision on when a parent needs daily care or a nursing home. "Oftentimes, though, a doctor will know less about nursing homes than you would think," says a leading New York City expert on nursing care.

Sometimes size is advertised as an advantage, and the efficiency in patient services of an 80-bed to 120-bed home is greater than in a small unit. But both adult child and parent should visit prospective homes together, if possible, and judge them as much for social atmosphere as for efficiency.

A quality nursing home, large or small, will meet these standards:

Registered nurses will be on duty 24 hours, and will be in charge of all nursing services.

The ratio of nursing personnel to patients will be about 6 to 1; if it is 8 to 1 or higher, good care is lacking.

A licensed physiotherapist will be available daily, and equipment will include lamps, whirlpools, and walkers. Patients will be encouraged to walk; if most habitually sit before TV sets or in bed, the quality of care may be poor.

There will be a supervised social-recreational program. And patients will be encouraged to read papers, magazines, and books. This can reduce the need for drugs and improve their mental outlook.

Lifestyle is what counts most, says Dr. Arthur N. Schwartz, a counseling director at

the University of Southern California's Andrus Gerontology Center. "What is there to make an old person want to get up in the morning?" he asks. "Look for large-type magazines, pets, aquariums, a piano. Don't settle for bingo three times a week."

Points to be wary of include a cold, unemotional attitude on the part of the staff, poor housekeeping indicated by foul odors, and poorly prepared food. Not so apparent is drug abuse. "It's practiced in some homes," warns Columbia's Barbara Silverstone. "Drugs are one way to keep patients docile and make them permanent patients. Be sure that drugs are used only on an MD's prescription."

"Intermediate care" homes, or rest homes, are a step away from 24-hour care and provide moderate supervision and "light" or "when-needed," nursing. "There are really few rest homes," notes Anthony J. Marinaro, manager of River Glen, a combination skilled-care and intermediate-care home in Southbury, Conn. The rest home approach is "less rigid, less authoritarian than in a regular nursing home," explains Marinaro. "We even have a cocktail hour for people whose doctors approve." The rates at River Glen are typical: Skilled care costs $36 to $62 a day; rest home or intermediate care costs $27 to $45.

Also fairly unusual are nursing homes that offer special day-care services. In Boston, the Don Orione home has an experimental day-care program. The fee is $12 a day for a noon-time meal, snacks, recreation activities, and limited nursing care. The idea is working well and may spread. Says one Boston geriatrics nurse: "This is a welcome relief from the 'all or nothing' approach that has the elderly either in a full-time nursing home or living at home with the children."

Residences for the "healthy elderly" represent another sizable step away from total nursing care, and offer private living in a structured environment geared to the elderly. The Cupola, in Paramus, N.J., near New York, is a garden-style development with apartments of one or two rooms, each with private bath and kitchenette. Couples, widows, widowers, and aged spinsters, mostly 70 to 85, pay $1,000 or more a month for one person and $1,700 for two. The fee covers housing, three meals, maid service, and hotel-like services such as a lobby switchboard.

"This is a half way house, between living at home and a nursing home," says William Maloney, Jr., who is comanager of the Cupola. "We don't supervise, but we like our guests to check in and out at the desk as they come and go," he says. A close tie-in for the ailing elderly is a large skilled-care nursing home in a new building adjoining the Cupola. Similar combination facilities were developed by nonprofit groups 20-odd years ago, and these spread throughout the country. But combination residences for the healthy elderly and those requiring nursing care are new in the commercial field, with most activity in Florida, California, and around New York City.

A variation of the Cupola idea is the "apartment leased for life," a concept that has been developed successfully at several Midwest locations and is now heading into Florida on a wide scale. At the Trinity Lakes Assn. development in Sun City Center on Florida's west coast, 309 apartments, plus a 60-bed health care center are under construction, with the opening planned for later this year. Lifetime-lease apartments cost $10,000 to $50,000, with monthly service charges of $270 to $688, depending on apartment size. More than 50% of the money is refundable if the apartment tenant decides to leave within two years.

A similar construction-stage development is Canterbury Tower in Tampa, where lifetime-lease apartments run from about $20,000 to $40,000. Both centers will have dining and recreation facilities, and Trinity Lakes will entertain its elderly with pitch-and-putt golf and an ice cream parlor. The medical concept there and at similar centers in Florida and California: If you live there in a leased apartment and get sick, you can shift to nursing care the same day.

THE TEDIOUS CHORES OF MANAGING MONEY

If you take over your aged parents' financial affairs, you may ease their minds, help them use current income wisely, and preserve part of your own inheritance. "But you may risk an ucler," quips Paul Ratliff, an Ohio lawyer whose father, in his mid-80s, has angrily declined any advice at all from his son. Many people find their aged parents to be closemouthed, secretive, or sometimes fearful about money matters. The maxim: When the need for help is apparent, be firm.

"When your mother hangs on to checks without cashing them, it's time to step in and help her," says William E. Lewis, executive dean of the Los Angeles Community College District. If his mother resists help, he adds, he will put some pressure on. But Lewis admits: "If she resists too strongly, I'll back off." Only when this tug-of-war is settled can an adult child get down to the tedious business of money management.

Here is a review of some key points:

INCOME TAXES

Real estate sales cause more tax confusion for people 65 and older than any item on the form 1040. For example, if your parent will be retiring in 1977, he should wait until the next tax year, if possible, to sell the family house. "He'll then get taxed in his lower retirement income bracket and pay less capital gains tax," notes Arthur S. Hoffman, a New York lawyer and CPA. "People miss this," he adds.

Also, the revised tax law lets a seller aged 65 subtract the first $35,000 of the sales price (up from $20,000) in figuring his capital gains—important to the retiree who often does not reinvest in another home, which might otherwise nullify the tax. If you take title to your parent's house—a common move—you lose this break. Conversely, if your parent keeps title and you pay mortgage bills and realty taxes, you cannot take the deductions on your form 1040. A way around this may be to arrange a joint title. "But this gets complex," says Hoffman, "and you'll want an adviser."

Providing financial support for parents also may require careful tax planning. It may be a mistake, for example, for an adult child to give money out of his own aftertax income, if he has investment income that he can temporarily divert for the parents' benefit. If might be better to set up a short-term trust (minimum 10 years, or for the life of the parent), using his own investments with the parents receiving the monthly income. The executive no longer would pay taxes on the income, and the parents would get the money in their lower tax bracket. Providing, say, $5,000 a year for the parents using this method could easily save an executive who is in the 50% tax bracket a clear $2,000 or more every year.

Two or more brothers and sisters can join in such a trust for their parents, and any one of them can claim the parents as dependents. But they must collectively furnish more than 50% of the support, apart from the trust income.

INSURANCE

Often an aged parent will have an outstanding insurance policy covering his own life. One idea is to turn this into an annuity to provide added income for the parent. A man of 75, for example, will get a lifetime payment of nearly $12 per month for each $1,000 of cash value in his policy. "Typically, a $50,000 face-value policy might have a cash value of $30,000," notes David Frink, a specialist with Aetna Life & Casualty Co., in Hartford. "At $12 per thousand, he would get $360 a month."

Sometimes an aged person will need life insurance: for example, to fund a tax bill that will be due at death and thus preserve some estate assets that could only be sold by the family at a hardship price. Generally, a person 80 or younger can get coverage, with a physical exam. Premiums are skyhigh ($112 per $1,000 per year, if over $25,000 worth is bought at age 75, for example). "So the idea must be figured closely depending on family circumstances," says Frink.

"Buying health insurance for elderly parents is common," says Hal Lyman, a nationally known consultant with Minnesota Mutual Life Insurance Co. Policies to supplement medicare should be considered first. These "fill in the deductibles in medicare," notes Lyman, and are sold by such companies as Blue Cross-Blue Shield, Continental Casualty, Colonial Penn Franklin, Mutual of Omaha, Physicians Mutual, and by the American Association of Retired Persons. The cost range for ample coverage is $15 to $20 per month beginning at 65.

An elderly person also might get a "hospital income" policy that pays a stated amount of money per day, for each day in the hospital. A $20 daily payout to supplement other coverage would cost $17 per month, with benefits doubling after 90 days in a hospital.

Hospital insurance under medicare (Part A) is automatic for people over 65, and covers mainly up to 90 days in a hospital or 100 days in a nursing home or rehabilitation center for each benefit period. The patient pays the first $24 of the bill, and for the 61st to 90th day he pays $31 a day.

Medical insurance under medicare (Part B) is optional, but is an excellent insurance buy. It pays for a doctor, in or out of the hospital. The patient pays for the first $60 of bills in a calendar year, and medicare pays 80% of the physician's "reasonable charge." The cost is now $7.20 a month, and payments are deducted from Social Security checks.

POWER OF ATTORNEY

A parent who needs financial help will voluntarily sign a power of attorney giving an adult child the right to act—if all goes well. "A point that people don't realize," notes Theodore Kurz, an estate lawyer with the New York firm of Debevoise & Plimpton, "is that the 'power' can be specific and narrow—for instance, to cover real estate, or stocks and bonds, or the sale of art and antiques."

In some cases, the power of attorney can state that it will continue in force even if the parent becomes mentally incompetent. "If this is not covered, it will lapse and a court proceeding will be needed," says Kurtz. If the parent is already incompetent and cannot exercise a power, often the probate court will issue the needed authority to the adult child in a brief "summary" hearing. Lawyers' fees in such cases range from $300 to $1,000. A power of attorney can be done on a simple form that is notarized, and the cost is modest.

THE ESTATE

Oftentimes, aged parents own investments and real estate but have no meaningful estate plans, and so the starting point might be a session or two with an estate lawyer. These are points to consider:

One aged parent—or any spouse—can leave sizable amounts to the other tax-free. Under revised estate tax laws, this year about $370,000 of a spouse's property can be inherited by wife or husband with no tax due. This jumps in stages to a permanent $425,000, starting in 1981.

A parent's assets of up to $120,000 can be inherited tax-free by the children in 1977, and this steps up to $175,000 in 1981. Above these levels, the new "unified" estate-gift tax then applies: $1,800 tax on the first taxable $10,000, scaled upward to $23,800 on $100,000 and $70,000 on $250,000.

Lifetime gifts to save taxes should be considered by aged parents. The first $100,000 given to a spouse is tax-free, with the unified

tax rate applied to gifts to the spouse between $100,000 and $200,000, and to 50% of such gifts over $200,000. "Lifetime gifts to the family in installments makes good sense," advises Von R. Smith, senior analyst with Oakland Financial Group in Charlottesville, Va. "You can still use the $3,000 annual exemption, and people don't know this." A grandfather, for example, might be advised that he can give up to $3,000 a year to each of, say, six children and grandchildren, without paying a gift tax. Over 10 years—at $18,000 a year—he could transfer $180,000, with no tax due on the money during his lifetime or upon his death. Tax savings to the family could be as much as $48,000.

Trusts should be considered. "One idea is to set up a very simple trust that will provide property management for an aged person, then a disposition upon death," says Kurz. He notes that a trust might be more practical for property management than a power of attorney if there are substantial assets. Short-term trusts can also be used when property is given to children. Generally, a lawyer's fee for such trusts will range from $300 to $1,000 and a general estate review costs about the same.

In fact, such a review of a parent's investments would be useful in view of the new estate tax laws. For example, if in 1960 an aged parent bought some stock that has since doubled in value, it would be wise for him not to sell unless there is a pressing need or the shares appear to be in danger of losing value. If he sold, a capital gains tax on the appreciation from 1960 would be payable. If the parent still owns the stock when he dies at some date in the future, then—under the new law—any appreciation before Dec. 31, 1976, will be forgiven when the heirs later sell the stock.

VFW CONGRESSIONAL AWARD TO SENATOR TALMADGE

Mr. THURMOND. Mr. President, it was my pleasure last evening to attend the annual congressional dinner sponsored by the Veterans of Foreign Wars of the United States. This year the VFW conferred its coveted Congressional Award upon able colleague, Senator HERMAN TALMADGE, Senator from Georgia and chairman of the Senate Committee on Agriculture, Nutrition, and Forestry.

In his acceptance speech, the Senator from Georgia, in clear and unequivocal language, affirmed the debt that our Nation owes to its veterans population. With great perception of the problems facing our Nation, Senator TALMADGE also outlined several challenges to our Nation's security and admonished that the continuation of freedom in this country is best assured through strength and vigilance.

Mr. President, in order to share this stirring address with my colleagues, I ask unanimous consent that it be printed in the RECORD.

I also ask unanimous consent to have printed in the RECORD the program for last night's annual congressional banquet honoring the Members of Congress.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF HERMAN TALMADGE

It is a distinct honor to be with you tonight. Words cannot convey my deep gratitude to the Veterans of Foreign Wars of the United States. I am honored beyond measure to be named as the 1977 recipient of the coveted V. F. W. Congressional Award.

I am aware of the significance of this award, and the distinction which is attached to it. I pledge to continue to do my best to prove myself worthy of the honor you have bestowed upon me.

* * * * *

I am proud of my membership in the V. F. W. I value my long association with your organization. It has been my privilege and pleasure to work with the V. F. W. on many occasions on many matters important to national security and our nation's veterans. First, as Chairman of the Finance Committee's former Subcommittee on Veteran's Legislation and, for the past six years, as Vice Chairman of the standing Committee on Veterans' Affairs. I am glad to be able to comment tonight—the Veterans' Committee still stands.

Let me take this opportunity to commend the V. F. W. for its leadership and hard work in turning back ill-advised efforts in the Senate to do away with that committee. Moreover, as one member of the United States Senate, so long as I am privileged to serve there, my vote and efforts will continue to be in support of the Veterans' Committee, and the important work it performs.

I favor Congressional reform. I support streamlining the Senate committee system. We have too many overlapping committees, and some of them have no legislative responsibility whatsoever. The Committee on Veterans' Affairs is not one of those. We have too many staff people who spend too much of their time dreaming up legislative schemes that we do not need and that we cannot afford. The Veterans' Committee, and its hard working staff, is not such a committee.

If some people had their way, we would have committees in the Senate for beekeepers and watch makers and just about every special interest group conceivable. I am not talking about special interest groups. I am concerned, as the whole nation ought to be, with the health, welfare, and education of almost 30 million United States veterans, widows, and survivors. If I have anything to do with it, veterans, their families and children will never be relegated to second-class status in the Congress of the United States. That would constitute violation of a trust. That would be revocation of the debt this nation owes its veterans which, in reality, can never be repaid.

* * * * *

There is yet another battle brewing on the military front, and I hope we can count on the V. F. W. for help in defending a cause that I know is of utmost importance to your organization. I am referring to the integrity and stability of the Armed Forces of the United States. As you know, there are efforts to unionize the military. Personally, I think it is outrageous.

I favor collective bargaining as much as the next person. But, so far as I am concerned the safety of our nation and the well-being of the American people are non-negotiable. I for one am not going to bargain with national security.

I am co-sponsor of Senator Thurmond's bill, S. 274. I hope this legislation will be adopted and that the move toward military unionization will be stopped dead in its tracks.

As we saw in the fight to save the Veterans' Committee and in instances too numerous to count, it is a long standing tradition of the V. F. W. to stand up and be counted, when the need arises. All of you, from your National Commander, state officers, and through your rank and file membership, have never backed away from championing any cause which you believed was right, and in the best interest of the United States.

It may not always be a popular cause. But, the V. F. W. has never been timid about controversy. To the V. F. W., and to me as well, Americanism and national security ought not to be controversial issues. So long as we value our liberty, these are causes worth championing, and I wish we had more strong and active organizations like the V. F. W. to help impress this fact upon Congress and the American people.

* * * * *

Last year we celebrated the Bicentennial of our great nation. There was a surgence of patriotism. It was as though patriotism and love of country came back into style. This is one style that I hope will become fashionable all across the country. We need more people who stand for flag and country, for a strong America, and for God.

We need more loyal and patriotic Americans. By that, I do not mean sunshine patriots or fair weather friends. I mean people who are ready and willing to speak out and defend the American way of life, in good times and bad, and to defend it against its enemies—whether they be foreign or domestic.

America is not perfect. But, we live in freedom and enjoy the blessings of liberty unparalleled anywhere else in the world. It is my country, and I am proud of it. The people of America have no need whatsoever to apologize or make excuses for anything.

* * * * *

In efforts of the V. F. W. to guarantee a stronger and more patriotic America, I am with you all the way. Toward this end, I am confident that you will marshall the support of an overwhelming majority of the American people. I know that our veterans, who are large in number and strong in spirit, will continue to be in the front line.

* * * * *

The United States government is embarking upon an apparent crusade for "human rights" throughout the world. This is a worthwhile and noble pursuit. It is in keeping with the spirit and tradition of the American nation, whose people have always demonstrated concern for down-trodden people, wherever they may be.

It is entirely fitting, therefore, from a humanitarian point of view, and as leader of the free world, for the United States to exert every moral influence possible, and to try to improve the quality of life for everyone in the world community of nations. Having said that, I do not think we can dictate terms by force to any other nation with respect to their internal affairs. We sought not to even try.

After the brutal lesson of Vietnam, we should never again involve United States Armed Forces anywhere in the world, under any conditions, unless our own national security is directly threatened. And, if that unfortunate time ever comes again, I hope the United States government will demonstrate a will to win.

* * * * *

The war in Vietnam left a bad taste in everyone's mouth. It brought on an onslaught of criticism against our defense establishment. Although there has been some let-up, the criticism continues.

There are still a lot of people around—some of them in very high places, I regret to say—who do not seem to know the meaning of defense or the necessity of military preparedness. They indicate an abysmal lack of understanding of the dangerous world in which we live. They seem to have forgotten the lessons of history. I do not contend that "might makes right." But it is a fact of history that peace can best be maintained through strength.

The highways of history are littered with the wrecks of countries that relied upon the good intentions of nations stronger than they. I know this is a deep concern of the

V. F. W. I share that concern. My votes in the United States Senate will always be cast in support of a strong and ready defense establishment—that is second to none other in the world. Furthermore, if our government is to err in defense spending, I much prefer that we err on the side of safety.

For many Americans, security has come to mean a regular check, a nice home, a full stomach, and a car or two in the garage. These things, as desirable as they are, do not represent security. They are benefits which come from security. The security and freedom of the American people can be maintained only as long as we are a strong nation—economically as well as militarily.

A majority of the American people recognize this fact. My hope is that the message can be conveyed to Congress, and that we can have done, once and for all, with these shortsighted attacks on defense spending and the military.

I know we can continue to depend upon the V. F. W. for its support. I urge you to keep up the good work.

PROGRAM OF THE EVENING

Host: R. D. ""Bulldog" Smith, Jr., Commander-in-Chief.

Master of Ceremonies: Thomas C. "Pete" Walker, Past Commander-in-Chief.

Invocation, Rev. John Leonard, V.F.W. National Chaplain.

V.F.W. Salutes Our Nation's Flags.

National Anthem.

Appreciation and Introduction of Master of Ceremonies, Cooper T. Holt, Executive Director, V.F.W. Washington Office.

State Songs and Group Introductions.

Introduction—Voice of Democracy State Winners.

Introduction—Head Table Guests, Thomas C. "Pete" Walker, Past Commander-in-Chief.

Remarks, R. D. "Bulldog" Smith, Commander-in-Chief.

Scholarship Awards Presentation to Voice of Democracy National Winners.

Reading of Broadcast Script of First Place Winner.

Presentation—The V.F.W. Congressional Award, R. D. "Bulldog" Smith, Commander-in-Chief.

Remarks, Honorable Herman E. Talmadge, United States Senator from Georgia.

Benediction, Rev. John Leonard, V.F.W. National Chairman.

NEW YORK MANDATORY DRUG PENALTIES A FAILURE

Mr. PERCY. Mr. President, in 1973, New York State legislatively established rigid, mandatory penalties for the illegal distribution and use of hard drugs. The law was hailed in some national publications as a panacea to the drug trafficking problem.

Today, most observers agree that these laws have been inequitable in assigning penalties to offenders and ineffective in curbing drug traffic. It is time for us to acknowledge the failure of this approach. In addition, we must concentrate our efforts on apprehending and punishing the high-level traffickers in illegal narcotics and put less emphasis on prosecuting their victims, the street-level addict/pusher.

By forcing law enforcement officials to spend a disproportionate amount of their time on small-time sellers of drugs, the New York law diverted prosecutorial attention from the more significant figures in the international drug trade. Quite predictably, most of the arrests, indictments, and convictions under the new laws were for relatively small sales. A disturbingly large number of these offenders drew lengthy sentences for selling single doses of Government-supplied methadone to Government agents feigning withdrawal symptoms.

One side-effect of the mandatory sentencing provision has been the overcrowding of New York's criminal justice system. By law, anyone indicted for a class A drug felony cannot enter a plea of guilty to a Class B or lesser offense. This makes plea-bargaining considerably less attractive to defendants. As a result, the demand for full jury trials has approximately doubled. Because a harsh sentence is certain upon conviction, defendants also find it to their advantage to delay their trial as long as possible. Since 1973, defendants' appearances in court between indictment and disposition have increased by roughly 50 percent.

There is also good reason to believe that this "get tough" approach has not effectively deterred the sale of addictive drugs. New York City's special narcotics prosecutor, Mr. Frank J. Rogers, admitted in 1975 that, although the legislation probably did discourage the "amateur pusher," it had done little to deter the addict-pusher who relies on drug sales to finance his own habit. Some experts feel that, since the law only applies to those over age 16, its effect has been to shift the responsibility for street-level transactions into the hands of juveniles.

Two recent editorials on this subject are especially worthy of the Senate's attention. The first, entitled "What's Mandatory Now," appeared in the New York Times on January 4, 1977. The second "The Failure of an Experiment," was printed in the New York Post on January 3, 1977. Mr. President, I ask unanimous consent that these editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

WHAT'S MANDATORY NOW

When the New York State Legislature in 1973 enacted Governor Rockefeller's program of stiff, mandatory sentences for trafficking in drugs, we expressed concern that they would create "a straitjacket that denies what most experts in the criminal justice system insist is vital—that the penalty fit the criminal as well as the crime."

The get-tough program was largely a political response to a public hysteria that viewed heroin addiction—a real threat to any community's health and safety—as nothing but a criminal offense to be eliminated by locking the offenders up for life. An angry citizenry had no stomach for costly efforts to deal with the causes of addiction and attempt to treat and cure the addicts.

Now, a survey of 100 New York City judges and rehabilitation specialists confirms that, for all the predictable reasons, the program has failed to deter illegal drug use. Worse, the survey shows that judicial toughness has actually helped to create a new generation of dealers. Because persons below the age of 16 are immune from the harsh adult sentences, juveniles have been recruited in large numbers to do the dirty work of delivering the drugs. By the time they reach adulthood, these youths are full-fledged members of the criminal army of pushers. Many have become addicts as well.

Simplistic laws which fail to distinguish between the organized criminal drug trader (who should be harshly dealt with) and the pathetic user-peddler (who needs rescue from self-destruction) have swelled the flow of victims into a deadly manpower pool.

From the very start, the get-tough approach did little to facilitate capture of the major figures who engage in the international as well as the urban hard-drug traffic. The mistaken emphasis was on catching addicts with small amounts of contraband. Mandated excessive sentences made it more difficult to obtain convictions and to set the stage for rehabilitation.

There is nothing surprising in the survey's findings that the "lock-them-up-and-throw-away-the-key" approach to drug addiction and drug-related crime does not work. What makes the report noteworthy is that it comes, not from idealistic social workers, but from the judges who can hardly be considered naive about the role of mandatory punishment as a deterrent. What is now truly mandatory is for the Legislature to reconsider laws that don't work.

FAILURE OF AN EXPERIMENT

The statutes known as "the Rockefeller drug laws" were bad laws when they were enacted in 1973. Many who publicly voted for that "tough" anti-narcotics program privately expressed their skepticism. They were laws born of unconscionable political hysteria.

The theory, if so lofty a word may be applied to an exercise in panic, was that grotesquely harsh penalties for possession of even miniscule amounts of drugs would drastically curb the narcotics traffic.

We were told they also provided a decisive deterrent against drug-related crime.

We have known for a long time that these expectations were illusory. By and large the big pushers have remained remarkably immune while the statutes have brought fantastically long jail sentences for some youths who hardly resemble menaces to society. And crime still haunts the city.

These findings are now confirmed by the testimony of New York City judges and specialists in rehabilitation canvassed by the city's Addiction Services Agency. In releasing the report, Jerome Hornblass, the agency's commissioner, has urged "decriminalization" in small-possession drug cases.

While the respondents differed in their estimates of what constitutes a "small amount," that point should scarcely defy realistic definition by the Legislature. Plainly, however, the laws should be modified in light of the survey's conclusion that resort to long-term prison sentences for "possessors of small amounts" has chiefly served to bring them into contact with "hard-core criminals" and "further alienate them from society."

Nothing in the report urges new leniency for the big operatives in the narcotics syndicates. It calls for a new rule of reason in dealing with offenders whose addiction is primarily a threat to themselves.

Three years of ignoble experimentation have exposed the failure of these oppressive statutes to provide any miracle-cure for the drug plague. The "miracle" was a mirage. The time for sweeping, rational revision is now.

(This concludes additional statements submitted by Senators today.)

BIRTHDAY GREETINGS TO SENATOR JENNINGS RANDOLPH

Mr. ROBERT C. BYRD. Mr. President, the Psalmist says:

The days of our years *are* threescore years and ten; and if by reason of strength *they be*

fourscore years, yet *is* their strength labour and sorrow; for it is soon cut off, and we fly away.

Yesterday was the birthday of three score years and ten plus five for my senior colleague—the redoubtable, able, affable, friendly JENNINGS RANDOLPH. For more than 18 years now I have served in the Senate with this extraordinary man. Look at him, and look at me.

[Laughter.]

There was a time, Senator JAVITS, when my hair was as black as the raven's wing, and today it is like the snows that cover the West Virginia hills.

This man is remarkable not only in the vigor of his physical strength as he celebrates his 75th birthday but even more extraordinary in the vigor of his mind. He always looks ahead. He is, to use the Scout words in part, "mentally alert and morally straight." I admire him and I respect him.

As Plato thanked the gods for having permitted him to live in the age of Socrates, I thank the benign hand of destiny for allowing me to live in an age and in an era in which I could serve with such an outstanding man as my senior colleague in the U.S. Senate.

I close this little encomium with these words, if I can remember them—I have not stated them for years—and I dedicate them to my senior colleague. I do not remember the poet's name:

Count your garden by the flowers,
Never by the rains that fall;
Count your days by the sunny hours,
Not remembering clouds at all.

Count your nights by stars, not shadows;
Count your life by smiles, not tears;
And on this beautiful March afternoon,
Count your age by friends, not years.

Mr. BAKER. Mr. President, it is with reluctance that I intrude on this obviously sincere, genuine, and touching relationship between colleagues in the Senate. But I cannot resist saying that I wish to offer my inadequate congratulations to Jennings Randolph on his 75th birthday.

I have served on the Committee on Public Works with Senator RANDOLPH since the first day I came to the Senate in January of 1963. I have never entertained a serious thought that I would serve on any other committee instead or in place of the Public Works Committee; not just because of the jurisdictional responsibilities involved but because of my affection and respect for our chairman.

I was pleased to serve as the ranking Republican on the Committee on Public Works for a time, and I have never had the opportunity to serve with a man who is more considerate, more courteous, nor who could be a more formidable adversary than JENNINGS RANDOLPH.

But I offer birthday greetings to a man who, more than that, is a man who has seen the span of much of the history of the United States recent experiences. I believe he came here in March of 1933. What a great piece of history he has witnessed! What a significant amount of it he has contributed!

So I join the distinguished majority leader in expressing my admiration and respect for a great man, a great Senator, a great citizen of West Virginia, and a great friend of mine.

Mr. JAVITS. Mr. President, I wish to adopt the two previous speeches en bloc and wish my beloved friend a very happy birthday.

The PRESIDING OFFICER (Mr. LEAHY). If the Senate will indulge the Chair, the Chair wishes to do so, also.

Mr. THURMOND. Mr. President, I would like to be associated with the gracious remarks about the distinguished Senator from West Virginia. I have known him since he came to the Senate. I have enjoyed serving with him. He has served very ably as chairman of the Public Works Committee and in other capacities.

He has taken a great interest in young people. I am especially interested in young people, and I think that has brought us together in some ways.

He is a prominent member of the Wednesday Prayer Breakfast Group. JENNINGS RANDOLPH is in just everything good around here. I wish him much health and happiness in his future years.

Mr. MOYNIHAN. Mr. President, I do not know that I would qualify among the young persons for whom the Senator from South Carolina has spoken. But I am the most junior member of the majority party on the Chairman's Environment and Public Works Committee, and I would like to state, and for him to know and for the Nation to absolutely observe, that of all the great qualities a man might have as a leader, his role as a teacher is still not to be underestimated, and as one who has come newly to this body and newly to this committee, I have found him in the most impeccably sensible and sensitive way a man who not only leads us in our work but who teaches us our role as Senators and as citizens, for which I have already incurred a debt, which I hope in years to come to be able to repay in his committee and in this body.

I congratulate him on his birthday.

Mr. THURMOND. Mr. President, I send to the desk——

The PRESIDING OFFICER (Mr. STONE). If the Senator from South Carolina will suspend temporarily, the Chair thinks the Senator from West Virginia wishes to respond briefly.

Mr. THURMOND. Surely, I will be glad to.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, the gracious and generous expressions of the majority leader (Mr. ROBERT C. BYRD) and the minority leader (Mr. BAKER), and the comments of the senior Senator from New York (Mr. JAVITS), the junior Senator from New York (Mr. MOYNIHAN), and the Senator from South Carolina (Mr. THURMOND) cause me to respond at this late hour in today's Senate session.

It has been my joy to be a Member of the U.S. Congress, now in our 33d year, 14 years in the House and beginning the 19th year in the Senate.

I will try not be overly nostalgic because this is not a time for reminiscing, but I shall always recall March 4, 1933. On that day I was present, as we were present on January 20, when President Carter was inaugurated. In that setting Franklin Roosevelt, 44 years ago, was sworn in as President of the Untied States. I have served with and for eight Presidents of our Republic. There was an interlude of 11 years between House and Senate membership, but there are precious memories that are very vivid to me.

I reemphasize what an experience it was for a young man—I was young when I was first elected in 1932, I am somewhat older now—to have been a participant in this drama of American history on Capitol Hill.

I remember Franklin Roosevelt so well. What a gallant leader. I remember in the latter part of March 1933, on a cold and rather dismal night in this city, when several new Members of Congress were grouped around the President's large desk on the second floor of the White House. The wood fire was burning. Programs and projects which were then being nurtured, and later to be brought to fruition in the first 100 days, were in a sense being born. There was a member of our group that night—it is not necessary to remember him by name because he spoke in good conscience. He was critical of the President for attempting to do too much too soon. I am not attempting to be in anywise even partially dramatic. I do, however, remember that the President took his right hand, clenched it into a fist, and pounded that desk.

Then he looked at us and he spoke firmly:

Gentlemen, do you realize we must act now? We shall make mistakes in so doing, but if we do not act now perhaps we may not even have the opportunity to make the mistakes later!

Sometimes we fail to realize the crisis that covered America at that particular time. Today we are shocked in a sense at our so-called high unemployment rate. But we are a Republic of 215 million persons, with a possible unemployment of 8 million. Then we had a population of, perhaps, 130 million persons and yet 21 million were unemployed.

So those who were not part of that period may sometimes fail to realize the extremities of those tragic days.

It is for that reason that I have taken this extra time to emphasize how fortunate we are that Presidents of the United States, working with Congress often—I hope more often than less—have been able to address themselves, sometimes in a somewhat uncertain way, to be sure, but always, I hope, with a generally high purpose, in an attempt to solve the immediate and even long-range problems of the United States and serve the public.

This afternoon, and BOB BYRD has had a part in what happened in 1965, I retraced steps. It was 12 years ago today that President Lyndon Johnson signed into law the Appalachian Regional Development Act. It was on such a day as this, bright and sunny. The ceremony took place in the Rose Garden on the White House lawn. It was not just a signing, not just even a beginning, but a realization that thrusting from New York through to Georgia in 13 States were problems that were akin. We needed to

do something worth doing, about improving the status of this vital area from the standpoint of better transportation, better education, better health, and all of those factors which, mixed together, could help to bring our section into the mainstream of American development.

Today, I visited the Appalachian Region Commission. In the Commission office I thanked those who have been working on this program through the years. And I asked the privilege of not only speaking but also of having the opportunity to shake hands individually, thanking each person, some 90 of them gathered there. It is highly important that we never forget on the Hill in our endeavors that without our staffs we could not accomplish our work. In the commissions, the agencies, and the departments, Government could not function without these people who have expertise and commitment in handling well the positions of trust in which they function.

Thus another hour in these years that I have been mentioning is called to your attention.

And so, for me, because of the friendship expressed—and the word "friend" has been used very often—I recall that from the hills of West Virginia and now in labors on Capitol Hill, out to the undiscovered ends, there is much that is worth the wear of winning; it is service and the love of friends. And I have been blessed to a very considerable degree in both of these bounties.

ORDER FOR RECESS UNTIL 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:45 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I believe under the order previously entered, Mr. SCHMITT will be recognized for not to exceed 15 minutes after the regular order for the two leaders.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER TO PROCEED TO CONSIDERATION OF S. 427 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the completion of the order for the recognition of Mr. SCHMITT tomorrow morning the Senate proceed to the consideration of the public works bill S. 427.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow may be a long day. It is hoped that the Senate can and will complete action on S. 427 a bill to provide additional authorizations for the public works employment program, to authorize a program for employment of teenaged youth in community improvement projects, and for other purposes.

Rollcall votes will undoubtedly occur during the day.

ORDER THAT NO ROLLCALL VOTES OCCUR TOMORROW BEFORE 12 NOON EXCEPT TO ESTABLISH A QUORUM

I ask unanimous consent, so that committees may not be interrupted in any of their meetings, that no rollcall votes occur tomorrow prior to the hour of 12 noon except any rollcall votes that might have to occur in relation to the establishment of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I would not anticipate any vote on a motion to direct the Sergeant-at-Arms to request the attendance of absent Senators, but it may be necessary. That is the reason why I made the exception in the request.

But, hopefully, committees may be able to meet uninterruptedly until 12 noon tomorrow.

RECESS UNTIL 9:45 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 9:45 a.m. tomorrow.

The motion was agreed to, and at 6:19 p.m., the Senate recessed until tomorrow, Thursday, March 10, 1977, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate March 9, 1977:

AGENCY FOR INTERNATIONAL DEVELOPMENT

John J. Gilligan, of Ohio, to be Administrator of the Agency for International Development.

DEPARTMENT OF JUSTICE

Peter F. Flaherty, of Pennsylvania, to be Deputy Attorney General vice Harold R. Tyler, Jr., resigned.

DEPARTMENT OF COMMERCE

Charles Linn Haslam, of North Carolina, to be General Counsel of the Department of Commerce, vice John Thomas Smith II, resigned.

COMMODITY CREDIT CORPORATION

Carol Tucker Foreman, of the District of Columbia, to be a member of the board of directors of the Commodity Credit Corporation, vice Don Paarlberg, resigned.

IN THE MARINE CORPS

Lt. Gen. John N. McLaughlin, U.S. Marine Corps, when retired, to be placed on the retired list in the grade of lieutenant general in accordance with the provisions of title 10, U.S. Code, section 5233.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 9, 1977:

AMBASSADOR

Paul C. Warnke, of the District of Columbia, for the rank of Ambasador during his tenure of service as Director of the U.S. Arms Control and Disarmament Agency.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Paul C. Warnke, of the District of Columbia, to be Director of the U.S. Arms Control and Disarmament Agency.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

PROPOSED INCREASE IN THE MINIMUM WAGE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. BROWN of Ohio. Mr. Speaker, I have recently received a letter from one of my constituents expressing his views on the proposal to increase the minimum wage. As a manager of a small newspaper, this constituent deals constantly with wage-related problems, and is perhaps in a much better position to judge the practical effect of an increase in the minimum wage than we who sit here in Congress. I submit this letter for inclusion in the RECORD as a reminder that it is potentially dangerous to simply extend existing laws without careful consideration of the possibility that those extensions will actually hurt the very people the original law was intended to help.

The full text of this very logical and eloquent letter follows:

I am writing with respect to proposals to increase the minimum wage from its present $2.30 to $3.00 or more with cost-of-living increments built in.

I am the manager of production for a daily newspaper (circulation under 8,000) which presently employs about 20 production people, full and part-time and about the same number in other departments. Our payroll is currently about $350,000 annually and is our single largest expense. We have a pension plan and an insurance plan. In the past five years we have increased our number of employees and laid no one off.

We see the prospect, under higher minimum wage laws, of curtailing additional hiring and perhaps even phasing out some of our people because we can no longer afford the costs connected with the kind of payroll we are facing. We will turn, instead, to new technology, specifically, to computers and terminals which will enable us to cut back our labor force, especially those at the lower end of the pay scale.

We would, no doubt, be considering this kind of approach with no minimum pay increase. But increases will make it mandatory and urgent. It is not a prospect we look forward to. People remain more dependable than computers and much more flexible. They have more fun at Christmas parties. And they need work.

New technology will not necessarily reduce the work force (for my newspaper). But it will require the employment of people able to work with computers, and few of those would be earning minimum wage anyhow. New technology will shift the work force around, requiring the employment of better skilled people at the expense of those with few skills. I presume that minimum wage legislation is intended to provide better pay for people either entering the work force or lacking the skills required to attain higher paying positions. The effect will be the opposite of what Congress intends, unless my experience is unusual.

We have few people earning the minimum. But as it has increased (and rightly so) from $1.60 to $2.30, it has forced increases in the pay of others working here. Someone with four years' training and experience cannot be expected to appreciate the fact that he earns about the same as someone who started yesterday.

Furthermore, many of our employees count on overtime pay, but to keep a work force our size, we have had to curtail this overtime where possible. This may represent good management, but it also injures the employee, and good management will only go so far. It will not surmount any $3.00 per hour minimum wage. We cannot substitute ten hours of overtime pay with an unskilled person at $3.00 per hour. We must try to do without both.

Some of our employees are working wives, and I think this is true of many small businesses. Others are young people trying to decide on their careers, who have no intention of remaining here very long and know that we know that. If it seems unfair to employ people who already have a member of their family working, then I suggest that if members of Congress can survive with one bread winner, this is not the case with the average family anymore.

As in everything else, we must weigh the costs in every aspect of our business against the cost of doing things differently. At the very least, I urge Congress to consider the entire question of employment, analyzing what people it wants to help; what people such legislation might injure, both employees and employers; and what the purpose is of both the 40-hour work week and the minimum wage.

I very much fear that new minimum wage legislation will represent the traditional Congressional approach as I see it: adding on to laws which were enacted many years ago, while failing to reconsider those laws to see if they might now be hurting the very people they were intended to assist.

INTRODUCES BILL TO HELP RESOLVE CLAIMS ON GOVERNMENT CONTRACTS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. FISHER. Mr. Speaker, I am today introducing the Contract Disputes Act of 1977, a bill to provide for the resolution of claims and disputes relating to government contracts awarded by executive agencies. I think the approach taken in this bill has much merit and might be considered along with the approaches taken in other bills.

There is wide agreement that present law needs change. On December 31, 1972, the Commission on Government Procurement conveyed its report to the Congress. A part of their report urged changes in the law affecting the resolution of contract disputes. In the last Congress the distinguished chairman of the Judiciary Committee, Mr. RODINO, introduced legislation designed to correct many of these problems and in this Congress two bills have already been introduced, one by Mr. RODINO and one by my friend and colleague from northern Virginia Mr. Harris, a member of the Judiciary Committee.

The present system is too time consuming and expensive to the contractor and the Government. It is often inefficient and as a consequence unfair. The procedural protections for the contractor are inadequate and the widely desired goals of flexibility and informality are being lost. Before introducing this legislation my office made a point of seeking the opinion of many persons involved in government contract work in the Washington metropolitan area. My district in northern Virginia has one of the highest concentrations of private businesses doing Government contract work of any district in the country. In our conversations and correspondence with contractors and their attorneys we found disagreement over the particular means of solving some of these problems but urgent agreement that a solution must be found and soon.

The particular bill which I am introducing has been brought to my attention by the Board of Contract Appeals Committee of the District of Columbia Bar Association. In order to settle disputes between procuring agencies of the Federal Government and their contractors a system of administrative adjudication by Agency Boards of Contract Appeals has developed. It is to these boards that the contractors must go before carrying their claims to the courts. In theory at least this provides for quicker and less expensive resolution of most disputes.

My bill recognized the basic advantage of these boards but at the same time seeks to strengthen them by upgrading the judges which serve on them and making them more independent of the agency they serve. In addition this bill would require the individual boards to adopt simpler and faster procedures for handling small claims.

Mr. Speaker, I hope the Subcommittee on Administrative Law and Governmental Relation of the Committee on the Judiciary will hold prompt hearings on this bill and the others similar to it. These problems have been with us for too long and action is needed.

PERSONAL EXPLANATION

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I voted for final passage of legislation authorizing funds to make necessary repairs in the John F. Kennedy Center for the Performing Arts. However, because of an important meeting, I did not get to the floor in time to vote on the motion to recommit H.R. 2846. Had I been present, I would have voted "Nay" on rollcall No. 47.

CARTER IS CONFUSING

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. MICHEL. Mr. Speaker, the Peoria Journal-Star recently published an editorial "Carter Is Confusing" which documents the fact that the Carter administration is marked by so much confusion and lack of policy that our Communist adversaries are probably more confused than we are concerning the intentions of the administration.

To confuse one's foreign adversaries may be a sign of shrewd diplomacy; to confuse both one's adversaries and one's own countrymen is a sign of confused and confusing thinking.

As the Journal-Star points out, the President seems to be sending out many different signals at once: his Ambassador to the United Nations says he has never felt threatened by Communists; the President himself meets and corresponds with Soviet dissidents; yet he nominates Paul Warnke to negotiate terms with the Russians and, at the same time advocates serious cuts in the defense budget. What is it all about? Is this the first improvisational Presidency in our Nation's history?

Whatever the truth may be, there is one thing that is certain: as the Journal-Star says of President Carter:

We can all thank our lucky stars that he doesn't come into office amidst double-digit inflation, roaring unemployment, an oil boycott, the worst national disgrace and attendant confusion in the century, and the collapse of a country we had defended for a generation and just abandoned in Asia, while all the Arabs were allied with Russia and there was actual war in the Middle East—like Gerald Ford had to do, right off the bat ... and with an opposition Congress.

Yes, Mr. Speaker, President Carter is making President Ford look better every day.

At this point I insert into the RECORD the entire editorial from the Peoria Journal-Star, March 1, 1977.

[From the Peoria (Ill.) Journal Star, Mar. 1, 1977]

CARTER IS CONFUSING

I find it impossible to understand some of the things being done by President Carter, personally, and his administration, these days.

Nor can I seem to find anybody who does.

The confusion he created during the campaign, which had the press covering him asking so often, "Where does he really stand?" has only been compounded since he came into office.

It surely hasn't been cleared up.

Nobody knows by what process his decisions are reached, or what he is likely to do next. That is especially true in the foreign policy field, where his UN Ambassador says kind words about the Cuban invaders of Africa, and Carter fires off personal letters to Soviet dissidents on the eve of SALT talks and picks a guy to represent us on hard bargaining with the Soviets who seems to have already compromised our bargaining position by publishing that we ought to disarm large-

ly without even caring what the Russians do militarily.

It's confusing to say the least when we seem to be deliberately and publicly baiting the Russians on one hand, and telling them in advance on the other hand that we are thinking seriously of cutting back our military capacity drastically.

Are any of these things actually calculated for a purpose? Or are we just witnessing an amateur president flying by the seat of his pants?

Unorthodoxy has simply scrambled all the normal calculations, and we can't do much but wait and see if it's really heading anyplace.

There's one somewhat comforting thought in all this.

Whatever the games about dissidents may do to relations with Russia, there is one gang that must be enjoying it greatly—the Chinese.

Is there some advantage to us somewhere in that?

And, generally speaking, how would you like to be preplanning and holding strategy sessions in the Kremlin or Havana, or anywhere else these days?

If Carter is confusing for us, think how totally unpredictable the situation is for them?

And it isn't all bad to have them waiting to see what sense can be made of U.S. policy before they can logically fashion one of their own.

So, if he's got everybody guessing—including those whose calculations are based on how to take advantage of us . . . maybe that part isn't so bad.

And maybe it will help buy him the time to learn how to do the job.

Meanwhile, however, we can all thank our lucky stars that he doesn't come into office amidst double-digit inflation, roaring unemployment, an oil boycott, the worst national disgrace and attendant confusion in the century, and the collapse of a country we had defended for a generation and just abandoned in Asia, while all the Arabs were allied with Russia and there was actual war in the Middle East—like Gerald Ford had to do, right off the bat . . . and with an opposition Congress.

C. L. DANCEY.

COMMENDS PRESIDENT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. DOWNEY. Mr. Speaker, the recent statements of President Carter in support of all oppressed Soviet citizens being denied their basic human rights are commendable. His stand is courageous, and one that has not gone unnoticed or unappreciated by the people to whom his support has been given.

I need hardly to remind my colleagues of the great potential for influencing the Soviet Government toward extending human rights to all of its citizens. The Soviet Union relies heavily on the United States for this Nation's technology and food exports. Indeed, without our help in sharing our technological advances and selling vast quantities of foodstuffs, the Russians would be in a sad state of affairs. To put it simply, the Soviets are hurting. Without U.S. exports, their industries would not function and their people would not eat.

The Soviets respect this strength and are acutely aware of their dependence on the United States. They are also all too accustomed to this country's failure to wield this influence in a way most beneficial to it, as well as our willingness to take the first Soviet "Nyet" for an answer.

I hope that the President will not hesitate to use the tremendous leverage his position gives him to persuade the Kremlin to guarantee basic human rights to all Soviet citizens. The time has come to force the Russians, using prudent economic mechanisms, to back down on this most important issue. If they do not, the lives of millions of Soviets will continue to be filled with fear and oppression.

It is my most fervent wish that the President's efforts on behalf of the Russian people are successful, and I urge my colleagues to join me in offering whatever assistance we can for this cause.

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON PREGNANCY BENEFITS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. HAWKINS. Mr. Speaker, on December 7, 1976, the Supreme Court ruled in the case of General Electric against Gilbert that it is not sex discrimination to deny women with pregnancy related disabilities the same sick pay or disability benefits given to other workers. This decision has grave implications for working women who have tried to win equal treatment under the law.

I would like at this time to share with my colleagues the statement of the AFL–CIO Executive Council regarding pregnancy benefits:

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON PREGNANCY BENEFITS

The Supreme Court recently held that Title VII of the 1964 Civil Rights Act, which outlaws discrimination in employment based on sex, does not necessarily prohibit discrimination against pregnant women.

The Court may have ignored it, but the facts of life are that discrimination against pregnant people is discrimination against women alone.

Employment policies regarding pregnancy explain why women workers in general remain concentrated in lower paying, less desirable jobs. Pregnant women have been refused responsible jobs, fired, forced to take unpaid leave regardless of ability to work, and refused the right to use accumulated sick leave or vacation leave for pregnancy-related absences. In the Supreme Court case, women were denied disability benefits available to all other temporarily disabled employees.

The AFL–CIO regards the prohibition of pregnancy-related discrimination as essential to the ultimate equality of women in the workplace. Because of the Supreme Court decision, federal legislation is necessary to make sure that women affected by pregnancy are treated equally with other employees. They should be allowed to work as long as they and their doctors believe they are able to do so. When they are unable to work, they should be granted all benefits and privileges given other workers not physically able to work.

Adoption of such legislation may increase the cost of certain fringe benefit programs. Proper provision for adjusting to these increased costs must be given to labor-management negotiators.

We call upon the Congress to enact, and the President to sign, legislation prohibiting discrimination based on pregnancy and related conditions as soon as possible.

SOVIETS CANNOT BE TRUSTED

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. DERWINSKI. Mr. Speaker, there is more and more evidence by recent developments that the Soviet Union has no intention of abiding with the human rights provision of the Helsinki accords.

An article in the Lima, Ohio, News of March 3, by Allan C. Brownfeld, makes this point in a truly dramatic fashion.

Mr. Brownfeld is a veteran Washington correspondent whose specialty lies in East European affairs.

The article follows for the Members review:

SOVIETS CANNOT BE TRUSTED

(By Allan C. Brownfeld)

The Carter administration, in its first weeks, has spoken out strongly against the deprivation of human rights in the Soviet Union and in other Communist bloc states.

The Czechoslovak civil-rights manifesto, "Charter 77," has, for example, drawn on official endorsement from the State Department. In the case of Soviet actions against Nobel Prize winner Andrei Sakharov, the State Department declared, "Any attempts by the Soviet authorities to intimidate Mr. Sakharov will not silent legitimate criticism in the Soviet Union and will conflict with accepted international standards in the field of human rights."

Most dramatic of all was the personal letter from President Carter received in Moscow by Sakharov declaring, "Human rights is a central concern of my administration. . . . You may rest assured that the American people and our government will continue our firm commitment to promote respect for human rights not only in our own country but also abroad."

All of this is in striking contrast to the position taken on the subject of human rights by Presidents Nixon and Ford and by Secretary of State Henry Kissinger. The clearest example of the unwillingness of the U.S. to involve itself in the internal affairs of the Soviet Union during that period came with Ford's refusal, on the advice of Dr. Kissinger, to meet with Alexander Solzhenitsyn. Now that he is out of office, Ford says this refusal was an error.

Despite its formal commitment in the Helsinki agreement to respect human rights within the Soviet Union, the Kremlin has repeatedly violated its pledged word. Professor Robert Bowie of the Harvard Center for International Affairs notes, "Despite Helsinki, the U.S.S.R. has increased repression and controls to insulate itself aganist expanded contacts under detente. Clearly it will resist pressures to relax repression or to widen access. Yet the West should not hesitate to express its natural sympathy with the oppressed. Moreover the West has practical interests in greater Soviet openness. Soviet secrecy puts limits on the kind of agreements

which the West can safely make, especially in matters affecting security. Thus, there is good reason to use such leverage as may be available to gradually extend the openness of Soviet society. . . ."

The Carter administration's position on human rights should be applauded. It is long overdue. Yet the notion which now seems prevalent in Washington that the question of human rights and the question of a new SALT agreement can be "unlinked," that is, that the Soviet Union may violate its legal commitment made at Helsinki with impunity while we procede to trust it to observe future legal commitments made with regard to weapons made nuclear arms, is a very dangerous one.

President Carter appears to be pursuing two contradictory goals: the first, improving the human condition within the Communist world and, the second, continuing the policy of detente and achieving a new arms agreement. How can the Soviet Union be trusted to keep its word in connection with a new arms agreement if it has not kept its word in the slightest on the question of human rights as spelled out at Helsinki? This is the "linkage" which cannot very easily be sidestepped.

The Soviet Union is clearly angry over the demands for observance of the Helsinki accords now coming from Washington. Soviet Ambassador Dobrynin has lodged a protest with the U.S. for "interfering" in Russia's internal affairs. The fact is, however, that the violation of human rights in the Soviet Union has ceased to be an "internal" affair. With the signing of the Helsinki human rights agreement, it became a formal international commitment of all of the governments involved. When the U.S. challenges Soviet actions in the human rights area, it is only insisting that the Kremlin abide by its commitments.

The fact is the Soviet Union remains a vast prison. In his moving plea to Carter in January, Sakharov detailed the plight of 15 political prisoners. Pyotr Ruban, for example, a craftsman, was sentenced to eight years in a work camp and five more in exile for having carved out of wood a Bicentennial book honoring America's 200th birthday.

Soviet Government policy has sent many dissidents to KGB-run psychiatric hospitals. Two longtime "patients" who now are in the West have described the treatment. Vladimir Bukovsky told of the "roll up." Wet canvas is wrapped tight around the victim and then allowed to dry, causing excruciating pain. Leonid Plyushch told a Western correspondent about the treatment of prisoners who go on hunger strikes. They are force-fed with boiling liquids that are poured into their gullets. The tube is often jammed into the mouth by breaking the patient's teeth.

The Helsinki agreement contains declarations in favor of the right of people to leave and enter countries, access to foreign publications, international youth meetings, the improvement of working conditions for journalists abroad—and much more. The Soviet Union and the satellite countries of Eastern Europe have systematically violated this formal agreement. What makes the Carter administration think it can be trusted to observe a new arms agreement? Until that question can be answered, such an agreement should be viewed with great skepticism.

PERSONAL EXPLANATION

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I support the passage of H.R. 3753, amendments to the Fishery Conservation Zone Transition Act. Unfortunately, I was detained on other matters and was not on the floor for the vote on this matter. Had I been present, I would have voted "yea" on rollcall No. 33.

THE PRIVACY RESPONSIBILITIES OF COMPUTER MANAGERS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. KOCH. Mr. Speaker, computer managers play a crucial role in protecting the individual's right to privacy. When designing computer programs, computer managers, as leaders, may ignore privacy considerations or may require programing that implements a code of fair information practice. In overseeing the day-to-day operation of the programs the computer managers may set an example by acting in accordance with such a code.

A code of fair information practice must include as a minimum five basic principles:

There must be no personal data record-keeping systems whose very existence is secret.

There must be a way for an individual to find out what information about him is in a record and how it is used.

There must be a way for an individual to prevent information about him that was obtained for one purpose from being used or made available for other purposes without his consent.

There must be a way for an individual to correct or amend a record of identifiable information about him.

Any organization creating, maintaining, using, or disseminating records of identifiable personal data must assure the reliability of the data for their intended use and must take precautions to prevent misuse of the data.

A recent article in the January 1977 issue of Computer Decisions squarely addresses the responsibilities of computer managers. The article was written by Robert Ellis Smith, publisher of the Privacy Journal, a Washington monthly newsletter on privacy in the computer age. Therefore, I am including the text of the article, as follows:

TAKE THE PRIVACY INITIATIVE

Alexander Solzhenitsyn, Cancer Ward: "As every man goes through life he fills in a number of forms for the record, each containing a number of questions . . . There are thus hundreds of little threads radiating from every man, millions of threads in all. If these threads were suddenly to become visible, the whole sky would look like a spider's web, and if they materialized as rubber bands—buses, trams and even people would all lose the ability to move, and the wind would be unable to carry torn-up newspapers or autumn leaves along the streets of the city. They are not visible, they are not material, but every man is constantly aware of their existence . . . Each man, permanently aware of his own invisible threads, naturally develops a respect for the people who manipulate the threads."

Data processing managers may not believe it, but they are the "people who manipulate the threads." In an age when 10,000 messages on pulsating beams of light will be transmitted simultaneously along a glass strand about one-fifth the diameter of a human hair—about one two-hundredth the size of a copper telephone wire, information processors may literally be able to weave a web of data around each individual citizen.

Individual computer managers will deny that they wield such power, and they are right. But the information industry of which they are a part does have such power. It is the dominant force in the economy, paying wages that exceed what is paid in the agricultural, industrial and service industries combined. And the industry's own dominant forces are giants of American commerce—ITT, AT&T, IBM, Xerox. Amid all the concern that information continue to flow freely throughout the society, few persons seem worried that this torrential flow will instead drown us.

TO BUILD OR NOT

Whether or not to build or expand a data system is a decision each manager must make. When that system includes information that does not relate to identifiable persons, the decision is essentially a business one. How much does it cost? Will it do the job? Do we need it?

When that system includes personal data relating to identifiable individuals, then the decision raises questions of public policy and human ethics. And when that is the case, you can expect that individual citizens, and therefore their government, will want to be involved.

That involvement will manifest itself in several ways during the first six months of 1977 and of a new Presidency that may well extend into 1984. First, the Privacy Protection Study Commission will report to the President and Congress in June as to whether the principles of fair information practices now imposed on federal agencies should be imposed on information gatherers in the private sector as well. Second, Congressmen Edward I. Koch and Barry M. Goldwater Jr. are sure to introduce in this session legislation requiring fair information practices in business. And third, 1977 will bring more proposals in state legislatures to do the same thing, as well as specific laws to regulate medical records, bank records or state government records.

WHY WORRY?

The response of the data processing professional to all of this often is "Why should we worry? Our information is secure as can be. Our computer security manager is the Six Million Dollar Man, and we have a moat full of alligators surrounding the computer room." But the issues raised by privacy go far beyond the mere security of information; computer security is the least of the worries of a person who is the subject of a government or business file.

The first question the data manager ought to ask is whether the information should be collected at all. The invasion of privacy comes not so much in the unauthorized leak of personal information but in the gathering of the information in the first place. A new computer design that allows for additional data elements is not sufficient reason to collect personal data that has no bearing on the purpose of the system—whether it's an individual's age, or race, or marital status, or salary, or home telephone number or Social Security number. Nor is the suspicion that "We might need that piece of data in the future" sufficient justification.

We suffer from information pollution already. Gathering information that is the least bit extraneous dilutes the credibility of the system and deters the individual from applying for a benefit or service to which he is entitled. It tips the delicate balance between the consumer who is bargaining for the lowest cost in terms of his per-

sonal privacy and the provider of services who needs certain information to determine eligibility.

If it is determined that the information is essential, then the computer manager must take safeguards to see that his or her system does not fit snugly into the spider's web described by Solzhenitsyn. Is there a sound reason why TRW-Credit Data's system should be capable of linking with Equifax's, with the Internal Revenue Service's, with Social Security's, with Aetna's, with American Airlines', with the FBI's, with Blue Cross-Blue Shield's, with the state welfare department's? If the deterrent against linking Big Brother's and Big Business's data systems is not technological but self-imposed policies, we are in bad shape indeed.

OVER THE LINE

Already we have gone too far. Two private insurance companies now have a computer terminal on the Social Security Administration Data Acquisition and Response System (SSADARS), despite promises to Congress in 1973 that this would never happen. Soon, 14 more private insurers and several more private hospitals, with thousands of employees, will have terminal access. Auto insurers now have terminals allowing online access to state motor vehicle records. The government, in turn, links into the *New York Times* Information Bank, with its data on individuals from the pages of the *Times* and 60 other publications. State tax agencies exchange data with the federal Internal Revenue Service by computer. And the Medical Information Bureau in essence links together all of the major health insurers. Banks, with their personal information about customers, will soon be linked with the Federal Reserve Board's electronic funds transfer system.

Is it surprising, then, that an individual citizen should simply say, "None of your business!" when he is asked to complete an application form? Is it any wonder that he will do anything to screw up a computer system—even if the information gathering appears to be legitimate? Shouldn't we expect a citizen to refuse to give his Social Security number, fearing that the number provides the easiest means of data exchanges among computer systems? A spider web does little harm to us, but it's human nature to take a swipe at a part of it, lest we get caught in it next time around.

Business is highly protective of its information, I'm told, because of the competitive marketplace. Only the government can afford to leak data. That response rings hollow when we review the prices being asked for lucrative mail lists or for background information on an insurance applicant or claimant. Unlike the government, business can buy and sell personal information, and business does so. If the price is right, business will sell the data, not protect it.

SAFEGUARDS NEEDED

So the computer manager builds a system that is secure, that gathers only essential data and that may not be linked with other systems. Then what? The manager must make sure that the individual data subject knows that such a system exists, and that he has a means to inspect his own file, and correct it if necessary. And if there is a mistake, the corrected data must be passed on to any and all parties that received the original erroneous report. This process must be automated, if the system as a whole is automated. Otherwise, the individual who exercises these rights will be relegated to a manual file of troublemakers.

Some business spokesmen have complained that providing notice to every data subject is particularly onerous. But, in fact, most data systems communicate with their data subjects at least once a year—with a bill, dividend check or advertisement. And if there are some systems that don't do so, shouldn't they be doing so?

By the time this is accomplished, the data processing manager has complied with fair information practices. And it doesn't even hurt. Still, some business spokesmen have described this code of fair information practices as a demonic plot to kill off free enterprise.

And, they tell me, the cost of privacy will have to be passed on to the consumer (as if the cost of thinly veiled political contributions, bribes to foreign governments and ludicrous advertising are not passed on to the consumer). Studies have shown, in fact, that the cost per person of assuring fair information practices is far less than the cost for business to meet environmental standards and other societal requirements. Many of the expenses ought to be assessed against better management and computer security, not privacy. Many large companies are already complying with proposed privacy legislation without a dent in their profits.

For the sake of privacy on a business trip, most persons choose to stay in a single hotel room, not share a double. Consumers ultimately pay for that, just as they pay for an executive's first-class airplane seat or private office. The cost of privacy is regarded as a routine business expense; why shouldn't computer privacy be regarded in the same way?

ALL VICTIMS

Privacy is an issue that will not go away. We are all victims of invasions of privacy as insurance claimants, patients, bank depositors, students, recipients of public funds, retirees or employees. And the more than half of us in American society who are involved in information collection, processing and dissemination are perpetrators of privacy invasions as well (some invasions worse than others). This does not include others in the non-information sector of the economy who use personal information in their work—doctors, for instance.

At home we think of ourselves as victims of more and more demands for personal information. At work, we rarely think of ourselves as the ones who are creating those demands. The insurance underwriter is irritated by the FBI's computerized files of arrest records. The cop is irritated by the hospital's file on his wife's illness. The hospital nurse worries about what becomes of her tax returns. The federal tax agent thinks that the problem lies at Social Security. The Social Security bureaucrat wishes that his kid's teacher wouldn't record sensitive family information in cumulative files. The teacher wonders why the insurance needs her Social Security number.

Oh, what a tangled web we weave, when first we practice an information economy. Sir Walter Scott didn't say that, but he should have.

HAPPY BIRTHDAY TO MR. IRA DEAN BOUTWELL

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. FREY. Mr. Speaker, I would like to congratulate a distinguished citizen of Florida, Mr. Ira Dean Boutwell of Sanford, on his 100th birthday today.

Mr. Boutwell and his son, Clarence L. Boutwell, worked together for 31 years in Worcester, Mass., as automotive-electrical repairmen. Throughout World War II, they were in charge of making certain that our Government vehicles ran smoothly.

Both Ira Boutwell and Clarence Boutwell, who will be 75 years of age later this year, have spent their lifetimes helping their neighbors and communities. Men such as the Boutwells are the backbone of our country; it is people like them who make this country so great.

A hearty happy birthday to Ira Boutwell today, and our best wishes to both these fine gentlemen.

WELFARE REFORM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. ROSENTHAL. Mr. Speaker, I am pleased to be a sponsor of two excellent bills which were introduced by my colleague, Mr. SOLARZ. These two measures comprise a most thoughtful and intelligent approach to reforming the maze of public assistance programs termed "welfare."

Waste, fraud, and duplication are virtually accepted characteristics of welfare. The American taxpayers, as well as rightful program recipients, are being cheated by this billion-dollar monstrosity. It is essential that we formulate a comprehensive remedial program to eliminate abuse. In the spirit of reform and reorganization, I am pleased to add my name to these bills.

Both measures are based on a concept that I have strongly supported over the past several years: the federalization of welfare. Overall, this is the most economical and sensible approach and will greatly relieve the financial burden on our Nation's older cities.

The first bill, H.R. 3543, is designed to provide immediate relief to urban localities by changing the Federal reimbursement formula for medicaid and aid to families with dependent children, AFDC, to a uniform 75 percent. In addition, this bill requires that the local contribution be provided by the State rather than the municipalities which would free New York City of its 25-percent share. Enactment of the new formula will go a long way toward relieving cities like New York from financial stress. In fact, were New York City's current welfare contribution eliminated, its $650 million deficit could disappear.

The second bill, H.R. 3605, comprises a more long-term approach by eliminating fraud and inefficiency and streamlining costly administrative procedures. This measure consolidates and simplifies various public assistance programs including supplemental security income, SSI, AFDC, food stamps, and home relief.

The new plan, broadly termed the family income maintenance plan, FIMP, would insure that every American head of household be provided with a minimum income of $4,700. Individuals from areas in which the cost of living is 10 percent or more above the national average would be provided with an additional 10 percent bonus payment. This effectively funnels the money to areas where needs are greatest. Because some indi-

viduals may end up receiving less assistance under the new plan, the bill also includes a "benefits clause" which would insure adequate assistance for all.

Under the family income maintenance plan, cities would be financially relieved of the entire welfare load. The State supplement would be funded by State revenues.

A social disadvantage of the current welfare system is the built-in work disincentive. The Solarz proposal deals with the working poor sensibly and rationally. Instead of penalizing persons for earning extra income, it provides financial incentives to do so. This, in addition to a work registration requirement. is an important step to a welfare system responsive to the needs of all persons.

The family income maintenance plan is a thoughtful and efficient approach to welfare.

HUMAN RIGHTS

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. MIKVA. Mr. Speaker, few situations since the terror of the Third Reich parallel the violent repression which characterizes Idi Amin's Ugandan dictatorship. The apparent torture and murder of Anglican Archbishop Janani Luwum following his alleged "plot" to "overthrow" the government recently runs counter to the most basic concepts of justice and human decency. The specter of a new wave of religious assassinations, mass murders, and disappearances is equally ominous. The continuing juggling of the few Americans who remain in Uganda is disturbing at the very least. Added to the expulsion of 40,000 Asians in 1972, the murder of the editor of a critical Catholic journal in 1973, the disappearance of a British airline passenger in 1976, and countless other outrages, these most recent events demonstrate the power of fear and persecution when used as an instrument of governmental control.

Dissent has been virtually nonexistent. For years, religious groups in Uganda have remained silent in the face of unrelenting attacks by the government against individuals. Maintaining a policy of noninvolvement in "internal affairs," the Organization of African Unity refuses to recognize its own embarrassment when one of its member nations is ruled by a cruel tyrant.

Amin's claims of internal sovereignty echo those of other totalitarian leaders throughout the world who seek to muffle the growing outcry against the systematic degradation of human rights. Speaking out against that oppression, however, is an international cause, one whose borders have no limits. Recent appeals by a few courageous individuals in Uganda—indeed, by the late Mr. Luwum himself—cry out for support. Such cries need answers. Violations of fundamental human rights, such as the recent atrocities in Uganda, compel us to join individuals around the world who are asking for what is undeniably theirs; namely, the freedom to speak out and the opportunity to be heard.

Just as human rights is an international freedom, the denial of those rights is of international concern. No one is suggesting interference with the legitimate internal business of any country. But we must not abandon, in the name of economy or politics, our moral commitment to justice. As recent events in Uganda and other nations tragically admonish, it is a commitment we are being forced to reassert with greater frequency than ever before.

MAINE INDIAN LANDS CLAIM

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. McKINNEY. Mr. Speaker, on March 1, the members of the Maine congressional delegation jointly introduced legislation in the House and Senate to limit pending land claims by two Indian tribes against the State of Maine to monetary damages.

They took this action because of the severe disruptive effect the Indian claims have had on the State and thousands of innocent Maine residents. As the rest of the Nation is quickly realizing, the Maine case is extremely complex, based on conflicts, laws, and treaties of two centuries ago. The Maine delegation introduced their bills, H.R. 4169 and S. 842, in an effort to preserve the Indians' right to make their case in court and to preserve other Maine property holders' right to lands they have held in good faith for 180 years.

Yesterday morning's Washington Post carried an editorial addressing the Maine Indian claims case and the legislation introduced by my colleagues to deal with it. The Post editorial offers a realistic evaluation of a serious and growing problem, and I urge each of my House colleagues to read it.

The editorial follows:

THE INDIANS' RAID ON MAINE

Give Maine back to the Indians? It may sound preposterous, but the Passamaquoddy and Penobscot tribes are now laying legal seige to a large portion of the state—and they are backed, however reluctantly, by the federal government. The 3,000 or so Indians are far from proving their astounding claims, which could involve billions of dollars and 12.5 million acres in which about 350,000 non-Indians now live. Even so, the litigation has disrupted Maine's economy and has spurred the remnants of other tribes to press claims in Massachusetts, New York and elsewhere.

Why has the issue of Indians' rights, with all its emotional freight and legal and historical complexities, suddenly come back East? Because a federal court in Boston ruled that everyone—the national government, the states, the tribes themselves—had been wrong in assuming, for over 180 years, that eastern-seaboard Indians could be dealt with by the states. The ruling upset the treaties which the Passamaquoddy and Penobscot tribes had signed with Massachusetts and Maine between 1794 and 1883. The court also required the federal government to act as the tribes' trustee and perhaps their advocate.

So ancient agreements have suddenly been reopened, casting doubt on all the property rights and investments built up in good faith over nearly two centuries. It is hard to see where the justice lies in this. Even at this distant remove, the Indians may be entitled to a day in court, and to damages if they can prove that their ancestors were cheated or conned. But if our hearts bleed for anyone, they bleed more for the states and citizens who face enormous losses now. They did not set the doctrine of state jurisdiction which has been overturned; they should not be forced to suffer years of economic loss while incredibly tangled lawsuits go on. Because the error, if any, was national, the national government now has to come to the rescue of everyone.

Unless the current negotiations can bring an accord by June 1, the government will have to start the excruciating process of suing Maine and its large landowners, mostly paper companies. Congress has no time to waste. The Maine delegation has proposed legislation which would extinguish the tribes' claims to land and allow them to seek damages in the Court of Claims. Congress should take this up seriously and quickly. It seems to be a reasonable approach to cases in which no perfect justice can be found.

A CONSTITUENT'S LETTER

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. JOHNSON of Colorado. Mr. Speaker, recently, I received a letter from one of my constituent's from the Fourth District of Colorado. This individual has addressed, in a clear and concise manner, a subject of great concern to the small meat processing firms throughout the State. The beef industry being a vital interest to Colorado and neighboring States, I would like to share with my colleagues the contents of the letter as it explains a problem faced by the industry's smaller participants:

FORT MORGAN, COLO.

A problem has arisen, which concerns me and I am certain I am joined by many other small meat processing concerns.

The problem concerns the USDA program for purchasing beef to furnish to schools and elderly feeding programs. It is my understanding that the USDA purchases this beef to create a larger market for beef.

In my opinion, this program is helping no one but the large beef processors. If the USDA would not operate this program, many small processors in this country would be able to compete for school contracts. For instance, here in Fort Morgan the school system uses approximately 2,500 pounds of ground beef per month; however, in the contract I received from them for the current month, I will only be able to sell them 400 pounds, as the USDA is supplying the rest.

This country is supposedly based on the free enterprise system, yet the government is driving the small beef processors into a hard-pressed situation by competing with us.

As an alternative method of subsidizing schools and others with beef, why not pay the schools money for the beef they buy. This would not only help the small processor, but it would also save the government money. For example, on February 17, 1977, the USDA paid $.7005 per pound for ground

beef, while my price for that week was $.63 per pound. Considering the USDA purchased 8,200,500 pounds, that would be a savings of $578,135.25. Multiply this figure by 42 school weeks and it would amount to a savings of 24¼ million dollars every year.

I sincerely hope there is a remedy for this situation and that you can help us.

Thank you,

NEAL ZIMBELMAN,
A & Z Meat Processing Co., Inc.

TAX THE RICH

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. KEMP. Mr. Speaker, this editorial speaks so eloquently for itself, it needs no introduction. I hope everyone reads it:

[From the Wall Street Journal, Mar. 8, 1977]

TAX THE RICH

In what has become an annual event, the Treasury Department last week reported that 230 of the nation's wealthiest individuals paid no federal income taxes in 1975. Of the 34,121 persons who reported adjusted gross incomes of $200,000 or more, 230 paid no tax. In 1974, the number was 244. In 1973, 154.

Since early 1969, when lameduck Treasury Secretary Joseph Barr initiated this festivity by announcing that 200 rich Americans had escaped taxes by crawling through loopholes, the government has been trying to do something about it. Loopholes have been closed left and right. A minimum tax has been legislated, then increased. IRS, treating the annual figure as a source of embarrassment, bends every effort to reduce it. But more rich people are paying no taxes than in 1969, and the economy is in much worse shape now than it was then.

It stands to reason, and we thoroughly believe, that the U.S. economy would benefit enormously if the rich paid more taxes. We have been arguing this, at least implicitly, for years. What we have not been able to get the politicians to understand, though, is that you can't get rich people to pay more in tax *revenues* by raising their tax *rates*. If you raise the rates, it becomes even more profitable for them to hire lawyers and accountants to find them loopholes, and the cost of this misdirected effort is a dead loss to the economy. Or they stop working entirely and dissipate their capital drinking champagne and sailing yachts, which is also a dead loss to the economy. Either way, they contribute less in tax revenues, and the burden of supporting government expenditures falls on the middle class and poor.

Consider what would happen to a "good" rich person who refuses to use loopholes and prefers hard work to sailing yachts. He decides to invest $1 million of his capital in a widget factory in New York City, which will employ hundreds. He will run it himself, arranging the financing, assembling the personnel, finding the markets, and so forth. Give him a year to get off the ground, but say he is lucky enough in the second year to make a 10% profit on his invested capital. This is after his workers have paid federal, state and local income taxes and the widget company has paid property taxes, license fees, etc.

Of the $100,000 profit, the city clears away roughly $5,700, leaving $94,300. The state clears away about 10% of that, leaving $84,870. The IRS, levying at progressive rates, snatches $38,000, leaving $46,870. Our good rich person then pays this to himself as a dividend.

Being rich, our man is of course in the highest personal income-tax brackets, and after paying 4.3% to the city ($2,015) has $44,855 left. The state clips him for 15% of that ($6,728) and leaves him $38,127. Uncle Sam "nicks" him for 70% of that which is $26,689, leaving him with $11,438.

Thus, on the investment of $1 million in capital and two years hard work in assembling an enterprise that is risky to begin with, this lucky fellow who turned a profit of $100,000 has $11,438 to spend. He has given up two years on his yacht to gain $5,719 in annual income. If he had invested in tax-free municipals, he would have gained roughly $60,000 in annual income and could have remained on his yacht instead of fighting New York City traffic, City Hall, and the widget-makers union.

Ralph Nader's loophole closer calculate that if you closed the loopholes the "bad" rich people would be forced to pay taxes. This assumes the bad rich will be forced to risk $1,000,000 and two years' hard work for $5,719 in after-tax income. Even Fritz Mondale, we will guess, would feel uncomfortable with this assumption.

Why not tax the rich by lowering the rates they face? They will thus be enticed back from their yachts and once again assemble widget plants in New York City, with tax revenues flowing to Washington, Albany and City Hall not only from them, but also from all those who would then be usefully employed in widgetmaking. By all means, tax the rich! But do it right, and in this fashion lift the burdens of taxation from those who aren't rich.

HOWARD SEEYLE

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. BADHAM. Mr. Speaker, I would like to call to the attention of my colleagues the distinguished career of Howard Seeyle who has recently retired from the Orange County Edition of the Los Angeles Times newspaper as a prominent political writer and concluded his career in the field of journalism to which he has made a significant contribution.

At the time of his retirement from the Los Angeles Times he swept the Orange County Press Club annual awards in essentially all of the top categories: Best Article on the History of the American West—first place, Best Article on the Status of Women—first place, and Best Feature Story on "A Day in the Life of an Air California Airplane"—first place. Previous press club awards have included: Best Front Page, Best Typography, Best News Story, Best Special Edition, and others.

Some of his previous professional positions have included: managing editor of the San Gabriel Valley Tribune, executive vice president of the Palos Verdes Newspapers, Inc., owner-published of the Pismo Times and the Grover City Press, and managing editor of the El Centro Post-Press.

He has served as the State chairman of the California Editors' Conference and the southern California chairman of the Associated Press News Executives Council. Among other civic contributions, he has served as the president of the Whittier College Alumni Association, director of the Orange County Press Club, president of the Palos Verdes Peninsula Kiwanis Club, and coauthor of the political history of Orange County.

A man of extensive experience in the field of journalism and himself a former candidate for Congress, Howard Seeyle has a thorough understanding of the political and governmental process. It is my pleasure to pay tribute to this man who has given so much to the constituents of the 40th Congressional District and those in both Orange and Los Angeles Counties during his tenure as a "member of the press."

THE NOMINATION OF PAUL WARNKE

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. HAGEDORN. Mr. Speaker, the nomination of Paul Warnke to head both the U.S. Arms Control and Disarmament Agency and the U.S. delegation to the SALT talks is due to be voted on by the Senate today. Although the House has no vote on this crucial nomination, I would like to briefly outline some of the reasons why I view Mr. Warnke's nomination with great concern.

In recent years, Paul Warnke has assumed a leading role as a spokesman for disarmament and arms control. His views have been clearly stated in his well-known Foreign Policy article of spring 1975. There, Mr. Warnke addresses the arms question on two levels: Limits on strategic nuclear arms, and America's global military posture. On strategic nuclear arms, Mr. Warnke states:

I would not like to see the SALT talks stop . . . But if we must accept the insistence that the momentum of our strategic weapons programs must be maintained in order to bargain effectively, the talks have become too expensive a luxury . . . Insofar as formal agreements are concerned, we may have gone as far as we can go now.

As an alternative, he proposes a policy of unilateral restraint, or what has been termed "unilateral initiatives," which he hopes will be emulated by the Soviet Union:

The chances are good . . . that highly advertised restraint on our part will be reciprocated. The Soviet Union, it may be said again, has only one superpower model to follow. To date, the superpower aping has meant the antithesis of restraint . . . It is time, I think, for us to present a worthier model. The strategic arms competition is a logical place to start.

He refers to this as the "monkey see, monkey do" phenomenon, and suggests that the United States set the proper example by unilaterally halting virtually all its strategic arms programs in the hope that the Soviet Union will do likewise.

Mr. Warnke's view is regrettably naive and divorced from reality in my opinion, assuming that the Kremlin is incapable of formulating initiatives and

strategic goals independently of the United States. As columnist George Will has noted, this assumption is simply not borne out by the facts. The Soviets have consistently failed to "ape" the restraint that has already been exercised by the United States. They failed to follow our lead in delaying deployment of antiballistic missile systems; they have failed to follow our example in holding steady at a level of 1054 ICBM's, instead preferring to far surpass us; they have failed to follow our example in holding steady at a level of 656 submarine launchers, again preferring to substantially exceed this; and they have followed a policy of increasing their levels of defense spending each year unlike the United States which, in terms of real dollars, has seen spending levels decline by an average of 8 percent annually for the past decade and a half. Contrary to Mr. Warnke's views, the Soviets seem quite capable of acting independently of the United States.

On the subject of America's global military posture, Mr. Warnke's views are equally open to question. He describes as a "fiction" the idea that "protection of our interests implies a global military mission requiring that we maintain the capability to deal with congeries of contingencies throughout the world." And he proceeds to philosophize that—

Detente is based on the wholesome realization by the United States and the Soviet Union that their direct military involvement in local conflict would create unacceptable risks. There is still some dangerous posturing on both sides. But sensitive diplomacy has begun to come into its own.

The autumn after this statement was written, the Soviet Union gave the world a view of its sensitive diplomacy with its intervention in Angola. More recently, they have played an important role in stabilizing the regime of Ugandan dictator Idi Amin.

In a similar vein. Mr. Warnke has asserted that—

Even substantial nuclear superiority, short of nuclear monopoly, could not be a decisive factor in any political confrontation between the United States and the Soviet Union.

In testimony before the Senate Armed Services Committee, however, the Pentagon unequivocably refuted this view, arguing that nuclear superiority was, in fact, decisive in securing a satisfactory resolution to the Cuban missile crisis.

Mr. Warnke has too frequently been wrong in matters where no such luxury is permitted those whose views shape policy. Highly respected defense authority Paul Nitze has written of Warnke:

I am concerned that Mr. Warnke who has spoken with such certainty on matters of military requirements, weapons capability, and strategy may, nevertheless not be a competent judge or qualified student of these matters.

Nor is there any record of ability in negotiating defense matters.

Calling for unilateral restraint at a time when the weight of evidence shows the Soviet Union striving for unequivocal nuclear superiority flies in the face of logic. Our chief SALT negotiator must possess a deep and thorough knowledge of Soviet strategic thought, something else which Mr. Warnke apparently lacks. He has advocated unilateral American moratoria on the MIRVing of American missiles, and on the development of the Trident submarine, the B–1 bomber, and the cruise missile. I do not believe that Mr. Warnke can be expected to credibly and successfully negotiate with the Soviets when his views on disarmament are so well known, and when he has been so critical of exactly those weapons systems which constitute America's principal bargaining counters.

For these reasons, I strongly urge the Senate to consider rejecting Mr. Warnke's ill-advised nomination.

SOCIAL SECURITY NEEDS OVERHAUL

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mrs. MEYNER. Mr. Speaker, since coming to Congress, I have spoken often of the need for overhauling our Nation's social security system. And like many of my colleagues, I have tried to redress some of the problems inherent in the system today through specific legislation. But one problem that is especially difficult for those of us concerned with the system and its future is public misunderstanding. Most observations on the nature of the system are painted with a broad brush, and this only serves to increase misunderstanding and apprehension about the system.

It is gratifying, then, when one reads or hears of a cogent, intelligent, and responsible critique of the social security system. And that is exactly what Carol Talley, an award-winning newspaper columnist with the Dover, N.J., Daily Advance, has done in a recent column. Despite the complexity of the problem presented by the social security system, Ms. Talley has succeeded in assaying in as few words as possible the key questions raised about social security today. I believe the article would make interesting reading for everyone concerned about the future of the social security system:

SOCIAL SECURITY NEEDS OVERHAUL

(By Carol Talley)

Women have fought so hard for equal rights that the men are finally getting them.

Social Security has always been a female's stronghold based on her supposed, age-old status as the non-paid wielder of pots and pans.

Mother's place was always in the kitchen and Social Security—in the event she suddenly lost her breadwinner and had to raise children alone—was based on giving her financial help to do the job.

No one ever took it much into account that Mom would work enough to pay the rent and accrue much in the way of cash in any Social Security account.

And when she started to sock it away by contributing to the household and even being the head of a household men still had a rough time collecting from Social Security if they became the survivors with children to raise.

All of that changed this week with a precedent-setting U.S. Supreme Court decision in which the majority of justices said men no longer have to go to extraordinary lengths to prove dependence on wives' earnings. They are in fact, equal to women on the issue of support presumption.

But there still are other inconsistencies in the Social Security laws—ones that men and women are likely to attack in the great race for equal rights.

Why should a woman be eligible to collect fully benefits at 62 and a man has to wait until he is 65?

Medically, it would seem more logical the other way around since women generally live longer than men.

While those in the Social Security Administration contend the program has burgeoned way past its original intent, growth is inevitable and possibly necessary to take people who are proud off of the welfare rolls.

A man or woman can collect Social Security early based on a permanent disability. However, if the same man or woman has a disabled spouse who also cannot work but has not paid into Social Security that person remains ineligible until the proper age has been reached to collect off the spouse's former earnings.

The only avenue open for the disabled spouse who didn't work is welfare. Why should it be so when Social Security has provisions for this same person to collect later even without a work record?

When a disabled person goes on permanent disability, it takes two years for that person to become eligible for Medicare. Why? It would seem particularly important for a disabled person to have access to medical help. He or she wouldn't be on Social Security if medical problems didn't exist.

The costs involving Medicare to the recipient keep going up too—a factor which cuts down on what people receiving benefits have to live on.

The program has problems. Of that, there is no doubt. It was formed as a hedge against old age. Many people, however, find themselves trying to live on the benefits when they reach the years when they are supposed to be able to live leisurely.

The move to cut out disparities in the laws is bound to increase costs for benefits to be paid out.

But a renovation of Social Security could cut out the need for some people to needlessly be thrown cnto the welfare rolls in their late years—a place where they are missing the dignity they earned in the many years they contributed to their towns, states and the country as a whole.

TRIBUTE TO A TRUCKER

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. BROWN of Ohio. Mr. Speaker, recently I received a letter from the director of public relations, CW Transport, Wisconsin Rapids, Wis., calling my attention to a humanitarian act performed by a CW Transport employee and a Seventh District constituent, Mr. Ronald "Tex" Martin of 21 West Pleasant Street, Catawba, Ohio. The letter contained an enclosure from the principal of the Tri-County Middle-Senior High School, Wolcott, Ind., Mr. Nyle O. Fox, and the full text follows:

Tex Martin was stranded at Tri-County High School with 275 other travelers on January 28, 1977. He is an Emergency Medical

Technician and immediately took charge of our clinic area and administered first aid. He organized several people to assist him and worked over 8 hours checking each person who came into the school. Through his efforts there were no serious aftereffects from the many frostbite cases we had.

Mr. Martin's immediate response to this emergency is typical of the personal concern and courage which built America. He didn't stay in the background or worry about lawsuits which could arise from his efforts. His organization and tireless effort helped each traveler to feel relaxed and comfortable.

CARTER CAMPAIGN PROMISE: PROTECT OUR VALUABLE WETLANDS

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. EDGAR. Mr. Speaker, in the next few months, the House of Representatives will resume an important debate on the status of the Corps of Engineers' section 404 program. This program, authorized by the Federal Water Pollution Control Act, provides protection to our wetlands and other waters from irreversible harm caused by dredging and filling operations.

During the last Presidential campaign, Mr. Carter issued an insightful and knowledgeable position paper on the value of wetlands, and the need to protect them from environmental destruction. I believe this paper has much merit, and should be studied by my colleagues who may be asked to approve an amendment to the section 404 program. At this point, Mr. Speaker, I would like to insert the text of the position paper at this point in the RECORD:

JIMMY CARTER ON WETLANDS

This nation's wetlands are a most valuable resource. They must be protected. Both coastal and inland wetlands offer opportunities for fishing, hunting, boating, hiking, birdwatching and general appreciation of nature. They provide valuable habitat for wildlife and serve as breeding, feeding and wintering areas for waterfowl. Wetlands perform pollution control activities at no cost to the taxpayer. They filter out nutrients, capture toxic materials that would otherwise pollute our lakes and streams, and produce enormous amounts of oxygen at the same time.

Coastal wetlands retain the silt that often settles in our navigation channels, necessitating costly dredging. This silt also damages shellfish beds. These wetlands are the spawning and nursery areas for fish and shellfish, which supply an important source of high quality and protein-rich food. Our saltwater, commercial and sport fisheries are heavily dependent on the coastal wetlands. They also act as a buffer for hurricanes and ocean storms.

While many of us recognize the benefits of coastal wetlands, we often do not appreciate those that lie inland. Roughly 85% of the nation's wetlands are inland. Our inland wetlands collect water during heavy rains and thereby reduce flooding. Wetlands release water slowly, which lessens the impact of drier periods. They also recharge ground water and aquifers. Many farmers and ranchers must utilize ground water for livestock and irrigation. Millions of Americans also depend on ground water and aquifers for their drinking water.

Studies have shown the enormous value of the wetlands to all of us. Coastal wetlands may be worth up to $80,000 per acre and inland wetlands are worth as much as $50,000 per acre. But our present economic system does not transfer this value to individual owners. Therefore, wetlands will continue to be destroyed until the government takes steps to protect them.

Two hundred years ago the area now encompassing the lower 48 states had approximately 120 million acres of wetlands; today we have only 70 million acres left. Within the last 20 years we've lost six million acres of wetlands. As Governor, I took steps to stop the destruction of this valuable resource by strengthening Georgia's Coastal Zone Act and controlling stream channelization. As President, I will encourage wetland protection programs at the local and state levels. I will also coordinate the federal agencies whose activities have an impact on the wetlands. Some states have assumed wetland protection responsibilities. Until others are ready, the federal government must protect this valuable resource.

SECOND CORNER OF THE TRIANGLE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. DERWINSKI. Mr. Speaker, as a long time advocate of a comprehensive energy program, I direct the attention of the Members to a very effective editorial which appeared in the Chicago Daily News of March 2.

For too long the Congress has fiddled while the energy situation has grown acute.

The article follows:

SECOND CORNER OF THE TRIANGLE

President Carter's proposal to establish a new Cabinet position, a Department of Energy, was enthusiastically received by Congress, as well it should be. Some legislators have a worry or two, but nothing that would threaten Carter's attempt to bring some sanity, consistency and efficiency to the nation's fragmented energy policies.

The main objection seems to center on the elimination of the Federal Power Commission, which regulates natural-gas and electric-utility companies that operate interstate. Some lawmakers oppose putting regulatory functions in an agency whose main purpose is energy development because of the effect such a combination could have on consumer energy costs.

It appears Carter successfully has isolated the many regulatory functions from the developmental aspects in the new department, and in any event some combination of those two duties is necessary to formulate a coherent energy policy. In the past, energy-regulating agencies have operated in a vacuum, with scant regard for the costs or benefits that their rules had on over-all energy policy. The nation has been ill served by regulatory policies that cater to one or another special interest group at the expense of the national interest.

Carter's reorganization, if it is cleared by Congress, thus covers the second corner of the energy triangle. The Senate already has reorganized its committee structure and combined various energy-oversight functions in one Committee on Energy and Natural Resources.

The House has yet to act, however, and seems determined, in its misplaced desire to retain its influence, to frustrate development of a co-ordinated energy policy by dispersing authority over several committees and subcommittees.

The Senate and now the President have shown the way, and the House must be held to account if the national interest in energy development is thwarted by a bureaucratic maze and mindless defense of legislative turf.

"A BILL TO END SCHOOL BUSING"

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. McDONALD. Mr. Speaker, on March 3, 1977, I introduced H.R. 4479, a bill to eliminate Federal court jurisdiction over forced school attendance. Its purpose is to prohibit Federal court orders forcing children to attend a particular school, such as orders to bus children to specified schools because of their race. Its means is to employ the authority granted to Congress by article III of the Constitution to restrict the jurisdiction of the Federal courts to issue such orders.

Frankly, it is surprising there are still proponents of school busing for the purpose of achieving racial balance. It is costly, it is driving down the quality of education, and it is apparently resulting in greater segregation, the very opposite of its alleged purpose.

Even Sociology Prof. James Coleman, the author of the influential 1966 study used as a basis of many busing orders, now says court-ordered school integration is a failure. A new study by Coleman shows that court-ordered integration results in a "general resegregation in all regions of the country." In an interview published in the National Observer, Coleman called the courts "the worst of all possible instruments for carrying out a very sensible activity like integrating schools."

BUSING FOSTERS RACISM

But by far its most pernicious aspect is the effect on the children who are caught up in it. Racism is a crude form of collectivism. It consists of treating people as members of racial groups instead of as individuals based on their own qualities of character. Consider what a young person is taught when he is uprooted from his school and friends and forced to attend some distant school, and told that the reason is his race. Thus are the seeds of racism planted in young and impressionable minds.

And thus it is no wonder that busing increases racial awareness and racial tensions. If we wish to attack racism, we must eliminate race as a standard for determining anything. Which means we must eliminate Government-imposed quotas and "affirmative actions." The first to go should be one of the most insidious: Assignment of children to various schools on the basis of their race.

FROM BROWN TO GREEN: THE SWITCH FROM NON-RACIAL TO RACIAL SCHOOL ASSIGNMENT

To eliminate this we must curb its chief source: The Federal courts. Some

of these courts are now holding that busing is necessary to remedy violations of ing is necessary to remedy violations of tection of the law under the 14th amendment.

Consider, however, the history of desegregation decisions dating back to *Brown* v. *Board of Education*, 347 U.S. 483 (1954). In that case the Court held that the state policies requiring the separation of students in the public schools on the basis of race violated the equal protection clause of the 14th amendment, thus overturning the "separate but equal" doctrine established in *Plessy* v. *Ferguson*, 163 U.S. 537 (1895). The Court, in the words of Chief Justice Earl Warren, stated:

"The fundamental principle that *racial discrimination in public education is unconstitutional.*"

And held that—

"All provisions of federal, state, or local law requiring or permitting such discrimination must yield to this principle." (emphasis added)

In discussing appropriate remedies, Chief Justice Warren further stated:

"At stake is the personal interest of the plaintiffs in admission to public schools as soon as practicable on a *nondiscriminatory* basis",

And:

"The courts may consider . . . revision of school districts and attendance areas into compact units to achieve a system of determining *admission to the public schools on a nonracial basis* . . ." (emphasis added)

I am not sure how the Supreme Court could have more explicit—racial discrimination in public education is ruled unconstitutional and admission to the public schools must be on a nonracial basis. And yet a series of Federal court decisions over a period of years have resulted in exactly the opposite—the ordering of children to attend certain schools because of their race.

At first the Court declined to interfere with the administration of its Brown mandate, allowing the enactment and administration of "pupil placement laws" assigning each student to a school on the basis of formally nondiscriminatory criteria. Eventually, however, the lower courts began voiding these laws on the grounds of discriminatory application and in the early 1960's various State practices such as school closings, minority transfer plans, and zoning were ruled inadmissible. What followed is well summarized in "The Constitution of the United States of America, Analysis and Interpretation," prepared by the Congressional Research Service, Senate Document 92-82, page 1498:

"About this time, 'freedom of choice' plans were promulgated under which each child in the school district could choose each year which school he wished to attend and subject to space limitations he could attend that school. These were first approved by the lower courts as acceptable means to implement desegregation, subject to the reservations that they be fairly administered."

However—

"Enactment of Title VI of the Civil Rights Act of 1964 and HEW enforcement in a manner as to require effective implementation of affirmative actions to desegregate led to a change of attitude in the lower courts and to a three-case decision in the Supreme Court posited on the principle that the only desegregation plan permissible is one which actually results in the abolition of the dual school and charging school officials with an affirmative obligation to achieve it."

The crucial case was *Green* v. *County Board of Education*, 391 U.S. 430 (1968), in which the Court declared that State and local authorities have an "affirmative duty" to abolish the effects of former discriminatory practices.

Notice the switch, the change from eliminating discrimination on the basis of race to requiring it. Traditionally the test of violation of the equal protection clause has been whether segregation is de jure, the result of intentional action of school officials, or de facto, resulting from factors other than the application of the law by State and local officials—neighborhood residential patterns, for example. But as the courts began to rule on the various plans of school districts to eliminate racial discrimination, they increasingly expanded the scope of de jure segregation until it included virtually any schools not containing a "proper" ratio of black and white students. Thus it became virtually impossible for school officials to come up with any plan of student assignment that would not be ruled a case of de jure segregation.

Now the obvious solution is the "freedom of choice" plan that many school systems attempted to implement. If a student is given the freedom to choose which school to attend, clearly he is not being discriminated against because of his race; however, when the courts began disallowing such plans and requiring "affirmative action" instead, they made it impossible to implement the Brown mandate to eliminate racial discrimination from our public schools—there is simply no way to pursue an "affirmative duty" without making race the standard of school assignment.

This was made clear by the subsequent Court ruling in *Swann* v. *Board of Education*, 402 U.S. 1 (1971), in which the Court pointed out that the neighborhood school or any other student assignment plan "is not acceptable simply because it appears to be neutral." Instead, the Court stated that:

"Because the present situation may be attributable to past discriminatory actions in site selection and location of school buildings, it is permissible, and may be required, to resort to altering of attendance boundaries and grouping or pairing schools in noncontinuous fashion in order to promote desegregation and undo past official action; in the remedial process, conscious assignment of students and drawing of boundaries on the basis of race is permissible for the moment."

The Swann decision explicitly approved busing of students in this remedial process.

BUSING IS DISCRIMINATORY AND ILLEGAL

Two things must be said about this policy of ordering race conscious school assignment to remedy past discrimination. First, discriminating against today's school children in no way corrects past discrimination. No one would advocate that a man's son pay for a crime committed by his father; yet in regard to racial discrimination, many people somehow believe that guilt is collective, is passed on from one generation to the next and that punishing today's children is an appropriate means of atoning for yesteryear's sin.

Second, such a policy is illegal. Equal protection of the law is surely not afforded to those children forced to attend a particular school because of their race. In fact this is precisely what the Supreme Court held in the Brown case when it outlawed racial discrimination and ordered admission to the public schools on a nonracial basis. Congress agreed when it passed the Civil Rights Act of 1964 defining "desegregation" as—

"The assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin, but 'desegregaiton' shall not mean the assignment of students to public schools in order to overcome racial imbalance." (42 USC 2000c)

So what should be done? School busing is illegal and irrational, but the Federal courts continue to order it. One possibility is a constitutional amendment. However, I do not think this is necessary since under any logical interpretation of the law, school busing is already illegal. Besides, such an approach could take many years and thus prolong the injustice.

No, it is clearly the courts that are at fault; it is their illogical and inconsistent interpretation of the law that is the problem, not the actual law.

This is why I chose to introduce legislation to restrict court jurisdiction rather than amend the law. In fact, I believe the possibility of such obvious overstepping of bounds by the courts is precisely why the Founding Fathers gave Congress the power to control the courts. Just as the doctrine of judicial review gives the courts a means of checking the power of Congress, the authority to restrict jurisdiction gives Congress a means to check the power of the courts.

THE CONSTITUTIONALITY OF REGULATING COURT JURISDICTION

The question is raised, however, as to just how far this authority to restrict court jurisdiction extends. Two things are clear: The authority is very broad indeed, but it is not unlimited.

The Constitution, article III, sections 1 and 2, explicitly grants Congress the power to control the courts; with respect to the Supreme Court, by regulating its appellate jurisdiction; with respect to the inferior Federal courts, by establishing them in the first place and thus regulating both their original and appellate jurisdiction.

The Supreme Court has upheld the right of Congress to control its appellate jurisdiction in a number of cases. "By the constitution of the United States," the Court held in *Barry* v. *Mercein*, 5 How. (46 U.S.) 103, 119 (1847), "the Supreme Court possesses no appellate power in any case, unless conferred upon it by act of Congress." And in *Daniels* v. *Railroad Co.*, 3 Wall. (70 U.S.) 250, 254 (1865), the Court said that in order for a case to come within its appellate jurisdiction "two things must occur: the Constitution

must give the capacity to take it, and an act of Congress must supply the requisite authority."

In the same case, the Court also stated:

"It is for Congress to determine how far, within the limits of the capacity of this court to take, appellate jurisdiction shall be given, and when conferred, it can be exercised only to the extent and in the manner prescribed by law. In these respects it is wholly the creature of legislation."

Perhaps the most explicit statement in support of Congress authority to restrict appellate jurisdiction came in Ex parte McCardle. In this case—

"The Court accepted review on *certiorari* of a denial of a petition for a writ of *habeas corpus* by the circuit court; the petition was by a civilian convicted by a military commission of acts obstructing Reconstruction. Anticipating that the Court might void, or at least undermine, congressional reconstruction of the Confederate States, Congress enacted over the President's veto a provision repealing the act which authorized the appeal *McCardle* had taken. Although the Court had already heard argument on the merits, it then dismissed for want of jurisdiction. 'We are not at liberty to inquire into the motives of the legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this court is given by express words.' " (op. cit., page 752)

Likewise there are a number of decisions in which the Court has upheld the power of Congress to regulate the jurisdiction of the inferior courts, on the basis that they owe their very existence to Congress in the Judiciary Act of 1789. For example, in *Turner* v. *Bank of North America*, the issue involved the jurisdiction of the Federal courts when a suit was brought to a Federal court under its diversity jurisdiction, an action prohibited by the Judiciary Act of 1789. The defense counsel argued that the grant of judicial power by the Constitution was a direct grant of jurisdiction, but the court disagreed:

"The notion has frequently been entertained, that the federal courts derive their judicial power immediately from the constitution; but the political truth is, that the disposal of the judicial power (except in a few specified instances) belongs to Congress. If Congress has given the power to this Court, we possess it, not otherwise: and if Congress has not given the power to us, or to any other Court, it still remains at the legislative disposal. Besides, Congress is not bound, and it would, perhaps, be inexpedient, to enlarge the jurisdiction of the federal courts, to every subject, in every form, which the constitution might warrant." 4 Dall. (4 U.S.) 8 (1799)

Even the father of judicial review, Chief Justice Marshall, held the same view, observing in *Ex parte Bollman*, 4 Cr. (8, 10 (1799), that—

"Courts which are created by written law, and whose jurisdiction is defined by written law, cannot transcend that jurisdiction."

More recent Court decisions have also supported this principle. For example, in 1932 Congress enacted the Norris-La Guardia Act, prohibiting the issuance of injunctions in labor disputes except by compliance with a lengthy hearing and fact-finding process, which was challenged in court on jurisdictional grounds. The law was upheld in *Lauf* v. *Skinner & Co.*, 303 U.S. 323, 330 (1938), however, wherein the Court declared:

"There can be no question of the power of Congress to thus define and limit the jurisdiction of the inferior courts of the United States."

The Emergency Price Control Act of 1942, in which Congress provided for a special court to handle challenges to the validity of price regulations, was another clear-cut example of congressional restriction of Federal inferior court jurisdiction. The basic constitutionality of this act was upheld in *Lockerty* v. *Phillips*, 319 U.S. 182 (1943), while in *Yakus* v. *United States*, 321 U.S. 414 (1944), the Court held that the act's removal of the district court's jurisdiction to examine the constitutional validity of regulations was not a denial of due process.

THE LIMITS OF CONGRESSIONAL AUTHORITY TO CONTROL THE COURTS

Clearly the power of Congress to control the Federal courts through regulating their jurisdiction is very broad indeed. Nevertheless it is not without limits. For if it were, if Congress could withdraw Federal court jurisdiction over literally any matter it chooses, then obviously basic constitutional foundations such as express prohibitions, separation of powers, and the nature of the judicial function could be overturned by congressional whim.

What these limits are precisely is not so obvious; however, an examination of Ex parte McCardle provides some guidance. This case is most significant because the court held that Congress has the authority to legislatively restrict court jurisdiction over writs of habeas corpus, even though habeas corpus is a right expressly granted by article I, section 9 of the Constitution, and thus it marks perhaps the furthest advance by Congress over court jurisdiction. However, even in that case there were limits, as the Court observed in concluding its opinion:

"Counsel seem to have supposed, if effect be given to the repealing act in question, that the whole appellate power of the court, in cases of habeas Corpus, is denied. But this is an error. The act of 1868 does not except from that jurisdiction any cases but appeals from Circuit Courts under the act of 1867. It does not affect the jurisdiction which was previously exercised." (op. cit., pages 757–758)

It is possible, therefore, that the Court would not have ruled as it did if the question had been to deny absolutely an appeal from a denial of a writ of habeas corpus.

So what may we deduce regarding the limits of congressional power to control the Federal courts by regulating their jurisdiction? I believe it can be summarized as follows:

First. The power of Congress to control the inferior Federal courts is unlimited. This power is expressly granted by the Constitution when it authorizes Congress to establish inferior courts, which Congress did by the Judiciary Act of 1789, and has been upheld consistently by numerous Court decisions.

Second. The power of Congress to control the appellate jurisdiction of the Supreme Court with respect to statutory questions is likewise unlimited. This power is expressly granted by the Constitution and has been upheld by numerous Court decisions.

Third. The power of Congress to control the appellate jurisdiction of the Supreme Court with respect to constitutional questions is not unlimited. Although the Constitution explicitly grants such power to Congress, it could not validly be used to undermine the very purpose and foundations of the Constitution itself. Thus the Congress does not have the power to regulate the appellate jurisdiction of the Supreme Court if its effect would be to infringe on the separation of power or to prohibit the Court from exercising its judicial function in protecting rights enumerated in the Constitution.

THE CONSTITUTIONALITY OF H.R. 4479

So what about H.R. 4479? Well if this bill restricted Federal court jurisdiction with respect to freedom of speech or with respect to the equal protection clause of the 14th amendment, it would be unconstitutional—at least in regards to the appellate jurisdiction of the Supreme Court. But it does not. It restricts Federal court jurisdiction with respect to school attendance; specifically, it prohibits the courts from requiring any individual to attend any particular school.

Now since education is not mentioned in the Constitution and public education has been created by statute, restricting court jurisdiction with respect to school attendance does not ostensibly raise a constitutional question. However, the question of constitutionality might be raised in desegregation cases under the equal protection clause of the 14th amendment. But it is important to keep in mind precisely what jurisdiction H.R. 4479 restricts. It does not prohibit the Federal courts from hearing cases dealing with school desegregation. What it does, in effect, is deny to the courts the ability to order what some courts have alleged to be remedies in such cases.

It still allows the Federal courts to hear such cases and to order any remedial action they consider appropriate, except for those remedies which involve forced school attendance—particularly forced school attendance on the basis of an individual's race. The courts would have jurisdiction, for instance, to require school attendance plans based on freedom of choice, which would be consistent with the Brown decision, the equal protection clause and the Civil Rights Act; they would not have jurisdiction, however, to order school attendance plans requiring school assignment on the basis of one's race—plans which are not consistent with Brown, the equal protection clause or the Civil Rights Act.

It may be argued that offering freedom of choice plans as remedies for segregated schools is inappropriate on legal grounds because of the doctrine of stare decisis—which holds that courts should follow the rules or principles laid down in previous judicial decisions unless they contravene the ordinary principles of justice—since such plans have already been struck down in some court decisions.

But it is the principle established by such decisions—that "affirmative action" must be taken to desegregate schools and thus that children must be assigned to schools on the basis of their race—which is not consistent with the Brown decision. Thus while overturning earlier decisions disallowing freedom of choice plans may appear to be a violation of stare decisis, in fact such action would merely bring remedies in line with the principle of non-racial school assignment established by Brown.

It should also be noted that stare decisis, while serving a valid judicial function, is by no means an ironclad rule, particularly in cases dealing with constitutional issues. Its limitations have been progressively weakened since *Pollock* v. *Farmers' Loan and Trust Co.* in 1895, since which some 143 decisions have overturned one or more earlier decisions of constitutional questions (op. cit., page 683). Brown, of course, is itself one of the most famous instances of an established doctrine being overturned.

Mr. Speaker, I hope the Judiciary Committee can schedule hearings on this legislation in the near future. In terms of fostering race consciousness, in disrupting the lives of our young people and interfering with their education, forced busing is exacting an enormous price. I believe restricting the jurisdiction of the Federal courts is the fastest way of eliminating this.

The text of the legislation follows:

H.R. 4479

A bill to insure the equal protection of the laws and to protect the liberty of citizens as guaranteed by the Fourteenth Amendment, by eliminating Federal court jurisdiction over forced school attendance

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, pursuant to article III, sections 1 and 2, of the United States Constitution, no court of the United States shall have the jurisdiction to make any decision, or issue any order, which would have the effect of requiring any individual to attend any particular school.

BETTER IDEA FOR CUTTING DOWN HEATING BILL

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. FITHIAN. Mr. Speaker, ever wonder how Tom Edison or Henry Ford would fare against today's top-heavy bureaucracy? If the experiences of one George B. Flagler of Hobart, Ind. are any guide, there is a good chance we would still be straining our eyes to to the flickering light of oil lamps and commuting on horseback.

In 1959, George had a better idea for cutting down on his home heating bill. Much of the heat from his gas-fired home heating furnace, he observed, went straight up the chimney, wasting energy and money. Reducing the size of the orifice, or hole on the burner nozzle, he reasoned, would slow combustion saving gas while increasing the efficiency of the heating system during much of the heating season. And, if the impressive gas consumption figures for his three-bedroom ranch house in Hobart are any guide, he was right.

But how does an ordinary man on the street with an extraordinary idea get the powers-that-be to take him—and it—seriously? It is not easy, as George B. Flagler found out the hard way.

He started an 18-year long crusade to get the powers-that-be in industry and Government to take a second look at his simple device. He contacted the FPC, the FEA, ERDA, the American Gas Association, U.S. Steel, Northern Indiana Public Service Co., People Gas of Indianapolis, the National Coal Association, Honeywell, Sears, Popular Science magazine, Lennox, Northern Illinois Gas, Commonwealth Edison, A. O. Smith, Henry Kissinger, his two Senators, and two generations of U.S. Congressmen.

When, in 1973, the Nation discovered there was an energy crisis, the big oil companies dusted off their plans for multibillion dollar coal gasification, shale oil, and synthetic fuel plants. A new generation of Federal energy bureaucrats rushed forward with allocation plans, entitlements, and voluminous rationing plans. Scientists everywhere huddled over their test tubes and cyclotrons with renewed intensity. And George B. Flagler returned to his typewriter, trying to get somebody to listen to his idea for an adjustable burner nozzle.

George is still writing. I got his latest letter just this week along with a recent article on his story from the Gary Post Tribune. Yankee ingenuity is not dead among the cornfields of Indiana. Washington and Wall Street could learn some lessons there:

ENERGY CRISIS

(By Charlene Marks)

HOBART.—A 77-year-old retired energy specialist here says he is looking for a "champion" to promote his cause of energy conservation in homes across the country.

George Flagler retired from U.S. Steel in 1962 after working 45 years with coke oven gas in steel mills in Gary and Pueblo, Colo.

Since then he converted his home furnace from oil to gas and turned his energies to making it operate efficiently.

With the recent fuel crisis, Flagler expanded his efforts and began a one-man campaign to interest government agencies in a program of conservation based on the results of his finding over the last 12 years.

"I want to make the space heater (furnace) owner aware that there is a possibility of monetary savings by reducing the rate of combustion in his furnace during mild heating weather," he explained.

He says his ideas aren't particularly new or startling, but if put into effect on a wide scale they would help until alternate sources of energy are developed.

Based on his experience and the knowledge that furnaces often burn gas inefficiently, wasting sometimes as much as 60 percent "up the chimney," Flagler began to experiment with the size of the orifice or hole on the burner nozzle leading into the combustion chamber.

He found, he said, that by reducing the orifice size from 15/64 inches, the standard size on his furnace, to 11/64 inches during the two most severe winter months, and 9/64 inches the other ten months of the year, he could significantly reduce the amount of fuel consumed each year and save money.

His findings and research have resulted in a number of suggestions to government officials involved in energy research, public utility companies, area Congressional representatives and manufacturers of space and water heating equipment.

More recently, his research extended to the use of electric blankets, air conditioning equipment and the design and function of water heaters.

Can the average homeowner make the necessary orifice adjustments himself?

Flagler said that his purpose in publishing his findings is to urge people to become more familiar with their own space and water heating equipment and to become more consevation minded in their homes.

If one doesn't feel qualified to experiment, a service man can be called, he suggested.

However, he cautioned, "you have to remember that the serviceman may or not care about whether you are saving fuel."

Flagley is advocating that a federal commission be appointed to implement a program of education on the possibilities of fuel savings in the home.

He also advocates that manufacturers equip new furnaces with an automatic flip switch on the thermostat, actuated by the outside temperatures, to control the combustion rate.

Have his efforts resulted in positive action by the federal government?

Flagler says officials indicate that his recommendations have been taken under advisement.

On a recent trip east, he said, he saw an advertisement for a water heater showing a baffle design he'd suggested last year.

In addition to his activities on behalf of energy conservation, Flagler is an active community leader serving on the city's Board of Zoning Appeals and Plan Commission, for 33 years. He is a member of American Legion Post 54 and is a World War I veteran.

The chart which "proves" his theory lists his home gas consumption since 1963, figured in 100's cubic feet. It can be used as a basis for comparison.

Flagler and his wife Mae live in a three bedroom ranch home with a basement at 55 N. Washington St. Siding was added in the spring of 1975 and recommended amounts of insulation are used throughout.

Listed by year, the gas figures are:

Year	*Consumption* *Cubic feet*
1964	1,664
1965	1,590
1966	1,410
1967	1,530
1968	1,566
1969	1,643
1970	1,374
1971	1,410
1972	1,402
1973	1,219
1974	1,277
1975	1,151

REVERSE DISCRIMINATION

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. COLLINS of Texas. Mr. Speaker, in our Nation's desire to end discrimination, we have come too far and have now developed reverse discrimination. The recent redistricting in New York City of a small Jewish community is a perfect ex-

ample of miscarriage of justice. These Jewish neighbors wanted to be a cohesive community and yet in order to provide a balance for the black community, the old New York Legislature reapportioned them.

Sometimes the Supreme Court confuses the law. I agree completely with the Washington Star in their editorial. This is a decision that is hard for a layman to understand and difficult for any justice to defend. I want to commend Chief Justice Burger as the only dissenter. Reverse discrimination is a burden of much greater magnitude than the original discrimination itself.

The following is the editorial from the Washington Star. I recommend that you study their entire analysis:

REVERSE DISCRIMINATION

The Supreme Court, as a four-way internal disagreement indicated, was deeply troubled the other day when it upheld a New York State reapportionment law challenged as "reverse discrimination" by a close-knit Jewish community in Kings County.

And well might it be troubled—not only, as seven justices were, by the complexity of the issues, but also by the result, which drove only Chief Justice Burger to dissent.

The New York redistricting fell under federal supervision because Kings County was one of three in which, because of certain "trigger" mechanisms of the 1970 Voting Rights Act, reapportionments must be vetted here in Washington for possible racial discrimination—by either the U.S. attorney general or the U.S. District Court. New York's 1972 plan failed to clear Justice Department inspection because—not to put too fine a point on the difficulty—several legislative districts were not sufficiently safe for "nonwhite" (i.e., black and Puerto Rican) majorities.

To meet the Justice Department's objections, the plan was revised and as a result the Williamsburgh area of Kings County, home of 30,000 Hasidic Jews, was split up—this, for the sole purpose of raising the "nonwhite" majority in one district from 61 to 65 percent. (The majority might have been raised to 63.4 per cent while leaving the Jewish community intact, except for the "feeling"—as one New York official delicately put it—that the Justice Department viewed 65 per cent as an "approved figure.") Thus with a nod to the current novel and movie about Sherlock Holmes and Dr. Freud, one might call it "the case of the 1.6 per cent solution." But it wasn't a satisfactory solution for the Hasidic community, which had customarily been left intact in legislative apportionments.

The case raises, very clearly, the difficult issue of "reverse"—or, as some prefer to call it "benign"—discrimination: discrimination calling for the racial classification of citizens which may arguably be justified as serving a larger constructive purpose.

The elements of the Court's decision that disturb us will not come as news to the Court. They were obvious, above all to Justice Brennan and Chief Justice Burger. As the former put it, the case "carries us further down the road of race centered remedial devices than we have heretofore traveled."

That is indeed the crowning irony of the case. The Voting Rights Act was, as the Court itself declared 11 years ago, "designed by Congress to banish the blight of racial discrimination in voting." As in every use of racial groupings to fight racial discrimination, we have the hazardous paradox of fire fought with fire. In this case, racial discrimination in voting is fought with racial classification in apportionment.

Even though they clearly saw the pitfalls of this procedure, all the justices except Chief Justice Burger found ways of detouring around them. Justice Brennan's concurrence carries special interest. He was so clear-sighted about the pitfalls of the business that his words make an overpowering case against his own conclusion: "Even in the pursuit of remedial objectives," he said, "an explicit policy of assignment by race may serve to stimulate our society's latent race consciousness . . (and) even preferential treatment may act to stigmatize its recipient groups" by implying "to some the recipients' inferiority and especial need for protection." Precisely. But saying he would ne'er consent, Justice Brennan consented.

It was left to the Chief Justice, in one of the best statements we have seen about the folly of "benign discrimination," to follow the Court's reservations to a logical conclusion:

"The result . . . is ironic. The use of a mathematical formula tends to sustain the existence of ghettos by promoting the notion that political clout is to be gained or maintained by marshalling particular racial, ethnic or religious groups in enclaves. It suggests to the voter that only a candidate of the same race, religion or ethnic origins can properly represent that voter's interests, and that such a candidate can be elected only from a district with sufficient minority concentration. The device . . . moves us one step farther away from a truly homogeneous society. This retreat from the ideal of the American 'melting pot' is curiously out of step with recent political history—and indeed with what the Court has said and done for more than a decade."

In the Chief Justice's eyes, that is, the 1.6 per cent solution was deficient in both legal and national principle. And we share that view.

THE NEED FOR A CONGRESSIONAL RESPONSE TO THE DROUGHT

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. PANETTA. Mr. Speaker, recently I delivered testimony before the House Agriculture Committee pointing out some of the serious problems facing farmers in California as a result of the drought.

Every day the situation gets worse. Now projected losses for agriculture-related industries alone go as high as $6.3 billion. This weekend I will be conducting emergency hearings in Salinas, Calif., to receive testimony from farmers in my district regarding what they view as their most pressing drought-related problems and the effectiveness of current Federal disaster relief programs in solving this situation.

In anticipation of these hearings and as a member of the House Agriculture Subcommittee on Conservation and Credit, which will be conducting hearings on the drought on March 15 and 16, I would like to insert the following statement into the RECORD.

STATEMENT BY CONGRESSMAN LEON E. PANETTA, HOUSE COMMITTEE ON AGRICULTURE, HEARINGS TO AMEND AND EXTEND THE AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973, FEBRUARY 17, 1977

Mr. Chairman, I would like to take this opportunity to point out some legislative areas which I feel must be revised to reflect the current and future needs of our agricultural community, consumers, and the economy as a whole. It is my hope that the Committee will address these issues during its deliberations of legislation to extend and amend the Agriculture and Consumer Protection Act of 1973.

I am particularly concerned about the desperate situation faced by farmers in our western states and, specifically, in my own state of California as a result of the drought. It is becoming more evident each day that current federal disaster assistance programs are ineffective in providing farmers with the security they require to stay in business. If this trend continues, all Americans will pay the price.

Agriculture is a $9 billion industry in California. We provide 40% of the nation's supply of fruits and vegetables. Today, however, the agricultural industry in California is severely threatened by the devastating effects of the prolonged drought. Farmers are expected to lose $3 billion this year. Already our cattlemen have suffered losses amounting to more than $460 million and many of the growers of our specialty crops, such as tomatoes, lettuce, and artichokes, face tremendous cutbacks in production.

Ours is an agriculture-based economy. Therefore, current predictions of loss for the agricultural sector can be translated into even more alarming statistics for rising unemployment, both on and off the farm, increasing consumer prices, and reductions in international trade. In California, this multiplier effect means that as many as 144,000 jobs could be lost in related industries and services if 48,000 farm workers lose their incomes. And there will be a loss of $9 billion to the economy, if farm losses remain at $3 billion.

In light of today's serious economic situation, it is the task of this Committee to develop a comprehensive farm and food policy, incorporating effective disaster relief programs and innovative long-range plans which will safeguard our agricultural sector, especially the family farm. Accordingly, I urge the Committee to consider the following proposals:

1. Review and revision of existent disaster relief programs. Federal emergency and disaster assistance programs are overrun by administrative problems, lack of sufficient funding, shortage of personnel, and just plain confusion. I would like to see the procedure for implementing presidential or secretarial declarations simplified and better coordinated. As a first step, it would make sense for the responsibility for agriculture-related disaster programs to be moved from the Federal Disaster Assistance Administration to the U.S. Department of Agriculture. This would enable the Secretary of Agriculture to have a more direct role in facilitating disaster relief for farmers throughout the country. In addition, the Emergency Livestock Feed Program should be amended to provide assistance to cattlemen who do not grow their own feed, as well as those who do. Also, greater quantities of feed should be made available under this program at lower costs.

2. Expansion of federal crop insurance to reach farmers in all counties of the U.S. producing all types of crops. A more comprehensive crop insurance program, with the government and farmers sharing the costs, would provide the kind of protection many of our farmers need but cannot now afford.

3. New emphasis on programs which provide for technical assistance and research into new methods of conserving our water and energy resources. The Soil Conservation Service, Agriculture Conservation Program, and Emergency Conservation Measures programs need to be expanded to include innovative conservation projects which would alleviate some of the agricultural problems caused by drought.

4. Revision of the criteria needed for farmers to qualify to receive emergency loans from the Farmers Home Administration. Criteria requiring farmers to be faced with near bankruptcy must be changed to guarantee the survival of the family farm and to keep young farmers on their land.

These are just a few areas where legislative action is greatly needed, not only to meet the demands of today's economic situation, but also to prepare us for the future. I look forward to the opportunity of participating in the hearings which we are about to begin. Thank you.

URBAN DEATH AS POLICY

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. PATTISON of New York. Mr. Speaker, one of the most fashionable current activities is to lament the problems of our cities. This activity takes various forms: calls for more hearings or studies; castigations of municipal leaders for failing to revitalize their cities socially and financially; promises by the Government to stop urban decline with money and technology.

Meanwhile the cities continue to die. And one reason is that many of the policies and programs that are supposed to be helping urban areas are actually speeding their destruction. Lack of overall planning, combined with bad distribution formulas, have meant that the Federal Government has often been an active partner in promoting urban decay. I would like to insert the following article by Ralph E. Thayer, which appeared in the February 1, 1977 issue of the Ripon Forum:

"URBAN DEATH" AS POLICY

(By Ralph E. Thayer)

The nation's current urban dilemma was strikingly portrayed last fall in two documents. The first was a set of hearings convened by the House Committee on Banking, Currency, and Housing in late September and published as The Rebirth of the American City. At the same time an interesting article appeared in the Public Interest entitled "On the Death of Cities" by William Baer.

Despite its title, the House study really gives little room for optimism in the area of city futures. A massive catalog of urban ills is listed which, if nothing else, represents the most significant evidence of the strength of the nation's cities. Any entity that can be as afflicted as America's cities and still survive has remarkable resiliency. The title topic of Baer's article is, however, far more to the point than the momentous testimony of the urban poobahs.

The basic hypothesis is that "Urban death—or at least neighborhood death—in the nation's cities is coming to pass. It may be hindered by expertise, detoured by cajolery, impeded by charismatic leadership, and delayed by simple faith, but it will come." And a similar notion escapes from the mass of congressional testimony about urban "possibilities."

In fact, the present distribution formula for Community Development aid by the federal government almost guarantees that the urban areas who are neediest will be pushed the most rapidly along the road to oblivion. An early examination of the distribution formula for Community Development aid was done by Dr. Patrick Beaton of the University of North Carolina at Charlotte; he found that those scarce funds were going in disproportionate amounts to semirural counties on the fringe of urban areas. Once received, the funds went to build "growth-inducers" such as airports and roads. Naturally, the growth inducer often came at the expense of the urban core. A parallel study by the Harvard MIT Joint Center for Urban Studies on Community Development patterns within cities noted that local officials often use their powers of discretion to shift funds from impoverished neighborhoods to other parts of the cities "with at least tacit federal approval."

No public policy system is flawless, but the current Community Development program seems positively deleterious. Many people have the impression that a great deal of public money is being channelled to the inner city and jusifiably wonder why the evidence of positive impact is so meagre. With this impression, it is all too easy to conclude that the inner city is terminally ill and without a redeeming social future.

In his article, Baer concludes that the idea of urban death as a concept should be opened for discussion—"for scholars, if not for politicians." In fact, I would argue that a de facto decision on the subject of urban death has already been made. The heavy-handed demolition of "urban renewal" by the Nixon Administration really eliminated the only moving force in many core city areas. Furthermore, the stumbling start of the Section 8 Housing Assistance Payments program has not been a good omen to those who work in the housing field. More ominous clouds are also forming: Homebuilders are plumping heavily for a new construction program that will likely duplicate the experience of the Section 235 housing program that drained off stable, central city families to peripheral locations. The signs point to programs that will work—either by design or default—only in peripheral areas rather than the core city.

There are, perhaps, good and sound reasons to avoid the central city, particularly if there is a conscious policy decision not to strand current city residents in continued limbo. Many decisions, however, are the result of the unconscious accumulation of independent actions. Our present path seems to ratify the "nonsurvivability" of many of the impacted urban areas.

It is exceptionally difficult to attract urban investment under the best of conditions; to expect redevelopment to occur when thousands of local governments in partnership with federal agencies have drawn up policies which effectively surrender many areas to urban decay is unrealistic. This is the legacy that has been left to incoming Secretary of Housing and Urban Development Patricia Harris. If this uncertainty is not eliminated, all urban programs may be doomed.

INFLATION AND GOVERNMENT REGULATIONS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, each passing day provides us wih a little more evidence of the fact that the regulatory process of government is in need of being refocused, if not reformed. The Hospital Association of Pennsylvania has provided me with a summary of their most recently adopted recommendation concerning these needs.

The association singles out health care, among other policy areas, as being in particular need of attention. They note that many government regulations—Federal as well as State—tend not only to increase operating costs but run contrary to legislative intent.

Mr. Speaker, HEW Secretary Califano has announced his intention to develop a cost containment unit within HEW. Americans currently work almost 2 weeks a year to pay for our Nation's hospitals. At the present rate of inflation, spending under national health insurance will double in just 5 years. It is evident that some sort of cost containment effort is needed. The difficulty lies in its organization and eventual implementation.

The Subcommittee on Economic Stabilization, of which I serve as chairman, has undertaken the study of whether the economic impact—inflationary impact—of government regulations can be measured with sufficient accuracy as to provide program administrators with a yardstick of their potential costs. It is our purpose to report legislation which will accomplish this objective.

Mr. Speaker, I believe the recommendations prepared by the Hospital Association of Pennsylvania to be of interest to my colleagues. For that reason, I submit a copy of their recommendations to be incorporated into the RECORD.

SUMMARY OF RECOMMENDATIONS

I. The variety and number of state and federal agencies involved in the regulatory process for health care demands reform.

1. The Federal government should move expeditiously to develop a national health policy to be administered in a more systematic and reasonable fashion through a reorganization and consolidation of activities. This could be accomplished through the creation of a cabinet level department of health as the administrative agency to coordinate all Federal health programs.

2. The Federal Department of Health, Education and Welfare should review the policies and procedures of the twenty-five separate units within that Department that affect hospitals and require coordination of activities to eliminate the prevalent fragmentation and duplication in hospital regulation.

3. Inspections and audits by federal and state agencies should be consolidated and conducted during one annual visit to each health care institution.

4. All utilization review activities for health care institutions should be coordinated under Public Law 92-603 (Professional Standard Review Organizations) rather than duplicative state reviews.

5. Public Law 93-641, the National Health Planning, Resources and Development Act should be properly funded and serve as the primary mechanism for implementing health planning.

II. Surveys and data collection must be coordinated.

1. A system should be created in each state and procedures designed to screen and eliminate unnecessary voluntary and governmental questionnaires directed to hospitals prior to distribution for completion.

2. Each state should organize and implement a commission concept whereby recognized data collectors pool resources and share the products of data undertakings.

Under this concept, state government, third party payors, and voluntary agencies would vest the authority and support in a recognized data collection center designed to collect what is needed and provide appropriate information to all participants.

III. Many government regulations increase operating costs and run contrary to legislative intent.

1. Legislation should be enacted giving the Congress veto power over executive regulations which exceed legislative intent.

2. All regulations mandated by state and federal government should include an economic statement from the agency issuing the regulations stating how much money implementation of the regulations would cost to be regulated and how the state or federal program expects these costs to be reimbursed. At appropriate intervals, the actual economic impact should be evaluated and announced.

3. All state regulations should be subject to regular review for assurance of continued relevancy and to confirm that the need for the regulations still exists.

4. Regulatory lag should be eliminated through planning and implementation of legislation rather than last-minute development of regulations or even worse the development of regulations in haste after the effective date of the legislation and then applied retroactively. When regulations are promulgated they should be complete and not presented with the series of amendments and corrections.

IV. The health industry must be assured due process with regard to government regulations.

1. Due process must be recognized as a component of all state regulatory operations. Rule making should include:

(a) Prior notice with adequate time for all interested parties to comment before implementation, preferably at a public hearing.

(b) Fair opportunity for administrative appeals to be heard when adverse decisions are made against hospitals and other providers.

(c) Publication of proposed rules, comments, hearings, decisions and other matters of general interest including the list of hearing officers. When an adverse decision has been rendered there should be specific reasons for the decision, full disclosure of the appeal mechanism, a timely hearing schedule, proper conduct of the hearing and the findings should be made known within a reasonable amount of time.

V. Reasonable costs should be determined prospectively under regulations and operating practices that require Medicare, Medicaid, and Blue Cross to use the same definitions in determining reasonable cost.

1. The reasonable cost concept currently lets government define what is reasonable according to its standards and without a legislative check or judicial review. This power has been abused by government particularly in recent years when the budget has been under extreme pressure. Often the government has restricted reimbursements not because the cost of the service was unreasonable as a financial matter but because the government was seeking ways to reduce federal expenditures for health care. Thus, the government has transformed a system that was intended to prevent hospitals from overcharging into a mechanism for underpaying them. An effective health care system cannot be operated under the gun of self-serving decisions by the government. Any purchaser of services, and that includes the government, should not be able to buy what it wants and then, unilaterally, after the services are delivered, determine what it deems sufficient compensation.

MOUNTAIN PINE BEETLES

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. WIRTH. Mr. Speaker, on September 8, 1976, I reported to my colleagues about my efforts to obtain continued funding of a program to check a mountain pine beetle epidemic that is ravaging the foothills of Colorado.

The mountain pine beetle is a small insect that normally occurs in low numbers in western forests. In recent years, however, the number of beetles has grown to an epidemic level. The beetles have killed hundreds of thousands of trees along the Front Range in Colorado, hurting tourism, recreation, private property, and aesthetic values.

For the past 3 years, the U.S. Forest Service, the Colorado State Forester, and private landowners have cooperated in a limited, but effective, program to check the spread of the beetles in key areas. Last year, however, the Forest Service indicated that it was going to stop funding the beetle control program.

When I last spoke about this matter before the House, I inserted in the CONGRESSIONAL RECORD correspondence between myself and the Forest Service on this subject, in which I pointed out the grave mistake that would be made by termination of Federal funding for this project. Eventually, the Forest Service reversed its position and recommended that the funding be continued.

The final decision, however, was up to the Office of Management and Budget, which controls the contingency account from which the control program is funded. On January 27, I and the other members of the Colorado congressional delegation—Senators FLOYD HASKELL and GARY HART, and Representatives PAT SCHROEDER, FRANK EVANS, JIM JOHNSON, and BILL ARMSTRONG—sent a letter to OMB requesting that they follow the Forest Service's recommendation and approve the funding.

I recently received a response from OMB. While still indicating some reservations about the project, OMB has decided to continue the effort to control the mountain pine beetle epidemic.

I think that my colleagues will be interested in the correspondence between the Colorado delegation and OMB, which I now insert in the RECORD:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 27, 1977.

Mr. THOMAS B. LANCE,
Director, Office of Management and Budget Executive Office Building, Washington, D.C.

DEAR MR. LANCE: The Forest Service, with the approval of the Department of Agriculture, has recently forwarded to the Office of Management and Budget a request by the State of Colorado for continued funding of a cooperative project to control an epidemic of mountain pine beetles. We are writing to urge your approval of this project, which in the short term holds out the best hope for protecting Colorado's forests from the ravages of the mountain pine beetle.

The mountain pine beetle is a small insect that normally occurs in low numbers in the Front Range of Colorado. For a number of reasons, however, the beetle population has recently grown to an epidemic level, particularly in the foothills and lower elevations. The greatly increased number of pine beetles has disrupted the ecological system of this area. There are many hillsides on which over half of the trees have been killed. While bad enough in and of itself, the destruction has had a serious impact on both recreation and tourism which are important values in the infested area. Further, the beetle epidemic has weakened wildlife, flood control, watershed quality, commercial timber, and private property values.

Perhaps most importantly, the great quantity of standing dead timber that is left after the beetle attacks presents an enormous fire hazard. This summer, what would normally have been a relatively minor fire broke out in Boulder Canyon. Because of the high combustibility of trees destroyed by beetles, however, the fire turned into a major threat to lives and property. Luckily, a concerted and expensive effort by federal, state, and local governments, and by private citizens as well, got this fire under control before lives were lost or private dwellings destroyed. There is no assurance that we will be as lucky next time.

To combat the problems caused by the mountain pine beetle epidemic, the Forest Service, the Colorado State Forester, and private landowners have for three years participated in a modest but highly effective cooperative program to suppress infestation on the lands considered to be most important. The Forest Service contribution to this program has averaged about $230,000 a year.

Since the infested area is one with a chaotic intermingling of federal, state and private land ownership, the continued participation of all parties is necessary. Otherwise the suppression effort will inevitably fail. Recognizing the problems posed by such a situation, the Congress in 1947 directed the Forest Service to: prevent, retard, control, suppress, or eradicate incipient, potential, or emergency outbreaks of destructive insects or diseases on, or threatening, all forest lands *irrespective of ownership*. 16 U.S.C. § 594–1 (1970) (emphasis added).

The Forest Service, understanding the nature of this severe problem and the need for continuation of the modest federal involvement, has recommended that you approve Colorado's request for funding into Fiscal Year 1977. We fully support the Colorado request, and urge you to approve it without delay.

Sincerely,

Senator Floyd K. Haskell, Senator Gary Hart, Representative Patricia Schroeder, Representative James P. Johnson, Representative Timothy E. Wirth, Representative Frank E. Evans, Representative William L. Armstrong.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., March 2, 1977.

HON. TIMOTHY E. WIRTH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WIRTH: This is in response to your recent letter from the Colorado Delegation urging that funds be approved for the proposed mountain pine beetle cooperative control project.

I am pleased to inform you that funds for the project have been apportioned. However, I must also advise you that this action was taken with reservations. Our review suggests that the Federal role in this sort of ongoing situation is limited. Accordingly, we have agreed with the Department of Agriculture's direction to the Forest Service that Federal cooperation in this instance should be understood to be for demonstration purposes and implies no commitment to fund other pro-

posals designed to protect private property values in the Front Range area.

I look forward to working with you on this and other matters in the future.

Sincerely,

HUBERT L. HARRIS, Jr.,
Assistant to the Director for Congressional Relations.

ALL THE NEWS THAT'S FIT TO TINT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. ASHBROOK. Mr. Speaker, from time to time I have discussed various "news" articles in the New York Times which show more bias than news content.

Recently, the Sunday New York Times in its "The Week In Review" section had a several paragraph article entitled "The Murderous General Amin." The title is, if anything, an understatement, but that is not the problem with the article.

Few will disagree with the statement that the New York Times is a politically liberal newspaper. Such liberal newspapers push the idea through news stories and other ways that the United States should cut aid, trade, et cetera, to such countries as Chile, South Africa, and Rhodesia, to mention only three. The theory is that through such pressure those countries will bend to our will.

Let us then take a look at how the New York Times in its article handles Uganda on these same issues.

First, the New York Times article states "Diplomatic action has also had no positive result; in the past, if anything it has reduced foreign leverage." So much for that kind of pressure.

The issue of cutting off arms to a country is always popular for the liberals. The Soviet Union is the major supplier of arms to Uganda; therefore, you might think the New York Times would show its bias in its news columns by urging the Soviets to cut back its weapons to Uganda. But no, the Times does not urge that. Rather, "the Soviet Union, a major supplier of weapons to Uganda, could cut back supplies, but Uganda could obtain arms in other markets."

Is it not funny how the liberals only urge such cutoffs on our friends and those who want to be our friends, but not on the Soviets or a black dictator in Africa. With those kind of countries, liberal newspapers like the New York Times have a different standard.

Following is the article from the February 20 edition of the New York Times:

THE MURDEROUS GENERAL AMIN

The Anglican Archbishop of Uganda and two of that nation's cabinet ministers have been killed after they were accused of treason by Uganda's violent, erratic, despotic ruler, Idi Amin. He said they died in a car accident caused by their effort to escape. Given his record—tens of thousands of political murders in the last six years—practically nobody believed him.

The survivor of several assassination attempts and ever-suspicious of plots against him, President Amin last week ordered the arrest of Archbishop Janani Luwum, Charles Oboth-Ofumbi, the Minister of Internal Affairs, and Lieut. Col. Erinayo Oryema, Minister of Land and Water Resources, for alleged involvement in a coup attempt. According to the Government, they died in a car crash the next day.

The International Commission of Jurists said the accident was really an assassination; Andrew Young, the United States Ambassador to the United Nations, agreed, and compared the deaths with the alleged suicides of black detainees in South African jails.

The jurists' commission, Amnesty International and Western officials have previously urged the United Nations Commission on Human Rights to investigate the killings in Uganda. But the full commission, now dominated numerically by African, Arab and other Third World nations, has never taken up the issue. Even if it did, there is no reason to believe that it would have any effect on Mr. Amin.

Diplomatic action has also had no positive result; in the past, if anything, it has reduced foreign leverage. The United States closed its embassy in Kampala in 1973 and terminated all aid programs. Britain, Uganda's former colonial ruler, severed relations last summer after a series of brutal and at times seemingly irrational acts by President Amin. He expelled 55,000 Indian and Pakistani tradesmen; arrested, humiliated and threatened to execute Denis Hills, a British lecturer; his men apparently murdered a hostage of plane hijackers left behind in a Uganda hospital when Israeli commandos rescued the other passengers. By far most of Mr. Amin's victims, however, have been his country men, perceived by him as political threats.

The Soviet Union, a major supplier of weapons to Uganda, could cut back supplies, but Uganda could obtain arms in other markets. Uganda's East African neighbors, Kenya and Tanzania, vilify Mr. Amin but are preoccupied with their own dispute. The Organization of African Unity has taken no position on Mr. Amin; in fact, by agreed-on rotation, he is the current chairman.

A spokesman for the British Foreign Office said his Government was distressed by the Archbishop's death, but asked what Britain could do to end the killing replied, "There's not really much one can do, is there?"

EDGAR ANSEL MOWRER: A GREAT JOURNALIST RECORDING GREAT EVENTS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. FINDLEY. Mr. Speaker, last Wednesday, March 2, 1977, one of this Nation's greatest and most respected journalists died on the small Portuguese island of Madeira in the Atlantic where he was vacationing. He was 84 years of age.

Until the end, Edgar Ansel Mowrer maintained his avid interest in the world around him on which he had reported so brillantly for more than 60 years. I am convinced that no American witnessed and recorded and reported on events of the 20th century of greater moment than Edgar Mowrer. In fact, I understand he was at work on another book when he died.

In one of his major works, "Triumph and Turmoil," published in 1968 by Weybright and Talley of New York, he described his vantage point on history in these words:

It has been my fortune to enjoy a ringside seat at many of the crucial events of perhaps the most revealing period in recorded history. Never before has mankind had such triumphs to celebrate and such dismal failures to bemoan. Never has the future offered such glorious promise and such monstrous perils.

Edgar Mowrer was both an optimist about the world around him and a realist about the people who made it up. He was the only newsman I know of who personally interviewed Adolph Hitler on several occasions and was one of the first to warn of the dangers if Hitler was not stopped. He won a Pulitzer Prize in 1933 for a book on Hitler's rise to power and was subsequently expelled from Nazi Germany for his all-too-accurate accounts of what was happening there.

Edgar Mowrer dedicated "Triumph and Turmoil" to his wife, Lilian, whom he described as "muse, critic and gentle reader" and who was constantly at his side for more than 60 years of a wonderful marriage. Lilian, who survives along with a daughter, is an author of note whose writings included a prize-winning book called "Journalist's Wife." She was Edgar's warmest supporter and most perceptive proofreader.

In "Triumph and Turmoil," he concluded in one passage that "human life is unsafe at any speed and therein lies much of its fascination." That he was fascinated with life—there is no question. He once wrote:

What I, as a professional observer of the world in a period of unequalled triumph and turmoil, have seen and lived, fills me with quiet confidence that somewhere, somehow, sometime, men and women will achieve that beauty and wisdom to which the finest among them have always aspired.

Mr. Speaker, Edgar Ansel Mowrer was an inspiration to those of us who knew him personally as well as to those who only knew him through his writings. The Washington Post of March 4 summed up his outstanding career in the following obituary which I include in the RECORD at this point:

EDGAR ANSEL MOWRER DIES, PULITZER PRIZE NEWSMAN

Edgar Ansel Mowrer, 84, author, lecturer and once considered the dean of American foreign correspondents, died Wednesday on the Portuguese Atlantic island of Madeira.

A former syndicated columnist for the Chicago Daily News, he had lived near Tamworth, N.H. since he retired in 1969. He and his wife, Lillian, had been staying in Madeira since December.

Mr. Mowrer won the Pultizer Prize as a foreign correspondent in 1933 for a book warning about the rise of Adolph Hitler.

He had viewed first-hand many of the major events of modern history and personally knew many of the leaders, particularly prior to World War II.

Born in Bloomington, Ill., Mr. Mowrer studied at the University of Chicago, but left the school to attend the University of Paris.

After a year, he returned to this country and graduated from the University of Michigan in 1913. He then went back to Paris, where his brother, Paul Scott Mowrer, was a correspondent for the Chicago Daily News.

Edgar Mowrer had no intention of becoming a journalist but was pressed into service when his brother was sent out to cover the battle of the Marne in World War I.

He filed dispatches to the Chicago Daily

News from Paris and later was assigned to the Rome office, where he interviewed Benito Mussolini and reported on the latter's bellicose intentions.

Mr. Mowrer was transferred to Berlin in 1923. There he produced several books, including "Germany Puts the Clock Back," which were subsequently banned in that country.

As president of the Foreign Press Association, he defied the Nazis and eventually resigned that position in return for the freedom of a Jewish correspondent who was a friend.

Recalled to this country by the Chicago Daily News, Mr. Mowrer lectured for a brief period on the threats of Fascism. He was reassigned in 1934 to the Paris bureau of the Chicago Daily News and covered the events that led to the outbreak of World War II.

He also covered the beginning of the Spanish civil war, visited the Soviet Union and China and returned to Paris, where he remained until the fall of France in 1940.

Mr. Mowrer then was assigned to Washington, where he collaborated on a series of articles on fifth-column activities in Europe. From 1941 to 1943, he was with the Office of War Information and broadcast news analyses from Washington.

After the war, he wrote a book, "The Nightmare of American Foreign Policy," and warned that this country must choose between world leadership or rapid decline.

In another book, "Challenge and Decision: A Program for the Times of Crisis Ahead," he urged the United States to form a "peace coalition" and the creation of a federation of non-Communist countries.

Mr. Mowrer's articles appeared in the Saturday Review, Zionist Quarterly, Western World and the New Leader. In 1961, he wrote a book, "An End to Make Believe," in which he analyzed the history of the cold war and what it meant to Americans.

From 1957 to 1960, he was editor-in-chief for North America of Western World, an international monthly published in English and French editions, which promoted strengthening of the Atlantic community.

He also wrote a column analyzing world affairs for the McClure Newspaper Syndicate.

Mr. Mowrer had served as a consultant to Radio Free Europe and had been a trustee of Freedom House.

His wife, who survives, also is an author of note.

THE FUTURE OF HISTORY

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. FISHER. Mr. Speaker, last year's celebration of the Bicentennial of United States independence kindled a genuine interest in our history—national, local, and personal. The result is the expansion and strengthening of efforts at all levels to compile, interpret, and understand our history.

Local communities hold many unique resources for historical study. Local records, both official and private, attest to the everyday concerns of citizens and governments as they helped to shape the world in which we live.

For the past 10 years Fairfax County, in Virginia's 8th and 10th Congressional Districts, has been a national leader in its program of investigating its local history, protecting sites, structures of historical and architectural significance, and in historical publications for the general public. The board of county supervisors and the current chairman of the Fairfax County History Commission each, on separate occasions, have received national awards in recognition of their contributions to local history.

Last December, at a time when the national convention of the American Historical Association was pointing out the job crisis for historians, an editorial in the Washington Post called attention to Fairfax County's innovative local history program. On Wednesday, February 23, the Post again recognized Fairfax County's history program on its editorial page with an excerpt from the first issue of the county's history newsletter. This is a fine example of local governmental support in helping its citizens to know and appreciate their heritage.

Today, I am introducing into the RECORD the Washington Post editorial of December 31, 1976, titled "The Future of History" and excerpt from the winter 1977 Fairfax Chronicles as quoted in the Post:

[From the Washington Post, Dec. 31, 1976]

THE FUTURE OF HISTORY

At one session of the American Historical Association's convention here this week, C. Vann Woodward, the eminent Yale University historian, argued that America is "aging" and losing its national innocence and sense of invincibility. Much the same could be said about the historical profession itself. The job crisis in academia has shattered many historians' faith in the tangible rewards of scholarship. As if that were not traumatic enough, there is also great controversy about the content of history courses and the very nature of the historians' craft. Such problems affect most humanistic fields these days, but it is especially ironic that in the bicentennial year, the professional analysts of the past should be so troubled by unemployment and insecurities.

Anyone recently exposed to historical studies is aware of the swift changes in the field—the uneasy alliances with sociology, psychology, geography and other disciplines; the growing use of computers and quantitative analysis, and the fascination with ethnicity, sexism, popular culture and other fashionable themes. At the AHA gathering this week, the smorgasbord of sessions included discussions on movie images of Mexican heroes, ethnic influences on the Roman army, female war-resisters and even something called "men's studies."

In part this ferment shows the vitality in the field. It is certainly healthy to expand historical inquiry beyond its traditional focus on leaders and policies. Skeptics and pessimists fear, however, that, just as the "old history" could be dull and limited, the "new history" could be swamped by triviality, confusion over methods and a self-defeating desire for "relevance." They have a point. There is a real danger that history would become a discipline adrift, thus losing both its audience and its identity as an exacting humanistic art.

The dilemma has emerged most clearly in the debates over history-teaching in elementary and secondary schools and community colleges. The emphasis on new themes and techniques has made many history courses more appealing and provocative—but at considerable cost in terms of students' understanding of historical context and basic facts and dates. This experience has also shown that historical study cannot be "modernized" too much without losing its integrity and its value for non-specialists.

What makes these arguments so painful is the general depression in the liberal arts. Historians, like professors of literature and social scientists, are getting a belated education in the hard facts of academic economics and demography. The students who flooded the history departments a decade ago are now a crowd of hungry Ph.Ds who scramble after every temporary post and have little chance of securing tenured professorships at all. These days, not even the best proteges of the finest professors can count on finding academic work—and the situation is not likely to improve much for a decade or more.

The job crisis has been salutary in one sense: It has compelled historians to look beyond their ivory towers and seek better relations with the less-learned world outside. There has been a surge of interest in fields that used to be dismissed as no longer fashionable: teaching outside the universities, historic preservation, public and corporate records work, museum management, local history and genealogy. Graduate studies are being reshaped accordingly. The University of California at Santa Barbara has launched a doctoral program for "public historians," while New York University has just announced a master's program emphasizing archival work. Several institutions have courses in preservation that combine history, urban planning, property management and law.

But these initiatives can make only a dent in the massive surplus of would-be historians. Therefore, like so many groups bedeviled by unemployment, some historians are now lobbying for government aid. They want more history courses in the schools, more official bureaus like the State Department's historical office, and federal support for state and local history programs such as the innovative one in Fairfax County.

These could be valuable endeavors, not merely as make-work but as investments in the nation's understanding of its experience and heritage. Yet in the scramble for public funds, the historians are bound to come up short unless there is a dramatic welling-up of public and legislative sympathy. The AHA and allied professional societies are trying to foster that as an expansion of the current public interest in preservation, ethnic identity and cultural roots. In the wake of "The Adams Chronicles" and other bicentennial efforts, some historians are even looking more benignly at the potential of broadcasting as a "popularizer" of the past. Thus the professional custodians of the past are becoming less stuffy and self-indulgent, even as the public is growing more sensitive to the real richness and rewards of historical inquiry. If these developments prove to be durable, both the historical profession and the nation as a whole will become not "aged," but more civilized and mature.

[From the Washington Post, Feb. 23, 1977]

FOR THE RECORD

(NOTE.—From Fairfax Chronicles, a new quarterly newsletter by the Office of Comprehensive Planning of Fairfax County.)

The Fairfax County of today has grown from the significant and interesting people, places, and events of the past; and that past is our common heritage. The fact that George Mason was more than just another rich planter and that George Washington was perhaps the most important and influential man of the late 18th century, not only in America, but Europe as well, helped shape the county in which these men lived. Likewise, colonial society, soil exhaustion, Negro slavery, the Civil War, the railroads, the small farms, and the mills all have left their mark on our culture.

The Fairfax County government supports historic research and preservation in many ways. The Board of Supervisors has created special districts zoned to protect historic landmarks . . . A History Commission of interested, knowledgeable citizens advises

the Board of Supervisors. The Fairfax County Park Authority acquires, renovates and administers historic sites such as Sully Plantation and Colvin Run Mill. The Office of Comprehensive Planing pursues an active program to preserve places of historic significance within the county. County historians in this office also research and write on county history. The fruits of the latter effort include the series of monographs on Fairfax County . . . and the forthcoming comprehensive history of Fairfax County.

We have now begun publication of *Fairfax Chronicles* to keep interested citizens informed on the developments and events relating to history and preservation activities in Fairfax County, and to encourage further interest and participation in exploring and preserving our common past.

FRESH LOOK AT FORCED RETIREMENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. MICHEL. Mr. Speaker, the Christian Science Monitor published on Monday an excellent feature by reporter John Dillin on the growing support in Congress for an end to the last major form of discrimination based on age—mandatory retirement. Each year hundreds of thousands of perfectly capable Americans are forced to leave their livelihood merely because they reach an arbitrary age. Mr. Dillin's article emphasizes the denial of basic individual rights involved and the resulting loss to the economy of productivity from skilled workers forced to resign.

I would like to insert the article in the RECORD at this point so that all Americans may benefit from it.

FRESH LOOK AT FORCED RETIREMENT

(By John Dillin)

WASHINGTON.—When Sir Winston Churchill warned Great Britain during World War II that it faced only "blood, toil, tears, and sweat," he was nearly 65, an age when many Americans are forced to retire.

Yet Prime Minister Churchill was on the eve of his most inspired years. He went on to govern Britain through six years of war, and later won re-election at the age of 77.

Now sentiment is building across the Atlantic in Congress to give American workers the same opportunity that Sir Winston had—to work beyond the age of 65 and retire only when they are physically or mentally unable to do their jobs.

Hearings begin March 16 before the House Select Committee on Aging on bills which would do away with mandatory retirement, both in private industry and in government.

"My concern is for the individual person whose rights are violated by mandatory retirement," says Rep. Paul Findley (R) of Illinois. Mr. Findley has gathered 115 cosponsors for his bill, HR-65, which would ban mandatory retirement due to age, both in private industry and in government.

A more limited approach has been proposed by Rep. Claude Pepper (D) of Florida, who is chairman of the Select Committee on Aging. Mr. Pepper would prohibit mandatory retirement because of age only in the federal government.

The Findley and Pepper proposals are winning greater attention this year than in the past because of economic reasons and human-rights considerations.

A study for the United Automobile Workers (UAW) claims that mandatory retirement probably costs the American economy at least $10 billion a year in lost production of goods and services.

The UAW study was conducted by Prof. Jerome Pollack. The $10 billion loss comes from the inability to utilize skilled workers who are suddenly forced out of the labor market. Not only are their skills unavailable because of mandatory retirement, but their purchasing power drops, thereby reducing the overall demand for goods and services in the United States.

Forced retirement also puts a greater strain on pension plans, which must support retired workers for a greater number of years. One study concluded that every extra year an employee works beyond his normal retirement age saves his pension plan about 9 percent in the total cost of his retirement.

Significant statistics, however, relate to the number of Americans who will be on retirement in coming years.

Thirty years ago, for example, there were 35 people working for every recipient of social-security benefits. Today that has fallen to slightly more than three workers for every retiree. And in the next century, the ratio will fall to only 2 to 1.

However, the human-rights issue is the most important aspect, says Mr. Findley. Every day, Americans are being pushed out of jobs without any regard to their desires or their abilities. The mental anguish caused by these policies exacts an untold cost on American society.

Certainly there is strong evidence, Mr. Findley observes, that people beyond the age of 65 are still able to make enormous contributions to the country. Some of those still on the job in their 70s and 80s include: pianist Arthur Rubinstein, conductor Arthur Fiedler, labor leader George Meany, anthropologist Margaret Mead, composer Richard Rodgers, film director Alfred Hitchcock, Adm. Hyman Rickover, statesman W. Averell Harriman.

Frank Lloyd Wright, it might be noted, designed the Guggenheim Museum in New York City when he was 76. Benjamin Franklin helped write the Declaration of Independence at 70, and was active at the constitutional convention 11 years later.

Opposition exists to the Findley and Pepper bills, and could surface at the House hearings.

Some labor experts feel the bills could exacerbate the unemployment problem by making it harder for young people to get jobs. It would also remove a management tool sometimes used to get rid of unwanted workers.

A.T. & T. VIEWS ON 1934 COMMUNICATIONS ACT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. WIRTH. Mr. Speaker, on January 27 I placed in the RECORD a report regarding competition in the telecommunications industry prepared for me by Assistant Attorney General Donald I. Baker. In that report, the Justice Department found that nothing in the legislative history of the 1934 Communications Act supports the view being advanced by A.T. & T., and the independent telephone companies that decisions by the Federal Communications Commission and the courts permitting limited competition in the telecommunications industry conflict with congressional intent.

A.T. & T. has prepared a memorandum challenging the Justice Department's conclusions and requested that I place this memorandum in the RECORD. In it, A.T. & T. argues that in enacting the 1934 act, Congress contemplated that regulated monopoly was the best industry structure for the provision of telecommunications services.

While I do not subscribe to A.T. & T.'s view that monopolistic principles should govern the provision of all telecommunications services, I would urge my colleagues to give consideration to it:

MEMORANDUM WITH RESPECT TO DEPARTMENT OF JUSTICE ANALYSIS OF THE LEGISLATIVGE HISTORY OF THE COMMUNICATIONS ACT AS SET FORTH IN A LETTER FROM ASSISTANT ATTOBRNEY GENERAL DONALD I. BAKER TO THE HON. TIMOTHY E. WIRTH, DATED JANUARY 18, 1977

AMERICAN TELEPHONE AND TELEGRAPH CO.,
New York, N.Y., March 1, 1977.

By selectively quoting the testimony of a few witnesses during the Congressional hearings which led to he enactment of the Communications Act of 1934 and largely ignoring the committee reports and the remarks of the principal sponsors of the bill in introducing the proposed new Act to the Congress, Mr. Baker's account of the legislative history of the Act creates an exceedingly misleading impression as to the intent of Congress with respect to the role of competition in the telecommunications industry. Furthermore, Mr. Baker's view of the legislative history is seriously deficient in wholly ignoring the fact that long prior to the enactment of the Communications Act of 1934, Congress and nearly every one of the states had enacted legislation to encourage consolidations and eliminate competition in the telecommunications industry and to substitute common carrier or public utility-type regulation in the belief that regulation—and not competition—would best serve the public interest in the provision of telecommunications services.

It is beyond dispute that in enacting the Communications Act of 1934, Congress reaffirmed the then already established policy of substituting pervasive regulation for competition in telecommunications. Thus, as Mr. Baker himself notes (123 Cong. Rec. E-410 (1977)), Congressman (later Speaker) Rayburn, the principal sponsor of the bill in the House, specifically stated that "the bill as a whole does not change existing law . . . with respect to telephone, telegraph and cable" (78 Cong. Rec. 10312 (1934)). Consequently, the development of the then-existing law must be considered in any meaningful analysis of the Communications Act.

Regulation in the telecommunications industry developed as a result of the actual experience with competition in telecommunications following the expiration of the original Bell patents in 1894. Within a decade of expiration, some 6,000 new telephone companies were formed such that, by 1907, the Bell System was responsible for little more than half of the telephone instruments than in service. In many instances two or more competing telephone companies offered service in the same community, and subscribers had to have two or more telephones in order to obtain community-wide service. Moreover, the division of patronage among competing companies resulted in the sacrifice of the substantial economies of scale inherent in telecommunications technology.

The hardship placed upon the public by the existence of multiple, competing telephone companies soon came to be widely rec-

ognized. The Pennsylvania Supreme Court, for example, expressed these concerns as follows:

"[D]uplication of facilities merely results in the placing of an additional burden upon the public by forcing patrons to maintain two systems where one would serve the purpose as effectually and at less cost. . . . It is useless to argue that the cost of such duplicate system [of telephone companies] is paid by investors, and the risk of financial failure is theirs, since the burden of finally paying the carrying charges and income to the investors is imposed upon the public with the result that a higher charge on the part of each competing company becomes necessary, due to the division of the patronage of the public." [1]

In many instances, the public itself petitioned competing companies to coordinate their activities to avoid duplication.[2]

Under these conditions, state legislatures began to adopt statutes and policies under which new entry into the telecommunications industry was prohibited except where required by the public convenience and necessity, the consolidation of existing competitors was encouraged, and the resulting franchised monopoly firms were subjected to strict public utility regulation over rates and service. By 1910, the process of transition from a policy of competition to a policy of regulation was nearly complete.[3] The history of this policy favoring consolidation in the telephone industry and the substitution by the states of public utility regulation for competition was summarized by the Missouri Public Service Commission in a case granting approval to the consolidation of two competing telephone companies:

"Competition between public service corporations was in vogue for many years as the proper method of securing the best results for the public from the corporations engaged in serving the public. The consensus of modern opinion, however, is that competition has failed to bring the result desired, considering the situation as a whole. Nearly all of the states in this country have adopted laws providing for the regulation of public service corporations as to rates and service by public officers. It is the purpose of such laws to require public service corporations to give adequate service at reasonable rates, rather than to depend upon competition to bring such results." [4]

In line with this development in state law, the United States Congress in 1910 also added telephone and telegraph companies to the definition of common carriers subject to rate regulation by the Interstate Commerce Commission.[5] Consequently, telecommunications common carriers were regulated by the Interstate Commerce Commission when, as a result of the Transportation Act of 1920 (41 Stat. 456), the Commission was first charged with an affirmative duty to develop and maintain adequate service in the public interest.[6]

Notwithstanding the fact that virtually every state was attempting to develop a unified system of telephone service, the process of consolidation was opposed during the first two decades of this century by the Department of Justice which threatened to halt the consolidation movement under the antitrust laws.[7] As a result of this opposition of the Department of Justice, the Bell System entered into an agreement known as the "Kingsbury Commitment." [8] Under this commitment, the Bell System agreed, *inter alia*, not to acquire any competing telephone company without prior approval by the Attorney General and the Interstate Commerce Commission.

The "Kingsbury Commitment" was terminated by Congress eight years later, however, by the passage of the Willis-Graham Act (42 Stat. 27), the first federal legislation dealing exclusively with the telecommunications industry. The Willis-Graham Act encouraged the further consolidation of telephone companies by creating an express exemption from the antitrust laws for acquisitions approved by the Interstate Commerce Commission. The Act was based on a determination that duplication of telephone facilities "greatly increase[s] the burdens which must be borne by telephone users" and that "the best telephone service can be rendered by one company, under proper regulation as to rates and service." [9] The need for consolidation and regulation of the telephone industry was graphically described by Representative Huddleston in the debates on the Willis-Graham Act (61 Cong. Rec. 1988 (1921)):

"[T]here are monopolies which ought to exist in the interest of economy and good service in the public welfare, monopolies which must be promoted instead of being forbidden. The telephone business is one of these. Legitimate consolidation will promote economy. It will promote service. It is foolish to talk about competition in the transmission of intelligence by telephone. It is silly to believe that there can be real competition either in service or in charges. . . .

". . . [T]he thing that the American Congress ought to do is to . . . regulate those monopolies so as to get reasonable prices and good service for the people. . . ."

The Willis-Graham Act and the state policies which it complemented accomplished their purpose within the next few years. The Interstate Commerce Commission approved 150 telephone company consolidations between 1921 and 1934 under the authority of the Willis-Graham Act,[10] and competition in local exchange service was almost totally eliminated. Each telephone operating company—whether Bell or independent—offered local exchange telephone service as a legally franchised monopoly within the geographical boundaries of its franchise; the Long Lines Department of AT & T provided the backbone of a network of intercity transmission and switching facilities connecting all of these local exchange service areas; and division of revenues and settlement agreements were worked out between the different telephone companies involved, subject to regulatory supervision, to compensate each company participating in the provision of service. Thus, well before the enactment of the Communications Act of 1934, all of the telephone companies in the country had been brought into a single partnership regulated in the public interest by the state regulatory commissions and the Interstate Commerce Commission in order to provide the best telephone service possible at reasonable rates over a single network planned, managed, and operated on a nationwide basis.

The legislative history of the Communications Act of 1934 can only be understood in the context of this development of a single nationwide telephone network and the concurrent development of regulation as a substitute for competition by Congress and the states—matters completely ignored in Mr. Baker's letter. The legislative history of the Act itself began in 1932 with a resolution of the House of Representatives—also ignored by Mr. Baker—which directed an investigation of the corporate structure and organization of the telecommunications industry, the electric power industry and the gas industry (H.R. Res. No. 59, 72nd Cong., 1st Sess. 1932)).

This investigation was conducted under the supervision of Dr. Walter M. W. Splawn, Special Counsel to the House Committee on Interstate and Foreign Commerce, who also supervised the investigation into the electric power and gas industries. Dr. Splawn's report on the telecommunications industry recognized that the technology of that industry was essential to and justified a single nationwide integrated structure. In this connection, his report specifically pointed out that the "present . . . has been recognized as lawful in the present act to regulate interstate commerce.[11] The report concluded by recommending that the existing integrated structure of the industry be retained, and that it be still more comprehensively regulated as a common carrier industry by a new federal commission.

In contrast, the second Splawn Report urged the immediate dismemberment of electric power and gas holding company structures. In supporting this recommendation before the Senate Commerce Committee and the House Committee on Interstate and Foreign Commerce, Dr. Splawn described the unique interrelationships required for useful telecommunications and explained the differences between the structure needed in the telecommunications industry and that appropriate for the electric power industry: [12]

"Someone seems to have had a dream that the electric power business could be organized corporately and conducted very much as the telephone business is. Now there's quite a difference in the physical operation of the two. The telephone, in order to be most useful must be connected through switchboards with every other switchboard in the entire country."

"The power business is not like the telephone business . . ."

Congress accepted Dr. Splawn's recommendations.[13] Congress concluded that the structure of the telecommunications industry should not be changed, but that all aspects of its operations should be pervasively regulated in the public interest. Title II of the Communications Act of 1934 reflects this conclusion. In contrast, Congress reached a very different conclusion with respect to the electric power and gas industries—a determination that there should be extreme restructuring through divestiture by the holding companies of operating companies and manufacturing subsidiaries, with a prohibition of service contracts between operating and holding companies. These so-called "death sentence" provisions with respect to electric power and gas holding companies were enacted in the Public Utility Holding Company Act of 1935 (15 U.S.C. §§ 79b(29), 79h, 79m).

The whole plan of Title II of the Communications Act is inconsistent with the notion that Congress intended that reliance would be placed upon competition to govern the provision of telecommunications service. The Act is based upon the common carrier concept that service should be available at reasonable rates to as many persons as reasonably possible and that the enterprises providing telecommunications services will be operated and managed to achieve this end. Moreover, the Act clearly contemplates that these common carriers will work together rather than competitively in the provision of such services. The Act's reference to "a rapid, efficient, Nation-wide, and worldwide wire and radio communications service" (47 U.S.C. § 151), in particular, makes it plain that Congress envisioned a system optimized in accordance with modern engineering networking concepts in which each company participating in the provision of service would become an integral part of a coordinated nationwide network. Thus, as the Supreme Court noted in *FCC* v. *RCA Communications, Inc.*: [14]

"The very fact that Congress has seen fit to enter into the comprehensive regulation of communications embodied in the Federal Communications Act of 1934 contradicts the notion that national policy unqualifiedly favors competition in communications."

Mr. Baker's analyses of the legislative history of the 1934 Communications Act fails to focus on the Senate and House reports [15] supporting the Act and fails to focus on the

Footnotes at end of article.

primary thrust of the statements made in support of the Act by its sponsors Senator Dill and Congressman Rayburn who explained the terms of the Act to their respective houses of Congress. Instead, Mr. Baker has placed heavy reliance on statements favoring "competition" made in House and Senate hearings by Messrs. MacKinnon [16] and Friday,[17] witnesses for the United State Independent Telephone Association, an organization whose members had a vested financial interest in maintaining the corporate independence of the non-Bell telephone companies in the industry. However, MacKinnon and Friday were not talking about "competition" by different companies to supply similar services or equipment to the same telecommunications users. As Mr. Friday clearly indicated (Hearings on H.R. 8301, p. 263):

"[T]he violent competition in the matter of rates and in attempting to establish two exchanges in one city have passed away, as between the independents and Bell. . . ."

To the extent that Mr. Baker has relied upon the testimony of more neutral parties, such as members of the Interdepartmental Task Force appointed by President Roosevelt, Mr. Baker has cited examples where such people advocated greater competition, not within the telephone industry, but between telephones and telegraphs.[18]

The Senate and House reports and the remarks of Senator Dill and Congressman Rayburn leave no doubt but that Congress was aware that there was no meaningful competition in the telephone industry in 1934. Thus, Senator Dill squarely stated (78 Cong. Rec. 8824 (1934)):

"I think it is generally well known by those who know anything about the set-up of the telephone monopoly, that under the present arrangement, the parent telephone company, the American Telephone & Telegraph, not only owns the operating companies in the principal cities in the United States . . . but it owns the manufacturing company, the Western Electric, which supplies the operating companies with the equipment of the telephone business, and there is no competitive bidding on the part of those who would sell equipment to the operating companies."

Similarly, Congressman Rayburn told the House (78 Cong. Rec. 10314 (1934)):

"It may be of interest to the house if for just a moment I take time to explain something about the size and scope of communications in the country.

"The competition in the industry will run about as follows:

Telephone: American Telephone and Telegraph 95 percent of the business; 100 independent companies, 5 percent of the business.

"In telephone service the American Telephone and Telegraph is practically a monopoly."

Moreover, the legislative history makes very clear that the new Communications Act was not intended to alter the consolidation movement in the telephone industry which Congress had sanctioned and encouraged 13 years earlier by the enactment of the Willis-Graham Act. Thus, Congressman Rayburn explicitly pointed out that the Willis-Graham Act, then codified as section 5(18) of the Interstate Commerce Act, had been preserved in section 221(a) of the new Communications Act (18 Cong. Rec. 10314 (1934), and Senator Dill told the Senate (78 Cong. Rec. 8822 (1934)):

"It [the bill proposing the Communications Act] reenacts, however, that provision of the Interstate Commerce Act which permits the continuation of the merging of telephone companies which has been going on for many years."

Even the very limited form of competition which did exist in the telecommunications industry in 1934—competition between telephone companies and telegraph companies upon which much of Mr. Baker's letter dwells—was not met with favor by the Congress that enacted the Communications Act. Thus, the Congress was concerned that even this limited form of competition was not in the public interest in the regulated common carrier telecommunications industry, and Congress in section 215(b) of the Act took the first step toward restricting such competition by confining each company in the telecommunications industry to one or the other mode of communication by directing the new Federal Communications Commission to investigate the extent of such competition and to report its findings back to Congress. The continued distrust of Congress of competition in the telecommunications industry is vividly reflected in the explanation given by Congressman Rayburn of section 215(b) (78 Cong. Rec. 10313 (1934)):

"Paragraph (b) directs the Commission to investigate the methods by which and the extent to which the telephone companies are furnishing telegraph service and vice versa.

The telegraph companies have complained bitterly that they are being subjected to unfair competition through the entry of the telephone company into the telegraph field using its by product facilities. It is contended that the telegraph company is taking the cream of the telegraph business without assuming common carrier telegraph obligations, and that its tactics have seriously handicapped the telegraph companies. The Commission is directed to find the facts in the matter."

Thus, in enacting the Communications Act, Congress not only recognized that no meaningful competition existed between telephone companies, it took steps narrowly to circumscribe what little competition existed between telephone companies and telegraph companies. Moreover, with the passage nine years later of section 222 of the Act (57 Stat. 5), Congress explicitly authorized the elimination of all of the competition which remained in the domestic telegraph industry.

It is true, as Mr. Baker points out (123 Cong. Rec. E-410 (1977)), that in 1934 Congress was dissatisfied with the effectiveness of the regulation of telecommunications common carriers by the Interstate Commerce Commission. Thus, as the Senate Report stated:

"Under existing provisions of the Interstate Commerce Act the regulation of the telephone monopoly has been practically nil. This vast monopoly which so immediately serves the needs of the people in their daily and social life must be effectively regulated." [19]

The enactment of the Communications Act, however, was not in any way a retreat from the position previously taken by the Congress and the legislatures of the various states that pervasive common carrier regulation should be substituted for competition in the telecommunicaitons industry in order best to accomplish the public interest. On the contrary, the clear purpose of Congress in enacting the Communications Act was to create a new Commission concerned exclusively with communications with still more comprehensive regulatory power in order to ensure the more effective regulation of the telecommunication industry.

FOOTNOTES

[1] Perry County Tel. & Tel. Co. v. Public Serv. Comm'n, 265 Pa. 275, 108 A. 659, 660–61 (Pa. 1919).

[2] *See, e.g.*, McKinley Telephone Co. v. Cumberland Telephone Co., 162 Wis. 359, 140 N.W. 38 (Wis. 1913).

[3] As early as 1879, two states—Connecticut and Missouri—began to regulate telephone companies as public utilities. Conn. Laws, 1879, Ch. 36; Mo. Rev. Stat. 1879, Sec. 883. By 1910 only a few states had yet to enact such legislation.

[4] Johnson County Home Telephone Co., 8 Mo. P.S.C.R. 637, 643–44 (1919). *See also* Re Central Union Telephone Co. P.U.R. 1920B, 813, 847 (Ind. Pub. Serv. Comm'n 1920); Re Southern California Telephone Co., P.U.R. 1917A, 980A, 1044–46 (Cal. R.R. Comm'n 1916).

[5] This inclusion was part of the amendments to the Interstate Commerce Act made by the Mann-Elkins Act (36 Stat. 539).

[6] *See* FCC v. RCA Communications, Inc., 346 U.S. 86, 92 (1953); New England Divisions Case, 261 U.S. 184, 189 (1923); Wisconsin R.R. Comm'n v. Chicago, B. & Q. R.R. Co., 257 U.S. 563, 585 (1922).

[7] One earlier action by the Department resulted in a consent decree. United States v. American Tel. & Tel. Co., 1 Decrees and Judgments in Civil Federal Antitrust Cases 544 (1914). The decree's elaborate provisions proved to be totally unworkable and were modified three times to permit consolidations and acquisitions. 1 Decrees and Judgments in Civil Federal Antitrust Cases 569 (1914), 572 (1919), 574 (1922).

[8] The "Kingsbury Commitment," was contained in a letter dated December 19, 1913, from Mr. N. C. Kingsbury, Vice President of AT&T, to Mr. J. C. McReynolds, Attorney General of the United States. *See* FCC Report on the Investigation of the Telephone Industry in the United States, H.R. Doc. No. 340, 76th Cong., 1st Sess. 139–41 (1939).

[9] H.R. Rep. No. 109, 67th Cong., 1st Sess. 1 (1921).

[10] Interstate Commerce Act Ann., vol. 2 at 1399–1403, vol. 6 at 5182–85.

[11] Report on Communications Companies, H.R. Rep. No. 1273, 73d Cong., 2d Sess., pt. III, No. 1, at X (1934).

[12] Hearings on S. 1725 before the Senate Comm. on Interstate Commerce, 74th Cong., 1st Sess. 75 (1935)); Hearings on H.R. 5423 Before the House Comm. on Interstate and Foreign Commerce, 74th Cong., 1st Sess. 180 (1935.)

[13] *See* H.R. Rep. No. 1850, 73d Cong., 2d Sess. 2, 3 (1934):

"In considering the bill, the Committee had before it the comprehensive report made by Dr. W. M. W. Splawn . . . the bill as reported contains provisions designated to eliminate abuses, the existence of which the report reveals."

[14] 346 U.S. 86, 93 (1953).

[15] S. Rep. No. 781, 73d Cong., 2d Sess. 1, 2 (1934); H.R. Rep. No. 1850, 73d Cong., 2d Sess. 1, 2 (1934).

[16] Hearings on S. 2910 Before the Senate Comm. on Interstate Commerce, 73d Cong., 2d Sess. 135–42 (1934).

[17] Hearings on H.R. 8301 Before the House Comm. on Interstate and Foreign Commerce, 73d Cong., 2d Sess. 258–66 (1934).

[18] Hearings on H.R. 8301 Before the House Comm. on Interstate and Foreign Commerce, 73d Cong., 2d Sess. 29, 30; Statement by Capt. S.C. Hooper, United States Navy, Office of Naval Operations (1934).

[19] S. Rep. No. 781, 73d Cong., 2d Sess. 3 (1934).

JUDAH GRIBETZ: A PROFILE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. KOCH. Mr. Speaker, Judah Gribetz is counsel to Gov. Hugh Carey. He is also my friend. He is an exceptionally gifted public servant as well as an exceptional person in his private life. Rather than gild the lily, I would prefer to append a profile of him which appeared in the New York Times of February 18, 1977. There are few people in public or private life who will ever be

able to point to a comparable statement, which is the compilation of the laudatory opinions of those who have known Judah throughout the years. His wife, Jessica, who is also my friend, is a wonderful person in her own right.

The article follows:

[From the New York Times, Feb. 18, 1977]

GRIBETZ WEARS HIS POWER—BUT LIGHTLY

(By Molly Ivins)

ALBANY.—Judah Gribetz, counsel to the Governor, has a deceptively bland, rotund countenance. He looks sort of like a large version of Bashful in the Snow White movie.

His name sounds like the noise kids make when they imitate frogs. He is not into Frye-boot chic: he slogs through the snows of Albany wearing white socks and rubbers. He is one of the most powerful men in the state government.

You cannot talk to Judah Gribetz about Judah Gribetz. He'll start to tell you about himself but before the sentence is out, he'll have mentioned someone else and then he has to stop and tell you all about what a great person so-and-so is. Failing that, he reminds himself of some obscure episode in New York City history. "Do you know," he says, and then he's off on some anecdote, which usually ends with Mr. Gribetz shaking with laughter like a dish of Jello.

On June 21, 1974, Mayor Beame and Judah Gribetz, who was then a deputy mayor, took off from lower Manhattan in a helicopter, en route to the airport. The copter hit a squall and had to ditch near the Brooklyn side of the river. Word went out that the Mayor's copter was in the drink, rescue boats speeding to the scene.

A SAD PREDECESSOR

Panic at City Hall. Are they all right? Has anyone called their wives?

The Mayor and Mr. Gribetz eventually arrived at a wharf, where reporters were waiting. The Mayor, knowing his deputy well, said to him as they approached the cameras, "Now remember, Judah, no jokes."

One of the first counsels to a New York Governor was Ernest W. Huffcut. He worked for Charles Evans Hughes, who must have been a difficult man: Governor Hughes went through five counsels in three years. On May 3, 1907, Mr. Huffcut boarded the Hudson River night boat to New York City for the dreary purpose of informing Mr. Hughes that the Legislature had failed to pass a bill the Governor wanted badly. Mr. Huffcut couldn't face it, and put a bullet through his head in his cabin.

It is generally felt in the counsel's office, 70 years later, that Mr. Huffcut took the job too seriously.

Nevertheless, the seven assistant counsels sometimes seem prepared to kill themselves with work. They stay up until 3, 4 and 5 A.M., night after night. They live on take-out pizzas. For month-long stretches, they do not know the luxuries of eight-hour days or five-day weeks. They could be making considerably more money on the "outside." But they all swear they love it. In fact, they think it's fun.

Because they get to work for Judah Gribetz.

When you talk to people about Judah Gribetz, it sounds like a testimonial dinner. "The most dedicated public servant I have ever known. Loyalty. Integrity. Ability. Knowledge. Common sense. Brilliant mind. Excellent lawyer. Honest. Sensitive. Generous."

It sounds like one long Hallmark card. Mayor Beame; former Mayor Robert F. Wagner; his son Councilman Robert F. Wagner, Jr.; Robert Weaver, former United States Secretary of Housing; Richard Shinn, president of Metropolitan Life; Representative Edward I. Koch; former law partners; former business partners; former bosses; former subordinates; former colleagues; people with important titles, and people with no titles at all start bubbling with praise at the mention of Judah Gribetz.

Happily for the sanity of cynics, there are people around who will cuss Judah Gribetz. The chief complaint is that Mr. Gribetz, long accustomed to executive positions at the City Housing Department, the Federal housing department, in private business and at City Hall, has no understanding of how legislative bodies work.

"He doesn't understand accommodation and compromise, and how you let both parties walk away feeling they've won something," one top legislative aide said. "I think Judah was responsible for all the trouble the Governor had his second year, last year, with the Legislature. He thought that when the Governor spoke, that should be it, that we had no right to question or to try to put our imprint on legislation. He didn't want to give an inch."

Mr. Gribetz, who has been part of the Carey administration since it started in 1975, points out defensively that he has actually served on a legislative body—he substituted for Mayor Beame on the Board of Estimate. Since the Board of Estimate is, maybe, a half-step ahead of the City Council as legislative bodies go, this could be an indication of Mr. Gribetz's ignorance on the subject.

"I'm not trying to be a wise guy to the third floor (Legislature)," Mr. Gribetz said, and went on to say kind words about that estimable body. However, he has been known to say less than kind words about it. It is a function of one of his most often remarked-upon traits—loyalty—that Mr. Gribetz would resent anyone who tried to mess with the work of Hugh Carey.

But when he is negotiating between two parties and owes loyalty to both, Mr. Gribetz can be invaluable. According to Richard Shinn, who doubles as chairman of the Mayor's Management Advisory Board, Mr. Gribetz was a key figure in keeping Mr. Carey and Mr. Beame together during the darkest days of the city's fiscal crisis.

A FELLOW TO IMITATE

"He played a conciliatory and helpful role, offstage, in trying to bring things together," Mr. Shinn said. "He is a down-to-earth, pragmatic sort of fellow and very quick and able. He was important in bringing those guys together, keeping them each informed and aware of how the other one felt."

Governor Carey has been known to do imitations of his distinguished counsel.

Mr. Gribetz has, you see, a habit of "doing a Thomashefsky." The late Boris Thomashefsky, one of the founders of the Yiddish Theater, was a noted thespian with a propensity for waxing loud, forceful and dramatic. Mr. Gribetz, his arm fully extended and his index finger jabbing to make points, waxes very loud indeed.

"We used to be able to hear him all over City Hall," said Sidney J. Frigand, the Mayor's press secretary.

"He's never roared at me, but I've heard him make himself known," Mayor Beame said. "But everybody who knows him knows that's just an outward facade; down deep he's very easy-going and pleasant."

The Governor, who has more than once been on the receiving end of that extended finger, is reported to do an excellent impression of Mr. Gribetz's imitation of Thomashefsky.

Michael Naidel, first assistant counsel, said:

"I can't think of a single occasion when his yelling has not been both appropriate and effective. Never. Except when he yells at me, of course."

Being the Governor's lawyer involves two specific chores and a whole dog's breakfast of extraneous jobs. The first is drafting the Governor's legislative program and the second is reviewing every bill passed by the Legislature to see whether the Governor should sign it.

This involves a back-breaking load, keeping track of every bill, what's in it and what gets taken out and put in at the last moment. Since bills have to be signed or vetoed within 30 days after the end of the session, and since the Legislature is notorious for passing them by the hundreds in the last days of the session, that month is Exhaustion City at the counsel's office.

Robert Douglass, counsel to former Gov. Nelson A. Rockefeller, was asked if he had become tired when he had the job.

"I'm still tired," he sighed. "I get tired every time I think about it."

Like Mehitabel the Cat, who once observed that life was just one kitten after another, the Carey administration has had nothing but crises.

"You can't really compartmentalize the Governor's staff," Mr. Naidel said. "In theory, we're just the lawyers, but in fact, we wound up sitting in on all the discussions about how to save the city. We get involved in constitutional questions, policy questions, political questions, legal questions: we all work for the Governor.

"We don't usually get tired until the next morning, when we've been up all night working on a compromise and people from the third floor start flying in, saying, 'Hey, this wasn't what we agreed on, you'll have to change all this.' Then you think, 'Omigod, here we go again.' But the pressure is so constant that you just get used to it. And Judah never leaves before we do."

But Judah Gribetz, who is 47 years old, is simply a hard worker, not a workaholic. He adores his family, devotes untold hours to Jewish community work, is the Compleat Bibliophile, a naval buff, a baseball fan who once played college basketball and a rotten pool player.

PRAISE BY SOME NEPHEWS

He is extremely proud of his brothers, Donald and Irwin, both well-known New York pediatricians, Dr. Donald Gribetz said:

"The history of New York City is a passion with him. Three of the grandchildren are in history now: I have two and he has one. They have very erudite and scholarly discussions. I've heard the kids come away saying, 'Hey, you know, Uncle Judah really knows an awful lot about this.' And for them to admit that any of us know anything is really something."

The three brothers and sisters-in-law are all close. The brothers speak by phone almost daily. Judah Gribetz spoke with his father every day of the old man's life. Abraham Gribetz was president of the Hebrew Free Loan Association, a nonprofit organization that provides loans for small businessmen. The day before he died, he was making loans from his bed.

After Abraham Gribetz's death, Judah, who was on the board of the loan association, kept the organization going until a new president could be found, according to officers of the organization. He is also active in the Brooklyn Jewish Center and the United Synagogues of America, an organization that mediates internal disputes in the faith.

Judah Gribetz is also a fanatically loyal alumnus of Columbia, where he went to both college and law school. He even used to take his son, Sydney, to Columbia football games. Since the Lions won the Rose Bowl in 1934 and have been going downhill since, it can only be called fanaticism.

Mr. Gribetz is a very private man, and of his wife, Jessica, who seems to be adored by everyone who knows her, he will say only that he ran across her when he was a kid at camp and that she is "a very fine human being."

OUT OF THIS WORLD

HON. OLIN E. TEAGUE
OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. TEAGUE. Mr. Speaker, the Space Shuttle program is destined to make space a place of commerce and bring continuing down-to-Earth benefits to the people of the United States and the whole world. In a feature article of the American Legion Magazine of February 1977 entitled "Out of the World" the Space Shuttle benefits are clearly and interestingly portrayed. Because of the significance of this article, I am including it in the RECORD for the benefit of my colleagues and the general public:

OUT OF THIS WORLD

Wintertime is vacation time in Florida and this year you can plan one of those out-of-this-world trips . . . literally . . . for your destinationis straight up—a huge resort hotel orbiting hundreds of miles above the Earth.

With visions of zero-gravity games and shuttle flights to the Moon dancing through your head, you're off to the airport. The moment you arrive your journey takes on the air of a Jules Verne fantasy. Poised restlessly at the end of a concrete ribbon is your waiting spaceplane—a gleaming, stubby-winged leviathan of the heavens.

You board the sprawling space giant and take a seat among the other passengers, ranging from fellow tourists to working scientists. As you fumble with the safety harness, the pilot's voice fills the cabin. "Takeoff in one minute!" A moment later, rocket engines deep within the bowels of the metal bird begin to pulsate with a quickening rhythm. You stiffen. The great adventure is about to begin.

Takeoff comes with an unnerving suddenness. You explode down the runway at a dizzying speed. In seconds you are airborne, climbing steeply . . . endlessly. The soft contour seat becomes a man-eater as acceleration forces hammer your body downward. Your weight increases two . . . three times. You want to look out of the window, but it is an effort merely to turn your head. Yet, there is no discomfort. The pressure of acceleration, the overwhelming thunder of the rockets combine to produce a pleasant euphoria.

Soon you are hurtling over Africa, the Eurasian land mass, into night, and emerging into a crimson new dawn. Abruptly, the muted roar of the spaceliner's engines drops to an audible rumble . . . then a hiss . . . then silence. A new sensation. Your body rises gently against restraining harness. The centrifugal force that comes from being whirled about your world at nearly 18,000 mph . . . like a ball on the end of a cord . . . has cancelled gravity. You are in space.

As you toy with the delights of weightlessness, your spaceliner begins to move up and down, back and forth, in gentle swaying motions.

The end of the fantastic voyage comes with the softest of thuds. You have arrived—300 miles above the Earth. In the process, you circled the globe—and in less time than it takes to fly the Atlantic.

A 21st century happening? Surprisingly, outings in orbit may be practical a lot sooner than you think. The reason? Emergence of the reusable Space Shuttle, a startling innovation of the Space Age that makes commercial exploitation of the heavens a possible reality.

The first Space Shuttle rolled from its assembly plant late last year. Landing tests are scheduled for 1977 and the first orbital flight will be conducted in 1979. In 1980, the Space Shuttle will begin operational missions from the Kennedy Space Center in Florida.

The Shuttle will solve a nagging and often embarrassing problem for the National Aeronautics and Space Administration—the astronomical cost of doing business in space. In fact, NASA has designed its programs for the next two decades around this versatile space commuter. As a roving work platform in space, it will be used to launch, repair and replace expensive satellite systems, and to serve as a manned space laboratory for periods of up to 30 days duration. Later it is ticketed to serve as a sort of space taxi for ferrying men and supplies to and from orbiting space stations, and as an emergency ambulance service in space to rescue injured and stranded astronauts.

An Interim Upper Stage (IUS) being developed by the Department of Defense will be used for missions requiring orbits higher than 500 miles—the Shuttle's operational limit—and to inject payloads into escape trajectories to the moon and the planets.

Ironically, the development of the Space Shuttle parallels the development of the large rocket boosters that opened the era of space exploration. The story begins in the late 1950's, when spacecraft designers wrestled with the problem of how to bring back returning spacemen without burning them to cinders.

When a spacecraft slices into Earth's air ocean, it is traveling at speeds up to 25,000 mph. Resulting air friction creates temperatures of around 5,000 degrees. The spacecraft's angle of reentry must be precise. Even a small error can throw it thousands of miles off course with disastrous consequences. As the late astronaut Gus Grissom once said: "We literally explode a man into space, then bring him back like a meteor."

Apollo astronauts referred to their reentry procedure as "sliding down the stovepipe." Their bell-shaped craft, only slightly more maneuverable than a descending rifle bullet, had to be guided with unerring accuracy through an invisible "window" in the atmosphere 300 miles wide and 40 miles deep. Not an easy feat considering they had to take aim from thousands of miles out in space.

If they barreled in too steeply, they would be crushed and incinerated by the thickening air mass. If they came in too shallow, they would bounce off the Earth's blanket of air and become aimless wanderers in space. Their final descent to an ocean landing was controlled by what veteran spaceman Tom Stafford once described as the most gratifying sight in the world to a returning astronaut, "those big, beautiful, landing chutes."

Even as the Apollo program was taking initial form, designers knew there had to be a better way to move in and out of space. Huge rockets, such as the 363-foot-tall Apollo/Saturn V, then on the drawing boards, would be intricate and costly to build and launch. Moreover, they would be totally expendable . . . each complete vehicle a one-shot investment. Only the Command Module, or crew compartment, of the huge moon rocket would return safely to Earth.

Researchers hit pay dirt in late 1961. An unusual wingless shape emerged from wind tunnels at NASA's Langley Research Center in Virginia. It wasn't much to look at, resembling a halved apple—rounded on the bottom and flat on top. But tests proved it to be airworthy, and with the addition of small fins and rudders it could be maneuvered with relative ease. Elated designers dubbed their newest creation the "lifting body."

The first lifting body was flight tested in 1962, the same year that astronaut John Glenn (now a U.S. Senator from Ohio) became the first American to orbit the Earth. The M2F1, a fragile craft constructed of plywood and tubular steel, was towed to a height of 10,000 feet and glided to safe landing near Edwards, CA. Test pilot Milton Thompson, who once jockeyed the needle-nosed X-15 rocket plane to an altitude of 211,000 feet and a speed of 3,700 mph, called the flight the most unique of his career.

"It was an odd feeling to gaze from the canopy and not see any wings," he said.

By 1968, advanced lifting body designs had been piloted to heights approaching 100,000 feet and speeds beyond sound. Unmanned versions were lofted into space by rockets, rammed back through the atmosphere at extreme velocities and guided by radio control to safe landings in the ocean. A year before Apollo II began its historic journey to the surface of the Moon, designers were convinced that the stubby, wedge-shaped lifting body was indeed the shape of tomorrow.

The Shuttle's Orbiter is the main package. It is a delta-winged spaceplane about the size of a DC-9 jetliner containing a crew compartment, controls, life support systems, a 60-by 15-foot cargo bay, three main rocket engines for liftoff and two smaller engines for maneuvering in space and to prod it out of orbit for return to Earth.

Directly beneath the Orbiter is a huge external fuel tank that feeds propellants to the Orbiter's main engines during liftoff. By positioning the main fuel supplies externally, designers were able to cut down on the Orbiter's size and weight and allow more cargo space for mission operations.

Unlike the futuristic version described at the beginning of the story, present technical restraints require that the Space Shuttle be launched vertically like a conventional rocket. At liftoff, the Orbiter's three main engines and the two solid booster rockets are ignited. At an altitude of about 25 miles, the two solids shut down, pop off automatically and parachute into the ocean of Cape Canaveral. The boosters, located by built-in homing devices, are recovered and returned to the Cape for refurbishing and reuse.

Shortly after Orbiter is inserted into orbit, the external belly tank runs dry and the Orbiter's main engines shut down. They will not be used again during the mission. The belly tank is jettisoned and pointed back towards Earth by a small deorbit motor. It is the only piece of the Shuttle package which is expendable.

When the Orbiter completes its mission, it returns to Earth, zips through the atmosphere like any other aircraft and glides to a landing on an ordinary runway.

The actual landing—to a commercial airlines passenger—would be somewhat of a "grabber." It will be a computer controlled and accomplished "dead stick"—without power.

The glide slope will be a steep 24 degrees, compared to the two and a half to three degrees for a commercial airliner on a landing approach.

NASA says the Space Shuttle will open an era of economical space activity. The cost of launching a conventional rocket carrying an unmanned payload runs from about $10 million to $15 million, depending upon the launch vehicle used. The manned moon missions, using the massive Saturn V, cost $400 million. In contrast, the average Space Shuttle launch will average $10.5 million, and it can loft as many as three satellites at a time.

Currently, the overall cost of delivering a pound of payload into Earth orbit runs from $600 to $1,700. The Shuttle is expected to reduce the pound-in-orbit cost to approximately $160.

Additional savings will be achieved by the Shuttle's ability to retrieve and repair satellites that otherwise might have to be

replaced entirely. For example, two days after launch in April 1966, the battery aboard the $50 million Orbiting Astronomical Observatory-1 failed, dooming the mission to failure. Had the Space Shuttle been available, the defective satellite could have been rescued and repaired at a cost of a Shuttle launch—$10.5 million—roughly one-fifth of the satellite's replacement costs.

The Shuttle also will make it possible to cut down on the cost of launching manned and unmanned spaceships into deep space or to the planets. It will eliminate the costly rocket boosters necessary to overcome Earth's gravity. The Shuttle could take up a spaceship system piece by piece and then haul up the engineering crew to put it together. It could transport the flight crew, if the mission is manned, and keep them on station until launch from Earth orbit. The same process could be used to construct and service large space bases housing scientists, engineers and technicians for a variety of scientific and industrial research projects and to survey and monitor the Earth's environment and resources.

An international flavor already has been assured for Space Shuttle missions. Occupying the huge cargo bay of the Orbiter on many flights will be Spacelab, a pressurized manned laboratory and an instrumented platform with instruments for experiments which must be exposed to the space environment. The laboratory, being designed and built at a cost of $500 million by the 10 nations of the European Space Agency, will offer working space for four persons for up to 30 days, although nominal Spacelab missions probably will average one week. Spacelab personnel are in addition to the Orbiter's normal three-man flight crew.

The prime launch and landing site for Space Shuttle operations will be NASA's Kennedy Space Center in Florida. The space center was selected because of its existing launch facilities which were readily adaptable to Shuttle operations.

A shuttle landing runway is 15,000 feet long, 300 feet wide and has a 1,000-foot overrun at each end. Concrete thickness is 16 inches at the center, sloping to 15 inches on the sides.

In the Free World, the Orbiter runway is matched in length and width only by a strip at the NASA Hugh L. Dryden Flight Research Center/Edwards Air Force Base in California's Mojave Desert.

The runway is roughly twice as long and twice as wide as the run-of-the-mill commercial landing facility, although a number of domestic and foreign airports have landing strips far exceeding average dimensions.

The reshaping of the nation's Spaceport for its role in the Space Shuttle program should be completed in mid-1978 and delivery of the first Shuttle Orbiter to Kennedy Space Center is scheduled for the late summer of 1978. Orbital flights will commence the following year.

RELIEF FOR SMALL BUSINESS

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. QUAYLE. Mr. Speaker, I am pleased to reintroduce with 30 cosponsors the OSHA small business relief amendment.

This amendment would exempt from the jurisdiction of the Occupational Safety and Health Act all businesses which employ 25 or fewer persons. The exemption would also cover farming operations.

The amendment is aimed at those businesses and farms which form the backbone of this Nation's economy, yet who are yearly burdened with unreasonable penalties and fines leveled at them by OSHA inspectors. As I pointed out in previous statements to this body, OSHA itself admits to a great problem with small business. These small businesses lack the time or facilities to deal with a large body of regulations and furthermore, inspectors sent out to examine for breaches of these regulations are often inconsistent from visit to visit, leaving the employer with a real dilemma. Should he obey one inspector and not the other? If one inspector found conditions satisfactory, why did not the second inspector? Should the employer challenge the more punitive of the rulings? And if he does, what about the many cases of stiffer fines being imposed when the first fine is objected to?

Leaving aside the question of on-site inspection, which I think we would all agree is fraught with complications, there is the consideration of the numerous forms which must be filled out to comply with regulations. I receive even more complaints about the forms than about onsite inspections. It takes innumerable hours to properly prepare these forms, and, in any business, time is quite literally money. This does not even mention the frustration of "just one more governmental intrusion into private life."

Every business suffers from these conditions as imposed by OSHA. But the burden on the small businessman—in addition to similar demands made by the Environmental Protection Agency, the Equal Employment Opportunity Commission, the Federal Trade Commission, and a dozen or so other bureaucracies—is rapidly becoming too much to cope with. Until these agencies can be revised to lessen their destructive effect, the least we can do is remove those burdens which serve the least purpose and would do no damage by their disappearance from the scene.

Removing small businesses from OSHA's jurisdiction is a step in the right direction. Given the state of our economy today, we cannot afford to perpetrate any unnecessary restriction, complication, or difficulty upon the small businessman, who is having trouble surviving.

Mr. Speaker, I would like to thank my colleagues who have joined with me in sponsoring this legislation. I think the large numbers of cosponsors secured in a short time indicates that this bill has much merit. I encourage and welcome the support of the rest of our colleagues in moving this amendment to OSHA to swift passage.

Following is a list of the cosponsors of the OSHA Small Business Relief Act:

COSPONSORS

Mr. Mathis, Mr. Winn, Ms. Meyner, Mr. Dan Daniel, Mr. Ertel, Mr. Runnels, Mr. Lott, Mr. Bowen, Mrs. Holt, Mr. Robinson, Mr. Cederberg, Mr. Myers of Indiana, Mr. Skelton, Mr. Kindness, Mr. Duncan of Tennessee, Mr. Moorhead of California, Mr. Hightower, Mr. Collins, Mr. Walker, Mr. Frey, Mr. Cochran, Mr. Emery, Mr. Burgener, Mr. Whitley, Mr. Edwards of Oklahoma, Mr. Whitehurst, Mr. Ginn, Mr. Hagedorn, Mr. Archer, and Mr. MacDonald.

KENTUCKY'S COAL INDUSTRY THREATENED BY SURFACE MINING CONTROL AND RECLAMATION ACT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. HUBBARD. Mr. Speaker, H.R. 2, the Surface Mining Control and Reclamation Act now being considered by the House Committee on Interior and Insular Affairs, provides many safeguards to prevent the scarring of our Nation's landscape by irresponsible surface mining practices. Unfortunately, H.R. 2, as it has been drafted, would outlaw a number of responsible practices which are essential to safeguard the continued existence of the coal industry in the Nation's largest coal producing State, my State of Kentucky.

I urge my House colleagues to consider the points raised in the following statement by Mr. Tom Duncan, president of the Kentucky Coal Association. His statement outlines the steps which should be taken to make H.R. 2 a better bill recognizing our energy needs as well as our environmental needs.

The statement is as follows:

STATEMENT OF TOM DUNCAN, PRESIDENT OF KENTUCKY COAL ASSOCIATION

The Kentucky Coal Association membership includes both surface and underground coal operators in both the Eastern and Western Kentucky coalfields.

You have been and will be presented with strongly conflicting views on the bill and on the need for federal legislation to regulate surface mining. We will limit ourselves to those aspects of the bill that strike specially harshly at the Kentucky coal industry and on which we have a firm base of knowledge and experience, plus some parts of the bill that cause us deep concern because of vagueness, procedural questions, and the like.

But, first, we would point out a major underlying flaw in the concept of H.R. 2: It attempts to dictate mining practices rather than to set real environmental goals. If this philosophy had been followed rigidly by the regulatory agency in Kentucky, the industry would not have been allowed to develop the mountain-top removal method of mining which permits almost complete recovery of the coal and has resulted in some of the best reclamation, leaving the mined and reclaimed area in a much more useful condition than it was before mining began. It should be a fully authorized method, encouraged rather than permitted only under highly prejudicial variance provisions.

In this connection, we would urge the Committee to seek the opinion of landowners, particularly those in the steeper slopes of Eastern Kentucky, where level or gently rolling land is at a premium—and is almost non-existent above the flood-plain. It may be difficult for some to believe, but level land in a mountain business center such as Pikeville can rival land in Washington, D.C., in value. But the fact is that it is at such a premium that the federal government is spending millions of dollars to support a project to cut through a mountain and reroute a river and railroad in Pikeville.

We might add that the "highwalls" from this project are truly awesome, as are ones along many miles of federal highways in the mountains. But they are essential to improvements for the people in the area and

are not considered eyesores by those enjoying these improvements.

Benches left from contour mining on steep slopes also provide level, stable land above the flood plain, land that is much more useful than the original mountainside.

And both these benches and the areas reclaimed by the mountaintop removal and hollow fill method provide a key element that usually would not be economically feasible without the recovery of coal—access. The haul roads built to transport the coal represent a major expense, but they offer good access to the reclaimed areas after mining is completed.

Certainly, not all these areas have been put to their highest use. It may be years before some are developed to their full potential. But the fact remains that many are being put to higher uses, and the potential of almost all of them is much greater than is that of steep, inaccessible slopes. Again, we urge that you make an extensive study of the views of landowners, who in Kentucky often do not own the coal beneath the surface. Ask them how they would prefer their land be reclaimed. Their views should carry as much weight as those of the owners of land overlying federal coal.

Perhaps even more pertinent to the avowed purpose of H.R. 2 is that both the mountaintop removal method of mining and only reducing, rather than eliminating, highwalls on steep slopes are sound environmentally. In both cases, of course, the key factor is the proper placement, stabilization and revegetation of the disturbed material, which actually should be determined on a site specific basis. But that is exactly what the bill would prohibit with its requirement that steep slopes be restored to their approximate original contour. This can only lead to increased erosion, siltation and mineralization of streams. The justification can only be on the grounds of esthetics, and even that justification is questionable at best in light of the facts pointed out by the Division of Reclamation of the Kentucky Department for Natural Resources and Environmental Protection.

Incidentally, the Kentucky Coal Association agrees with the basic position taken by the Commonwealth on mountaintop removal and return to approximate original contour. We differ on some specifics and feel the Commonwealth has not followed the facts to their logical conclusion, but its statements on various elements of the bill merit your careful study. We have had bad mining practices and reclamation in Kentucky in the past, but we have learned from experience, research and innovation.

It would be irresponsibly shortsighted to fail to use this knowledge on a subject so critical to the nation's energy situation and absolutely vital to Kentucky's economy.

We have intentionally refrained from invoking the spectre of bankrupt coal operators, unemployed miners and general economic depression in an area whose sole major industry is coal. But even if one accepts the studies cited by advocates of H.R. 2 (and we would welcome the opportunity to debate the reasons we definitely do not), it is apparent that Kentucky will bear a major share of the burden of closedowns and severe disruptions of the industry because of our combination of huge reserves on steep slopes and a tremendous number of small and medium sized operators.

Our numerous smaller underground operators also will be especially hard hit by the bill's provision for covering all surface activities connected with underground mining. While it will be physically impossible in any event for increased underground production to make up the overall loss in surface production under H.R. 2 in the foreseeable future, it will be just as impossible for Kentucky even to maintain its present underground production if the provisions of H.R. 2 are applied as rigidly as other sections of the bill would indicate.

To cite only two points, the prohibition against placing material on the outslope and the requirement to restore steep slopes to approximate original contour would place impossible deterrents on developing many potential underground mines.

They must have level working areas near the mine mouth for equipment and facilities. Often the only way to obtain this space is to cut into the mountainside—and extend the bench with fill materail on the outslope. Obviously the operator must stabilize the fill material for it to be useful. Once it is stabilized it would be foolhardy to require that, when operations cease, the material be disturbed again and placed so as to recreate a steep slope subject to severe erosion.

All this may bring the response that mining simply should be done somewhere else. But the fact is that coal must be mined where it is or not mined at all. If the aim is to hold environmental damage to a minimum and have the land left in a useful condition, we have no quarrel. But if that is the aim, we refer you again to our arguments on mountaintop removal and benches. And if the aim is simply to place added burdens and restrictions on coal operators, especially those in the steep slopes of Eastern Kentucky, we must say that the opportunity of mining "somewhere else" offers precious little comfort for those whose livelihoods are involved. In that connection, we would cite the fact that the requirement for return to approximate original contour applies only to so-called steep slopes—the very terrain where the practice is most harmful environmentally and least defensible on the basis of post-mining land use.

On the procedural questions, the concept of land-use planning embodied in H.R. 2 is perhaps potentially the most dangerous element. Without debating the merits of land-use planning in general, we would point out that this particular effort would be directed specifically at determining only which areas would be "unsuitable" for coal mining—for a variety of vaguely stated reasons.

No other development would be so restricted, only coal mining, which obviously must be done where the coal is. Even more to the point is the fact that the entire permitting process contemplated by H.R. 2 is aimed at forcing the applicant to demonstrate in almost unbelievable detail that he can and indeed will reclaim the land. But under H.R. 2, even if he could demonstrate this, he could be denied that opportunity on grounds that the area involved has already been declared "unsuitable" for mining on the basis of standards that may have no logical connection with the developing technology of mining and reclamation.

Indeed, a Kentucky operator could not obtain a permit until the area has been designated as *not* "unsuitable"—the very thing the permitting process is supposed to accomplish.

The time implications of this designating process, various other procedures required and the threat of endless hearings, reviews and litigation probably are extremely significant in causing widely divergent predictions of the impact of the bill. It is one thing to calculate the cost of moving a cubic yard of material a given distance, although variables even in that can be amzingly complex. But it is an entirely different matter to estimate even roughly the potential cost of being unable to predict with any certainty whether a permit can be obtained in six months, a year or two years—and thus when the men, machines, transportation facilities and the like should be in place.

In Kentucky, the question of availability of hydrologists, geologists, soil scientists, etc., will make it impossible to set timetables on the completion of applications. The requirements for hydrological data alone will be beyond the capability of many operators—and far beyond the need of the regulatory agency. The Commonwealth recognizes that it, too, will find it difficult, at best, to obtain the professional and technical personnel required.

Inordinate delays are the only predictable outcome. As we read the bill (and we admit there seem to be as many interpretations to various parts as there are readers—and perhaps even those who haven't read it), there is no time limit set for action on an application for a permit unless there is a protest. That, plus the various studies required and the land-use designation process mentioned above, would leave the applicant in limbo. While some operators already in the industry, perhaps even a few smaller ones, may be able to cope with the process (or at least will be forced to try by sheer necessity for economic survival), the only real incentive for anyone to enter the industry would be greatly inflated coal prices. That unfortunate development could easily occur under H.R. 2.

We have seen all too recently what shortages can do to prices. And, while the Kentucky Coal Association believes the best interest of the industry and the nation would be served by a stable market producing a reasonable profit over the long term, it is not difficult to understand the thinking of an operator, fearing he will be legislated or regulated out of business, whoe main interest is a quick return. But even those operators with the resources to deal with the requirements of the bill and continue operating over the long term must in simple prudence build into their cost calculations ample provision for the delays and uncertainties found throughout the bill.

If it is countered that regulations to be issued in connection with the bill will correct these problems, we would answer that harsh experience has taught us that the direct opposite is much more likely. But even if the intent is to clear up such matters through regulations, would it not be much better, surely safer, to state procedural guidelines clearly and specifically in the bill itself? A baffling contradiction is that the bill is rigid in matters dealing with mining and reclamation, where developing technology and vastly differing conditions from site to site dictate flexibility, and yet it is often vague or contradictory in dealing with procedural matters, where the standards should be clear and precise. It is this type of thing which makes H.R. 2 a bill to prohibit mining, at least in many areas, rather than to regulate mining.

Although we have dwelt mainly on the situation in Eastern Kentucky, because the bill's approach to steep slopes makes its potential impact much more traumatic there, especially in view of the number of small and medium sized operations, the procedures and studies required will be just as burdensome in Western Kentucky. And in Western Kentucky, where the coal's sulfur content is high, production has been decreasing steadily even without H.R. 2. The response, again, may be that the coal should be mined "somewhere else." But the fact is that we have in place the structure, the manpower, skills and machinery, to produce a vast amount of energy critical to the nation's economy—with no way to move that capability "somewhere else" at a whim.

Kentucky produces more than one-fifth of the nation's coal, although production dropped to approximately 140,000,000 tons last year from more than 144,000,000 tons in 1975. We are capable of producing much more.

Given the right governmental and market climate, we can expand production steadily and strongly for many, many years to come. And we can do it in an environmentally responsible manner, leaving the land in a more useful condition than before mining. But many of our operators will be unable to cope with provisions of H.R. 2 that actually are peripheral to that goal. Their production, which represents a great portion of the entire coal industry's surge capacity, will be sorely missed, particularly in times of an unexpected increase in demand, such as came during the OPEC oil embargo.

The temptation may be to say that other states will make up for Kentucky's production loss. That, of course, is little consolation to us. And we would doubt the validity anyway. Although many points in H.R. 2 seem aimed punitively at Kentucky, it obviously will have detrimental effects elsewhere. We have not discussed the problem and conditions outside the Commonwealth because there are others much more knowledgeable on those matters. On the other hand, we feel secure in saying that we in Kentucky know much more about our problems and conditions than do others who would take a brief look, or none at all, then prescribe a cure-all. They and those who would impose burdens on Kentucky's coal industry in an effort to gain a competitive advantage would do this nation, as well as us, a great disservice.

THE DISTRICT OF COLUMBIA RETAIL SERVICE STATION ACT OF 1967

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. ARCHER. Mr. Speaker, I am this day introducing a resolution to disapprove the Retail Service Station Act of 1976 (Act 1-220) passed by the Council of the District of Columbia.

This action has been taken because of my concerns that: First, portions of the act may be unconstitutional; second, the act is anticonsumer and anticompetitive and will result in higher prices to consumers; third, portions of the act may soon be preempted by legislation now moving through the Congress; and fourth, the act establishes a bad precedent in the area of gasoline supplier/retailer relationships that eventually might emerge in other localities across the Nation. Specifically, the provisions of the act which are of greatest concern would do the following:

First. Prohibit producers, refiners, or manufacturers from operating a gasoline retail outlet in the District after January 1, 1981;

Second. Require uniform pricing of gasoline at wholesale throughout the District; and

Third. Place a moratorium on future conversion to limit service or "self-service" gasoline facilities within the District.

Presumably, the justification for this bill is the alleged threat of massive direct major oil company takeovers of retail dealer operations in the District. The fact is, however, that according to a Greater Washington Petroleum Committee survey there are only about 15 direct company operations operated by majors out of about 270 major branded retail service stations in D.C. That is less than 5 percent of the total number of major brand retail service stations that are directly operated by major oil companies. This hardly represents a threat to dealer operations or justifies the need for this type of punitive legislation.

It should be noted that legislation similar to title I—retail divorcement, uniform pricing—of the act has been declared unconstitutional in Florida and Maryland courts, largely based on the fact that such legislation would have an adverse impact on the consumer and be harmful to competition. While a recent Maryland appeals court decision disagreed with the lower district court on the question of constitutionality, it seems likely that the U.S. Supreme Court may be asked to rule on this controversy. In addition, the uniform pricing provisions of title I appear to be in conflict with section 2(b) of the Robinson-Patman Act and should be reviewed by Congress. Furthermore, the District General Counsel, the District Corporation Counsel, and others within the District's executive branch have at various times expressed reservations concerning the legislation.

Regarding title II of the act, which would attempt to regulate the respective rights of gasoline retailers and their suppliers, Congress and the District should consider that Federal law may soon preempt the provision of this title. After many years of consideration, the House Commerce Committee will soon report H.R. 130, the Petroleum Marketing Practices Act. The District Act would unnecessarily conflict with much of the Federal law, and it would appear inadvisable for the Congress to approve the District Act until it has had a chance to analyze the impact of the Federal legislation in this area.

Finally, title III of the District Act, which provides for a moratorium on "self-serve" operations, would appear to be contrary to the interests of the D.C. consumer because it would restrict his right to freely choose among different types of retail outlets. Conversions by oil companies to this type of retail operation has been a direct response to consumers' demands. This provision would have the effect of trapping lower income inner-city D.C. residents into paying higher prices for their gasoline than their more affluent commuting neighbors in Maryland and Virginia who have the opportunity of buying it from less expensive "gas only" outlets in their home States. It should also be remembered that D.C. residents already have to pay a higher price for their gasoline than their neighbors due to the imposition in 1975 of a 10 cent per gallon motor fuel tax, which is 1 cent per gallon higher than that paid in Maryland or Virginia.

Due to these serious concerns, I am asking Chairman DIGGS and members of the House Committee on the District of Columbia to hold immediate hearings on Act 1-220. Only in this way can the apparent problems of this act be properly considered by the Congress.

WILL THERE BE MORE PRODUCTION OR MORE INFLATION?

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mrs. HOLT. Mr. Speaker, the Carter proposals to stimulate the economy may in fact hold it down. The additional Treasury borrowings made necessary by the additional $19.5 billion added to the already $50 billion fiscal year 1977 deficit will keep interest rates higher than otherwise. In the future, taxes will have to be higher to pay the interest on the added Federal debt.

What are we getting for all of this additional debt? Unfortunately, we are not getting a productive investment that will pay off in more lasting jobs and higher real standards of living for all Americans. We are getting, instead, spending incentives and not production incentives. We have simply taken another step which channels labor and capital from productive uses in the private sector to the unproductive Government sector.

Mr. Alan Reynolds, vice president for Business and Economic Research at the First National Bank of Chicago has discussed the economic outlook in view of the Carter stimulus package. I am inserting his article in the RECORD at this time:

THE ECONOMIC OUTLOOK

(By Alan Reynolds)

As the new year began, the economic news in this country was about as favorable as could reasonably be expected. Retail sales in December were nothing short of terrific, housing starts and durable goods orders looked fairly strong, personal income and industrial production showed excellent gains, and the index of leading economic indicators (a rough guide to future trends) had turned up for three months.

But public policy should never be based on such short-term considerations, nor on the situation in this country alone. Government tax, spending and monetary policies take months to implement and years to completely take effect. So policies adopted now must be based on some forecast of the distant future—forecasts which are usually wide of the mark. Recent proposals to adjust fiscal policies to the weather are fine examples of "fine tuning" carried to its logical absurdity.

The Carter proposals to stimulate the economy will, in fact, hold it down. The added Treasury borrowing will keep interest rates higher than otherwise, as the Treasury competes with private borrowers, and future taxes will have to be higher to pay the interest on the added federal debt. That might be justifiable if the tax cuts and added government spending were targeted at increasing real production, but they are not.

The tax rebates are based on past earnings, not future earnings, so they provide no incentive to try to earn more. Because most of the tax relief goes to low-income taxpayers, it is not likely to "trickle up" to the important markets for new houses and cars—even if consumers were so myopic as to make such long-term purchases on the basis of tiny and temporary windfalls.

More public service jobs and public works help those who get the money and hurt those who pay the bills. Taxes to pay for these schemes reduce private incomes and employment, more federal borrowing makes it harder for businessmen and consumers to

borrow, and printing money just dilutes private purchasing power. The net effect is to channel labor and capital from productive private uses into raking leaves and building pyramids.

The payroll tax credit will be more than wiped out by this year's doubling of payroll taxes for unemployment insurance, and it will just hasten the day of reckoning for the insolvent Social Security system.

Even the investment tax credit is a clumsy way to cut the corporate tax rate. It does not apply to structures, such as building offices or factories, nor to short-lived assets, and the credit is least helpful to other sorts of very long-term investment that are badly needed (such as primary processing.

In short, the Carter economic package cannot possibly generate results that would justify its cost. If you add in off-budget agencies and trust funds, *The Money Manager* figures that Uncle Sam will be borrowing $175 billion in the next two years, and little of that scarce capital will go toward increasing the economy's capacity to produce.

The last thing the economy needs in the third and fourth years of the recovery is to be forced to digest more federal debt. This is not to suggest that a $15 billion annual change in federal budget policy will necessarily make much difference in a $1.8 trillion economy (the average error in just estimating the deficits has been $17.7 billion since 1971), but that the long-run effect is unmistakably negative. Deficits are not a source of free money, and taxpayers will not be getting much for these deficits.

Big deficits have usually been associated with rapid increases in the supply of money. When heavy Treasury borrowing puts upward pressure on interest rates, the Federal Reserve habitually buys government securities and, in effect, adds to the banks' reserves in payment. With more reserves, banks can create new checking accounts (money) to expand their loans and investments. A sustained acceleration in the money supply is invariably reflected in more inflation within a year or two, and the higher inflation is soon reflected in higher—not lower—interest rates. A burst of new money may push short-term rates down for a few months, but houses and factories are not built with three-month loans.

So the growth of money must be brought down into a reasonable relationship with the growth of things that money can buy. That is all that anyone needs to know about inflation and demand.

That brings us to the neglected supply side of the economy. For any given growth of demand (money), inflation will be reduced by anything that increases the supply of marketable goods and services.

The economy has been subjected to some extremely severe shocks on the supply side. The first was the precedent of peacetime price controls, which added a new element of risk to business investment. So long as this threat continues, investments will not be undertaken unless they are considered sufficiently profitable to compensate for the added risk.

A second supply shock was the flood of environmental and safety legislation, and the related flood of unpredictable edicts. Investments that would expand capacity in the affected industries will not be undertaken unless it is expected that prices will be allowed to rise sufficiently to cover the costs. Whimsical regulatory changes in the basic rules of the game effectively prohibit all but the most promising long-term expansion plans.

The third supply shock was the soaring price of imported oil. A lot of physical capacity became uneconomic because its output could not be sold at prices that would cover the energy cost. Some Boeing 747's, for example, may be counted as spare capacity even though they cannot be profitably operated at fares that will fill the planes. It is not true now, just as it was not true in 1972, that there are massive numbers of idle machines that can satisfy a huge increase in demand with no pressure on prices.

When supply is the problem, you don't help things by stimulating demand. Consider the recent talk offsetting the weather-related reductions in supply with more efforts to spur demand. The idea is to get people to rush out and buy what isn't being produced. With more demand and less supply, prices have to rise.

All of the political attention has been directed toward getting the economy back up to full capacity. What then? It takes time to build new paper mills or gas wells. Unless we get plant and equipment spending up sharply right away, all of stimulus to spending will bump up against supply limitations by the beginning of next year. As the growth of supply grinds to a snail's pace, all of the money created in 1976–77 could only go into bidding prices up in 1978.

The key problem thus comes back to the anemic growth of plant and equipment spending, both here and abroad. A number of respected studies have shown that business fixed investment, which has been hovering below 10% of GNP for years, will have to remain closer to 12% if the economy is to provide employment for a growing labor force at rising real wages.

Those who believe that dumping money from airplanes will build real productive capacity—that demand creates its own supply—are profoundly mistaken. Government has added too many taxes and regulations to make it profitable to expand and modernize the tools that make workers productive. Until there is some meaningful reduction of the tax burden on saving and other productive activity, and of the uncertainty surrounding government regulation, the outlook beyond 1977 is for very sluggish growth or more inflation—probably both.

Another relapse into extreme stagflation is certainly not inevitable. We do not have to emulate Britain. The policies needed to bring unprecedented prosperity with zero inflation are as simple as they would be effective:

Index federal tax schedules so that illusory increases in personal or corporate income (or capital gains) are not taxed as though they were real income.

Eliminate the double taxation of dividends, and do not tax approved forms of savings at all (just the income from the savings).

Impose a moratorium on any tightening of environmental and safety regulations, and investigate their present costs and benefits.

Deregulate the prices of domestic crude oil and natural gas.

Acknowledge full governmental responsibility for inflation, and renounce wage and price controls for all time.

Keep the growth rate of the (M_2) money supply within a 2%–5% range.

Reduce those highest tax rates that discourage productive effort, employment and investment—especially stiff marginal tax rates on two-earner families.

Reduce federal spending drastically in order to free borrowed funds for productive private uses.

H.R. 4789

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. ABDNOR. Mr. Speaker, the recent hearings before the Subcommittee on Family Farms, Rural Development and Special Studies documented the widespread opposition to the purchase of agricultural land by tax exempt investment funds. At that time I had already initiated the drafting of legislation to prohibit such purchases, and I appeared before the subcommittee to solicit their support. With the assistance of the staff of the Joint Committee on Taxation the legislation has been prepared and I have introduced it today.

The implications of purchases of large acreages of farmland by tax exempt organizations are many and mostly bad. A few pointed out by USDA's Economic Research Service include increased pressure on land values, concentration of land holdings in the hands of financial institutions, and reduced opportunity for land ownership by young farmers.

While many farmers have only been able to remain in business in the face of increasing expenses and reduced receipts by borrowing against the increasing valuation of their land, exploding land prices which exceed the productive capacity of the land to repay are certainly not in the overall best interests of agriculture or the Nation in the long run. Allowing tax exempt organizations to participate in the bidding will not only constitute unfair competition to farm operators but can only more seriously aggravate the problem of overinflated farmland costs and further disrupt the economics of our agricultural system.

It is instructive to note that in recent years the annual increase in the value of farm real estate assets has been nearly double the total annual net income of farm operators. In fact, the average annual increase—$28.73 billion—in farm real estate assets for the years 1968–76 has exceeded the total net income of farm operators in any of those years except the banner year of 1973 when net income reached $33.35 billion. Under the circumstances, there is little wonder why the money managers would like to get a piece of the action.

Farmers cannot live on inflated land values alone nor can they go on living on borrowed time. They must receive a fair return on their labor, management, and investment. The suggestion that farmers will be better off with corporate landlords is ludicrous on its face, however, and hardly worthy of rebuttal. In my estimation, it is a rich-get-richer-and-poor-get-poorer scheme if there ever was one.

In short, agricultural land would undoubtedly be a good investment for tax exempt funds; but, as a policy issue, I do not believe such investments are in the interests of agriculture or the nation. Over inflated values are already a severe problem without such additional competition as could be created by the movement of pension and profit-sharing trust funds in the farmland market.

I understand these funds total an estimated $175 billion, or enough to buy up about one-fourth of the Nation's farms. Of course, the initial proposal which has come to light would involve a mere $50 million. The precedent which would be set is exceedingly bad, however. Studies have shown that the family owned and operated farm cannot be beaten as far as

productivity is concerned, and the importance of operator ownership cannot be denied.

Consumers have spent just over 5 percent of their after tax income on the farm value of domestically produced food in recent years and only about 15 percent when processing and distribution are included. The record of American agriculture is truly phenomenal in this respect. It is a record we must take care not to disrupt because it will be difficult to improve upon and perhaps impossible to maintain, especially if a larger segment of our farmers are forced into tenancy.

For these reasons and others, I feel tax exempt organizations must be prohibited from purchasing farmland, thereby depriving farmers of ownership and the presumed capital gains upon which the interest in these proposed investments is based. There have been suggestions that large corporations simply be banned from owning farmland and perhaps it will come to that.

Another suggestion has been that the Federal Deposit Insurance Act be amended to prohibit any insured bank from investing period trust funds in agricultural real estate. The point is, however, that the problem will not go away simply because it has created an uproar. We must act and we must do so in a fashion which alleviates the problem without creating others.

Mr. Speaker, I believe the legislation I have introduced today provides the most direct and affirmative means of doing so. The text and a summary of my bill follow:

H.R. 4789

A bill to amend the Internal Revenue Code of 1954 to deny tax exemption to any otherwise tax-exempt organization which invests in farm real property

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 501 of the the Internal Revenue Code of 1954 (relating to organizations exempt from income tax) is amended by redesignating the subsection relating to cross references as subsection (k) and by inserting before such subsection the following new subsection:

"(j) Denial of Exemption Where Organization Purchases Farm Real Property.—

"(1) In general.—Notwithstanding subsection (a), an organization described in subsection (c) or (d) or in section 401(a) shall not be exempt from taxation under subsection (a) for any taxable year if—

"(a) at any time during such taxable year, such organization holds prohibited farm property; and

"(B) the holding of such property is not substantialy related (aside from the need of such organization for income or funds or the use it makes of the profits derived from such property) to the charitable, educational, or other purpose constituting the basis for its exemption under subsection (a).

"(2) Prohibited farm property.—For purposes of this subsection, the term 'prohibited farm property' means, with respect to any organization—

"(A) any farm real property which was purchased by such organization after the date of the enactment of this subsection,

"(B) any equity interest in a farm entity which was purchased by such organization after such date of enactment, or

"(C) any equity interest in a farm entity described in paragraph (3)(A) which was purchased by such organization before such date of enactment if—

"(i) on or after such date such entity purchases any farm real property or an equity interest in any other farm entity; and

"(ii) such organization does not dispose of its equity interest in such entity within 90 days after the purchase described in clause (i).

"(3) Farm entity—For the purposes of this subsection, the term 'farm entity' means—

"(A) any partnership, trust, or common trust fund which—

"(i) holds any farm real property, or

"(ii) holds any interest in another farm entity; and

"(B) any real estate investment trust if at least 10% of its gross income for its taxable year ending with or within the taxable year of the organization is derived from rents from farm real property.

"(4) Definitions.—For purposes of this subsection—

"(A) Farm real property.—The term 'farm real property' means—

"(i) any real property which is used as a farm for farming purposes (within the meaning of section 2032A(a)); and

"(ii) any interest (other than a security interest) in real property described in clause (i).

"(B) Purchase.—The term 'purchase' means any acquisition of property; except that such term shall not include—

"(i) any acquisition of property by bequest, devise, or inheritance, or

"(ii) any acquisition of property by gift unless the property is acquired subject to an unpaid mortgage in an amount equal to at least 95 percent of its fair market value at the time of such gift.

"(C) Equity interest.—The term 'equity interest' means any interest in an entity other than an interest as a creditor."

(b) The amendment made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

SUMMARY OF H.R. 4789

This legislation would in general, prevent most types of otherwise tax exempt organizations (other than exempt farmers' cooperatives) from being tax exempt under the Internal Revenue Code of 1954, if the organizations, directly or indirectly, purchase farmland after the date the bill is enacted.

The denial of exemption does not apply to situations where the purchased farmland is used for any use which is substantially related to the exercise or performance of the organization's exempt purchase. Also, exemption will not be denied where the farmland is acquired by devise or gift unless, in the case of a gift, the farmland is encumbered by a mortgage (or similar lien) and the indebtedness secured by the mortgage is in an amount which equals or exceeds 95% of the fair market value of the farmland at the date of the gift. This denial of exemption would apply to any otherwise exempt trust which is part of a pension, profit sharing or stock bonus plan, as well as exempt organizations described in section 501 (c) or (d) of the Internal Revenue Code if a prohibited investment in farm property is acquired.

A prohibited investment in farm property includes not only direct purchases of farmland (other than for an exempt purpose), but also any equity (or beneficial) interest in a partnership, trust, or common trust fund which holds any farm real property. If a partnership, trust, or common trust fund purchases farm real property after the date of enactment, the organization can avoid loss of its tax-exempt status if it disposes of its interest in the partnership, trust or common trust fund within 90 days of the purchase. In the case of an organization which has an interest in a real estate investment trust (REIT), the organization will be denied tax exempt status for a taxable year if at least 10% of the REIT's gross income for the taxable year is derived from rents from farm real property.

An organization whose exemption is denied or revoked under this provision would be able to qualify for tax-exempt status again in the first taxable year beginning after the taxable year in which it divested itself of all prohibited investments in farm real property.

This provision would apply to taxable years ending after the date of enactment.

Mr. Speaker, I would encourage my colleagues to consider each of the proposals which have been offered. I welcome the cosponsorship of anyone who feels that mine is worthy of enactment. Most importantly, however, I strongly urge that Congress act in some fashion to preserve the ownership of farmland for our Nation's farmers.

HOWARD SCHROYER OF PICO RIVERA, CALIF., RETIRES

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. DANIELSON. Mr. Speaker, on the occasion of Howard Schroyer's retirement from his position as city manager of the city of Pico Rivera, Calif., which is in my congressional district, I would like to commend him on his excellent service to Pico Rivera and the State of California and to bring some of his accomplishments to the attention of my colleagues.

Howard Schroyer has dedicated a total of 31 years of service in municipal government including 7 years as city manager of Pico Rivera, 6 years as city administrator of the city of La Habra, and 18 years of service to the fire department. He was employed as a fireman for the city of Chino and the Chino Rural Fire District in June of 1946. He proceeded through the ranks to become assistant fire chief in 1951 and in 1955 was appointed fire chief. During that time Mr. Schroyer served on a committee that drafted regulations which later became the uniform Fire Code for the State of California.

After serving in Chino, he moved into the fire chief position in the city of La Habra. He improved that city's fire defenses greatly and during his tenure two fire stations were built, training facilities were constructed, and needed fire equipment was purchased.

In 1964, the city of La Habra appointed Mr. Schroyer as city administrator after a year as assistant city administrator. During his tenure as city administrator a 10-year program of work was produced, implemented, and annually upgraded. This program detailed estimates and objectives for public services and public facilities together with financial planning.

On July 1, 1970, Howard Schroyer was appointed city manager of the city of Pico Rivera, Calif. He has carried out his duties in that capacity with great ability.

As a concerned and involved American citizen, Mr. Schroyer has participated in many committees and civic organizations, among them: The International Association of City Manageras, American Public Works Association, California Water Resources Association, American Industrial Development Council, and Board of Directors of Pico Rivera Chamber of Commerce. Howard is also a family man; he and his wife, Betty, have four children and eight grandchildren.

I am proud to represent such a dedicated and vital Calfiornia and I would like to wish him the best of luck in the coming years.

RHODESIA AND THE DIPLOMACY OF CHROME

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. RANGEL. Mr. Speaker, after years of indecisive action on the part of recent administrations, President Carter has laid the groundwork for a new direction in American foreign policy.

The road to peace in southern Africa will prove to be somewhat of a difficult excursion for our American diplomats. The restoration of our credibility with the leaders of the African nations is of paramount importance and crucial to the role the United States will play in securing a settlement to the problem of African unity. The world community should put a stop to the illegal and discriminatory governments in Rhodesia and South Africa; one important step in this direction would be a total economic boycott of goods and services exported from these countries. Congress is about to take that important step in future congressional action.

In light of this, I would like to share with my colleagues the following editorial from the New York Times. Their call for an economic boycott and support of the administration's policy proposals seem indicative of the mood of our Nation.

The article follows:

[From the New York Times, Feb. 17, 1977]

RHODESIA AND THE DIPLOMACY OF CHROME

At last, the economic underbrush around the issue of importing chrome from Rhodesia can be cleared away. For years it was successfully argued that American industrial and strategic interests required continuing the chrome imports, even in violation of a United Nations economic boycott of Prime Minister Ian Smith's white Government. But now it is plain that the impact of a boycott—or no boycott—is minimal, for both the United States and Rhodesia. That leaves clear and free-standing the diplomatic interest of the United States, and we applaud the Carter Administration for urging Congress promptly to vote to honor the boycott of Rhodesia.

The chrome in question is not the metal that makes bumpers shiny; it is a higher-grade metal used to manufacture stainless steel. Rhodesia is a prime world source. Two developments have combined to nullify the economic issues. One is technological: the perfection of a process called argon oxygen decarburation, which permits use of lower-quality chrome, more widely available, in stainless steel. The second development is political: the closing of the Mozambique-Rhodesia border last year, impeding the flow of exports. As a consequence, even with Congressional permission to continue them, American chrome imports have plummeted.

There thus remain no economic justifications either for continuing to permit the imports or for cutting them off as a major lever on the Smith Government. But there remain powerful diplomatic reasons for the United States rapidly to join in the United Nations boycott. The United States voted for it twice and yet in the end violated it, fostering wide mistrust among black African nations. Honoring it would at last lay an essential foundation for restoring our credibility and improving relations with them.

Moreover, for Congress to vote to honor the sanctions now would send a ringing message to the Smith Government. Washington has previously proclaimed a desire to undo the Congressional license to continue chrome imports, but the proclamations had little muscle behind them. And Mr. Smith could find solace in the belief that, no matter what Administration officials might say, he still had decisive support in Congress and the American business community. Without that illusion to cling to, it is reasonable to hope that he would become more hospitable to reopening negotiations with black nationalist groups and more flexible in his bargaining positions. That is the path to peace in Rhodesia; we welcome the Administration's movement toward it; and we urge Congress to give it thrust.

MR. ANDREW SUSCE'S 30-YEAR FIGHT WITH THE IRS FOR JUSTICE, HONOR, AND RESTITUTION

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. CARNEY. Mr. Speaker, one of my constituents, Mr. Andrew Susce, Sr., of Garfield Street, Newton Falls, Ohio, has recently requested that I call the attention of the U.S. Congress to his 30-year fight with the Internal Revenue Service for justice, honor, and restitution.

In accordance with Mr. Susce's request, I am inserting an article which appeared in Pittsburgh magazine in the RECORD at this time for the information and consideration of my colleagues in the U.S. Congress. The article follows:

THE CURIOUS CASE OF ANDREW SUSCE

(By John P. Hayes)

(He wrote a report on organized crime and was fired by the IRS. That was 30 years ago. Today he's still fighting for justice.)

In a small Ohio town, not far from the Pennsylvania border, there lives a bitter 70-year-old man who would much rather be in Pittsburgh. It's not that he couldn't move. He could. In fact, Pittsburgh used to be his home. He was born and raised here and until the mid-1940's he worked here. But about that time he was fired by the U.S. Internal Revenue Service and he sought refuge in Newton Falls, Ohio. He is not so bitter about that, though. He misses home but Ohio has been good for him. He is most bitter about his unjust discharge. Not a day passes that he doesn't brood about it. Not a day. And if only it could be resolved—why then, Andrew Susce would be content. He could stop brooding. But it's not so simple.

Susce had been a deputy collector for the IRS in Pittsburgh. His last assignment was to investigate the possible tax evasion of John Sebastian LaRocca, Mafia boss, who lives yet today in Pittsburgh. Agent Susce's investigation was so revealing that some IRS officials found it necessary to bury his report and fire him. Now, 30 years later, the report is being used for background information in the prosecution of Mafiosi and venal civil servants by a succession of United States Attorneys in Pittsburgh. Agent Susce, however, remains fired.

The irony of being fired for loyally and fearlessly serving his government has never settled well with Andrew Susce, who is a tall, lean man with sunken, piercing eyes in a pear-shaped face that has been wrinkled by years of frustration. He is even more insulted knowing that the government is still using his report, although he sees that as an impersonal vindication. "But why don't they (the government) personally clear me?" The question haunts him. In fact, it has sustained him through a more than 30-year battle with the government in which he has asked for the restoration of his name and adequate compensation.

Unfortunately for Susce, the battle has been in vain. The IRS says Susce was fired for insubordination and the case is "closed." Many politicians and other government officials have listened to Susce's plea and promised to help. But most of them are never heard from again with the exception of the few who write and repeat the IRS explanation. Of course, everyone is sorry. But that doesn't satisfy Susce. "It's a fix," he says. "The government knows my case is too hot to handle."

In the mid-1940's the case was definitely too hot to handle. "If the report had been followed up in the mid-1940's it could have put organized crime out of business in Pittsburgh," claims Richard L. Thornburgh, who was U.S. Attorney in Pittsburgh, and later assistant attorney general of the criminal division, Justice Department, Washington.

Thornburgh, during six years here as U.S. Attorney, earned a reputation for prosecuting a vast number of political persons connected with the underworld, in addition to many in organized crime. His convictions include: Samuel G. Ferraro, former Pittsburgh chief county rackets detective, for accepting payoffs of more than $300,000; Pronty L. Ford, a constable, for taking $200 a month plus bonuses to protect racketeers; and Frank R. Bruno, an alderman and deputy sheriff, for accepting monthly protection payments of up to $3,000. Thornburgh also won an indictment against the late District Attorney Robert W. Duggan for payoff-related tax fraud charges. Duggan killed himself the morning the indictment was returned.

Harry Allen Sherman, a tough Pittsburgh lawyer who in the 1940's was prosecuting racketeers for a Pittsburgh citizens' committee and who later represented Susce, says of Thornburgh, "I know of no one more dedicated and capable. The Mafia is a much weaker organization today because of Dick Thornburgh." Andy Susce can't help thinking that he had something to do with it, too.

Thornburgh says he used Susce's report while he was in office and that it is still being used today as the crackdown continues on the Pittsburgh racket-politico complex. "We used the report as background on many occasions in the overall picture of organized crime. It was of no use in any specific conviction because of the age of the information. But it traced a lot of developments for us. I classify it as a reasonably useful document.

"The problem is that the report was never followed up by the IRS intelligence division. Susce's superiors at the time knew what would be uncovered by his investigation, and they didn't want it known. Anything beyond that as to why it wasn't followed up would be speculation on my part. But I would say

you can rely on Mr. Susce's account of the situation."

Susce was born in Pittsburgh in the winter of 1906. His father, who had emigrated from Czechoslovakia around 1880, worked in a steel mill where he earned sufficient money to provide for his family. It was an honest income, and honesty mattered in the Susce family.

"We weren't rich financially speaking, far from it, but we weren't alone," Susce remembers. "Those were difficult years for many families. I went to work in the steel mill when I was 11. I had to. I wanted to go to college and become a doctor."

Young Susce worked diligently and earned the money to attend Duquesne University in Pittsburgh in a pre-med program. While attending college he worked part time. "I loved it. My grades were good and it looked like I'd make it. But then," Susce pauses, and with an almost reverence, says, "the Depression." The Depression, as it did to so many, knocked out Susce's college career. "I had no work so I had no money."

Bad times didn't knock the spirit from Susce, though. In 1930, he married. And in time he found federally-financed work. When he could, he actively supported the Democratic party. "My father was strong Republican but he never complained that I worked for the Democrats. I knew it was the only way to get ahead, then."

It was the campaigning that led to his government position. Susce had a friend who worked for the IRS in Pittsburgh and the friend informed him of an opening in the organization. Susce applied. With the help of the right politician, Susce was appointed, in December 1940, a zone deputy collector of the Internal Revenue Service, Pittsburgh. His salary was $150 a month.

His job description read (in part): (1) Makes special field investigations of the various tax cases in unusual and complex types which require especial demonstrated ability for investigational work ... (2) ... serves warrants for distraint to collect taxes due and unpaid ... (3) ... assists taxpayers in the filing of tax returns; and (4) performs related or similar tasks of a comparable degree of difficulty as assigned.

The appointment was one of the highlights of Susce's life. It certainly dismissed any leftover sadness he might have felt about missing college and his chances of becoming a doctor. He yearned to be an honest public servant. "I was gratified. It was an honor to my family to have such a position."

Susce remembers those first days on the job with some fondness. "Stanley Granger (now deceased) was the collector of Internal Revenue Service for our district. He was the boss and I reported to him through William P. O'Malley (now deceased), chief deputy. I got along with these men, I liked them. And I thought they liked me. I always met my quota (served a specified number of warrants to collect back taxes) and I got some raises. I loved the job and I would have made it my career ..." another one of Susce's pauses, this time, no reverence, "... if this thing hadn't blasted me."

The "thing" came in April 1943, more than two years after Susce's appointment, and with sufficient time for "the boss" to get to know him. Granger perceived the new boy as a patsy who lacked imagination. And that was the type of person he needed to investigate, at the request of the United States Treasury Department, the possible tax evasion of organized crime figure John Sebastian LaRocca, sometimes called Big John.

Attorney Sherman says, "Granger thought he was giving the job to an inexperienced man, a leg man who could not follow through. But Andy had a moral background and he was shocked when he saw the violations and he had the guts to get the information. He was invaluable."

Susce explains that someone tipped off the FBI that LaRocca wasn't paying his income taxes. So J. Edgar Hoover wrote a letter to the Commissioner of Internal Revenue, Joseph P. Nunan, (who was himself later convicted of irregularities in his office), requesting an investigation. From there it was channeled to Susce.

"I was flabbergasted when I got the assignment. It wasn't my kind of work. I was not a member of the intelligence division and this kind of work belonged to them. But for some reason they wanted me to do the job. I went to O'Malley and told him I didn't want it. He told me that as a result of my recent work I was on my way to the intelligence division. But I still complained that it was beyond my scope and it was too dangerous. I had a wife and two young children . . ."

O'Malley, according to Susce, said he would attempt to have the matter re-assigned. Hours later, though, he informed the agent that Granger wanted him for the job. "So I had to take it. I asked O'Malley for a time limit but he said, 'Take all the time you need.' I warned him there would be ramifications from such an investigation because of the politicians involved, and he said to me, 'Andy, I don't care where the chips fall. Do the work as you're supposed to do. I don't want a whitewash.' He also told me I had nothing to fear because the power of the United States government was behind me."

What Granger overlooked in Susce was perseverance and that honesty he had learned as a youth. Those qualities guided Susce through an explosive investigation of the crime boss, but they later brought about his desolation.

John LaRocca, who today is also in his mid-70's, was born in Italy and entered the United States when he was 10 years old. At age 21, he was sent to prison for assault to kill. Later, he was convicted of carrying concealed weapons and operating a lottery.

Big John got his start as a moonshiner and numbers gambler in the East Liberty section of Pittsburgh. With his take from the rackets, he acquired a cement block company, a beverage firm, some real estate, and linen, laundry and work overalls businesses, to mention a few.

In 1953 his petition for citizenship was pending when the government attempted to deport him as an undesirable alien. The action was based on two of his previous convictions. It was halted, though, when former Pennsylvania Gov. John S. Fine pre-dated a pardon which knocked out one of the convictions in the deportation case.

"I anticipated the scope of the investigation," Susce continues. "It would be big ... I had some connections and so I penetrated, wanting to get a contact in the syndicate. I got one. He gave me three books which included points of collection for the numbers men and the amounts collected for a year." From the three books Susce figured the Pittsburgh combine had raked in more than $180 million in the year previous, and of course none of the amount had ever been assessed. "I knew I had only scratched the surface," Susce continues, "and so I penetrated more." He went to LaRocca's laundry company and found cobwebs in washtubs that fronted for a numbers racket in a rear room.

"About then, I found out that Joseph Brusco was a lieutenant in the combine, and a business partner of LaRocca. I had never met him but I decided to visit him. I was not afraid. I had the power of the United States government behind me, remember. I told Brusco who I was and then I told him I wanted information about LaRocca and the combine. He looked at me and said, 'Mr. Susce, do you think I'm crazy?' I asked him if that was his final answer and he said, 'I'll freeze in hell before I'll give you any information.' I said 'I don't blame you, but I've got a job to do and if you change your mind, call me.' "

Susce returned to his office and decided to close the case. His principal witness had balked, or so he thought. "Then something strange happened. One morning the secretary announced that I had a visitor. It was Brusco. I asked him what he wanted and he said, 'I want to come clean and tell you what I know.' I took him into a private room, along with a witness and a stenographer. I advised him he could have an attorney present; he declined. So I swore him in and started to take his testimony at 10 a.m. At 4 p.m. we stopped."

Unfortunately, the notes of that confession were burned shortly afterward by the stenographer. But Susce remembers the confession revealed multiple malefactions and violations by public officials against the income tax laws. It also revealed tax evasion on the part of John Sebastian LaRocca.

"I have no idea to this day why Brusco gave me his testimony. It was a surprise." Susce says. Sherman says Brusco provided the information "fearlessly and without shame of his occupation. He wanted to be known as the contact in the underworld . . it's common practice . . . his information wasn't going to break the underworld, just report on its income. La Rocca knew he had a fix above Andy Susce so what Brusco confessed wasn't important. Bruscoe left the area after he was warned several times that the boys from Chicago were in and after him."

After Brusco's confession, Susce decided it was time to meet the central character of his investigation, LaRocca. "I met him at his headquarters in Ingomar. He told me then that he was guilty of evading his income taxes. (Susce figured LaRocca had earned $56,000 in 1939 but LaRocca reported income of only $4,737 for that year). He told me to name the amount of money he owed and he'd pay. But if I had done that, it would have closed the case for the intelligence boys, and this was their job."

Back at his office, Susce told O'Malley that he had uncovered massive fraud and asked for aid from an intelligence agent. The request was denied. So Susce wrote a letter to Granger with the same plea. Again, denied. Granger told him to complete the report as quickly as possible. "I guess there was pressure being put on by the politicians who were, of course, getting it from the racketeers," Susce says.

The eight months of investigation required a report of 300 pages, including exhibits. The report exposed tax evasion by LaRocca, in addition to corruption by the LaRocca combine. The report fingered Pennsylvania and Pittsburgh officials, judges, county commissioners, police detectives and IRS aides. Agent Susce disclosed links between racket operations in Pittsburgh, Cleveland, Detroit, Miami, Buffalo, Jamestown (N.Y.), New York City and Hamilton (Ont.), at a time when many government officials denied that a Mafia organization even existed.

Despite its information, the report had its shortcomings. Thornburgh explains: "Susce's work was rough. But it should be expected since he was not a criminal investigator and his work needed to be followed up by intelligence. The report is jumbled and chases down some blind alleys but it has essential truth in it and provided a lot of seminal data."

"On December 14, 1943," the day is crystal clear to Susce, "I handed in my report to Granger's secretary. She gave me a receipt, told me to stand aside, and I watched her lock it in the safe. And that was the last I saw the report until several months later, under very different circumstances."

His major investigation completed, Susce returned to his routine assignments of helping taxpayers in an ethnic neighborhood

prepare their annual returns and collecting when they had failed to pay the government.

A month after Susce submitted the report, Granger called him into his office. And the boss was in a fury.

Susce recalls the meeting: " 'Susce,' Granger said, 'never in the time that I've been in this office has an investigation been brought to the Federal government like the one you have brought. It cannot go to Washington, D.C., under the present circumstances, the way it is written.' "

Susce says Granger was outraged by the contents of the report, but also the jumbledness of it must have upset him and he probably saw the latter as an excuse for ditching the report.

At the conclusion of their meeting, Granger reportedly told Susce that he was going to Washington for a meeting, and upon his return he'd further discuss the status of the report.

At a second meeting Granger was more congenial. In fact, Susce says, Granger told him he would be appointed a bodyguard for President Franklin D. Roosevelt for the investigation he completed, but first he'd have to re-write the report.

"He wanted a whitewash," Susce says. "He wanted all the names removed. In March, I was called to his office again, but this time he wanted to see me after closing hours. He didn't want anyone in the office. I didn't want to be a bodyguard; I was happy with my job, and I wasn't going to re-write the report. Granger was mad because I riled so many people. I went in his office and saw my report wrapped in paper on his desk. He said, 'Susce, the report cannot go to Washington, D.C. It has to be destroyed. Take it home and burn it.' I said, "Under the rules and regulations of the United States government, I had orders to do this report and it's no longer mine. It belongs to the people of the United States of America. You'll have to destroy it.' "

Granger gave Susce five minutes to think it over. Susce thought, but not about burning the report. It represented a part of him but it also belonged to the government. If he removed the report, he figured, he'd be fired for destroying government property . . . but if he didn't take it, and this he didn't realize, he'd be fired for failure to follow orders.

"Granger returned after five minutes and asked, 'What's your decision?' 'It's the same,' I said. And then I got up and started to leave. 'Do you have a copy of this report, Susce?' I said, 'Mr. Granger, that's none of your business.' "

Of course he had a copy. He had made one before he turned it in because he suspected the report would be suppressed. And he intended to see it through.

Susce returned to his routine. By June, when nothing more evolved concerning his report, he decided to take action on his own. It bothered him that millions of dollars sat waiting to be assessed by his government. And, he remembered reading a law that said, in effect: Any agent of the United States government who had knowledge of criminal misconduct of his superiors in his office is bound to notify the commissioner of Internal Revenue Service in Washington, D.C.

"So to protect myself, I put myself on record. I notified (IRS Commissioner) Nunan that I had delivered the report and that it was being hidden in a safe and there were millions of dollars to be assessed."

Not long after, Susce received a reply from Robert Cory and Alfred Fleming, of the IRS intelligence division. They interviewed Susce about the charge and then seized the report from Granger's safe. "Cory then asked to see my copy but I didn't want to give it to him. He said they just wanted to compare my copy to the original and I agreed to that. Next morning for several hours I read the report in his office. And afterwards, Cory let me go. But first he told me that if I ever attempted to use the report against the government, the intelligence department would be after me." Susce believes that Cory took the report to Philadelphia and ditched it.

In August 1944, Susce took a two-week vacation. When he returned on August 29, he was told to report to Granger's office for a review. "I went in and there were several individuals with Granger and they made up the review board, the kangaroo court. First Granger asked for my pocket commission, my identification, which I shouldn't have turned in, but did. And then Granger said he had a resignation for me to sign. I was shocked. I wanted to know why, but there was no explanation. It was the biggest surprise of my life. I knew then that I'd lost my job. But I refused to sign. I left and went home. That evening I received a special delivery letter from Granger." The letter:

AUGUST 29, 1944.

Mr. ANDREW JOSEPH SUSCE,
Pittsburgh, Pa.

DEAR SIR: Confirming my conversation with you this date, I submitted to you a resignation based upon the request of the Commissioner of Internal Revenue and your rejection of the same, I am now notifying you again of your discharge from this service, effective at the close of business on October 11, 1944, your last day of service being today (August 29, 1944).

Yours very truly,

STANLEY GRANGER,
Collector.

Earlier that day, Susce had mailed a letter to IRS Commissioner Nunan, asking for an explanation. Susce wrote that it was impossible for him to resign, that in fact he was asking an appeal on his employment rating, and a letter of resignation would have nullified that action.

Susce said that during his government career he had always received high efficiency ratings in the Treasury Department. His latest rating, in 1944, was low. Susce suspected it had been lowered as a result of his LaRocca investigation. "First they gave me a high rating, but I could see that it was erased and a lower one was marked in," Susce claims. Attorney Sherman says the collector changed it. "I asked Granger one day, 'Why did you erase Andy's rating and lower it?' He said, "That was my prerogative to do so.' "

Shortly after the August 29 incident, Susce received a letter from Fleming, of IRS intelligence, stating that the charge he made about a hidden report was unfounded and that he should show cause why he should not be fired. Apparently, no one told the intelligence division that the agent had already been let go.

Before starting his campaign against the government, Susce went job hunting. Within two weeks he was hired by the nation's top credit rating agency, Dun and Bradstreet. He was hired as an investigator of business records but later he started selling the company's reference book and became an outstanding salesman, with letters of praise from his superiors.

With the threat of unemployment over, "I hired Harry Allen Sherman to answer Fleming's charge, as requested. I had read about Sherman in the Pittsburgh newspapers. He was in the limelight for his crusade against racketeers and Communists. I petitioned the Civil Service Commission for a hearing. My reply to Fleming's charge was declared insufficient and so the Civil Service was notified that I was insubordinate. The Civil Service said I was not entitled to a hearing. Imagine that? A member and not entitled to a hearing! I never have received one." Thornburgh says Susce was fired because he was too persistent. ("He wanted to see the report used.") Sherman says, "Andy was fired for refusing to participate in a cover-up."

Susce says: "I forgot about the case for a while. I was busy with my new job. The government thing was too much pressure and I was fearful for my family, who by this time I had moved to Ohio because I had been threatened various times. But I commuted to my job."

Then, scandals in the Internal Revenue Service were uncovered after Eisenhower was elected President. "About this time, Sen. John J. Williams of Delaware, who was investigating the IRS, was in contact with Harry Allen Sherman and he wanted to see me about the LaRocca investigation. At first I hesitated, but when the Senator said he'd subpoena me for information, I decided to go to Washington and talk to him. I gave him all the information, including a copy of the report. He couldn't believe his eyes and he went to the floor of the Senate with the information . . ."

On June 23, 1953, the Congressional Record includes a lengthy passage in which Senator Williams related the Susce story. He told his colleagues that Susce filed a report which "(allegedly) not only contained evidence of tax delinquencies on the part of John LaRocca et al, but also contained serious charges of payoffs by racketeers to many public officials." Then, and this seemed to confuse the Senator the most, he said the report mysteriously disappeared from the Treasury files, the agent was fired, and no record of any prosecution of those mentioned in the report had been found.

"The important point in this case is not would the allegations have stood up in court, but why is the report not in the Treasury Department files, and why was the Treasury agent who warned the Washington bureau that the report was headed for destruction fired?" Senator Williams continued.

He proceeded to bring the case up to date, the full 10 years. Near the end of his speech the Senator said he wanted to know who was responsible for the suppression of the report . . . "Those responsible for what happened to the report overlooked the fact that for every crooked government employee there are thousands who are honest, even to the extent that many of them will gamble the security of their jobs to cooperate in the exposure of corruption in their department."

The Senator's remarks, reported in The New York Times, launched an investigation that found the report two weeks later. It had been indiscriminately filed in the Philadelphia IRS archives.

As the IRS shake-up continued in the late 1950's, a Pittsburgh grand jury was convened and it used, for one of its records, the Susce Report, as it had been dubbed. The federal culling found five cases that could have been processed in 1944. "The grand jury wanted to issue some indictments," Sherman remembers, "but it was an investigative grand jury and the presiding judge decided it could not indict. It was supposed to pass on the information to the next grand jury, but it was never called and the indictments were never followed up." During the grand jury investigation, Granger denied that he ordered Susce to destroy the report. He also said the report was voluminous and not important.

Again, Susce attempted to forget about his unfortunate experience with the government. His case appeared hopeless. But then, in the mid-60's, he read newspaper accounts which told of indictments and convictions of men who had been mentioned in his report. That infuriated him—why should the government use his work and not acknowledge him? That was the impetus to re-charge his campaign.

Susce started writing to every government employee who he thought might be able to help him. He contacted officials of the Justice Department, the Treasury Department, the FBI, and the Civil Service, but every reply was the same: Your case is regarded as closed.

Not beaten, Susce decided to try politicians. He wrote persuasive letters to Gerald R.

Ford, then a congressman (who became interested after Senator Williams's speech), Eisenhower, Richard Nixon, the Kennedys, Lyndon Johnson . . . "Robert Kennedy was going to help. He said he would. But then he was killed. I have enough letters from Nixon to write a book and I've been writing to Ford for years and he said he'd help, but look where he is now and he's never helped."

In reply to one of Susce's countless letters, Ford wrote in June 1969, ". . . I will be discussing this matter with the President the next time I talk with him at our leadership meeting." But Susce has never heard about that meeting.

In 1971, Ford wrote, "I appreciate your support and am confident that the full truth in this curious case will eventually come out." The letter was signed, Jerry.

Susce's present attorney in Ohio, Ted Johnson, had an affiliation with former U.S. Attorney General William Saxbe and sent materials to Saxbe for examination. Saxbe's staff was going to meet with Susce, but shortly thereafter Saxbe became ambassador to India.

A letter from the White House, dated March 18, 1975, and signed by Jay T. French, assistant counsel, says, "By checking into the facts of your case, I learned that former Senator Williams of Delaware called attention to the circumstances surrounding your discharge from employment . . . A copy of the Congressional Record containing his remarks is enclosed . . . Also, the United States Attorney in Pittsburgh has confirmed that the work you did in the 1940's proved subsequently to be very important to the Federal Government. With appreciation . . ." At least the White House has admitted Susce's report proved valuable. Susce sees hope.

The thought that he did an honest job, lost that job for telling the truth about his report which is valuable yet today, and remains fired, angers Susce. It rubs against his ideals of America and he can't accept it. He believes that in the aftermath of Watergate, when unlawfulness in government is continually uncovered, someone should bring his case to light and clear him. It would have been especially appropriate, he says, in the Bicentennial year.

Andrew Susce wants to die an honest man. He wants no record left behind that would taint his reputation. That is what keeps him loyal to his cause. And he is determined to see his Civil Service record changed from "Removed" to "Restitution Granted."

HUMAN RIGHTS DENIED PANAMANIANS BY DICTATOR TORRIJOS; EXILES ASK CARTER TO REJECT TREATY WITH HIM

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. SNYDER. Mr. Speaker, despite the efforts of the Carter and previous administrations to hide the ugly fact, Omar Torrijos is the absolute dictator of Panama.

Democracy simply no longer exists in that nation which since its inception has been a good friend of the United States of America. The Panamanian people no longer can speak out as free men and women. Their press is not free to express their opposition to the dictatorship. Some of their business and professional and cultural leaders have been exiled. Certain individuals have been murdered, and it is common opinion among many Panamanians that the government is the guilty party. In recent weeks our State Department has, in fact, required our Ambassador to Panama to personally protest to Torrijos the bombings last October in the Canal Zone as being perpetrated by the Panamanian Government.

The State Department, nevertheless, continues to press for a new treaty with dictator of Panama, who likes to be called Maximum Leader.

Mr. Speaker, my position against surrendering the Canal Zone and waterway to Panama is well known, both in the United States and in Panama. Yet, I respect the sincere feelings of many Panamanians who are friends of the United States, and opposed to the dictatorship in their country, who would like to gain sovereignty over the Canal Zone and control of the canal.

While I disagree with them because I am convinced that continued ownership of that vital territory by the United States is better for us and Panama and the entire free world, I appreciate their convictions as genuine.

Some of those Panamanians can no longer live in their own country. Some are in the United States, others in different countries, but all are in exile. Though not originally in a political grouping, exile has drawn many of them together in a common effort to fight the Torrijos dictatorship, and to somehow restore freedom to Panama.

Former President Arnulfo Arias Madrid, the last constitutionally elected chief executive of Panama, has for several years been in exile in Miami, Fla. He retains the loyalty of tens of thousands of Panamanians who still regard themselves as belonging to his outlawed Panamenista Party. They look to his return as the salvation of their country.

Some of the more recent exiles have formed the Panamanian Social Democratic Movement in Exile, separate from the Panamenistas.

Mr. Speaker, I want to call to the attention of my colleagues a letter this group has sent to President Jimmy Carter protesting any treaty with Dictator Torrijos who has totally disregarded human rights in Panama.

The President has made his concern for human rights a major point in his foreign policy considerations.

I cannot understand how he can overlook the denial of such rights in Panama should he be fully informed as to the situation there.

Though I disagree with several of the points made in the letter of the exiles, I want to air their views so that all may know them. I do not oppose a new treaty with Panama were it with a democratically elected government although I would continue to oppose yielding our sovereignty and control of the Canal Zone to any Panamanian Government.

The exiles make it absolutely clear that while they would like a new treaty, they do not want such a treaty to be made with Torrijos. They feel and I think they are right, that such an accomplishment would but serve to perpetuate Torrijos in power along with his repressive regime.

Mr. Speaker, such an eventuality would serve neither Panama nor the United States, nor the commerce of the entire world which uses the Canal.

The letter to which I refer was the subject of a story in El Nacional, published in Caracas, Venezuela, February 24 of this year. The text of that story is as follows:

EXILES ASK CARTER TO REJECT TORRIJOS GOVERNMENT

The secretary of the Executive Committee of the Panamanian Social Democratic Movement in Exile, Humberto Lopez Tirone, has sent us a copy of a letter he sent to U.S. President Jimmy Carter, which he begins with the statement: "It is my sad task, complying with our historical mandate, to write to you outlining the upright position of the men in our America who fight against de facto military dictatorships that illegally govern the peoples of this dark continent."

The letter adds: "Your position regarding the violation of human rights and your international policy concerning regimes of force have been described in many of your public speeches. However, it would seem that your aides see this problem only when it occurs beyond our common borders."

The letter continues: "Could it be that they are unaware of the repression and violation of human rights which are continuously inflicted on the peoples of Chile, Argentina, Peru, Nicaragua, Panama and other sister countries?"

The letter then refers to the warning which the "leader of Latin American social democrats, former President Romulo Betancourt," made to then-U.S. President John F. Kennedy regarding "the danger of dictatorships and of a progressive proliferation of them on the continent. It would seem that his prophetic advice was unheeded and we came to see more authoritarian regimes replacing governments freely elected by their peoples."

The letter adds: "We were recently caught by surprise by international press reports of the letter of support which you bravely sent to Soviet dissident Andrey Sakharov. In one portion of this letter you said that 'human rights are a central concern of my administration. In my inaugural address I said: Because we are free, we can never be indifferent to the fate of liberty in other regions. You can be sure that the U.S. people and our government will maintain our firm commitment to promote respect for human rights, not only in our country, but also abroad.'"

There follows the question: "Had you thought of the oppressed peoples of Panama, Brazil, Chile and so forth? Are you sincere in your struggle to implement freedom and rights?"

The letter continues: "Today one of the peoples of our America is on the verge of another betrayal. It is a people shackled in the face of the negotiations which your government is pursuing with the Panamanian military dictatorship; people who since 1968 have had no freedom, no political parties, no rights, people of whom hundreds have been exiled, assassinated, persecuted, tortured, imprisoned or have disappeared; people with a nepotist, repressive and antidemocratic de facto government in which power is held by just one man who misgoverns an entire nation by force of arms as if it were his private fiefdom.

"In such a situation your government boasts of justice as it seeks to conclude an illegitimate treaty. It is not content to have committed an injustice in 1903, when it imposed a treaty on us without our people's knowledge. It would seem to be unaware of the clear and continuous violation of human rights in Panama . . . it has closed its eyes to the news of such violations which appear daily in the international press. It is unaware that any treaty with the dictatorship will be disregarded by future genera-

tions and by the democratic governments that will come after the fall of the tyranny."

The letter adds that President Carter has before his eyes the scene of a clear violation of human rights, and that to combat "repressive regimes, we Latin Americans need only our own weapons of justice and liberty. However, we demand that you refrain from using the force of your power to continue supporting authoritarian governments which keep the peoples of Latin America in mourning."

The letter ends by telling President Carter that "fullfillment of your commitment to those who have no freedom and to the peoples whose human rights are continuously violated is the first step that your administration should take."

NEGOTIATED INDEPENDENCE FOR IRELAND

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. BINGHAM. Mr. Speaker, although a "free and united Ireland" is the dream of many Irish and of many people, including me, who love Ireland, nothing that happens in the violence-ravaged counties of Ulster seems to lead in that direction.

Other solutions have been sought with no success.

Now, Paddy Devlin of Ulster's Social Democratic Labor Party has come forward with what to me is a new approach, the idea of "negotiated independence," with constitutional guaranties of human rights for all, to be underwritten by the institutions of the European community.

I have the greatest admiration for Paddy Devlin and for his courageous associates in the S.D.L.P. If such leaders of the Catholic community in Ulster, who have often shown at the ballot box that they have the support of the vast majority of that community, are prepared to accept "negotiated independence," then there is indeed hope.

I am indebted to the Honorable Paul O'Dwyer, president of the city council of New York, for calling my attention to the following article from the Irish Times:

NEGOTIATED INDEPENDENCE BEST AVAILABLE OPTION

(By Paddy Devlin)

British strategy in the North from 1972 onwards has been aimed at creating the conditions for setting up a broadly-based Administration which, by its nature, would eliminate sectarian differences and establish reconciliation and stability in the community. That strategy under the Conservative Government looked like paying off until Merlyn Rees, the Labour Government's Secretary of State for Northern Ireland, baulked at supporting the power-sharing Executive's writ in May, 1974, and the Executive went under. Since then, people of the North have been subject to a continuing onslaught of violence from both sets of para-military organisations that has left them dehydrated of energy to resist the violence and of hopes for a solution of their problems.

The Loyalist section of the Northern community are particularly bitter. They believe that their erstwhile friends on the "British mainland" are not giving them adequate protection from provisional violence; that they should not be talking to the Provisionals and that their Convention report should be adopted to bring back ascendancy rule to the North.

In the past, Loyalist workers enjoyed favourable treatment in the allocation of houses and the securing of highly-paid jobs. They recognise now that the social effects of malign direct rule hit them as well.

Large-scale unemployment, savage cuts to public expenditure, considerable slippages in departmental estimates from actual results amounting to a loss of £187 million in the last three years, factory closures at the rate of three a week—all of these are indications of Westminster's monumental indifference to the North.

In many of these closures, a political hand was directly at work. For example, Rolls-Royce, International Computers and three defence establishments located in the Lagan Valley are all either wholly owned or controlled by the Westminster Government. It is Government work that was diverted away from Standard Telephones which placed it at risk. It is the present Government which locked out the Harland and Wolff shipyard and Short Brothers and Harland's aircraft works from its present plans to nationalise both industries. No longer does the Loyalist section of the community take for granted preferential treatment at the hands of British politicians, or for that matter, the British Government.

Loyalists in recent months have seen their emotional ties with Britain being painfully severed one by one, firstly by the Wilson Government and more recently by the Callaghan Government. They are not simple-minded enough to believe that an apolitical populist like Callaghan will continue to cocoon them with his affection while sample polls reveal that 70% of the British electorate are clamouring for total withdrawal from the North.

British Parliamentary parties are alienated by the lack of movement towards a political settlement in the North. To them, Northern Ireland represents an unnecessary loss of human life, a waste of large-scale capital that they could be putting to good use where it would be better appreciated, and a diminution of prestige at the EEC, where an abundance of goodwill with constituent countries is a prerequisite to keeping sterling afloat. To them, the only option open is withdrawal from Northern Ireland; the only question left to answer is how to withdraw without apparently adding fuel to the flames.

It can be assumed that that question may be answered by pursuing one of the following six options that are open for consideration. Indeed, members of Roy Mason's staff are currently canvassing opinion on their efficiency. Several articles have been published recently in major British newspapers that were both officially inspired and authoritatively leaked from the same source.

These options are: (1) integration with Britain; (2) direct rule; (3) unity with the Republic; (4) devolved government; (5) unilateral declaration of independence; (6) negotiated independence.

The first one can be ruled out; it is not a runner. Unionist thinking is running directly opposite to it. It remains only as a figment of Enoch Powell's facile imagination.

Likewise the second option, the appointment of Roy Mason as Secretary of State was in reality the selection of a funeral undertaker to bury direct rule and bludgeon Northern politicians into starting talks on a future Administration. Direct rule was something Westminster did not want. It was forced on them by Merlyn Rees's indecisiveness during the UWC strike. In any case, violence continues at too high a level for them to be considered feasible options.

Unity with the Republic and UDI by Loyalist para-military organisations could be ruled out of consideration at the minute, because of the inevitability of full-scale tribal conflict in the event of either one of these courses being imposed under the use of force by one side or the other. Movement on these courses without regard to the results of the ballot-box could precipitate a bloody war that could only end in an arbitrary repartitioning of the North.

Devolved government as an option looks, on the surface, to be the most reasonable and certainly the most acceptable course to take, providing that the major parties agree to participate in it.

But Unionist politicians, apart from Bill Craig, are too timid to look for a real formula to enable a broadly-based Administration to be established. We tried, in two separate sets of inter-party talks, to find agreement on the ramifications of devolved government, only to find them "bolting from the door" when we reached the serious issues.

It was hard to avoid drawing the conclusion that they regarded the talks as having anything more than a cosmetic effect, and were terrified of the consequences of taking them any further—even if we in the SDLP had surrendered to them in every detail.

Nevertheless, they were in a stronger position to negotiate with SDLP than ever before. Mr. Paisley, over the years, had exercised a veto on Official Unionist policies, but has lost that overriding influence in a series of silly mistakes which he made this summer when the talks were taking place. With the departure of Paisley from the scene, the established Churches and big business supporters began to encourage Unionist leaders to accept proposals for partnership, for they had been much impressed by the performance of SDLP politicians in departmental office. The Unionist leaders still stood back from talks, for their fear of para-military organisations is genuine and complete.

Moreover, they recognized, as we do, that a handful of urban guerrillas can bring any local Administration to an end if the security operation is in the hands of Westminster.

Events in 1971 when Stormont was closed up by the Heath Government and, again, when the Executive fell, have provided ample evidence of that.

No Administration structure will endure in the North unless it removes the political reasons for violence, leaving the residue of gangster violence to be taken on by a fully-supported security operation which would emanate from the political settlement.

It arises from that that the only possible course to follow is one in which there is a reasonable chance to shut off the violence. Does negotiated independence offer that chance? The other courses certainly do not.

A dialogue on this option has been postponed long enough due, possibly, to the fear that by participating in talks fixed party positions would be compromised.

Quite clearly there is merit now, under pressure from present events, to give serious consideration to negotiated independence as a temporary proposition, if not as an ideal solution.

The option itself contains three elements that have a substantial bearing on future development in the North.

Firstly, negotiated independence could bring to an end British rule in the North, thus enabling all the para-military organizations to achieve their primary abjectives without further use of violence.

The cessation of violence could be the beginning of real and lasting reconciliation between both sections of the community.

Secondly, negotiated independence could allow Northern Ireland to have a constitution evolved by her own people exclusive of Westminster, which would provide adequate guarantees for both sections of the community and compel the Irish Government to introduce constitutional change relative to Northern harmony.

Thirdly, negotiated independence could enable the institutions of the European Community to act as guarantors of the fair implementation of all agreements, including an Act of Human Rights, and to provide the support necessary to effect economic recovery.

The fundamental idea behind the proposed form of independence is to exclude the possibility of conquest of one side over the other; the possibility of one tradition dominating the other; the possibility of one religion subordinating the other to the extent of its complete suppression.

Any discussion at all with the parties involved on negotiated independence and the ideas behind it can only do good. Of course it may not be the answer, but at least we could talk about it before knocking it down.

IT'S BAD MEDICINE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. ABDNOR. Mr. Speaker. With astonishing regularity the Congress has shown a tendency to cure various national ills with the kind of medicine that prompted the illness to begin with.

A case in point is the minimum wage law. In trying to make certain that all our Nation's workers are paid wages which will assure a basic standard of living they have passed legislation which has resulted in many not being paid at all. Moreover, they have repeatedly raised the minimum wage and have only exacerbated the situation, particularly where the young, the underskilled, and the untrained are concerned. They have made these groups virtually unemployable.

Has Congress learned a lesson? Apparently not, because once again we are back in business giving serious consideration to yet another proposal to hike the minimum wage and tie to it an automatic cost-of-living increase—all the while complaining about a stubborn rate of unemployment.

In its March 2, 1977 edition, the Rapid City, S.Dak., Journal editorialized on this increasingly serious problem. Their comments bear heeding by my colleagues.

MINIMUM WAGE INCREASE WILL HURT YOUNG PEOPLE

Plans are afoot in both houses of Congress to raise the minimum wage to $3 an hour and provide automatic living-cost adjustments.

Minimum wage legislation is given top priority by the AFL–CIO which says it will benefit the entire economy by generating additional purchasing power and additional jobs.

One bill to be introduced in the House calls for the minimum wage for non-agricultural workers to become 55 per cent of the average hourly earnings of manufacturing workers, or $2.79, thirty days after enactment of the bill. The hourly rate for such workers would rise to 60 per cent of that earned by manufacturing employes, or $3.04 on Jan. 1, 1978, and continue to be set at the 60 per cent level each year thereafter.

The minimum wage for agricultural workers would be established at the same 60 per cent level beginning Jan. 1, 1978.

Organized labor wants a $3 minimum immediately.

Increasing the federal minimum wage is regarded by proponents as progressive legislation. Yet studies have shown that it adversely affects those it is supposed to help the most—the least educated, least literate and least skilled workers.

A 30 per cent increase in the minimum wage would force these workers out of the labor market and onto the dole and would push above 50 per cent the number of black teen-agers unable to find work.

Reaction to the proposed increase was voiced recently by Betty Jackson, a black social worker in Florida, whose job is to try to find work for jobless teen-agers in a poverty-ridden area near Miami.

"It would be just awful for the kids if they raise the minimum wage again. It's bad enough now but if the floor goes up again, the kids simply won't ever get hired."

It wasn't long ago that people like Betty Jackson would have welcomed the prospect of a sharp increase in the minimum wage. But increasingly, people in the front line in the war against teen-age joblessness single out minimum-wage regulations as a major barrier.

And proponents of an increased minimum wage oppose exemptions for teen-agers. They fear a split-level rate would allow teen-agers to simply replace older workers.

Thus it is evident that a higher minimum wage is regressive rather than progressive. It provides organized and skilled workers with an elevated floor from which to make their demands for higher wages.

At the same time, the unskilled, the unorganized, the poor and the young become the victims, rather than the beneficiaries. The impact of a higher minimum wage on those groups is devastating.

EFFECTIVE CODE OF ETHICS

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. CHAPPELL. Mr. Speaker, I am wholly in favor of an effective code of ethics for the Congress, and I enthusiastically support the goals and objectives of such a code. However, on March 2, 1977, I voted against the so-called ethics bill (H. Res. 287), along with 21 of my colleagues. To me, the bill is the most demagogic, unfair, and unrealistic piece of legislation to come before the Congress in the 8 years I have been here. It is an absolute fraud for this Congress to tell the American people, "We've passed a strong code of ethics!" when, in fact, this bill is nothing of the kind. Actually, the reverse is true on several counts.

The bill is poorly written—most first-year law students could have done as well. There is no provision of enforcement, no penalty section in the entire bill. Nowhere does it specify what happens if someone does not comply.

Moreover, in regard to financial matters, the foggily written restrictions and numerous loopholes would seem to actively encourage unethical behavior. By restricting how a Member of Congress may not receive money, it offers a host of suggestions on how he can. If I were interested in "laundering" a contribution, I would find this bill a useful guidebook in how to go about it.

To say the bill is flawed is putting it mildly. I am convinced it is unconstitutional as well.

With those general remarks by way of introduction, Mr. Speaker, I will now proceed through the bill itself to identify particulars.

TITLE I—FINANCIAL DISCLOSURE

I have always favored the mandatory disclosure of all sources of income. Knowing the sources of income is vital in identifying and evaluating any possible conflicts of interest.

Specifying the amount of income serves no constructive purpose. The amount is immaterial in regard to conflict of interest. The income derived may be $100 today and $100,000 tomorrow. A conflict is a conflict. A given dollar amount might prejudice one individual, while 10 times that amount would not influence the next person in the slightest. The number of dollars involved is beside the point, but the source of income is the key. Like the founders of our Nation, I do not believe a person's income—or lack of income—should be allowed to enter into the judgment of his fitness for public office.

I also believe that liabilities should be listed, but only by category—that is, private individual, commercial bank, and so forth. I do not agree that it is either necessary or desirable to name the lender specifically, nor is the specific amount of indebtedness significant if a conflict of interest exists. On the other hand, the restrictions imposed by the bill will hurt the honest businessmen in the Congress. Once it becomes known that a person in business has to make public everything he owes and to whom he owes it, his existing and potential sources of business loans will dry up. There is no doubt in my mind that this particular provision will keep a lot of people from running for public office.

Although I consider the undesirable features of title I deserving of mention, they are not my primary basis for opposing the bill.

I agree in principle with: Title II, amendment of the code of official ethics; and, title III, unofficial office accounts: Official expense allowances.

TITLE IV—LIMITATION ON THE USE OF THE FRANK

I agree in principle, but I take strong exception to the following provision:

3. Any Member entitled to mail franked mail under section 3210(d) of title 39, United States Code, shall, before making any such mailing, submit a sample or description of the mail matter involved to the House Commission on Congressional Mailing Standards for an advisory opinion as to whether such proposed mailing is in compliance with the provisions of such section.

This part of the rule offends my sense of responsibility. Here we have 535 Senators and Representatives selected by the constituents to write the laws, to understand the laws, to explain the laws, and to study the need for laws in this Nation. Now we are going to require these same Members of Congress to ascertain from some bureaucrat whether or not they are complying with the law they themselves enacted.

It is not apparent whether the House Commission on Congressional Mailing Standards has the authority to deny the

franking privilege. The bill is silent on that. From reading the bill, one could presumably take an unfavorable advisory opinion for whatever it is worth, and, if one chose to do so, ignore it and go ahead with the mailing. But the fact remains, this provision requires that Members of Congress submit certain materials to a bureaucratic functionary for an advisory opinion before they employ the frank. I consider this utterly nonsensical, as well as wasteful of time and money—after all, that bureaucrat is not going to make his judgments for free, and he is going to have to keep on his toes to keep pace with periodic submissions from 535 offices. However, it is not of crucial importance.

TITLE V—FOREIGN TRAVEL

I agree in principle and strongly support the elimination of "lame duck" travel.

TITLE VI—OUTSIDE EARNED INCOME

This is the portion of the bill which I find the most abhorrent. It begins by specifying:

1. (a) Except as provided by paragraph (b), no Member may, in any calendar year beginning after December 31, 1978, have *outside earned income* attributable to such a calendar year which is in excess of 15 per centum of the aggregate salary as a Member paid to the Member during such calendar year.

In my opinion, title VI is unconstitutional on at least two counts:

First, it makes an unreasonable classification of persons in respect to "earned" and "unearned" income, and

It places improper restrictions on people serving in public office.

For these reasons, I do not believe it will survive if tested in the courts.

We are treading on shaky constitutional grounds when we go beyond necessary financial disclosure. Placing this limitation on outside income will make income and financial worth a test for membership in the Congress. This, I believe, conflicts with the right of the people to freely choose who will represent them. Furthermore, I deeply resent the implication that income which is earned by work and is properly disclosed is somehow unethical. To add outright discrimination to insult to injury, there is no limit whatsoever on dividends or other forms of income derived from investments.

In defining the term "outside earned income," the bill includes wages, salaries, professional fees, honoraria, and other amounts received as compensation for personal services. However, it rather inconsistently makes exceptions: copyright royalties for writing a book and the following:

(4) in the case of a Member engaged in a trade or business in which the Member or his family holds a controlling interest and in which both personal services and capital are income-producing factors, any amount (may be) received by such Member so long as the personal services actually rendered by the Member in the trade or business do not generate a significant amount of income.

The 15-percent—$8,625—limitation on outside income is inequitable, discriminatory, and ill-conceived. Members with inherited wealth and substantial investment income are clearly favored over the majority of Members. Obviously, the bill takes care of the rich people and the bookwriters, but how about the rest?

"Earned" versus "unearned" income is a distinction without a difference. It employs phony logic, and I cannot understand how we expect the public to actually believe that such a distinction really exists.

Proponents argue that investment income is "less susceptible to abuse" than is earned income. I regard that reasoning as complete hogwash. All income is susceptible to abuse by conflict of interest, if the recipient is so inclined. If a man is receiving income from a defense contractor, for example, that fact alone may constitute a conflict of interest when he is voting on defense legislation. If he is receiving $100,000 from a corporation, and that corporation stands to be directly affected by a piece of legislation, it makes no difference that he is receiving that $100,000 as a consultant or as an investor. As I said before, the source of income is germane to possible conflicts of interest—not the amount and not whether the check was marked dividend or for services rendered.

As one of my esteemed colleagues so aptly described some of the inconsistencies:

What makes the royalties from a book ethical, while the same words sold for the same price in 10 magazine articles are unethical? Why is the written word ethical, but those same words spoken in a lecture or speech unethical?

And why is it more ethical to control a corporation than to have a minority interest in it? And, along with innumerable other unanswered questions, how much is a significant amount of income? This tough new ethics bill answers none of these questions.

The American free enterprise system is the sole and total foundation of our form of government. By the limitation of earnings for personal services, this bill isolates the broadest segment of our national leadership from close and continuous contact with the operation of free enterprise. Members of Congress represent the people in the legislative arena—they create the atmosphere and environment in which our economic system is to operate, and they have a fundamental responsibility for insuring the system thrives through laws and the appropriation of public funds. Under this bill, the architects of the system are barred from active participation in the private sector.

I believe that if the majority of Congressmen—performing as professional engineers, architects, doctors, managers, lawyers, businessmen, or whatever—retained regular and frequent contact with the marketplace, our country would be the better for it. If, for example, they each had part-time involvement in meeting a payroll, contracting for goods and services, submitting Government reports, calculating taxes, and dealing with all the bureaucratic redtape and other complications of doing business today—we would have a far better economic climate. At least we would be spared the sometimes accurate accusations that Members of Congress are isolated from the real world.

Some of my colleagues have cited the words of Madison and Hamilton in the "Federalist Papers" concerning the need for as much diversity and variety as we can muster in the background of House Members, and that we should scrupulously avoid restricting House membership by excluding certain people. This bill will foster precisely that kind of exclusion—with the result that we will eventually have a Congress composed of two kinds of people: The very wealthy and those who depend solely on their congressional income for sustenance. I think an overabundance of the first category will make for a less-than-representative House of Representatives, and the second category would be filled by those entirely susceptible to pressure—every vote will be made with the omnipresent fear of losing one's job.

We ought to be encouraging our most successful people in the free enterprise system to run for the Congress, to take a responsible role in National Government and insure that our system continues to work better than any other economic system in the world. But instead, we are requiring that the people in the Congress—who set the stage, make the rules, and pass the laws by which we govern our economy and our society—become dropouts. I do not know of anything that will take us down the road to socialism, or worse, any faster than this approach.

Believe me when I say I voted against this bill not out of concern for myself. It scarcely touches me personally. I have always disclosed my financial status, and, as it happens, nearly all of my outside income is received as dividends from businesses that I currently own. Nor am I concerned about the other Members of Congress—now. What does worry me is what this will do to our form of government down the road, and what this change will do to the American people. It is the American people and our way of life that will be hurt.

On top of everything else, the bill suspends the outside earned income provision until 1979. This means that the incumbent Members have been exempted. If indeed this provision is the true cornerstone of our new code of ethics, is it not hypocritical to wait? Or are we afraid of being too ethical too fast?

On the other hand, one could legitimately ask me, "If the ethics bill is as bad as you say it is, how and why did the House pass it?" It is a good question, and I believe everyone who voted for it must be prepared to answer.

Of course, I can speak for no one but myself. However, I can offer an opinion based upon what I have been told, what I witnessed during the long and spirited debate on the House floor, and what I have sensed in the reactions of my colleagues.

I am convinced that most of my colleagues feel as I do that the ethics bill

is a poor, unworkable piece of legislation. It condemns the free enterprise system by implying there is something wrong with engaging in the commerce of this Nation. It downgrades the expertise which would enable us to perhaps do a better job for our constituents. Worst of all, it relieves the voters of the freedom to choose representation.

How well a Congressman is doing his job should be a matter between him and his constituents. They are the ones who keep him in this body.

I am by no means saying that every Congressman should and must maintain part-time employment or business in the private sector. But we have a great many Members of this body who have proven that they can actively participate in noncongressional activities without sacrificing their congressional obligations and/or ethics. Let those of us who wish to work elsewhere have the simple freedom to do so, and let our constituents judge whether they are being shortchanged.

I contend that this bill will not only fail to accomplish its purpose but will actively encourage circumvention. It goes far beyond the simple axiom that you cannot legislate morality. A quick reading of the bill suggests any number of ways the devious can restructure their financial affairs to legally disguise unethically received income.

So much for the real merits of the case.

But why did 402 Members of the House of Representatives vote for this poorly constructed, ineffectual piece of legislation?

Partly because of the parliamentary ploy by which the bill was presented—under a closed rule, so that the Members of Congress were unable to amend the work of the Obey Commission or the House committee that reported out the bill. We were given the choice of all or nothing. Then there was the ramrodding by the congressional leadership to take action—regardless of how ill-advised. But, in my mind, the prevailing factor was fear.

I have no doubt that many Congressmen who genuinely felt this legislation was poor—many of whom said as much during the debate, and then voted to pass it—panicked at the thought of banner headlines "Congressman So-and-So Votes Against Ethics."

If indeed that is true, I can only say that it is a sad state of affairs that Congressmen cast their votes not based on the value or need for the legislation, but through fear of pressure from outside sources.

As a matter of fact, I had my own visions of headlines: "Congressman CHAPPELL Votes for Phony Ethics Package." Had I voted in favor of this bill, that is how the headlines should have been written. I also believe that when the national media and the American people become thoroughly acquainted with the so-called tough new ethics bill, they will not tear up those who criticized the bill. They will accurately turn their attack on the bill itself and demand an effective code of ethics for the Congress.

STATEMENT BY THE HONORABLE EDWIN B. FORSYTHE, REPUBLICAN, OF NEW JERSEY, ON THE OCEAN DUMPING AMENDMENTS ACT

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. FORSYTHE. Mr. Speaker, in recent years over 200,000 metric tons a year of sewage sludge have been dumped into waters off the U.S. coast. The area particularly affected by this action has been the mid-Atlantic. For instance, between 1890 and 1971, the total amount of waste solids dumped into waters off New York and New Jersey exceeded 1.9 billion cubic yards. To put this amount into perspective, these wastes are more than 50 times the amount of material removed during the construction of the Panama Canal. If these wastes had been dumped on Manhattan Island instead of in ocean waters, Manhattan Island would be covered by a layer of waste solids more than 65 feet high.

While the volume of wastes dumped into U.S. waters is staggering, its impact is a national tragedy. The declining health of mid-Atlantic waters has robbed U.S. citizens of an extremely valuable economic and recreational resource. Losses of finfish and shellfish in dumping areas due to diseases such as finrot and shell erosion have dealt a severe blow to the area's fishing industry. Pathogens and dangerous heavy metals introduced into our ocean waters cause deep concern for consumers of fisheries products. Human-induced metals, for example, are believed to build up in bottom-dwelling organisms. The potential transfer of the metals to humans through the food chain is just one of the reasons for ending the excessive parade of hazardous elements into our ocean environment.

Congress has not stood idly as hazardous ocean dumping activities have proceeded. In 1971, Congress took major strides to harness and control ocean dumping when it passed the Marine Protection, Research, and Sanctuaries Act, commonly referred to as the Ocean Dumping Act. This act empowered the Environmental Protection Agency to regulate and, in many cases, prohibit ocean dumping activities. In addition, EPA was given statutory authority to impose severe restrictions upon the types of materials which can be dumped into ocean waters and to enforce its regulations. EPA was directed to consider a number of factors, including "the effect of such dumping on human health and welfare, including economic, esthetic, and recreational values," "the effect of such dumping on fisheries resources, plankton, fish, shellfish, wildlife, shore lines and beaches," and "the persistence and permanence of the effects of the dumping."

Underlying the regulation and control of ocean dumping is the important area of economics. Disposal of wastes by means of ocean dumping is the cheapest way to dispose of these wastes. Therefore, many dumpers will, given the opportunity, dispose wastes directly into the ocean and, simultaneously, save themselves significant amounts of money. Needless to say, the social costs of a degraded ocean environment are borne by our entire Nation.

Another area where economics is crucial involves the development of constructive alternative means of disposing of these wastes. In some cases, the amounts and characteristics of the wastes which must be disposed are such that the development of alternate means of disposal requires significant amounts of time and money for research and development. In response to these cases, EPA has established a special permit category—interim permits—to accommodate dumpers who have no immediately available alternative.

Interim permits pertain to wastes which fail to meet EPA's ocean dumping criteria—that is, wastes which will cause significant harm if dumped into the ocean environment. EPA currently issues these interim permits to the cities of Camden, Philadelphia, and New York, and to a number of industrial dumpers. Dumping under these interim permits will cease, according to EPA's final regulations for ocean dumping, by the end of 1981.

Unfortunately, recent history indicates that the research needed to insure an end to harmful ocean dumping is lacking. For example, Camden was recently denied an extension of its interim permit because its efforts to implement alternative means of disposal were inadequate. When Camden was denied its permit, sewage was stored in tanks until the hazard to public health warranted an emergency permit for ocean dumping.

Like Camden, other ocean dumpers using interim permits have been given phaseout schedules by EPA. In most cases, substantial research is needed to meet these schedules and such research is lacking. Moreover, dumping under interim permits is causing significant harm to the ocean environs—a cost borne by all of society. The only reason that ocean dumping is the cheapest means of disposal for the dumper in these instances is that much of the cost is shouldered by the remainder of society—in the form of lost economic and esthetic values.

The legislation I am introducing today is designed to remedy this inequitable and inevitably intractable situation. The Ocean Dumping Amendments Act will attack the problem of ocean dumping in a constructive and rational manner. First, it requires an important penalty fee be paid by interim permitholders. This penalty fee will be used to support research into constructive means of disposal—methods that can convert wastes into compost, soil conditioner, or substitutes for natural gas. Thus, the Ocean Dumping Amendments Act will insure that harmful ocean dumping is phased out by 1981; last-second complications because of a failure to adequately research the alternatives will be circumvented.

Second, my legislation removes the economic advantages of ocean dumping.

The penalty fee will be equal to or greater than the money saved by disposing of wastes into the ocean instead of disposing of wastes in constructive, less environmentally harmful, manners. In other words, the penalty fee will insure that ocean dumping is just as expensive as alternative means of disposal. Thus, the costs of ocean dumping borne by society as a whole—such as lost recreational and fisheries values—will be partially recovered by assessing ocean dumpers an increased fee. I believe that this approach to ocean pollution is precedent setting and will serve notice to ocean polluters that degrading our Nation's common values, in a self-serving attempt to save money, will no longer be tolerated by our Federal Government.

Mr. Speaker, the problem of continued contamination of our marine environment has been perceived by millions. In response to this problem, many solutions have been advanced. Some solutions are patently absurd—such as putting our sewage wastes on rockets and shooting them into the sun. Others are more subtly inappropriate—such as moving all ocean dumping activities to the edge of the Continental Shelf. In recent weeks, it has been proposed that all ocean dumping activities be moved to a site 106 miles off the New York-New Jersey coast. Such a move would increase the cost of ocean dumping, making the cost of alternatives relatively less expensive. However, the environmental risks of such a move are imponderable. First, particulate wastes disposed at a deep-water site will remain in the environment indefinitely. The cold temperatures and high pressures will preclude recycling. Scientific investigations indicate such wastes could very likely contaminate rich mid-Atlantic and New England fishing grounds, including lobster, hake, flounder, squid, and butterfish fisheries. Another major drawback of the proposed move to the 106-mile site is the increased vessel traffic in the area, 212-mile voyages will be made each day by ocean dumping barges and the likelihood of collisions with other vessels in the area will greatly increase.

The New England Regional Fishery Management Council, in a letter to EPA, echoed this serious concern. The council cited adverse effects on commercial and recreational fisheries, including haddock, silver and red hake, mackerel, and squid. The council also noted that policing such dumping would be next to impossible and that dumps made before reaching the dumpsite are inevitable. The council concluded that the proposed move to the 106-mile "site is not only inadequate, but highly dangerous to our marine resources."

In sum, Mr. Speaker, the proposal to move dumping activities to the 106-mile site squanders both fiscal and environmental resources. In contrast, the bill I am proposing today aproaches a complex problem in a rational manner. The Ocean Dumping Amendments Act imposes a penalty fee on harmful ocean dumpers to fund research into constructive alternatives and, simultaneously, to make the projected or actual costs of these alternatives favorable in comparison to the costs of ocean dumping.

My legislation also gives EPA the responsibility for research into alternatives. As the act is currently written, the National Oceanic and Atmospheric Administration has the statutory authority, but not the technical expertise, to conduct such research. This unsatisfactory situation is remedied by the Ocean Dumping Amendments Act. Finally, the legislation will insure that EPA recovers all costs directly associated with processing applications for an ocean dumping permit. In many cases, EPA presently charges nominal costs for such processing; excess costs are borne by the general taxpayer, not the ocean dumper.

In sum, Mr. Speaker, it is my firm belief that the quality of our ocean waters must be protected and replenished. One important stress on these waters is the ocean dumping of sewage sludge and industrial wastes. While EPA, under the statutory authority given them by the Marine Protection, Research, and Sanctuaries Act has set a 1981 phaseout for harmful ocean dumping, the interim period is crucial.

The bill introduced today takes important constructive steps prior to the intended 1981 phaseout of harmful ocean dumping. The Ocean Dumping Amendments Act will insure that proper research is done to facilitate the use of alternative means of waste disposal. These alternatives will transform environmentally harmful wastes into useful byproducts—such as sanitary landfill, soil conditioner, and organic gases which can be used as substitutes for natural gas. The importance of this problem is beyond dispute; without this legislation, harmful ocean dumping could likely continue well beyond 1981, the quality of our mid-Altantic Ocean waters will remain a national tragedy, and valuable by-products obtained by recycling these wastes will go unutilized.

REMARKS OF CARL D. PERKINS ON THE FIRST ANNIVERSARY OF THE SCOTIA MINE DISASTER

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. PERKINS. Mr. Speaker, "Beware the Ides of March," was the storied admonition to Caesar foretelling his assassination. The ides of March this year marked the first anniversary of two explosions deep in the heart of the Scotia Coal Mine in Letcher County, Ky., near Oven Fork.

The first explosion occurred at about 11:35 a.m. on March 7, 1976 and claimed the lives of 15 miners. On March 10, 1976 rescue teams located and recovered the 15 bodies. On March 11 at 11:20 p.m. a second explosion occurred in the vicinity of the first explosion, taking the lives of 11 men engaged in repair work under the supervision of Mine Enforcement and Safety Administration inspectors. Three MESA representatives were included in the toll. Efforts continue to this day to place the mine under conditions that the specific causes of the explosion can be determined.

Observance of the anniversary is a painful experience, particularly so for the widows and families of the 26 men who lost their lives. But painful as a review of this tragedy is, there are lessons that we can learn from the exercise. For one, we can more fully appreciate the courage that a few Americans have in engaging in this extremely hazardous occupation so that the energy needs of our Nation can be met.

We need not be reminded of this hazard simply by looking at the Scotia incident. The Farmington disaster in 1968 which interred 78 coal miners, the Hyden explosion in 1970 which killed 38 miners, and the Itmann and Blackville disasters in 1972 which killed 14 more are still vivid in the minds of those of us who seek a safer working place for miners of coal.

Yes, we are reminded too of the 85 men who were underground at the time that water broke loose from an inactive section of the Leon Kocher Coal Co. mine in Tower City, Pa.; of the 15 miners who were in the section where the break occurred just a few days ago, five are still missing, three were injured and hospitalized, one was just miraculously saved, and four were killed.

Yes, we owe a great deal to these valiant men and their wives and families who daily enter deep into the earth hundreds and thousands of feet so that coal may be produced to provide us with electricity to make us steel for rails, for automobiles, and for the thousand and one things we demand daily in our lives.

The dangers that confront the miner thousands of feet below the surface do not come solely from those instantaneous disasters through falls, the explosions, the floods, but for most there is the slow death of prolonged inhalation of coal dust producing the black lung disease or, if you prefer, as it is clinically known, pneumoconiosis.

Nor does the fate of a miner always lie in the highly publicized disasters of a Scotia or a Farmington. Most often the miner faces misadventure in unpublicized single-accident incidents. Last year alone 141 were killed in underground mines. Last year alone 13,630 miners received disabling injuries underground.

The risk of death and disability among coal miners is twice that of the general population and higher than that of any other occupational cause in the United States.

We cannot reclaim the lives of thousands of miners whose lives have been taken by coal mine disaster or disease nor can we appropriately compensate their survivors. However, there are certain fundamental and basic things we must do.

First, we must take care that the provisions of the Coal Mine Health and Safety Act are diligently, honestly and vigorously observed and enforced. Observance and enforcement of the Coal Mine Health and Safety Act of 1969 could have avoided many of these tragedies. The Committee on Education and Labor of the House of Representatives is continuing its oversight on the administration of the Coal Mine Health and Safety Act.

Second, the laws providing compensation for miners disabled because of pneumoconiosis or because of injury can be strengthened to assure equitable processing of miners' claims and benefits.

Thus, on the anniversary of the Scotia disaster, I ask my colleagues to join with me in seeking these worthy objectives.

THE RECOMBINANT DNA RESEARCH ACT OF 1977

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. ROGERS. Mr. Speaker, today I and nine of my colleagues on the Subcommittee on Health and the Environment, Mr. MAGUIRE, Mr. PREYER, Mr. SCHEUER, Mr. WAXMAN, Mr. FLORIO, Mr. MARKEY, Mr. WALGREN, Mr. CARTER, and Mr. MADIGAN, have introduced legislation, H.R. 4759, the Recombinant DNA Research Act of 1977, which will be the subject of subcommittee hearings next Tuesday, Wednesday, and Thursday. I wish to make it clear that this proposal is intended to be a vehicle for discussion during the hearing process and does not necessarily represent the views of its cosponsors.

As I announced yesterday, there is growing public concern, amongst both laymen and the scientific community, with respect to the potential dangers of recombinant DNA research, and the consensus of all concerned parties is that a legislative response is necessary.

Congressman OTTINGER, a member of the subcommittee, has already introduced legislation which addresses the questions of mandatory licensure of recombinant DNA research, patent restrictions, civil liability for damage caused by DNA research, and other issues. The legislation which I have introduced today is intended to supplement Mr. OTTINGER's bill for purposes of public discussion and to broaden the scope of next week's hearings.

Briefly, the Recombinant DNA Research Act of 1977 would do the following:

First. Require Federal licensure of all recombinant DNA research projects, whether or not they are federally funded. Licenses would be valid for 2-year periods.

Second. Require the Secretary of Health, Education, and Welfare to establish requirements for licensure including requirements for physical and biological containment which are at least as stringent as the existing NIH guidelines; requirements with respect to personnel safety techniques; review by institutional review committees; and reporting requirements.

Third. Limit research which requires P4—high risk level—containment to 10 centers designated by the Secretary of Health, Education, and Welfare.

Fourth. Authorize the Secretary of Health, Education, and Welfare to require that certain types of P3—moderate risk level—research be conducted only at the 10 designated P4 centers.

Fifth. Require, unless protected by "trade secret" restrictions, the release of the following information upon issuance of a license: a description of the source of materials to be used in the project, a description of the type of physical and biological safeguards to be maintained by the project, and the objectives of the research to be undertaken.

Sixth. Authorize the Secretary to make grants to nonprofit, private centers to help meet the costs of complying with the requirements respecting physical containment. Authorize $21.5 million for fiscal year 1978, $27.5 million for fiscal year 1979, and $12.5 million for fiscal year 1980 for such purposes.

Seventh. Authorize the Secretary to inspect facilities engaged in recombinant DNA research.

Eighth. Authorize the Secretary to bring action to enjoin the continuation of a recombinant DNA research project if he determines continuation would constitute a significant hazard to the public health.

Ninth. Provide penalties for conducting recombinant DNA research without a license of up to $1,000 for each day of violation.

Tenth. Preempt State and local requirements with respect to recombinant DNA research except that, the Secretary, upon application, shall exempt State and local requirements which are at least as stringent as the Federal standards.

Eleventh. Establish an advisory commitee to the Secretary which must be consulted prior to the issuance of Federal requirements for licensure, to the issuance of licenses, and to the designation of the 10 P4 centers.

There are a number of issues which are not addressed by this legislation. I encourage the witnesses at next week's hearings to address the following questions:

First. To what degree is public's right to know the nature of a potential hazard to which it may be subjected incompatible with the traditional rights of private business to "trade secrets"? That is, should there be public disclosure of all gene transplantation research projects, even if this would interfere with a company's obtaining a patent?

Second. Strains of the bacterium Escherichia coli are currently being used as the host organism for most gene splicing research. However, this organism is a common inhabitant of the human colon and is the causative agent for a number of human diseases. While the strains used in research are alleged to have only a slim chance of surviving outside of the laboratory, they can sometimes exchange their genetic material with the more ubiquitous varieties. Would it therefore not be proper to encourage, if not require, the development of an alternative host which does not have such a broad ecological niche and is not so intimately associated with people?

Third. Should legislation be passed with a broader scope than the regulation of recombinant DNA technology to include known biological hazards, now regulated in haphazard ways if at all? The recent deaths at the Center for Disease Control suggest that such legislation may be preferable.

Fourth. If indeed the potential hazards of gene transplantation are as serious as many suggest, then regulation is more than a national problem. What role should the United States assume in developing international controls over the conduct and proliferation of gene splicing research and technology?

SOUND TIMBER MANAGEMENT

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1977

Mr. AuCOIN. Mr. Speaker, today I am introducing a bill aimed at restoring an element of certainty into the forest products industry in the West. It will restore the historical practice of oral bidding for timber sold from western national forests.

A proposed U.S. Forest Service requirement to mandate the use of sealed bidding in areas where oral bidding had been used without problems has resulted in a high degree if uncertainty on the part of lumbermen in my home State of Oregon. Despite rising prices for lumber and plywood, millowners are not expanding their production because they fear they will not have the timber available to sustain their operations. One reason for their fears is the prospect of continued sealed bidding for timber out of our national forests.

What troubles them is that they will not have the opportunity under sealed bidding, as they did under oral bidding, to bid higher than they might otherwise bid in order to get a particular stand of timber that precisely meets their needs.

The ability to go all out on certain timber sales through oral bidding promotes efficiency in the forest products industry and should not be prevented.

Sealed bidding procedures, which were not mandated by the 1976 Forest Practices Act, have come about because some critics have charged that oral bidding is more conducive to collusion. I do not believe that. I defy anyone to explain how either system is more or less susceptible to collusion. Those who want to collude can do so regardless of the bidding procedure used. But the real point is that there is no proof of widespread collusion in timber bidding in the Pacific Northwest. So it makes little sense to me to change the ground rules that have been used successfully for a long time.

Another misconception that disturbs me is that the 1976 Forest Practices Act directed the Forest Service to impose sealed bidding in areas where oral bidding has been used. The law clearly does no such thing. I believe the Forest Service knows that and I think that is why it has attempted to retreat from its original regulations foisting sealed bidding off on many more areas than their final regulations do. Still, what we in the Northwest are left with is a system of mixed bidding practices, which is the worst situation of all.

Mr. Speaker, the only thing the final Forest Service regulations promote is further uncertainty.

Consumers soon will begin paying the price for that uncertainty. Lumber and plywood prices rose 10 percent a week ago as pent-up demand for housing began translating into new housing starts. As the weather warmed up in the East, lumber brokers went West to buy lumber—all they could find.

A homebuilder from Oregon told me last week that he was unable to find a stick of wood in the Willamette Valley after eastern lumber brokers had come through. You would expect lumbermen to respond to this shortage by expanding production. But they will not because, with at most only 2 years of timber supply under contract, many believe they will be forced to close down if they mill all their timber now. Who can blame them? Yet, what will result is another boom/bust housing cycle which is already taking shape. Some estimate that the supply squeeze will boost lumber and plywood prices another 20 percent when the construction season hits its height. They say that is a conservative estimate.

If that happens, we can anticipate another round of homebuilder bankruptcies that force carpenters and other construction workers to hit the bricks.

We can also expect President Carter's plan for economic recovery to suffer a crippling jolt. There has not been a genuine economic recovery since World War II in which a surge in homebuilding did not lead the way.

One of the quickest ways for Congress to begin to restore the confidence of lumbermen is for the administration and the Congress to signal them through our management of national forests that an adequate timber supply will be maintained. Many small lumber and plywood mills are exclusively dependent on public timber. When you consider that 50 percent of the Nation's sawtimber is contained in national forests, 85 percent of which is in the West, you begin to recognize the significance of intensive management of Federal timberlands to the forest products industry.

My bill will cost nothing to implement. Indeed, it may save money by returning to a previous successful form of selling timber in the West, thus encouraging the lumber industry.

There seldom are simple answers to complex problems. And I do not suggest here that a return to oral bids is a cure-all. But I do believe my bill—which calls for a simple one-word change in Federal law—is a simple way to begin.

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittes, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 10, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MEETINGS SCHEDULED

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon — 322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

Finance
To hold hearings on the proposed Tax Reduction and Simplification Act of 1977 (H.R. 3477).
2221 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Air Force witnesses on procurement programs.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on health programs.
357 Russell Building

Foreign Relations
To review items in the Presidential budget for fiscal year 1978 which fall within its legislative jurisdiction, to be followed by closed briefing by former Defense Secretary Clifford on his recent trip to Greece, Turkey and Cyprus.
S-116, Capitol

Human Resources
Subcommittee on Education, Arts and Humanities
To hold hearings on S. 701, to provide Federal financial assistance to educational institutions to meet the emergency caused by high fuel costs and shortages.
4232 Dirksen Building

11:00 a.m.
Special Aging
Business meeting.
155 Russell Building

MARCH 14

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon — 322 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies
To resume hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration; and to consider supplemental appropriations for fiscal year 1977 for activities falling within the subcommittee's jurisdiction.

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building

Judiciary
To resume hearings on S. 11, and printed amendment No. 40 thereto, providing for the appointment of additional district judges.
2228 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration.
1224 Dirksen Building

MARCH 15

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 and on proposed supplemental appropriations for fiscal year 1977 for the Trust Territory of the Pacific Islands.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Council of Economic Advisers, the Council on Wage and Price Stability, the National Security Council, and the National Center for Productivity and Quality of Working Life.
1224 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration, American Battle Monuments Commission, and for the U.S. Army Cemeterial Expenses.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Banking, Housing, and Urban Affairs
Subcommittee on International Finance
To hold hearings on S. 69 and 92, to amend and extend the Export Administration Act.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 9, proposed Outer Continental Shelf Lands Act Amendments.
3110 Dirksen Building

Governmental Affairs
To resume hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Election Commission, the Civil Service Commission, the Defense Civil Preparedness Agency and the Federal Labor Relations Council.
1224 Dirksen Building
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced
Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Department of Defense and AID.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

MARCH 16

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed supplemental appropriations for fiscal year 1977, and on proposed budget estimates for fiscal year 1978 for the administration of the Trust Territory of the Pacific.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear Secretary of Defense Brown.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building
Budget
To hold hearings in preparation of reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building
Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on causes of deaths and injuries involving cars and tractor trailers.
235 Russell Building
Committee on Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration, with testimony on nuclear aspects.
3110 Dirksen Building
Governmental Affairs
To resume hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs to hear representatives of the Energy Research and Development Administration.
Room to be announced

MARCH 17

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Alcohol, Drug Abuse and Mental Health Administration, and Saint Elizabeth Hospital.
S-128, Capitol
Banking, Housing, and Urban Affairs
To mark up proposed legislation to extend the Export Administration Act and related matters.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building
Commerce, Science, and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
To resume hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1978 authorization for Government intelligences activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Health Resources Administration.
S-128, Capitol
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for Public Works programs, to hear testimony on national security programs.
Room to be announced

MARCH 18

10:00 a.m.
Appropriations
Defense
To resume hearings on proposed budget estimates for fiscal year 1978 for research, development, testing and evaluation program of the Army.
1223 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephone, computers, etc.)
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 929 and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To hold oversight hearings on developmental disabilities.
Room to be announced
Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building

10:00 a.m.
Appropriations
Hud-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the

National Aeronautics and Space Administration.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Energy and Natural Resources
To hold hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf and for other purposes.
3110 Dirksen Building
Government Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs, to hear representatives of Environmental Research and Development Administration.
Room to be announced

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
235 Russell Building
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To receive testimony on the administration's legislative proposals for programs for the handicapped.
Room to be announced

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearing on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on activities of the Electronic Fund Transfer System Commission.
4302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on U.S. Monetary policy.
357 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government, to hear public witnesses.
1224 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act, to hear Secretary of Agriculture Bergland.
Until: noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communication common carrier policies (i.e., telephone, computer, etc.).
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including E. 292, and S.689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations.
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset act.
3802 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federal affected areas and emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until 1 p.m. 457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occupational, vocational, and adult education programs.
S-128, Capitol
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1378 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the U.S. Railway Association—Office of Rail Public Counsel.
235 Russell Building

Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center to be located on the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorization for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee.
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education and welfare programs, and for library resources.
S–128, Capitol.

MARCH 25

9:30 a.m.
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed community Reinvestment Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for 1977 from officials of Amvets.
Until: Noon.

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings to inquire into domestic communications common carrier policies (i.e., telephones, computer, etc.).
235 Russell Building

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (Proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings in proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 29

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment to hear Congressional witnesses.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S–128, Capitol

Appropriations
Transportations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Energy and Natural Resources
To hold hearings on proposed legislation dealing with Utilization of coal resources.
3110 Dirksen Building

Government Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S–407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
S–128, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

MARCH 30

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Agriculture, Nutrition and Forestry
Subcommittee on Agricultural Production, Marketing and stabilization of Prices
To hold oversight hearings on problems of flu cured tobacco farmers.
322 Russell Building

Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1976 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the defense establishments, to hear public witnesses.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Social Security Administration.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witness.
Room to be announced

Energy and Natural Resources
Subcommittee on Public Lands and Resources.
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office for Civil Rights. Inspector General, Policy Research and General Management.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearing on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Committee, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission; Office of Consumer Affairs and Consumer Information Center.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related Agencies, to hear public witnesses.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1976 for the Federal Aviation Administration.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 21

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

Appropriations
Transportation Subcommittee
To continue hearings on proposed estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 28

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
5302 Dirksen Building

MAY 12

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 24

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 26

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

CANCELLATION

MARCH 15

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until Noon 322 Russell Building

HOUSE OF REPRESENTATIVES—*Thursday, March 10, 1977*

The House met at 11 o'clock a.m.

Dr. Jonathan A. Lindsey, Marion Junction Baptist Church, Marion, Ala., offered the following prayer:

Lord of all, we ask Your blessing on those who gather here.

Grant that they may see with eyes illumined by Thy spirit; that they may hear the voices of all whom their actions affect; and that they may act with responsible compassion.

Grant also, O Lord, that in the exercise of power they shall know humility; that they shall seek justice and righteousness; and, that they shall act in all ways with a vision of the good.

We praise Thee, O God, our Father, for the opportunities we find to serve Thee and Thy creation; for the experience of Thy strength and wisdom which supports and guides us; and, for the fellowship of those who share our visions and our tasks. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

DR. JONATHAN A. LINDSEY

(Mr. FLOWERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLOWERS. Mr. Speaker, the opening prayer this morning is being given by my good friend Dr. Jonathan Lindsey of Marion, Ala. Jon is a graduate of George Washington University and the Southern Baptist Theological Seminary in Louisville, Ky., where he has also been a visiting professor. He is now on the faculty of Judson College in Marion, and serves as pastor of a church in my district.

In 1975, he received a masters degree in library science from the University of Alabama, and his work in this field is well known throughout our State. Dr. Lindsey was named an Outstanding Educator of America in 1972, and has received numerous other awards for achievements in higher education. He has also served on several mental health boards in our area, and gives tirelessly of his time and energy whenever called upon. Of particular note is his leadership and work in connection with the Alabama Women's Hall of Fame.

It is a pleasure for me to welcome him here today.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT ON A BILL MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR ENDING SEPTEMBER 30, 1977

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making supplemental appropriations for the fiscal year ending September 30, 1977.

Mr. CEDERBERG reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT ON AN ECONOMIC STIMULUS APPROPRIATIONS BILL FOR FISCAL YEAR ENDING SEPTEMBER 30, 1977

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for economic stimulus for the fiscal year ending September 30, 1977, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT AS MEMBERS OF SELECT COMMITTEE ON ETHICS

The SPEAKER. Pursuant to section 3 of House Resolution 383, 95th Congress, the Chair appoints as members of the Select Committee on Ethics the following Members of the House: the gentleman from North Carolina, Mr. PREYER, chairman; the gentleman from Missouri, Mr. BOLLING; the gentleman from Georgia, Mr. FLYNT; the gentleman from New Jersey, Mr. THOMPSON; the gentleman from Wisconsin, Mr. KASTENMEIER; the gentleman from New York, Mr. STRATTON; the gentleman from Arizona, Mr. UDALL; the gentleman from Indiana, Mr. HAMILTON; the gentleman from Washington, Mr. MEEDS; the gentleman from Alabama, Mr. FLOWERS; the gentleman from Wisconsin, Mr. OBEY; the gentleman from California, Mr. DANIELSON; the gentleman from Kentucky, Mr. MAZZOLI; the gentleman from California, Mr. WIGGINS; the gentleman from Michigan, Mr. CEDERBERG; the gentlewoman from Massachusetts, Mrs. HECKLER; the gentleman from Minnesota, Mr. FRENZEL; the gentleman from Mississippi, Mr. COCHRAN, and the gentleman from Michigan, Mr. SAWYER.

HANAFI MUSLIN SECT SIEGE

(Mr. McDONALD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDONALD. Mr. Speaker, yesterday members of the fanatical Hanafi Muslim sect carried out a coordinated three-pronged attack, taking many hostages who are still being held in a siege situation at B'nai B'rith headquarters, at the Islamic Center, and at the District Building.

The Metropolitan Police Department should have known about the planned attacks in advance and prevented them. However, the MPD destroyed its intelligence files and closed out its intelligence-gathering and informant program several years ago. As a direct result of the lack of advance information. Maurice Williams has been murdered; others have been shot, stabbed, and beaten; and scores are being held captive under threat of death.

In the United States, the Hanafi sect and the closely related Sunni sect are splinter groups from the violence-prone Black Muslim prison cult. These prison cults have taken the names of respectable branches of the Islamic faith and use them as a cover for criminal activities. In addition, these prison-based sects have repeatedly engaged in murderous internecine warfare which has involved ambushes, shootouts, murders, and terrorism against the families of their rivals.

These groups should be under surveillance by both Federal and local law enforcement. But under pressure from special interest groups and some politicians, intelligence programs have been curtailed or ended.

Part of the blame belongs to the Congress, specifically the U.S. House of Representatives, which allowed a parliamentary maneuver to destroy the House Committee on Internal Security which had opened an investigation of these violent prison cults in 1973 and held hearings on these and related matters.

The Judiciary Committee has refused to carry out the mandate of the House, and has not held a single hearing on terrorist or violence-prone groups.

As a first step, Congress needs to reestablish the House Committee on Internal Security which could provide the necessary legislation to enable Federal and local authorities to protect the American people from these violent outrages.

COST-OF-LIVING PAY RAISE TO GO INTO EFFECT OCTOBER 1

(Mr. GRASSLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRASSLEY. Mr. Speaker, the people have been speaking. The people are finally being heard.

The response being taken in the Congress is a welcome, although about a month and a $130,000,000 late, bipartisian effort to respond to the public disgust with this pay raise issue.

Most recently this response is being expressed in such a bipartisan effort in the other body. The majority and minority leaders of that body are bringing up today at 2 p.m. a resolution stating that the recipients of raises under the recent Quadrennial Commission recommendations forego the annual cost-of-living raise we all are scheduled to get in October. I applaud their efforts, and only wish they had done the same thing a month ago before the recent raise went through. I also wish they had so joined hands 1 month ago to stop the $13,000 pay raise. It would save those of us who serve in the institutions of Government much embarrassment.

Mr. Speaker, Mr. Majority Leader, why cannot we have that same bipartisan effort in the House. Our minority leader has already spoken out on this point. Would you not cooperate with him?

Anything less means we are going to further erode confidence in Government. In fact by taking a cost-of-living raise this October on top of the $12,900 raise we have already granted ourselves—we will look downright greedy and even silly.

Let no one think this effort will slow me in my drive to repeal all automatic salary increase mechanisms.

IMPORT RELIEF TO HONEY INDUSTRY

Mr. VANIK. Mr. Speaker, pursuant to section 152(d)(1) of the Trade Act of 1974, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Concurrent Resolution 80, to disapprove the determination of the President denying import relief under the Trade Act of 1974 to the U.S. honey industry.

The Clerk read the title of the concurrent resolution.

Mr. STEIGER. Mr. Speaker, pursuant to section 512(d)(3) of the Trade Act of 1974, I move to postpone indefinitely the motion that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Concurrent Resolution 80.

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute before we proceed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, on February 9 the Subcommittee on Trade ordered that House Concurrent Resolution 80 be reported unfavorably to the full committee. House Concurrent Resolution 80 provides for congressional disapproval of the determination by the President not to provide import relief to the U.S. honey industry under section 203 of the Trade Act of 1974.

As you know, section 203(c) of the Trade Act authorizes Congress to override a decision by the President not to provide import relief recommended by the International Trade Commission as a remedy for serious injury to a domestic industry due to increased imports. If both Houses pass a concurrent resolution of disapproval within 90 days after the President reports his determination to Congress, the relief recommended by the Commission must go into effect within 30 days. Special procedures under section 152 of the Trade Act for expedited consideration provide that if the committee has not reported the resolution within 30 calendar days after its introduction, a highly privileged motion is in order to discharge the committee from further consideration and take the matter up directly on the House floor. February 23 is the 30th day for committee consideration of House Concurrent Resolution 80.

The Commission, by a 3-to-2 vote, found a threat of serious injury to the domestic honey industry due to increased imports and recommended a tariff-rate quota for 5 years as the form of import relief. On August 28, 1976, the President reported his determination to Congress that import relief would not be in the national economic interest.

The Subcommittee on Trade held a public hearing on House Concurrent Resolution 80 on February 8, receiving testimony from the administration and representatives of the honey producers, importers, and processors. The subcommittee report to the members of the full committee indicates the main economic factors and arguments presented in that testimony and in the Commission's report to the President.

In reporting House Concurrent Resolution 80 unfavorably by a voice vote the committee concluded that the threat of injury found to exist by the International Trade Commission has not proved sufficient to warrant disagreement with the President's conclusion that the imposition of the import restraints recommended by the Commission would not be in the national economic interest. It is my view, therefore, that the House should table House Concurrent Resolution 80 and thereby discharge its responsibilities in this first use of these special Trade Act procedures.

Mr. PRESSLER. Mr. Speaker, I am most disappointed that the Ways and Means Committee was not able to favorably report House Concurrent Resolution 80.

I sponsored this resolution because I believe the International Trade Commission's—ITC—findings in the matter of honey imports are convincing and provide ample justification for increasing tariffs on imported honey.

Honey imports have risen approximately 20 percent from 1975 to 1976. In 1975, honey imports totaled 46,380,000 pounds, while in 1976 approximately 65,000,000 were imported. These statistics serve to reinforce the ITC's findings that threat of serious injury to the honey industry could result if honey imports continued to increase. Clearly, 1976 has proven this point.

While the International Trade Commission is empowered to investigate the structure of domestic and foreign honey markets and their interrelationships, it did not, in its report to the President, stress the value of bees to agriculture through pollination.

Bees have been responsible for pollinating an estimated $8 billion worth of crops each year. This is an estimated value, and I would hope funding could be provided to do more comprehensive studies on crop pollination by bees.

The incentives for American honey producers to keep bee colonies is diminishing. Colonies have been steadily declining throughout the United States since World War II. This decline has become sharper within the last decade. The ramifications of this decline will mean higher food costs for Americans, since artificial pollination processes are costly and not as effective as bees. Some crops, for example alfalfa, depend solely on bee pollination for propagation.

Currently, American beekeepers have few of the advantages other agricultural producers enjoy. They do not have price supports for their product; the Government has not been buying any surplus honey, and honey does not have the import protection extended to other agricultural products.

These factors do not add up to a reason to maintain bee colonies or to expand a beekeeping operation. We could, as a nation, import 100 percent of our honey needs and dispense with the major bee colonies in our country. If this were to happen, the American consumer would soon pay higher prices for milk, meat, fruit, nuts, and vegetables. Colonies continue to decrease, and I fear the reluctance of our Government to increase the import protection for this small but vital industry will accelerate the decline of domestic bee colonies.

While the focus of the ITC's Report to the President is the potential damage to the honey industry due to imports, it is seemingly impossible to consider the domestic value of honey without also taking into account the value of pollination, which is certainly intertwined with the actual fact of honey production. It is apparent that pollination has not been given the serious consideration it deserves in this particular issue.

The honey producers in our country do not make a dent in the GNP. If their overall contribution to American agriculture were accurately assessed, I believe my colleagues would be amazed at the variety and value of the honeybee's contribution to our domestic economy. The Trade Act of 1974 was drafted to protect small as well as large businesses. The ITC, in its report to the President, said:

> We are constrained to note that the outcome of this investigation indicates the process by which someone, no matter how small, unorganized, or lacking in legal representation, can prevail before the Commission if only the facts presented satisfy the requirements of the statute. The citizen can petition his government for a redress of grievances and get it so long as we remain a nation of laws, not of men.

While I do not believe the ITC's optimism has been served by the events which have followed the submission of its report on honey to the President, I continue to hope that it will one day be possible for a small industry to successfully gain protection under the Trade Act of 1974.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. STEIGER).

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD on the subject of House Concurrent Resolution 80.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FDA OVERREACTION TO CANADIAN STUDY ON SACCHARIN

(Mr. MARTIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN. Mr. Speaker, here we go again. Our own Food and Drug Administration has now panicked into taking the last of the dietetic sweeteners off the shelf: Saccharin—a cheap, satisfactory sweetener that has been widely used for 80 years.

In my personal opinion, the FDA has overreacted to a Canadian study that fed 200 rats an enormous dose of saccharin. When a few percent developed bladder tumors—just a few more than usually do—the lid slapped down on the saccharin bottle.

Mr. Speaker, there is no evidence that a normal dose of this sweetener would affect 1 person in 200 million of the population of the United States. What we have here, rather, is evidence that if a person swallowed 1,850 of these packets a day, that is almost two boxes of the stuff, every day of his life for a lifetime, 1 out of 10 persons would get bladder tumors.

Mr. Speaker, one would have to drink 15 bottles of this stuff straight every day, or 800 12-oz. cans, that is 33 cans of dietetic drinks every day, to produce the effect of this Canadian research.

Mr. Speaker, that is silly. Fifty such cans of pure water would kill a person.

Accordingly, I am today introducing a resolution to stop this silly saccharin ban. There are over 10 million Americans who suffer from diabetes. I am more concerned by their needs than I am about a bunch of rats.

Mr. Speaker, my bill will express congressional opposition to a ban on saccharin. I also intend to testify at hearings which the FDA will conduct in June.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, on the Today show it was mentioned by one of the officials of the FDA that there is no medical evidence—repeat no medical evidence—that this is as damaging as the claims have alleged.

I appreciate the gentleman taking the time to express to the House the absolute idiocy of the FDA suggestion.

Mr. MARTIN. Mr. Speaker, let me say, if anybody wants to buy some saccharin wholesale, I have a good supply here.

WHO IS BRADY TYSON?

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I would like to call the attention of my colleagues to certain materials that I shall be today inserting under a special order in the CONGRESSIONAL RECORD dealing with the life and times of one Mr. Brady Tyson. I presume most of us will now recognize Mr. Tyson's name. We saw him described in the press this week as delegate to the United Nations Commission on Human Rights who took it upon himself to apologize for past American policy toward the Government of Chile. His statement was disowned by President Carter.

The fact of the matter is that Mr. Tyson, now on leave from the American University, has a record of association with Marxist and pro-Communist organizations stretching over a number of years. He has been identified in testimony before the Senate Internal Security Committee as a member of the U.S. Committee for Justice to Latin American Political Prisoners, which has among its officials many known Communists. Mr. Tyson was also expelled from Brazil by its government for fomenting revolution.

I think a thorough reading of this information regarding Mr. Tyson will call into serious question his continued association with the U.S. Government in any official capacity. I also call to the attention of the House that he was appointed to his present position by U.N. Ambassador Andrew Young, who certainly is making his mark in international affairs.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SUPPLEMENTAL HOUSING AUTHORIZATION ACT OF 1977

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 388 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 388

Resolved, That upon the adoption of this resolution it shall be in order to move, sections 401(b)(1) and 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, to establish a National Commission on Neighborhoods, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. It shall be in order to consider the amendment recommended by the Committee on Banking, Finance and Urban Affairs now printed on page 3, line 14 through page 4, line 8 notwithstanding the provisions of section 401(b)(1) of the Congressional Budget Act of 1974 (Public Law 93-344). At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Massachusetts is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. MOAKLEY. Mr. Speaker, the resolution provides for the consideration of the bill (H.R. 3843), supplemental housing authorization.

It is a 1-hour open rule and provides for waiver of two provisions of the Budget Act which would otherwise preclude consideration. Section 402(a) of the Budget Act requires authorizations to be reported no later than May 15 preceding the beginning of the fiscal year in which it would take effect. Section 401(b)(1) prohibits consideration of new entitlement authority which would take effect before the beginning of the fiscal year beginning in the calendar year in which the bill is reported.

Mr. Speaker, the rule waives both points of order.

I would point out that waivers were requested by the Banking Committee to enable it to act on the administration requested bill. Both waivers are purely technical. The chairman of the Committee on Budget, authorized by vote of his committee, indicated that he would support the waivers.

The waiver of section 401 applies to only one section of the bill which extends two HUD insurance programs. In doing so, it places future renewals on a fiscal year cycle to insure that no future waivers will be required. The waiver of section 402 applies to the entire bill but all funds authorized are assumed in the third concurrent resolution on the budget.

The bill modifies section 8 housing by authorizing an additional $378 million for rent subsidies bringing the total number of section 8 units to 400,000.

It also contains an emergency authorization of $19.6 million for operating subsidies for existing public housing projects facing unexpectedly high heating bills because of the severe winter.

The bill increases funding of the homesteading program from $5 million to $10 million.

It extends the HUD crime and riot insurance programs through September 30, 1978. As I have indicated, this ties renewal of these programs into the budget cycle.

And the bill increases FHA's general insurance fund from $500 million to $1.3 billion.

The bill also creates a National Commission on Neighborhoods to undertake a 2-year study of the actions necessary for community revitalization. As Representative from one of the most neighborhood-oriented cities in the country, I would stress how vital this study could be particularly in studying the problem of redlining.

Mr. Speaker, this is vital legislation. The administration and the committee are to be commended for presenting this legislation to the House and I urge the adoption of the rule so that the House may consider this legislation.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 383 provides an open rule with 1 hour of general debate for the consideration of H.R. 3843, the Supplemental Housing Authorizing Act of 1977. The rule provides that the bill be read for amendment by titles rather than by sections and waives two points of order. It is necessary to waive section 402(a) of the Congressional Budget Act since this bill was not reported in time to meet the May 15 deadline of the preceding fiscal year. In addition, the rule waives section 401(b) (1) of the Congressional Budget Act which makes it out of order for the House to consider any bill providing new entitlement authority which is to be effective before the first day of the fiscal year which begins during the calendar year in which the bill is reported. This waiver applies to both the bill and the committee amendment.

H.R. 3843 raises the authorizations for subsidized housing contract authority to provide an additional 160,000 units and increases subsidy contract terms from 20 to 30 years to encourage private financing. In addition, the bill: First, increases fiscal year 1977 authorizations to cover losses of the general insurance fund, expand urban homesteading, and raise public housing operating subsidies to cover increased utility costs; second, extends HUD riot reinsurance and crime insurance programs; and third, establishes a National Commission on Neighborhoods.

Mr. Speaker, I do not oppose the rule and suggest the House adopt the resolution and debate the merits of the bill in the allotted time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 411, nays 0, not voting 21, as follows:

[Roll No. 62]

YEAS—411

Abdnor	Andrews, N.C.	AuCoin
Addabbo	Andrews, N. Dak.	Badham
Akaka	Annunzio	Bafalis
Alexander	Applegate	Baldus
Allen	Archer	Barnard
Ambro	Armstrong	Baucus
Ammerman	Ashbrook	Bauman
Anderson, Calif.	Ashley	Beard, R.I.
Anderson, Ill.	Aspin	Beard, Tenn.
Bedell	Flippo	Mahon
Beilenson	Florio	Mann
Benjamin	Flowers	Markey
Bennett	Flynt	Marks
Bevill	Foley	Marlenee
Biaggi	Ford, Mich.	Marriott
Bingham	Ford, Tenn.	Martin
Blanchard	Forsythe	Mathis
Blouin	Fountain	Mattox
Boggs	Fraser	Mazzoli
Boland	Frenzel	Meeds
Bolling	Frey	Metcalfe
Bonior	Fuqua	Meyner
Bonker	Gaydos	Michel
Bowen	Gephardt	Mikulski
Brademas	Giaimo	Mikva
Breaux	Gibbons	Milford
Breckinridge	Gilman	Miller, Calif.
Brinkley	Ginn	Miller, Ohio
Brodhead	Glickman	Mineta
Brooks	Goldwater	Minish
Broomfield	Goodling	Mitchell, Md.
Brown, Calif.	Gore	Mitchell, N.Y.
Brown, Mich.	Gradison	Moakley
Brown, Ohio	Grassley	Moffett
Broyhill	Gudger	Mollohan
Buchanan	Guyer	Montgomery
Burgener	Hagedorn	Moore
Burke, Calif.	Hall	Moorhead, Calif.
Burke, Fla.	Hamilton	Moorhead, Pa.
Burke, Mass.	Hammer-schmidt	Moss
Burleson, Tex.	Hanley	Mottl
Burlison, Mo.	Hannaford	Murphy, Ill.
Burton, John	Hansen	Murphy, Pa.
Burton, Phillip	Harkin	Murtha
Butler	Harrington	Myers, Gary
Byron	Harris	Myers, Ind.
Caputo	Harsha	Myers, Michael
Carney	Heckler	Natcher
Carr	Hefner	Neal
Carter	Heftel	Nedzi
Cavanaugh	Hightower	Nichols
Cederberg	Hillis	Nix
Chappell	Holland	Nolan
Chisholm	Hollenbeck	Nowak
Clausen, Don H.	Holt	O'Brien
Clawson, Del	Holtzman	Oakar
Cleveland	Horton	Oberstar
Cochran	Howard	Obey
Cohen	Hubbard	Ottinger
Coleman	Huckaby	Panetta
Collins, Ill.	Hughes	Patten
Collins, Tex.	Hyde	Pattison
Conable	Ichord	Pease
Conte	Ireland	Pepper
Corcoran	Jacobs	Perkins
Corman	Jeffords	Pickle
Cornell	Jenkins	Pike
Cornwell	Jenrette	Poage
Coughlin	Johnson, Calif.	Pressler
Crane	Johnson, Colo.	Preyer
D'Amours	Jones, N.C.	Price
Daniel, Dan	Jones, Okla.	Pritchard
Daniel, R. W.	Jones, Tenn.	Pursell
Danielson	Jordan	Quie
Davis	Kasten	Quillen
de la Garza	Kastenmeier	Rahall
Delaney	Kazen	Railsback
Dellums	Kelly	Rangel
Dent	Kemp	Regula
Derrick	Ketchum	Reuss
Derwinski	Keys	Rhodes
Devine	Kildee	Richmond
Dickinson	Kindness	Rinaldo
Dicks	Koch	Risenhoover
Diggs	Kostmayer	Roberts
Dodd	Krebs	Robinson
Dornan	Krueger	Rodino
Downey	LaFalce	Rogers
Drinan	Lagomarsino	Roncalio
Duncan, Oreg.	Latta	Rooney
Duncan, Tenn.	Leach	Rose
Early	Lederer	Rosenthal
Eckhardt	Leggett	Rostenkowski
Edgar	Lehman	Rousselot
Edwards, Ala.	Lent	Roybal
Edwards, Calif.	Levitas	Rudd
Edwards, Okla.	Lloyd, Calif.	Runnels
Eilberg	Lloyd, Tenn.	Ruppe
Emery	Long, La.	Russo
English	Long, Md.	Ryan
Erlenborn	Lott	Santini
Ertel	Luian	Sarasin
Evans, Colo.	Luken	Satterfield
Evans, Del.	Lundine	Sawyer
Evans, Ga.	McClory	Scheuer
Evans, Ind.	McCormack	Schroeder
Fary	McDade	Schulze
Fascell	McDonald	Sebelius
Fenwick	McFall	Seiberling
Findley	McHugh	Sharp
Fish	McKay	Shipley
Fisher	Madigan	Shuster
Fithian	Maguire	Sikes
Flood	Symms	Taylor
	Simon	Thompson
	Skelton	Thone
	Skubitz	Thornton
	Slack	Traxler
	Smith, Iowa	Treen
	Smith, Nebr.	Trible
	Snyder	Tsongas
	Solarz	Tucker
	Spellman	Udall
	Spence	Ullman
	St Germain	Van Deerlin
	Staggers	Vander Jagt
	Stangeland	Vanik
	Stanton	Vento
	Stark	Volkmer
	Steed	Waggonner
	Steers	Walker
	Steiger	Walsh
	Stockman	Wampler
	Stokes	Watkins
	Stratton	Waxman
	Studds	Weaver
	Stump	Weiss
		Whalen
		White
		Whitehurst
		Whitley
		Whitten
		Wiggins
		Wilson, Bob
		Wilson, C. H.
		Wilson, Tex.
		Winn
		Wirth
		Wolff
		Wright
		Wydler
		Wylie
		Yates
		Yatron
		Young, Alaska
		Young, Fla.
		Young, Mo.
		Young, Tex.
		Zablocki
		Zeferetti

NAYS—0

NOT VOTING—21

Badillo	Hawkins	Pettis
Clay	Le Fante	Quayle
Conyers	McCloskey	Roe
Cotter	McEwen	Sisk
Dingell	McKinney	Teague
Gammage	Murphy, N.Y.	Tonry
Gonzalez	Patterson	Walgren

The Clerk announced the following pairs:

Mr. Roe with Mr. McEwen.
Mr. Badillo with Mr. McKinney.
Mr. Hawkins with Mr. Quayle.
Mr. Murphy with Mr. Tonry.
Mr. Cotter with Mr. McCloskey.
Mr. Dingell with Mr. Conyers.
Mr. Clay with Mr. Sisk.
Mr. Gammage with Mr. Teague.
Mr. Le Fante with Mr. Gonzalez.
Mr. Walgren with Mr. Patterson.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ASHLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, to establish a National Commission on Neighborhoods, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3843, with Mr. MINETA in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Ohio (Mr. ASHLEY) will be recognized for 30 minutes and the gentleman from Michigan (Mr. BROWN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 3843 contains two titles. The first title contains administration requests for supplemental authori-

zations for fiscal year 1977 and for the extension of two insurance programs which expire on April 30 of this year. Title II authorizes the creation of a National Commission on Neighborhoods. The committee reported out a bill virtually identical to title II last September, but the House adjourned before action could be taken on that bill.

Specifically, in title I, section 101(a) provides additional contract authority for the section 8 housing assistance program in the amount of $378 million. Together with the unused authorization, the new authorization would support an appropriation request sufficient to assist an estimated 159,000 new, rehabilitated, and existing units under section 8. This supplemental request will bring the total number of housing units approved under the section 8 and public housing programs for 1977 to 400,000.

Section 101(b) increases the authorization for operating subsidies in existing public housing projects by $19.6 million, from $576 million to $595 million in order to meet unexpectedly high utility costs this winter.

Section 101(c) increases the term of the section 8 assistance payment contract from 20 to 30 years where a new or rehabilitated project is conventionally financed or financed under HUD's coinsurance program, in order to increase the proportion of section 8 projects which are privately financed without a full Federal guarantee.

Section 102 increases the authorization for appropriations to meet losses in the FHA general insurance fund from $500 million to $1.341 billion. The latter amount would support an appropriation to compensate the fund for all net losses realized as of September 30, 1976. This appropriation involves no added expenditure of Federal funds but merely results in the substitution of appropriated funds for funds borrowed by HUD from Treasury.

Section 103 increases the authorization for the urban homesteading program for 1977 from $5 to $15 million. The increased authorization would compensate the FHA insurance fund for the transfer of about 3,000 one- to four-family homes owned by FHA to local communities participating in the urban homesteading program.

Section 104 extends the HUD crime insurance and riot reinsurance programs from April 30, 1977, to September 30, 1978.

Title II of the bill establishes a National Commission on Neighborhoods, composed of 2 Members of the Senate, 2 Members of the House, and 16 public members appointed by the President, to undertake a 2-year study of the factors contributing to the decline of neighborhoods and of the factors necessary to neighborhood revitalization and to make appropriate recommendations. The Commission would be funded, up to a maximum of $2 million, out of HUD research funds. It is my hope that the Commission could complete its study with a shorter period of time, perhaps 1 year, so that the Commission's findings could be used in conjunction with HUD's policy development. We expect that HUD will work closely with the Commission to facilitate the early completion of its study. In this way the costs incurred by the Commission should be considerably less than the $2 million limit provided in the bill.

Mr. BROWN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. STANTON), the esteemed and much respected ranking member of our full committee.

Mr. STANTON. Mr. Chairman, I would just like to comment generally on the bill H.R. 3843. But first I want to express my strong support for the overall general purpose and the goals that are intended to be accomplished by this legislation. It is clear that this Nation needs a productive, ongoing, and efficient subsidized housing program and I am in favor of such a program. There is a demonstrated need for continuity in our housing programs. This bill provides this continuity by authorizing funds which together with existing unused authorizations provides funds for fiscal year 1977 sufficient to assist approximately 159,000 units. This assistance will be provided to newly constructed, substantially rehabilitated and existing units.

There are a number of provisions in this supplemental authorization bill which have considerable merit.

In particular, I am referring to the recognition of section 8 as the mainstay of the assisted housing program. While it is true that section 8 has taken a little longer to get started than originally anticipated, it is clear that the program is beginning to move quite well. I am glad to see that the bipartisan support that created the program in 1974 still exists today.

While it is regrettable that public housing operating subsidies are increasing, it is certainly understandable that this winter would result in greatly increased utility costs. As a result, little objection can be raised to the $19.6 million increase for that purpose.

I am pleased to see the increase in urban homesteading which was requested by HUD. This program was added to the Housing and Community Development Act of 1974 by my good friend and colleague MARJORIE HOLT, and its acceptance by the new administration as a means for increasing necessary rehabilitation in certain neighborhoods is an encouraging sign.

As is clear by the minority views, we have some concerns particularly with the 30-year contract terms for section 8. I understand my colleague from Michigan (Mr. BROWN) will go into this question in greater detail and I will not belabor the point. However, I would like to say that in the future. Members of the minority would appreciate greater informational consideration by HUD. The Department will find us willing to work for better housing and community development programs, if we are included throughout the program development process.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. REUSS), the distinguished chairman of the full committee.

(Mr. REUSS asked and was given permission to revise and extend his remarks.)

Mr. REUSS. Mr. Chairman, I rise in support of the bill, H.R. 3843, the Supplemental Housing Authorization Act of 1977. This bill would provide for increased authorization of some $378 million in contract authority for the section 8 housing assistance program for this current fiscal year, 1977. This additional contract authority being requested by President Carter, together with the unused authorization of $175 million, would be sufficient to assist approximately 159,000 additional low-income housing units, bringing the total amount of assisted housing units for the current fiscal year to some 400,000.

The bill has other provisions, which the distinguished chairman of the Subcommittee on Housing and Community Development, our colleague from Ohio, Mr. ASHLEY, will address shortly.

H.R. 3843 was approved by the full Banking, Finance and Urban Affairs Committee by a vote of 39 ayes and 5 nays. It was led through the subcommittee and full committee very expeditiously by our Housing Subcommittee chairman.

The bill's title II sets up a National Committee on Neighborhoods. To those who believe as I do, in the need to encourage what Thomas Jefferson called "World Republics," this is good news.

I have received strong support from State housing officials, as well as from numerous housing authorities, for this legislation. Testimony received by our Housing Subcommittee indicates that the section 8 program is beginning to work well. I believe that our new HUD Secretary, Mrs. Harris, and her team will devote the energy necessary to make this program a success.

Mr. Chairman, I urge the adoption of this bill.

Mr. BROWN of Michigan. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in general support of this legislation, H.R. 3843, recognizing it to be what its title calls it, a supplemental authorization. As such, it is catch-up legislation.

I do wish to point out, however, that I will oppose the extension of section 8 contract terms from 20 to 30 years, as is provided in the bill, through a committee amendment adopted by the full committee. This provision is the first committee amendment, and I will urge its defeat for the reasons which are more fully set forth in the minority views.

Let me just say very simply and concisely that the justification for this provision has been totally lacking, in my estimation. We were not satisfied in subcommittee that the need existed to extend the term of conventional contracts to 30 from 20 years, and as a consequence in subcommittee this provision was not adopted. However, in the full committee, after a memo from the Department was received by the subcommittee chairman, the gentleman from Ohio (Mr. ASHLEY), which was entitled, "Justification of Legislative Initiative Increasing the Section 8 Contract Terms

from 20 to 30 Years," the full committee adopted the amendment.

In that memo, the Secretary states that of the section 8 non-State-aided project reservations, 28 percent were to be conventionally financed, and to date only about 8 percent of the starts are conventional. Now, that is all well and good, but has the Secretary indicated to us the length of time the remaining 20 percent have been waiting for financing? Have these been pending for 3 months or more? For 6 months or more? What is the magnitude of the problem? Nowhere in the memo are these important figures to be found.

Perhaps the Department has provided them in some form which we have not been privy to. If so, I would ask the Department to set forth these figures before the House. In that regard, I would direct that question to the subcommittee chairman, the gentleman from Ohio (Mr. ASHLEY). Do we have this justification? Do we have these figures?

Mr. ASHLEY. Well, unfortunately the prior administration—and that specifically—did not institute information-gathering systems that would be responsive to the gentleman's question. The current administration has not had time to do so, so to that extent we are not informed as to how many reservations have been outstanding for 30 days, how many for 60 days, and how many for 90 days.

I might say that what we do know—and the gentleman is aware of this—is that total construction starts under the conventionally financed section 8 program are 8 percent. Sixty percent of section 8 activity, as the gentleman knows, is attributable to financing through State housing finance agencies. Thirty-two percent have been FHA financed.

The gentleman from Michigan and I do not really have any great differences with respect to the facts. He knows and I know that there has not been the kind of activity under the section 8 program attributable to conventionally financed projects that we had anticipated. This is an effort, of course, by going from the 20- to 30-year term, to do something about that.

Mr. BROWN of Michigan. I thank the gentleman for his comments, and I wish to quickly say that he and I do have commonality of understanding with respect to the problems of the section 8 program. I did not mean to put the gentleman on the spot with respect to these figures, because it certainly is not his responsibility to provide them. However, it does seem to me that any time in a supplemental authorization, such as this, which is basically intended just to take care of the immediate problems, to come in with a substantive change of the magnitude of this provision, of a 50-percent increase in the term of the contract, that there ought to be better justification from the department than we have received. I will advise the gentleman here today that such justification will be demanded in the future. I think it is well that we not set the precedent today of accepting something on guesstime—and the gentleman's words really bear it out—that this administration has not had the opportunity to develop these statistics. If the Department has not had the opportunity to develop the statistics, then how can it justify asking a change, as it does in this legislation?

And let me remind the gentleman also that just last year we extended the period of payment for nonoccupied units from 2 to 14 months, which many people said would help the financing of these projects.

Mr. ASHLEY. If the gentleman will yield further, we are asking for an increase of some $378 million in contract authority for section 8 for the rest of the current year.

Concomitant with that, and as part of the broad effort to increase the housing starts in this current year, is the proposal and the plea from the administration to allow conventionally financed section 8 to go from a 20- to a 30-year term. These cannot be considered separately.

What I am saying to the gentleman is that we want an additional amount of program activity, and in order to get that, we have to persuade not just the State housing financing agencies, of which there are only 20 active ones in the country, not only FHA, which has its complications by way of extended periods for processing, but we want to be able to call upon the conventional lending institutions. This has been very difficult, as the gentleman knows. We do have the figures. We are not totally in the blind. We know that only 8 percent of the starts so far have been conventionally financed, and this simply is not enough.

Mr. BROWN of Michigan. I once again thank the gentleman for his comments. But I think the gentleman will also agree that the section 8 program is a new program. It suffered many of the agonies usually encountered before the final regulations were adopted. We also know that the sponsors that had the best opportunity and did the best job in section 8 housing were the State housing agencies. They were so structured so as to be able to utilize the section 8 program well, and so they did get going faster. Conventional financing has been slow. There is no question about it. But what I am saying is merely because there has not been the kind of activity in section 8 housing through conventional financing that we would like does not mean that it is necessary that we do what we are being asked to do here today to make it work. We may only have 8 percent if we go to 30 years. The gentleman knows if we have a finite number of dollars that are to be spent on these contracts, that, to the extent that we increase the obligational commitment from 20 to 30 years, that obligation is increased 50 percent for each unit.

Mr. ASHLEY. Would the gentleman repeat that?

Mr. BROWN of Michigan. To the extent that we go to 30 years, we are committing the contract term to 30 years which is a 50-percent increase in the contract term.

Mr. ASHLEY. Yes. We are increasing the subsidy span by 10 years. People are going to be housed under a program that calls for a term of 30 years instead of 20 years.

Mr. BROWN of Michigan. That is right.

Mr. ASHLEY. It does not cost any more per unit, and we are extending the term. Since we are extending the term by 10 years, the monthly rents stay where they are. As a matter of fact, they probably will be lower.

Mr. BROWN of Michigan. Mr. Chairman, does the gentleman not agree that if we go from 20 years to 30 years, the ultimate obligation of the Government is increased?

Mr. ASHLEY. Of course, because we are extending by one-third the period of time in the program by which people get shelter assistance. Of course it costs more. If we could find a way to go from 20 to 30 years for shelter assistance without its costing any more, man, we would have rediscovered the wheel.

Mr. BROWN of Michigan. The point is that this is not an insignificant nonfiscal impact amendment.

Mr. ASHLEY. I quite agree with the gentleman. What we are trying to do, if the gentleman will yield further and permit me to explain, is to respond to what we have found in the marketplace. When the gentleman and I worked on this legislation in 1974, it was our common purpose to put more reliance on the marketplace and on the mechanisms of the marketplace than hitherto had been the case in our efforts to provide shelter for low-income families. The gentleman will certainly agree with that.

What we find now is that there are constraints in the marketplace. We could not gaze into a crystal ball in 1974 and come forth with legislation that answers all the requirements of the marketplace, and we have found that there are constraints in the marketplace as far as conventionally financed section 8 housing projects are concerned. This is simply one effort—and I hope it is the only effort that will be necessary—to remove these constraints so that we can allow the marketplace to respond to the program as the gentleman and I anticipated back in 1974.

Mr. BROWN of Michigan. Mr. Chairman, once again I thank the gentleman for his comments.

The gentleman is not suggesting, is he, that the problem with conventionally financed section 8 housing has been only the term of the contract rather than the problems associated with regard to the adoption of regulations, as well as the problems in determining fair-market rents, the changes that were made in the regulations, and all the other administrative problems? Did not these latter things have greater impact on the slowness of conventionally financed section 8 projects than the term of the contract?

Mr. ASHLEY. Mr. Chairman, I think those factors represent constraints with respect to the marketplace and the market response, yes. I cannot gainsay that. The relative importance of those factors is something else again.

We have addressed the fair-market problem. Some of the problems will relate to regulations, we know that.

One of the problem areas we have not addressed, however, is the term of the obligations, and the gentleman from Michigan (Mr. BROWN) just feels one way and I feel the other way about that. I think this is a constraint that we can eliminate. It does not do jeopardy to the program.

The gentleman is right in saying it involves more budget outlay, because we are extending the period of Federal responsibility for these shelter units by an additional 10 years. So the gentleman is absolutely right, that does represent additional budget authority.

I think that it is important, if we want this program to succeed, that we address ourselves without any pride of authorship to the facts, and I would say to the gentleman that the evidence has been rather conclusive, not just from the administration but from other witnesses, that this does represent an impediment to the effective participation by conventional lenders in this program.

Mr. BROWN of Michigan. Mr. Chairman, I once again thank the gentleman for his comments.

I do not wish to belabor this issue further, but I think I would be remiss if I did not comment before concluding that I knew the gentleman's position when this matter came before the subcommittee. That position changed between consideration by the subcommitte and consideration by the full committee.

I certainly wish to commend the gentleman for the openmined attitude with which he approached this issue. I am sure the new administration will appreciate having someone who is firm without being inflexible in his consideration of legislation.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. HANNAFORD).

Mr. HANNAFORD. Mr. Chairman, I rise in strong support of this bill and particularly wish to commend the chairman for including title II in the bill.

Mr. Chairman, during Banking Committee markup of H.R. 3842, I mentioned to my distinguished colleague from Ohio (Mr. ASHLEY) a particular interest I have in title II of this bill. Title II would create a National Commission on Neighborhoods, to conduct a 2-year study into the problems facing our communities and the effectiveness of the Government programs created to solve them.

I am particularly interested in establishing that the Commission will be authorized to devote some of its time and effort to a specific discussion of the problems facing older Americans in deteriorating neighborhoods. I would also hope the Commission would look at senior citizen communities, such as Leisure World in Seal Beach, Calif., to examine their methods of providing older people with adequate security, health care, recreation, and transportation. Such an examination would fulfill the major goals of legislation I introduced on January 11 of this year, House Joint Resolution 129, to establish a national commission on housing for the elderly. The need for such a commission was brought to my attention by one of my constituents, Mr. Ben Nicholas of Leisure World. If the neighborhood commission proposed in this bill gives appropriate attention to the goals of the proposed Commission on Housing for the Elderly, we can provide not only a great service and fill a void in understanding the housing problems of the elderly, but also prevent duplication of effort and save the taxpayer some money.

I am in support of this bill, Mr. Chairman, and want the record to show the specific instruction of the Congress to give proper emphasis to this problem and that the President be urged to appoint appropriate representatives of the elderly to the Commission.

Mr. ASHLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon (Mr. AUCOIN).

Mr. AUCOIN. Mr. Chairman, I thank the gentleman for yielding. I, too, want to voice my strong support for the legislation before us and I commend the subcommittee chairman for the legislation.

I am particularly enthusiastic about title II because what title II can do is to provide for this Congress a set of policy options which will give the Federal Government the chance, at last, to bring rationality to Federal policies that focus on and preserve the urban city neighborhood.

Mr. Chairman, the distinguished gentleman from Ohio who has worked so long and so hard in the field of housing, has made an excellent contribution by including title II in this act, and I want to commend him for that.

For the purposes of legislative intent, Mr. Chairman, I would like at this point, if I may, to ask the chairman of the subcommittee to engage in a short colloquy with me to bring out with greater clarity the intent of title II.

In the committee there was some considerable discussion of small city neighborhoods and large city neighborhoods. The point was made that small city neighborhoods have problems, as do large city neighborhoods. For that reason, the committee struck all references to "city" and the term "urban" and so forth. I can understand the reasons for this.

However, I also can see—and I pointed this out in my additional views in the committee report—a potential problem if we do not clarify with some specificity what I see as a potential problem—a problem that could diffuse the Neighborhood Commission's work and spread its work so thin so as to divert it from its central task.

The central task is preserving the integrity of the central city neighborhoods. I grant that suburban neighborhoods have problems, too; but I look upon the problem of the suburbs and suburban decay as an outgrowth of the root problem—decay of the central cities in the first instance.

I would like to ask the subcommittee chairman if he does not agree with this and whether he feels that nothing the committee did in striking the various terms I refer to should be construed as diverting the Commission's attention from its principal purpose.

Mr. ASHLEY. Mr. Chairman, if the gentleman will yield, I think the gentleman has been very serious in advancing this subject as he has.

The basic purpose of the National Commission on Neighborhoods is to explore the problem that besets neighborhoods. If we look carefully, we will find that it is our urban neighborhoods principally, not exclusively, but principally, which are the victims of many kinds of problems.

Mr. Chairman, it would be inappropriate, and it would be unwise to limit, as originally was the case, the work of the Commission to our cities. Because of the discussions that were had in subcommittee and in full committee, it was decided that any reference would be struck which suggested that a geographic neighborhood be located in a particular type of city as a condition prerequisite to the Commission's doing its work.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. AUCOIN. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I would like to associate myself with the remarks of the previous speaker. It troubled me in the markup section also. It seems to me that by the very definition, a neighborhood is a section of a larger entity and we, therefore, must be very careful not to run into the danger of trying to take care of one tiny, little settlement. The point of this bill, as I understand it, is the deterioration of neighborhoods—and there are usually many in a large city—and it is the preservation of the neighborhoods in those smaller sections of a larger entity which we are trying to preserve with this bill.

Mr. AUCOIN. I thank the gentlewoman for her contribution.

I think we can clarify the legislative intent in title II if I could yield to the subcommittee chairman, the gentleman from Ohio (Mr. ASHLEY) to get his response as to where the major emphasis of this Commission, as proposed in title II, ought to be as he sees the committee's intent.

Mr. ASHLEY. If the gentleman will yield, let me say to the gentleman that in our colloquy it has been made clear that we are not considering here a commission which will be limited in its study or its recommendations to city neighborhoods. We are interested also in the smaller communities that have neighborhood problems. Having said that, I would for the sake of legislative history and clarity state that on pages 6, 7, and 8 of the report we find the specifics of what we expect the Commission to be looking at by way of readying themselves to make recommendations. It should be clear that the types of problems that are particularly covered on pages 6, 7, and 8 of the report are the problems that, quite frankly and honestly, are found principally in our major cities, in our central cities probably over 50,000, or something like that. So I think what we have got to do is let the purposes of the Commission, as set forth and expanded upon in the report, speak to the question of the scope of the activity and what one of the principal thrusts for concentration of efforts should be.

I can go further and say that in my judgment anybody reading this language would fully realize that it is the neighborhoods in our larger central cities that will be the principal focus of the direction of the committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASHLEY. Mr. Chairman, I yield 7 additional minutes to the gentleman from Oregon (Mr. AuCoin).

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from Iowa.

Mr. LEACH. I thank the gentleman for yielding.

I would like to associate myself with the Chairman's remarks, but I would like to point out that neighborhoods occur everywhere that people live—in small communities as well as large—and while this bill does principally address itself to the problems of the city, the problems of the small towns should not be excluded.

Last week I was visited by a delegation of small town mayors in the State of Iowa, and I addressed the question: "Do neighborhoods exist in the very small towns?" Often they do; in fact, the whole idea of "living on the other side of the tracks" derives from small towns rather than big towns. It implies community divisions—in the best sense, "neighborhoods."

Neighborhood problems such as various conditions of poverty exist in cities of all sizes. I think therefore that the Commission should not deal exclusively with large cities. I would hope that the Commission itself will have people on it representative of small town concerns.

Mr. AuCOIN. I thank the gentleman for his comments.

The point I am trying to establish for the record is that the Congress and the Commission should recognize the core problem we face today, and that core problem is what is happening to the central cities. I happen to represent a district which has a large urban center and many small cities as well. I am convinced that many of the problems of small communities can be traced to the rot that is taking place in the urban centers today.

That is why I want to make it very clear for the record that although we have instructed the Commission to look at the problems of small neighborhoods, as they ought, they should not divert their attention from the core problem which causes the additional problems to the smaller areas by fostering an exodus of hundreds of thousands of families from the large cities. It has had a huge fiscal impact on many of these communities, not to mention many other problems with which we are all aware.

But I appreciate the gentleman's comments.

Mr. LEACH. Mr. Chairman, I would agree entirely but I would urge that any conceptualization of neighborhood deterioration go beyond communities within and adjacent to the large cities. There are small towns that have core neighborhood problems in and of themselves that have nothing to do with the large cities.

Mr. AuCOIN. I think the record makes that clear. I thank the gentleman.

Mr. Chairman, if I may I would like to yield to the chairman once more to answer a further question. In committee a number of representatives of the various State housing agencies came before us and requested a set-aside of a certain amount of money under this supplemental for the exclusive use of the State housing agencies. As the chairman well knows, many of these agencies are the only ones that are delivering housing today. Were it not for State housing agencies we would have literally no section 8 housing in some States.

Many of these agency officials felt they deserved and had been led to believe last year that they would receive a specific amount of money for their use and they came before us asking for a set-aside in this legislation.

The administration has thought wiser of that and the committee has as well. I wonder if the committee chairman could amplify on the reasons for this. I understand them to be that some State agencies are not able to do the kind of job other agencies can.

I can recognize this but I would hope the chairman would state for the RECORD, to make clear the legislative intent to the Deparment of Housing and Urban Development, that because we opted not to have a set-aside we are by no means asking HUD to discriminate against or be uncooperative with those State housing agencies that have been literally carrying the ball where almost everyone else has failed in delivering of housing to the country.

I wonder if the chairman can comment on this?

Mr. ASHLEY. I certainly can. The gentleman is quite right that failure to earmark should be construed neither by HUD nor anyone else as a signal by this committee that we acquiesce in any kind of diminution of effort and of support from HUD to our State housing finance agencies.

The fact of the matter is that 60 percent of the construction starts under the section 8 program are attributable to the State housing finance agencies. It is a further fact, I might say, and a somewhat complicating one, that we only have at the present time 20 active producing State housing finance agencies. This would make, were we bent upon this course, the earmarking of units extremely difficult because would we say, that, well the State finance agencies have been responsible for 60 percent of the units, we will have to carve out and earmark 60 percent of the additional units for these agencies? We cannot very well say that when they are operating in only 40 percent of the States.

There are all kinds of problems, as we have all discovered, with legislative set-asides. They impose great burdens, needless burdens really, on the programs.

I suppose in direct response to the gentleman that the committee might have suggested in stronger report language the intention of the Congress with respect to the needed participation of the State housing finance agencies had it not been for the fact that these agencies in their discussions with HUD came away quite fully satisfied that HUD was appreciative of the efforts and the successful track record of the housing agencies and they would be in no way impaired in their future efforts.

Mr. AuCOIN. Mr. Chairman, I would like to pose one additional question to the chairman about title II. If we do create a national Commission that is born of the work of the subcommittee, would it be the feeling of the chairman of the subcommittee that this national Commission designed to study the problems of neighborhoods would pretty much put on the shelf any specific legislative initiatives that might be brought forward while the Commission is at work?

Mr. ASHLEY. Indeed no.

Mr. AuCOIN. So in no way should title II be construed as inhibiting the activities of the subcommittee?

Mr. ASHLEY. Indeed so, and I would say to the gentleman that in the report we find language in two or three places making it clear that we expect the Commission to be reporting regularly to the appropriate committees or subcommittees of the House from time to time.

Mr. BROWN of Michigan. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I take the floor at this time in order to point out and in a way to emphasize that this bill is going to, in a sense, wipe clean the slate as far as the FHA general insurance fund losses are at this point in time. This is something we would probably have to do eventually; but it has one disadvantage, this wiping of the slate clean: it means the mistakes of the past are no longer going to be sticking out like a sore thumb to remind us in Congress and within the administration that this is a program we ought to keep an eye on, to see that the mistakes of the past are not repeated.

I see that the committee report emphasizes that:

> The committee and HUD are continuing to work together on administrative and legislative measures to reduce and eventually eliminate the annual deficits incurred by this fund as a result of the mortgage insurance operations.

I hope that this statement is not just a passing comment, but that there is going to be a serious effort made to see that the mistakes of the past are not repeated in the future. Maybe it just means that the bad programs of the past are going to be better managed, so that those mistakes will not be repeated and the deficits built up; but it also may mean that we ought to look at the quality of the underwriting, to study and take a good look at this, maybe even take a good look at the overall general administration of this insurance program.

Mr. Chairman, I hope now that we

learn a lesson. I do not want by appropriating this money to wipe the slate clean to stop there and not have a reminder that these mistakes of the past were made; but, in fact, that this statement in the report that the committee and the administration are going to take a good look at the program to see that these mistakes are not repeated; that, in fact, the examination is carried out and the errors of the past corrected.

Mr. ASHLEY. Mr. Chairman, I yield 5 minutes to the gentlewoman from California (Mrs. BURKE).

Mrs. BURKE of California. Mr. Chairman, I rise in support of title II of H.R. 3843, the Supplemental Housing Authorization Act of 1977. Title II would establish a National Commission on Neighborhoods which would be charged with evaluating the impact of public policies and programs on neighborhoods. It is nearly identical to legislation which I introduced in the 94th and 95th Congresses.

Following the many failures of urban policies of the sixties, we have come to the belated realization that if we are to save our cities, we must save our neighborhoods. This legislation squarely addresses the need for a comprehensive neighborhood policy which takes into account the great diversity in neighborhoods throughout the Nation.

I would ilke to commend three persons in addition to Mr. ASHLEY, the subcommittee chairman, without whose assistance this legislation would not have been drafted: Msgr. Geno Baroni and Arthur Naperstek of the National Center for Urban Ethnic Affairs and Gale Cincotta of the National Training and Information Center in Chicago. This bill is the result of their studies highlighting the problems created by Federal policies which overlook the fundamental concerns of people who live, not in abstract regions or statistical areas, but in neighborhoods reflecting ethnic, racial, and religious diversity.

This legislation attacks the patchwork approach we have used to date and encourages development of a sound and viable neighborhood policy with the concerns of people uppermost. It recognizes that the American concept of "planned obsolescence" should not be applied to neighborhoods. Our neighborhoods should acquire character and dignity over the years rather than being discarded like automobiles for next year's model.

There are three points which I would like to make:

First, the Commission should not limit itself to a reexamination of housing policy. Rather it should cut across agency lines to consider such interrelated matters as energy conservation, transportation systems, manpower needs, small business concerns. In other words, it must look at the spectrum of agencies delivering services which nourish the support systems which make up a vital, thriving neighborhood.

Second, a Commission of this type assumes even greater significance given the Carter administration's proposed government reorganization. Reorganization cannot be achieved in a vacuum. It must be put into some type of context. The neighborhood is a vital touchstone for reorganization: We should not have what amounts to a technocratic reorganization, pleasing to the drafters of flowcharts. Rather we should have a reorganization which satisfies human needs because it has at its heart, human realities.

Finally, there is the matter of intergovernmental relations. One unit of government alone cannot solve the problems of revitalizing our cities and neighborhoods. Again, in an examination of the impact of public policies at the Federal, State, and local level, it makes sense to have involved in the development of national policy those whose lives will be directly affected by Government decisionmaking.

There is much criticism of study groups and advisory commissions these days. But we in Congress too often have attempted to solve one problem without understanding its connection to another, seemingly unrelated one. This Commission would not be another example of the Federal Government imposing its will upon the people. Rather, it builds upon the vigorous neighborhood movement which is firmly rooted in our Nation's major cities. It provides the one missing element to the successful revitalization of our cities: A national policy to match the grassroots commitment. A National Commission on Neighborhoods is a necessary first step toward reversing the decline of our cities through a recognition of their uniqueness and the importance of drawing neighborhood residents into the decisionmaking process.

As Arthur Naperstek whose research contributed to the policy framework for this legislation observed:

> The neighborhood must be recognized as the key to effective change. In real terms, [city-dwellers] investment—emotional as well as economic—is in their neighborhoods, and the city cannot survive if its neighborhoods continue to decline.

Mr. BROWN of Michigan. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I have several reservations about this legislation, because I think it does damage to our attempt to contain the budget within reasonable levels.

Practically the only aspect of this legislation about which I can be at all enthusiastic is the provision of $10 million for expansion of the urban homesteading program. This imaginative idea had been demonstrated in several cities by the time Congress considered the Housing and Community Development Act of 1974. My distinguished colleague from Maryland (Mrs. HOLT) and I worked to get homesteading included in the 1974 act, and we have been pleased to see that the urban homesteading program has enabled cities to turn unproductive real estate, which had been costly to maintain, into opportunities for citizens to use their own abilities to establish homes in central cities.

Seven minority members of the committee, including myself, have signed views which are included in the report concerning the extension of the contract term for section 8 housing. There are several reasons why this is, in my judgment, a most unwise action for Congress to be taking at this time:

First. It contributes further to the tendency of the Federal housing programs to be more concerned with the needs and convenience of developers than for the people who are to be assisted.

Second. The major justification for providing additional security to developers, as we stated in the minority views, "appears to be an all-out effort to get production without concern for the possible consequences." One of the chief consequences will be a budget authority impact of more than $8.7 billion during fiscal 1977. The committee report includes an "inflationary impact statement" that—

> H.R. 3843 would have little or no impact on the national economy or the construction of industry. . . . For the most part, the physical resources on which it would call are in adequate supply and financial resources are plentiful.

My colleagues should be mindful of the fact that it is impossible to produce housing out of thin air, that the billions required for this program will be borrowed, taxed, or printed, and that, in any case, these resources will not be available for capital formation in the private sector, which is badly needed to create jobs and improve the standard of living of the American people.

Third. The provision of undue security in the development of section 8 projects is inconsistent with what is supposed to be their basically private character. To the extent the Federal Government provides extended financing coupled with administrative assurance of compensation for vacant units for up to 14 months each time a vacancy occurs, section 8 units become just another public housing project, and the economy and flexibility which are vital objectives of the section 8 program as embodied in the 1974 act, are lost.

Fourth. It is entirely possible that in extending contract terms from 20 to 30 years that we will be guaranteeing financing far beyond the useful life of the projects. Some of our notorious public housing projects, such as Pruitt-Igoe in St. Louis, have had to be demolished after several years. As section 8 takes on more and more characteristics, we can expect to see similar incidents in this program, and we would hardly want to be stuck with 30-year financing.

In conclusion, many of my colleagues no doubt agree that we need another national commission about as much as we need another vacant housing project. It is my hope that this House will take the opportunity today to halt the proliferation of useless commissions and advisory groups and to save $2 million of taxpayers' money by not establishing a National Commission on Neighborhoods.

Additionally, I want to point out to my colleagues—since there is such an overwhelming dollar number here—that in

the committee report on page 10 there is an excellent example of how this Congress overpromises and creates expectations that we know, when we legislate, cannot be fulfilled.

Let us review the cost estimate by the Congressional Budget Office:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

MARCH 2, 1977.

Cost estimate: The estimate which follows assumes the enactment of this bill, and any necessary appropriation to occur prior to March 15, 1977, and assumes full funding under the authorizations provided in the bill.

[In thousands of dollars]

	Fiscal year—					
	1977	1978	1979	1980	1981	1982
Sec. 101(a):						
Budget authority	8,221,520	———	———	———	———	———
Outlays	771	44,654	120,562	253,146	273,309	276,265
Sec. 101(b):						
Budget authority	19,600	———	———	———	———	———
Outlays	9,800	9,800	———	———	———	———
Sec. 101(c):						
Budget authority	1,665,000	———	———	———	———	———
Outlays	0	———	———	———	———	———
Sec. 103:						
Budget authority	10,000	———	———	———	———	———
Outlays	3,000	7,000	———	———	———	———
Secs. 201–207:						
Budget authority	2,000	———	———	———	———	———
Outlays	200	1,200	600	———	———	———
Total: Budget authority	9,918,120	———	———	———	———	———
Outlays	13,771	62,654	121,162	253,156	273,309	276,265

In addition, this bill will result in outlays of $8,917,803,000 after fiscal year 1982.

The original House Budget Committee figure associated with the extension of section 8 contracts from 20 to 30 years was $15.6 billion, which was generally considered adequate to cover the demand for 30-year contracts, but that figure was reduced to $12.6 billion in conference. It will be necessary for this amount of budget authority to cover any supplemental contract authority released in the upcoming Appropriations Act, as well as to covering retroactive increases in contract terms for 1977 projects.

Although we do not know what amount the Appropriations Committee will ultimately provide, there is a good chance that by the time the process of reconciling the various figures is completed, the number of units constructed will fall significantly short of the expectations created by this bill.

I think we create unfair expectations. We generate, especially in the urban centers of this country, an unwarranted expectation as to the extent of Federal largess. I think we do substantial damage to the whole process when we so authorize, although I know someone else is going to pop up and say we are really making long-term commitments which we need not take very seriously now.

I hope that in the future we can be more circumspect in what we authorize and that our authorizations will be realistic in comparison with what we know will actually be appropriated.

Mr. BROWN of Michigan. Mr. Chairman, I yield myself such time as I may consume.

In my opening remarks I neglected to mention title II of this legislation, which establishes the Commission on Neighborhoods. I think I was remiss in not commenting thereon.

As the gentleman from Ohio knows, I also cosponsored the legislation which is title II in this bill, the National Commission on Neighborhoods, and I do support its intent. I do recall that last year I had some questions about the desirability of requiring Senate confirmation on some of the appointees. I also thought we should make the authorization open ended. However, with the change in administrations, I can see the value of Senate confirmation of these appointees now and the limitation on appropriations. I am pleased to let the gentleman know that I now quite concur in those things which he so convincingly and cogently pointed out last year.

Also, before concluding this debate, Mr. Chairman, I should add that it is always a pleasure to work with my colleague from Ohio on this subcommittee. I wish to commend him on his good work. I trust that with the establishment of a National Commission on Neighborhoods we will await some of the reports and recommendations and advice of the commission before we do things like we are doing here today, such as adopting an extension of the contract term, because certainly if we are going to have a commission of this nature, it should have some aim and purpose and result.

It should advise the Congress so that it does not act precipitously on provisions advocated by this administration which are not well thought out and possibly not backed factually.

Mr. Chairman, I would also like to add that it is these things like extending the contract term from 20 to 30 years that prompt me to be all the more an advocate of an accrual system of accounting, because should we have an accrual system of accounting for this country and for this Federal Government, then the fiscal difference and impact between a 20-year contract and a 30-year contract in programs of this nature would be much more vividly and clearly pointed out to the public.

I support the legislation generally, Mr. Chairman, as I indicated.

Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of the Supplemental Housing Authorization Act which we are considering today. The provisions of this bill recognize the fact that our urban, intercity neighborhoods are important national resources which should be at the heart of activities to revitalize our urban areas.

NATIONAL COMMISSION ON NEIGHBORHOODS

The act would establish a National Commission on Neighborhoods, with a 2-year life, to actively investigate existing policies and programs and make recommendations for change.

It is no secret that in recent decades our Nation's cities have experienced a steady outmigration of both people and jobs, leading to deterioration of their tax bases and a subsequent decline in the quality of urban life. Between 1970 and 1975, for example, central cities lost over 1.4 million people each year.

In my view, it is time to emphasize the preservation and revitalization of existing neighborhoods. My own city of Dayton is an outstanding example of a city rich with neighborhood culture and identity. It is a city which points with great civic pride at many creative renewal and renovation projects. Yet, some communities are experiencing accelerated deterioration—with many houses and business buildings standing vacant. Many of these houses are owned by the Federal Government and the city is unable to touch them. There can be little doubt that past Federal policies have contributed to default of HUD mortgages or to the use of deteriorated properties for tax writeoffs. In addition, Federal policies have created tax incentives for new home construction, and encouraged home buying outside the city in many ways.

The National Commission on Neighborhoods which we would establish today would be charged with but not limited to making recommendations in the following areas:

First. New mechanisms to promote reinvestment in existing neighborhoods.

Second. More effective means of community participation in local governance.

Third. Policies to encourage the survivial of economically and socially diverse neighborhoods.

Fourth. Policies to prevent blockbusting, red-lining, resegregation, speculation in reviving neighborhoods, and to promote home ownership.

Fifth. Policies to encourage better maintenance and management of existing rental housing.

Sixth. Policies to make maintenance and rehabilitation of existing structures at least as attractive from a tax viewpoint as demolition and development of new structures.

Seventh. Modifications in local zoning and tax policies to facilitate preservation

and revitalization of existing neighborhoods.

Eighth. Reorientation of existing housing and community development programs, and other tax and subsidy policies that affect neighborhoods, to better support preservation and conservation objectives.

While strongly supporting the objectives of the commission, I would also join the members of the Housing Committee who recommended the inclusion of an equitable proportion of women on the 20-member commission. In the intercity neighborhoods we are talking about, generally it is women who are responsible for the children reared in that environment. And what goes on in that neighborhood has a direct effect on our youth.

URBAN HOMESTEADING

I would also like to express my support for the tripling of funding for the urban homestead program from $5 to $15 million. This program, enacted in 1974, authorizes HUD to sell properties it has acquired through foreclosure at a nominal cost to people who will live in and rehabilitate them. The urban homesteading program was designed both to reduce HUD's inventory of properties and to prevent the problems caused by these homes remaining vacant in their neighborhoods.

Presently, the program operates in 23 cities selected from a total of 61 applicants. The cities themselves pledged public and private investments of more than $40 million as their contributions to the program. Many other cities are making extensive use of community development block grants in devising their own urban homesteading projects, often developing creative variations on the homesteading theme. We certainly should encourage the spread of this type of project to more of our country's urban areas.

Mr. Chairman, I believe this bill in its entirety represents a vital element in the development of a new urban policy and urge its prompt passage.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in support of H.R. 3843, the Supplemental Housing Authorization Act of 1977.

My remarks will be very brief, primarily because I feel that H.R. 3843 is a good and necessary bill which warrants swift passage rather than lengthy debate.

This Supplemental Housing Act, as has been pointed out, provides an additional $378 million in contract authority for the section 8 housing assistance program which, together with the unused authorization of $175 million, will bring the total number of section 8 and public housing units to 400,000 for fiscal 1977. I have never been, nor am I now, an advocate of the section 8 program. My specific concerns about the section 8 program are too numerous to mention at this time. In a nutshell, I do not think the program has worked.

The national housing goal of a decent home for every American, established in 1948 and reaffirmed in 1968, is still far, far too elusive for too many of our citizens in 1977.

Under the current plan for funding which requires and should get our approval here today, however, I am cautiously hopeful that 400,000 housing units will become reality. When other key features of H.R. 3843 are taken into consideration, I am cautiously optimistic that, at long last, this supplemental housing bill may be a substantive step in the direction of actually facilitating our national housing goals.

Therefore, I plan to vote aye. I urge my colleagues to do likewise.

Mr. ASHLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Chairman, I thank the able gentleman for yielding this time to me.

Mr. Chairman, I want to commend the gentleman from Ohio (Mr. ASHLEY) and his committee for bringing this bill to the floor. It will do some good in providing more housing for people in this country. However, what I regret is that it does not more adequately provide for meeting the housing needs of the people of this country, particularly the people of low-income status, and particularly the elderly poor of this country.

I live in Dade County, Fla., and that county has a population of about a million and a half people. The head of the Housing Authority in Dade County has stated that there are 20,000 people in Dade County who are eligible for low-cost housing for whom no low-cost housing is available.

In the last year or two we spent for each year nearly $20 billion in unemployment compensation. Of course, we had to spend that money, and we should have spent it. How much better it would be, though, if we were to provide employment for the unemployed of this country and support massive and adequate housing programs, for example, for our people. Then there would be jobs for the people who need employment, and there would also be homes for the people who need homes in which to live.

Mr. Chairman, I was encouraged in the Committee on Rules the other day to hear the distinguished gentleman from Ohio (Mr. ASHLEY), who is managing this bill today, say that his able committee contemplates sometime this year coming out with a really substantial housing bill.

Was I correct in my understanding of the presentation of the distinguished gentleman from Ohio?

Mr. ASHLEY. Mr. Chairman, if the gentleman will yield, his understanding is entirely correct.

We have before us at this very time the administration's proposals with respect to the 1978 housing authorizations. We will not by any means look only at the administration's request; there will be congressional initiatives which will be taken very much along the lines the gentleman has described.

Mr. PEPPER. Mr. Chairman, I am very pleased to hear that. I commend the gentleman, and we look forward to that legislation.

Mr. BROWN of Michigan. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I thank my colleague very much for yielding me this time.

I would like to point out that I must go to another committee meeting, and I hope that this is not an inappropriate time for me to bring attention to what appears to me to be a deficiency in the bill on page 5 where the membership of the commission is outlined.

Mr. Chairman, I had hoped that in committee we could have corrected this situation. What I am referring to is the fact that there is no mention of the number of women who should be members of that commission.

I speak to this particularly because in anything to do with families and housing, I think that women must be adequately represented. They are the ones who know more than any other section of the population what it is that is needed to make a home and what it is, as the gentleman was saying, that will make not just work for those who build, but what will provide for the family unit where children are nourished, brought up, and instructed.

Mr. Chairman, it is very important to have women assuming their share, and I hope that my colleague will present an amendment later, which I ardently support, that will require that there be at least eight women members of this commission.

Mr. FRASER. Mr. Chairman, I am pleased to see that title II of this bill incorporates the National Neighborhood Policy Act.

Title II seeks to begin the process of redirecting the full range of Federal programs and policies toward the preservation of residential neighborhoods.

The process of policy redirection will begin through the establishment of a 20-member National Commission on Neighborhoods. This new Commission will examine existing policies that have an impact on neighborhoods and recommend policy changes that could help achieve the goal of neighborhood preservation. Among other things, the Commission will look at ways of promoting investment in neighborhoods, encouraging community participation in local government, preventing blockbusting and redlining and reorienting community and housing programs toward rehabilitation. In large part, the Commission will be responsible for finding ways to compensate for past Government policies, such as urban renewal and Federal highway construction, that have led, at least indirectly, to the destruction of neighborhoods.

The proposal for a National Neighborhood Commission has been criticized by some who say that it merely means another commission and another study. But this study is important, and it could lay the groundwork for a long-overdue shift in Government housing policies on all levels.

Recently, I wrote to the neighborhood groups in my district of Minneapolis asking for their comments and suggestions on the National Neighborhood Policy Act. The neighborhood groups in Minne-

apolis have long been active in the development and stabilization of their neighborhoods and have contributed much to our city's revitalization.

Without exception, the neighborhood groups support the Neighborhood Policy Act and its Commission on Neighborhoods. The Lowry Hill East Neighborhood Association wrote:

We applaud the recognition by Congress of the value of existing neighborhoods and the expressed intention to identify practices that have led to the destruction of neighborhoods and to find ways to compensate for such practices.

The Bryn Mawr Neighborhood Association policy stated:

The National Neighborhood Policy Act is long overdue.

Elliot Park Neighborhood, Inc. commented that—

Neighborhood preservation should become the fundamental objective of federal housing policy . . .

The Cedar-Riverside Project Area Committee sent a summary of research which showed that—

For about two-thirds of the housing units in the neighborhood, rehabilitation offers a way to produce sound housing at a far lower cost than new housing.

The Cedar-Riverside Project Area Committee also made a comment which I feel should keep in mind when considering any legislation which affects neighborhoods. They wrote:

Neighborhoods are primarily networks of people, not collections of buildings and land uses. The key to viewing neighborhoods as a national resource is in viewing the potentials possessed by those networks of people, and the kinds of social, political, and economic resources they can mobilize.

At this point, I would like to include with my remarks the following letters of neighborhood groups in Minneapolis regarding the National Neighborhood Policy Act:

MINNEAPOLIS, MINN.
February 25, 1977.

Congressman DONALD FRASER,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN FRASER: Thank you for your letter of January 24 regarding testimony on the National Neighborhood Policy Act. Some aspects of our experience in Cedar-Riverside might be useful to you. Cedar-Riverside does illustrate some things which the Act might consider or which might be used as rationale for the importance of the Act.

For instance, Cedar-Riverside is an illustration that a great deal of stability and positive neighborhood activism can occur even in a very heterogenous community with a large transient element in its population.

The experience here also illustrates that neighborhood groups struggling with urban problems are probably the most fertile ground for creative solutions to those problems. Two examples from Cedar-Riverside: This is the first area I know of anywhere, certainly in the State to make extensive use of developing knowledge about the sociology of housing and housing design in formulating redevelopment plans. This has lead to the first expression in Minneapolis of a *real* alternative to suburban sprawl. Our contention, based on developing research, is that a central city alternative to sprawl has to attrack people who are willing to make extensive tradeoffs to obtain a single family home on a vacant lot in the suburbs and that the only way to do that is building to incorporate the essential feature of the single family home into a multi-family development. The combination of those features plus locational amenities might really attract people who would move to a sprawl community. Certainly the highrise complex initially planned for the area would not; did not.

Another example is the exploration of a variety of new forms of ownership. We have figured out mechanisms, for instance, to use the typical equity syndication model of real estate development—which has the advantages over cooperatives and condominiums of greater attractiveness to lenders and of the ready availability of capital to the developer—to create an entity which operates almost exactly like a traditional cooperative and thus has the advantages in management which coops have over the usual absentee owned complex.

Around the country, other neighborhood groups are involved with similar innovation—because they have to; because its critically important to their own living environments that do so—while planning Departments and local governments are still plodding along with solutions that didn't work fifteen years ago and still don't.

Cedar-Riverside also illustrates some possibilities and some principles for neighborhood self-governance. The term can and should mean far more than simply an organized mechanism for presenting neighborhood concerns to local government. In Cedar-Riverside and many other neighborhoods, it involves a series of interconnected networks dealing with many aspects of residents' lives—a tenants union, food and hardware coops, a businessperson's association, a community development corporation, arts council, and the project area committee.

One specific piece of research might also be of interest, a summary of which is enclosed. A study of rehabilitation and infill new housing indicated very clearly that, for about two thirds of the housing units in the neighborhood, rehabilitation offers a way to produce sound housing at a far lower cost than new construction. If the other one third of the units are demolished, the new housing built can be partially "subsidized" by the lower cost of rehabilitation of the other units. This allows a broad range of housing costs without further subsidy, such as section 8 assistance. This in turn means that real economic integration is a real possibility—as it is not in the case of large scale new housing. Further, such rehab/infill development allows significant increases in the total amount of housing on a block and/or a dramatic change in the size distribution of that housing with little effect on the overall character of the area.

Finally, it seems necessary to express a grave concern about the idea of neighborhood "revitalization". Neighborhoods are primarily networks of people, not collections of buildings and land uses. The key to viewing neighborhoods as a national resource is in viewing the potentials possessed by those networks of people, and the kinds of social, political, and economic resources they can mobilize.

The emphasis of people like Anthony Downs is on choices that middle class people make about where to live—a "revitalized" nighborhood is one that a doctor or lawyer might now choose to move into where five years ago they would not have. This puts a disproportionate emphasis on physical improvements—at the expense of affordable housing; and on changing the demographics of neighborhoods rather than on stabilizing and providing resources to the social networks involved. Ultimately it leads directly to "neighborhood revitalization" assuming essentially the same character as the old style urban renewal—people removal. Except now the rich folks are moving into groovey old townhouses from which the poor folks have been displaced rather than into highrise condominiums for the construction of which the poor folks were displaced.

Summaries of some of our papers or studies expanding on these points are attached. If you would like any more detailed information, don't hesitate to contact us. We appreciate your interest in this legislation.

Sincerely,

RICHARD K. OWINGS,
Chairperson, Cedar-Riverside PAC.

FEBRUARY 11, 1977.

Hon. DONALD M. FRASER,
Federal Courts Building,
Minneapolis, Minn.

DEAR CONGRESSMAN FRASER: Min Yoshida of the Camden Area Community Concerns Council (C.A.C.C.C.) turned your letter of January 24th over to me for an answer as I have been recently elected President of the organization.

The C.A.C.C.C. members in the last two years have worked diligently on the needs of the community and led the fight to strengthen the philosophy of preventive action. Camden is on the threshold, where blight is gradually developing but not to the extent experienced on the near northside. This arbitrary condition has kept us as a group from pleading total poverty, thus being placed in a posture to beg for help, via rehab efforts, low interest loan and sofeware services. The Community Development Act program is weighted in favor of poor communities—which is fine, however there should be provisions for moderate and middle income groups to support the more stable communities in the city.

C.A.C.C.C. participated in the first year C. D program of 16.5 million dollars and secured for its area a $20,000 needs assessment study and $13,000 for a youth center program. Camden was said to be the highest participant in the local loan and grant program and was the recipient of new concrete streets and curbing. For years, Camden has been regarded as the "quiet" community and not very aggressive in organizing for its needs. C.A.C.C.C. has helped move Camden from that image to one of active participation and involvement. We are still at the stage of "neighborhood" thinking which has its positive attributes. The feeling of belonging, sharing and involvement is very real and has its rewards in dealing effectively with community concern and problems. The problem has been a lack of sufficient community organization skills available to the Camden area to facilitate a higher rate of citizen involvement.

The concept of National Neighborhood Policy Act could be expanded to include planning for software services to deal with social factors contributing toward neighborhood deterioration or programs designed to sustain a stable community while rehabilitation efforts continue.

C.A.C.C.C.'s current project for 1977 is the attempt to fund the *Camden Community News* through advertising and grant sources. We were encouraged by community reception to the *News* and feel it could be a valuable communication tool to inform area residents about significant community development issues and problems. We have been told that community newspapers are numerous and superfluous with very little backing from grants and foundations, however we are convinced that a professional newssheet can do much towards community awareness. A rational and intelligent approach towards community changes in informative, easily understood news articles does much to tone down anxieties and exaggerations that verbal gossip or misinformation generate.

We thank you for letting us share some

concerns and ideas and commend you for your interest in neighborhood conservation. We support this legislation and urge its enactment soon.

Yours truly,

FLOYD B. SCOTT,
President, Camden Area Community Concerns Council.

MINNEAPOLIS, MINN.,
February 11, 1977.

Hon. DONALD M. FRASER,
Congressman, Fifth District Minnesota, Rayburn Office Building, Washington, D.C.

DEAR DON: Chuck Woehrle shared your letter of January 24th with me concerning the National Neighborhood Policy Act. I couldn't agree more with what you said: that the emphasis must be in the preservation of existing neighborhoods and their housing, that "existing neighborhoods are a national resource and must be recognized as such".

You are probably familiar with the Loring-Nicollet Council which Ed Peterson was the Executive Director for 15 years and I succeeded him October 1. The work of the Loring-Nicollet Council has been in many areas and especially housing. However, the last year or so, the Council has been particularly concerned with the Loring Park Development District with which I know you are familiar. After watching what has happened in the district, it is my feeling that there has to be another way to do it and that is working through the local developers who set up small development corporations, buy buildings and rehabilitate them and in so doing bring in and work with the people of the neighborhood and out of it comes viable neighborhood groups. Without this kind of close personal contact while we might build better housing—we are going to lose our neighborhood because of lack of personal contact and involvement. If we don't rebuild our neighborhoods our inner cities are going to be lost. We do have two fine developers in the Loring-Nicollet area and I am sure you have heard about Jim Larson who has been working in the area and also Will Bracken of Northern Plains Management Company. I discussed your letter with them because I feel that the local private enterprise must be the ones to do the job but they must have help in some way so that they can do the rebuilding without subsidized housing per se. These two are doing it now and I want to suggest that the next time you come to Minneapolis that we set up a time when you could go and see for yourself this very unique job that is taking place because of these two unique people. They are successful, they build the neighborhood, they have done a beautiful job in rehabilitating the buildings. It is this kind of rebuilding that will really save our inner city.

Please let me know if it is possible for you to see this project yourself. It is a very exciting thing. I am enclosing a letter from Will Bracken from the Northern Plains which explains somewhat how they operate. I hope you can see this project before submitting testimony on the Neighborhood Policy Act.

Most cordially,

ED HAISLET,
Executive Director.

FEBRUARY 10, 1977.

Congressman DONALD M. FRASER,
Congress of the United States, House of Representatives, Washington, D.C.

DEAR DON: I am pleased to respond to your request for reactions to the proposed "National Neighborhood Policy Act" (S. 3554, 1976). It seems to me, and to the Elliot Park neighborhood, that neighborhood preservation should become the fundamental objective of federal housing policy, for many reasons. Development, redevelopment, and revitalization of true neighborhoods can combat the alienation all to apparent in the inner city. Neighborhood development can aid in providing decent housing for Americans, a Congressional promise since 1946 that has never been kept. Neighborhood development can hasten the inevitable return of suburbanites to the city, alleviating some urban problems, and can smooth the path of their inevitable re-entry.

The Elliot Park neighborhood in particular has been adversely affected by city, state and federal programs for at least the last twenty years, according to our research. Washington Avenue, West Bank and now Loring Park development projects have pushed low-income persons to our neighborhood, attracted by the low rents which accompany blight. Even the Neighborhood Development Program in Model Cities (now Powderhorn Community) to the south of us hastened this process. We are surrounded on three sides by freeways, effectively divorcing us from our historical ties with "Snoose Boulevard" and with Minneapolis' southside. Our only outlet is downtown, which itself is disrupting our residential neighborhood with parking lots expansion. Elliot Park is also impacted with institutions—three senior citizens high rises in a small neighborhood, three nursing homes, three large group homes, two major hospitals, and a bible college whose students refuse to get involved with neighborhood self-improvement efforts.

Our research indicates demographic details which further serve to prevent residential rehabilitation. Median family income in Elliot Park is $5,830 (1975), lowest in the city. Unemployment is extremely high, perhaps 30 percent. Ninety-five percent of the population are renters, not homeowners. Educational and healh care utilization levels are low. In short, there is no objective element in this neighborhood which can reverse deterioration. Without external assistance combined with community organization efforts, the prospect is that Minneapolis' business district may soon see a ghetto on its very doorstep, just four blocks from the IDS Tower.

This community organization (and its predecessor) seek to reverse neighborhood deterioration, but is less than two years old. The Community Development Block Grant (CDBG) program has been of limited help, except that the Minneapolis City Council decided this year to fund capital projects instead of seven needy neighborhoods, from CDBG funds rather than bond monies.

Since last August, Elliot Park Neighborhood, Inc., despite our obvious difficulty in recruiting workers, has initiated several programs. Our Housing Task Force identifies specific properties for rehabilitation or development, and pursues tenants' rights, code enforcement and other issues. Our Planning Task Force is preparing a long-range policy plan for the neighborhood which we hope will attract and guide beneficial private and public development. The Public Safety Committee deals with residents' fears, which are substantial, and pursues police-community relations. We have a neighborhood newspaper, are seeking to establish block-by-block organization, and conduct monthly Town Meetings. Our office serves as an information and referral resource for walk-ins. We are planning a major spring clean-up, painting, fix-up, and planting effort. We sponsor periodic neighborhood socials and other recreational activities, sadly lacking and badly needed here, because of our demographics. We have available a slide show depicting the history, present, and promise of the neighborhood.

Yet our volunteered efforts are threatened by adverse city actions and denial of future CDBG support.

Given all this and more, the National Neighborhood Policy Act appears at first reading to be a good idea. In the past, neighborhoods like ours, dominated by multi-unit housing characteristics, have been ignored by public policy and program implementation.

Thanks for your letter and expression of concern. I shall contact your Minneapolis office for further information about Neighborhood Housing Services programs.

If I can respond in other ways, or if you or your staff know of other resources which can support Elliot Park rehabilitation, please let me know.

Yours sincerely,

FRED NEET,
President.

FEBRUARY 11, 1977.

Hon. DONALD M. FRASER, Congress of the
United States, House of Representatives, House Office Building, Washington, D.C.

DEAR CONGRESSMAN FRASER: Thank you for the opportunity to comment upon the National Neighborhood Policy Act. Our organization has not taken a formal position on the Act, so the following comments are personal rather than an official statement of the organization.

The National Neighborhood Policy Act is long overdue. Our organization is a grassroots response to the rising perception that our neighborhood, the environment in which we maintain and practice our ways of life, is a vital resource to us which is threatened as never before. We have realized our neighborhood will not survive without our efforts and efforts of others to preserve and enhance the quality of life here.

We know we are not alone in this predicament; we know neighborhoods throughout our city and country face the same future, many to a much more drastic degree than does ours. Therefore, we support the National Neighborhood Policy Act and hope for its speedy adoption.

On our own, residents of our neighborhood have undertaken several efforts to encourage development of our neighborhood. We incorporated a non-profit neighborhood association dedicated to maintaining and enhancing the quality of life in our neighborhood. We started and continue a neighborhood newspaper, supported entirely by volunteers. We successfully applied for a small planning grant from Community Development Revenue Sharing Funds. We used the funds to do a thorough survey of neighborhood needs and develop plans to deal with the most important (security, housing, traffic/transportation). In the security area, we have begun a Block Watch program, have purchased and distributed engravers for Project Identification, have sponsored educational programs and have an on-going project to solve some long-standing youth problems.

In the housing area, we sponsor and organize group contracting for services (roofing and concrete work have been the most popular), have an active elm tree protection and replacement project, have developed and endorsed land use plan for the entire neighborhood, have successfully arranged (through public hearings we conducted) for disposition of an unneeded school site in accordance with neighborhood desires, and are actively trying to attract funds to carry out more extensive efforts.

The traffic and transportation area has been the most difficult area in which to make much progress, our only success being in changing the legal designation of two of the streets through our neighborhood to remove truck traffic. The noise and air pollution of an overcrowded main highway through our neighborhood and high speed traffic on residential streets continue to plague us despite our efforts to get the responsible governmental bodies to deal with the problems.

Our experience thus far has shown one thing very clearly: whatever we want or need, we either must take care of it with our own energy and resources or we have an arduous, frustrating and seldom successful task of getting governmental bodies, at all levels of government, to take constructive action.

There are many reasons for this, not the least of which is the severe financial bind of our local governments.

The unfortunate fact is that while we, as a neighborhood action group, can help deal with day-to-day problems on a person-to-person level, the really major negative forces on our neighborhood and on the way its residents feel about the neighborhood's future, are far beyond our influence, let alone control. To name only the two most important:

Schools—decreasing quality of education, discipline problems and disruption caused by bussing worry every parent and cause an increasing number to leave every year. The problem is particularly acute with parents of children who are just approaching school age.

Property Taxes—our city has the highest property taxes in the state and must raise taxes as fast as the law allows even while cutting back needed services. Inequities in assessments make new housing contruction in our neighborhood and the rest of the city far more expensive than equivalent housing in suburban localities. We are locked into an aging housing stock and the tax inequity further penalizes significant reinvestments to improve and maintain that housing stock.

Our predominantly single family neighborhood is a pleasant, comfortable and relatively popular one; in one of the most pleasant cities in the nation. Our neighborhood association is active, relatively successful and well-supported. Yet the future does not look good for keeping and enhancing our neighborhood the way we want it to be.

That's why we need the National Neighborhood Policy Act and some follow-up action *right away.*

Very truly yours,

JERRY SIMER,
President, Bryn Mawr Neighborhood Association.

FEBRUARY 23, 1977.

DONALD M. FRASER,
Representative Fifth District,
Washington, D.C.

DEAR CONGRESSMAN FRASER: Thank you for forwarding to our organization a copy of the National Neighborhood Policy Act.

We emphatically endorse such a bill which would create a commission to study and assess the existing policies, laws and programs that affect neighborhoods and to recommend changes in policies. We would hope that such a commission would address such problems as; better rental housing; mortgage and insurance redlining, making rehab and maintenance of existing structures attractive from a tax standpoint and more effective means of community participation.

As you probably know our community has a large volume of unused vacant land, poorly maintained absentee owned property and boarded up houses. Our community would benefit from any legislation which would address these problems and promote new construction and rehabilitation and which would discourage boarded up buildings and poor maintenance of rental property. Our Council has tried to address the problem of rental housing management and maintenance through a Rental Clearing House program which offers management assistance and screening of tenants to those rental property owners who have expressed an interest in rehabilitating and maintaining their property.

We certainly urge that passage of such a Neighborhood Policy Act which would create a national commission on neighborhoods. Any legislation which would promote needed changes in laws which affect neighborhoods is needed immediately. Please inform us if we can help you further on this matter.

Yours very truly,

DOROTHEA REYNOLDS,
Chairwoman.

FEBRUARY 14, 1977.

DONALD M. FRASER,
Congressman, Fifth District, Minnesota,
Washington, D.C.

DEAR CONGRESSMAN FRASER: The Lowry Hill East Neighborhood Association (LHENA) appreciates the opportunity you extend to us in your letter of January 24, 1977, to comment on the "National Neighborhood Policy Act", and to tell of actions we have taken in preserving our neighborhood.

We applaud the recognition by Congress of the value of existing neighborhoods and the expressed intention to identify practices that have led to the destruction of neighborhoods and to find ways to compensate for such practices.

By 1970, when a few residents of the Lowry Hill East area in South Minneapolis, met and decided to start a neighborhood association, the forces of neighborhood destruction were well under way. It was nearly impossible to get bank financing for a home in the area, although the same applicant might be offered a mortgage twice as high on a house in a suburb. Fine old houses were falling under the bulldozer with sickening regularity while unappealing, poorly constructed apartment buildings were rising in their place. There was little holding us together except the barriers of moving traffic on Lake Street, Hennepin Avenue, Lyndale Avenue and the juncture with I-94. We might rightfully claim that we are now recognized as a neighborhood only because we developed latent neighborhood interests in a residential area surrounded by traffic corridors.

Recognizing the primary importance of a means of communication among residents, our first activity was to publish and circulate a neighborhood newspaper, The WEDGE, first in mimeographed form, since 1972 as a printed tabloid. Editing and distribution are done by volunteers. Enough advertising is generated to pay publication costs.

Developing pride and self-confidence through neighborhood clean-up and beautification was the next project. Recycling of glass, cans and newspapers was established. The first few years it was done by neighborhood volunteers. Later the route was turned over to a "for-profit" enterprise, but it is still promoted by LHENA with pick-up dates and directions for putting out recyclables published in The WEDGE. A major effort was made to clean up alleys and vacant lots that culminated in the Association turning one such lot into an attractive mini-park.

The Neighborhood Association also worked for a public park in the area, and when funds were appropriated held many consultations with the park planners responsible for its development. The result is an attractive park that meets neighborhood needs.

The Association recognized that existing housing is an irreplaceable asset. It was being destroyed because of a policy that allowed almost unlimited, unplanned, construction of 2½ story walk-up apartments. LHENA called for a "40 acre study" and worked for zone changes that led to rezoning at a lower density. There was also a movement of what might be termed "reverse of block busing" in which residents bought a house to prevent a developer from accumulating enough contiguous property to build a large ticky-tacky apartment.

Many members took part in the "Save the Cities" movement in which people with savings accounts bargained with the financial institutions to use more of their resources for loans in the inner city by pledging to shift their deposits to the institution with the best policy toward inner city loans.

Another activity of the housing committee of LHENA is combatting speculation by advising older residents of the value of their property, and listing houses for sale and encouraging young families to buy and restore them.

Members of the Association have also been active in the Citizens Advisory Committees on Community Development Block Grant funds. A proposal for a neighborhood cooperative maintenance project was funded and is beginning to show results. Another project was proposed to help tenants form cooperatives to purchase apartment buildings and rehabilitate them. It is close to a successful completion.

LHENA worked with the Committee on Urban Environment to combat Dutch Elm disease. Ours was the first neighborhood in Minneapolis to organize an elm watch in which residents inspect trees and report cases of suspected Dutch Elm disease to the Minneapolis Park Forester. The system has served as a model for other neighborhoods.

The Association has an active committee to combat crime in the neighborhood and is currently working with the Governor's Crime Commission on a program to reduce crime through environmental design.

We have participated in many hearings and have held public meetings where residents were brought together to develop and express their opinions on what is, or is not, desirable for the neighborhood.

Sincerely yours,

ALMA FOLEY,
Chairman of Board.

Ms. MIKULSKI. Mr. Chairman, I rise to speak in favor of the creation of the National Commission on Neighborhoods and the development of a National Neighborhood Policy as contained in H.R. 3843.

My own political career began as a neighborhood activist in Baltimore. Our first project was to organize to stop a highway which threatened to destroy our neighborhood. But soon our impact was seen throughout southeast Baltimore. I know from experience that neighborhoods are essential, if our cities are to survive. For too long our national policy has not acknowledged this. Banks, like highway planners, had little use for old neighborhoods. Housing subsidies, mortgages, and tax shelters all favored surburban expansion.

But neighborhoods are more than houses. For revitalization to work, there must be a good delivery of services. The Health Education Department must understand the needs of its citizens at the local level. Agencies within the city must coordinate their actions.

I was heartened during the recent Presidential campaign when Carter stated that—

If we are to save our cities, we must save our neighborhoods first. If I am elected that is what we will do.

Patricia Harris, Secretary of Housing and Urban Development, stated that she would review all HUD programs relating to neighborhood rehabilitation and develop a unified strategy.

And today, we will pass the necessary legislation to create this committee. All are signs that the neighborhoods are beginning to receive the attention they deserve.

This commission is empowered to study the factors that have contributed to the decline of city neighborhoods and to make recommendations for changes

that could help revitalization. This is a necessary start and I applaud it.

I urge the President to appoint people who have worked in neighborhoods. The members of the commission should talk to the people in Baltimore and other cities who have had some success. Out of the experience of Baltimore and other cities, a network of people has developed—national meeting have occurred to share tactics. It is crucial that these organizations have input into the findings of this commission.

The success in Baltimore is a story of people working together. It is a community of self-help projects, new schools and renewed homes. A tour of the area reveals many blocks of rowhouses that were dilapidated a few years ago, but are now homes for many citizens of Baltimore. The renewal of Baltimore is primarily a revitalization of existing neighborhoods. Unlike so many cities, the majority of the renovated homes are inhabited by the same ethnic people who have lived in the neighborhood for years. Thus Baltimore has become an obligatory stop for anyone in this country who is interested in neighborhood preservation.

Baltimore is not a city on the "skids"—it is a city that people are proud to live in; it is a city that still has life. This is because the people did not wait for a master plan, but worked hard on a day to day basis in their neighborhoods. Trying different ideas; finding solutions that worked.

In conclusion, Mr. Chairman, I am hopeful that the creation of this commission will be a significant step toward the goal of saving our cities by utilizing the existing resources of our neighborhoods.

Mrs. COLLINS of Illinois. Mr. Chairman, I would like to urge all of my colleagues to give their full support to the Supplemental Housing Authorization Act of 1977. Next to unemployment, housing is one of the greatest problems facing America today.

In my own district, located in the inner city of Chicago, there is a severe shortage of adequate housing. To make the problem even worse, that which is available is often overpriced and rundown. This is a state of affairs with which my colleagues are familiar. As the recent study by the Joint Center for Urban Studies of the Massachusetts Institute of Technology and Harvard University pointed out, the United States "is neglecting the housing needs of the American people."

The study additionally pointed out that two out of every five black families in America currently are housed inadequately.

This is why passage of H.R. 3843, the Supplemental Housing Authorization Act, is so important. It authorizes funds that are desperately needed for programs that are aimed at alleviating our housing troubles. Therefore, I entreat all of my fellow Members to vote for this bill.

Mr. BADILLO. Mr. Chairman, I am, of course. supporting H.R. 3843. I am supporting it for selfish reasons. I am voting for my city, for my district, and for the thousands of people who live within it who do not have habitable living space These people are victims of two previous administrations that did not care, and who did not want to see the ramifications of their callousness, not only in terms of providing decent housing, but in terms of providing the new—and desperately needed—jobs that construction can provide. We have a new administration at HUD, and a Secretary who has expressed an awareness of the problems that have assailed the housing programs of our country.

The programs provided for in this supplemental authorization are ones that should be increased, as I know from my own experience in my district. Section 8 subsidies should be more widely available, and the contract terms should be made appealing enough to permit greater investment in these programs.

I also applaud the establishment of a National Commission on Neighborhoods. If our cities are to survive, and our communities be maintained, I feel it is critical to explore what can be done to preserve the physical and communal cohesiveness of our neighborhoods. I would also like to support the amendment being offered by my new colleague, Representative MARY ROSE OAKAR, to provide for the presence of women on the commission. It is clearly evident in New York, as I am sure it is in other cities, large and small, that it is women who have assumed much of the leadership in neigborhood and community preservation, and who have been instrumental—even tenacious—in making use of available programs to improve the lives of their neighbors. I feel that the mandated presence of women on such commission will insure an innovative and creative approach to dealing with the problems facing our neighborhoods.

However, when all is said and done. I do not know whether the answer to our housing ills lies with increased appropriations, or with commissions, or even with what I expect will be an enlightened approach to our existing programs. What exists now will not provide a full answer for the people of the South Bronx who do not have decent homes. It will not fill the thousands of vacant acres of urban land, the thousands of abandoned and burned-out buildings, with housing units. While the Community Development Act of 1974 is useful for many parts of the country, there are certain areas particularly urban areas, that have gained little from its provisions. It is possible that we must develop a separate title to the Community Development Act that will be specifically targeted for certain communities in core cities, so that we can begin to get housing to those people who need it most.

As I mentioned at the beginning of my remarks, the construction of massive numbers of new housing units will not only provide homes, but it will provide jobs to help in the recovery of our economy. Most importantly, it will provide dignity for countless people in the United States.

Ms. MIKULSKI. Mr. Chairman, I will support the amendment by Ms. OAKAR when it is offered to title II.

It is a matter of simple justice that half of the members of the National Commission on Neighborhoods should be women.

In the past few years, we have heard a lot of rhetoric about equal opportunities for women. We have passed laws in many areas attempting to insure equal treatment. Yet in the area of appointed commissions there has been little change. In 1975, only 12 percent of the members of all advisory commissions were women. This is an appropriate time for my colleagues to enact legislation to insure women a fair representation on this commission.

Women have been among the leaders of all neighborhood organizing. In fact, women are often the catalyst for action, yet when the mayor finally agrees to meet with a community delegation, women are often excluded—or included in only token numbers. We cannot allow this to be the case on this commission.

Let us also remember that women are a majority of the residents of all neighborhoods. If this commission is to be truly responsive, the viewpoint of women must be expressed forcefully, not in a token sense as in the past, but in numbers that reflect their strength in the population.

I urge you to vote yes on this amendment—a significant step forward to insure equal participation for women.

Mr. ANNUNZIO. Mr. Chairman, H.R. 3843, the Supplemental Housing Authorization Act of 1977, provides the needed capital support for Government assistance programs. Housing is one of the most often discussed topics in the Congress. Providing adequate housing conditions to all segments of our population is, of course, of major concern to us all.

However, it will do no good to come up with new housing programs or lower interest rates for mortgages if homeowners cannot obtain the necessary insurance coverage. Section 104 of this bill will extend fair plans—fair access to insurance requirements—until September 30, 1978. If we do not accept section 104, fair plans will expire April 30, 1977.

Since its enactment in 1968 this insurance program has enabled millions of homeowners, tenants, and businessmen to obtain fire and other essential property insurance at reasonable rates while substantially relieving insurers of the risk of loss from riots or civil disorders. If a homeowner cannot obtain fire and other necessary insurance coverage then there is no way that that homeowner can obtain a mortgage.

Extension of this program will assure availability of insurance protection to both consumers and the insurance industry. The continuation of this protection will assist the extension of credit in inner city areas at a time when most, if not all insurance companies are practicing redlining; that is writing only the preferred suburban business or disqualifying all older properties except for those residences located in the high-quality stable suburbs.

It is true that today the quantity of homeowners requiring protection has dramatically expanded beyond the number for which the fair plans was designed to serve. The fair plans offers only fire and extended coverage protection and this is not a satisfactory answer to the needs of the consumers to be served. I hope that during the extension of these

programs consideration will be given to extending coverage offered by the fair plans so that a wide range of insurance policies can be purchased through the plan.

The number of policies written under the crime insurance program is small in comparison to the riot reinsurance program. I would hope that during the extension period provided by H.R. 3843, HUD will be able to come up with bold new concepts for marketing crime insurance.

Title II of H.R. 3843 would establish a National Commission on Neighborhoods which would have 2 years to make assessments of existing Federal policies and programs and make recommendations to improve them or change them to aid the preservation of neighborhoods. These recommendations would have their strongest impact on urban communities and problems, but would not be restricted to just the cities. Sixteen of the 20 commissioners would be public citizens; at least 5 to be officers of active neighborhood organizations and 5 must be local public officials involved in preservation programs. This collective study done by men and women now actively engaged in working communities will reflect the broad ethnic, racial, geographical, and political diversity of our Nation's neighborhoods. They will provide both an evaluation of the negative aspects of existing programs and an identification of model approaches that might be incorporated into Federal policies and programs.

There is an urgent need in this country to preserve the well-being of our neighborhoods. The communities within large cities especially, such as in Chicago, feel the necessity of creating reinvestment incentives for lending institutions. These incentives would stimulate the availability of residential mortgages and increased money for preservation.

So little is now known about the dynamics of neighborhood growth or decline or what factors lend stability. I encourage this body to approve the national commission to do the evaluative work necessary for recommendations which we might follow not only to preserve our urban areas, but also to revitalize them.

Mr. MINISH. Mr. Chairman, I rise in strong support of H.R. 3843, legislation reported from the Banking, Finance and Urban Affairs Committee to provide a supplemental housing authorization for the fiscal year 1977.

These funds are vitally needed by States like New Jersey if we are to get on with the important job of providing quality and reasonably priced housing for our citizens, particularly for the elderly who have been priced out of the housing market in most urban areas.

The legislation before us today would provide additional contract authority of $378 million for the section 8 housing assistance program to bring the total number of units involved to 400,000. These moneys are in addition to unused authorizations totaling $175 million.

The bill also increases the contract terms for section 8 subsidy contracts from 20 to 30 years for projects where conventional financing or the HUD coinsurance program is used.

Mr. Chairman, I am pleased that both the Congress and the administration have united on this legislation. I believe it is important that this Congress go on record early in support of a firm commitment to meet the housing needs of America.

The CHAIRMAN. All time having expired, pursuant to the rule, the Clerk will read the bill by titles.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Supplemental Housing Authorization Act of 1977".

TITLE I—SUPPLEMENTAL AUTHORIZATIONS AND EXTENSIONS OF HUD PROGRAMS

AMENDMENTS TO THE UNITED STATES HOUSING ACT OF 1937

SEC. 101. (a) The first sentence of section 5(c) of the United States Housing Act of 1937 is amended by striking out "and by $850,000,000 on October 1, 1976" and inserting in lieu thereof "and by $1,228,050,000 on October 1. 1976".

(b) Section 9(c) of such Act is amended by striking out "and not to exceed $576,000,000 on or after October 1, 1976" and inserting in lieu thereof "and not to exceed $595,600,000 on or after October 1, 1976".

GENERAL INSURANCE FUND

SEC. 102. Section 519(f) of the National Housing Act is amended by striking out "$500,000,000" and inserting in lieu thereof "$1,341,000,000".

URBAN HOMESTEADING DEMONSTRATION

SEC. 103. Section 810(g) of the Housing and Community Development Act of 1974 is amended by striking out "not to exceed $5,000,000 for fiscal year 1977" and inserting in lieu thereof "not to exceed $15,000,000 for fiscal year 1977".

EXTENSION OF HUD INSURANCE AUTHORITIES

SEC. 104. Section 1201 of the National Housing Act is amended—

(1) by striking out, in subsection (b)(1), "April 30, 1977" and inserting in lieu thereof "April 30, 1978"; and

(2) by striking out, in subsection (b)(1)(A), "April 30, 1978" and inserting in lieu thereof "April 30, 1981".

Mr. ASHLEY (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment to title I.

The Clerk read as follows:

Committee amendment: Page 2, after line 13, insert the following:

(c) Section 8(e)(1) of such Act is amended—

(1) by striking out "two hundred and forty months" in the first sentence and inserting in lieu thereof "three hundred and sixty months, except that such term may not exceed two hundred and forty months in the case of a project financed with assistance of a loan made by, or insured, guaranteed or intended for purchase by, the Federal Government, other than pursuant to section 244 of the National Housing Act"; and

(2) by striking out "In the case of" in the second sentence and inserting "Notwithstanding the preceding sentence, in the case of".

Mr. BROWN of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in my remarks during general debate I said I think it is unwise, without the supporting data that are needed, to adopt this change since it is such a substantive change in the program.

Another thing that was discussed in subcommittee, in addition to what I said in my opening remarks, is that we do not know how this provision will be applied insofar as its retroactivity is concerned.

Mr. Chairman, I would like to address a question to the subcommittee chairman as to what the ramifications of this will be with respect to those commitments or reservations that are already in being.

Mr. ASHLEY. Mr. Chairman, if the gentleman will yield, with respect to reservations that have been made, where financing has been made or contracted for, there will be no use of the extension for 20 to 30 years.

Where there is a reservation, but conventional financing has not been available—in other words, there has been no contract with the lending institution—then this would be available.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for his explanation. I am not sure that it totally satisfies me.

Mr. ASHLEY. If the gentleman will yield further, this is from the Secretary of Department of Housing and Urban Development, and I quote:

However, I can assure you that I intend to limit the availability of the 30 year subsidy to those projects which have no firm commitment for conventional financing under the 20 year subsidy term. Thus, reservations which have not moved to the stage of final proposal will require a sworn statement that no letter of intent from a conventional financer had been obtained for the project. Moreover, you can be assured that it is my intention to prevent any individual from reaping a windfall as a result of the 20 to 30 year amendment.

Mr. BROWN of Michigan. Mr. Chairman, I once again thank the gentleman for his comments.

I would respectfully suggest, however, that any delay in the adoption or rejection of this proposal would not be in the interest of the section 8 program since it seems to me that if I were a potential project developer out there, I certainly would want to obtain the 30-year contract term rather than the 20-year term. I certainly would want to attempt to obtain the 30-year contract term rather than the 20-year, so I think the immediate impact of our consideration of this change in term will be a further slowdown or delay in the handling of section 8 projects, especially in the conventional sector.

Mr. AuCOIN. Will the gentleman yield to me?

Mr. BROWN of Michigan. I yield to the gentleman from Oregon.

Mr. AuCOIN. I thank the gentleman for yielding.

The gentleman mentioned a further slowdown in section 8. I would suggest

to the gentleman, that given the track record of section 8, any further slowdown would be putting the program in reverse. What we are trying to do here is to have an instrument to shake loose housing under section 8. The gentleman well knows section 8 has not been working. This was a program devised by the previous administration as an answer to America's housing needs. It was fraught with problems. We have consistently tried to come through with effective remedies to make section 8 work. I regard this as one of the ways to do that. Moreover this proposal happens to be one of the ways the private, conventional lenders, can get involved and get a piece of the action.

I would suggest to the gentleman—who has been a champion of free enterprise—that he ought to support the amendment.

Mr. BROWN of Michigan. I appreciate the gentleman's comments. I would point out to the gentleman, however, that this administration has endorsed the section 8 program, so it is not just the previous administration. What I said in my remarks in general debate are equally applicable here, and that is that there has been no showing—no showing whatsoever—that the failure of conventional projects to move ahead with starts is a matter of the inability to obtain financing. That is what people think is the problem, but that has not been established as the problem. So I think all of his remarks are irrelevant insofar as this provision is concerned, because we know that there are other things that cause more problems in the section 8 program, and I will recite them for the gentleman again if he is not aware of them: all of the administrative problems, the problems we have had in adopting fair market rents equitable and applicable to particular projects, and all of those things. So I do not think that this change in term is a cure-all for that program.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to reemphasize what my colleague, the gentleman from Michigan, has said for the Members of the House. No one has proved that we need a 30-year contract authority to make this program go. As a matter of fact, even the new Secretary is totally unsure that this is needed.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. ASHLEY. I thank the gentleman for yielding.

The Secretary recognizes that this may not be the only impediment with regard to the private lending market participation, but do not let the record show—and I am sure the gentleman does not want it to—that the Secretary is not fully supportive of this amendment. The gentleman certainly will recall that there were some unanswered questions that the subcommittee had. For that reason, the subcommittee acted to strike the 20- to 30-year extension. Within a very short period of time, the Secretary indicated how serious she felt the need for this amendment was. She did give us additional backup information that was very persuasive, as far as I am concerned, and I offered the amendment to reinsert it when the measure came before the full committee. I want it made perfectly clear that the Secretary attaches very considerable importance to this amendment.

Mr. ROUSSELOT. I wish to restate that I do not believe that she came up and demanded it and said that this program will not go if we do not have it, and I think it is a mistake for this House to believe that it is necessary in order to make section 8 go.

I just think my colleague, the gentleman from Michigan, is correct when he states that there is no evidence that this is needed.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Sure. I am always glad to yield to my colleague, the gentleman from Ohio.

Mr. ASHLEY. The gentleman is aware of the fact that today only 8 percent of the section 8 construction starts have been conventionally financed. Does the gentleman mean to suggest that this is enough or that there are some problems with respect to the conventional financing of the section 8 program? Perfectly clearly there are, and the gentleman from Michigan acknowledges this. Everybody does. There are many problems.

Mr. ROUSSELOT. Yes, but that has nothing to do with it. The gentleman does not mean to tell us that extending this to a 30-year program will eliminate the problems with section 8 or that it is the solution to the problem. It is not. The problem, as I see it, is how to meet legitimate needs at a reasonable cost to taxpayers, not to produce housing for its own sake or for the sake of the producers.

Mr. ASHLEY. It is not the only solution. It is one of the solutions to a complex problem which goes right to the very aspects of what makes the marketplace work.

Mr. ROUSSELOT. That is a pure guess that extending it to 30 years is going to improve the ability of the section 8 program to live up to the expectations that we had when we passed the 1974 Housing Act. It was not our intention to create another public housing program.

Mr. ASHLEY. What would the gentleman do to persuade the conventional lenders to enter into the program beyond the 8 percent that have been willing to at the present time?

Mr. ROUSSELOT. As my colleague, the gentleman from Michigan, has pointed out, conventional lenders have not said:

> We will now flood into the program if you extend it to 30 years.

That is pure bunk and my colleague knows it. We have no evidence that the major problem with section 8 or, if it is, that extending the contract term will solve it and not exacerbate it.

Mr. ASHLEY. I did not hear what the gentleman would suggest in order to persuade the conventional lending institutions to come into the program on an expanded basis. What specific suggestion does he make?

Mr. ROUSSELOT. There is a total absence of evidence to indicate that by extending it for 30 years there would be improvement.

Mr. ASHLEY. I still did not understand what the gentleman would suggest instead of the amendment that is pending.

Mr. ROUSSELOT. What my colleague might do is to look at, as we did in FHA, the use of Ginnie Mae, and that really helped stimulate the program. I would suggest maybe we could look at that area.

Mr. ASHLEY. The gentleman wants the Government to buy the loans? Is that what the gentleman is saying?

Mr. ROUSSELOT. My understanding is that, as we did with FHA, the ability of Ginnie Mae to be involved does in fact stimulate.

Mr. ASHLEY. I am surprised that the suggestion comes from the gentleman from California. I really am. I would have supposed he would have preferred the marketplace to work rather than to have continued drawdown or continued Government backup by way of second mortgages.

Mr. ROUSSELOT. A 30-year guarantee is not the marketplace.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 16, noes 17.

RECORDED VOTE

Mr. ASHLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 323, noes 87, not voting 22, as follows:

[Roll No. 63]

AYES—323

Addabbo	Burke, Calif.	Emery
Akaka	Burke, Mass.	English
Alexander	Burlison, Mo.	Ertel
Allen	Burton, John	Evans, Colo.
Ambro	Burton, Phillip	Evans, Del.
Ammerman	Butler	Evans, Ga.
Anderson, Calif.	Byron	Evans, Ind.
	Caputo	Fary
Anderson, Ill.	Carney	Fascell
Andrews, N.C.	Carr	Fenwick
Andrews, N. Dak.	Carter	Findley
	Cavanaugh	Fish
Annunzio	Cederberg	Fisher
Applegate	Chappell	Fithian
Ashley	Chisholm	Flippo
Aspin	Clausen, Don H.	Florio
AuCoin		Flowers
Bafalis	Cleveland	Foley
Baldus	Cohen	Ford, Mich.
Barnard	Coleman	Ford, Tenn.
Baucus	Collins, Ill.	Fountain
Beard, R.I.	Conte	Fraser
Beard, Tenn.	Conyers	Frenzel
Bedell	Corman	Frey
Beilenson	Cornell	Fuqua
Benjamin	Cornwell	Gaydos
Bennett	Coughlin	Gephardt
Bevill	D'Amours	Giaimo
Biaggi	Danielson	Gilman
Bingham	Davis	Ginn
Blanchard	de la Garza	Glickman
Blouin	Delaney	Goodling
Boggs	Dellums	Gore
Boland	Dent	Gudger
Boiling	Derrick	Hagedorn
Bonior	Dicks	Hamilton
Bonker	Diggs	Hammer-schmidt
Brademas	Dingell	
Breaux	Downey	Hanley
Breckinridge	Drinan	Hannaford
Brinkley	Duncan, Oreg.	Harkin
Brodhead	Early	Harrington
Brooks	Eckhardt	Harris
Broomfield	Edgar	Heckler
Brown, Calif.	Edwards, Ala.	Hefner
Buchanan	Edwards, Calif.	Heftel
Burgener	Eilberg	Hightower

Hillis	Michel	Santini
Holland	Mikulski	Sarasin
Hollenbeck	Mikva	Sawyer
Holtzman	Milford	Scheuer
Horton	Mineta	Schroeder
Howard	Minish	Schulze
Hubbard	Mitchell, Md.	Seiberling
Hughes	Moakley	Sharp
Ichord	Moffett	Shipley
Ireland	Mollohan	Sikes
Jacobs	Montgomery	Simon
Jeffords	Moorhead, Pa.	Skelton
Jenkins	Moss	Slack
Jenrette	Murphy, Ill.	Smith, Iowa
Johnson, Calif.	Murphy, Pa.	Smith, Nebr.
Johnson, Colo.	Murtha	Solarz
Jones, N.C.	Myers, Gary	Spellman
Jones, Tenn.	Myers, Michael	St Germain
Jordan	Myers, Ind.	Staggers
Kasten	Natcher	Stark
Kastenmeier	Neal	Steed
Kazen	Nedzi	Steers
Keys	Nix	Stokes
Kildee	Nolan	Stratton
Koch	Nowak	Studds
Kostmayer	O'Brien	Stump
Krebs	Oakar	Thone
LaFalce	Oberstar	Thornton
Le Fante	Obey	Traxler
Leach	Ottinger	Trible
Lederer	Panetta	Tsongas
Leggett	Patten	Tucker
Lehman	Patterson	Udall
Lent	Pattison	Ullman
Levitas	Pease	Van Deerlin
Lloyd, Calif.	Pepper	Vander Jagt
Lloyd, Tenn.	Perkins	Vanik
Long, La.	Pickle	Vento
Long, Md.	Pike	Volkmer
Lujan	Preyer	Watkins
Lundine	Price	Waxman
McClory	Quayle	Weaver
McCloskey	Quie	Weiss
McCormack	Rahall	Whalen
McDade	Railsback	White
McFall	Rangel	Whitehurst
McHugh	Regula	Whitley
McKay	Reuss	Whitten
McKinney	Richmond	Wilson, Bob
Madigan	Rinaldo	Wilson, C. H.
Maguire	Risenhoover	Wilson, Tex.
Mahon	Rodino	Winn
Mann	Rogers	Wirth
Marks	Roncalio	Wolff
Marriott	Rooney	Wright
Martin	Rose	Wydler
Mathis	Rosenthal	Yates
Mattox	Rostenkowski	Yatron
Mazzoli	Roybal	Young, Mo.
Meeds	Runnels	Young, Tex.
Metcalfe	Russo	Zablocki
Meyner	Ryan	Zeferetti

NOES—87

Abdnor	Goldwater	Quillen
Archer	Gradison	Rhodes
Armstrong	Grassley	Roberts
Ashbrook	Guyer	Robinson
Badham	Hall	Rousselot
Bauman	Hansen	Rudd
Brown, Mich.	Harsha	Ruppe
Brown, Ohio	Huckaby	Satterfield
Broyhill	Hyde	Sebelius
Burke, Fla.	Jones, Okla.	Shuster
Burleson, Tex.	Kelly	Skubitz
Clawson, Del	Kemp	Snyder
Cochran	Ketchum	Spence
Collins, Tex.	Kindness	Stangeland
Conable	Krueger	Stanton
Corcoran	Lagomarsino	Steiger
Crane	Latta	Stockman
Daniel, Dan	Lott	Symms
Daniel, R. W.	McDonald	Taylor
Derwinski	Marlenee	Treen
Devine	Miller, Ohio	Waggonner
Dickinson	Mitchell, N.Y.	Walker
Dodd	Moore	Walsh
Dornan	Moorhead, Calif.	Wampler
Duncan, Tenn.		Wiggins
Edwards, Okla.	Motti	Wylie
Erlenborn	Nichols	Young, Alaska
Flynt	Poage	Young, Fla.
Forsythe	Pressler	
Gibbons	Pursell	

NOT VOTING—22

Badillo	Holt	Roe
Bowen	Luken	Sisk
Clay	McEwen	Teague
Cotter	Markey	Thompson
Flood	Miller, Calif.	Tonry
Gammage	Murphy, N.Y.	Walgren
Gonzalez	Pettis	
Hawkins	Pritchard	

Mr. BROWN of Ohio changed his vote from "aye" to "no."

So the committee amendment was agreed to.

The result of the vote was announced as above recorded.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the next committee amendment to title I.

The Clerk read as follows:

Committee amendment: Page 3, line 2, insert "(a)" immediately after "Sec. 104."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the last committee amendment to title I.

Committee amendment: Page 3, strike out lines 4 through 9 and insert in lieu thereof the following:

(1) by striking out, in subsection (b)(1), "April 30, 1977" and inserting in lieu thereof "September 30, 1978";

(2) by striking out, in subsection (b)(1)(A), "April 30, 1978" and inserting in lieu thereof "September 30, 1981"; and

(3) by striking out in subsection (b)(2), "April 30, 1978" and inserting in lieu thereof "September 30, 1978".

(b) Section 1222(d) of such Act is amended by inserting immediately before the period at the end thereof a comma and the following: "except that such term shall expire on September 30, beginning in either calendar year 1977 or 1978, as determined by the Secretary".

The committee amendment was agreed to.

The CHAIRMAN. Are there any further amendments to title I?

If not, the Clerk will read title II.

The Clerk read as follows:

TITLE II—NATIONAL COMMISSION ON NEIGHBORHOODS

SHORT TITLE

SEC. 201. This title may be cited as the "National Neighborhood Policy Act".

FINDINGS AND PURPOSES

SEC. 202. (a) The Congress finds and declares that existing city neighborhoods are a national resource to be conserved and revitalized wherever possible, and that public policy should promote that objective.

(b) The Congress further finds that the tendency of public policy incentives to ignore the need to preserve the built environment can no longer be defended, either economically or socially, and must be replaced with explicit policy incentives encouraging conservation of existing neighborhoods. That objective will require a comprehensive review of existing laws, policies, and programs which affect neighborhoods, to assess their impact on neighborhoods, and to recommend modifications were necessary.

ESTABLISHMENT OF COMMISSION

SEC. 203. (a) There is hereby established a commission to be known as the National Commission on Neighborhoods (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of twenty members, to be appointed as follows:

(1) two Members of the Senate appointed by the President of the Senate;

(2) two Members of the House of Representatives appointed by the Speaker of the House of Representatives; and

(3) sixteen public members appointed by the President of the United States from among persons specially qualified by experience and training to perform the duties of the Commission, at least five of whom shall be elected officers of recognized neighborhood organizations engaged in development and revitalization programs, and at least five of whom shall be elected or appointed officials of local governments involved in preservation programs. The remaining members shall be drawn from outstanding individuals with demonstrated experience in neighborhood revitalization activities, from such fields as finance, business, philanthropic, civic, and educational organizations.

The individuals appointed by the President of the United States shall be selected so as to provide representation to a broad cross section of racial, ethnic, and geographic groups. The two members appointed pursuant to clause (1) may not be members of the same political party, nor may the two members appointed pursuant to clause (2) be members of the same political party. Not more than eight of the members appointed pursuant to clause (3) may be members of the same political party.

(c) The Chairman shall be appointed by the President, by and with the advice and consent of the Senate, from among the public members.

(d) The executive director shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals recommended by the Commission.

(e) All members of the Commission shall be appointed by no later than June 1, 1977.

DUTIES

SEC. 204. (a) The Commission shall undertake a comprehensive study and investigation of the factors contributing to the decline of city neighborhoods and of the factors necessary to neighborhood survival and revitalization. Such study and investigation shall include, but not limited to—

(1) an analysis of the impact of existing Federal, State, and local policies, programs, and laws on neighborhood survival and revitalization;

(2) an identification of the administrative, legal, and fiscal obstacles to the well-being of neighborhoods;

(3) an analysis of the patterns and trends of public and private investment in urban areas and the impact of such patterns and trends on the decline or revitalization of neighborhoods;

(4) an assessment of the existing mechanism of neighborhood governance and of the influence exercised by neighborhoods on local government;

(5) an analysis of the impact of poverty and racial conflict on neighborhoods;

(6) an assessment of local and regional development plans and their impact on neighborhoods; and

(7) an evaluation of existing citizen-initiated neighborhood revitalization efforts and a determination of how public policy can best support such efforts.

(b) The Commission shall make recommendations for modifications in Federal, State, and local laws, policies, and programs necessary to facilitate neighborhood preservation and revitalization. Such recommendations shall include, but not be limited to—

(1) new mechanisms to promote reinvestment in existing city neighborhoods;

(2) more effective means of community participation in local governance;

(3) policies to encourage the survival of economically and socially diverse neighborhoods;

(4) policies to prevent such destructive practices as blockbusting, redlining, resegregation, speculation in revising neighborhoods, and to promote homeownership in urban communities;

(5) policies to encourage better maintenance and management of existing rental housing;

(6) policies to make maintenance and rehabilitation of existing structures at least as attractive from a tax viewpoint as demolition and development of new structures;

(7) modification in local zoning and tax policies to facilitate preservation and revitalization of existing neighborhoods; and

(8) reorientation of existing housing and community development programs and other tax and subsidy policies that affect neighborhoods, to better support neighborhood preservation efforts.

(c) Within two years after the date on which funds first become available to carry out this Act, the Commission shall submit to the Congress and the President a comprehensive report on its study and investigation under this subsection which shall include its findings, conclusions, and recommendations and such proposals for legislation and administrative action as may be necessary to carry out its recommendations.

COMPENSATION OF MEMBERS

SEC. 205. (a) Members of the Commission who are Members of Congress or full-time officers or employees of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Commission.

(b) Members of the Commission, other than those referred to in subsection (a), shall receive compensation at the rate of $100 per day for each day they are engaged in the actual performance of the duties vested in the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

ADMINISTRATIVE PROVISIONS

SEC. 206. (a) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, but at rates not in excess of a maximum rate of GS–18 of the General Schedule under section 5332 of such title.

(b) The Commission may procure, in accordance with the provisions of section 3109 of title 5, United States Code, the temporary or intermittent services of experts or consultants. Persons so employed shall receive compensation at a rate to be fixed by the Commission but not in excess of $100 per day, including traveltime. While away from his or her home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 (b) of title 5, United States Code, for persons in the Government service employed intermittently.

(c) Each department, agency, and instrumentality of the United States is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, on a reimbursable basis or otherwise, such statistical data, reports, and other information as the Commission deems necessary to carry out its functions under this Act. The Chairman is further authorized to call upon the departments, agencies, and other offices of the several States to furnish, on a reimbursable basis or otherwise, such statistical data, reports, and other information as the Commission deems necessary to carry out its functions under this title.

(d) The Commission may award contracts and grants for the purposes of evaluating existing neighborhood revitalization programs and the impact of existing laws on neighborhoods. Awards under this section may be made to—

(1) representatives of legally chartered neighborhood organizations;

(2) public interest organizations which have a demonstrated capability in the area of concern;

(3) universities and other not-for-profit educational organizations.

(e) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this Act, hold hearings, take testimony, and administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or member thereof. Hearings by the Commission will be held in neighborhoods with testimony received from citizen leaders and public officials who are engaged in neighborhood revitalization programs.

FUNDING

SEC. 207. The second sentence of section 501 of the Housing and Urban Development Act of 1970 is amended by inserting the following immediately before the period: "; not to exceed $2,000,000 of such amount may be specifically appropriated for grants by the Secretary to the National Commission on Neighborhoods to carry out the purposes of the National Neighborhood Policy Act; the National Commission on Neighborhoods may not commit, or otherwise obligate expenditure of, such funds after January 31, 1979".

EXPIRATION OF THE COMMISSION

SEC. 208. The Commission shall cease to exist thirty days after the submission of its report under section 204.

Mr. ASHLEY (during the reading). Mr. Chairman, I ask unanimous consent that title II may be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments to title II.

The Clerk read as follows:

Committee amendments:

Page 3, line 17, strike out "city".

Page 5, line 25, strike out "city".

Page 6, line 9, strike out "urban areas" and insert "communities".

Page 7, line 4, strike out "city".

Page 7, line 12, strike out "in urban communities".

Page 8, line 4, strike out "Act" and insert "title".

Page 8, line 6, strike out "sub-".

Page 10, line 5, strike out "Act" and insert "title"

Page 10, line 23, strike out "Act" and insert "title".

The committee amendments were agreed to.

AMENDMENT OFFERED BY MS. OAKAR

Ms. OAKAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. OAKAR: Page 6, following the period at the end of line 11, insert the following: "Those members appointed pursuant to clause (3) shall include an equal number of male and female members."

Ms. OAKAR. Mr. Chairman, the National Commission on Neighborhoods is an excellent idea. The people of the United States live in neighborhoods and many of those neighborhoods are having problems.

There is no need for an effort to learn that there are problems. The problems are visible to most of us. What is needed, and what I hope the National Commission on Neighborhoods will be able to achieve, is an understanding of the sources of those problems, and a sensible, practical remedy, or set of remedies.

In order to assure that the Commission will be able to achieve that vital aim, it is important that its members be carefully selected to assure a variety of points of view. It would not be sensible to have a commission whose members are of the same background, whether racial, ethnic, or geographic. Diversity is an important asset in any effort to identify solutions for complex problems.

The distinguished sponsor of this bill wisely required that the 16 Presidential appointees be selected so that there will be racial, ethnic, and geographic diversity.

I am certain that he also favors an appropriate balance of men and women, but the bill does not specify that the male and female appointees be equal in number.

I am asking for your support for an amendment that would require that the President appoint equal numbers of men and women to this Commission. This amendment should not be necessary—I wish it were not, but it is.

Members who do not understand why I and other Members desire the amendment of this bill will perhaps be surprised to learn the extent to which governmental commissions and committees exclude women; 52.9 percent of the voters in the last national election were women. Women serve in this House and in important governmental offices. But when it comes time to appoint persons to advisory committees and commissions, the Nation's record has been very poor. Only about 11 percent of the membership of the committees and commissions that existed in 1975 were women.

Advisory committees associated with the departments of Government numbered 856. There were 12,746 members. Of those, only 1,435, or 11 percent, were women.

In the same year, 1975, governmental agencies had a total of 388 advisory committees with a total of 9,152 members. Only 1,072 of them were women.

In total, there were 22,256 members and only 2,525 of them women.

Let me give some examples:

The Department of Commerce had committees with 1,305 members. Thirty-eight were women. The Department of Defense had 1,022 members, of whom 49 were women. HUD had only two committees with 21 members. Three, or 14 percent were women. The Department of State committees had a total of 1,865 members—66 were women. And only 3 percent of the members of the committees of the Department of the Treasury were women.

Let us look at some of the agencies. The Civil Aeronautics Board had no women members of its advisory committees. The Commodity Futures Trading Commission had no women on its committees. The Federal Communications Commission had 1,321 members on its committees: 17 were women.

Seven percent of the members of the committees of the Federal Energy Administration were women. Only 10 per-

cent of the members of the advisory committee of the National Labor Relations Board were women.

Neither the U.S. Information Agency nor the Nuclear Regulatory Commission had any women on its committees. The Securities and Exchange Commission had 1 woman and 30 men on its committees.

Finally, the U.S. Arms Control and Disarmament Agency had no women among the 14 members of its advisory committee.

We all should regret that it is necessary to write into law the requirement that women be appointed to a national Commission on Neighborhoods. The fact is that it is necessary.

The amendment would simply add to the bill the requirement that the 16 Presidential appointees "shall include an equal number of male and female members."

I do not know who will oppose this amendment, but I know who will support it:

Members who believe in equity in public affairs will support this amendment;

Members who recognize that our record of 9 to 1 is both unfair and impractical will support this amendment;

Members who believe that women have as much talent, perspective, and intelligence as men will support this amendment.

Members who recognize that there are many, many women working very hard to preserve the negihborhoods of their comunities will support this amendment because that support will assure that those who select the 16 Presidential appointees will not overlook half the intelligence, will not overlook half the talent, will not overlook half the experience when they assemble a list of names for Presidential approval.

Most of us recognize that women are the backbone of most neighborhoods. Women have a strong interest in their neighborhoods. And women provide the leadership of neighborhood organizations in those neighborhoods that are thriving. Let us not rely on the executive branch to recognize the value of women on a commission on neighborhoods. The writing of the laws is the responsibility of Congress. Let us do our job. Let us do it fairly and sensibly.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

Let us say that this amendment puts me in a rather delicate condition. I consider all the people my gracious and capable colleague from Ohio mentioned as being for the bill as being also my good friends. They all support me. I support them. But I do not think that the amendment offered by the gentlewoman is well taken.

It is not well taken because it is not necessary. And I am not sure that it does not work at cross purposes with her objective. The amendment would provide that of the 16 public members there shall be an equal number of male and female members. I would ask the question, rhetorically perhaps, as to what the situation might be if the President determined that there were not enough capable males to fill out the roster of eight. He would be precluded from having seven males and nine females. I think there should be the ability on the part of the President to make appointments where in a given situation circumstances might be facing him that might require him to put 12 women on the Commission and only 4 men. If that is what he decides to do, appoint 9 or 10 women instead of 8, and I would hope that he should be able to do that instead of there being a fixed requirement to divide the number equally between the sexes as far as the membership of the Commission.

Is this amendment necessary? Let us look at the report language, on page 6, where we see the following:

> Title II provides that the Commission on Neighborhoods shall have 20 members, including 16 public members appointed by the President and 4 Members of Congress. Of the public members, at least five must be officers of active neighborhood organizations engaged in preservation activities, and five must be local public officials involved in preservation programs. The Commission must reflect the broad ethnic, racial, geographic, and political diversity of our Nation's neighborhoods and should, to the maximum extent feasible, reflect an appropriate balance between male and female members.

It seems to me Mr. Chairman, that the intent of the committee and of the Congress is manifestly clear by this language in the report which is as instructive to the President for all intents and purposes as is the statutory language itself, and he will be guided accordingly. So I would suggest, Mr. Chairman, that the amendment is not needed and indeed it sets an unfortunate precedent.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Chairman, I thank the gentleman from Ohio for yielding.

I join the gentleman from Ohio in the sentiment that it is with regret that the amendment offered by the gentlewoman from Ohio, a very new and distinguished Member of the Ohio delegation, has to be opposed by Ohioans from the west and from the east, but we do want the gentlewoman and the members of the committee to know that this question arose within the committee and was defeated by approximately a 2 to 1 vote.

I think the gentleman from Ohio made an excellent point within the committee with regard to equality between the male and female numbers, that all of us, the male and female Members of this body should recognize these 16 Members would be appointed by the President.

I would ask the gentleman from Ohio, would it not be natural and be routine for the President to get the names from the Secretary of HUD? Would that not be the ordinary thing?

Mr. ASHLEY. It would be both natural and routine.

Mr. STANTON. And the Secretary of HUD, of course, is Mrs. Harris?

Mr. ASHLEY. That is correct.

Mr. STANTON. And Mrs. Harris will take into consideration all that she stands for in truth, and so I think a good job will be done by the President in appointing this Commission.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Oakar amendment.

Mr. ALLEN. Mr. Chairman, first, I want to compliment the gentlewoman from Ohio for offering this amendment. I would have preferred, and wish that it had been worded slightly differently, to the effect that not less than 50 percent of the members would be women, rather than an even division. Certainly, women are the homemakers of this Nation. They know more about the problems of neighborhoods, the neighborhood in which they live, than the men. They are the ones who participate in the PTA meetings, and in local neighborhood organizations, more so than men do, because they are at home and have the time available during the daytime when many of their husbands and breadwinners are at work. They see the problems on the streets during the daytime that often the husbands and fathers and men do not see.

As I say, I wish that the amendment was worded to provide, or would provide, that not less than 50 percent would be women. However, in view of the fact that the gentlewoman has worded it 50–50, I hope that we will support at least this modest approach.

Mr. Chairman, I ask for a vote of support for this amendment.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. WEISS. Mr. Chairman, I would like to extend my highest compliments to the gentlewoman from Ohio for the eloquent and lucid statement that the gentlewoman made.

It is very easy in this body, or almost any other body, to try to ridicule an effort to legislate equal treatment. I am afraid that perhaps without intending ridicule, the course of the debate in opposition to this amendment smacks of that.

Mr. Chairman, if we look at page 6 of the bill, starting at line 3, we read that the individuals appointed by the President of the United States shall be selected so as to provide representation to a broad cross section of racial, ethnic, and geographical groups. No matter what the report may say, there is no language in the legislation itself which refers to representation by women on this commission.

I suggest that when people read that legislation, in fact, they are going to feel that because the other groups have been mentioned, this Congress did not in fact intend equal representation on the part of women. I know that the report says so, but I also know of a theory of law which says that when you mention certain groups, that means that you intend to exclude other groups. I suggest if, in fact, our intention is to direct the President to appoint an equal number of women, we say so, and the time and place to say so is in the amendment which the Congresswoman from Ohio has very wisely recommended and offered.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Oregon.

Mr. AuCOIN. I wonder if the gentleman would consider an amendment to

this amendment which would simply set a quota that 100 percent of the members of this Commission shall be technically qualified to carry out the tasks of the Commission, regardless of race, sex, color of skin, ethnic background or whatever. If we are really serious about results, about solving the problems of the neighborhoods, it would seem to me that this would be the kind of amendment the gentleman should support—not an amendment that plays arbitrary games with numbers.

Mr. WEISS. If the gentleman will allow me to respond, I remember those days—and I am sure the gentleman does also—when it was suggested that we did not need legislation mandating civil rights to minorities, be they black or Hispanic or any other group; that in fact good will and good faith would take care of it. This Congress, over the years, determined that good will and good faith was not enough, that we had to do it legislatively. Why should women be treated differently?

Mr. KOCH. Mr. Chairman, I will vote against the Oakar amendment although it would be easier to vote for it rather than have to explain my vote. The Oakar amendment imposes a sex quota on the National Commission on Neighborhoods requiring that the Commission's 16 members be comprised of 8 men and 8 women as opposed to the bill which requires that the individuals shall "be selected as to provide representation to a broad cross section of racial, ethnic, and geographic groups."

If we are to single out any group by way of a quota, then we have no defense to the request of any other group seeking similar quota status. I am unalterably opposed to the use of quotas. Quotas are iniquitous. What is required is that all people—men and women—without regard to race, religion, or national origin, be considered on the basis of their individual merit. Affirmative action programs I will support—quotas never.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Ohio (Ms. OAKAR).

The question was taken; and on a division (demanded by Ms. OAKAR) there were—ayes 31; noes 36.

RECORDED VOTE

Ms. OAKAR. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 249, noes 157, not voting 26, as follows:

[Roll No. 64]

AYES—249

Abdnor	Bevill	Caputo
Addabbo	Bingham	Carr
Akaka	Blouin	Carter
Allen	Boggs	Cavanaugh
Ambro	Boland	Cederberg
Anderson, Calif.	Bolling	Chisholm
	Bonior	Clausen, Don H.
Anderson, Ill.	Brinkley	
Andrews, N.C.	Brodhead	Cleveland
Applegate	Brooks	Cochran
Archer	Broomfield	Cohen
Badham	Brown, Calif.	Collins, Ill.
Bafalis	Brown, Mich.	Conable
Baldus	Brown, Ohio	Conte
Barnard	Broyhill	Conyers
Beard, R.I.	Buchanan	Corcoran
Bedell	Burke, Calif.	Corman
Beilenson	Burton, John	Cornell
Benjamin	Burton, Phillip	Cornwell
Bennett	Byron	Coughlin
D'Amours	Kazen	Quillen
Daniel, Dan	Ketchum	Rahall
Davis	Keys	Railsback
de la Garza	Kildee	Rangel
Dellums	Krueger	Regula
Dent	Latta	Richmond
Derrick	Le Fante	Risenhoover
Diggs	Leach	Rogers
Dornan	Lederer	Roncalio
Drinan	Leggett	Rose
Edwards, Calif.	Lehman	Rosenthal
Eilberg	Lent	Rousselot
English	Lloyd, Tenn.	Roybal
Ertel	Long, La.	Runnels
Evans, Ga.	Long, Md.	Santini
Fascell	Lujan	Satterfield
Fenwick	Luken	Sawyer
Fish	McClory	Schroeder
Fisher	McCloskey	Sebelius
Fithian	McDade	Seiberling
Flippo	McHugh	Sharp
Florio	Madigan	Shipley
Flowers	Maguire	Simon
Ford, Tenn.	Mahon	Skelton
Fraser	Markey	Smith, Nebr.
Frenzel	Marks	Snyder
Frey	Marlenee	Spellman
Fuqua	Mathis	Spence
Gaydos	Mattox	St Germain
Gephardt	Meeds	Staggers
Gibbons	Metcalfe	Stangeland
Gilman	Meyner	Stark
Ginn	Mikulski	Steers
Gore	Miller, Ohio	Steiger
Gradison	Mineta	Stockman
Grassley	Mitchell, Md.	Stokes
Gudger	Mitchell, N.Y.	Stratton
Guyer	Moakley	Studds
Hagedorn	Moffett	Taylor
Hall	Montgomery	Thone
Hannaford	Moorhead, Pa.	Thornton
Harkin	Moss	Traxler
Harrington	Mottl	Trible
Harris	Murphy, Ill.	Tsongas
Harsha	Murphy, Pa.	Tucker
Heckler	Myers, Michael	Udall
Hefner	Natcher	Van Deerlin
Heftel	Neal	Vanik
Hightower	Nichols	Vento
Hillis	Nix	Volkmer
Holland	Nowak	Walker
Holt	O'Brien	Walsh
Holtzman	Oakar	Weaver
Horton	Ottinger	Weiss
Howard	Panetta	White
Ireland	Pease	Whitley
Jacobs	Pepper	Wilson, Bob
Jeffords	Pickle	Wilson, Tex.
Jenrette	Pike	Winn
Johnson, Calif.	Pressler	Wirth
Jones, N.C.	Preyer	Yatron
Jones, Tenn.	Price	Young, Fla.
Jordan	Pursell	Young, Tex.
Kasten	Quie	

NOES—157

Alexander	Duncan, Tenn.	Kostmayer
Ammerman	Early	Krebs
Andrews, N. Dak.	Eckhardt	LaFalce
	Edgar	Lagomarsino
Annunzio	Edwards, Ala.	Levitas
Armstrong	Edwards, Okla.	Lloyd, Calif.
Ashbrook	Emery	Lott
Ashley	Erlenborn	Lundine
Aspin	Evans, Colo.	McCormack
AuCoin	Evans, Del.	McDonald
Baucus	Evans, Ind.	McFall
Bauman	Fary	McKay
Beard, Tenn.	Findley	McKinney
Biaggi	Flynt	Mann
Blanchard	Foley	Marriott
Bonker	Ford, Mich.	Martin
Bowen	Forsythe	Mazzoli
Brademas	Fountain	Michel
Breaux	Giaimo	Mikva
Breckinridge	Glickman	Milford
Burke, Fla.	Goldwater	Minish
Burke, Mass.	Goodling	Mollohan
Burleson, Tex.	Hamilton	Moore
Burlison, Mo.	Hammerschmidt	Moorhead, Calif.
Butler		
Carney	Hanley	Murtha
Chappell	Hansen	Myers, Gary
Clawson, Del	Hollenbeck	Myers, Ind.
Coleman	Hubbard	Nedzi
Collins, Tex.	Huckaby	Oberstar
Crane	Hughes	Obey
Daniel, R. W.	Hyde	Patten
Danielson	Jenkins	Patterson
Delaney	Johnson, Colo.	Pattison
Derwinski	Jones, Okla.	Poage
Devine	Kastenmeier	Quayle
Dicks	Kelly	Reuss
Dingell	Kemp	Rhodes
Dodd	Kindness	Rinaldo
Downey	Koch	Roberts
Robinson	Slack	Whitten
Rodino	Smith, Iowa	Wiggins
Rooney	Solarz	Wilson, C. H.
Rostenkowski	Stanton	Wolff
Rudd	Steed	Wright
Ruppe	Stump	Wydler
Ryan	Symms	Wylie
Sarasin	Treen	Yates
Scheuer	Ullman	Young, Alaska
Schulze	Vander Jagt	Young, Mo.
Shuster	Waggonner	Zablocki
Sikes	Watkins	Zeferetti
Sisk	Whalen	
Skubitz	Whitehurst	

NOT VOTING—26

Badillo	Hawkins	Roe
Burgener	Ichord	Russo
Clay	McEwen	Teague
Cotter	Miller, Calif.	Thompson
Dickinson	Murphy, N.Y.	Tonry
Duncan, Oreg.	Nolan	Walgren
Flood	Perkins	Wampler
Gammage	Pettis	Waxman
Gonzalez	Pritchard	

Messrs. DICKS, KOSTMAYER, SCHEUER, CRANE, and BIAGGI changed their votes from "aye" to "no."

Messrs. ERTEL and HANNAFORD changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GOLDWATER

Mr. GOLDWATER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOLDWATER: Page 3, line 10, strike out title II, beginning on page 3, line 9 to page 12, line 10.

Mr. GOLDWATER. Mr. Chairman, my amendment is very simple. It will eliminate this so-called National Commission on Neighborhoods and thereby save the taxpayers $2 million. Now my objection to this particular Commission does not necessarily mean that I object to commissions as such—although Washington seems to be overrun with them. President Carter wants to reduce the number of commissions in Washington. My objection is that the study this Commission is going to undertake would be redundant and wasteful. I honestly do not think they are going to discover anything new about a subject that has been studied to death.

My office contacted the Library of Congress this morning, and found that there are literally thousands of articles, essays, books, and studies on the subject of neighborhood decay and development. The Department of Housing and Urban Development issued a report in 1975 entitled "The Dynamics of Neighborhood Change." This report alone has a bibliography which is 30 pages long. As far as commissions are concerned, we have had them before. Remember the Douglas Commission and the Kaiser committee under the Johnson administration? They did extensive research in this area. We have studies going back to the 1920's.

In short, Mr. Chairman, we do not need to authorize a new study because the information is already there, and if by any chance, these years of study have failed to produce some elusive bit of information, we have adequate facilities both in the Congress and the bureaucracy to discover it.

For the sake of the taxpayers we were trying to give some relief to yesterday, I urge my colleagues to support this amendment. In so doing, we can also re-

duce the workload over at the Commission on Federal Paperwork.

In short, my amendment would eliminate this unnecessary Commission. There are sufficient studies going way back to the 1920's. Every administration has had some kind of commission to look into neighborhood decay. A case has not been made for this program, and as far as the $2 million, I beg my colleagues to have pity on those who are less fortunate, have pity on our housing conditions, but let us not forget the taxpayers. In the name of commonsense, adopt my amendment and strike title II.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

I will be very brief, Mr. Chairman. It may well be that we have studies going back to the 1920's that have focused on the conditions in our urban and nonurban neighborhoods. Unhappily the fact is that the conditions in our neighborhoods continually change and unfortunately even more so in the past decades the neighborhoods have become continually more blighted and continually more deteriorated.

The author of the amendment to strike title II says that if more information is needed then we can look to the Congress and to the bureaucracy. In the questions that have been raised in respect to this title both in general debate and in the previous amendment, I think it is clear that if we do not call on the people from the neighborhoods themselves for the insights that they have, then the possibility and the likelihood of addressing in a responsive way the needs of our neighborhoods that are in trouble will very very substantially be diminished.

The author of the amendment says we should have some pity on the taxpayers. I would point out to the gentleman it is not expected that the outside figure that is provided for, the $2 million, will be utilized, and I covered that in my comment in general debate. The fact of the matter is that the moneys necessary will come out of HUD current authorization for research and demonstration. So that we are not asking for new funds. What we are saying to HUD is that we think that this Commission is necessary for information as it is essential for them to act in a responsible and responsive way, and that we need to vote the moneys necessary for the Commission to come out of the HUD budget.

Let me conclude by saying the previous administration supported the establishment of this Commission. It was adopted by the other body last year overwhelmingly, I think by a vote of 92 to 0. It was adopted overwhelmingly by the full Banking Committee last year but there was insufficient time to act on the measure before the Congress adjourned. That is the only reason that this comes along now. That measure had the blessing of President Ford.

I urge the defeat of this amendment so we can get on with the business.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, is it not true that in the interest of the taxpayer it would be much more expensive, rather than preserving the neighborhoods, if we let them deteriorate and then go into the much more expensive process of renewal or other types of programs?

Mr. ASHLEY. The gentleman is absolutely correct and we know that with certainty.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Virginia.

Mr. HARRIS. Mr. Chairman, I cannot figure out why we need a Commission to do the study. Why can we not let HUD do this themselves as long as we have the money and we have a department that is supposed to know about these things and work on these things? Why can they not go ahead and study it? Why do we need an independent Commission?

Mr. ASHLEY. The reason we need the Commission is that all the expertise and knowledge with respect to the condition of the neighborhoods and what might be good for the neighborhoods does not reside in Washington.

Fortunately or unfortunately, that is the fact of the matter. What we know is that we have Monsignor Baroni, we have Gale Cincotta, we have neighborhood people who are enormously competent and respected in this area of inquiry and what we want to do is call on them and not just limit ourselves to the resources of HUD.

Mr. HARRIS. Mr. Chairman, I support the findings and purpose of title II of H.R. 3843. Our city neighborhoods are a national resource which must be conserved and revitalized; and, I believe that public policy should promote this objective. Our Nation can no longer ignore the need to preserve the built environment. To make our cities and urban areas fit for our people to live in, we must review existing laws, policies, and programs which affect neighborhoods, assess their impact, and make needed modifications.

However, we do not need to establish a commission to conduct this review or to modify our Government's efforts. A commission is not needed to demonstrate our belief that our neighborhoods are a national resource to be conserved. There are too many commissions, boards, and advisory councils in our Government. Most, if not all, were created to promote one of our national goals. Unfortunately, few have helped shape our policies, and even fewer commissions die. Although this bill includes a sunset provision, when the time comes, in all likelihood, the Commission's life will be extended. After all, at that time, who will say that it is not necessary to redevelop our urban areas?

The Secretary of the Department of Housing and Urban Development has the authority to order the study which this bill charges the National Commission on Neighborhoods to conduct. The Department could award contracts and grants for the purposes of evaluating existing neighborhood revitalization programs and the impact of existing laws on neighborhoods. The Secretary or her designees can seek and receive testimony from citizen leaders and public officials engaged in neighborhood redevelopment. I would think that this is the responsibility of the Department of Housing and Urban Development. And, if HUD is not carrying out its duties, then Congress should instruct the Department to do so. We should make our Government work efficiently to achieve our national goals; we will not accomplish that end with another commission.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, without hurting the chances of the gentleman's amendment, I rise in support of the Goldwater deletion, for the simple reason that there is an Office of Policy Development and Evaluation in HUD. This office can perform the same function. This is a wholly unneeded commission. This office in HUD has more than adequate funds to accomplish everything that we would expect of this commission.

The Banking Committee has held endless hearings on this subject. We have volumes of testimony. All we have to do to accomplish the same thing this commission is supposed to do is have the Banking Committee hold additional hearings, and we will obtain many people from neighborhoods to come in and testify on this subject.

Mr. Chairman, the gentleman from Virginia (Mr. HARRIS) is also absolutely correct. This is an unnecessary commission. There is more than adequate bureau machinery to handle the functions, and the gentleman from Virginia (Mr. HARRIS) clearly knows that, because there are more Federal employees in the gentleman's district than in any other in the country. When Mr. HARRIS says it is unnecessary we should listen.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I would be happy to yield to the gentleman.

Mr. HARRIS. Mr. Chairman, is the gentleman sure I did not have this just about won before the gentleman's comments?

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from California, after saying briefly to my colleague Mr. HARRIS that our double whammy comments have sealed the fate of this amendment.

Now I yield.

Mr. KETCHUM. Mr. Chairman, I was just reading in the bill the duties of this neighborhood commission. Is not the establishment of this commission an admission on the part of a committee of the Congress that they are incapable of doing this themselves?

Mr. ROUSSELOT. I think the gentleman's point is well taken. I am not willing to admit that the Banking Committee cannot carry out this function. As a matter of fact, the chairman of our committee (Mr. REUSS) heads a whole new Subcommittee on Urban Affairs that can more than adequately cover this subject. I think the gentleman's point is well taken.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. GOLDWATER).

The question was taken; and on a di-

vision (demanded by Mr. ASHLEY) there were—ayes 69, noes 37.

RECORDED VOTE

Mr. ASHLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 243, noes 166, not voting 23, as follows:

[Roll No. 65]

AYES—243

Abdnor	Gaydos	Neal
Alexander	Giaimo	Nedzi
Andrews, N.C.	Gilman	Nichols
Andrews, N. Dak.	Ginn	O'Brien
Archer	Goldwater	Oberstar
Armstrong	Goodling	Ottinger
Ashbrook	Gore	Panetta
Badham	Grassley	Pickle
Bafalis	Gudger	Pike
Barnard	Guyer	Poage
Baucus	Hagedorn	Pressler
Bauman	Hall	Pursell
Beard, Tenn.	Hamilton	Quayle
Bedell	Hammer-schmidt	Quie
Bevill	Hansen	Quillen
Biaggi	Harkin	Railsback
Blouin	Harris	Regula
Bonior	Harsha	Rhodes
Bowen	Hefner	Rinaldo
Breaux	Hightower	Risenhoover
Breckinridge	Hillis	Roberts
Brinkley	Hollenbeck	Robinson
Brodhead	Holt	Roncalio
Broomfield	Hubbard	Rosenthal
Broyhill	Huckaby	Rousselot
Buchanan	Hughes	Rudd
Burgener	Hyde	Runnels
Burke, Fla.	Ichord	Ruppe
Burleson, Tex.	Ireland	Sarasin
Butler	Jacobs	Satterfield
Byron	Jenkins	Sawyer
Carney	Johnson, Colo.	Schulze
Carr	Jones, N.C.	Sebelius
Cederberg	Jones, Okla.	Sharp
Chappell	Jones, Tenn.	Shipley
Clausen, Don H.	Kasten	Shuster
Clawson, Del	Kazen	Sikes
Cochran	Kelly	Sisk
Coleman	Kemp	Skelton
Collins, Tex.	Ketchum	Skubitz
Conable	Kindness	Slack
Corcoran	Krebs	Smith, Iowa
Cornwell	Krueger	Smith, Nebr.
Coughlin	Lagomarsino	Snyder
Crane	Latta	Spence
Daniel, Dan	Leggett	Stangeland
Daniel, R. W.	Lehman	Steed
Davis	Lent	Steiger
de la Garza	Levitas	Stockman
Derwinski	Lloyd, Calif.	Stratton
Devine	Lloyd, Tenn.	Stump
Dickinson	Long, La.	Symms
Dicks	Long, Md.	Taylor
Dingell	Lott	Thone
Dornan	Lujan	Thornton
Duncan, Oreg.	McClory	Treen
Duncan, Tenn.	McDonald	Trible
Early	McKay	Tucker
Edwards, Ala.	Madigan	Vander Jagt
Edwards, Okla.	Mahon	Volkmer
Emery	Markey	Waggonner
English	Marks	Walker
Erlenborn	Marriott	Walsh
Ertel	Martin	Wampler
Evans, Colo.	Mathis	Watkins
Evans, Ga.	Mattox	White
Evans, Ind.	Mazzoli	Whitehurst
Fascell	Michel	Whitley
Findley	Milford	Whitten
Fish	Miller, Ohio	Wiggins
Fithian	Mitchell, N.Y.	Wilson, Bob
Flippo	Moffett	Wilson, C. H.
Florio	Montgomery	Winn
Flowers	Moore	Wirth
Flynt	Moorhead, Calif.	Wolff
Foley	Mottl	Wylie
Forsythe	Murphy, Pa.	Yatron
Fountain	Murtha	Young, Alaska
Frenzel	Myers, Gary	Young, Fla.
Frey	Myers, Ind.	Young, Tex.
Fuqua	Natcher	Zeferetti

NOES—166

Addabbo	Anderson, Calif.	Ashley
Akaka	Anderson, Ill.	Aspin
Allen	Annunzio	AuCoin
Ambro	Applegate	Baldus
Ammerman	Bellenson	Beard, R.I.
Benjamin	Hannaford	Patten
Bennett	Harrington	Patterson
Bingham	Heckler	Pattison
Blanchard	Heftel	Pease
Boggs	Holland	Pepper
Boland	Holtzman	Perkins
Bolling	Horton	Preyer
Brademas	Howard	Price
Brooks	Jeffords	Pritchard
Brown, Mich.	Jenrette	Rahall
Brown, Ohio	Johnson, Calif.	Rangel
Burke, Calif.	Jordan	Reuss
Burke, Mass.	Kastenmeier	Richmond
Burlison, Mo.	Keys	Rodino
Burton, John	Kildee	Rogers
Burton, Phillip	Koch	Rooney
Caputo	Kostmayer	Rose
Carter	LaFalce	Rostenkowski
Cavanaugh	Le Fante	Roybal
Chisholm	Leach	Ryan
Cohen	Lederer	Santini
Collins, Ill.	Luken	Scheuer
Conte	Lundine	Schroeder
Conyers	McCloskey	Seiberling
Corman	McCormack	Simon
Cornell	McDade	Solarz
D'Amours	McFall	Spellman
Danielson	McHugh	St Germain
Delaney	McKinney	Staggers
Dellums	Maguire	Stanton
Derrick	Mann	Stark
Diggs	Marlenee	Steers
Dodd	Meeds	Stokes
Downey	Metcalfe	Studds
Drinan	Meyner	Traxler
Eckhardt	Mikulski	Tsongas
Edgar	Mikva	Udall
Edwards, Calif.	Mineta	Ullman
Eilberg	Minish	Van Deerlin
Evans, Del.	Mitchell, Md.	Vanik
Fary	Moakley	Vento
Fenwick	Mollohan	Waxman
Fisher	Moorhead, Pa.	Weaver
Ford, Tenn.	Moss	Weiss
Fraser	Murphy, Ill.	Whalen
Gephardt	Myers, Michael	Wright
Gibbons	Nix	Wydler
Glickman	Nolan	Yates
Gradison	Nowak	Young, Mo.
Hanley	Oakar	Zablocki
	Obey	

NOT VOTING—23

Badillo	Ford, Mich.	Roe
Bonker	Gammage	Russo
Brown, Calif.	Gonzalez	Teague
Clay	Hawkins	Thompson
Cleveland	McEwen	Tonry
Cotter	Miller, Calif.	Walgren
Dent	Murphy, N.Y.	Wilson, Tex.
Flood	Pettis	

Mr. JONES of Tennessee and Mr. EVANS of Georgia changed their vote from "no" to "aye."

Mr. MOAKLEY and Mr. CAPUTO changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. MINETA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, to establish a National Commission on Neighborhoods, and for other purposes pursuant to House Resolution 388, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 380, nays 30, not voting 22, as follows:

[Roll No. 66]

YEAS—380

Abdnor	Daniel, R. W.	Hollenbeck
Addabbo	Danielson	Holt
Akaka	Davis	Holtzman
Alexander	de la Garza	Horton
Allen	Delaney	Howard
Ambro	Dellums	Hubbard
Ammerman	Derrick	Huckaby
Anderson, Calif.	Derwinski	Hughes
Anderson, Ill.	Dickinson	Hyde
Andrews, N.C.	Dicks	Ichord
Andrews, N. Dak.	Diggs	Ireland
Annunzio	Dingell	Jacobs
Applegate	Dodd	Jeffords
Ashley	Downey	Jenkins
Aspin	Drinan	Jenrette
AuCoin	Duncan, Oreg.	Johnson, Calif.
Bafalis	Duncan, Tenn.	Johnson, Colo.
Baldus	Early	Jones, N.C.
Barnard	Eckhardt	Jones, Okla.
Baucus	Edgar	Jones, Tenn.
Beard, R.I.	Edwards, Ala.	Jordan
Bedell	Edwards, Calif.	Kasten
Bellenson	Eilberg	Kastenmeier
Benjamin	Emery	Kazen
Bennett	English	Kemp
Bevill	Ertel	Ketchum
Biaggi	Evans, Colo.	Keys
Bingham	Evans, Del.	Kildee
Blanchard	Evans, Ga.	Kindness
Blouin	Evans, Ind.	Koch
Boggs	Fary	Kostmayer
Boland	Fascell	Krebs
Bolling	Fenwick	Krueger
Bonior	Findley	LaFalce
Bonker	Fish	Lagomarsino
Bowen	Fisher	Latta
Brademas	Fithian	Le Fante
Breaux	Flippo	Leach
Breckinridge	Florio	Lederer
Brinkley	Flowers	Leggett
Brodhead	Flynt	Lehman
Brooks	Foley	Lent
Broomfield	Ford, Mich.	Levitas
Brown, Calif.	Ford, Tenn.	Lloyd, Calif.
Brown, Mich.	Forsythe	Lloyd, Tenn.
Brown, Ohio	Fountain	Long, La.
Buchanan	Fraser	Long, Md.
Burgener	Frenzel	Lujan
Burke, Calif.	Frey	Luken
Burke, Fla.	Fuqua	Lundine
Burke, Mass.	Gaydos	McClory
Burlison, Mo.	Gephardt	McCloskey
Burton, John	Giaimo	McCormack
Burton, Phillip	Gibbons	McDade
Butler	Gilman	McFall
Byron	Ginn	McHugh
Caputo	Glickman	McKay
Carney	Goldwater	McKinney
Carr	Goodling	Madigan
Carter	Gore	Maguire
Cavanaugh	Gradison	Mahon
Cederberg	Grassley	Mann
Chappell	Gudger	Markey
Chisholm	Guyer	Marks
Clausen, Don H.	Hagedorn	Marlenee
Cohen	Hall	Marriott
Coleman	Hamilton	Martin
Collins, Ill.	Hammer-schmidt	Mathis
Conable	Hanley	Mattox
Conte	Hannaford	Mazzoli
Conyers	Harkin	Meeds
Corcoran	Harrington	Metcalfe
Corman	Harris	Meyner
Cornell	Heckler	Michel
Cornwell	Hefner	Mikulski
Coughlin	Heftel	Mikva
D'Amours	Hightower	Milford
	Hillis	Mineta
	Holland	Minish
		Mitchell, Md.

Mitchell, N.Y.	Rhodes	Stokes
Moakley	Richmond	Stratton
Moffett	Rinaldo	Studds
Mollohan	Risenhoover	Stump
Moore	Roberts	Thone
Moorhead, Calif.	Rodino	Thornton
	Rogers	Treen
Moorhead, Pa.	Roncalio	Trible
Moss	Rooney	Tsongas
Murphy, Ill.	Rose	Tucker
Murphy, Pa.	Rosenthal	Udall
Murtha	Rostenkowski	Ullman
Myers, Gary	Roybal	Van Deerlin
Myers, Michael	Rudd	Vander Jagt
Myers, Ind.	Runnels	Vanik
Natcher	Ruppe	Vento
Neal	Ryan	Volkmer
Nedzi	Santini	Waggonner
Nichols	Sarasin	Walker
Nix	Sawyer	Walsh
Nolan	Scheuer	Wampler
Nowak	Schroeder	Watkins
O'Brien	Schulze	Waxman
Oakar	Sebelius	Weaver
Oberstar	Seiberling	Weiss
Obey	Sharp	Whalen
Ottinger	Shipley	White
Panetta	Shuster	Whitehurst
Patten	Sikes	Whitley
Patterson	Simon	Whitten
Pattison	Sisk	Wiggins
Pease	Skelton	Wilson, Bob
Pepper	Skubitz	Wilson, C. H.
Perkins	Slack	Winn
Pickle	Smith, Iowa	Wirth
Pike	Smith, Nebr.	Wolff
Poage	Snyder	Wright
Pressler	Solarz	Wydler
Preyer	Spellman	Wylie
Price	Spence	Yates
Pritchard	St Germain	Yatron
Pursell	Staggers	Young, Alaska
Quayle	Stangeland	Young, Fla.
Quie	Stanton	Young, Mo.
Quillen	Stark	Young, Tex.
Rahall	Steed	Zablocki
Rangel	Steers	Zeferetti
Regula	Steiger	
Reuss	Stockman	

NAYS—30

Archer	Collins, Tex.	Lott
Armstrong	Crane	McDonald
Ashbrook	Daniel, Dan	Miller, Ohio
Badham	Devine	Montgomery
Bauman	Dornan	Motti
Beard, Tenn.	Edwards, Okla.	Robinson
Broyhill	Erlenborn	Rousselot
Burleson, Tex.	Hansen	Satterfield
Clawson, Del	Harsha	Symms
Cochran	Kelly	Taylor

NOT VOTING—22

Badillo	Hawkins	Teague
Clay	McEwen	Thompson
Cleveland	Miller, Calif.	Tonry
Cotter	Murphy, N.Y.	Traxler
Dent	Pettis	Walgren
Flood	Railsback	Wilson, Tex.
Gammage	Roe	
Gonzalez	Russo	

The Clerk announced the following pairs:

Mr. Thompson with Mr. Railsback.
Mr. Flood with Mr. Cleveland.
Mr. Roe with Mr. McEwen.
Mr. Hawkins with Mr. Gammage.
Mr. Dent with Mr. Teague.
Mr. Cotter with Mr. Charles Wilson of Texas.
Mr. Murphy of New York with Mr. Traxler.
Mr. Tonry with Mr. Clay.
Mr. Walgren with Mr. Russo.
Mr. Miller of California with Mr. Badillo.

Mr. EDWARDS of Oklahoma changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the House bill was amended so as to read: "To authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, for other purposes."

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on March 8, 1977, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 132, Joint resolution to authorize a special gold medal to be awarded to Miss Marian Anderson.

RECOMMENDATION OF AMERICAN BAR ASSOCIATION REGARDING FEDERAL REGULATION VERSUS STATE REGULATION OF DEBT COLLECTION AGENCY PRACTICES

(Mr. WYLIE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WYLIE. Mr. Speaker, the Consumer Affairs Subcommittee of which I am the ranking minority member, is in the process of considering legislation which would regulate independent debt collection agencies. In the 94th Congress, the House passed H.R. 13720. The bill was not acted upon by the Senate. I think it is fair to say that the major reason was the pressure of other business in the closing days of the 94th Congress.

In any event, during subcommittee proceedings on March 10 at the request of a member of the American Bar Association, I asked unanimous consent to have placed in the RECORD the recommendation of the House of Delegates of the American Bar Association with accompanying report relative to the position of the American Bar Association regarding Federal regulation versus State regulation of debt collection agency practices.

One of the members of the subcommittee objected to the unanimous-consent request. The objection was supported by another member and rather than become involved in a prolonged discussion as to whether the recommendation was appropriate as a part of the record of the hearings and in view of the fact that there was a vote on the House floor, I did not press the issue except to say I do not feel we should just summarily reject the view of the American Bar Association.

The question is not whether we should adopt the recommendation of the American Bar Association or reject it. The question is one of free expression and whether the view of the American Bar Association is appropriate to such proceedings. Many documents have been included in the subcommittee record under unanimous-consent requests of far less importance than a recommendation of the American Bar Association.

Still feeling as I do that the Members of the House should know of the recommendation of the American Bar Association, and without regard to my own personal views on the recommendation on H.R. 29, I include herewith the recommendation and report.

This recommendation was adopted by the House of Delegates on February 15, 1977:

AMERICAN BAR ASSOCIATION REPORT TO THE HOUSE OF DELEGATES STANDING COMMITTEE ON NATIONAL CONFERENCE GROUPS

RECOMMENDATION

The Standing Committee on National Conference Groups recommends the adoption of the following resolutions:

Resolved, That the American Bar Association urges the regulation of collection agencies be left to the several States;

Further Resolved, That the American Bar Association opposes the adoption by Congress of legislation similar to HR 13720 introduced in the Second Session of the Ninety-Fourth Congress, which provided for federal regulation of collection agencies, and informs Congress that the Board of Governors of the American Bar Association has authorized its National Conference of Lawyers and Collection Agencies to promulgate its Model Consumer Debt Collection Fair Practices Act.

REPORT

Introduction

In April, 1976, the Board of Governors approved the request of this Committee for authority to promulgate the "Model Consumer Debt Collection Fair Practices Act," drafted by the National Conference of Lawyers and Collection Agencies. In the course of developing its suggested Model Act, the Conference determined, through surveys it had conducted, that approximately 25 States had already enacted legislation similar to its Model Act. The National Conference of Lawyers and Collection Agencies is now in the process of promulgating its Model Act to the remaining States for their consideration and guidance in drafting legislative debt collection provisions.

Background

H.R. 13720, attached as Exhibit A, sought to amend the Consumer Credit Protection Act, to prohibit abusive practices by debt collectors, by adding a new Title VIII, entitled Debt Collection Practices Act. H.R. 13720 was the follow-up on H.R. 11969, introduced in the Congress by Congressman Annunzio (Illinois). It passed the House of Representatives on July 27, 1976 and was referred to the Senate Banking, Housing and Urban Affairs Subcommittee on Consumer Affairs. Subcommittee Chairman Senator Biden (D.-Delaware) introduced S. 88, a similar bill, on September 21, 1976. The Senate took no action on either bill prior to adjournment of Congress.

The National Conference of Lawyers and Collection Agencies, having studied the Annunzio Bill as it progressed through the House of Representatives, concluded at its meeting in Atlanta in August of 1976 that H.R. 13720 or similar measures should not be adopted by the Congress of the United States. Further, the Conference and this Standing Committee believe it is appropriate for each State to enact the Model Consumer Debt Collection Fair Practices Act, endorsed for promulgation by the Board of Governors of the American Bar Association. A copy of the Model Act is attached as Exhibit B. A detailed comparison of the provisions of the Model Act and H.R. 13720 is attached as Exhibit C.

The Standing Committee on National Conference Groups and its National Conference of Lawyers and Collection Agencies oppose the adoption of federal legislation similar to H.R. 13720 for the following reasons:

It appears at this time there is already sufficient federal machinery to regulate debt collection practices through the Federal Trade Commission, the Federal Communications Commission, and the U.S. Postal Service.

Thirty-three States already have legislation dealing with the abuses covered in H.R.

13720. The National Conference of Lawyers and Collection Agencies is actively promulgating its Model Act to the remaining States.

H.R. 13720 is very narrow in its scope. The Bill sought to regulate the practices of professional collection agencies, but would not have covered the practices of a vast group of other consumer debt collectors. This group of "in-house" consumer debt collectors comprises department stores, retail stores, plumbers, roofers and practically all of the ordinary creditors of consumer debt. It has been reliably estimated that H.R. 13720 would cover approximately 5,000 professional debt collection services in the United States but would not cover the more than 2.5 million credit grantors—which account for about 99 percent of debt collection activity.

This means that, as far as this federal legislation is concerned, those businesses which conduct debt collections "in-house" or which choose to establish such operations, could engage in all of the prohibited abuses with impunity.

The reports of Federal Trade Commission hearings indicate that most complaints against collection practices are against other retail credit grantors, not professional collection services.

While professional debt collection services are licensed and regulated in 33 States with more States considering such regulation, the collection practices of retail credit grantors are presently regulated by law in only eight States. Total complaints filed with the Better Business Bureaus each year indicate that only 0.5 percent are against professional debt collection services.

It is to be noted that Section 816 of H.R. 13720 provides that State regulation which the Federal Trade Commission decides is substantially similar to H.R. 13720 shall supercede it. The differences between H.R. 13720 and the Conference's Model Consumer Debt Collection Fair Practices Act raise serious doubt that the Model Act would supercede an enacted H.R. 13720 or similar legislation, insofar as it regulates the practices of debt collection agencies.

Summary

The Standing Committee on National Conference Groups, at its meeting on October 30, 1976, considered at length the recommendation and report submitted by the National Conference of Lawyers and Collection Agencies. It has been unanimously agreed by all Committee members that although the request of the Collection Agency Conference may be considered premature since no measure as of this writing is now pending before Congress, inasmuch as federal legislation similar to H.R. 13720 will probably be introduced in the Ninety-Fifth Session of Congress, the Standing Committee will support its National Conference of Lawyers and Collection Agencies and ask ABA, through its House of Delegates, to take action on its recommendation. The Standing Committee urges that the regulation of collection agencies be left to the several States, inasmuch as the Board of Governors of ABA has already authorized the Collection Agency Conference to promulgate the Model Consumer Debt Collection Fair Practices Act and seek its adoption by State legislatures.

It is understood that the recommendations, if approved, carry with them the usual authority for the President or his designee to present these views to appropriate committees of the Congress.

Referrals

The resolutions herewith submitted by this Committee have been referred for comment to the Sections of General Practice; Individual Rights and Responsibilities; Anti-trust Law; Section of Corporation, Banking and Business Law; Local Government Law; and Public Contract Law.

Respectfully Submitted,

FREDERICK G. BUESSER, Jr.,
EDWARD F. GLUSMAN
PHILIP S. HABERMANN
HAROLD HORVITZ
THOMAS L. RAGGIO
J. PENNINGTON STRAUS
OGLESBY H. YOUNG, *Chairman.*

SKUBITZ FARM OPERATING LOAN BILL

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKUBITZ. Mr. Speaker, today I am introducing a bill which would increase from $50,000 to $200,000 the loans outstanding a bank may make under the Farmers Home Administration farm operating loan program.

Areas of the Midwest and West have been particularly hard hit this year by drought, high winds, and have in general been hard pressed because of poor prices farmers have been receiving for their commodities—particularly wheat and meat products.

This, coupled with the fact that many banks have reached the $50,000 limit on loans which they may have outstanding through the farm operating loan program has made the problem intolerable. Banks have found that the only way they can keep farmers and ranchers operating is to make available more loan assistance. If farm customers are not able to survive economically, not only will many farmers be out of business, but in some instances small rural banks which have considerable sums of money invested in agricultural loans will also find themselves in desperate straits.

I realize that several bills have been introduced which would incrase the limit to $100,000. I want to commend the Members who introduced this legislation because they are genuinely aware of the need to make more credit available to our farmers and ranchers. I sincerely believe, though that $100,000 is not enough and the level should be raised to $200,000.

Last week several of my constituents testified before the House Agriculture Committee concerning the plight of farmers in my congressional district. Two were farmers and one a banker. Make no mistake about it—the message was clear—more credit must be made available if farmers are to survive the present economic crunch they are facing.

Increasing the amount of credit is not the only solution to the problems of our Nation's farmers and ranchers, but it is an expeditious answer and a short term solution to a problem which will greatly aid our farmers and ranchers until a comprehensive piece of legislation dealing with this problem is enacted into law.

PERMISSION TO HAVE UNTIL MIDNIGHT, TUESDAY, MARCH 15, 1977, TO FILE REPORT ON H.R. 4800, EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1977

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that the report of the Committee on Ways and Means on H.R. 4800, the Emergency Unemployment Compensation Act of 1977, may be filed by midnight, Tuesday, March 15, 1977, along with any separate or minority views.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, FRIDAY, MARCH 11, 1977, TO FILE PRIVILEGED REPORT ON BILL MAKING ECONOMIC STIMULUS APPROPRIATIONS

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night, March 11, 1977, to file a privileged report on a bill making economic stimulus appropriations for fiscal year 1977, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, FRIDAY, MARCH 11, 1977, TO FILE PRIVILEGED REPORT ON A BILL MAKING SUPPLEMENTAL APPROPRIATIONS

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night, March 11, 1977, to file a privileged report on a bill making supplemented appropriations for fiscal year 1977, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. OBEY. Mr. Speaker, reserving the right to object, I wonder if I could make one thing certain.

There is no chance that that bill will be considered the same day as the economic stimulus package, is there?

Mr. MAHON. The gentleman is absolutely correct. It is not the plan of the Committee on Appropriations and it is not the plan of the Speaker. It will not be considered on Tuesday. It is scheduled, I believe, for Wednesday.

Mr. OBEY. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO HAVE UNTIL MIDNIGHT, FRIDAY, MARCH 11, 1977, TO FILE LEGISLATIVE REPORT TO ACCOMPANY H.R. 4088, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION ACT, 1978

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may have until

midnight, Friday, March 11, 1977, to file the legislative report to accompany the bill (H.R. 4088) on the National Aeronautics and Space Administration Authorization Act, 1978.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I have asked for this time for the purpose of asking the distinguished majority leader to outline the program for the balance of this week, if there is any, and for next week.

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield. The House has completed its action on those bills which were scheduled for this week.

Mr. MICHEL. Will there be a session tomorrow?

Mr. WRIGHT. There will be no session tomorrow.

The program for next week is as follows:

On Monday, the House will meet at noon. There are no bills ready for the Suspension Calendar and none on the District Calendar.

The House will consider H.R. 1746, to halt the importation of Rhodesian chrome. That bill comes to the House under an open rule, with 1 hour of general debate.

On Tuesday, the House again will meet at noon. There are no bills presently planned on the Suspension Calendar and there are no bills on the Private Calendar.

As a regular order of business the House will consider the Economic Stimulus Appropriations Act for 1977, subject to a rule being granted.

On Wednesday, the House will meet at 3 p.m. Another appropriations bill will be considered, fiscal year 1977 supplemental appropriations bill, again subject to a rule being granted.

On Thursday, the House will meet at 11 o'clock a.m., and we will consider H.R. 4088, the NASA authorization, subject to a rule being granted.

The House will adjourn by 3:30 p.m., on Friday, by 5:30 p.m. on all other days except Wednesday, as is the rule until May 15.

Of course, conference reports may be brought up at any time, and any further program will be announced later.

Mr. MICHEL. Is it likely there may be a session next Friday, notwithstanding the gentleman's remark?

Mr. WRIGHT. If the gentleman will yield further, it seems unlikely that there will be a session on Friday next.

Mr. MICHEL. And then if I might make one further inquiry, did I understand, in the exchange of the chairman of the Committee on Appropriations, Mr. MAHON, and the gentleman from Wisconsin, Mr. OBEY, that under no circumstances would those two appropriation bills, the Economic Stimulus Appropriations Act for 1977 and the fiscal year 1977 supplemental appropriations bill, be brought up on the same day, but, rather, as the gentleman indicated, one will be on Tuesday and one will be on Wednesday?

Mr. WRIGHT. If the gentleman will yield further, the understanding of the gentleman is correct, and the same as the majority leader understands it. It is the plan to bring up the Economic Stimulus Appropriations Act on Tuesday and the fiscal year 1977 supplemental appropriations bill on Wednesday.

It is remotely conceivable that there may be cause to change Thursday with Wednesday, and if there is a technical reason why we could not bring up that appropriations bill on Wednesday, we will move the NASA authorization to Wednesday and the appropriations bill to Thursday. But it is not contemplated that the two appropriations bills will be on the floor on the same day.

Mr. MICHEL. I thank the gentleman.

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 3843 passed earlier today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, MARCH 14, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT AS MEMBER OF SELECT COMMITTEE ON ASSASSINATIONS

The SPEAKER. Pursuant to the provisions of House Resolution 222, 95th Congress, the Chair appoints the gentleman from Pennsylvania (Mr. EDGAR) as a member of the Select Committee on Assassinations, to fill the existing vacancy thereon.

REPORT SETTING FORTH DETERMINATION ON IMPORT RELIEF FOR U.S. CANNED MUSHROOM INDUSTRY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–96)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

In accordance with Section 203(b)(2) of the Trade Act of 1974, enclosed is a report to the Congress setting forth my determination that import relief for the U.S. canned mushroom industry is not in the national economic interest, and explaining the reasons for my decision.

JIMMY CARTER.

THE WHITE HOUSE, *March 10, 1977.*

CONGRESSIONAL RURAL CAUCUS BUDGET PROPOSALS FOR FISCAL YEAR 1978

The SPEAKER. Under a previous order of the House, the gentleman from Kentucky (Mr. BRECKINRIDGE) is recognized for 60 minutes.

GENERAL LEAVE

Mr. BRECKINRIDGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the subject of my special order today.

The SPEAKER. Is there obpection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BRECKINRIDGE. Mr. Speaker, I wish to state to the Members that my colleagues, the gent'eman from Tennessee, ED JONES; the gentleman from Louisiana, GILLIS LONG; the gentleman from Maryland, PARREN MITCHELL; the gentleman from Minnesota, RICK NOLAN; the gentleman from North Carolina, JAMES BROYHILL; the gentleman from New York, JIM HANLEY; the gentleman from South Dakota, LARRY PRESSLER; the gentleman from Massachusetts, MIKE HARRINGTON, and I have taken this special order for the purpose of discussing the Congressional Rural Caucus' proposal amounting to $16.4 billion for the creation of jobs in an antiinflation manner in the private sector of our economy.

The Congressional Rural Caucus, the Subcommittee on Conservation and Credit of the Committee on Agriculture, the Subcommittee on Family Farms, Rural Development, and Special Studies of the Committee on Agriculture, and the Subcommittee on Antitrust, Consumers, and Employment of the Committee on Small Business, which subcommittee I am privileged to chair, held extensive hearings on the matter on the third and fourth day of March.

We had before us witnesses from every strata of the economy, including city and county officials, members of State legislatures, persons representing our minorities, and representatives of financial institutions and business and industry.

Mr. Speaker, it is imperative that we take action at this time to stimulate and revitalize our economy and that we do it in the private sector.

Our proposal envisions the creation of some 3 million jobs in the private sector at no cost to the taxpayer.

Experience shows over the years that

the Small Business Administration, in making its loans, has had a loss ratio in the neighborhood of 5 to 6 percent on the moneys which it has advanced.

Mr. Speaker, with reference to the Rural Electrification Administration operated under the Farmers Home Loan Administration, which has electrified rural America, we find that no losses have been experienced, but only a delay in the payment of one obligation in the amount of $44,000.

With reference to community facility loans under the Farmers Home Loan Administration, the record shows that their risk loss ratio has been in the amount of 0.005.

Mr. Speaker, we have had a report from the Small Business Administration covering its activities for the year 1976. During that period of time the Small Business Administration advanced $2 billion in loans, thereby creating 288,000 jobs in the private sector. The cost to you and to me as taxpayers was not $2 billion. It was, in toto, $300 million, arrived at as follows: The SBA has a staff of 4,200 employees. They cost you and me, as taxpayers, $200 million a year.

The loss risk ratio of 5 percent on $2 billion is $100 million. That was not repaid.

These loans generated taxes at the Federal, at the State, and at the local level in the amount of $2.3 billion. The result, very simply, is that an investment of $300 million brought about a net return to the taxpayers at the Federal, at the State, and at the local level of $200 billion.

The proposal was presented for the consideration of the White House at a meeting which I held with the President some 2 weeks ago. As a result of that meeting, I visited with the Honorable Burt Lance, the Director of the Office of Management and Budget, and we have concluded that the most direct and immediate way to address this proposal—to the executive and the legislative branches—is the procedure which we are presently following, that is, by the calling of a White House Conference on the Congressional Rural Caucus proposal.

Early next week I expect to meet with Mr. Bo Cutter of Mr. Lance's staff and initiate the process by which that White House conference will take place.

Mr. Speaker, I wish to assure my colleagues, the Members of the House, that as in the joint hearings which I have outlined, every segment of American society will be represented at that conference. It is our simple intention to ascertain the problems and the obstacles that confront us in effecting a flow of private funds to the private sector for the purpose of creating private tax-producing jobs.

I should like to make mention, Mr. Speaker, the process by which we have arrived at this stage of our deliberations. The Congressional Rural Caucus consists of some 100 Members of this House. It is a bipartisan organization. I am privileged to serve as its chairman and to have serving with me as vice chairman the distinguished gentleman from North Carolina (Mr. BROYHILL) and the distinguished gentleman from Tennessee (Mr. JONES). We have over the period of the past several months not only developed this proposal by coordinated subcommittee hearings, but we have perhaps even more importantly brought into being what we refer to as the Congressional Rural Caucus Advisory Team. That team consists of more than 50 national organizations representing virtually tens of millions of Americans in every facet of our economy. Our process was simple. Our proposals were put in draft form. They were submitted to every member of the caucus, to every standing committee chairman on the House and Senate side with jurisdictional authority and responsibility, to every national organization constituting our advisory team with but a single simple request: "Please give us the benefit of your comments and your criticisms, and they will be taken into consideration in the caucus's deliberation."

The proposal which I present to you today is the end result of that process, subject only to one more round of critique.

Mr. Speaker, I have just been given a note that the Committee on Agriculture, of which I am a member, has just begun consideration of the rural development portion of their budget deliberations, and I must, therefore, conclude my remarks for the purpose of making this presentation to that committee.

I will enclose as part of my remarks the first portion of "Congressional Rural Caucus Budget Proposals for Fiscal Year 1978."

Other portions of this report will be presented by other participants in this special order.

The material follows:

CONGRESSIONAL RURAL CAUCUS BUDGET PROPOSALS FOR FISCAL YEAR 1978

CONTENTS

Part I. Summary of CRC budget proposals, listed by programs.

Part II. Special report on joint public hearings, March 3 and 4, 1977.

A. List of Members of Congress who were present.

B. List of Federal participants.

C. List of State, county, and local resource participants.

D. List of private sector resource participants.

Part III. Summary of comments from participants and supporters (listed/subject).

A. Introductory comments.

B. CRC budget proposals—endorsement statements.

C. CRC budget proposals—overall.

D. Farmer programs.

E. Housing programs.

F. Community facilities programs.

G. Business and industrial programs.

H. FmHA—salaries and expenses.

I. USDA dialogue.

J. Loan authorization levels and ceilings.

K. Financial resources.

L. Bureaucracy, paperwork, "red tape", and processing.

M. Financial training programs—private and public sector.

N. SBA programs.

O. Job creation potential.

*P. Community facilities training programs.

*Q. Noted disagreements (basically related to guaranteed concepts/low incomes).

*R. FmHA and SBA coordination and communication.

Note: This entire report was prepared quickly and without benefit of extensive staff assistance. The final report will be comprehensive. Comments received from all sources are excellent and worthy of special detailed report from the CRC and the House Committee on Agriculture. Time did not permit proofreading and additional sections P, Q, and R, which will be included later.)

PART I—SUMMARY OF CONGRESSIONAL RURAL CAUCUS BUDGET PROPOSALS FOR SELECTED RURAL LOAN, GRANT, AND SPECIAL PROGRAMS FOR FISCAL YEAR 1978

Total of proposed loan authorization levels for selected programs, $15,881,000,000.

Total of proposed grant appropriations for full funding of the Rural Development Act of 1972, P.L. 92-419, as amended (itemized) $557,000,000.

Total loan and grant programs related to farmer, housing, community facilities, and business and industrial funding $16,438,000,000.

A. Farmer programs—loan authorization levels (in millions).

1. Emergency Loans (321) (Can be increased as necessary), $200—Estimate $1 billion FY 77, due to adverse weather.

2. Farm Ownership Loans (303), includes young farmers loans, $1,000.

3. Operating Loans (311), includes young farmers loans, $1,000.

4. Soil and Water Loans (304), $60.

5. Grazing Loans (306), $10.

6. SCS Loans (P.L. 88-566, Sec. 8) (P.L. 87-703, Sec. 102), $30.

7. Indian Tribal Land Acquisition Loans (306), $11.

8. Recreation Loans (304), $5.

9. Total farmer programs—Loan authorization levels, $2,316.

B. Housing programs—Loan authorization levels—Housing Act of 1949+.

1. Low Income Housing Loans (502), $3,000.

2. Moderate Income Housing Loans (502), $2,000.

3. Above Moderate Income Housing Loans (502) (Guaranteed), $500.

4. Rental Housing Loans (515), $1,000.

5. Farm Labor Housing Loans (514), $25.

6. Housing Repair Loans and Others (504), $20.

7. Mutual & Self-Help Housing Site Loans and Technical Assistance (523), $10.

8. Site Loans (524), $5.

9. Mobile Park Loans (527), $2.

10. Predevelopment Loans (525b), $3.

11. Total housing programs—Loan authorization levels, $6,565.

C. Community facilities programs—Loan authorization levels.

1. Water and Waste Disposal Loans (306), $3,000.

2. Community Facility Loans (306), $1,000.

3. Total community facilities programs—Loan authorization levels, $4,000.

D. Business and industrial programs—loan authorization levels (in millions).

1. Total business and industrial programs, loan authorization levels (3108), $3,000.

E. Total of proposed loan authorization levels for selected programs, $15,881.

F. Housing program grants—Housing Act of 1949+.

1. Farm Labor Housing Grants (516), $25.

2. Housing Repair Grants (504), $20.

3. Mutual & Self-Help Housing Site Grants, and Technical Assistance (523), $10.

4. Housing Research Grants (506), $10.

5. Rent Supplement (521), $15.

6. Technical Assistance Grants (525), $5.

7. Total housing program grants, $85.

G. Community facilities program grants.

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*Sections P, Q, and R will be included in the caucus' final report—time did not permit their analysis and collation.

1. Water and Waste Disposal Planning Grants (306), $30.
2. Water & Waste Disposal Development Grants (306), $300.
3. Rural Community Fire Protection Grants (Title IV–RDA), $7.
4. Rural Development Planning Grants (306), $10.
5. Pollution Abatement Project Grants (310b), $50.
6. Total community facilities program grants, $397.

H. Business and industrial program grants.
1. Rural Development Grants (310b), $50.
2. Small Enterprise Pollution Abatement Grants (312), $25.
3. Total business and industrial program grants, $75.

I. Total of proposed grant appropriations for full funding of the Rural Development Act of 1972, PL 92–419, as amended, $557.

J. Total loan and grant programs related to farmer, housing, community facilities, and business and industrial funding, $16,438.

On page 6 of the CRC detailed report, $225 million is proposed for a total of approximately 9,000 permanent positions for Farmers Home Administration and to properly and more effectively advise and counsel farm and non-farm residents as needs require, especially now that adverse weather conditions (drought, freezing, and flooding) have affected rural residents and the nation.

On page 7 of the CRC detailed report, $20 million is proposed for Title V, Rural Development and Small Farm Research and Education: ($2.5 for Extension Programs) ($2.5 for Research Programs) ($15 for Small Farm Extension, Research, and Development Programs). (In millions.)

On Page 7 of the CRC detailed report, $1.5 million is proposed for the Rural Development Service.

On Page 8 of the CRC detailed report, $1 billion is proposed for the Emergency Livestock Credit Act of 1974, as extended by P.L. 94–517 to September 1978. Adverse weather conditions could change the needs and requirements. (Guaranteed Loans.)

Part II.—Special report on joint public hearings, 3 and 4, March 1977, 9 a.m. and 2 p.m., 1302 Longworth House Office Building, before the Subcommittees on Conservation and Credit (Agriculture): Family Farms, Rural Development, and Special Studies (Agriculture): Anti-Trust Consumers, and Employment (Small Business): and the Congressional Rural Caucus.

A. List of Members of Congress who were present

1. Ed Jones (Tenn.)
2. John B. Breckinridge (Ky.)
3. Richard Nolan (Minn.)
4. James T. Broyhill (N.C.)
5. Larry S. Pressler (S.D.)
6. Butler Derrick (S.C.)
7. Bill Alexander (Ark.)
8. Tom Harkin (Ia.)
9. Berkley Bedell (Ia.)
10. Leon E. Panetta (Calif.)
11. Charles E. Grassley (Ia.)
12. Alvin Baldus (Wisc.)
13. W. R. Poage (Tex.)
14. Charlie Rose (N.C.)
15. Wes Watkins (Okla.)
16. William Wampler (Va.)
17. Edward R. Madigan (Ill.)
18. Gillis Long (La.)
19. Gunn McKay (Utah)
20. Dan Glickman (Kans.)
21. Keith Sebelius (Kans.)
22. James Weaver (Ore.)

B. List of Federal resource participants

1. Frank G. Tsutras, Director of the Congressional Rural Caucus.
2. U.S. Department of Agriculture—representing Secretary Bob Bergland.

Alex Mercure, Special Assistant to the Secretary (To be next Assistant Secretary of Agriculture for Rural Development—awaiting nomination, etc.)

Marty Halloran, Acting Deputy Administrator, Financial and Administrative Operations.

Denton B. "Jack" Sprague, Farmer Programs, Farmers Home Administration.

Dwight Calhoun, Community Facilities Programs, Farmers Home Administration.

L. D. Elwell, Housing Programs, Farmers Home Administration.

John Swinnea, Business and Industrial Programs, Farmers Home Administration.

3. Miles MacIntyre, Chris Myers, and John Chwat, Staff Assistants to House Committee on Small Business and Congresman John B. Breckinridge.
4. Jim Swiderski, Robert Cashdollar, and Steven Adams, Staff Consultants, House Committee on Agriculture.
5. John E. Hagen, Associate Counsel, House Committee on Agriculture.
6. Fowler West, Staff Director, House Committee on Agriculture.

C. List of State, County, and local resource participants

1. Bill Bivens, National Rural Water Association, and CRC Advisory Team. Chairman of CRCAT Committee on Environment, Public Works and Related Facilities, Water and Waste Disposal.
2. Elliott A. Alman, National Association of Counties, and CRC Advisory Team, Co-Chairman of CRCAT Committee on Financial Resources and Rural Development, together with Robert McNichols, County Administrator, Pulaski County Board of Supervisors, Pulaski, Virginia. (Member of NACO National Committee on Rural Development). Representing and speaking in behalf of over 1500 counties in 46 states, representing approximately 70% of the Nation's population.
3. Fred Zook, City Commissioner, Ottawa, Kansas, member of the Small Cities Advisory Council and Board of Directors for the National League of Cities, together with Tara Hamilton, National League of Cities, and CRC Advisory Team. Accompanied by Bob Mills, City Manager of Ottawa, and Jack Floyd, NLC National Director of Membership Services. Representing and speaking in behalf of the elected leadership of approximately 15,000 municipalities.
4. Barton D. Russell, National Association of Townships, and CRC Advisory Team. Representing and speaking in behalf of a federation of state associations and elected officials representing over 13,000 units of local governments.
5. Honorable John Cardin, Speaker of the Kansas State House of Representatives, Smolan, Kansas, together with Joan Warren from Denver, Colorado, both representing the National Conference of State Legislatures, and CRC Advisory Team. Representing and speaking in behalf of the public interest group comprised of the Nation's 7600 State Legislators and their staff.

D. List of private sector resource participants

1. Charles Maddox, President of the Independent Bankers Association of America, and President of the People's Bank, Winder, Georgia.
2. Embree Easterly, President of the Capital Bank and Trust Company, Baton Rouge, Louisiana, and
3. Glenn A. Swanson, Executive Director, Independent Bankers Association of America, and CRC Advisory Team. Chairman of CRCAT Committee on Financial Resources and Rural Development.
4. Ruth Kobell, National Farmers Union and Green Thumb, Inc., and CRC Advisory Team.
5. Eugene Van Meter, President of Van Meter Construction Company, Lexington, Kentucky, a municipal utility contractor, representing and speaking in behalf of the Associated General Contractors of America, over 8,500 construction firms perform about 60% of annual contract construction volume in U.S., accompanied by Meg Garas, AGC of A and CRC Advisory Team.
6. William Graham, National Vice President, American Consulting Engineers Council (Home: Little Rock, Arkansas) and Matthew "Matt" Cary, Washington Representative, ACEC, representing and speaking in behalf of over 3,000 independent engineering firms.
7. Bruce Cleveland, Bankers Finance Corporation, and CRC Advisory Team.
8. Gloria J. Cousar, Joint Center for Political Studies, and CRC Advisory Team.
9. John M. "Jack" Cornman, National Rural Center, and CRC Advisory Team. Chairman of CRCAT Committee on Health.
10. Paul S. Weller, National Council of Farmer Cooperatives, and CRC Advisory Team. Chairman of CRCAT Committee on Agriculture, Energy, and National Resources.
11. Dr. Ira Kaye, Communications and Transportation Consultant, and CRC Advisory Team. Chairman of CRCAT Committee on Communications and Transportation.
12. Rick Eisen, Housing Assistance Council, and CRC Advisory Team.
13. Cushing Dolbeare, National Rural Housing Coalition, and CRC Advisory Team.
14. Tom Jones, National Association of Farmworkers Organizations, and CRC Advisory Team.
15. Clay L. Cochran, Rural America, Inc., and CRC Advisory Team. Co-Chairman of CRCAT Committee on Housing and Rural Disadvantaged.

Mr. LOTT. Mr. Speaker, I support the efforts of the Congressional Rural Caucus to introduce extensions of the present loan programs operated by the Farmers Home Administration and the Small Business Administration. In my view they provide a vital supplement—and, to some extent, an alternative—to the President's economic stimulus package, which is soon to be discussed in the House.

My own State, Mississippi, has been hard hit by the recession which still plagues the whole country. Our unemployment rate last December was 5.8 percent, which is a great burden in a rural State with below-average incomes. For the country as a whole, unemployment in agriculture reached 17.3 percent at the beginning of this year.

While the President's economic stimulus package could create a number of jobs in the short term, there are two major objections I would make to it. In the first place, the package is inflationary, since most of the money used to create these jobs will come directly out of increased Federal borrowing. That in turn means that the package will create more long-term unemployment than it cures, because inflation actually causes unemployment. In the second case, the package could do a great deal for construction workers but very little for agricultural and other rural workers. Farmers and fruitpickers are not trained for building bridges, highways, and waterworks. So what is the President's economic package going to do for them? We certainly do not wish to encourage Americans to turn away from agrarian pursuits.

I think that the loan extension proposal is an answer to these two difficulties which I have with the President's stimulus package. The Congressional

Rural Caucus proposal is not inflationary because it is a loan scheme, and nearly all of the outlays will be recovered. Every $5 invested by the taxpayer in this plan will create $100 worth of economic stimulus. That means that, in the short term, jobs are created economically, and, in the long term, there is no inflation to eat away those very jobs. It also means that we can put the stimulus money where it is most urgently needed—in the rural as well as urban areas. The caucus' suggested extension of the present loan programs is not a sudden innovation, untried and untested, but a careful expansion of existing programs which have already demonstrated their worth and effectiveness.

Mr. Speaker, I urge my colleagues to support the congressional rural caucus' anti-inflation jobs creation proposal.

Mr. JENRETTE. Mr. Speaker, I rise today in support of the labors of the Congressional Rural Caucus, CRC, budget task force committee in drafting the fiscal year 1978 budget proposals for selected rural programs. The recommendations of the task force provide an important new thrust in meeting the joint needs of job creation and rural development, and in a manner which deserves the close attention of the entire House body. While the proposal includes approximately $0.5 billion for FmHA grants, and $15.9 billion for rural loan programs, it is a package which will have nationwide impact.

Agriculture is the Nation's single largest employer, and I can think of no better way to bolster the economy in general than to assist the farm sector in the self-help fashion obviated by the CRC budget proposal. I would like to emphasize that this is a self-help package, for although the increased loan authorization for FmHA and SBA will require no direct budget outlays, we will in all probability see an increase of over 2 million jobs in the private sector as a result of this credit expansion. Jobs, I repeat, which will be 95 percent privately funded, and which will require only a fractional demand on our overextended tax dollars.

As matters now stand, the FmHA admits that they only have enough resources to meet the needs of one out of almost three loan applications. Most of my experience seems to be in working with the other two applicants who did not get approved. One example I could cite is an individual who has been trying valiantly for several years to obtain an FmHA or SBA loan in order to expand a small manufacturing operation. Though the project is deemed viable by local and outside businessmen, no funds are available in FmHA or SBA loan programs. The saddest part of this story is that, should the individual get his loan, the business expansion would increase employment by 600 percent in an underdeveloped, rural area.

The tight loan situation does not surprise me. Years of Republican administration have put rural programs on the back burner. The obvious attitude was that rural development was not important to the economy in general. Farmers and small businessmen, it was believed, do not "add up" as well as the corporate giants do when computing the gross national product.

While loans and assistance grants went wanting in our rural communities, I suppose the people down in the appropriate USDA offices were able to take a holiday. It is time to put them back to work. By fully utilizing FmHA and SBA programs which are already in existence, and by expanding credit availability, we can also get the Nation back to work.

In conclusion, I would again like to commend the task force for their efforts on this well-directed budget proposal. As a member of the Congressional Rural Caucus, I am proud to recommend the proposal to both the Congress and the new administration.

Mr. HAMMERSCHMIDT. Mr. Speaker, I strongly support the recommendations of the Congressional Rural Caucus for a $16.4 billion anti-inflation job creation program, funding of the Rural Development Act of 1972 and expansion of FmHA and SBA loan programs.

The CRC proposes that loan and grant authorizations be increased under the highly successful, tried and tested programs of the Small Business Administration and the Farmers Home Administration. These proposals take into account the need for selected rural loan, grant and special programs for fiscal year 1978. I say selected because they will enable us to use the mechanisms that already exist to zero in on the most economically hard-pressed areas and intensify help where it is most needed.

I am confident that implementation of these recommendations will spur the economy, not only in rural areas but throughout the country. The taxpayers will be the beneficiaries through the stimulus that will be provided by more jobs and increased revenues through wages.

The major portion of the $16.4 billion budget, recommended by the CRC, will be channeled into increased loan authorizations which have a proven payback record. Generally speaking, these FmHA and SBA programs are familiar to us all as being effective and successful and I am all for expanding them in this way. They provide us with workable tools with which to deal with the economy and the problem of unemployment.

For example, under this program the SBA could increase by tenfold the number of jobs without having to put any additional employees on the payroll. This could mean up to 3 million new jobs in the private sector.

Mr. Speaker, the recommendations of the Congressional Rural Caucus represent, to me, the kinds of workable and practical answers to our economic problems that we should be actively seeking. I urge my colleagues to give their full support to these proposals for rural and economic development.

Mr. PRESSLER. Mr. Speaker, at the expiration of my time before this body I will hope to have addressed three topics: First of all, the severity of economic conditions in my State which lead me to address this proposal; second, the Congressional Rural Caucus budget proposal itself; and, finally, the intrinsic advantages of this measure.

We in South Dakota are experiencing a drought which the Department of Agriculture's Statistical Reporting Service has deemed to be the worst in the State's history. The drought has had a staggering effect on the State's economy. In 1976 alone South Dakota lost over $1.5 billion in agricultural income. This figure does not include the income eventually lost which would have been generated if these moneys had been respent throughout the State's economy. The far-reaching consequences for the State can be visualized by reflecting upon a statement by the University of South Dakota's business research bureau. As one ramification of their static economic model they state that, and I quote:

> A drought causes immediate economic uncertainty due to initial crop losses, the permanence and magnitude of that impact increases with the decreases in foundation herds and the resulting increases in outmigration due to longer term unemployment.

In other words, drought has a continually accelerating negative effect on South Dakota. Our initial loss of crops leads to herd losses and, finally, to losses in our work force because people leave when their jobs, which are supported by those herds, are lost.

I would direct your thoughts to the Congressional Rural Caucus budget proposal with this scenario in mind. The Rural Development Act of 1972 directs the Secretary of Agriculture to establish goals for employment, income, population, housing, and quality of community services and facilities in rural areas. It is time for us to design machinery which will work toward those goals. This measure is clearly part of that machinery. It includes $557 million in grants which emphasize rural community development and rural housing. The really crucial component of this program, however, is the provision authorizing $15.9 billion in loans for rural communities. These are not new programs in the sense that they are administered through the existing Farmers Home Administration and Small Business Administration managerial structures. I am sure that the Members of this body are aware of the characteristics of this proposal's monetary allocation formula and I will, therefore, decline this opportunity to outline the minuscule details of this measure.

I will, instead, spend my remaining time echoing the obvious benefits of this concept. First, and foremost, this proposal addresses the need for an economic infusion into areas depressed by the drought. Clearly, the number of jobs available in rural areas would significantly increase as loans became available for enterprises which hire rural Americans. There are, in addition, two other desirable characteristics of this measure.

First, it will provide jobs through the private sector. This is clearly superior to a public jobs program which would threaten to introduce an economic imbalance into our free enterprise system. Such an imbalance would be repulsive to our philosophy of freedom as well as poor economics. The second obvious advantage of this proposal is the comparative minuteness of the drain which it puts on the Federal Treasury. Its strong

emphasis on loans as opposed to grants reflects a large measure of fiscal responsibility on the part of the Rural Caucus.

In summary, this proposal addresses a serious problem in rural America. As a nation, we cannot afford to ignore the plight of the agricultural segment of our population in its time of critical need.

Mr. SIKES. Mr. Speaker, I fully support the budget proposals submitted by the Congressional Rural Caucus for selected rural loan, grant, and special programs for fiscal year 1978 totaling $16.4 billion. These proposals call for the maximum utilization of already existing and proven loan and grant programs under the Farmers Home Administration and the Small Business Administration. I commend our distinguished colleague Mr. BRECKINRIDGE and others who are leading in this important effort.

Our recommendations include recommendations for selected Farmers Home Administration program funding levels of $557 million for grant appropriations and $15.9 billion for loan level authorizations by the appropriations committees.

The proposed $557 million grant appropriations include $85 million for rural housing programs, $397 million for community programs, and $75 million for business and industrial programs, all of which are appropriated items. The proposed $15.9 billion loan authorization levels include $2.3 billion for farmer programs, $6.6 billion for rural housing programs, $4.0 billion for rural community programs, and $3.0 billion for rural business and industrial programs.

The CRC proposals supplement existing authorities available to the Secretary of Agriculture under title VI of the Rural Development Act to bring together the full resources of the executive branch to stimulate the economy by planning for and providing thousands of jobs in the construction of needed community water and waste disposal facilities; new farm and nonfarm enterprises; renovation and new construction of housing; and the advice, counsel, and financial assistance to keep existing farm and nonfarm businesses from bankruptcy.

This program will significantly alleviate the urban underemployment and unemployment problems by creating jobs in rural areas and decreasing rural migration to the cities in search of employment. The potential for job creation and jobs saved could total hundreds of thousands, resulting from a major capital injection in the form of Federal guaranteed and insured loans and a small Federal grant resource plus substantially encouraging availability of private capital.

A major advantage in expanding the FmHA and SBA programs is the fact that they are already very successful ongoing programs. They need more money and more people to perform their mission in the most effective way possible. By using existing FmHA and SBA offices, the towns, cities, counties, and regions of high unemployment could be targeted for an equitable share of increased employment activity. All of this represents one of the major needs of the time.

Mr. BLOUIN. Mr. Speaker, I am honored today to join my distinguished colleagues, including the chairman and members of the executive committee of the Congressional Rural Caucus, to express my support for the committee's proposed rural development budget for fiscal 1978.

The committee has recommended a $16.4 billion budget for selected rural loan, grant and special programs which address the very special and very critical problems of rural areas in this country today. The committee has not proposed any extravagant or expensive new programs; it has merely asked that we adequately fund existing loan and grant programs administered by the Farmers Home Administration and the Small Business Administration.

As incredible as it seems, 4 years have passed since Congress enacted the Rural Development Act of 1972. We are still waiting for the full and thorough implementation of that legislation.

Over the years, our efforts to address the problems of rural areas have been repeatedly sabotaged by two successive Republican administrations whose attitude toward rural America can be kindly described as apathetic.

Evaluating the Secretary of Agriculture's 1975 Rural Development Report to Congress, experts at Congressional Research Service concluded that the weaknesses of the report—

> Evidently result to some degree from a basic philosophical disagreement on the part of the Administration and the Secretary with the thrust of the law passed by the Congress in 1972.

The CRS report went on:

> It seems clear that the Administration and the Secretary of Agriculture do not believe in strong Federal leadership in connection with rural development.

With that in mind, it comes as no surprise to find that the past two administrations have consistently underfunded or totally ignored rural development loan and grant programs.

Even a cursory examination of the last three budgets proposed by the Ford administration provides ample evidence of its attitude:

For rural housing for domestic farm labor, the fiscal 1976 budget proposal explained, "No program is planned for fiscal 1976 since the administration believes the Government's proper role can best be served by other programs." The fiscal 1977 proposal was virtually identical: "No program is planned for fiscal 1977 since the administration believes the Government's proper role can best be served by other programs." And the latest proposal is not much different: "No program is planned for fiscal 1978 since other assistance * * * is available to serve this purpose."

For rural development grants, the fiscal 1977 proposal explained: "Since other program assistance is available for these purposes, no program is planned for fiscal 1977." The fiscal 1978 proposal explained: "No program is planned for fiscal year 1978 since other program assistance is available for these purposes."

For rural community fire protection grants, the budget proposals stated: "No program is planned for fiscal year 1976;" "no program is planned for fiscal year 1977 since other program assistance is available for such purposes;" "no program is planned for fiscal year 1978 since other program assistance is available for such purposes."

These three are only typical examples; the story is the same for rural water and waste disposal grants, mutual self-help housing, low-income housing repair grants, self-help housing and development funds. In program after program, the alibi is always the same: No program is planned * * * other assistance is available.

In point of fact, Mr. Speaker, other assistance is not available. And the White House budget planners would have realized that fact if they had taken the time to talk to local mayors, to town council members, to county supervisors who have to deal with the day-to-day and year-to-year problems of rural communities. Local officials are only too painfully aware of the frustrating absence of appropriate Federal programs.

I can only hope, Mr. Speaker, that this attitude of neglect and misunderstanding will change under the new administration; there have already been encouraging signs that the new administration does recognize the problems of rural America and is determined to address those problems in a meaningful and effective way.

The Rural Caucus executive committee's budget recommendations are a good place to start. I want to thank my distinguished colleague from Kentucky, Mr. BRECKINRIDGE, and the other members of the committee for sharing their expertise and concern with the rest of us, and for providing this time to discuss the critical needs of rural areas. I am hopeful that the administration and this Congress will respond more enthusiastically and more positively than we have in the past to the committee's recommendations.

Mr. McKAY. Mr. Speaker, I am pleased to lend my support to the Congressional Rural Caucus Executive Committee's budget proposals for selected rural loan, grant, and special programs for fiscal year 1978.

These proposals include recommendations for selected Farmers Home Administration program funding levels of $557 million for grant appropriations and $15.9 billion for loan level authorizations by the appropriations committees, totalling $16.4 billion.

As a member of the CRC Executive Committee, I support these recommendations.

The problems facing the agricultural and rural areas of this country are very real and constantly increasing, while its spokesmen are becoming fewer.

Rural development and emergency programs for the rural community have been of great benefit, especially in my State of Utah.

Utah is a rural State with 80 percent of its population situated along a 50-mile radius known as the Wasatch front. Additionally, per capita income in Utah ranks at 48.

Without the loan and grant programs of the Farmers Home Administration,

many communities in Utah would go without significant development simply because the capital necessary to make improvements is not in our rural communities.

Under the EPA standards and the requirements for water and sewage disposal, they are under tremendous hardship.

On the one hand, they have no capital and, on the other hand, we demand of them to shut down everything they have got, as little as it may be. We just cannot play both sides of that game.

We have to open a door. They are willing to bond themselves as much as possible. The bonding limitations of some of our rural areas where the age is growing older is a problem. On the other hand, a lot of the young people trying to get into farming are unable to do so because the capital investment is so far beyond them and the banking community cannot see the way clear. Somewhere we have to provide an opening for them to participate.

Utah is presently experiencing the most severe droughts of its recorded history, and we have had some bad ones.

I might say here that if it had not been for some of the loan programs in public works, for water and soil conservation programs, et cetera, we would very likely not survive this year; but because of foresight in the past, many areas which are now covered by such projects as the Weaver Basin project, which is a series of reservoirs, will have water to sustain a crop of some level and water for communities which would not otherwise exist.

The Farmers Home Administration emergency loan programs and emergency livestock loan programs helped Utah's farmers and ranchers through very difficult times last year by loaning them $1,220,070.

Increased funding is certainly needed in these programs in light of the severe weather conditions nationwide.

Officials from the Soil Conservation met with me 2 weeks ago and indicated that the snowpack was the lowest in recorded history by at least 2 to 3 percent. In some areas, except where there is sufficient storage in some reservoirs, it will mean the farmers will have to strip the fruit from the trees in order to save the trees. That means no crop.

In the dryland wheat area, the crop is probably already dead because the heat came early, the wheat sprouted, and there was not sufficient moisture to maintain it.

So we have some severe problems which defy answers.

Help is badly needed. Farmers would be willing to take funding, to go further into debt, until the day when they can recoup these investments. Until and unless they can get it, they will be in trouble.

The Farmers Home Administration farmers $4,246,390 in 1976 in my State of farm ownership loan program loaned Utah.

I support the CRC proposal to increase the unpaid indebtedness against a farm or other security at the time the loan is made to $450,000. The present limit of $225,000 is simply not realistic. I support increasing the loan amount from $100,000 at present to $200,000. It is critical to independent farmers and potential farmers, especially in view of the high market value for farmland and the high cost of farming generally.

The machine costs have just soared.

My own personal experiences have taught me first hand about the uncertainty of the market. In the last year before I came to Congress I had about 40 head of feeder cattle. I bought them when they were 300 or 400 pounders. I put 200 pounds on them. I bought them for 35 cents to 38 cents and sold them for 28 cents to 29 cents.

Six to 8 years later my neighbor had several head of similar-type cattle. He was selling them at the same price, but the price of his gas and oil and management operations had increased over 100 percent.

There is no way you can sell your product at the same price 8 or 10 years later and have the cost of production increase and stay alive.

Unless there is some adjustment and assistance in the interim until those things can be resolved, it is going to be extremely difficult.

Rural housing is a major concern to me. Last year in Utah, 502 projects which are low to moderate income families received $50,791,300 for individual housing loans. Certainly these loans are well spent.

When more and more people are unable to get into their own home and to take care of it and to take pride in it, then something must be done.

The Farmers Home Administration grant programs allowed rural communities in Utah to undertake water and sewer projects, soil and water projects, and other community and business and general development which they normally could not have afforded to do without these grants.

It is important that rural America not be neglected.

I support the establishment of an Office of Rural Affairs at the White House level which answers to the President to act as a clearinghouse for Federal agencies administering programs affecting rural development and to assist the Secretary of Agriculture in formulating a national program for rural development.

The proposed $15.9 billion loan authorization level includes $2.3 billion for farmer programs; $6.6 billion for rural housing programs; and $4 billion for rural community facilities, water, and waste disposal programs; and $3 billion for rural business and industrial programs.

All of these programs benefit Utah and the Nation.

These levels of authorizations do not directly add to the Federal budget outlays inasmuch as, with the exception of interest subsidies and losses, insured loans do not add directly to budget outlays.

I might add here that the record is phenomenal in the farm community—above any other for nondefault.

I know first hand of the great benefit these programs have had in assisting the rural areas in developments that were of great aid to provide the economic base for survival in these little communities.

I strongly encourage the adoption of the CRS budget proposals.

Mr. WEAVER. Mr. Speaker, I would like to join my colleagues of the Congressional Rural Caucus to urge favorable consideration of the CRC budget proposal for a $16.4 billion rural development and antiinflation job-creation program through funding the Rural Development Act of 1972 and the expansion of the FmHA and the SBA loan programs. The proposal calls for $15.9 billion in loan level authorizations and for $557 million in grant appropriations for farmer programs, housing programs, community development programs, and small business and industrial programs. It provides for the maximum utilization of existing and proven loan and grant programs under the Farmers Home Administration and the Small Business Administration. The FmHA and the SBA are two of the most economical and efficient vehicles to stimulate the economy and to provide jobs while developing a solid economic base in our rural communities. Since the bulk of this program would be a loan program, nearly all Federal revenues will be recovered.

This budget has the potential to create between 2 and 3 million jobs in the private sector—jobs that create rather than consume revenues. By adopting this budget, we can put people back to work, nurture local initiative, and meet the vital food and shelter needs of our people in a fiscally responsible manner without creating another huge bureaucracy. I heartily endorse and applaud the initiative of the Congressional Rural Caucus.

Mr. CARTER. Mr. Speaker, I would like today to join the other members of the Congressional Rural Caucus in calling for the support of the caucus' $16.4 billion budget proposal. My colleagues in the caucus have spoken eloquently on the general benefits that would be provided to rural areas by enactment of the proposal and the related recommendations concerning other Federal guaranteed loan programs. The CRC budget proposal, however, deals exclusively with increases in the funding levels for Farmers Home Administration selected programs, and it is this aspect of the caucus report on which I would like to focus.

The CRC budget proposal recommends FmHA selected funding levels of $557 million for grant appropriations and $15.9 billion for loan level appropriations for a total of approximately $16.4 billion.

The $557 million grant appropriation includes allocations for such rural housing programs as farm-labor and self-help housing, community programs for water and waste disposal systems, and business and industrial programs for construction, modernization, and repair.

The $15.9 billion set aside for loan authorizations covers dozens of worthwhile programs in the areas of rural housing, rural community development, business and industrial projects, and farmers' assistance. These programs have proved successful. They are not "pilot" efforts; in fact, they have the endorsement not only of rural residents but of government at all levels and private enterprise as well. I submit also that these programs have been some of the best in-

vestments the U.S. Government has ever made directly affecting the lives and economic well-being of individuals.

My own State of Kentucky is one of the best examples of FmHA success. Under the rural housing program, the FmHA spent a total of $130,300,800 in Kentucky between July 1, 1975 and September 30, 1976 on individual and other housing loans. The delinquency rate for that period was 9.1 percent, 2.1 percent below the national average. As of February 1, of this year, the delinquency rate for this program stood at 8.3 percent, 2.9 percent below the national average. Although these statistics are remarkable enough on their own, they are even more remarkable in light of the fact that Kentucky received the third greatest amount of money under this program last year.

This is only one example of the success of the FmHA in Kentucky. Under the so-called farmers program, $25,346,000 was spent on three different loan programs which made a total of 2,031 loans. These three programs had delinquency rates by the end of the fiscal year of 14 percent, 7 percent, and 4 percent. Under the community loan program $34,766,000 was spent on community projects of many varieties. The delinquency rate in this area was 6 percent.

The additional moneys which the CRC proposes for expansion of these programs will be of great benefit to the residents of rural Kentucky, as I am sure they will be elsewhere. One other point which I would like to stress is that we are seeing a growth in the population in rural areas where for many years there has been a decline. In fact, the Kentucky portions of the Appalachian region experienced an increase in population of 5.8 percent between 1970 and 1973 and it is expected that it will increase by 9.6 percent by 1980. There continues, therefore, to be a great need for the assistance that these programs provide and the need will be even greater in the years to come.

Mr. CHARLES WILSON of Texas. Mr. Speaker, I join with my distinguished colleague from Kentucky (Mr. BRECKINRIDGE) and other members of the Congressional Rural Caucus in voicing my strong opinion concerning the need for increased loans and grants to the private sector of our economy. The anti-inflation jobs creation proposal is getting to the heart of the inflation/unemployment problem, by going to the heart of our country—the nonurban and rural areas.

This $16.4 billion proposal for grants and loans through the FmHA and the SBA, is not another novel experiment to falsely prop up our economy through patchwork methods. Last year the SBA created 288,000 jobs in the private sector at a profit to the taxpayers. That is, for every billion loaned in 1976, 144,000 new jobs were generated. Except for interest subsidies and defaults, these insured and guaranteed loans do not add anything to the Federal budget.

In addition, the increased dollar circulation will provide more tax moneys with which we can further these and other such programs. Thus, the long-term results are even more impressive than the immediate effects. The proposal is based upon sound, commonsense business, has been tried and has proven its mettle and, I feel, deserves no less than broad approval from both sides of the aisle.

In addition to its economic significance, Mr. Speaker, an important facet of this proposal is the psychological impact its realization will have upon those people it affects. The inevitable ripple effect it will create can do no less than stimulate and revitalize our economy.

I think it is about time we realize that this issue has been treated with neglect and misunderstanding long enough. The farmer and the small businessman, and what they stand for, are what makes our system an open and free enterprise. We must respect and nurture this concept, as these are the people who make America what it is today.

Mr. MADIGAN. Mr. Speaker, outmigration from rural America has slowed from 4.8 percent per year between 1960 and 1970, to less than 1 percent per year, and it is still slowing. At no other time in U.S. history, with the possible exception of the depression years, has nonmetropolitan population increased at a faster rate than metropolitan population. From 1970 to 1974, the population of cities grew 3.4 percent, but the population in nonmetropolitan areas grew 5.6 percent.

Nonfarm jobs and income in rural areas are also increasing. Between 1970 and 1975, nonfarm jobs in rural areas increased by 2.5 million. Business and industrial loans and community facilities loans, administered by the Farmers Home Administration and the Small Business Administration, have been responsible for creating some of these.

Every time SBA, REA, or Farmers Home Administration makes or guarantees a loan, a community development program is begun. Every 25 new businesses or industrial jobs in a community bring in 17 other jobs indirectly, $177,500 more personal income per year, $3,350 added revenue from residential power sales, $67,250 more local bank deposits, one more retail establishment, and $82,750 more retail sales per year.

As nonmetropolitan communities grow, there is greater demand for improved highways, fire protection, water and waste disposal systems, medical facilities, and housing, and with these improvements, businesses and industry are also more easily attracted to rural areas. Additional tax moneys are created, which then continue to support the improved community facilities.

Today 40 percent of the national population resides in nonmetropolitan areas; however, two-thirds of the substandard housing is located there also. FHA housing and rental loans have had a beneficial impact on this problem, but with increased funding, much more should be accomplished.

As the nonmetropolitan population continues to grow, increased funding of titles 2 and 5 of the Rural Development Act of 1972 become more urgent. Watershed projects, conservation, land utilization, and water quality programs, authorized under title 2, are of increasing concern, especially in the drought-affected areas of the Midwest and West. The need for research and education projects developed through the Cooperative Extension Service, authorized under title 5, are also going to be more necessary as nonmetropolitan population increases.

Jobs created in the private sector through loans and loan guarantees are far superior to those created by public works projects, in that they have longer range benefits to the community. This type of Federal spending is also anti-inflationary, and, with the excellent risk-loss ratio that has been experienced by the SBA, FmHA, and REA, we can be assured of the soundness of increased loan authorizations of $15.9 billion, as proposed by CRC. This is the most cost-efficient method of stimulating the economies of our rural communities.

Mr. NEAL. Mr. Speaker, I appreciate the opportunity to join with my colleagues in the Congressional Rural Caucus to urge adoption of the CRC budget proposals for fiscal year 1978. The strong bipartisan support voiced by the caucus is a testimonial to the soundness and the fairness of the proposals and I am pleased to be associated with such a beneficial and potentially productive program.

My remarks will be brief. My colleagues have spoken eloquently of the heritage of rural America, and of the need to preserve and protect it. I share their concern, because nowhere in the Nation, in my opinion, are people more strongly rooted in the soil than in my own Fifth District of North Carolina. It is true that our city skylines rise high above the pines, and that only a few of us still till the soil. But our factories and our offices and our retail establishments are filled with people who came to the cities from the farm, or who still commute from their rural residences to their places of employment in the cities and the towns.

We have, I think, an ideal balance between the rural and the urban. We have not been spared the problems which have beset the cities of the 20th century, nor those which have plagued rural America to a lesser degree. Yet through great good fortune and good management of our resources, we have not been overwhelmed. Further, I believe our local governments and our people have used to best advantage the Federal assistance available to them, so that Federal programs such as the Farmers Home Administration and the Small Business Administration have produced maximum results.

The Fifth District is a good place to live for most people who dwell there, but it could be better. It is not so good if you do not have a job, and we have pockets of high unemployment. It is not so good if you do not have a decent home, and we have our share of substandard housing. It is not so good if you need credit, and are worthy of it, but cannot find it. It is not so good if you want to stay, but have to leave—or wish to leave, but are compelled to stay. It is good for most people, but for many it desperately needs improvement.

I believe we have a unique opportunity to provide this improvement to the rural

areas and small communities of America. The budget proposal submitted by the Rural Caucus would utilize the existing and proven loan grant programs under the Farmers Home Administration—FmHA—and the Small Business Administration—SBA—to make financial resources available to rural America. It would strengthen and preserve the rural way of life and contribute to the welfare of the entire Nation by protecting existing jobs and creating new jobs with private funds in the private sector.

Mr. Speaker, of all the issues with which the American people are concerned, two of the most pressing at this time are jobs and deficit spending. The Congress and the administration spend much time and energy trying to create new jobs and, at the same time, bring the budget closer into balance. Usually, our efforts in these two areas seem to work at cross-purposes. If we spend Federal money to create public service jobs, we add to the deficit. If we reduce spending, we increase unemployment. But here is an opportunity to create jobs without deficit financing, but, rather, at a profit to the taxpayer.

By utilizing existing and experienced Federal and private resources already in place throughout the country, the CRC proposals could create in the neighborhood of 3 to 4 million private sector jobs—and the program would be more than 95 percent privately, non-tax-dollar funded.

My colleague, the Honorable JOHN B. BRECKENRIDGE, chairman of the Congressional Rural Caucus, has outlined the specific recommendations of the caucus. Specifically, the report includes recommendations for selected FmHA program funding levels of $557 million in grants and $15.9 billion for loan level authorizations. The grant program includes $85 million for rural housing programs, $397 million for community programs, and $75 million for business and industrial programs. The recommended $15.9 billion loan authorization levels include $2.3 billion for farmers programs, $6.6 billion for rural housing programs, $4 billion for rural community programs, and $3 billion for rural business and industrial programs. None of these add directly to Federal budget outlays, because with few exceptions, these insured loans are not paid out of the Federal Treasury. These loans are resold through the Federal Financing Bank, and only "losses" appear in the Federal budget. Those losses are offset by more than a 100-percent return on taxpayer investment. It is worth repeating that in 1976 the SBA lent about $2 billion, which created some 288,000 jobs, incurred a $300 million cost, and produced a total net benefit of $2 billion. For every taxpayer dollar put out by SBA, the taxpayers received $7 in return. Where else in this vast bureaucratic maze do we find a return equal to this? With expanded loan authority, the CRC believes FmHA and SBA can increase the number of jobs—and proportionately the taxpayer return—without significantly adding to the administrative costs or expanding the bureaucracy.

It is my sincere belief that the rural development program recommended by the Congressional Rural Caucus would have a major impact on revitalizing the economy of rural America. And in that spirit that runs so strongly among rural Americans, it would be done largely through the private sector, creating rather than consuming Federal revenues. I strongly endorse the CRC proposals and urge my colleagues to support the recommendations.

Mr. GINN. Mr. Speaker, as a member of the Congressional Rural Caucus, I would like to join my colleagues to urge favorable consideration of the CRC budget proposal for a $16.4 billion anti-inflation job creation proposal funding the Rural Development Act of 1972, and expanding FmHA and SBA loan programs.

The proposal is designed to create between 2 to 3 million private sector jobs and to expand the FmHA and SBA loan programs.

Provisions of the proposal include $15.9 billion in loan level authorization and $557 million in grant appropriations under the Farmers Home Administration and Small Business Administration's programs. The $557 million grant appropriations provide $85 million for rural housing programs, $397 million for community programs, and $75 million for business and industrial programs, all of which are appropriated items.

In my view the FmHA and SBA loan programs are outstanding examples of programs that cost very little in the long run, but at the same time provide tremendous job opportunities that in turn stimulate tax revenue and general economic health. I believe the CRC proposal is good news for both farm communities and urban communities, and I ask that it be given full consideration by Congress.

THE CONGRESSIONAL RURAL CAUCUS BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. LONG) is recognized for 60 minutes.

Mr. LONG of Louisiana. Mr. Speaker, on February 22, the Congressional Rural Caucus announced a proposed fiscal 1978 budget for selected rural loan, grant, and special programs. The announcement culminated over a year's diligent work on the part of the caucus to develop the kind of budgetary proposals which could enjoy broad support from both sides of the aisle.

I think the caucus achieved that kind of proposal.

Certainly testimony presented recently at joint hearings held by several House Agriculture and Small Business Subcommittees give evidence of broadly based and bipartisan support.

One of the main reasons such a consensus was possible is the fact the budget is what I like to call a commonsense budget. It does not require any massive outlays from the Federal Treasury to finance programs which are vital to a healthy rural America.

Rather the major emphasis is on expanded loan authority which bears little cost to the Government and offers the promise of a return many times over in jobs and taxes generated.

In total, the budget proposal provides for $16.4 billion in rural aid—$15.9 billion in loan level authorizations by the appropriations committees, and $557 million in grant appropriations for farmer programs, housing programs, community development programs, and business and industrial programs.

The need is undeniable. For years, our rural residents have stood silently by as the lion's portion of Federal and State resources flowed disproportionately into our urban centers. Meanwhile the litany of rural housing, health, transportation, employment, and community development needs have been building to a crescendo.

The rural development budget developed by the caucus takes a much needed step toward meeting these needs.

Though it cannot provide a panacea for all problems in all small communities, it can link many areas of opportunity to create new jobs and retain existing ones in a noninflationary manner. At the same time it can help build the important infrastructure and community services needed to bring about orderly growth and development in rural America.

Finally the rural development budget, as conceived by the caucus, could help forge a valuable link between public and private resources in carrying out these programs.

Rural communities by their very nature are credit short. The smaller commercial banks and financial institutions which exist in these communities generally lack the reserves necessary to finance large numbers of loans or to finance major projects which might involve long-term loans.

But the government guaranteed and insured loans the caucus emphasizes in this budget proposal can be highly important tools in drawing additional capital to these small communities, and can free up existing financial reserves for additional loan-making.

In my experience as a member of the executive committee of the Rural Caucus and as a member of the Joint Committee, I have come to understand the great need for strengthening the private sector to assist in our economic recovery.

This is why I am enthusiastic about the rural development budget. By building on the bedrock of rural development grants, the proposal can get the maximum utility from existing Farmers Home Administration and Small Business Administration programs without creating significant increases in the Federal budget. And by tying into financial resources which already exist in our small banks and financial institutions scattered throughout the countryside, it can take a needed step toward improving life in, and accelerating development of, rural America.

I include a portion of the report "Congressional Rural Caucus Budget Proposals for Fiscal Year 1978."

CONGRESSIONAL RURAL CAUCUS BUDGET PROPOSALS FOR FISCAL YEAR 1978

PART III—SUMMARY OF COMMENTS FROM JOINT PUBLIC HEARINGS

A. Introductory comments

JONES of Tennessee:. . . one of the finest pieces of work that we could put together for our rural people. . . .

It is time for the Nation, and especially Members of Congress, to realize that the Federal Government simply cannot deliver all the money and assistance we need in rural America.

Government can act, . . . as a catalyst, . . . that is why I am so interested in the expanded guaranteed loan program and the secondary marketing assistance which is being proposed.

. . . Adoption of this proposal would energize the private lending institutions like nothing else that I can imagine.

Private capital, private enterprise, and private initiative would be brought to the forefront. . . . that is what we so badly need.

B. CRC budget proposals—Endorsements

The entire CRC Executive Committee endorsed the CRC budget proposals. This includes Congressman John B. Breckenridge, Ed Jones, James T. Broyhill, Max Baucus, Gillis Long, Bill Alexander, Gunn McKay, Larry S. Pressler, and Charlie Rose.

PANETTA: . . . We are in the process of talking about the programs that should be developed to deal with unemployment and, right before us—really, I think very simply—we could move towards increasing jobs by a tremendous figure.

I heartily endorse your efforts, and the efforts of the Rural Caucus, in doing that.

BAUCUS: Personally, I will do my part on the Agriculture Appropriations Subcommittee to not only encourage that subcommittee to make proper recommendations to the Budget Committee, but, second, when we get to the appropriations process, do what I can to increase the loan authority and the grant authority that CRC . . . is proposing.

ROSE: . . . You have my unqualified support for the very fine suggestions that you have made in the budget for the Congressional Rural Caucus for adequate funding for the programs of Rural America . . .

RUSSELL: We would like to reiterate that the National Association of Towns and Township Officials is pleased to be able to endorse the CRC's budget proposals for selected rural loan, grant, and special programs for Fiscal Year 1978.

CARLIN: The National Conference of State Legislatures endorses the funding levels included in the Congressional Rural Caucus report, to consider the goals and objectives of rural development, to reassess the mechanisms for achieving that development, and to authorize funding of the programs in the amount which would allow us to achieve the goal of a viable and healthy rural alternative for life in the United States.

LONG of Louisiana: . . . By building on the bedrock of a limited amount of rural development grants, I think that the CRC budget proposal and the way it is designed, ought to give us the maximum utility from the Farmers Home Administration and the Small Business Administration programs without creating any significant increase in the Federal budget.

ZOOK: The National League of Cities is most supportive of those budget proposals . . . for increased grants and loans for housing, community facilities, and business and industrial development. We ask that improvements to these programs include program simplification, comprehensive planning, and flexibility to meet local and regional needs.

GRAHAM: . . . we have been impressed by the depth and insight of the Congressional Rural Caucus positions and by its budgetary proposals. It is refreshing to note that Congress has not forgotten that segment of our population who produces the food, clothing, shelter, and industrial raw materials not only for the United States, but for numerous other nations as well.

The $16.4 billion rural programs budget . . . has the advantage of emphasizing reliance upon existing and proven loan and grant programs administered by agencies which have relied heavily upon private enterprise in the carrying out of their legislative mandate.

COUSAR: The Congressional Rural Caucus budget proposals for fiscal year 1978 include a number of important elements which, if endorsed by Congress and fully implemented by the Administration, might significantly alleviate rural economic decline.

. . . full support of these recommendations can help reduce substantially the problems of this nation's urban areas which were made critical by the continuing out-migration of the rural poor since the 1960's.

WELLER: We support proposed plans to maximize implementation of the Rural Development Act of 1972, while minimizing Federal grants and appropriations. The priorities and loan limit increases have merit and should be closely analyzed by these committees and their professional staffs.

GRAHAM: The CRC approach constitutes a reasonable and preferable alternative to the stimulation of the U.S. economy while avoiding the deadened aspects of subsidized public employment. The approach . . . will . . . maintain existing jobs, and will create new and additional private sector jobs which will, in turn, contribute to increased tax revenues.

PANETTA: I am amazed by one comment . . . that, by increasing the current average loans from $100,000 to $1 million, SBA could increase the number of jobs ten-fold without increasing administration costs.

One of the problems we have encountered in the Small Business Administration is a very simple one. Congress has mandated, and the Administration has frustrated.

C. CRC budget proposals—Overall comments

BRECKINRIDGE: We have appropriated, and they have impounded. We have asked them to identify the actual and real demand for bona fide credit, and they have failed and refused to make it available . . .

They (SBA) have adopted an administrative regulation precluding themselves from ascertaining the demand, so the demand is, in fact, an unpredictable demand but when we realize that we are talking off-budget line dollars, the frightening figure . . . $15.9 billion—is really a paper figure because loans will be controlled on a risk/loss ratio by the lenders, audited and supervised by the SBA and FHA, to insure that the risk ratio does not drop; that conservative standards are applied; that only five per cent is not recovered in original advances.

This is the first Administration in ten years that has come into office and found itself confronted with an expiring agricultural program. It is the first Administration in the history of the country that has come into office confronted with the rigid limitations imposed upon it by the provisions of the Budget Control and Impoundment Act that we have now.

LONG of Louisiana: . . . the recommendations worked out by a steering committee of the Caucus really came from the grassroots up. I . . . had the opportunity to participate in some of the hearings outside of Washington.

. . . it brought in those hearings and outside of Washington, and by other methods, the input from virtually every major, and some not so major, farm, rural, state, county, and local government organizations. Their views were brought in. Their views were heard right from Day 1.

RUSSELL. The National Association of Towns and Townships agrees . . . that the time has come to more fully fund the programs under the Rural Development Act.

GRAHAM: Another CRC recommendation supported by our 3,100 member firms is that the Secretary of Agriculture "actively initiate and expand research and development efforts to solve problems of rural water supply, rural sewage and solid wastes management, rural housing, and rural industrialization."

ZOOK: At a time when many small communities are seeking to attract industry and increase their tax base, the current FmHA budget's total elimination of grants and sharp reduction of loans for business and industrial development is hard to understand.

Unfortunately, the mandate for this revitalization and development of rural areas was lacking in follow-through. Of the 85 provisions of the Rural Development Act, only 64, or 75 per cent, have been implemented.

WELLER: Mr. Chairman, I will not attempt to analyze each of these specific rural development program areas. . . . I will add the support of the nation's farmer cooperatives to . . . maximizing the utilization of existing loan and grant programs for rural America. Adequate capital and credit authorization is necessary to move ahead with revitalizing this nation's rural areas. We must stimulate the local economy to provide employment opportunities. We must create tax revenues for local and regional governments. And we must build a profitable environment for our local cooperatives and their business associates in the small towns and villages throughout the nation.

This kind of rural development is best done through local self-help programs, funded mainly through the private financial community, and assisted wherever necessary by Federal guarantees.

BAUCUS: . . . it is a program that does not cost the taxpayers at all. . . . it is geared very well toward developing Rural America and providing some of the jobs that we desperately need.

. . . this is basically a loan program . . . not a direct outlay to the Federal Government . . .

. . . it is . . . important to emphasize the excellent loan record in Rural America . . . Farmers Home has been good in the administration of its programs.

PRESSLER: . . . the work of the Congressional Rural Caucus is important to consumers and to our country, . . .

KAYE: . . . The Rural Development Budget for fiscal year 1978 . . . links many areas of opportunity to assist our rural areas to provide the infra-structure and services needed to assure orderly growth. At the same time, it provides employment and income-producing opportunities for rural people, the necessary alternative to out-migration.

ALEXANDER: These proposals are the result of a concerted effort on the part of CRC to focus on the needs of Rural America, and were arrived at only after extensive consultation with scores of organizations and individuals who work with and know the needs of the countryside. . . .

D. Farmer program

SPRAGUE: . . . loans to farmers . . . include farm operating loans for annually recurring expenses—machinery, livestock and equipment—authorization for those loans which have been on the books since mid-1930's; loans to help farmers buy, or improve, or enlarge farms; loans made in connection with programs operated by the Soil Conservation Service—the watershed and

flood prevention facilities, and rural conservation development programs; and one which is operating at an increased pace at the moment, emergency loans. . . .

. . . with reference to the Caucus' proposal for loans for farmers and ranchers . . . the emergency loans . . . shown at $200 billion . . . budgetary language provides that, as additional funds are needed, as additional areas are designated for emergency assistance, those funds be made available . . . we started this year with $100 million . . . increased it to $300. It was increased this week to $450 . . . have another request working because our forecasts show that we, likely, will receive legitimate applications for about $1 billion total this fiscal year in that program.

MADDOX: The budgetary proposals . . . include substantial increases in the limits on farm ownership and farm operating loans which will be crucial in aiding the agricultural segment of our economy to weather the effects of the catastrophic drought and inflationary pressures that currently threaten many of the nation's farmers.

SPRAGUE: Ninety-three percent of all of our farm ownership borrowers are either current with their payments, or they are ahead of schedule with them. This means that there are seven per cent that are behind schedule . . . That doesn't mean that these folks are in default, but that they simply have not made repayment in the amount they were supposed to . . . we have taken losses on farm ownership loans from the beginning of the program through the end of the last fiscal year in the amount of 17 one-hundredths of one per cent of the amount loaned.

SPRAGUE: . . . There is no getting around the solid fact that we receive more legitimate applications for farm ownership loans that we are able to fund with the $450 million . . . it now becomes a questions of budget outlays. These loans that we are delivering at five per cent—we are subsidizing that interest rate anywhere from three to four per cent, depending on what it costs us to borrow the money . . . this is the reason that additional funds were not requested.

MERCURE: When you look at the default rate, the real effect on the budget is not that serious, except to the extent that there is subsidized interest.

KOBELL: Now that SBA has started making agriculture loans . . . more banks will use the program. Many rural banks have not needed small business loans, but they do need agriculture money. Banks can now help their farmers buy and improve their farms and bring this money in from outside.

These are desperate needs for credit for farmers caught in the inflation spiral and for some who have suffered crop and livestock losses year after year. Provisions should be made in the 1978 Budget Resolution and FY 1978 appropriations acts to shore up farm income as well as fully adequate farmer real estate, operating, housing, and emergency or disaster loan levels.

NOLAN: . . . With the disasters and drought occurring around the country, this backlog is getting larger. It is frustrating enough to have crop losses without having to wait months and months for your disaster loan.

SPRAGUE: . . . As of today, 44 counties in California have been declared eligible for emergency loan assistance, and I believe all of those have been so declared as a result of drought . . . Our programs, which come into play in the emergency or disasters areas, are loans first to replace a loss that the farmer may have had, either a physical loss . . . Those loans are available at a five per cent interest rate with up to seven years to repay them . . . if the farmer qualifies for the loss loan and his lender still can't stay with him for another year or so, we are authorized, under the emergency legislation, to help him with future production loans at an interest rate according to the cost of the money—currently eight per cent.

KOBELL: Farmers need farm income and they need credit, and one cannot be substituted for the other.

We urge strong support for expanded funding for Farmers Home Administration—both for farm purchase and operating credit needs and for staff to carry out expanded programs. Recent studies by the General Accounting Office emphasize the essentiality of adequate staff for these credit programs.

BAUCUS: . . . we need this kind of program to, again, alleviate some of the conditions out in the west.

HARKIN: . . . the payback record of farmers, . . . of loans is probably the best in this country.

BAUCUS: . . . cattle ranchers . . . for . . . past several years, have experienced very, very low prices. With high inflation facing them, adding the drought on top of that and very low forage, some of the ranchers are going to go under.

PRESSLER: First and foremost, this proposal addresses the need for an economic infusion into areas depressed by the drought. Clearly, the number of jobs available in rural areas would significantly increase as loans became available for enterprises which hire rural Americans.

. . . it will provide jobs through the private sector . . . clearly superior to a public jobs program which would threaten to introduce an economic imbalance into our free enterprise system.

. . . second obvious advantage . . . is the comparative minuteness of the drain which it puts on the Federal Treasury . . . reflects a large measure of fiscal responsibility on the part of the Rural Caucus.

KOBELL: Soil and water conservation programs have proven highly effective for pollution abatement and conservation.

. . . We urge full funding of the authorized $25 million in advance contract authorization for the Agricultural Stabilization and Conservation ACP programs.

. . . a loan level for grazing association loans . . . to be . . . well about $5 million so that this worthwhile program can help save the family-type pattern of independent cattle and sheep raising in rural areas of western states particularly in view of the great inflation in rangeland values.

MCKAY: . . . a lot of the young people trying to get into farming are unable to do so because the capital investment is so far beyond them and the banking community cannot see the way clear. Somewhere we have to provide an opening for them to perform.

The Farmers Home Administration emergency loan programs and emergency livestock loan programs helped Utah's farmers and ranchers through very difficult times last year by loaning them $1,220,070.

Increased funding is certainly needed in these programs in light of the severe weather conditions nationwide.

I support the CRC proposal to increase the unpaid indebtedness against a farm or other security at the time the loan is made to $450,000. The present limit of $225,000 is simply not realistic. I support increasing the loan amount for $100,000 at present to $200,000. It is critical to independent farmers and potential farmers, especially in view of the high market value for farmland and the high cost of farming generally.

The machine costs have just soared.

COUSAR: . . . from my limited exposure and involvement with the Congressional Rural Caucus, I have observed both sympathy and response to the problems of the poor . . . I am hopeful that . . .

My first concern has to do with farmer programs. It is that the current and future access by small and minority farmers to Federal credit assistance for farm operating and ownership purposes will not be diminished or restricted by the proposed CRC ceiling amount increases.

E. Housing program

ELWELL: . . . housing programs of Farmers Home have grown to be one of the largest programs . . . Section 502 is a single family, or home-ownership type loan . . . presently have about ten billion outstanding in loans in that category. Roughly 800,000 individual borrowers have been made loans in the history of the program . . .

A second program, which I believe is necessary in rural areas, is our rental housing because . . . many families cannot afford the payments and the cost of home ownership . . . An alternative to that is . . . providing rental housing . . . within their reach. We are able to use the subsidy of interest credits, and we have coupled the 515 rental program with the Section 8 subsidy to help families which cannot pay the going rent . . . 504 loan and grant program is one that helps those in . . . very worst housing. We have farm labor housing, self-help technical assistance . . .

All of these programs, I believe, are programs that will aid in rural development in our rural counties . . .

. . . We finance both a home ownership loan for senior citizens and a rental project. . . . in most every state we have financed rental housing for senior citizens exclusively. These are usually non-profit corporations, or individuals acting either as an individual or in the form of a limited partnership . . . Interest credits are provided with those types of projects.

. . . the loan limit of most of . . . banks are . . . generally low enough that it prohibits a builder from getting a large loan.

. . . guaranteed housing loans have now been put into place. We will shortly present to the public, through the Federal Register, . . . the same system on all of the farmer loans that may be handled on a guaranteed basis.

SPRAGUE: Mr. Elwell just completed a series of concentrated training courses for all of his housing specialists in the states, and that training is being passed on to the county supervisors.

MERCURE: REA and Farmers Home Administration, . . . recently announced an energy-saving weatherization program for people who would be eligible for Farmers Home loans . . .

. . . uses the structure . . . already in place through rural electric coops. It eliminates the administrative costs, . . . for loans up to $1,500 . . . savings in energy to poor folks, . . . who are going to be hurt more by the escalating cost of energy than anybody else in this country, will easily pay for the loans which they will be making . . .

. . . administration is local . . . collection is built into the billing procedure of the electric coop . . . administrative cost is virtually non-existent.

. . . simple and easy way of integrating one program . . . with an organizational effort that is already in place, . . . reducing administrative costs . . . increasing the effectiveness of getting those resources into the hands of the people who need them.

. . . to the extent that we save the resources of people with more moderate circumstances, those resources go to improve education and nutrition and other purchases . . .

MCNICHOLS: NACO has long advocated a strong housing program for rural counties. We believe many of FmHA's housing programs have been successful, and should be expanded . . . Without the housing, the factories are not going to locate there to provide the jobs, and existing factories are going to have trouble keeping people there if the satisfactory housing doesn't exist . . . when I talk about substandard housing in my county, I can photograph for you substandard housing without any difficulty at all.

Thirty-three percent of it in the county is substandard. When I say "substandard," it means that is has open foundations, it doesn't have bathrooms, it may not have drinking water—water is hauled from a cistern, or the cistern is run from the roof. If you are familiar with cisterns, you can realize the unsanitary aspects of this.

The housing is open. It may have adequate heating. It may not have adequate electricity. I know, for a fact, that of the 33 percent in Pulaski, it is definitely substandard.

CONGRESSIONAL RURAL CAUCUS BUDGET PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. JONES) is recognized for 60 minutes.

Mr. JONES of Tennessee. Mr. Speaker, I am happy to participate in this special order on behalf of the rural areas of our great country. In the past, it seems that the legislation we have passed in this body has dealt primarily with the development of our urban centers. Certainly, the concerns we have expressed and the legislation we have passed were necessary and many of those same concerns are just as appropriate today.

But I also think that in attacking the problems of our great cities, we have almost totally ignored the problems of the smaller rural towns and cities. Though they are smaller, their problems are just as critical to them as the problems being confronted by their bigger urban cousins.

In 1972, we were finally able to enact a comprehensive bill that deals directly with programs aimed at providing much needed Federal assistance to the rural areas of the Nation. What has happened since then has been most unfortunate. Past administrations have failed to recognize the needs that exist in small towns. They refused to use the authority that the Congress provided in the Consolidated Rural Development Act to them to cope with these problems.

What we have been able to do through the Congressional Rural Caucus this year, I think is one of the finest pieces of work that we could put together for our rural people. We have been able to draw up a comprehensive plan that will increase loan authorizations in programs aimed at assisting rural housing, rural community facilities, rural businesses, and the like.

Let me stress for a moment the word loan. What we have been able to do is draw up a program in which the Federal Government will be involved only as guarantor of loans. What we are asking for, and what the people of rural America are asking for are not handouts. We are simply asking that the Federal Government join the rural interests of America in a partnership that will be beneficial to both.

Rural people know that the Federal Government cannot deliver all the money and all the assistance that we need in rural America. In many areas, such aid would not be accepted if it were offered simply because those people are independent minded and believe strongly in their abilities to cope with problems that they consider local.

We do feel, however, that Government can act as a catalyst through such programs as we are speaking of today to make a better life for these people. By acting in this capacity, through expanded guaranteed loan programs and secondary marketing assistance which is being proposed here, the Federal Government can provide a significant stimulus to private lending institutions. I personally feel that the adoption of this proposal would energize these lending institutions like nothing else I can think of. In doing so, the end result would be a comprehensive program for the development of our rural areas that are so badly in need of assistance.

Private capital, private enterprise, and private initiative would be brought to the forefront and that is what is so badly needed in the rural areas of our country today.

I include a portion of the report "Congressional Rural Caucus Budget Proposals for Fiscal Year 1978":

CONGRESSIONAL RURAL CAUCUS BUDGET PROPOSALS FOR FISCAL YEAR 1978

PART III—CONTINUED

F. Community facilities program

CALHOUN: In the community program area of the Farmers Home Administration . . . largest program . . . the water and waste disposal program . . . program was expanded in 1965 to include waste disposal facilities . . . also added authority to make grants, as well as loans, for both water or waste disposal facilities in rural areas . . . we are talking about cities or towns with less than 10,000 population in open country . . . For the current fiscal year, that program is funded at $600 million loan, and $265 million grant . . .

Next major program is . . . the community facilities program . . . Again, we go by the 10,000 population . . . We have financed hospitals, nursing homes, clinics, and those types of things, as well as some fire protection and rescue facilities, community buildings, those types of things . . . program is operating at a current level of $200 million a year . . . we have an industrial development grant program where we can make grants to public bodies to purchase a site, or develop a site for a small industry in a rural area . . .

We . . . have . . . a watershed program and an RC&D program that ties very closely to some soil conservation programs . . . developing . . . "work plans" . . .

We can provide some loan assistance to multi-purpose projects—flood prevention and so forth—to meet the local communities' share of those projects for storage of municipal water . . .

A principal loan loss on water and waste disposal is .005 per cent. I have trouble even understanding exactly what that figure is.

NOLAN: We have recommended an increase from $470 million to $3 billion?

CALHOUN: In the current fiscal year, 1977, we have available $600 million in loan funds, and $265 million in grants for this program. Applications and pre-applications on hand, as of December 31st, totaled $1.2 billion in loans and $329 million in grants. That would give you some indication of the need that has been expressed by filing an application . . .

. . . under our program, we can assist in either financing the installation of a new community-type system, or improving—or making improvements. This is, for instance, where a community might lose its source of water—where the wells go dry or are just not producing the quantity of water that is needed.

We have those loan and grant funds that can be used to make improvements or construct new systems for providing a domestic source of water.

BAUCUS: We need to take some additional authority there . . . the National Forests are very dry . . . within the last month, the Forest Service has already been flying fire control flights over the National Forests in Montana.

. . . It is incredible that they should do that in February; that it is so dry they are already flying those flights, and are asking for additional authority to fight forest fires.

BIVENS: We are running out of new water holes to tap. We have to be concerned about preservation, conservation, and recycling of water in the future.

We have been pleased to hear the Assistant Secretary-Designee for Rural Development talking about recycling of water, the linkage of waste disposal, water, solid waste, recycling, and energy production through some pilot demonstration programs funded by the Farmers Home Administration . . .

We fully support the levels provided for such programs as soil and water loans, SCS loans, water and waste disposal loans, water and waste development or construction grants, the planning grants associated with those, and rural development planning grants; the pollution abatement grants and loans, the SBA Section 7, or EPA Section 8, pollution loans, and the new pollution abatement loan guarantee program within the SBA.

. . . in Oklahoma, with the initiative of a State Rural Water Association training program, run by the rural water district people themselves—a grassroots effort which, in the past, has been funded by the State through an appropriation—the trouble calls to the Farmers Home Administration county people and to the state office decreased by something like 90 percent.

. . . if Farmers Home will not fund systems and simply walks away from them, but help State associations of rural water and sewer district to help themselves. Farmers Home will not need as many field people as they would otherwise.

MCNICHOLS: . . . The grant programs, envisioned as the bedrock of the effort, authorized . . . a total of $397 million in grants.

This funding level has never been appropriated. The water and waste disposal grant program is the key mechanism to the revitalization effort. Water and sewer systems affect everything from employment and business to rural housing . . . Compounding this situation is the fact that the grant percentage of projects is limited to 50 percent, far below the 75 percent level of the Environmental Protection Agency, or the 100 percent level of the Department of Housing and Urban Development.

. . . The manner in which the program has been administered has continued to be an impediment. In fiscal year 1976, the Farmers Home Administration did not obligate approximately $100 million in water and waste grants . . . Additionally, FmHA has developed regulations that work to limit the amount of grant assistance to local government to a level below that intended by Congress. The Act establishes a maximum grant level of 50 percent of project costs. The agency's regulations have, in fact, resulted in an average grant level of only 29 percent . . .

Furthermore, rural counties experience a need for planning assistance. HUD's 701 planning assistance program continues to be drastically reduced, and Farmers Home Administration planning projects have never been funded. . . .

The Farmers Home Administration planning program should be funded at the congressionally authorized level of $10 million. . . .

BIVENS: . . . if we are going to continue to have prosperity or even survival in this coun-

try, our first focus has to be water. It's even more important than energy.

Who needs energy to stay warm if there isn't any water to drink?

WAMPLER: . . . I am among those on this committee that believe that it is time we started implementing some of the provisions of the Rural Development Act.

We have had honest differences of opinion with the prior Administration. I hope that those differences can be resolved in this one, and that we can see the full benefits of this Act come into play because, in my judgment, we could do more to alleviate unemployment in this country by proceeding with some meaningful public works programs in rural areas as we can in some of the urban areas.

VAN METER: . . . the EPA Construction Grants program . . . is not responding to the needs of rural areas . . . because of slow implementation of the program, it has not, as yet, helped alleviate the Nation's depressed economic and employment condition. . . . EPA funds projects according to the state priority lists . . . this means that larger urban requirements receive primary consideration.

The point we are trying to make is that rural areas are not receiving a proportional share of Federal waste water treatment funds. . . . It is our firm belief that one of the best managed and most rewarding Federal construction programs is carried out by FmHA. Aside from its grant programs, FmHA places several million dollars of insured loan funds into rural areas—areas not being reached by EPA.

We submit that up to $3 billion should be authorized under the Rural Development Act for increasing FmHA water and waste disposal loans, and $300 authorized for water and waste disposal development grants.

Authorizations of $1 billion for the community facility loan program should also be provided, as well as an appropriate increase in the FmHA administrative budget.

VAN METER: . . . have found that we can talk about the projects for two or three years, and they still don't materialize when they come through EPA.

We have had Farmers Home Administration projects that have been gotten off the grounds, they have gotten the funds, they award the contract, and complete the projects to everybody's satisfaction. We feel that is the route to go.

MADDOX: Our Association supports the recommendation that $30 million be budgeted for planning grants for rural America.

As for water and waste disposal and community facilities, many rural development projects cannot be launched without providing for adequate water and waste facilities. Many small communities do not have the necessary facilities and cannot afford to provide them.

RUSSELL: Section 306 of the Act authorizes $10 million annually for rural development planning grants. This program was never implemented on the basis that HUD's 701 program and EDA already fund similar planning activities. . . . HUD's program has been heavily oriented towards metropolitan areas and EDA's has been insufficiently funded . . . the $10 million authorized specifically for rural areas marks an important beginning for building capabilities at the local level.

. . . the Congressional Rural Caucus has recommended that the community facility loan program be raised from its current $200 million level to $1 billion annually. We feel that the groundswell response to the local public works act clearly illustrates the crying need for new and renovated community facilities throughout the country.

CORNMAN: . . . the 701 budget authority has decreased in recent years. Rural communities must annually compete with metropolitan areas for an appropriation that has dropped from $100 million in fiscal year 1975 to just $62.5 million in the current fiscal year.

GRAHAM: We are aware of the widespread desire among rural communities for improved water and waste water disposal systems. . . . Our members were particularly pleased to note the recommendation that $30 million be appropriated for water and waste disposal planning grants. Very few states have anything in the way of planning funds to permit examination of such elements as central systems . . . or alternative disposal methods.

GRAHAM: . . . the $30 million suggested by CRC, would represent a major shot in the arm to other elements of the rural development programs.

Community facilities are still not what they ought to be . . . medical care is not any closer. Transportation is a pressing problem . . . it affects people all over the country . . . we have permitted ourselves to make public investments that are unrelated to one another by several bodies of governments; state, local, and the Federal Government . . . one of the great challenges we have in this society is to eleminate some of the fragmentation in the delivery of medical care . . . and to try to articulate a continuous process in medical care . . .

BRECKINRIDGE: . . . At the same time we are discussing how far we are going in advancing these monies out of the private sector, we are imposing, on the other side of the street through the EPA, water and sewer, waste disposal requirements throughout the Nation . . . these communities cannot bear, cannot meet, cannot match, and cannot—on an economic feasibility basis—fund without your programs . . . they are . . . the very key to the kind of infra-structure necessary to do the things that Mr. Mecure has been talking about . . . the answer to the problem, in large part . . . is in your hands and in the SBA's hand, in the private sector's hands, on a long-term continuing revitalization program basis that would bring us out of this recession—if you like that word in preference to depression—so much more quickly than we have even contemplated that it sort of makes my head swim.

KAYE: . . . if this program is to have a significant impact on the lives of rural people—especially the disadvantaged—immediate attention must be given to the problem of public transportation in rural areas . . .

There are about 20,000 towns with under 50,000 people. In 1975, 1976, only 318 of these were served by transit systems, and many of these were either bedroom communities or resort areas . . . Studies have indicated that the investment required to improve rural roads, repair and strengthen bridges, build and operate the required trucks would be greater than the amount to retain the rail system . . . Federal support of the rural-oriented highway system is being abandoned at the very time the increased loads will require increased expenditures.

Section 148 of the Federal Aid Highway Act of 1973 produces such result . . . Of the 38 state plans so far reviewed, the proposed reduction on the secondary road system is substantial, with planned reduction of 50 per cent not uncommon.

Congress should mandate that priority to be given to railroad, road and bridge projects under the public works, public employment, veterans' jobs, and other jobs programs presently in place or planned.

If there are to be state allocations of funds under these programs, then Congress must insist that the state equitably divide such funds between urban and rural areas.

GRAHAM: Our Council agrees that present FmHA restrictions limiting water and waste disposal grants to not more than 50 percent of the development costs of a given project should be amended to permit up to 75 percent participation in such projects by that agency.

The suggested language regarding user payments equal to 1 percent of the median income of domestic users in the area makes considerable sense and would help eliminate situations such as that cited last year by Congressman James Oberstar when he called attention to a Minnesota project which anticipated a monthly charge of $34 as compared to the national average service charge of $12.

ZOOK: In the area of housing, the Congressional Rural Caucus has requested funding for programs which have never received appropriations. These programs include housing research, rent supplements, and technical assistance grants. The current trend in FHA housing programs has placed greater emphasis on the use of existing housing, rental housing, home repairs, and rehabilitation.

Strict environmental standards have increased the extent of services small cities are required to provide their citizens. There is a critical need to articulate a policy for the interaction of environmental standards with the goals of rural development. Requirements currently in effect under FHA add to the burden.

Rural water and waste disposal grants require that the development cost of a project may not exceed 50 percent of the grant. Since the EPA 201 and 208 programs have been law, numerous small cities have conscientiously tried to meet detailed, far-reaching, and sometimes changing requirements. They have had to go to consultants, their regional EPA offices, their regional councils of governments, and to workshops sponsored by EPA, and organizations like the National League of Cities to learn how to obey the laws. All of these actions have cost small city officials in time and dollars.

KOBELL: We support appropriation of the full authorized level of the community development grants authorized under various sections of the Rural Development Act of 1972 which include water and waste disposal planning and development grants, rural community fire protection grants, rural development planning grants, and pollution abatement project grants.

We urge that every effort be made at the national level to focus attention on the needs that exist for funding and facilitating the rural water and waste systems with loans and grants available at full levels authorized by Congress.

G. BUSINESS AND INDUSTRIAL PROGRAM

SPRAGUE: . . . Business and Industrial Loan Program came into being in 1972 with the passage of the Act. It was not until December of 1973 that we had any authority to take applications, and really got our regulations written and underway. . . . it took us until December of 1975 to get the regulations re-written to provide a secondary market where the local banker, with the $100,000 lending limit, would be able to sell his 90 per cent paper in the secondary market.

So far, we have obligated funds for about a billion dollars under this program. . . . demand looks like it is going to be substantial this year. We are looking forward to creating as many jobs as possible under this program . . .

CLEVELAND: Our experience would seem to indicate that the $350,000,000 sum authorized for guaranteed loans each year under the B&I program is small, relative to the demand from qualified borrowers: and this activity level could perhaps be tripled without inviting Farmers Home to reach for marginal applicants or straining the existing B&I loan processing system.

SPRAGUE: . . . The Rural Development Act of 1972, history tells us, that one of the intents of that legislation was to make maximum use of the existing private credit sector in moving capital into rural areas. First . . . when we opened the business and industrial loan program—which was a loan guarantee approach . . . as soon as we got them in the field and working, we discovered—along with

the lenders—that we needed to improve them to provide a method for the local lender to sell this guaranteed paper off and attract outside capital, and bring it into the home community.

CLEVELAND: We raise our money in the national money market on a wholesale basis, in reliance upon the strength of the Government guarantees we purchase. Thus, we could perhaps be described as a type of distributor which transfers funds from money centers where there is a surplus of investment capital to outlying areas (which comprise most of the country) where, in our observation, there is generally a shortage of investment capital. We became active under the B&I program at the end of 1975, when the Farmers Home regulations governing it were modified to make the B&I guarantee adequately attractive to investors.

The size of the B&I organization appears to have increased to the point where Farmers Home could (and perhaps already is) adequately processing viable applications representing two or three times the annual allocation of funds to the B&I program.

RUSSELL: Increasing the funding of the industrial development grant program from the current $10 million to the maximum authorization of $50 million is essential if the program is to begin to have a national impact.

MADDOX: As of December 31, 1976, FmHA had received pre-applications for 471 business and industry loans, totaling $493 million, which was more than its total appropriation for the entire year.

The business and industry loan program has not been as effective as it could be because it has been drastically under-funded.

Our Association would strongly advocate a substantial increase in the budget for B&I loans as recommended by the CRC. For example, increasing the amount budgeted from $350 million to $3 billion could mean the addition of hundreds of thousands of jobs.

This program has a potential for creation of jobs far beyond that which could be hoped for under the current budget. Congress set a national ceiling of $350 million for the program for each of the two previous fiscal years and for fiscal year 1977.

CLEVELAND: The B&I program represents good public policy. It permits the Government to facilitate the efficient allocation of capital within our economy without providing subsidies to inefficient enterprises by suffering losses which exceed the price that private borrowers are willing to pay for the guarantee.

The original congressional intent of the B&I program was to facilitate capital investment in areas outside the densely urbanized parts of the country where investment capital is often difficult to obtain. It takes roughly $10,000 to $20,000 of investment to provide a job. The typical B&I loan, and the type we believe the program is most useful for, runs in size from about $1,000,000 to $3,000,000. That means 50 to 300 jobs; but it takes only perhaps a man-month of government staff time to process such a loan. If Farmers Home conducts itself like a prudent lender, it should be able to hold its losses under the program to levels fully covered by the 1% fee charged for the guarantee. It is difficult to think of another government program that can provide as many permanent and productive jobs at such low cost.

CONGRESSIONAL RURAL CAUCUS BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. BROYHILL) is recognized for 60 minutes.

Mr. BROYHILL. Mr. Speaker, during the past several days, I and several of my colleagues have had the opportunity to testify in joint hearings before two Agriculture Subcommittees and the Subcommittee on Anti-Trust, Capital, and Employment of the Small Business Committee. We testified in support of a proposed budget submitted by the House Congressional Rural Caucus.

Mr. Speaker, I have the distinct privilege of serving as vice chairman of the Congressional Rural Caucus. As you know, this caucus is a bipartisan group of Congressmen who are making strong efforts to put together and recommend legislative proposals for our rural areas. The CRC budget proposal which we submitted to the committees recently is the product of many, many hours of diligent work and research. I believe it deserves thorough consideration by the entire Congress.

Rural development, in my mind, should be to bring jobs, opportunity, and a better way of life to low income, underemployed people in rural America—not only for the good of those areas, but for the betterment of our country as a whole.

Rural development is not a new concern in the Congress. Indeed, I think in some ways Congress has a fairly decent track record in this area. Responsible congressional action created land-grant colleges. New technology and education came also in the form of agriculture experiment station and cooperative extension services. There have also been successful beneficial programs in agricultural credit, soil and water conservation, youth programs, wildlife programs, and recreational development.

In 1972, the Congress approved the Rural Development Act, which laid down a framework of Federal assistance. I supported this proposal and believe that we should continue to work to develop and implement programs of action that will attack the social and economic problems of our rural areas. Yes, there have been successes, but I believe there needs to be an even greater emphasis on rural development and assistance.

Of particular importance to me is the recommendation by the Congressional Rural Caucus for vastly increasing the loan authorization levels for the Farmers Home Administration and the Small Business Administration. Increased loan authority can provide funds to finance new farms, new housing, new public facilities, and new businesses, while protecting existing economic units who need additional credit. This, to me, means new jobs and an expanding tax base in rural America.

The budget proposal we have submitted calls for the maximum utilization of already existing and proven loan and grant programs under Farmers Home Administration and Small Business Administration, making financial resources available to America's rapidly expanding credit needs.

But most importantly, this budget proposal, increasing these loan authorization levels is at virtually no expense to the taxpayer. Why, because the loss historically on guaranteed and insured loans by Farmers Home Administration and Small Business Administration is very, very small. Both of these agencies have a proven track record. They have been successful and have been one of the most economical, effective, and beneficial vehicles available to alleviate and help to eliminate underemployment and unemployment throughout the Nation, including rural America.

They should be commended for the progress they have made toward building up the economic and social base for small towns and communities. By increasing their resources, we can accelerate our efforts toward this object with minimal cost to today's already overtaxed taxpayers.

The CRC budget proposal recommends $15.9 billion for loan level authorizations to Farmers Home Administration as well as $557 million for grant appropriations. The $15.9 billion recommended loan authorization level does not directly add to Federal budget outlays since insured loans are not paid out of the Federal Treasury. By providing this increased authorization level we might well produce over 2 million private sector jobs. The full implementation of these financial resources is of utmost importance to our farmers, nonfarmers, and our Nation. It can and will create jobs at no expense to the taxpayer.

In closing, Mr. Speaker, let me again emphasize that the CRC recommendations are the result of a bipartisan effort on the part of those Congressmen who are aware of the special problems of rural America. During the past 14 years I have served in the Congress I have represented a rural district in North Carolina consisting of small towns and communities. Thus I believe I have had ample experience and am most familiar with the problems of our rural areas.

The CRC proposals reflect the thinking of both political parties and will go a long way in providing the economic stimuli needed for rural America. I believe that the loan authorization levels for Farmers Home Administration and Small Business Administration should be increased. It can work. We have seen reports on how effective these two agencies have been in dealing with the rural areas of our country. They have been successful. With additional authorizations, these agencies will be in position to provide even more benefits. I, therefore, urge the support of my colleagues for the CRC budget proposals.

I include the concluding portion of the report "Congressional Rural Caucus Budget Proposals for Fiscal Year 1978":

CONGRESSIONAL RURAL CAUCUS BUDGET PROPART III—CONTINUED

H. FmHA—Salaries and Expenses

Halloran

We have the responsibility for all the personnel actions . . . financial matters with regard to Farmers Home Administration, . . . disbursement of funds . . . collection of funds . . . sound fiscal policy by which that is controlled. . . . In Farmers Home Administration, we have some 7,300, 7,400 employees, full-time, in the field. These are in 1,700-odd county offices . . . we are concerned about . . . effective delivery of our funds out in the field . . . in terms of giving to our people in the field the tools they need to effectively administer the programs . . . we are . . . putting in management information systems. . . .

McNichols

While FmHA's responsibility and programs have significantly increased, their field staff has not.

I. Mercure

We think that, number one, we have not done enough in the past several years . . . . It is probably 30 to 40, or 50 years during which the neglect of rural communities has been historical . . . migration to urban areas of people who had inadequate educational and employment skills resulted in some very serious problems in urban communities . . . now that population trends are reversing, it is also important . . . we be alert to the necessity to develop comprehensive strategies so that communities can develop their resources to prevent an inheritance of the problems, or an exportation of many of the problems, that are faced in urban areas back to the rural communities. . . .

. . . We have expanded the mission of Farmers home, we need, also, to make certain that we expand the vision of rural development. It is not just housing and sewage and those things, but it is the total development of communities that we need to develop as a philosophy of doing our job in the counties . . . we need to take a look at building a different set of specialized skills and delivery mechanisms for medical care. . . .

Section 603 of the Rural Development Act provides that the Secretary of Agriculture has a very important responsibility in assuring that there is a coordination of those resources—Federal, State, and local. . . . Secretary has told me that we intend to take the responsibility very seriously. . . .

J. Loan authorization levels and ceilings

Breckinridge

. . . when the Rural Development Act was adopted in 1972, no ceilings were imposed on your loan authority. . . . this was, . . . effected by the Appropriations Committee inserting ceilings . . . why do we bother with these ceilings if you are going to exercise a loss risk credit ratio that is the lowest and the finest in the country, . . .

Maddox

We have urged expansion of Farmers Home Administration programs and the raising of its guaranteed loan limits.

Breckinridge and Mercure

Q. . . . Is there any basic reason why any figure recommended by this Caucus, is not, one, a sound figure and, two, perhaps a false limitation?

A . . . If one follows the logic you just established, you are right. Any sound figure is an artificial constraint on the flow of money—any limitation is a constraint.

Breckinridge

. . . We are cutting off our noses to spite our faces with some budgetary allusion about playing with taxpayers' revenue dollars when that is not the case. We are concerned about appropriating billions of dollars for public service jobs when, over here, we could fund them with private dollars, and make a return on the investment, instead of contributing to our inflation.

. . . People look at the figure $16.4 billion and get scared to death. It's a misleading figure.

If the sound applications and the need are not there, you will not authorize it. If the financial system of the Nation won't fund it, you will not fund it.

The recommended $15.9 billion loan authorization levels include $2.3 billion for farmers programs, $6.6 billion for rural housing programs, $4.0 billion for rural community programs, and $3.0 billion for rural business and industrial programs. All of these do not directly add to federal budget outlays inasmuch as, with the exception of certain interest subsidies and "losses", insured loans are not paid out of the Federal treasury. These loans are resold through the Federal Financing Bank, and guaranteed loans do not appear in the federal budget except as "losses" occur. The subsidies or losses are offset by more than a 100% return on the taxpayers investment.

The CRC report recommends that Federal agencies with established and proven loan programs should place greater responsibility for these loans on the regulated financial institutions. Those banks which exercise good credit judgment and maintain satisfactory records of loan repayment should have discretionary authority to fund loans on an automatic or semiautomatic basis, thus expediting and helping to eliminate the heavy burden of unnecessary federal paperwork and personnel. Adequate monitoring can assure public accountability.

Last Thursday evening I was privileged to meet with President Carter at the White House, and one of the subjects of our discussion was the CRC package we have before us today. The President displayed complete familiarity with both the Rural Development Act of 1972 and the SBA programs. In fact, in 1972 then-Governor Carter testified in favor of the Act at hearings held by Senator Talmadge in Georgia. Jimmy Carter knows first hand the needs of rural America. His background, inter alia, is that of both a farmer and a small businessman. The President indicated a keen interest in our proposal and has directed its study internally by his Administration.

If implemented this proposal, along with a comparable expansion of the SBA loan programs, would have a significant impact on revitalizing the economy of Rural America and could additionally create as many as 3 million private sector jobs across the country—jobs that could be targeted to areas of high unemployment. Also, because these would be private sector jobs that create rather than consume revenues, these proposals could be implemented at a net profit to the taxpayer at the Federal, state, and local level in the shortest possible time. This program could potentially produce in the neighborhood of 2 to 3 million private sector jobs. Most importantly, it is more than 95% privately, non-tax dollar funded.

Maddox

Congress should set higher annual ceilings for guaranteed B & I and farm loans, Congress could designate funding levels for all FmHA guaranteed loan programs as reserves against losses rather than ceilings. Loans then could be made under a loan-to-reserve ratio such as 10:1 or 20:1. FmHA's excellent loss record suggests that such ratios would be prudent.

One of the best vehicles available for infusing massive doses of credit into rural areas through private lenders is the guaranteed loan.

With minimal impact on the Federal budget, the guaranteed loan programs of the Farmers Home Administration and the Small Business Administration can be effectively used with great benefit to rural communities. The guaranteed loan program offers a way for rural banks to tap the money markets for agricultural and community development loans.

Long

I think the authors of the Rural Development Act at the time it was passed envisioned unlimited use of the guaranteed loan type of system for business and industrial programs, but what has happened is that the administrative, and legislative changes, have muted this intent.

Breckinridge and Maddox

Q . . . To what extent do you feel the financial market can handle the flow of funds required for our rural areas? Could the market take care of programs if we had unlimited ceilings?

A . . . Mr. Maddox. I see no problem at all. I do not think there is a limit. We have investors, Merrill Lynch, E. F. Hutton, all the big brokers now in this and they are seeking these loans. In our particular case we have sold some to our state pension funds. Louisiana has well over a billion dollars in the state pension funds. They invest this money in corporate bonds and Government bonds. This is a beautiful investment for them.

Mr. Chairman, I do not really see the necessity for a ceiling. Why could not the loans be handled in a similar manner to the housing insured programs where the reserves are built up and the loans extended are protected by the loan reserves that are paid in where it would be a self-funding device?

Easterly

These programs are limited by the amount of guarantees you make available. I use guarantees instead of money as I firmly believe these programs will fund themselves.

McKay

Without the loan and grant programs of the Farmers Home Administration, any communities in Utah would go without significant development simply because the capital necessary to make improvements is not in our rural communities.

Under the EPA standards and the requirements for water and sewage disposal, they are under tremendous hardship.

I might add here that the record is phenomenal in the farm community above any other for non-default.

Maddox

By considering the levels designated for guaranteed loans as reserves rather than ceilings, tremendous amounts of capital could be released for rural development without having an impact on the Federal Treasury. We feel particularly strong about this recommendation, Mr. Chairman.

Broyhill

Of particular importance to me is the recommendation by CRC for vastly increasing the loan authorization levels for the Farmers Home Administration and the Small Business Administration. Increased loan authority can provide funds to finance new farms, new housing, new public facilities, and new businesses while protecting existing economic units who need additional credit. This means new jobs, and an expanding tax base in Rural America.

. . . . this can be done at virtually no expense to the taxpayer . . .

Alexander

. . . The proposal also calls for a $15.9 billion loan authorization level for rural economic development programs. While this billion dollar figure may appear large and at odds with our efforts to curb Federal spending, it does not constitute Federal spending of $15.9 billion.

This expenditure appears in the budget only as losses occur, which historically have been in the neighborhood of between one and two per cent. . . .

K. Financial Resources

Long of Louisiana

It has been said that the word "rural" is synonymous with the term "credit short" and that may very well be. Commercial banks and financial institutions in our smaller communities have an extremely difficult time because they lack the flexibility, the liquidity to finance a large number of loans in the first instance, and to finance major projects which necessarily involve long-term pay-outs on these particular types of loans.

The loan guarantee programs available through FmHA and SBA can be extremely valuable in drawing additional capital to these communities and in freeing up the existing reserves for additional loan-making use in the day-to-day, week-to-week, month-to-month problems.

Maddox

One solution to meeting capital needs is to give rural banks more direct access to major money markets. The Committee on Rural Banking Problems of the Federal Reserve System found that while commercial banks may discount farm loans with Federal Intermediate Credit Banks, they seldom have used the discount mechanism.

To expand the lending capacity of these banks, it is essential that they obtain access to national money markets.

Breckinridge and Mercure

Q. . . . why not let the marketplace determine the flow of funds by removing false ceilings that are a deterrent to the development of the infra-structure of America?

Mercure

If we are talking about insured and guaranteed loans, I think the prudent way is to establish reserves against those loans that are reasonable and sound. Then you can eliminate the ceilings with a certain amount of security.

Cleveland

Since commercial banks frequently prefer not to make long term loans and because banks located outside of money center cities often have insufficient lendable funds, the only way for many of these loans to be made is for the bank to obtain a government guarantee and then to sell the guaranteed portion of the loan to a firm such as ourselves which stands always ready to purchase this kind of guaranteed paper at the going market rate.

Many Farmers Home state offices have requested special allocations from the National Office. But owing to the volume of such requests probably most of these will not be funded soon, since only about $20,000,000 is expected to be made available in April when allocations not used in a few states will be distributed to some of the loans from other states awaiting funding.

Easterly

The guaranteed loan program can do for the small business what FHA and VA loans have done for housing in this country. The guaranteed loan program is good for everybody.

It gives the rural bank an almost unlimited amount of money to use in its community, as the deposits created by the loans, will fund the unguaranteed 10% that the bank must hold.

I think that is just one of the most important things about this, and that is this is a self-fund from the bank and the government, too.

The sale of these loans in the secondary market is the only way a bank can tap the money market to fund the loans made under the guaranteed programs.

The secondary market is well established. Most of the large brokers, such as Merrill-Lynch and E. F. Hutton have investors eager to buy this paper.

L. Bureaucracy, Paperwork, "Red Tape," and Processing

Breckinridge and Sprague

Some members of the banking community . . . feel they could greatly facilitate and expedite your and their business.

Sprague

We believe that they can, too.

Van Meter

Were the funds available, FmHA could expedite construction starts with a minimum amount of delay. Needed public facilities could be built, and jobs would be created almost immediately . . .

Maddox

On the question of automatic loan approval, IBAA endorses the CRC recommendation to permit lending institutions to consummate Federally guaranteed loans without submitting an application for prior approval by the Federal agency involved. This automatic approval would eliminate unnecessary paperwork and detailed analysis.

Instead of having just a ceiling—in the past I have had problems where I would have a customer come in and attempt to get an SBA loan and the funds were simply not available—but if we had a device where the reserves were set up and there was some type of automatic approval, unless the loan was submitted and declined within, let us say, a one week period . . .

If he is precluded from moving any of his prior loans into this program and if he is required to maintain the 10 percent himself, then I see no reason why there should not be an automatic approval of that particular type of loan because it will be made on the same criteria that he makes all of his loans on.

Swanson

Attainment of employment goals . . . outlined in the CRC letter to President Carter will necessitate greater reliance upon supervised lending institutions which will be called upon in making credit decisions. The Small Business Administration has already moved in this direction under their two-day processing plan and greater progress will undoubtedly be made in the near future. Working as a team, government and industry can, in our opinion, achieve such a standard of operations.

Easterly

Approval has slowed from 10 days to 30 days. Their volume has picked up considerably since they have started making agriculture loans. I would like to see banks doing more of the credit analysis and the agencies doing less paperwork and more supervision.

Graham

Consulting engineers believe that another problem contributes to increased costs; hence, fewer projects. That problem is the delays which abound in the carrying out of waste water treatment projects. This is particularly true in jointly-funded projects where the Farmers Home Administration and the Environmental Protection Agency, or the Department of Housing and Urban Development are sharing in the facility cost.

For several months, in 1975 and in early 1976, consulting engineers were being required by FmHA and EPA to negotiate separate and different contracts for the exact same project.

Naturally, whenever occasions arose wherein it was impossible to comply with differing requirements, the consultant would be ordered to stop work while the local representatives of the two agencies argued—first, with this regional offices and then with their administrative officials in Washington, D.C.—to see whose provisions should take precedence.

. . . Consulting engineers are placed in the position of comparing paragraph 4 of Form No. 1 with paragraph 9 of Form No. 2, or paragraph 7 of Form No. 1 with paragraph 11 of Form No. 2, et cetera. The confusion which results, particularly in firms which handle a large number of FmHA projects, can be enormous.

. . . most consulting engineers and most community officials responsible for treatment plant projects would greatly prefer working with the Farmers Home Administration rather than with the Environmental Protection Agency.

M. Financial Training Program—Private and Public Sectors

Breckinridge

. . . that can be accomplished not only by the training program which the IBA has initiated amongst its rural bankers for that purpose—in order that they might better understand the availability of the program and the profit available to them through utilization of it—but also in order that they might get the money more rapidly flowing . . . contemplate a comparable training program for . . . county supervisors.

. . . I just can't overemphasize the importance that this Member attaches to an accommodation that properly and adequately discharge your duty of accountability, on one hand, but expedites and facilitates the flow of these funds, on the other, under no false limitations, stifling a demand that, we have heard from you gentlemen, is out there in excess of your capacity to finance.

Sprague

. . . we are conducting an ongoing progressive training program for all of our field staff in this loan guaranteed program.

We have a training center at Norman, Oklahoma . . . contract with Dunn and Dunnally, a subsidiary of Dunn and Bradstreet, which conducts, each month, two courses in credit and financial management.

These courses do nothing more than teach our county and other staff this bankers' language and how he looks at the loan. We have found that we don't always talk the same language so we have done that.

. . . this is one of the reasons that we wanted to use the same approach on all of our guaranteed programs. One county supervisor may learn it through the housing business, not recognizing that, next week, he will be using the same thing in the farmer loan business, and the next week in the industrial loans.

We ask for the essential information . . . we have instructed our county supervisors that we expect them to go through a mutual training process with the local lenders, and help that lender put together those first applications until someone on his staff knows how to do it, also.

Breckinridge and Maddox

. . . is there anything that the caucus can do to suggest or facilitate . . . the initiation of joint training programs throughout the nation that would take advantage of your facilities and your expertise on one hand vis-a-vis the county supervisors, and on the other hand, the Federal training programs vis-a-vis your member banks?

Mr. Maddox. I think that could be an excellent suggestion, Mr. Chairman. I know that in many of the rural areas the small banker is not aware, not only of the problems on detail, but is not aware particularly of the procedures necessary to implement them.

If some type of regional seminar, which could bring together representatives of USDA, as well as the small banks, and PCA's and work out some kind of cooperative and informative program, I am sure it would be of invaluable benefit to the small, individual rural bankers.

Easterly

. . . we are putting on seminars in Louisiana. We are inviting the banks there. We are sitting down and telling them that the SBA is good. SBA has had a bad reputation. But that is not true any longer. It is not true with this guaranteed program. It is a beautiful program. It really does benefit everybody.

Breckinridge

It was suggested further that consideration be given, and it will be given because we are going to see that it is, to the conduct of joint training sessions between FmHA, SBA, and the private lending community, regionally if not state by state throughout the nation, for the purpose of effecting this expeditious flow of the money.

Cleveland

I think that is an excellent idea.

I think that the reason many applications are delayed is through a lack of mutual understanding between lenders and approval agencies as to what the other expects in an application.

N. SBA program

Jones of Tennessee

We have nine million small businesses in the United States today, but SBA has been able to help only 30,000. . . . Of the 370,000 new businesses incorporated last year, SBA will only be able to help 8,000.

. . . if the Federal Government, through SBA and FHA, can assist private lenders by guaranteeing loans, the level of development can increase dramatically. Living standards will improve, jobs will be created, tax bases will expand, production and efficiency will be enhanced.

O. Job creation potential

Breckinridge

In 1976 the SBA loaned approximately $2 billion to various enterprises throughout the nation, creating approximately 288,000 jobs in the private sector. SBA's 4,200 employees cost approximately $200 million in administrative costs. Based on SBA's 5% loan-loss ratio ($2 billion × 5%), $100 million will not be recovered. Thus $1.9 billion will be repaid to the taxpayers with principal and interest. The estimated 288,000 jobs created by SBA in the private sector cost approximately $200 million for administration and $100 million for loan losses, for a total cost of $300 million.

Because these 288,000 jobs are private sector jobs—that pay rather than absorb taxes—the CRC estimates that the total benefit to the taxpayer is as follows:

1976 tax revenue and savings for 288,000 SBA program-created jobs

	Per job	Total
Federal individual income tax	$2,300	$662,000,000
Federal corporation tax	1,134	326,000,000
Federal welfare savings	2,500	720,000,000
State and local tax	2,114	609,000,000
Total	8,048	2,317,000,000

Simply stated, the total $2.3 billion in benefits, less than $300 million in SBA costs, leaves a total net benefit of $2 billion to the taxpayers thereafter: for every taxpayer's dollars put out by SBA, the taxpayers receive a return of seven dollars, or $1 cost for $7 benefits received.

It is significant to note that with 9+ million small businesses in the United States, the SBA was able to help less than 30,000. Of the 370,000 new businesses incorporated in 1976, SBA will only be able to help 8,000. Many of these are in small towns and rural communities as well as center cities. Obviously, the demand is there for a major expansion of the FmHA and SBA programs, and I trust that some of our other witnesses will address themselves to this issue.

The major advantage in the expansion of FmHA and SBA programs is that they are not pilot programs. They are highly successful existing programs which are known to the President, Congress, and business and financial communities. By increasing the current average loan from $100,000 and $1 million, SBA could increase the number of jobs tenfold without significantly increasing administration costs.

Panetta

I am amazed by one comment you have made in your testimony; that, by increasing the current average loans from $100,000 to $1 million, SBA could increase the number of jobs ten-fold without increasing administration costs.

As I estimate that, we have presently about 288,000 jobs that have been created by the Small Business Administration. A ten-fold increase would be almost 2.88 million jobs.

Is that the result you contemplate?

Breckinridge

That is the conclusion that properly flows from that statement.

Maddox

SBA activity could also be increased. At the same time, it seems to us that the Small Business Administration is falling far short of its potential for generating jobs. SBA approved approximately 26,000 loans during the past fiscal year which generated about 288,000 jobs.

This activity, of course, involved only a fraction of the nation's 9½ million small business concerns. The loan volume falls far short of meeting the needs of the small business community.

Breckinridge and Swinnea

Q. How many jobs are you creating? Can you give us that sort of extrapolation?

Swinnea

A. . . . in terms of jobs created or saved, from 1974 through the end of January, the 31st, this year, we have obligated just over a billion dollars. Our figures show that we have created or saved about 123,455 jobs . . . one billion dollars for 123,455 jobs, or thereabouts.

Breckinridge and Swinnea

Q. If the two of you were not inhibited by these false limitations imposed by the Congress . . . you not be the most beneficial job—creating stimulation in the private sector program available, outside of, perhaps the SBA?

A. I certainly think so . . . at the present time, just in one state alone, they have earmarked all of their allocations for this year. They have, on file there, about $88 million in good, strong applications they would like to fund if they could just get the funding.

Cleveland

We find . . . that it takes perhaps $10 to $20 thousand to create one job.

Many of the typical B&I loans range from $1 to $3 million each. That is 50 to 300 jobs per loan.

It takes only about a man-month of Farmers Home Administration staff time to process one of these applications. From our perspective, it appears that this is perhaps one of the most effective Government job creation programs in terms of cost that there is.

Furthermore, it is my personal view that if Farmers Home Administration conducts itself prudently . . . they should be in a position to cover the losses incurred under the program with the 1 percent guarantee fee that they charge. The borrowers are certainly willing to pay that in return for getting the funds.

Easterly

These loans will create many new jobs. We will do three times as much in 1977 as we have done in the past six years, and we are just getting started.

. . . We have made 178 loans totaling over $16 million and created 932 permanent jobs.

Breckinridge and Zook

Q. Directing your particular attention to the job creation aspect and the revenue creation aspect of this proposal . . . I would like to ask you whether . . . you . . . agree with other witnesses that the best way to counter the unemployment and inflationary problem confronting us is by removing the ceilings on the $16.4 billion budget proposal before us and allowing the private money market to decide how many more billions we wish to invest in that sort of a profit-making undertaking.

Zook

Yes, I would.

These facts speak for themselves. . . . They are very significant. . . . I would underscore your statement of the financial strangulation of the small cities for tax dollars. . . . This sort of proposal is very, very helpful.

Breckinridge

. . . expansion of the Farmers Home Administration loans and . . . Small Business Administration loans . . . could be specifically targeted, by area and by formula, to areas of highest unemployment in both rural and urban America.

. . . although the Caucus directs its attention . . . to . . . Rural America . . . we are talking about . . . national programs, targeted at national problems.

The targeting factor of this proposal, . . . is one that has been overlooked by many . . . the program contemplates . . . coping with the serious unemployment situation confronting the Nation both in rural and in Urban America.

Pressler

. . . I have a firm belief that, in our rural states and areas, there is a great potential to develop a lot of jobs through the free enterprise, but it is going to take Government involvement by loans and the kind of assistance needed to get these things off the ground . . . the cost of this program will repay itself in income taxes collected from jobs created and from family farms saved . . . in a rural area or an urban area, programs such as these actually return more to the Treasury than the Treasury pays out.

Van Meter

. . . I believe now is the time to turn loose the funds to expedite these things, and put the contractors and their people back to work.

McNichols

. . . You have to take care of them first in your community, and maintain the jobs that you have. Then, in the development of your project, you try to get enough growth built into it—which Farmers Home Administration does not want to permit you to, but we were successful in doing through an ARC grant, jointly with Farmers Home Administration—so that you can entice other industry to come to your community and locate on this water line and the sewage systems that you have in the county . . . most industrial jobs . . . in my area . . . require low income housing . . .

Mr. FOUNTAIN. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from North Carolina (Mr. FOUNTAIN).

Mr. FOUNTAIN. Mr. Chairman, I take this occasion to commend my distinguished colleague, the gentleman from North Carolina (Mr. BROYHILL), who is vice chairman of the Rural Caucus, and also his colleague, the gentleman from Kentucky (Mr. BRECKINRIDGE).

The Rural Caucus working together, composed of individual Members from both parties in this body, has done a great job. I would like to associate myself with their program and express the hope that this body can be in the not-too-distant future become effective so we can do for rural America what we are already trying to do for the rest of the country. We can then build and rebuild America and a better America for everyone.

Mr. Speaker, I thank the gentleman for yielding.

Mr. BROYHILL. Mr. Speaker, I thank the gentleman from North Carolina for his contribution.

Mr. Speaker, I yield back the balance of my time.

SMALL BUSINESS IN ECONOMIC RECOVERY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 60 minutes.

Mr. HANLEY. Mr. Speaker, I am pleased to be able to participate in this important discussion about the role of small business in economic recovery.

There is unanimous agreement that our goal is to expand small business and to make it healthier. Actions that we in Congress have taken and are considering should help to some degree. The Paperwork Commission which we created is making progress, and continuing pressure on agencies with regulatory functions to weigh the economic impact of their actions can bear fruit.

The heart of this country's commitment to small business is the regular small business loan program, designed to aid small business which have difficulty obtaining financing in the commercial marketplace.

According to the most recent annual report of the Small Business Administration, the $2.1 billion loaned under the auspices of SBA programs either maintained or created 288,000 taxpaying jobs. While I have supported, and will continue to support, the creation of public service jobs opportunities through local governments, I believe that we ought to seriously examine the basic loan program of the Small Business Administration as a vehicle for promoting far greater job opportunities in the private, taxpaying sector.

I am very pleased with the provision in the Tax Reduction and Simplification Act which the House passed recently, to establish a new 2-year, 40-percent jobs tax credit to stimulate employment, especially in small businesses. Under the program, employers could take a tax credit equal to 40 percent of the first $4,000 annual wages paid to new employees after the payroll achieved a normal growth of 3 percent in 1977 and 1978.

I know that President Carter and his economic advisers have been briefed on the potential for economic growth contained in the small business loan program, and I intend to do all that I can to promote interest in this approach within the Small Business Committee and the House of Representatives.

I am also hopeful that President Carter, working closely with the Congress, can develop a basic national small business policy to govern our actions and aspirations during the next 4 years. For example, we must continue the progress being made to ease the paperwork burden. Government regulations, from agencies like Occupational Health and Safety and Environmental Protection, have to take economic factors into account to a far greater degree. Antitrust and monopoly laws have to be vigorously implemented. Tax laws, and their impact on small business, have to be continually reexamined, and the basic instruments of the Small Business Administration have to be expanded and improved.

REPRESENTATIVE JACK KEMP'S TESTIMONY ON REFORM OF THE NATION'S WELFARE SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, I presented a statement earlier today to the Secretary of Health, Education, and Welfare's public hearing on welfare reform. I wish to bring the contents of that statement to the attention of my colleagues, for reform of our Nation's welfare system is one of the most pressing demands upon our agenda this session.

I compliment the Secretary and his Department for holding these important hearings. In addition to the Secretary's own hearing today, his Department is holding weekly open forums on welfare reform here in Washington—at which anyone can appear—and a series of regional public hearings in the major urban centers of the country.

But holding hearings is only the first step. A listing of hearings and studies on the welfare system would constitute a volume in itself. The real task before the administration, the Secretary, the Department—and ultimately Congress—is the formulation and subsequent enactment of genuine reform. The public will measure our performance solely on that basis.

I am convinced that, if approached with a certain awareness and vision, welfare reform can be permanent, can result in absolute savings to the taxpayers, and can redirect resources to the legitimately needy in a fashion more equitable than ever before.

For the past two decades, government officials at all levels have wrestled with the question of how to deal with burgeoning welfare costs. Unfortunately, with the exception of a few States—but not at the Federal level—there have been no basic, innovative policy modifications.

FUNDING SHIFTS ARE NO SOLUTION

Funding shifts are no solution. They treat symptoms rather than causes, and they postpone the day of genuine welfare reform.

Funding transfer is a shell game: the pea is under the Washington shell, that of State government, or that of local government. But the pea—symbolizing the taxes required to sustain the system—remains the same. And the time wasted in the game serves no purpose, because a tax dollar is a tax dollar regardless of where it is sent.

This funding transfer shell game actually compounds the problems we must address. Why? There are two reasons.

First, when local government is freed from its participation in welfare costs, the attention of the taxpayer and local government officials is hereby weakened. If welfare is to be kept under control, the attention of local officials is not only desirable but essential.

Second, sending the problem over the horizon to the State capital or the National Capital compounds the problem not only because it minimizes local government interest, but also because subsequent decisionmaking is thereby placed in the hands of officials—both legislators and administrators—who may be further removed from the problem areas and root causes.

THERE MUST BE A REDIRECTION IN THE GOALS OF THE SYSTEM

I know that many sincere proposals will be advanced in the course of HEW's hearings. I am committed to working with Federal, State, and local officials to examine the viability of those proposals and to help effect permanent, substantive reform. But I must stress the action plan needed is reform, not federalization.

What should be the substantive goals of that welfare reform?

First, provision of sufficient aid to the truly needy;

Second, provision of incentives for recipients to find employment and free themselves from the system;

Third, provision of assistance only to those entitled by need to receive it;

Fourth, prevention of fraudulent abuse of the system; and

Fifth, operation of the system within the limits of public resources.

In summary, welfare assistance ought to be directed at the improvement of the status of an economically disadvantaged person, creating a reasonable likelihood the person will be permanently freed from further reliance on public assistance. This is crucial, because when government takes from one person to give to another, it diminishes the incentive of the one from which it took and the independence of the one to whom it gave.

THE MORAL CASE FOR WELFARE REFORM

There is a moral case here, and this moral case centers around the disadvantaged—the poor, the infirmed, the dependent—those without adequate food, clothing, shelter, and medical care to share with most Americans the abundance of the 20th century. Against the background of the "Roots" phenomenon sweeping the country, which I think could be one of the healthiest things to happen in this country in years if it makes people more aware of their heritages and traditions, there is no more propitious time than now to address this moral case.

Is there anything in America today that smacks more of servitude, dependence, and subjugation than a disadvantaged person's year-in and year-out dependence on public assistance? Can you imagine what it does to a person's attitude about himself or herself to realize how cruel this system is? Fearing tomorrow can never be better than today.

I consider it to be profoundly immoral—on the part of Government, not those having to receive this assistance—for Government to continue in place those policies which perpetuate this dependence, which keep these people on the borderline of poverty, and which fail miserably to tie such assistance together with a means of giving them the skills they need to be self-sustaining and independent from control by, or subservience to, central authority no matter what

its form. These people need and usually want the skills with which to improve their living standard, the material base from which to exercise personal choice as to their own lives. I consider the operation of the present program to be the epitome of arrogance too.

There is no reason to continue it as it is. We have answers available to us now.

THE NATIONAL WELFARE REFORM ACT

For almost 3 years now, I have been working with many of my colleagues to gain congressional action on legislation to effect basic substantive and certain important procedural reforms. Entitled the "National Welfare Reform Act," H.R. 4679, this proposal contains over 25 separate provisions for dealing with the problems being brought before HEW's hearings.

Specifically, the principal features of this bill would—

Curb the $30 and one-third abuse by inserting a maximum of 150 percent of the needs standard;

Make the "4-month rule" a single 4-month transition period;

Deduct work-related expenses before earnings exemptions, because presently one-third of those expenses are deducted twice;

Provide for a standard work-related expense option, in place of the multiplicity of all of the work-related expenses which are now claimed;

Require use of a standardized photo-identification card, solely for welfare-related purposes and no others;

Define child as one below the age of 18, for now persons under some circumstances can receive AFDC up to the age of 21, as children, even though they are legally adults;

Provide 50-percent matching for local law enforcement fraud control;

Require more effective resource utilization on the part of recipients, such as lump-sum awards, shared housing and utilities, and resources from persons living with welfare families;

Step up child support enforcement activities and methods; and

Perhaps most important of all, emphasize work requirements.

This work requirement emphasis deserves additional comment. As I have already indicated, the key to much of welfare reform lies in either securing or assisting in the task of securing a job for the recipient in the private sector. This can and should be done in five principal ways:

Making work registration more than a paper exercise;

Requiring active job search, so an able-bodied individual can match his or her job skills and available work;

Requiring community work experience programs, in order that an able-bodied person unsuccessful in both of the above tasks still works a given number of hours within the community, giving some tangible benefit to that community and associating more with other persons who are not receiving assistance;

Assuring sufficient training opportunities; and

Expanding job opportunities in the private sector through reducing the burden of taxes on jobs-creating businesses and on individuals.

The Department of Health, Education, and Welfare estimated during the last Congress the total national savings of the National Welfare Reform Act would reach $1.7 to $2.2 billion annually. Those funds could be returned to the taxpayers from whence they came in the form of lower taxes, or used for other important social program needs, or to increase benefits to those truly needy and eager to free themselves and their families and children from the welfare system.

CREATING ALTERNATIVES TO DEPENDENCE ON WELFARE

The Government needs to do much more to assure the existence of jobs to which those now on welfare can move in the private sector.

President Carter has said repeatedly that decisions affecting Government programs should be made within functional categories. That is the basis for his Government reorganization effort. Welfare, as a substitute for a job in the private sector, cannot, therefore, be examined in any context other than jobs. The role of permanent tax rate reductions on individuals and businesses thus becomes crucial to these welfare questions.

I am particularly encouraged by the testimony of the Secretary of the Treasury, Michael Blumenthal, last week on this point. Secretary Blumenthal strongly emphasized the importance of increased capital investment, arising from tax rate reductions, as a means of creating and keeping jobs.

Tax policy must be considered from the standpoint of its effects on the incentives of people to work and produce, to save and invest, to build and employ—all of which adds up to jobs. When tax rates go up and investment and employment opportunities in the private sector go down, it is not the rich who have been soaked. It is the unfortunate workers who either become unemployed or must work with less productive tools and machinery and the unfortunate would-be workers who remain unemployed.

Attempts to benefit the less fortunate and fight poverty by redistributing income through the tax code are ultimately counterproductive. Instead of dividing up a static economic pie, we need to expand the size of that pie, so everyone can partake more of it. The only real way to raise the standard of living for everyone, including those now on welfare, is to increase the amount of capital per capita by reducing the tax barriers to investment and employment.

The greater the tax, the greater the shrinkage in real growth. Conversely, lower tax rates produce growth. When tax rates were cut in the 1920's, 1950's, and 1960's, jobs were created, people consumed more, output soared as workers had more incentive, small businessmen worked longer hours, professional people took shorter vacations, people saved more, and investment grew. No wonder tax revenues rose.

We must eliminate the tax bias against job creation, for taxes impact directly on hiring. A firm's total cost of hiring includes payroll and withholding taxes, while a worker's takehome pay is exclusive of both. As taxes rise, the cost of labor to the firm rises, and fewer workers are hired. Simultaneously, the takehome pay of those with jobs is reduced, causing many workers to lose incentive and opportunity. Those without work enter the ranks of the unemployed, at first drawing unemployment compensation. As the job market remains tight and unemployment benefits run out, the man or woman who once had a job enters the welfare system. There is no clearer way to see how jobs relate to welfare and how their creation and preservation is essential to keeping people from falling into a dependency on welfare and to helping those already on welfare out of it.

I have pushed very hard over the past 4 years for reductions in tax rates—specifically to create and sustain jobs. The bill which I have introduced to accomplish this purpose is the Jobs Creation Act of 1977, most recently introduced as H.R. 4735. That legislation now has 113 cosponsors on the House side. It offers the administration and the Congress a means of carrying out Secretary Blumenthal's emphasis on tax rate reductions to create jobs, and coupled with the National Welfare Reform Act, it offers the Administration and the Congress a means of carrying out substantive welfare reform and creation of alternatives to such welfare.

I look forward to the recommendations which the administration will formulate at the end of the HEW hearings. A great deal of the new administration's credibility is on the line.

FREE MARKET AND FOOD PROTECTION ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 10 minutes.

Mr. SEBELIUS. Mr. Speaker, I am taking this opportunity to discuss legislation I reintroduced today, the Free Market and Food Protection Act of 1977.

This bill's primary purpose is to provide equity and consideration to the man whose job it is to feed this Nation and help feed a troubled and hungry world. I should like to point out we are witnessing a new era in American agricultural policy today, an era in which the farmer and his product have become a vital resource that is being utilized in unprecedented fashion to further many different national interests.

No longer is it the farmer's job to simply farm, produce and provide quality food and fiber at the lowest comparative cost in the world. Today, we find the farmer and his product a prized national resource to be utilized in the conduct of our foreign policy, in the fight against inflation, in the humanitarian effort to alleviate malnutrition and hunger throughout the world, and in the effort to maintain our Nation's balance of payments and pay for the foreign oil we use in this Nation.

In recent years, it has been popular for those within the organized labor movement, for State Department officials, for those involved in the humanitarian effort to alleviate hunger and malnutrition, for the consumer interests, and for the executive branch of Government to speak, with every good intention, about

"our grain." Their grain in this instance is in fact the farmer's grain.

I realize and agree that it is in our national interest to keep food prices at a reasonable level. It is also in our national interest to conduct our export policy to enhance our foreign policy in such a way as to promote international understanding. There is no question but that this country also has a humanitarian responsibility to assist those who are less fortunate in the fight against hunger and malnutrition. I am thinking primarily of those developing nations who are experiencing an ever-increasing population and decreasing energy and food supply. All of these things are in our national interest. But, I submit to my colleagues and those directly involved that these efforts should not be done at the farmer's expense. It is still the farmer's grain. He prepares the soil, he drills the wheat, he harvests the crop, and he will continue to do so only if he can receive a price that will enable him to stay in business.

I realize that sounds pretty basic, but I am convinced that there are too many folks today who simply do not understand that basic fact.

If it is in our national interest to suspend grain and cotton export sales for any number of reasons, and if these suspensions or export controls are punitive and discriminatory to the farmer, then it is also in our national interest to provide the farmer equity. If we are going to embargo the farmer's product in the interest of fighting inflation, conducting foreign affairs, or any number of other reasons, social or economic, we are going to have to pay for it. It is that simple.

In part, this legislation is intended to increase the realization that should future Government intervention in grain exports occur, there is a price that has to be paid and that price is in truth an investment in our national interest. This bill would assure the farmer minimum financial protection if Government interference or special interest pressure should cause future disruption in U.S. farm exports.

Should the executive branch of Government deem it in the national interest to suspend export sales of grain, national interest equity payments to farmers who still own their grain would be required.

This initial payment would become payable when export sales of grain and cotton are suspended. The payment would be 10 percent of the parity price per bushel or bale of the commodity concerned. Payments for holdings beyond 20,000 bushels or 500 bales for an individual producer would be reduced to 5 percent.

For each additional 30-day period the suspension is in effect, there would be additional payments in the amount of 3 percent of the parity price per bushel or bale of the commodity with holding in excess of 20,000 bushels or 500 bales at the rate of 2 percent of the parity price per bushel or bale.

I wish to stress that these payments, or investments in our food and fiber production capability, in no way cover the precipitous decline in grain prices that farmers have experienced during Government intervention in grain exports the past few years. However, during this time of fiscal restraint, these equity payments will at least enable the farmer to maintain his economic position during future such suspensions.

Mr. Speaker, in the past the farmer has been told it is in the national interest to maximize food production. He received assurances from the executive branch of our Government of free access to export markets. Despite record production costs, he responded in good faith and produced a record grain crop.

Unfortunately, suspensions of export grain sales have disrupted supply and demand marketing, effectively depressed grain prices in some cases below production costs, denied grain producers a fair and equitable price for their product, and imposed additional storage costs on grain producers who cannot market their products without a fair economic return.

This suspension has been deemed in the national interest. It has also been economically punitive to the farmer and discriminatory in nature to agriculture. I submit to my colleagues that equity payments to the farmer are also in the national interest and in turn become investments in this Nation's ability to fight hunger, stem inflation, provide jobs, improve our balance of payments, pay for foreign oil, and alleviate hunger and malnutrition.

I urge consideration and support for this bill by my distinguished colleagues.

WHO IS BRADY TYSON?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 15 minutes.

Mr. BAUMAN. Mr. Speaker, I am sure most of us in the House were highly surprised to read the remarks made by the U.S. delegate to the United Nations Human Rights Commission, Mr. Brady Tyson, made this week at the Commission's meeting in Geneva. During debate on a resolution condemning the current Government of Chile, Mr. Tyson took it upon himself to publicly apologize for past policies of the U.S. Government regarding the Government of Chile. He intimated in his remarks that the U.S. Government took part in overthrowing the Marxist government of Salvador Allende and that was the cause for his abject apology.

Mr. Tyson was later subjected to what a State Department official called a "reprimand" by President Carter who said that Mr. Tyson's apology was "inappropriate."

Mr. Speaker, that is putting it mildly. Mr. Tyson has been identified in news dispatches as "a specialist in Latin American affairs" who was named to this current position on the U.S. delegation by the U.S. Ambassador to the United Nations, Ambassador Andrew Young.

I firmly believe that the Members of the Congress as well as the President himself should take a much closer look at the life and times of Mr. Brady Tyson. Mr. Tyson is an ordained Methodist minister, who received his B.A. degree from Rice University in Houston, and a divinity degree from Southern Methodist University. He has taught at and is presently on leave from the School of International Service at American University in Washington, where he has been a professor of Latin American studies. I have had occasion to talk to people who have heard Mr. Tyson's lectures as well as had discussion with him, and they describe him as an "avowed Marxist."

Examination of Mr. Tyson's background shows that in 1966 he was teaching at the Escola de Sociologia e Politica in São Paulo, Brazil. He was expelled by the Government of Brazil, because he had "offended the dignity of the country," and "disturbed the social and political order," according to government officials. Mr. Tyson had publicly called the Brazilian Government "a front" for United States' foreign policy, which he obviously opposed.

When he returned to the United States, Mr. Tyson became active in the North American Congress on Latin America—NACLA—and was one of several incorporators of that organization. The House Committee on Internal Security in its annual report of 1971 described NACLA as "off shoot for the Students For A Democratic Society—SDS." NACLA has specialized in the preparation of reports, from a Marxist perspective, on Latin American affairs. It has been in the forefront of both leftist and Communist groups supporting Communist guerrilla activities operating in the Southern Hemisphere. NACLA's draft statement on ideology published in May of 1967 said that the organization was trying to finance and support those who "favor a revolutionary change in Latin America, but also take a revolutionary position toward their own society."

It is interesting to note that virtually all of NACLA's publications bear the union printing label No. 209, which belongs to Prompt Press, the same press which prints almost all of the literature of the American Communist Party and its various fronts.

A brochure which was published by NACLA states that the background and purpose of the organization is as follows:

In November 1966, a group of students, professors, journalists and organizers met in the wake of the US invasion of the Dominican Republic to found a new educational organization, the North American Congress on Latin America. In order to help prevent the further Vietnamization of Latin America, the new organization sought to uncover the real forces shaping US foreign operations—corporations, government agencies, foundations, churches and unions. Utilizing power structure research techniques, the staff developed a broad range of literature which has been used as educational material among various segments of the North American population.

The NACLA staff conducts special research projects, produces pamphlets and publishes a monthly newsletter. The staff members also contribute to books, magazines, and movement newspapers. Much of NACLA's literature has been translated and reproduced in Latin America. A major portion of the organization's resources is devoted to maintaining an extensive data base of facts and figures covering every aspect of US involvement in Latin America (clippings, files, special directories, etc.).

Mr. Speaker, at the time NACLA was founded in November of 1966, Brady Tyson, giving his address as Southhampton, N.Y., was one of five original incorporators of the organization. The other incorporators who founded the organization have all participated in a number of Communist or leftist front organizations or groups in the United States.

Mr. Tyson has also been associated with the U.S. Committee for Justice for Latin American Political Prisoners—USLA. In hearings held before the Subcommittee on Internal Security of the Committee of the Judiciary of the U.S. Senate on July 24, 1975, at page 67, a letterhead of the organization USLA appears listing Rev. Brady Tyson as one of the sponsors of the organization. His name appears alongside such other sponsors as Herbert Aptheker, one of the chief theoreticians of the U.S. Communst Party, radical attorney, William Kunstler, and Herbert Marcuse, one of the radical philosophers of the far left. One of the cochairmen of USLA to which Mr. Tyson lends his name is Dave Dellinger, associated with almost every Communist organization of major importance in recent years, including the Committee to Abolish the House Committee on Internal Security, which was successful in doing so a few years ago.

Also associated with Mr. Tyson and USLA was one Michael Locker, also a member of NACLA, as well as one of the original incorporators of the radical education project. Mr. Locker is also a member of the first staff of the National Mobilization Committee which had a large part in disrupting the 1968 Democratic Convention. Mr. Dellinger, himself, was one of the defendants at the so-called Chicago Seven.

Mr. Tyson's recently stated views on Chile have caused quite a stir, but no one should be surprised. In 1968, Mr. Tyson told a gathering of the National Council of Churches:

> We are living in a pre-fascist pre-totalitarian world. If we fail to prevent such a world from developing, it will not be just the failure of millions of comfortable Christians but our failure to help hundreds of millions of non-comfortable persons in the world.

As recently as 1972, a coalition of some national political figures, left-wing radical activists and even some Communists, began a drive for relaxing tensions with Fidel Castro's Cuba. In a 2-day seminar held in the new Senate Office Building, which was coordinated by Michael Myerson, secretary of the New York State Communist Party's Peace Commission, one of the militant panelists was Rev. Tyson. At that time he called for the mobilization of American public opinion to persuade the U.S. Government to ease relations and restrictions on trade and visits with Castro's Communist regime.

Mr. Tyson has also been active as a sponsor of the American Friends of Brazil, joining a number of notable leftists in this endeavor directed against the Government of Brazil.

Mr. Speaker, with a background like this, it seems incredible that President Carter would have permitted Ambassador Young to appoint this man to any post. Certainly, he should not have been permitted to sing the praises of Salvador Allende and his Marxist Government of Chile at any conference on human rights.

All of this calls into serious question the activities of Ambassador Young who is now seeking to expand his U.N. empire by establishing a Washington office at the expense of the taxpayers, including Capitol Hill lobbyists. Ambassador Young has made incredible statements in recent days in which he gave his approval to the Cuban Communist presence in Angola and described communism as no threat to blacks in Africa.

The Tyson affair is just another example of the results of the strange views which Ambassador Young holds. I call on President Carter and those who are concerned about America's well-being to take immediate steps to remove Mr. Tyson from his position. Second only to that should be prompt consideration of the future of Ambassador Young at the United Nations and his continued service in any official capacity.

"DECOUPLING" SOCIAL SECURITY BENEFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 10 minutes.

Mr. WHALEN. Mr. Speaker, the financial soundness of the social security system is of crucial importance to us all. Yet, the 1975 and 1976 Social Security trustees' reports predict a disturbing imbalance in expenditures and income in the system over the next 75 years.

The first step toward elimination of future deficits is not a controversial one. According to the 1976 trustees' report,

> Unrealistically high future benefits [will] result from the complex and apparently unintentional way in which future benefits are related to changes in wages and in the Consumer Price Index.

How are future benefits determined and to what can we attribute the proposed imbalance?

THE PROBLEM

Prior to 1972, Congress raised social security benefits on an ad hoc basis. The 1972 amendments provided: First, for benefits to increase automatically with increases in the Consumer Price Index; and second, for the maximum earnings base, on which social security taxes are levied, to increase automatically with increases in average earnings. Thus, beneficiaries would be protected against inflation and contributors would receive automatic improvements in their protection—adjusting both for inflation and the rising level of living.

Unfortunately, there were two severe problems with the 1972 amendments which have contributed greatly to the financial problems which the system faces.

CHANGING BIRTHRATES

First, the future cost projections made in 1972 were based on an obsolete set of demographic assumptions that bore little relation to our recent, sharply declining birth rates. Future costs of the system depend crucially on the number of workers available to be taxed to support future retired workers. A severe decline in births will eventually cause greatly increased tax rates on future workers.

Yet demographic projections developed in the early 1960's were not modified until 1974—hence the alarming and radically different projections made in 1975 by the Advisory Council on Social Security. For example, the actual birth rate in 1972 was 30-percent lower than the assumed rate.

Recent changes in demographic projections account for roughly one-half of predicted future deficits in the system. Proposed solutions are controversial in nature and include: increasing the tax rate; decreasing benefits; infusing general revenues into the system; increasing the taxable wage base for contributions; increasing the retirement age to 68; and eliminating benefit payments to secondary beneficiaries.

DOUBLE INDEXING OF BENEFITS

Second, in the 1972 amendments, Congress legislated an indexing method that overcompensates for inflation. Under this system, future retirees get a double benefit from inflation by having both higher wages and a higher benefit percentage computed from the worker's actual average monthly wage—AMW. In future workers will receive social security benefits that exceed their most recent wages, especially considering the tax-free nature of these benefits.

Present benefits are computed as a percentage of a worker's average monthly wage of covered employment. At the time a worker retires, these benefits called the primary insurance amount—PIA—is computed from the worker's actual average monthly wage—AMW. In future years, the percentage between a given AMW and the corresponding PIA will increase so that the worker's benefit payment will rise each year in proportion to increases in the Consumer Price Index—CPI.

For example, suppose a worker retires with an AMW of $200 and receives a benefit of 50 percent of his AMW, or $100 per month. If a one-time inflation of 10 percent occurs, the benefit percentage would automatically increase by 10 percent to a new value of 55 percent. The worker would then start receiving benefits of $110 per month—55 percent of $200. This procedure correctly adjusts for inflation for retired workers.

The overcompensation arises for employed workers whose wages rise during inflationary periods. Workers who retire after an inflationary period will have earned higher wages and hence will have a higher AMW. When they retire, however, the PIA percentage applied to their earnings history will also have risen—to compensate retired workers for inflation.

Extending the previous example, a worker's salary, after a 10-percent inflation, may increase 10 percent from $200 per month to $220 per month. Upon his retirement, his AMW will therefore be about $210 per month. His benefit would be 55 percent of $210 or $115.50 per month, which is $5.50 higher than the benefit being received by the worker with the same real income who retired earlier.

Thus, the automatic benefit provisions should be changed in such a way that

benefits paid in the long-run future are the same proportion of recent earnings for those who retire at that time as benefits are today for those retiring today. Such a change should have the effect of reducing the long-range—75-year—estimated deficit by almost one-half.

There is widespread agreement among senior citizen groups, organized labor, and social security experts in and out of Government that the automatic provisions should be changed—that is that benefits should be "decoupled," or that present "double-indexing" of benefits should cease.

How, then, do we achieve this?

PROPOSAL TO DECOUPLE BENEFITS

The purpose of "decoupling" is to cause future benefit levels to be less sensitive to fluctuations in wage and price increases and also to assure that replacement rates will be relatively constant in the future. Replacement rates indicating that portion of wages "replaced" by social security payments. Our goal is to stabilize replacement rates—not benefit amounts. Increases in benefits after retirement would continue to be based on the Consumer Price Index.

As Director of the Congressional Budget Office Alice Rivlin explained before the Joint Economic Committee of Congress,

. . . the error is technical, and hard to understand. If it were obvious, presumably it would not have occurred in the first place.

To correct that unintended technical error a revised standard benefit formula is required.

A progressive, three-factor standard benefit formula was suggested by the Advisory Council on Social Security:

100% of the first $X of AME
plus
31% of the next $Y of AME
plus
20% of all AME above $Y.

Using this formula, my proposal bases the Average Monthly Earnings—AME—upon the highest 10 years of employment, thus bringing social security more in line with requirements for other Federal retirement systems.

The X and Y factors would be adjusted automatically each year as indicated by changes in the CPI. Today I am introducing legislation which proposes the following specific formula, based on the above, with the understanding that the dollar amounts—and not the ratio of benefits to wages—be adjusted annually to take account of increases in average earnings:

100% of the first $110
plus
31% of the next $940
plus
20% of all AME above $1050.

While this formula may require some adjustment after intensive scrutiny to insure that benefits remain roughly equal to those under present law, the basic concept is sound.

A transition provision—or grandfather clause—is contained in this measure to guarantee a worker or his eligible dependents, within 10 years after the effective date, the higher of: First, payment expected under present law, based on the benefit tables of 1977; or second, benefits based on the new, decoupled system.

The urgency of this technical correction cannot be exaggerated. To return to Dr. Rivlin's testimony,

There has already been too much delay in correcting this serious technical error. It, more than any other single factor, threatens the integrity and stability of the entire Social Security system.

In closing, I would stress that a two-pronged attack is needed to prevent a future crisis in social security financing:

First. Provision of a moderate increase in income into the system. I hope to reintroduce the Bedell-Whalen bill (H.R. 11507 in the 94th Congress) to increase the wage base for contributions at a later date.

Second. Immediate correction of the technical error, known as double indexing, which is largely responsible for projected deficits of the future. This is known as "decoupling."

My decoupling proposal addresses only the replacement of an erroneous benefits formula. There is no justification for continued congressional delay in acting upon a reasonable proposal to eliminate the double indexing of social security benefits.

At this point I would like to insert a list of informational materials concerning the subjects of decoupling and future financial security of the social security system:

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HIGHLIGHTS OF THE SOCIAL SECURITY BENEFIT DECOUPLING ACT

Corrects the flaw in existing benefit formulas known as "double indexing."

Provides a progressive, three-step benefit formula in its place.

Reduces the long-range (75-year) projected deficit by approximately one-half.

Maintains the current ratio between benefits and wages before retirement.

Simplifies accounting procedures, making the benefits system more readily understandable and bringing the system in line with other Federal retirement plans by basing benefit formulas on a percentage of the "high ten" years of employment.

Provides a ten-year hold harmless clause to avoid inadvertent lowering of benefits for any individual.

Has no effect on present retirees.

HEARINGS ANNOUNCED ON CARTER ADMINISTRATION'S PROPOSAL FOR REPLENISHMENT OF FUNDS FOR INTERNATIONAL DEVELOPMENT LENDING INSTITUTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, I am today introducing authorizing legislation, H.R. 4842, which provides additional financial resources for the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank, and the Asian Development Fund. The legislation also contains a title which provides that the United States shall pursue a policy of advancing the cause of human rights in all its dealings with these international institutions.

These proposals constitute an integral part of President Carter's foreign economic platform. It is the intention of my colleague, the Honorable HENRY B. GONZALEZ, chairman of the Subcommittee on International Development Institutions and Finance, to expedite consideration of these proposals and move this legislation as quickly as possible. Mr. GONZALEZ has scheduled subcommittee hearings on this legislation on March 22, 23, and 24. Anyone wishing to testify should contact Mr. GONZALEZ' Subcommittee on International Development Institutions and Finance. I hope that Members will take advantage of this opportunity.

H.R. 4842 follows:

H.R. 4842

A bill to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank and the Asian Development Fund, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

SEC. 101. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is further amended by adding at the end thereof the following new section:

"SEC. 27. (a) The United States Governor of the Bank is authorized (1) to vote for an increase of seventy thousand shares in the authorized capital stock of the Bank and (2) if such increase becomes effective, to subscribe on behalf of the United States to thirteen thousand five additional shares of the capital stock of the Bank; provided, however, that any subscription to additional shares shall be made only after the amount required to pay for the paid-in portion of such subscription has been appropriated.

(b) In order to pay for the increase in the United States subscription to the Bank provided for in this section, there is hereby authorized to be appropriated, without fiscal year limitation, $1,568,856,318 for payment by the Secretary of the Treasury."

TITLE II—INTERNATIONAL FINANCE CORPORATION

SEC. 201. The International Finance Corporation Act (22 U.S.C. 282 et seq.) is further amended by adding at the end thereof the following new section:

"SEC. 11. (a) The United States Governor of the Corporation is authorized (1) to vote for an increase of five hundred and forty thousand shares in the authorized capital stock of the Corporation, and (2) if such increase becomes effective, to subscribe on behalf of the United States to one hundred and eleven thousand four hundred and ninety-three additional shares of the capital stock of the Corporation: *Provided, however,* That any commitment to make payment for such additional subscriptions shall be made subject to obtaining the necessary appropriations.

(b) In order to pay for the increase in the United States subscription to the Corporation provided for in this section, there is hereby authorized to be appropriated, without fiscal year limitation, $111,493,000 for payment by the Secretary of the Treasury."

TITLE III—INTERNATIONAL DEVELOPMENT ASSOCIATION

SEC. 301. The International Development Association Act, as amended (22 U.S.C. 284 et seq.), is further amended by adding at the end thereof the following new section:

"SEC. 16. (a) The United States Governor is hereby authorized to agree on behalf of the United States to pay to the Association $2,400,000,000 as the United States contribution to the fifth replenishment of the resources of the Association: *Provided, however,* That any commitment to make such contributions shall be made subject to obtaining the necessary appropriations.

(b) In order to pay for the United States contribution provided for in this section, there is hereby authorized to be appropriated, without fiscal year limitation, $2,400,000,000 for payment by the Secretary of the Treasury."

TITLE IV—ASIAN DEVELOPMENT BANK AND ASIAN DEVELOPMENT FUND

That the Asian Development Bank Act, as amended (22 U.S.C. 285–285r), is further amended by adding at the end thereof the following new sections:

"SEC. 22. (a) The United States Governor of the Bank is authorized to subscribe on behalf of the United States to sixty-seven thousand and five-hundred additional shares of the capital stock of the Bank: *Provided, however,* That any subscription to additional shares shall be made only after the amount required to be paid for the paid-in portion of such subscription has been appropriated.

"(b) In order to pay for the increase in the United States subscription to the Bank provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation $814,286,250 for payment by the Secretary of the Treasury.

"SEC. 23. (a) The United States Governor of the Bank is hereby authorized to contribute on behalf of the United States $180,000,000 to the Asian Development Fund, a special fund of the Bank: *Provided, however,* That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation $180,000,000 for payment by the Secretary of the Treasury."

TITLE IV—HUMAN RIGHTS

(a) The United States Government, in connection with its voice and vote in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, shall advance the cause of human rights, including by seeking to channel assistance toward countries other than those whose governments engage in a consistent pattern of gross violation of internationally recognized human rights, such as torture or cruel, inhumane or degrading treatment or punishment.

(b) The Secretaries of State and Treasury shall report quarterly to the Speaker of the House and the President of the Senate progress toward achieving the goals of this title.

CONSUMERS WILL SUFFER BITTERLY IF SUGAR INDUSTRY GETS RELIEF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 30 minutes.

Mr. DRINAN. Mr. Speaker, fewer than 30 months have elapsed since wholesale sugar prices peaked at 72 cents per pound in November 1974. The meteoric price rise of this commodity triggered corresponding increases in the retail prices of candy, soft drinks, baked goods, and numerous other processed foods which contain sugar. Not surprisingly, sugar growers and processors recorded enormous profits in 1974 and 1975 at the consumers' expense. While consumers are still paying inflated prices for these products, the price of sugar has retreated to historically normal levels. Incredibly, the sugar industry has now asked the Federal Government to step in and force the price of sugar up again through price supports and import quotas. With the support of Agriculture Secretary Bergland, the industry appears likely to succeed in obtaining subsidies unless Congress acts to block this unwarranted ripoff of American taxpayers and consumers.

CURRENT SUGAR PRICES IN PERSPECTIVE

On March 8, 1977, the spot price for raw sugar on the New York Coffee and Sugar Exchange stood at 11.29 cents per pound. In order to assess the impact of that price, it is useful to place it into historical perspective. Prior to 1970, the U.S. price for sugar fluctuated between 5 and 8 cents per pound. The price began to rise during the early seventies, reaching 10.29 cents by the end of 1973. It is important to note that prior to the dramatic increase which occurred in 1974, the price of sugar was never as high as it is today. Thus, in historical terms, the sugar industry has little to complain about now.

During this period, domestic prices were artificially propped up by the Sugar Act which imposed quotas on sugar imports and limited domestic production to growers holding approved acreage allotments. The Sugar Act, which expired on December 31, 1974, also provided subsidy payments to domestic growers. In 1972, Federal payments to the top 20 growers totaled $12 million, and several large companies received more than $1 million apiece. While the Sugar Act remained in existence, the world price for sugar was generally 10 to 20 percent below the domestic price. American consumers suffered as a result of that discrepancy.

THE SUGAR BOOM OF 1974

In 1974, as sugar producers prepared for the expiration of the protectionist Sugar Act, prices suddenly began to skyrocket. Between January and November, sugar prices jumped more than 400 percent. According to a report prepared by the President's Council on Wage and Price Stability, domestic growers and processors profited greatly from this short-term boom. The net return to Florida cane growers in 1974 rose 929 percent over the average for the preceding 9 years. In Louisiana, cane growers enjoyed a growth in net return of 2,500 percent over the preceding 9-year averago. Cane processing profits increased 149 percent in Florida and 1,000 percent in Louisiana between 1973 and 1974. Net returns to Hawaiian producers rose 240 percent during that same year. Among beet producers, net return increased 1079 percent from 1972 to 1974.

Those record profits enjoyed by the sugar industry helped to empty the pockets of American consumers. When a 5-pound bag of sugar topped $3 in American supermarkets in the fall and winter of 1974, consumers began fighting back through a series of boycotts. President Ford urged Americans to cut sugar consumption by 50 percent. While these efforts were underway to reduce the impact of excessive sugar prices, American taxpayers were continuing to pay off domestic sugar growers under the Sugar Act. It was not until the end of 1974, when the act expired, that these subsidy payments finally stopped. By that time, sugar producers were so busy counting their windfall profits that they hardly noticed the end of the program.

SUGAR PRICES UNDER THE FREE MARKET SYSTEM

When the Sugar Act expired on December 31, 1974, American consumers had free access to the world sugar market for the first time in over 40 years. While prices declined steadily throughout 1975, the average U.S. spot price for the year averaged 22.47 cents, more than twice the 1973 price. Thus, though the spectacular profits of 1974 were not duplicated by the sugar industry, 1975 was still a banner year for producers and growers alike.

As the free market in sugar continued to operate and imported sugar entered the United States without restriction, the price continued to decline during 1976. In September, when the New York spot price dropped to 9.8 cents, President Ford responded by tripling the tariff on imported sugar from 0.625 to 1.375 cents per pound. Thus, for the past 6 months, imported sugar has borne a tariff of

more than 20 percent in order to protect the domestic grower. Prices have rebounded somewhat, but the American sugar industry is not satisfied and has demanded additional relief from imports.

ADMINISTRATION RESPONSE

In response to the sugar industry's request for higher sugar prices, Agriculture Secretary Bergland has proposed that the quota of sugar imports be reduced from 7 million to 4.2 million tons. Secretary Bergland has also proposed the establishment of loan supports for domestic sugar at 13.5 cents per pound. Thus, the Federal Government would, in effect, agree to buy up all unsold sugar at that price.

At the same time, the International Trade Commission has been investigating the impact of foreign competition upon the domestic sugar industry. On March 3, 1977, the Commission made a determination, in accordance with the Trade Act of 1974, that sugar imports posed a serious threat to the American sugar industry. The Commission is expected to send its recommendations for remedial action to President Carter within the next few weeks.

RESTRICTIVE QUOTAS AND PRICE SUPPORTS BE REJECTED

Mr. Speaker, when sugar prices rose out of sight a few short years ago, not a sound was forthcoming from sugar producers urging Government intervention to protect the consumer by limiting further increases. The domestic industry was quick to point out that under a free market system, consumers simply had to pay the prevailing price for the product. But now, when the free market has provided some relief to consumers by pushing sugar prices back to their historic levels, domestic producers are crying for Federal action to prop up prices artificially well above the world market price.

American consumers poured tens of millions of dollars in windfall profits into the coffers of the sugar industry in 1974 and 1975. Why, then, should not the consumers benefit when the free market happens to reflect their interests for a change? If we accept the logic of the industry, consumers can only lose. When sugar prices are high, the consumer is supposed to pay them without complaint. When prices are low, Government steps in to make them higher. I do not believe that the American people will stand for such complete neglect of their fundamental interests.

WHAT CAN BE DONE

In making its recommendations for action to the President, the International Trade Commission will neither investigate nor consider the potential impact of various remedies upon American consumers. I have today filed legislation which would correct this shortcoming of the Trade Act of 1974. The bill would require the Commission to investigate and report to the President on the impact of its recommended actions against imports upon domestic consumer prices. While it is too late to affect the Commission's report on sugar imports, the enactment of this legislation would insure that the interests of American consumers are taken into account when recommendations for action against imported goods are made in the future.

The Trade Act already requires the President to take into account the effect of import relief on consumers before taking action. I will closely monitor the response of the White House to the recommendations of the ITC to insure that this provision is adhered to. I am confident that once President Carter considers the harmful impact upon consumers of forcing sugar prices up, he will reject any recommendations which would have such an effect. If this matter should come before Congress under the provisions of the Trade Act, I will, of course, support the right of the American consumer to buy sugar at prices derived from free trade and competition.

STATEMENT OF MR. CORMAN WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF H.R. 4800, THE "EMERGENCY UNEMPLOYMENT COMPENSATION EXTENSION ACT OF 1977"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

Mr. CORMAN. Mr. Speaker, on March 10, 1977, the Committee on Ways and Means ordered favorably reported to the House of Representatives H.R. 4800, the Emergency Unemployment Compensation Extension Act of 1977. This bill provides for a 1-year extension of the Federal supplemental benefits—FSB—program, makes these benefits payable on a local area as well as State basis, requires additional work requirements for FSB claimants, and provides general revenue funding of FSB paid under this extension.

I take this occasion to advise my Democratic colleagues in the House as to the type of rule that will be requested from the Committee on Rules to provide for consideration of H.R. 4800 on the floor of the House. The committee has instructed the chairman to request the Committee on Rules to grant a closed rule for consideration of H.R. 4800 which would provide for committee amendments which would not be subject to amendment, which would provide 2 hours of general debate, to be equally divided, waiving one point of order on the Budget Act, and which would provide for one motion to recommit with or without instructions.

We intend to file the committee report on H.R. 4800 by midnight, Tuesday, March 15, 1977. It is our intention to request a hearing before the Committee on Rules as expeditiously as possible.

SUBCOMMITEE ON CRIMINAL JUSTICE ANNOUNCES HEARINGS ON LEGISLATION TO AMEND TITLE 18, UNITED STATES CODE FOR THE PURPOSE OF PROHIBITING THE SALE OF CHILDREN IN INTERSTATE OR FOREIGN COMMERCE, AND ON H.R. 3686, CRIME VICTIM COMPENSATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. MANN) is recognized for 5 minutes.

Mr. MANN. Mr. Speaker, the Subcommittee on Criminal Justice will begin hearings on H.R. 117 and related bills on Monday, March 21, at 10 a.m. in room 2237 Rayburn House Office Building. H.R. 117 deals with amending title 18 of the United States Code for the purpose of prohibiting the sale of children in interstate or foreign commerce. The hearings will be continued at a later date.

Persons who want further information or who wish to testify are invited to contact the subcommittee in room 2137–4, Rayburn House Office Building, telephone (202) 225–0406.

The Subcommittee on Criminal Justice will later this month begin a study of H.R. 3686 and other legislative proposals pertaining to crime victim compensation. The initial hearing has been scheduled for Tuesday, March 29, at 9:30 a.m.

Persons who want additional information or who are interested in testifying on this legislation are invited to contact the subcommittee in room 2137–4, Rayburn House Office Building, telephone (202) 225–0406.

NATIONAL PARKS ACCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

Mr. BINGHAM. Mr. Speaker, today I am introducing a bill which would, if enacted, significantly improve the national park system. This bill, which is cosponsored by 34 of my colleagues including Parks and Insular Affairs Subcommittee Chairman PHILLIP BURTON, is identical to one being introduced by Senator HARRISON WILLIAMS in the Senate today.

This bill would authorize the National Park Service to provide transportation access to and from national parks. Beyond that it would direct the Secretary of Interior to implement, within 1 year, much needed transportation projects for the following units of the National Park System:

Cape Cod National Seashore, Massachusetts.
Cuyahoga Valley National Recreation Area, Ohio.
Fire Island National Seashore, New York.
Gateway National Recreation Area, New York/New Jersey.
Glacier National Park, Montana.
Golden Gate National Recreation Area, California.
Point Reyes National Seashore, California.
Indiana Dunes National Lakeshore, Indiana.
Mount Rushmore National Memorial, South Dakota.
Yellowstone National Park, Wyoming/Montana/Idaho.

Transportation systems for other national parks could be implemented later.

The need for this legislation is apparent to anyone involved with the workings of the National Park System. Most units are accessible only by automobile. Parks as different as Mount Rushmore—20 miles from Rapid City, S. Dak.—and Gateway—within the New York-New Jersey metropolitan area—share the same problem—inaccessibility to public

transit. There is hardly a unit of the park system that could not be improved by provision of a shuttle bus, jitney, bikeway, or ferry. But today the only form of transportation access to most parks is the private automobile—the most fuel-consumptive and polluting of all possible modes. Reliance on the automobile for park access has had deleterious effects on national parks in the vast West as well as those on the fringes of our major metropolitan areas.

Extensive use of automobiles has caused environmental damage and requires that more and more parkland be devoted to roads and parking lots. Traffic congestion on access roads adversely affects local communities and detracts from the visitor's enjoyment of the park. The exclusive use of cars for park access is also contrary to our Nation's energy conservation policies. Automobile pollution is a problem in many parks today. The scarcity and high cost of gasoline will be a problem for parks tomorrow.

The reliance on automobiles is also inequitable. People who do not own cars are effectively denied access. Those who bear the greatest burden of this inequity—the poor, the elderly, the very young and the physically handicapped—are thus deprived of their share of America's parkland heritage.

This bill is essential to deal with this situation. Under present law the National Park Service does not have the authority to spend Federal money for public transportation outside park boundaries. This is especially ironic because several laws do authorize the Federal Government to fund from 70–100 percent of the cost of access highways to and from parks. Under title 23 United States Code the Departments of Interior, Agriculture, and Transportation administer a number of programs which allow Federal funds to be used outside the boundaries of Federal land if necessary to provide access to the Federal tract. In the Lake Mead National Recreation Area, the Glen Canyon area and in 13 other national recreation areas the Federal Government finances the cost of maintaining and operating an extensive highway access system. The intent of this bill is far from unprecedented. The only thing new is the emphasis on public and not private transit.

This bill specifically authorizes the Secretary of Interior to develop transportation projects for access to parks. It directs the Secretary to consider the environmental, economic, and energy impact of any proposed project. The bill provides for full consultation with local authorities, other Federal agencies, and interested public. The Secretary would have to report to the Congress on any project costing over $100,000. In carrying out the provisions of this bill the Secretary is authorized to spend not more than $1,000,000 the first year; $2,000,000 the second year; and $3,000,000 the third year. These amounts are small compared to the amounts currently being squandered on gasoline and in supporting other automobile costs. The time has come for this bill. The Park Service needs this authority and hundreds of thousands of people all over this Nation need this kind of service.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE TO HOLD HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, continuing its inquiry into implementation of the provisions of the 1975 Helskini accords, the Commission on Security and Cooperation in Europe will conduct public hearings on the mornings of March 15 and 17, 1977 on the policies and practices of the United States and Warsaw Pact nations toward movement of people for the purposes of family reunification and marriage. The hearings are meant to help focus attention on some of the obstacles which certain signatory states continue to impose on emigration for the purposes of family reunification and to document those obstacles in terms of individuals and the emigration cases in which they are involved.

The hearing on March 15 in room 235 of the Russell Senate Office Building will concentrate on cases involving U.S. residents and citizens seeking to be reunited with relatives in the Soviet Union, Czechoslovakia, and Rumania. It will begin with testimony from a State Department expert on the ways in which the United States seeks to resolve such cases and progress in resolving them since the signing of the Helsinki Final Act.

The hearing on March 17 in room 2359 of the Rayburn House Office Building will deal entirely with the problems of Soviet Jews seeking to emigrate to rejoin relatives in Israel or the West. Clive Barnes, dance and drama critic of the New York Times and a long-time activist in the field of human rights, will testify on the general scope of the problem and developments in the area since the conclusion of the Helsinki accords. The Commission will also hear testimony from the wife of one Soviet "refusenik," from the brother of another Jew denied permission to emigrate, and the tape-recorded voices of several Jews in Moscow seeking permission to be reunited with family members in Israel.

Both hearings will begin at 10 o'clock.

Following is a detailed listing of the witnesses scheduled to appear at the March 15 and 17 hearings:

March 15, 10 a.m., room 235, Russell Senate Office Building:

Mr. Jack Armitage, Deputy Assistant Secretary of State for European Affairs;

Mr. Anatol Michelson, Columbus, Ohio, who has been seeking to bring his wife and daughter from the USSR since 1956;

Prof. Woodford McClellan, Charlottesville, Va., who has been seeking reunification with his Soviet wife since 1974;

Vyacheslav Nepomnyashchy and his wife, Cathy Theimer, New York City, who were married in 1977 after a six-year separation;

Ms. Valerie Secu, New York City, who seeks reunification with her sister in Romania and heads the American Romanian Committee for Family Reunion;

Ms. Mariana Blum, New York City, seeking reunification with her parents in Romania;

March 17, 10 a.m., room 2359, Rayburn House Office Building:

Mr. Clive Barnes, dance and drama critic of The New York Times;

Mr. Eugene Gold, Chairman of the National Conference on Soviet Jewry, to introduce Mrs. Ester Lazaris of Israel, wife of a long-standing "refusenik," Vladimir Lazaris of Moscow;

Mrs. Irene Manekofsky, Washington representative of the Union of Councils for Soviet Jews, to introduce tape-recorded testimony of several Moscow "refuseniks"; and

Mr. Victor Aranovich of Chicago, to testify on efforts to be reunited with his brother, Felix, a "refusenik" in Leningrad.

In addition to testimony taken at the hearings, the Commission welcomes written statements for the hearing record from individuals and organizations. Such statements should deal with the Helsinki provisions on facilitating movement of people for the purposes of family reunification, marriage, family visits or for personal or professional reasons. The statements should be submitted to the Commission by March 25, addressed to the attention of Meg Donovan.

STATEMENT BY CONGRESSMAN UDALL UPON INTRODUCTION OF NUCLEAR STATES RIGHTS BILLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, today I am reintroducing two nuclear States rights bills which were first brought before the House in the final months of the 94th Congress. The bills are intended to distribute among a wider segment of our society the responsibility for carrying out nuclear programs. At present, virtually all decisionmaking about the planning, siting, construction, licensing, and operation of commercial nuclear power is made by a small number of Federal officials.

The regulatory framework which was created by the Atomic Energy Act of 1954, and upheld by the courts in Northern States against Minnesota, is now out of step with the times. This highly centralized decisionmaking framework must undergo a fundamental change in order to promote wider public participation in the nuclear debate. In the past year, as a result of heightened citizen concern about the safety of nuclear energy, public initiatives for a nuclear moratorium appeared on the ballots of several States, including my own State of Arizona.

A large number of States have created energy agencies and given them strong mandates to oversee the development and operation of nuclear powerplants within their borders. In addition, many States have expressed an eagerness, and displayed a capability, to assume some of the regulatory responsibility that now is vested exclusively in the Nuclear Regulatory Commission.

Conversely, the NRC has expressed a desire to increase the efficiency of its licensing process by delegating certain regulatory responsibilities to the States. Therefore, the bills which I am introducing today will remove from the Washington bureaucracy responsibilities

for determinations which are best made in the States.

This legislation addresses the need to clarify the most appropriate respective roles for Federal and States agencies involved with commercial nuclear power. In general, these bills provide the States with a more substantive role in the nuclear regulatory process by permitting them to stipulate certain conditions upon the construction of nuclear powerplants and other nuclear facilities.

More specifically, the legislation which I am proposing will provide a clear role for the States in the siting of nuclear facilities. I am suggesting either of two alternatives to this end. One would allow a State to disapprove of a facility prior to the taking effect of a construction permit issued by the NRC.

The second alternative would require State approval prior to issuance of a construction permit.

Either alternative would allow States to impose standards more stringent than those of the NRC subject only to the restriction that such standards would have to be consistent with those of the Nuclear Regulatory Commission.

Mr. Speaker, when I first introduced nuclear States rights legislation in August 1976, 29 of my colleagues asked to be added as cosponsors. Since that time, the need for this legislation has steadily grown. I hope that the interest and support of the Members of the House has undergone a corresponding increase.

A TRIBUTE TO FORMER CONGRESSWOMAN FRANCES PAYNE BOLTON

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. OAKAR) is recognized for 10 minutes.

Ms. OAKAR. Mr. Speaker, as a freshman legislator from Ohio, and only the second woman from the Buckeye State to be a Member of Congress, I rise today out of respect for the first Congresswoman from my State, Frances Payne Bolton, who as you know passed away yesterday.

I have long been an admirer of Mrs. Bolton, who came to Congress just 1 week before I was born. She is well known for her accomplishments in the field of foreign affairs, as well as for her striving for equality for all men and women. She was the author of the Bolton bill, which created the U.S. Cadet Nurse Corps during World War II. But she did not neglect the men in her efforts. She authored another bill that allowed male nurses to obtain commissions doing nursing—a role that was traditionally viewed as woman's work. However, there is one piece of legislation she introduced that was never passed. And that was her resolution to make the rose the national flower.

In first introducing this bill over 20 years ago, Mrs. Bolton pointed out that the United States is the only major country in the world without a national flower. "The rose," she continued, "has long represented courage, loyalty, love, and devotion, and has become an international symbol of peace."

In her speech, Mrs. Bolton also referred to opinion polls which show the rose to be the overwhelming favorite of the American people. The popularity of the rose has been undiminished over the years. In voting taken on the national flower by the FTD Association in July of last year, the rose far outdistanced the other 27 flowers on the ballot.

I am today introducing a resolution which, like her own, would designate the rose as the national flower. I can think of no better way for the Congress to honor her distinguished service than to approve this resolution in her name. I believe this act should also be done in the name of the gallant lady who joined Mrs. Bolton in sponsoring this resolution, former Senator Margaret Chase Smith of Maine.

I should add that the rose has always been very special to me, and to my family. My beloved mother thought so much of the rose that she made it a part of my name.

Mr. Speaker, I am certain that you and many other Americans share our affection for the rose, and I hope that my colleagues will join with me in approving this resolution.

LEGISLATION TO END AUTOMATIC CONGRESSIONAL PAY INCREASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH) is recognized for 5 minutes.

Mr. ENGLISH. Mr. Speaker, last month the House of Representatives was involved in a bitter controversy over the pay raise for Congressmen and Senators proposed by the Commission on Executive, Legislative, and Judicial Salaries.

Mr. Speaker, I very much oppose the procedure which allowed the House of Representatives to shirk its constitutional responsibility to supervise our Nation's finances.

Before I was elected to Congress in 1974, I told the people of Oklahoma's Sixth District that this procedure of allowing automatic pay raises for Congressmen and Senators was extremely dangerous.

And in January of 1975, my first official action as a U.S. Representative was to cosponsor H.R. 2258 to do away with the automatic pay raise process entirely, therefore fulfilling a campaign pledge and urging my colleagues to fulfill their duties as Members of the House of Representatives.

Unfortunately, too many Congressmen chose to ignore this warning, and so this year the credibility of this body was threatened by their unwillingness to allow a public vote on the proposed raise.

Once again, before the raise went into effect, I urged the committee in charge of the pay raise process to allow a congressional vote on the increase, and once again my colleagues chose to ignore this call.

Now it is too late for Congress to go on record on this pay raise, Mr. Speaker. But it is not too late to make sure that we never again avoid our constitutional responsibilities with regard to salary increases.

I am today introducing the measure I cosponsored at the beginning of 1975. My bill would abolish the Commission on Executive, Legislative, and Judicial Salaries, thereby returning to the House of Representatives its constitutional authority to debate and vote on all expenditures of tax dollars in America.

I very much hope that my colleagues are now ready to join with me in passing this long-overdue piece of reform legislation.

Mr. Speaker, I insert a copy of my legislation to be included in the RECORD at this point:

H.R. 4825

A bill to amend the Postal Revenue and Federal Salary Act of 1967 to abolish the Commission on Executive, Legislative and Judicial Salaries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Postal Revenue and Federal Salary Act of 1967 (Public Law 90–206, 81 Stat. 613) is amended by striking out section 225.

SEC. 2. The amendment made by the first section of this Act shall become effective on the date of the enactment of this Act, except that such amendment shall not apply with respect to recommendations of the President made under section 225(h) of the Postal Revenue and Federal Salary Act of 1967 (2 U.S.C. 358) before the date of the enactment of this Act.

THE FOOD STAMP REFORM ACT OF 1977, H.R. 4844

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RICHMOND) is recognized for 60 minutes.

Mr. RICHMOND. Mr. Speaker, H.R. 4844, which I am introducing today, is the first major piece of House legislation in the 95th Congress to refrom and improve the food stamp program. I am introducing the Food Stamp Reform Act of 1977 in the hope that my colleagues and the public can better understand the intricacies of food stamp refrom. As we move to begin congressional hearings on this program, which is so vital to millions of Americans, we must look beyond the rhetoric and begin the painstaking process of legislating a responsible, sensible bill which serves the needs of people who cannot afford an adequate diet, and which is accountable to all the laws of this country.

The Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, which I chair, will begin hearings on food stamp refrom on March 21. The bill I am introducing today, H.R. 4844, seeks to accomplish this reform by making the program more accessible to the Nation's poor and near poor, while tightening up program operation to respond to the criticisms of the past year.

Last year the Agriculture Committee, under the able—and extremely patient—leadership of my friend from Washington, Mr. FOLEY, thoroughly examined the food stamp program. The committee labored for 3 months in an effort to produce legislation that would reflect true reform of the program. Unfortunately, I felt the committee responded too much to myths created by the program's opponents rather than to the problems in the program, and produced

a bill that was not true food stamp reform, but rather was a reflection of the misunderstandings about the program shared by many of my colleagues. As such, I dissented from the committee's bill.

This year, I am hopeful that we can legislate without the burden of myths and distortions. I hope that we can examine the program and address our legislative remedies to the very real problems that plague the poor who desperately need food assistance. I hope, too, that we can move to streamline program operation, to reduce the errors that understandably cause public cynicism to cut out fraud and limit the program's assistance to all those legitimately in need. As an advocate of progressive food stamp program reform, I realize very clearly that we need to remove the perceived problems as well as the real problems.

If the food stamp program is to best serve the people who need its help, and if a majority of the Members of the House are to support that aim, the American people have to see the program as a reasonable and well-working response to the problem of hunger in America—not as, in the words of a former Secretary of the Treasury, a "haven for chislers and ripoff artists."

Those of us who have endeavored to examine the program, and have talked to the people who must live within its modest benefits, know that this characterization is wrong. We know that the food stamp program remains the backbone of our response to the lack of adequate food purchasing power among a portion of our citizenry. We know the program works to meet the needs of those forced out of jobs, those working for inadequate wages, and those who, through necessity, are required to live within the constraints of a welfare budget.

So this year, I hope we will work to build on the food stamp program's strength, while correcting its deficiencies. We owe our Nation's poor no less.

ELIMINATING THE PURCHASE REQUIREMENT

H.R. 4844, above all else, seeks to improve poor people's access to the assistance provided through the food stamp program. Currently, low-income people, entitled to benefits, face hurdle after hurdle in their attempts to apply for and use their entitlement. We need to make the program's vital health and nutrition assistance more accessible.

But while the 17 million people now receiving food stamps certainly have their problems in receiving assistance, there are many poor people who are shut off completely from food stamps. These are people who, for a variety of reasons, simply cannot afford to buy their food stamps, It is time that we removed this hurdle. It is time we made the program available to the very people we have decided need to be reached. It is time to eliminate the purchase requirement—EPR.

EPR does more than allow the unserved poor to receive assistance. It also tremendously simplifies program operation, reduces administrative costs, and eliminates the potential for program abuse by unscrupulous food stamp vendors—the problem which prompted us to pass the only food stamp legislation enacted last year.

For one thing, EPR reduces the amount of stamps in circulation by about 40 percent. Not only does this reduce the costs of reconciling and recording all the stamps, not to mention printing them, but it also reduces the stigma felt by many recipients when the only kind of "money" they have for food is what they call "funny money." More of the poor's purchases—and this is especially important for the elderly—will be made by using cash which needed to buy food stamps, if one could afford the purchase price.

Second, with EPR, there is no longer any cash in the program. There is no cash to collect; no cash to reconcile with recipients' authorization-to-purchase cards; and no cash to somehow find its way into the vendors' accounts for too long a period of time. States and counties, which now must pay banks and other vendors over $1 per transaction for exchanging coupons for cash, will be relieved of this burden. Stamps can be provided to recipients at post offices or other locations, without the need for additional security, accounting procedures and time-consuming transactions. I understand that the current requirements on the States to safeguard against abuses by vendors have created a terrible administrative morass that is causing, or threatens to cause, many vendors to withdraw from the program, thus drying up any issuing sources. EPR would solve this problem.

EPR works rather simply. It is a rational response to the problems which face poor people as they attempt to make use of their prime source of food aid. Instead of a household having to pay $100 in order to receive $166 worth of food stamps, for example, the household would instead receive only the $66 difference in stamps. It makes very good sense.

Mr. Speaker, I would like to stress that EPR does not increase benefits at all for those receiving food stamps. There is no additional cost to the Federal Government for those currently receiving food stamps. All EPR does is to deliver the same amount of asssitance we are now giving in a different way.

EPR does, however, allow poor people who have been blocked from program participation by the purchase price to enter the program for the first time. As a result, program costs will rise as benefits flow to these previously excluded eligible poor people. But I must stress, and I hope my colleagues understand, that I am not extending eligibility to any person who is not already eligible. Indeed, H.R. 4844 cuts back on eligibility. Every dollar spent as a result of EPR is money spent on currently eligible people who cannot participate. Isn't it time we decided not to structure a program on the assumption that large numbers of our intended recipients won't participate? We must fairly serve all those who are eligible. That is why I feel it is time for EPR.

STANDARD DEDUCTION

In an effort to reduce administrative complexity and streamline the program, I have accepted the Agriculture Committee's recommendation of last year and included a standard deduction. However, I have found that any standard deduction discriminates both against different parts of the country, and against individuals within each area. The asnwer is not to regionalize benefits, which is an inadequate response and which causes its own problems. The answer is to try to account for individual needs while aiming for improved program operation: to balance program efficiency and program equity.

So, I have decided to use the best of both systems—standard deduction and itemizing. I would have recommended a $100 standard deduction. However, I found that would have been unfair to a number of areas in the country, primarily the Northwest and the Northeast, by not taking into account higher housing and utility costs in those areas. Therefore, since these shelter costs are the major portion of all current deductions, and since they are the easiest to identify and verify, I have decided to: First, lower the standard deduction from $100 to $75, and, second, mandate an excess shelter cost deduction, up to $75, for all households in all parts of the country who pay over half of their net income for shelter.

Thus, poorer households who pay a disproportionate share of their income for shelter, households with badly insulated housing and high utility costs, households in cold weather areas with higher-than-average fuel bills, and city dwellers with high shelter costs will have their actual financial situation considered when they seek food stamp assistance instead of having to abide by a fixed, and discriminatory, standard deduction.

The Agriculture Committee staff has computed that the cost of this provision costs virtually the same as a $100 deduction across the board. The difference, Mr. Speaker, is that it is distribtued much more fairly to our citizens. For example, under a $100 standard deduction, the Northeast, with their cold winters, poor insulation and older housing stock, would lose $80 million in food stamp benefits. H.R. 4844, while not correcting this inequitable situation completely, restores $40 million in lost benefits to the Northeast. And it still provides additional benefits to the Southeast, above and beyond what the current program provides.

I have asked the Agriculture Committee staff to provide me with a detailed breakdown on other effects of the shelter deduction, compared to a straight standard deduction, and I will have that information available shortly

ADDITIONAL DEDUCTIONS

H.R. 4844 also provides a child care deduction of up to $75 per month, to encourage families with children to use babysitters and child care centers so that they may work. As a further work incentive, my bill provides a 20-percent deduction for work-related expenses and taxes. This approach is simpler than making individual computations for each applicant, and approximates the actual work deductions currently claimed.

NET INCOME CEILING

Using the recommendations of the Agriculture Committe last year, I have included a net income ceiling in my bill, so that the only eligible person would be

those with incomes below the national poverty level. This way, the poorest of the poor are specifically targeted for assistance, while higher income persons are excluded from participating. Significantly, even with the maximum amounts of all possible deductions added to the poverty level amount—for a family of four—of $5,200 annually, no one will be able to participate in the food stamp program, under my bill, if they have a gross income higher than $10,000 per year.

PROGRAM ADMINISTRATION

H.R. 4844 streamlines the program's administration in several other ways. First, it requires that all applicants who are found eligible receive their food stamps within 30 days, thus reducing lengthy delays now a common factor in the program. Second, the bill provides that all recipients be given reasonable access to ratification and issuance centers, so that centers are conveniently located, and open regular hours.

The bill provides a number of other features, including expedited issuance of food stamps to zero-income households, nutrition education programs, new provisions for fraud penalties and quality control reporting requirements, and a permanent evaluation component, to assess the programs's impact on the nutritional status of low-income Americans.

Additional features are enumerated and described in the section-by-section analysis below. I trust my colleagues will read these provisions carefully and thoroughly. I believe H.R. 4844 efficiently and effectively accomplishes the goal to which we all strive—to streamline and tighten up the program's operations and to give adequate benefits with a minimum of difficulty to all who are in need.

The section-by-section analysis follows:

H.R. 4844: SECTION-BY-SECTION ANALYSIS

SHORT TITLE

The first section states that this Act may be cited as "The Food Stamp Reform Act of 1977."

DECLARATION OF POLICY

Section 2 declares it to be the policy of Congress to raise levels of nutrition among food stamp program "which will assure low-income households the opportunity to attain a nutritionally adequate diet through normal channels of trade by increasing their food purchasing power and by furnishing food purchasing assistance to all eligible individuals who apply for participation."

DEFINITIONS

Section 3(a) defines the term "adjusted semi-annually" to mean adjusted effective every January and July to reflect changes in the overall Consumer Price Index as of the preceding September and March, respectively.

Section 3(b) defines the term "authorization to issue card" to mean any document distributed by an appropriate welfare agency to an eligible household and showing the food stamp allotment to which the household is entitled.

Section 3(c) defines the term "bank."

Section 3(d) defines the term "certification period" to mean a period to coincide with the receipt of public assistance benefits, or a period of at least 3 months for other eligible households, but allows for shorter periods if there are frequent changes in household status or income or to introduce a household into the program.

Section 3(e) defines the term "coupon."

Section 3(f) defines the term "coupon allotment."

Section 3(g) defines the term "coupon issuer."

Section 3(h) defines the term "drug addiction or alcoholic treatment and rehabilitation program."

Section 3(i) defines the term "food" to mean any food for home consumption except alcoholic beverages and tobacco. The term "food" is also used to mean—

Seeds and plants for use in gardens;

Meals prepared and served to elderly persons in places such as senior citizens' centers, other public or private non-profit programs, and private establishments that agree to offer meals to elderly persons at concessional prices:

Meals prepared and delivered to elderly or incapacitated persons ("meals-on-wheels") by public or private nonprofit organizations or private non-profit organizations or private establishments that agree to perform the service at concessional prices:

Meals prepared and served to drug addicts and alcoholics by drug addition or alcoholic treatment and rehabilitation programs, and hunting and fishing equipment (other than firearms, ammunition, and other explosives) when purchased by households living in remote areas of Alaska who depend on hunting and fishing for subsistence.

Section 3(j) defines the term "food stamp program."

Section 3(k) defines the term "household" to mean individuals or groups who—

Are not residents of institutions or boarding houses—excepting residents of Federally subsidized housing for the elderly and narcotics addicts and alcoholics living under the supervision of a treatment program;

Live alone or with others;

Purchase, store, and prepare food for home consumption either alone or in common; or, pay compensation to another or others for such meals.

Section 3(l) defines the term "nutritionally adequate diet" to mean a diet costing no less than the value of the food required to feed a specified 4-person household as set out in the "Thrifty Food Plan." The cost of this diet would be the basis for food stamp allotments. Adjustments in the cost would be made with respect to: (1) household size (to reflect economies of scale): (2) food cost differences in Alaska, Hawaii, Puerto Rico, the Marianas, the Virgin Islands, and Guam; and (3) changes in the cost of the Thrifty Food Plan over time (semi-annually).

Section 3(m) defines the term "retail food store" including food co-ops in which members prepay for food.

Section 3(n) defines the term "Secretary" to mean the Secretary of Agriculture.

Section 3(o) defines the term "State" to mean any of the fifty States, the District of Columbia, Commonwealth of the Marianas, Puerto Rico, the Virgin Islands, and Guam.

Section 3(p) defines the term "State agency," to include an agency of State government, local offices thereof, counterpart local agencies, and where approved by the Secretary, an Indian tribe.

ESTABLISHMENT OF THE PROGRAM

Section 4(a) authorizes the Secretary of Agriculture to establish a food stamp program. Under the program, eligible households would be provided with an opportunity to obtain a nutritionally adequate diet through the issuance of food stamp allotments which could be used—at face value—to purchase food from authorized retail food stores. No purchase price would be charged recipients.

Section 4(b) limits the simultaneous operation of the food stamp and food (commodity) distribution programs to: (1) Indian reservations where necessary and specifically requested; (2) areas in which food commodities are distributed to meet disaster relief needs; and (3) areas where distribution is for the purposes of a supplemental food program. No household would be permitted to participate simultaneously in both programs under subsection (1).

Section 4(c) directs that the Secretary of Agriculture issue regulations for the effective and efficient administration of the food stamp program.

ELIGIBLE HOUSEHOLDS

Section 5(a) provides that food stamp program participation shall be limited to households whose income is determined to be a substantial limiting factor in permitting them to purchase a nutritionally adequate diet. Food stamp assistance is mandated to all eligible households who make application for participation.

Section 5(b) directs the Secretary of Agriculture to establish uniform national standards of eligibility in accordance with the provisions of this section.

Section 5(c) provides that the "net" income eligibility standards shall be the income poverty guidelines for the urban United States prescribed by the Office of Management and Budget and adjusted semi-annually (each January and July) to reflect changes in the overall Consumer Price Index through the preceding September and March.

The "net" income eligibility standards would be the same in every State except that Alaska and Hawaii would have higher standards baesd on the different poverty guidelines ssigned to them.

Section 5(d) defines "net" income for food stamp program purposes as including all gross income which is received or reasonably anticipated to be received during the certification period, less listed exclusions.

The only permitted exclusions from income would be—

(1) any gain or benefit which is not in money paid directly to the household;

(2) income which is received too infrequently or irregularly to be reasonably anticipated, limited to $30 per quarter;

(3) all educational loans, grants, scholarships, fellowships, and the like—to the extent that they are used for tuition and mandatory fees at institutions of higher education or schools for the handicapped;

(4) all loans other than deferred educational loans, reimbursements for volunteer expenses, and money received for the care and maintenance of a third party beneficiary;

(5) income received by a child under the age of 18 who is attending school;

(6) monies received in the form of nonrecurring lump-sum payments—such as income tax refunds, gifts, and retroactive lump-sum pension payments;

(7) the cost of producing self-employed income;

(8) income that any other law specifically excludes from consideration in the food stamp program; and

(9) the deductions provided in section 5(e).

Section 5 (e) provides that, when computing "net" household income for eligibility purposes, households shall be allowed to deduct the following—

(1) a basic standard deduction of $75 a month ($40 a month in Guam, the Commonwealth of the Marianas. Puerto Rico and the Virgin Islands) adjusted semi-annually to reflect changes in the overall Consumer Price Index;

(2) an additional deduction of 20% of all earned income (for households with earned income) to compensate for taxes, mandatory deductions, and work expenses;

(3) an additional deduction up to $75 a month for the care of a dependent when such care is necessary to accept or continue employment or training or education preparatory to employment; and

(4) an additional deduction for excess shelter which shall represent the amount of

the household's actual shelter costs in excess of 50 per cent of income after all other deductions.

Section 5(f) provides that monthly income shall be calculated, for eligibility purposes, by focusing on income anticipated to be received and which was received during the previous thirty days to determine what income is actually available to the household.

This section also provides for annual averaging of income for households which by grant or contract, other than an hourly or piecework basis, or from self employment earn their annual income in less than a year and for such other periods for households who receive non-excluded income under (d)(3) as may be appropriate.

Section 5(g) directs the Secretary to conduct a survey of households to determine the average and distribution of assets held by participants and to report recommendations to the Congress within six months of the passage of the Act.

Section 5(h) directs the Secretary of Agriculture to establish emergency standards of eligibility for households that are victims of disasters.

Section 5(i) provides that households shall be ineligible to participate in the food stamp program for periods of up to one year if—

They have been found guilty of a crime involving fraud in connection with their participation in the program by a court of appropriate jurisdiction, or

They have been found to have fraudulently obtained food stamps by their State welfare agency—after notice and hearing have been provided prohibiting the use of testimony of a household member against him or herself in subsequent criminal proceedings.

Section 5(j) mandates ineligibility for households that willfully refuse to cooperate in providing information necessary to make an eligibility determination, complete a "quality control" review, or report changes in their circumstances in a manner designated by the Secretary.

Section 5(k) provides work registration and work acceptance requirements for food stamp program participants. In the event of a failure to meet these requirements, the individual concerned would be ineligible to participate in the food stamp program.

Physically and mentally fit food stamp participants between the ages of 18 and 60 would be required to register for employment at the time of application and once every six months thereafter. However, individuals who fall into the following categories would be exempt from the work registration requirements—

Mothers and other household members with responsibility for the care of a dependent child under 12 of an incapacitated person;

Students enrolled at least half-time in a recognized school or training program;

Regular participants in a drug addiction or alcoholic treatment and rehabilitation program; and

Persons already employed for at least 30 hours a week earning the equivalent of the Federal minimum wage for a 30-hour week.

Registrants would be required to fulfill reasonable reporting and inquiry responsibilities.

Registrants could not refuse (without good cause) to accept an offer of suitable employment. Suitable employment would be where—

Employment would be for more than 30 hours per week;

The wage offered is at least the applicable minimum wage or the Federal minimum wage (if it were applicable)—whichever is higher;

The site or plant is not subject to a strike or lockout;

Registrants could not refuse (without good cause) to continue in employment that meets the suitability conditions set forth above.

Section 5(l) prohibits eligibility to individuals who have reached their 18th birthday, are enrolled in an institution of higher education, and are or could be properly claimed as Federal tax dependents by a taxpayer who is ineligible.

Section 5(m) prohibits eligibility to illegally and temporarily resident aliens.

Section 5(n) prohibits participation of a household for up to a year which willfully transfers assets for purposes of becoming eligible for participation.

Section 5(o) prohibits participation of SSI recipients in states designated a "cash out" state pursuant to section 1616 of the Social Security Act or 212(a) of Public Law 93-66.

ISSUANCE AND USE OF COUPONS

Section 6(a) provides that food stamps be printed in appropriate denominations and issued only to households certified as eligible to participate in the food stamp program.

Section 6(b) provides that food stamps be used to purchase food at approved outlets at prevailing prices.

Section 6(c) provides that food stamps be simple in design and not carry the name of any public official.

Section 6(d) provides for monitoring coupon inventories and reporting by coupon issuers.

Section 6(e) provides for regulating distribution, custody, care and control of coupons.

Section 6(f) provides for monthly reporting by coupon issuers.

VALUE OF THE COUPON ALLOTMENT

Section 7(a) provides that the coupon allotment be the cost of a nutritionally adequate diet, as defined in 3(1), reduced by 30 per cent of the household's income after deductions. The 30% reduction is a "benefit reduction rate" and the household is not required to pay this amount.

Eligible households would receive a minimum bonus of not less then $10 per month depending on household size.

Section 7(b) provides that the coupon allotment not be considered income or resources under any Federal or State laws, including welfare and tax laws.

Section 7(c) requires the Secretary to complete a study in six months to determine:

(1) Whether the thrifty food plan allows participating households reasonable access to the Recommended Dietary Allowance as determined by the National Academy of Science/National Research Council;

(2) The proper relationship of necessary foods in the development of the thrifty food plan; and

(3) Whether the value of the coupon allotment is calculated to allow substantially all households to obtain the thrifty food plan.

The Secretary would be required to adjust the concept of a nutritionally adequate diet to conform with this study.

APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

Section 8(a) provides for the approval of retail and wholesale food concerns wishing to be certified as food stamp outlets.

Section 8(b) provides that retailers and wholesalers submit information necessary for making a determination.

Section 8(c) provides that food outlets whose application is denied are entitled to a hearing.

REDEMPTION OF COUPONS

Section 9 provides that food stamps accepted by retail food stores may be redeemed through approved banks—with the cooperation of the Treasury Department.

ADMINISTRATION

Section 10(a) provides that the appropriate State agency be responsible for certification of households and the issuance, control, and accountability of food stamps.

Section 10(b) provides that food stamp recipients who move from one "project area" to another may have their food stamp eligibility carried over in the new area for 60 days.

Section 10(c) provides that there shall be no discrimination in the certification of applicants by reason of race, religion, national origin, political beliefs, or sex.

Section 10(d) provides that food stamp recipients' welfare benefits shall not be decreased because of their participation in the Food Stamp Program.

Section 10(e) provides that State agencies submit and have approved a plan of operation including the following provisions—

(1) a. that the agency undertake effective action to inform low-income households about food stamps and insure the participation of all eligible households by, among other methods, notifying all Social Security, AFDC, SSI, and unemployment compensation recipients of the food stamp program;

b. that the state agency not undertake informational outreach where a CSA funded outreach program is operating;

c. that the agency use multilingual personnel and materials where appropriate;

(2) that applicants contacting a food stamp office in person shall be permitted to file an application that day and provides for reasonable access to certification centers and mail application followed by home and telephone interviews where appropriate.

(3) that eligibility determinations be made and authorization to issue cards be distributed no later than 30 days after an application is filed;

(4) provides for continuous receipt of benefits if a household applies for recertification 15 days prior to the expiration of their certification period;

(5) a description of specific standards used to determine eligibility;

(6) that the State agency follow appropriate procedures and personnel standards prescribed by the Secretary and have a continuing, comprehensive personnel training program;

(7) that the head of the household may designate another person to represent the household in the certification or issuance process or when purchasing food with food stamps;

(8) that public assistance household's food stamp application be included in the application for public assistance and processed independent of the application for public assistance;

(9) safeguards restricting improper use of information obtained from applicants;

(10) that households with incomes under $75 a month receive their authorization to issue cards on an expedited basis;

(11) that fair hearings be granted to aggrieved households;

(12) that food stamp allotments denied, delayed or wrongfully terminated be promptly delivered in cash;

(13) that necessary reports be submitted.

Section 10(f) requires the Secretary and the State agencies to carry out nutrition education programs.

Section 10(g) provides that if the Secretary determines the State agency is not complying with the Act, regulations or approved plan of operation, he shall immediately notify the State agency of such failure and demand correction in a specific period of time. If the State agency refuses to take corrective action the Secretary must either:

(1) refer the matter to the Attorney General to seek injunctive relief, or

(2) take over the operation of the program and charge the State agency for 50% of administrative costs.

Section 10(i) provides for joint regulations to be issued by the Secretary and the Secretary of Health, Education, and Welfare to allow SSI recipients to apply at Social

Security Offices by executing a simplified affidavit.

Section 10(j) provides for the Secretary, in conjunction with the Secretaries of Labor and Health, Education and Welfare, to develop a system to allow recipients of Social Security and Unemployment Insurance to apply at the Social Security or Unemployment Office respectively.

Section 10(k) provides that upon request of a State agency, all post offices in a state shall issue food stamps for compensation not to exceed cost plus ten per cent.

DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

Section 11 provides that stores may be disqualified for violating provisions of the Act or regulations. Such disqualifications shall be subject to hearings and court review.

DETERMINATION AND DISPOSITION OF CLAIMS

Section 12 gives the Secretary the power to adjust or settle any claims arising under this Act, including claims arising from overissuance to recipients.

ADMINISTRATIVE AND JUDICIAL REVIEW

Section 13 provides that notice of administrative action shall be issued to a retail or wholesale food concern whenever—

(a) a store's application to participate is denied;

(b) a store is disqualified from participation; or

(c) a store's claim is denied.

If the store so requests, there would be an administrative review of the action, subject to judicial review.

VIOLATIONS AND ENFORCEMENT

Section 14(a) provides that the Secretary may provide for the issuance or redemption of food stamps to or by appropriate persons for enforcement purposes or in pilot or demonstration projects.

Section 14(b) provides that the misuse of food stamps valued at $100 or more shall be a felony. The penalty shall be a $10,000 fine, imprisonment for up to 5 years or both. When less than $100, it shall be a misdemeanor and the penalty shall be a $1,000 fine, imprisonment for up to 1 year or both.

Section 14(c) provides that presentation of food stamps valued at $100 or more, if received, transferred or used illegally, shall be a felony. If valued at less than $100, it shall be a misdemeanor.

Section 14(d) provides that food stamps shall be deemed to be obligations of the United States (violations would be punishable under counterfeiting laws).

Section 14(e) provides that a coupon issuer which fails to report its activities shall be fined up to $3,000 or imprisoned for up to one year or both.

Section 14(f) provides that a coupon issuer who knowingly provides false information shall be fined up to $10,000 or imprisoned up to 5 years or both.

ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL

Section 15(a) authorizes the Secretary to pay to each State agency 50 percent of all costs including but not limited to the cost of (1) outreach; (2) the certification of applicant households; (3) the acceptance, storage, and protection of food stamps; (4) the issuance of stamps to eligible households; (5) fair hearings; and 75% of investigations, prosecutions, and other activities related to recovering losses under the program.

Further, the Secretary is authorized to pay up to 100% of administrative costs on Indian reservations.

Section 15(b) provides that the Federal share of administrative costs for each state shall be reduced dollar for dollar for each dollar of food stamp monies that the State receives through the sales tax levied (if any) on food purchases made by food stamp households.

Section 15(c) provides that the Secretary establish "realistic" goals to improve effectiveness of the administration of the program by the States, including quality control, "tolerance levels" for eligibility errors and caseload-per worker limitations. The Secretary must withhold no more than 10 percent of the Federal share of Administrative funds if the State has failed without good cause to meet any of the goals set by the Secretary.

RESEARCH, DEMONSTRATION, AND EVALUATION

Section 16(a) directs the Secretary to undertake research, through contracts or grants, that will help improve the administration and effectiveness of the program in delivering nutrition-related benefits.

Section 16(b) authorizes the Secretary to conduct experimental projects. No experimental project could have the effect of reducing or terminating benefits to eligible households.

Section 16(c) directs the Secretary to evaluate the effectiveness of the program in achieving its stated objectives.

APPROPRIATIONS

Section 17 authorizes such sums as Congress may appropriate for fiscal years 1978, 1979, 1980 and 1981—including ½ of one percent of the funds for each fiscal year to carry out the research, demonstration and evaluation provisions of Section 16. Sums appropriated under this Act would continue to remain available until expended.

REPEALER

Section 18 repeals, upon enactment of this law, the Food Stamp Act of 1964, as amended, with the proviso that all coupons issued pursuant thereto shall be usable for 180 days after the repeal. All other liabilities of the Secretary, States and applicant or participating households pursuant to the repealer law shall continue until finally resolved or terminated.

Section 19 amends Section 4(a) of the Agriculture and Consumer Protection Act of 1973, as amended, to require the Secretary to use funds under Section 32 of Public Law 320 (7 U.S.C. 612c) to purchase agricultural commodities to maintain traditional levels of food assistance in programs authorized by law, such as distribution to needy families, institutions, supplemental feeding programs, as well as to provide a nutritionally adequate diet to Indians based on food preference, and to use funds of the Commodity Credit Corporation to purchase such commodities and their products as are typically available under Section 416 of the Agricultural Adjustment Act of 1949 when stocks of the Corporation are not available.

LEGISLATION TO CREATE CENTER FOR STUDY OF MEDICAL PRACTICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. WAXMAN) is recognized for 5 minutes.

Mr. WAXMAN. Mr. Speaker, I am introducing today a bill to create a Center for the Study of Medical Practice within the National Institutes of Health.

This country has created a superb biomedical research organization devoted to the development of new knowledge about the human body in health and disease. It does not, however, have an agency with the responsibility for analyzing the applications of this research and for reviewing the effectiveness and costs of current medical practices.

The lack of a center for the evaluation of medical practices, procedures, and technics hinders the development of national health policy. It makes more difficult the development of a rational strategy to improve the quality of medical care. The PSRO program represents an attempt to permit physicians to set and enforce standards of medical care at the local level. Unfortunately, in many areas of medical practice local PSRO's must set very arbitrary standards of care because the knowledge needed to develop criteria of proven validity is simply not available. And local PSRO's have neither the resources nor the expertise to do research on medical care effectiveness themselves.

As we move toward national health insurance we will need to develop wise and effective strategies to control health care costs. It will be possible to define rational systems for cost control only when we know much more about the cost effectiveness of various medical practices, procedures, and technics. I do not mean to suggest that we will be able to know everything we need to or even most of it. Nor am I unaware that decisions on cost control provisions of a national health insurance bill must take into account social and political considerations as well as scientific issues. Nevertheless, I believe that a better understanding of the benefits, risks, and costs of commonly used medical procedures and technics would be of great assistance in establishing and administering a national health insurance program.

Some areas of medical practice are already being intensively analyzed by the NIH. For example, the indications for coronary bypass surgery and radical mastectomy are currently being thoroughly investigated. However, these studies represent isolated instances where the issues are of particular scientific interest and where public scrutiny has been intense. Such random studies are not a substitute for a single center which will look at medical care effectiveness not from the sometimes narrow viewpoint of the research scientist but from the broader perspective of the overall quality of the Nation's health care and the need to make our health care system more cost-effective.

This Center can provide a sounder structure for our current practices in health maintenance and case finding. For example, we have relatively little knowledge about the effect of Pap smears on mortality from cancer of the cervix and uterus. For decades we have assumed that an annual Pap smear is an essential component of a preventive medicine program. In fact, many gynecologists are now advising their patients to have Pap smears every 6 months. A recent study suggests that biannual examinations would be adequate. If 40 million American women were to get a Pap smear biannually instead of annually at a cost of $10 the annual saving would be $200,000,000.

Many physicians advise annual sigmoidoscopy for their patients over 40 as a means of detecting rectal and large bowel cancer at a curable stage. Yet a much simpler and less costly test, examination of stool for blood, is also available. The NIH has recently funded its

first study of the effectiveness of stool blood testing in reducing death from colon cancer. But there are no careful studies underway on the added benefit of sigmoidoscopy for patients who are having their stool tested. Physicians generally charge about $25 for sigmoidoscopy. Under a comprehensive health insurance program as many as 80 million Americans would qualify for annual sigmoidoscopy at Government expense at a potential cost of $2,000,000,000 a year. Yet, we have no information on the effectiveness of this procedure when added to a stool testing program.

The most expensive part of our health care system is the hospital. Yet indications for hospitalization are poorly defined. For example, over 40,000 people a year are hospitalized with infectious hepatitis. There is no definitive treatment for this illness. A substantial percentage, perhaps the majority of these hospitalized, receive no therapy whatsoever. Yet physicians may be reluctant to treat such patients at home unless there is clear evidence that hospitalization is not helpful in most cases.

Lengths of stay for some conditions vary by as much as 100 percent from one part of the country to another. We know very little about why this is true and whether such variation can be medically justified.

The need for more thorough evaluation of new technics is well known. The rapid growth in the use of computed tomography has been well publicized. While reliable data are not available, it seems likely that the majority of patients currently undergoing CT scanning have poorly defined symptoms such as headache without objective evidence of neurologic disease. The role of CT scanning in this clinical situation is unknown. Furthermore, no Federal health agency feels that it is its role to try to answer this question.

We know very little about the effect of many other new technics on health outcomes. For example, in many medical centers patients with heart failure are now attached to a Swan-Ganz catheter to monitor the functioning of the heart and lungs. Costs involved in the use of the Swan-Ganz catheter include the capital cost of the equipment, the physician's fee for inserting the catheter and costs for monitoring and interpreting the data which the apparatus produces. The total true costs are probably hundreds of dollars per patient. Several hundred scientific articles have been written about the Swan-Ganz catheter, but none have documented its effect on patient survival.

I have given a few examples of areas where more knowledge is needed before we can improve the quality of medical care in this country and make our health care system more cost-effective. Obviously there are many others. It is time that we create a single organization at the Federal level to be responsible for this kind of research.

Some have argued that the function of the Center that I have described should not be part of the mission of the National Institutes of Health. They argue that the NIH should concentrate on basic biomedical research and that another agency should be responsible for evaluation of medical practice. I do not agree. The NIH is already heavily involved in the evaluation of medical practice in the form of clinical trials. No other Federal agency has the expertise and the ties to academic medicine which will be needed to conduct extensive evaluations of medical practice.

Moreover, the NIH is beginning to recognize its responsibilities in this area. In testimony before the Senate Labor and Public Welfare Subcommittee on Health last year, Dr. Donald Fredrickson, Director of the NIH, said:

> It seems clear that in the future, the NIH and the rest of the scientific community must assume more responsibility for the effect of research on the quality of health care delivered.

Others believe that adequate evaluation of medical practice can be done at NIH within the existing organizational framework. I think that a separate center can accomplish this task more effectively. By establishing a separate unit with an advisory council that includes representatives of the Office of Technology Assessment, the PSRO program, the National Center for Health Services Research, and the Social Security Administration, it is more likely that the issues which have the greatest impact on the health care delivery system will be examined.

Furthermore, by establishing a separate center with a separate budget, the fight for funds between basic research scientists and those examining medical care effectiveness will be reduced.

Finally, some have expressed concern that a center for the evaluation of medical practice could rapidly become a regulatory agency—an FDA for medical practice. I believe such a development would be undesirable. Therefore, my bill specifically prohibits the direct or indirect use of the center in the administration of title XVIII or XIX of the Social Security Act. If more regulation is needed, it should not be done by an organization with a research mission.

If this country is to develop a rational, equitable, and efficient health care system, it will need to develop much more information about the components of current medical practice and their effectiveness. I believe that the creation of a center for the evaluation of medical practice will move us toward that goal.

TESTIMONY OF THE WELFARE REFORM TASK FORCE OF THE NORTHEAST-MIDWEST ECONOMIC ADVANCEMENT COALITION BEFORE HEW SECRETARY CALIFANO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 10 minutes.

Mr. KOCH. Mr. Speaker, as many Members of Congress know, the Northeast-Midwest Economic Advancement Coalition recently formed a task force on welfare reform which I have the honor of chairing. Just this morning, members of our task force were the lead-off witnesses at HEW Secretary Califano's day-long public hearings on welfare reform.

The welfare reform task force is a bipartisan study group whose primary purpose it to review welfare reform proposals, in particular the administration's, from the perspective of the Northeast and Midwest regions. The members of the task force are: EDWARD I. KOCH, SILVIO O. CONTE, DONALD M. FRASER, MICHAEL J. HARRINGTON, ELIZABETH HOLTZMAN, FRANK HORTON, ABNER J. MIKVA, JAMES L. OBERSTAR, CHARLES B. RANGEL, STEPHEN J. SOLARZ, and WILLIAM F. WALSH.

For the benefit of all our colleagues, we thought it would be beneficial to insert in the RECORD today the remarks made this morning at the public hearings.

Congressman MICHAEL HARRINGTON, chairman of the Northeast-Midwest Coalition, began the presentation with introductory remarks concerning the coalition and the importance of welfare reform to the Northeast and Midwest regions. Following that, Congressman FRANK HORTON, chairman of the coalition, and I presented the following remarks which include what the task force believes to be the five basic principles upon which welfare reform should be based:

REMARKS BY CONGRESSMAN FRANK HORTON

Mr. Secretary, We would like to thank you for this opportunity to discuss the complex issue of welfare reform. We appear before you as representatives of the Northeast-Midwest Economic Advancement Coalition task force on welfare reform, rather than as individual Congressmen.

The Northeast-Midwest Economic Advancement Coalition was formed in September of 1976 in an effort to reverse the trend of the economic erosion and deterioration of the industrial base of our regions of the country. There are over 200 members of the House of Representatives in our Coalition representing sixteen states. We collectively represent some 90 million people.

The purposes of the Coalition are threefold: to educate the public, the Congress and the Executive Branch to the need for greater regional sensitivity in the formation and administration of federal programs; to examine, review and publicize the regional impact of legislation as it proceeds through Congress; and most importantly, to develop positive and aggressive legislative initiatives aimed at reviving the economies of the Coalition states.

We are encouraged by the new Administration's economic stimulus package, aimed at revitalizing the Nation's economy, and by its initiatives to reform existing federal programs. We believe these hearings are an eloquent testimony in themselves to the commitment by you and this Administration for comprehensive welfare reform. We strongly believe that reform of our nation's welfare system is a national problem.

However, we also believe that welfare reform is of special importance to the Northeast and Midwest. While everyone stands to benefit from significant improvements, the need for change is critical to any kind of economic recovery of the older established areas which we represent.

Therefore, the Coalition established our task force on Welfare reform, which is chaired by Representative Edward I. Koch, to focus special attention on this problem area and contribute our views.

REMARKS BY CONGRESSMAN EDWARD I. KOCH

Mr. Secretary, any discussion of welfare reform must take into consideration the

basic premise that welfare is a national, not a local problem. The Nation's poor people are located in varying degrees of concentration in every state, county, and locality across the Nation. Programs to aid the poor are mandated by the Federal government; yet definitions of "poverty" and eligibility requirements in addition to the jumble of federal, state, and local program have resulted in enormous disparities in the benefits that poor people receive from the government.

The inequities in benefits for the Nation's 25 million poor are caused by drastic variations of welfare benefits for residents in different states. Rather than a uniform formula for disbursement based on factors such as the number of poor people in an area and cost-of-living variations, each state differs in the amount of state and local money spent for welfare. Consequently, some states and localities, particularly in the Northeast and Midwest, are finding the financial strain of providing higher benefit levels almost unbearable and assuming a disproportionate fiscal burden compared with other regions.

Regional differences and geographical inequities foster discrimination against recipients in the same programs. Exacerbating this problem is the fact that most welfare programs are designed to aid certain categories of individuals. The effect is to accord highly unequal and haphazard treatment to citizens in need. The welfare system has evolved into a complex, often duplicative one that has created hardships for states, administrators, and recipients.

Resolution of the problems and administration of the programs must be undertaken at the highest level of government. Inasmuch as financing public assistance is a national problem requiring a national solution, greater federal responsibility for welfare programs should be provided.

Secondly, there must be a recognition of the fiscal burden on state and local government. Because of the changes in the economic makeup of our region and the changing size and character of the poor population, states and localities are facing heavy fiscal burdens in trying to provide cash assistance to the poor.

While Southern and Western states' economies are expanding by attracting new industries and employment to their regions, the Northeast and Midwest are wrestling with declining employment opportunities and slowed population growth. Population growth comparisons show a 13% increase in Pennsylvania, contrasted to an increase of 59% in Texas between 1950 and 1975. Employment opportunities rose by 21% in Houston; while Northern states overall suffered a 7% *decline* in jobs from 1970 to 1973.

The high rates of unemployment resulting in part from that decline in jobs has increased the poverty population present in these regions. As the size of the poor population grows, demand for cash assistance and services also increases. In Maine, for example, approximately 11% of its population—114,000 people—are at the poverty level. This contrasts with Colorado which in 1975, had 176,000 poor or 6% of its population.

While many Southern, rural states have greater poor populations than the Northeastern and Midwestern states, cash grants to these recipients are considerably lower and the federal share of payments for those grant programs in such states is significantly higher. Per capita welfare benefits of the Northeastern states were the highest in the country—$2,428; the Midwest spent $1,589 per poor person; the West spent $840, while the South expended only $626 per poor person. The state financial burden for these expenditures was 46%, 40%, 44% and 21% respectively.

The present federal reimbursement formula only exacerbates the financial burden of state and local governments. The federal reimbursement formula which is based on the number of poor people, and state per capita income, reimburses Alabama for approximately 75% of its total $60 million A.F.D.C. program. New Jersey, by contrast, is reimbursed by approximately 50% of the $401 million it expends on A.F.D.C. An additional financial strain is placed on those states who provide relief to single individual, childless couples and intact families who do not qualify for, or have expended, their unemployment benefits, as such assistance does not qualify for federal reimbursement.

In the Northeast and Midwest, economic development has slowed and financial burdens on the state and local governments have become unbearable; yet, pressures to maintain the same amount of welfare benefits to increasing numbers of people have continued.

Our third concern is that there be a recognition of the need to provide grants which will take into consideration the higher cost of living in the Northeast and Midwest regions.

One of the most frequently considered alternatives for welfare reform is to provide one standard payment throughout the nation for all those who would be eligible. The welfare task force of the Coalition perceives this option as being inequitable for it does not address the wide variations in the cost of living from one area to another.

For instance, one alternative to the single standard payment could be the use of both state and SMSA cost of living variances in determining grants. For example, what might be a reasonable grant for a family of four living in Austin, Texas, where the Bureau of Labor Statistics estimated in 1975 that a Lower Level Urban Family Budget was $8,412; would be inadequate for a similar four-member family living in Boston, Massachusetts, where the same budget was $10,500. That is a difference of $2,088, or over 20%, in the cost of living. The cost-of-living differences within a state are often just as large. In Pittsburgh, Pennsylvania, a family of four needed $9,205 for a Lower Level Urban Budget Family in 1975, while in Philadelphia, the same family needed $9,847, resulting in a disparity of over $600.

The Coalition Task Force is not proposing at this time the use of the Lower Level Urban Family Budget as the basis for a recipient grant, but does believe that cost of living factors must be given high priority in any reconstruction of our welfare system.

Our fourth concern is that comprehensive welfare reform address itself to the problems and costs of administrating the many programs that comprise our current welfare system. As long as welfare programs continue to be fragmented and incompatible, the goal of providing needed assistance will fall short.

One of the many problems that continues despite efforts to the contrary, is the confusion and inefficiency that results from varying rules and regulations generated by Federal, State and local program administrators. Yet, the current system makes it impossible for the various levels of government to coordinate their actions. (Public assistance programs are administered under a national law that is 36 years old. Welfare was created as, and has largely remained, a State responsibility.) This lack of coordination and integration causes costs of administration to rise and the incidence of error to increase.

It has been estimated that complex and changing rules, difficult for administrators on the state and local level to follow, have caused incorrect payments in 23.7 percent of all SSI cases and 45.7 percent of all food stamp cases. Of those families receiving AFDC benefit payments, in the last half of 1975, 28 percent of those families received payments that were too large (15.3%) or too small (5.8%). An HEW study, conducted in 1972, estimated that fragmented administration of programs cost the American taxpayer approximately $500 million.

As we mentioned earlier, the complexity in administration also increases the incidence of error. Recent calculations indicate that 13.3 cents per benefit dollar for the AFDC program is consumed by administration, 11.6 cents for food stamps, 4.2 cents for medicaid and 8.2 cents for Supplemental Security Income. It should be noted that these costs do not include those costs incurred by indirect participants in these programs (hospitals, food stores, banks and so on).

A simplified system, which provides uniform eligibility, equitable benefit levels and cuts costs must be developed and implemented. Should we fail to take action, the existing administrative nightware will continue to victimize the taxpayer and needy.

Finally, true reform of our welfare system must minimize inequity and work disincentives which exist in the present programs. Any national welfare policy should address itself to the problem of family splitting—the benefit structure must make it more advantageous for families to stay together than to disperse. The matter of desertion by the father is crucial, (a substantial portion of the cost of the AFDC program can be attributed to deserting fathers who do not assume financial responsibility for their families), as is the fact that the great majority of welfare recipients are women and children.

In addition, we must provide meaningful work incentives so as not to penalize recipients for the benefits of gainful employment. The current system often inhibits individuals from seeking employment because of the prospect of losing more in public assistance than they would gain in earned income. That unfortunate aspect of our current welfare system—the existence of an absolute cutoff in benefits once the recipient's earned income goes $1 over the eligibility standard—is one which must be addressed by this Administration. Obviously, an examination of the tax structure must be included in eliminating work disincentives from any welfare program.

There is no question that we need a national welfare policy which is in the best interest of all our people, but we also know that no policy can be in the best interest unless it also addresses Northeast and Midwest concerns. We have taken this opportunity to inform you of our strong interest in this area, and we want to offer any assistance or support that we may be able to provide in the coming months.

TANKER SAFETY LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. DICKS) is recognized 5 minutes.

Mr. DICKS. Mr. Speaker, on February 22, Mr. STUDDS, Mr. BONKER, Mr. PRITCHARD, and I introduced H.R. 3796, the Tanker Safety Act of 1977. It gives me great pleasure to report that we are reintroducing this legislation today with 32 cosponsors.

This proposed legislation has a number of important provisions. It creates a 200-mile maritime safety zone for the purposes of protecting the marine environment from the pollution threat of hazardous cargoes carried in bulk; it establishes a comprehensive regulatory and enforcement regime within the maritime safety zone; it establishes design, construction, equipment, maintenance, operation, and manning standards to pro-

mote tanker safety; it establishes a program to effectively prohibit substandard tankers from operating within the maritime safety zone, and it provides for a system of improved vessel inspection and enforcement.

One additional provision of this bill deserves my colleagues' attention: Section 101 of this act would establish a nationwide vessel traffic system—VTS—to monitor and prevent tanker accidents from occurring. Under this provision of section 101, the Coast Guard must establish a sophisticated VTS program involving computer tracking and data retrieval at all ports and waterways through which pass an average of 100,000 barrels per day of hazardous cargoes in bulk.

By taking this step, Congress will merely reaffirm legislative intent expressed in title I, section 101, of the Ports and Waterways Safety Act of 1972. The Coast Guard has moved ahead rather timidly in this area; since the passage of the Ports and Waterways Safety Act, only three VTS programs have been established. These systems are operating in San Francisco, Puget Sound, and Houston-Galveston. In addition, vessel traffic services will become operational this year in New Orleans and Valdez, Alaska. By next year, the Coast Guard hopes to have VTS working in the port of New York, and soon thereafter, we can expect traffic management systems working in the Chesapeake Bay and in the Gulf Intracoastal Waterway.

The VTS systems now in operation vary depending on the unique characteristics of each waterway. The Coast Guard tells me that there are two radars working to cover the San Francisco Bay Area—each with a 26-mile radius. I understand that this allows coverage of virtually 100 percent of the bay. In Puget Sound, there are three remote radar sites and four radars altogether. These radars permit approximately 20-percent coverage of Puget Sound, which in my view is insufficient. The system at Houston-Galveston uses television monitors instead of radar to cover the narrow channel through which tankships pass. The Coast Guard tells me that for the peculiar features of this narrow channel, TV monitors serve their purposes well.

All of these systems have certain similarities: They are manned by around 7 officers and 21 to 23 enlisted men. All maintain a constant listening watch with incoming ships via an FM frequency; in Puget Sound, there is a mandatory system of communications back and forth; in the other two ports, this system is voluntary, but the Coast Guard reports excellent compliance. Still, I believe it is worthwhile to make communication systems mandatory at all ports. It certainly won't hurt and I can foresee instances where it may well help.

Given this background, I think it is fair to say that the Coast Guard is moving in the right direction. But I think the Coast Guard's program is seriously deficient in the extent and nature of its coverage.

Tanker safety is a national problem: It affects those who live on the east, west, and gulf coasts, and those who live around the Great Lakes. In 1973, there were 11 major ports and waterways that were already taking in an average of 100,000 barrels per day of hazardous cargo in bulk: New York Harbor, the Delaware River Ports, Portland, Maine, Boston/Fall River, Long Beach, Galveston, Rhode Island/Connecticut Ports, Los Angeles, Norfolk/Hampton Roads, Houston, and Baltimore.

I have asked the Corps of Engineers to provide me with updated figures on this matter. But it seems to me that even with the 1973 figures, my point is clear: We will need a nationwide vessel traffic system to protect our ports and waterways from the massive influx of hazardous cargoes that will be heading their way. I believe we should implement a VTS for all ports and waterways through which pass an average of 100,000 barrels per day of hazardous cargo in bulk. We will need a nationwide system, and not the patchwork quilt that the Coast Guard is sewing.

If we can agree on the need for a nationwide vessel traffic system, we must then define the component parts of that system. After all, a VTS can consist of buoys, or it can consist of sophisticated radars, satellites, and computers. Once again, it seems to me that the Coast Guard is moving in the right direction, but its actions are seriously flawed.

The Canadian Government is instituting a vessel traffic system, and I believe we can learn something from it. As I understand it, the Canadian system, around Vancouver, will eventually involve six radars, the most powerful of which will have a 60-mile range seaward. The key to the Canadian VTS is an automated computer system. This integrated VTS computer system does not cost an arm and a leg. It was designed and built by AIL of New York at a cost of $8 million. Of this amount, only $100,000 to $150,000 is for the computer; most of this expense comes from software. The computer tracks incoming ships' course and speed, alerting Coast Guard personnel of potential conflict and congestion. Each incoming ship must notify the Canadian Coast Guard 24 hours in advance of its entry. At this time, the computer performs a second function: it goes into its data bank to retrieve information about the ships' history, safety record, and safety certificates. Based on this information, Canadian Coast Guard officials can communicate to the incoming ship to investigate problem areas. If deemed necessary, the Coast Guard can direct a tug escort or take any other measures to insure ship and environmental safety.

This novel and useful system was actually based on a computer pilot program VTS in San Francisco. The San Francisco VTS no longer uses a computer; nor does the one in Puget Sound. VTS systems in Houston, New York, and New Orleans will have computer hookups, but this will be for ship tracking only. The Coast Guard is working up another computer system for data retrieval which will eventually go to the captains of various U.S. ports. But at present, there are no plans to hook up data retrieval systems to computer terminals on VTS system.

It seems to me that the Canadian system is far superior to the U.S. VTS program. Data retrieval should be part and parcel of any computer system. And such computerized VTS systems should be installed in Puget Sound and all other ports and waterways through which pass over 100,000 barrels per day of hazardous cargoes. It is my hope that the tanker safety legislation passed by the Congress will include these provisions, and I will work as hard as I can to enact such legislation.

TAXATION OF CERTAIN POLITICAL ORGANIZATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 10 minutes.

Mr. O'NEILL. Mr. Speaker, on March 9, 1977, the Clerk of the U.S. House of Representatives transmitted a letter to the Internal Revenue Service concerning proposed regulations published by the Service relating to the taxation of certain political organizations under section 527 of the Internal Revenue Code. The Clerk indicated his concern over various provisions of the proposed rules, and the difficulty incident to the administration of the standards as presently formulated. In view of the interest among Members of Congress in this important subject, I am placing the Clerk's letter in the RECORD for the information of the Members:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., March 9, 1977.

MR. ROBERT A. BLEY,
Acting Director, Legislation and Regulations Division, Internal Revenue Service, Washington, D.C.

DEAR MR. BLEY: Proposed regulations issued under Section 527 of the Internal Revenue Code of 1954, relating to political organizations, appeared in the Federal Register for November 24, 1976. 41 Fed. Reg. 51840. On January 31, 1977 notice of a public hearing on these proposed regulations was published. 41 Fed. Reg. 5704. The Office of the Clerk has responsibility for several areas affected by the proposed regulations. We have reviewed the proposed regulations and have the following comments:

First, there is an apparent conflict between the definition of "dual purpose organizations" [proposed § 1.527–2(a)(2)] and the "primary purpose test". [proposed § 1.527–2(a)(4)]. The "primary purpose test" contained in the proposed regulations would permit a political committee to retain its "political organization" status as long as the amount of the non-campaign expense was not "more than insubstantial". The definition of "dual purpose organization", [proposed § 1.527–2(a)(2)] states that a committee ". . . established to collect funds for an incumbent's next campaign and to collect funds to help offset the office expenses of the incumbent, the committee will be treated as a political organization only to the extent that it maintains a segregated fund for campaign purposes".

A question arises, for example, concerning the treatment of a political committee of an incumbent which while raising funds for the next election, pays an expense incurred in the performance of the Member's official duties. At the present time, such an expenditure is permissible under the Federal Election Campaign Act, ("FECA") as amended. [See 2 U.S.C. 439a]

Nevertheless, as a result of the definition of a dual purpose organization, it would ap-

pear that the status of a political committee or fund could be jeopardized by non-campaign related expenditures, even though such expenditures are specifically countenanced by both the "primary purpose test" definition and FECA.

A further problem arises from the use of the term "more than insubstantial" which is to be used as the criterion for the "primary purpose test". While the concept embodied in "more than insubstantial" may provide interpretive flexibility, it fails to apprise candidates of the standards to be applied in determining the advisability of making or not making a particular expenditure or effecting a particular transaction. For example, the proposed regulation fails to indicate whether the standard contemplated involves a percentage of total expenditures, an absolute dollar amount, or some other measure of substantiality. It is also unclear within what time period comparisons between exempt function expenditures and total expenditures will be made (i.e. monthly basis, campaign finance reporting basis, tax year, election year or term of office). For example, a candidate or committee might raise funds in one tax year for the purpose of making exempt function expenditures in the following tax year. Under the proposed substantiality formulation, in the tax year in which the candidate in the foregoing example raises substantial funds, his total exempt function expenditures may be small whereas the following tax year, in which he incurs large campaign expenses, (i.e. media, transportation etc.) his total expenditures may be large. However, his activity during both periods is for all practical purposes inseparable, and therefore, he should not incur tax liability in the first year simply because he determined to make his expenditures in close proximity to the election.

Moreover, without further amplification of the meaning of the term "more than insubstantial", it is possible that two candidates might spend identical dollar amounts on non-campaign expenses, yet depending on the size of their campaign funds, one candidate's expenditures might be deemed not insubstantial while another's might be deemed substantial. In order to avoid such inconsistent treatment, it is necessary to design a test which is equitable to candidates and which does not subject them to widely disparate treatment. [proposed § 1.527–2(a)(4)]

In addition, a question arises from the treatment of certain expenditures by a political organization as income to an individual or political organization [proposed § 1.527–4]. While "exempt function" is defined in terms of electoral activity, the Federal Election Commission ("FEC") has interpreted 2 U.S.C. 441(b) and its predecessor, 18 U.S.C. 610, to allow separate, segregated political funds to expend money for "educational" purposes. [See FEC Advisory Opinion 1975–20, Sept. 25, 1975, 40 Fed. Reg. 45292]. For example, a corporation's separate, segregated political action fund might spend an amount for educational seminars. While these seminars are not "electoral" in nature, it is permissible to expend corporate treasury funds on such seminars under the FEC's interpretation. Yet it would appear that the proposed regulations would treat at least the money spent by the corporate political action committees as taxable income to the corporation, or to the fund, and proposed section 1.527–2(a)(3) indicates that a segregated fund is "for use only for the exempt function." The treatment of such expenditures as non-exempt, and the potential disqualification of the entire fund from political organization treatment, appears to be at odds with both the Federal Election Commission's interpretation and the legislative intent of FECA.

Yet another question concerns the comparison between the size or extent of fundraising and the size or extent of the "exempt function" to determine whether or not the fundraising activity in question "contribute[s] importantly to the accomplishment of the exempt function." [proposed § 1.527–3(b)(4)(C)]. Such fundraising often occurs before any reliable estimate of the cost or extent of the campaign can be made. An incumbent or his committee might, and very often does, raise funds prior to the announcement of the candidacy of an opponent. If no opponent files against him, (which he may not know while he is raising the funds) the candidate will probably not have to spend a significant amount on his campaign, but he may as a result conduct his fundraising "on a larger scale than necessary" for his campaign. Alternatively, a candidate's principal campaign committee may raise substantially more than it spends with the expectation that the excess will be carried over to a later campaign. Again, the standard formulated "on a larger scale than necessary" require that candidates make difficult and subjective judgments concerning their resources and opposition, of a nature which impinge on the political process itself. I respectfully submit that the Internal Revenue Code is not the appropriate vehicle through which to impose additional limits on the campaign process, especially in view of the Supreme Court's recent decision in *Buckley* v. *Valeo*, 424 U.S. 1 (1976), where the Court specifically ruled unconstitutional provisions of FECA which imposed limits on independent and overall expenditures of candidates. It would seem to follow from that holding that any attempt to prospectively limit the amount of money which a candidate can raise, through the "larger scale than necessary test", intrudes on "the ability of candidates, citizens, and associations to engage in protected political expression", *Buckley* v. *Valeo*, *supra* at 53, in a manner which is impermissible under *Buckley*. Similarly, proposed § 1.527–4(b)(2), relating to "incidental expenditures", permits a political organization to expend amounts not directly related to an individual's campaign as long as the amounts so expended to benefit the individual are "minor when compared to the overall expenses of the organization". Again, candidates may have great difficulty in prospectively determining whether or not to make incidental expenditures based on the standard as formulated in the proposed regulations without further amplification of the terms employed.

Of further concern is the fact that a political committee established by a corporation, labor union, association, group or other organization may not know to whom and to what extent it will make contributions until after its fundraising activities are complete. Should the committee decide not to spend all it raises it may jeopardize its tax exempt status. It is unrealistic to expect a political committee to tailor its fundraising activity to a very hypothetical estimate of expected costs. Political organizations should be permitted sufficient flexibility to raise whatever funds they can, and to spend what they deem necessary. Moreover, if such organizations are engaged in exempt function activity, it makes little sense to penalize them for raising money for ultimate distribution to candidates simply because they have done so to a greater extent than immediately necessary.

In drafting regulations to clarify existing tax law, the Service might look to FECA as an appropriate source of congressional thinking with regard to activity in this area, and thereby avoid imposing unintended strictures on campaign activity, the overall regulation of which has been delegated to the FEC.

Although the House has recently acted to amend the rules with respect to unofficial office accounts and newsletter funds, because the maintenance of such accounts are permissible until January 3, 1978,* I offer the following comments on the proposed regulations relating to newsletter funds:

The treatment of newsletter funds [proposed § 1.572–6] leaves unanswered the question of whether or not money in such a fund can be used for the purpose of soliciting contributions for the fund. Although such solicitations may not be mailed under the frank [See 2 U.S.C. § 439b and 39 U.S.C. §§ 3210(a)(5)(C) and 3210(e)], they might reasonably be labeled a necessary cost incident to the preparation of such newsletters.

An additional potential problem exists with regard to "unexpended funds" remaining in a newsletter fund which "ceases to engage in the preparation and circulation of the newsletter". Under the proposed regulations, unexpended amounts held by a newsletter fund which has ceased to engage in the preparation and circulation of a newsletter are deemed expended for the personal use of the individual who established such fund, unless the unexpended amounts are contributed to or deposited for one of three enumerated purposes. It is submitted that these categories are unduly restrictive and that the regulations regarding "unexpended funds" should be flexible enough to accommodate the changes effected by the adoption of House Resolution 287 in the Rules of the House of Representatives or applicable law regarding "office" and "newsletters" accounts. [proposed § 1.527–6(d)]

Moreover, there is no definition of when a newsletter fund "has ceased to engage" in its activity. Implicit in the term "ceased to engage" is a notion concerning the appropriate frequency with which newsletter funds must operate in order to retain their tax status. As a result, it is necessary to furnish or further clarify what is considered to be a suitable time period for lapses in newsletter activity. In a similar context, the proposed regulations indicate that funds held by a political organization following the election of its candidate will not be treated as unexpended funds (and therefore deemed to be expended for personal use), proposed § 1.527–4(c)(2), if held for a candidate's reelection campaign. A similar clarification with respect to newsletter funds would be desirable.

Finally, any inconsistencies, deficiencies or unanticipated effects of the legislation contained in the proposed regulations would be unfairly exaggerated by the retroactive application prescribed by proposed section 1.527–7. While it might be argued that the regulations merely clarify existing law and, therefore, that the retroactive effect of the regulations is consistent with what has been the law since the date of effectiveness of Section 527, the exercise of administrative discretion would dictate that affected persons and entities be given an opportunity to adjust to the regulations before incurring tax liability for past activity.

Because of the press of business and the amount of work with which the Office of the Clerk is involved at the beginning of a new Congress, we were unable to submit these comments prior to the date indicated in the original notice. However, I hope that you are able to include the above comments in the record on the proposed regulations and I would appreciate any consideration you can give to the views expressed herein during the course of deliberations on the subject.

If you have any questions regarding the matters raised herein, please feel free to contact Mr. Stanley Brand, General Counsel to the Clerk of the United States House of Representatives.

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

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*See H.R. Res. 287, 95th Cong., 1st Sess. § 301 (adopted March 2, 1977).

FREE SPEECH, "RECKLESS" SPEECH

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, letters to the editor often carry important messages; particularly they reflect the thinking of the writer. There are letters to the editor, of course, that are written to please the editor, and there have been times when letters to the editor have been written by the editor or members of the editor's staff and submitted in another name to show support for their own position. Some newspapers edit letters to the editor and eliminate most of those that do not support the newspaper's stand.

Occasionally there is one that surely stands out. Such a letter was printed in the Washington Star of Saturday, March 5. It was written by Mr. Hans Moses of Falls Church, Va. It discusses in a very rational and straightforward manner the fallacy of the present policy by American newspapers of printing official secrets recklessly, without regard to the consequences to our country or its policies.

I earnestly suggest that my colleagues read the letter by Mr. Moses, even though he is whistling in the wind and the media will not pay the slightest attention. Mr. Moses' letter follows:

FREE SPEECH, "RECKLESS" SPEECH

With public statements and private letters, President Carter has tried to lessen the damage resulting from news stories about alleged CIA payments to a host of foreign dignitaries, with Jordan's King Hussein topping the list. Anyone with open eyes can see the damage has been done—to our ability to conduct foreign policy, gather intelligence and cultivate relationships abroad.

In addressing this matter editorially ("The Hussein affair," Feb. 25), *The Star* was thoughtful but ambivalent. "No newspaper, we suppose, would have kept the lid on," you said, thereby affrming your allegiance to a current journalistic article of faith. But then: "It may go too far to say that there are matters we are better off not knowing about . . . But if an example of such matters were conceivable, it might be the cash lifeline that sustains friends who need financial help but cannot afford to open their ledgers to public scrutiny."

The question among those of us of lesser faith is whether you could not descend from the dogmatic to the merely logical thought that something found undesirable perhaps had better not be done.

Permit me to develop this a bit further and to make a suggestion which, in view of your position, may strike you as odd; but I wish you could persuade yourself to take it seriously:

What we had here was a rather typical case of modern investigative reporting. Immediately after the *Washington Post* broke the story under a banner headline on Feb. 18, the other news organizations, as is customary in this competitive age, entered the race for a piece of the action, replaying the original and expanding on it.

In terms of accuracy, as Mr. Carter has indicated, the results of all that publicity were evidently mixed; in terms of impact achieved and harm done, they were undiluted. The timing—discrediting Hussein on the eve of his meeting with Secretary of State Vance—added an extra bit of poison to the darts.

You have the right to maintain, as you do, that "national security" as a reason for withholding information from the public has been discredited because it has been misused. But it does not follow that there are no national security problems, or that there are no areas of national concern whose disregard is bound to cause injury to the nation and, obviously, the nation's constituents.

Those who chose to administer to the public—here and abroad—the shock about CIA payments to Hussein and others were in a position to foresee its deleterious effect; indeed, there could have been no more than the thinnest veneer of constructive purpose on their choice. Nevertheless, we are told, they did what the job requires.

Your editorial refers to "the journalistic hypocrisy of disputing the rights and wrongs of disclosure." What is hypocritical, it seems to me, is the contention that the government owes it to us to protect vital secrets, but that the press owes it to us—or to itself—to try to break them loose. Opinions on the desirability of revelation may differ in any given case; but on matters of common concern, nothing can be desirable and undesirable at the same time.

I believe that freedom of the press, as we know it, can survive in the long run only if it is coupled with some sense of responsibility for such common concerns. The First Amendment guarantees the right to publish almost anything, but does not make publication mandatory. If it is used in perpetuity as a privileged sanctuary for recklessness, the country cannot effectively conduct its business in the modern world. Under equivalent conditions, neither could a factory, or a newspaper.

We can surely live with adversary relationships, but only if they do not become destructive. Failure to recognize this, one fears, will lead to the erosion of popular acceptance of an uninhibited press as a blessing we can afford, with consequences that could be unfortunate for us all.

My suggestion is this: Let *The Star* refuse to follow the lead of those who burst into print with indiscretions that have no redeeming positive value and clearly tend to hurt us. Instead of becoming a part of the currently inevitable chain reaction, you could either banish such accounts from your paper or, at a minimum, de-fuse them and relegate them to a proper place. An editorial explanation might follow.

To be sure, this would not undo the damage done by someone else; but it could help, in the long run, in making excesses less reputable, less effective and, hopefully, less common.

Beyond that, it would at last begin to give us a choice between responsible and irresponsible news coverage.

After all, what enables most of us to avoid exposure to pornography is not censorship, but the availability of alternative reading matter. Let *The Star* take a hand in curbing the abuse. If public sentiment is developing as I think it is, such a move should prove not only morally right but also economically sound.

HANS MOSES.

FALLS CHURCH, VA.

THE NEED FOR A NATIONAL FOREST POLICY

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, my interest in a sound national forest policy has extended over a period of many years. During that period, the Congress has enacted much legislation intended to improve forest programs in our Nation. Even so, the job is not complete. There is need for additional activities in and out of Congress to insure the type of forest programs that the Nation will need in the years ahead. That subject is spelled out in unusual detail in the keynote address before the 101st annual meeting of the American Forestry Association, in October 1976, in Orlando, Fla. The speaker was Dr. Carl H. Reidel, vice president of the American Forestry Association.

Dr. Reidel is the director of the environmental program, professor of forestry, and the Daniel Clarke Sanders Professor of Environmental Studies at the University of Vermont. He is considered one of the abler young men in the forestry firmament. I feel that his speech is sufficiently significant to justify printing in the RECORD and I submit it for insertion:

SPEECH OF DR. CARL H. REIDEL

. . . If 1976 is remembered for anything other than the Bicentennial by those Americans concerned about our nation's forests, it will surely be for our failure to define clearly the objectives of American forest policy. That we have failed is beyond question. The only question in the face of such a disgraceful display of national foundering is "Why?" What excuse do we have for failing to grasp the best opportunity in decades to revitalize this nation's commitment to natural resource management? Some have excused our failure on the grounds that the problems are too complicated; that conflicts among forest users have confused our understanding of the common interests that must be the bases of national policy.

I disagree! The debates over forest policy in 1976 indicate an excellent understanding of the issues. Never before have the spokesmen of vested interests been so determined to influence national legislation for their own benefit at the expense of the common good. No, the failure is not one of understanding. It is a failure of leadership, an unwillingness to forge new national policies in the face of powerful special-interest pressures. Foresters, environmentalists, industrial associations, bureaucrats, and citizen groups alike must share the blame with a timid Congress . . .

SOME BASIC PRINCIPLES

We seem to have lost sight of the basic principles that are the foundations of effective forest policies. Forest management is a *long-term* enterprise requiring careful planning—planning that is sensitive to complex regional differences, to changing economic conditions, and to the latest scientific knowledge. Forest policy cannot be reduced to simplistic legislative regulations, nor be revised every year by appropriations committees . . .

We need clear objectives for management of the nation's forests—goals that recognize the long-term nature of forest management. Such policies must set clear standards for forest protection, with adequate funding on a long-term basis. We are failing in this basic custodial task of protecting our resources from insect, fire and disease losses—a first step in any management program.

Likewise, we have failed to establish a sound planning process for America's forests, an equally basic step. While the Forest and Rangeland Renewable Resources Act of 1974 and the recently-passed "National Forest Management Act of 1976" strengthens the *program* planning process, Congress has provided no policy guidance for classifying the nation's forest lands for specific purposes or intensities of management, with the exception of Wilderness Areas. Until we have the courage to face up to the need for nationwide land-use planning, we will not attract either the private investment nor the public appropriations necessary for intensive forest management, for increased recreation development, or for the protection of critical natural and wilderness areas. Every year we lose a

half-million acres of forest land to other uses. We cannot allow this trend to continue. We must designate the use of land on the bases of land capabilities, national and regional needs, and the relative costs and benefits of alternative uses.

. . . Adequate protection standards and nationwide land-use planning are prerequisites for an effective national forest policy. These policy initiatives must then be supported with major reform in the way the Administration and Congress allocates appropriations and sets personnel levels. The Johnson-Nixon-Ford era has been a disaster in this regard. Inadequate, fluctuating appropriations, often approved late in the fiscal year, have made potentially effective programs nearly impossible to manage. Carefully planned budgets have been hopelessly imbalanced by fiscal administrators in the Office of Management and Budget and staff aides in the Congress. Administration mandates linking timber harvest levels to budget allocations, and politically-motivated reductions in resource management programs are directly responsible for the mismanagement of our public forest lands. The Forest Service isn't blameless, but the Congres, OMB, and the White House ought to get most of the credit for the resulting crisis.

Perhaps the most serious constraint on resource management programs is the unrealistic manpower ceilings imposed by recent Administration. . . . Thousands of recently-graduated foresters, wildlife biologists, and range managers are unemployed while agencies with the funds to employ needed professionals are prohibited from doing so by manpower ceilings. Important resource planning, on-the-ground management, and Congressional-mandated environmental impact analyses must be done with part-time employees and outside consultants because of these unrealistic personnel limitations.

Many of these budget and personnel problems could be overcome with full implementation of the Resources Planning Act. This Act requires that the Forest Service present a budget that that insures balanced resource management, and that the Administration explain and justify any reductions to the Congress. This is a sound law, and AFA will continue to demand full implementation. But real reform will require another look at governmental reorganization as well. Agency in-fighting and over-lapping authorities account for much of the problem. We will never achieve effective multiple-use management while the nation's resources are managed and regulated by a maze of bureaus with single-resource responsibilities. . . .

RESEARCH

I will not list the enormous backlog of research needs in all aspects of forestry. Whether in protection, inventory, management, harvesting, marketing and utilization, soils, water, wildlife, recreation, or land-use planning, the list is long. The nationwide effort to assess research needs under the Agricultural and Forestry Research Planning System is providing us with an updated agenda for the future. The recently completed planning reports for several regions of the nation are milestones of cooperation and planning. Most were prepared on a volunteer basis, with little new funding. But planning alone will not do the job, nor can research be done by volunteers. With a fraction of the federal research dollars now going to defense, space, and nuclear research, we could launch an effective forestry research program in this Nation. It's time that we set our national priorities straight! Compared to their counterparts in medicine or the military, most forest researchers in our universities are working with obsolete equipment, wholly inadequate laboratory space, and little or no technical assistance . . . Study areas, where some of our most renowned forest scientists have invested their entire professional lives, have been abandoned to vandalism and encroachment by other uses because of insufficient funds for routine maintenance. Long-term field studies, which could yield vital information in the future, have been discontinued for lack of personnel needed to make regular measurements.

Of all the areas of forestry research, the most neglected and urgently needed is that of forest economics and policy. This vital field of research has never been adequately funded. It would seem that such research would be top priority given the increasing need to resolve conflicting demands on forest resources, and to make tough trade-off decisions. . . .

Research to expand our understanding of forest economics and policy is essential if we are ever to develop a system of social accounting that will permit sound decisionmaking on a rational basis. And, we will never dismiss the myth that economic and environmental goals are incompatible if we do not replace proverbs with facts grounded in sound research. . . .

PUBLIC LAND MANAGEMENT

. . . The 94th Congress created a lot of smoke and heat, but not much light to guide public land management. We must, I suppose, excuse election-minded politicians for not providing increased appropriations or relaxed personnel ceilings, but I had hoped for better policy direction than the recently-passed "National Forest Management Act of 1976."

While it sets forth a long list of general goals for the National Forests, most of this Act is preamble with very little to make those goals a reality on the ground. It does overcome the problems created by recent court decisions on timber harvesting, and provides additional guidelines for timber management. But for the most part it neglects other resource uses except for mandating more plans and reports by the Forest Service.

Such a mandate might be understandable if the Forest Service hadn't already responded to the Resources Planning Act's requirement for a Renewable Resource Assessment report—a report, it appears, that few Congressmen have read.

This assessment describes the growing gap between expected demands on the nation's forests and rangelands and their present capacity to meet that demand. It sets forth eight alternative programs for six different "resource systems"—a veritable smorgasbord for Congressional Committees. It recommends a program for the National Forests that could, by the year 2020, accommodate increases of over 70% in recreation use, livestock grazing, and in timber sale offerings; a doubling of wilderness areas and substantial improvements in wildlife and fish, land and water management, and community development . . .

We did not get much new from the 94th Congress to strengthen management of our National Forests. The next Congress *must* do better. AFA and other conservation organizations must continue to press for full implementation of the Resources Planning Act, and prod Congress to begin funding some of the plans they are continually requesting.

Other public lands are faring no better. The Bureau of Land Management is, as Bill Towell has testified to Congress, "the most neglected public lands agency in our government . . . (and) lacking in nearly all budget categories." . . . We may well have come to the point where governmental reorganization is the only solution, shifting management of the National Resource Lands to some agency less vulnerable to special-interest manipulation in Congress. The Transfer Act of 1905 saved the National Forests and created the Forest Service. Perhaps it's the BLM's turn.

The National Park Service is in trouble as well. Short on essential funds and personnel, the agency is caught in an impossible crossfire between conflicting recreation interests and powerful corporations with concession monopolies in the major Parks. . . .

The plight of all land management agencies is similar. Anachronistic public policies, outdated organic legislation, and a shrinking share of the nation's financial resources are common problems. Organizational structures and personnel policies from another era stifle creativity and inhibit environmentally-sound resource management. . . .

PRIVATE FOREST MANAGEMENT

Of all the challenges facing American forestry, none is more urgent than that of the nation's private, nonindustrial forests. AFA's "Trees for People" task force set forth the facts in its report, *The Challenge of Private Woodlands*. The recent report of the "Ad Hoc Committee on Extension Forestry" of the National Extension Committee on Organization and Policy echoed this familiar national problem.

These lands constitute 59% of the Nation's 750 million acres of timberland— some 300 million acres owned by 4½ million small, private landowners. They produce less than half the Nation's annual timber harvest, and only ⅓ of their potential. Most are poorly managed and of low productivity.

The reasons these lands are failing to meet their potential are many and complex. Ownership objectives vary considerably, tract sizes are small, and many are held by absentee owners unaware of their land's potentials. Shortage of development capital, unreliable fire protection, the lack of insurance against loss, soaring property taxes, and limited product markets plague these owners. While I do not underestimate the seriousness of these constraints, the fact remains that we have not begun to address this problem adequately. We have neither a clear national policy nor an effective program for America's private forest lands.

The Forest Incentives Program (FIP) is fraught with administrative difficulties and unrealistic budgeting procedures. . . .

. . . But even more discouraging is the status of the Cooperative Extension Program. After almost 60 years of extension forestry under the Smith-Lever Act, 15 states do not have a single extension forester and most have but one or two. Nationwide there are only 180 man-years of effort dedicated to extension forestry, an average of 3.6 man-years per state. The average extension forester serves 28,000 owners and over two million acres of forest lands. The most conservative estimate is that we need at least four times the present levels of staffing. And to that we must add the need for consumer education to provide information on the use and care of wood products. At present Americans lose $2 billion a year to decay and termites that could be prevented by proper wood treatment.

Why are we failing in this vital education mission? Why is forestry such a neglected part of the overall Cooperative Extension program? With few exceptions, forestry extension programs are administered through agricultural colleges that are reluctant to shift resources to forestry programs. A single extension forester is expected to cover the full range of forestry-related disciplines while specialists in every agricultural discipline are considered a necessity. For too long forestry has been treated as the "Back 40" caretaker! . . .

We must reform our extension, service, and landowner incentives programs. Greatly expanded financial and personnel resources must be infused into the Cooperative Extension program nationwide, with direct administration of forestry extension through the land-grant forestry schools. Extension education programs and state forestry service ac-

tivities must be welded together in a new partnership, with increased economic incentives for private landowners. New initiatives must be taken to establish management and marketing cooperatives, on-the-ground workshops, field demonstration areas, and modern media programs to reach landowners with the latest information. We are now spending only $1 for extension education for every $25 of forestry research. This technology-transfer gap is preventing the application of important new forestry knowledge. Unless applied research is put into practical use it is meaningless—a waste of taxpayer dollars and a squandering of the researchers talents.

LEADERSHIP

Finally, I want to speak directly to my own profession—to foresters. As Bill Towell said to the South Carolina Forestry Association last year, "Forestry is an honored and accepted profession with an enviable record." Foresters are competent scientists, well qualified to manage the nation's forest lands. I don't believe there is any question about the ability of foresters to do a sound management job, given adequate authority and financial resources.

I am concerned, however, about the leadership capabilities of my profession. I want to distinguish carefully here between management and leadership. Management skills have their roots in scientific training and experience. But leadership is something intangible—more art than science.

Throughout the debates over forest policy this year, many foresters performed as good managers, but few as leaders. We were careful to explain our management systems in endless detail, but seldom did we grapple with the gut issues or take the initiative in proposing bold new approaches. We were more concerned with justifying our past methods than we were with seeking new responses to changing public values. I was especially disappointed with the Forest Service's response to the attacks of industry, environmentalists, and the Congress. Seldom has there been a better opportunity to set the record straight on the Administration's role in the mismanagement of the nation's forests, or to point out the self-serving aspects of both industrial and environmentalist legislative proposals. I am quite aware that a public agency should think twice before criticizing a President or an influential lobby group. But there comes a time when professional integrity is more important than protocol or security. The Chief of the Forest Service is one of the most politically-safe positions in the Federal administration. The job got that way because he was first a professional—a professional with the support of the public because he could be depended upon to "tell it like it is."

Those of us in the university, in industry, and in professional associations did no better . . .

The plain fact is that some vocal segments of the public no longer recognize us as leaders. We are becoming just one special interest group among many. We are dividing our profession into factions with fixed, polarized positions on all sorts of either-or issues. That hardly fits John Gardner's description of a leader—one who can "lift people out of their preconceptions, carry them above the conflicts that tear our society apart."

Unless we rise to the challenge of leadership, we will find our profession ignored by the public, prohibited by legislation from practicing forestry, and locked in endless litigation. We must rebuild a sense of the common interests between industry, government, and conservation groups. Distrust and adversary approaches to problem solving are paralyzing our public agencies and sapping the energy of our profession. . . . Seeking reasonable compromise through cooperative effort is the only alternative. Forestry cannot be practiced in the courts. The AFA's Areas of Agreement effort is an example of a better way, but there are too many empty chairs at the table.

I'm convinced that sound forest policy will be a reality only when our profession once again takes a leadership stance. We must demand that legislation administrative mandates, and special interest demands pass muster with the scientific facts of responsible resource management, and take the initiative in setting forth a truly comprehensive forest policy for America. That won't make us universally popular, but the forging of a sound national forest policy will require boldness—boldness to listen to the public, to understand the goals people seek for their forests, and to use our management skills to meet those objectives. . .

A PROPOSAL FOR A PERMANENT INTELLIGENCE COMMITTEE AND FOR PROTECTING CONFIDENTIAL DATA WITHIN THE CONGRESS

(Mr. MILFORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILFORD. Mr. Speaker, today I introduced House Resolution 396, a resolution to establish a permanent House Committee on Intelligence and to protect the unauthorized release of confidential data and information within Congress.

Most people will agree that an efficient intelligence effort is vital to our national defense. Most will also agree that intelligence activity, by its very nature, is a highly secretive business. This Nation simply cannot publish its intelligence plans and activities in the daily newspaper. Furthermore, it is a well-known fact that the ability to keep a secret is directly proportioned to the number of people who know the secret.

In past years, the general membership of Congress was content by allowing intelligence matters to be handled exclusively by a few key Members on the Armed Services, Foreign Relations and Appropriations Committees. While every Member of Congress technically could gain access to any information in the classified files, this right was rarely pursued. Those Members of Congress who previously handled extremely sensitive matters usually had long years of service and considerable experience in dealing with intelligence matters.

Beginning in the 93d Congress, and accelerating rapidly in the 94th Congress, many reform measures were enacted that drastically altered past congressional practices. There emerged a new individual Member awareness, expanded Member participation in congressional processes and a diminishing of leadership controls and prerogatives.

While these new reforms greatly increased individual Member participation in the political process, they also presented a new and grave problem in the maintenance of national secrets and the oversight of intelligence activities.

The new liberated Members of Congress were no longer content to let the "old bulls" exclusively handle intelligence matters. As the hearings conducted by both the Senate and the House Intelligence Committees clearly showed, detailed congressional oversight had been noticeably absent during past years. Even the few senior Members who handled intelligence matters never really had the time and staff resources to question the agencies or to follow their activities to the extent needed.

The new freedom of the liberated Congress also presented some very serious problems for the Nation concerning not only intelligence activities but also the maintenance of confidentiality of executive sessions. As stated earlier, security of secrets is directly proportional to the number of people that know the secret.

There are six committees in Congress that have jurisdiction over intelligence matters. Immediately, that means that 39 Members of Congress and over 100 staff members have access to the Nation's highest classified and most sensitive secrets.

In addition, rule XI(2)(e)(2) of the House rules clearly gives any Member of Congress the right to examine any file, in any committee, in the Congress. Therefore, potentially, 411 more Members can have access to the Nation's most vital secrets.

This type of access, as a practical matter, makes it impossible for Congress to protect highly confidential or supersensitive information. Under article I, section 6 of the Constitution, any Member of Congress clearly has the right to say anything his conscience dictates, on the floor of the House. This means that he can take the Nation's most closely held secret and read it to the world in a floor speech.

A small number of Congressmen have strong conscientious feelings against governmental secrets. They believe in a totally open society. They are strongly opposed to any form of intelligence gathering agencies. Furthermore, out of 535 Members of Congress, there exists wide and divergent opinions. What might seem extremely important to the majority can be extremely offensive to a small minority or to a single Member.

Obviously highly secretive intelligence matters and the confidentiality of executive sessions cannot be maintained unless the will of the majority is respected by all Members. One dissenter, with strong conscientious feelings, can blow the works for the entire Nation. This greater exposure of intelligence secrets and individual Member access to executive session records increases the chances that data vital to national welfare will be revealed.

It is also no secret that a few Members of Congress have been guilty of leaking security information. The deliberate leaks are made for many reasons ranging from press favors and publicity to political motives and as a means of embarrassing the administration. Parenthetically, administrations have been known to use this despicable tactic to embarrass Congress.

By establishing a permanent Select Committee on Intelligence and giving it exclusive oversight and legislative jurisdiction, Congress will make a quantum jump in responsibly protecting national secrets and maintaining firm control of intelligence activities. In the absence of

strict secrecy, intelligence work is of negligible value.

THE PHILOSOPHICAL MAKEUP OF A PERMANENT INTELLIGENCE COMMITTEE

In the 94th Congress, both the Senate and the House established Select Committees on Intelligence. Both concurred that Congress should have a Permanent Committee on Intelligence. The Senate has since established a permanent intelligence committee.

Of necessity, the general membership of the Congress is going to have to surrender some individual rights in order to succeed in creating an effective and responsible permanent Intelligence Committee. Therefore, those committee members will be a select few that of necessity must garner the respect of the many.

There is another very important reason why the membership of this committee must be selected in a very special manner. In addition to the "confidence factor" there is also a very important technical factor involved.

Of necessity, this special committee must encompass a broad spectrum of knowledge. Members must have an expertise in military matters, foreign relations, business, science, space, agriculture, law, economics, and transportation. Of supreme importance, all members of that committee must strictly abide by a majority of the committee or of Congress.

The present committees handling intelligence matters not only present a problem in securing confidential data but also present other difficulties. First, each committee tends to look at intelligence activities in the light of its particular field of expertise. For example, the Judiciary Committee would be very concerned about the legalities of activities, but would tend to give scant attention to military matters, economic matters, or agricultural business. The Foreign Relations Committee would quite naturally be preoccupied with State Department matters. Armed Services Committee with military matters and so forth.

In truth, and in fact, all of these fields of expertise are vital for good intelligence oversight and legislation. Only when these fields are viewed collectively can Congress formulate a balanced national intelligence policy.

Second, since, under the present system, any one of the six congressional committees can individually hold legislative or oversight hearings on intelligence matters, a balanced view is almost always lacking. The resultant legislative bill or oversight investigation will clearly be weighted toward the expertise of the committee holding the hearings.

THE FACTORS IN SELECTING COMMITTEE MEMBERS

If one were to ask a man on the street, or even most Members of Congress, to describe the functions of the CIA, an incorrect answer would most probably be forthcoming.

Almost everyone believes that the CIA is primarily a James Bond type of organization or cloak and dagger agents that lead paramilitary operations in foreign countries, or spies that operate behind the Iron Curtain.

Very few citizens know that the CIA contains far more scientists than agents; that the CIA spends much more time analyzing foreign crop reports and economic conditions in foreign countries than they spend on clandestine or covert operations; and that the CIA has far more people now studying the industrial and technical capabilities of Iron Curtain nations than the total number of spies that ever have been employed by this Nation in its history.

In selecting a Permanent Committee on Intelligence, the expertise of the individual members will be very important. In the past, failures in congressional oversight can rationally be traced to this most important factor. Rarely will Members of Congress negligently fail to oversee their areas of responsibility. Apparently negligence usually develops because the Member or Members did not fully understand or recognize the technical matters involved and therefore did not fully realize the national impact.

Furthermore, Congressmen are political creatures. They react to the "now" feelings of people. They must. Otherwise, they cannot exist under the every-other-year election process. The real life situation faced by a Member of Congress is an antithesis of the problems that a member of a permanent intelligence committee must face.

Intelligence looks into the future. Good intelligence uncovers tomorrow's headlines—yet the Member must keep them a secret or seriously harm the national welfare. Good intelligence sometimes involves taking chances that can backfire and cause political repercussions. Good intelligence work means staying out of the press and limelight, a blight to the existence of a Member of Congress.

Finally, the intelligence community of our Nation, unlike other Federal agencies, has no constituency. No high priced lobby will be circulating on Capitol Hill extolling the virtues of the intelligence community or making campaign contributions on its behalf or pushing its programs or generating grassroots support back home in the Member's district Intelligence is a necessary sometimes nasty, and a secretive business that will neither help the Member in the House nor in his district.

For these reasons, the selection and confirmation processes for Members that will serve on the permanent Committee on Intelligence must be extraordinary. The individual Members must be sought after by the House. He must have a strong standing in his district because his service on the committee must be outside the limelight and in addition to other committee work. Most of all, the House membership in general must have firm confidence in the Members that are chosen to serve on the Permanent Committee on Intelligence.

TECHNICAL MAKEUP OF A PERMANENT COMMITTEE ON INTELLIGENCE

As mentioned earlier, this Nation's intelligence community is not primarily a James Bond organization. More appropriately, the community is a scientific, economic, agricultural, military and politically oriented internationally group. The intelligence community is just as concerned with the wheat crop in the Communist bloc nations as it is with their military weapons. The intelligence community considers the monetary policies and the economy of adversary nations to be of equal importance to their battle order. The political stability of an adversary nation can be more important than the total number of men under arms.

Therefore, the personal and technical expertise of the few members of a permanent Intelligence Committee is very important. A broad spectrum, encompassing many disciplines must be understood and dealt with by the committee.

Furthermore, there is a vital need for a cross-pollination of information between the permanent Intelligence Committee and other committees of Congress. Of primary necessity, the Armed Services Committee and the International Relations Committee need to have a close liaison with intelligence activities.

There is also a limited need to know on the part of the Government Operations Committee, Science and Technology, Agriculture Committee, Judiciary Committee, Banking and Currency, and others. Full access to all intelligence activities, on the part of these various committees, would jeopardize the security of information vital to the national welfare.

Both cross-pollination of information and proper technical makeup can be solved in the selection process of the permanent Committee on Intelligence. At the same time, the all important problem of discreet individual member selection can also be resolved.

In lieu of the usual Committee on Committees selection of members to serve on committees, it is suggested herein that the membership on the permanent Intelligence Committee be selected in the following manner:

First. The Speaker would nominate the chairman;

Second. The Armed Services Committee would nominate two members;

Third. The International Committee would nominate two members;

Fourth. The Science and Technology Committee would nominate one member;

Fifth. The Banking and Currency Committee would nominate one member;

Sixth. The Judiciary Committee would nominate one member;

Seventh. The Public Works and Transportation Committee would nominate one member;

Eighth. The Government Operations Committee would nominate one member; and

Ninth. The Interstate and Foreign Commerce Committee would nominate one member.

The House leadership would designate the party ratio, following the proposed rule that "not less than one-third of the membership of the Permanent Intelligence Committee shall consist of Members of the majority party and not less than one-third shall be members of the minority party."

While not specifically mandated in the House rules, it is envisioned that the various committees, designated to supply

members of the permanent Intelligence Committee, would make specific recommendations to the Committee on Committees for nominees from their respective committees.

Recommendations from the various source committees would insure a good cross-pollination of information and would assist in the selection of the necessary expertise needed on the permanent Committee on Intelligence.

PROTECTION OF CLASSIFIED AND CONFIDENTIAL DATA WITHIN CONGRESS

At the beginning of the 94th Congress, the landmark sunshine rules made Members of this body virtual heroes. The subsequent flurry of leaks, unauthorized disclosures and unilateral declassifications have made the Congress appear to be a collection of fools.

No argument is made here against the open meeting rules. They were necessary and the rule should stand as written. However, there are some matters within Congress that must remain confidential and the rules must be amended to accomplish this goal in a responsible manner.

There is a desperate need to restrict the flow of confidential information that is considered in executive sessions of committees. Premature or unauthorized release of data or information, discussed in executive sessions, is often damaging to the national welfare.

Many Members of Congress have a fear that some committees might abuse the provision for executive sessions. Others will from time to time disagree with the need for keeping certain information confidential. A considerable number of Members including this one, believe that Congress should be able to publicly release information that has been classified by the administration.

This resolution is designed to provide responsible means to protect individual Member interests and resolve the fears of all Members.

In this resolution, there is a strict prohibition against any Member releasing data or information that has been classified by executive committee session or by administrative action.

Parenthetically, there is an escape valve or appeal procedure that is available to any Member who believes abuses of the executive session have been committed or information or data has been improperly classified by the administration. These procedures also clearly establish a method for Congress to declassify information that has been improperly given a secrecy stamp by the administration.

This resolution would establish a Leadership Committee consisting of the Speaker as chairman, the majority and minority leaders, majority and minority whips, plus the chairmen of the following committees: Armed Services; International Relations; Science and Technology; Banking, Currency and Housing; Public Works and Transportation; Judiciary; Government Operations; and Interstate and Foreign Commerce. The Leadership Committee would serve as the court of last resort.

While the new rule would strictly prohibit any Member from unilaterally releasing confidential data—under penalty of expulsion—responsible procedures are established to protect every Member's concern. Generally, Members worry about two possible abuses of the people's right to know: First, improper executive sessions in the Congress; and second, improper secrecy classifications by the administration.

If a Member feels that data or information is being withheld from the public as a result of an executive session, he would appeal the committee's decision by the following procedure.

First. The Member would transmit a confidential letter to the Speaker identifying the specific information or data that he believes should be released and ask for a hearing before the Leadership Committee.

Second. If the Speaker fails to call a hearing to consider the Member's request, the petitioning Member can then solicit assistance from individual members of the Leadership Committee. If three or more members of the Leadership Committee request a hearing, the Speaker must convene the Leadership Committee for a hearing on the matter.

Third. The Leadership Committee's decision will be final. If any Member feels that data or information has been improperly classified by the administration, he may obtain public release through the following procedure:

First. The Member would transit a confidential letter to the chairman of the committee, having jurisdiction over the administrative agency that classified the material or data, identifying the specific material or data to be released.

Second. If the chairman fails to call a hearing to consider the Member's request, the petitioning Member can solicit assistance from individual Members of the committee of jurisdiction. If three or more members of the committee of jurisdiction request a hearing, the chairman must convene the committee for a hearing on the matter.

Third. During the hearing, the committee of jurisdiction must consult with the appropriate administrative agency and obtain views and recommendations concerning the need to keep the data or information classified.

Fourth. If either the agency or committee of jurisdiction objects to public release, the petitioning Member may then appeal to the Leadership Committee under the same provisions as listed above for appealing executive session matters.

These procedures will protect the confidentiality of those matters that should remain confidential within Congress. At the same time, the procedures establish a responsible means of making sure that the public's means of making sure that the public's right to know is not jeopardized.

The irresponsible release of confidential or classified information, by individual Members, reflects negatively on the integrity and reputation of all Members of Congress. Adoption of the procedures will put a stop to that practice.

MRS. ELLA RICHARDSON BOUVIER CELEBRATES 100 BIRTHDAY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on January 24 one of the great, noble and lovely ladies of Florida, Mrs. Ella Richardson Bouvier, celebrated her 100th birthday. Mrs. Bouvier has a great and distinguished family, innumerable friends, and has made a great and valued contribution to the State of Florida. It is inspiring to all of us to see a person of such beautiful character, Christian spirit and understanding and compassionate heart reach such a milestone in life. Hence, it was a great occasion when her family and many of her friends gathered to commemorate her centennial. I ask, Mr. Speaker, that articles in the press telling of this notable event; namely, in the Ocala Star-Banner of Sunday, January 23, an article entitled "Former Marion Countian To Mark 100th Birthday," the Home News of February 3, 1977, entitled "A Century To Remember," The Union County Times of Thursday, January 27, entitled "Senior Citizen Celebrates 100th Birthday," and from the Bradford County Telegraph of January 27, 1977, an article entitled "Mrs. Ella Richardson Bouvier Celebrates 100th Birthday January 23," appear in the RECORD following these remarks:

[From the Ocala Star-Banner, Jan. 23, 1977]

FORMER MARION COUNTIAN TO MARK 100TH BIRTHDAY

(By Miss Lois Dickson)

BOARDMAN.—Mrs. Ella Marshall Richardson Bouvier, who is one of Florida's oldest living residents and who came to the small town of Boardman in Marion County in 1886 at the age of nine, will celebrate her 100th birthday Monday, Jan. 24.

She was born in Jeanerette, La., on the Bayou Teche, Jan. 24, 1877, and moved to Florida with her parents, Dr. and Mrs. William Marshall Richardson, and a sister, Louise, and a brother, James Purdie.

The family settled near McIntosh and Boardman, and built their home, "Hillcrest," on a lovely site overlooking Orange Lake.

The children attended school in the old Center Point School. Dr. Richardson was one of the founders of the Center Point Methodist Church, along with Mr. Henry Price and Mr. Shuttleworth. This church was moved to McIntosh in the middle 1890's where it stands today as the first church in McIntosh.

Boardman, at that time was a thriving little community. Dr. Richardson had one of the first orange groves in the area.

His brother, John, and two of his nephews from North Carolina came to visit him, and liked it so well they decided to move here. One of the nephews, P. K. Richardson, became a very successful farmer and cattle raiser in the Evinston area, his business being carried on now by his sons, Leroy, Mark, and Walter.

Ella Richardson Bouvier met her husband, John Andre Bouvier, while on a visit to Jeanerette, La. They were married at her home "Hillcrest," Sept. 9, 1896, and lived in Louisiana for several years.

In 1904 they were living in Ocala. He worked for the Ocala Iron Works. She was active in the Methodist church and Eastern Star. He was a Mason, and played in the Ocala Community Band.

Mr. and Mrs. Bouvier were parents of seven children, three living to maturity, Marshall Andre, John Adre and Eloise, who married Cecil McRae of McIntosh.

The Bouviers also lived in Jacksonville, and for many years at the Florida State Prison Farm in Raiford, where he was superintendent of the water and electrical plant.

They retired to Miami Springs where Mrs. Bouvier still makes her home, Mr. Bouvier having died in 1952.

Mrs. Bouvier often visits Ocala and Evinston, and is most remarkable in her continued interest in present-day affairs. She reads the daily newspapers and is well informed in all the latest politics, and continues her interest and love for her church.

She is a past worthy matron of the Ocala Chapter of the Order of Eastern Star and has been active in both religious and community affairs in Miami Springs.

The Richardson family descends from Eleazer Richardson who went to Boston in 1634, as an agent for the Crown.

His son, Amos, was shipwrecked off the coast of North Carolina. He liked the country so well he built his home, "Harmony Hall," near Elizabethtown. It is noteworthy because Cornwallis made his headquarters on the second floor at one time.

Members of her present family are three children, Marshall A. Bouvier, Miami; Mrs. C. A. McRae, Bradenton, and John Andre Bouvier Jr., Miami; 13 grandchildren, 29 great grandchildren, and three great-great grandchildren, most of them living in the state.

One of her grandchildren, Angus Andrew McRae, is an Ocala architect.

[From the Hialeah Home News, Feb. 3, 1977]

A CENTURY TO REMEMBER

(By Mark McGovern)

A Miami Springs woman who lived 43 years before gaining the right to vote was honored on her 100th birthday Sunday at the Miami Springs United Methodist church.

Mrs. Ella (Munnie) Richardson Bouvier, who lives at 33 N. Melrose Dr. with her grandson, Gerald Bouvier, was feted on her birth date, Jan. 23, at a party at the Hilton Hotel in Orlando by more than 100 family members and friends who came from five different states for the event, and last Saturday at a luncheon at Burdine's hosted by the women of her church.

In the span of her lifetime Mrs. Bouvier has seen 20 presidents come and go, witnessed the horse and buggy days turn into the space age, and survived more than six decades without television which she thinks is "rotten."

Mrs. Bouvier, born Ella Marshall Richardson, and know by her family as "Munnie", came to Florida in 1886 at the age of nine when her family moved from Louisiana to the small town of Boardman, in Marian County. There she lived at Hillcrest, until 1896 when she married J. Andre Bouvier. That was in the Gay Nineties, Mrs. Bouvier recalled this week, a time when gay meant happy. ERA was a period of time, gun control was knowing how to handle your rifle and the death sentence never questioned—executions were public events.

Her husband, while resident engineer at Florida State Prison in Raiford (1926–48) supervised the building of the electric chair there and was once ordered by the prison superintendent to pull the switch for an electrocution. "But he refused to do it," Mrs. Bouvier remembered.

The couple lived in several other Florida cities including Ocala, and Jacksonville and moved to Miami Springs in 1948 when Mr. Bouvier retired.

Since then she has been active in community and religious affairs in the Springs.

She has received letters of congratulations from Presidents Ford and Carter, as well as from Miami Springs Mayor Don Freeman Jr., the mayors of Dade County, Miami, Jacksonville, Orlando and Ocala and numerous Florida congressmen.

Mrs. Bouvier, has three living children, 13 grandchildren, including Gerald and Thomas Bouvier of Miami Springs and Jeanne Rusk of Hialeah, 29 great-grandchildren and three great-great-grandchildren.

"She brightens up the neighborhood with her green thumb," said grandson Gerald.

"She goes to church every week although she can't hear most of what is said. A group of ladies pick her up every Sunday morning."

She doesn't know why she has lived so long. "The Good Lord is just blessing me. I've always been temperate too."

One of her favorite quotes is, "lips that touched wine will never touch mine."

"She turned down a free bottle of champagne on a recent air flight to Bradenton," Gerald said.

Mrs. Bouvier said she really doesn't have a favorite era "I had a happy childhood though."

She feels the death sentence is wrong. "Criminals should be put away, but the law has no more right to take a life than the killer does."

"If I had my life to live over again, I would make changes," Munnie said. "Or at least I hope I would. For one thing, I would be a better Christian."

"That would be very hard to do," said Gerald Bouvier.

[From the Lake Butler (Fla.) Union County Times, Jan. 27, 1977]

SENIOR CITIZEN CELEBRATES 100TH BIRTHDAY

Mrs. Ella Richardson Bouvier (Munnie), a former resident of the State Prison Farm at Raiford, marked her 100th Birthday at a dinner honoring her on Sunday at the Hilton Inn Motel in Orlando, Florida.

She and her late husband, John Andrew Bouvier, who was the Chief Engineer at the State Prison Farm from 1926 to 1948, retired and moved to Miami Springs (Florida) where she continued to live. Chief Bouvier passed away in 1953 at the age of 83.

They have one daughter, Mrs. Eloise McRae of Bradenton, Florida; two sons, John Andrew Bouvier Jr. of Fort Lauderdale, Florida, and Marshall A. Bouvier of Miami, Florida; 13 grandchildren, 29 great-grandchildren and three great-great grandchildren, with most of them residing in the State of Florida.

Among her many cards and messages were congratulations from President Carter, former President Ford, Governor Askew and many other distinguished State and Congressional members.

Ninety-five relatives (including five generations) and friends enjoyed the festive occasion.

[From the Bradford County (Fla.) Telegraph, Jan. 27, 1977]

MRS. ELLA RICHARDSON BOUVIER CELEBRATES 100TH BIRTHDAY JANUARY 23

Mrs. Ella Richardson (Munnie) Bouvier, a former resident of the State Prison Farm at Raiford, marked her 100th birthday at a dinner honoring her on January 23 at the Hilton Inn Motel in Orlando.

Mrs. Bouvier and her late husband, John Andre Bouvier, who was the Chief Engineer at the State Prison Farm from 1926 to 1948, retired and moved to Miami Springs, Fla., where she continues to live. Chief Bouvier passed away in 1953 at the age of 83.

The Bouviers have one daughter, Mrs. Eloise McRae of Bradenton; two sons, John Andre Bouvier, Jr. of Fort Lauderdale and Marshall A. Bouvier of Miami; 13 grandchildren, 29 great grandchildren and three great-great grandchildren with most of them residing in Florida.

Among her many cards and messages were congratulations from President Carter, former President Ford, Gov. Askew and many other distinguished State and Congressional members.

Ninety-five relatives (including five generations) and friends enjoyed the memorable occasion.

EULOGY TO MISS EDITH PITTS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, some time ago I put in the RECORD some tributes to a great, brilliant, dedicated, and lovely lady, Miss Edith Pitts, who served my predecessor, Duncan Fletcher, in the Senate as administrative assistant and then later in a similar position rendered invaluable service to be as Senator Fletcher's successor and, thereafter, she was adminstrative assistant to three distinguished presidents of the University of Florida and immeasurably contributed to what those men were able to do for the university and for the people of Florida.

There has now come to my hand the eulogy delivered at the funeral of Miss Pitts Thursday, September 2, 1976, in Tampa, Fla., by her beloved and distinguished pastor of the Hyde Park United Methodist Church, Rev. J. Lloyd Knox. These remarks of Dr. Knox eloquently and beautifully tell of the life and meaning of Miss Edith Pitts. Hers was an exemplary life—a beautiful character, a noble career.

Mr. Speaker, I include the tribute of Dr. Knox to Miss Pitts in the RECORD following my remarks:

REMARKS OF THE REVEREND J. LLOYD KNOX

We have gathered here today to honor the life of Miss Edith Pitts and to thank God for sharing with us such a beautiful life and spirit.

Many of you here knew her far better than I. Each one of us could tell many wonderful things regarding our association with this most extraordinary woman. All of us have had our lives enriched because this lovely woman came into our lives and we thank God for sharing her love, personality and character with us.

Even though I have only known Edith for three short years, I feel that I have known her for longer than that. About two years ago, Edith asked me to read the manuscript of a book she had written about her childhood in Cuba. Since we had been missionaries in Cuba, my wife and I found Edith's book especially interesting.

She had a clear magnetic style which makes it difficult to put her writings down. We found her book on Cuba even more fascinating because as adults we had lived through some of the same experiences she did as she moved into a new culture and language. It was natural that we would readily identify with such a charming person.

Edith had a good childhood as a part of a loving family. She and her family were active Methodists in Cuba and later in the United States. Her photographs reveal that she was a beautiful young woman.

After leaving Cuba, she moved to Washington where she was with the General Counsel of Public Works and the Federal Hosuing Authority. Then she became administrative assistant to Sen. William Hill, then Sen. Claude Pepper, both of Florida.

When Dr. John J. Tigert, president of the University of Florida, made a business trip

to Washington, he met Edith and was so impressed with her efficiency that he offered her the position of his administrative assistant if she ever decided to return to Florida. Edith loved her family dearly and, in order to be nearer, after much deliberation returned to Florida and joined the University staff. For twenty years she served as administrator to President Tigert, Harold Hume, J. Hillis Miller, John S. Allen and J. Wayne Reitz. Edith was well known in the university community because of her outstanding administrative ability and her involvement in the many cultural activities there.

Upon her retirement from the University, she became administrative assistant to Congressman D. R. "Billy" Matthews of Gainesville. Thus she returned once more to Washington. When Rep. Matthews retired, Edith returned to Florida.

Edith Pitts had a great interest in history. She participated in writing the history of the University of Florida, the biographies of all the governors of Florida and the presidents of the University of Florida.

Edith had a great appreciation for art, music and literature. She had special skills in languages and traveled widely abroad. She was a Christian with tremendous faith and was an inspiration to me. As her pastor, I would visit her frequently and even though she was afflicted by a tragically debilitating disease, she never lost her courage.

The life of a person like Edith Pitts reinforces my belief in God and in eternal life. As a youth I was taught in my science class that matter is never ultimately created nor destroyed. Certainly this would be a most meaningless, chaotic universe if great minds like that of Einstein, great spirits like Schweitzer and great souls like Edith Pitts were just rubbed out at death.

Our minds and imaginations are so limited. We are like little chicks in an egg before the shell breaks. When the shell breaks at death, we are liberated into a whole new sphere of eternity which we could never fully imagine.

So today, Edith Pitts is with God and God is using this now completed lady in doing even greater works for God's glory and people's good. Perhaps she is helping God write the history as well as the future of eternity. Whatever she is doing, we know that she is being used of God in creative, loving and redemptive ways.

Let us give thanks to God for sharing Edith Pitts with us during the 74 years of her life on earth. God has made our lives richer because this gentle soul dwelt among us.

TELEGRAM FROM CONGRESSMAN CLAUDE PEPPER

You know Mildred and I are brokenhearted to learn of the passing of lovely, wonderful Edith. She was a noble, great and gracious lady who immeasurably served the interests of her country during her meaningful life. We shall always cherish her friendship and honor her beautiful memory.

REMARKS OF J. WAYNE REITZ, PRESIDENT EMERITUS OF THE UNIVERSITY OF FLORIDA

Edith Patti Pitts was a magnificent person. She was one of the great and noble women of Florida.

In the twenty-one years in which she served in the administrative capacity in the President's office of the University of Florida, her influence was felt not only in that office but throughout the campus. She was exceedingly perceptive concerning the nature and purposes of a university. Her knowledge of Florida, of people and of history was a great resource in aiding those charged with maintaining the continuity and in advancing the progress of the University. She served the University with dedication and devotion, and her loyalty to it as well as to those for whom she worked was unsurpassed and a joy to behold.

She loved the University with a passion, as she did her community and her church of which she was an indelible part. She was a woman of great compassion. We loved her and she loved us. We shall miss her greatly and ever cherish her memory.

REMARKS OF HON. D. R. (BILLY) MATTHEWS

I knew "Miss Edith", as she was affectionately called, as a student at the University of Florida, and later as an administrator, when she served as the top administrative aide for our university presidents.

During Miss Edith's long period of service at the University of Florida, she was a friend and trusted counselor for many hundreds of students. Later these men became the great pioneer leaders of Florida. Attending the state university, dedicated then to the education of males, these young men went in unprecedented numbers to the state legislature, congress, the state and federal courts. They became the business and professional leaders of Florida.

After a long and distinguished service at the University of Florida, Miss Edith answered my pleas in the affirmative and came to Washington to be my chief administrative aide. She had served in Washington before with Senators Pepper and Hill. Now she was indispensable to me in my service to the people of the 8th District of Florida, in the U.S. House of Representatives.

A member of Congress is entitled to have the services of the staff of the Library of Congress in the preparation of a talk. I needed none of their valuable assistance because I had Miss Edith to write my speeches. She personalized my addresses, and I remember one which started "When I was born in Micanopy, Florida."

One very wonderful talk Miss Edith prepared for me was given before the National County Agents' Association, at their annual meeting in Miami Beach. The title of the address was "Cast Your Bread Upon the Waters." The thought was to compliment the county agents of America for their great contributions to the agricultural production of our country. Because of their efforts, bread was cast upon the waters to feed the hungry people of the world, and that outstanding contribution to mankind would bless the county agents.

Miss Edith cast bread on the waters for hundreds of people and that loving service greatly blessed her.

When Miss Edith was with me in Washington, she had a unique opportunity to help Cuban refugees who were fleeing from the wrath of Castro. She had known these distinguished Cubans from the years she had spent with her family in Cuba. Because of her painstaking efforts, she was able to help many of these fine people, and I know they will ever cherish her memory.

To all the people with whom she worked, Miss Edith gave a fierce loyalty. Outstanding ability, and an overwhelming compassion were assets that endeared her to all who were associated with her.

Who was the greatest woman in Florida during my life? My vote would be cast for Miss Edith, whose unique service to the people of Florida blessed this state for nearly half a century.

LETTER FROM RICHARD (DICK) STONE, U.S. SENATOR

I was deeply saddened to learn of the death of your sister, Miss Edith. She was truly one of the great women of her time and I know she will be missed by her many friends and colleagues. My thoughts and prayers are with you and your family during this time of sorrow.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. VANIK, for 60 minutes, on March 17, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. HOLLENBECK) to revise and extend their remarks and include extraneous materials:)

Mr. KEMP, for 15 minutes, today.
Mr. SEBELIUS, for 10 minutes, today.
Mr. BAUMAN, for 15 minutes, today.
Mr. WHALEN, for 10 minutes, today.

(The following Members (at the request of Mr. WEISS) and to revise and extend their remarks and include extraneous matter:)

Mr. REUSS, for 30 minutes, today.
Mr. DRINAN, for 30 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. CORMAN, for 5 minutes, today.
Mr. MANN, for 5 minutes, today.
Mr. BINGHAM, for 15 minutes, today.
Mr. FASCELL, for 5 minutes, today.
Mr. UDALL, for 5 minutes, today.
Ms. OAKAR, for 10 minutes, today.
Mr. ENGLISH, for 5 minutes, today.
Mr. RICHMOND, for 60 minutes, today.
Mr. WAXMAN, for 5 minutes, today.
Mr. KOCH, for 10 minutes, today.
Mr. DICKS, for 5 minutes, today.
Mr. O'NEILL, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KOCH, to revise and extend immediately before consideration of the Oakar amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. HOLLENBECK) and to include extraneous matter:)

Mr. ANDERSON of Illinois.
Mr. COHEN.
Mr. MICHEL.
Mr. GILMAN.
Mr. BROOMFIELD.
Mr. PRESSLER in four instances.
Mr. TAYLOR.
Mr. HAGEDORN.
Mr. MCCLORY.
Mr. LAGOMARSINO.
Mr. KEMP.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. MINISH in two instances.
Mr. FRASER.
Mr. WEISS in two instances.
Mr. MINETA.
Mr. EDGAR in three instances.
Mr. DELANEY.
Mr. BOLAND.
Mr. JOHN L. BURTON.
Mr. WIRTH.
Mr. PATTERSON of California.
Mr. RANGEL.
Mr. ASHLEY in two instances.
Mr. KOCH in three instances.
Mr. RICHMOND.
Mr. VANIK in two instances.
Mr. ZABLOCKI in three instances.
Mr. KILDEE.
Mr. FASCELL.
Mr. MURPHY of New York.

ADJOURNMENT

Mr. FOUNTAIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 17 minutes p.m.), under its previous order, the House adjourned until Monday, March 14, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

992. A letter from the Acting General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes; to the Committee on Armed Services.

993. A letter from the Administrator, Federal Energy Administration, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

994. A letter from the President, National Railroad Passenger Corporation, transmitting the annual report on the Northeast Corridor Improvement project, covering the period October 1, 1975, through September 30, 1976, pursuant to section 703(1)(D) of Public Law 94-210; to the Committee on Interstate and Foreign Commerce.

995. A letter from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1978; to the Committee on Ways and Means.

996. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the Maverick/Close Air Support Weapon Systems program (PSAD-77-28, March 10, 1977); jointly, to the Committees on Government Operations, and Armed Services.

997. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the Air Force's A-10 Aircraft program (PSAD-77-37, March 10, 1977); jointly, to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. NIX: Committee on Post Office and Civil Service. Report on allocation of budget authority and outlays (Rept. No. 95-64). Referred to the Committee of the Whole House on the State of the Union.

Mrs. CHISHOLM: Committee on Rules. House Resolution 397. Resolution providing for the consideration of H.R. 1746. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome (Rept. No. 95-65). Referred to the House Calendar.

Mr. MAHON: Committee on Appropriations H.R. 4876. A bill making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes (Rept. No. 95-66). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 4088. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; with amendment (Rept. No. 95-67). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL:

H.R. 4799. A bill to amend title II of the Social Security Act to increase to $5,000 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder, and to provide that earnings in excess of that figure will reduce benefits by only one-third of the excess (rather than by one-half as at present); to the Committee on Ways and Means.

By Mr. CORMAN:

H.R. 4800. A bill to extend the Emergency Unemployment Compensation Act of 1974 for an additional year, to revise the trigger provisions in such act, and for other purposes; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 4801. A bill to amend the Occupational Safety and Health Act of 1970 to improve the administration of such act and to establish more efficient regulatory procedures for carrying out such act, and for other purposes; to the Committee on Education and Labor.

H.R. 4802. A bill relating to the promulgation of rules and regulations by agencies of the United States; to the Committee on the Judiciary.

H.R. 4803. A bill to improve congressional oversight of the reporting and paperwork requirements of Federal departments and agencies; to the Committee on Rules.

By Mr. BINGHAM (for himself, Mr. PHILLIP BURTON, Mr. FLORIO, Mrs. CHISHOLM, Mr. ADDABBO, Mr. BADILLO, Mr. BENJAMIN, Mr. CARNEY, Ms. COLLINS of Illinois, Mr. CONTE, Mr. DOWNEY, Mr. EDWARDS of California, Mrs. FENWICK, Mr. FITHIAN, Mr. FRASER, Mr. HOWARD, Mr. LE FANTE, Mr. LENT, Mr. MAGUIRE, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. OTTINGER, Mr. PANETTA, Mr. RANGEL, and Mr. RICHMOND):

H.R. 4804. A bill to encourage the use of transportation modes other than personal motor vehicles for travel to and in national parks; jointly, to the Committees on Interior and Insular Affairs, and Public Works and Transportation.

By Mr. BINGHAM (for himself, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. SIMON, Mrs. SPELLMAN, Mr. THOMPSON, Mr. TSONGAS, Mr. WOLFF, Mr. ZEFERETTI, and Mr. METCALFE):

H.R. 4805. A bill to encourage the use of transportation modes other than personal motor vehicles for travel to and in national parks; jointly, to the Committees on Interior and Insular Affairs and Public Works and Transportation.

By Mr. BROOKS (for himself, Mr. ASHLEY, Mr. BEDELL, Mr. BEVILL, Mr. BLOUIN, Mr. BOWEN, Mr. BRECKINRIDGE, Mr. BUTLER, Mr. CARNEY, Mr. CLEVELAND, Mr. CONTE, Mr. CORNELL, Mr. COUGHLIN, Mr. ROBERT W. DANIEL, JR., Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. FASCELL, Mrs. FENWICK, Mr. FITHIAN, Mr. FORD of Tennessee, Mr. FOUNTAIN, Mr. FUQUA, Mr. GIBBONS, and Mr. HANNAFORD):

H.R. 4806. A bill to establish a Department of Energy in the executive branch by the reorganization of energy functions within the Federal Government in order to secure effective management to assure a coordinated national energy policy, and for other purposes; to the Committee on Government Operations.

By Mr. BROOKS (for himself, Mr. HUBBARD, Mr. HUGHES, Mr. HYDE, Mr. JENKINS, Mr. JONES of Oklahoma, Miss JORDAN, Mr. KEMP, Mr. KOSTMAYER, Mr. LEHMAN, Mr. LEVITAS, Mr. MCCORMACK, Mr. MCHUGH, Mr. MAGUIRE, Mr. MARKS, Mr. MAZZOLI, Ms. MIKULSKI, Mr. MIKVA, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOORHEAD of California, Mr. MURTHA, Mr. MICHAEL O. MYERS, and Mr. NIX):

H.R. 4807. A bill to establish a Department of Energy in the executive branch by the reorganization of energy functions within the Federal Government in order to secure effective management, to assure a coordinated national energy policy, and for other purposes; to the Committee on Government Operations.

By Mr. BROOKS (for himself, Mr. NOWAK, Mr. PANETTA, Mr. PATTISON of New York, Mr. PEASE, Mr. PEPPER, Mr. PRITCHARD, Mr. RANGEL, Mr. RINALDO, Mr. ROSENTHAL, Mr. RUNNELS, Mr. RYAN, Mr. SCHEUER, Mr. SIMON, Mr. SKELTON, Mrs. SPELLMAN, Mr. STUDDS, Mr. THONE, Mr. TSONGAS, Mr. UDALL, Mr. VENTO, Mr. WALKER, Mr. WHITE, Mr. WHITEHURST, and Mr. WON PAT):

H.R. 4808. A bill to establish a Department of Energy in the executive branch by the reorganization of energy functions within the Federal Government in order to secure effective management to assure a coordinated national energy policy, and for other purposes; to the Committee on Government Operations.

By Mr. BROYHILL:

H.R. 4809. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by professional registered nurses in the peer review, and related activities authorized thereunder; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 4810. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. JOHN L. BURTON (for himself, Mr. ENGLISH, Mr. EVANS of Indiana, Mr. MAGUIRE, Mr. MOFFETT, Mr. THONE, Mr. HORTON, Mr. WALKER, and Mr. FORSYTHE):

H.R. 4811. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivision for economic development, and for other purposes; to the Committee on Government Operations.

By Mr. CARNEY (for himself and Mr. WALGREN):

H.R. 4812. A bill to amend the Clean Air Act to provide assistance to certain persons affected by requirements of such act, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, Education and Labor, and Banking, Finance and Urban Affairs.

By Mr. COHEN (for himself, Mr. KILDEE, Mr. GLICKMAN, Mr. BAUCUS, Mr. TSONGAS, Mr. SARASIN, Mr. HOL-

LENBECK, Mr. HANNAFORD, Mr. PATTERSON of California, Mr. RUPPE, and Mr. FRASER):

H.R. 4813. A bill to amend the Internal Revenue Code of 1954 to encourage greater conservation of energy in home heating and cooling by allowing individuals a credit or 25 percent of the amounts paid or incurred for the installation of more effective insulation and heating equipment in existing residential structures, to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mr. SPENCE, Mr. DORNAN Mr. FISH, Mr. GOLDWATER, Mr. VANDER JAGT, Mr. JENRETTE, Mr. SNYDER, Mr. PATTISON of New York, Mr. KRUEGER, Mr. PRICE, Mr. CHARLES H. WILSON of California, Mr. GLICKMAN, Mrs. FENWICK, Mr. BAFALIS, Mr. ROUSSELOT, Mr. BEVILL, Mr. ERTEL, Mr. PRITCHARD, Mr. LEACH, Mr. D'AMOURS, Mr. KASTEN, Mr. CONTE, Mr. COLEMAN, and Mr. CORCORAN of Illinois):

H.R. 4814. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fees and other reasonable litigation costs; to the Committee on the Judiciary.

By Mr. DAVIS:

H.R. 4815. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purpose; to the Committee on Interstate and Foreign Commerce.

By Mr. DE LUGO:

H.R. 4816. A bill to provide countercyclical fiscal assistance funds for Guam, the Virgin Islands, and American Samoa; to the Committee on Government Operations.

By Mr. DINGELL (for himself, Mr. BROYHILL, Mr. BLANCHARD, Mr. FORD of Michigan, Mr. BROOMFIELD, Mr. KILDEE, Mr. TRAXLER, Mr. WHITEHURST, Mr. BOWEN, Mr. HUBBARD, Mr. KINDNESS, Mr. KETCHUM, Mr. NEDZI, Mr. WALSH, Mr. ASHLEY, Mr. ANDREWS of North Dakota, Mr. CHARLES H. WILSON of California, Mr. BRODHEAD, Mr. SIKES, Mr. RONCALIO, Mr. BADHAM, Mr. CEDERBERG, Mr. COCHRAN of Illinois, Mr. MARTIN, and Mr. BROWN of Ohio):

H.R. 4817. A bill to amend the Clean Air Act to establish certain motor vehicle emission standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN:

H.R. 4818. A bill to amend the Trade Act of 1974 to require the International Trade Commission to examine and report on the probable impact on domestic retail prices of remedies recommended by the Commission pursuant to import relief investigations; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. BADILLO, Mrs. CHISHOLM, Mr. CLAY, Mr. HAWKINS, Mr. MITCHELL of Maryland, and Mr ROYBAL):

H.R. 4819. A bill to amend title 28 of the United States Code to regulate the use of informers by the Justice Department and the Federal Bureau of Investigation; to the Committee on the Judiciary.

By Mr. DRINAN (for himself, Mr. BADILLO, Mrs. CHISHOLM, Mr. CLAY, Mr. HAWKINS, Mr MITCHELL of Maryland, and Mr ROSENTHAL):

H.R. 4820. A bill to amend title 28 of the United States Code to provide that positions in the Federal Bureau of Investigation shall be in the competitive service; to the Committee on the Judiciary.

By Mr. EDGAR:

H.R. 4821. A bill to amend the Urban Mass Transportation Act of 1964, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. EDWARDS of California (for himself, Mr. AKAKA, Mr. ANDERSON of California, Mr. AUCOIN, Mr. BADHAM, Mr. BAUCUS, Mr. BEILENSON, Mr. BONKER, Mr. BROWN of California, Mrs. BURKE of California, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mr. DON H. CLAUSEN, Mr. DEL CLAWSON, Mr. CORMAN, Mr. DANIELSON, Mr. DELLUMS, Mr. DICKS, Mr. DUNCAN of Oregon, Mr. FOLEY, Mr. HANNAFORD, Mr. HAWKINS, Mr. HEFTEL, and Mr. JOHNSON of California):

H.R. 4822. A bill to provide for the appointment of additional judgeships for the U.S. district courts and courts of apoeals, and for other purposes; to the Committee on the Judiciary.

By Mr. EDWARDS of California (for himself), Mr. KREBS, Mr. LAGOMARSINO, Mr. LEGGETT, Mr. LLOYD of California, Mr. MCCLOSKEY, Mr. MCCORMACK, Mr. MCFALL, Mr. MEEDS, Mr. MILLER of California, Mr. MINETA, Mr. MOORHEAD of California, Mr. MOSS, Mr. PANETTA, Mr. PATTERSON of California, Mrs. PETTIS, Mr. PRITCHARD, Mr. ROYBAL, Mr. RYAN, Mr. SANTINI, Mr. SISK, Mr. STARK, Mr. UDALL, and Mr. ULLMAN):

H.R. 4823. A bill to provide for the appointment of additional judgships for the U.S. district courts and courts of appeals, and for other purposes; to the Committee on the Judiciary.

By Mr. EDWARDS of California (for himself, Mr. VAN DEERLIN, Mr. WAXMAN, Mr. WEAVER, Mr. WIGGINS, Mr. BOB WILSON, Mr. CHARLES H. WILSON of Califonria, Mr. YOUNG of Alaska, Mr. WON PAT, and Mr. BURGENER):

H.R. 4824. A bill to provide for the appointment of additional judgeships for the U.S. district courts and courts of appeals, and for other purposes; to the Committee on the Judiciary.

By Mr. ENGLISH:

H.R. 4825. A bill to amend the Postal Revenue and Federal Salary Act of 1967 to abolish the Commission on Executive, Legislative and Judicial Salaries; to the Committee on Post Office and Civil Service.

By Mr. FITHIAN (for himself, Mr. MATHIS, Mr. DUNCAN of Tennessee, Mr. WEAVER, Mr. MOORHEAD of California, Mr. BROWN of California, Mr. EMERY, Mr. RODINO, Mr. HUGHES, Mr. HIGHTOWER, Mr. CARNEY, Mr. BAUCUS, Mr. CORNWELL, Mr. MCHUGH, Mr. PATTISON of New York, Mr. KOSTMAYER, Mr. NOLAN, Mr. GLICKMAN, Mr. AMMERMAN, and Mr. ERTEL):

H.R. 4826. A bill to foster and continue the family farm in the United States by providing young farmers with the necessary assistance to purchase family farm units, and for other purposes; to the Committee on Agriculture.

By Mr. FORD of Tennessee (for himself, Mr. ALEXANDER, Mrs. COLLINS of Illinois, Mr. DUNCAN of Oregon, Mr. FISH, Mr. JONES of Oklahoma, Mr. KINDNESS, Mr. MCDONALD, Mr. MCKINNEY, Mr. MITCHELL of Maryland, Mr. MONTGOMERY, Mr. NIX, Mr. PATTISON of New York, Mr. RANGEL, Mr. SCHEUER, and Mr. TREEN):

H.R. 4827. A bill to amend the Federal Aviation Act of 1958, as amended, to broaden the power of the Civil Aeronautics Board to grant relief by exemption in certain cases, and for other purposes, to the Committee on Public Works and Transportation

By Mr. FRENZEL:

H.R. 4828. A bill to amend the Tariff Schedules of the United States to raise the value limit for personal articles which may be imported duty free by returning residents, and for other purposes; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 4829. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. FUQUA (for himself, Mr. FLORIO, Mr UDALL, Mr. DAVIS, Mr. JONES of Oklahoma, Mr. WHITLEY, Mrs. BOGGS, Mr EILBERG, Mr DUNCAN of Tennessee, Mr. WINN, Mr. MOAKLEY, Mr. FASCELL, Mr. ASHLEY, Mr. GIBBONS, Mr. MEEDS, Mrs. SPELLMAN, Mr. SIMON, Mr. OTTINGER, Mr. FORD of Michigan, Mr. MCCLOSKEY, Mr. ROE, Mrs. HOLT, Mr. GEPHARDT, Mr. SAWYER, and Mr EDWARDS of Oklahoma):

H.R. 4830. A bill to amend the depository library program (44 U.S.C. 1901–1915); to the Committee on House Administration.

By Mr. HARRINGTON:

H.R. 4831. A bill to amend title XI of the Merchant Marine Act, 1936, to allow guarantees for fishing vessels to equal 87½ percent of actual cost; to the Committee on Merchant Marine and Fisheries.

By Mr. HOLLAND:

H.R. 4832 A bill to provide that the Commissioner of Education shall not act to terminate, refuse to grant or continue, or defer action on, assistance under the Elementary and Secondary Education Act of 1965 on the basis of alleged noncompliance with the provisions of title VI of the Civil Rights Act of 1964, in certain circumstances; to the Committee on Education and Labor

H.R. 4833. A bill to provide benefits to the survivors of any rescue squad worker who has died as a result of injury sustained in the performance of duty; to the Committee on the Judiciary.

H.R. 4834. A bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes; to the Committee on Ways and Means.

By Mr. HYDE (for himself and Mr. O'BRIEN):

H.R. 4835. A bill to amend title 28 of the United States Code to provide for the appointment of a special prosecutor in appropriate cases, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 4836. A bill to extend by 7 months the term of the National Commission on New Technological Uses of Copyrighted Works; to the Committee on the Judiciary.

By Mr. MEEDS:

H.R. 4837. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. MILLER of Ohio:

H.R. 4838. A bill to terminate the authorization of the Salt Creek Dam and Reservoir project, Ohio; to the Committee on Public Works and Transportation.

By Mr. PRESSLER:

H.R. 4839. A bill to provide financial assistance to local educational agencies located in whole or in part within an area in which an emergency exists; to the Committee on Education and Labor

H.R. 4840 A bill to amend title XVIII of

the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 4841. A bill to authorize appropriations during fiscal year 1977 for research, development, test, and evaluation for the Armed Forces and to authorize appropriations for operation and maintenance of family housing, and for other purposes; to the Committee on Armed Services.

By Mr. REUSS:

H.R. 4842. A bill to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Asian Development Bank and the Asian Development Fund, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RHODES (for himself, Mr. MICHEL, and Mr. GRASSLEY):

H.R. 4843. A bill to provide that the salaries of certain positions and individuals which were increased as a result of the operation of the Federal Salary Act of 1967 shall not be increased by the first comparability pay adjustment occurring after the date of the enactment of this act; jointly, to the Committees on Post Office and Civil Service, and the Judiciary.

By Mr. RICHMOND:

H.R. 4844. A bill to amend the Food Stamp Act of 1964, as amended, by simplifying admininistration, encouraging participation, and eliminating fraud, and for other purposes; to the Committee on Agriculture.

By Mr. RISENHOOVER:

H.R. 4845. A bill to repeal the provisions of law permitting automatic adjustment of rates of pay of Members of the Congress, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4846. A bill to direct the Secretary of the Army to convey to the State of Oklahoma all rights, title, and interest of the United States in and to the Fort Gibson Reservoir project, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 4847. A bill to direct the Secretary of the Army to convey to the State of Oklahoma all right, title, and interest of the United States in and to the Tenkiller Reservoir project, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 4848. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROGERS (for himself and Mr. SKUBITZ):

H.R. 4849. A bill to amend the Public Health Service Act to regulate research projects involving recombinant DNA; to the Committee on Interstate and Foreign Commerce.

By Mr. SEBELIUS:

H.R. 4850. A bill to provide for a free market and food protection; to the Committee on Agriculture.

By Mr. SEBELIUS (for himself, Mr. CEDERBERG, Mr. ICHORD, Mr. TONRY, Mr. ROBINSON, Mr. LATTA, Mr. VOLKMER, and Mr. LEACH):

H.R. 4851. A bill to establish an advisory committee to provide consultation and advice to the Administrator of the Federal Grain Inspection Service and to amend the U.S. Grain Standards Act with respect to supervision fees and recordkeeping requirements; to the Committee on Agriculture.

By Mr. SIMON (for himself, Mr. DAN DANIEL, Mr. BAUCUS, Mr. DUNCAN of Tennessee, Mr. ICHORD, Mr. MOAKLEY, Mrs. CHISHOLM, Mr. LUNDINE, Mr. SOLARZ, Mr. BONKER, Mr. ENGLISH, Mr. WHITLEY, Mr. EDWARDS of Oklahoma, Mr. BUTLER, Mr. LONG of Louisiana, Mr. AKAKA, Mr. BONIOR, Mr. GRASSLEY, Mr. QUIE, Mr. CORCORAN, Mr. RISENHOOVER, and Mrs. COLLINS of Illinois):

H.R. 4852. A bill to amend title 39, United States Code, to provide that, with respect to the appointment of postmasters in small communities, the U.S. Postal Service shall give preference to applicants for such appointment who reside in such communities; to the Committee on Post Office and Civil Service.

By Mr. SIMON (for himself, Mr. SHIPLEY, Mr. CONTE, Mr. DEVINE, Mr. THONE, Mr. PHILLIP BURTON, Mr. WINN, Mr. BALDUS, Mr. HOLLAND, Mr. BADILLO, Mr. RAHALL, Mr. CONABLE, Mr. CARNEY, Mr. YATRON, Mr. CHARLES WILSON of Texas, Mr. ANDREWS of North Dakota, Mr. WAGGONNER, Mr. FUQUA, Mr. STEIGER, Mr. BEVILL, and Mr. WOLFF):

H.R. 4853. A bill to amend title 39, United States Code, to provide that, with respect to the appointment of postmasters in small communities, the U.S. Postal Service shall give preference to applicants for such appointments who reside in such communities; to the Committee on Post Office and Civil Service.

By Mr. SISK:

H.R. 4854. A bill to establish Federal insurance for medical malpractice claims made against hospitals with 100 beds or fewer; to the Committee on Interstate and Foreign Commerce.

H.R. 4855. A bill to amend section 1814(b)(1) of the Social Security Act to provide reimbursement at reasonable cost for services furnished by certain public district hospitals; to the Committee on Ways and Means.

H.R. 4856. A bill to amend medicare and medicaid provisions as they relate to rural health care facilities; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. SKUBITZ:

H.R. 4857. A bill to amend the Consolidated Farm and Rural Development Act for the purpose of increasing the ceiling on the total principal indebtedness which may be outstanding at any one time for operating loans; to the Committee on Agriculture.

By Mr. SLACK:

H.R. 4858. A bill to amend the Federal Coal Mine Health and Safety Act of 1969; to the Committee on Education and Labor.

By Mrs. SMITH of Nebraska:

H.R. 4859. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. STUDDS (for himself, Mr. DICKS, Mr. BONKER, Mr. PRITCHARD, Mr. AUCOIN, Mr. BADILLO, Mr. BAUCUS, Mr. BEDELL, Mr. BOLAND, Mr. CONTE, Mr. CORNELL, Mr. D'AMOURS, Mr. DOWNEY, Mr. DRINAN, Mr. EDWARDS of California, Mr. EDGAR, Mr. HARRINGTON, Mr. HUGHES, Mr. KASTENMEIER, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. MARKEY, Ms. MIKULSKI, Mr. MIKVA, and Mr. MOAKLEY):

H.R. 4860. A bill to amend the Ports and Waterways Safety Act of 1972, to amend sections 4417a and 4442 of the Revised Statutes of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. STUDDS (for himself, Mr. DICKS, Mr. BONKER, Mr. PRITCHARD, Mr. AUCOIN, Mr. MOORHEAD of California, Mr. NEAL, Mr. PANETTA, Mr. PIKE, Mr. RODINO, Mr. SOLARZ, Ms. SPELLMAN, Mr. VENTO, Mr. WEISS, Mr. WHITEHURST, and Mr. ZEFERETTI):

H.R. 4861. A bill to amend the Ports and Waterways Safety Act of 1972, to amend sections 4417a and 4442 of the Revised Statutes of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. THONE:

H.R. 4862. A bill to amend the Internal Revenue Code of 1954 to authorize a tax credit for certain expenses of providing higher education; to the Committee on Ways and Means.

By Mr. THORNTON (for himself, Mr. FOLEY, and Mr. TEAGUE):

H.R. 4863. A bill to strengthen U.S. agricultural research and research education, to improve the policy formulation and coordination for agricultural research and education activities, and for other purposes; to the Committee on Agriculture.

By Mr. THORNTON (for himself, Mr. BROWN of California, Mr. JONES of North Carolina, Mr. JONES of Tennessee, Mr. BRECKINRIDGE, Mr. WEAVER, Mr. HIGHTOWER, Mr. ENGLISH, Mr. KREBS, and Mr. RICHMOND):

H.R. 4864. A bill to strengthen U.S. agricultural research and research education, to improve the policy formulation and coordination for agricultural research and education activities, and for other purposes; to the Committee on Agriculture.

By Mr. TSONGAS:

H.R. 4865. A bill to amend the Comprehensive Employment and Training Act of 1973 to establish an Office of Youth Employment in the Department of Labor to administer youth programs under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. UDALL:

H.R. 4866. A bill to amend the Atomic Energy Act of 1954 to provide that no applications for construction licenses under the act for production or utilization facilities shall be acted upon by the Commission unless the proposed facility has been approved by affected States; to the Committee on Interior and Insular Affairs.

H.R. 4867. A bill to amend the Atomic Energy Act of 1954 to provide that construction licenses under the act shall be subject to State disapproval during a 90-day period following the issuance thereof; to the Committee on Interior and Insular Affairs.

By Mr. WALSH:

H.R. 4868. A bill to establish the Federal right of every unemancipated child to be supported by such child's parent or parents and, therefore, to confer upon certain local courts of the District of Columbia and every State and territory of the United States jurisdiction to enforce such right regardless of such child's residence; to the Committee on the Judiciary.

By Mr. WAXMAN (for himself, Mr. OTTINGER, Mr. MAGUIRE, Mr. FLORIO, and Mr. SCHEUER):

H.R. 4869. A bill to amend the Public Health Service Act to establish within the National Institutes of Health the Center for the Evaluation of Medical Practice; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN:

H.R. 4870. A bill to amend title II of the Social Security Act to reduce the effect of wage and price fluctuation on old-age, survivors, and disability insurance benefits, with such benefits being computed on the basis of the worker's 10 or less years of highest earnings; to the Committee on Ways and Means.

By Mr. WYDLER:

H.R. 4871. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications in-

dustry rendering services in interstate and foreign commerce; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. AuCOIN:

H.R. 4872. A bill to amend the National Forest Management Act of 1976 to authorize the use of oral instead of sealed bidding in the disposition of timber and timber products derived from the national forest system lands unless the Secretary of Agriculture determines otherwise by regulation; to the Committee on Agriculture.

By Mr. FUQUA (for himself and Mr. FREY):

H.R. 4873. A bill to provide for fair and equitable compensation of professional employees in the performance of technical support service contracts; jointly, to the Committees on Armed Services and Government Operations.

By Mr. PATTEN:

H.R. 4874. A bill to protect the economic rights of labor in the buildings and construction industry by providing for equal treatment of craft and industrial workers and to establish collective-bargaining procedures in the construction industry; to the Committee on Education and Labor.

By Mr. MAHON:

H.R. 4876. A bill making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes.

By Ms. OAKAR:

H.J. Res. 314. Joint resolution designating the American rose as the national floral emblem of the United States of America; to the Committee on Post Office and Civil Service.

By Mr. OBERSTAR:

H.J. Res. 315. Joint resolution authorizing the President to proclaim the week beginning November 6, 1977, and ending November 12, 1977, as National Volunteer Firemen Week; to the Committee on Post Office and Civil Service.

By Mr. RHODES (for himself, Mr. BOB WILSON, Mr. ANDREWS, of North Dakota, Mr. JEFFORDS, Mr. WAGGONNER, Mr. NEDZI, Mr. MURPHY of New York, Mr. STUMP, Mr. LONG of Louisiana, Mr. UDALL, Mr. DAVIS, Mr. MOORHEAD of California, Mr. MITCHELL of New York, Mr. PICKLE, Mr. SIKES, Mr. SISK, Mr. MANN, Mr. LLOYD of California, Mr. QUILLEN, Mr. PEPPER, Mr. MURPHY of Illinois, Mr. MARLENEE, Mr. KEMP, Mr. ALLEN, and Mr. CHAPPELL):

H.J. Res. 316. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

By Mr. BADHAM (for himself, Mr. BURGENER, Mr. DEVINE, Mr. COLLINS of Texas, Mr. EDWARDS of Oklahoma, and Mr. LAGOMARSINO):

H. Con. Res. 149. Concurrent resolution recommending that there be no rebate of 1976 individual income taxes; to the Committee on Ways and Means.

By Mr. EILBERG:

H. Con. Res. 150. Concurrent resolution relative to the release of Gunars Rode from imprisonment in the Soviet Union; to the Committee on International Relations.

By Mr. PRESSLER:

H. Con. Res. 151. Concurrent resolution expressing the sense of the Congress with respect to the provision of vocational education and arts and humanities education to postsecondary students; to the Committee on Education and Labor.

By Mr. CHARLES H. WILSON of California:

H. Con. Res. 152. Concurrent resolution expressing the sense of the Congress that the U.S. Postal Service should allocate sufficient resources to carry out its research and development program; to the Committee on Post Office and Civil Service.

By Mr. JOHN L. BURTON (for himself, Mrs. COLLINS of Illinois, Mr. MATHIS, Mr. FITHIAN, Mr. NOLAN, Mr. BAUCUS, Mr. RYAN, Mr. MCHUGH, Mr. D'AMOURS, Mr. DIGGS, and Mr. ROE):

H. Res. 394. Resolution amending rule XXII of the Rules of the House of Representatives to remove the limitation on the number of Members who may introduce jointly any bill, memorial, or resolution, and to provide for the addition and deletion of names of Members as sponsors after the introduction of a bill, memorial, or resolution; to the Committee on Rules.

By Mr. MARTIN:

H. Res. 395. Resolution expressing the sense of the House that no ban on saccharin should take effect without prior congressional approval; to the Committee on Interstate and Foreign Commerce.

By Mr. MILFORD:

H. Res. 396. Resolution to amend the Rules of the House of Representatives to establish a permanent Committee on Intelligence, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII.

37. The SPEAKER presented a memorial of the House of Representatives of the State of Arizona, relative to proposed amendments to the McCarran-Ferguson Act; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. STAGGERS introduced a bill (H.R. 4875) for the relief of Elizabeth Dumaboc Yee, which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1746

By Mr. ICHORD:

Page 4, immediately after line 6, insert the following new section:

SEC. 2. (a) Upon the enactment of this Act, the President may suspend the operation of the amendments contained in this Act if he determines that such suspension would encourage meaningful negotiations and further the peaceful transfer of governing power from minority rule to majority rule in Southern Rhodesia. Such suspension shall remain in effect for such duration as deemed necessary by the President.

(b) If the President suspends the operation of the amendments contained in this Act, he shall so report to the Congress. In addition, the President shall report to the Congress when he terminates such suspension.

(c) If the President suspends the operation of the amendments contained in this Act, any reference in those amendments to date of enactment shall be deemed to be a reference to the date on which such suspension is terminated by the President.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of March 1, 1977, page 5615:

HOUSE BILLS

H.R. 351. January 4, 1977. Government Operations. Requires any Federal agency proposing a new rule or any committee of Congress reporting legislation which may have a significant impact on costs to the public to prepare a Regulatory Cost/Benefit Assessment.

Sets forth procedures for preparing such Assessment.

H.R. 352. January 4, 1977. Education and Labor. Amends the National Labor Relations Act to provide that all employees covered by such Act who are members of a bona fide religion which has historically held conscientious objections to joining or financially supporting labor organizations shall not be required to join or so support any such organization as a condition of employment.

H.R. 353. January 4, 1977. Education and Labor. Directs the Secretary of Agriculture and the Secretary of the Interior to establish a Civilian Conservation Corps to provide employment for unemployed persons in projects connected with the conservation of the Nation's land and water resources. Authorizes grants for State conservation projects which meet eligibility requirements under this Act.

H.R. 354. January 4, 1977. Education and Labor. Directs the Secretary of Agriculture and the Secretary of the Interior to establish a Civilian Conservation Corps to provide employment for unemployed persons in projects connected with the conservation of the Nation's land and water resources. Authorizes grants for State conservation projects which meet eligibility requirements under this Act.

H.R. 355. January 4, 1977. Interior and Insular Affairs. Amends the Colorado River Basin Project Act to extend for an additional ten years the period during which the Secretary of the Interior shall not undertake studies of water importation plans for the basin.

H.R. 356. January 4, 1977. Judiciary. Amends the Immigration and Nationality Act to exclude from having his status adjusted to that of a permanent resident an alien who is: (1) a student; (2) is of distinguished merit; or (3) an alien who seeks to enter the United States temporarily to render services to an employer or an affiliate thereof by which the alien was continuously employed for at least one year prior to his application. States that the number of visas approved for those seeking continued temporary employment shall not exceed five percent of the number of managerial or executive personnel employed by the petitioner at any given time.

H.R. 357. January 4, 1977. Post Office and Civil Service. Entitles Federal employees who have completed 30 years of service to an annuity, regardless of age.

H.R. 358. January 4, 1977. Post Office and Civil Service. Establishes an arbitration board to settle disputes between supervisory organizations and the United States Postal Service.

H.R. 359. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide an unlimited exclusion from gross income of disability payments received by totally disabled persons and retired public safety officers who were disabled on active duty.

H.R. 360. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an unlimited exclusion for amounts received under wage continuation plans for the disabled (presently, only $100 a week may be excluded).

H.R. 361. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to eliminate the withholding of tax from winnings on wagers placed in State lotteries.

H.R. 362. January 4, 1977. Merchant Marine and Fisheries. Amends the Ports and Waterways Safety Act of 1972 to authorize the Secretary of the department in which the Coast Guard is operating to make grants to port authorities for the purpose of protecting such port, vessels within such port, and adjacent land structures or shore areas from navigational connected casualties.

H.R. 363. January 4, 1977. Judiciary. Establishes a Select Commission on Territorial Immigration Policy to study and analyze the extent to which territories or possessions of the United States require special treatment under the immigration and naturalization laws.

H.R. 364. January 4, 1977. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to establish a national adoption information exchange system.

H.R. 365. January 4, 1977. Banking, Finance and Urban Affairs. Directs the Secretary of the Treasury to issue two-dollar bills bearing portrait of Susan B. Anthony.

H.R. 366. January 4, 1977. Interior and Insular Affairs. Directs the Secretary of the Interior to maintain an inventory of certain mineral fuel reserves in the public domain which contain hydrocarbons and uranium, or which have a potential to be an energy source.

H.R. 367. January 4, 1977. Interstate and Foreign Commerce. Declares Lake Minnetonka, Minnesota, a nonnavigable water body of the United States within the meaning of the Constitution and laws of the United States.

H.R. 368. January 4, 1977. Judiciary. Amends the Immigration and Nationality Act to eliminate the limit on the number of alien children which may be adopted.

H.R. 369. January 4, 1977. Public Works and Transportation. Authorizes the Secretary of the Army to make determinations as to whether any of the waters of the United States are being used for commercial navigation for the purpose of regulating and allowing obstructions, excavations, and filling in such waters.

H.R. 370. January 4, 1977. Rules. Establishes a Congressional Joint Committee on Intelligence Oversight to oversee and exercise jurisdiction over agencies engaged in foreign or domestic intelligence activities. Requires such agencies to keep the joint committee currently informed on their activities.

H.R. 371. January 4, 1977. International Relations. Restricts payments of the United States to the United Nations to the ratio of the population of the United States to the total population of member nations.

H.R. 372. January 4, 1977. Public Works and Transportation. Establishes an independent Federal Aviation Agency. Transfers to the Administrator of the newly created Agency the functions, powers, duties, personnel, assets, liabilities, contracts, property, records and unexpended funds of the Secretary of Transportation and the Administrator of the Federal Aviation Administration under legislation with respect to air transportation.

H.R. 373. January 4, 1977. Public Works and Transportation. Amends the Federal Water Pollution Control Act to authorize the Administrator of the Environmental Protection Agency to approve user charge systems based upon ad valorem taxation if specified requirements are satisfied.

H.R. 374. January 4, 1977. Public Works and Transportation. Amends the Airport and Airway Development Act of 1970 to make privately owned public use airports eligible for funding under such Act.

H.R. 375. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide a deduction for the intangible drilling and development costs for wells drilled for geothermal steam and geothermal resources. Removes the 22 percent limitation on deductions for depreciation of geothermal resources. Allows the deduction of geothermal exploration expenditures where intangible drilling and development costs may be deducted under this Act.

H.R. 376. January 4, 1977. Ways and Means. Authorizes small corporate employers to establish a qualified trust or annuity plan for their employees, under the Internal Revenue Code, by complying with the alternative plan which prescribes minimum participation standards, minimum vesting standards, and minimum funding standards different from those presently applicable to qualifying trusts.

H.R. 377. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow as a deduction an amount equal to 25 percent of the gross income from geothermal steam and geothermal resources property.

H.R. 378. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow as a deduction an amount equal to 25 percent of the gross income from geothermal steam and geothermal resources property.

H.R. 379. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exempt aircraft used primarily for agricultural operation from the excise tax imposed on the use of civil aircraft.

Provides for the refund of the tax on gasoline and aircraft to the aerial applicator who is the ultimate purchaser thereof.

H.R. 380. January 4, 1977. Interior and Insular Affairs. Establishes the Santa Monica Urban National Park in California. Directs the Secretary of the Interior to establish an Urban Park Planning Commission to develop a plan for the use of the land and water resources within the park boundaries.

H.R. 381. January 4, 1977. Education and Labor. Requires, under the Occupational Safety and Health Act of 1970, that the Administrator of the Small Business Administration provide outside consultation. States that such visits may be conducted only upon valid request. Directs the Administrator to make recommendations concerning the elimination of any hazards disclosed during the visit.

H.R. 382. January 4, 1977. Ways and Means. Excludes all compensation received for property damaged as a result of the Teton Dam failure in Idaho from gross income. Prohibits any recapture of investment credits on property whose accelerated disposition or retirement was caused by such failure.

Provides for nonrecognition of gain on certain property damaged as a result of such failure.

H.R. 383. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for 25 percent of the amount of rent paid by the taxpayer which equals the taxpayer's proportionate share of the local and State property taxes imposed on the land and building in which his dwelling is located.

H.R. 384. January 4, 1977. Armed Services. Makes it unlawful for any individual or entity to solicit to enroll or enroll any member of the armed forces in any labor organization or for any member of the armed forces to join, or encourage others to join any labor organization. Sets forth penalties for violations of this Act.

H.R. 385. January 4, 1977. Judiciary. Requires specified minimum prison sentences for any individual who uses or carries a firearm during the commission of a Federal felony and for whoever is convicted by a State court of a crime punishable by a term of imprisonment exceeding one year and used or carried a firearm transported in, or affecting, interstate or foreign commerce during the commission of such crime. Reduces from 21 to 18 the age at which a person is subject to all provisions of the Gun Control Act of 1968.

H.R. 386. January 4, 1977. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to make scholarship grants to individuals who are medical students or who are accepted at an approved medical school and who agree to practice at a Veterans' Administration facility after the completion of their professional training.

H.R. 387. January 4, 1977. Agriculture. Revises the eligibility requirements for food coupons under the Food Stamp Act of 1964 to exclude individuals who receive one-half of their income from an individual who is not eligible for food coupons.

H.R. 388. January 4, 1977. Armed Services. Authorizes the recomputation at age 60 of the retired or retainer pay for members or former members of the uniformed services whose retired or retainer pay was computed on the basis of pay scales in effect prior to January 1, 1972 in order to reflect any retired or retainer pay increases for other members which was based on changes in the Consumer Price Index since that date.

H.R. 389. January 4, 1977. House Administration. Prohibits travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned or retired.

H.R. 390. January 4, 1977. Interstate and Foreign Commerce. Prohibits the denial or limitation of insurance coverage for any risk of loss solely on the basis of sex.

H.R. 391. January 4, 1977. Judiciary. Removes the jurisdiction of the Supreme Court of the United States and the Federal district courts over any case arising out of any State statute, ordinance, rule or regulation, which relates to voluntary prayers in public schools and public buildings.

H.R. 392. January 4, 1977. Judiciary. Amends title IV of the Civil Rights Act of 1964 to prohibit federally ordered assignment of teachers or students on the basis of race, religion, sex, or national origin.

H.R. 393. January 4, 1977. Post Office and Civil Service. Reduces from 60 to 55 the age after which the remarriage of a surviving spouse will not cause the loss of such spouse's civil service survivors annuity.

H.R. 394. January 4, 1977. Post Office and Civil Service. Repeals provisions prohibiting individuals employed by private detective agencies from being employed by the United States or the District of Columbia.

H.R. 395. January 4, 1977. Post Office and Civil Service. States that the "Star Spangled Banner" shall consist of the words and music as composed by Francis Scott Key and arranged by Thomas Carr.

H.R. 396. January 4, 1977. Veterans' Affairs. Requires that certain increases in monthly social security or railroad retirement benefits be disregarded by the Administrator of Veterans' Affairs when determining a person's annual income for the purpose of determining the veterans' pension payable to certain persons.

H.R. 397. January 4, 1977. Veterans' Affairs. Entitles veterans of World War I and their widows and children to pensions on the same basis as veterans of the Spanish-American War and their widows and children. Increases the pension rate for these veterans and their survivors.

H.R. 398. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the expenses paid for the higher education of the taxpayer, or a dependent, not exceeding $1,500 for each student.

H.R. 399. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlord.

H.R. 400. January 4, 1977 Ways and Means. Amends the Internal Revenue Code to exclude from gross income the first $800 ($1,600 for persons filing joint returns) earned as interest on savings deposits in financial institutions.

H.R. 401. January 4, 1977 Ways and Means.

Amends the Internal Revenue Code to prohibit the taking of a business deduction for expenses paid or incurred to advertise alcoholic beverages.

H.R. 402. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XI (General Provisions) of the Social Security Act to abolish the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 403. January 4, 1977. Rules. Amends the Congressional Budget Act of 1974 to require Congress to review each Federal program at least every six years as though it were being proposed to be enacted for the first time. Prohibits the extension of budget authority for any such program beyond such six-year period until the Congressional committees with jurisdiction over such programs conduct such reviews.

H.R. 404. January 4, 1977. Interstate and Foreign Commerce. Prohibits the denial or limitation of insurance coverage for any risk of loss solely on the basis of sex.

H.R. 405. January 4, 1977. Interstate and Foreign Commerce. Amends the Clean Air Act to prohibit use of tolls or other charges for the use of New York City bridges as part of any clean air implementation plan. Voids all such tolls and charges previously so included. Authorizes the Administrator of the Environmental Protection Agency to revise implementation plans through public hearing procedures should such a prohibition result in a failure to achieve air quality standards.

H.R. 406. January 4, 1977. Judiciary. Requires that a witness who refuses to testify be given a hearing before being found in contempt of court and confined.

Prohibits the fining or imprisonment of a witness for refusing to testify about any transaction or event if such witness has been fined or imprisoned for a previous refusal to testify about the same transaction or event.

H.R. 407. January 4, 1977. Judiciary. Amends the Civil Rights Act of 1964 to prohibit sex discrimination in programs and activities receiving Federal financial assistance.

H.R. 408. January 4, 1977. Judiciary. Amends the Federal Rules of Evidence with respect to the introduction in cases of rape or assault with intent to rape of evidence of a person's past sexual behavior.

H.R. 409. January 4, 1977. Judiciary. Amends the definition of "child" under the Immigration and Nationality Act to provide that an illegitimate child can be brought into the United States by its natural father.

H.R. 410. January 4, 1977. Judiciary. Amends the Immigration and Nationality Act to exclude from admission into, and to allow for deportation from, the United States any alien who, in association with any government, persecuted others on the basis of religion, race, national origin or political opinion.

H.R. 411. January 4, 1977. Judiciary. Restores United States citizenship upon petitioning any district court, to any former citizen who lost nationality through action taken solely or partially on disapproval of or opposition to United States military involvement in Indochina.

H.R. 412. January 4, 1977. Judiciary. Amends the Immigration and Nationality Act to exclude from admission into, and provides for the deportation from, the United States of any alien who engaged or assisted in, or incited or directed others to engage in, the persecution of others on the basis of religion, race, or national origin under the direction of the Nazi government of Germany between March 23, 1933, and May 8, 1945.

H.R. 413. January 4, 1977. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to prohibit the Secretary of Transportation from approving any grant or loan under such Act unless the applicant gives satisfactory assurances that prior to the establishment or change in any fare or service which may substantially affect any community or segment thereof, the applicant will conduct public hearings with adequate prior notice and consider the impact on the community of such establishment or change in fare or services.

H.R. 414. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 415. January 4, 1977. Ways and Means. Amends the Social Security Act to provide that there shall be no reduction in benefits, aid, or assistance because of post-1974 cost-of-living increases in monthly social security benefits in any aid or assistance program in any form under a Federal Program, or a State or local program financed in whole or in part with Federal funds.

H.R. 416. January 4, 1977. Ways and Means. Amends title II (Old-Aage, Survivors, and Disability Insurance) of the Social Security Act to allow individuals to simultaneously receive both old-age or disability insurance benefits and widow's or widower's benefits without any reduction or offset.

H.R. 417. January 4, 1977. Ways and Means. Amends the Social Security Act to allow Federal officers and employees to elect coverage under the Old-Age, Survivors and Disability Insurance.

H.R. 418. January 4, 1977. Judiciary. Prohibits a business enterprise from coercing or attempting to coerce any person to discriminate in employment or cause economic harm to any United States person or certain foreign persons by reason of such person's race, religion, national origin, or sex.

Prohibits any person from so discriminating or so subjecting to economic loss any such United States or foreign person as a result of, or in order to avoid, economic coercion.

Prohibits any person or business from furthering any boycott fostered by foreign nations against a country which is friendly to, and not itself subject to any form of embargo by, the United States.

H.R. 419. January 4, 1977. Post Office and Civil Service. Designates the anniversary of Susan B. Anthony's birth, February 15, a legal public holidy.

H.R. 420. January 4, 1977. Public Works and Transportation. Permits the use of funds from private local interests as well as funds paid by States and municipalities in federally matched construction projects for the restoration and protection against erosion by waves and currents of the shores of the United States, its territories and possesions.

Repeals the limitations on Federal assistance for the protection of nonpublic shores.

H.R. 421. January 4, 1977. Ways and Means. Amends the Tariff Schedules of the United States to impose a customs tariff of ten percent rather than any other ratio on merchandise imported for personal or household use, or gifts. Amends the Tariff Act of 1930 to increase the value of merchandise which may be imported under regulations of the Secretary of the Treasury and requires submission of a statement when the value of such merchandise exceeds $250.

H.R. 422. January 4, 1977. Ways and Means. Amends the Tariff Schedules of the United States to permit the duty-free importation of any aircraft engine being overhauled within the United States if duty was paid on such replacement engine pursuant to a previous importation.

H.R. 423. January 4, 1977. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on articles assembled abroad with components produced in the United States.

H.R. 424. January 4, 1977. Interior and Insular Affairs. Establishes the San Antonio Missions National Historic Park in the city of San Antonio, Texas. Establishes a San Antonio Missions Advisory Commission to assist the Secretary of the Interior on matters relating to such park.

H.R. 425. January 4, 1977. Judiciary. Requires that a separate sentencing hearing before a jury be held when a defendant is found guilty of or pleads guilty to an offense for which one of the possible sentences is death.

Sets forth procedures and decisional factors relative to such hearings and court of appeals review of death sentences.

Requires the Director of the Administrative Offices of the United States Courts to compile certain records and data on capital felony cases in which sentence was imposed after January 1972.

H.R. 426. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to require an automatic cost-of-living adjustment in the income tax rates, the amount of the standard deduction, personal exemption, and depreciation deduction, and the rate of interest payable on certain obligations of the United States.

H.R. 427. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to: (1) reduce individual and corporate income tax rates; (2) exclude all corporate dividends from personal income; (3) allow a tax credit for new savings deposits; and (4) allow a deduction for a portion of a property's cost in lieu of a deduction for depreciation.

H.R. 428. January 4, 1977. Judiciary. Amends the Voting Rights Act of 1965 to repeal the prohibitions against voting qualifications, prerequisites, tests, or devices which abridge the right of a citizen to vote who is a member of a language minority.

Repeals the requirement that State and other political subdivisions make available registration and voting materials and voting assistance in languages other than English.

H.R. 429. January 4, 1977. Education and Labor. Directed the Commissioner of Education to make grants available to central library systems to pay the operating expenses of public libraries.

H.R. 430. January 4, 1977. Education and Labor. Amends the Civil Rights Act of 1964 to make it an unlawful employment practice for an employer to either: (1) request any employee or applicant for employment to provide copies of military discharge papers or other service records; or (2) make inquiries relative to the military discharge of any employee or applicant for employment.

H.R. 431. January 4, 1977. Interstate and Foreign Commerce. Amends the Public Health Service Act to require the Secretary of Health, Education, and Welfare to establish criteria and minimum standards for the training and licensure of radiologic technologists. Directs that State and local governments be encouraged to minimize exposure of the public to ionizing from all sources.

Authorizes the Secretary to make grants to States to carry out such purposes.

Requires promulgation of performance standards and inspection programs for x-ray systems.

H.R. 432. January 4, 1977. Interstate and Foreign Commerce. Amends the Controlled Substances Act to provide that possession of specified amounts of marihuana for private use, or the transfer of not more than such amounts without profit for private use shall no longer be a crime against the United States.

Provides for a civil penalty of not more than $100 for such possession and transfer.

H.R. 433. January 4, 1977. Interstate and Foreign Commerce. Makes it unlawful for any telephone or telegraph company to disclose information concerning any member of the news media without a court order.

H.R. 434. January 4, 1977. Judiciary. Makes

it unlawful for any Federal employee or official or for any person engaged in any business or other activity in or affecting interstate commerce to: (1) permit, require, request, or attempt to require or request any employee or persons applying for employment to take any polygraph test; or (2) discharge, discipline, or deny promotion to any employee or deny employment to any individual for refusing to submit to any requirement or request that such person take a polygraph test.

Permits any person aggrieved by a violation of this Act, or any employee organization authorized by such person, to obtain compensatory and injunctive relief in appropriate United States district courts.

H.R. 435. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to increase each of the standard personal exemptions to $1,500.

H.R. 436. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a deduction for donations of blood to charitable organizations in an amount equal to $25 for each pint donated.

H.R. 437. January 4, 1977. Ways and Means. Prohibits any business deduction, under the Internal Revenue Code, relating to expenses paid or incurred for the transportation of any person by commercial airplane or railroad in excess of any amount which is equal to the retail price of a coach class fare ticket on such airline or railroad, unless the use of first class accommodations was necessitated by the circumstances of the taxpayer's business activities or by a disability or handicap, or because coach tickets were unavailable.

H.R. 438. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide that the excise tax on tax exempt foundations' investment income will not apply to any private foundation organized and operated exclusively as a library, museum or similar educational institution.

H.R. 439. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for contributions of the taxpayer's literary, musical or artistic compositions to certain tax exempt organizations.

H.R. 440. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide that landlords may not take a deduction for real property taxes before they are paid.

H.R. 441. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for 25 percent of the amount of rent paid by the taxpayer which is equal to the taxpayer's proportionate share of the local and state property taxes imposed on the land and building in which his dwelling is located.

H.R. 442. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) to decrease from 20 to 10 the number of years a divorced woman must have been married to an insured individual in order for her to qualify for wife's or widow's benefits on his wage record.

H.R. 443. January 4, 1977. Ways and Means. Amends Title IV (Child Welfare Services) of the Social Security Act to authorize States to provide day treatment and in-home services to any child or family experiencing problems which such services would assist in solving, and to any other child or family where parental difficulties may jeopardize the physical, emotional, or psychological condition of the child.

H.R. 444. January 4, 1977. Ways and Means. Allows an individual receiving payments under Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act, to receive up to $200 a month in support and maintenance (furnished by members of his or her immediate family) without a reduction in individual's benefits.

H.R. 445. January 4, 1977. Education and Labor; Judiciary. Establishes a Commission on School Integration to study the results of, and other questions relating to, the racial integration of public schools, and the use of busing to achieve integration.

H.R. 446. January 4, 1977. Agriculture. Establishes a Commission on the Humane Treatment of Animals to study the treatment of animals.

H.R. 447. January 4, 1977. Agriculture. Establishes a Commission on the Humane Treatment of Animals to study the treatment of animals.

H.R. 448. January 4, 1977. Education and Labor. Amends the Civil Rights Act of 1964 to include as an unlawful employment practice discrimination on the basis of handicap.

Amends the Rehabilitation Act of 1973 to: (1) include disabled persons on the Interagency Committee on Handicapped Employees; and (2) set forth grievance procedures for handicapped individuals who believe that they have been discriminated against by a Federal agency or contractor, or a connection with a federally assisted program.

Directs State agencies which are responsible for the administration of State laws for vocational rehabilitation of physically handicapped persons to provide assistance to handicapped individuals seeking employment through certain State employment agencies.

H.R. 449. January 4, 1977. Education and Labor. Amends the Fair Labor Standards Act of 1938 to specify the operation of a schoolbus by an individual younger than 18 years of age as oppressive child labor.

H.R. 450. January 4, 1977. International Relations. Amends the Arms Export Control Act to eliminate maintenance of internal security as a purpose for which military sales may be made.

Amends the Foreign Assistance Act of 1961: (1) to eliminate maintenance of internal security as a purpose for which military assistance may be furnished; and (2) to prohibit furnishing military education and training for internal security.

HOUSE RESOLUTIONS

H. Res. 51. January 4, 1977. Agriculture. Declares the sense of the House that the United States make immediate and substantial public investments in agricultural research and technology for the express purpose of increasing food production which would: (1) insure a ready supply of food at reasonable consumer food costs; (2) aid in the maintenance of a favorable United States trade balance; and (3) reduce the risk of food shortages in years of adverse weather.

H. Res. 52. January 4, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 53. January 4, 1977. Rules. Amends rule X of the Rules of the House of Representatives to establish the House Committee on Health which shall have the responsibility for investigating health measures generally, health facilities, health care problems, national health insurance, public health and quarantine, and biomedical research and development.

H. Res. 54. January 4, 1977. Interstate and Foreign Commerce. Calls for the consideration of the relationship between the violence depicted on television and violence in society by those persons responsible for television programming and broadcasting in the United States.

H. Res. 55. January 4, 1977. Rules. Amends rule X of the Rules of the House of Representatives to establish a standing House Committee on the Environment, to consist of the House of Representatives. Grants the Committee jurisdiction over all measures relating to the quality of the physical environment of the United States and its possessions, including: (1) water quality; (2) air quality; (3) weather modification; (4) waste disposal and management; (5) pesticides; and (6) acoustic problems.

H. Res. 56. January 4, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 57. January 4, 1977. House Administration. Provides that the Committee on House Administration of the House of Representatives shall provide for the management and operation of the House restaurant and the cafeteria and other food service facilities of the House through the award of contracts.

H. Res. 58. January 4, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 59. January 4, 1977. Rules. Amends the Rules of the House of Representatives to give the Committee on Ways and Means jurisdiction over measures providing Federal impact aid to State and local government educational agencies which are in areas affected by Federal activities. Removes such jurisdiction from the Committee on Education and Labor.

H. Res. 60. January 4, 1977. Rules. Amends the Rules of the House of Representatives to require the Committee on Standards of Official Conduct to recommend such action as the Committee deems appropriate whenever such Committee investigates any alleged violation of the Code of Official Conduct or any other law, regulation, or code of conduct. Permits the House of Representatives to require the Committee to perform such an investigation and report back to the House of Representatives.

H. Res. 61. January 4, 1977. Rules. Amends the Rules of the House of Representatives to prohibit voting in any committee or subcommittee by proxy.

H. Res. 62. January 4, 1977. House Administration. Authorizes Members of the House of Representatives to hire for not more than 6 months in any fiscal year one Vietnam veteran as a Vietnam veteran congressional intern.

H. Res. 63. January 4, 1977. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the President submit to the Congress an action plan for monitoring investigations of nursing home abuses and for developing better care and cost controls.

H. Res. 64. January 4, 1977. House Administration. Creates the John W. McCormack senior intern program in the House of Representatives. Authorizes each Member, Delegate, or Commissioner of the House to hire two additional employees under such program.

H. Res. 65. January 4, 1977. Rules. Amends the Rules of the House of Representatives to require the report accompanying any public bill or resolution reported by any committee to include an estimate of the costs of such legislation to both the public and private sectors.

H. Res. 66. January 4, 1977. Rules. Establishes within the House of Representatives a select committee to study the constitutional basis of the January 22, 1973, U.S. Supreme Court decisions on abortion, the ramifications of such decisions on the power of the several States to enact abortion legislation and the need for remedial action by Congress on the subject of abortions.

H. Res. 67. January 4, 1977. Rules. Creates a House Select Committee on the Fiscal Problems of Cities which shall identify the nature and cause of problems afflicting large cities which face severe fiscal imbalance.

H. Res. 68. January 4, 1977. Ways and

Means; Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that any legislation providing for the modification or federalization of medical assistance programs include optometric services.

H. Res. 69. January 4, 1977. Rules. Amends the Rules of the House of Representatives to prohibit the consideration of any bill or resolution, or amendment thereto, which makes or authorizes an appropriation for security assistance to a foreign country for any fiscal year in an aggregate amount of $100 million or more, or which would increase such appropriation or authorization to that amount, if such bill, resolution, or amendment provides for security assistance to any other country for the same fiscal year.

H. Res. 70. January 4, 1977. Rules. Creates a Select House Committee on Population to conduct an investigation and study of world population growth, its effects, and methods to reduce such growth.

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H. Res. 72. January 4, 1977. Rules. Creates a Select House Committee on Population to conduct an investigation and study of world population growth, its effects, and methods to reduce such growth.

H. Res. 73. January 4, 1977. Rules. Creates a Select House Committee on Population to conduct an investigation and study of world population growth, its effects, and methods to reduce such growth.

H. Res. 74. January 4, 1977. Rules. Creates a Select House Committee on Population to conduct an investigation and study of world population growth, its effects, and methods to reduce such growth.

H. Res. 75. January 4, 1977. Rules. Amends the Rules of the House of Representatives to provide for and to regulate television and radio coverage of the House of Representatives.

H. Res. 76. January 4, 1977. Rules. Creates a House Select Committee on Professional Sports to conduct an inquiry into the need for legislation with respect to the professional sports industry and to conduct a comprehensive study to determine the impact of current antitrust law and policy on all professional sports.

H. Res. 77. January 4, 1977. Rules. Establishes the House of Representatives Select Committee on Narcotics Abuse and Control to review problems of narcotics abuse including enforcement, international trafficking, organized crime, and the approach of the criminal law system to narcotics law violations.

H. Res. 78. January 4, 1977. Agriculture. Declares the sense of the House that the Secretary of Agriculture should assess the whey supply situation and report his findings to the House Committee on Agriculture, and that the Department of Agriculture should increase whey research programs.

H. Res. 79. January 4, 1977. Rules. Amends rule X of the Rules of the House of Representatives to create a 37-member Select Committee on Energy. Directs the Speaker to refer first to the select committee all bills, resolutions and other matters relating to: (1) energy resources, regulation, conservation, and allocation; and (2) energy power administrations.

H. Res. 80. January 4, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate January 22 of each year as Ukrainian Independence Day.

H. Res. 81. January 4, 1977. Public Works and Transportation. Directs the Architect of the Capitol to conduct a feasibility study of the possible use of solar energy in connection with the operation of the House office buildings.

H. Res. 82. January 4, 1977. Rules. Establishes within the House of Representatives the Select Committee on Intelligence to review and make recommendations to improve the U.S. intelligence community.

H. Res. 83. January 4, 1977. Judiciary. Refers H.R. 1394 to the Chief Commissioner of the U.S. Court of Claims.

H. Res. 84. January 6, 1977. Authorizes the committee chairman or the ranking majority member of a committee of the House at the close of the 94th Congress to authorize payments from the contingent fund of the House of Representatives for the payment of any continuing expense incurred by such committee following the reestablishment of such committee in the 95th Congress. Specifies that this authorization becomes ineffective on the date of the election of the chairman of the committee involved in the 95th Congress.

H. Res. 85. January 6, 1977. Interior and Insular Affairs. Expresses the sense of the House of Representatives that the Board on Geographic Names approve the proposal to name two mountain peaks near Whittier, Alaska, after deceased Congressmen Boggs and Begich.

H. Res. 86. January 6, 1977. Rules. Amends the Rules of the House of Representatives to remove the 25-member limit to the number of sponsors of any House of Representatives bill. Permits the addition or deletion of any Member's name as the sponsor of any legislation by a request made by a Member to the Speaker on behalf of such Member.

H. Res. 87. January 6, 1977. Rules. Amends the Rules of the House of Representatives to remove the 25-member limit to the number of sponsors of any House of Representatives bill. Permits the addition or deletion of any Member's name as the sponsor of any legislation by a request made by a Member to the Speaker on behalf of such Member.

H. Res. 88. January 6, 1977. Rules. Directs the House Committee on International Relations to conduct hearings to determine the nature and extent of any United States involvement in the hostilities in Northern Ireland.

H. Res. 89. January 6, 1977. Rules. Establishes within the House of Representatives a Select Committee on Energy to study all aspects of the exploration, research and development, production, importation, distribution, and use of all energy-related resources, including priorities and policies with regard to energy.

H. Res. 90. January 6, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdictions over the Panama Canal and the Panama Canal Zone.

H. Res. 91. January 6, 1977. Interior and Insular Affairs. Declares it the sense of the House of Representatives that the President should direct the Secretary of the Interior to make prompt arrangements to conserve helium as an energy-saving measure.

H. Res. 92. January 10, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 93. January 10, 1977. Rules. Directs the Clerk of the House of Representatives to authorize the Administrator of General Services to make available to the public all records, papers, maps, and other documentary materials of the House Committee on Agriculture for the years 1926 through 1931.

H. Res. 94. January 10, 1977. Rules. Establishes the House of Representatives Select Committee on Narcotics and Control to review problems of narcotics abuse including international trafficking, enforcement, organized crime, and the approach of the criminal law system to narcotics law violations.

H. Res. 95. January 11, 1977. Elects majority members of the House of Representatives Committee on the Budget.

H. Res. 96. January 11, 1977. Elects minority members of the Committee on the Budget of the House of Representatives.

H. Res. 97. January 11, 1977. Establishes an ad hoc Select Committee on the Outer Continental Shelf to consider and report to the House of Representatives on the bill H.R. 1614 and on any related bill or matter.

H. Res. 98. January 11, 1977. Rules. Amends the Rules of the House of Representatives to remove the 25-member limit to the number of sponsors of any House of Representatives bill. Permits the addition or deletion of any Member's name as the sponsor of any legislation by a request made by a Member to the Speaker on behalf of such Member.

H. Res. 99. January 11, 1977. Rules. Amends the Rules of the House of Representatives to remove the 25-member limit to the number of sponsors of any House of Representatives bill. Permits the addition or deletion of any Member's name as the sponsor of any legislation by a request made by a Member to the Speaker on behalf of such Member.

H. Res. 100. January 11, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

SENATE—*Thursday, March 10, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

"I know not by what methods rare,
But this I know—God answers prayer.

"I know not when He sends the word
That tells us fervent prayer is heard.

"I know it cometh—soon or late;
Therefore, we need to pray and wait.

"I know not if the blessing sought
Will come in just the way I thought.

"I leave my prayers with Him alone,
Whose Will is wiser than my own."

—Anonymous.

O Lord, be near to all who hear or read these words, assuring them that Thy presence is the answer to every prayer.

In Thy holy name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 10, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. DECONCINI thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Wednesday, March 9, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider only the nominations on the Executive Calendar beginning with the Department of Labor.

Mr. BAKER. Mr. President, reserving the right to object, I announce to the Senate that I have apprised the majority leader of the fact that the nominations in the Department of Labor—there are four of them—have been cleared on the Republican side, and there is no opposition to their confirmation. I might also say with respect to the next one, in the Office of Management and Budget, that there is no objection to confirmation on this side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF LABOR

The assistant legislative clerk proceeded to read sundry nominations in the Department of Labor.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

OFFICE OF MANAGEMENT AND BUDGET

The assistant legislative clerk read the nomination of James T. McIntyre, Jr., of Georgia, to be Deputy Director of the Office of Management and Budget.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate resume the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time under the standing order.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I have no requirement for my time under the standing order, and no requests. I yield back the time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico (Mr. SCHMITT) is recognized for not to exceed 15 minutes.

THE U.S. DEFENSE POSTURE

Mr. SCHMITT. Mr. President, on two previous occasions during this session of the Senate, I have dealt with questions relating to our defensive balance in the world with respect to our national security picture. In addition, we have had considerable debate during the last few days concerning the nomination of Mr. Paul C. Warnke, which related to our defensive balance and in what respects we might undertake to improve that or change it over the next few years.

Mr. President, I would like to speak today about some opportunities this Nation has for change over the long term, and the need for some of the defensive weapons systems we have talked about so long.

Previously I have discussed the status of the defensive posture relative to the status of the Soviet Union over the last several years, during which they have rapidly increased their defensive potential with a variety of weapons systems. I have also discussed possibilities of restoring any deterioration of our defensive posture, and I have emphasized the paradox of our national defensive posture, which is that we must have strength but never use strength.

I think the vote on Mr. Warnke has clearly shown that a significant number of Senators and a large number of Americans are beginning to articulate and understand this paradox. I hope Mr. Warnke and the President, in their discussions on the SALT talks, will take note of the vote which occurred yesterday in opposition to Mr. Warnke's nomination, but more so in opposition to the kinds of policies he has represented for so long.

Today let me discuss opportunities for change, for a removal in the long term of the balance of terror under which we live.

The source of the opportunity which is before us lies in the aspirations of peoples of the developing world to enter the 20th century, the technological and material 20th century. The technological revolution in which we live today and in which we participate as a nation and as a people provides unique, historically unique, opportunities for the peoples of the developing world to enter the 20th century.

One of the reasons this has become so paramount in their minds is the demonstration of what is possible, which has come from this Nation's activities in space and, in particular, our activities in the vicinity of the Moon.

The question is often asked of me and others, "If the United States can go to the Moon and work there and return men safely to Earth, why can't we at least participate in the 20th century?"

That is an excellent question. In that question there lies a unique opportunity for the United States to help these people by using our nonmilitary strengths far more than our military strengths.

I believe we can build real and lasting friendships with the peoples of the developing world if we take positive and sincere steps to reduce the gap which exists between their standard of living and our own, reducing the gap not by reducing our standard of living but by assisting them in raising theirs.

This gap in standards of living is the primary source of conflict which causes the major national security problems we have in this world. The gap in standards of living feeds the appeal of totalitarian governments whether they be of the right or of the left.

The U.S. opportunity to reduce this gap comes from the fact that we are leading the technological revolution and we are the only Nation with the technology based in the essential areas which are required by these countries if they are indeed to participate in the 20th century.

In the areas of agriculture, health maintenance, resource development, and education I do not think there is any doubt within the developing world, or within the rest of the world, that this Nation truly leads the technological revolution.

If we make progress in these areas throughout the world, then we can see a great opportunity for the reduction of the birth rate, for the increase in the standards of living, and can prepare the ground to further plant the seeds of freedom in other nations of the world. We can also prepare the ground for a real community of nations somewhere in our children's future.

In agriculture, the primary goal for these nations must be that they learn to feed themselves. The green revolution in this country which comes with the development of new equipment, new crops, and new ways of growing crops, offers a great potential for all the major developing nations of the world. A similar potential is offered by the implementation of simple technologies, which this country understands so well. Even though we have not yet begun to use many of these simple technologies ourselves, economi-

cally they are of even greater benefit in major portions of the developing world. I think here of solar technologies, for example, which can pump water, which can dry crops, and which can generally help to heat and cool the homes of individuals.

One of the major new developments of technology which can assist agricultural development and many other areas of development in these countries is that of space satellites, of satellite surveillance, where now we have the opportunities to monitor crop growth, to predict and manage the growth of those crops from the planting through the monitoring of the health of the crops and into the period of production.

Also using satellite technology, we can monitor the weather and prepare to protect crops against adverse weather, to take advantage of longer term periods of good weather or to prepare for long-term periods of bad weather.

In the area of health maintenance, there are many new ways in which the developing world can improve their standards, and with improvement in health standards comes increased productivity and increased satisfaction with life. In diets, in preventive health care, in education, and in many other areas, this country could well lead a health revolution among these people.

Resource development must be emphasized because it is only through the development of national resources initially that a new nation, a developing nation, can establish the foundation of a future stable economy. In the formative stages of their growth, it will be their principal source of capital. Once again satellite systems offer a great opportunity to these people. Their interest in the results of the Landsat photography is a clear indication that they also recognize this.

Finally, the most important technological area we must emphasize as we approach our new relations with the developing world is in education. Education is a basic requirement for a people to become free or, in fact, to remain free. Understanding how to better their lives through agriculture, through health, through technology, through birth control, through whatever means are appropriate to the traditional culture, traditions and needs of the country, must come through education.

Also through education must come the development of internal communications, particularly with respect to language. Without communication there can be very little progress.

Through experiments conducted by the National Aeronautics and Space Administration in cooperation with States in this Union and also with countries such as India and Brazil, we have seen a satellite-based education system developed. The experiments are extremely encouraging that through geosyncronous satellites we can very rapidly provide educational tools to the peoples of the developing worlds and to the peoples of rural areas in this country.

There are many examples of this great potential of satellites and new technology already before us. Among the most promising and most encouraging is the communication satellite system which is under the international management of Intelsat, with this country's participation being known as Comsat. In the history of this communications program, among the 93 nations which participate there has only been one nation which defaulted on that payment. That defaulting nation happened to be Lebanon, and it was during the period of the crisis occurring in that unfortunate country.

This is also a great example in the world, weatherwise, in which many, many nations throughout this world are cooperating with great utility to all concerned.

How would we implement a new era of foreign policy, a new era of assistance to these countries? It cannot be through the transfer of dollars; it has to be through the transfer of know-how. I think that that can come primarily through the implementation of service contracts—service contracts between a host country and our institutions or our industry and business or, in some cases, maybe, through a particularly technologically oriented Government entity. With these service contracts, we can transfer knowledge, but I think it is most important that that transfer be done under a time limit for the particular technology area required. It must be done with a cost-plus-incentive-fee contract so that efficiency is paramount.

It also must be done by an educational clause by which, at the end of the time allotted, the people of the host country are ready to assume the service that had been contracted for.

Finally, we must look for imaginative ways to finace such contracts. International institutions are more than willing to assist in these kinds of projects, according to my information. There will be internal funds provided through resource development and through the commitment of futures in resources by the host country.

And finally, if it is absolutely necessary, where U.S. aid is required, then we are looking at a system by which that aid goes primarily into U.S. institutions and U.S. business. There is a great opportunity here, Mr. President, to traverse a very great time of peril, to help people who want help and who believe that only we can help. They saw us go to the Moon and they are asking legitimately, if we can do that, why cannot we, of the developing world, participate in the 20th century?

Time and time again, as I have traveled through these countries, as an astronaut, as a representative of this country, I have heard the expression, "Don't send us money; it only goes into the pockets of our leaders. Send us knowledge. That goes into our minds."

Mr. President, I yield the remainder of my time.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that both the minority leader and I may retrieve the time that we yielded back.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COST-OF-LIVING ADJUSTMENTS

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a bill cosponsored by the distinguished Republican leader and myself. I ask unanimous consent that it be considered as having been read the first and second times and that the Senate proceed to its immediate consideration.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill (S. 964) to provide that the salaries of certain positions and individuals which were increased as a result of the operation of the Federal Salary Act of 1967, shall not be increased by the first comparability pay adjustment occurring after the date of the enactment of this act, which was read the first time by title and the second time at length.

Mr. ROBERT C. BYRD. Mr. President, on February 20 of this year, in accordance with the procedures prescribed by the Federal Salary Act of 1967, Members of Congress and the Federal judiciary and certain high level members of the executive branch became eligible for significant salary increases. Although substantial in amount, these increases were both well-deserved and overdue. For, as the Commission on Executive, Legislative, and Judicial Salaries reported to the President in recommending a pay raise for the last 8 years, the highest officials of all three branches of the Federal Government have received only one increase in salary, a nominal 5-percent cost-of-living increase. During that same period of time, average private wages increased by 70 percent; the consumer price index went up more than 60 percent; and general civil service pay increased by 65 percent.

The arguments supporting the pay raise—the rise of salaries in the private sector in the last 8 years, the great jump in the cost of living during the same period, the loss of large numbers of capable Federal employees because of "frozen" salaries, and the loss of incentive to enter Federal employment by our most qualified people because of salary limitations—and the fact that many Members of Congress are forced to supplement their salaries by accepting honoraria, which, in many instances, requires that they be away from Congress at times when important legislation is being debated on the floor and in committee—have already been discussed at great length. I shall not repeat them now. More important is the manner in which the pay raise was effectuated.

Quite the opposite of what has been described in many news stories and articles, the Congress did not back its way into this raise through some tricky or devious maneuvering. Indeed, it followed precisely the then highly acclaimed procedures enacted almost 10 years ago to prevent just such maneuvering on the issue of Federal pay. At that time, spurred by a desire and a public demand to remove politics from the pay issue, the Congress established a procedure whereby an independent Commission, consisting of highly qualified pri-

vate citizens, would recommend what it felt—not what Members of Congress felt, not what members of the judiciary felt, not what members of the executive branch felt, but what it felt—were appropriate salary adjustments for Members of Congress, the Federal judiciary, and certain high-level members of the executive branch. It was believed—and I think rightly so—that these citizens, separated from the public sector and clearly not motivated by self-interest, would objectively analyze the situations in both the public and private sectors and recommend suitable changes in salary. Once reviewed by the President and adjusted as he deemed appropriate, the adjustments were to take effect unless disapproved by either House of Congress.

The Commission performed its work impartially and well, and the Federal Salary Act operated as it was designed to. The recommendations forwarded to the Congress, which took effect on February 20, were carefully made and based on thorough analysis. Those recommendations were good ones, free from political influence, and the system by which they took effect is a sound and admirable one.

By the way, there was a vote in the Senate—contrary to all of the talk and all of the criticism that the salary increase was put through without a vote. There was a vote in the Senate. There was a vote on tabling an amendment that would have rejected the commission's proposal. Although it was a vote to table, it was still a vote that was related to the substantive issue. So there was a vote in the Senate. I offered the motion to table the amendment by the distinguished junior Senator from Alabama.

Mr. President, as the members of the Senate are aware, by virtue of the Executive Salary Cost-of-Living Adjustment Act enacted in 1975, Members of the Congress, the executive and judicial branches who have just received a salary increase under the provisions of the Federal Salary Act will also be eligible for a comparability pay increase in October. The purpose of the comparability pay system is to insure that pay rates in the public sector will remain comparable with those of private enterprise. In essence, then, it serves much the same purpose as the Federal Salary Act and, indeed, is implemented in much the same fashion.

However, I do not believe that the Congress, in enacting the Executive Salary Cost-of-Living Adjustment Act, contemplated that its provisions would take effect within 7 months after those affected by the act had received a substantial salary increase designed to achieve the same goals contemplated by the act.

The bill that the distinguished Republican leader and I introduce today, joined in by Senator RIBICOFF and Senator CRANSTON and others, therefore, will essentially provide that those salaries which were increased as a result of the operation of the Federal Salary Act of 1967 shall not be increased by the first comparability pay adjustment occurring after the date of enactment of the bill. It will thus obviate the effect of the comparability pay provisions for those who have just received a salary increase—but only insofar as next October's adjustment is concerned. It will not disrupt the comparability pay system beyond that.

Mr. President, I ask unanimous consent that the vote occur, up or down, on this bill at 12:30 today.

The ACTING PRESIDENT pro tempore. Does the Senator request that rule XII be waived?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, reserving the right to object, I am sorry, but my attention was diverted momentarily.

Did the majority leader ask for a rollcall vote at 12:30?

Mr. ROBERT C. BYRD. I asked for a vote at 12:30. I will get the yeas and nays later.

Mr. BAKER. Mr. President, the majority leader and I discussed that and the time at that time was agreeable.

I might, however, ask the leader if he can adjust that time until 2 o'clock?

Mr. ROBERT C. BYRD. Yes. I so request.

We can make it an up and down vote at 2 o'clock.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. BAKER. Mr. President, I am pleased to join with the distinguished majority leader in this proposal. He and I joined together in urging that the Senate not reject the proposal of the commission to adjust Federal salaries.

I say in all candor that was not among the most popular things the Senator from Tennessee ever did. I was aware at the time that was not going to be a popular move.

I was also aware at the time it would create considerable criticism and possibly even misunderstanding, and I have discovered subsequently that I was right on both occasions on both categories of concern.

But, Mr. President, I remain convinced now as I was then that reality, practicality, the responsibility of leadership in the Senate, required that we consider and reject a proposal to disapprove the pay increase initiative.

I do feel, however, Mr. President, that it would not be appropriate to proceed with the automatic adjustment of our salaries later this fall.

I think that the cost of living and other factors that would ordinarily be taken into account in that respect were fullly taken account of in the adjustment which was accepted by the Congress.

So I have agreed to join with the majority leader in proposing this measure, as well.

Mr. President, I make only this additional point. This is a one-time-only proposal. There will be and there ought to be under the existing law other cost-of-living or comparability adjustment after October. We should not have another 7-year hiatus. We should not have to go through the embarrassment, humiliation, indignity, and political distress of having to make a huge adjustment in order to catch up for 7 years' inactivity.

Mr. ROBERT C. BYRD. And which, indeed, did not catch up.

Mr. BAKER. And which, indeed, did not catch up.

I saw figures the other day that indicate that true comparability matched with the cost of living since that last increase would have taken our salaries well beyond the $75,000 mark.

Mr. President, I urge my colleagues to understand that I believe that comparability and cost-of-living adjustments should be taken account of regularly and periodically hereafter, but not in October.

I join with the majority leader in urging adoption and cosponsoring this measure to forgo and rescind that adjustment which would otherwise occur for recipients of the last pay increase for this one time only.

Mr. ROBERT C. BYRD. Mr. President, I thank my distinguished friend, the minority leader.

Mr. President, may I ask the Chair now the following questions?

The bill has been advanced through its various parliamentary steps and is at the stage of final passage, is it not?

The ACTING PRESIDENT pro tempore. It has not yet had its third reading.

Mr. ROBERT C. BYRD. I ask for third reading.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ROBERT C. BYRD. Now, Mr. President, the bill is ready for passage and the vote will occur at 2 o'clock today?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. That will be a rollcall vote. The yeas and nays will be ordered at that time, or prior thereto.

Mr. President, I ask unanimous consent that any Senators who may wish to cosponsor the measure may be allowed to do so.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if there is a motion to reconsider the vote on passage, there be no time for debate thereon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the distinguished senior Senator from Vermont (Mr. STAFFORD) may be added as a cosponsor to this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my distinguished senior colleague be added as a cosponsor of the measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, those who are cosponsors at the moment are Mr. BAKER, myself, Mr. RIBICOFF, Mr. STAFFORD, Mr. RANDOLPH, Mr. CRANSTON, and Mr. INOUYE.

Mr. BAKER. Mr. President, I ask unanimous consent that Mr. CHAFEE and Mr. HEINZ may be added as cosponsors.

Mr. ROBERT C. BYRD. Mr. CHAFEE and Mr. HEINZ.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Would the Presiding Officer like to be added?

The ACTING PRESIDENT pro tempore (Mr. DECONCINI). Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. DECONCINI be added as a cosponsor and that all Senators may be given that privilege at any time during the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that my name be added as a cosponsor for the legislation which has just been introduced by the majority leader and by the minority leader dealing with certain pay increases.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on final passage.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I yield back the remainder of my time.

Mr. BAKER. Mr. President, I yield back the remainder of my time.

ADDITIONAL STATEMENTS SUBMITTED ON S. 964

Mr. CHURCH. Mr. President, on February 2, 1977, I said that it was not the time for a pay raise for Congress. I voted against that large pay raise, and I regret that my position did not prevail.

The problem, Mr. President, is that Members of Congress, Cabinet officers, Federal judges, agency directors, and those who occupy the highest posts in the civil service should have been included all along in the annual cost-of-living adjustment extended to all other Federal employees.

Given the size of the Federal deficit, the extent of unemployment, and the sluggish performance of the economy, this year was not the time to try and correct, all at once, the errors of the past. If we had followed the proper course from the beginning, the public indignation over the major adjustment last month could have been avoided.

Despite my opposition, the Congress did permit that pay raise to go into effect. Consequently, we are not entitled to participate in this year's cost-of-living benefit for all other Government workers.

Therefore, Mr. President, I strongly support this measure which would exclude Congress and other top-level Federal officials from the cost-of-living benefit this year.

Mr. PERCY. Mr. President, as ranking Republican on the Governmental Affairs Committee and as a cosponsor of this measure, I rise in support of the legislation to deny for this year only the annual cost-of-living increase scheduled to take place on October 1 for top governmental officials who recently received substantial pay increases. This provision would apply only to Congressmen, Senators, Federal judges, top officials of the executive branch, and those others who were specifically affected by the administration's proposals in the budget message, made pursuant to the report of the Commission on Executive, Legislative, and Judicial Salaries.

I have long supported an increase for these officials, because of the need to make their salaries more competitive with salaries paid in the private sector and because increases in the cost of living since the last major pay increase in 1969 have effectively brought about a decrease of 35 percent in purchasing power for these officials.

The recent pay increases were reasonable and adequate. They must be coupled, however, with a sound and reasonable code of ethics. I see no reason to provide a second pay increase in the same calendar year. Future cost-of-living increases can be considered in the context of the economic conditions prevailing at that time.

COMPARABILITY PAY AND FEDERAL EMPLOYEES

Mr. DOLE. Mr. President, I intend to support this message to temporarily eliminate the annual comparability pay raise for top-level Federal employees who just received salary increases. Under current law, all "white collar" Federal employees, the Members of Congress, and top-level employees of the executive and judicial branches regularly receive a salary adjustment every October designed to match the cost of living and provide comparability with salaries paid in the private sector. This adjustment has hovered around 5 percent in recent years. Last year, Congress refused to accept the comparability adjustment for itself, although all others entitled to the raise did receive it.

Under the legislative provision now pending, the comparability adjustment scheduled for October 1977 would not take effect for any Members of Congress or top-level employees of the executive and judicial branches, who received salary raises on February 20 of this year. This provision would be a one-time suspension only, applicable only to the 1977 comparability adjustment.

I did vote against the regular salary increase for Members of Congress and other top-level Federal employees which took effect last month. I feel now, as I did then, that any raises or adjustments in top-level Federal salaries should await a more comprehensive study of the entire Federal pay system. We need to know when we legislate on pay adjustments for only one portion of the Federal service, just what impacts those adjustments will have on other employee grades, and what impacts they will have on inflationary pressures in our economic system as a whole.

It is both, because I think salary adments for top-level Federal employees are handled "blindly" at this time, and because these same employees already receive a large raise last month, that I will vote against their receiving the comparability adjustment later this year.

I would reiterate that this suspension of the October adjustment applies only to Members of Congress and top-level employees of the executive and judicial branches. Other general schedule, white-collar Federal employees will receive the October adjustment as usual, designed to keep their salaries in pace with increases in the cost-of-living rate.

Mr. STEVENS. Mr. President, in August of 1975 we passed H.R. 2559 which tied into the comparability salary adjustments for 2.8 million Federal employees the salaries of certain top officials of the Federal Government. This action allowed for a salary increase of 5 percent for approximately 11,400 senior civil officials. This was the first salary adjustment for these Federal employees since 1969 despite the fact that salaries of most other Americans had increased in excess of 55 percent.

On February 20 we allowed a salary increase to take effect for these senior officials. This action we will take today will reverse our August 19, 1975 action and it will effect approximately 11,000 plus Federal employees out of the 2.8 million dedicated Federal workers now serving this Nation. Times have changed since 1975, the need for a salary adjustment is no longer as great as it was 2 years ago and especially so since the February 20 salary increase took effect. The report of the President's Commission on Executive, Legislative and Judicial Salaries, in fact, recommends that the comparability salary tie in, or as it is more popularly known, the cost of living adjustment be eliminated in favor of a quadrennial review. I agree with this recommendation.

However, I want to stress again, that we are not dealing with all Federal employees, but just those who have recently received a salary adjustment and our action today will in no way affect future comparability or cost-of-living salary increases for all other Federal employees.

Mr. President, I ask unanimous consent to have portions of pages 48 and 49 of the report of the Commission on Executive, Legislative, and Judicial Salaries printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANNUAL COST-OF-LIVING ADJUSTMENTS

The Commission has been offered probably nearly every point of view available with regard to how to handle periodic cost of living adjustments.

We are impressed with the argument that the current crisis in which we find ourselves has come about largely because of the absence of such adjustments.

We are also mindful of the potential negative impact on incumbents, potential government officials, and those "frozen" at the top of the General Schedule if the prognosis for future adjustments is as dim as the record of the past eight years.

Thus, we have no problem accepting Dr. Weber's conclusion, at least as a rational objective, "systematic, periodic adjustments in the salary levels of Federal executives (and judges) probably will have a positive influence on the decision to accept and remain in Federal service."

Our difficulty, of course, is with the means, but not the end, by which such adjustments could be made. Among the public's frustrations we know of, none ranks higher than inflation. And we know of no problem which the public is more likely to blame on government spending and therefore the Congress and executive branch. The idea that Congress would be willing to support the notion that the rest of the country suffers the ravages of inflation, but that its members have a kind of inflation insurance, protected from the very disease that it is believed to have created is *not* one whose time has come.

It is virtually inconceivable to us that Congress would not insist on voting on this issue whenever the question of the cost of living adjustment would arise. Quite apart from the self-serving aspects (or perhaps we should say self-destructive aspects) of this kind of automatic cost of living adjustment, it would be perceived as a bad example to the rest of the country, particularly when we remember that the Council on Wage and Price Stability reports that only about 10% of all workers are covered by such clauses in a contract, and, in any event, these escalation clauses over the period 1968 to 1974 provide for only about *half* of the rise in the cost of living during the period.

One could imagine a scheme whereby such a cost of living adjustment would be applied to the branch of government that might be said to have had the least impact in causing inflation, the judiciary. Again, given our system of equal but separate branches, and the example it would set at very high levels of government to the public at large, we think this would also be inappropriate.

Thus, we conclude that the most practical approach to cost of living adjustments would be a permanent commission making recommendations as appropriate to the President, but at the very least, of course, once every four years.

PUBLIC WORKS EMPLOYMENT ACT OF 1977

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 427, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 427) to provide additional appropriations for the public works employment program, to authorize a program for employment of teenaged youth in community improvement projects, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works with an amendment to strike out all after the enacting clause and insert the following:

TITLE I—PUBLIC WORKS EMPLOYMENT

SEC. 101. This title may be cited as the "Public Works Employment Act of 1977".

SEC. 102. (a) There are authorized to be appropriated not to exceed $4,000,000,000 for the period ending September 30, 1978, for the purpose of making grants for projects for which applications have been submitted under title I of the Public Works Employment Act of 1976 (90 Stat. 999).

(b) Projects eligible for such grants shall be those projects considered under title I of the Public Works Employment Act of 1976 (90 Stat. 999) prior to December 23, 1976, and not selected for funding and those projects for which applications under such Act were submitted prior to December 23, 1976, and not considered for funding under such Act becaues such applications were not received in a timely manner or in the judgment of the Secretary of Commerce were improperly rejected for consideration.

(c) (1) Up to 2½ per centum of the funds appropriated under this section shall be available for projects requested by Indian tribes or Alaska Native villages; and such funds shall be set aside as the exclusive source of funds for such project before any allocation of the fund appropriated under this section among the States is made.

(2) Up to 1 per centum of the funds authorized under this section may be reserved by the Secretary of Commerce, acting through the Economic Development Administration, to be available for projects that in the judgment of such Secretary were erroneously not selected for funding as of December 23, 1976, due to procedural discrepancies.

(3) Any allocation among the States of funds appropriated under this section and not reserved pursuant to this subsection shall be made 65 per centum on the basis of the ratio that the number of unemployed persons in each State bears to the total number of unemployed persons in all the States and 35 per centum on the basis of the relative severity of unemployment among the States with an average unemployment rate for the preceding twelve-month period in excess of 6.5 per centum, subject to the provisions of section 108(a) of title of the Publice Works Employment Act of 1976 (90 Stat. 999).

(d) Funds appropriated under this section shall be distributed and all grants under this section shall be made in accordance with the provisions of title I of the Public Works Employment Act of 1976 (90 Stat. 999), except that—

(1) in lieu of the provisions of section 108(d) of such title, 85 per centum of all amounts appropriated to carry out this section shall be granted for projects given priority under clause (1) of the first sentence of section 108(c) of such title, and the remaining 15 per centum shall be available for projects given priority under clause (2) of the first sentence of such section 108(c). The Secretary of Commerce, acting through the Economic Development Administration, may waive any of the requirements of this paragraph for any State which receives the minimum allocation pursuant to section 108 (a) of such title, and such Secretary may waive the requirement that the remaining 15 per centum be available for projects under clause (2) of the first sentence of such section 108(c) for any State in which the State unemployment rate exceeds the national unemployment rate;

(2) the Secretary of Commerce, acting through the Economic Development Administration, may require all State and local governments that have submitted applications eligible for funding under this section to use unemployment data for the most recent twelve-month period for which data are available, before consideration for grants under this section. Such Secretary may also require all such State and local governments to revise estimates of porject cost, as appropriate;

(3) in determining whether certain possible grants may result in an undue concentration of funds under this section in a particular area, the Secretary of Commerce, acting through the Economic Development Administration, may take into consideration grants made in such area under title I of the Public Works Employment Act of 1976 (90 Stat. 999), relative to the severity of unemployment in such area;

(4) any project requested by a State or by a special purpose unit of local government, which is endorsed by a general purpose local government specifically for the purposes of this paragraph, shall be accorded the priority and preference to public works projects of local governments provided in section 108(b) of such title;

(5) a project requested by a school district shall be accorded the full priority and preference to public works projects, of local governments provided in section 108(b) of such title;

(6) section 108(f) of such title shall not apply, and section 108(e) of such title shall apply only in cases where the requested project will be constructed within the community or neighborhood on which the qualifying unemployment rate is based;

(7) in comparing projects requested by different applicants which are otherwise considered to be the same in priority and preference, the Secretary shall take into consideration the immediate job-creating potential of such projects;

(8) grants under this section shall be made only for projects for which the applicant gives satisfactory assurances that the project will be designed and constructed in accordance with the standards for accessibility for public buildings and facilities to the handicapped and elderly under the Act of August 12, 1968 (42 U.S.C. 4151–4156), as amended. The Architectural and Transportation Barriers Compliance Board is authorized to insure that the construction and renovation done pursuant to this section complies with the accessibility standards for public buildings and facilities issued under the Act of August 12, 1968, as amended; and

(9) grants shall be made under this section only for projects for which the applicant gives satisfactory assurances that the project will not have a significant adverse effect on the human environment, unless the Secretary of Commerce determines that full consideration to the effect of the project on the human environment has been given in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969 and the regulations of the Council on Environmental Quality thereunder.

SEC. 103. If any funds authorized in section 102 of this Act are appropriated for the fiscal year ending September 30, 1978, projects eligible for grants under such appropriation shall include projects eligible for grants under the provisions of title I of the Public Works Employment Act of 1976 (90 Stat 999) and projects for construction, renovation, repair, or other improvements of health care or rehabilitation facilities owned and operated by private nonprofitmaking entities. The Secretary of Commerce, acting through the Economic Development Administration, shall receive and consider new applications for grants under this section in addition to applications received under title I of the Public Works and Economic Development Act of 1976 (90 Stat. 999). Any projects for which applications have been submitted prior to enactment of this section shall be revised and new information required to be submitted, as appropriate.

SEC. 104. (a) The President is authorized and directed to study public works investment in the United States and the implications for the future of recent trends in such investment.

(b) The study authorized by this section shall include, but not be limited to, the following:

(1) the historical scope and nature of public works investment, including—

(A) shifts in the types of public facilities constructed over the last thirty years and the implications of such shifts;

(B) the patterns of regional distribution of investment;

(C) the role of the Federal Government, States, and local communities in funding public facilities;

(2) the proportion of the gross national

product devoted to public works investment over the last thirty years;

(3) methods by which the aggregate need for public works can be determined;

(4) how public works are financed and how financing arrangements affect the pattern and type of investment; and

(5) the level of maintenance or renovation of existing public facilities needed, compared to that provided.

(c) The President shall submit to Congress a report with respect to its findings and recommendations no later than eighteen months after enactment of this section. A preliminary report putting forth the study design shall be submitted to Congress within four months after enactment of this section.

TITLE II—YOUTH COMMUNITY IMPROVEMENT PROGRAM

SEC. 201. This title may be cited as the "Youth Community Improvement Act of 1977".

SEC. 202. The Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new title:

"TITLE XI—YOUTH COMMUNITY IMPROVEMENT PROGRAM

"STATEMENT OF PURPOSE

"SEC. 1101. It is the purpose of this title to establish a program of community improvement projects to provide employment, work experience, and skill training to youths in areas of aggravated unemployment.

"DEFINITIONS

"SEC. 1102. As used in this title the term—

"(1) 'eligible applicant' means any State or local government or Indian tribe or Alaska Native organization;

"(2) 'youth' means an individual who has attained the age sixteen but not age twenty;

"(3) 'Secretary' means the Secretary of Commerce;

"(4) 'State' includes the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1103. There are authorized to be appropriated $1,500,000,000 for the period beginning on the date of enactment of this title and ending September 30, 1978, to carry out the provisions of this title.

"ALLOCATION OF FUNDS

"SEC. 1104. In allocating funds appropriated under this title, the Secretary shall take into consideration the severity of unemployment among youths eligible for assistance under this title residing in the areas under the jurisdiction of each eligible applicant: *Provided, however,* That not less than one-half of 1 per centum of all amounts appropriated to carry out this title shall be granted under this title for programs within any one State, except that in the case of Guam, Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands, not less than one-half of 1 per centum in the aggregate shall be granted for such projects in all four of these jurisdictions.

"COMMUNITY IMPROVEMENT YOUTH EMPLOYMENT PROGRAM

"SEC. 1105. (a) The Secretary is authorized, in accordance with the provisions of this title, to make grants to, and to enter into contracts with, eligible applicants to pay the costs of community improvement projects to be carried out by youths employed by such applicants. Community improvements projects include work on community capital improvements, which would not otherwise be carried out, including the rehabilitation, alteration, or improvement of public facilities; neighborhood improvements, including basic repairs to low-income housing; and conservation, maintenance, or restoration of natural resources on publicly held lands other than Federal lands. Eligible applicants shall undertake to develop sufficient projects to provide twelve months of employment and training for each enrolled youth.

"(b) No grant may be made, and no contract may be entered into, under the provisions of this title unless the agreement evidencing such grant or contract provides assurances that—

"(1) the community improvement project is an eligible project which will be conducted in such manner as to permit the youth employed in that project who are in school to coordinate the job with classroom instruction and, to the extent feasible, to permit such youth to receive credit from the appropriate local educational agency or school involved;

"(2) youths employed in community improvement projects under this title shall be paid wages which are not lower than (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(1) of such Act applied to the youth and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable employment, or (C) the prevailing rates of pay for personnel employed in similar public occupations by the same employer, except that the eligible applicant may make provisions to offset such wages by the reasonable costs of supervisory or administrative expenses, pursuant to such regulations as the Secretary may prescribe;

"(3) persons employed in necessary technical and supervisory positions assisted under this title shall be paid the prevailing rates of pay for persons employed in similar activities in the area. In the case of persons performing work of the type to which the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), applies, the prevailing wage will be determined in accordance with that Act;

"(4) the activities of the project subject to such agreement (A) will result in an increase in employment opportunities over those which would otherwise be available, (B) will not result in the displacement of currently employed workers (including partial displacement such as reduction in the hours of nonovertime or wages or employment benefits), (C) will not impair existing contracts for services or result in the substitution of Federal or other funds in connection with the work that would otherwise be performed, and (D) will not substitute jobs assisted under this title for existing federally assisted jobs;

"(5) no person with responsibility in the operation of such an agreement will discriminate with respect to any youth or any applicant for participation in any eligible project because of race, creed, color, national origin, sex, political affiliation, or beliefs; and

"(6)(A) the eligible applicant will not employ any youth when any other person is on layoff from the same or any substantially equivalent job of the eligible applicant;

"(B) no funds received under this title will be used to employ any person to fill a job opening created by the action of an employer in laying off or terminating the employment of any regular employee or otherwise reducing the regular work force not supported under this title in anticipation of filling the vacancy so created by hiring a youth to be supported under this title;

"(C) the jobs in each promotional line in no way infringe upon the promotional opportunities which would otherwsie be available to persons currently employed in public services not subsidized under this title, and no job will be filled in other than an entry level position in each promotional line;

"(D) all persons employed in jobs under this title will be assured of workmen's compensation, health insurance, unemployment insurance, coverage under collective-bargaining agreements, and other benefits at the same levels and to the same extent as other employees of the employer and to working conditions and promotional opportunities neither more nor less favorable than such other employees enjoy;

"(E) the provisions of section 2(a)(3) of Public Laws 89-286 (relating to health and safety conditions) shall apply to such project;

"(F) no funds for youth programs under this Act may be used to perform work, through a private or nonprofit organization or institution, which is customarily provided by a State, a political subdivision, or a local educational agency in the area served by the project; and

"(G) where a labor organization represents employees who are engaged in similar work in the same area to that proposed to be performed under the program for which an application is being developed for submission under this title, such organization shall be notified and afforded a reasonable period of time prior to the submission of the application in which to make comments to the applicant and to the Secretary.

"APPLICATIONS

"SEC. 1106. (a) Financial assistance under this title may be provided by the Secretary only pursuant to an application which is submitted by an eligible applicant and which is approved by the Secretary in accordance with the rules and regulations which the Secertary has promulgated governing programs to be funded under this title.

"(b) Each such application shall—

"(1) provide a description of the jobs to be filled, a listing of the major kinds of work to be performed to carry out eligible projects, and the approximate duration for which the participants would be assigned to such jobs;

"(2) provide a description of job training and skill development opportunities that will be made available to participating youth, as well as a description of plans to coordinate the training and work experience with school related programs including vocational training and the awarding of academic credit;

"(3) describe the wages or salaries to be paid youths and other persons employed in jobs and supervisory positions assisted under this title;

"(4) set forth assurances that there will be an adequate number of supervisory personnel on an eligible project and that the supervisory personnel are adequately trained in skills needed to carry out the project and can instruct participating youths in skills needed to carry out a project;

"(5) set forth assurances that any income generated by the project will be applied toward the cost of the project;

"(6) set forth such other assurances, arrangements, and conditions consistent with the provisions of this title, as the Secretary deems necessary, in accordance with such regulations as the Secretary shall prescribe; and

"(7) describe the organization and responsibilities of the administering local corporation required under section 1109 of this Act.

"PAYMENTS

"SEC. 1107. (a) The Secretary is authorized to pay any eligible applicant having an agreement under this title for that fiscal year the amount necessary to carry out that agreement, as determined by him.

"(b) Payments under this title may be made in installments, in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

"REVIEW AND AUDIT

"SEC. 1108. The Secretary and the Comptroller General of the United States, or any duly authorized representatives, shall have access for the purpose of audit and examination, to any books, documents, papers, and records of a grant or contract entered into under this title that are pertinent to the grant or contract.

"LOCAL CORPORATIONS

"SEC. 1109. To carry out the activities funded under this title, each eligible applicant shall establish or designate a local nonprofit corporation. The corporation shall include at least one representative for each of the following interests: the local government, local educational institutions, the business community, labor organizations, community based organizations, and the local manpower office. The Secretary in issuing guidelines and regulations shall include regulations concerning the organization and responsibilities of such local corporation.

"EDUCATION CREDIT

"SEC. 1110. The Secretary of Commerce in carrying out the purposes of this title shall work with the appropriate State education agency to provide that academic credit be awarded for work experience gained through this program.

"UTILIZATION OF OTHER FEDERAL AGENCIES SERVICES AND FACILITIES

"SEC. 1111. In addition to such other authority as he may have, the Secretary is authorized, in the performance of his functions under this title, and to the extent permitted by law, to utilize the services and facilities of departments, agencies, and establishments of the United States. The Secretary is also authorized to accept and utilize the services and facilities of the agencies of any State or political subdivision of a State, with their consent.".

TITLE III—FEDERAL WATER POLLUTION CONTROL ACT AUTHORIZATIONS

SEC. 301. Section 517 of the Federal Water Pollution Control Act, as amended (Public Law 92-500), is amended by striking the word "and" before the words "$350,000,000" and by striking the period at the end thereof and inserting the words "and $350,000,000 for each of the fiscal years ending June 30, 1976, September 30, 1977, and September 30, 1978.".

SEC. 302. (a) Section 104 of the Federal Water Pollution Control Act, as amended (Public Law 92-500), is amended by adding the following new subsection:

"(v) There are authorized to be appropriated to the Environmental Protection Agency for the following categories of research, development, and demonstration under this Act not to exceed $148,800,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978, of which each year—

"(1) $89,900,000 shall be for programs authorized by paragraph (1) of subsection (u) of this section,

"(2) $5,600,000 shall be for programs authorized by paragraph (4) of subsection (u) of this section,

"(3) $2,000,000 shall be for programs authorized by paragraph (5) of subsection (u) of this section,

"(4) $20,000,000 shall be for programs authorized by paragraph (6) of subsection (u) of this section,

"(5) $24,700,000 shall be for programs authorized by section 105(h) of this Act,

"(6) $4,600,000 shall be for programs authorized by section 107 of this Act, and

"(7) $2,000,000 shall be for programs authorized by section 113 of this Act.".

(b) Subsection (a) of section 106 of the Federal Water Pollution Control Act, as amended (Public Law 92-500), is amended by striking the word "and" after the words "1973," and by inserting after the words "1974;" the following "and (3) $75,000,000 for each of the fiscal years ending June 30, 1975, June 30, 1976, September 30, 1977, and September 30, 1978;".

(c) Subsection (c) of section 112 of the Federal Water Pollution Control Act, as amended, is amended to read as follows:

"(c) There are authorized to be appropriated $25,000,000 per fiscal year for the fiscal years ending June 30, 1973, June 30, 1974, June 30, 1975, June 30, 1976, September 30, 1977, and September 30, 1978, to carry out sections 109 through 112 of this Act.".

SEC. 303. (a) Section 207 of the Federal Water Pollution Control Act, as amended (86 Stat. 839), is amended by striking the period at the end of the sentence and adding ", and for each of the fiscal years ending September 30, 1977, and September 30, 1978, subject to such amounts as are provided in appropriation Acts, not to exceed $4,500,000,000.".

(b) The first sentence of subsection (a) of section 205 of the Federal Water Pollution Control Act (86 Stat. 837) is amended by striking out "June 30, 1972," and inserting in lieu thereof "June 30, 1972, and before September 30, 1976,".

(c) Such section 205 is further amended by adding at the thereof the following new subsection:

"(c)(1) Sums authorized to be appropriated pursuant to section 207 for each fiscal year beginning after September 30, 1976, shall be allotted by the Administrator on October 1 of the fiscal year for which authorized. Sums authorized for the fiscal years ending September 30, 1977, and September 30, 1978, shall be allotted in accordance with the following table:

"State:	Proportional share
Alabama	0.0110
Alaska	.0048
Arizona	.0064
Arkansas	.0109
California	.0831
Colorado	.0081
Connecticut	.0123
Delaware	.0040
District of Columbia	.0040
Florida	.0361
Georgia	.0201
Hawaii	.0070
Idaho	.0041
Illinois	.0526
Indiana	.0219
Iowa	.0111
Kansas	.0123
Kentucky	.0151
Louisiana	.0123
Maine	.0055
Maryland	.0382
Massachusetts	.0279
Michigan	.0473
Minnesota	.0152
Mississippi	.0076
Missouri	.0200
Montana	.0020
Nebraska	.0062
Nevada	.0030
New Hampshire	.0068
New Jersey	.0480
New Mexico	.0026
New York	.1062
North Carolina	.0209
North Dakota	.0019
Ohio	.0560
Oklahoma	.0136
Oregon	.0084
Pennsylvania	.0471
Rhode Island	.0040
South Carolina	.0132
South Dakota	.0016
Tennessee	.0150
Texas	.0434
Utah	.0051
Vermont	.0022
Virginia	.0222
Washington	.0155
West Virginia	.0218
Wisconsin	.0201
Wyoming	.0012
Virgin Islands	.0005
Puerto Rico	.0090
American Samoa	.0003
Trust Territories	.0020
Guam	.0010

If the sums allotted to the States for a fiscal year are made subject to a limitation on obligation by an appropriation Act, such limitation shall apply to each State in proportion to its allotment.

"(2) For the fiscal years 1977 and 1978, no State shall receive less than one-third of 1 per centum of the total allotment under the first paragraph of this subsection, except that in the case of Guam, Virgin Islands, American Samoa, and the Trust Territories, not more than forty one-hundredths of 1 per centum in the aggregate shall be alloted to all four of these jurisdictions. For the purpose of carrying out this paragragh there are authorized to be appropriated, subject to such amounts as are provided in appropriation Acts, not to exceed $40,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978.".

SEC. 304. (a) Section 208(f)(2) of the Federal Water Pollution Control Act (33 U.S.C. 2188) is amended to read as follows:

"(2) For the two-year period beginning on the date the first grant is made under paragraph (1) of this subsection to an agency, if such first grant is made before October 1, 1977, the amount of each such grant to such agency shall be 100 per centum of the costs of developing and operating a continuing areawide waste treatment management planning process under subsection (b) of this section, and thereafter the amount granted to such agency shall not exceed 75 per centum of such costs in each succeeding one-year period. In the case of any other grant made to an agency under such paragraph (1) of this subsection, the amount of such grant shall not exceed 75 per centum of the costs of developing and operating a continuing areawide waste treatment management planning process in any year.".

(b) The second sentence of section 208(f)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1288) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "subject to such amounts as are provided in appropriation Acts.".

(c) Section 208(f)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1288) is amended by striking out "and not to exceed $150,000,000 for the fiscal year ending June 30, 1975." and inserting in lieu thereof "and not to exceed $150,000,000 per fiscal year for the fiscal years ending June 3, 1975, September 30, 1977, and September 30, 1978.".

SEC. 305. Paragraph (2) of subsection (c) of section 314 of the Federal Water Pollution Control Act, as amended, is amended to read as follows:

"(2) There is authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1973; $100,000,000 for the fiscal year ending June 30, 1974; and $150,000,000 for each of the fiscal years 1975, 1976, 1977, and 1978 for grants to States under this section which such sums shall remain available until expended. The Administrator shall provide for an equitable distribution of such sums to the States with approved methods and procedures under this section.".

SEC. 306. Subsection (b)(1) of section 205 of the Federal Water Pollution Control Act, as amended (86 Stat. 837), is amended by striking "one-year" and by inserting after the second sentence the following: "The

sums first made available for obligation during fiscal year 1976 shall continue to be available for obligation until September 30, 1978.".

Mr. STAFFORD. Mr. President, I ask unanimous consent that during consideration and voting on S. 427, Geoffrey Garin and Tim Gillespie of the staff of Senator HEINZ and Victor Mercke of my staff be granted the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BURDICK. Mr. President, I ask unanimous consent that during consideration of and voting on S. 427, the Public Works Employment Act of 1977, the following staff members be granted the privilege of the floor: John W. Yago, Richard M. Harris, Phillip T. Cummings, Bailey Guard, Judy Parente, Richard Greer, Jacqueline Shafer, E. Stevens Swain, Leon Billings, John Freshman, James Case, Susan Martel, Tom Williams, and Bob Van Heuvelen.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I ask that two additional members of the staff of Senator JAVITS be added during consideration and voting on S. 427; Chuck Warren and James O'Connell.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Jack Brooks and Nick Andrus of my staff be granted privilege of the floor during the consideration of the pending bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, a point of order.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. RANDOLPH. The matter before us is of vital importance. I know all Members are interested. I am not critical of the noise. I know that certain chores have to be accomplished. But I hope as we begin debate on this Public Works Employment Act that we can make it possible through the leadership of the Chair to have the membership in a receptive mood to hear the presentation of the bill's features from the members of the Environment and Public Works Committee.

Mr. BURDICK. Mr. President, title I of S. 427, the Public Works Employment Act of 1977, extends the program of grants to State and local governments to provide jobs through construction in places with the most distressing levels of unemployment. The program was begun in 1976 with an initial appropriation of $2 billion; those funds have now been obligated by the Economic Development Administration.

Title II authorizes a youth community improvement program to provide employment and early job experience to youths ages 16 through 19. Title III continues authority through fiscal year 1978 for water pollution control programs. Grants for the construction of waste treatment facilities also effectively provide for the creation of new jobs in public works.

Unemployment is 7.5 percent today; unemployment levels in the construction industry are double that figure. The Carter administration, in its stimulus package sent to Congress, called for a continuation of this public works effort. I believe there is broad agreement in Congress and the administration that this public works program (a) effectively provides new jobs in the private sector, (b) effectively provides additional stimulus to the lagging economy, and (c) effectively supplements local governments' efforts to carry out capital expenditure programs, which have declined alarmingly the past 10 years.

Title I authorizes $4 billion for the period ending September 30, 1978. It is the committee's understanding that, if the Congress appropriates the entire $4 billion in this fiscal year, the administration will obligate it within this fiscal year for projects selected from those on file with the Economic Development Administration that were submitted in late 1976. There are currently 22,000 such projects.

This is a program of 100-percent grants to States, counties, municipalities, school districts, and special purpose units of Government for the construction of needed facilities. The Subcommittee on Regional and Community Development of the Committee on Environment and Public Works held 3 days of hearings on the bill. We heard from the cities, States, counties, school districts, environment groups, labor, business, Indians, and a variety of public interest groups. There is little doubt that mistakes were made in the first round in 1976. Most everyone has by now heard some of these horror stories. It is also a fact that nearly 2,000 projects were funded within the time set by Congress. The projects are underway, and people are already working.

The committee attempted, in S. 427, to simplify and clarify the program so it can be easily understood. It recommends to the Senate that the upcoming round be limited to the applications on file at EDA. It concurs with the administration's proposal to consult local-elected officials for their project priorities. It provides a set-aside of funds to give priority consideration to projects erroneously excluded from first round funding. And, except for specific changes in the legislation, the committee generally concurs with the administration's proposed policies and procedures for the next round of funding.

The major provisions of title I include the authorization for $4 billion. The formula for distribution of funds among the States is set forth in the bill. It provides that 65 percent of the funds be allotted on total numbers of unemployed and 35 percent on the basis of the relative severity of unemployment, with States participation in the 35-percent allocation only if their unemployment rates exceed 6.5 percent for the most recent 12-month period. Page 6 of the committee report describes how the formula worked in the first round.

The allocation formula recommended by the committee is a compromise between the administration's proposal of a 65/35 split, with the participation of States, in the 35-percent allocation only if their unemployment rates exceeded the national average, and the so-called Heinz formula by which money is apportioned among the States solely on the basis of each State's share of unemployed persons in the Nation.

The compromise formula proposed by the committee takes account of the severity of unemployment in some States, rather than distributing the money solely on a per capita unemployment basis. The committee believes that, with the one-half of 1 percent minimum for those States that would otherwise receive less than the minimum and with nearly two-thirds of the allocation based on per capita employment, it has not diluted the purposes of the act, which were to target projects to places of the highest unemployment.

The committee bill contains a requirement that 85 percent of the funds within each State shall go to areas with unemployment levels above the national average, and 15 percent will go to those areas with unemployment levels between 6.5 percent and the national average. The committee believes the 70/30 breakout required in the 1976 law was unfortunate. Some bad stories resulted from this division. The administration proposed that no formula be used. Again the committee reached a compromise: the reported bill permits the Secretary of Commerce to waive the 85/15 requirement in those States with unemployment rates above the national average and those States receiving the statutory minimum. But the Committee believes the 15 percent set-aside is warranted because many communities with a large portion of a State's unemployment people would not otherwise receive a project because their unemployment rates are not competitive.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. BURDICK. I yield to the Senator from New York.

Mr. MOYNIHAN. I thank the Senator.

As the Senator knows, with respect to the question of allocations within States and within counties, some difficulty has arisen where there are special circumstances.

I note that the Subcommittee on Regional and Community Development, of which the Senator from North Dakota is chairman, held hearings, and among the units of government present were counties, as we would expect them to be.

There are some counties which are in special circumstances that defy the existing formula. Nassau County, for example, on Long Island, a county the size and population of many of our States, happens to be divided into three towns which take up all the area of the county, in the sense that there is no county left; and under the strict provisions, there would be no allocation to the county of funds even though that is the major unit of government.

In the report of the committee it is stated that for the next round, separate benchmarks will be established for cities over 50,000 and balance of counties. The

Assistant Secretary will have the discretion to permit county projects to use as much as 50 percent of the city's benchmark.

I ask the Senator if that is his understanding of the intention of the legislation and of the committee.

Mr. BURDICK. That is correct.

It is very difficult, in legislation, to cover every precise situation. There has to be some flexibility, and it is believed that the administration has the flexibility in this particular area, in the interest of justice.

Mr. MOYNIHAN. I thank the Senator.

Mr. BURDICK. Another feature of the committee bill is that, in carrying out second round project selections, EDA will take into consideration the distribution of funds made under last year's program. Under the EDA proposed guidelines for round two, grants made the first round would be subtracted from the round two county or city planning targets or benchmarks.

The committee bill has eliminated the section in the 1976 act that permitted gerrymandering of project areas. However, it has retained the so-called pockets of poverty provision, with the added requirement that projects must be located in the "pocket" area.

The administration did not recommend that school districts be given the same status in project scoring as in round one. However, the committee voted to again include school districts within the definition of local governments, thus giving them equal competitive opportunities with county and municipal governments.

The use of a 3-month data basis for unemployment in round one resulted in uneven application of the time period among projects. The committee bill has accepted the administration's recommendation that the most recent 12-month period be used for all projects, thus insuring that the data will be seasonally adjusted.

The committee bill contains a set-aside of up to 2½ percent for Indians. This insures a substantial fund for Indian projects and at the same time it permits high-unemployment non-Indian communities a competitive chance to be awarded projects in States with Indian communities.

The committee bill provides that up to 1 percent of the funds appropriated may be available to fund projects not selected in round one due to EDA's procedural errors. Errors in round two would be similarly funded from this source.

Another important committee amendment provides that, in the case of State or special purpose government projects, if such projects are endorsed by the local government of jurisdiction, they will be given the same scoring as local government projects.

An amendment was added in committee regarding environmental impact assessment. The Secretary's authority to reject projects which would have significant environmental impact is clarified by the amendment. Applicants are required to submit sufficient information for the Secretary to make this determination.

Other committee amendments provide guidance in project selection by requiring EDA to favor projects, in the case of ties, that have the potential to create immediate jobs and are projects that can be completed in time to achieve a countercyclical impact. Also, an amendment was adopted requiring all funded projects to be constructed or renovated in a manner accessible to handicapped and elderly.

Further, the committee in the bill authorizes a Presidential study of public works investment in the United States. The purpose of such a study is to analyze public works investments over the past 30 years in an effort to determine and assess the meaning of trends in types, location, and levels of investment of public works activities. A report is to be made to Congress in a year and a half.

Finally, the committee bill provides that, if appropriations under this authorization are made in 1978, constituting in effect a third round, new or revised applications will be received. The bill also provides eligibility for private nonprofit entities for health care or rehabilitation facility projects in the case of a third round.

Let me say in closing that the committee based much in the committee bill on the proposed administrative policies that the EDA would use in a new round of project funding. These proposed policies and procedures were not flatly accepted. When this act becomes law, EDA will revise its regulations and procedures and consult with the committee on them. At that time, the committee will examine whether all applicants are given equal treatment in the competition for projects.

In recent weeks, the committee has been overwhelmed by applicants and associations representing them expressing concern with EDA's proposed project selection system. Counties are concerned that they are at a competitive disadvantage if they are denied the use of county-wide unemployment statistics. States are concerned that they will be unable to compete for projects if they are required to use State-wide per capita income data. I have listened to them and I am in sympathy with their desire to get equal treatment.

The committee's information is that EDA has not made final decisions on a project selection system. When they do, the committee will examine the proposals before the final promulgation to be certain that no group of applicants is competitively advantaged or disadvantaged.

Mr. President, I ask unanimous consent that a letter to individual Members of the Senate from the Secretary of Commerce be included at this point in the RECORD. The letter states the administration's support of the committee compromise distribution formula.

I ask unanimous consent also to include in the RECORD recent editorials from the New York Times and the Washington Post dealing with the formula.

There being no objection, the letter and editorials were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., March 4, 1977.

DEAR SENATOR: The first part of the President's economic stimulus package, the Public Works Employment program (S. 427), will probably be before you on the Senate floor during the week of March 7. This program represents the first step in the President's effort to improve the Nation's acute unemployment problem.

The bill authorizes $4 billion to be spent on public works projects throughout the country. Initially, the Administration proposed to target the funds in the following manner: 65 percent would be allocated according to each State's number of unemployed and 35 percent would be targeted to areas of extraordinary unemployment—States with unemployment above the national average (7.7 percent). However, the Administration now supports the compromise targeting formula developed by the Senate Public Works Committee which is contained in the bill. This compromise would allocate 65 percent of the funds according to the number of unemployed and 35 percent to States with unemployment rates above 6.5 percent. The Administration strongly opposes any further dilution of the targeting formula.

The President has emphasized the importance of maintaining the distribution formula as it is presently written. Without the targeting of funds to the areas of acute need, the effect of the stimulus package will be substantially impaired.

The Congressional intent of this bill is to target aid to economically depressed areas. This precedent of targeting funds to the hardest hit areas is well established in previous local public works legislation, in public service employment, and in countercyclical revenue sharing. It would be unwise to change this principle of targeting funds to the areas of greatest need. I therefore urge that you support the allocation provision which is contained in the Committee's bill.

Sincerely,

JUANITA M. KREPS.

[From the New York Times, Feb. 21, 1977]

PENNSYLVANIA PARK AND PUBLIC WORKS

To help stimulate the economy and create jobs, President Carter is proposing to allocate $4 billion for public works—the construction of new schools, sewers, roads and whatever else local governments would like from a Federal list of qualified projects. At the moment, the list of eligible projects is about $22 billion long, so spending the money should present no problems. But Congress is finding problems anyway.

The formulas to determine who shall get how much pork from this public-works barrels are developed along two tracks, in the House and Senate. So far, the House Public Works Committee is holding to last year's formula, which gives weight to the total number of unemployed in each state but provides additional money where unemployment exceeds the national average. By this House formula, New York would receive $466 million over the next two years, New Jersey $200 million and Connecticut $97 million.

The Senate, however, due to the efforts of Senator H. J. Heinz 3d, Republican of Pennsylvania, is considering a new "simplification"—elimination of the special weight for above-average unemployment. Coincidentally, this will enhance Pennsylvania's share of the public works pork by 26 percent, while reducing the share of eight states. New York would lose $94 million (20 percent), New Jersey $41 million (20 percent) and Connecticut $23 million (24 percent). Because more states will benefit than lose from the revision, the Heinz amendment will be difficult to stop.

We do not know what depresses us more:

the amendment itself or Senator Heinz's rude salute to his Northeast neighbors.

The difference between a good public-works bill and a bad one does not turn only on the question of whose pork is being gored. In this year's package, for instance, the Carter Administration was seeking maximum economic stimulus but with a minimum risk of causing more inflation.

A public-works dollar that is spent in a city with heavy unemployment in the construction industry would put less pressure on prices than the same dollar spent in a region with a tight labor market. The overall unemployment figures are not sufficient clue to the idleness of construction workers because the nature of unemployment varies from region to region. In some places, most of the jobless are victims of layoffs induced by recession. But elsewhere, the unemployed total reflects so-called structural problems, that is, workers shunned by industry because they are too young, too old or lack skills.

Structural unemployment has persisted through the best of times, unrelieved by such programs as public-works construction. That is why Congress began to target extra funds to areas with above-average unemployment rates. Those regions are more likely to contain pools of high-quality labor that could be put to work with little impact on wages or prices.

Senator Heinz's amendment would treat equally unemployment in Texas—almost entirely structural and not responsive to public-works relief—and in New Jersey where many of the unemployed could be recruited.

So the amendment itself is distressing. Equally so is the defection of Senator Heinz from the Snowbelt caucus. The industrial economies of the Northeast and Upper Midwest have been steadily losing ground to the South and Southwest. Some of this shift in economic strength was inevitable, a reflection of the lure of good weather and plentiful resources. But the trend has been accelerated by Federal policies, by a pattern of aid and expenditure that, arguably, discriminates against the older industrial regions. Reversing this trend in Federal policy requires the collective effort of the affected states. Senator Heinz's unfortunate dash for the caucus exit at first whiff of a little extra cash for Pennsylvania makes us wonder whether the needy states can learn to work together.

[From the Washington Post, March 9, 1977]

PUBLIC WORKS AND INFLATION

Congress has now made up its collective mind to authorize another $4 billion for public works, to crank up the economy and generate jobs. The present quarrel is over the formula to divide up this massive lump of money among the states. The outcome will be an important signal regarding future inflation. If Congress insists on voting Sen. John Heinz's amendment into the bill, it will significantly increase the inflationary impact of this money.

At best, public construction is not a particularly good way to fight recessions. The pace of these big projects means that most of the money is spent, typically, long after the recovery has picked up momentum. The money in this particular bill would be spent over the next three years and, if the Carter administration's strategy is successful, economic activity will be rising briskly well before the $4 billion has been spent. The challenge here is to prevent it from aggravating inflation in 1979 as unemployment drops and labor markets tighten.

The original form of the bill—vigorously supported by the administration and the congressional leadership—offers at least a partial solution. While two thirds of the money would be distributed in proportion to the number of unemployed people in each state, one third would be reserved for those states with the highest unemployment rates. It would give disproportionately large shares to those states where the suffering is most severe. That's an important provision. For contrast, the Heinz formula would put more of the money into states with relatively low unemployment rates and healthy industry. Mr. Heinz's state of Pennsylvania, and 23 others, will get a bigger piece of the pie if the amendment goes through.

One particularly dismaying example is the state of Texas. Under the Heinz amendment, it would get $155 million of this new public works fund—compared with only $97 million under the administration's version of the bill. But in the Houston and Dallas areas, unemployment in the construction trades is already far below the national average. If it drops much farther, there will be danger of new inflation as the amount of work outruns the labor force available to do it.

The House passed the bill at the end of February with the Heinz amendment in it. The Senate committee first embraced the amendment, then reconsidered and reported the bill without it. The full Senate is scheduled to vote on the amendment within the next few days. Ordinarily, this kind of struggle is merely a routine test of strength among the states. But this time there is something more at stake. As Congress enacts this year's bills for economic recovery, is it willing to think ahead and build in safeguards against future years' inflation?

Mr. RANDOLPH. Mr. President, the statement of the chairman of our subcommittee (Mr. BURDICK) who is handling this legislation and held the hearings, has been helpful as we begin to understand the provisions of the Public Works Employment Act. Careful consideration of this measure is important and, hopefully, final passage will occur before nightfall.

The bill reported from the Committee on Environment and Public Works is, as has been indicated, an amendment of the public works jobs program that was enacted in the 94th Congress. I will not be repetitive of what the able Senator from North Dakota (Mr. BURDICK) has indicated in his opening remarks. I do think, however, the record should reflect the feeling of the members of the committee, not as Democrats or Republicans but as members who are cognizant of the needs for this legislation. Senators must be aware of the thinking which brought us to support those provisions contained in the reported bill.

This legislation contains many of the suggestions that President Carter has had in his package for stimulus to the general economy of this country. Here in the Senate, and in the House, that body having previously passed its companion bill, we attempt to provide very prompt assistance for the hardest hit and the most persistently depressed portions of the economy. Certainly some of those sections are in New York State, frankly, the State of the able Senator from New York (Mr. MOYNIHAN) who is now one of the new and active members of our committee. The construction unemployment figure I recall for Rochester was 30 or 35 percent.

So whether it is in the State of New York, the State of California, or the State of West Virginia, there are these needs for gainful jobs for unemployed people who are ready to work, who want to work, and who have the skills to work on the type of projects that will be of lasting benefit to both the smaller and larger communities.

In our markup sessions—and all of the sessions including hearings and markup are open to the public. The Committee on Environment and Public Works has been, through the years, a committee attempting to have that policy—although at some times, of course, in Congress it understandably must be modified—where people understand exactly what we are doing, what the Members are saying, and what we are trying to report in a bill such as is here today.

So the members of our committee, with no partisanship, no label of party, have reported a bill which we believe generally, we hope frankly, can pass this body intact as it came from the committee.

There is a need for economic stimulus legislation. It is crucial, because when the Local Public Works and Capital Investment Act was passed—that was last year—we had unacceptable levels of unemployment.

Those levels, as indicated by the Senator from North Dakota showed that the construction industry continued to be an industry hard hit not only last year but even, perhaps, more severely hit in the early months of this year. It is, therefore, a continuing problem because the economic recovery on the national level has been deterred for many reasons, including the impact of the severe winter. The winter in New York, frankly the winter, in varying degrees all over this country has seriously effected the economy. The shortages of natural gas shutting down many, many plants of thousands of workers in a State like West Virginia and, perhaps, a dozen other States in the country has had its impact.

These were the layoffs, these were the shortages which have contributed to the high unemployment rate. Senator BURDICK has mentioned that, and I only repeat it—7.69 percent of the labor force was unemployed in 1976, and yet the labor force in the construction industry is at a level of twice the national rate.

These are the reflections from the country as seen by the people who certainly know that the need is great and that this is the place where Government comes in, not with a handout but with an uplifted hand, giving them the opportunity to use their hands in gainful employment. I think that is what Government is partially for in a time like this.

As we think of State and local government outlays for new construction over a period of time, we look back to 1967 and we find that actually since that date construction has actually dropped in volume from about $30.8 billion to $22 billion in 1972 dollars. Construction has declined rather than going up, as it has in so many other areas of our activity. In our highway programs; frankly, really we are spending less money in a sense dollarwise than before.

Mr. JACKSON. Mr. President, will the Senator yield for a brief comment?

Mr. RANDOLPH. I yield to the able Senator from Washington.

Mr. JACKSON. Mr. President, all of us in the U.S. Senate owe the distinguished Senator from West Virginia a great debt for his long, persistent, and indeed effective efforts in the area of public works and employment.

I speak, I know, for the Members of this body in saying that without his leadership we would not have been able to move as we are today.

I shall make a couple of observations, if I might, in connection with the decision concerning the re-referral of the youth employment title of S. 427 to the Human Resources Committee.

The Senator from West Virginia and I have been long active in this effort in connection with the Youth Conservation Corps, and the proposed Young Adult Conservation Corps which is the natural followup to that.

Mr. RANDOLPH. I remember when the Senator came to West Virginia.

Mr. JACKSON. That is right. And West Virginia had the first opening of the Youth Conservation Corps in the Nation—Camp Wood—and I think we ought to open another one this spring for the followup to this, the Young Adult Conservation Corps.

Mr. RANDOLPH. I would even like one in Vermont because Senator STAFFORD worked very actively on this.

Mr. JACKSON. Yes, and we will gradually move West later.

Mr. STAFFORD. We had them before and wish to have them again.

Mr. RANDOLPH. The Senator from Vermont (Mr. STAFFORD), of course, the ranking minority of our committee, is going to be with me and perhaps other Senators discussing the arrangements that we have made so as to accommodate these matters of youth programs later in the debate this afternoon.

Mr. JACKSON. Very good. I wished to put in the RECORD the understanding, if we might, and have the RECORD show we have worked this out on, I think, an amicable basis. As the Senator knows, the committee he is on now and the Committee on Energy and Natural Resources have taken the early lead on the Youth Conservation Corps and the Young Adult Conservation Corps. The point that I make is that it is important in terms of timing to this very fine program to see that we move expeditiously. As I understand it, there will be early hearings, and with both Senators on the Human Resources Committee I trust that the committee will move quickly on these hearings, and that I have the opportunity to testify.

Mr. STAFFORD. That is absolutely true insofar as this Senator and Senator RANDOLPH are concerned.

Mr. JACKSON. That is all we need.

Mr. RANDOLPH. And we believe the other Senators concerned have reached the same conclusion.

Mr. JACKSON. Mr. President, I heartily concur in the agreement that has been reached here today concerning re-referral of the youth employment title of S. 427 to the Human Resources Committee. I share the view of my colleagues and President Carter that it is important to coordinate our efforts in this regard if we are to have a truly comprehensive youth employment package.

In 1970 Congress enacted legislation creating a pilot Youth Conservation Corps program to provide summer employment opportunities on our public lands and waters to approximately 3,000 young people from 15 to 18 years of age. In fact, I am sure that Senator RANDOLPH will recall that he and I dedicated the first YCC camp—Camp Wood—in his State of West Virginia in 1971.

Since that time, Congress has twice extended and expanded the program making the YCC a permanent part of our national scene. Like its predecessor of the 1930's—the Civilian Conservation Corps—the YCC has proven to be a very successful and popular program. Since its inception, and including this year's enrollment, some 56,000 young men and women from all segments of society have participated in the YCC program. These young people have made meaningful improvements to our natural resources worth almost $30 million. In so doing, they have returned to the Nation approximately 80 cents on every dollar appropriated. The popularity of the program is attested to by the fact that 200,000 young people applied for approximately 24,000 YCC enrollee positions available last summer.

As you know, Mr. President, for some time now my colleague in the House (Mr. MEEDS) and I have sought enactment of legislation which embodies the concepts of the Youth Conservation Corps and its predecessor of the 1930's—the Civilian Conservation Corps. In my view, such an approach—a Young Adult Conservation Corps—offers us the unique opportunity to improve both our human and natural resources in a single program. That is, we can reduce youth unemployment and, at the same time, reduce the serious backlog of conservation-related projects on our public lands.

I have been assured by the chairman of both the Environment and Public Works Committee (Mr. RANDOLPH) and the Human Resources Committee (Mr. WILLIAMS) that such an approach will be an integral part of a final comprehensive youth employment package. I am also very pleased to see that President Carter shares our concern and has made such a proposal a key element of the administration's youth employment program. I would like to assure both my colleagues in the Congress and the administration that I will do all that I can to hasten enactment of a comprehensive youth employment package which contains a significant conservation corps title.

However, I want to be very clear on several important points. The first is timing. I understand the need for some delay so that a comprehensive approach to this problem can be developed. However, I do not need to remind my colleagues that thousands of young people in this country need work now. Similarly, there are thousands of jobs on our Nation's public lands and waters that need doing now. By utilizing the administrative experience the Departments of the Interior and Agriculture have gained through the YCC program, 40,000 young people could be put to work on meaningful conservation-related projects within 180 days if adequate fundings and authority were available.

I sincerely hope that the administration and my good friends on the Human Resources Committee meet the timetable that has been outlined here today so that we can get some of these young people to work in the out of doors this summer when they graduate from high school.

Another point I raise concerns the administration of a Young Adult Conservation Corps program. The Carter administration has made it quite clear that the Department of Labor is to assume the role as lead agency for the coordination and overall administration of the various youth employment programs. While I have no objections to this approach in principle, I want to be sure that, to the fullest extent possible, the Secretaries of the Interior and Agriculture are given the responsibility and authority necessary to effectively recruit and hire enrollees and administer work projects located on their lands. The Departments, and especially the individual land managers in the field, must have the flexibility to operate the program in a manner consistent with the needs of the lands they administer and the young people they will employ. I have some more specific suggestions regarding how this intra-agency relationship might work and would hope that I be given an opportunity to testify before Senator WILLIAMS' committee when this legislation is considered.

Finally, it is my understanding that the committee having jurisdiction over the public lands—the Energy and Natural Resources Committee—will share joint oversight responsibility with the Human Resources Committee as far as the Conservation Corps element of the youth employment program is concerned. I feel this joint responsibility is important if these three agencies are to work effectively together.

I deeply appreciate the assurance that we have that we will move expeditiously for the Youth Conservation Corps program.

The PRESIDING OFFICER (Mr. ANDERSON). Will Senators please use the microphones?

Mr. JACKSON. It is very important that the actual administration of this effort be carried out by the Departments of the Interior and Agriculture as it pertains to the national parks, wilderness, forests, and public lands. As the Senators know in the States of Vermont and West Virginia, these two departments, especially the Forest Service and Park Service, do have the expertise to administer and handle these programs. I think that is very important that these departments be involved since so much needs to be done in their lands. I am glad that we have reached an accommodation on that.

Some of the recruitment, as I understand, will be handled by the Department of Labor, but the two Secretaries would administer these programs because they know the problems that exist in those areas. Is that not correct?

Mr. RANDOLPH. That is correct.

It is a coordinated effort, but certainly the young adult employment for those persons who would work in conservation efforts of this country is certainly one of the most vital types of youth employment that can possibly be authorized by Congress. It not only stimulates now but the record of its past commends it to me, of course, as it does to Members of the Senate.

Mr. JACKSON. I thank the distinguished chairman and ranking minority member for their assurances and comments here this morning because I think that does solve the problem.

Mr. RANDOLPH. I thank the Senator from Washington and, as I indicated to him, later in my remarks the Senator from Vermont (Mr. STAFFORD) and I shall go into this subject perhaps a little more in detail, but it is most appropriate that we focus attention on it at this ime.

Mr. JACKSON. I thank the distinguished chairman.

Mr. RANDOLPH. Mr. President, public works programs of the past and the present have been favored by the American people as employment generating tools. The American people know what these programs do, what they accomplish, and what they leave as a testimony to those who have worked in them. These programs are very, very important. One can go into West Virginia today and find projects developed even under WPA which improved school buildings. Those same structures constructed in the thirties and being used now are not delapidated structures, but the facilities of lasting value. In a town like the county seat of Braxton, back in our hills, the streets, the sidewalks, and the roadways, being used today, were constructed during the depression with WPA funds.

Senator ROBERT C. BYRD, who is in the Chamber, will remember that the Sutton area, the county seat of that county, is an example in West Virginia of those projects, the work done on them, and they continue to serve people.

That is why today, when we bring this sort of legislation here, it reflects that which has been done and that which continues to serve people. I think that is important in Nausau County or important in any county of the United States of America. So we have generated in the past these tools which we know how to use, and it has been done with sound reasoning.

The timing of public works projects, of course, is very important. There are economic peaks and valleys in America, which we call recession or depression. I hope I shall never again be in Congress at a time, as I was 44 years ago when there were 21 million persons unemployed in this country. Think of it. That was true in 1933, with a population of perhaps 130 million people. Today, with 215 million persons, we have unemployment of perhaps 8 million people.

We now understand that these types of public works projects do much to offset the fluctuation of business cycles. They are evidence that we can do constructive work in relieving unemployment. Evidence of this can be seen when unemployment is reviewed since the committee began working on an antirecessionary job in July of 1975. The action taken last year in part, of course, relieved the situation, but the unemployment, in 1975 was 8.6 percent.

This is not political in any sense, but we had two vetoes of legislative matters dealing with this subject by the President of the United States in 1976. We attempted to work with the administration, and the matter finally came into being with the act that was implemented last year because the Congress recognized the value of public works jobs programs.

I remember that on July 22 of last year, we had to—I do not like to use the word—override the President. I always hesitate to use that, because he had a responsibility, as we have a responsibility. But here in Congress, we took issue with the President—I would rather put it that way—and, having failed to override in the Senate the first time, we then, taking issue with the President on the second bill, were able to make the 1976 act effective.

With the obligation of the funds, in the first round, we will create many direct jobs. We will also create so-called spinoff jobs, satellite jobs, and fringe jobs which can amount to a considerable number. Unemployment will begin to decline as the projects are funded by last year's bill and this bill started.

We need this legislation now, because in most of our country, at least a considerable portion, the spring is the time when these projects can get underway. We do not want to wait until the middle of the summer and let fall and the colder months of the year approach again. We want the beginning of these projects in what I call the construction season.

Last year's act, as Senators will recall, authorized, under title I, $2 billion for what was the first truly broad scale national program for quite some time to reduce unemployment through public works expenditures since the Accelerated Public Works Act of 1962. That program generated 7,000 good, realistic projects. By the deadline for applications, the Economic Development Administration had received approximately 25,000 project applications, with a value of nearly $25 billion. A total of 1,988 projects were selected for funding with the $2 billion made available under the act. I think it is important to recall that 1,195 of these projects—I will be precise—were from cities, 230 were from counties, 241 from school districts, 111 were called State projects, and 83 were initiated within the Indian tribes of our country. The average rate of unemployment in the areas receiving grants was 12.3 percent. We go where the need is great, and that is important, and is written into this legislation.

Title I of S. 427, the Public Works Employment Act, seeks to extend the program of grants to State and local governments, to continue to provide funds for construction of what, I say again, are needed, vital public facilities. Placing people in jobs, putting people back to work through employment, I think, remains an issue deserving the highest priority in the remaining months of fiscal year 1977.

The $4 billion in additional funds for these local public works programs included in the Third Concurrent Resolution is consistent with the authorization in the Public Works Employment Act which is before us. The amount also coincides with the proposal for keeping the public works jobs programs financed, and continuing, advanced by statements from President Carter as part of his economic stimulus package.

The amount authorized can be available from the time of enactment until the end of fiscal year 1978. The applications—do we have them? Certainly we have them. Thousands of them are on file with the Economic Development Administration as a result of the action we took in 1976. In the event that the full amount available is not appropriated by the end of our current fiscal year, we have provided in the bill that new applications could be received and considered by the Economic Development Administration, including private, nonprofit health care and rehabilitation project applications.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to the distinguished Senator from Connecticut.

Mr. RIBICOFF. I wish to commend the distinguished chairman for his outstanding work on this measure and similar measures ever since he has been in Congress. May I ask the distinguished Senator a few questions?

Mr. RANDOLPH. Yes, indeed.

Mr. RIBICOFF. Is it true that this present Public Works Employment Act is aimed at those areas of high unemployment which have been particularly hard hit by the economic dislocations of recent years?

Mr. RANDOLPH. That is correct.

Mr. RIBICOFF. My understanding of the bill is that it will also relieve structural unemployment in some fields by targeting extra funds to those locations with above-average joblessness; is that understanding correct?

Mr. RANDOLPH. That is correct.

Mr. RIBICOFF. In a State like Connecticut, while our average is above 8 percent, there are cities in Connecticut which continue to experience unemployment levels as high as 16 percent.

Mr. RANDOLPH. That is correct, and that is important. The Senator has put his comment on this bill into the colloquy at a very crucial point. Projects must be directed to where the need is greatest.

Mr. RIBICOFF. Under the bill originally proposed by the administration, the State of Connecticut, I understand, would have received $84.9 million. There has been a lot of fencing back and forth in the committee, and I call attention to the fact that our distinguished colleague from New York, the distinguished Senator from West Virginia, and the distinguished Senator from Vermont, seeing the situation that had developed, tried to work out a fair compromise for the entire Nation; and under the compromise, the State of Connecticut, according to my understanding, would receive $81.03 million, a reduction of $3.8 million, or 4.6 percent.

Mr. RANDOLPH. That is correct.

Mr. RIBICOFF. The compromise

worked out by the committee, however, continues to focus additional aid to those areas, such as a number of Connecticut cities and towns and other areas around the country, with especially high levels of unemployment.

Mr. RANDOLPH. That is correct; yes.

Mr. RIBICOFF. So there has been a great deal of statesmanship displayed by the distinguished chairman of the committee and the ranking minority member, and I would hope that the entire Senate would take into account the problems of the entire Nation, and not try to get a little advantage for one area over another. In my experience in the Senate, what has harmed the Nation as a whole is trying to find a formula for 26 States that would get them a few dollars over 24 other States, irrespective of the justice or injustice involved.

I think of this because, as I read the papers and follow the situation, we have a drought experience in sections of our country. We have the question of what dams will or will not be phased out of construction. None of these would affect the States of Connecticut or New York. Yet, time and time again Members of this body come and ask Senators from the industrial States, whether it be New York, Connecticut, or Massachusetts, for help with their concern.

I think it would be a sad day for our Nation if every issue in a body of 100 men affecting 50 States would be so parochial that it would only impinge or impact on one State and not another State without taking into account that we are one Nation and we have to try to solve the basic problems of the entire Nation. We must address these basic problems in this country as to what is good for the entire country. If we try to set one State off against another State the entire Nation would be hurt in the process.

That is why I come to the floor at this moment to express my appreciation and commendation for the Senator from West Virginia, the chairman of this great committee, and the ranking member from Vermont, who does not have the same problems in his rural State. The chairman has shown statesmanship and deserves the support and affirmative vote of the Senate for what he and Senator STAFFORD have achieved.

Mr. RANDOLPH. I know Senator STAFFORD and I are very appreciative of the comments of the Senator from Connecticut. He is very diligent not only to the constituency in his own State but he has constantly shown a broad outlook. There are many times, as the record will indicate, when I voted for formulas which gave a lesser amount to West Virginia than another formula which may be offered again here on the floor as an amendment.

I agree with what the Senator from Connecticut has said, that we are one Nation and we want this legislation to apply to those areas of greatest need, realizing that throughout areas in all our States we have needs. Certainly, we must not pit one State against another.

Mr. RIBICOFF. I thank the Senator.

Mr. RANDOLPH. We will attempt to do exactly that.

Mr. RIBICOFF. Mr. President, the legislation being debated today is an integral part of President Carter's economic stimulus package. It is the first step in the administration's effort to get Americans back to work.

The Public Works Employment Act is aimed at those areas of high unemployment which have been particularly hard hit by the economic dislocations of recent years. It will invigorate the Nation's troubled economy and will provide needed community improvements.

The bill will help to relieve structural unemployment in some fields by targeting extra funds to those locations with above-average joblessness. As the New York Times recently editorialized, these regions "are likely to contain pools of high quality labor that could be put to work with little impact on wages or prices."

States such as Connecticut are in critical need of this legislation. Although we have had a modest decline in overall unemployment in recent months, the statewide average remains above 8 percent. Further, there are individual cities in Connecticut which continue to experience unemployment levels as high as 16 percent.

As originally proposed by the administration, Connecticut would have received $84.9 million. After adoption of the Randolph-Stafford compromise by the Environment and Public Works Committee, we will receive $81.03 million—a reduction of $3.8 million or 4.6 percent. The compromise worked out by the committee continues to focus additional aid on those areas, such as a number of Connecticut cities and towns, with especially high levels of unemployment. The deletion of this particular focus will render the bill virtually meaningless. In a recent letter to members of the Senate Commerce Secretary Kreps wrote that—

Without the targeting of funds to the areas of acute need, the effect of the stimulus package will be substantially impaired.

I ask unanimous consent to have printed at this point in the RECORD a telegram from Gov. Ella Grasso. The Governor's telegram sets forth in greater detail the current situation in Connecticut and the impact of the pending legislation.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
March 2, 1977.

Hon. ABRAHAM RIBICOFF,
Russell Senate Office Building,
Washington, D.C.

On behalf of the State of Connecticut, I urge your support for S. 427, the Public Works Employment Act of 1977. This bill was reported out of the Senate Environment and Public Works Committee last month. This legislation is of critical importance, not only to our state, but also to much of the northeast and upper midwest. All of these areas—and most especially New England—have sustained the impact of severe economic dislocations during the last decade.

This dislocation has been compounded by the severe inflation and recession in our county and it has been only recently—with the upturn in the economy—that Connecticut has begun to see a slight decline in our overall unemployment rate. Still, statewide more than 8 percent, or about 119,000, of our people are out of work.

In New Haven, unemployment remains at 12.1 percent; it is 16.2 percent in Ansonia, 15.4 percent in Stafford and 11.5 percent in New Britain.

The Randolph-Stafford allocation formula adopted in committee is significant because it targets extra assistance to those areas with particularly high levels of unemployment in a state. These are the areas in Connecticut to which I believe immediate assistance of the kind in the public works bill should be directed.

I realize that under the Senate and House allocation formulas now being considered by Congress, Connecticut stands to see a net reduction in Federal assistance now received under the Public Works Act, based on an annual rate of unemployment, the basis for grants in the future, rather then the three month period currently used by the Economic Development Administration, Connecticut would have received $85.9 million. However, the Senate version, by far, has a less adverse impact on our State then the House proposal.

Under the Senate version reported out of committee, Connecticut would receive $82 million. Under the House version, however, Connecticut would receive $68.2 million—a devastating $17.7 million loss in Federal aid from this year. I cannot begin to outline the tremendous negative impact that such a loss would have upon our communities and upon our people.

I know that you will do all in your power to assure that Connecticut, New England, and the interests of our many unemployed are taken into the fullest consideration as Congress acts on this legislation.

ELLA GRASSO,
Governor.

Mr. RIBICOFF. Most locations with above-average unemployment hope to provide jobs in the hard-hit construction industry. Money spent on jobs in this sector will have the least impact on prices. Clearly, if the primary intent of the legislation is to be realized, we must assist those locations which are in greatest need and in which jobs must be furnished. And this goal must be achieved without stimulating inflation.

An ill-conceived attempt may be made to substantially change the allocation formula. If this occurs, Connecticut will lose over $17 million. In some locations of the Nation the inflationary spiral will be stimulated. The revised formula would funnel money into areas where unemployment in the building industry is below the national average. There is every likelihood that renewed inflation will occur as the level of work outstrips the available labor force.

By failing to target on areas of acute and longstanding joblessness, the effort to get this Nation on the road to economic recovery will be thwarted. Narrow interests must not destroy the basic equity which the committee's allocation formula retains. Thus, I urge that attempts to base the allocation solely on the overall number of unemployed be rejected and that the committee's formula be retained.

Title III of the public works measure contains funds for the water pollution construction grant program and related activities. This section also has broad economic implications. Every $1 billion which the Government spends in this field generates an estimated 40,000 primary and secondary jobs.

Not only must this important water pollution cleanup program be continued

but we must also consider the thousands of new jobs which will be created. A number of States have totally obligated their construction grant allocations and others will soon be in the same position.

We should avoid unnecessary controversy over unrelated issues. We have been assured that these matters will be fully aired during hearings later this year on the Clean Water Act. It would be premature to consider amendments at this time to the water pollution program. The economic stimulation features of title III of this bill cannot be impaired. I trust, therefore, that we will disapprove any efforts which may arise to amend or delete this important aspect of the Public Works Employment Act.

Mr. RANDOLPH. Mr. President, I do not want to continue much longer.

All grantees funded by a portion of this additional $4 billion authorization must assure that they will construct or renovate their projects so accessibility for the handicapped and the elderly is assured. Before a grant is made the Secretary of Commerce will notify all potential recipients of their responsibilities to conform with the Architectural Barriers Act of 1968 in order to eliminate those costly delays and lawsuits which we have had for many, many years.

In addition, the bill directs the Economic Development Administration to give special attention to the existing and new projects applications which are labor intensive, which have the short leadtime involved, and promote accessibility, as I have indicated, to those persons who are handicapped, who are elderly, who need not just our compassion but our intelligent legislating.

That is what we are trying to do in this bill.

In title II this measure establishes a youth community improvement program to provide employment and early job experience for the teenage youth of this country. I like to see an American at work, but I think I like most to see a young American at work. I believe this is very, very important.

I am not talking about a work ethic at the moment. I am talking about the fact that when a nation is at work, that is when it is best able to solve the problems that surface in other areas.

So we are thinking about teenage work programs; an authorization of $1.5 billion is provided and remains available through fiscal year 1978.

I was highly gratified to see, in the Third Concurrent Resolution recently before the Senate Budget Committee—Senator MUSKIE is a member of the Environment and Public Works Committee, and has worked closely with us as we have with him—$1.5 billion available for developing what we call these flexible training programs and the job opportunities which are so necessary for young men and young women.

This program is similar to the one contained in S. 306 which has been introduced by Senator STAFFORD, the able ranking minority member of our committee. I joined him in that effort. We introduced that bill, I believe, on January 11. Unemployment among the country's young people, ages 16 through 19, will be reduced.

The unemployment of these young people is about 19 percent. When we are talking about percentages, we have to realize that the younger people do have this unemployment problem. The age group alone constitutes about 24 percent of the total number of unemployed persons, nearly a quarter of the national figure. While serving both in-school and out-of-school youth, the major program effort would be to coordinate job activity with classroom instruction which, in turn, could be applied to granting school credit for experience gained while in this program. Under the proposal, funds are provided for materials as well as salaries.

Although the local administration agency in most instances will be an existing unit created under the Comprehensive Employment Training Act or the Community Action Agency, we have added the flexibility we think necessary so there would be the opportunity for participation in these programs by private citizens and by community groups which are voluntary in nature. Certainly, the local elected officials would have jurisdiction and would be serving in these youth project decisions.

In other words, they would have the opportunity to pass judgment on some of the proposed projects.

The local official—and we must place a responsibility upon that person, man or woman—retains veto power over projects developed by representative community organizations. I know Senator STAFFORD is intensely interested in the title II situation and what has been developed there, not in a delay but in an effort to fit the youth programs together.

I believe we have seven bills which are before the Senate. I am thinking of the feeling of Senator STAFFORD about those matters. Perhaps he would like to express himself at this point.

Mr. STAFFORD. Mr. President, if the chairman will yield to me, I should like to discuss title II for a moment.

Before proceeding with that discussion, I ask unanimous consent that Mr. Lee J. Verstandig, of the staff of Senator CHAFEE of Rhode Island, be allowed the privilege of the floor during consideration of and votes on S. 427.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, before we proceed further on S. 427, I should like to outline for the Members of the Senate the agreement we have been able to reach on how to proceed with the youth employment program included as title II of the committee bill.

Since the bill was reported nearly 2 weeks ago, discussions have been held with members of other committees having youth employment bills pending and representatives from the administration. We have explored the need for a youth jobs program this year and the various components of such a program. I am pleased we have been able to reach an agreement which will assure enactment and implementation this year of a youth employment measure along the lines proposed by myself, Senator RANDOLPH, and several members of the committee.

I wish to recognize the great assistance of Senator RANDOLPH in bringing together the several Senators and committees which are interested in this program and the administration. This is but the latest example of the kind of leadership he has always exhibited as chairman in resolving differences and reaching practical solutions.

Both he and I have worked for years on the Human Resources Committee with Senator JAVITS, who has made manpower training and education his special accomplishments. Senator JAVITS' strong commitment to youth legislation has been evident throughout our discussions.

We recognize also the leadership and interest over many years of the Senator from Washington (Mr. JACKSON), and the senior Senator from Minnesota (Mr. HUMPHREY), in modernizing the civilian conservation corps and their efforts to get a jobs program enacted as quickly as possible. We have enjoyed excellent cooperation of all the Members involved.

Senator WILLIAMS, chairman of the Human Resources Committee and Senator NELSON, chairman of the Employment, Poverty, and Migratory Labor Subcommittee, were key men in arriving at this arrangement and allowing us to move forward on legislation this year.

It is especially gratifying to me, in the opening weeks of a new administration, to find a willingness to work with the Congress. In both the cabinet and the White House we found a desire to produce a constructive result.

Under our agreement, title II of this bill, the youth community improvement program, will be referred to the Committee on Human Resources to be considered as one part of a comprehensive program. At the proper time, Mr. Chairman, I will offer an amendment to strike title II from S. 427.

The Young Adult Conservation Corps, which has been introduced by Senator JACKSON, will also be one part of the overall approach.

Both of these programs would have their own distinct identities in the package.

The third part of the proposed package would include programs which would operate through CETA. Several bills have been introduced along these lines and are now pending before the Human Resources Committee. The chairman (Mr. WILLIAMS) and the distinguished chairman of the subcommittee, (Senator NELSON) have agreed to move quickly to hearings on these bills. It is the committee's intent to report a package by May of this year.

The purpose of the youth community improvement is to provide employment and early work experience to young people. The program is project oriented, employing youths on community improvement activities which need to be done but would not otherwise be carried out. The major purpose is to create jobs but, at the same time, produce a tangible result that will serve the community and be of lasting benefit. The maximum flexibility given each community is designed to result in projects that will respond to individual community needs at the same time they produce jobs. Under this pro-

posal, funds are provided for materials, as well as for salaries.

The program would serve both in-school and out-of-school youths. Programs would be geared to the scheduling needs of the in-school youth and effort would be made to coordinate job activity with classroom instruction including the granting of school credits for experience gained under the program.

Under the pending proposal, it is anticipated that the local sponsoring agency in most cases will be an existing CETA or Community Action Agency. Additional flexibility is permitted so that other community organizations, including private citizens' voluntary groups, can participate.

This flexibility is designed to broaden the community base of participation. Accountability is maintained through the provision that requires that the mayor or other elected governing official must sign off on the program. In effect, the elected official retains a veto over projects developed by representative community organizations. In practice, it is most probable that elected officials will be consulted in the preparation of proposals.

I am pleased that the value of this approach that I have introduced has been recognized and included as a distinct program in the youth employment message sent to Congress yesterday by the President.

When the committee agreed to move forward on a youth employment program and include S. 306 as title II of the jobs bill, one question was raised about the relation of this youth employment program to other youth bills pending before the Senate. Concern was expressed that voting for this bill would preempt consideration of alternative youth proposals. I believe enactment of this jobs program, which addresses only one aspect of the entire youth employment problem, does not conflict with nor lessen the need for additional programs, particularly as they relate to young adults between the ages of 20 and 24.

I know that every Member of this body is concerned with the serious, very difficult employment problems facing young people. Today nearly one-half of the total number of people unemployed in this country are below 24 years of age. Last year's unemployment among youth was 19 percent. To respond to the special needs of the youth sector, we must design proposals specifically for them and carefully targeted. Broad monetary and fiscal policies and programs will not solve the problem.

I believe there is agreement among the Members of Congress that something must be done. It is only a question of what approaches and how to proceed. I believe we have now agreed to a way to proceed which will assure congressional action and implementation of a youth employment program this year.

Mr. President, I want to emphasize the fact that title III of the bill was adopted in committee unanimously. Members of the committee on both sides of the aisle agree that it is critical to the efficient operation of the construction grants program to provide an authorization at a level adequate to encourage States and localities to continue the planning on projects so essential to cleaning up the Nation's waters. Title III provides $4.54 billion in fiscal year 1977 and $4.54 billion in fiscal year 1978 for this purpose. It is important to make these funds available to the States now for several reasons. First, many States have already or will shortly exhaust all of the funds authorized by the 1972 amendments to the Federal Water Pollution Control Act. With very few exceptions all States will require additional allotments by the end of this fiscal year. It is these annual allotments which provide much of the incentive to States and localities to develop and plan projects for the control of municipal wastewater into the streams, lakes, and oceans of this country. These projects are critical in meeting the goals of restoring the quality of our waters to a degree that will support indigenous species of fish, shellfish, and wildlife and recreation by the mid-1980's.

If we are to achieve these goals and deadlines, Congress must authorize funds in a reliable manner. Unless there is some assurance that local planning efforts will result in a grant award, municipalities are likely to defer their efforts, and thereby slow down the entire program. Finally, the committee recognizes the importance of the construction grants program to employment opportunities in the construction industry. By adding title III to the public works jobs bill we are enhancing the overall objective of providing jobs in this sector of the economy.

It should also be pointed out that the bill includes a formula for allocating these funds to the States. It is identical to the one adopted by House and Senate conferees when similar legislation was considered in the last Congress. However, the conferees did not reach agreement on other portions of that legislation prior to adjournment. One change in the allocation formula is the result of an amendment I offered in committee which assures that no State will receive less than one-third of 1 percent of the $4.5 billion authorization. This amendment protects small States which are most likely to be adversely affected by biases inherent in any allotment formula. Seven States are affected by my amendment: Montana, Nevada, New Mexico, North Dakota, South Dakota, Vermont, and Wyoming. There is ample precedent for a minimum allocation in the highway laws and other environmental laws.

Finally, Mr. President, I would like to assure my colleagues in the Senate that this committee fully recognizes that a number of important amendments to the Federal Water Pollution Control Act have been suggested. We intend to initiate hearings and committee consideration of these issues in a timely manner. The authorization of funds only at this time in no way diminishes the willingness of this committee to seriously discuss and, where advisable, adopt amendments to the Federal Water Pollution Control Act. I want to emphasize the seriousness with which I personally take this commitment. I appreciate the forbearance of my colleagues on these matters until we are able to give them proper time and attention.

With that, Mr. President, I will conclude my remarks, and ask the support of my colleagues for this bill.

AMENDMENT NO. 55

Mr. President, it is my intention at this point to offer an amendment which I have pending at the desk, which I described earlier, with respect to title II of S. 427.

I call up and ask for immediate consideration of the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Strike all from page 21, line 17, through page 31, line 3, and renumber subsequent titles and sections accordingly.

Mr. RANDOLPH. Mr. President, I am pleased to join with my colleagues who are concerned with creating new opportunities for gainful employment among our country's jobless young people. I cosponsored, with Senator STAFFORD, S. 306, which was subsequently title II of the bill before the Senate. Senator STAFFORD deserves great credit for focusing our attention on an important aspect of the youth unemployment crisis. I am also a cosponsor with Senators JACKSON and MAGNUSON of S. 494, the Pilot Young Adult Conservation Corps Act. In addition, as a member of the Committee on Human Resources, I have been involved in recent years in development of programs of the Comprehensive Employment and Training Act.

Unemployment among the young people of our country is high—about 19 percent among those between the ages of 16 and 19. At least seven bills have been introduced in the Senate this year embodying a variety of approaches to alleviate this situation. There has been concern—concern which I share—that our efforts to improve youth employment would be fragmented among many communities and Government agencies. This situation could lead to drastic reduction in their effectiveness.

I agree to the deletion of title II from the pending bill as a step toward creating a comprehensive youth employment program. This motion is the result of agreement among concerned Members of the Senate and the administration on how best to achieve the results we all desire. This process began with telephone conversations between myself and Secretary of Labor Ray Marshall. A subsequent meeting of the Secretary and concerned Senators resulted in agreement to work toward an approach to youth unemployment mutually satisfactory to all of us. This agreement was achieved only a few days ago and the commitment of the administration was articulated yesterday in a message to the Congress from President Carter. Mr. President, I ask unanimous consent that the President's message be printed in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

As part of the economic recovery package I sent to Congress on January 31, I re-

quested $1.5 billion, to be spent over an 18-month period, for new youth unemployment programs.

This reflected my concern about continued high unemployment rates among our young people. Unemployment for those between the ages of 16 and 19 is now 18.5 percent, and a total of 3.4 million people aged 16 to 24 are out of work.

Today I wish to outline the programs we intend to begin as soon as these funds are made available. They include proposals developed in the Congress. Under the wide discretion granted by Title III of CETA, we are able to begin these programs without additional legislation. But because I believe that full Congressional participation is essential for projects of this magnitude, I will soon present to the Congress my request for specific authorizing legislation.

Although a wide variety of agencies have programs for unemployed youth, most are carried out by the Department of Labor. During Fiscal Year 1976, some two million young people took part in programs under the Comprehensive Employment and Training Act. These included:

—160,000 in public service jobs
—500,000 in work experience programs
—200,000 in on-the-job and classroom training programs
—40,000 in the Job Corps
—1,135,000 in the Summer Neighborhood Youth Corps programs.

We are recommending two changes in these ongoing efforts:

first, an increase of $342 million for the Job Corps, which will double the program, and

second, a one-year extension of the Comprehensive Employment and Training Act, which was made law in 1973 and expires this year. CETA established a new system under which states and local communities are responsible for planning and operating their own employment and training programs. I have asked the Congress for this one-year extension to give us time to review the program and consider what steps would make it most responsive to the problems of the unemployed.

Beyond these changes, we must take a broad look at Federally-funded employment and training programs for our young people. My Administration is now proposing three new initiatives, developed in consultation with Congressional leaders, which we can begin under current legislative authority but for which we will seek a specific legislative mandate.

First—A National Youth Conservation Corps., similar to the Civilian Conservation Corps of the 1930's. This would be administered by the Department of Labor through agreements with the Agriculture and Interior Departments and on State park and forestry lands. The Youth Conservation Centers would employ young Americans aged 16 to 24 in conservation programs and in the maintenance and improvement of public parks, forests and recreation areas. We plan to spend $350 million over the next 18 months for 35,000 jobs under this plan.

Second—Youth Community Conservation and Improvement Projects, developed by State and local government would employ those aged 16 to 19 in well-planned, well-supervised projects of obvious local benefit. Funds would be available for needed supplies and equipment. Projects would include improving neighborhoods and communities and maintaining and restoring natural resources on publicly owned land. Rural as well as urban governments would be eligible; both would submit applications to the Department of Labor through the CETA system. We would concentrate these projects where the need was greatest, but they would be open to all unemployed youth.

Between now and October of 1978 we plan to spend a total of $250 million for 30,000 jobs.

Third—Comprehensive Youth Employment and Training Programs, through the CETA system to enlist a full range of employment services in states and local communities to provide young people with jobs and training.

As with our current CETA program, community based organizations and other local agencies would be eligible to operate job programs.

This plan would be aimed at disadvantaged or low-income Americans between the ages of 16 and 21 who are out of school and out of work.

Half the funds would be allocated to the 466 prime sponsors under the CETA system. The allocation formula would be based on the unemployment rate and proportion of poor people in each area.

The other half of these funds would be used by the Secretary of Labor to encourage innovative and experimental programs. Three-quarters of the money would be spent through the CETA system, on the basis of applications to the Secretary. These applications would be judged by the standards of local need, program quality, and the prime sponsor's record. The Secretary would use the rest of the money to carry out and test innovative projects.

We are planning to spend $900 million for 138,000 such jobs.

While implementation can proceed promptly under the existing authority of Title III of CETA, by April 1 of this year I will submit to the Congress a new title to the Comprehensive Employment and Training Act, embodying these three new youth initiatives. In developing this legislation I have directed the Secretary of Labor to work with interested members of Congress and the public.

In March 1933, in a message to Congress proposing the Civilian Conservation Corps, President Roosevelt said: "It (the C.C.C.) will conserve our precious natural resources. It will pay dividends to the present and future generations. . . . We can eliminate to some extent at least the threat that enforced idleness brings to spiritual and moral stability. It is not a panacea for all the unemployment but it is an essential step . . ."

It is in that spirit that I send this message to Congress on our youth employment programs.

Mr. RANDOLPH. Mr. President, the statement of President Carter commits the administration to work with the Congress in cooperatively developing a broad youth employment program. I am appreciative of the cooperation and understanding of Senator HUMPHREY and Senator JACKSON and members of the Committee on Human Resources—Senator WILLIAMS, its chairman, Senator NELSON and Senator JAVITS. The comprehensive program, I have discussed, will be developed by the Committee on Human Resources, which has promised to report legislation to the Senate within 2 months. This program will include features of each of the three programs which I mentioned earlier. I anticipate its early enactment by the Congress and approval by the President.

Mr. President, the agreement reached by Senators and the administration provides for general coordination of various youth employment activities by a single agency, the Department of Labor, but other branches of Government will have responsibility for carrying out aspects of the effort for which they are best suited. In this way, we can give an overall focus to the program but still use expertise and facilities available throughout the Federal Government. I am grateful for the understanding and cooperation that has brought us to this point. I assure the Senate of my commitment to providing jobs for young people and my desire to work with others to make this program a reality.

Mr. JAVITS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. STAFFORD. Mr. President, I am happy to yield to the Senator such time as he wishes.

Mr. JAVITS. Mr. President, I wish again, as I have before, to signalize the extraordinary statesmanship which is demonstrated by this amendment which Senator STAFFORD has made to a provision which he fought for in the committee and one which he fought for in our own Republican Conference, as we constructed our alternative fiscal stimulus package to that of President Carter. It is one in which he very deeply believes. In an interesting way, Mr. President: he has not only shown extraordinary statesmanship—and I might add, as he has himself, there would have been no theater for this statesmanship were it not for JENNINGS RANDOLPH of West Virginia, who joined him in the bill and has joined him in this action. I think he has very materially accelerated the timetable and enhanced our likelihood of winning a targeted youth employment bill.

The best evidence, of course, is that the President is now on the line with his message of March 9, 1977, for exactly the structure of the kind of bill that we want and which I am confident will emerge out of the Committee on Human Resources, of which Senator STAFFORD is also an honored member.

The statesmanship consisted in the fact that, instead of undertaking a race to the wire as to whose youth bill would get here first, Senator STAFFORD yielded to the highest public interest that, when we did arrive at a youth bill, it should be the best possible.

We quite agree that it should be an amalgam of the three basic propositions which he has himself designated, to wit, his own community improvement and concern for the 16- to 19-year-olds, Senator JACKSON's and his associates' part of the package of the Youth Conservation Corps, et cetera, and the last part, Senator MCCLURE, Senator DOMENICI, Senator BELLMON, Senator HUMPHREY, myself, and others who wish to have a part of a program administered effectively through a new title of CETA, that is the employment and training program, which would connect education, training, and youth employment in a consecutive series of steps which we now find to be necessary.

I am the ranking member of the Human Resources Committee. I certainly pledge to the Senate the most expeditious action, and I believe that this encouragement which we have received from such a fine and high-charactered approach to our problem will encourage us to turn out a very good bill.

I think President Carter is to be congratulated in delegating to us the Sec-

retary of Labor with full authority to consider and discuss exactly the kind of youth bill we ought to have and then for so promptly adopting the ideas which represent a consensus of the views of those who were interested in sending them to us in a message.

Mr. President, the country hears a lot about what individual members do that is wrong or that is selfish or even venal. But, Mr. President, all too often the deeds of heroes are unsung. I hope very much they are not. But, in this case, Senator STAFFORD has accomplished more as a Senator in yielding to the general good than in my judgment he could ever have accomplished by pressing the matter and having the race and the confrontations which would have occurred on this floor.

I not only congratulate him, I consider it an honor to serve with him.

I strongly support the amendment.

Mr. STAFFORD. Mr. President, I personally express appreciation to the distinguished Senator from New York for his kind words to me and to Senator RANDOLPH. He is one of the outstanding statesmen in this body himself.

Mr. President, if there is no further word to be said on this amendment which is pending to strike title II, I move the adoption of the amendment.

Mr. BURDICK. Mr. President, in view of the statement made by the able Senator from Vermont and for all the other reasons, as manager of the bill I consent to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. RANDOLPH. Mr. President, I think the action taken on this matter is valid. I commend all those persons within our committee and those who are not members of the committee for joining in unanimity in connection with this title.

I refer to title III of this measure—we are going to continue the authority through fiscal year 1978 for the waste water treatment construction grant program.

I think it is important that the record indicate that the program is authorized at $4.54 billion for each of the fiscal years 1977 and 1978.

The continuity of funding was considered important by all the members of our committee. Funds were provided for these facilities because we encouraged the creation of new jobs, certainly of a public works nature. The bill also continues the authorization of $900 million for EPA water pollution programs because the programs are necessarily responsive to the quality of life which a good environment provides. These programs are designed to clean the lakes and streams of this Nation and encourage research and development in the water pollution field.

Funds are available under this title for meeting a backlog of needs. Needs for sewerage treatment in this country now, not to finance future growth. Testimony adduced during our hearings indicates that up to 50,000 jobs in 1977 and possibly 200,000 jobs in 1978 would be lost if funding for the water program is not extended.

There are as many as 34 States that are running out of their construction grant funding, or will during fiscal 1977. Already, 20 States have exhausted these moneys.

This important program providing what I call clean waters and gainful jobs will be halted.

In our State of West Virginia, funds will be depleted by June. Under the committee funding recommendation, West Virginia will receive $98 million for the fiscal year to continue this important work.

The projects, I have indicated many times, are of lasting benefit and there will be job opportunities that will be created that will be helpful in a State like West Virginia and other States.

We have recognized the need to examine the substantive water pollution issues in depth during the 95th Congress. There were many matters that were brought before the committee for full consideration. These issues, prior to the adoption of the authorizing legislation, were premature. Some people recommended that the committee hold this authorization hostage to assure addressing of other issues. The committee rejects that course, but it does believe that a comprehensive review of Public Law 92–500 is essential. So we are going to commence hearings, we hope, in May on this subject matter.

There have been times when people have criticized accelerated public works programs—the time necessary to gear up for work, and sometimes indicating that inflation was involved.

Mr. President, in connection with my remarks on title III of S. 427, providing funds for water pollution construction grants, I ask unanimous consent that a thoughtful speech by David J. Bardin, New Jersey Commissioner of Environmental Protection, be included in the RECORD, together with a letter to him from President CARTER.

There being no objection, the Speech was ordered to be printed in the RECORD, as follows:

FUNDS FOR WATER POLLUTION CONTROL IN A TIME OF TRANSITION

The place and region where we now meet illustrate the potential for resource management and the constraints: This fantasyland illustrates man's capacity to create a miniworld, offering its own social and cultural imperatives, with its own environment, providing its own municipal infrastructure. The sustained drought that besets the Western States illustrates inexorable environmental constraints. Within such constraints men may do what they can and suffer what they must.

Many of your members purvey potable water; so you can sense vital links between water supply and water pollution control. Indeed, you can be expected to discern interrelationships throughout the water cycle: Between ground and surface water systems, floods and low flows, general surface runoff and piped discharges. Surely you can understand the varied constraints that circumscribe all aspects of water resources management.

For decades, members of this Association built and managed great public works to protect the public health and control water pollution. You know the relationships between capital funding of wastewater treatment works and achieving environmental results.

Capital is not just there for the asking. We must justify its use. Few of us can aspire to the kind of creative freedom which Walt Disney's genius won him. But you have opportunities aplenty to plan and build intelligently within the constraints that nature and evolving public policies define.

There are opportunities to serve the needs for survival of the cities.

There are opportunities for ever greater reuse of treated wastewaters, for industrial, agricultural and eventually human use. Baltimore's sale of effluent to Bethlehem Steel for industrial process water blazed one trail many years ago.

There are opportunities for more responsible management of sludge as a resource, in ways that respect ocean, land, aquifer and air. I am impressed by what I have learned today about the arrangements for compost manufacture and sale by the Los Angeles and Orange County systems.

There are opportunities for pretreatment of industrial wastes that enter municipal sewerage systems. Pretreatment should control the wastes that threaten biological treatment processes. Pretreatment should also help curtail the spewing of carcinogens and other toxics into the rivers, lakes, estuaries and oceans or into sludges and sludge products. There are opportunities for your member agencies themselves to own or manage the pretreatment facilities that serve urban industry. Philadelphia has begun to consider that option.

There are opportunities to conserve energy, for operating economies, and to save capital. There are low technologies that may do the work of high technology. There are ways to check the rising flow of sewage into your treatment works, by elimination of leaks or by reasonable water-sewage rate structures that make industry more flow conscious.

Such opportunities come over and above the basic responsibility to complete the first round of secondary treatment plants as mandated in 1972 by the 92nd Congress.

That 92nd Congress made your business a major Federal concern. Thanks to their initiative, construction of wastewater treatment facilities has become the largest and most successful public works program in state after state; it represents the Federal government's most substantial investment to improve environmental quality; and more than any other federal program it builds big, constructive projects in urban America.

The 92nd Congress enacted Public Law 92–500 over President Nixon's veto. The high drama of confrontation between the President and Congress did not really end until the Supreme Court nullified President Nixon's attempt to impound half the funds that Congress had authorized. Lesser dramas led up to the 1972 legislation. These dramas are behind us.

Congress set new goals and standards for water pollution control. Congress gave EPA, the new Environmental Protection Agency, contract authority to obligate a total of $18 billion—to cover a fixed 75% of the eligible costs of building the necessary municipal wastewater treatment projects. Ostensibly, $24 billion would do the job with state and local funding covering the non-federal 25% of eligible costs (plus any non-eligible costs, such as for land acquisition).

Only last week, EPA disclosed that it now estimates the cost of building needed municipal projects at $96 billion. Last month, President Ford proposed that the Federal government fund $45 billion more over the next 10 years, at a rate of $4.5 billion a year starting in the next fiscal year, FY78, which does not begin until October 1, 1977.

During the Presidential campaign, Governor Carter supported prompt action to fund projects in states which had exhausted

available funds. I commend his letter of October 26, which is attached, as a careful analysis of the very issues now pressing for decision.

President Ford did not favor immediate extra funding during the campaign. But in his outgoing budget message last month, President Ford changed his position and advocated a perhaps-symbolic $400 million as additional funding in this fiscal year, FY77.

We now await the views of the Carter Administration and of the 95th Congress.

President Carter has already put new leadership in charge of several of the water resources agencies in the federal establishment. He will soon designate the leadership of EPA, the federal water pollution control agency. Executive Branch reorganizations over the next four years may affect some of these agencies.

The 1972 law is due for mid-course review and possible adjustments. Congress may select great policy shifts or simply reaffirm past decisions. Congress may address itself to relatively small, technical improvements.

In the meantime Congress is being asked to deal with immediate formal and funding necessities: Rigid statutory deadlines cannot be met in many cases by July 1 of this year. Funding for new facilities construction has been exhausted in some states, including my own, and is about to be exhausted in many others. The two houses of Congress are about to grapple with some or all of the issues. We now wonder: Will it be one bill, or two or three?

While our Federal government reviews legislative policies and executive organization, how do we initiate development and construction of more wastewater treatment facilities?

New Jersey's experience points up the opportunity in Congress right now, as well as the long-term legislative need.

New Jersey is an urbanized, industrialized state of some 7½ million people and 7,500 square miles, with dense population concentrations in the New York and Philadelphia metropolitan areas. We were the site of Thomas Edison's discoveries. Scientists at Bell Labs in New Jersey invented the transistor. We continue to host innovative petrochemical and pharmaceutical industries to this day. We are the principal east coast oil refining center and may soon receive the products of offshore discovery. Chemicals and petrochemicals are our foremost industry.

We were industrialized early: Alexander Hamilton founded industries at the Great Falls of the Passaic in Paterson; in time that city produced a locomotive a day to pull the trains that tied the east and west coasts. At the outbreak of the Civil War, Newark was the foremost industrial city in America. Much of our manufacturing plant is old or small or outmoded or overcrowded—so that water supply and disposal costs may be a sensitive issue for New Jersey's economy.

We have abundant rainfall, but there are cycles. Extensive clean water supplies attracted chemical and other industries, but a familiar pattern of development and abuse degraded much of the surface and, alas, even the sub-surface waters of the state. Irresponsible overdrafting of some surface waters will expose portions of our state to hardship when the next drought hits.

We named ourselves the Garden State and are still heavily engaged in agriculture and food processing, our third largest industry. However, many farmers have cashed their land in for subdivisions.

We are a major shellfish producer with untapped fish and shellfish potentials.

We are a terrific recreation state drawing vacationers from all over the East of this country and Canada. The Atlantic Ocean provides our foremost attraction: The Jersey shore, a place for swimming and fishing in the sun and breeze. We also have pleasant mountains. Tourism is our second largest industry. We'd love to have you visit.

There are still open spaces and even a million-acre wilderness, the Pine Barrens, in Jersey. But overall, density of population, condition of industry and the age of the urban infrastructure reflect a stage of mature development.

All the area of the state is incorporated. Many of the infrastructures services are fragmented amongst our 567 incorporated municipalities. We have strong municipal home rule sentiments. Nonetheless, we have recognized that sewage treatment (if not collection) may require regional solutions. Early in the century we created a regional sewerage agency, the Passaic Valley Sewerage Commissioners, which handles about one quarter of the sewage flow in the state. A number of the state's 21 counties have also created regional sewerage authorities.

Almost none of New Jersey's wastewater operating agencies has responsibility for other aspects of the water cycle; but the state planning, regulatory and funding agency—my own Department (DEP)—as organized in 1970 is in charge of all aspects of the water cycle. Our departmental responsibilities include diversion rights from ground and surface waters, protection of ground and surface water quality, regulation of water supply works and water treatment works (from the standpoints of public health and facilities but not of rates), water supply interconnections, regulation of the safety of drinking waters, regulations of flood plains and encroachments upon waterways. We manage two state-owned water supply reservoirs and a water supply canal. We are developing or constructing additional water supply facilities. We have retained consultants to develop a long-range water supply master plan. We administer the state's program under Public Law 92–500 and are supporting State legislation that will allow us to take over some or all of the NPDES program now administered by EPA.

EPA allocated $1.3 billion to New Jersey out of the $18 billion authorized nationally by P.L. 92–500. Three years ago, our program was in bad shape. Little more than $200 million had been obligated and projects were not flowing through the pipeline of planning, design and construction. EPA was dissatisfied and threatened the then newly-elected Governor Brendan Byrne, with a total cutoff of federal fundings. Wags claimed that President Nixon's impoundment didn't really hurt New Jersey because we would never use the unimpounded portion of the $1.3 billion.

Today we see a stunning reversal: EPA has obligated $1.1 billion and we have certified the remainder for obligation. Many more projects are under planning or design. We could use almost $900 million of new obligation authority for projects that will be construction-ready in FY77 and 78 alone.

The turnabout reflects five basic elements:

1. Lots of hard work by dedicated people and the enthusiastic support of EPA Region II.

2. Demanding criteria applied to each individual project.

3. Unstinted funds to plan and design any legitimate project (Step 1 and 2).

4. Competition to start construction (Step 3) under first-come, first-served funding—with long-term priorities in favor of densely-populated areas.

5. Enough construction money "in the bank" to handle even the biggest construction-ready project without irresponsible dissection.

We have enjoyed unmistakable support from all echelons of EPA Region II. We set ourselves difficult goals, which must have evoked skepticism at first throughout the water pollution control community. But milestones were achieved and credibility won thanks to personnel of my Department's Division of Water Resources, of EPA, of the grant applicants and of their consultants. We have seen professionalism at its best.

We insist that each project meet a real need to control existing pollution problems. We ended the funding of sewers across open farmland for future growth. We emphasize effective secondary treatment for BOD-removal; we are extremely cautious about funding advanced treatment for nutrient removal at this time. (Thus the lion's share of the $1.3 billion is funding 27 treatment plants, 24 for secondary BOD removal only and 3 for projects which include nutrient removal. An additional 65 treatment plants, now under planning or design, include only 5 with nutrient removal.) We have funded advanced treatment in certain upstream reaches when convinced that it was clearly necessary and most effective to protect year-round downstream drinking water supplies.

We funded every legitimate Step 1 planning project and Step 2 design project as soon as possible. We knowingly moved ahead with planning and design on far more projects than the $1.3 billion could pay to construct. We advised sewer authorities that we relied on Congress for timely replenishment of the program. We urged on every needed project. In this respect, New Jersey policy differed from that of some other states. Others stand before the potential embarrassment of not using all their 1972 funds before they lapse at the end of this fiscal year. We stand before the present embarrassment of inability to proceed with the certification and funding of additional new starts. I still prefer the course we chose.

We revised our project priority list in important respects. We retained the high point value assigned to the cleanup of polluted shellfish waters and the protection of coastal swimming. But we added a decisive score for population density, so that our older urban centers could be better assured of early funding to meet construction-ready needs. We gave collection systems which were a necessary and integral part of a new regional treatment program the same priority as the treatment works themselves. Otherwise we left collection systems with a lower priority than treatment plants and interceptors, but subject to the same differential for population density.

We established a competitive element by our first-come, first-served policy. We advised the sewer authorities that if legitimate, needed projects were engineered to construction readiness we would fund them, even though slower-moving projects might be higher on the priority list. We thereby overcame the drag on New Jersey's program that still plagues too much of the national effort: funds set aside to meet asserted needs but not *put to work* in fact. We avoided the segmentation extreme, however, of funding only one-year's worth of a two-year or three-year construction effort. We have laid no concrete "from nowhere to nowhere."

We reorganized the Division of Water Resources with both monitoring and construction staffs divided geographically to handle four river basins of the State. However, environmental assessment was organized on a statewide basis, as we are now doing for sludge management and industrial pretreatment.

Most critical, we generally had enough money available at the point of decision to cover the cost of our budget construction-ready project. At times it looked as if we might not be able to do that; whenever a doubt arose, it created great nervousness amongst the responsible people of the operating agency affected. But fortunately, there was enough money in the bank, as it were,

given the scale of the original program, our own slow start and the timing of the Supreme Court decision upsetting President Nixon's impoundment.

In consequence, goals we set for ourselves and the sewer authorities and their engineers turned from promises skeptically received into realities. The program worked. Credibility bred confidence. Confidence sustained efforts by thousands of people on the staff of my Department, the sewer authorities and their consultants, and EPA Region II. Performance closed the circle.

Today, our funding engine can keep up the momentum. We can do so better if Congress and the Executive Branch streamline the program. But we can't do it at all unless Congress replenishes our access to federal funds.

New Jersey is one of the states that needs new funding authority in order to certify any new projects, little projects or big projects. More and more states are coming into our status. Moreover, funding the big projects is in danger even before the state runs out of money.

In my judgment, there must be a substantial amount of authorized federal funds "in the bank" in order to keep the momentum going. Without such money in the bank the program can quickly become a nightmare of indecision, delay, policy reversal, outright recalcitrance and waste of taxpayer money. With money in the bank, the wastewater treatment construction grants program offers the finest, sustained advantages of any public works program in the country.

Key Congressional leaders understand the importance of the program. Like candidate Jimmy Carter, they appreciate both the pollution control and economic stimulus potential. And the ripples extend beyond the borders of any one state. We recently analyzed for the Senate Public Works Committee data on a major treatment plant project in Ocean County, New Jersey. Some $37 million worth of equipment for that plant had been purchased in eleven states including Alabama, California, Connecticut, Illinois, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Texas and Wisconsin. (See attached table.)

Panelists today have asked whether construction of municipal treatment facilities is a water pollution program or a public works program? The deprecating "or" reveals a terrible misconception. Public works simply means capital projects of the public sector contrasted with those of the private sector. Schools, roads, hospitals, parks, and many others are public works if built by a public agency. Public works should be built because of public need, not merely to glorify a public official's name or to make work for the unemployed. In some instances there is room to debate whether the public or private sector is better qualified to perform the function. There is also room to debate the need for a particular project or class of projects. I have emphasized my own State's demanding standards for funding wastewater facilities. Also, under legislation spearheaded last year by Governor Byrne, New Jersey has begun to rationalize all State capital expenditures and priorities through a permanent professionally-staffed Commission on Budgeting and Planning. That Commission recommended a $120 million Clean Waters Bond Act which New Jersey voters approved last November.

But let's not sneer at public works. Vital and indispensable portions of our *existing* infrastructure—including sewers—were built as public works. There is a vast backlog of more that everyone agrees needs to be built or replaced and should be handled by the public sector.

I, for one, am proud to be associated with this public works program that enhances the environment and protects public health. And I am deeply gratified that construction of needed water pollution projects in my State has created more jobs than any other program—particularly during the bitter recession from which we still suffer. I want my program unleashed so that it can keep on doing that.

Senator Muskie has introduced Senate Bill 57, which would authorize $5 billion a year of new funding for each of fiscal years '77 and '78. But the Senate may not be able to get it enacted and funded until after their work is done on the Public Works Jobs Bill, S. 427, and the Clean Air Act Amendments.

The House of Representatives Public Works Committee will soon take up H.R. 3199, which is the same bill that passed the House last year as H.R. 9560. It includes funding authorizations for three years, delegation of certain decisions to the states, revision of the user charge provisions to allow greater reliance on paying for sewer services through the real property taxes (ad valorem taxes), and deferral of the July 1, 1977 deadline which has become unrealistic for completion of so many of the municipal treatment projects.

Last year Congress was confronted with similar differences in approach between Senate and House and, regrettably, was unable to finish the work of reconciling the differences as we had all hoped would be done in the closing days of the Congress. That disappointment should teach a lesson.

Senator Muskie has now suggested adding to the Public Works Jobs Bill, S. 427, which the Senate will continue marking up on February 22, a two-year funding authorization for wastewater construction grants at the $5 billion a year level. Others may suggest that perhaps only authorization for FY '77 should be added (or that only one year's apportionment be made at this time out of a two-year authorization). The House Public Works Committee has reported out H.R. 11, with renewed public works jobs authorization but without considering any funding for wastewater grants. Within a matter of days, we should know the shape of the Senate Bill, S. 427.

It looks less and less likely that any other vehicle than the public works jobs authorization bill would permit quick authorization of additional construction grants funds in time for an appropriation before the very end of this fiscal year or worse. It should be possible, in my judgment, to achieve a reasonable solution which allows a significant and immediate authorization of additional funds for the construction grants program. That is the golden opportunity for achieving and maintaining momentum across the country. It's certainly the solution that would help New Jersey this year.

What about long-term funding? Long term authorization, such as President Ford's proposed 10-year plan, would greatly enhance the effectivness of the program. I would couple long-term funding with a substantial delegation of administrative responsibility to the state agencies. We ought to aim for overall program guidance from EPA and a high measure of day-to-day administration by well-staffed state agencies. Federal government should establish clear staffing criteria and make funds available for their realization, demanding reforms if need be in state personnel practices.

A 10-year program must realistically allow for the inflation in construction costs that the sewer authorities and state planning agencies will experience. Thus *Engineering News Record* predicts a 10.9% construction cost inflation this year. A 10-year authorization should be indexed so that states can plan at the start on the purchasing power that the federal government will fund, rather than on depreciating dollars.

A 10-year program should be fashioned to encourage expedition rather than delay in actually starting and completing the needed projects. I am particularly concerned about realistic measures to get on with the big projects as soon as they are construction ready. There is an understandable temptation, when funds for construction are scarce or as they come close to running out, for program administrators to fund the little projects and keep big ones waiting. Yet, the biggest water pollution cleanup dividends often lie with the big projects. Indeed, in some cases small scale problems would better be solved by low technology than by the capital-intensive techniques that the metropolitan area problems generally demand.

It seems predictable that a 10-year program will not at all times have in the bank sufficient appropriated funds to cover the cost of the construction ready projects. Segmented funding could lead to irresponsible results. We need a new and better prefinancing mechanism to replace that which Congress abolished in 1972. That mechanism should include the possibility of short-term financing by state or local government; but it should offer more. The only substantive water pollution measure passed by the last Congress, Public Law 94–558, allows for loan guarantees of the non-federal share in certain circumstances through the Federal Financing Bank. A 10-year program should permit access to the same Federal Financing Bank for prefinancing against an established 10-year federal allotment.

The Ford Administration proposed restrictions on fundable projects and the federal share. Secondary treatment should remain the bedrock standard for the program and the 75% federal share should be mandatory at least for secondary treatment works.

The Ford Administration proposals to cut out funding for collectors are excessive and ill advised. Effective control of infiltration into the collectors offers one of our best chances to stem the insatiable capital demands for expanded facilities. The rehabilitation and replacement of the collector infrastructure of the older cities should become a high priority rather than a forbidden agenda. The separation of storm and drain collection systems may well offer greater dividends than many other water pollution investments.

On the other hand we should certainly not allow these scarce capital resources to be dissipated on developing new subdivisions or encouraging further, wasteful urban sprawl. The conservation of capital like the conservation of water must be a serious goal of our efforts.

Conceivably, if states are given a fixed 10-year allotment they might prefer to deviate in some instances from the 75% federal share as compared with leaving some projects high and dry. I hope that any right to deviate will be exercised on a general class basis rather than case by case. Such deviations should probably be confined to the costs of one or another class of collector systems and, perhaps, to extra costs of advanced treatment.

In closing, let me repeat my concern for the timetable of congressional action. We have a pretty good program that could be made somewhat better but could easily become far worse. Running out of steam, for lack of necessary federal funds, could lead to collapse. Congress and the Administration owe it to the American public to work methodically and promptly to meet both the immediate short-term funding issue and the long-term issues of program funding, procedure and philosophy. The former can be done this month and next if interested people show the determination and good will to seize the opportunity. The latter can be done this year or next if Congress and the Administration work with the water pollution control community to resolve the issues.

EQUIPMENT PURCHASES OF OCEAN COUNTY SEWERAGE AUTHORITY

Type of equipment, purchase value, and place of manufacture:

Concrete, $12,000,000, Penna., N.J.
Centrifugal pumps, $2,150,000, Ohio, Calif., Minn.
Progressive cavity pumps, $750,000, Conn., Ohio.
Iron pipe, $2,700,000, Ala.
Valves, $1,750,000, Ohio, Minn.
Heating, Ventilation and Air Conditioning, $3,250,000, N.J., Penna., N.Y., Wis., Calif.
Process equipment, $4,000,000, Ill., Wis.
Blowers, $700,000, N.Y.
Computer & instrumentation, $5,000,000, Penna., Minn.
Electric generators, $1,800,000, Texas, Ill.
Switch gear, $1,000,000, N.J., Ohio, Ill.
Centrifuges, $1,500,000, Penna.
Prestressed concrete cylinder pipe, $1,000,000, N.Y.
Total, $37,600,000.

OCTOBER 26, 1976.

Commissioner DAVID J. BARDIN,
New Jersey Environmental Protection Agency, Trenton, N.J.

DEAR COMMISSIONER BARDIN: Continued federal assistance to communities for construction of sewage treatment plants is of critical importance to meeting the nation's goals for clean water. Although a review of the construction grant program is needed, funding for projects now ready for construction in states which have exhausted their funds under the Federal Water Pollution Control Act should not be held up for this review.

As you are all too well aware, the construction grant program established by the Federal Water Pollution Control Act of 1972 has been plagued by one difficulty after another, beginning with President Nixon's impoundment of half of the $18 billion appropriated by the Congress of municipal wastewater facilities. Red tape, inordinate delay in the complicated grant process, inadequate design and study of alternatives to traditional treatment facilities, and insensitive administration has caused this program to fall far short of the goals established by the Act.

Even with these serious problems, the construction grant program has had a positive impact on water quality, and has also provided jobs in the hard hit construction industry. A well-run program which focuses assistance on areas of need will assure that we continue to reap both environmental and employment benefits while making more efficient use of the federal resources committed to water clean-up. If elected, I will initiate a thorough review of the construction grant program to streamline the process and to ensure that our dollars are being spent in an environmentally and economically sound manner.

However, the need for a review and rethinking of the sewage treatment plant program should not delay the construction of those facilities which are now construction ready. I am aware that several states, including New Jersey, have or are about to have exhausted federal matching funds available for wastewater treatment plants. Projects which are clearly needed and are ready to be built should be promptly funded. If elected, I will work with the Congress to seek funds for these facilities during the time that the overall structure of the construction grants program is being evaluated and revised.

Of course, for those states which have not exhausted their P.L. 92-500 funds, I would continue to make those monies available.

The job of cleaning up our nation's water is of extreme importance to the health of all Americans and to the protection of our rivers, oceans, coastal areas, and wetlands. Two Republican administrations have failed to provide the leadership and commitment necessary to realize the broad goals of the Federal Water Pollution Control Act of 1972. A Carter administration will provide both the leadership and the resources to continue the clean-up job which this country, however haltingly, has begun. An important aspect of this policy will be the continuing assistance to communities to clean up municipal wastewater.

Sincerely,

JIMMY CARTER.

Mr. RANDOLPH. Mr. President, often we hear substantial criticism of accelerated public works programs. Major arguments usually state:

Difficulties in gearing up for administering a large accelerated public works program can add further delays. Further, of major concern in this inflation-conscious era is that public works construction projects, in spite of rapid-completion requirements, frequently continue to provide fiscal stimulation and competition for resources with the private sector long after the economic conditions that prompted the projects have ended.

Although a public works project provides a useful facility, the nonlabor costs of such a project are often high, increasing the cost of providing employment and reducing the number of jobs that can be produced for a given expenditure of public funds.

The effectiveness of such programs in providing employment opportunities has been questioned. The lack of local unemployment statistics, particularly figures on construction unemployment, render the identification of those areas most in need of assistance—and in which construction of a public works project makes the most sense—difficult at best.

The Public Works Employment Act of 1977 attempts to address and disperse these areas of criticism by:

First. Attempting to simplify and clarify the program so it can be easily understood;

Second. Limit the second round to the $22 billion backlog of applications to assure speedy implementation to take advantage of this year's construction season;

Third. Concur with the procedures to consult local elected officials for their project priorities;

Fourth. Provide a special set-aside of funds to give priority consideration to projects erroneously excluded from being funded by the first round; and

Fifth. Except for specific changes in the legislation, concur in general with the administration's proposed administrative policies and procedures.

With these improvements included in this bill, I wish that I could state to my distinguished colleagues that this legislation would alone solve America's economic problems. The truth is that no single piece of legislation will turn the economy around. What it does provide is a much needed stimulus to the economy, and particularly to the construction industry that still suffers. This industry normally produces about 10 percent of our gross national product, rising as high as 12 percent in good years. It is now only about 8.6 percent of the gross national product.

The millions of unemployed and their families look to the Congress for help. They do not want a handout. They want a job.

The public works jobs program before the Senate today means employment for many thousands of workers. In the long run it will help pave the path toward restoring economic health. This program is an investment in America—a downpayment on prosperity, a commitment to unemployed workers and their families, and an opportunity to provide public facilities for all Americans.

I just want our colleagues to look at this measure in the same way as the members of the committee have looked at it—as an investment in the future of the people of this country. It is my conviction that it is a constructive effort. It will provide Americans with the opportunity to work on needed projects. These projects will strengthen, as the Senator from Connecticut (Mr. RIBICOFF) indicated, our national economy and provide long term benefits for the larger and the smaller communities of the Nation.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I wish to take this opportunity to commend the chairman, my distinguished colleague from West Virginia Mr. RANDOLPH; the ranking member, my distinguished friend, Mr. STAFFORD; the distinguished floor manager of the bill, the Senator from North Dakota, Mr. BURDICK, and all the members and staff of that committee for the measure they have prepared for the consideration of the Senate today.

This measure is an essential part of the economic stimulus program requested by the administration and, as such, has received the expeditious action and attention of the Environment and Public Works Committee.

I shall focus my remarks on the principal stimulus section of the Public Works Employment Act—title I which authorizes an additional $4 billion for emergency public works to assist in the Nation's economic recovery from the recession of 1973–75. According to estimates made by the Congressional Budget Office, between 16,000 and 46,000 jobs will be created in the short term for each $1 billion spent for public works. The range increases after a year to between 56,000 and 70,000 for each $1 billion spent. We are, therefore, speaking of creating up to 184,000 jobs in the short term and up to 280,000 jobs in the long term through an additional $4 billion in expenditures for emergency public works.

The number of unemployed in our society should be significantly reduced following the implementation of this legislation. At the present time, there are estimated to be 7,183,000 unemployed Americans in the civilian labor force. It should be noted that some 685,000 of them are unemployed construction workers, the worker group hardest hit by the recession.

Title I of the Public Works Employment Act of 1977 will provide timely aid to the construction industry as well as permit the construction of schools, hospitals, and other facilities to serve the public. It is legislation which can be put to good use by State and local governments around the country.

The existence of a $23 billion backlog of projects to consider for funding under the Public Works Act will help insure that there will be no long delays in putting the money to work. Many thousands of Americans will directly benefit from the jobs created and public facilities constructed, and all of us will benefit from the improved health of the economy which will follow.

Again I thank my colleague, Mr. RANDOLPH. I congratulate him, Mr. STAFFORD, Mr. MOYNIHAN, Mr. JAVITS, Mr. BURDICK, and all the members of the committee for the excellent work they have done in bringing this fine piece of legislation to the floor and in expediting this centerpiece—and there are many centerpieces—of the administration's economic stimulus program.

Mr. RANDOLPH. Mr. President, the leadership in the Senate is exemplified by the cooperation of the majority leader, Senator ROBERT C. BYRD, and the minority leader, Senator HOWARD BAKER. It extends, certainly, to this committee, with the work that Senator STAFFORD and I and all the members of the committee are able to do.

As the majority leader has indicated, in expediting this measure, bringing it to the floor, placing it on the President's desk, after a conference with the House, it will provide gainful employment for Americans who need work in projects of lasting benefit. The majority leader has expressed it well.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. STAFFORD. Mr. President, I, too, should like to express my agreement with the remarks of the majority leader and to emphasize something that has been touched upon. I refer to the very significant role that the Public Works Committee staff, on both sides of the aisle, has played through long hours of work in helping us to resolve the questions involving title II.

Mr. President, I am pleased to join my colleagues in recommending S. 427 to the Senate.

Members of the Committee on Environment and Public Works have spent several weeks in hearings and markup sessions on this legislation. The patient but firm leadership of the chairman has moved this measure forward while affording ample opportunity for all members of the committee to be heard. I believe it is a stronger bill, because of this wide participation, containing the best ideas from both sides. I want to commend the members of the committee, particularly the new members, for their contributions to this bill. Senator CHAFEE and Senator WALLOP, the two new Republican members regularly attended the committee sessions and participated knowledgeably in the deliberations. Senator DOMENICI took an active role in the markup and proposed several constructive amendments which were adopted by the committee.

S. 427 contains three separate programs.

Title I extends the public works jobs program initiated by the committee last year. The bill authorizes an additional $4 billion to provide grants to States and local governments for the construction of public works facilities in areas of serious unemployment.

Title II we have discussed earlier. With the adoption of the amendment I offered, it no longer is a part of the bill, so I will not discuss it further.

Title III provides additional authorizations for the wastewater treatment construction program administered by the Environmental Protection Agency.

The total cost of the three programs is $15.6 billion—$4 billion through 1978 for the public works jobs program in title I; $1.5 billion through 1978 for the title II youth community improvement program; and $10.1 billion for title III. The funds under title III include $4.54 billion for each of fiscal years 1977 and 1978 for construction grants and $900 million to continue other ongoing EPA programs. From that total of $15.6 billion, of course, must now be subtracted the dollars, $1.5 billion, which referred to the title II youth community improvement program which has been deleted from this bill.

Chairman RANDOLPH and Senator BURDICK, chairman of the Economic Development Subcommittee, have carefully outlined the programs in the bill, and I only want to mention a few provisions.

During hearings on the public works employment program, the committee received testimony from many individuals and groups about implementation of last year's public works jobs program. When considering an extension, the committee was guided by the testimony it had received and proposed policy guidelines submitted by the Economic Development Administration. The changes proposed in S. 427 should eliminate many of the inequities which occurred during the first round. It is not yet clear what the full impact of these changes will be, however, whether they will achieve the desired result, and the committee intends to carefully follow implementation of the 1977 program.

I have joined with the chairman in a letter to all Members of the Senate urging them to support the State allocation formula contained in the committee bill. We believe the formula adopted by the committee would allocate funds to the States in a fair and equitable way, in keeping with the intent of the countercyclical jobs measure to focus on areas with severe unemployment. Under the committee formula, 65 percent of the funds would be allocated to each State based on the number of unemployed individuals residing in that State. The remaining 35 percent would be allocated among States which have an unemployment rate above 6.5 percent.

In arriving at this formula, the committee attempted to find some middle ground between the formula used last year by the administration and a formula based solely on the numbers of unemployed. It is important, in order to properly target these funds, that the State allocation formula take into account statewide levels of distress caused by unemployment. This distress is measured by the statewide unemployment rate. As the unemployed proportion of a State's labor force increases, the burden on State and local resources grows at a multiplied rate as a proportionately larger group of unemployed workers and their families become dependent on public assistance and services and as a proportionately larger amount of tax revenues disappears.

In keeping with this principle, the bill further requires that within a State, 85 percent or more of the funds be spent in areas with high rates of unemployment, areas with unemployment rates above the national average.

Secretary of Commerce Kreps sent a letter to every Member of the Senate last week restating the administration's strong support for a formula which does include a severity measure. I urge my colleagues to support the committee bill.

Mr. President, with reference to title III, at this point in time I shall reserve my specific remarks on that title until it is reached in the deliberations of the Senate.

Mr. PERCY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. STAFFORD. I yield.

Mr. PERCY. I ask unanimous consent that Caroline Fawcett of my own staff be allowed the privileges of the floor during the vote on the Percy amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 63

Mr. PELL. Mr. President, in behalf of my distinguished colleague, Senator CHAFEE, and myself, I would like to call up amendment No. 63.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. PELL), for himself and Mr. CHAFEE, proposes amendment No. 63.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 16, line 13, strike the period, insert in lieu thereof a colon, and the following: "*Provided, however*, That no State whose unemployment data was converted for the first time in 1976 to the benchmark data of the current population survey annual average compiled by the Bureau of Labor Statistics shall receive a percentage of funds appropriated under this section less than the percentage of funds allocated to the State from funds appropriated for title I of the Public Works Employment Act of 1976 (90 Stat. 999) prior to January 1, 1977.".

Mr. PELL. The amendment is designed to correct an inequity that affects my State of Rhode Island, and to a lesser degree, three other States—Iowa, Alaska, and Colorado.

The inequity is caused by the fact that during 1976, the unemployment data for 23 States was converted by the Bureau of Labor Statistics from adjusted, State-collected data, to the benchmarked Current Population Survey annual average. The first round of allocations under the Public Works Employment Act was based on the former statistical method.

The conversion to the new statistical base had a varied impact on the 23 States involved when applied to the allocation

formula in the Senate committee bill. Of those States, 19 would receive an allocation equal to or greater than the proportion of funds they received in the first allocation.

In the case of Rhode Island, however, the new statistical base would mean a one-third reduction in the proportion of funds allocated to the State. For the other three States adversely affected, the loss was relatively minor.

This amendment would provide simply that those States adversely impacted by the change in statistical base would receive a percentage of funds under this bill no less than the percentage allocated to them in the first allocation. The total shortfall, the total impact of this "hold-harmless" provision is estimated to be $19.2 million.

I believe the amendment is justified because after extensive consultation with officials of the Bureau of Labor Statistics, I am convinced that the new statistics for the State of Rhode Island are faulty. Our State unemployment data show we have no significant change in the actual numbers of persons drawing unemployment compensation and seeking jobs. Our State, for the past 12 months, has had the highest unemployment rate in the Nation based on an average of monthly unemployment statistics. Accordingly, I hope this amendment will be adopted so that our State will not be penalized while we continue to explore with the Bureau of Labor Statistics a solution to what appears to be a statistical abberation.

I have discussed this amendment with the distinguished chairman of the Committee on Environment and Public Works and hope he finds it possible to accept the amendment.

This amendment, I understand, has been cleared with the minority and I hope it will be accepted by my colleagues.

Mr. BURDICK. I have discussed this matter with the able Senator from Rhode Island, and the manager is prepared to accept it at this time.

Mr. STAFFORD. Mr. President, on behalf of the minority we have reviewed the amendment of the senior Senator from Rhode Island, and we have discussed it at length with the junior Senator from Rhode Island (Mr. CHAFEE). We are prepared to accept it.

I simply wish to note, Mr. President, the excellent cooperation and leadership that the new Senator from Rhode Island (Mr. CHAFEE) has shown throughout the committee's work on this measure. He has not only served his State well but he has also looked to preserve the best interests of the country in the development of job legislation. I believe the efforts of Senator CHAFEE should receive proper recognition for that fact.

Mr. CHAFEE. Mr. President, I wish to thank the distinguished ranking minority member of the Environment and Public Works Committee for his kind remarks.

I also thank the chairman of the committee (Mr. RANDOLPH) for the excellent leadership he has given, and to pay tribute to the senior Senator from Rhode Island for his able assistance in this matter.

I would like to join in recommending the passage of this amendment, which is a modest amendment. I believe it is noncontroversial and is correct as a matter of equity, as has been already pointed out.

The PRESIDING OFFICER. Do other Senators wish to be heard? If not, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 56

Mr. PERCY. Mr. President, on behalf of Senator HART, Senator HUMPHREY, Senator JAVITS and myself, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY) and others propose unprinted amendment No. 56:

On page 19, after line 17, insert the following new subsection:

"(10) in making grants for projects for construction, renovation, repair or other improvement of buildings, the Secretary shall also give priority and preference as between such building projects to those projects which will result in conserving energy, including but not limited to, projects to redesign and retrofit existing public facilities for energy conservation purposes, and projects using alternative energy systems."

Mr. PERCY. Mr. President, this amendment, which is similar to a provision included in the House-passed version of this bill, provides that special consideration be given by the Secretary to projects which will result in conserving energy, a major national goal.

Although the title I program emphasizes the immediate countercyclical stimulus to our economy, we must remember the long-range benefits incurring from this program.

Many of the projects will be used by communities for 25, 30, perhaps 50 years.

Let us take one case in point. One community development center as constructed by this program will consume an estimated 110 barrels of oil per year. This oil, and the electricity used, make a total use of 1 billion Btu's per year at this community center. Multiply that figure by 35 years, and an astonishing 35 billion Btu's will have been consumed by the community center. This is just one project.

EDA estimates that thousands of projects, both construction and rehabilitation, will be provided under title I funding. It is crucial that we recognize the impact of these projects on our energy supplies.

Construction performed by the Federal Government should set an example throughout the Nation. This amendment is just one of the many steps needed in a National Government policy of energy conservation. Only through a consistent legislative policy will we realize such a goal.

Mr. President, the phrase that we have omitted in this amendment, which is in the House-passed amendment, is the phrase: "for which application is made after the date of the enactment of this provision."

There are many pending projects that should be implemented in this way immediately. EDA claims that 25,000 applicants are awaiting this funding. Conserving and saving energy is a matter of national policy now.

Our foreign policy is endangered because of our overdependence on oil.

A startling figure was just given to me in Los Angeles Monday when Bob Anderson, chairman of the board of Arco, said this country is now importing more oil per day than the total output of the biggest oil-producing country in the world, Saudi Arabia.

We are already 50 percent dependent on imports. To every single piece of legislation this body enacts, we should put the crucial test of what can we do to make certain that we are conserving energy, that we are constructing our buildings in a way compatible with a national energy policy whose centerpiece is the conservation of energy, whose necessity has been confirmed by the President himself.

He is solidly supported by the newly created Alliance To Save Energy. I spoke a few moments ago by telephone with George Meany, who is a member of the board of directors of the Alliance To Save Energy. Yesterday I spoke with Leonard Woodcock, president of the UAW. George Meany said there is nothing so urgent and so important in this country, as building into everything we build the capacity to save energy, not squander and waste it by heating and cooling the outdoors when we do not have to.

I would be happy to yield to my distinguished colleague.

Mr. RIBICOFF. Mr. President, I would like to join my colleague from Illinois in his amendment.

The work the Senator from Illinois is doing in the entire energy field, especially now when we are in the process of trying to bring all our programs together in the Department of Energy, has been outstanding.

I ask unanimous consent that I be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. I am very happy to add my distinguished colleague, the distinguished chairman of the Governmental Affairs Committee. We have worked together so closely on these matters.

I would also like to ask one question of the Senator.

Does he see any reason why we should leave in the House language which, in effect, means that if we do not make this change and omit those few words it will be many months before such project can even be given consideration? There is no reason why on enactment the agency and the Secretary should not immediately put this test to every single project.

Mr. RIBICOFF. I think the Senator from Illinois is absolutely correct. This is not the time to go slow. This is a time to move fast. Without question it is the greatest economic, social and political problem facing this Nation, as a matter of fact facing the world, because unless we solve the energy problems of the United States we cannot do anything throughout the entire globe.

And there is no question, in listening to Dr. Schlesinger, but that the greatest energy program that we can possibly put in place and put in place fast is the whole field of conservation. I am sure that the new Department of Energy, which we will try to move as fast as we can through the Senate, will have as one of its keystones the program being advocated by the Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague.

I take this occasion to say that in his name yesterday and in behalf of both of us, I emphasized to Dr. Schlesinger, when I met with him, that we would move ahead very rapidly in an orderly process. But I said the chairman, in his customary method of operating, has moved so swiftly in reorganization to create an energy department that we will be marking it up and sending the bill to the Chamber of the Senate before the House of Representatives gets going. I warned our House colleagues that we intended to really move on this. At that time Dr. Schlesinger said conservation of energy will produce oil at $1.50 a barrel, and he also said:

When you count that shale may be $25 a barrel, how can we not afford to do these kind of things?

I am most anxious to have a response from the floor managers, the chairman of the Public Works Committee, and the ranking Republican who has spent so much time in this field. I do not think there is anything the Senator from Illinois could ever say that could influence them because they were disciples of this philosophy long before the Senator from Illinois.

I yield happily to my distinguished colleague from West Virginia, Senator JENNINGS RANDOLPH.

Mr. RANDOLPH. Mr. President, in response to the arguments, and they are valid arguments, of the able Senator from Illinois (Mr. PERCY), I think that a very quick recital of perhaps the past might be appropriate at this point. Through the years in Congress and in administrations, five in number, we have been trying to do something about these problems. We have been on the fringes. We have sometimes acted in a substantive way as with the national speed limit. On that item of conservation alone I say that, if the 55-mile-an-hour speed limit were enforced and complied with by the traveling public, we would have 200,000 barrels of oil per day. What are we doing? With only a partial enforcement and partial compliance we are saving perhaps 90,000 barrels of oil a day.

It is difficult to know whether voluntary or mandatory or a combination of the two has yet awakened the American people to the need for conservation in this country.

States make a 2- or 3-week effort to do something about enforcement. They do it, and then they drop back to the old ways. The cars move at 70 miles an hour, and nothing is done about it.

Mr. PERCY. Mr. President, will the Senator yield for only one figure at that point?

Mr. RANDOLPH. I yield.

Mr. PERCY. The Senator from West Virginia, I think, with his customary modesty would not say it. As the Senator will recall, the Senator from Illinois proposed a 55-mile-per-hour speed limit. The proposal went to the Senator from West Virginia the chairman of the Public Works Committee. Only because of his leadership, and because he managed that amendment and put it through has it become law.

The Senator from Illinois is not only impressed with the fact that 73 million barrels of oil a year are being saved as a result of that, but in the AP release the other day, I saw that the Traffic Safety Council released the official figures of 27,000 lives saved since the enactment of that law 3 years ago. That is not the potential. The potential was 39,000. But 27,000 people are living today who otherwise would be dead. Multiply that by the number of family members affected, and we see the tremendous impact that the Senator from West Virginia has had on America and the happiness of many Americans.

But still in some States I have visited, you get run down at 55 miles per hour. The Senator from Illinois wished to enforce that by simply withholding highway trust funds from any State that did not enforce it, and possibly——

Mr. RANDOLPH. That is in the law.

Mr. PERCY. I did not feel it was.

Mr. STAFFORD. That is right. It is in the law.

Mr. RANDOLPH. Absolutely. The Federal Highway Administrator can withhold funds from any State where that law is not enforced. We have placed it into the legislation.

Mr. PERCY. Then the Senator from Illinois recalled incorrectly. I did not think it had gone through.

Has there been any compliance with that section? Have we actually threatened or have we withheld funds? There are some States in which I have been where I would like to call up the Federal Highway Administrator and tell him to go out on that highway at 55 miles per hour and see how he would be beaten down.

What the Alliance to Save Energy wants to accomplish is to get the moral code of this country to enforce Federal law, not to break it. I am talking about hundreds of thousands of CB radio operators who today are warning their fellow motorists:

Smokey Bear is around the corner, cut down.

What they are saying is keep killing people, keep wasting energy, and keep breaking Federal law, passed by Congress and signed by the President.

What we ought to do is create a moral feeling in this country that anyone who is helping people break the law ought to be punished somehow.

Mr. RANDOLPH. And also using obscene language in notifying the traveling public as to why they should break the law.

This was in the 1975 law, I remind the Senator, and we have attempted to have the Secretary of Transportation say to these States through the Federal Highway Administration:

You cannot have these funds; you cannot move forward in the construction of additional interstate roads or other roads primary and secondary.

And so it is a very difficult problem apparently to have the American people understand the severity of the energy problem.

I only add this further: The energy conservation crusade legislation, which was the sense of the Senate measure, was passed in this body on February 14, 1975. I introduced that with a cosponsorship of 67 Senators. It was passed unanimously. Yet what has happened? The 50-some ways in which we spelled out that conservation could save oil and gas apparently have not yet made the impression that is necessary to be made. I have introduced it again this year as Senate Joint Resolution 13, and there are some 20 Senators who have cosponsored the legislation.

It is very helpful to have the Senator from Illinois speak as he speaks. I am delighted to join him in the effort he is making here again today. I am just hoping that at long last we will succeed. I am not in any sense partisan or political in these matters, but during five administrations there has been the opportunity to come to grips with this growing deficiency of energy for the United States of America.

I do not reflect upon any of the occupants of the White House when I say that Congress and the administration have thus far failed to do this job. Even though the oil embargo of some 3 years ago shocked people, we are importing more petroleum into the country now than we were at that time, about 10 percent more. The severity of the winter shortages of natural gas perhaps was another shock. But I only say to the Senator it will take an all-out effort. Timid steps will not suffice.

I underscore what the Senator has said, and I hope again and again we will address this problem and really come to grips with it, and that the American people will join in the effort.

Mr. PERCY. May the Senator from Illinois ask one question?

Mr. RANDOLPH. If the Senator will permit me to add one thought, I remember in 1961, when I testified before the Committee on Interior and Insular Affairs on behalf of fuels and energy policies, for the establishment of a commission to study the subject, I said that each year we delay brings us 1 year nearer disaster.

I think we have come closer to that disaster. I am appreciative of the concern of every Member of the Senate, and I hope we can evolve on a nonpartisan basis, by way of an all-out effort, the establishment of such a policy.

Mr. PERCY. That is why I have joined with the Senator from Minnesota (Mr. HUMPHREY) in the creation of the Alliance to Save Energy.

I would ask only this short question, requiring a one-word answer of the Senator from West Virginia: Would it make him feel better if we were able to appoint,

as director of the Alliance to Save Energy, a tough-minded, able administrator from the State of West Virginia? Because I am polling the members of my committee today to get their approval to hire this tough-minded young West Virginian to serve as director of that organization and to help promote the establishment of a national energy policy.

Mr. RANDOLPH. Yes.

Mr. PERCY. I assumed the answer was yes.

Mr. STAFFORD. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. STAFFORD. With respect to the enforcement of the 55-mile-per-hour speed limit, I can tell the distinguished Senator from Illinois that I believe in the State I represent, and perhaps elsewhere, the withholding of Federal highway funds would spark an effort to enforce the 55-mile-an-hour limit.

Mr. PERCY. In that connection, would it be possible for the staff of the Committee on Environment and Public Works to review what has been done to implement this section of the law? This Senator was not aware that much had been done, and I would very much appreciate having a report on it. Then, I would be happy to take the floor with others to see what we can do to implement that part of the law. Federal funds are the whip hand we have, and we want enforcement as an aid to saving lives and, of course, saving additional millions of barrels of oil.

Mr. RANDOLPH. Of course, that will be done. The Senator from Texas (Mr. BENTSEN) is chairman of that subcommittee, and he will be fully cooperative.

Mr. BURDICK. Mr. President, I can say without hesitation to the distinguished Senator from Illinois that as a disciple of his and as manager of the bill, I am pleased to accept the amendment.

Mr. PERCY. Since we should make this effective immediately upon enactment, could the Senate conferees make every effort to avoid deleting these provisions in conference, which could otherwise delay it for months?

Mr. BURDICK. The conferees always defend the position of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 57

Mr. BURDICK. Mr. President, I send to the desk an amendment covering technical points, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 18, line 9, strike the comma after "projects".

On page 18, after line 19, insert the following: "projects and the relative time necessary to complete such".

Mr. BURDICK. This amendment is merely for the purpose of correcting errors in printing. It would change nothing in the substance of the measure.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. RANDOLPH. Mr. President, I say to the Senator from North Dakota, that I have indications of 3 or 4 or 5 other amendments. Senators knew the time that we would take up this bill this morning, which was shortly after 10 o'clock, and I am hopeful that aides who are present will contact their Senators who may be thinking of offering amendments. Senator BURDICK, Senator STAFFORD, and I, while we are very desirous of completing action on this measure as early as possible today, of course want a thorough discussion of the amendments.

We never even asked for an agreement on time when we were bringing this measure to the floor, because we wanted the opportunity for discussion and decision on the matters that would perhaps be in issue, especially with respect to amendments.

I believe that the Senator from Pennsylvania (Mr. HEINZ) may be here; in fact, I see him now. I suggest to him that perhaps if he is going to offer his amendment, it might be appropriate or helpful at this time. I leave that, of course, to his discretion.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

Mr. STAFFORD. Mr. President, pending further developments, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, is any amendment pending?

The PRESIDING OFFICER. The committee amendment in the nature of a substitute, as amended, is pending.

Mr. ROBERT C. BYRD. Mr. President, I would urge Senators who have amendments to the bill to come to the floor and be prepared to offer their amendments. This is going to be a long day; we may be here until midnight. The sooner they get to the floor and offer their amendments, the better. If we get to the point where we have no further amendments pending, we will go to third reading, and I hope the cloakrooms will get this message out to Senators who are not on the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I understand the distinguished Senator from Pennsylvania (Mr. HEINZ) has an amendment. Can he inform the Senate how soon he intends to call up that amendment?

Mr. HEINZ. I am awaiting one of the cosponsors of the amendment, a Senator very interested in it, the Senator from Texas (Mr. BENTSEN). He is in committee and is not yet available. It would be my intention to offer the amendment as soon as he arrives.

Mr. ROBERT C. BYRD. Will the Senator consider proceeding to offer the amendment and making his statement on it? We could save time if the Senator would proceed in that fashion.

Mr. HEINZ. I would like to do everything possible to accommodate the distinguished majority leader. Under any other circumstances I would be delighted to do as he suggests. Unfortunately, there is a discussion I must have with the Senator from Texas before I proceed. I regret very much any inconvenience it may cause. I do apologize for any inconvenience. Really, there is no other choice.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. JOHNSTON. Mr. President, I might say to the majority leader, I have two amendments which are being put into final shape and they will be here in 2 minutes.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I hope Senators will be prepared to call up their amendments. It is the intent of the leadership to attempt to complete action on this bill today. It could necessitate the Senate staying in rather late. If we do not finish action on it today, of course, we will consider it further tomorrow. I hope Senators will expedite the calling up of their amendments so that the Senate can utilize its time the best it can.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Mr. Ed King of my staff be accorded the privilege of the floor during the debate and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that Mr. Roger Berline, of my staff be accorded the privilege of the floor during debate and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 58

Mr. BARTLETT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 19, line 18, insert the following:

"(10) Consideration shall be given to those projects which demonstrate a probability of reducing unemployment by (A) stimulating private investment; (B) generating construction in addition to the project; and (C) creating new long-term employment opportunities in accordance with an applicant's long-range economic development plans."

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, the Public Works Employment Act of 1977 states that applications previously submitted under its predecessor, the Public Works Employment Act of 1976, will be the eligible grantee. However, nothing is mentioned concerning strengthening criteria by which these existing applications will be measured.

How the criteria should be strengthened is a matter of opinion; however, in one area, there should be no dispute. This area is the criteria of creating jobs not only for the next 6 months or 1 year or, perhaps, during the next 2 or 3 years, but for the long term in the private sector.

Private sector employment will provide the economic base that is so necessary for the revitalization of those areas that are presently hard hit by continuing unemployment. The loss of private sector employment is one of the prime causes of the continuing downward spiral of many of the eligible areas. Without the tax base created by private industry, an area cannot expect to provide for its residents or turn its economy around.

The amendment that I propose would provide consideration of three additional matters in measuring a project's capability to reduce unemployment:

First. Does the project stimulate private investment?

Second. Does the project generate construction in addition to the federally funded project?

Third. Does the project create new long-term employment opportunities in accordance with an applicant's long-range economic development plans?

If a project meets these three considerations, it is certain to create the long-range effect that is so desperately needed by the areas of high unemployment. It is not going to have the negative impact of creating inflationary trends that might occur with some of the other approaches that have been discussed.

We will be studying the impact of our public works investment under this act, and it is my hope that we will find significant improvements based on our investment, but I do not think that we have to wait for this analysis to realize that jobs in the private sector are the only solution, and that public works employment projects should be directed at this ultimate goal.

Section 102(d)(7) of the bill notes that immediate job-creating potential will be considered when applicants have the same priority based on other factors. I believe that we should go further and look at the long-term impacts of all projects and give those with this effect preference. On this basis, I hope that my colleagues will support this amendment.

Mr. President, I understand that this amendment is acceptable and I am happy to yield to the Senator from North Dakota.

Mr. BURDICK. The Senator is correct. I have discussed this with the Senator from Oklahoma and we shall accept it.

Mr. STAFFORD. Mr. President, we are prepared also to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

Mr. BARTLETT and Mr. DURKIN addressed the chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. DURKIN. Mr. President, I yield solely for the purpose of a unanimous consent request to the Senator from New York.

Mr. MOYNIHAN. I thank the Senator.

Mr. President, I ask unanimous consent that Eliot Abrams be alowed the privilege of the floor during consideration and vote on S. 427.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 59

Mr. DURKIN. Mr. President, I have an amendment I send to the desk and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. FORD). The amendment will be stated.

The legislative clerk read as follows:

Mr. DURKIN proposes on behalf of himself and Mr. HATHAWAY an unprinted amendment, No. 59, as follows:

On page 16, line 11, strike all after "per centum" through the end of line 13 and insert in lieu thereof ": *Provided*, That no State shall receive less than three-fourths of one per centum nor more than twelve and one-half per centum of the amount appropriated under this section."

Mr. RANDOLPH. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. RANDOLPH. Mr. President, I know that it is necessary for conferences to be held in connection with preparation of amendments and so forth. We are attempting to expedite the bill, and to give careful attention to all amendments to be offered. I hope that, insofar as possible, the Senators will give attention to the amendments offered and that we shall try to keep as quiet a Chamber, other than for those speaking, as possible.

The PRESIDING OFFICER. The Senator's point is well made. The Chair will make an effort to expedite his wishes.

The Chair recognizes the Senator from New Hampshire.

Mr. DURKIN. Mr. President, the amendment I have offered would increase funding for 24 States by guaranteeing a minimum allocation to each State, the District of Columbia and the trust territories of three-fourths of 1 percent of the total allocation from the next round of public works funding. This means that no State will receive less than $30 million from the next round of funds should the total funding be $4 billion, as expected.

Much of the discussion in recent days of this bill has centered on how one big State will or will not benefit at the expense of the other according to which formulation is used. What has been missing is consideration of how smaller States, such as New Hampshire, might or might not benefit. That is the element I think must be addressed today. That is the element which is addressed in my amendments.

According to my calculations, New Hampshire and 23 other States plus the District of Columbia will be better off under my amendment than under the minimum formula contained in the 1976 Public Works Act, which has one-half of 1 percent as the minimum. Another 11 States will receive approximately the same amount. And the remaining 15 States will still receive an average of $175 million per State, almost 6 times the minimum allocation to a State such as my own, New Hampshire.

If the fact that almost half the States will receive more money under my formula and that almost two-thirds of the States will almost certainly not receive less under my formula does not convince my colleagues to accept this amendment, then perhaps the difficulties in the present formulation can be rectified. The present formula works in favor of large States because 65 percent of the determination of the allocation of funds to States is based on the absolute number of unemployed.

As may or may not be known, we have a problem in the State of New Hampshire inasmuch as the Governor has one set of unemployment figures, but shows it to be much rosier than the Bureau of Labor Statistics.

Small States simply cannot compete using such a formula, even though the other 35 percent of the determination will be based on rate of unemployment. Just to point out a few examples, according to the latest Bureau of Labor Statistics available, New Hampshire had an average rate of unemployment during the 1976 calendar year of 6.4 percent. This is not as high as some, but it is higher than 19 other States. Yet under the formula in the bill, New Hampshire can get no more than the $20 million minimum because the absolute number of unemployed is not large enough.

Vermont's unemployment for 1976 was worse—8.7 percent for the same period. But, again, Vermont's number of unemployed in absolute terms is not sufficient for it to get more than the minimum. Delaware had an unemployment rate of 8.9 percent, but it cannot compete with the big States. Other small States which would receive only the minimum under

the present formula but would receive more under my bill include Alaska, Idaho, Iowa, Kansas, Mississippi, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Rhode Island, South Dakota, Utah, and Wyoming. The few small States that do get something extra for the formula get very little. For example West Virginia, the home of the distinguished chairman of the committee which did such a masterful job considering this complex legislation, and the home of the majority leader, will get only $1.57 million above the minimum under the formula in the bill, or a total of only $21.57 million, though the State unemployment rate monthly average for 1976 was 7.5 percent. And the same is true for Arkansas, Colorado, Hawaii, Kentucky, Maine and New Mexico, all of which will receive only slightly more than the $20 million minimum under the present formula, but which would all receive more under my formula.

These are all States in need of more than the small amounts of money the present bill would offer. When I look down the list of unfunded public works projects remaining from the first round in my State, and look down the list of unfunded projects in some of these other States which will benefit from my amendment, I realize, as I trust my colleagues do, how unfair it is that a hard hit small community should not receive needed moneys just because it is in a small State. One of the founding principles of this country is that small States should not suffer discrimination at the hands of larger States. It is for exactly this reason that this body is structured as it is with two Members from each State.

The people of New Hampshire and the people of all other States look for us today to develop a formula for distributing the funds for the next round of public works projects that is as fair as possible. I am introducing this amendment today because I want to be able to say to the citizens of my State that I saw an unfair formula, and I worked to change it. But I also want to be able to say that my distinguished colleagues in the U.S. Senate recognized this unfairness also, and voted with me to change it.

Mr. President, at this time I ask unanimous consent to add the two Senators from Nebraska as cosponsors to this amendment.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mr. DURKIN. Mr. President, at this point, I inquire of the floor managers, is there any objection and would the floor managers be willing to accept my amendment?

I might point out that the House has included a formula which would require minimum allocation of three-quarters of 1 percent except that there are some people who think the House formula does have some discriminatory aspects depending on what State they may come from.

I notice my good friend from New York is one of those who thinks they may well discriminate against his State.

Mr. BURDICK. Mr. President, the committee worked very diligently on the formula. There are all sorts of formulas that might benefit one State or another.

We thought the compromise we arrived at was equitable and as fair as we could find. For that reason, we would like to keep the formula that is in the bill at the present time.

If there are other amendments offered that change that, then we might be more amenable to the Senator's amendment, but we would like to stay with the present bill as long as we can.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, is there a time limitation?

The PRESIDING OFFICER. There is no time limitation.

Mr. DURKIN. I yield to the Senator for this purpose.

Mr. JAVITS. Mr. President, the difficulty the Senator has presented us with is that he has presented his amendment at a time when we do not know what will happen to other amendments which are on the floor. Therefore, it makes it impossible for me to say, "Yes."

But I am amenable to his amendment, but we simply do not know what other amendments will come here respecting reductions in this distribution to the States which need it the most.

Let us be perfectly realistic with each other, this is a bill which was entirely designed to help States heavily impacted by unemployment. It is one of the very unfortunate—I could use stronger words, but I am not given to using stronger words, and for that reason I do not use them—parts of our Senate debates, when we get on measures of this kind, people look at what it means for their State instead of what we are trying to do generally for the country.

We have always said and we say again, if that should become the habit, then everything goes down the drain. We cannot do anything for anybody if we have to compensate Mississippi for losing 2 million dead chickens and we have got to find dead chickens elsewhere, even if they do not exist.

That is really what this is.

So faced with that kind of situation, strictly pragmatic by everybody and having no relation whatever to the reason why this legislation is being passed, at least we are trying to pick our way with some degree of discretion through these mine fields. That is what it all comes down to.

Therefore, I hope that the Senator might consider for the moment withdrawing his amendment and let us see what happens to the Heinz amendment. Then we will have a better focus upon doing what the Senator wishes with respect to these States like his own which neither gains nor loses, under the formula, unless there is an increase in the guaranteed minimum amount.

That is the situation as I see it. Otherwise, we are in trouble with this amendment because we have no idea what other reductions are going to be made in this so-called emergency package until they are actually voted on.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. DURKIN. Mr. President, in response to the question of the Senator from New York, I think he realizes under my formula New York would receive $175 million.

Mr. JAVITS. Will the Senator yield at that point?

I would like to give the Senator the whole $175 million and $175 million in addition to that if he will give me his unemployment rate for mine. Gladly; great swap as far as we are concerned.

Mr. DURKIN. I think everyone in this Chamber and the galleries knows what we are talking about here, and as far as the Senator from New York and the Senator from California and the Senators from some of the larger States are concerned, that the Heinz amendment will pass and that New York and California and some of the other States will have a reduction in their funding as a result.

They are rightfully putting up a strong argument for their constituents, their unemployed, and their public works funding.

Our people in New Hampshire who are unemployed are just as unemployed as those in New York. Even though there might not be as many of them, there is just as big a need. We are fighting for the people of New Hampshire and the smaller States. There are some 24 States that benefit under the formula set forth in my amendment at the desk.

I think rather than withdraw it, if the Senator from New York would be willing to support our amendment, we would be willing to help him further along in the day when his amendment is called up.

But right now we have got to gamble, the roulette, that if I withdraw this amendment now, when and if the Heinz amendment is tabled, this amendment may well be tabled at a later time.

If California and New York and the other States do not like the Heinz amendment, table the Heinz amendment, then the smaller States—New Hampshire and the 23 smaller States—are left at the end of the proverbial bite once again.

So I suggest to the Senator from New York to support this amendment enthusiastically.

The Senator from Pennsylvania is on his feet, seeking recognition, and some of us in the Chamber think that if the Senator from Pennsylvania (Mr. HEINZ) adds my amendment to his amendment, his amendment will be agreed to.

So I would think that those who are concerned with the Heinz amendment would accept the amendment now at the desk. Then they can argue with the distinguished junior Senator from Pennsylvania, who is fighting for his unemployed, who are just as unemployed as those in New York and those in New Hampshire and Vermont, West Virginia, North Dakota, and on through the rest of the 50.

So I do not think this is the time to withdraw the amendment. I thought the amendment would be accepted. I thought

I was performing a public service in bringing it up when there was a lull in the proceedings. Evidently, the signals have changed a bit.

I do not think I can withdraw the amendment. I suggest that the Senators from New York and California and the States that are concerned with the amendment that is going to be offered by Senator HEINZ look at my amendment very closely. Let us face it: We are talking about money. There are no great principles involved here. We are talking money.

I urge that the distinguished floor managers on both sides of the aisle accept this amendment. Then it will clear the decks for the battle that everyone has been talking about for a couple of days—the battle over the amendment of the junior Senator from Pennsylvania.

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. DURKIN. I yield, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator yields without losing his right to the floor.

Mr. BURDICK. As I stated to the Senator, we have worked out a compromise in the committee that we think is fair to everyone. If that compromise is going to be disturbed, then his amendment might have some merit at that point. But we have a compromise we are supporting, and we cannot entertain support for the Senator's amendment at this time. Perhaps later on in the discussions today we might, but not at this time.

Mr. DURKIN. I cannot play chicken with the unemployed people in the State of New Hampshire.

What the Senator is saying is that if he is forced to, then my amendment has merit; but if he does not have to, I am out in the cold, hitchhiking. I cannot say that to the people in New Hampshire and the other States that are going to benefit.

I think the junior Senator from Pennsylvania wanted to ask me a question. I wondered whether he is going to ask me if I will object to his including my amendment in his. If he is, I yield for that question.

The PRESIDING OFFICER. Without losing his right to the floor, the Senator from New Hampshire yields to the Senator from Pennsylvania.

Mr. HEINZ. I thank the Senator from New Hampshire for yielding. I wish to address a couple of questions and comments to him.

First, I commend him for bringing to the attention of the committee the problems of unemployment in the small States. Indeed, in a rural State, such as that of the Senator from New Hampshire, it can be a problem because things are so spread out.

Pennsylvania has the greatest number of people living in rural areas of any State in the Nation—some 3¼ million people—and I sympathize with the Senator's concern. I think the Senator has every right to offer his amendment at this time, but I would not be averse to including his amendment in my amendment, which I will offer as soon as the Senator makes a determination and as soon as his amendment is disposed of.

What would be the Senator's interest or attitude with respect to incorporating his amendment with my amendment?

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor and has been asked a question by the Senator from Pennsylvania.

Mr. JAVITS. That is fine.

Mr. DURKIN. I should like to get it straightened out now. I should like to get this amendment adopted now. If it should fail, I would be more than happy to join forces with the Senator from Pennsylvania in support of his amendment.

Maybe I speak too fast at times. I should like to read again the States that would receive increased funding under my amendment. They are Alaska, Idaho, Iowa, Kansas, Mississippi, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Rhode Island, South Dakota, Utah, and Wyoming.

If those States join forces with the people supporting the Heinz amendment—I do not have a list of the States that would lose, but I have a feeling that the distinguished senior Senator from New York has a list of those States, because New York and California are——

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. DURKIN. I will yield in a moment.

By extending the 24 States that would profit under my amendment, I think we can safely add Vermont, Delaware, New York, and California. We may well be able to add New Jersey.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New Hampshire still has the floor.

Mr. DURKIN. Mr. President, at this time, inasmuch as there are a number of Senators in the Chamber, it might be time to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DURKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN addressed the Chair.

The PRESIDING OFFICER. The Senator will be recognized. The Senate will come to order. Senators will take their seats.

The Senator from New Hampshire is recognized.

Mr. DURKIN. I thank the Chair.

It is my understanding that the leadership will accept my amendment and that I will, when the amendment is engrafted on the bill and the problems of New Hampshire and the smaller States are resolved, we will be happy with the bill and we will support the committee bill from there on out, assuming my amendment is adopted.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. It presents a very difficult situation to the manager of the bill but, having had a conference and in good faith, we will accept it.

Mr. DURKIN. I thank the Senator.

Mr. STAFFORD. Mr. President, on behalf of the minority we are prepared to accept the amendment of the Senator from New Hampshire.

Mr. JAVITS. Mr. President, do we need the yeas and nays under those circumstances? I ask unanimous consent that the yeas and nays be vacated.

Mr. HEINZ. I object.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the amendment of the Senator from New Hampshire. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

(At this point Mr. MORGAN assumed the Chair.)

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Iowa (Mr. CLARK), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HASKELL), and the Senator from South Dakota (Mr. McGOVERN) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "yea."

Mr. STEVENS. I announce that the Senator from Kansas (Mr. DOLE), the Senator from Utah (Mr. HATCH), the Senator from Nevada (Mr. LAXALT), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) would vote "yea."

The result was announced—yeas 62, nays 28, as follows:

[Rollcall Vote No. 43 Leg.]

YEAS—62

Bartlett	Goldwater	Moynihan
Bellmon	Gravel	Muskie
Biden	Hansen	Packwood
Brooke	Hart	Pearson
Bumpers	Hatfield	Pell
Burdick	Hathaway	Randolph
Byrd, Robert C.	Hayakawa	Ribicoff
Cannon	Huddleston	Riegle
Case	Inouye	Schmitt
Chafee	Jackson	Scott
Chiles	Javits	Sparkman
Church	Kennedy	Stafford
Cranston	Leahy	Stennis
Culver	Magnuson	Stevens
Curtis	Matsunaga	Stone
DeConcini	McClellan	Wallop
Domenici	McClure	Weicker
Durkin	McIntyre	Williams
Eastland	Melcher	Young
Ford	Metcalf	Zorinsky
Garn	Morgan	

NAYS—28

Allen	Heinz	Nunn
Anderson	Helms	Percy
Baker	Hollings	Proxmire
Bayh	Humphrey	Sarbanes
Bentsen	Johnston	Sasser
Byrd, Harry F., Jr.	Long	Stevenson
Danforth	Lugar	Talmadge
Eagleton	Mathias	Thurmond
Griffin	Metzenbaum	Tower
	Nelson	

NOT VOTING—10

Abourezk	Haskell	Roth
Clark	Hatch	Schweiker
Dole	Laxalt	
Glenn	McGovern	

So the amendment was agreed to.

Mr. DURKIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. MORGAN). The Senator from Oklahoma.

AMENDMENT NO. 60

Mr. BARTLETT. Mr. President, I call up my amendment No. 60, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes an amendment numbered 60:

On page 21, line 1, insert the following:

"(D) the impact upon unemployment in minority groups;".

Mr. BARTLETT. Mr. President, this is a very simple amendment. In the study section of the bill, for studying the 30 years' history of public works, it adds a section to study the impact upon the employment of minority groups. I understand that this has been accepted.

Mr. BURDICK. That is correct.

Mr. STAFFORD. Mr. President, on behalf of the minority, we are willing to accept the amendment. We understand much work on this matter has been done by Senator DOMENICI and the committee staff.

Mr. BARTLETT. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The Senate will be in order.

The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

UP AMENDMENT NO. 60

Mr. JOHNSTON. Mr. President, I call up an amendment which I have at the desk, and ask that it be reported.

Mr. STAFFORD. Mr. President, will the Senator yield for me to make a unanimous-consent request?

Mr. JOHNSTON. I yield.

Mr. STAFFORD. Mr. President, I ask unanimous consent that Christopher Brewster, of the staff of the Senator from Missouri (Mr. DANFORTH), be accorded the privilege of the floor during the consideration and debate on S. 427.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Louisiana has the floor.

Mr. JOHNSTON. Mr. President, I have an amendment at the desk, and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON), for himself and Mr. LONG, proposes an unprinted amendment numbered 60.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, add a new title as follows:

TITLE IV—FEDERAL PUBLIC WORKS PROJECTS CONTINUATION

SEC. 401. The Congress hereby finds and declares that:

(A) The construction projects listed in Public Law 94-355, the Public Works for Water and Power Development and Energy Research Appropriations Act, 1977, and in Public Law 94-351, the Agriculture and Related Agencies Programs Appropriations, 1977, represent the foundation of our national public works activity. Such projects are essential to the reduction of unemployment;

(B) Such projects provide long-term benefits to communities, to states, and to the entire nation in terms of water management, flood control, navigation, recreation and enhanced economic activity; and

(C) Such projects have been authorized by the Congress after protracted hearings and consideration extended over many years. Appropriations have been made and are being made pursuant thereto. It is the judgment of Congress that such projects should not be discontinued except by following the legislative process provided by the Constitution of the United States and the provisions of Public Law 93-344, the Congressional Budget and Impoundment Control Act of 1974.

SEC. 402. Notwithstanding the deferral and rescission provisions of Public Law 93-344, all appropriations provided in Public Laws 94-355 and 94-351 for construction projects or for investigation, planning, or design related to construction projects shall be made available for obligation by the President.

SEC. 403. Section 402 of this Act shall be equivalent to and have the legal effect of a resolution disapproving any deferral of budget authority previously provided for construction projects in Public Law 93-355 or in any prior law appropriating funds for the United States Army Corps of Engineers or the Department of Interior Bureau of Reclamation, or for construction projects in Public Law 94-351 or any prior law appropriating funds for construction projects in the Department of Agriculture, as provided for in Section 1013(b) of Public Law 93-344, the Congressional Budget and Impoundment Control Act of 1974. Section 402 is also equivalent to a Congressional statement of intent not to uphold any rescission of budget authority with regard to funds appropriated for construction projects in Public Law 94-355 or Public Law 94-351 or for construction projects in any prior law appropriating funds for the United States Army Corps of Engineers, the Department of the Interior Bureau of Reclamation, or the Department of Agriculture, as provided for in Section 1012(b) of Public Law 93-344.

SEC. 404. It is hereby reiterated that the interest rates or rates of discount to be used to assess the return on the Federal government's interest in projects of the United States Army Corps of Engineers or the Department of Interior Bureau of Reclamation, shall be those interest rates or rates of discount established by Public Law 93-251, the Water Resources Development Act of 1974, or by any prior law authorizing projects of the United States Army Corps of Engineers or the Department of Interior Bureau of Reclamation.

SEC. 405. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of any other provision to other persons or circumstances, shall also be invalid.

Mr. JOHNSTON. First, I ask unanimous consent that Skip Walton, Alan Yuspeh, and Bob Szabo of my staff have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, this amendment is intended to undo the prospective action of the Executive with respect to water projects. What it would do is this:

First of all, let me say it is in five sections, and I ask that Senators give very careful attention to this, because I believe it is of extreme importance.

The first section, Mr. President, is a declaration of intent, a declaration of policy of the U.S. Senate and of the Congress of the United States. It says this:

The construction projects listed in Public Law 94-355, the Public Works for Water and Power Development and Energy Research Appropriations Act, 1977, and in Public Law 94-351, the Agriculture and Related Agencies Programs Appropriations, 1977, represent the foundation of our national public works activity. Such projects are essential to the reduction of unemployment;

It further says that:

Such projects provide long-term benefits to communities, to states, and to the entire nation in terms of water management, flood control, navigation, recreation and enhanced economic activity:

It further declares:

Such projects have been authorized by the Congress after protracted hearings and consideration extended over many years. Appropriations have been made and are being made pursuant thereto. It is the judgment of Congress that such projects should not be discontinued except by following the legislative process provided by the Constitution of the United States and the provisions of Public Law 93-344, the Congressional Budget and Impoundment Control Act of 1974.

Mr. President, those are the findings of fact contained in this amendment. The next section, Mr. President, is a simple mandate that funds provided in the fiscal year 1977 budget shall be made available for expenditure before the end of the fiscal year. It is intended to prohibit the deferral or rescission of such funds for fiscal year 1977.

The next section, Mr. President, is in some respects duplicative of section 402, in that it intends to be operative in prospective disapproval of such deferrals or rescissions, should they be made. Actually section 403 is not necessary un-

less there is something legally wrong with section 402, and we do not believe there is.

Section 404 provides for the interest rates under which these projects shall be considered. I think Congress is well aware that the public laws of the United States presently provide and establish an interest rate under which projects are considered for their cost-benefit ratio. That interest rate has gone up and down, in accordance with the provisions of those laws, particularly Public Law 93-251, which was the Water Resources Development Act of 1974. All this section does, Mr. President, is reaffirm and reiterate the binding nature of the public laws of the United States.

I would think, Mr. President, that it would be unnecessary to do that. However, the prospective action of the Executive would indicate that it is necessary to reiterate the binding nature of the laws of the United States; and if we must reiterate those sections of the laws, we so do it here.

Finally, Mr. President, is a nonseverability clause. What that means is that if this section respecting these public works projects is knocked out and declared illegal, the whole bill falls.

Mr. President I am sorry it is necessary to put this kind of amendment in this kind of bill. But apparently we must do so in order to maintain the intent of Congress, in order to carry out the provisions of congressional acts already passed.

There are 19 projects, Mr. President, that already have been temporarily deferred. We have done our best to find out the basis on which those projects have been deferred. Mr. President, I must tell the Senate that those projects, in my judgment, have been deferred and discontinued on absolutely the flimsiest sort of evidence imaginable.

Our colleagues from Colorado, for example, submitted a freedom of information request to the Executive to find out the basis on which projects in Colorado were discontinued. They got two measly pieces of paper, Mr. President, as authority to discontinue, I believe it was some four projects, involving millions of dollars that had already been spent. Because some bureaucrat—and I would suspect some bureaucrat new to Washington, new to the project, and new to water projects—submitted those pieces of paper, it would bring this whole thing to a halt.

With respect to water projects in my own State, a project known as the Bayou Chene, Boeuf, and Black project has been discontinued. That project is not only a good project, it is necessary for this country to develop its energy resources, because they have over a billion dollars worth of offshore rigs being constructed up that bayou, and $200 million or $300 million worth of those rigs are not going to be able to get out of the mouth of the bayou unless we complete this project. The project consists of widening the bayou and deepening its channel. I have some pictures that show a rig coming out the mouth of that bayou. My assistant has them, and will be here in a moment.

The rig in question is intended to drill in a thousand feet of water on the Outer Continental Shelf. Hopefully we will be able to get that done on the Atlantic some day, if the environmentalists do not stop that, too. But the picture shows that this rig coming down the bayou, being pushed by tugs, is being hit on either side of the river by trees. They were able to squeeze that one out. But based on the promise provided in the public laws of the United States that this project would be built and completed, the company—McDermott in this case—is building rigs that are 440 feet wide. Keep in mind, 360 feet now touches on each side, and they are building them up there at 440 feet wide now.

There is no way to get those rigs out unless we complete this project, and the project is being discontinued, with over a billion dollars worth of work going on upstream. Mr. President, I do not know on what basis that project was recommended for deferral, but I can tell you it was a basis without any logic, benefit, or reason for this Nation, much less for my State, when they took that action.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield for a question.

Mr. RANDOLPH. I am concerned, but I believe I am in agreement with what the Senator is saying. With reference to the project the Senator mentioned, what percentage of the project is now completed?

Mr. JOHNSTON. I believe it is about 50 percent. I can get the precise number. The project was first authorized in 1968, first funded in 1972, construction beginning in 1974, and a total of $10.5 million has been committed to date. The latest estimate of the project cost is $22,128,000. It is about 28 percent completed. It is over 2.5 to 1 in the cost/benefit ratio, no matter what figures one uses.

As far as the environmental thing is concerned, yes, it went to lawsuit, and the judge held that this did not violate the National Environmental Policy Act, it did not violate the Water Pollution Control Act, and it did not violate the Fish and Game Act. It did not violate anything. It has been to court on environmental questions. Somebody in the executive department thinks we ought to stop this project.

Mr. President, I am confident this project will be continued. I do not believe that on examination anybody could discontinue the project permanently. There are two reasons for me putting in this resolution. It is not just because of this project, but because of the enormous time and energy this subject will require of the Congress until we get it resolved.

We met with the President this morning and he said, "Let us go out and have public hearings in all the States. We were going to have them in Washington, but now we are going to go back to the States to have them."

Every Senator who has a water project will have to trundle to his State, hold the hearings, get all the public witnesses and pack the chambers. We can do it on every one of our projects, and I suspect everyone else in the Senate can. We will have to take that time and then come back through the review process, expending the total time and energy of the Congress.

In addition to that, Mr. President, I know on this one project we are ready to let one contract on March 18 of this year and another contract on March 22 of this year.

I assume the Executive intends simply to disregard the public laws of the United States and not let out those projects for contract.

Mr. RANDOLPH. Will my friend yield for a question?

Mr. JOHNSTON. I yield to my distinguished friend from West Virginia for a question.

Mr. RANDOLPH. This has some of the elements of impoundment, in a sense, which never was the actual province of any administration. There were sewage treatment moneys which Congress not only authorized but appropriated which were held hostage by the Executive—hostage seeming to be a very good word at this time, apparently. Moneys allocated to the States were impounded.

The only reason I mention this, whether it was by one President or another, is the Senate has not allowed that to take place. When the release of the funds regardless of who it was, was not made by the President, the Senate has taken care of it. I sponsored two Senate resolutions in 1975 to require the President to obligate funds authorized for the Federal-aid highway program and the water pollution construction grant program.

Mr. JOHNSTON. I appreciate the comment of my distinguished friend. I have one statement to make in answer to that. As one of our colleagues put it yesterday, we thought we had gotten away from government by veto and government by confrontation between the Congress and the Executive. This amendment is intended to get us away from that government by veto by maintaining, effectuating, and mandating that the intent of Congress as already expressed in public law should be carried out.

I yield to my distinguished friend from Maine for a comment.

Mr. MUSKIE. I thank my good friend from Louisiana. I would like to comment on two items: First, with respect to his objective and, secondly, with respect to the effect of the Pollution Control Act as it relates to the amendment.

First, I would like to closely identify myself with his objective. I could not take greater offense with any action taken by this President or any President than with respect to the action which has been taken in connection with these water projects. I am not just talking about the merits. I cannot now speak all that much

to the merits of each project, and I certainly do not object to any President's right to review the merits of projects which are ongoing when he takes office. However, I do violently object to the procedure which has been used. It is a procedure which has denied due process to all of the values which are built into these projects, denied due process to those in the Congress who have undertaken to support these projects, taking them laboriously through the legislative mill and across the President's desk. It denied due process to the communities and regions of this country who are affected and benefited, hopefully, by these projects.

I will just refer to one example with respect to a project in Maine which is affected. It is already involved in the environmental impact process of the National Environmenal Policy Act. Congress has provided funds to undertake the environmental evaluation, but now, right in the midst of that process, this nameless bureaucrat—well, not really nameless because the name can be provided and I know who it is—has used a personal ax and a personal access to the President to abort the process.

The project in Maine was authorized in 1965. We had to first fight the power companies and then other groups who were competing for the energy market who sought to abort it. Then with the energy crisis there were those who saw the need for the energy. The environmental groups moved in, and they have every right to do so. But in recognition of their right those of us who supported the project have agreed to accept the environmental impact process for the purpose of evaluating the environmental values which are at issue.

Now in the midst of the process and in the name of environmental values, without any consultation with anybody else who knows anything at all about the project, the process has been aborted in this fashion. I take violent exception to it. I fully support the concerns and efforts of the Senator from Louisiana.

On the technical question, as my good friend from West Virginia pointed out, the Congress has been plagued by an expanded use by Presidents of the impoundment procedure to refuse to spend money for projects which the Congress has approved. I refer not only to these projects but programs across the whole plane of the Federal budget. The Presidents increasingly used impoundment, as it came to be called, to frustrate the will of the legislative branch of this Government. That practice became so abused under the Nixon administration that finally the Congress decided it had no choice but to create a process or a procedure for dealing with that executive power. So we adopted the Impoundment Control Act as part of the Budget Reform Act 2 or 3 years ago.

I never felt that the Impoundment Control Act went far enough. I do not believe any President ought to have the right to impound funds for policy reasons. If funds have been appropriated by Congress to implement a policy adopted in accordance with the normal legislative process and the President disagrees with that policy, in my judgment, he ought to come back to the same legislative process to seek to change the policy. No President should have the right, unilaterally, on his own, to frustrate a policy that has been made a part of the law of this land, in accordance with constitutional processes, in accordance with approval by both Houses and legislation, either signed by the President or passed over his veto. No President ought to have a right to abort a policy so established. If he wants to change it, whether it has to do with these water projects or any other policy or program, he ought to come to Congress and ask Congress to change it and accept the normal legislative processes under the Constitution of the United States to do that.

That has not been done with these 19 projects. It is clear it has not been done. It is clear it has been done on the flimsiest kind of evidence. It is clear that it has been done without due process. The two pages of evidence that were submitted by the Council on Environmental Quality to the President as justification for the aborting of the Maine project was a disgrace. I put it in the RECORD on the confirmation hearings of the new chairman of the Council on Environmental Quality.

I have to conclude, from reading those two pages—they did not even occupy all of the white space on the two pages—that in terms of environmental values, a critical distortion was included; with respect to economic benefits, a critical favorable fact was omitted.

The President was not even advised in that memorandum that the environmental impact process established by law was underway for the purpose of getting the very environmental answers that he was seeking. Instead, he was urged, on the basis of this skimpy, flimsy, distorted, two-page memorandum, to abort an environmental impact process in which Congress has invested several million dollars to insure that due process would be given to environmental values, to economic values, to energy valus. That process has been aborted.

I promise my good friend from Louisiana that, this afternoon—I have an appointment with Mr. Warren, the new chairman of the Council on Environmental Quality, and I intend to make the same points to him that I am making here, and I intend to make them even more vigorously, if I can find a way to do so.

I say to the Senator, finally, that so far as I am concerned, I am not sure that section 402 of his amendment would be effective legally. I hope it would be. I do not regard it as in any way running counter to the purposes of Budget Reform and the Impoundment Control Act. Indeed, I think the purpose of the amendment is to support the purposes of the Impoundment Control Act.

There are times when you have to fight fire with fire. When the Executive aborts established procedures, I, as one Member of the Senate, am going to look for anything I can fire back—anything I can fire back.

I have repeated this indignation over and over again, but there is one question about the Senator's amendment I want to clarify, because I am not sure what it means.

In section 405, it says:

> If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of any other provision to other persons or circumstances, shall also be invalid.

Does that mean—I make the question very specific—that if the Senator's amendment were in some way held invalid—I cannot conceive of why it should be, but if it were, it is not his intention that the rest of this bill should be held hostage to it and should fall if this does?

Mr. JOHNSTON. That is precisely what I intend.

Mr. MUSKIE. That is a concern, then.

Mr. JOHNSTON. The reason for that is if they knock out these water projects, we can come back and very quickly, in Congress, reenact this jobs bill.

Mr. MUSKIE. The President does not have item veto.

Mr. JOHNSTON. I recognize that, but just to restrain an overeager Department of Justice which, in too much zeal, would go out and attempt to kill these water projects, I sought to make it a little easier for them to support the whole bill, the whole package. I think these water projects, which not only provide jobs but stimulate the economy as well and leave a permanent improvement, are more important to the jobs program, the unemployment program, and the economic health of the Nation than any other single thing we can do.

Mr. MUSKIE. I agree with that, but I really disagree with this interpretation, if this should become part of the bill that goes to the White House, if the President disagrees with it, he has to veto the whole bill. If he does not veto the whole bill, what course would then be open to him?

The course that would be open to him would be to send up deferrals and decisions upon which we can act and I do not think any court will hold these provisions invalid.

If, for some other reason down the road, that should happen, I would not want to see the rest of the bill put in jeopardy. I am a little worried about this.

Mr. JOHNSTON. Let me say to my good friend from Maine that that is not the most important provision of this amendment. As this debate goes on, I shall be happy to consider deleting that provision, because I have enormous respect for my friend from Maine. If my colleagues are of the view that we should take out that so-called nonseverability clause, I shall do so, because I do not think it is absolutely essential to this bill, although, in my view, it improves it.

I thank my friend for his comment.

Mr. LONG. Will the Senator yield on that point?

Mr. JOHNSTON. Yes.

Mr. LONG. It seems to me, I say to the Senator, if we look at the history of some of these confrontations, Congress can send a law down to the President and the President says, "I don't care what they say, I am just not going to do it"—this has happened. One could contend that, we will say, you cannot tell the President what to do by an act of Congress. You and I know that by rights, the President is supposed to obey the law just like everybody else. I thought that was pretty well established in that Nixon controversy over impoundments. But, at the same time, one could well say, "Wait a minute, we don't think what you did was constitutional and we are not going to do it."

It seems to me, that being the case, it would be well to say, "All right, if you want to veto the bill, go ahead and veto it. If you do not want to veto this bill, you are going to have to live with it."

Mr. JOHNSTON. Live with the whole thing.

Mr. LONG. That being the case, we should see where we stand.

I, for one, would have no problem whatever in putting in these projects that have been carefully studied by Congress and have a favorable benefit-cost ratio, justified in the Nation's interest, both individually and collectively. I for one would be willing to go on the record as saying these projects have a higher benefit ratio than some of the make-work projects in this emergency bill to try to put people to work. I would be willing to say that, dollar for dollar, they have a higher priority than that refund we are being asked to recommend to the Senate, where everybody gets $50 whether he needs it or not.

That is like throwing bushels of $50 bills off the top of the Washington Monument in a high wind and hoping it does a lot of good.

But most of the people will not be getting the $50. I challenge them to put the $50-a-head deal on an economic cost-benefit ratio up against a waterway project that the President is proposing to hold up.

What cost-benefit ratio can we put on $50 for everybody?

It would obviously do somebody some good for trivial things like whisky, cigarettes, maybe even marijuana, but how much lasting good?

Some of it will go to make somebody a good meal, that otherwise they might not have had.

But on the other hand, we cannot place the kind of benefit on $50 for everybody, not knowing what they will do with it, that we can on a very carefully studied project with a favorable cost ratio.

Furthermore, I say about the interest rates that when President Eisenhower started raising those interest rates, I do not think anybody raised any more criticism of that than I did, that these high interest rates were not justified, in our opinion. But when we have a persistent inflation of better than 4.5 percent a year—many years over 6 percent—then if the interest rate is not higher than the inflation, the man really has not been paid anything at all.

For example, if we have 6-percent inflation and only 4-percent interest, the Government has stolen 2 percent from that man. He has to get at least 6 percent to break even, to keep up with inflation.

So the interest rate, if we discount for inflation, has not gone up at all.

The President referred to about 6⅜-interest rate. If we discount it for inflation, it is less than 2 percent.

Furthermore, if we are not going to discount it for inflation, we should put on the benefit side the effect of the inflation because projects, such as waterway projects, result in great savings in labor and they result in great savings in energy and materials.

All those items go up with inflation. Therefore, the benefit goes up as the interest cost goes up.

I submit that when the President talks about the interest rate going up to 6.5 percent, he is totally ignoring inflation, or I submit the President ought to consult with his economic adviser to see what we want to do on the interest factor, discount it for inflation or add the benefit.

But the inflation factor ought to be added as a benefit on the benefit side, or it should be taken off by discounting it on the interest side.

We have the law on our side. The law says these projects will be built and that when we appropriate the money, it will be spent.

If the President is not going to do it, we might as well face up to it and say that, desirable as we think these emergency employment programs are, we do not think they are any more important, and dollar for dollar no better, than the ones he is recommending to us in some make-work projects on the theory if somebody can find somewhere to put somebody to work where they think desirable, we will pay 100 percent of the cost of it.

I honestly cannot see how such undefined projects, sight unseen, have a higher economic benefit ratio than those the Congress has studied.

Mr. JOHNSTON. I cannot see anything that this Nation does that would more effectively get at the gnawing problems of unemployment and of economic slowdown than to do something like this.

On this particular water project I was just talking about, we have 5,000 people involved in building these rigs. We have the energy supply of the Nation held hostage by this project.

I talked about those pictures. I asked Senators to look at the pictures. This is a picture of a 360-foot rig coming down the bayou. That is the present width.

This rig being built in the second picture is a 440-foot-wide rig destined to go, I suppose, to the Atlantic Continental Shelf or to the gulf.

Mr. LONG. Or the Gulf of Mexico, deep water.

Mr. JOHNSTON. That is right, deep water, over a thousand feet of water.

I challenge anyone to tell me if this is 360 feet, how they will get that 440-foot rig out to where it is going, and what is going to happen to the 5,000 employees and what is going to happen to the energy crisis of the country in the meantime?

I yield to my distinguished friend from West Virginia.

Mr. RANDOLPH. Mr. President, I have indicated my agreement with the thinking of the junior Senator from Louisiana except as I said, the concern with section 405.

I think the purpose can be provided without that.

Can the Senator not agree with me, that it can be accomplished without section 405?

Mr. JOHNSTON. Will the Senator yield?

Mr. RANDOLPH. Yes.

Mr. JOHNSTON. I did speak to my distinguished friend from West Virginia (Mr. RANDOLPH) as well as the distinguished Senator from Maine (Mr. MUSKIE) and while my preference is to leave in section 405, I think the logic of taking it out, particularly when the chairman of the Public Works Committee feels that it should be out and the chairman of the Budget Committee feels that it should be out, is overwhelming.

So therefore, Mr. President, I ask to modify the amendment by striking section 405 of the amendment.

The PRESIDING OFFICER. The Senator's amendment is so modified.

The amendment, as modified, is as follows:

TITLE IV—FEDERAL PUBLIC WORKS PROJECTS CONTINUATION

Sec. 401. The Congress hereby finds and declares that:

(A) The construction projects listed in Public Law 94—355, the Public Works for Water and Power Development and Energy Research Appropriations Act, 1977, and in Public Law 94–351, the Agriculture and Related Agencies Programs Appropriations, 1977, represent the foundation of our national public works activity. Such projects are essential to the reduction of unemployment;

(B) Such projects provide long-term benefits to communities, to states, and to the entire nation in terms of water management, flood control, navigation, recreation and enhanced economic activity; and

(C) Such projects have been authorized by the Congress after protracted hearings and consideration extended over many years. Appropriations have been made and are being made pursuant thereto. It is the judgment of Congress that such projects should not be discontinued except by following the legislative process provided by the Constitution of the United States and the provisions of Public Law 93–344, the Congressional Budget and Impoundment Control Act of 1974.

Sec. 402. Notwithstanding the deferral and rescission provisions of Public Law 93–344, all appropriations provided in Public Laws 94–355 and 94–351 for construction projects or for investigation, planning, or design related to construction projects shall be made available for obligation by the President.

Sec. 403. Section 402 of this Act shall be equivalent to and have the legal effect of a resolution disapproving any deferral of budget authority previously provided for

construction projects in Public Law 93-355 or in any prior law appropriating funds for the United States Army Corps of Engineers or the Department of Interior Bureau of Reclamation, or for construction projects in Public Law 94-351 or any prior law appropriating funds for construction projects in the Department of Agriculture, as provided for in Section 1013(b) of Public Law 93-344, the Congressional Budget and Impoundment Control Act of 1974. Section 402 is also equivalent to a Congressional statement of intent not to uphold any rescission of budget authority with regard to funds appropriated for construction projects in Public Law 94-355 or Public Law 94-351 or for construction projects in any prior law appropriating funds for the United States Army Corps of Engineers, the Department of the Interior Bureau of Reclamation, or the Department of Agriculture, as provided for in Section 1012(b) of Public Law 93-344.

SEC. 404. It is hereby reiterated that the interest rates or rates of discount to be used to assess the return on the Federal government's investment in projects of the United States Army Corps of Engineers or the Department of Interior Bureau of Reclamation, shall be those interest rates or rates of discount established by Public Law 93-251, the Water Resources Development Act of 1974, or by any prior law authorizing projects of the United States Army Corps of Engineers or the Department of Interior Bureau of Reclamation.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Larry Meyers and Jack Albertine of Senator BENTSEN's staff be granted privilege of the floor during debate on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Will the Senator yield?

Mr. JOHNSTON. Yes, to my friend from Washington.

Mr. MAGNUSON. Mr. President, I could go on for quite a while about this so-called move downtown on the water projects. But I want to bolster up the Senator's amendment by showing just how flimsy, as the Senator from Maine pointed out, was the sheet of paper we received.

Mr. MOYNIHAN. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senator suspend until we have order in the Senate, please?

Will those in the aisles and staff members please take their seats and those conversing please retire to the cloakroom?

Mr. MAGNUSON. Mr. President, I say to the Senator from Louisiana, one of the projects that leaked out is a well-known project to everybody in the Senate for many years—Grand Coulee Dam.

It is a project to build the third powerplant at Grand Coulee Dam. It would provide cheap hydroelectric power which is in short demand.

It is 78 to 80 percent complete. It has a benefit-to-cost ratio of—how much does the Senator think?—40 to 1.

It is one of the highest benefit/cost ratios ever given to a public works project.

I cannot believe that it is on the list.

I do not know whether the Senator has ever been out in my part of the country. But the third powerplant has passed every environmental test for almost 4 years. It might stop some rattlesnakes from mating, or stop some jackrabbits from running around, but that is about all.

I could not believe my eyes when I read the list. We have invested in the Grand Coulee reclamation and power project hundreds of millions of dollars. It creates low-cost electric power. And there is a 40-to-1 b/c ratio. If that is not a project that should go on, including the ones the Senator from Louisiana has mentioned, I have never heard of one that should. So I join the Senator.

As to the other project listed, I have been working for years to get what we call the Second Bacon Siphon and Tunnel. It will irrigate new land. And this project is now under construction. The farmers are going to pay it back under a formula. It is all going to be paid back.

Under the other administrations, we repeatedly directed them in the appropriation bills to spend the money.

There is a total local contribution of $15 million. That is nearly half of the total cost for the Second Bacon Siphon and Tunnel. It is unusual to have that much local contribution from the State in a project.

Whether you come from the West or the Middle West or even the East or the Northeast, public works projects create jobs. They help unemployment. You have something to show for that is worthwhile. It is rare to have a public works projects built and then have somebody say that it was not worth the cost of building. I do not know of any.

Mr. RANDOLPH. We do not receive back dollar for dollar. It is not an expenditure. It is an investment—an investment in the area and in the country. I agree with the Senator.

Mr. MAGNUSON. Forty to one is the benefit-cost ratio. I would like to get in on that investment. We put in a dollar and get back $40. And we create jobs and low-cost electric power, which is now being transferred all over the Pacific Northwest.

So I join the Senator from Louisiana. All of us out West are just flabbergasted that this would happen. I cannot find out yet how it happened. The Senator was at the White House today. I was not invited because I think we are on the second list.

Mr. JOHNSTON. I think the Senator is correct. The fellows on the first list were invited down there today.

Mr. MAGNUSON. Did the person who made up the list show?

Mr. JOHNSTON. We could not find out precisely how these lists are put together. The first list has 19 projects. The second list, for Corps of Engineers projects, has 38 projects. We do not know how many Bureau of Reclamation projects there will be. We think there are 27 projects on that list.

Those lists will hit like a bombshell around here. If we do not do something, in my judgment, in terms of this amendment, we are going to spend an enormous amount of time and effort and energy of the Senate in trying to undo it. All of us will go back to our States and have hearings and have a meeting with the President and with Bert Lance, with the Secretary of the Army, with the Director of the Bureau of Reclamation, and with the Secretary of the Interior.

Nobody is going to be doing anything but trying to restore their water projects. I can tell the Senate that I am not. We can let the rest of this jobs bill go. We are going to drop everything to try to get those water projects on stream again. I do not doubt that we are going to win the fight.

Mr. MAGNUSON. In the long run, we will win. We can override the President's veto in the long run.

Mr. JOHNSTON. That is right.

Mr. MAGNUSON. But it stops everything.

Mr. JOHNSTON. Let us do it now.

Mr. MAGNUSON. Can the Senator from Louisiana imagine a Senator from Washington going to his State and holding a hearing on the benefits or demerits of Grand Coulee Dam? [Laughter.]

If I were to hold a hearing on Grand Coulee Dam, they would hang me from a tree. I would not even want to show up for a hearing like that. Nobody would speak against it. Maybe some people downtown might surface for the hearings and we could learn their names.

This is absolutely incredible. This is the lifeblood of the economy in some areas. It is one of the best things we can do to revive our economy. We also have something of value to show for when we are done.

I thank the Senator.

Mr. JOHNSTON. Mr. President, I yield to the distinguished Senator from New York.

Mr. MOYNIHAN. I thank the Senator.

Mr. President, I rise to support this amendment but also to make a general observation which I hope every Senator in the Chamber will hear, and that is to say that there is a list of 19 water projects which have been canceled by the President. The distinguished chairman, the Senator from the State of Washington, said that no one in the West would be against such a measure; no one in the Middle West would be against such a measure. He said that even persons in the Northeast—looking at me—might support it. Why did he say that?

Mr. President, he said it because none of these programs has anything to do with my State. I am not on that list of 19. I am not on that secret second list and the third list that the secret environmentalist is drawing up.

I am for these programs, for the reason that the distinguished chairman, the Senator from Washington, has stated. I want that bayou widened. I want you to go into the Gulf of Mexico to find the gas to keep the houses of my State and my region warm and our factories working. But I have to observe—and I ask Senators to remember—that when you dig that bayou wider and deeper, for every dollar that comes from the people of Louisiana, $10 will come from the people of New York State. For every dollar

from Louisiana and from Washington, $10 will come from New York.

We began this discussion on the question of comity, of the legitimate expectations of States which felt that these measures had been approved, that a long time ago that had been done.

Our distinguished chairman and dear leader, Mr. RANDOLPH, used the word "hostage." The Senator from Washington spoke of impoundment. I, also, should like to speak about the legitimate expectations of States that are not on this list.

Last year, Congress passed an emergency public works measure which, in an attempt to relieve unemployment, made a sensible distinction in terms of the severity of unemployment and divided—on a two-thirds, one-third basis—the funds as between those States which were below the national level of unemployment and those which were above. Those above the 7.7 level were to receive additional allocations from this severity fund of 35 percent. Thirty-five percent was to be allocated to those with severely high unemployment.

In the Public Works Committee, a position arose from States which are better off, who said, "We want to give this money to States that are better off."

This seemed to us inequitable. We were continuing legislation already, in effect, in practice.

The chairman was surprised; the distinguished ranking minority member was surprised; we were all surprised and a little bit hurt by Senators who were representing States that are better off, and yet who wanted to take money away from us under a formula which we thought was a legitimate expectation, sir.

Mr. President, in summary I remind the distinguished Senator from Louisiana that I rise in support of his amendment but that his amendment will result in a vast flow of funds out of the Northeast of the United States down into the South and across the West. One might think of it as flowing out of Lake Chautauqua, where the Ohio rises, flowing into that very bayou the Senator so desires to widen—a desire with which I share—and it will flow out into what was once called the great American desert, which has been turned green by a flow of funds from the Northeast.

Somewhat illogically in hydrological terms, it will flow over the Great Divide and down the Columbia River through the turbines of the Grand Coulee, only to return—because the Grand Coulee pays back.

In a short while now this Senate will take up an amendment where equally the question of legitimate expectations will arise, the expectations of the high unemployment States, that the formula of the Public Works Act adopted in 1976 will be continued; and we shall be grateful for the support of those States that we support now when this next amendment arises.

I anticipate the support of my friend from Louisiana, and I thank him in advance.

Thank you, Mr. President.

COST-OF-LIVING ADJUSTMENTS

Mr. ROBERT C. BYRD. The legislation we are about to vote on would deny the comparability pay increase scheduled to take effect on October 1 of this year to those who have just received the March 1 pay raise. It would not affect future comparability pay increases for these people.

The justification for the legislation is the unusual situation where the comparability pay increase would otherwise become effective in such close proximity to a substantial raise in salary as a result of the operation of the Federal Salary Act of 1967.

The legislation would not go beyond eliminating the single pay increase to take effect in October on the ground that the procedure now in existence for determining appropriate changes in salary for the Members of Congress, the Federal judiciary, and high-level members of the executive branch is a good one, designed to remove the pay issue from politics, and should be maintained.

The PRESIDING OFFICER. Under the previous order the matter before the Senate is S. 964. No debate is in order. The yeas and nays have been called for.

Mr. MOYNIHAN. Would the Chair permit another moment?

The PRESIDING OFFICER. Under the previous order, it would be out of order.

Mr. RANDOLPH. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. RANDOLPH. Will the distinguished occupant of the Chair tell us exactly what that vote is at 2 o'clock? There are not too many Members in the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 964) to provide that the salaries of certain positions and individuals which were increased as a result of the operation of the Federal Salary Act of 1967 shall not be increased by the first comparability pay adjustment occurring after the date of the enactment of this Act.

Mr. RANDOLPH. I thank the Chair.

The PRESIDING OFFICER. The question is, Shall the bill pass? The clerk will call the roll.

The legislative clerk called the roll.

(At this point Mr. CLARK assumed the Chair.)

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from South Dakota (Mr. McGOVERN) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. GLENN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from Nevada (Mr. LAXALT), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Utah (Mr. HATCH) and the Senator from Nevada (Mr. LAXALT) would each vote "yea."

The result was announced—yeas 93, nays 1, as follows:

[Rollcall Vote No. 44 Leg.]

YEAS—93

Abourezk	Garn	Moynihan
Allen	Goldwater	Muskie
Anderson	Griffin	Nelson
Baker	Hansen	Nunn
Bartlett	Hart	Packwood
Bayh	Haskell	Pearson
Bellmon	Hatfield	Pell
Bentsen	Hathaway	Percy
Biden	Hayakawa	Proxmire
Brooke	Heinz	Randolph
Bumpers	Helms	Ribicoff
Burdick	Hollings	Riegle
Byrd, Harry F., Jr.	Huddleston	Sarbanes
	Humphrey	Sasser
Byrd, Robert C.	Inouye	Schmitt
Cannon	Jackson	Scott
Case	Javits	Sparkman
Chafee	Johnston	Stafford
Chiles	Kennedy	Stennis
Church	Leahy	Stevens
Clark	Long	Stevenson
Cranston	Lugar	Stone
Culver	McClellan	Talmadge
Curtis	McClure	Thurmond
Danforth	McIntyre	Tower
DeConcini	Magnuson	Wallop
Dole	Mathias	Weicker
Domenici	Matsunaga	Williams
Durkin	Melcher	Young
Eagleton	Metcalf	Zorinsky
Eastland	Metzenbaum	
Ford	Morgan	

NAYS—1

Gravel

NOT VOTING—6

Glenn	Laxalt	Roth
Hatch	McGovern	Schweiker

So the bill (S. 964), introduced by Mr. ROBERT C. BYRD for himself and Mr. BAKER, and cosponsored by Mr. RIBICOFF, Mr. CRANSTON, Mr. STEVENS, Mr. ANDERSON, Mr. BURDICK, Mr. HARRY F. BYRD, JR., Mr. CHAFEE, Mr. DECONCINI, Mr. DOLE, Mr. DOMENICI, Mr. GOLDWATER, Mr. HEINZ, Mr. INOUYE, Mr. LUGAR, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. PERCY, Mr. RANDOLPH, Mr. RIEGLE, Mr. SASSER, Mr. SCHMITT, and Mr. STAFFORD was passed, as follows:

S. 964

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the first adjustment which, but for this Act, would be made after the date of enactment of this Act under the following provisions of law in the salary or rate of pay of positions or individuals to which such provisions apply, shall not take effect:

(1) the second sentence of section 104 of title 3, United States Code, relating to comparability adjustments in the salary of the Vice President of the United States;

(2) paragraph (2) of section 601 (a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31), relating to comparability adjustments in the annual rate of pay of Members of Congress;

(3) section 461 of title 28, United States Code, relating to comparability adjustments in the salary and rate of pay of justices, judges, commissioners, and referees; and

(4) section 5318 of title 5, United States Code, relating to comparability adjustments in the annual rate of pay for positions in the Executive Schedule.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. SCOTT. Mr. President, I shall speak very briefly on the measure, S. 964, just passed, I voted for this bill.

Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will please be in order.

Senators will please take their seats or clear the aisle.

The Senator from Virginia.

Mr. SCOTT. In fact, I believe S. 964 is a good bill because it prevents people under the executive pay schedule from receiving two pay raises in 1 year. Yet I hope it will not constitute a precedent so that if each year Congress votes cost of living increases—Mr. President, I ask that we have order.

The PRESIDING OFFICER. The Senate will please be in order. Will Senators please be in order?

The Senator from Virginia.

Mr. SCOTT. Thank you, Mr. President.

Mr. President, I express the hope that this bill will not be considered a precedent for future years for the following reason: in the event there is an increase in the cost of living it affects all people who work for the Government, whether they are included in the executive pay schedule or not, and it might mean that on a year-to-year basis there would be an adjustment in pay of 3, 4, or 5 percent and if the top executives of Government were included I do not believe that the public in general would be unduly concerned about that.

On the other hand, if the executives are excluded over a period of years up to 8 years, as was true recently, and then they receive a pay increase even half as much as the cost of living increase had been over a period of 7, 8, or 9 years, they would be subject to considerable public criticism.

I will not be personally affected by any changes in the pay schedules of Members of Congress in future years since I am not seeking reelection. My term will end at the termination of the 95th Congress. But I hope that the leadership will consider the effect of denying pay increases to those who will be in the executive schedule.

Oftentimes we hear the executive pay schedule referred to as a congressional pay raise. I would hope Members of Congress——

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

The Senator from Virginia.

Mr. SCOTT. I believe that Members of Congress should vote on their own pay. When a member of the House of Representatives, I voted against the creation of the commission under which the pay is set for Members of Congress. But be that as it may, if we deny the top executives of the Government annual adjustments, the time will come when the pressure will be on. This year I believe the judiciary sort of led the charge, with Mr. Chief Justice Burger urging that adjustments upward be made, in pay for the judiciary. A commission that did recommend increases in pay, which were reduced by the President, and it was referred to throughout the country as a congressional pay raise even though it included some 12,000 to 13,000 people, not just Members of Congress.

I did not know that this bill would be taken up today, did not know we were going to vote on it, until my secretary this morning told me that the leadership had contacted our office and said we would have the vote on the measure at 2 o'clock. In my opinion, a matter such as this should be considered within the proper committee and not be brought up the same day it is introduced. I voted for it, as did almost every Member of this body. Receiving two pay raises in 1 year certainly cannot be justified.

The only reason I rise is to express the hope that this bill will not be a precedent for future years, and that the Government executive pay can have an adjustment upward or downward, depending on how the cost of living fluctuates in individual years.

Mr. GLENN. Mr. President, I was unavoidably absent on official business today when the vote was recorded on the bill (S. 964) regarding the cost-of-living Federal pay increase contemplated for October of 1977.

Mr. President, had I been present, I would have voted in favor of the resolution denying the proposed pay raise.

PUBLIC WORKS EMPLOYMENT ACT OF 1977

The Senate continued with the consideration of the bill (S. 427) to provide additional appropriations for the public works employment program, to authorize a program for employment of teenaged youth in community improvement projects, and for other purposes.

Mr. WALLOP. Mr. President, am I correct in assuming we are now back on the unprinted amendment of the Senator from Louisiana?

The PRESIDING OFFICER. The Senator is correct.

Mr. WALLOP. Mr. President, I rise in support, and very wholehearted support, of the amendment of the Senator from Louisiana. I would ask this body and its Members to look down the road toward the future effect of that thing called cost-benefit ratio, and see if, in any of the more sparsely populated States, whether they be in the West or the Northeast, any project in hydraulics might ever again qualify for public works funding in those areas on the basis of cost-benefit.

The plain fact is that if we use cost-benefit as the single guiding light in these decisions, or the primary guiding light, then we are making a conscious, specific decision, a Federal land use planning decision for the West which will do nothing but channel more and more of that resource of water to the major population centers of the West. Wyoming water and western slope Colorado water will go to Denver, Los Angeles, Phoenix, or Albuquerque for major industrial projects, but it will never again go to enhance the economic hopes of the sparsely populated areas.

That will hold true for all areas. Never again will the sparsely populated areas of the country see the benefit of a major water project.

I put the Senate on notice that we had better, at some time in the near future, begin to figure that there is an environmental benefit to be gained by overlooking, in certain instances, the cost-benefit ratio. We may be facing a major drought in the West this year, which could cause serious human and economic disruptions, and the longer we go on enacting such measures, the more we will concentrate the uses of water in the major population centers. In times to come, in 50 or 75 years, when other big droughts arise, the potential human disaster is unforecastable.

The uses of water will be one of the most critical decisions that these decades face. Water projects and cost-benefit ratios do not and must not necessarily go hand in hand. Other considerations, including the economic hopes and dreams of some of the rest of the country, must be taken into account, as well as the safety and well-being of the population.

So I shall definitely support the Senator's amendment, and ask to be permitted to be a cosponsor of it.

Mr. JOHNSTON. I thank the Senator. At this time I ask unanimous consent that the names of the following Senators be added as cosponsors of the amendment: Messrs. WALLOP, HATHAWAY, YOUNG, GRAVEL, HOLLINGS, HATFIELD, RANDOLPH, BENTSEN, BAKER, THURMOND, HANSEN, CANNON, and HASKELL.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, will the Senator include my name?

Mr. JOHNSTON. Yes; Senator JACKSON as well.

Mr. JACKSON. Here is another over here.

Mr. JOHNSTON. And Senator BURDICK.

Mr. JACKSON. I think Senator MAGNUSON, too.

Mr. JOHNSTON. Senator MAGNUSON. Senators BURDICK and MAGNUSON.

Mr. DOMENICI. And Senator DOMENICI, of New Mexico.

Mr. JOHNSTON. Senator DOMENICI.

Mr. JACKSON. And the Senator from California, I think.

Mr. JOHNSTON. Senator CHURCH, Senator CURTIS——

Mr. CURTIS. Does the Senator have me?

Mr. JOHNSTON. Senator SCHMITT, Senator CURTIS, Senator HAYAKAWA.

Mr. MUSKIE. Mr. President, will the Senator yield for a unanimous consent request? Will the Senator include me as a cosponsor?

Mr. JOHNSTON. I ask unanimous consent that the name of Senator MUSKIE also be added. I also ask unanimous consent that I may be able to yield to the Senator from Maine (Mr. MUSKIE) for a unanimous consent request without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that Sally Walker of the staff of the Committee on Environment and Public Works be granted the privilege of the floor.

Mr. STONE. Mr. President, I make the same request on behalf of Bruce Malone and Mary Repper of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask unanimous consent to modify my amendment by adding, at the end of section 402, the following language: "and expended for the purposes for which appropriations are made."

The PRESIDING OFFICER. The Senator has that right. The amendment will be so modified. Will the Senator send his modification to the desk?

Mr. JOHNSTON. Yes. Mr. President, all this modification does is make doubly clear that those funds appropriated in the fiscal year 1977 budget shall not only be expended, but be expended for the purposes for which the appropriations are made.

Mr. WALLOP. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. JOHNSTON. I yield for that purpose.

Mr. WALLOP. I ask unanimous consent that a member of my staff, Robert Jerome, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I would hope we could vote right away, mainly because my distinguished colleague from Louisiana (Mr. LONG) must catch a plane, and is anxious to be recorded in the affirmative.

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. BUMPERS. About how much time does the Senator think it will be before the vote?

Mr. JOHNSTON. I do not know that there is any opposition. Is there opposition to it?

Mr. BAKER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. JOHNSTON. I will yield for a comment from the distinguished minority leader, just in case there is opposition.

Mr. BAKER. Mr. President, I am delighted the Senator from Louisiana yielded. I have sat here enraptured. I am delighted with the amendment which has been offered by the distinguished Senator from Louisiana. I am delighted to ask him to let me be a cosponsor of the amendment, if I may be.

Mr. JOHNSTON. I do that with great pleasure, Mr. President.

Mr. BAKER. I am not only enraptured but fairly lyrical in my praise of my colleagues on the Democratic side. I only note that on occasion they are trying to identify a second, third, or fourth place level bureaucrat who made up these cancellations. When a Republican was in the White House there was no such timidity. The authority still rests there. I am sure President Carter does not disavow the efforts of those people, misguided as they were.

But, Mr. President, seriously, I think this is a service to the Senate and the country. I commend my Democratic colleagues for doing it. I hope and trust there will be unanimous support in the tradition of bipartisanism on this side of the aisle.

Mr. DANFORTH. Will the Senator yield?

Mr. JOHNSTON. I believe the distinguished Senator from Missouri had a short amendment which he wants to present. I am not in a hurry, but other colleagues are in a hurry. I wonder if there will be objection if we ask for unanimous consent to vote immediately after consideration of the amendment to the amendment by the Senator from Missouri.

Mr. MOYNIHAN. I would like 1 minute to finish my remarks which were interrupted at 2 o'clock.

Mr. NELSON. Is this a unanimous-consent request that the Senator poses?

Mr. JOHNSTON. Immediately after the consideration of the amendment to the amendment by the Senator from Missouri and any amendment to that, with 2 minutes to the distinguished Senator from New York.

Mr. NELSON. Before the vote, I would like to ask a couple of questions for clarification. I would object to the unanimous-consent request.

Mr. JOHNSTON. I have not asked for unanimous consent. I will yield at this time to the distinguished Senator from Wisconsin.

Mr. NELSON. I did not hear all the discussion.

The PRESIDING OFFICER. There will be order in the Senate will Senators please take their desk?

Mr. NELSON. This is an unprinted amendment?

Mr. JOHNSTON. That is correct, it is an unprinted amendment.

Mr. NELSON. Do I understand the effect of the amendment to be that the interest rate would be tied to section 80 the 1974 Water Resources Department Act?

Mr. JOHNSTON. It is a simple reaffirmation of the law of the land at this time. The law of the land at this time is set out in the Water Resources Act of 1974 and in other congressional declarations. We are not changing the law one whit or one tittle in respect of interest rates. It is simply a reaffirmation of that. Apparently some in the executive do not understand what the law is and we are reminding them what the law is.

Mr. RANDOLPH. I am attempting to further document what the able Senator from Wisconsin is requesting and which has been answered. That came out of the Public Works Committee in a bill which became law in 1974. I am indicating that the Senator from Louisiana is correct as to the change which was made at that time.

Mr. JOHNSTON. I thank the Senator.

Mr. NELSON. This would have the effect, as I understand it, of legislatively blocking the proposal of the President to reconsider projects at the interest rate of 6⅔. Is that correct?

Mr. JOHNSTON. Not of legislatively blocking that, but, in effect, reminding the President what the law of the land is. The law respecting interest rates is on the books now and no one in the executive branch, not the President, the Secretary of the Interior or anyone else, can change that interest rate unilaterally. We have had Government by the executive too long around here, in my view, and I believe we need to remind this good President as to what the law of the land is.

Mr. NELSON. Since this amendment is not printed and I have not had a chance to look at it, I am not sure what the impact of the language will be. I am not sure whether it is a good or bad idea. How does it affect the President's authority under the law now for a rescission or a deferral?

Mr. JOHNSTON. With respect to fiscal year 1977 appropriations this operates as a disapproval of any such rescission or deferral.

Mr. NELSON. Do I have it clear that the effect of this amendment is to bar the President from utilizing the authority he now has for a deferral or a rescission by legislative action in advance of the President making a decision for deferral or rescission on any one of the 19 projects?

Mr. JOHNSTON. That is correct. The reason for that is that the President has already announced 19 projects which, on the basis of the most flimsy evidence in the world—and many Senators have already seen the evidence on which that action is based, it being virtually nonexistent—I believe the President will try to go beyond the power of rescission and deferral by failing, for example, on March 18 to put under contract the Bayou Chene, Boeuf, and Black Project in my State. That is March 18. If he fails to do that, he does not have to defer or rescind in order to fail to make that contract.

All this amendment says, in effect, is that the Congress really meant what it did by passing these projects through authorizations over a period of years, and we meant what we intended to do by the Appropriations Act of 1977. Further than that, it also has a statement of policy, a statement of intent by the Congress, that we believe these public works projects are the keystones, the centerpieces, the most important part of any jobs programs. Not only do they produce jobs but they produce water, flood protection, recreation, economic activity, and they are in the national

interest. That is a statement of policy in the first section. That is what this does.

If the President wants to throw out some of these water projects, and maybe some of them should be reconsidered, what it says is "Reconsider those under the Constitution and under the law and not under some high-handed policy under which you grab 19 projects here and 38 projects there." Thirty-eight projects are on the second hit list and I do not know how many are on the third hit list of the Bureau of Reclamation. In a period of 5 days, we are told, all of these projects are going to be up for public hearing. Senators and the public will be given the opportunity of coming in to defend the projects. After years of work by Congress we are told, "In 5 days you have to come in and rejustify your project." This amendment says no to that kind of action. That is precisely what it says.

Mr. NELSON. I am not qualified, by any means, to make an individual judgment on the merits of all those 19 or even a major portion of them. It is clear to me that some of them are disasters from every standpoint, the welfare of the country, the cost-benefit ratio, ecological impact—all kinds of ways.

I do not support the procedure followed by the President. I believe it was precipitous. On the other hand, I respect and support the instinct of the President to finally say, "For heavens sake, let us not dam every river, every stream and every watershed in this country just as part of some project that is desired by some groups or Members of Congress."

I can say something about one corps project in my State that was terminated all alone, 30 days ahead of these 19.

It is the largest water resource project in the history of Wisconsin. It is the La-Farge Dam on Kickapoo River in my State. The Corps of Engineers created a disaster, in my judgment. Finally, after expending millions of dollars, $18 million to be exact, condemning 9,500 acres of land, chasing over 75 farmers off the land, starting the dam as a flood control project, the project was finally stopped. So there we sit with a partially built dam, 9,500 acres of condemned land, no flood control—a situation, in fact, in which you could have bought every single farm and every building in every village on the shores of the flood plain of the Kickapoo for half the money it would cost to build the dam.

We have been arguing with the corps on that project for years. Finally it stopped because, after being notified in 1965 that the water quality of the lake would be very low, highly eutrophic, and after assuring me in 1969 and 1970 that it would not be—finally, finally—they are stopped because the lake they were going to create had a water quality standard in violation of the State law and the Federal law. So a real disaster has been created for the people in that valley, a tremendous waste of money. I hope we can recoup and do something about it.

Anybody who says to me that the Corps of Engineers is not prepared to build anything we ask them—anything—does not know the politics of the corps or of the Congress.

Mr. JOHNSTON. If the Senator will yield——

Mr. NELSON. No, I am just saying that I know that of one project in my State and I know the disaster it has created for the people involved. I am satisfied that the President's instinct is absolutely correct in saying, let us bring a halt to this wholesale dam-building in this country just because Members of Congress or sections of the country want some kind of project. I am not saying all these projects are bad; they are not. There is no question that some of them are good. Some of them are very bad. I do not want the Senate to do anything this afternoon that would handicap the President in providing some long needed national leadership to force us to address ourselves very carefully to these projects and start rapidly cutting back on them, because we are wasting money. We are damaging watersheds, ruining rivers, and the cost-benefit ratio in lots of them is not there. In many cases the cost benefit ratio is a sham.

Every time they are short on the cost-benefit ratio, they just decide that the recreation benefit is five times as great—will be greater—as it really is. That is what they did on the Kickapoo, that's what they do all across the country. It is a game. When the cost-benefit ratio did not work, they just goosed up the recreation benefit.

So because this amendment is brought out at this time, without a chance to study it—it is not printed—I am concerned about precipitately adopting something here without having a chance to give it some study. If we have to vote on it now, I shall have to go against it, whether the Senator from Louisiana is correct on the merits or not correct. I think that this is a major act; that, at least, we ought to leave this amendment until tomorrow and let us have a chance to take a look at it on the merits. Then I shall be happy to vote yea or nay tomorrow. But the Senator is asking us to vote on a major thing—and the Senator from Louisiana is very able—on which he has done his own studying and is satisfied that his position is correct, or he would not take it. But I am not satisfied that it is correct, because I have not had a chance to look at it.

I wonder if the Senator will not agree to hold up this amendment until it is printed and allow us to look at it overnight and vote on it tomorrow. As far as I am concerned, I do not want to delay it. We can have an agreed time to vote tomorrow. Just give us a chance to sit down and spend a little time evaluating how it fits into the 1974 law, what the President, in fact, what authorities he was attempting to utilize or is utilizing, so we can make this major decision in the light of some thoughtful consideration.

Mr. EAGLETON. Will the Senator yield?

Mr. DANFORTH addressed the Chair.

Mr. NELSON. The Senator from Louisiana has the floor. I am through.

Mr. LONG. Will the Senator yield to me?

Mr. JOHNSTON. Yes.

Mr. LONG. If the Senator is going to hold it up until tomorrow, I shall not be here tomorrow. I hope the Senator from Wisconsin will accord me a pair if we vote on this tomorrow. I have a long-standing commitment that will take me away from here this afternoon. I hope I may have the benefit of the Senator's giving me a pair on this matter, if we are going to vote tomorrow, because I should like to vote.

Mr. NELSON. The Senator well knows that I have had a long-standing position, as a matter of principle, not to give a pair; but because of the importance of this issue, I am prepared to give the Senator from Louisiana a pair if he is voting on the wrong side of the issue—opposite from me.

Mr. LONG. I shall take my chances, I say to the Senator. But my guess is I shall be safe if I am on the other side of the issue from the Senator from Wisconsin.

Mr. NELSON. I think that may be so in the Senator's State. But I am prepared to give the Senator a pair.

Mr. JOHNSTON. Let me respond first to my good friend from Wisconsin.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. JOHNSTON. I take his advice on most things legislative and ethical.

Let me say that this amendment is as clear as the noon day Sun on a cloudless day. There is nothing precipitate about it. It simply undoes what the President proposes to do. It is the President who is precipitate. It is the executive who is precipitate in trying to undo years of work of Congress, slowly taken, very considered in its judgment—hearings, lawsuits, hearings in the Public Works Committee, hearings in the Committee on Appropriations. We have been working, Mr. President, on some of these projects for in excess of 25 years and here, in a period of days—even hours—we are supposed to junk all those projects. I think the Senate is ready to vote.

I just received, Mr. President, two more coauthors. I ask unanimous consent that Senator HANSEN and Senator STONE be added as coauthors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. I do not think that is a majority, but I think we are ready to vote as soon as we dispose of this matter.

I yield to the Senator from Missouri.

Mr. EAGLETON. I thank the Senator from Louisiana. I shall be brief. I wish to underscore the remarks made by the distinguished Senator from Wisconsin (Mr. NELSON).

This matter is not as cut and dried as every Senator might like to believe. There are 19 projects. Each project has its own problems in its own area—cost-benefit ratio, ecological ramifications, and the like. I learned about this amendment just about 20 minutes ago, at the time of the last rollcall vote. My distinguished col-

league from Missouri, who, I am sure, will speak in a moment, showed me an amendment that he intends to offer to the Johnston amendment.

The Meramec Park Lake, one of these projects, is a project in Missouri. My distinguished colleague (Mr. DANFORTH) is cpposed to that project in any way, shape, or form. He can better express himself on this than I. I have a somewhat different position.

Along with the Governor of Missouri and two Members of the House, I have called for a referendum in the appropriate counties in eastern Missouri on the future of the Meramec Park Lake project. If that referendum is not forthcoming, then it is my intention to join with my colleague to terminate that project. The referendum concept is still pending in the Missouri legislature, so I do not want to see the project terminated here today. Yet I do not want it to proceed, full blast, with $9 million in unexpended funds that are still available from the fiscal 1977 budget which money might be expended wastefully and imprudently if the project were in fact later to be cancelled.

What I am saying is I personally would very much appreciate the same thing that Senator NELSON of Wisconsin has said he would appreciate; namely, the luxury of an evening to try to examine the proposal of the Senator from Louisiana and to see the interrelationship of the amendment that is to be offered by my colleague from Missouri. After some cvernight reflection, I may want to add an amendment that would put enough money into the project to keep it afloat for the foreseeable future, without sinking it entirely at this time.

Now, that is my dilemma. I do not know if there are dilemmas in other States with respect to the other 18 projects. Therefore, I think the request of the Senator from Wisconsin is certainly a legitimate one, for all of us to have the luxury of one evening's repose or reflection on a very important bill.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana still has the floor.

Mr. BUMPERS. Will the Senator yield for a couple of questions?

Mr. JOHNSTON. Yes.

Mr. BUMPERS First, I would like to say that I concur wholeheartedly in the comments made by the distinguished Senator from Wisconsin. I also would like a little extra time.

Let me ask a couple of questions, if I may, regarding specific language here at about the middle of the Senator's unprinted amendment, where it says:

> Section 402 is also equivalent to a Congressional statement of intent not to uphold any rescission of budget authority with regard to funds appropriated for construction projects in Public Law 94–355 or Public Law 94–351 or for construction projects in any prior law appropriating funds for the United States Army Corps of Engineers.

That seems awfully broad to me and I do not know what is included, but I assume that more than the 19 projects are included in all those public laws mentioned here; is that correct?

Mr. JOHNSTON. That is correct. What we have involved are the Corps of Engineers appropriations, the Bureau of Reclamation appropriations, and the Agriculture Department appropriations.

Mr. BUMPERS. That means if the proponents or the opponents of any of the 300—I understand 320 projects are covered under those public laws—if the President, the opponents, the proponents, and everybody else agreed that an egregious mistake had been made, they would still have to go ahead under this amendment.

Mr. JOHNSTON. Of course not.

All this does is uphold the intent of the Congress in the 1977 Appropriations Act. What we are saying to the President is that if he wants to kill any of these projects, then follow the law; that is, follow the Constitution of the United States and the provisions.

If we look on section 401(C), let me read it:

> (C) Such projects have been authorized by the Congress after protracted hearings and consideration extended over many years. Appropriations have been made and are being made pursuant thereto. It is the judgment of Congress that such projects should not be discontinued except by following the legislative process provided by the Constitution of the United States and the provisions of Public Law 93–344, the Congressional Budget and Impoundment Control Act of 1974.

There is no conflict between that and section 403.

Mr. BUMPERS. How can this Congress, how can the Senate, in good conscience say we are today passing an amendment here which is a congressional statement of intent not to uphold any rescission of budget authority by the 93d and 94th Congresses, is that binding on every Member of the Senate?

Mr. JOHNSTON. It is a statement of intent which is what we used to call in the law imprecatory suggestion.

It is a statement of what the Congress intent is at this time because we are fighting a blanket disapproval by the Executive and what we invite the President to do is, if he has a project he wants deauthorized, then come in with a bill to deauthorize it. If he has a project he wants to defer the money on, then come in pursuant to subsection (C) of 401 and propose a deferral or rescission.

Mr. BUMPERS. Why would he do that if we are stating it is our intent not to uphold it?

Mr. JOHNSTON. Because that simply is a statement of intent.

What we are saying in this amendment is that the Congress meant what it said in the 1977 Appropriations Act, and the Congress can change its mind pursuant to the law.

What this amendment does is ask the President and the Congress to uphold and follow the law and under that law the President has the legal right to present a deferral or a rescission.

All we are saying, as a matter of intent to not support that decision on deferral.

Now, if the Senator has a particular matter that he wants deferred or rescinded, I can tell him that it will be no problem to get the Congress of the United States to go along with the President's deferrals or rescissions.

Mr. BUMPERS. Let me ask a specific question about a specific project in my State that the President has torpedoed. Let me give the status of it.

It is a long channelization from the north part of the State to the south part of the State of a river in the Mississippi flyway. It has been highly controversial for many years.

The first year I was Governor, in 1971, they started on the south end and channelized about 4 miles—4 miles of over 150 miles.

About a week before the President announced the deferral or rescission of funds for all the projects, they started a second 3.1 miles. That gives 7.1 miles in one county, on the low end of this river.

That means, as I understand it, if the Senator's amendment passes, whatever funds are in these laws right now to the Corps of Engineers for that project, they can channelize that stream as far as the money will go, is that correct?

Mr. JOHNSTON. That is the law of the land without this amendment, and my amendment——

Mr. BUMPERS. I understand that.

Mr. JOHNSTON. Yes.

Mr. BUMPERS. I understand that. But I am on record publicly, at least in the press, saying if that project is going to be discontinued, it is absolute folly to do 7 miles of it.

All we are doing is opening up a little funnel down on the lower end of this river for all that water to come down on those poor people in one county.

If it is discontinued, it should be now, without additional work done. But if I know the Corps of Engineers, they will not give way until they have spent every penny of that money.

Mr. JOHNSTON. Let me explain to the Senator, I think we have a philosophical question here of some note. That is the question of whether when the President wants to discontinue a project he ought to have a right without coming to Congress.

I believe he should not have that right. I believe we got in trouble with Mr. Nixon about that and that we settled it with the Budget Control Act.

However, if the Senator wants more assurance and would like to put a special exception for that project, I would be glad to so modify my amendment.

Mr. BUMPERS. I do not know for sure how an exception could be made. The Senator has language here saying any rescission, any deferral of any of these funds that the 93d and 94th Congresses passed.

I am just simply saying I am not here to defend or to condemn this particular project. But there is one thing I know to an absolute certainty, that if the President is going to be successful in stopping that project it should be stopped right now before any additional work is done.

Mr. JOHNSTON. The President can send us a deferral on that project, or a rescission, and this amendment does not

prejudge that deferral or does not prejudge him from doing that, nor does it prevent Congress from approving it. That is very clear under the amendment.

Mr. BUMPERS. Let me ask a further question, if I vote for the Senator's amendment, the premise I mentioned a moment ago will hold true, the corps can spend until all the money in these appropriation laws of the 93d and 94th Congress is exhausted.

Mr. JOHNSTON. Precisely, and let me say, without——

Mr. MUSKIE. Will the Senator yield at that point?

Mr. JOHNSTON. Yes.

Mr. MUSKIE. It is not my impression of the Senator's amendment that this adds anything with respect to the authority of the Corps of Engineers over these projects.

Mr. JOHNSTON. That is exactly right. It adds nothing at all.

Mr. MUSKIE. What the Senator, my good friend from Arkansas, fears might be done under the amendment, it could be done without the Senator's amendment.

Mr. JOHNSTON. That is precisely correct.

Mr. BUMPERS. My problem is that I recognize that the corps right now, under present law—and the President did nothing—has the right and would continue with that project, which has passed environmental muster in the court of appeals in St. Louis and probably will pass muster in the Supreme Court of the United States. I do not know whether or not it will, but I do know one thing: If the courts or the President ultimately are going to be successful in stopping that project, all the work that is going to be done between now and then is going to have a terrible environmental impact on our State.

I am saying that if it is going to happen, I want it to happen now, and I am willing to wait until the President or the courts make the final judgment.

Mr. MUSKIE. My view of Senator JOHNSTON'S amendment is that if the President, indeed, wishes to challenge this project, to stop it, there are processes available to him to do that.

Mr. JOHNSTON. That is correct.

Mr. MUSKIE. And he should take advantage of those processes to do that.

Mr. BUMPERS. Has he done that?

Mr. MUSKIE. Not to my knowledge.

This was mentioned in the Democratic caucus yesterday and on the floor today. His people have aborted, subverted the environmental impact process which is designed to raise the legitimate questions about which the Senator is talking. They. themselves, aborted the process.

What the Senator from Louisiana is seeking to do is to put these decisions into the proper processes, and I could not agree with him more.

The consequence that the Senator from Arkansas fears is one of the consequences that the President and his people should take into account when they threaten the kind of action they have threatened.

If a project has proceeded to the point which the Senator has described eloquently—and I understand him clearly—that is a consequence the President should take into account, but has not, because he has been given such poor advice by the people who are responsible for the decisions that he has to make.

All the Senator from Louisiana is trying to do is to give pause to that kind of helter-skelter, casual, poorly thought out executive action. There is a process for dealing with these questions. Congress has followed those processes and will continue to do so, and the President has every right to force us to do so. So I do not think it is unreasonable for us to ask that he do so as well. In this case, he has not done so, not on the basis of any evidence we have been given; and I have tried to get every piece of evidence I could get out of the executive branch as a justification for every decision the President has made.

Mr. BUMPERS. Mr. President, will the Senator yield for a question at that point?

Mr. MUSKIE. I yield.

Mr. BUMPERS. I ask this, because I honestly do not know. What legal steps has the President taken to implement the stopping of these 19 projects?

Mr. MUSKIE. He has not taken any legal steps of which I know.

Mr. BUMPERS. So far, is this just a press conference?

Mr. MUSKIE. What he has done, if he follows through on what he has said he is seeking to do, is to withhold any funding that Congress has provided for these projects. He is going to withhold it. He has told us he is going to withhold it. Presumably, he will use deferrals and rescissions.

He might conceivably—although I do not read this in his intentions—send up legislation to accomplish what he is talking about, or he might fight appropriations approved in the Ford budget for these projects for the 1978 fiscal year. He has every right to do all that. But what we should challenge him on at this point is that he has formed hard and fast judgments about these things that establish firm executive branch policy, without having followed the processes that enable others, with a legitimate interest in the projects, to inform and to influence his decision. He has not done that.

Mr. BUMPERS. My second question: Under the Recission and Deferral Act, when must the President act on an appropriation to rescind it or defer? Is he not under some sort of time schedule?

Mr. MUSKIE. The Impoundment Control Act is designed not to encourage deferrals and rescissions, but to give Congress a procedure for dealing with them, if and when Presidents use deferrals or rescissions.

The view of those of us who wrote that law was that a President never should use an impoundment. Deferrals and rescissions are simply other words for impoundment. Certainly, the President never should use an impoundment to kill a program or a project for a policy reason. If there should be a policy reason that prompts his disapproval of a program or a project, then he should come to Congress with legislation to change the policy, and should not use an impoundment for that purpose. But if he does, then the Impoundment Control Act gives Congress a procedure for dealing with that exercise of Presidential authority. I think the record up to this point indicates that Congress frowns very strongly upon abuses of impoundments, and Congress has a way of dealing with it.

What the Senator from Louisiana does with his amendment is to warn the President in advance that if he sends us a deferral or a recission with respect to these projects, we are telling him in advance, "We don't think you have made a case for them, and you ought to think about it a second time." I think that is an appropriate message to send the President.

Mr. BUMPERS. An additional question, based on what the distinguished Senator from Maine has just said—and I am not sure the question was fully answered: If the time has elapsed, the time has passed, for the President to issue a deferral or a rescission of any of these funds, and I expect that it has——

Mr. MUSKIE. He can do it at any time before the end of the fiscal year to which the appropriation applies.

Mr. BUMPERS. That anwsers my question.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Senator CANNON'S name be added as a coauthor and that Senator STONE'S name be withdrawn. I think the name of Senator MAGNUSON already has been added, and Senator HASKELL'S name should be added.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. MOYNIHAN). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DANFORTH addressed the Chair.

Mr. JOHNSTON. Mr. President, I yield the floor to the Senator from Missouri.

UP AMENDMENT NO. 61

Mr. DANFORTH. Mr. President, I send to the desk an amendment to the amendment offered by the distinguished Senator from Louisiana.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. DANFORTH) proposes an unprinted amendment numbered 61 to unprinted amendment numbered 60:

"On page 2, line 8, of the amendment of the Senator from Louisiana, strike the period after the word 'President' and insert the following:"

Mr. DANFORTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. SASSER). Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, does

identical language appear in three places?

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

On page 2, line 8, of the amendment of the Senator from Louisiana, strike the period after the word "President" and insert the following:

", with the exception of these appropriations or expenditures relating to the Meramec Park Lake Project in Missouri."

Mr. EAGLETON. I think the word is "those."

Mr. DANFORTH. "Those"—that is correct.

Mr. EAGLETON. Does the same language appear in two other places?

The PRESIDING OFFICER. No.

Mr. EAGLETON. Then, I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be read.

The assistant legislative clerk read as follows:

and at page 2, line 9, after 'Section 403:' insert the following:

"with the exception noted relating to the Meramec Park Lake Project in Missouri,

"and at page 2, line 19, after '1974' insert the following:

"With the exception noted relating to the Meramec Park Lake Project in Missouri,"

Mr. JOHNSTON. Mr. President, will the Senator yield for an observation?

Mr. DANFORTH. I yield.

Mr. JOHNSTON. I believe that the Senator's amendment is faulty in that I have added some language in section 402 after the word "President." So if the Senator will conform his amendment to add that language after the end of section 402, it will be proper.

Mr. DANFORTH. I will so conform it.

The amendment reads as follows:

On page 2, line 8 of the amendment of the Senator from Louisiana strike the period after the word "made" and insert the following: , with the exception of those appropriations or expenditures relating to the Meramec Park Lake project in Missouri.

And at page 2, line 9 after section 403: insert the following: "with the exception noted relating to the Meramec Park Lake project in Missouri,"

And at page 2, line 19 after 1974, insert the following: "With the exception note relating to the Meramec Park Lake project in Missouri,"

Mr. JOHNSTON. Let me further say, if I may, that if the Senators from Missouri can get together on this amendment I will be glad to accept it.

Mr. DANFORTH. I thank the Senator very much. I think we are together on it, if I could inquire of my senior colleague.

Mr. EAGLETON. I will respond to my colleague by saying I think he might first set forth his rationale for this amendment, and then I will seek unanimous consent to further perfect his amendment.

Mr. DANFORTH. Mr. President, the purpose of this amendment is to except from the amendment offered by the Senator from Louisiana the Meramec Lake Park project in the State of Missouri.

During President Carter's campaign for the Presidency, when he appeared in Missouri he expressly took a position in opposition to the construction of the very controversial Meramec Dam in our State.

This project is controversial. A poll which appeared in the St. Louis Globe-Democrat last October indicated that at least 60 percent of the people polled in the State of Missouri are opposed to the construction of the Meramec Dam.

Approximately 20 percent are in favor of it.

At least one of the Senators from Missouri is strongly opposed to it and, as I understand the position of Senator EAGLETON, he has withdrawn his support for the construction of the Meramec Dam unless and until there is a referendum on whether or not the dam should be constructed.

This dam originally was conceived in the mid-1930's and, as is so often the case with matters that have an early origin, later consideration has led a great number of people to question the advisability of constructing the Meramec Dam.

It would have the effect of destroying a beautiful Ozark stream, a stream that has been enjoyed by tens of thousands, if not hundreds of thousands, of people over the years as a float stream.

We feel that Ozark streams are one of the great resources of our part of the country.

The cost-benefit analysis as it has been developed by the Corps of Engineers in favor of the dam, in my view does not make very much sense. Part of their rationale is that of flood control amounting to about 47 some odd percent of the benefit in the cost-benefit analysis, and yet when you press them on that their argument is to save 11,800 acres downstream from flooding they would inundate 12,600 acres upstream.

Those dam stream acres, incidentally, are in the hands of private landowners, and I feel that the expenditure of this amount of money for the benefit of people who acquired the property in the first place, knowing it was susceptible to flooding, is not a wise expenditure of the taxpayers' money.

The reason I am interested in having no further funds spent in this fiscal year on the construction of the Meramec Dam is that the more money that is spent the more grounds there are for an inertia argument, that is, the argument that we have gone so many tens of millions of dollars along the road to constructing this project, "Let us finish it up."

In fact, this morning at a meeting with the President, the Secretary of the Interior and the Director of the Office of Management and Budget, one of the points made by a number of the Members of Congress present was that we have already spent so much money on these projects and they are so old, "Let us just go ahead."

Well, I am concerned that if we spend the $10 million that has been appropriated for the Meramec Dam this year that further sets in motion the same kind of inertia argument, and before we know it, we will have built the dam even though approximately 60 percent of the people of the State of Missouri are against it.

For this reason I expressly wanted to except the Meramec Dam project from the amendment offered by the Senator from Louisiana.

Mr. EAGLETON. Mr. President, will the Senator yield?

Mr. DANFORTH. I yield.

Mr. EAGLETON. I thank my distinguished colleague.

His view of the Meramec Dam project is a bit different from mine, but we are not at total opposites.

As he has very frankly stated, and well stated, he is opposed to the Meramec Lake project in any way, shape, or form. He has decided that the project has more negative aspects than positive aspects, and he would like to see it terminated.

My position is different. My position is that on a project of this type, where there are such deep divisions, politically and environmentally, that this project should be the subject of a regional referendum. We used the referendum procedure in Missouri, I might add, the most recent one being in 1972 with respect to the location of a new airport in the Greater St. Louis area.

So my position is that while this question of a referendum is being considered by the Missouri General Assembly—and, by the way, the new Governor of Missouri made that as part of his message to the General Assembly, calling for a referendum—while this process in our State capital is in a state of doubt or a state of flux, I do not want us to terminate the Meramec Lake project here and now. I would like to keep it afloat, alive at a minimal spending level, until such time as the referendum question is resolved in Missouri.

UP AMENDMENT NO. 62

Mr. EAGLETON. Mr. President, I have hastily drafted a further perfecting amendment which I would like to send to the desk at this time. It calls for an addition of language to the Danforth language in the same three instances as cited in his amendment. I do not have the page number and reference number.

The PRESIDING OFFICER (Mr. HART). An amendment is not in order as being in the third degree.

Mr. EAGLETON. Mr. President, I ask unanimous consent that my amendment be considered in order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes unprinted amendment No. 62 as a perfecting amendment to unprinted amendment No. 61:

Insert at the end of each of the amendments in UP-61 the following: , but in no event shall more than $250,000 be spent from the date of passage of this act on the Meramec Lake project in fiscal 1977.

Mr. EAGLETON. I am not saying this is the most artfully drawn amendment, Mr. President. I admit to its being conceived in haste. But, at first blush—and

we can think about this as this bill goes back to the House—it would seem to accomplish what I have in mind in the sense that no big new contracts would be let on the Meramec Park project, a million dollar abutment contract, and so forth, but there might be the necessity of the expenditure of some modest amounts of money to keep the whole thing from being just terminated instantaneously.

Maybe this $250,000 figure is somewhat off the mark, but I do not have in mind any major or lavish expenditure.

I agree with Senator DANFORTH that any major expenditure should be held up, I think, until the referendum is conducted.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. EAGLETON. I yield to the Senator from Louisiana.

Mr. JOHNSTON. Anything that the Senators from Missouri agree upon I would ordinarily be willing to go along with.

The problem with this particular amendment is that it puts a limit on expenditures and would, therefore, appear to me to be a revenue measure and would have to originate in the House and would be subject to a point of order, therefore, in the House. For that reason I would have to object to the perfecting amendment.

Let me state to the Senators from Missouri that I believe the language as outlined by Senator DANFORTH would effectively achieve what the senior Senator from Missouri wants to do. What the Senator wants to do, in effect, is hold this project sort of in status quo with enough money just to keep it from drowning in the meantime while you have this referendum. That is fine with me and, I think, with the Senate, if that is the way the Senators from Missouri want to do it.

In the first place, all my amendment did was to say that at present the laws of the United States mean what they say, and if you want a deferral or rescission go the route as provided under the law.

He can still do that under the Danforth amendment and under my amendment or under my amendment, as modified by the Danforth amendment.

So let me urge the Senator from Missouri to get together on the Danforth amendment. If they get together on that amendment, I would be glad to accept it. I think it would achieve what the senior Senator from Missouri wants to achieve.

Mr. DANFORTH. Mr. President, will the Senator yield for a question at this point?

Mr. JOHNSTON. I yield.

Mr. DANFORTH. I ask the Senator from Louisiana if I am correct in understanding that even without his amendment and, therefore, without my amendment to his amendment, there is nothing to prohibit the President from spending say, a quarter of a million dollars to take care of necessary items short of major construction. Is that not correct?

Mr. JOHNSTON. That is correct. The President has such authority right now, such authority, direction, and mandate as provided under the law, and my amendment adds nothing to that authority.

Mr. EAGLETON. May I ask, then, a question, if I may, of the distinguished Senator from Louisiana, for the purpose of establishing, I would hope, some legislative history on this?

Mr. JOHNSTON. Yes.

Mr. EAGLETON. There are 19 projects involved as the Senator's amendment is originally drafted. With respect to 18 of those, the effect of the Johnston amendment would be to say to the President and to the Corps of Engineers, "Go forward on those 18 with moneys already appropriated for the fiscal year 1977." Is that correct?

Mr. JOHNSTON. That is correct.

Mr. EAGLETON. With respect to the 19th, the Meramec Lake project, it would give the President and the Corps of Engineers the authority to do what?

Mr. JOHNSTON. It actually would give the President the authority which he already has, under the present law, under my amendment, and under the Danforth amendment, to submit a deferral or rescission in whole or in part on the Meramec project.

So really what the President ought to do on the Meramec project is to submit a deferral to defer the expenditure of this money in quantities in excess of that which simply keeps the project afloat. The Senator says $250,000?

Mr. EAGLETON. Again, that is my figure.

Mr. JOHNSTON. Submit a deferral on that amount until there is a referendum and then after the referendum let him do what he is authorized to do under the law.

If he wants to kill it, he should submit a bill and let the bill be heard by the committees and by Congress. If he wants to defer it, he should submit a deferral or recission. But all we are saying is let the President follow the law.

The real effect of the Danforth amendment is to except it from the statement on policy and the statement of intent of this Congress with respect to water projects. We are telling the President not only to follow the law, but we are telling him he is doing wrong by not following the law. We are excepting the Meramec project from that broad statement of policy by the Danforth amendment.

Mr. DANFORTH. I state for the purpose of again creating legislative history that it is the intent of my amendment to express the view of the Senate to Congress that the President should withhold, that we should not be spending money for the Meramec Lake project this year.

Mr. EAGLETON. Mr. President, I do not wish to make this unduly lengthy, because I know we have colleagues who have other chores to do. That is the ticklish thing about legislative history. What Senator DANFORTH has in mind for an amendment is somewhat different from what I have in mind. We are not poles apart, but we disagree in I think one principal regard, and I shall repeat it for the record.

He wants to kill here and now in any way, shape, or form legislatively feasible the Meramec Park Lake project. I am not ready to be a burial agent here today. I want enough breathing time to permit this referendum to go forward in the State of Missouri.

It may well be that if that does not occur, I will then be with my colleague from Missouri and I shall be present at the burial.

Mr. DANFORTH. Mr. President, if the Senator will yield at this point, I, of course, wish to kill it, but at this particular point in time I am not so much interested in killing it as placing it in a state of suspended animation until the end of this fiscal year.

Mr. EAGLETON. Let me ask one final question, and then I think we will resolve this matter, and I shall address it to my colleague from Missouri.

Are you saying that it is not the thrust or purport of this amendment to kill the Meramec Park Lake project here and now?

Mr. DANFORTH. That is correct. The point is to simply exempt it from the application of Senator JOHNSTON'S amendment.

Mr. EAGLETON. So this amendment, if adopted, would not kill the project. It would still be an authorized project and it would be, to use my words, minimally afloat. However, it would not be a "full-steam ahead project" either. It would not be a "go all out" project like the other 18?

Mr. DANFORTH. That is correct.

Mr. EAGLETON. I thank my colleague.

Mr. President, I therefore ask unanimous consent to withdraw my unprinted amendment to the Danforth amendment.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment.

Mr. EAGLETON. I ask unanimous consent that it be withdrawn.

The PRESIDING OFFICER. It is withdrawn.

Mr. JOHNSTON. Mr. President, I ask unanimous consent to modify my amendment in line with the Danforth amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I further ask unanimous consent that Senator TOWER be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I hope we could now vote.

Mr. SCHMITT. Mr. President, a very brief word in support of the amendment of the distinguished Senator from Louisiana.

I think it is extremely important that we remind the new President of the correct procedures by which projects previously authorized and appropriated are deferred or rescinded.

The categorical and sweeping attempt by the President to do so without specific project deferrals I think is not only inappropriate but is clearly not in the interest of most of the people in the communities and areas affected.

In the calculation of cost-benefit ratios it is often very difficult to fully evaluate the benefits. In many cases where projects have already been begun and are under way or committed, the local economic community, as well as the people supported by that community, have made their plans and their aspirations closely tied to the approved projects. I hope that the Senate and the other body will always keep a vigilant eye open for these kind of activities on the part of the new administration.

I commend the Senator from Louisiana for his efforts, and he certainly has my full support.

Mr. JOHNSTON. I thank the Senator. Mr. President, we are ready to vote.

ADDITIONAL STATEMENTS SUBMITTED ON JOHNSTON AMENDMENT NO. 60

Mr. HATHAWAY. Mr. President, I am pleased to join in support of the amendment offered by my colleague from Louisiana. This is an important amendment and will, I hope, signal the administration that it cannot lightly ignore considered congressional judgments and procedures.

The administration's review of water resource projects and deletion of funding pending review ignores one basic fact: These projects have been reviewed by the congressional authorizing committees, by the Appropriations Committees, and by the full House and Senate. In addition, they are fully reviewed at the administrative level through established procedures for environmental and economic analyses. These very procedures themselves are in turn subjected to periodic congressional scrutiny.

Despite these safeguards, despite the clear recognition by Congress and the administration of the need for public works employment programs, despite the intensive reviews which these particular projects are subjected to, the administration has chosen unilaterally and without consultation to make its own judgment regarding the value of these projects.

Aside from disagreeing with the procedures, or lack thereof, used in reaching these judgments, I am dismayed at the precise decision made on the Dickey-Lincoln hydroelectric project in northern Maine. From the two pages of material supplied me by the Council on Environmental Quality, which apparently was the basis for deleting funds for deleting funds for Dickey, I can only conclude that the decision was made on the basis of inadequate and inaccurate information.

The result of this is that the administration is in the anomalous position of deleting the funds for Dickey-Lincoln on environmental grounds, when those very funds would permit completion of the environmental impact statement presently underway. The first draft of the EIS is due this coming summer. This kind of prejudgment, of short circuiting of legally required procedures, does not serve the public interest, regardless of positions on individual projects.

The amendment offered today will preserve the status quo and require the administration to proceed on an orderly basis, and in accordance with congressional intent and law. I am pleased to offer my support to it.

At this time, I ask unanimous consent to insert in the RECORD a copy of the CEQ memorandum as well as the October 1976, Corps of Engineers fact sheet on the Dickey-Lincoln project.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CEQ RECOMMENDATION

Sources of information on which CEQ recommendation on the Dickey-Lincoln School Lakes project (Corps-Maine) was based:

Corps of Engineers budget information, various dates.

Corps of Engineers General Design Memorandum and several additional Corps documents and publications various dates.

Cooper, Cortis, "Case study of a hydroelectric dam: the Dickey-Lincoln School Project," Environmental Affairs, 707–742.

Swatek, Paul, and James MacKenzie, 1974, "Background paper on the proposed Dickey-Lincoln Hydroelectric Project on the St. John River in Maine."

Conte, Rep. Silvio O., Extensions of Remarks, Congressional Record, October 7, 1974.

Muskie, Sen. Edmund, Congressional Record, 26 June 1975.

Conte, Rep. Silvio O., Extensions of Remarks, Congressional Record, 5 May 1975.

Comptroller General of the United States, "Economic Benefits and costs of the Dickey-Lincoln Hydroelectric Project in Maine," Report No. RED–75–387, 19 June 1975.

Harrington, Rep. Michael, Congressional Record, 23 June 1975.

Friends of the St. John, Testimony before the House Public Works Subcommittee of the Appropriations Committee, 29 April 1975.

Department of State, undated Action Memorandum and attachments concerning Request for Authorization to Negotiate an Agreement with Canada for the Cooperative Development of the Upper St. John River.

Corps of Engineers, "News about Dickey-Lincoln School Lakes," multiple issues, 1976.

Corps of Engineers, Testimony and submissions to the House Public Works Subcommittee of the Appropriations Committee, Spring 1976.

Newspaper articles, and other materials, various dates.

Project: Dickey-Lincoln School Lakes.
State(s): Maine.
EIS status: Scheduled Nov. 1976.
Agency: Army Corps of Engineers.
Authorization: 1965 Flood Control Act.
Benefit/cost ratio: at authorized rate 2.6.
Total estimated Federal cost: $463.0 million.
Federal cost to complete after 1978: $453.0 million.
FY 1977 appropriation: $2.0 million.
Percent project complete: zero.
Percent construction complete: zero.
FY 1978 agency request: $2.3 million.

Project description: The proposed project would provide peak-demand hydroelectric power to the Boston area power grid via a pair of dams on the St. John River in northern Maine. Power facilities would include 8 generating units capable of producing 1.2 billion kilowatt-hours of energy annually. Projected annual benefits: power 95.9%, recreation 2.1%; area redevelopment 1.8%; flood control 0.14%.

Adverse environmental impacts: The project lakes would back up the St. John and tributaries for more than 50 miles, inundating nearly 90,000 acres of timber-producing forests and big-game wildlife habitat. Prime white-water canoeing and trout fishing streams would be destroyed. The project may damage the character of the adjacent Allagash River which has been designated a Wild River by the Secretary of Interior. The project would have two significant impacts on Canada; regulation of downstream flows into Canada; and inundation of 4,050 acres of Canadian land. The project's power output is small in itself; it is described as "a foot in the door" for public hydroelectric power and associated regional development.

Additional comments: Governor Longley of Maine currently opposes construction but supports continued environmental and economic studies. The project is supported in Congress by Democrats, including Senators Muskie, Kennedy and Hathaway and Rep. Harrington (D.-Mass.). Opposed by Republican Senators Brooke and Mathias and Representatives Conte (R.-Mass) and Giaimo. There is also organized local and national opposition including the Sierra Club, Wilderness Society, and Audubon Societies.

DICKEY-LINCOLN SCHOOL LAKES, MAINE: FACTSHEET

PROJECT SETTING

The purpose of the proposed Dickey-Lincoln School Lakes Hydroelectric Project is to convert the natural energy of the upper St. John River in northern Maine for use as a source of electricity to meet future needs of New England consumers.

The project, which would be financed by the Federal Government, is located in a remote part of Aroostook County in the St. John River Valley, adjacent to the Canadian border. The proposed project would involve about 127,000 acres, including approximately 13,600 acres of water and wetland areas. The land area is presently utilized principally for commercial lumbering operations and wildlife habitat.

Electricity would be produced by capturing the annual spring runoff of the river in a large reservoir behind a 335-foot high earthfill dam located in the village of Dickey. The power plant at Dickey Dam would be capable of generating 1,183 million kilowatthours of electricity annually for use during periods of peak energy demand.

Operating as a peaking plant, large surges of water would be released from Dickey Dam during short periods of time. A second dam, 11 miles downstream at Lincoln School, would be constructed to impound the releases from Dickey Dam and reregulate discharges to the river before it travels through New Brunswick to the Bay of Fundy. Electrical generation at Lincoln School would supply 262 million kilowatt-hours of energy annually to Maine consumers.

Additional increased generation of 350 million kilowatt-hours per year would be realized at downstream hydroelectric plants in New Brunswick. One-half of this energy would be returned to the United States.

The impoundment of water during the spring snowmelt will have the further benefit of protecting downstream communities from damaging floods which have been especially severe in recent years.

Development of the Dickey-Lincoln School Lakes Project would have an extensive impact on the natural environment, social and economic character of the immediate area. Some 267 miles of streams, including 55 miles of the free-flowing St. John River, would be flooded to create an 86,000-acre reservoir above the Dickey Dam.

The Dickey-Lincoln School Lakes facilities would be the largest public works project ever undertaken in New England. If ultimately built, it would cost $668.8 million to construct at 1976 prices ($533.0 million for the dams and related features and $135.8 million for the transmission facilities). Approximately $631.8 million of this cost would be recovered through the sale of energy to consumers.

This Fact Sheet contains background information about the proposed project and its

impacts. Because preconstruction planning and design activities are not complete, ongoing and future studies may suggest modifications to specific details. Consequently, this document is subject to revision as updated information warrants. Readers may verify details by addressing inquiries to the Chief, Engineering Division, New England Division, Corps of Engineers, 424 Trapelo Road, Waltham, Massachusetts 02154.

I. GENESIS

Dickey-Lincoln School Lakes evolved as a result of a study of the Development of Tidal Power at Passamaquoddy, a system of tidal bays studied since 1919 by both private and public engineers. The most comprehensive report was that completed by the International Joint Commission in April 1961 after 3 years of study at a cost of $3 million. The Commission concluded that the project was not economically feasible under the then existing conditions. At the request of President John F. Kennedy, the Commission report was reviewed to determine if the project was feasible in view of the advanced engineering techniques and prevailing economic conditions. In July 1963, a report was submitted to the President, which concluded that application of a different use-concept of power coupled with advanced engineering techniques would result in a favorable project.

On 16 July 1963, the President directed the Departments of Interior and Army to make additional studies to supplement the July 1963 report. An Army-Interior Advisory Board on Passamaquoddy and upper St. John River was formed. Interior performed studies on power facilities, power transmission, marketing benefits and other economic aspects. The Corps of Engineers developed the physical components of the project.

The Study Committee completed its evaluation in August 1964, and submitted its report to the Secretary of the Interior. Recommendations included: early authorization of the Passamaquoddy Tidal Project and upper St. John River Developments and early construction of the project to develop low cost firm power for Maine and peaking power for the remainder of New England.

The Secretary of the Interior submitted a report on 9 July 1965 to President Johnson summarizing the August 1964 report. Subsequent to August 1964, a review was accomplished to update the power benefits. The power rates had decreased due to larger, more economical developments by the power industry since the previous analyses. The reduction caused the benefit-to-cost ratio for the Passamaquoddy Power Project to fall below unity (.86 to 1). The benefit-to-cost ratio for Dickey-Lincoln School Lakes was a sound 1.81 to 1.

One recommendation included in the July 1965 report approved by President Johnson was:

"Immediate authorization, funding, and construction of the Dickey and Lincoln School Projects on the St. John River and their associated transmission system. Construction would be contingent upon completion of necessary arrangements with the Canadian Government. This would also have the immediate and major by-product of preserving the famed Allagash River in Maine, one of the few remaining wild rivers east of the Mississippi River."

The Dickey-Lincoln School Lakes Project was authorized by the 1965 Flood Control Act, Public Law 89-298 dated 27 October 1965, substantially in accordance with the plans included in the August 1964 report.

II. PROJECT DESCRIPTION

A. Physical characteristics

Dickey Dam is located on the upper St. John River immediately above its confluence with the Allagash River, near the village of Dickey in the Town of Allagash, and 28 miles above Fort Kent in Aroostock County, Maine. As authorized, the dam would be an earthfill structure impounding a reservoir with gross storage capacity of 7.7 million acre-feet (2,500 billion gallons) for power, flood control and recreation. The reservoir water area would total 86,000 acres (134.4 square miles) at maximum pool elevation of 910 feet, mean sea level (msl). Five dikes would be located in saddle areas along the reservoir perimeter at Campbell Brook, Cunliffe Brook, Falls Brook, Hafey Brook and South Dike adjacent to the Dickey Dam, to prevent overflow into adjacent watersheds.

Dickey Dam would have a total length of 10,300 feet and a maximum height of 335 feet above the streambed. Its outlet work would include two concrete-lined tunnels, a low level 26-foot diameter tunnel 2,400 feet long at streambed elevation and an intermediate level 30-foot diameter tunnel 800 feet long, approximately 100 feet above the streambed. The power facilities would include four generating units at 190,000 kilowatts (kw) each, one of which would be a reversible unit, for a total initial installed capacity of 760,000 kw. This value reflects the manufacturer's generator capacity rating at minimum head. However, the dependable capacity of the units, i.e. the generating capacity of the units to meet maximum system load during the severest hydroperiod, totals 874,000 kw. Basic provisions would be included in the initial project to accommodate the potential future installation of two additional reversible units at 190,000 kw each for an ultimate installed capacity of 1,140,000 kw (1,311,000 dependable capacity). These provisions would include excavation for the adjoining forebay and tailrace channels, construction of the adjoining headworks, construction of the powerhouse foundation and raising Lincoln School Dam an additional eight feet. The installation of the additional units would be subject to Congressional authorization and would not be added until required by future power demands and an adequate source of off-peak energy is available for pumping. The project would be operated to meet peaking power requirements.

Lincoln School Dam is located on the upper St. John River, 11 miles downstream from Dickey Dam in the Town of St. Francis. It provides for an earthfill dam impounding a reservoir with usable storage capacity of 32,450 acre-feet. The reservoir would serve principally to regulate releases from the Dickey Dam and as power pondage. The lake would also serve as afterbay storage for the Dickey Dam pumped-storage feature. Its reservoir would ultimately encompass 2,619 acres with 59,090 acre-feet of usuable storage at its maximum pool elevation of 620 feet, msl. However, until the installation of future reversible units at Dickey Dam is required and authorized, the maximum pool elevation would be 612 feet, msl with an area of 2,239 acres.

Lincoln School Dam would be 2,200 feet long, including the powerhouse, and have a maximum height of 95 feet. Its power facilities would consist of two units at 30,000 kw each and one unit at 10,000 kw, for a total installed capacity of 70,000 kw. This facility would be operated as an intermediate load power plant.

The estimated construction first cost for the project totals $668.8 million based on 1 October 1976 price levels, consisting of $533.0 million for the dams and related features, and $135.8 million for the transmission facilities.

Real Estate Requirements—The total acreage required for the project is approximately 127,000 acres (environmental studies may suggest that additional acreage is needed to mitigate loss of wildlife habitat). Of this total, 106,000 acres is timberland. The acreage required for the Dickey Dam and reservoir is 124,000 acres, including 5,700 acres in Canada, and the requirement for the Lincoln School Dam and reservoir is 3,000 acres. The project would require the relocation of 159 year-round households (115 in Allagash; 44 in St. Francis). Also, 16 commercial properties and 14 miscellaneous properties would be displaced.

B. Operational characteristics

The project would be operated principally as a peaking power plant. In this role, the project would not be a high energy producing (i.e. kilowatt-hours) facility. A peaking power plant is designed to operate for short periods of time, at high capacity, to meet critical daily peak demands. It has quick starting capability and provides spinning reserve for load protection. Typical peaking plants are hydroelectric projects—both conventional and pumped storage—and gas turbine units. On the other hand, base load power is provided by large fossil-fueled or nuclear steam plants which operate most economically on a continuous basis and as a result are high energy producing installations. However, these latter plants are not suitable for peaking use and load protection because of economic considerations and operational constraints. The 1970 National Power Survey published by the Federal Power Commission notes that the current trend towards construction of very large fossil-fueled and nuclear steam-electric base load units has increased the need for plants designed specifically for meeting daily peak demands.

In addition to its reliability, a hydroelectric facility has a lower operating cost than alternative power sources because it does not rely upon costly fuels. Water is a continuous and clean source of power. Beyond the economic aspects, there would also be an annual savings in natural resources. To produce an equivalent amount of electrical energy, annual fuel consumption—dependent upon the type of alternate—would total 2.7 million barrels of oil, 636,000 tons of coal or 16.6 billion cubic feet of gas.

C. Generating time

The operating time of the project is very flexible and basically would be responsive to system power demands. Under normal operating conditions, the project will generate energy to meet varying demands 12 months per year. The electrical energy producing potential of the project is a function of the river basin hydrological characteristics such as amount of annual discharge, reservoir storage and hydraulic head available at the dam site. This energy potential can either be realized through small power units operating for long periods of time, i.e. base load operation, or through large size units for short periods of time, i.e. peak load operation. From the standpoint of economic and operational efficiency, hydroelectric sites have their greatest value as peaking plants, such as Dickey Dam.

The annual capacity factor for Dickey Dam is 15%. In simplistic terms, this means the project is capable of being operated at full capacity for 15% of the time on an annual basis to meet peak power demands. The project would also have "load following" capability on a daily and seasonal basis with potential to operate for longer periods of time at reduced capacity.

The operational time should not be viewed on a uniform daily basis, i.e. 3 to 4 hours each and every day. Rather the project would be a very flexible installation capable of generating for varying periods of time dependent upon the demand placed upon the New England system. For example, the spring season is a historical period of minimum power demand, accordingly the project generation would be minimal. Weekends and nights are also times of minimum demand during which the project would usually not gener-

ate electricity. On the other hand during periods of maximum power demand; namely December and January, the project could be operated for long periods extending up to 8 to 9 hours daily. The quick starting, flexible and reliable nature of a hydroelectric plants are assets to a coordinated power system.

The Lincoln School reregulating dam could normally operate 10 hours per day, 7 days a week. With the Dickey facility operating 7 or more hours per day, the Lincoln School facility could be capable of generating energy 24 hours per day at full capacity.

In addition, the project would benefit the New England system in a reserve capacity. In the event of an electrical blackout emergency, the project is capable of generating electricity for a continuous period of up to 35 days.

D. *Construction period*

Construction of the project, including all necessary land acquisition, will require approximately 7½ years. Initial power-on-line would be scheduled 6½ years after initiation of construction and incrementally increased until total power-on-line would be realized one year later.

III. PROJECT ECONOMICS

A. *General*

The project's average annual benefits are currently estimated as follows: (1 October 1976 Price Levels)

Benefit	*Amount*
Power	$72, 123, 000
Flood control	507, 000
Area redevelopment	1, 240. 000
Recreation	1, 250, 000
Total benefits	75, 120, 000

The average annual cost of the project reflecting amortization of the initial investment and annual operation and maintenance cost totals $36,251,000. This results in a benefit-to-cost ration of 2.1 to 1.

1. Power

As noted, power would be the principal benefit realized through construction of the Dickey-Lincoln School Lakes Project. On-site annual power generation of 1.45 billion killowatt-hours (kwh) would result from the total initially installed capacity of 830,000 kw (944,000 kw dependable capacity) of which 190,000 kw would have pumped storage capability. Additional power generation of 350 million kwh would also be gained at downstream Canadian power plants due to seasonally regulated flows from Dickey Lake. This increased energy output would be shared equally between the United States and Canada.

The peaking power capability of the project would provide an estimated 17% of the New England peaking power capacity required in the mid to late 1980's.

2. Flood Control

The flood control benefit results from elimination of flood damages below the project site. Fort Kent, located about 28 miles below Dickey Dam, has experienced 10 floods during the past 50 years of record. The most recent floods occurred in May 1961, May 1969, April 1973 and May 1974. The May 1974 flood stages exceeded the previous record flood of April 1973 and caused damages estimated at $3.0 million. These losses would be prevented by the project. In view of the uncertain status of Dickey-Lincoln School Lakes and the recurring flood problem at Fort Kent, a small local protection project has been formulated under Section 205 of the 1948 Flood Control Act, as amended, that will provide some degree of protection to the Town of Fort Kent and is currently being constructed. The local protection project's dike and pumping station will protect to a 100-year frequency flood level and the protection will be limited principally to the commercial center of Fort Kent.

Dickey-Lincoln School Lakes would provide full protection to the entire Fort Kent area and other downstream areas. The flood control benefit used is based on flood damage surveys accomplished in 1976 and includes property losses due to flooding and streambank erosion losses. The benefit is based on Dickey-Lincoln School Lakes operating after the Fort Kent local protection project, i.e. benefits due to the local protection project have been excluded. Losses due to overland flooding of croplands have not been included pending further study and evaluation.

3. Redevelopment

The Area Redevelopment benefit represents the effect of added employment resulting from the project. The Dickey-Lincoln School Lakes Project is located in the part of Aroostook County which is classified as a Title IV (1) Economic Development denoting an area of substantial and persistent unemployment. Numerous employment opportunities would arise and the associated wages related to project construction and future operation and maintenance would result in substantial relief to the economically depressed area. The Area Redevelopment benefit is a preliminary estimate which will be refined when ongoing economic impact and analysis studies are completed.

4. Recreation

The recreation benefit is a preliminary estimate of general recreation, hunting and fishing use developed at the close of earlier preconstruction planning activity. As presently envisioned, limited facilities such as campsites, comfort stations and boat launching ramps would be provided. A preliminary recreational master plan is being developed—in conjunction with appropriate State and Federal agencies and concurrent studies are in progress to identify recreational uses both gained and lost as result of project implementation. Upon completion of these activities, the project recreational benefits will be further defined and evaluated.

B. *Economic analyses*

The justification for authorization of all Corps of Engineers' projects is measured in terms of the benefit-to-cost ratio. The economic analysis used to develop this yardstick for Dickey-Lincoln School Lakes is based on standards prescribed by Senate Document No. 97, 87th Congress, entitled Policies, Standards and Procedures in the Formulation, Evaluation and Review of Plans for Use and Development of Water and Related Land Resources. Total project benefits for Dickey-Lincoln School Lakes are comprised of at-market power, total downstream energy, flood control, recreation and area redevelopment type benefits. The power benefits for Dickey-Lincoln School Lakes are equated to the cost of privately-financed equivalent alternative sources of power. The unit power values, furnished by the Federal Power Commission, are based on gas turbines for that portion of project power expected to be marketed for peaking purposes and a combined cycle generation plant as an alternative for that portion to be marketed for intermediate power purposes.

The project cost is evaluated on an annual basis reflecting amortization of the investment and annual operation and maintenance expenses. The cost has been increased to provide for the transmission of power by adding the total annual cost of a line between the project and the NEPOOL System Transmission Grid. The interest rate used in the economic evaluation is 3¼% and the period of analysis is 100 years. Attached as Table I is a summary of the economic analysis.

The 3¼% interest rate used in the economic analysis has been the subject of considerable discussion. Accordingly, an explanation of the derivation of this rate is appropriate. The interest rate is in accordance with a Water Resources Council (WRC) regulation implemented in December 1968. This regulation revised the method of computing the interest rate as previously outlined in Senate Document 97. The regulation permitted an exception, however, for those projects already authorized such as Dickey-Lincoln School Lakes which was authorized in 1965. The exception noted that if an appropriate non-Federal agency provided—prior to 31 December 1969—satisfactory assurances that requirements of local cooperation associated with the project would be met, then the previous interest rate would be retained. At Dickey-Lincoln School Lakes, local cooperation would be required for the cost sharing of recreational facilities. Assurances were received from the Governor of Maine by letter, dated 24 February 1969, that the non-Federal requirements would be fulfilled at the appropriate time. As a result, the interest rate was retained at 3¼%.

The WRC subsequently established new principles and standards for water resource planning effective in October 1973. A section of these new standards included the provision for increasing the interest rate to 6⅞%. However, the Water Resources Development Act of 1974, enacted by the Congress on 7 March 1974, included a section which requires that interest rates used for water resource projects be consistent with the implementation of the December 1968 WRC regulation. Accordingly, the 3¼% interest rate remains firm for Dickey-Lincoln School Lakes. The prevailing rate for new water resource projects is 6⅜%. As a point of interest, if Dickey-Lincoln School Lakes were evaluated on this higher rate, the benefit-to-cost ratio would be 1.2 to 1.

The Corps of Engineers also uses a procedure referred to as an "Economic Efficiency Test." The objective of an ideal system operation is to meet area power demands at least cost to consumers. Therefore, the least costly addition to a region's capacity could be considered as a yardstick for purposes of making a decision regarding such additions. The "Economic Efficiency Test" provides for such a determination. Basically, the test provides for a comparison of the costs of providing an equivalent amount of power from the most feasible alternative, likely to develop in the absence of the project, evaluated on a basis comparable with the determination of the Federal project costs (with respect to interest rate, i.e. 3¼%, taxes and insurance). The Corps' "Economic Efficiency Test" indicates that the annual at-market charge for Dickey-Lincoln School Lakes power amounts to $36,251,000 while alternative equivalent power charges amount to $58,-137,000. This results in a ratio of 1.6 to 1 in favor of Dickey-Lincoln School Lakes. This means that even if private utilities could obtain financing equivalent to the Federal rate, water resource benefits could be provided by Dickey-Lincoln School at approximately two-thirds the cost of the most feasible alternatives likely to develop in its absence. The attached Table II illustrates the "Economic Efficiency Test."

C. *Repayment analysis*

The above analyses are used to define the economic worth of the project. The financial value of power, however, is determined through the repayment analysis. Marketing of electric power from Federal projects is the basic responsibility of the Secretary of Interior as authorized by Section 5 of the 1944 Flood Control Act. Repayment rates must be sufficient to recover costs of power production and transmission including annual operation and maintenance expenses. The total investment allocated to power must be repaid over a reasonable period of years. As a matter of administration policy, this period has been specified as 50 years. On 29 January 1970, the Secretary of Interior, under his administrative discretion to establish power rates, instituted new criteria

for determining interest rates for repayment purposes for projects not yet under construction. The current interest rate used for Dickey-Lincoln School Lakes repayment under this revised criteria is 7.0%

A preliminary finanical feasibility study has been completed by the Department of Interior—utilizing the above criteria. The results indicate that the project's power costs can be recovered through power revenues.

The difference between the economic analyses previously described and the repayment analysis warrants further clarification. This has caused a considerable amount of misunderstanding and misinterpretation. The economic analyses—both for the benefit-to-cost ratio determination and the "Economic Efficiency Test" are economic parameters measuring a project's worth. These analyses are not unique to Dickey-Lincoln School Lakes. The benefit-to-cost ratio is employed universally by the Corps in measuring a project's economic justification. The "Economic Efficiency Test" is also universally used by the Corps in conjunction with projects having generation of electric power as a project purpose. The economic analyses utilize a 3¼% interest rate and 100-year period of evaluation. On the other hand, the repayment analysis—which is computed by the Department of Interior—is a financial measure which determines the appropriate price at which bulk power must be marketed to return the total annual investment allocated to power. For this analysis, an interest rate of 7.0% and a 50-year repayment period are used.

IV. ENVIRONMENTAL STUDIES

A. General

Detailed data essential to a comprehensive environmental evaluation consistent with the National Environmental Policy Act of 1969 (NEPA) were not developed for Dickey-Lincoln School Lakes during earlier preconstruction planning which was terminated in the fall of 1967, prior to passage of NEPA. With the resumption of activity in 1974, environmental studies and preparation of an Environmental Impact Statement must be on file with the Council on Environmental Quality prior to initiating any land acquisition or construction.

An initial activity in environmental studies was the preparation of a scope-of-work for the Environmental Impact Statement, completed in August 1975. The scope-of-work is the plan of action for developing a comprehensive Environmental Impact Statement. It identifies all significant environmental, social and economic impacts induced by the project and recommends methodology for measuring and evaluating these impacts. Contracts are underway with private consulting firms to develop data and analyze the various impacts. These contracts are scheduled for completion by the spring of 1977 and a draft Environmental Impact Statement is scheduled to be distributed in June 1977.

B. Project effect on the Allagash Wilderness Waterway

Construction of the Dickey-Lincoln School Lakes Project will have no adverse effect on the Allagash Wilderness Waterway. The Dickey Dam site is located on the upper St. John River immediately above its confluence with the Allagash River. The upper reach of the Lincoln School reservoir would extend about 3.5 river miles along the Allagash River, terminating about 2.5 miles below the start of the Allagash Wilderness Waterway. Consequently, the impoundments would have no effect on the free-flowing characteristics of the Wilderness Waterway.

C. Effect of reservoir drawdown

The New England Division of the Corps of Engineers has conducted computer simulation studies which, among other things, identify the extent of these reservoir fluctuations. The characteristics of the project were analyzed by continuous simulation of operation using 41 years of hydrologic record. These studies indicate that during the summer season from June to October, the lake level would normally fall or rise only slightly, depending upon hydrologic and electric load conditions.

During a normal year, the pool would be nearly full in June following the spring refill period, and then fall about 1.5 feet by the first of October. Pool fluctuations due to daily power operations would be minute, generally less than 2 to 3 inches. The normal pool fluctuation during the summer season would be about 2 feet. The maximum drawdown experienced during the summer months for the 41 years of simulation was 4.5 feet.

Much has been written about the so-called "bathtub ring" effect due to drawdown. The exposed shoreline for the normal summer drawdown of 2 feet would be about 1,500 acres, equivalent to a 35-foot wide strip around the 350-mile periphery of the lake. Maximum drawdown, normally about 22 feet, would occur each year during the winter months when snow would effectively cover the exposed area totaling some 17,700 acres. The minimum power pool level of 868 feet, msl occurred once during the 41-year simulation and was in the month of March just prior to the spring refill season. The difference in lake area between the full pool level at 910 feet, msl and the minimum pool is 32,000 acres.

V. MARKETING OF POWER

The Department of Interior will be responsible for marketing the electric power from Dickey-Lincoln School Lakes per authority of Section 5 of the 1944 Flood Control Act. This statute requires that power be sold in such a manner as to encourage the most widespread use thereof at the lowest possible rates consistent with sound business practices. Section 5 further directs that preference in the sale of power and energy is to be given to public and cooperative power interests.

The concept developed during earlier studies envisioned the marketing of 725,000 kw of Dickey-Lincoln School Lakes output as peaking power to Boston, Massachusetts area and the remaining 105,000 kw principally as base load power in the Maine market. A preliminary report addressing the marketing aspects has been prepared by the Department of Interior. The preliminary report, which remains subject to change pending review and comments, has revised the earlier marketing concept. The report notes that after considering transmission losses and offsetting load diversities, approximately 900,000 kw of capacity and 1.2 billion kwh of stream-flow energy will be available for sale at the customer's premises. The energy value excludes about 290 million kwh from the initial pumped storage operation which is proposed to be marketed on a split-the-savings arrangement. The present concept envisions marketing of 700,000 kw (667 million kwh) as peaking power to New England outside of Maine and marketing 200,000 kw in Maine, 50% as intermediate load power (438 million kwh) and 50% as peaking power (95 million kwh). These allocations include the United States portion of additional energy generated at downstream Canadian projects.

Marketing studies currently indicate that 100,000 kw of peaking power allocated to Maine and 250,000 kw of peaking power allocated to New England outside of Maine would initially be sold to private utilities. As preference customers. Historically, the Department of Interior does not proceed with definite marketing and transmission plans until construction of the project is underway and the power-on-line date is relatively firm. Prior to that time, their studies are of sufficient depth to determine marketability and to evaluate the financial feasibility of the power installation.

The existence of the New England Power Pool (NEPOOL)—comprised of the major utilities within New England—provides an effective vehicle through which Dickey-Lincoln School Lakes output could be utilized to the mutual benefit of New England. A report dated 21 November 1974 submitted to the New England Planning Committee of NEPOOL stated that, "the Dickey project caapcity would be fully effective capacity to the interconnected New England system if it were dispatched in a peaking assignment during the 1985–1986 power year. The enormous storage reservoir makes it possible to use Dickey with maximum flexibility. It can run at full capacity whenever it is needed and can sustain that power level for the duration of any peak that the system experiences. It makes an ideal source of reserve with quick response, a fact that is most valuable to have as an option open to those responsible for load dispatching."

VI. CURRENT STATUS

A. General

Preconstruction planned resumed in November 1974, seven years subsequent to earlier post-authorization planning. Primary efforts are concentrating on preparation of an Environmental Impact Statement, update of project design to reflect current criteria and an update of project cost estimate and economic justification.

In conjunction with our activity, the Department of Interior (DOI), which has statutory responsibility for transmission and marketing of power from Federal projects, is conducting studies of these two aspects. The Bonneville Power Administration of DOI has been assigned the task to define transmission requirements to tie into the existing NEPOOL grid system and to prepare an Environmental Impact Statement for these facilities. The Southeastern Power Administration has been charged with the marketing analysis.

A draft Environmental Impact Statement and General Design Memorandum for the dams is scheduled for completion in June 1977. The draft Environmental Impact Statement for transmission facilities is scheduled for November 1977. A report on transmission system requirements will be finalized in late 1976. The marketing report will be available in late 1976.

B. Funding summary:

Prior 1965–1967	($2,154,000)
Current:	
Fiscal Year (FY) 1975	949,000
FY 1976	2,256,000
Transition Quarter (1 July '76–30 Sept. '76)	435,000
FY 1977 (1 Oct. '76–30 Sept. '77)	2,000,000
Total current	(5,640,000)
Total	7,794,000

C. Current activities

Environmental Studies

Scope-of-work contract completed in mid-1975.

Six major contracts have been awarded that will provide key input into the Environmental Impact Statement. These include:

Aquatic ecosystem and fisheries analysis.
Archeological survey.
Terrestrial impacts.
Power alternatives.
Social-economic impacts.
Recreation resources.

In addition, smaller contracts have been completed for:

Fisheries utilization study (creel census).
Rare and endangered plant species survey.
Climatologic and air quality impacts.

A raptor survey has been conducted by New England Division in conjunction with

Maine and Federal Fish and Wildlife personnel.

Water Quality

a. Periodic water quality monitoring has been conducted at the project site since the summer of 1975. A mobile laboratory was established at the site in the spring of 1976. Samples were taken and tested generally semi-monthly with daily sampling conducted during the heavy spring runoff. No sampling performed during the winter.

b. Two physical models have been constructed by the Corps' Waterways Experiment Station (WES) in Vicksburg, Mississippi to define the need and location of multi-level withdrawal capability from the proposed impoundment in the interest of proper temperature control. Test results were used to develop a mathematical model presently being employed to simulate project operation during specified water years.

Geotechnical Studies

a. Surficial geology has been delineated by the Corps' Cold Regions Research and Engineering Laboratory (CRREL) in Hanover, New Hampshire through use of remote sensing techniques.

b. Potential earth and rock borrow areas have been identified by CRREL through remote sensing.

c. Regional geologic structures have been interpreted by CRREL and WES.

d. WES has completed a report on earthquake potential at the project area. A maximum credible earthquake has been developed for the dam site and will be used in design criteria for structures. (Earthquake records were reviewed dating from 1638–1975. No quakes have been recorded within a 20-mile radius of the dam site. Five earthquakes of small intensity have been recorded at a 20–45 mile radius. The St. Lawrence River Valley—its nearest point some 45 miles from the dams—is an area of high seismic activity).

e. A seismometer was installed at the project site in October 1975 as part of New England recording system. An array of three seismic stations were also established in the reservoir area to monitor local seismic activity.

f. Subsurface explorations are underway to develop data for project structures. Have also obtained undisputed samples for dynamic testing to identify material reaction to potential earthquake loading.

* * * * *

TABLE I.—DICKEY-LINCOLN SCHOOL LAKES ANNUAL COSTS BASED ON 3¼ PERCENT AND 6⅜ PERCENT

[October 1976 price levels]

	3¼ percent	6⅜ percent
DAMS		
Total investment:		
Construction cost of dams	$533,000,000	$533,000,000
Interest during construction	50,700,000	99,400,000
Total	583,700,000	632,400,000
Capital recovery factor, 100-yr life	0.03388	0.06388
Annual costs:		
Interest and amortization	19,780,000	40,400,000
Operation and maintenance	2,000,000	2,000,000
Pumping power (438,000,000 kWh×$0.010)	4,380,000	4,380,000
Major replacements	376,000	256,000
Loss of land taxes	115,000	115,000
Subtotal, dams	26,651,000	47,151,000
TRANSMISSION LINES		
Total investment:		
Construction costs of transmission line	135,800,000	135,800,000
Interest during construction	9,900,000	19,400,000
Total	145,700,000	155,200,000
Annual costs:		
Interest and amortization	6,400,000	10,700,000
Operation and maintenance	3,200,000	3,200,000
Subtotal, transmission	9,600,000	13,900,000
TOTAL PROJECT		
Total investment:		
Construction	$668,800,000	$668,800,000
Interest during construction	60,600,000	118,800,000
Total	729,400,000	787,600,000
Annual costs	36,251,000	61,051,000
Annual benefits: [1]		
Peaking power (15.4 percent capacity factor):		
874,000 kW×0.91×$29.50	23,463,000	23,463,000
1,182,600,000 kWh×0.933×$0.0135	34,756,000	34,756,000
Intermediate power (42.9 percent capacity factor):		
70,000 kW×0.91×$63.25	4,029,000	4,029,000
262,800,000 kWh×0.933×$0.026	6,375,000	6,375,000
Downstream: 350,000,000 kWh×$0.010	3,500,000	3,500,000
Subtotal, power	72,123,000	72,123,000
Recreation	1,250,000	1,250,000
Redevelopment	1,240,000	1,980,000
Prevention of flood damages	507,000	507,000
Total, annual benefits	75,120,000	75,860,000
Total annual costs	36,251,000	61,051,000
Benefit-cost ratio	2.1 to 1 (2.07)	1.2 to 1 (1.23)

[1] The 0.91 and 0.933 factors noted in power benefit analysis reflect estimated reduction in capacity and energy outputs due to transmission line losses.

TABLE II.—DICKEY-LINCOLN SCHOOL LAKES ECONOMIC EFFICIENCY ANALYSIS

	3¼ percent	6⅜ percent
Power alternative: [1]		
Peaking:		
874,000 kW×0.91×$11.25×$15.00	$8,948,000	$11,930,000
1,182,600,000 kWh×0.933×$0.0315	34,756,000	34,756,000
Intermediate:		
70,000 kW×0.91×$24.50×$32.50	1,561,000	2,070,000
262,800,000 kWh×0.933×$0.026	6,375,000	6,375,000
Downstream: 350,000,000 kWh×$0.010	3,500,000	3,500,000
Subtotal, power	55,140,000	58,631,000
Recreation [2]	1,250,000	1,250,000
Redevelopment [2]	1,240,000	1,980,000
Flood control [2]	507,000	507,000
Total, alternative costs	58,137,000	62,368,000
Annual charges: Dickey-Lincoln School	36,251,000	61,051,000
Comparability ratio	1.6 to 1 (1.60)	1.02 to 1

[1] The 0.91 and 0.933 factors noted in power benefit analysis reflect estimated reduction in capacity and energy outputs due to transmission line losses.

[2] Recreation, redevelopment and flood control benefits which are provided incidentally to construction of Dickey-Lincoln School would be foregone by the alternative. Therefore, the values of these benefits are added to the alternative in order to obatin a valid comparison.

Mr. DOLE. Mr. President, I am supporting this provision to express disapproval of any efforts to defer or rescind budget authority already provided for certain water resource projects by Congress.

Two weeks ago, my colleagues and I were shocked by President Carter's sudden decision to withdraw, from his fiscal year 1978 budget, funding requests for 19 water projects already underway in various States. One of these projects—Grove Reservoir—is located near Topeka, Kans., and is designed to be a major future water supply source for nearby municipalities and industries.

Since then, we have learned that numerous additional projects are slated for updated screening by Federal agencies, regarding economic and environmental costs and benefits.

At least three additional projects in the Kansas area are threatened by this review, since the remaining costs and benefits of the projects are computed at less than unity when using a 6⅜-percent interest rate. These projects are: the Missouri River levee system, the 1962 Kansas River modifications, and Towanda Lake. Many of these projects were originally authorized by Congress when interest rates were much lower. Now, the executive branch has arbitrarily decided to weed out certain public works projects by using the current interest rate as a standard for computation. This is both unjust and unwise, and distorts the value of these water projects.

Congress has the authority to annually review and approve funding requests for these projects during normal appropriations proceedings. This is where the responsibility for reconsideration of water projects properly lies—with representatives of the public which is affected by the decisions.

I would point out the inconsistency of this administration in promoting public jobs programs on the one hand, and actively withdrawing ongoing public works projects on the other. This is all the more ironic insofar as these 19 projects are vital to water development, and our Western States are already suffering dire circumstances from a massive drought.

This amendment, when passed, will effectively register our disapproval with the procedures initiated by the President to delay or permanently suspend ongoing water resource projects, and express Congress intention not to uphold any later rescission of appropriated funds for these projects.

Mr. President, I strongly urge my colleagues to join me in supporting passage of this amendment, so vital to the future of water resource development in Kansas and throughout the Nation.

(This concludes additional statements submitted on Johnston unprinted amendment No. 60.)

The PRESIDING OFFICER (Mr. MOYNIHAN). The question is on agreeing to the amendment, as modified, of the Senator from Louisiana. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HASKELL), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Montana (Mr. MELCHER) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), and the Senator from Louisiana (Mr. LONG) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from Nevada (Mr. LAXALT), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Utah (Mr. HATCH) would vote "yea."

The result was announced—yeas 65, nays 24, as follows:

[Rollcall Vote No. 45 Leg.]

YEAS—65

Allen	Hansen	Packwood
Baker	Hart	Pearson
Bartlett	Hatfield	Percy
Bellmon	Hathaway	Randolph
Bentsen	Hayakawa	Riegle
Burdick	Helms	Sarbanes
Byrd, Robert C.	Hollings	Sasser
Case	Huddleston	Schmitt
Church	Inouye	Scott
Curtis	Jackson	Sparkman
Danforth	Javits	Stafford
DeConcini	Johnston	Stennis
Dole	Leahy	Stevens
Domenici	McClellan	Stevenson
Durkin	McClure	Talmadge
Eagleton	Magnuson	Thurmond
Eastland	Mathias	Tower
Ford	Matsunaga	Wallop
Garn	Metcalf	Weicker
Goldwater	Morgan	Williams
Gravel	Moynihan	Young
Griffin	Muskie	

NAYS—24

Abourezk	Chiles	Nelson
Anderson	Clark	Nunn
Bayh	Cranston	Pell
Biden	Culver	Proxmire
Brooke	Heinz	Ribicoff
Bumpers	Humphrey	Stone
Byrd, Harry F., Jr.	Kennedy	Zorinsky
Chafee	Lugar	
	Metzenbaum	

NOT VOTING—11

Cannon	Laxalt	Melcher
Glenn	Long	Roth
Haskell	McGovern	Schweiker
Hatch	McIntyre	

So Mr. JOHNSTON's amendment, as modified, was agreed to.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. MORGAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I wish to commend my distinguished colleague from Louisiana, Senator LONG, for his leadership during the debate which led to passage of the Johnston-Long amendment. His clear arguments and logic spelled out the sentiment of this body that vital public works projects authorized and funded by the Congress, after thoughtful and long consideration, must be continued.

The Senator from Louisiana was necessarily absent for the vote on the amendment because of business. There should be no doubt in anyone's mind that, if present, he would have voted "aye."

UP AMENDMENT NO. 63

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and I ask for its immediate consideration.

Mr. MORGAN. Will the Senator yield for a unanimous-consent request?

Mr. JOHNSTON. I will yield for a unanimous-consent request.

The PRESIDING OFFICER. Can there be order in the Senate?

The Senator from North Carolina will be recognized after the reading of the amendment proposed by the Senator from Louisiana.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an unprinted amendment No. 63.

The amendment is as follows:

Amend sec. 102(b) at line 14 of page 15 by replacing the period with a comma and adding the following: "except that units of local government which have projects pending, the grant total of which is less than 150% of the residual benchmark for the unit, may submit projects not to exceed in aggregate 150% of said benchmark."

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. MORGAN. Mr. President, I ask unanimous consent that Mr. Bill Smith, of my staff, be granted the privileges of the floor during the consideration of the present bill and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, this amendment, I believe, will be agreed to by the proponents of the bill. It is designed to accomplish one thing: Where pending projects fail to come up to the dollar benchmark as provided under the law, units of local government may submit further projects that total in amount up to 150 percent of the residual benchmark. What that means is this——

Mr. NELSON. Mr. President, may we have order so we can hear this explanation of the amendment?

The PRESIDING OFFICER. The Senator's point is well taken. The Senate is not in order. Will the Senators please take their seats?

Mr. JOHNSTON. What that means, Mr. President, is, as in the case of New Orleans, they were very careful in trying to have architects and engineers draw up projects in round 1 which were equal only to the dollar amount potentially available in round 1. Accordingly, when another round is announced, as provided in this bill, the city does not have a sufficient number of projects pending to reach the benchmark. So this amendment allows local government to submit additional projects up to 150 percent of the residual benchmark. That does not mean that you get 150 percent of your benchmark but it means you may submit projects up to that amount.

This amendment—and I ask this in the form of a question as well—applies to cities above 50,000 as well as below 50,000, with the one exception that, where there are several communities in a county whose aggregate submissions exceed 150 percent of the benchmark, it might not apply to some communities in such a county. Otherwise, it would apply to cities of more or less than the 50,000 population?

Mr. RANDOLPH. That is correct.

Mr. MOYNIHAN. There are some problems that need to be worked out in this matter. We would like to take it to conference.

Mr. JOHNSTON. My statement is that it applies to communities above and below 50,000?

Mr. MOYNIHAN. We understand that to be correct.

Mr. JOHNSTON. And the Senator is willing to accept and fight for the concept of additional applications and having that apply to cities above and below 50,000?

Mr. RANDOLPH. That is correct.

Mr. MOYNIHAN. Yes, that is the case.

Mr. JOHNSTON. I am ready to vote.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. JOHNSTON. I am ready to act on the amendment, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 64

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) for himself, Mr. BAYH, Mr. GLENN, Mr. METZENBAUM, Mr. PERCY, and Mr. SCHWEIKER, proposes unprinted amendment No. 64:

On page 16, after line 2, strike line 3 through line 13 and insert in lieu thereof the following:

(3) Any allocation among the States of funds appropriated under this section and not reserved pursuant to this subsection shall be made on the basis of the ratio that the number of unemployed persons in each State bears to the total number of unemployed persons in all the States, subject to the provisions of section 108(a) of title I of the Public Works Employment Act of 1976 (90 Stat. 999) ": *Provided*, That no State shall receive less than three-fourths of one per centum nor more than twelve and one-half per centum of the amount appropriated under this section."

Mr. HEINZ. Mr. President, this amendment that I offer today is very similar to the printed amendment that was made available to my colleagues yesterday, except that it includes the provisions of the Durkin amendment. The Durkin amendment provided that no State shall receive less than 0.75 of 1 percent nor more than 12.5 percent of the amount appropriated under this section. Therefore, this amendment, while it does aim at changing the formula, does not, in any way, vacate, modify, or affect either the letter or the intent of the amendment offered successfully by Mr. DURKIN.

I am very pleased and privileged that so many of my distiguished colleagues—from Indiana, Illinois, Ohio, Pennsylvania—have joined in offering this amendment. The thrust of the amendment, Mr. President, is that we propose to change the formula under which the allocation of the funds is made among the States so that it simply distributes the money on the basis of the total number of unemployed people within each State.

For example, if a State has 10 percent of the Nation's unemployed people, that State will receive 10 percent of the funds available under this act, so those States with an above-average number of unemployed would receive an above-average allotment. If other States have below-average unemployment, they would receive a below-average share of the funds, but their fair share of the funds, nonetheless.

This proposal is founded on the belief and on the principle that we must deal

with the real problems of real people and not the dictates of statistical abstractions. It recognizes the need to treat all unemployed people alike, whether they live in New York, New Mexico, Pennsylvania, or Puerto Rico.

I particularly point out that we are not proposing, in this amendment, distributing funds on a per capita basis. It is per capita for every person who is unemployed, not per capita population, not per capita work force, not per capita civilians in the work force; but based on the number of unemployed people as opposed to all the people.

Last year, when the Public Works Employment Act was first considered, the Economic Development Administration, without the benefit of sufficient guidance from Congress, devised an extremely complicated system for disbursing public works employment funds. Under that formula, some States, such as Illinois, Ohio, Pennsylvania, and others, were tremendously shortchanged. Other States, such as New York, New Jersey, Michigan, and some other States, received much more than they might ever have expected to realize. Obviously, those States that did very well and did, in my judgment, unfairly well, will not be in favor of my amendment, but my amendment is not aimed at hurting those States, indeed. What it is aimed at is trying to accomplish a measure of equity among all States.

I know very well that the formula that EDA had and the formula in this bill still is disturbing. It is still intricate. In the case of the formula used by EDA last year, practically no one could understand its intricacies and still, today, we must have many questions about how the formula in this bill, with its very arbitrary choice of 65 percent and 35 percent on the one hand and 6.5 percent as a cutoff on the other, really is going to work. This is not the kind of formula that we can explain to people who want to understand it.

Mr. President, I wish to share with Members of the Senate the guidelines used by EDA last year to distribute funds under the program that was used during round 1. I think we agree that it is very difficult to conceptualize exactly how they worked.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the guidelines used by EDA to allocate funds to the States under the formula devised by the Economic Development Administration.

There being no objection, the discussion was ordered to be printed in the RECORD, as follows:

STATE ALLOCATION FORMULA

In order to assure that the needs of the various sections of the country are met in accordance with Section 107 of P.L. 94-369 (Local Public Works Employment Act), the following state allocation formula was developed to take into account both the absolute and relative share of unemployment experienced by the states. Specific steps in the computational procedure for the state allocation formula are:

Step 1—Assume that $2 billion is available for allocation among the states and territories.

Step 2—Subtract $10 million for administrative expenses and $10 million for distribution among the Virgin Islands, American Samoa, and Guam. The remaining funds ($1,980,000,000) are available for distribution among the fifty states, the District of Columbia, and Puerto Rico.

Step 3—Sixty-five percent of the remaining funds is initially set aside for distribution among the 50 states and 2 geopolitical entities ($1,287,000,000) to be distributed with respect to the share of unemployed workers in a state relative to the total national unemployed; 35 percent ($693,000,000) is set aside based on the severity of state unemployment (state unemployment rates).

Step 4—Computation of Severity Allocation: Data is based on March, April, and May 1976 unemployment and labor force data by state (or the latest available at time of computation):

(a) Compute three month average state unemployment rates. (Sum the number unemployed for three months and divide by the sum of the three monthly labor force figures.)

(b) Delete from consideration all states with unemployment rates determined in (a) to be equal to, or below, the three month average national unemployment rate (computed in the same manner as in (a)).

(c) Compute the difference between state unemployment rates and the comparable national unemployment rate for all states above the national rate.

(d) Multiply the three month average state labor force by the unemployment rate in excess of the national average ((c), above) to determine the number of unemployed (within a state) above that which would prevail at the comparable national unemployment rate.

(e) Sum all state unemployed in (d) above.

(f) Form a ratio of (d) to (e) and multiply by the funds set aside for severity of unemployment in Step 3 to determine a state's severity allocation.

Step 5—Computation of Preliminary Share Allocation: Data is based on March, April, and May 1976 unemployment by state (or the latest available at time of computation):

(a) Compute total national unemployed and unemployed by state (three month average). Form ratio of state unemployment to national unemployment.

(b) Multiply ratio in (a) by funds set aside for the 65 percent share allocation in Step 3, establishing a preliminary allocation based on the share of the nation's unemployed residing within a particular state.

Step 6—Determination of a state's total allocation, subject to statutory minimum and maximum requirements:

(a) If the sum of the funds for each state allocated under share and severity is less than $10,000,000, two situations are possible:

(1) If the state received no funds under the severity allocation, increase the state's share allocation to $10,000,000, reduce the amount set aside for the share allocation by this amount, and temporarily drop the state from further consideration.

(2) If the state received funds under severity allocation but the sum of the state's share and severity allocation is less than $10,000,000, increase the state's share allocation to equal the difference between the severity allocation and $10,000,000. Remove this amount ($10,000,000 minus severity allocation) from the funds available for allocation under the share formula and temporarily remove the state from further consideration.

(b) If the sum of any state's share and severity allocations exceeds the statutory maximum ($250,000,000), set the state's share allocation equal to the difference between its severity allocation and $250,000,000 and reduce the funds set aside for allocation by share by this difference. Remove the state from further consideration.

(c) Sum the number of unemployed associated with the states identified in (a) and (b) above and subtract this amount from the total number unemployed in the nation. This figure becomes the basis for computing the final share allocations for those states not identified in (a) or (b) above.

(d) Recompute the share allocation for states above the statutory minimum and below the statutory maximum.

(NOTE: At this point, the share allocation formula excludes state unemployment data for those states receiving either the statutory minimum or maximum. Similarly, funds available under the 65 percent share allocation have also been adjusted to meet minimum and maximum statutory requirements.)

(e) Summing share and severity allocations, by state, provides the basic state planning allocation.

(f) Final allocations were checked to insure that no state which was allocated the minimum amount under the preliminary allocation process, decribed above, would be entitled to funds in excess of the statutory minimum under the final allocation procedure.

Mr. HEINZ. As pointed out in the committee report accompanying the bill before us today, the Public Works Committee, in this legislation, "attempted to simplify and clarify the program so it can be easily understood." I quote from the report.

If we continue to use any version of the 65/35 formula, we not only prolong the complexities and inequities that existed under the last round, but we will be providing our stamp of approval on an issue that is contrary to one of the major goals of this legislation. It stands to reason that we must make our best effort to develop formulas that are simple and easy to understand on the one hand and that reflect the ultimate purpose of the programs they implement on the other. The distribution of Federal dollars to States for the purpose of creating jobs must be done on some uniform basis of equity. We believe that basing this distribution on the number of unemployed people within each State is a method that everyone can understand, eliminates room for manipulation and treats every State equally.

The combination of rates and numbers of unemployed create quirks in the formula that result in unfair allotments. For example, under last year's 65/35 formula, some States received as much as $700 for each unemployed person in their jurisdictions, while other States received as little as $172 per capita unemployed. During 1976, Pennsylvania—the State I am privileged to represent—had an unemployment rate of 7.9 percent and had almost 100,000 more unemployed people than the State of Florida—which had an unemployment rate of 9.0 percent—yet Pennsylvania received slightly more than half, $83 million, of what Florida received under the last round—$136.6 million. There is no question, then, that the use of State unemployment rates creates a disproportionate result when used to determine State allocations. How do we address severity—by meeting the real needs of real people and allocating funds to States based on the number of unemployed people, or do we use some statistical abstraction. I obviously believe that the former is the right approach.

Mr. President, I had the honor to serve on the Public Works Committee and I take the opportunity to commend the distinguished chairman (Mr. RANDOLPH), the distinguished subcommittee chairman, my good friend from Vermont (Mr. STAFFORD), the ranking minority member. I think they have done a very workmanlike job in bringing to us a bill that obviously aims at a very worthy target; namely, trying to make a humanitarian goal a reality, that of reducing unemployment.

I must also say that I was privileged to serve on the Public Works Committee when hearings were held on this bill and virtually every witness that appeared before that committee identified the sub-State allocation formula as the vehicle to be used to address severity—not the State allocation formula. Those who would argue that the formula that we offer today does not address the question of severity are not familiar with the facts and are focusing on the wrong formula. Again, let me quote from the committee report—

> Communities with less severe unemployment problems than nearby cities were often awarded projects. A Congressionally imposed division of funds in States, with 70 percent going to areas with unemployment above the national average and 30 percent to areas between 6.5 percent unemployment and the national average, resulted in some areas in distress by-passed while projects were funded in communities with low unemployment.

Mr. President, even though the committee has attempted to change the bill and has lowered the threshold in the bill from what was the then current national rate of unemployment to 6.5 percent for the 35 percent proportion of money in the bill, tremendous inequities still exist in this legislation.

Let me give one example. The State of New Jersey will receive approximately $219 million under this bill, at least it would prior to the adoption of the Durkin amendment.

The State of Missouri will receive $40,600,000. As a result, the State of New Jersey will receive approximately $640 for every unemployed person in the State of New Jersey, of whom there are approximately 345,000.

In the State of Missouri, where there are 133,000 unemployed, instead of receiving $640 for each unemployed person, the people of the State of Missouri will receive only $305 for every unemployed person. I think that is a tremendously unfair disparity.

One other example. The State of Ohio has 369,000 people unemployed. They receive $166 million, again in comparison to the State of Florida which will receive some $172.5 million and which has only 314,000 people unemployed compared to Ohio.

Obviously, there is another tremendous disparity.

The State of Florida, even though it has less people unemployed than the State of Ohio, will receive more money than the State of Ohio.

I think this demonstrates, Mr. President, that there are tremendous inequities in this legislation.

In an effort to be responsive to my colleagues' interest in what specific kinds of effects this amendment will have on their States, we endeavored to place on each desk an analysis of the Heinz formula over the Senate committee's formula with the $30 million for the small States, the three-quarters of 1 percent provision which was included in the bill under the amendment offered by the Senator from New Hampshire.

These numbers are not our numbers. They have been verified by the Economic Development Administration as numbers from their analysis and I think they are as correct as any numbers we can find.

Mr. DURKIN. Will the Senator yield for a brief question?

Mr. HEINZ. I am delighted to yield without losing my right to the floor.

Mr. DURKIN. Do I understand that the Senator's amendment incorporates the language that was adopted by the Senate this afternoon in my amendment, in toto?

Mr. HEINZ. The Senator is exactly correct. My amendment incorporates verbatim the Senator's amendment.

Mr. DURKIN. I thank the Senator.

Will the Senator yield for a privilege of the floor unanimous consent request?

Mr. HEINZ. I am happy to yield without losing my right to the floor.

Mr. DURKIN. Mr. President, I ask unanimous consent that Harris Miller and Mark Coven of my staff be granted privilege of the floor during the debate and vote on the pending matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. I thank the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, in conclusion, I believe our amendment would treat all unemployed people alike. At the same time, it would provide a logical and equitable approach to distributing Federal dollars under this program.

For that reason, I urge the support of my colleagues for this amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. HUDDLESTON). The Senator from New York.

Mr. MOYNIHAN. Mr. President, first, I thank the distinguished junior Senator from Pennsylvania for his generous remarks about the work of the Senate Committee on Environment and Public Works. I now rise to explain why the committee, why the Senate committee, the majority and minority alike, are opposed to the amendment which the Senator from Pennsylvania has introduced. Why the committee stands solidly, the distinguished chairman, the Senator from West Virginia, the distinguished ranking minority member, the Senator from Vermont, behind the committee compromise proposal as further amended this morning by the Senator from New Hampshire.

Mr. President, it would be scarcely possible to overestimate the importance of this measure at this time.

Our chairman, Mr. RANDOLPH, has said that this is a bill for persons ready to work, who want to work, who have the skills to work. The Senator from Vermont, the distinguished ranking minority member, said that we have put forth a formula which is fair and equitable—terms which do not come casually to a man of his distinction, terms which make a claim on the attention of this honorable body.

The first point to make, Mr. President, is that this formula has been changed. The legitimate expectation of the States with extraordinarily high unemployment, in the aftermath of the worst recession since the Great Depression of the 1930's, that the formula of last year would persist did not seem feasible, and the committee reduced the cut-off formula from the present national average unemployment for 1976 of 7.7 to 6.5 percent, for the purpose of giving more of this money to States with relatively lower levels of unemployment. That was a compromise reached in the committee and supported by a 3-to-1 vote.

This morning, a third compromise was made, again with the support of the subcommittee chairman and the ranking minority member, to raise the minimum so that yet more funds would go to States with relatively less unemployment.

But now we have before us an amendment, seemingly innocuous, which would deprive those States which comprise 35 percent of the American population of money urgently and desperately needed.

Mr. President, I should like to submit in evidence a series of statements.

Senators have received from the Secretary of Commerce, the Honorable Juanita M. Kreps—a public person of the greatest distinction and particularly an authority on employment matters—a statement that the public works employment program now before the Senate is the first step in the President's effort to improve the Nation's acute unemployment problem, stating:

> The President has emphasized the importance of maintaining the distribution formula as it is presently written.

Mr. President, I ask unanimous consent to have Dr. Kreps' letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *March 4, 1977.*

Senator DANIEL PATRICK MOYNIHAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: The first part of the President's economic stimulus package, the Public Works Employment program (S. 427), will probably be before you on the Senate floor during the week of March 7. This program represents the first step in the President's effort to improve the Nation's acute unemployment problem.

The bill authorizes $4 billion to be spent on public works projects throughout the country. Initially, the Administration proposed to target the funds in the following manner: 65 percent would be allocated according to each State's number of unemployed and 35 percent would be targeted to areas of extraordinary unemployment—States with unemployment above the national average (7.7 percent). However, the Administration now supports the compromise targeting formula developed by the Senate Public Works Committee which is contained in the bill. This compromise would allocate 65 percent of the funds according to the number of unemployed and 35 percent to States with unemployment rates above 6.5 percent. The Administration strongly opposes any further dilution of the targeting formula.

The President has emphasized the impor-

tance of maintaining the distribution formula as it is presently written. Without the targeting of funds to the areas of acute need, the effect of the stimulus package will be substantially impaired.

The Congressional intent of this bill is to target aid to economically depressed areas. This precedent of targeting funds to the hardest hit areas is well established in previous local public works legislation, in public service employment, and in countercyclical revenue sharing. It would be unwise to change this principle of targeting funds to the areas of greatest need. I therefore urge that you support the allocation provision which is contained in the Committee's bill.

Sincerely,

JUANITA M. KREPS.

Mr. MOYNIHAN. Mr. President, a second letter has arrived, addressed to Senator HEINZ, from the Governor of Pennsylvania, the State which Mr. HEINZ has the honor to represent, urging him not to offer his measure, stating the strong opposition, bipartisan opposition, of the Governors of northeastern States who are against it, making the point:

We get back in services, contracts and in other ways only about 78 cents for every dollar in taxes paid; whereas, for each dollar collected from citizens of the Sun Belt States there is a return of over $1.25.

I ask unanimous consent to have this letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HARRISBURG, PA., *March 3, 1977.*

Hon. H. JOHN HEINZ III,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: As you are aware, the Governors of the Northeastern States—Pennsylvania, New Jersey, New York, Connecticut, Rhode Island, Massachusetts and Vermont—have joined together in the Coalition of Northeastern Governors (CONEG). The purpose of the Coalition is to work together to upgrade the regional economy and to improve the economies of each of the states within the region.

Our region and the states within it have suffered a serious economic lag in recent years. Many of our plants and industries have fled southward and to low-wage, low-tax havens abroad. Our unemployment rates on the whole are significantly higher than those in the Sunbelt states and in the Midwest. While our region pays a disproportionately greater share of federal taxes, it receives less proportionately in return than the Sunbelt region.

Actually, studies show that for each dollar in federal taxes collected from citizens of our states, we get back in services, contracts and in other ways, only about 78¢; whereas, for each dollar collected from citizens of the Sunbelt states, there is a return of over $1.25.

Because we have so many problems in common, the CONEG states are seeking an end to beggar-thy-neighbor tactics. It is our position that our states should not seek to gain at the expense of each other through unfair competition for the federal dollar or by seeking to pirate plants and enterprises from each other. We are also of the view that those states now suffering disproportionately as a result of high unemployment, plant obsolescence, community decay and tax base erosion, merit extra aid from federal programs.

As you point out in your communication to the *New York Times* of March 2, 1977, the "Snowbelt" states have long been the victims of an unfair distribution of federal funds. Hardest hit among the Snowbelt states, as you are aware, are those now banded together in CONEG. The problem now goes beyond simple corrective action into one of extra compensation to help restore true economic viability to our region. Just as Northeast dollars helped build the lagging economies of other regions in the past, so must federal dollars provide extra aid now to restore the economic strength of the Northeast.

These reasons, in part, explain my stand in favor of the Moynihan amendment to the Local Public Works Capital Development and Investment Act, better known as the Emergency Public Works Employment Act. While Pennsylvania would gain $9 million under the House formula, the other major industrial states in the region will lose much more.

The loss to New York would be $110 million; New Jersey would lose $52 million; Connecticut would lose almost $14 million; Massachusetts would lose $23 million. The losses in direct and indirect jobs and construction throughout the region—especially the big losses in the bordering states of New York and New Jersey—would almost certainly impact negatively upon the economy of Pennsylvania.

One of the hardest hit states economically in the nation is Michigan and they should stand to lose some $30–40 million under the formula that has passed the House. Michigan is joining with us in some of the programs that we wish to promote that would benefit Michigan, as well as the Northeast States.

The recent severe winter weather and the energy crisis accompanying it have had an especially heavy impact upon the CONEG states. Certainly, our states for this reason alone merit more favorable treatment than Texas, which has one of the nation's lowest unemployment rates and which was not greatly inconvenienced by the January and February weather. Yet, Texas will gain $57 million under the House formula.

I recognize that the amendment you have supported seeks equitable distribution to Pennsylvania of the funds made available under the Public Works Act. Nonetheless, it would appear to create disproportionate distortions, and as I have indicated, Pennsylvania would benefit even more if the Moynihan and Edgar formula would prevail.

I hope we can have your support in this matter.

Sincerely,

MILTON J. SHAPP,
Governor.

P.S.—I am sending copies of this letter to the governors of some of the disadvantaged states so that they can help line up support for this proposal from their senators. I am also sending copies to Congressmen Edgar and Roe.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram received today from Governors Grasso of Connecticut, Dukakis of Massachusetts, Byrne of New Jersey, Carey of New York, Shapp of Pennsylvania, and Garrahy of Rhode Island, making the same point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ALBANY, N.Y., *March 8, 1977.*

Hon. DANIEL P. MOYNIHAN,
Senate Office Building,
Washington, D.C.:

The Governors of Connecticut, Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island are united in their support of the Randolph/Stafford compromise formula for allocation of the local public works funds.

The Senate Public Works Committee has adopted this formula as representing the most effective and equitable means of distributing job-creating funds among the states. We member-Governors of the Coalition of Northeastern Governors strongly urge your support of the committee bill (S. 427) when it comes before the full Senate.

Governor Ella Grasso, Connecticut; Governor Michael Dukakis, Massachusetts; Governor Brendan Byrne, New Jersey; Governor Hugh Carey, New York, Chairman; Governor Milton J. Shapp, Pennsylvania; Governor J. Joseph Garrahy, Rhode Island.

Mr. MOYNIHAN. Mr. President, there are two large issues here, two principles at stake. The first is the principle of justice.

Earlier today, we heard the chairman of our subcommittee speak of the provisions in this bill for pockets of poverty, the recognition that there are special circumstances which require special care. Earlier today, we heard the chairman of our committee, Mr. RANDOLPH, say that we go to where the need is great.

I say to the Senator from West Virginia that he will recall saying that, in his conservative estimate, the unemployment rate for construction workers in the city of Rochester, a prosperous city, was 35 percent. He asked that the record be corrected when the exact figure was obtained.

Mr. RANDOLPH. That is correct.

Mr. MOYNIHAN. It was characteristic that he would not exaggerate the figure. I can tell the Senator that he did not, because the actual figure we have, at the last count, in November of last year, was 41 percent—41 percent unemployment in one of the most prosperous cities of our State.

The amendment of the junior Senator from Pennsylvania will not simply impede recovery in, but also has to be seen as a measure of devastating consequence with respect to, the island of Puerto Rico, which has reached a level of unemployment of which we have no comprehension. At least half the funds for the island of Puerto Rico are stricken by this amendment, which this committee opposes.

However, beyond the principle of justice there is an economic principle involved, and it has two points. The first is that there is a surface appeal to the argument to "treat each person alike who is unemployed." But that fundamentally misreads the nature of the problem with which this bill is dealing. Unemployment is not a uniform phenomenon. The unemployed are not a homogenous mass.

Mr. President, there are Members of the Senate who recall the situation years ago, under President Kennedy, when for the first time the Council of Economic Advisers sought to establish what was called an interim goal for unemployment for the Nation. I was then Assistant Secretary of Labor for Policy, Planning and Research, and I was much involved in that effort to establish a 4 percent interim goal—4 percent being considered a relatively acceptable rate, it being generally the view that no healthy economy would ever go below a 2 percent rate of unemployment, which is frictional unemployment. In other words, the first stage of unemployment, unemployment of 2 percent, is in no sense a social problem. The second two points were certainly tolerable. It is only as you go fur-

ther and further up that you get to levels of unemployment which are so extreme that clearly they require extra measures to bring about a reduction.

Second, with respect to economic issues, we should remind ourselves that a fundamental problem of our economy in the last decade almost—5 years, certainly—has been the persistence, somehow inexplicable, contrary to all the known rules of Marshallian and Keynesian economics alike, of unemployment with inflation. It is something you are not supposed to have in combination, but we do have it.

Only now are we beginning to understand the origins and the nature of the phenomenon. It appears that such has been the shortage, generally speaking, of capacity in American industry that we tend to reach full utilization of capacity before we reach full employment and, in consequence, go on to inflationary pressures in the effort to get to full employment.

There is one clear strategy to respond to this. It has been best described, I believe, by Prof. Carolyn Shaw Bell, of Wellesley College, and it is to concentrate your recovery efforts on those regions which have extra large amounts of unutilized capacity.

Concentrate in Rochester, where 41 percent of the building and construction trades work force is unemployed, and you have the absolute minimum of inflationary effect.

These are principles, I think, and there is nothing partisan about them, there is nothing ideological about them. They are the beginning of an understanding of a problem which has heretofore defied explanation.

So, finally, Mr. President, I would like to go back to the beginning of my remarks to say we have, here in this vote, an issue larger than an employment measure, larger than public works, larger in ways than any such issue we have joined so far during this session of the Senate: Will this country, this Nation, respond generously and fairly and consistently to the special needs of the northeastern industrial States, now that indeed their needs are special?

After two decades of intelligent, competent, and successful efforts to transfer resources elsewhere where they were most needed, will there now be some measurement, some recognition, that the areas of greatest need have changed?

There are not many of us in this room who have not read with great interest, looked with great interest at, the historical maps of the United States, and who will not remember that in the early to mid-19th century the area west of the Mississippi quickly became dissolved in a round, unmarked area called the Great American Desert. That Great American Desert has been transformed into the breadbasket of the world by the intelligent application of Federal policy.

The question now is: Will the cities of America, whose wealth poured into these plains, allow themselves to be turned into deserts?

Mr. RIBICOFF. Mr. President, will the Senator from New York yield?

Mr. MOYNIHAN. With great pleasure.

Mr. RIBICOFF. I want to commend the Senator from New York for the fight he is making today. I read this analysis on my desk with great interest.

I am proud that the distinguished Senator from Pennsylvania has become a member of my Governmental Affairs Committee. He is a man of great ability and dedication.

There are two types of men in this body. There are the men who stand on the floor and say, "I represent my State," and every Member of this body does represent his State and looks out for the interests of his State.

But every Senator should be not only a Senator from his own State, but a U.S. Senator representing the entire United States.

Now, day in and day out on this floor all of us get these sheets of paper, and everybody fiddles around with a formula to find out in the formula whether it will give a dollar more to 26 States, and then you become a winner, and then the national interest is forgotten.

Those for the formula in this amendment are invariably those that vote against the formulas that do the best for the State of Pennsylvania and the industrial states. The Senator from Pennsylvania and his State will find themselves invariably with the Senators from New York, the Senators from Connecticut, and the Senators from New Jersey.

May I say to the Senator from Pennsylvania that he is going to find throughout the year the Senators from the States listed as gainers will find a formula in which Pennsylvania will be the loser.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. RIBICOFF. I will be pleased to yield, but I do not have the floor. The Senator from New York has the floor.

Mr. MOYNIHAN. I yield to the Senator from Pennsylvania for a question.

Mr. HEINZ. I will say a few things to the Senator from Connecticut, on whose committee I am now privileged to serve.

I do not think the Senator from New York, who is on the Environment and Public Works Committee, is aware of the genesis of this amendment.

I believe this amendment was proposed before the Senator from New York became a member of the committee.

May I say I proposed it when I was a member of the Public Works Committee because I felt it to be a vast improvement over what was in the legislation last year when the Senator from Connecticut voted for passage. In fact, my amendment was adopted by the committee by a vote of 8 to 4.

So I first would have to say that everything the Senator from Connecticut has said must necessarily apply to the other eight members of that committee who voted for my amendment the first time around.

I do not think the Senator is being quite fair to the committee or to the Senator from Pennsylvania when he indicates that he thinks this is a parochial amendment. It was not when I proposed it.

It may be that the Senator from Connecticut feels that this amendment is not as generous to his State as he would like, and it may be he is interested in the money the State of Connecticut will get. Yes, I will admit to the Senator from Connecticut that his ox is being gored. But that is not the intent of the amendment. It was not the intent of my amendment when I offered it in the first place when it passed 8 to 4 some time ago.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. HEINZ. May I continue, if I may, because there are other points that may have influenced the Senator in some of his comments.

The Senator from New York indicated that the Governor of the State of Pennsylvania had written on March 3 in support of the committee bill. Indeed, he did so but, unfortunately, I am afraid the Governor got some bad information and he put it in his letter.

On page 2 of the letter our Governor is quoted as saying:

> While Pennsylvania stands to gain $9 million under the formula passed by the House, we would gain $13 million under the formula proposed by Representative Edgar.

Which, I might say, is identical to the committee bill formula, and which amendment almost carried in the House, and which I propose to support in the Senate.

In fact, what the Governor was saying is he thought the committee bill was $4 million better for Pennsylvania than my amendment.

Now, I supported my amendment even when I had the same information. I supported it even when it was not supposed to be so good for the State of Pennsylvania. The Senator from New York will remember very accurately that when a change was proposed in the original Heinz amendment, at that time—it was felt by the committee that the new amendment in the legislation would be better for the State of Pennsylvania based on a printout produced by the Senator from New York. Indeed, it is those figures that the Governor of Pennsylvania used.

So I have to say to the Senator from Connecticut that I stuck by this amendment even when it did not appear to be as favorable as did the substitute to my own State. As luck would have it today, that amendment turns out to be nonetheless as I had originally hoped, helpful to my State.

My reason for offering this amendment is a matter of equity pure and simple.

I will say to the Senator from Connecticut we are not talking about distributing money on the basis of population. Were we to be distributing money on the basis of population the Senator from Connecticut and the Senator from New York, who has been extremely eloquent, would be absolutely 100 percent right. Do not let the words "per capita" fool you. This is not per capita population. It is per capita unemployed. I suggest that when a State with high unemployment gets more proportionally because of that formula than one that has a low average rate, we are being fair.

Mr. RIBICOFF. Mr. President, will the Senator yield? When the Senator from West Virginia was here this morning I believe I asked him some questions on whether the Public Works Employment Act was aimed at those areas of high unemployment. His answer was it was. I asked him was the basis of this act to take care of structural unemployment? His answer was that it was.

And I asked him would it make any difference in a State where there were areas that had especially high unemployment, and he said it would. I pointed out that in the State of Connecticut, while we had an average of 8-percent unemployment in certain towns, an average of 4-percent unemployment in certain towns, and an average of 16-percent unemployment in certain towns, there would be a greater allocation to the cities and the areas where there was the 16-percent unemployment.

The purpose of this bill, as I understood it, not being a member of this committee, was to target into the areas where there is high unemployment, and our objective was to look at all America and where we found high unemployment we would have a 35-percent pool to go into the areas of high unemployment and a 65-percent pool that go into all over the United States based on unemployment.

I commend the distinguished chairman of the Public Works Committee and the distinguished ranking minority member, the Senator from Vermont, for having tried to work out a formula that was a compromise between the administration program and the original Heinz proposal as I understood it.

Therefore, there was an act of statesmanship being worked out by the members of this committee. Although the formula of the Randolph-Stafford formula meant less in the State of Connecticut than the President had proposed, I was willing to say, "We will take that even though Connecticut gets less because you were trying to be fair."

Again, I point out there is no reflection upon the Senator from Pennsylvania, but I call to his attention—that I am not sitting in judgment—he will find time and time again that it will be very seldom and that those States on the list will be voting with him.

The plea that I am making is the time has come for us to be not only Senators from our States but Senators from all of the United States. We have this problem. We have the drought in the Far West and we Senators from the Northeast are going to be asked to vote funds for those areas, and I will vote those funds.

We recognize time and time again in this body whenever there comes a problem of the urban areas there are no voice votes. We do not have the votes. We find when it comes to welfare programs, revenue sharing and every type of grant or program, every type of formula, someone sits down and we have on our desk the amount of difference in millions of dollars, gained 18 States, lost 11 States, no difference 23 States.

Instead of coming into this body voting what is right and good for the United States, we are voting as to whether there is an extra dollar for our State. Is that being a Senator for all the people of the United States as well as our own States?

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. HEINZ addressed the Chair.

Mr. RIBICOFF. I do not have the floor.

Mr. HEINZ. I wish to ask a question.

Mr. MOYNIHAN. I thank the distinguished Senator from Connecticut. As a point of information, I simply point out that Governor Shapp, whatever his views on the 3d of March, when he wrote supporting the committee bill, still held those views on the 8th of March, 2 days ago, when he received this telegram.

Did the Senator from Pennsylvania desire the floor?

Mr. HEINZ. Yes; without the Senator losing his right.

Mr. BENTSEN. Will the Senator from Pennsylvania yield?

Mr. MOYNIHAN. Mr. President, who has the floor?

Mr. HEINZ. I will yield in a minute.

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. MOYNIHAN. I thank the Chair.

Does the Senator from Pennsylvania wish to defer to the Senator from Texas?

Mr. HEINZ. Yes, I do, Mr. President.

First, I have to say to the Senator from Connecticut that I would absolutely rue the day that in this body we would turn our back on a proposal that was right and that was fair simply because someone from a Southern State or Sunbelt State was voting with us. That is what the Senator from Connecticut has suggested, and I suggest to the Senator that in fact the issue here is a matter of equity in the formula.

The Senator may say that he does not want to ever vote with a Southern State. He is entitled to say that if that is what he wants to say.

Mr. RIBICOFF. Will the Senator yield?

Mr. HEINZ. I will yield when I am through, if I may. I do not think the Senator from Connecticut——

Mr. BENTSEN. I thought the Senator was going to yield to the Senator from Texas.

Mr. MOYNIHAN. Who has the floor?

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. RIBICOFF. May I respond?

Mr. HEINZ. I do not think the Senator from Connecticut, whom I know to be an intelligent and fair-minded individual, really wants to state to this body, and I hope he did not intend to do so, that somehow any time someone from one area of the country votes for someone from another area of the country there is something wrong with that and that we cannot associate.

Mr. RIBICOFF. Will the Senator yield? He made a personal reference.

Mr. MOYNIHAN. I yield to the Senator from Connecticut.

Mr. RIBICOFF. I do not think there is another Member of this body from a Northern State who on tough issues before our country or affecting the South has not stayed on this floor as a lone voice from the North to uphold the problems of the South. Whether it is a question of the Stennis proposal or whether it is a question of the right of a person by the name of Jimmy Carter, who is a southerner, to run for the Presidency of the United States.

The plea that I am making is where there is placed on our desk formulas and we add as to where there 26 States for one, as against 24 for the other. What I was pointing out to the Senator from Pennsylvania is the great danger because invariably in this numbers game the State of Pennsylvania will be below the line where it will get a dollar less instead of a dollar more. That is what I was pointing out. I was pointing out that invariably this combination that we find with plus dollars is generally the combination that prevails on every formula and when they prevail on this formula they are not thinking very much about the States of Pennsylvania, New York, Connecticut, or Massachusetts.

I am making the plea for a sense of fairness on these formulas because we find in every formula that comes to this body that a pencil is out to find which combination of 26 States gets a dollar more. It is not always in the best interest of the United States.

Mr. BENTSEN. Will the Senator from New York yield?

Mr. MOYNIHAN. I thank the Senator from Connecticut.

I yield to the Senator from Texas for a question without giving up my right to the floor.

Mr. BENTSEN. I say to the distinguished Senator, I wish to reply to the comment that was made, if I might.

Mr. MOYNIHAN. Yes.

Mr. BENTSEN. I have heard a lot of comment today about being a national Senator, a U.S. Senator, and no one has any greater respect for the Senator from Connecticut, who has been my dear friend for many years, than I do. But I also heard those comments from the senior Senator from New York: Let us be a national Senator.

Those who represent States which benefit under the committee bill say you are a national Senator if you support a formula which benefits their States. They talk about being a national Senator and a statesman even though they made a rather unstatesmanlike deal this morning. They accepted an amendment which increased the allocation of funds to small States many of which have very low unemployment rates. This is completely opposed to the principle for which they say they are fighting—that funds should be allocated to a large extent on the basis of the rate of unemployment. Now, one of these small States which will get more funds under the trade made this morning has an unemployment rate of 3.6 percent, another has a rate of 3.4 percent.

Now, in the State of Texas, we have some areas with populations larger than some of the States in the Northeast. And those areas have unemployment rates far beyond some of the unemployment rates of the cities of the Northeast. I have listened to this talk against the so-called Sunbelt. I read the statement of the junior Senator from New York in the press which said that in the first major

fight on money in this session, the North won. But the areas of high unemployment in the South were the real losers.

I hope we can avoid the kind of sectionalism which was expressed by the junior Senator from New York. I believe we should work together as national Senators even while we support our constituencies and work for them.

The Senator from Pennsylvania (Mr. HEINZ) has come forward with a formula that is the simplest of formulas. It simply would allocate the same amount of money per unemployed person, wherever he is across this Nation.

Now, we are talking about public works projects that will last 40 and 50 years. We are talking about courthouses, firehouses, and schoolhouses that will last far beyond the tenure of the unemployed today.

I can grant some legitimacy to our opponents' argument if you are talking about public service jobs. These are meant to be temporary—to last only as long as the downswing in the economy lasts. But public works projects last for generations so they should not be distributed disproportionately to those areas with high temporary rates of unemployment.

That is not to say that we do not have areas in Texas with very severe unemployment problems because we do. Unemployment among construction workers in El Paso, for example, is 50 percent, and if a construction worker is unemployed in El Paso he has just as much right to expect help as one who is unemployed and happens to live in New York or Connecticut.

Recognition of that is what we are asking for in this legislation. We are asking for equity, to take care of the unemployed man or woman around the country. I am sympathetic to the problems of the man or woman who is unemployed in New York or Connecticut, and I will respond to the problems of those States.

I thank the Senator for yielding.

Mr. MOYNIHAN. I yield to the Senator from Massachusetts.

Mr. BROOKE. Mr. President, I thought the Civil War was over, but today it seems we are fighting again, and that is unfortunate, because the distinguished chairman of the committee (Mr. RANDOLPH), the distinguished ranking minority Member (Mr. STAFFORD), Senator BURDICK, Senator MOYNIHAN, and others have really tried to come forth with a compromise bill that would be helpful to the entire country.

I sympathize deeply with the remarks of the Senator from Connecticut. He is not talking about North versus South, as some have intimated. All of us know how many times he has stood up on issues on which I disagreed with him and strongly supported proposals for the South. So I do not think we ought to get into that.

It is understandable that every Member in the U.S. Senate wants to do his best for his own constituency in his own State. But we do have a Nation. We are a United States of America, and we do have a responsibility to the entire country.

Mr. President, I am gravely concerned that sectional and parochial interests may obscure the true purposes of this massive infusion of Federal dollars in a public works jobs program. The intent—both of Congress and of the administration—is that these moneys be utilized primarily in areas of chronic, sustained, and severe unemployment. Their principal purpose is not the beautification of town squares, the greening of suburbs, or the provision of a boondoggle for municipal construction in areas of relatively low rates of unemployment. Unfortunately, in the last jobs program bill, EDA inadvertently funded some less meritorious projects which will not have great impact in needy areas which desperately require efforts to increase employment opportunities.

I recall, as other Senators may recall, that one such case was Mound Bayou, Miss. Mound Bayou, Miss., is a town of some 2,000 people, with an annual budget of $200,000; and they got $4.9 million under the program—$4.9 million, while many of the large cities and some of our smaller cities with high unemployment got nothing.

I have great respect for the distinguished Senator from Pennsylvania, but I think that the adoption of the Heinz formula almost guarantees that the aberrational funding by EDA during the last program will become the norm in this more costly extension of public works jobs. The per capita approach virtually guarantees that the emphasis will be misplaced. Areas with greater population, but relatively low unemployment, will receive a windfall, while beleaguered areas like those in the heavily industrial Northeast, who have labored under staggering unemployment rates for the last 2 years will be shortchanged.

The statistics confirm this fear. Utilizing the March 1 EDA figures, we find that a State like Texas—I dislike to disagree with our distinguished colleague from Texas, but if his figures of 50 percent unemployment are true, I do not know where mine come from. We find that a State like Texas, with a vigorous economy in the construction sector and a very low unemployment rate of 5.2 percent—to us that is a very low unemployment rate; it might be high for Texas, but certainly it is not high for New York, Connecticut, or Massachusetts—would receive slightly over $97 million under the committee formula without the Durkin modification passed earlier today. However, under the per capita formula, Texas receives an astounding $154 million.

I just single out Texas because the distinguished Senator from the State has spoken on the subject most recently.

Mr. BENTSEN. Would the Senator like to have the source of my information?

Mr. BROOKE. Yes.

Mr. BENTSEN. This is the head of the building trades of Texas. Fifty percent unemployment among the building trades for Brownsville, Tex., and 11.9 percent for all areas. For Laredo, 18.7 percent. For the Lower Rio Grande Valley, 11.7 percent.

It is a big State, with pretty fair continuity.

Mr. BROOKE. I am sure there are pockets of high unemployment, but the unemployment rate for the State of Texas that is published is 5.2 percent. Like my distinguished colleague, I can find many pockets of unemployment in my own State with much higher rates than my State's average. I am thinking of Lawrence and Haverhill, Fall River, Plymouth, and Gloucester, to name a few. Yet, the use of these pockets of high unemployment is not dispositive. We are discussing the distribution of these funds by State.

Mr. BENTSEN. I would say those areas are larger than some of the States in the Northeast, and their population is larger than that of some of the States in the Northeast.

Mr. BROOKE. I am sure the same can be said for other States with relatively low unemployment rates but with pockets of higher population density like Colorado, North Carolina, Kentucky, and Tennessee.

On the other hand, some States with overall unemployment rates that run 2 to 3 percent above the national average are harmed by this approach.

My State is one and I think the State of the distinguished Senator from New York unquestionably is one, and Connecticut, and there are many others, which suffer under this proposed formula.

And these States, which already bear a disproportionate share of unemployment, and the concomitant costs for unemployment compensation benefits, welfare payments, employment, and other social services counseling will be even further harmed by the very remedy designed to ease the burdens of chronically high unemployment if this amendment is adopted.

But this—analysis of unemployment rates—of course, does not even begin to measure the social costs borne by these States. Those costs may be less quantifiable, but are nonetheless real. Social costs, caused and exascerbated by the frustration, anxiety, and despair which results from the fruitless search for employment, cry out for relief. In the name of equity and in light of the clear purpose of this legislation, we must transcend our sectional interests and resoundingly defeat any formula which does not consider, as a component, the debilitating and severe unemployment which has in part fueled our national economic crisis.

Mr. President, I want to conclude my statement by again saying I hope my colleagues will not be parochial, but will really look at the facts in this case. The committee has come up with a very good, sound compromise, which does not really hurt any of the States in the Nation. It gives the most equitable distribution formula which can be conceived. It was cut down somewhat by the Durkin amendment earlier this morning, but it is still the most equitable formula that we will consider today. As the Senator from Connecticut has said, we must come to the day when we have equitable formulas, not only in the public works jobs programs but also in community development grants, in unemployment summer job programs for youth, CETA and all along the line. We have to develop formulas that do not really impair the

various States in any section of this country. I think the formula this committee has conceived is that kind of formula.

I must regretfully say to my distinguished friend from Pennsylvania that I hope his formula is defeated and that we accept the committee formula.

SEVERAL SENATORS. Will the Senator yield?

Mr. MOYNIHAN. I yield to the Senator from Connecticut.

Mr. WEICKER. I ask unanimous consent that Barbara Clark, of my staff, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I ask unanimous consent that my colleague not lose his right to the floor while I speak, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, two things have not been said at all. Senator BENTSEN mentioned me, it is true, but for 20 years I have stood in or almost in this place in comparable struggles. The result is very apparent. The result is that a great section of the country is slipping and slipping badly. That section which paid the bill for years for other States is not being given the same consideration and return. On the contrary, it is demeaning that I have to tell my colleague from New York, "If there is going to be a motion, do not you make it. Let somebody else make it." That is the issue we face here.

Do not talk to me about sectionalism. It makes me ill to even think about it. I have great faith in this country. I have no despair about it. We will try to work it out.

What is the issue here? The issue is not unemployment. The issue is the severity of unemployment. It is the velocity of unemployment. We are not standing here and pleading for individual unemployed. We have unemployment compensation. I have done that for years. We have continued it. We have done this, that, and the other thing. It is the severity of unemployment when the State is unable to meet it and it is breaking our back.

We do not need any evidence of that. New York had to get on its knees to keep from going into bankruptcy. We just had a 13-percent crime increase in New York City heavily attributable to the fact that we had to release about 5,000 or 6,000 police.

This is no pink tea game we are playing. It is very grim and very serious business. We have almost 10 percent unemployment in New York, and it is breaking our back.

Finally, Mr. President, we have voted for irrigation; we have voted billions for dams; we have voted billions for farm price supports. I have voted for them time and time again, hoping that by this expression of understanding we would get reciprocation. Sometimes we have, but very, very rarely. Now we are in deep, deep trouble. That is why we have this bill before us.

The title of this bill is not a public works bill. The title of this bill is the Public Works Employment Act, to relieve the severity of unemployment and the fact that the States whose backs are being broken cannot pay the tab. That is what this is all about. Otherwise, there is no reason for it.

We have public works bills, a lot of them, and a lot of other ongoing programs. This is specially defined for us.

Yet, by an attitude which counts these percentages, as ABE RIBICOFF so properly said, the purpose of the bill could be cheated if an amendment like this carried.

Senator BENTSEN made a very good point. He said:

> Why did you yield to the three-quarters of 1 percent for these States?

It did not make much difference anyhow. It is simply because we face stark reality and we are in such terrible trouble that we have to compromise. We have no choice. It is as simple and plain as that. It gives me no satisfaction whatever.

It is for those reasons that I hope very much that the Senate, realizing the purpose of this bill, will support its purpose, which is to relieve precisely what we are up against, and by this formula it is precisely defeated.

Mr. MOYNIHAN. I thank the distinguished Senator. I regret that I must agree with his characterization of our actions this morning.

Mr. METZENBAUM. Will the Senator yield?

Mr. MOYNIHAN. Without yielding my right to the floor, I yield to the Senator from New Jersey.

Mr. WILLIAMS. I appreciate the Senator yielding. I will be brief.

I think the points made by the junior Senator from New York and supported by many of our colleagues, particularly those from the Northeastern part of the country, are convincing arguments in favor of the provisions in the bill reported by the Environment and Public Works Committee. However, there is one facet of unemployment in the State I have the honor to represent which has not yet been mentioned. This is the tragic rate of unemployment in the construction industry. I am sure many other States have similarly high unemployment in that particular industry. The rate of unemployment among construction workers far exceeds 30 percent in New Jersey, and this has persisted for a long, long time.

I am sure I will be accurate if I say that, unless Congress finds a way to reach out to this sector of the industry experiencing high and chronic unemployment as we would with the committee provision, we can see no light at all in the lives of those in construction who have been unemployed for so long.

I will say, too, that I closely associate myself with the remarks made by the senior Senator from Connecticut and both Senators from New York. It is important to keep in mind that the Northeast, as in so many other formulas, has not received a fair share of Federal dollars. Because so many formulas are based on per capita income, and because we live in an area of relative affluence, these formulas often tend to work against us. Now we are confronted with another formula which will deprive the Northeast of its fair share of Federal assistance. I hope my colleagues will recognize this and oppose any attempt to further reduce assistance to our region.

The committee has responded with a formula to meet the needs of the entire Nation. And I believe we Senators, regardless of what State we represent, will respond positively to any national tragedy whether it is one of unemployment, drought, or poverty. I think it is not at all unwarranted to hope that this national body will recognize the inequity of high and persistent unemployment and support the committee provision which will target money to areas suffering such chronic unemployment.

Mr. RIBICOFF. Will the Senator yield in a personal reference to the Senator from New York?

Mr. MOYNIHAN. I yield.

Mr. RIBICOFF. I cannot tell the Senator how proud I was to learn that he wanted to get on the Finance Committee. One of the problems has been that the northeastern urban areas have always been underrepresented on the Committee on Finance. The Finance Committee, more than any other, is the one that allocates formulas—whether it is revenue sharing, welfare, all the social programs. Time and time again, those formulas are devised in such a way that the States with the large urban populations, and large problems, get the smallest proportion of the funds that they actually need. I think the time has come to shout out about the unfairness of these formulas.

I have always argued, in the State of Connecticut, that it is the obligation of States that generate wealth and generate revenues to see to it that the entire Nation is built up, because what benefits one section of the Nation benefits all the Nation.

It is a tough thing to stand on a platform and say to the people of your State, but I believe it. But every once in a while, there comes an issue, there comes a problem, when the Northeast, which is being forced to pay such large revenues and get so little back, is in dire need of help.

The State of Connecticut is much more fortunate than my neighbor's State of New York. But when it comes to problems of welfare, it is so little understood that, if the city of New York were not required to pay over a billion dollars a year in welfare—and no other city has to pay it—the city of New York, today, would be in a surplus instead of a deficit position. It is so little realized that some of the States that now seek these extra funds get reimbursed up to 70 or 80 percent or 65 percent, in many of these formulas, whereas the States of New York, New Jersey, Connecticut, and Massachusetts are restricted to 50 percent. So the States keep paying their taxes. When the formulas of the various grants come to reimburse the States for our basic needs, we do not get it.

Take the question of welfare. Why is the problem of New York so compounded? Because those who are on welfare in Mississippi and Georgia and Louisiana come to New York and there can be no

residency requirement. So New York has the welfare load of the rest of the country when they make their way to New York.

What else is a problem that is compounded in New York, the State that the Senator represents? Puerto Rico. A Puerto Rican is a citizen of this country, so they get on the planes, they come into New York City, and the State of New York has the burden for the entire country, to pay the welfare load of the Puerto Ricans coming into the city of New York. This is the problem.

I have an apology I want to make to the distinguished junior Senator from Pennsylvania. I was under the impression, when I came to the floor, that this list was placed on my desk by him because it says "analysis of Senator HEINZ' formula." The distinguished Senator came to me and said that this was prepared by the administration, not for him. I want to condemn the administration for playing this numbers game. I apologize to the Senator from Pennsylvania, because I thought he made it.

Generally, this is what we find. Every day, when we come here with a grant program or when money is involved, we find these slips of paper on our desks. When I saw the name of Senator HEINZ, I was under the impression that the junior Senator from Pennsylvania had put this piece of paper on my desk. I want to apologize to the Senator and give him due credit that he was on his own and was not playing the numbers game by adding up States versus States. I do condemn the administration, whoever is responsible, for playing the numbers game.

I hope when we fight these issues on the floor of the U.S. Senate, we will not be fighting over formulas to find out, how we can rejigger a formula to bring in 26 States so we shall have a majority on every vote. Let us vote on these issues as to what is good for the United States of America, and not just on how to get 52 votes against 48 votes.

Mr. MOYNIHAN. I thank the Senator.

Mr. HEINZ. Will the Senator yield briefly?

Mr. MOYNIHAN. I yield to the distinguished Senator without losing my right to the floor.

Mr. HEINZ. I thank the distinguished Senator from Connecticut (Mr. RIBICOFF) for a very kind comment. I appreciate his taking his time to correct the record to point out to our colleagues the source of the vote count, as he referred to it. I very much appreciate his thoughtfulness in doing that.

I appreciate the courtesy of the junior Senator from New York in yielding me the time.

Mr. MOYNIHAN. I thank the junior Senator from Pennsylvania.

Our debate is well advanced now. Is there another Senator who wishes to speak?

Mr. METZENBAUM. I do.

The PRESIDING OFFICER (Mr. HART). Does the Senator from New York wish a unanimous-consent agreement?

Mr. MOYNIHAN. That I should not yield the floor——

Mr. RANDOLPH. What is the question?

Mr. MOYNIHAN. I believe I have the floor, Mr. President, is that correct?

The PRESIDING OFFICER. The question is whether the Senator from New York will receive unanimous consent to yield to the Senator from Ohio without losing his right to the floor.

Mr. MOYNIHAN. I request that.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President. I would like to commend the Public Works and Environment Committee for its expeditious action on this critical economic stimulus legislation. The bill which they have brought to the Senate floor provides funds that will create almost 1 million jobs for the more than 7 million people who are out of work and out of money. This bill represents a very important beginning. More than any promise made during the heat of a political campaign, it tells the people of this Nation that we in the Congress are going to do everything within our power to address this tragic waste of human potential in a responsible and noninflationary way.

On file today in the Economic Development Administration are requests from communities across this country for needed and long-term public works projects totaling over $22 billion. The $4 billion authorized by this bill will provide desperately needed funds for many projects to repair or construct hospitals, schools, water and sewer lines, roads and bridges, and municipal buildings.

We have already allocated $2 billion under this program for these projects and in the process we have learned some valuable lessons. The committee is to be applauded for its efforts to clarify and remedy problems contained in the last act.

I rise at this time, Mr. President, as a cosponsor of an amendment which I believe is necessary in order to remedy the serious imbalance created by the Economic Development Administration's allocation formula. This simple amendment would provide that each State receive its share of the $4 billion allocation based upon its share of the Nation's total unemployed workers.

In this way, each and every State is assured of receiving its fair share. This formula would contrast sharply with the inequitable manner in which the Economic Development Administration distributed $2 billion this past December. Under that formula, some States received as much as $700 per unemployed worker, while other States, like Ohio, received only $178 per unemployed worker. This inequity is only too clear when one compares the benefits received by Ohio with those received by Michigan in 1976.

In this period, Michigan had 393,000 persons unemployed, 60,000 more than Ohio. Yet, they received $155 million, while Ohio only received $59 million—a difference of $96 million. I think my colleagues can see why communities such as Toledo, a community only a few miles from the Michigan border, which did not receive one single penny under the previous allocation formula, feel strongly that they have been discriminated against. I can find little justification for a Federal policy which provides as much as $402 in Federal job-creating money for every unemployed worker in Michigan and only $178 for Ohio's unemployed.

Unfortunately, this is not the only instance in which Ohio has not received its fair share. For years, the Federal Government has been shortchanging Ohio. For each tax dollar that Ohioans send to Washington, we only get back 70 cents. Last year alone, Ohioans paid $4.6 billion more to the Government than they received. The cost of this shortfall to the average Ohio family was $1,750. Only three other States in the country received worse treatment at the hands of the Federal Government than Ohio. So I can understand the concern of my colleagues from States which would lose money under this amendment.

And I would think my colleagues should understand why I have a parochial concern about my State. Sure, I want to be a national U.S. Senator. I want to have broader national concerns. But charity begins at home. The people of Ohio do not want charity; all we really want is our fair share of the Federal tax dollar which we are sending to the Federal Treasury. We just want a dollar back for every dollar we send.

We in Ohio have witnessed firsthand the undesirable results of policies and formulas which fail to achieve equity—and equity in this case demands that the Federal Government treat the unemployed worker in Ohio the same as the unemployed worker in New York—or California—or Michigan. The question of targeting funds to pockets of high unemployment is better addressed by the bill's provision to direct 85 percent of each State's share to areas experiencing unemployment greater than the national average.

The amendment I am cosponsoring provides that each and every State will receive its fair share. I urge my colleagues to support our amendment.

I urge that my colleagues support the amendment. I think it is the only fair way to go.

Mr. RANDOLPH addressed the Chair.

The PRESIDING OFFICER (Mr. ANDERSON). The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from New York.

Mr. RANDOLPH. I ask the Senator from New York to yield to me for a question.

Mr. MOYNIHAN. Mr. President, I have the honor to yield for a question to the Senator from West Virginia.

Mr. RANDOLPH. I thank the Senator.

I am wondering if it would be possible for us to come to a vote up and down on the Heinz amendment.

There has been some discussion that perhaps there be a motion to lay on the table the pending amendment. I have never enjoyed voting to lay any amendment on the table and have rarely done it. But here the membership of the Senate should either endorse the Heinz amendment or reject it.

I hope it can be rejected, but I respect

the conscience of every Member of the Senate in voting on this matter as on all matters.

Mr. President, we have worked within the committee to do what we felt was best as we moved this bill to conference with the House. Senator STAFFORD and I, as we all know, attempted not a retreat, not even a pause, but through a compromise, to do the very best we could in reference to equity among the States of the Nation, including those particular areas most severely hit by unemployment.

We believe that we have done that.

Mr. President, the amendment offered today by the Senator from Pennsylvania (Mr. HEINZ) is contrary to the committee allocation formula which provides a fair and equitable allocation for every State. A portion of this proposal was considered by the Committee on Environment and Public Works during markup of this legislation. The Senator offered a formula which would have allocated funds to the States only on the basis of absolute numbers of unemployed workers in each State. The Heinz proposal would have substantially altered the allocation of funds to several States from the first round of funding announced by the Economic Development Administration on December 23 of last year.

After much deliberation the committee chose a compromise formula whereby 65 percent of the funds are allocated on the basis of the numbers of unemployed in each State and 35 percent on the basis of the relative severity of unemployment in each State. This compromise formula is a middle ground between that used by the Economic Development Administration in the 1976 round and the formula proposed by Senator HEINZ.

Senator STAFFORD and I proposed this allocation formula because a distribution based solely on the number of unemployed does not take into consideration the impact of unemployment on the various States. A high rate of unemployment in a similar State more severely distresses the economy of the State than the same rate in a larger State. With a larger proportion of the labor force out of work, State and local resources are insufficient to provide necessary job assistance and services to unemployed workers and their families.

The Heinz formula treats each individual unemployed equally for allocation purposes. Each unemployed worker, however, does not receive funds under this approach. The effect of the amendment is to actually dilute the aid available to a State where unemployment presents a serious economic problem.

Under the proposal of Senator HEINZ, several States with very serious unemployment problems would have their funding substantially reduced. While some funding is better than none, I believe each State should receive funding based on the seriousness of the problem it faces with respect to unemployment and its distressed economy. But I think we, hopefully, would have the concurrence of the Senate that we come now to grips with this by direct up and down vote and have the Heinz amendment on the yeas and nays.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STAFFORD. Mr. President, will the Senator from New York yield very briefly?

Mr. MOYNIHAN. Mr. President, I yield to the Senator from Vermont without losing my right to the floor.

Mr. STAFFORD. Mr. President, I thank the Senator for yielding.

I simply want to join with the distinguished chairman of the committee (Mr. RANDOLPH) in urging that we now bring this matter to a conclusion by a vote. I think the debate this afternoon has been both spirited and superior. The matter has been laid out fully for the understanding of all our colleagues here in the Senate. Maybe it is time for a calm voice of a New Englander, whose State neither gains nor loses, and who, therefor, could perform as a national Senator seeking national equity as nearly as can be done when considering a formula to apply to all 50 States.

Senator HEINZ of Pennsylvania has offered an amendment changing the distribution formula. The proposal he makes is identical to one rejected by the committee. It would distribute funds solely on a per-capita basis. With the exception of the States which would receive minimum allocations, each State would receive an identical amount for each unemployed person. I urge the Senate to vote against the Heinz amendment for the following reasons:

The proposal does not take into account the fact that there are great variations in unemployment levels among the States. In those instances where unemployment is relatively less severe, additional funds could contribute significantly to inflation.

If the funds provided under this program were subsistence or compensation payments to the unemployed, then their distribution on a per-capita basis might be justified. These are job-creation funds, however, and go to States and local governments for expenditures on construction projects. Cost of creating jobs can differ in various parts of the Country.

The proposal does not take into account the impact of unemployment on a State or local community as measured by rate or severity. As the unemployed portion of the population increases, the burden on State and local resources grows at an accelerated rate and heavier concentrations of funds are needed to alleviate this situation.

The position adopted by the committee is a middle ground between the formula used by the Economic Development Administration in last year's allocation and the proposal based entirely on absolute numbers of unemployed. The committee has designed the distribution formula to have additional impact where the need is greatest.

In keeping with this principle of putting the funds in areas of distress, the bill further requires that within a State 85 percent or more of the funds be spent in areas with high rates of unemployment areas with unemployment rates above the national average.

I note also that the three-fourths of 1 percent minimum is included in both the Heinz proposal and the committee's formula.

Mr. President, I join the chairman in saying that the committee has done its best through last year and this year to reach equity as nearly as we could, recognizing that no formula is totally equitable for all the States.

Mr. MOYNIHAN. I thank the distinguished Senator from Vermont.

Mr. President, are we ready to vote?

Mr. BENTSEN. Mr. President, I would like to make a few comments, if I may.

The PRESIDING OFFICER. Does the Senator yield?

Mr. MOYNIHAN. Mr. President, in no circumstance would I wish to deny the distinguished Senator from Texas his final thoughts on this matter. But I ask unanimous consent that I may yield to the Senator from Texas without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Texas.

Mr. BENTSEN. Mr. President, I strongly support the Heinz amendment because it establishes an equitable formula for the distribution of funds among the States under the proposed Public Works Employment Act of 1977.

We are considering this legislation for two reasons:

First, 7 million Americans are out of work and in need of job opportunities;

Second, public works projects are sound investments in the future of our country because they improve the infrastructure of the economy which increases its productivity.

Public Works funds build community facilities—courthouses, sewage facilities, schools, firehouses, hospitals—all of which last 20, 30, 40, and even 50 years. They will last long after all of the temporary unemployment problems of this particular recession period are long gone. They will continue to serve our local communities into the 21st century. The schools we build now will continue to educate young people long after the teenagers who are now jobless have grown very, very old.

A balanced national economy requires that the infrastructure of the entire economy be improved. A balanced national economy is inconsistent with undue concentration of public works projects in some of the Nation's States. The Heinz formula is fair, it is simple and it is consistent with the concept of a balanced national growth and employment policy.

The state of the American economy is a national problem; the need to put all unemployed Americans back to work is a matter of national urgency. An unemployed American who happens to live in Pennsylvania, or Illinois, or Texas, is just as unemployed as an unemployed American who happens to reside in New York, or Michigan, or Florida. And that unemployed American living in Pennsylvania, or Illinois, or Texas needs a job opportunity just as much as those job-

less Americans who reside in New York, Michigan or Florida. What we are talking about here is unemployed people who want to have the opportunity to work to support their families whether they live in Texas, New York or anywhere in America. Unemployed Americans living in Pennsylvania do not want less of a Federal effort to put them back to work than is made in behalf of their fellow unemployed Americans who live in the bordering States of New York and New Jersey.

Under the committee bill, the Federal Government will spend $574 to give an unemployed worker in Michigan a job opportunity. But if that jobless resident of Michigan goes to Illinois to seek work, he will find that the Federal Government will spend only $304 to provide a job opportunity for him.

An unemployed worker in Pennsylvania will have $460 spent to help him get back to work while his unemployed brother who happens to live in New York finds the Federal Government spending $629 to put him back to work.

The Heinz formula eliminates this inequity.

Now some have charged that the Heinz formula is inflationary. They argue that what we are doing is moving funds from areas of high unemployment to those where unemployment is lower.

This charge is false. Under the bill, 85 percent of all funds allocated to each State has to go to areas within the State where the rate of unemployment is above the national average. This means that 85 percent of all the funds allocated under the Public Works Employment Act of 1977 must go to areas of extremely high unemployment regardless of the interstate allocation formula.

We have plenty of these areas in Texas. In the Beaumont, Port Arthur, Orange area the unemployment rate is 7.8 percent, in the Brownsville area it is 11.9 percent, in Laredo it is 18.7 percent, in Texarkana it is 9.1 percent, in the McAllen, Pharr, Edinburg area it is 11.7 percent, in the Galveston, Texas City area it is 7.9 percent and in El Paso it is 11.7 percent.

We have plenty of construction workers who are available to work. Gerald Brown, chairman of the Texas State Building and Construction Trades Council estimates that unemployment among construction workers in Texas is 20 percent, in El Paso he says it is 50 percent and even in the Dallas-Fort Worth area it is 30 percent—in San Antonio it is 20 percent.

The Heinz amendment is fair because it treats an unemployed American the same regardless of whether he lives in Massachusetts or Texas. It is equitable because it prevents an undue concentration of public works projects which last for decades in some of the States. It is simple and understandable.

Finally, I notice that the Secretary of Labor was quoted in the Texas press the other day saying that unemployment feels the same in the small towns of Texas and Oklahoma as it does in New York and Chicago. That expresses the principle of the Heinz amendment.

Mr. MOYNIHAN. I thank the distinguished Senator from Texas.

A final comment, Mr. President: A person is equally unemployed no matter where he may be, but it takes unequal measures to create a job for him.

Mr. President, are we ready to vote? I yield the floor.

ADDITIONAL STATEMENTS SUBMITTED ON HEINZ AMENDMENT NO. 64

Mr. KENNEDY. Mr. President, I would like to speak on this amendment not just as a Senator from Massachusetts, not just as a Senator from a region suffering from severe unemployment, but also as a Senator deeply concerned that the intent of this legislation be met. There is no question in my mind that this amendment subverts the intent of the Public Works Employment Act.

This bill was designed for the specific purpose of creating jobs in areas of high unemployment. The recent recession prompted Congress to enact legislation which would deal with the problem of cyclical unemployment. That is clearly the purpose of this public works bill.

Section 107 of the 1976 act specifically directed the Secretary of Commerce to allocate funds in such a manner that the "relative needs of various sections of the country" were taken into consideration. Furthermore, Congress directed the Secretary to consider the "severity and duration of unemployment in proposed project areas." Secretary Kreps called me yesterday to reemphasize that the formula in the committee-reported bill is essential to the effective administration of the program.

The Heinz amendment, by allocating funds to the States only on the basis of the number of unemployed, does not take into account the severity of unemployment in individual States. The severity of unemployment in each State must be considered for a very simple reason. As the unemployed portion of the State's work force increases, the burden on State and local resources grows. A proportionately larger group of unemployed workers and their families become dependent on public assistance and tax revenues in the State decline. Thus, a State with a 10-percent unemployment rate has a much greater burden than a State with a 5-percent rate, even if both States have the same number of unemployed.

The Heinz amendment ignores this vitally important distinction. If this amendment is adopted, the 10 highest States in the country in terms of their rate of unemployment will lose approximately $325 million.

The title I program in Puerto Rico, where the unemployment rate is nearly 20 percent, would be reduced by $80 million. The money would instead be distributed to States with relatively low unemployment rates.

I am convinced that this amendment would seriously jeopardize the effectiveness of the public works bill. I urge my colleagues to oppose this amendment.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by Mr. HEINZ, the distinguished Senator from Pennsylvania. This amendment provides for the fairest possible distribution of these funds, by allocating the funds to each State according to total numbers of unemployed. An unemployed person in one State is just as important as an unemployed person in any other State, and no Federal formula should favor one over the other. That is why I favor Senator HEINZ's amendment which restores the equity that has been written out of the pending bill.

In addition, Mr. President, although one important goal of this legislation is to put people back to work, these moneys are going to provide facilities for use by citizens in the various communities. The facilities will be there for many years for use by the citizens of the community. Citizens in each State need and deserve these facilities on an equal basis.

Mr. President, this amendment provides for the fairest distribution of these funds and I urge my colleague to support it.

Mr. DECONCINI. Mr. President, I rise in support of the Committee on Environment and Public Works State allocation formula. The committee has evolved an equitable compromise between the Economic Development Administration's 1976 allocation formula and Senator HEINZ's formula which is based entirely on the absolute numbers of unemployed.

Distributing public works funds solely on the basis of unemployed does not take into account statewide levels of distress; it does not alleviate the impact of unemployment on a State or local community as measured by rate or severity of unemployment.

Mr. President, not only does the Heinz amndment fail to consider rate or severity of unemplovment, but as the Washington Post editorialized yesterday, it will increase significantly the inflationary impact of public works moneys.

Mr. President, I urge my colleagues to provide special relief for those States which are experiencing particularly severe rates of unemployment. Although in terms of absolute numbers of unemployed persons two States may be equal, that equality is artificial. One State may be small in population with a severe rate of unemployment, while the other may be large with a moderate rate of unemployment. Under the Heinz formula, both States would be treated equally. I contend that the State with the severe rate of unemployment is in need of greater assistance to stimulate its economy, and that they are equal and should not be treated in a similar manner. Unless we attempt to eradicate those pockets of severe unemployment in the Nation, we will not ultimately alleviate the basic economic problems confronting the Nation.

Mr. President, at this point I ask unanimous consent that the text of the Washington Post editorial regarding public works and inflation be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 9, 1977]

PUBLIC WORKS AND INFLATION

Congress has now made up its collective mind to authorize another $4 billion for public works, to crank up the economy and generate jobs. The present quarrel is over the

formula to divide up this massive lump of money among the states. The outcome will be an important signal regarding future inflation. If Congress insists on voting Sen. John Heinz's amendment into the bill, it will significantly increase the inflationary impact of this money.

At best, public construction is not a particularly good way to fight recessions. The pace of these big projects means that most of the money is spent, typically, long after the recovery has picked up momentum. The money in this particular bill would be spent over the next three years and, if the Carter administration's strategy is successful, economic activity will be rising briskly well before the $4 billion has been spent. The challenge here is to prevent it from aggravating inflation in 1979 as unemployment drops and labor markets tighten.

The original form of the bill—vigorously supported by the administration and the congressional leadership—offers at least a partial solution. While two thirds of the money would be distributed in proportion to the number of unemployed people in each state, one third would be reserved for those states with the highest unemployment rates. It would give disproportionately large shares to those states where the suffering is most severe. That's an important provision. For contrast, the Heinz formula would put more of the money into states with relatively low unemployment rates and healthy industry. Mr. Heinz's state of Pennsylvania, and 23 others, will get a bigger piece of the pie if the amendment goes through.

One particularly dismaying example is the state of Texas. Under the Heinz amendment, it would get $155 million of this new public works fund—compared with only $97 million under the administration's version of the bill. But in the Houston and Dallas areas, unemployment in the construction trades is already far below the national average. If it drops much farther, there will be danger of new inflation as the amount of work outruns the labor force available to do it.

The House passed the bill at the end of February with the Heinz amendment in it. The Senate committee first embraced the amendment, then reconsidered and reported the bill without it. The full Senate is scheduled to vote on the amendment within the next few days. Ordinarily, this kind of struggle is merely a routine test of strength among the states. But this time there is something more at stake. As Congress enacts this year's bill for economic recovery, is it willing to think ahead and build in safeguards against future years' inflation?

Mr. BAYH. Mr. President, I am pleased to be a cosponsor of this amendment, and I urge my colleagues to support it.

Mr. President, I want to emphasize at the outset that I wholeheartedly support the Public Works Employment Act which is before us today. It marks a first step for Congress and the administration in coming to grips with the economic problems which confront our Nation. I am, however, very troubled by the formula for distribution of funds for public works among the States. It is a complex formula, and works to the disadvantage of 24 States including my State of Indiana.

This amendment simplifies the formula and makes certain that all States receive an equitable share of the funds. It provides for distribution of funds according to the percentage of those unemployed across the Nation who reside in each State. For example, if the average number of unemployed in a State amounts to 2 percent of the national total for unemployment, that State would receive 2 percent of the available funds for public works. If 10 percent of the Nation's unemployed live within a State, that State would get 10 percent of the funds. In my opinion, nothing could be more equitable.

Nonetheless, Mr. President, the committee bill would drastically depart from this method of distribution. Though the committee made a good faith effort to eliminate the problems that existed under last year's formula, the compromise that it proposed would mean that Indiana would receive only $45.2 million rather than the $72 million it would be entitled to under the straightforward formula contained in our amendment. It would receive far less for each person unemployed than many other States.

There has been much said in recent days that the formula we are proposing would be inflationary. It is argued that this amendment would direct funds to States where construction is booming and where there are no serious unemployment problems and thus create shortages of manpower and material, resulting in inflation. I would like to point out, Mr. President, that the bill contains a formula for allotting funds within the various States as well as among them. Specificaly, the bill requires that 85 percent of a State's share be provided to high unemployment areas. Clearly, Mr. President, the funds will not go to those areas which are booming. It will go instead to those areas within each State which have serious employment problems. This amendment will not in any way contribute to inflation.

Let me say in closing, Mr. President, that there are approximately 150,000 people unemployed in the State of Indiana. These people merit every bit as much attention as those unemployed in other States, and the Federal Government should expend as much money for each one of them as it does for a person in New York or New Jersey. The problems of the unemployed are no less in the Midwest or in the Southwest than they are in the Northeast, and I urge my colleagues to vote for this amendment which will ensure that all the unemployed receive direly needed help no matter where they live.

Mr. GLENN. Mr. President, the Heinz amendment, which I have cosponsored, would amend S. 427, the Public Works Employment Act of 1977, so as to allocate the funds to the States strictly on the basis of the number of people unemployed within the State. I feel that for the purposes of this public works program, those States with the highest number of people unemployed should receive the largest amounts of allocated funds. In saying so, I do not intend to imply that in other contexts with respect to other legislation an allocation formula providing a portion of funds on the basis of the percentage of people unemployed within a State would be inappropriate.

However, with respect to this bill, I feel that the Heinz amendment will provide the greatest benefit. Even though the Heinz formula does not target additional funds to those States with the highest percentages of unemployment, the bill does require that 85 percent of the allocated funds be channeled to the areas of highest unemployment within each State. This will insure that most of the funds will go to the most distressed areas.

S. 427, which would amend and extend the Public Works Employment Act of 1976 by authorizing an additional $4 billion in local public works projects, is an integral and important component of President Carter's economic stimulus program and I strongly support it. This public works program is designed to have a direct and substantial impact on unemployment with specific emphasis on the construction and building trades, where unemployment is running far above the national average. It is also designed to provide Federal assistance to the financially hard-pressed States and localities so as to facilitate the construction of much needed public facilities.

The demand for these public works funds has been great and this additional authorization will be put to good use quickly. EDA has a large backlog of unfunded local projects. With the $2 billion provided by the 1976 Public Works bill, EDA could only approve 2,000 projects of the 24,000 applications for funding which it received. Passage of this legislation will enable that agency to approve thousands of additional projects.

We must take steps to put people back to work who are unemployed due to the recession and the effects of the extremely harsh winter. The public works bill, in combination with the other parts of the stimulus package, should be of great help in reviving the economy and placing it on a sound footing once again.

Mr. MATSUNAGA. Mr. President, I rise in opposition to the Heinz amendment and in full and strong support of the allocation formula developed by the Senate Committee on Public Works. That committee formula, I believe, would distribute more equitably the essential public works funds to all States on the basis of a 65-to-35 ratio, determined first by their numbers of unemployed individuals, and second by the rates of unemployment exceeding 6.5 percent. Mr. President, this compromise formula would guarantee all States a fair share of vital public works money and at the same time assure those States suffering from severe unemployment to receive that extra help they need to revitalize an idle labor force, a depressed construction industry, and a lagging economy.

Mr. President, I wish to emphasize that as an antirecessionary measure. S. 427 seeks to channel critical dollars into areas most highly impacted by recession-related unemployment. The bill, as reported from the Committee on Public Works, strives to meet the swollen demand for jobs and public facilities with a minimum of delay. This can be achieved by providing an immediate and accelerated program of 100 percent Federal assistance to promote jobs through construction in areas faced with distressed levels of unemployment.

I submit, Mr. President, that the formula proposed by the Public Works Committee carves a fair middle ground between the original formula devised by the Commerce Department's Economic

Development Administration in its 1976 allocation, and the formula based strictly upon the absolute numbers of unemployed persons, as proposed by the Senator from Pennsylvania (Mr. HEINZ). The 65–35 compromise formula would target Federal aid more properly into those areas with unusually severe unemployment levels.

Mr. President, analysis of the intensity of unemployment among the States—among unemployment pockets throughout our Nation—cannot be made solely on the actual numbers of unemployed individuals in each individual State. A clear and true perspective of the severity of the State's unemployment plight necessitates full consideration and application of the unemployment rate. Eliminating any element that would reflect the excessive rate of unemployment—above 6.5 percent—would be harmful—even cruel—to those States with the greatest employment and construction needs.

As I see it, Mr. President, the amendment proposed by the Senator from Pennsylvania (Mr. HEINZ) would not provide the proper dosage required by States crippled with distressfully high unemployment and construction needs. Distributing valuable dollars exclusively on the basis of each State's actual number of unemployed persons, the Heinz amendment would dilute the carefully measured impact of the administration's plans to revitalize and restore the health of our Nation's sagging economy. In a bill which is designed to eliminate the unfair distribution of public works money to the States, the amendment now before us would, in effect, place more dollars into States with comparatively low unemployment rates and highly active construction industry, simply because these States possess greater numbers of unemployed based on the State's overall larger population. Furthermore, the Heinz amendment poses the potential danger of accelerated inflation in certain areas as the amount of work outdistances the labor force which will be available to perform it.

Mr. President, we must never forsake equity and economical sense for simplification. We must address squarely the problem of aiming choice dollars into States experiencing excessively high unemployment and depressed construction. We must recognize that our Nation is faced with varying degrees of employment needs in the construction industry in the several States.

Mr. President, I believe the committee formula would more effectively focus funds into States where the affliction of soaring unemployment rates demand an extra measure of funds to make our States and, ultimately our Nation strong again. I urge a "No" vote on the Heinz amendment.

(This concludes additional statements submitted on the Heinz unprinted amendment No. 64.)

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SPARKMAN (after having voted in the affirmative). On this vote I have a pair with the Senator from Nevada (Mr. CANNON). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Louisiana (Mr. LONG), and the Senator from South Dakota (Mr. MCGOVERN), are necessarily absent.

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Arizona (Mr. GOLDWATER), the Senator from Utah (Mr. HATCH), the Senator from Nevada (Mr. LAXALT), and the Senator from Pennsylvania (Mr. SCHWEIKER), are necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER), would vote "nay."

The result was announced—yeas 32, nays 56, as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—32

Allen	Glenn	Nunn
Anderson	Hart	Percy
Baker	Heinz	Proxmire
Bayh	Helms	Sarbanes
Bentsen	Huddleston	Sasser
Byrd, Harry F., Jr.	Humphrey	Scott
Curtis	Johnston	Stevens
Danforth	Lugar	Stevenson
Eagleton	Mathias	Talmadge
Ford	Metzenbaum	Thurmond
	Nelson	Tower

NAYS—56

Abourezk	Garn	Morgan
Bellmon	Griffin	Moynihan
Biden	Hansen	Muskie
Brooke	Hatfield	Packwood
Bumpers	Hathaway	Pearson
Burdick	Hayakawa	Pell
Byrd, Robert C.	Hollings	Randolph
Case	Inouye	Ribicoff
Chafee	Jackson	Riegle
Chiles	Javits	Schmitt
Church	Kennedy	Stafford
Clark	Leahy	Stennis
Cranston	Magnuson	Stone
Culver	Matsunaga	Wallop
DeConcini	McClellan	Weicker
Dole	McClure	Williams
Domenici	McIntyre	Young
Durkin	Melcher	Zorinsky
Eastland	Metcalf	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Sparkman, for

NOT VOTING—11

Bartlett	Haskell	McGovern
Cannon	Hatch	Roth
Goldwater	Laxalt	Schweiker
Gravel	Long	

So Mr. HEINZ' amendment was rejected.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 65

Mr. HART. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HART), for himself, Mr. CRANSTON, Mr. RANDOLPH, Mr. BURDICK, Mr. DURKIN, Mr. MATSUNAGA, and Mr. DECONCINI proposes unprinted amendment No. 65.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, insert between line 16 and 17 the following new section:

SEC. 105. Pursuant to regulations prescribed by the Secretary of Commerce in consultation with the Secretary of Labor and consistent with existing applicable collective bargaining agreements and practices, special consideration shall be given to the employment of qualified disabled veterans (as defined in section 2011(1) of title 38, United States Code) and those qualified Vietnam-era veterans (as defined in section 2011(2)(A) of such title) who are under 27 years of age, in projects carried out under this title.

The PRESIDING OFFICER. May we have order in the Senate, please.

Mr. HART. May we have order in the Senate, please.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, one of the saddest legacies of the Vietnam war has been the crippling unemployment problems faced by the Vietnam veteran.

Unemployment figures show that nearly 600,0000 Vietnam-era veterans are unemployed. Since these figures only reflect those veterans who register at State employment offices, it is likely that thousands more Vietnam-era veterans are without jobs.

For the young, minority, and disabled Vietnam-era veteran, the unemployment picture is even bleaker than that for most Americans.

The Senator from New York (Mr. JAVITS) in previous debate said that the issue before was not unemployment, that it was the severity of unemployment.

There is a group of people in our society who are even worse off than the average citizen, and those are the Vietnam-era veterans.

According to the U.S. Department of Labor figures, of young Vietnam-era veterans, age 20 to 24, nearly 18 percent of them are out of work. The minority Vietnam-era veteran is faced with an unemployment rate of well over 20 percent across this country.

These numbers clearly show the Vietnam-era veteran has paid the price of this recession in social costs of unemployment, and this is not much of a reward to the veterans who honorably and unselfishly served their Nation.

Mr. President, could we have order in the Senate?

Mr. RANDOLPH. Mr. President, could we have order?

The PRESIDING OFFICER. Could we have order, please?

The Senator from Colorado.

Mr. HART. Mr. President, the amendment offered today by me and my col-

leagues Mr. CRANSTON, Mr. RANDOLPH, Mr. BURDICK, and Mr. DURKIN is only a small gesture to help reduce the high unemployment among the disabled and young Vietnam-era veterans.

This amendment, which simply calls for special consideration in the hiring of Vietnam veterans in public works projects, will become part of a much broader effort which President Carter recently outlined to help find meaningful employment for the unemployed veteran.

The amendment offered today is in a small measure acknowledgment of the immense debt owed to those who served their Nation.

Mr. President, I understand this amendment has the support of the committee chairman and subcommittee chairman.

I pay particular recognition to the Senator from California (Mr. CRANSTON) who supports this amendment and who has over the years demonstrated as much concern for veterans of all wars, but particularly the Vietnam-era veterans, as anyone in this Chamber.

Mr. RANDOLPH. Mr. President, it is a good amendment. It is a compassionate amendment. It is a necessary amendment. Those of us not only on the Committee on Environment and Public Works, and the Senator from Colorado and I share that commitment as members of that committee, but also I am sure many of us who have served on the Committee on Veterans' Affairs share that commitment. We have had from time to time information bearing on this subject which clearly indicates that justice can be done by, as I see it, the adoption of this amendment.

Mr. HART. I thank the chairman.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HART. I will yield to the Senator from Minnesota, but I first state through an inadvertence I left off the name of the Senator from Vermont (Mr. STAFFORD) who also supports this amendment, and I welcome and thank him for his support.

I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I take a moment to thank the Senator from Colorado for his foresight and diligence today and to thank all of those who have associated with him.

I merely mention that a number of those Vietnam veterans or veterans of the Vietnam era are still classified in what we call the youth unemployed group, because that group is from age 16 to 25, which represents one-half of the total unemployed people of our land.

I am very pleased that finally the chairman of the Public Works Committee, along with the ranking minority member (Mr. STAFFORD), and others, have worked together to get a program for our youth who are unemployed.

The President's message yesterday was exceedingly helpful in this matter.

I have joined with Senator JAVITS, and other, in presenting a comprehensive bill on this. There are others who have also. There was section 2 in this legislation that related to it. I simply wished to join the Senator in support of his amendment.

YOUTH UNEMPLOYMENT AND THE PUBLIC WORKS EMPLOYMENT ACT

Mr. President, Congress and the Nation owe a very special word of thanks to Senator RANDOLPH, the distinguished chairman of the Committee on Environment and Public Works, and to Senator STAFFORD, the ranking minority member of that committee, for giving us the opportunity to focus on the youth unemployment problem today, and for reporting so swiftly the legislation which will take Congress to eventual enactment of a significant and comprehensive youth employment program. These two Senators, and the other members of the Public Works Committee, have proven themselves the special friends of young people all across this nation.

Youth unemployment is one of the most distressing problems facing our economy today. Youths are harder hit by unemployment than any other group of workers. The 18.5 percent unemployment rate among teenagers in February was almost triple the unemployment rate for adults 25 years old and over, while the 12.0 percent rate for young adults 20 to 24 years old was double the adult rate. Among minority youths, the very hardest hit of all, the February unemployment rate was 37.2 percent, and in many metropolitan poverty areas the unemployment rate among minority youths approaches an appalling 60 percent.

The 3.4 million unemployed youths make up almost half the total number of jobless American workers.

These statistics are only half the story of youth unemployment. The other half, and the most important half, is the terrible havoc unemployment wreaks on the lives of our young people and on our Nation. The statistics do not tell us anything about the young people who have been rejected as full participants in our economy and who slowly melt into the shadow economy of the street, and who get entangled with crime, drug abuse, and violence. Youth unemployment is the biggest contributor to crime in this country, and there is absolutely no way that man or God can figure out how to stop crime until America solves the problem of youth unemployment. What will happen to the productivity and growth of our Nation, if our young people are denied the opportunity to learn the work habits and job skills that they will need for employment as adults.

Yesterday, we received a very heartening message from President Carter on youth unemployment. This message shows that the President is fully aware of the serious extent of unemployment among youths.

During the past few weeks, I and many of my colleagues who are here now and interested in solving youth unemployment worked closely with President Carter and Labor Secretary Marshall to develop comprehensive youth employment legislation for fiscal 1978. The President's message is welcome evidence that our consultations will result in prompt passage of a comprehensive youth employment bill.

I think the President's proposals will make for a very effective youth employment initiative. First, we will have a National Youth Conservation Corps that will employ young Americans in conservation programs in public parks, forests, and recreation areas. Second, we will have a program of youth community conservation and improvement projects employing youths to improve neighborhoods and communities and to maintain and restore natural resources on publically owned land. Third, we will have a major new comprehensive youth employment and training program under the Comprehensive Employment and Training Act that will provide a broad range of job creation and job training programs for our Nation's youths.

This is an outstanding package and a great credit to the President. I think the Senate will move swiftly to enact the President s program and I look forward to receiving the necessary legislation for President Carter.

In his message, the President acknowledged that many of his proposals were initially developed in Congress. The young people of this country owe a debt of gratitude to Senator JACKSON and to Senators RANDOLPH and STAFFORD for taking the first steps on programs in the President's package. In addition, many ideas were adopted from the Comprehensive Youth Employment Act of 1977 (S. 170), which Senator JAVITS and I introduced on January 11. I am delighted that the President has proved so receptive to our ideas and initiatives in this direction.

In another very timely development, the Congressional Budget Office has just provided Congress with a background paper on "Budget Options for the Youth Employment Problem." The study finds that the most effective options are exactly those developed in the Comprehensive Youth Employment Act and which form the backbone of the President's proposals—community service employment, National Youth Conservation Corps, job training for youths, and high school work study.

What the young people of this Nation need, Mr. President, is jobs. They need good hard work and productive work that will give them a useful place in our society and keep them out of trouble. I think President Carter's proposals are an excellent start in this direction, and I want to commend Senators RANDOLPH and STAFFORD for the excellent job they have done in getting the youth employment issue before the Nation in such a timely fashion and cooperating so willingly in producing the best approach to this problem that can now be devised.

Mr. President, I ask unanimous consent that a summary of the CBO background paper, and two chapters of that study—on the youth employment problem, and budget options—be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY

THE PROBLEM

The unemployment problems of young people differ from those of older workers both in nature and magnitude. In 1976, the unemployment rate for workers aged 16 to 24 was 14.7, while for workers over 24 it was 5.5. Youth represented 24 percent of the labor force but 46 percent of the unemployed. Of

those workers who had dropped out of the labor force because they thought they could not get jobs, 29 percent were under age 24; 39 percent of those working part-time but seeking full-time jobs were youth.[1]

Youth suffer from both current and future employment problems. In the short run the income loss due to unemployment, underemployment, and low-paying jobs may prevent them from contributing to their family's income, from establishing independence from their parents, or from financing a college education. In the long run the lack of work experience inhibits them from developing skills, good work attitudes and habits, as well as favorable employment records.

All youth suffer, to some extent, from what are known as structural labor market problems—that is, lack of education, skills, experience, lack of proximity to available jobs, and discrimination. Certain groups of youth, however, suffer disproportionately from these problems. While the universe of youth is often referred to as all 16–24 year old persons, groups within that population suffer from very different kinds of labor market problems. One way of delineating the particular problems that each group has is to define the groups by their educational attainment.

Dropouts.—In 1975, 14 percent of all persons between the ages of 16 and 24 were high school dropouts. These dropouts had an unemployment rate of 25.3 percent. This represented almost 23 percent of all youth unemployment at the time. The long-run effects of unemployment may be particularly severe for this group because of their lack of education, skills, and experience. Nonwhites, who make up 14 percent of the total 16–24 year old population, account for 28 percent of this group.

High School Graduates Who Have Not Completed and Are Not Attending A Four-Year College.—In 1975, 38 percent of all 16 to 24 year olds had graduated from high school but had not attended or not completed a four-year college. Their unemployment rate was 12.9. Forty-three percent of unemployed youth were in this group. Some had completed two-year colleges or technical schools after high school. This group is composed of youth who are experiencing severe structural problems, as well as those who are having difficulty making a successful transition from school to work. Those with transition problems may simply be having difficulty settling into a stable work environment, deciding what type of career they wish to pursue, or where they want to live. In 1975, 20 percent of this group was nonwhite.

College Graduates.—Four percent of all 16 to 24 year olds had graduated from college in 1975. The unemployment rate for these college graduates was 8.3 percent. Only 3 percent of unemployed youth were in this group. To the extent that college graduates can anticipate higher earnings and better employment records because of their greater level of educational attainment, the long-run effects of unemployment are not as severe for them. Nonwhites represent about 5 percent of this group.

Those Enrolled in Schools.—The last group of unemployed youth are those currently enrolled in school. In 1975, 44 percent of all 16 to 24 year olds were in this group. Their unemployment rate was 15.0. Thirty-one percent of unemployed youth were in this group. Again, with better education records, this group may not suffer great employment problems in the long run, but to the extent that they need income to finance their education, the short- and long-run effects of their unemployment are greater. Fifteen percent of this group are nonwhite.

[1] For another discussion of the nature of youth employment problems and its causes, see *Policy Options for the Teenage Unemployment Problem*, CBO, Background Paper No. 13, September 1976. See also, *The Teenage Unemployment Problem: What Are The Options?* CBO, October 14, 1976.

SUMMARY TABLE.—EMPLOYMENT EXPERIENCES OF YOUTH (16- TO 24-YR-OLD) BY EDUCATIONAL ATTAINMENT, OCTOBER 1975

[Numbers in thousands]

Group by educational attainment	Civilian noninstitutional population		Civilian labor force		Unemployed population		Unemployment rate (percent)
	Number	Percent	Number	Percent	Number	Percent	
Not enrolled in school:							
Attended less than 12 years	4,824	14	2,969	14	750	23	25.3
12 to 15 yr	13,201	38	10,844	50	1,399	43	12.9
16 or more yr	1,373	4	1,290	6	107	3	8.3
Enrolled in school	15,284	44	6,730	31	1,012	31	15.0
Total	34,700	100	21,833	100	3,268	100	15.0

CURRENT FEDERAL PROGRAMS

The federal government funds three types of programs aimed at enhancing the employment opportunities of young people: education, training, and direct job-creation programs. These programs impact in different ways and to different degrees on the different groups of youth.

Federal student assistance programs are directed toward discouraging youth from dropping out of high school and encouraging high school graduates to continue their education as well as helping those already in postsecondary school to finance their education. In fiscal year 1975, for those student assistance programs for which racial data are available, 39 percent of recipients were nonwhite. Thirty-two percent of recipients (excluding those independent from their parents) came from families with incomes under $10,000. The short-run effect of these programs on employment is to increase enrollment opportunities, thereby reducing the likelihood of unemployment. In the long run, greater educational attainment is associated with less unemployment and higher earnings.

Federal training programs enrolled approximately 1.2 million youth in fiscal year 1976. Approximately 55 percent of those trained in the Comprehensive Employment and Training (CETA) and Work Incentive (WIN) programs had not graduated from high school, 57 percent were nonwhite, and 77 percent were low-income. The best estimates of the effects of these programs indicate that the earnings of participants might increase, on average, by about $400 in the first year after participation. Over a five-year period, however, this increase in earnings seems to diminish to zero.

Federal direct job-creation programs enrolled about 1.1 million youth in fiscal year 1976. Approximately 63 percent of all participants had not graduated from high school, 48 percent were nonwhite, and 75 percent were low-income.

BUDGET OPTIONS FOR FISCAL YEAR 1978

In considering how best to deal with the employment problems of young people, the Congress can choose to emphasize the creation of jobs, increased training opportunities, greater targeting of student assistance programs, or various combinations of these activities. In addition, there are new programs, with different costs and effects, that could supply these activities. The options that may be considered involve programs that are exclusive to youth as well as those that affect all workers.

Eight budget options are presented below to illustrate the range of possible programs that are aavilable. It should be noted that these options are not mutually exclusive. The Congress may choose to combine a training option with a job option, or one kind of job program with another. In addition, the funding levels of these options can be raised or lowered, as the Congress chooses.

Option I adds $1 billion to CETA Title VI. This would fund an additional 120,000 public service jobs, about 27,000 of which might be expected to go to youth.

Option II adds $1 billion to CETA Title I This could fund as many as 220,000 training slots if all of the funds were spent on training (currently only 46 percent of Title I funds are spent on training, with most of the rest going to "work experience" programs, which are primarily part-time jobs). Approximately 125,000 of the new participants might be youth.

Option III increases expenditures for the Job Corps by $200 million, approximately double the current level of outlays for the program. Because of the relatively higher cost of training provided by the Job Corps compared to other federal training programs, this option funds only an additional 20,000 training slots. The Job Corps provides training in residential settings, and additional expenditures would probably be necessary to renovate old facilities or build new ones.

Option IV increases the targeting of student assistance programs on low-income persons. The total cost of this option is $531 million, about $300 million of which would go to students in families with annual incomes under $10,000, and to self-supporting students.

Option V creates a new public service employment program exclusive to youth. This program could be run through the CETA prime sponsor system,[2] and might create approximately 170,000 jobs at the minimum wage per $1 billion in outays.

Option VI creates a young adult conservation corps, a program of employment for 19 to 23 year olds in federal and state parks and forests on conservation projects. This program might create 87,000 jobs per $1 billion in outlays.

Option VII creates a training program similar to Title I of CETA, but exclusive to youth. Per $1 billion in outlays, 250,000 training slots might be created. Since almost 60

[2] A prime sponsor is a unit of general local government in which there are at least 100,000 residents.

percent of current Title I participants are under age 22, there would have to be some coordination between the two programs, but a new program might have more success in insuring that training, rather than work experience, was actually funded.

Option VIII would create a new high school work-study program. Currently some high school work-study is provided through Title I of CETA, but the precise amount is unknown. If this program subsidized part-time jobs at the minimum wage for high school students, over 400,000 years of service [3] could be funded per $1 billion in outlays.

[3] A service year is equivalent to a "person-year."

SUMMARY TABLE—COSTS AND EFFECTS OF BUDGET OPTIONS FOR FISCAL YEAR 1978

Options	Outlays (millions)	Cost per year of service dollars	Years of Service Funded (thousands)		Participants (thousands)	
			Jobs	Training	Jobs	Training
Option I—Increase CETA PSE	$1,000	8,300	[1] 27	0	[1] 50	0
Option II—Increased CETA title I	1,000	4,525	0	[1] 126	0	[1] 360
Option III—Increased Job Corps	200	10,000	0	20	0	44
Option IV—Student assistance targeting	531	NA	NA	NA	NA	NA
Option V—PSE for youth	1,000	6,000	170	0	340	0
Option VI—Young Adult Conservation Corps	1,000	11,500	87	0	116	0
Option VII—Training for youth	1,000	4,000	0	250	0	714
Option VIII—High school work-study	1,000	2,650	377	0	572	0

[1] Youth jobs or training funded. Jobs or training for older workers would also be funded.

CHAPTER I—THE YOUTH EMPLOYMENT PROBLEM

The high unemployment rate and low earnings of youth continue to be a national concern. In 1976, the unemployment rate [4] for the 16–24 year old population was 14.7 while the unemployment rate for all workers was 7.7. Youth represented 24 percent of the labor force, but 46 percent of the unemployed population. In addition to the 3.4 million unemployed youth, 0.262 million were not participating in the labor force because they believed they couldn't find jobs, and 1.387 million wished to work full time but could find only part-time employment.[5]

The unemployment rates of youth rise more quickly during recessions and fall more slowly during recoveries than the national aggregate rate. Because of their limited skills and experience, youth are often the most marginal employees and are in a position of being the last hired and first fired.

Unemployment presents youth with both current and future, or short- and long-term, problems. It prevents them from contributing to their families' income, from establishing their own families, and from earning enough to stay in school. In addition, unemployment limits the future employability of youth because it hinders their capacity to acquire and develop skills, to establish satisfactory employment records, and to develop helpful work attitudes and habits.

Employment and training policy for youth can be directed at ameliorating their current or future problems, or both. Solutions to the short-run problems emphasize the creation of jobs that provide income to satisfy the immediate needs of the unemployed. Solutions to the longer-run problems emphasize education and training programs in order to provide youth with the necessary skills to compete in the labor market. Current federal policy employs a continum of activities aimed at ameliorating all of the problems.

Within the 16–24 year old population, employment problems differ for different groups of youth, and the unemployment rate for all youth masks the differences among the employment experiences of these groups. For purposes of classifying employment problems, the youth population can be divided into four major categories:

High school dropouts,

High school graduates who have not completed and are not attending a four-year college,

College graduates, many of whom are making a permanent transition from school to work, and

Those whose major activity is attending school.

Almost 14 percent of all 16 to 24 year olds are high school dropouts. These individuals often can't find jobs because they lack the necessary skills or background. This group represents about 23 percent of all unemployed youth and is composed disproportionately of nonwhite youth from economically disadvantaged homes in urban areas.

The second group of youth are those who have graduated from high school but have not gone on to, or have not completed and are not attending, a four-year college. About 43 percent of all unemployed youth are in this group. Included are those who are experiencing unemployment because of one or more structural problems—that is, lack of necessary skills or education, lack of proximity to available jobs, and discrimination—and there are those who are experiencing unemployment because they are having difficulty making the transition from school to work. These youth may not have severe structural problems but may simply be having difficulty settling into a stable work environment, deciding what kind of a career they wish to pursue, or where they want to live. Both those whose employment problems are primarily structural and those whose problems are primarily transitional may suffer from a lack of information and counseling about the job market in general.

The third group of youth experiencing unemployment is that making the transition from college to work. The individuals in this group are relatively more skilled and better educated than the average unemployed youth. This group comprises about 3 percent of youth unemployment.

The final group of unemployed youth are those currently enrolled in school. This group represents 31 percent of all unemployed youth. The unemployment rate for 16–24 year old students was 15.0 in 1975. While most unemployed students were looking for part-time and summer jobs to earn pocket money or to help finance a college education, almost 20 percent were looking for full-time positions.

TABLE 1.—PATTERNS OF YOUTH UNEMPLOYMENT, AGES 16 TO 24, OCTOBER 1975

Groups	Unemployment rate	Percent of total youth unemployment	Number of unemployed youth (thousands)	Number in civilian labor force (thousands)
High school dropouts	25.3	22.9	750	2,969
High school graduates not attending college	12.9	42.8	1,399	10,844
College graduates	8.3	3.3	107	1,290
Those in school	15.0	31.0	1,012	6,730
Total	15.0	100.0	3,268	21,833

The personal costs of unemployment for these four groups are very different. The long-run costs of unemployment are less severe for those who are enrolled in school. While the income from the jobs they seek may be all but necessary for meeting tuition and other expenses associated with school, in the long run this temporary loss of income may be offset by the increased earnings associated with higher levels of educational attainment. To the extent that the jobs are necessary in order to stay in school, the costs of unemployment to this group are greater.

In the short run, the costs to an individual of employment problems experienced while making the transition from school to work may be great. The number of people experiencing these problems grows markedly during a recession such as the recent one. In the long run, however, this group of youth can anticipate a better employment record and higher earnings than those youth who have more structural problems. This is especially true for those who are college graduates.

The youths with the most severe labor market problems are those who are dropouts and those who have other structural labor market problems. Not only do these individuals experience greater unemployment during their youth, but their prospects for employment when they become adults are not good. They have less education and skill training, and fewer employment experiences than their contemporaries. The costs associated with unemployment for this group are large and are incurred not only by the individual, but by the federal government as well. To the extent that poor early labor market experiences and lack of education or training hamper subsequent labor market

[4] The unemployment rate measures the percent of the civilian labor force that is out of work, and looking for work.

[5] For another discussion of the nature of youth employment problems and its causes, see *Policy Options for the Teenage Unemployment Problem*, CBO, Background Paper No. 13, September 1976. See also, *The Teenage Unemployment Problem: What Are The Options?* CBO, Conference Report, October 1976.

experiences, this group will suffer greater unemployment and be forced to rely disproportionately on unemployment compensation and other public income assistance programs.

In order to become more competitive in the labor market, these structurally-disadvantaged youth need to acquire additional training, greater access to jobs, and freedom from discriminatory barriers. Additional schooling may be a successful instrument in lowering unemployment and increasing earnings for some of these youth, but for those who do not aspire to white-collar employment, higher education may not be as helpful as training in technical skills.

This paper will discuss the current federal effort aimed at all aspects of the youth employment problem. It will also discuss the impact of eight budget options, which provide various current and alternative programs that attempt to enhance the employment opportunities of young people.

CHAPTER V—BUDGET OPTIONS

Fiscal year 1978 budget options for youth employment programs can involve programs devoted exclusively to youth, or they can involve programs that significantly impact on youth but are not exclusive to them. In addition to the programs currently in operation, the Congress will be asked to consider numerous new proposals intended to enhance the employment opportunities of young people.

It is possible that these fiscal year 1978 budget options could be implemented in fiscal year 1977. Indeed, it is likely that supplemental appropriation action for employment and training programs taken in fiscal year 1977 will include a youth specific component. If the Congress chooses to consider these options for fiscal year 1977, the relative program effects will be essentially the same as those discussed here for fiscal year 1978.

Nonyouth specific options

Option I: Increased Employment—

The increased employment option adds $1 billion to Title VI of CETA which would fund at least an additional 120,000 jobs. It would also reduce unemployment compensation (UC) outlays by about $240 million because Title VI jobs are targeted to UC recipients who have been unemployed at least 15 weeks. These jobs could also be funded under Title II of CETA, but Title II is not targeted on income assistance recipients, so the resulting unemployment compensation savings would probably be significantly lower. The 120,000 additional years of service implies that 222,000 more persons would participate in Title VI and about 200,000 fewer workers would receive unemployment compensation. However, Title VI is not well targeted on youth because it is designed to reach the long-term unemployed, and youth, on average, are not unemployed as long as older workers. Fifty thousand youth might be expected to benefit directly from this $1 billion increase.

Option II: Increased CETA Title I—

This increased training option adds $1 billion to CETA Title I. The additional expenditures could fund as much as 221,000 years of training and train nearly 632,000 participants. However, if the current distribution of activities continues, only 46 percent of the increased Title I funds would be devoted to training, while the remaining 54 percent would be spent on work experience and public service employment. This would yield 102,000 years of training for about 291,000 participants. More training could be obtained by earmarking the appropriations for training, but in response CETA prime sponsors might shift the current policy base away from training. This problem could be lessened by a federal categorical program (but the substitution may still occur after a few years) or by legislative changes in the CETA authorizations restricting the range of activities that can be supported by Title I funds.

Youth specific options

Option III: Increased Job Corps—

This option raises outlays for the Job Corps by $200 million, approximately double the current level. These outlays would provide an additional 20,000 years of service and serve about 48,000 participants. The Job Corps is currently the only training program targeted completely on youth (although it might be possible to establish a youth training program through Title III of CETA without reauthorization). There may be potential for expansion in the Job Corps, since it served twice as many persons in 1967 as it currently does. However, some reports indicate that a number of the facilities used by the Job Corps in the late 1960s are now outdated and in disrepair and would require major capital outlays to become operable. Also, evidence on the success of the Job Corps is mixed. Although the post-training placement rates are high, there doesn't seem to be an annual earnings gain sufficiently greater than those associated with other training programs, to offset the higher cost of the Job Corps program.

Option IV: Student Assistance Targeting—

One option the Congress may wish to consider would increase outlays to those student assistance programs that are targeted on low-income persons. This might be done by increasing expenditures above fiscal year 1978 current policy levels for Basic Grants by $241 million, for Supplemental Grants by $186 million, for College Work-Study by $62 million, and for National Direct Student Loans by $42 million.[6] The total cost of this option, above current policy, would be $531 million, about $301 million of which would go to students in families with incomes under $10,000 and to self-supporting students. Presumably, making additional grant and loan money available to the low-income population would encourage enrollments from that group of youth most likely to suffer from severe unemployment problems.

If the $531 million increases enrollment levels by 1.25 percent for every $100 reduction in tuition per enrollee, about 66,000 persons should be induced to enroll in college. About 37,000 of these students might come from families with incomes under $10,000 or be self-supporting.[7]

Alternative programs

In addition to options within the current program framework, the Congress will consider a variety of alternative programs. The Congress may choose to emphasize the creation of jobs the expansion of training, or intensive counseling and placement activities. The proposals outlined below are meant to be illustrative of the various types of programs that will be introduced as legislation in the 95th Congress.

Option V: Public Service Employment for Youth—

This option would create a public service employment (PSE) program targeted specifically at youth. The program could be operated through the CETA prime sponsor system, eliminating the necessity for the creation of a new administrative mechanism. Proposals for PSE for youth have emphasized that the work performed by the employees be urban community service projects. If the program were run through CETA and participants were paid minimum wages, it might be expected to cost about $6,000 per service year. If funded at $1 billion, it might thus provide almost 170,000 service years. Assuming the average length of stay in the program to be about six months (approximately that of the current PSE programs), about 340,000 persons would receive jobs. There may be reason to believe, however, that youth would have greater turnover rates and shorter durations in the program than older workers in the other PSE programs. If this were the case, prohibitively large numbers of youth might be required to keep all of the slots filled during the year at high levels of expenditures.

It should be remembered that the effects of PSE on the participants' future employability are almost negligible. On the other hand, PSE programs have in the past been used as temporary, countercyclical tools and the employability effects might change if the projects were well designed to deal with structural problems.

The rate of fiscal substitution can be expected to be lower, at least in the short run, for a youth program than for an untargeted PSE program because youth are less skilled than regular employees of State and local governments. If this program were targeted on the economically disadvantaged, as has been suggested, the rate of fiscal substitution might be reduced even further. It might also be possible to reduce expenditures for the current summer youth program because some of the youth ordinarily enrolled in that program would probably be hired into the PSE program.

Option VI: Young Adult Conservation Corps—

This proposal has its genesis in the current Youth Conservation Corps. It would serve 19–23 year olds with full-time jobs on conservation projects in Federal and State parks and forests. The projects would involve such activities as reforestation, trail and campground improvement, forest fire fighting, and control of soil erosion. Because of the need for supervisory and skilled personnel and the extensive use of materials necessary for the projects, the cost per year of service would be relatively high, probably about $13,000 in the first year and about $11–12,000 in subsequent years (half of which would be wages at the minimum wage). There is no solid evidence on which to base an estimate of length of stay in the program for participants, but if, on average, participation lasted nine months, 116,000 persons would be served for each $1 billion after start-up costs. Fiscal substitution might be minimal for this program because most of the activities would not otherwise be funded. So far, proposed legislation has not called for the program to be targeted on the economically disadvantaged, but participants may be required to reside in areas in which unemployment exceeds a particular level.

The employability effects of a young adult conservation program are difficult to estimate. They may be less than those of a PSE program because the skills learned on a conservation project may not be transferable to other jobs for those youth who are returning to urban areas. On the other hand, proponents of the program claim that the valuable nature of the work accomplished would enhance the self-esteem of participants, and thus make them more desirable employees in the future.

Option VII: Training for Youth—

This option would create a training program similar to Title I of CETA, but specifically for youth. Again, it would probably be easier and quicker to use the already existing network of CETA prime sponsors to run such a program. Since Title I is already about 60 percent youth, there would have to be coordination between the two programs, or funds for the new program might simply replace those of Title I. A new program might have more success in insuring that training as opposed to work experience, was funded. (This assumes it is more desirable to fund

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[6] These changes result from an increase in Basic Grants to the level necessary to fund a $1,400 maximum award, and funding of the other programs up to or near their maximum authorized levels. For a more complete discussion of this and other higher education options, see *Postsecondary Education: The Current Federal Role and Alternative Approaches*, CBO, Budget Issue Paper, January 1977.

[7] See p. 23 for a more complete explanation of induced enrollment effects.

training; it may be that for many youth work experience is more desirable. If this program resembled the training component of Title I, the cost per year of service might be about $4,000, and the cost per participant $1,400. Thus if the program were funded at $1 billion, over 700,000 persons would participate in 250,000 years of service.

Option VIII: High School Work-Study—

This program would provide students with part-time jobs of not more than 20 hours a week. It would offer students an introduction to various vocations, enabling them to get a better idea of what careers they wish to pursue, so they could structure their education to prepare for that career. The Neighborhood Youth Corps-In School program served these purposes through 1975. Much of the activity supported by that program is now funded through CETA Title I, but it is difficult to estimate the precise extent. The costs to the federal government for a program such as this would be the wages of the part-time jobs, plus administrative costs. If a minimum wage were paid for twenty hours of work a week, and the administrative cost were 10 percent, the cost per service year might be about $2,650.[3] Since the jobs probably would not continue beyond the school year, the length of stay in such a program might approximate eight months. Thus, if the program were funded at a $1 billion level, the number of participants might be approximately 572,000 and the number of service years a little under 400,000.

A program such as this could be targeted on high unemployment areas, or it could be made more generally available. It would, of course, not be of much service to those who have already dropped out of school or to those who have graduated from high school but still lack job skills and experience. It might, however, be a powerful mechanism in encouraging youth to stay in school, in eliminating some of the severe structural problems of certain youth, and in easing the transition from school to work for others.

TABLE 10.—COSTS AND EFFECTS OF FISCAL YEAR 1978 BUDGET OPTIONS

	Cost per—		Per $1,000,000,000 (thousands)	
	Service year	Participant	Jobs funded	Training slots
Option I—Increase current CETA PSE activities	$8,300	$4,565	[1] 27	[1] 0
Option II—Increase CETA, title I	4,525	1,585	[1] 0	[1] 126
Option III—Increase Job Corps	10,000	4,200	0	[2] 20
Option IV—Student assistance targeting	NA	NA	NA	NA
Option V—PSE for youth	6,000	3,000	170	0
Option VI—Young Adult Conservation Corps [3]	11,500	8,625	87	0
Option VII—CETA training for youth	4,000	1,400	0	250
Option VIII—High school work study	2,650	1,750	377	0

[1] Youth jobs and training slots created. Jobs and training slots for older workers would also be funded.
[2] Option III increases the Job Corps by $200,000,000. The figure here represents the training slots created by that increase. A $1,000,000,000 increase for the Job Corps is unfeasible.
[3] Figures are for period after extra startup costs are incurred

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. HART. I yield to the Senator from North Dakota.

Mr. BURDICK. Mr. President, I say to the distinguished Senator from Colorado that I am very pleased to accept the amendment as manager of the bill.

Mr. STAFFORD. Mr. President, if the Senator from Colorado will yield, I appreciate him bringing this to the attention of the Senate. I am a cosponsor of the amendment, and for the minority we are prepared to accept the amendment also.

Mr. RANDOLPH. Vote!

Mr. HART. Mr. President, I ask unanimous consent to add the Senator from Florida (Mr. STONE) and the Senator from Minnestota (Mr. HUMPHREY) as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL CONSIDERATION FOR YOUNG AND DISABLED VETS IN FILLING PUBLIC SERVICE JOBS

Mr. CRANSTON. Mr. President, I rise in support of the pending amendment in which I join with the able Senator from Colorado (Mr. HART) and my distinguished colleagues on the Veterans' Affairs Committee who are respectively the chairman and ranking minority member of the Committee on Environment and Public Works, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Vermont (Mr. STAFFORD) who is also the ranking minority member of the Veterans' Affairs Committee.

Mr. President, the high unemployment rate among young Vietnam-era veterans is a sad commentary on our Nation's involvement in the long and divisive Indochina conflict. It is tragic that those young men and women who bore the brunt of this Nation's entanglement in Vietnam must now bear the brunt of this Nation's economic woes.

At the end of January, approximately 500,000 Vietnam-era veterans between the ages of 20 and 35 were unemployed. The rate of unemployment for younger Vietnam-era veterans—those aged 20 through 24—was 16.8 percent as compared to a rate of 10.6 percent for similarly aged nonveterans for the fifth consecutive month, the rate of unemployment among veterans aged 25 through 29 exceeded the unemployment rate for similarly aged nonveterans.

Mr. President, the President's program for assisting Vietnam-era veterans definitely brightened this gloomy unemployment picture. The Carter administration has moved swiftly in placing a high priority on bringing Vietnam-era veterans back to the mainstream of America's economic life.

Already, the President has forwarded to the Congress a request for an additional 290,000 public service jobs to be financed under the Comprehensive Employment and Training Act of 1973—CETA. In employing individuals to fill these and other public service openings, the President has proposed legislation requiring that a preference be given to qualified unemployed disabled and Vietnam-era veterans as defined by section 2011 of title 38. Qualified disabled veterans are defined in the President's request as those veterans under age 27 with a disability rating of 30 percent or more. Vietnam-era veterans are defined as veterans under age 27 who served on active duty for greater than 180 days and were discharged or released from service—other than with a dishonorable discharge—within the preceding 48 months.

Mr. President, S. 427, the Public Works Employment Act of 1977, is the first employment bill that the Senate will be passing in this, the 95th Congress. S. 427 is the first employment bill this body will be passing since President Carter assumed office. S. 427 is the first employment bill that will be passed since the announcement by President Carter of his intent to give high priority to the unemployment problems of the veterans of the Vietnam era. Thus, I think it important that the Senate include in this bill provisions to assist unemployed Vietnam-era and disabled veterans.

Mr. President, our proposed amendment would require, pursuant to regulations promulgated by the Secretary of Commerce in consultation with the Secretary of Labor and consistent with existing applicable collective bargaining agreements and practices, that special consideration be given to the employment of certain Vietnam-era veterans and disabled veterans in public works projects carried out under title I of S. 427. The amendment provides sufficient latitude for the Secretary of Commerce to implement this requirement in a way consistent with the intent of the Public Works Employment Act to put people back to work in jobs as rapidly as possible and to do so consistent with the terms of applicable collective bargaining agreements. Those veterans targeted for assistance under our amendment are generally those targeted for assistance by President Carter's program and include disabled veterans with a disability rating of 30 percent or more and Vietnam-era veterans—as defined by section 2011 (2) (A) of title 38—under the age of 27.

We have involved the Secretary of Labor in the preparation of the regulations to assure that regulations and policies established under this act are coordinated to the maximum extent possible with those to be carried out under CETA in implementing the President's new program, and to involve the full resources of the Department of Labor and State employment service offices in trying to provide employment opportunities for the veterans we are seeking to help.

In sum, we offer this amendment because we believe it important that we begin to resolve the unemployment problems among Vietnam-era veterans as quickly as possible. We are hopeful that the inclusion of this special consideration requirement within S. 427 will be an important first step.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BROOKE and Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

UP AMENDMENT NO. 66

Mr. BROOKE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. BROOKE), for himself and Mr. CASE, Mr. GRAVEL, Mr. BAYH, Mr. KENNEDY, Mr. WILLIAMS, Mr. MCINTYRE, Mr. JAVTIS, and Mr.

[3] Because of the differential minimum wage for students, wages below the minimum wage could be paid.

STEVENS, proposes unprinted amendment No. 66.

Mr. BROOKE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, after line 16, insert the following new section at end of Title I:

". . . Notwithstanding any other provisions of law, no grant shall be made under this Act for any local public works project unless at least 10 per centum of the articles, materials, and supplies which will be used in such project are procured from minority business enterprises. For purposes of this paragraph, the term 'minority business enterprise' means a business at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of the preceding sentence, minority group members are citizens of the United States who are Negroes, Spanish-speaking, Orientals, Indians, Eskimos, and Aleuts."

"This section shall not be interpreted to defund projects with less than 10 percent minority participation in areas with minority population of less than 5 percent. In that event, the correct level of minority participation will be predetermined by the Secretary in consultation with EDA and based upon its lists of qualified minority contractors and its solicitation of competitive bids from all minority firms on those lists."

Mr. BROOKE. Mr. President, this amendment is cosponsored by Senators CASE, GRAVEL, BAYH, KENNEDY, WILLIAMS, MCINTYRE, JAVITS, and STEVENS.

Mr. President, I offer this unprinted amendment which will be a new section at the end of title I.

Because we are all concerned about the ravages of high chronic unemployment, we are once again deliberating on the merits of a massive public works emplovment initiative. S. 427 will generate great infusions of Federal dollars, not only to stimulate on-site hiring in the construction industry, but also to stimulate hiring in secondary and related industries.

It is proper that we target this $4 billion on areas of greatest need: the inner city, our depressed rural communities, and other areas where unemplovment has been particularly severe and prolonged. And it is important that we focus on the unemployment experiences of different ethnic and racial groups in designing a sensitive and responsive jobs program. For example, among minority citizens, the average rate of unemployment runs double that among white citizens.

Our most recent experience with the EDA formulae and administration was marred by projects which were inappropriate in light of the strong congressional intent that the public works funds be spent where they are most needed.

Of course, EDA will refine its funding procedures based on its experiences with the last public works jobs program. But another way to insure that the moneys are properly targeted is to set aside a reasonable percentage of the public works jobs funds to go to qualified minority contractors.

This is entirely proper, appropriate and necessary. It is necessary because minority businesses have received only 1 percent of the Federal contract dollar, despite repeated legislation, Executive orders and regulations mandating affirmative efforts to include minority contractors in the Federal contracts pool.

It is a proper concept, recognized for example in this committee's bill which sets aside up to 2½ percent for projects requested by Indians or Alaska Native villages. And, the Federal Government, for the last 10 years in programs like SBA's 8(a) set-asides, and the Railroad Revitalization Act's minority resources centers, to name a few, has accepted the set-aside concept as a legitimate tool to insure participation by hitherto excluded or unrepresented groups.

It is an appropriate concept, because minority businesses' work forces are principally drawn from residents of communities with severe and chronic unemployment. With more business, these firms can hire even more minority citizens. Only with a healthy, vital minority business sector can we hope to make dramatic strides in our fight against the massive and chronic unemployment which plagues minority communities throughout this country.

Many have expressed concern about the impact of this amendment as a limitation on contracting in areas where there are few minorities. But this amendment is not a limitation. Rather, it is designed to facilitate greater equality in contracting. This amendment provides a rule-of-thumb which requires much more than the vague "good-faith efforts" language which currently hampers our efforts to insure minority participation.

One final objection to this set-aside may be that it will cause undue delays in beginning these vital public works projects. In fact, EDA already maintains a roster for each State of capable and qualified minority enterprises who are ready and willing to work. These firms are capable of competitive bidding, and need the financial support which this potential level of Federal contracting will guarantee.

Mr. President, an amendment of this kind passed the House during its deliberations on this bill, and I am informed that the committee is willing to accept the amendment without objection.

Mr. DURKIN. Mr. President, will the Senator yield for a question?

Mr. BROOKE. Yes.

Mr. DURKIN. As I read the Senator's amendment, it does not exempt the States that do not have minority contractors, as minority is defined in the bill. I just want to get it clearly set forth on the record that in a State such as New Hampshire, where we have a very small minority population as minority is defined in the amendment or in the bill, our people would not be forced to go out of the State to find minority contractors at the expense of small business people in the State of New Hampshire.

Mr. BROOKE. Mr. President, I thank my distinguished colleague from New Hampshire for seeking clarification of that point.

I want to assure him that his State would not have to go out of the State seeking minority contractors in order to receive funding under this bill. I refer him to a section of the amendment not contained in the House version, reading:

This section shall not be interpreted to defund projects with less than 10 percent minority participation in areas with minority population of less than 5 percent. In that event, the correct level of minority participation will be predetermined by the Secretary in consultation with EDA and based upon its lists of qualified minority contractors and its solicitation of competitive bids from all minority firms on those lists.

This provision does give wide discretion to the Secretary in consultation with EDA.

Mr. DURKIN. May I be a cosponsor?

Mr. BROOKE. Yes.

Mr. President, I ask unanimous consent that the name of the distinguished Senator from New Hampshire be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURDICK. Mr. President, we will be pleased to take this to conference. We want to check and see whether there are any administrative problems with it.

Mr. STAFFORD. The minority is willing to accept it also.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

UP AMENDMENT NO. 67

Mr. BIDEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. BIDEN) proposes an unprinted amendment numbered 67: On page 19, line 7, strike out "and", and between such line and line 8, insert the following:

"(9) the Federal share for any project shall be 90 per centum of the cost of the project, except that (A) in the case of an Indian tribe or Alaska Native organization or in the case of a State or local government which in the judgment of the Secretary has exhausted its effective taxing or borrowing capacity, the Secretary may reduce or waive the non-Federal share, and (B) funds received pursuant to the State and Local Fiscal Assistance Act of 1972 or title I of the Housing and Community Development Act of 1974 may be used for the non-Federal share of such costs; and".

Mr. BIDEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. (Mr. ZORINSKY). Without objection, it is so ordered.

Mr. BIDEN's amendment is as follows:

On page 19, line 7, strike out "and", and between such line and line 8, insert the following:

"(9) the Federal share for any project shall be 90 per centum of the cost of the project, except that (A) in the case of an Indian tribe or Alaskan Native organization or in the case of a State or local government which is the judgment of the Secretary has exhausted its effective taxing or borrowing capacity, the Secretary may reduce or waive the non-Federal share, and (B) funds received pursuant to the State and Local Fiscal Assistance Act of 1972 or title I of the Housing and Community Development Act of 1974 may be used for the non-Federal share of such costs; and".

On page 19, line 8, strike out "(9)" and insert in lieu thereof "(10)".

Mr. BIDEN. Mr. President, the reason why I let the clerk go on and read almost the entire amendment is because I think it is self-explanatory. For my colleagues who have planes to catch, trains to make, and places to go, I will, for my part, take no more than 10 minutes on this entire matter, and possibly less.

Mr. President, we are close to passing a $4 billion public works bill. We want to provide thousands of people with jobs. And yet, the program remains hampered by a drawback it has had since its inception.

As the bill reads now, each project approved will be funded entirely by the Government. Individual cities and towns will not be required to put up as much as a nickel to demonstrate their faith in the projects they submit.

When applications were opened last year, the Commerce Department was flooded. More than 22,000 requests were submitted, asking for more than $25 billion. My colleague in the House, WILLIAM HUGHES of New Jersey, calls this "wishtricking"—and I agree. Many of communities would have thought twice about applying if even a token financial commitment were required.

When the bill was originally passed, I warned against the idea of 100 percent Federal funding. Unfortunately, the situation I feared did develop.

Look at the most publicized example: The town of Mound Bayou, Miss.—population 2,400—received $4.9 million. That was nearly half of Mississippi's total. And the town's annual budget is only about $200,000. If that's not wishtricking, I do not know what is.

But Mound Bayou was not the only one.

Port Graham, Alaska—population 122—got $882,997 to build a community services building. That is more than $80,000 for each of the town's unemployed people. And Upton, Mass.—population 3,500—got $1.6 million, while cities like Pittsburgh and Seattle received nothing.

Even in my home State of Delaware, a community now is wondering whether it has bit off more than it can chew. The Lake Forest area received funds to build an athletic complex; now officials are doubtful the city will be able to afford the building's operating costs when it is completed.

Something must be done. I believe we should require that each applicant be willing to contribute 10 percent of the total cost of the project. That is why I am offering this amendment to the Public Works Employment Act. A provision for 80-percent Federal funding was contained in the original version of the bill, but was deleted in subcommittee. I have changed that to 90 percent.

Two major objections were raised to justify the deletion.

One said that some cities would not be legally or financially able to meet the 10-percent requirement. My amendment specifically allows the Secretary of Commerce to waive the rule when necessary.

The second objection suggests that my amendment would add too much time to the funding process. Admittedly, requiring 10-percent funding could add a little time. But by spending a little more time now, we may be able to increase the program's effectiveness. Last year's experience should have taught us that a program this massive cannot be put in high gear in 60 days. We must spend the money quickly, but also insure the quality and usefulness of the projects.

When I was on the New Castle County Council, we knew we had two kinds of money: The local money, which we watched like hawks, and the funny Federal money, which was a little easier to let go of. This amendment would encourage that greater local analysis of each project that we need.

Frankly, the Congressman who likened this program to a lottery was embarrassingly accurate. As it is set up now, you put your application down and spin the wheel. It is hardly the way to get such a vital program off the ground.

One more point, Mr. President. A number of people here are concerned about jobs. In fact, we are all concerned about jobs. They say this program is primarily to put people back to work. Yet some people continue to say, "But we do not like your program."

I say that if we adopt my amendment, it will mean there will be $400 million more spent, meaning more jobs, not less jobs. And those jobs will be jobs on projects which will at least be given serious consideration by a community to determine whether or not they are ready to provide at least 10 percent of the price tag in order to fund it.

Mr. President, I ask unanimous consent that the article from the Wall Street Journal of Monday, February 14, 1977, by James C. Hyatt, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PUBLIC WORKS CONTROVERSY

(By James C. Hyatt)

WASHINGTON.—Do public works work? With $2 billion now flowing through the federal pipeline to states and cities, and with Carter administration planners proposing to pump another $4 billion into the stream, a lot of government policymakers seem convinced the answer is yes—that public works projects meet important community needs while putting the unemployed to work.

However, the planners seem to lack a clear idea of how to reach the goals they're aiming for. The current system, about four months old, already is awash in controversy and criticism. Congress appropriated $2 billion for local public works last fall, but no worker has yet earned a cent, unless one counts the 265 people hired temporarily by the Commerce Department to figure out which cities should get the money.

If the roar from the mayors and members of Congress is any indication, the public works planners didn't do much to earn their pay. After reviewing the list of nearly 2,000 state and local governments which will receive funds, Mayor Lee Alexander of Syracuse, N.Y., fumed that "45 out of the 100 largest cities in America were excluded. Half of the money that went to New York State went to communities with unemployment rates lower than the national average."

Newark's Mayor Kenneth A. Gibson, president of the U.S. Conference of Mayors, has charged that in setting up the program, the Ford administration adopted a formula "clearly designed to frustrate the needs of the big cities by allocating the money in large amounts to small and rural units of local government."

A similar complaint has come from Capitol Hill. "Economically depressed cities throughout eastern Massachusetts have been denied aid specifically intended for them by Congress," asserts Rep. Margaret M. Heckler (R., Mass.).

Of Mississippi's $10 million share, $4.9 million went to Mound Bayou, pop. 2,100, for "municipal administrative district improvements." In other states that got as much money or more, the allocators totally ignored such major cities as Pittsburgh, Seattle, Toledo, Sacramento and Oklahoma City.

"SOMETHING MUST BE WRONG"

"When so many desperately needy communities are left dry," says Rep. Heckler, "something must be wrong." What went wrong, it appears, was mostly a political failure. Congress whetted the appetite of financially strapped municipalities across the country, but failed either to provide enough money to meet their wants or to recognize the inevitability of disappointments and complaints. As might have been expected, the Commerce Department was flooded with public works proposals once it began taking applications last October. State and local requests for federal money eventually totaled more than $25 billion.

"To some extent this program was like a lottery," Rep. Samuel S. Stratton (D., N.Y.) told his colleagues. "There were 25,000 applications and only 2,000 could win. That is pretty much like putting down $2 at the track and hoping for the best."

Congress had bigger things in mind last fall when it passed the public works legislation over President Ford's veto. Proponents saw public works as a key to opening up jobs for the nation's unemployed, particularly construction workers, and to helping meet local governments' needs.

The eager politicians fashioned a timetable designed to move the funds quickly into the states and cities. The Commerce Department's Economic Development Administration was ordered to issue regulations within 30 days after the measure became law. It was told to act on all applications within 60 days, and to approve only projects where on-site labor could begin within 90 days.

EDA officials are proud of their performance. "There's never been a program to match this," declares John W. Eden, an outgoing assistant secretary of commerce. "By mid-February, from a program that started Oct. 26, there will be funds from 1,988 separate grants ready to be injected into the economy."

Nonetheless, Congress is starting to rethink some of the procedures it required or permitted. "We put some provisions in the law without knowing how they would work out," says one congressional staff member. To their dismay, the lawmakers have discovered:

Cities with low jobless rates actually had a better chance of getting the money than cities with a high rate. The 1976 law allocated 70% of the funds to areas with unemployment above the national average, and 30% to areas with lower-than-average rates. But because most of the applicants sought funds from the 70% pool, the overall result was that cities, counties and states had twice as good a chance of getting money from the smaller pool.

To establish need, cities with low jobless rates were permitted to "claim" adjacent pockets of high unemployment. Congress expected that jobless workers nearby could be hired to work on the projects. "This (provision) seems to have resulted in a great deal of 'gerrymandering'" as cities drafted their applications, one Congressman says. By such

methods, more affluent areas often crowded out needier places.

Federal statistics were often too fuzzy to help identify areas suffering the highest unemployment. The national jobless rate is based on a monthly survey of 50,000 households, but the sample doesn't produce precise rates for particular geographic areas. Building trades unions complained that the government couldn't pinpoint places where their members are particularly hard hit by unemployment. And some states which work up their own figures "dramatically underestimate the number of long-term, chronically unemployed, the very people a measure like this should be helping," complains Rep. Silvio Conte (R., Mass.).

One thing is reassuring: No one has made a convincing case that politics influenced the distribution of the money. None of the applications from Americus, Ga., near Jimmy Carter's hometown, was approved. Gerald Ford's hometown of Grand Rapids, Mich., also struck out. But officials of that city have challenged the ruling in federal court, with a story that may well arouse some sympathy.

Grand Rapids based its application on a claimed 7.8 percent jobless rate, only to discover after the deadline that the Commerce Department allocators were using rates calculated out to hundredths of a percentage point. Its actual rate was 7.77 percent, just under the national average of 7.78 percent. Use of the more exact figure would have put Grand Rapids right at the top of the smaller group of applicants competing for the 30 percent share of federal funds; instead, the 7.8 percent figure threw the city right at the bottom of the line for the larger allocation.

While examining Grand Rapids' complaint, a federal judge temporarily enjoined the Commerce Department from allocating some of the Michigan public works funds. The injunction has now been lifted, but the city is still pursuing its court challenge.

A FAMILIAR STORY

There are similarities between the difficulties the new public works law is encountering and the woes which beset the emergency public-service jobs programs of the early 1970s. In both cases, there was intense pressure to get the funds distributed quickly. There were quarrels about the statistics used to determine eligibility for funds. Then, as now, Congress had to tighten up some regulations while loosening others.

The major change likely in the next public works allotment will be to target the funds more closely to areas of high unemployment. "The implication that we are simply going to extend this act" without making changes in the rules "would be a serious mistake," declares Rep. Barber Conable (R., N.Y.). That warning seems to coincide with Carter administration views. "We intend to see that those applications are processed in a way that would push them to areas of high unemployment," declares Stuart Eizenstat, domestic policy adviser to President Carter.

Skeptics of public works as an efficient, fast economic stimulus are saying I-told-you-so. "We are very anxious to legislate results, but apparently do not really care whether the programs work," declared Rep. Bill Frenzel (R., Minn.), during a recent House discussion of the public works shortcomings. Projects "which produce temporary jobs costing the taxpayers $25,000 to $40,000 each can hardly be considered a sound or responsible way to try to improve our economy," he argued.

In his last budget, former President Ford criticized public works as taking too long to generate significant numbers of jobs. Of the $2 billion appropriated last fall, his planners forecast, only $800 million will be spent in fiscal 1977, and another $300 million in fiscal 1978. The budget said the funds would create only 48,000 jobs each year. (The AFL–CIO figures each $1 billion spent accounts for about 40,000 direct jobs and about 20,000 indirect jobs.)

The brief experience of the present public works program seems to indicate that Congress should answer a number of questions before expanding public works subsidies as a more permanent job-creation tool. How fast does the money flow into the economy? Does it reach the pool of hard-to-employ workers? Is too much spent on bricks and mortar instead of payroll? Do slow-starting projects risk aggravating inflation later by tightening up labor markets in an improving economy?

The hopes of the mayors, at least, aren't diminished by the initial confusion. "There seems to be a wide chasm between congressional intent and execution," declares Mayor Alexander of Syracuse. "There were some casualties in the initial assault made on the program. But we've got some experience now. We can build on that experience and put together a better program."

Mr. BIDEN. Mr. President, I yield to whomever would like to have the time.

Mr. BURDICK. Mr. President, the subcommittee had 3 days of hearings. We had representatives of industry, labor, States, county, cities, and school districts testify in favor of a continuation of 100 percent funding.

The real objection to this amendment, of course, concerns the administrative complications it would entail. There are some 22,000 applications now on file and they are to be first considered in the second round. This would mean that the administrator would have to go back and investigate these 22,000 applications to see if the applicant can provide the 10-percent local match. It will almost certainly be an administrative headache to go back over these projects.

The idea of the jobs bill, essentially, is to help the economy and help it as soon as we can. That is the reason for it. All I can see in this amendment is delay. It is against the strong testimony we have received to the contrary. I would hope the Senate would reject this amendment.

Mr. STAFFORD. Will the Senator yield?

Mr. BIDEN. Surely.

Mr. STAFFORD. Mr. President, I join with the chairman of the subcommittee in reluctantly opposing the amendment offered by the distinguished Senator from Delaware. I applaud his desire to bring communities financially into the picture in this case. I must agree with the subcommittee chairman. After all the testimony that was in front of our committee, after all of the work the committee did to devise this year a formula as fair as we could write for the distribution of funds to States and formulas fairly as we could write them for distribution of funds within a State, I must agree that injecting this additianal qualification into the program would slow it down at a time when we want all deliberate speed. That is so not only because of the additional considerations that would have to be taken up by the Economic Development Administration, but by the necessity in many communities of finding out whether the community in fact would authorize the 10-percent share to go along.

With reluctance I must join Senator Burdick in urging my colleagues to oppose this amendment.

Mr. BIDEN. If I may respond briefly, and I will request the yeas and nays on this, No. 1, with regard to the delay, our past experience has indicated that projects do not get off the ground in the 60-day period people are talking about. Practically speaking, it is a lot longer than that. I would submit that any community that has to go back and in fact go through a tortuous decision as to whether or not they want to put up 10 percent of the money, indicates there is not a whole lot of merit to the project.

No. 2, the testimony that was taken, understandably, is four-square support for 100-percent financing. I look around this room to many of my distinguished colleagues. I ask them, have they ever heard of a city, town, or State which they represented come in and say, "Do not give it all to me. Make me pay for part of it."

I have never heard of that happening. Maybe it does. It has never happened in Delaware.

In the last amendment, somebody was talking about all of us as statesmen. Well, maybe there are some statesmen here that I do not know about.

Third, this would not really change the impact of the committee's distribution formula. There are $25 billion worth of requests pre-1977 which are sitting there waiting. I suspect we would not have any problem in finding $4 billion out of those $25 billion who could make an immediate decision as to whether or not they wanted to come up with the money. I think it is a bit of a red herring.

I make my final point that if in fact the Biden amendment passes we will be putting more people to work. It will require not only the $4 billion plus being authorized here today to be spent in the name of unemployment, but that $400 million additional will be spent. More projects can be built in more States and more people can be employed. But I warn Senators if they support Biden they will get more heat from the local councilman, the local mayor, the local Governor and all the folks who line up and come down here and tell us, "You need to take more responsibility but do not make us take any responsibility."

I warn Senators, this will have a negative impact on Members politically if they support this. But I submit Senators may just be right if they do support it. I have no illusions about my chances when the mayors, Governors, the National League of Cities and all the rest line up. I do not think I can tilt against that windmill, but I thought I would take a shot at it and hopefully make all Senators feel badly, and prick their consciences a little bit, if I could.

Mr. DURKIN. Mr. President, will the Senator yield?

Mr. BIDEN. I yield to the Senator from New Hampshire.

Mr. DURKIN. Mr. President, I rise in opposition to the Biden amendment. I do not think it will help put people back to work. The property taxpayers of New Hampshire and every other State in the

Union are already hard pressed over the economic fumbling in the last 8 years in Washington. Now what are we going to do?

This program is designed to help put people back to work, to help stimulate the economy. This would ask the property taxpayers in every community in New Hampshire and across this country to dig in and help bail out the Federal Government to help rectify the economic problems caused by the Federal Government. I believe the property taxpayer has been asked to bear enough of a burden without asking them to rectify the economic mistakes of the last 8 years in Washington.

If no one else intends to, I intend to move to table this amendment.

Mr. BIDEN. If the Senator will withhold his motion, I will respond. It is an uncharacteristic position for me to be in opposition to the position of the Senator from New Hampshire, who informed me that my ACA rating would go up. I hope so. I need that badly. However, I do not know how this has anything to do with the Americans for Conservative Action. I am perplexed about that.

Second, I do not know how asking a local official to put something on the line to avoid the kinds of things I cited, and we could go on ad nauseum citing examples of such misuses, is somehow unwarranted Federal intervention. I think I have this mixed up. We are saying to the States, "We are going to give you dollars." I guess maybe it is an old-fashioned idea to say, "If you want our dollars, maybe you should tell us that you have something pretty legitimate that you are going to build."

I do not know how this costs jobs. If anyone can show me how this costs any jobs, I will withdraw the amendment. I will withdraw it if someone can site me such an example but I do not withdraw it. If anyone can show me how this will cost jobs I will withdraw the amendment. I guess that is what we would call a retort or something.

Mr. President, I yield back the remainder of my time and I am prepared to yield on a tabling motion or any kind of motion. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

Mr. DURKIN. Mr. President, I move to table the amendment.

Mr. BIDEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Delaware.

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Nevada (Mr. CANNON), the Senator from Colorado (Mr. HASKELL), the Senator from Louisiana (Mr. LONG), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Utah (Mr. HATCH), the Senator from Nevada (Mr. LAXALT), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to a death in the family.

The result was announced—yeas 74, nays 12, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—74

Abourezk	Garn	Nelson
Anderson	Glenn	Nunn
Baker	Hatfield	Packwood
Bayh	Hathaway	Pearson
Bellmon	Hayakawa	Pell
Bentsen	Heinz	Percy
Brooke	Hollings	Proxmire
Burdick	Huddleston	Randolph
Byrd, Harry F., Jr.	Inouye	Ribicoff
Byrd, Robert C.	Jackson	Riegle
Case	Javits	Sarbanes
Chafee	Johnston	Sasser
Chiles	Kennedy	Scott
Clark	Leahy	Sparkman
Cranston	Lugar	Stafford
Culver	Magnuson	Stennis
Danforth	Mathias	Stevens
DeConcini	Matsunaga	Stevenson
Dole	McGovern	Stone
Domenici	McIntyre	Talmadge
Durkin	Melcher	Thurmond
Eagleton	Metzenbaum	Tower
Eastland	Morgan	Weicker
Ford	Moynihan	Williams
	Muskie	Zorinsky

NAYS—12

Allen	Hansen	Metcalf
Biden	Hart	Schmitt
Church	Helms	Wallop
Curtis	McClure	Young

NOT VOTING—14

Bartlett	Griffin	Long
Bumpers	Haskell	McClellan
Cannon	Hatch	Roth
Goldwater	Humphrey	Schweiker
Gravel	Laxalt	

So the motion to lay on the table was agreed to.

UP AMENDMENT NO. 68

Mr. METZENBAUM. Mr. President, I call up the amendment which I have at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM) proposes an unprinted amendment numbered 68.

The amendment is as follows:

At the end of the bill add the following new title:

TITLE IV—DISASTER RELIEF ACT AMENDMENTS OF 1977

SEC. 401. (a) Title III of the Disaster Relief Act of 1974 is amended by adding at the end thereof the following:

"EMERGENCY ASSISTANCE FOR REPAIR OR RESTORATION OF PUBLIC FACILITIES

"SEC. 319. (a) In any case where an emergency has resulted in damage to or destruction of a public facility belonging to a State or local government, the President is authorized to make contributions to such State or local government to help repair, restore, reconstruct, or replace that public facility.

"(b) For the purpose of this section, the term 'pubic facility' has the same meaning as under section 402(d) of this Act.

"(c) The Federal contribution under this section shall not exceed 75 per centum of the net cost of repairing, restoring, reconstructing, or replacing a public facility on the basis of the design of such facility as it existed immediately prior to the emergency and in conformity with current applicable codes, specifications, and standards.".

(b) The amendment made by subsection (a) applies to any emergency occurring on or after June 1, 1976.

Mr. METZENBAUM. Mr. President, I rise at this time to offer an amendment to S. 427, the Public Works Employment Act of 1976. This amendment, the Disaster Relief Act Amendment of 1977, amends a glaring deficiency in the Disaster Relief Act of 1974. Under the 1974 act, the Federal Government provides 100 percent grants to States or local governments for the repair of public facilities damaged by a major disaster. This assistance has provided desperately needed funds to communities which have suffered severe losses as a result of a natural disaster. If, however, a community has suffered only from an emergency, there is no comparable measure of relief available. Yet, a comparison of the kinds of situations which are called emergencies and those classified as disasters reveals that we are talking about the same types of crises—hurricanes, tornados, floods, and droughts. Despite this similarity, a major disaster receives 100 percent funding for repair of public facilities, while an emergency receives no funds at all. The amendment I am proposing would authorize up to 75 percent in Federal funds to those States and localities that have been declared an emergency by the President.

I am offering this amendment to this bill, Mr. President, because I believe that if we are here today to provide an economic stimulus to our lagging economy. We cannot ignore the severe economic hardships presently facing States such as Ohio.

There was not another State in the country harder hit by this winter's crisis than Ohio. Simply stated, it was colder, for a longer period of time, than at any other time in Ohio's history. Road damage is estimated to be as high as $400 million this year—four times the cost in past years. Over 25,000 water mains have broken throughout the State, causing innumerable interruptions and damage. When the total economic loss, including loss of revenue, increased cost of unemployment compensation and welfare, and business interruption is added up the figure is staggering—$1.2 billion for my State. The Federal response to this emergency has been the magnificent sum of $2 million. Two million dollars as against $1,200,000,000 in expenses.

Just today, Mr. President, the Administrator of the Federal Disaster Assistance Administration informed the Governor of Ohio that no additional Federal funds would be forthcoming. The letter further states:

In view of the Federal and State assistance programs which have already been made available, we have concluded that this situation does not appear to require a major disaster declaration.

Mr. President, I do not know what the Administrator of the Federal Disaster Assistance Administration needs to convince him that there has indeed been a disaster in Ohio. When the Federal Government provides one-sixth of 1 percent to help us with respect to the severe winter we have endured, a situation in which hundreds of thousands of workers have been put out of work, in which schools have been closed, in which local governmental agencies have been driven close to bankruptcy, then I say there is a kind of indifference and a crassness that is unbelievable.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. METZENBAUM. I am pleased to yield to the Senator from Indiana.

Mr. BAYH. I say to the Senator from Ohio that I would like to associate with the remarks that he has just delivered.

As chairman of the Special Committee of the Public Works Committee, it was my responsibility to write the first major comprehensive disaster relief act. I now find it unbelievable to see those who are now charged with administering this program, which is supposed to bring relief to the citizens of this country, finding excuses time and again not to apply this program. It seems to me that the intention of this act, when we passed it, was to find ways in which we could make this program work, thusly, assisting those citizens of Ohio, Indiana, and other States who are in dire circumstances.

I particularly wish to emphasize that portion of the Senator's remarks which points out there are a great many local government agencies that are in dire circumstances. They had no alternative but to go out and spend what they had apportioned for the whole year, to try to save lives and to try to get supplies. They did what any responsible officials would do.

Now we are confronted and they are confronted with the fact that the snow is gone, but the consequences of that disaster are still present.

I am hopeful that before the next year has past, the Senator from Ohio and I and others will do something about this, either by persuading the President to appoint people who will intepret the disaster legislation differently or by amending that legislation to provide adequate compensation.

Mr. METZENBAUM. I am grateful to the Senator from Indiana for his supporting comments. We have problems in Ohio that are somewhat similar to this. There is bankruptcy. Communities after communities call me in the morning and say to me, "Our community just does not have the funds to keep going. We have used so much for snow removal; we have used so much to try to keep the method of transportation and communication open that we cannot operate any further."

I heard of one community the other day that will not have had any water facilities for 45 days. But the Administrator of the Federal Disaster Assistance Administration somehow does not believe that this is a disaster.

Mr. President, one-sixth of 1 percent is not an adequate response to a situation where hundreds of thousands of workers have been out of jobs, schools have been closed, and local governmental agencies have been driven close to bankruptcy.

Mr. President, because of the urgency of the bill before us today, I would be willing to withdraw my amendment if the distinguished chairman of the subcommittee that deals with disaster relief assures me he will include this critical subject in hearings he will hold this spring on the subject of disaster relief legislation. We need his help; we need his support.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. GLENN. Mr. President, when a State has been as savagely hit by nature as Ohio was this winter, that is a disaster. It was a disaster by every possible definition—except FDAA's.

I think FDAA misjudged this one badly. No State suffered more during the natural gas and weather crisis than Ohio. Signs of lingering damage are everywhere. Many streets and highways are chuckholed obstacle courses. Homes, businesses, and public facilities everywhere in the State have been damaged. The State estimates a total of $1.2 billion in damages, and anyone who takes more than a passing glance at the situation realizes that the toll has been very great. New damage reports come into me every day.

I believe that FDAA was in error, or perhaps the criteria that FDAA operates under are in error and should be expanded. I believe they were in error when they claimed that the State and local governments have not utilized all of the tools at their disposal. This may be true in some cases, but generally speaking State and local means are stretched as far as they can go. Many local officials have called me to say that they have used up their full year's highway budget, for instance, in the first 3 months of 1977 just trying to keep the streets passable. Overtime and high supply costs have driven municipal and county budgets right to the wall, and that is a disaster deserving Federal help.

When a dam bursts in Idaho or a tornado hits Kansas the Federal Government moves in with assistance. What took place in Ohio this winter was a far more drawn-out tragedy. The human toll cannot even be calculated. About 500,000 Ohioans were out of work at one time because of gas shortages—about 40 percent of the national gas-related jobless total. That kind of human suffering was bad enough, but they tell us now that we will not even be back on full supplies of gas until perhaps the midsummer of this year.

To say that what has been left in winter's wake—gutted streets, damaged homes, broken municipal budgets, crumbling bridges—does not constitute a disaster is very short-sighted.

Mr. President, I am very glad to support the statement of my colleague from Ohio. I had planned to make a statement along a similar line and am glad to support what he has brought out. I hope that we may have some resolution or some expansion of the criteria by which FDAA makes these determinations, so that they need not apply just to specific instances of a tornado or a dam breaking but can apply when a whole State is under an extended disaster period, such as Ohio was hit with this winter and lives with today and will live with for the rest of this year.

I thank my colleague for yielding me this time.

Mr. METZENBAUM. I thank the Senator.

Mr. BURDICK. Mr. President, disaster relief is one of my responsibilities in the Public Works Committee, and I am well aware of the weather conditions that obtained in Ohio and that have been eloquently described by the two Senators from Ohio.

I can assure both Senators that this spring we will hold hearings as to the adequacy of the present act and will give them an opportunity to formally present their views.

Mr. METZENBAUM. I thank the distinguished Senator.

Mr. President, I withdraw my amendment from further consideration.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 62

Mr. PACKWOOD. Mr. President, I call up my amendment No. 62.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oregon (Mr. PACKWOOD) on behalf of himself and Mr. CRANSTON, Mr. MCGOVERN, Mr. METZENBAUM, Mr. CHURCH, Mr. HAYAKAWA, Mr. PERCY, Mr. WALLOP, and Mr. HATFIELD, proposes an amendment numbered 62.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 21, after line 16, insert the following:

SEC. 105. The Secretary of Commerce, acting through the Economic Development Administration, may allow any applicant which has received a grant for a project under section 102 of this title substitute another project or projects if in the judgment of such Secretary (1) the Federal cost in the aggregate of such project or projects does not exceed the grant made under section 102 of this title, or if it does exceed the cost of the initial grant then the local community will provide funds to meet the excess; (2) if the project was selected on the basis of section 102(d)(7), the project or projects proposed for substitution are similar in immediate job-creating potential and relative time necessary for completion, and (3) the project or projects proposed for substitution will, in fact, aid in alleviating drought or other disaster conditions or damage.

Mr. PACKWOOD. Mr. President, I send to the desk a modification of the amendment and ask unanimous consent that the modification not be read. I will explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modification amendment is as follows:

On page 21, after line 16, insert the following:

"SEC. 105. The Secretary of Commerce, acting through the Economic Development Administration, may allow any applicant which has received a grant for a project under section 102 of this title to substitute another project or projects if in the judgment of such Secretary (1) the Federal cost in the aggregate of such project or projects does not exceed the grant made under section 102 of this title; (2) the project or projects proposed for substitution are consistent with section 106(d) of the Public Works Employment Act of 1976; (3) if the project was selected on the basis of section 102(d)(7) of the Public Works Employment Act of 1976, the project or projects proposed for substitution are similar in immediate job-creating potential and relative time necessary for completion, and (4) notwithstanding any provision of section 106(a) of the Public Works Employment Act of 1976, which shall not apply to projects substituted under this section, the project or projects proposed for substitution will in fact aid in alleviating drought or other emergency or disaster related conditions or damage."

Mr. PACKWOOD. Mr. President, the only difference in the original amendment is that I have added the words "other emergencies," so that the last line in the amendment as submitted yesterday reads:

In alleviating drought or other emergency or disaster related conditions or damage.

Mr. President, the amendment is simple. I will not relate all of the facts supporting it and the statements supporting it because I put them in the RECORD yesterday, and I am sure they were all read by the Members of this body.

Basically what it allows under this amendment is for a community that has received a grant to shift and use that money for a drought-related project. Other than that, all of the other conditions obtain. They must employ the same number of people; they cannot spend any more money than would otherwise have been spent. If they do, they have to put up the money. But it does allow the communities to use the money for drought-related projects.

When they applied for these projects 8 or 10 months ago they did not realize the drought was coming. That is the reason for the amendment, and I have no further comments.

Mr. CRANSTON. Mr. President, I will be very brief. I want to say a few words, and then I have a perfecting amendment that is not controversial.

I am pleased to cosponsor the amendment offered by the Senator from Oregon.

Since State and local governments submitted their applications for funding of public works projects under the local public works program, 37 California counties have been declared emergency areas by the President because of the drought.

As a result of the drought, local priorities have changed and projects such as the construction of municipal swimming pools are no longer realistic or responsive to community needs.

As I understand it, this amendment would permit units of government whose applications are selected for funding in the second round to substitute new projects of the same cost to alleviate drought conditions.

The amendment would provide EDA the flexibility to respond to urgent local needs to drill wells, install pipelines, activate desalting plants, and transport water into drought areas.

UP AMENDMENT NO. 70

Mr. CRANSTON. Mr. President, I send a perfecting amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes a perfecting amendment:

After "to substitute another project or projects" and before "if in the judgment" insert "(including the transportation and providing of water to drought-stricken areas)".

Mr. CRANSTON. Mr. President, I can explain this amendment in three sentences.

My amendment would clarify that the transportation and providing of water to drought areas are public works projects under the Local Public Works Act.

Congressman JOHN BURTON who represents Marin County, Calif., where the drought is perhaps the most severe did a fine job of calling his colleagues' attention to the special needs of drought-stricken areas. The House adopted his amendment to include under the definition of public works projects the transportation and providing of water to drought areas.

That is what this does, and I urge its adoption. I understand it is acceptable.

Mr. PACKWOOD. Mr. President, I find the amendment acceptable and will accept it.

Mr. BURDICK. We accept the amendment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Does the Senator seek recognition prior to the vote?

Mr. DOMENICI. I commend the Senator for it. I ask the Senator from Oregon, and I ask unanimous consent, that I be named as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I commend the distinguished Senator from Oregon for this amendment. I spent many days working on this bill and, I think, truly this is a significant addition.

I hope we can retain it in conference. I think it is up to EDA to make sure they do it without undue delay. But I truly believe if it only has an impact on 10 or 12 percent of the projects in a certain State, it will be 10, 12, or 15 percent that we would not otherwise have directed our attention to.

If this bill is spread out over 2 years, I think it has the potential built in to do that, and I think the Senator's amendment will even get more important and more significant. The drought is not going to go away, and the curative measures are going to be with us for a substantial amount of time.

So I commend the Senator for the idea. I do think it is a tremendously constructive add-on to this bill.

Mr. PACKWOOD. I thank the Senator.

Several Senators addressed the Chair.

Mr. BAKER. Mr. President, I yield to the Senator from West Virginia.

Mr. RANDOLPH. I want to refer to what Senator DOMENICI was saying and to say to the Senator from Oregon (Mr. PACKWOOD)—I have no right to say this, but I think it is appropriate—the Senator from New Mexico will be a conferee on this bill, and he believes very strongly in it. He is a cosponsor of the Senator's amendment, and I hope to be a conferee also. I think it is a valid provision the Senator has proposed, and I think the approval of the Senate, hopefully, can be agreed to in the conference with the House.

Mr. PACKWOOD. I thank the Senator for his remarks.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as amended, of the Senator from Oregon.

The amendment, as amended, was agreed to.

UP AMENDMENT NO. 71

Mr. BAKER. Mr. President, I call up my amendment at the desk and ask the clerk to report.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), for himself and Mr. RANDOLPH proposes unprinted amendment No. 71.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, after line 16, insert the following new section:

"SEC. 105. Notwithstanding any other provision of law, no grant shall be made under this Act for any local public works project unless only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, and supplies mined, produced, or manufactured, as the case may be, in the United States, will be used in such project.

"This section shall not apply in any case where the Secretary determines it to be inconsistent with the public interest, or the cost to be unreasonable, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality."

Mr. BAKER. Mr. President, this is an amendment by myself and the distinguished senior Senator from West Virginia, referred to as the buy American amendment. It is identical to the amendment or the provision that was adopted in the House of Representatives.

The effect of this amendment is to apply the policy of the Buy American Act to the procurement of materials for the

construction of those federally assisted projects authorized by the Public Works Employment Act of 1977, title I of S. 427. As my colleagues know, the Buy American Act has applied to direct Federal procurement since the 1930's. It requires that materials procured with the taxpayers' money are manufactured in the United States from materials produced substantially in the United States. My amendment extends this policy to federally assisted projects, but only in the case of this program.

The language of my amendment is identical to that adopted by the House during consideration of a companion bill. Furthermore, the language conforms to that in the Buy American Act, so that we do not impose on State or local governments a more stringent domestic purchasing requirement than the Federal Government imposes on itself. Because of the long administrative experience in executing the Buy American Act, the practical problems associated with implementing this requirement ought to be minimized.

Mr. President, it is consistent with the job-creating objectives of the Public Works Employment Act to apply this requirement to those projects funded under title I.

Mr. President, I urge the managers of this bill to consider favorably accepting it and incorporating it in the Senate-passed proposal.

Mr. BURDICK. Mr. President, we will accept the amendment.

Mr. STAFFORD. We accept the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent to be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CURTIS and Mr. STAFFORD moved to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 72

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes unprinted amendment No. 72.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, after line 16, insert the following new section:

"SEC. 105. (a) The President is also authorized and directed to study public works investment in the United States.

(b) The study authorized by this section shall be separate and independent from the study authorized by section 104 of this Act and shall include, but not be limited to, the following:

(1) economic stimulus created by public works projects;

(2) tax expenditure per job;

(3) evaluation of the criteria for assessing public works needs relative to other national spending priorities;

(4) impact on construction costs in the private sector; and

(5) the comparison between public works and private sector construction costs on similar facilities.

(c) The President shall submit to Congress a report with respect to such study no later than eighteen months after enactment of this section. A preliminary report putting forth the study design shall be submitted to Congress within four months after enactment of this section.

Mr. DOLE. Mr. President, this has been discussed by both sides and, I think, it is acceptable.

The purpose of this amendment is to authorize a separate Presidential study to include several considerations—the economic stimulus created by public works projects and the timing of the impact of that stimulus, the Federal tax dollars expanded per job created, suggested criteria for measuring public works expenditures against other national spending points, the impact public work construction projects have on private construction costs in the immediate vicinity, and a comparison between public works and private sector construction costs on similar facilities.

This information would be most helpful to Congress as it considers future public works proposals, and I urge my colleagues to join with me in requesting that a Presidential study cover these important issues.

It is a separate study. The Senator from Kansas believes it might be helpful down the road as we look at other public works programs and other public works bills in general.

I do not know of any objection to the amendment.

I yield back the remainder of my time.

Mr. BURDICK. We will accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I shall take just a few moments. I first want to say as we worked on this bill we heard many facts about the first $2 billion that we authorized under accelerated public works.

We had numerous complaints. Everyone should understand that that first program was brought forth under an emergency. We had no illusions when it came to the floor and when it was finally conferred upon that it would be without problems, and it had some.

I am going to vote for this bill, but I do want to acknowledge that I expect some problems under it.

I do not think there is any way we could expect this kind of new accelerated, locally sponsored public works bill to be without after-the-fact inequities, without situations that we might not clear up later on as we move down the line.

I want to digress for just a moment and talk about one part of this bill which has not been referred to. In doing that I want to thank the junior Senator from New York for cosponsoring with me in the committee that portion of the bill that is known as section 104.

Mr. President, Congress for years has been involved in public works projects, not accelerated only but all kinds, highways. We helped cities build parks, we financed parks and schools, local communities with all kinds of capital improvements of a public nature.

It came to our attention in these hearings, and in other hearings in the Senate, that there may be a real long-term concern as to whether or not the United States federally, locally, special district-wise and State-wise, is spending enough money for public works or whether or not it is spending too much or whether or not our focus is on the wrong kinds of public works.

There is much skepticism among economists that perhaps we are shortchanging two generations down the line by not taking an inventory of what we are now spending by way of capital improvements for public works projects across this Nation.

I think for the first time in history this section 104 will mandate that the executive department of the U.S. Government conduct an in-depth survey of public works projects across this land and 18 months hence they advise Congress as to certain conclusions, inventorying them, making some discrete analysis of public works in the United States, and answering some very difficult questions as to the present status and the future consequences of public works in the United States.

Even though it is in our bill, and thus will be voted upon by this Senate, and obviously we are going to pass this bill, I wished to say a few things about it specifically because I believe it is an important part of the Senate bill and if that is different from the House bill, I wished to give my remarks here in the Chamber, indicating that when the Senate votes on this bill they are joining with the committee in asking that this kind of section remain in the final conferred-upon bill, for it will provide some extraordinary guidance to Congress, the executive department, and to local units of government with reference to the present impact of public works, the future impact, and the consequences of our failure to do what we must in the area of public projects at the local and national level.

Mr. President, when S. 427 was reported by the Committee on Environment and Public Works, I filed supplemental views indicating questions I had about how the measure fit with the remainder of the stimulus package being fashioned in other committees.

Title I authorizes $4 billion for the continuation of the public works jobs program initiated last year. S. 427 is one of several measures to be considered by

the Congress in the coming weeks to stimulate the economy and create jobs. S. 427 is the first of these large stimulus measures to come before the Senate. Since the bill was reported, I have attempted to see how the bill fits with the remainder of the stimulus package. None of the other programs have yet been acted on by the various committees so the final shape of the package is still undetermined. In the absence of these alternative bills, I intend to vote for S. 427.

I am pleased to learn that agreement has been reached on title II, the youth employment program. I understand that the title will be referred to the Committee on Human Resources, along with several other youth employment bills which have been introduced in Congress. It is my understanding of the agreement that the Human Resources Committee intends to report a comprehensive youth employment to the Senate bill by May of this year. I believe this is a proper way to proceed and I commend the ranking minority member of the committee, Mr. STAFFORD, and Mr. RANDOLPH for their efforts in achieving this agreement.

The staggering rates of unemployment among the young people of this country must be addressed by Congress and that specific legislation is required. I have cosponsored bills. But I believe it is important that Congress proceed on a unified approach.

I was involved with the markup of this bill in the committee. I am pleased that several of the amendments I offered were adopted by the committee. One of my amendments proposed that additional criteria be considered by the Secretary of Commerce in breaking ties which may occur between project applicants. Under this section, the Secretary is directed to consider the potential of the project to create immediate jobs and the length of time it takes to complete the project. These criteria reflect the purpose of a countercyclical program to create the maximum number of jobs in the shortest time. I also proposed that EDA report back to Congress on the implementation of this program so that Congress may consider the effects of the current effort before undertaking any future program.

The committee agreed to my proposal directing the President to study public works investment in this country over the past 30 years and the meaning of these trends for the future. Concern has been expressed about the level of this country's investment. The President's study will provide Congress the necessary background to evaluate the situation.

As I indicated in my views, I strongly support title III of the bill, extending the wastewater treatment construction program of the Environmental Protection Agency. Enactment of the authorization is necessary to prevent serious disruptions in this major ongoing construction program. Failure by the Congress last year to enact an authorization for fiscal 1977 has created uncertainty about the future of the wastewater treatment construction program in States which will soon exhaust their existing allocation. My own State of New Mexico is projected to run out of funds by June of this year. Others will run out much earlier. Without the authorization included in this bill, the program in these States will come to a halt. In all States, added funding is critical to maintaining the effort of local project sponsors toward completing planning for facilities now "in the pipeline."

Mr. President, I yield the floor.

ADDITIONAL STATEMENTS SUBMITTED ON S. 427

Mr. BAYH. Mr. President, the legislation before us today is the most important bill to be considered by the new Congress. It marks a first step by the administration and the Congress to come to grips with the tremendous economic problems which burden the Nation. After years of vetoes and frustration, we are starting to take the action which will put the country back to work.

During the last several years, many of my colleagues and I have spoken repeatedly about the need for decisive government action to reduce unemployment. We predicted that the cold-hearted, hands-off policy of the previous administration would unduly prolong the suffering of the American people, and, sadly, we were correct. The gross national product expanded at only 2.4 percent in the last quarter. There are still over 7 million people who cannot find jobs. The unemployment rate was at an outrageously high 7.5 percent in February.

Fortunately, we now have a President who realizes that unemployment figures represent the lives of millions of people and are not simply statistics to be talked about. Fortunately, Mr. President, this administration will work with the Congress to develop the proper programs to help those people. I believe that we will now see real progress in our quest for a strong economic recovery.

S. 427 will provide $4 billion in grants to State and local governments to provide jobs through construction in places with high rates of unemployment. It is an integral part of the President's economic program and sorely needed.

The recession has made it impossible for local governments to carry out normal programs of capital expenditures for public works. State and local government outlays for new construction for the 10-year period since 1967 have actually dropped in volume from $30.8 billion to $22 billion—in 1972 dollars—partially causing the extremely high rates of unemployment in the construction industry.

This bill will provide the funds to stimulate public building. It will provide hundreds of thousands of jobs in construction and related industries. And the work provided will not be make-work. It will result in lasting improvements in communities across the country.

This approach to unemployment makes so much sense to me, Mr. President. It will provide meaningful, dignified work to our people who would much rather earn a living than receive unemployment payments. By putting people back on the payrolls, it will increase tax revenues available to the Government and provide additional purchasing power to the participants who will in turn produce more demand for goods and services with their dollars earned.

Further, this legislation will have a definite impact on minority unemployment, which is especially critical in regard to black youths. One cannot refute the unfortunate statistics that unemployment among black youths has reached epidemic proportions. The official unemployment rate for blacks between the ages of 16 and 19 is over 40 percent. And a third of all black men and women just entering the prime years of their working lives, 20 to 24, are confronted with the problem of trying to find jobs in order to support their families as well as themselves.

The failure of our system to supply jobs to the black youth of America has caused a drastic decline in the number of blacks reported in the labor force statistics. Only two decades ago, two out of three black youths 16 to 19 were counted in the labor force. However, in the short span of 20 years this figure dropped to an unsatisfactory figure of only two out of five. Although the statistics for the next age group, 20 to 24, are not quite as bad, labor force participation for this group did drop by almost 10 percentage points over the past 15 to 20 years.

It is imperative that such statistics not only be abruptly halted, but that they also be reversed. The public works bill is a step in that direction.

Nonetheless, this program should not be considered as a panacea to the many complicated problems of unemployment among black youths or among the population in general. More will be needed, and more is planned. This bill will also make $9 billion available for funding the waste treatment facilities program. We will, in the near future, double the size of the CETA public service jobs program and expand the countercyclical revenue-sharing program so that State and local governments will not have to tighten their belts and raise taxes at a time when we, at the Federal level, are fostering an expansive economic policy. The President announced a new youth employment program yesterday and legislation will be sent to us soon.

We will also have a tax reduction package which will provide an additional $13 billion in stimulus this year. This measure has already been passed by the House of Representatives and will be considered by the Senate in the very near future. While I believe some improvements can be made in that measure, I believe its concept of fueling demand by reducing taxes and providing rebates to the average American working men and women and establishing new incentives for business expansion is sound and crucial if we are to jolt the economic recovery from the doldrums in which it has settled.

There are many, Mr. President, who argue that the tax reductions and additional spending will result in a new round of inflation. But one must remember that the deficits of today are caused primarily by unemployment. For each percentage point of unemployment above

4 percent, the Government loses in excess of $16 billion through lost tax revenues and unemployment compensation. Only by meeting the unemployment problem head on can we reduce Federal deficits and move on to the balanced budget we all desire.

Further, Mr. President, 20 percent of our industrial capacity now lies idle. While we must make wise decisions to stimulate investments to avoid bottlenecks in the long term, it appears very clear that there is presently ample slack in the economy to absorb the President's proposed economic stimulus and even more.

Our inflationary problems continue to lie not with Government spending, but primarily with the absence of comprehensive food and energy policies. The administration is developing programs in both of these areas, and I am confident that we will soon be taking positive action in these areas as well.

In conclusion, Mr. President, I would like to say that I enthusiastically support the Public Works Employment Act. It is the first step toward a lasting and robust economic recovery. While it is only a part of a much larger program, I cannot help but be encouraged that we are promptly and decisively moving forward. This step makes me and, I know, millions of Americans feel very optimistic about the economic future of our country.

Mr. KENNEDY. Mr. President, all of us are painfully aware of the current condition of our Nation's economy. Two years into recovery, the unemployment rate has only declined from a peak of 9 to 7.5 percent. Over 7 million Americans are still out of work. In my own state of Massachusetts, our average unemployment for 1976 was 9.5 percent. Over the past 3 years, construction jobs in Massachusetts have declined by almost 40 percent. Thousands of workers have exhausted their unemployment benefits.

We know of the millions of Americans who need jobs. We know of the continued plight of our cities. We know of the depressed construction industry. In short, we know all the facts and figures which justify the continuation and expansion of the public works program.

The adoption of this program is one clear way of insuring that citizens will be working and paying taxes instead of receiving unemployment benefits or welfare, the additional $4 billion authorized for this program can be used productively, and used quickly. In the first round, nearly $25 billion in project applications competed for the $2 billion available.

In Massachusetts, only 1 in every 14 applications was selected. Cities like Lawrence, New Bedford, and Springfield, with unemployment rates among the highest in the State, received no funds at all in the first round. These cities, and many others throughout Massachusetts, have excellent projects ready to go. All they need is a greenlight from Congress.

In addition to providing new authorization for the Public Works Employment Act, the committee is recommending a number of changes designed to improve the administration of the program.

The bill provides a formula for distributing funds to the States which clearly follows the intent of this legislation that means of severe unemployment be afforded special consideration. The formula, which includes a 35 percent "severity allocation," is designed to take into account the "relative needs of various sections of the country."

The use of 12-month unemployment figures rather than the 3 months used in the first round will help to equalize employment data and insure uniform statistics. The fact that "benchmarked" unemployment data is now available from the Bureau of Labor Statistics will further help to insure that accurate data be used.

The reduction of the previous 70–30 percent split within the States and the measures designed to prevent gerrymandering of project areas will provide for a more equitable distribution of funds.

Mr. President, this program is a critical part of a comprehensive economic stimulus package. The program will create meaningful jobs and new construction in my State and in the Nation.

I strongly urge the adoption of this measure.

Mr. WEICKER. Mr. President, I would like to commend Senators RANDOLPH and STAFFORD for their efforts in expeditiously reporting out the Public Works Employment Act. It is a good bill, it is a fair bill. The committee has worked out the previous pitfalls that had brought some controversy to the public works program and I am particularly pleased with the way they handle the question of how to allocate the funds amongst the States. The compromise formula the committee devised properly reflects the original purpose of the Public Works Employment Act.

The original act, Public Law 94–369, instructed the Secretary of Commerce in preparing rules and regulations to take into account the "relative needs of various sections of the country" and the "severity and duration of unemployment in proposed project areas." The amendment proposed by Senator HEINZ gives no consideration to severity or duration of unemployment in a State.

I would like to point out that the impact of a high unemployment rate in a State could be devastating to the overall health of the State's economy. Thus two States, with the same number of people unemployed could be facing vastly different economic conditions. States with very high unemployment rates, such as Connecticut, with an unemployment rate of 9.5 percent, are suffering from a multitude of problems including eroding tax bases and a steady decrease in population and skilled labor force. The Public Works Employment Act can help to alleviate the fiscal burden that these States are carrying during this most difficult time.

The purpose of title I of S. 427 is to provide construction jobs immediately. These funds are specifically targeted to skilled construction workers who have recently been laid off because of the present economic downturn. There are currently 620,000 skilled construction workers out of work in the United States. In Connecticut alone, we have 18,000 unemployed construction workers. Under the Heinz amendment, Connecticut would receive only 1.8 percent of the funds allocated to the States even though Connecticut has 3 percent of the total unemployed construction workers located in its State. This is not an equitable amendment.

It is important to note that title I is not designed to provide for job training. The purpose of this bill is not to correct structural unemployment. Hopefully, through a youth employment program or the extension of CETA, we can begin to tackle the even sadder problems of unemployment among the young, the minorities and the elderly.

Although I think this body should continue to seek new avenues of economic stimulation, I believe the public works jobs program is among the ways to put people back to work. Critics have labeled this program as "leaf-raking" and a "giveaway." It is far from that. It is building bridges, town meeting halls and schools for all to enjoy. These projects have lasting value, but even more lasting is the dignity that is returned to that person who picks up his paycheck instead of his unemployment check. Public works is not just putting people back to work but it is saving lives. That is why I hope we can put aside our parochialism for today and vote to put the money where the need is the greatest.

Mr. MUSKIE. Mr. President, title III of S. 427—the Public Works Employment Act of 1977—contains funds for authorizations for the water pollution program. The purpose is simple, but important: To replenish the construction grant program to keep existing jobs going, to create new jobs, and to continue to clean up rivers and lakes. The Senate was frustrated in this effort in the last Congress when we were unable to reach an agreement with the House in conference.

These funds are an integral part of the public works jobs program in S. 427. This program is ongoing; its projects are ready; municipalities want to hire people; employment benefits will be immediate. Conversely, if we do not fund this program quickly, the program will stall in many States and workers will be laid off.

Construction grant funds for fiscal year 1977 are necessary now because at least 34 States have nearly exhausted their funds. The authorization for fiscal 1978 is necessary to meet deadlines required by the Budget Act.

In coming before you now, with the pending legislation, we are fulfilling our responsibility to the Senate. More importantly, in replenishing the funds, we are fulfilling our responsibility to the American people.

In one major western city, these funds will mean the employment of 2,000 new people to protect a vital national and natural resource. This city, San Francisco, has done on the local level what we are trying to do on the national level. It has integrated existing environmental

needs with the existing public works programs and with existing Labor Department programs to create one comprehensive environment and employment package. Only adequate Federal water pollution funding is lacking.

Those of us in the Congress who have stated our concern about unemployment and environment so often, cannot afford to let San Francisco and similar communities down. We must act now.

I know that there are other important issues with the Clean Water Act; I know that they are important to Members in both Houses. I repeat the pledge I made last year and in committee this year. The Subcommittee on Environmental Pollution will begin a thorough review of the Clean Water Act—including all relevant issues—later this spring. We will make every effort to report appropriate amendments to the Senate this fall.

Mr. President, this bill does include authorizations for both fiscal year 1977 and fiscal year 1978. The committee had no alternative but to provide both authorizations in the same bill. We are mindful of the deadlines for new authorizations required by the budget process. And we knew that the committee had too much pressing business to take the risk of missing those deadlines for authorizing 1978 funds.

The Clean Air Act is before the Committee on Public Works. We are trying to ready the bill for Senate action in the next few weeks. If we are to do that job we cannot complete the kind of comprehensive review of the water pollution program which will be necessary until later this year. So we have adopted an approach which will keep the waste treatment construction grant and allied programs in motion—which will permit States and localities to continue to plan for the future—and which will give the Senate time to deliberately review the clean water law.

Let me briefly describe title III of the pending bill. It authorizes $4.54 billion for each of fiscal years 1977 and 1978 for the construction grant program. Mr. President, I ask unanimous consent that a table which reflects how these funds would be allocated among the States be included at the end of my remarks.

The bill also authorizes funds for other water pollution control programs totalling almost $900 million, including clean lakes, grants to States, research and development, and the section 208 waste treatment management program.

It is not enough to authorize for the grants programs to communities. Ongoing support of other activities is also necessary for the clean water effort to continue its present pace. States need resources to manage the permit program and review waste treatment project applications; EPA needs resources to improve the regulatory effort and fulfill its other statutory responsibilities; and additional research and development is needed to avoid repeating previous mistakes.

Authorization for these and other corollary purposes are an integral part of water pollution programs and, therefore, included in this legislation.

The last program, section 208, is out of funds. Many communities have done the preliminary work, but have been unable to move forward and are waiting for start-up grants. Others—in my State, for example—need additional grants to complete the work they have begun. In authorizing funds for section 208, the committee expects to supplement, not to replace, the $137.5 million in grants that were illegally impounded by the previous administration. Sixty-eight Members of the Senate signed a letter to the Attorney General urging withdrawal of the appeal and the release of these funds.

I ask unanimous consent that a copy of this letter be included in the RECORD at the end of my statement.

In replenishing the construction grants program, it is our intention to meet only the backlog of serious needs for sewage treatment. The Committee is concerned that the funds not be used to finance future growth, or to finance low priority projects.

To preclude this, the committee unanimously agreed to extend the date for reallotment of existing funds for 1 year. This removes pressure to make unwise commitments from those States that have had difficulty expending their funds. We now expect the administration to act to disapprove any projects which are poorly planned or unwise waste treatment investments.

Mr. President, I ask unanimous consent that the full explanation of this provision in the committee report appear in the RECORD at this point:

The Committee unanimously adopted an amendment to extend the date on which the construction grant funds originally authorized in P.L. 92-500 and made available for fiscal year 1976 would be reallotted, from September 30, 1977 to September 30, 1978. This provision was part of the Senate bill which passed in the previous Congress. The purpose of the amendment is to continue the current direction of the program and to ensure that the pressure to obligate all funds does not force States to make commitments to projects which are poorly planned or unwise waste treatment investments. While most States will have no difficulty in obligating their total allotments, as many as eight States could lose funds on September 30, 1977.

Not to extend the reallotment date would mean that these States would attempt to spend funds on projects such as collector and lateral sewers, which were not intended to receive a high priority under the 1972 Act. The Committee hopes and expects that the Administrator, with this additional time, will act to ensure that these funds, as well as the newly authorized funds, are not obligated for projects which are not required to meet the enforceable requirements of the Act, or are otherwise inconsistent with Section 201 or 211 of that Act.

The funds provided for fiscal 1977 are within the target established in the congressional budget resolution. The funds for construction grants are part of the supplemental budget authority requested by the President's Budget.

I urge my colleagues to support this important legislation.

There being no objection, the letter and table were ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C., February 28, 1977.

Hon. GRIFFIN BELL,
Attorney General,
Department of Justice,
Washington, D.C.

DEAR ATTORNEY GENERAL BELL: The purpose of this letter is to bring to your attention the matter of the Nixon Administration's impoundment of approximately $137 million in previously unobligated funds for areawide management planning under Section 208 of the Federal Water Pollution Control Act.

On 1 June 1976, the U.S. District Court for the District of Columbia entered an order in the case of *National Association of Regional Councils* v. *Train*, Civil Action No. 75-1706, directing the Environmental Protection Agency to make available the previously unobligated funds.

In response to this order, President Ford's Office of Management and Budget and the U.S. Department of Justice sought a stay of the District Court's order, arguing that the court may not order an executive agency to expend funds after the expiration of the time during which such funds were made available by Congress. The agency claimed this was an issue of government-wide application and took precedence over concerns related to a particular program. The District Court denied the motion on 27 October 1976.

The OMB and the Justice Department then went to the U.S. Court of Appeals for the District of Columbia Circuit to appeal the denial (No. 76-1970).

On 18 January 1977, the appeal was granted and now we are faced with another delay of approximately six to nine months while an issue is litigated which would not even have arisen had the original law (P.L. 92-500) been implemented.

The effect of these delays is to postpone the much-needed planning that must take place if rational solutions of the water pollution problems of a great many small communities and municipalities throughout the country are ever to be implemented. Although a full-scale review of the Water Pollution Control Act is proposed for the 95th Congress, and although many of us may support changes in the planning procedures, we nevertheless feel that these funds should be released.

The need for this planning will become even more important as the Congress moves to provide jobs through the expansion of public works programs.

Therefore, we strongly urge you to withdraw the appeal, let the decision of the lower court stand, and thus clear the way for the EPA to dispense the funds.

It is our understanding that, should you agree with this procedure, the EPA would begin the obligation of the $137 million within a week. Thus, planning could be underway in many communities within a short time and in accordance with the intent of the law.

Your quick and affirmative response to our urging will be appreciated.

Very truly yours,

Lee Metcalf, Jennings Randolph, Robert C. Byrd, Robert T. Stafford, Edmund S. Muskie, Howard H. Baker, Jr., John L. McClellan, Ted Stevens.

James O. Eastland, Robert P. Griffin, Herman E. Talmadge, Henry M. Jackson, Howard W. Cannon, Hubert H. Humphrey, Robert Morgan, Thomas J. McIntyre, Mike Gravel, Dick Clark.

Alan Cranston, Harrison A. Williams, Jr., Warren G. Magnuson, John C. Stennis, Carl T. Curtis, James B. Allen, Mark O. Hatfield, S. I. Hayakawa, Lloyd Bentsen, H. John Heinz, III.

Russell B. Long, George McGovern, Thomas F. Eagleton, Wendell H. Ford, Birch Bayh, John G. Culver, Frank Church, Daniel K. Inouye, Gary Hart, Gaylord Nelson.

Howard M. Metzenbaum, Dennis DeConcini, John A. Durkin, Ernest F. Hollings, Patrick J. Leahy, William D. Hathaway, James Abourezk, Quentin N. Burdick, Sam Nunn, Richard Stone.

John Melcher, Walter Huddleston, William Proxmire, Joseph R. Biden, Jr., Clifford P. Case, James R. Sasser, Edward Zorinsky, Edward M. Kennedy, Abraham Ribicoff, Bob Packwood.

Daniel Moynihan, Pete V. Domenici, Harrison Schmitt, Dale Bumpers, Donald W. Riegle, Wendell R. Anderson, Adlai E. Stevenson, J. Bennett Johnston, John C. Danforth, Edward W. Brooke.

Allocation of $4.5 billion based on S. 57 with no State below 0.3 percent

Alabama	$49,500,000
Alaska	21,600,000
Arizona	28,800,000
Arkansas	49,050,000
California	373,950,000
Colorado	36,450,000
Connecticut	55,350,000
Delaware	18,000,000
District of Columbia	18,000,000
Florida	162,450,000
Georgia	90,450,000
Hawaii	31,500,000
Idaho	18,450,000
Illinois	236,700,000
Indiana	98,550,000
Iowa	49,950,000
Kansas	55,350,000
Kentucky	67,950,000
Louisiana	56,700,000
Maine	24,750,000
Maryland	171,900,000
Massachusetts	125,550,000
Michigan	212,850,000
Minnesota	68,400,000
Mississippi	34,200,000
Missouri	90,000,000
Montana	14,850,000
Nebraska	27,900,000
Nevada	14,850,000
New Hampshire	30,600,000
New Jersey	216,000,000
New Mexico	14,850,000
New York	477,900,000
North Carolina	94,050,000
North Dakota	14,850,000
Ohio	252,000,000
Oklahoma	61,200,000
Oregon	37,800,000
Pennsylvania	211,950,000
Rhode Island	18,000,000
South Carolina	59,400,000
South Dakota	14,850,000
Tennessee	67,500,000
Texas	195,300,000
Utah	22,950,000
Vermont	14,850,000
Virginia	99,900,000
Washington	69,750,000
West Virginia	98,100,000
Wisconsin	90,450,000
Wyoming	14,850,000
American Samoa	1,350,000
Guam	4,500,000
Puerto Rico	40,500,000
Pacific Trust Territory	9,000,000
Virgin Islands	2,250,000
Total	4,538,700,000

Mr. HART. Mr. President, I am pleased to be a cosponsor of S. 427, and I look forward to the successful enactment of this legislation. The last round of funding—$2 billion—made possible hundreds of worthwhile local community improvement projects such as sewers, schools, streets, and hospitals, and has created hundreds of thousands of direct and indirect jobs.

At the same time, I am disturbed to look down the road and see the possibility that this emergency type of program may well turn into just another form of annual revenue-sharing.

This is the second such emergency pubic works construction bill we have considered in as many years, and there is likely to be a third round of funding considered for next year.

It occurs to me that the Federal Government cannot continue to spend billions of dollars on this program without causing some serious changes in the way of life and the form of Government in this country and I urge my colleagues to seriously consider some of the possible long-term effects.

First, one of the primary justifications for this type of Federal grant program for local construction projects has been that a serious decline in State and local revenues and a subsequent drop in State and local construction has left a major gap in the construction industry. It is the policy of Congress that this gap be filled temporarily by the Federal Government as a countercyclical measure.

Mr. President, it is possible that this program may instead be procyclical. As long as the Federal Government continues to fill the gap in public construction, the cities and States have no reason to initiate their own construction. How many years in a row can any person win the Irish Sweepstakes before he or she starts to count on the winnings as annual income?

Mr. President, as long as there is any hope that the Federal Government will pay for these local projects which are ready to go, but "on the shelf" due to the lack of local funds, these projects are likely to remain "on the shelf" until those Federal funds are available.

And, when Congress finally decides that unemployment pressures have eased and this program can be discontinued, there is likely to be an even greater crisis in the construction industry than ever existed prior to this program.

A second concern I have with this program is the emphasis on new construction as opposed to renovation of existing buildings. Not only is new construction less labor intensive, but the new construction is not likely to be located in the central city. This facet of the program will, over a period of years, contribute significantly to urban decay and suburban sprawl. Before we start funding growth-encouraging projects indiscriminately as a national policy, we had better look at the ramifications. We are all ready to take credit for economic growth and development which are enhanced or attracted by Federal programs. Are we equally ready to take the blame for the economic stagnation and decay caused by these same programs, or caused by simple neglect? Mr. President, we have to remember that one city's growth and economic development occur at the expense of some other city. To the extent that the economic pie is of a defined size, a bigger piece for someone means a smaller piece for someone else.

Finally, I am troubled with the lack of significance this program has for the chronically unemployed—the unskilled, the minority worker or veteran. We tend to call these unemployed persons the structurally unemployed. First, I wonder what contribution Federal programs of this type have made to the structure which cannot find ways to train and hire these millions of unemployed persons.

And, I wonder what this program will do for them? I don't know the answer, but I can guess that the unskilled worker is not going to benefit from this legislation, because the program is not going to generate the types of jobs these workers need or qualify for.

Some may point out that we already have other programs for the unskilled worker: public service jobs. But, the problem remains that we have never devoted sufficient time to investigate the reasons for our unemployment situation nor have we ever come up with a program which coordinates all existing programs and at the same time attacks the causes of the disease instead of the symptoms.

As long as we approach unemployment in a piecemeal manner, with a program here for the skilled worker, another program there for the unskilled worker, and an annual direct tax rebate to fill the gaps, we are doomed to repetitive, nonproductive, stop-gap responses to a problem which, I suspect, has been created in part by random policies and programs of the Federal Government.

Mr. President, while I support S. 427, I look forward to the day when our understanding of the unemployment problem is deep enough that we can consider lasting solutions which make the wisest use of all our national energy, material, and human resources.

Mr. HAYAKAWA. Mr. President, I would like to speak in favor of S. 427, the Public Works Employment Act of 1977, which will bring sorely needed Federal dollars into the State of California to aid the unemployment problem. This bill as reported authorizes $4 billion in direct, 100 percent federally funded grants to State and local governments for public works projects over the next 2 years. These grants can create jobs quickly in areas of severe unemployment throughout the State of California.

This bill does not simply attempt to solve the unemployment problem by giving out Federal dollars. By awarding projects mainly by competitive bidding, these projects will help private industry in California.

This public works jobs bill is an extension and enlargement of the Public Works Capital Development Investment Act of 1976, which provided $2 billion in public works jobs money last year for local public works jobs projects such as water and sewer systems, health, school, police, and fire protection facilities and other community services. Because of the large number of applications last year, more than 22,000 projects were left unfunded. The new bill requires that

these be acted upon before any new applications are accepted by the Economic Development Administration—EDA.

Many of my constituents have complained about the inequities in distributing the funds for last year's bill. The new bill contains provisions to solve these inequities. Projects that were rejected last year because of error on the part of the Economic Development Administration will be given priority. The bill as reported to the Senate floor contains a provision that school districts will receive equal treatment with local governments, to provide for those districts which are separate from the local governments—this will be advantageous to many of California's school districts which have submitted applications. Projects that can be started within 90 days will be given priority, and Indian tribes will receive a set percentage of the total funding. No person already on a public payroll will be allowed to perform work on the projects. Given these provisions, I feel that the bill will give California's unemployed as well as private industry a shot in the arm.

I intend to oppose the Heinz amendment offered on the Senate floor, which would change the distribution formula for funds, and thereby decrease the allotments of several States with high unemployment, including California by the amount of $91 million.

I have cosponsored an amendment to this bill, which would allow communities that receive grants under this bill to substitute projects that are drought related. In this way, many areas of California including Marin County, which are suffering from the effects of the drought, will be able to put these funds toward drought related projects, instead of for projects previously given top priority.

Mr. WILLIAMS. Mr. President, I would like to add my strongest support to the intent of title I of S. 427, the Public Works Employment Act of 1977. The provision in the legislation reported from the Committee on Environment and Public Works reflects the crucial need to concentrate an accelerated public works program in those regions where unemployment is the greatest. It is aimed at the very heart of our economic troubles, nagging unemployment.

The task of putting our unemployed back to work must be our Nation's No. 1 priority we face today. So, I am pleased that the administration and Congress have taken prompt action to develop jobs creating legislation. This offers hope to hundreds of thousands of the unemployed. At a time when millions are seeking jobs, there exist numerous vital public projects that need to be undertaken to improve the quality of life for everyone. We have to agree that expenditures for public works, such as road construction and repair, the construction of public buildings, parks, and transportation and recreation facilities is much more productive than spending money on unemployment compensation.

The focus of a new economic policy must be jobs. In human terms, the economic policies of the past 8 years have been a disaster. A certain way to produce jobs within the shortest amount of time is through direct employment programs which are efficient and cost-effective. The case for an accelerated public works program is strong. For example, within 12 months between 57,000 and 70,000 jobs could be created for each $1 billion of outlay.

The bill before us today builds upon the objectives set forth in legislation enacted in the past Congress. The goals of that act were to provide jobs through construction in places with the most distressing levels of unemployment. The Economic Development Administration—EDA—charged with distributing the funds under the act, developed allocation procedures designed to direct aid to areas of chronic unemployment.

The crux of last year's public works bill was to channel aid to the neediest areas as quickly as possible. Consequently, EDA was required to establish eligibility criteria and allocation procedures within a very limited time frame, and unfortunately, inequities resulted. Some very deserving and depressed communities were denied funding for worthy projects. Therefore, I am pleased that the bill reported from committee addresses these shortcomings.

At present, there is an effort underway to mandate an even greater inequity into the legislation before us today. And if it is successful, I believe we will ultimately lose sight of the bill's original intentions—relief for areas of severe unemployment.

The proposals I refer to would change the State allocation formula which has already been modified in committee. The original formula developed by EDA provides that 65 percent of the funds be allocated on total numbers of unemployed and 35 percent on the basis of relative severity of unemployment, with States participating if their unemployment rates exceed 7.66 percent—the national unemployment rate at the time the 1976 allocation was made. The committee provision decreases the eligibility to permit States to participate if their unemployment rates exceed 6.5 percent. This approach reaffirms the need to target extra aid to regions where the problems are the most acute.

The changes contemplated to dilute the intentions of S. 427 would base allocations solely on numbers of unemployed. While unemployment is unacceptable regardless of where it occurs, it is even more intolerable when concentrated in certain States and localities placing great strain on those governments. Any attempt to revise the "severity of unemployment" factor in the State allocation formula is truly counter to the best interests of the Nation, and I urge my colleagues to oppose any such efforts.

There is another crucial section in this legislation which faces an uncertain future. Title III authorizes a 2 year, $9 billion authorization for the sewer grant construction program established under the Water Pollution Control Act. The construction grant program is the backbone of our Federal water cleanup program. Despite the slow pace at which construction grant funds were released in the past, most States are now moving ahead with construction of wastewater treatment facilities. The program in the State of New Jersey has been working particularly well. I believe my State's efforts to meet clean water goals are as good as any. In fact, New Jersey's program is often highlighted as one of the Nation's most successful water treatment programs.

However, unless new authorizations are forthcoming, it is likely that some 40 States will suffer setbacks in sewer construction. New Jersey, for one, stands to lose several critical months in planning and construction without immediate funding. A critical juncture has been reached in a majority of the States and new funding authority is desperately needed to maintain the Nation's cleanup effort. Moreover, the Bureau of Labor Statistics indicates that sewer construction provides about 40,000 primary and secondary jobs for each $1 billion spent.

I am hopeful that any potential obstacles can be overcome and this authorization can be approved.

Mr. President, the jobs creating provisions in S. 427 require urgent approval. Yet, I cannot overemphasize the need to adhere to the original concepts Congress embraced in the public works bill of 1976. We must provide jobs, and efforts to create jobs where the need is greatest will be hampered if funds are diverted from regions facing greater concentrations of unemployment.

SEWAGE TREATMENT CONSTRUCTION GRANTS

Mr. CULVER. Mr. President, one of the key provisions of the 1972 Federal Water Pollution Control Act amendments (Public Law 92–500) was the authorization of $18 billion in grants for upgrading and constructing municipal sewage treatment plants. This legislation increased the Federal share of eligible costs to 75 percent, and it was assumed these additional authorizations, to be available through fiscal year 1975, would greatly expedite the process being made to clean our Nation's rivers and lakes.

Unfortunately, the early history of this vital program was fraught with many difficulties, and adequate progress was not made. The first major problem was the impoundment of half of the original $18 billion, and additional frustrations occurred from the inability of cities to meet the Environmental Protection Agency's new and changing program requirements. The EPA, with insufficient manpower, was not prepared to administer and explain the detailed regulations in a timely fashion during the first years of this program. These events slowed the rate at which applications were approved, and the number of projects which could have been funded during the 1973–75 period was reduced. Only $6.6 billion of $18 billion was obligated during the first 3 years.

In February 1975, the U.S. Supreme Court ruled that the impoundment of the $9 billion was illegal and ordered the EPA to release these funds for obligation through fiscal year 1977. Subse-

quently, the rate of approval was accelerated, and more and more grants were made available for obligation. In fact, EPA now estimates that cash outlays in fiscal year 1977 will exceed $3.7 billion and that annual outlays could reach $5 billion by 1979. Though only $7.3 billion of the first $18 billion has been expended, only $6 billion remains available for obligation, and it is concentrated in a few States. The National Governors' Conference has estimated that at least 34 States, including Iowa, will run out of Federal construction grants this year. This means that no new projects can be proposed until new money is authorized. Though progress is finally being made in cleaning our water, EPA recently announced it will now cost an estimated $96 billion to build the basic facilities to control municipal wastes. If a strong level of funding is not immediately forthcoming from the Federal Government, communities will be forced to halt their efforts to improve the quality of water for use by this and future generations of Americans; and any delays now will only result in costlier projects later.

Iowa's participation in the wastewater construction program reveals the demands that many States are facing with respect to treatment facilities. Iowa has received almost $200 million under this section of Public Law 92–500, but the majority of these funds were not allocated until fiscal year 1976. For example, Iowa received $23 million in 1973, $34 million in 1974, $39 million in 1975, and $100 million in 1976, and these grants have been used primarily for the step I planning and the step II design stages. Within the next 2 to 3 years there will be a substantial increase in the number of Iowa communities applying for step III grants as they begin actual construction.

About 350 of the 605 Iowa communities with treatment plants are in the preliminary planning stages of new or upgraded facilities, and about half of the 348 communities in my State without plants will eventually have to develop treatment systems. Yet Iowa will exhaust its share of the $18 billion authorized in 1972 by July 1977.

Unfortunately, the 94th Congress adjourned late last year before the joint Senate-House conference committee completed its consideration of legislation proposing a $5 billion authorization for fiscal year 1977. To help alleviate funding shortages many states will soon face, earlier this year I cosponsored the bill introduced by Senator MUSKIE authorizing $5 billion annually for wastewater construction grants for fiscal year 1977 and 1978. The Environmental Pollution Subcommittee has conducted hearings on this legislation, and it is clear that these funds are needed. The authorizations included in S. 57 have now been made a part of the emergency Local Public Works Employment Act of 1977, which the Senate is considering today. Since our national unemployment rate has reached 7.5 percent, and the construction industry is experiencing even higher rates in many instances, this is not the time to ignore funding for this program. Not only has the wastewater construction grants program enabled cities to make the sizable public investment needed to build modern treatment facilities, but it has also become the Nation's largest public works program. It has been estimated that every $1 billion expended on construction grants generates over 35,000 jobs, and additional funding will directly affect the vitality of our ailing economy.

The authorization of additional construction grants should not be held up at this time to consider the necessary midcourse corrections that must be made in the 1972 Clean Water Act. The distinguished chairman of the Senate Committee on Environment and Public Works (Mr. RANDOLPH) and the chairman of the Environmental Pollution Subcommittee (Mr. MUSKIE) are both committed to a thorough review of the water pollution control program as soon as possible this year, and the necessary amendments addressing substantive changes will be reported by the committee at a later date. An attempt to discuss these other issues now would unnecessarily hold this continuation of the construction grants program hostage.

Communities have committed local resources and done the necessary planning to begin major construction. They are now ready to build the necessary facilities, to put people to work, and to clean our water. Congress must now provide the Federal share of funds. I am hopeful we can expeditiously adopt these authorizations for the sewage treatment construction grants program.

Mr. HUMPHREY. Mr. President, I am very pleased that the Senate is having the opportunity to vote so quickly on this very important part of President Carter's stimulus package and I am equally pleased that the first part of the package to be enacted will be one that directly provides jobs and employment for American workers. I personally want to thank Senator RANDOLPH and the other members of the Public Works Committee for doing their job on this bill so well and so swiftly. I am sure that the hundreds of thousands of construction workers who will finally have a chance to go back to work on these local public works projects are going to be very thankful as well.

Last fall, when Congress enacted the Public Works Employment Act of 1976 over the veto of President Ford, the Economic Development Administration was swamped with almost $25 billion worth of applications for the initial $2 billion appropriated. The recession has devastated the budgets of our State and local governments, and this program was a godsend that made it possible for them to carry out projects they otherwise would have had to abandon.

The bill we are considering today will provide an additional $4 billion for this program. With more than 7 million Americans unemployed and unemployment running at more than 15 percent among construction workers, enactment of this legislation will be one of the most constructive measures Congress could take to put unemployed Americans back to work.

Now, I know there were problems with the local public works program last year. Any program has bugs which need ironing out. In my testimony before the Public Works Committee, I made a number of suggestions, and I am pleased to see that the committee has significantly improved the program in today's bill. The committee has simplified the process for rating applications, it is going to implement the new round of allocations promptly, local officials will be consulted on project priorities, and some money will go to projects that were erroneously rejected the first time around. I think the proposal to reduce gerrymandering of project areas is an excellent one and will help channel funds to the committees most in need. The committee heard about these problems from me and other witnesses, and made excellent improvements.

My only major concern with the bill we have before us today is that it is not big enough. President Carter's overall stimulus for this year is about the right size, but I believe too much has been allocated to the tax rebate and not enough to direct job creation programs. The administration argues that we cannot effectively use much more for public works this year. But the local communities who have applications with EDA for school buildings, water and sewer systems, hospitals, recreational buildings and parks, and roads and bridges will tell you the money can be spent, and spent very effectively.

Opponents of the Public Works Employment Act are going to tell us that it takes too long to get public works projects going, that too much goes for brick and mortar and too little for wages, that the projects will last too long and contribute to inflation as labor markets tighten up, and that we should concentrate on stimulating private sector employment.

Yesterday, I answered these criticisms in a speech on the floor, but I just want to point out to my colleagues today that many projects from the first round have already begun construction and hiring and that the law requires the projects to be under way within 90 days of approval; that these projects will provide public buildings and facilities lasting 50 years or more and providing needed services to local communities; that private contractors will actually perform the construction; and that most projects are of short duration and will end before the close of 1978, when the Joint Economic Committee predicts unemployment will still be about 6 percent.

The Public Works Employment Act of 1977 is an excellent extension of the local public works program, and I will vote for it. We owe our thanks to Senator RANDOLPH and the Public Works Committee for getting to work on this so quickly and ably.

Mr. SCHMITT. Mr. President, as is often the case, the Public Works Employment Act of 1977 has several distinct characteristics: some are good; some are bad. On balance in this case the good outweighs the bad, and I will cast an affirmative vote.

There are two major positive aspects of the act, which in the final analysis bring me to vote for it. First, there is the con-

tinuation of authority for water pollution control programs. Second, there is the Johnston amendment that reaffirms the authorization of water projects in various parts of the country which President Carter has attempted to defer.

The water pollution control projects now underway and other necessary projects yet to be funded, are an extremely important part of the future health and well-being of many communities in New Mexico and throughout the Nation. In my home States, 6 projects are under construction and 32 are awaiting funding. These projects should clearly be continued.

The water projects that have been called into question by the President may or may not be justified on the grounds of safety, economic or environmental protections. If, in spite of prior planning, congressional hearings, public hearings and litigation, individual projects should be delayed or deferred, then normal legislative procedures should be followed on a case-by-case basis. The Johnston amendment should assure that the new President is reminded of these procedures and the legal basis for the projects. It also should assure the removal of the cloud of economic uncertainty that hangs over the many worthwhile projects and their associated communities.

On the other hand, my vote for the Public Works Employment Act of 1977 will be cast reluctantly. The act will further accelerate inflation by increasing the money supply at the expense of increased Federal deficits. Thus, the act also will further deplete the available capital by which the private sector creates real and long-term jobs.

In the absence of any other restraints on deficit spending, short-term increases in public works employment will be rapidly overcome in the long-term by the overall effects of inflation on all citizens and by the loss of permanent jobs in the private sector.

With more time and more rational economic thinking on the part of the Government, it is my hope that we can soon begin to reverse the inflationary and recessionary spending policies of the past.

Mr. CRANSTON. Mr. President, I want to associate myself with the remarks of the Senator from New York (Mr. MOYNIHAN) in his colloquy with the floor manager of the bill (Mr. BURDICK). California counties provide county-wide services, not just to unincorporated areas, as is the case in some States. This clarification of intent is a simple matter of equity, which I am very pleased to support, given the fact that it emphasizes parity between cities and counties in my State and elsewhere.

Mr. HUDDLESTON. First let me say that I, too, am pleased at the method which the distinguished Senator from Maine (Mr. MUSKIE) has chosen to address the complex and controversial issues which exist within the context of Public Law 92–500. To see in the committee report on the legislation before us today that hearings beginning a comprehensive review of that entire statute are expected to begin in May is indeed pleasant news. I would hope that now we could have reaffirmation of that.

Mr. MUSKIE. Yes, indeed; that is our intention.

Mr. HUDDLESTON. I thank the distinguished chairman of the subcommittee for his comments and I would point out that during the hearings which are to be held I am very anxious to present my views on a bill of mine which is now pending before the subcommittee. This legislation, S. 162, does not tamper with the definition of navigable waters or adjacent wetlands, but rather would speak to the problems which the producers of food and fiber products face in meeting the 404 permit requirements. My bill would exempt agricultural, ranching, or silvicultural practices related to the production of food, fiber, or forest products from the permit requirements. I understand the hesitancy to move forward on such a complex issue as this and therefore would welcome an opportunity to appear before the subcommittee to detail the reasoning behind my desire to see the seemingly burdensome 404 permit requirements removed from our Nation's farmers.

Already the small farmers in the western portion of my State, much of which would be included in any definition of adjacent wetlands, are facing problems related to obtaining a 404 permit from the Corps of Engineers.

It is my hope that they can soon be relieved of this difficulty or at least have laid down for them a very clear definition of what constitutes normal farming operations in the eyes of whatever agency might eventually undertake the operation of the 404 program.

Again, I extend my thanks and support to the distinguished Senator from Maine for his understanding outlook regarding this and other very important issues relating to Public Law 92–500.

Mr. MUSKIE. I appreciate the Senator's comments and look forward to his testimony at our hearings. We will try to schedule the hearings on this issue at a time convenient to the Senator so we can be assured of his participation.

Mr. TOWER. Mr. President, I want to thank my colleagues on the committee for addressing in the committee report the need for comprehensive review of Public Law 92–500. It is my understanding that the report suggests hearings may be held as early as May of this year. Is that a correct understanding of the intent of the Senator from Vermont?

Mr. STAFFORD. Yes; I want to assure my colleague from Texas (Mr. TOWER) that the members of the Subcommittee on Environmental Pollution recognize that a number of amendments to the Federal Water Pollution Control Act have been suggested, including a revision of section 404 requiring permits for the disposal of dredged and fill material into the Nation's waters. The subcommittee chairman, Mr. MUSKIE, and I have indicated our intention to convene hearings and committee consideration of these issues in a timely manner—within the next 2 months. I am happy to add my personal commitment to this strategy again at this time.

Mr. TOWER. I appreciate that confirmation of my understanding of the intentions of the committee minority. I would just add that during the last Congress we had two evenings of hearings on one aspect of Public Law 92–500 in which I am particularly interested, and that is section 404. The hearing record then established a great deal of support for change in that section of the act and subsequently the committee did report an amendment sponsored by the committee's chairman and ranking member. I think in regard to section 404, the Senate has established a fairly substantial hearing record and while I would feel comfortable in considering a legislative change to section 404 now, based on what we know through the hearings last year, I certainly think the issue should be included in comprehensive hearings such as those contemplated by the Senator from Vermont if the 404 issue is not resolved by the time those comprehensive hearings are held.

There is one particular issue which has not previously been addressed in this body in regard to the act, and that is the need for a new look at the 1977 and 1983 requirements for best practicable technology and best available technology for dischargers.

It is my understanding that when the chairman's subcommittee considers substantive issues during comprehensive hearings on the Water Act, hearings will be held on possible adjustment of the requirement for dischargers to meet BPT and BAT standards by 1977 and 1983.

Can the Senator from Maine confirm my understanding that such consideration will be given to a possible adjustment?

Mr. MUSKIE. Yes, that is correct.

Mr. TOWER. I thank the Senator from Maine and the Senator from Vermont for their help in clarifying the committee's intentions. The chairman was most helpful last year in arranging hearings on the 404 issue, and I am most grateful. I know that the language included on page 15 of the committee's report would not have been included unless the committee in all good faith did intend to address these very serious issues in a meaningful way. I deeply appreciate the chairman's consideration in this regard, and I look forward to those hearings at the earliest moment.

Mr. BAKER. I would like to ask the distinguished chairman, Senator RANDOLPH, and the ranking Republican member, Senator STAFFORD, a question about language in the report concerning project areas.

Is it the committee's intent, and your understanding of the administration's intent, that the agency utilize existing unemployment data supplied by the Bureau of Labor Statistics?

Mr. RANDOLPH. In order to move the program forward as expeditiously as possible, the Agency intends to use existing unemployment figures, collected by the Department of Labor. It is our understanding that these figures are presently available only for counties and communities of 50,000 or more.

The Agency intends to define project areas based on the availability of these statistics.

Mr. BAKER. Is it your understanding that a county which includes a municipality of 50,000 or larger must use

either the balance of county unemployment data, or the data of the municipality of 50,00 or more if the project is located within the boundaries of the city.

Mr. RANDOLPH. Yes, it is the committee's understanding that the Agency intends to require a county which includes a municipality of 50,000 or larger to use either the balance of county unemployment data, or the data of the municipality of 50,000 or more if the project is located within the boundaries of the city.

Mr. DOMENICI. It is my understanding that a county which includes a city of 50,000 or more, could not use countywide statistics when applying under title I. Any county which does not include a municipality of 50,000 or more, however, would use countywide unemployment data.

Mr. HANSEN. Mr. President, I rise today to speak in opposition to title I of S. 427, the Public Works Employment Act of 1977—a title which would authorize the expenditure of $4 billion over the next 2 years for grants to State and local governments for the construction of public works projects.

The Senate is urged to act quickly on this measure as an essential element in the administration's economic stimulus package. We are told that unemployment remains at unacceptable levels, that economic recovery is still weak, that this recovery has been exacerbated by the severe winter weather and that the capability of local governments to carry out normal programs of capital expenditure has been severely restricted. Having been so informed, we are further advised that a continuation of the Public Works Employment Act of 1976 is required to provide additional stimulus to a sluggish economy.

I question both the assumptions and the conclusions which this title's proponents have suggested in their discussions of S. 427. It is my belief that the economy is continuing a broadly based recovery and that massive, economic stimulus is not required in order to avoid a recession.

While we all recognize the obvious desirability of quickly reducing unemployment, the component parts of any such program must be carefully selected to assure a targeted impact without causing another inflationary cycle.

What the economy needs at this time and long into the future is greater capital formation in order to assure the creation of permanent jobs in the private sector at rising real wages. What is vital is a permanent tax cut, an increase in the investment tax credit, and a graduating of the tax on capital gains. What is not needed is an expensive jobs bill which is ineffective in its desired result and inflationary in its impact.

Public works are not the proper tool for quickly stimulating the economy. Despite the speed with which this program is to be undertaken, the impact of the Government dollars expended under the Public Works Employment Act of 1976 will take place far into the future. Based upon estimates provided in the fiscal year 1978 budget, these programs will create more jobs in 1979 through 1982 than during 1977 and 1978. In terms of dollars spent, only 13 percent of the amount approved will be spent during 1977, with 26 percent being spent in 1978. However, in 1979 when recovery should be long underway, 30 percent of the funds approved will be flowing into the economy.

There can be little question but that these funds will place tremendous inflationary pressures on our economy at a time when such pressures could easily result in double-digit inflation. There are already deep-rooted fears in the business and financial community that the highly inflationary conditions of 1973–74 may return.

Recently, columnist George F. Will, writing in the Washington Post, examined this matter of inflation:

> (Alan) Greenspan (former chairman of the Council of Economic Advisers) believes that the cause for inflation is government's reckless expansion of the money supply. He believes—correctly, in my judgment—that unions, even when successfully aggressive, do not cause inflation. Rather, they alter society's patterns of consumption by redistributing purchasing power.
>
> For example, when unions representing automobile and refinery workers recently won increases in excess of 10 percent—about quadruple the general rate of increased productivity—they may or may not have injured those industries. But they did not injure society by fueling inflation. Such settlements merely redistribute claims on society's resources. They do not increase the sum of those resources. Hence they do not fuel inflation by increasing the money supply fast relative to the production of goods and services. Only government can do that.

Mr. Will's point is well taken—only Government can fuel inflation by increasing the money supply at a greater speed than the increase in the production of goods and services. He further points out the dangerous significance of increased Government spending at this point in time:

> The economy may have built into it a stubborn base rate of five percent inflation (higher than the 4.5 percent rate that caused President Nixon to impose wage and price controls in 1971). So the next wave of inflation may start from a point already halfway to double-digit inflation.

Mr. President, I recommend this article to my colleagues and I ask unanimous consent that it be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HANSEN. It is my belief that this country cannot afford the inflationary pressures which this bill would place on our economy and I must oppose it for that reason.

Yet there is another matter of concern—another impact of public works projects: the guarantee that such projects will in the long run result in a higher level of Government expenditure. Someone must maintain the building. Someone must provide the funds. That someone is Government, Government at an increasing higher level. Thus, the expenditure of public works funds by the Federal Government necessitates that governments at the State and local level increase their expenditures creating further inflationary pressures.

There are examples of such an impact in Wyoming. Recently the Economic Development Administration approved a $949,497 grant under the Public Works Employment Act of 1976 to the city of Cokeville, Wyo., a town of 440 individuals for the construction of a city hall and law enforcement center. According to the reports which I have received, questions are being raised even now as to how the city of Cokeville will be able to maintain that facility.

During 1976, the EDA approved an application from Teton County, Wyo., for a $1,125,000 grant for the construction of a swimming pool. It was only a matter of days before the people began to question the cost of maintaining that facility. Cost estimates ranged from a low of $71,000 to $103,792 annually. Needless to say, many soon concluded that the people of Teton County could not afford the Government's million-dollar grant and on February 4 rejected by a near 2 to 1 vote the acceptance of the EDA funding.

Jill Bamburg of the Jackson Hole Guide wrote of Teton County's rejection of this Government largess in her column "The View From Here." Mr. President, I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HANSEN. One can hardly fault those units of local government which applied for the funds available under the Public Works Employment Act of 1976. The funds were there, the need was there, and the applications went on in. Yet, I think that it is time that we paused to reflect on where all of this is leading us. As columnist John Fialka wrote recently:

> The cascade of money rains down, touching the poor and the not-so-poor alike. . . . Life on the dole corrodes values. Money that comes easily is spent easily without a sense of the real worth of things. . . . So where do we go from here? The momentum is pushing us in the direction of Britain where nearly everybody is absorbed with plans to use other people's money. It has gotten to the point where they are running out of other people.
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> It would be more pleasant, I think, to attempt to straighten out our system. For openers it would help if the same people who spend the money became the ones who have to pay for it.

Mr. President, I ask unanimous consent that this column by Mr. Fialka be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. In conclusion, I suggest that the economy is strong and has tremendous potential for inflation-free growth. However, to facilitate that growth, to be free of the tax on inflation, we must select the proper tool for economic stimulus—that tool is not title I of the Public Works Employment Act of 1977.

EXHIBIT 1

DEFICIT WATCHING

(By George F. Will)

Charles Schultze, the President's premier economic adviser, is a gentleman whose sweet disposition can soften any heart of anthracite. Well, almost any.

George Meany, maximum leader of organized labor, he of the scowling visage, is a citizen who even when amused by the passing scene is rather cross. And he is not amused by Schultze.

Recently Meany was in Florida, manning the barricades of the class struggle at Bal Harbour. He and what might smilingly be called his peer group—other labor leaders—frequently gather there to contemplate their next service to America's sons and daughters of toil. Meany reached deep into his knapsack of invective and declared that Schultze is indistinguishable from his Republican predecessor as chairman of the Council of Economic Advisers, Alan Greenspan.

Recent evidence robs Meany's remark of its intended sting. Greenspan was an author of the recovery that is the Ford administration's best legacy to the Carter administration. But Greenspan was an affront to Meany because Greenspan wanted the private sector to grow relative to the public sector.

Schultze has became a stench in Meany's flared nostrils because he has suggested some form of voluntary collaboration between labor, management and government—a system of pre-notification to government of wage and price increases—in order, somehow, to dampen inflation.

Meany is opposed, and he is right. The implication of even the mild-mannered Schultze's modest proposal is that aggressive labor unions are an important cause of inflation. The theory is one of government's alibis for the inflation it causes.

It is odd for Meany to vent his anger at Schultze by comparing him with Greenspan, who is a committed, even reverent, believer in free market arrangements, including free collective bargaining.

Greenspan believes that the cause of inflation is government's reckless expansion of the money supply. He believes—correctly, in my judgment—that unions, even when successfully aggressive, do not cause inflation. Rather, they alter society's patterns of consumption by redistributing purchasing power.

For example, when unions representing automobile and refinery workers recently won increases in excess of 10 per cent—about quadruple the general rate of increased productivity—they may or may not have injured those industries. But they did not injure society by fueling inflation. Such settlements merely redistribute claims on society's resources. They do not increase the sum of those resources. Hence they do not fuel inflation by increasing the money supply fast relative to the production of goods and services. Only government can do that.

Schultze's concern with inflation is understandable. The economy may have built into it a stubborn base rate of five per cent inflation (higher than the 4.5 per cent rate that caused President Nixon to impose wage and price controls in 1971). So the next wave of inflation may start from a point already halfway to double-digit inflation.

It is implausible to think that we can avoid another surge of inflation. The administration is projecting deficits for fiscal 1977 and 1978 totaling $125.7 billion—$21.5 billion more than President Ford proposed. The administration notes, with appropriate modesty, that the projected deficit for 1978 ($57.7 billion) is $10 billion less than that projected for 1977 ($68 billion).

Although alarming, those figures are unreasonably optimistic. They rest, precariously, on the false assumption that Congress will accept such Carter budget cuts as those involving water projects and "impact aid" for school districts serving high numbers of federal employees.

Anyway, the key figure is not the back-to-back deficits of $125.7 billion. The key figure is $138.8 billion. That is the sum the government will borrow this fiscal year and next to finance the budget deficit and the borrowing by the many agencies whose borrowing activities do not appear in the budget.

The administration seems to believe that all this public-sector borrowing can be done without detriment to private borrowing because demand for private loans has been slack. But the administration's stimulus program is one reason why there will be so much deficit and borrowing. And the purpose of that stimulus is to stimulate private sector activity, especially borrowing for job-creating investment.

George Meany, who is very cross about unemployment, should be worrying about the consequences of Schultze's deficits, not about Schultze's inconsequential wage/price proposals.

EXHIBIT 2

THE SPIRIT OF '77

(By Jill Bamburg)

The outcome of last Friday's pool referendum here seems to have created some general consternation in Washington, where federal officials have begun worrying that it may be the beginning of a new national trend. Actually, there may have been a General Consternation in Washington for some time, but Saturday was the first time that I'd heard from him directly.

The General, who, I'm told, "traded up" his former role as the star of television's "The Millionaire" for a new set of stars (with an oak leaf cluster) and a chance to work with larger sums, gave me a call over the weekend to find out, as he put it, "whether we had any plans to dump tea in the harbor, too."

"Well, no," I said, "I haven't heard of any. Of course, if you fellows are planning to give away money to build landlocked ports under some new Inland Harbors Act, we might reconsider."

"Yes, uh, well, uh, that's what I wanted to talk to you about," he said." "We're a bit surprised, you might say, concerned even, that you folks in Teton County turned down this EDA grant and, uh, well, it seems almost unAmerican if I may say so to 'look a gift horse in the mouth' like that."

"Ah yes, the gift horse theory," I said. "Well, we're not exactly classical scholars out here, but I do seem to remember that failure to look a gift horse in the mouth proved fairly costly to the Trojans in one of their early skirmishes."

"Oh, that," he said, sounding rather vague. "Well, you'll have to ask the CIA about that. They're handling foreign affairs and this, of course, is a domestic matter. A domestic horse, if I may say so."

"What I'm getting at is that, well, in all my years in television, we frankly never had anything quite like this. There were some cases, of course, where the recipients of our little gifts seemed to get into some trouble after they received the money, but no one ever turned it down as I recall. And, although we ran exhaustive studies, we were never able to establish any positive correlation between the money we gave out and the misery that seemed so many times to follow on its heels."

"Well," I said, "I can certainly appreciate your problem. Those 'positive correlations' are elusive little buggers, aren't they. We've seen those exhaustive studies fail to come up with anything out here, too."

"Uh, that's not exactly what I was driving at," he said, "but let's let it pass. You see, the thing we're worried about, frankly, is that this vote may represent a trend of sorts. I mean, there are thousands of us back here in Washington who have all built our lives around these federal programs, devoted our lives to giving away money. And frankly, well, most of us dont know anything else. We'd be lost without these programs."

"Gee, I can see that problem, too," I said sympathetically. "Matter of fact, I think the people of Wyoming have probably seen that problem for a long time. I don't know what to tell you."

"Then, too," he said, really opening up now, "there's this sticky question of 'taxpayer loyalty.' We've been pretty lucky so far with 'laundering' tax dollars. You guys are really the first community to act on the suspicion that this money we're giving away might in some way be related to the taxes you've been paying in."

"A positive correlation, would you say?" I asked mischievously.

"Well, of course, I wouldn't jump to a conclusion like that without a more detailed study over a longer period of time," he said.

"Then that's your answer," I replied. "Why don't you guys in Washington apply for our EDA grant to study the problem and find out whether the taxpayers are really onto your tricks? That way you'll keep your jobs, continue your quest for the elusive positive correlation, and won't have to deal with us hopeless provincials in landlocked ports."

"By God, you may be right," he said. "But do you think $1.25 million will be enough?"

Well, you gotta start somewhere.

EXHIBIT 3

WE ARE APPALLED AT WELFARE—SO WHY ARE OUR HANDS OUT?

(By John Fialka)

Lately there has been considerable talk about the danger of letting the U.S. evolve into a welfare state, but much of this debate has been tainted. We seem to have the notion that, somehow, the ambition-killing seductions of living on other people's money will only be visited upon the poor and the near poor.

The sloppy way we run our welfare programs probably sets up this image in people's minds. Between the Aid to Families with Dependent Children (AFDC) program, the Food Stamp program and Medicaid, all of which are run by local welfare agencies with substantial financial help from the federal government, several billions have been misspent during the last four years.

Well over a billion has been misspent in the newer and supposedly more sophisticated Supplemental Security Income (SSI) program, run by the Social Security Administration, which assists adult welfare clients.

The cascade of money rains down, touching the poor and the not-so-poor alike. The distinction between the needy and the lazy is lost and the game, for many, becomes how to fool the welfare.

This is a tricky game, though, because it is played with mirrors. The winners gain an obverse image of themselves. They think they are beating the system but they are really losing.

Life on the dole corrodes values. Money that comes easily is spent easily without a sense of the real worth of things.

But if you think this is just a lower-class phenomenon, you are wrong. Consider the representatives of city and county government who are now clustered, greedily, around President-elect Jimmy Carter.

Many of them have, over the years, allowed themselves to become wards of the federal government.

Just last month the ever-expanding public works program in the Department of Commerce, the Economic Development Administration (EDA), announced the latest winners

in its program of periodic handouts of local public works projects.

EDA announced that 1,988 cities would receive $2 billion to build fire stations, community centers and other projects deemed worthy by federal planners. You might think that would be good news for the locals, but about $22 billion worth of applications for other local projects went begging in the process. County supervisors and mayors grumbled that Congress was just going to have to provide more.

So we have mayors who are accustomed to wearing their hats in their hands. We have county supervisors who think Uncle Sam is the one who should air-condition the jail.

Local grantsmanship has grown from a cottage industry into a major undertaking in Washington. It is often brought up during expense account lunches—another symptom that those worried about the welfare state should look at. When the coinage is other people's, people no longer wince at gussied-up hamburgers that cost $4.25. Waiters soon learn that they no longer have to exert themselves for people who demand little for their money. The tip comes anyway, automatically. In short, one side of welfare is responsible for the corruption of a good many restaurants in this country.

That brings us to the arts, where many of the intellectuals who worry about the impact of the welfare state on the poor find refuge. Last September La Scala, the most famous opera company in the world, came to the Kennedy Center.

All seats were quickly snapped up, even though orchestra seats went for $25.50 apiece. Almost all the people who filled those seats were white, middle- or upper-class and extremely well dressed.

You would not take them for people on the dole, but they were. Those orchestra seats, according to the Kennedy Center, would have had to cost $80 for the performances to break even.

The economics of ballet are, according to a Center spokesman, "roughly comparable." Corporations, foundations and sometimes the National Endowment for the Arts (which is, like the Food Stamp program, a creature of Congress's generosity) pick up most of the tab.

So where do we go from here? The momentum is pushing us in the direction of Britain where nearly everybody is absorbed with plans to use other people's money. It has gotten to the point where they are running out of other people.

It would be more pleasant, I think, to attempt to straighten out our system. For openers it would help if the same people who spend the money became the ones who have to pay for it.

For welfare, it either means a totally federalized welfare system or the transfer of some federal taxing authority back to the States. Once the States begin spending their own money, presumably they will have the incentive to target welfare money to people who are really needy. (The poor would like that.)

Giving the states and cities more taxing powers would also be a way to wean them from EDA and the other Washington conduits. It might get the mayors off Washington's street corners.

As for the arts, well, I have no solution here. The ballet, the opera and the symphony have always come from the benificence of princes. First there were real princes, and now we have corporate princes like Mobil, Exxon and Xerox who stand in their place. They please us with their productions and please their officers with charitable deductions and the public's good will.

If the poor, as Christ said, will always be with us, then some welfare is inevitable. But perhaps it would do some good now and then to see who is on it. Then we will know who we are.

FUNDING OF HISTORIC PRESERVATION

Mr. MATSUNAGA. Mr. President, I am fully supportive of the administration's efforts to increase funding for public works projects, thereby stimulating the national economy. I am disappointed, however, that both the administration and the Congress have again all but overlooked the job-creation potential of historic preservation and the renovation and repair of existing structures. While the report of the Public Works Committee on S. 247 does address the backlog of projects providing for repair of Federal buildings, urging the Economic Development Administration to fund such projects at the earliest possible moment, it lacks decisive language relating to the preservation of historic buildings and the rehabilitation of dilapidated neighborhoods in our inner cities. Such projects are also labor intensive and just as meritorious as the repair of Federal property.

That this is so has been stated on many occasions by experts in the field of historic preservation and by those familiar with renovation and rehabilitation projects. During hearings on the companion measure in the House of Representatives, Kenneth Tapman, General Counsel of the Federal Advisory Council on Historic Preservation, testified that for every $1 million spent on historic preservation and renovation of existing structures, 109 jobs are created. This compares very favorably with new construction projects, where only 69 new jobs are created for every $1 million spent. In testimony last year on the Public Buildings Cooperative Use Act, the Honorable Nancy Hanks, Chairman of the National Endowment for the Arts, testified that:

> Adaptive use (rehabilitation) projects can provide more jobs per construction dollar than new construction and the workers tell us that the jobs are more challenging and satisfying.

Chairman Hanks also pointed out that renovation and rehabilitation of existing buildings cuts down on the amount of time required for preparation of applications and environmental impact statements. Rehabilitation projects are generally accepted more readily by the community in this day of controlled growth, she noted.

The creation of more new jobs is not the only beneficial economic effect of historic preservation and rehabilitation projects. In Pioneer Square, a previously depressed area in Seattle now being renovated, the tax base increased by 470 percent between 1970 and 1976. Employment in the area rose from 1,500 in 1971 to 6,000 in 1976. When renovation is completed, there will be an estimated 30,000 jobs in the area.

The renovation and preservation of historic properties often stimulates other industries in the area. For example, in Savannah, Ga., the revenue of the tourism industry increased by an estimated $50 million because of that city's preservation activities.

Finally, although many States may be witnessing the end of unchecked growth and expansion, we can look forward to an increased public interest in our country's rich historical heritage.

The vast numbers of Americans of all racial and ethnic backgrounds who tuned into the recent television production of "Roots" is a compelling indication of this growing interest in historic preservation. In this respect, the people of Hawaii are no different from their mainland neighbors. After a long period of destruction and desecration of their unique "roots," they have awakened to the need for immediate positive action to preserve their historical heritage. A number of historical preservation projects are awaiting funding in Hawaii and could provide needed new jobs in a State where the unemployment rate is even higher than the national rate.

I had originally intended to offer an amendment to this bill providing that a specific percentage of extra funds authorized be spent on historic preservation and rehabilitation/renovation projects. I understand, however, that even if my proposed amendment were adopted, it is unlikely that many of the projects would be funded this year. The bill requires that priority be given to funding pending grant applications submitted during the last funding cycle. Not many of them are historic preservation grants, perhaps because our emphasis was previously on new construction. Many State historic preservation officers have no doubt become discouraged after expending resources and great effort to prepare grant applications, only to have them go unfunded time after time.

In place of my amendment, therefore, I want to urge the Committee on Public Works to give serious consideration to including such a set aside for historic preservation and rehabilitation in future legislation. It would be a more economical way of creating new jobs and one which, I believe, might enjoy even greater support from the American people than the current program does.

(This concludes additional statements submitted on S. 427.)

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. BAKER. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. BUMPERS), the Senator from Colorado (Mr. HAS-

KELL), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas (Mr. BUMPERS) and the Senator from North Carolina (Mr. MORGAN) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Utah (Mr. HATCH), The Senator from Nevada (Mr. LAXALT), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to a death in the family.

The result was announced—yeas 74, nays 11, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—74

Abourezk	Glenn	Nunn
Allen	Hart	Packwood
Anderson	Hatfield	Pearson
Baker	Hathaway	Pell
Bayh	Hayakawa	Percy
Bellmon	Heinz	Randolph
Biden	Hollings	Ribicoff
Brooke	Huddleston	Riegle
Burdick	Humphrey	Sarbanes
Byrd, Robert C.	Inouye	Sasser
Case	Jackson	Schmitt
Chafee	Javits	Sparkman
Chiles	Johnston	Stafford
Church	Kennedy	Stennis
Clark	Leahy	Stevens
Cranston	Magnuson	Stevenson
Culver	Mathias	Stone
Danforth	Matsunaga	Talmadge
DeConcini	McGovern	Thurmond
Dole	McIntyre	Tower
Domenici	Melcher	Weicker
Durkin	Metzenbaum	Williams
Eagleton	Moynihan	Young
Eastland	Muskie	Zorinsky
Ford	Nelson	

NAYS—11

Bentsen	Garn	McClure
Byrd, Harry F., Jr.	Hansen	Proxmire
Curtis	Helms	Scott
	Lugar	Wallop

NOT VOTING—15

Bartlett	Griffin	McClellan
Bumpers	Haskell	Metcalf
Cannon	Hatch	Morgan
Goldwater	Laxalt	Roth
Gravel	Long	Schweiker

So the bill (S. 427), as amended, was passed, as follows:

S. 427

TITLE I—PUBLIC WORKS EMPLOYMENT

SEC. 101. This title may be cited as the "Public Works Employment Act of 1977".

SEC. 102. (a) There are authorized to be appropriated not to exceed $4,000,000,000 for the period ending September 30, 1978, for the purpose of making grants for projects for which applications have been submitted under title I of the Public Works Employment Act of 1976 (90 Stat. 999).

(b) Projects eligible for such grants shall be those projects considered under title I of the Public Works Employment Act of 1976 (90 Stat. 999) prior to December 23, 1976, and not selected for funding and those projects for which applications under such Act were submitted prior to December 23, 1976, and not considered for funding under such Act because such applications were not received in a timely manner or in the judgment of the Secretary of Commerce were improperly rejected for consideration, except that units of local government which have projects pending, the grant total of which is less than 150 per centum of the residual benchmark for the unit, may submit projects not to exceed in aggregate 150 per centum of said benchmark.

(c) (1) Up to 2½ per centum of the funds appropriated under this section shall be available for projects requested by Indian tribes or Alaska Native villages; and such funds shall be set aside as the exclusive source of funds for such projects before any allocation of the funds appropriated under this section among the States is made.

(2) Up to 1 per centum of the funds authorized under this section may be reserved by the Secretary of Commerce, acting through the Economic Development Administration, to be available for projects that in the judgment of such Secretary were erroneously not selected for funding as of December 23, 1976, due to procedural discrepancies.

(3) Any allocation among the States of funds appropriated under this section and not reserved pursuant to this subsection shall be made 65 per centum on the basis of the ratio that the number of unemployed persons in each State bears to the total number of unemployed persons in all the States and 35 per centum on the basis of the relative severity of unemployment among the States with an average unemployment rate for the preceding twelve-month period in excess of 6.5 per centum: *Provided*, That no State shall receive less than three-fourths of one per centum nor more than twelve and one-half per centum of the amount appropriated under this section: *Provided, however*, That no State whose unemployment data was converted for the first time in 1976 to the benchmark data of the current population survey annual average compiled by the Bureau of Labor Statistics shall receive a percentage of funds appropriated under this section less than the percentage of funds allocated to the State from funds appropriated for title I of the Public Works Employment Act of 1976 (90 Stat. 999) prior to January 1, 1977.

(d) Funds appropriated under this section shall be distributed and all grants under this section shall be made in accordance with the provisions of title I of the Public Works Employment Act of 1976 (90 Stat. 999), except that—

(1) in lieu of the provisions of section 108(d) of such title, 85 per centum of all amounts appropriated to carry out this section shall be granted for projects given priority under clause (1) of the first sentence of section 108(c) of such title, and the remaining 15 per centum shall be available for projects given priority under clause (2) of the first sentence of such section 108(c). The Secretary of Commerce, acting through the Economic Development Administration, may waive any of the requirements of this paragraph for any State which receives the minimum allocation pursuant to section 108(a) of such title, and such Secretary may waive the requirement that the remaining 15 per centum be available for projects under clause (2) of the first sentence of such section 108(c) for any State in which the State unemployment rate exceeds the national unemployment rate;

(2) the Secretary of Commerce, acting through the Economic Development Administration, may require all State and local governments that have submitted applications eligible for funding under this section to use unemployment data for the most recent twelve-month period for which data are available, before consideration for grants under this section. Such Secretary may also require all such State and local governments to revise estimates of project cost, as appropriate;

(3) in determining whether certain possible grants may result in an undue concentration of funds under this section in a particular area, the Secretary of Commerce, acting through the Economic Development Administration, may take into consideration grants made in such area under title I of the Public Works Employment Act of 1976 (90 Stat. 999), relative to the severity of unemployment in such area;

(4) any project requested by a State or by a special purpose unit of local government, which is endorsed by a general purpose local government specifically for the purposes of this paragraph, shall be accorded the priority and preference to public works projects of local governments provided in section 108(b) of such title;

(5) a project requested by a school district shall be accorded the full priority and preference to public works projects of local governments provided in section 108(b) of such title;

(6) section 108(f) of such title shall not apply, and section 108(e) of such title shall apply only in cases where the requested project will be constructed within the community or neighborhood on which the qualifying unemployment rate is based;

(7) in comparing projects requested by different applicants which are otherwise considered to be the same in priority and preference, the Secretary shall take into consideration the immediate job-creating potential of such projects and the relative time necessary to complete such projects;

(8) grants under this section shall be made only for projects for which the applicant gives satisfactory assurances that the project will be designed and constructed in accordance with the standards for accessibility for public buildings and facilities to the handicapped and elderly under the Act of August 12, 1968 (42 U.S.C. 4151–4156), as amended. The Architectural and Transportation Barriers Compliance Board is authorized to insure that the construction and renovation done pursuant to this section complies with the accessibility standards for public buildings and facilities issued under the Act of August 12, 1968, as amended;

(9) grants shall be made under this section only for projects for which the applicant gives satisfactory assurances that the project will not have a significant adverse effect on the human environment, unless the Secretary of Commerce determines that full consideration to the effect of the project on the human environment has been given in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969 and the regulations of the Council on Environmental Quality thereunder;

(10) in making grants for projects for construction, renovation, repair or other improvement of buildings, the Secretary shall also give priority and preference as between such building projects to those projects which will result in conserving energy, including but not limited to, projects to redesign and retrofit existing public facilities for energy conservation purposes, and projects using alternative energy systems; and

(11) consideration shall be given to those projects which demonstrate a probability of reducing unemployment by (A) stimulating private investment; (B) generating construction in addition to the project; and (C) creating new long-term employment opportunities in accordance with an applicant's long-range economic development plans.

SEC. 103. If any funds authorized in section 102 of this Act are appropriated for the fiscal year ending September 30, 1978, projects eligible for grants under such appropriation shall include projects eligible for grants under the provisions of title I of the

Public Works Employment Act of 1976 (90 Stat. 999) and projects for construction, renovation, repair, or other improvements of health care or rehabilitation facilities owned and operated by private nonprofitmaking entities. The Secretary of Commerce, acting through the Economic Development Administration, shall receive and consider new applications for grants under this section in addition to applications received under title I of the Public Works and Economic Development Act of 1976 (90 Stat. 999). Any projects for which applications have been submitted prior to enactment of this section shall be revised and new information required to be submitted, as appropriate.

SEC. 104. (a) The President is authorized and directed to study public works investment in the United States and the implications for the future of recent trends in such investment.

(b) The study authorized by this section shall include, but not be limited to, the following:

(1) the historical scope and nature of public works investment, including—

(A) shifts in the types of public facilities constructed over the last thirty years and the implications of such shifts;

(B) the patterns of regional distribution of investment;

(C) the role of the Federal Government, States, and local comunities in funding public facilities;

(D) the impact upon unemployment in minority groups;

(2) the proportion of the gross national product devoted to public works investment over the last thirty years;

(3) methods by which the aggregate need for public works can be determined;

(4) how public works are financed and how financing arrangements affect the pattern and type of investment; and

(5) the level of maintenance or renovation of existing public facilities needed, compared to that provided.

(c) The President shall submit to Congress a report with respect to its findings and recommendations no later than eighteen months after enactment of this section. A preliminary report putting forth the study design shall be submitted to Congress within four months after enactment of this section.

SEC. 105. Pursuant to regulations prescribed by the Secretary of Commerce in consultation with the Secretary of Labor and consistent with existing applicable collective bargaining agreements and practices, special consideration shall be given to the employment of qualified disabled veterans (as defined in section 2011(1) of title 38, United States Code) and those qualified Vietnam-era veterans (as defined in section 2011 (2)(A) of such title) who are under twenty-seven years of age, in projects carried out under this title.

SEC. 106. (a) Notwithstanding any other provisions of law, no grant shall be made under this Act for any local public works project unless at least 10 per centum of the articles, materials, and supplies which will be used in such project are procured from minority business enterprises. For purposes of this paragraph, the term "minority business enterprise" means a business at least 50 per centum of which is owned by minority group members or, in case of publicly owned businesses, at least 51 per centum of the stock of which is owned by minority group members. For the purposes of the preceding sentence, minority group members are citizens of the United States who are Negroes, Spanish-speaking Orientals, Indians, Eskimos, and Aleuts.

(b) This section shall not be interpreted to defund projects with less than 10 per centum minority participation in areas with minority populations of less than 5 per centum. In that event, the correct level of minority participation will be predetermined by the Secretary in consultation with the Economic Development Administration and based upon its list of qualified minority contractors and its solicitation of competitive bids from all minority firms on that list.

SEC. 107. The Secretary of Commerce, acting through the Economic Development Administration, may allow any applicant which has received a grant for a project under section 102 of this title to substitute another project or projects (including the transportation and providing of water to drought-stricken areas) if in the judgment of such Secretary (1) the Federal cost in the aggregate of such project or projects does not exceed the grant made under section 102 of this title; (2) the project or projects proposed for substitution are consistent with section 106(d) of the Public Works Employment Act of 1976; (3) if the project was selected on the basis of section 102(d)(7) of the Public Works Employment Act of 1976, the project or projects proposed for substitution are similar in immediate job-creating potential and relative time necessary for completion; and (4) notwithstanding any provision of section 106(a) of the Public Works Employment Act of 1976, which shall not apply to projects substituted under this section, the project or projects proposed for substitution will in fact aid in alleviating drought or other emergency or disaster related conditions or damage.

SEC. 108. (a) Notwithstanding any other provision of law, no grant shall be made under this Act for any local public works project unless only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, and supplies mined, produced, or manufactured, as the case may be, in the United States, will be used in such project.

(b) This section shall not apply in any case where the Secretary determines it to be inconsistent with the public interest, or the cost to be unreasonable, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

SEC. 109. (a) The President is also authorized and directed to study public works investment in the United States.

(b) The study authorized by this section shall be separate and independent from the study authorized by section 104 of this Act and shall include, but not be limited to, the following:

(1) economic stimulus created by public works projects;

(2) tax expenditures per job;

(3) evaluation of the criteria for assessing public works needs relative to other national spending priorities;

(4) impact on construction costs in the private sector; and

(5) the comparison between public works and private sector construction costs on similar facilities.

(c) The President shall submit to Congress a report with respect to such study no later than eighteen months after enactment of this section. A preliminary report putting forth the study design shall be submitted to Congress within four months after enactment of this section.

TITLE III—FEDERAL WATER POLLUTION CONTROL ACT AUTHORIZATIONS

SEC. 201. Section 517 of the Federal Water Pollution Control Act, as amended (Public Law 92-500), is amended by striking the word "and" before the words "$350,000,000" and by striking the period at the end thereof and inserting the words "and $350,000,000 for each of the fiscal years ending June 30, 1976, September 30, 1977, and September 30, 1978.".

SEC. 202. (a) Section 104 of the Federal Water Pollution Control Act, as amended (Public Law 92-500), is amended by adding the following new subsection:

"(v) There are authorized to be appropriated to the Environmental Protection Agency for the following categories of research, development, and demonstration under this Act not to exceed $148,800,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978, of which each year—

"(1) $89,900,000 shall be for programs authorized by paragraph (1) of subsection (u) of this section,

"(2) $5,600,000 shall be for programs authorized by paragraph (4) of subsection (u) of this section.

"(3) $2,000,000 shall be for programs authorized by paragraph (5) of subsection (u) of this section,

"(4) $20,000,000 shall be for programs authorized by paragraph (6) of subsection (u) of this section,

"(5) $24,700,000 shall be for programs authorized by section 105(h) of this Act,

"(6) $4,600,000 shall be for programs authorized by section 107 of this Act, and

"(7) $2,000,000 shall be for programs authorized by section 113 of this Act.".

(b) Subsection (a) of section 106 of the Federal Water Pollution Control Act, as amended (Public Law 92-500), is amended by striking the word "and" after the words "1973," and by inserting after the words "1974;" the following "and (3) $75,000,000 for each of the fiscal years ending June 30, 1975, June 30, 1976, September 30, 1977, and September 30, 1978;".

(c) Subsection (c) of section 112 of the Federal Water Pollution Control Act, as amended, is amended to read as follows:

"(c) There are authorized to be appropriated $25,000,000 per fiscal year for the fiscal years ending June 30, 1973, June 30, 1974, June 30, 1975, June 30, 1976, September 30, 1977, and September 30, 1978, to carry out sections 109 through 112 of this Act.".

SEC. 203. (a) Section 207 of the Federal Water Pollution Control Act, as amended (86 Stat. 839), is amended by striking the period at the end of the sentence and adding ", and for each of the fiscal years ending September 30, 1977, and September 30, 1978, subject to such amounts as are provided in appropriation Acts, not to exceed $4,500,000,000.".

(b) The first sentence of subsection (a) of section 205 of the Federal Water Pollution Control Act (86 Stat. 837) is amended by striking out "June 30, 1972," and inserting in lieu thereof "June 30, 1972, and before September 30, 1976,".

(c) Such section 205 is further amended by adding at the end thereof the following new subsection:

"(c)(1) Sums authorized to be appropriated pursuant to section 207 for each fiscal year beginning after September 30, 1976, shall be allotted by the Administrator on October 1 of the fiscal year for which authorized. Sums authorized for the fiscal years ending September 30, 1977, and September 30, 1978, shall be allotted in accordance with the following table:

"State	Proportional share
Alabama	0.0110
Alaska	.0048
Arizona	.0064
Arkansas	.0109
California	.0831
Colorado	.0081
Connecticut	.0123
Delaware	.0040
District of Columbia	.0040
Florida	.0361

Georgia	.0201
Hawaii	.0070
Idaho	.0041
Illinois	.0526
Indiana	.0219
Iowa	.0111
Kansas	.0123
Kentucky	.0151
Louisiana	.0126
Maine	.0055
Maryland	.0382
Massachusetts	.0279
Michigan	.0473
Minnesota	.0152
Mississippi	.0076
Missouri	.0200
Montana	.0020
Nebraska	.0062
Nevada	.0030
New Hampshire	.0068
New Jersey	.0480
New Mexico	.0026
New York	.1062
North Carolina	.0209
North Dakota	.0019
Ohio	.0560
Oklahoma	.0136
Oregon	.0084
Pennsylvania	.0471
Rhode Island	.0040
South Carolina	.0132
South Dakota	.0016
Tennessee	.0150
Texas	.0434
Utah	.0051
Vermont	.0022
Virginia	.0222
Washington	.0155
West Virginia	.0218
Wisconsin	.0201
Wyoming	.0012
Virgin Islands	.0005
Puerto Rico	.0090
American Samoa	.0003
Trust Territories	.0020
Guam	.0010

If the sums allotted to the States for a fiscal year are made subject to a limitation on obligation by an appropriation Act, such limitation shall apply to each State in proportion to its allotment.

"(2) For the fiscal years 1977 and 1978, no State shall receive less than one-third of 1 per centum of the total allotment under the first paragraph of this subsection, except that in the case of Guam, Virgin Islands, American Samoa, and the Trust Territories, not more than forty one-hundredths of 1 percentum in the aggregate shall be allotted to all four of these jurisdictions. For the purpose of carrying out this paragraph there are authorized to be appropriated, subject to such amounts as are provided in appropriation Acts, not to exceed $40,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978.".

SEC. 204. (a) Section 208(f)(2) of the Federal Water Pollution Control Act (33 U.S.C. 2188) is amended to read as follows:

"(2) For the two-year period beginning on the date the first grant is made under paragraph (1) of this subsection to an agency, if such first grant is made before October 1, 1977, the amount of each such grant to such agency shall be 100 per centum of the costs of developing and operating a continuing areawide waste treatment management planning process under subsection (b) of this section, and thereafter the amount granted to such agency shall not exceed 75 per centum of such cost in each succeeding one-year period. In the case of any other grant made to an agency under such paragraph (1) of this subsection, the amount of such grant shall not exceed 75 per centum of the costs of developing and operating a continuing areawide waste treatment management planning process in any year.".

(b) The second sentence of section 208(f)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1288) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "subject to such amounts as are provided in appropriation Acts.".

(c) Section 208(f)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1288) is amended by striking out "and not to exceed $150,000,000 for the fiscal year ending June 30, 1975." and inserting in lieu thereof "and not to exceed $150,000,000 per fiscal year for the fiscal years ending June 3, 1975, September 30, 1977, and September 30, 1978.".

SEC. 205. Paragraph (2) of subsection (c) of section 314 of the Federal Water Pollution Control Act, as amended is amended to read as follows:

"(2) There is authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1973; $100,000,000 for the fiscal year ending June 30, 1974; and $150,000,000 for each of fiscal years 1975, 1976, 1977, and 1978 for grants to States under this section which such sums shall remain available until expended. The Administrator shall provide for an equitable distribution of such sums to the States with approved methods and procedures under this section.".

SEC. 206. Subsection (b)(1) of section 205 of the Federal Water Pollution Control Act, as amended (86 Stat. 837), is amended by striking "one-year" and by inserting after the second sentence the following: "The sums first made available for obligation during fiscal year 1976 shall continue to be available for obligation until September 30, 1978.".

TITLE III—FEDERAL PUBLIC WORKS PROJECTS CONTINUATION

SEC. 301. The Congress hereby finds and declares that:

(A) the construction projects listed in Public Law 94-355, the Public Works for Water and Power Development and Energy Research Appropriations Act, 1977, and in Public Law 94-351, the Agriculture and Related Agencies Programs Appropriations Act, 1977, represent the foundation of our national public works activity. Such projects are essential to the reduction of unemployment;

(B) such projects provide long-term benefits to communities, to States, and to the entire Nation in terms of water management, flood control, navigation, recreation, and enhanced economic activity; and

(C) such projects have been authorized by the Congress after protracted hearings and consideration extended over many years. Appropriations have been made and are being made pursuant thereto. It is the judgment of Congress that such projects should not be discontinued except by following the legislative process provided by the Constitution of the United States and the provisions of Public Law 93-344, the Congressional Budget and Impoundment Control Act of 1974.

SEC. 302. Notwithstanding the deferral and rescission provisions of Public Law 93-344, all appropriations provided in Public Laws 94-355 and 94-351 for construction projects or for investigation, planning, or design related to construction projects shall be made available for obligation by the President and extended for the purposes for which the appropriations are made, with the exception of those appropriations or expenditures relating to the Meramec Park Lake project in Missouri.

SEC. 303. With the exception noted relating to the Meramec Park Lake project in Missouri, section 302 of this Act shall be equivalent to and have the legal effect of a resolution disapproving any deferral of budget authority previously provided for construction projects in Public Law 93-355 or in any prior law appropriating funds for the United States Army Corps of Engineers or the Department of the Interior Bureau of Reclamation, or for construction projects in Public Law 94-351 or any prior law appropriating funds for construction projects in the Department of Agriculture, as provided for in section 1013(b) of Public Law 93-344, the Congressional Budget and Impoundment Control Act of 1974. With the exception noted relating to the Meramec Park Lake project in Missouri, section 302 is also equivalent to a congressional statement of intent not to uphold any rescission of budget authority with regard to funds appropriated for construction projects in Public Law 94-351 or for construction projects in any prior law appropriating funds for the United States Army Corps of Engineers, the Department of the Interior Bureau of Reclamation, or the Department of Agriculture, as provided for in section 1012(b) of Public Law 93-344.

SEC. 304. It is hereby reiterated that the interest rates or rates of discount to be used to assess the return on the Federal Government's investment in projects of the United States Army Corps of Engineers or the Department of the Interior Bureau of Reclamation, shall be those interest rates or rates of discount established by Public Law 93-251, the Water Resources Development Act of 1974, or by any prior law authorizing projects of the United States Army Corps of Engineers or the Department of the Interior Bureau of Reclamation.

Mr. BURDICK. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make such clerical and technical corrections as are necessary in the engrossment of S. 427.

The PRESIDING OFFICER (Mr. MATSUNAGA). Without objection, it is so ordered.

Mr. BURDICK. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 11 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 11), the Public Works Employment Act of 1977.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

There being no objection the Senate proceeded to consider the bill.

Mr. BURDICK. Mr. President, I move that H.R. 11 be amended by substituting the text of S. 427 as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURDICK. Mr. President, I move that the Senate insist on its amendments to H.R. 11 and request a conference with the House of Representatives on the disagreeing votes of the two Houses and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Messrs. RANDOLPH, BURDICK, MUSKIE, BENTSEN, ANDERSON, MOYNIHAN, STAFFORD, CHAFEE, DOMENICI, and MCCLURE the conferees on the part of the Senate.

Mr. BURDICK. Mr. President, I ask unanimous consent that 400 copies of H.R. 11 as amended by the Senate, be printed for the use of the Committee on Environment and Public Works, and that the bill as passed be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURDICK. Mr. Presdent, I ask unanimous consent that calendar number 33, S. 427 a bill to provide additional authorizations for the public works employment program, to authorize a program for employment of teenage youth in community improvements projects, and for other purposes, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in the day the following occurred:)

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the action of the Senate in passing S. 427 be vitiated; that the yea-and-nay vote thereon be transferred to H.R. 11, and that S. 427 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the measure was passed.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(This concludes proceedings that occurred earlier.)

ROUTINE MORNING BUSINESS

(The following morning business was transacted today:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE CANNED MUSHROOM INDUSTRY—MESSAGE FROM THE PRESIDENT—PM 49

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Finance:

To the Congress of the United States:

In accordance with Section 203(b)(2) of the Trade Act of 1974, enclosed is a report to the Congress setting forth my determination that import relief for the U.S. canned mushroom industry is not in the national economic interest, and explaining the reasons for my decision.

JIMMY CARTER.

THE WHITE HOUSE, *March 10, 1977.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NELSON, from the Special Committee on Official Conduct:

S. Res. 110. An original resolution to establish a Code of Official Conduct for the Members, officers, and employees of the U.S. Senate; and for other purposes (Rept. No. 95-49).

EXECUTIVE REPORT OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MAGNUSON. Mr. President, as in executive session, I report from the Committee on Commerce, Science, and Transportation favorably sundry nominations in the Coast Guard which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of January 18, 19, February 21, and March 1, 1977, at the end of the Senate proceedings.)

ORDER FOR STAR PRINT—S. 174

Mr. CLARK. Mr. President I ask unanimous consent that there be printed a star print of Senate Report 95-37, the report on S. 174, due to the fact that some material was inadvertently omitted.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ROBERT C. BYRD (for himself, Mr. BAKER, Mr. RIBICOFF, Mr. CRANSTON, Mr. STEVENS, Mr. ANDERSON, Mr. BUMPERS, Mr. BURDICK, Mr. HARRY F. BYRD, JR., Mr. CHAFEE, Mr. DECONCINI, Mr. DOLE, Mr. DOMENICI, Mr. GOLDWATER, Mr. HEINZ, Mr. INOUYE, Mr. LUGAR, Mr. MATSUNAGA, Mr. MCCLELLAN, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. PERCY, Mr. RANDOLPH, Mr. RIEGLE, Mr. SASSER, Mr. SCHMITT, and Mr. STAFFORD):

S. 964. A bill to provide the salaries of certain positions and individuals which were increased as a result of the operation of the Federal Salary Act of 1967 shall not be increased by the first comparability pay adjustment occurring after the date of the enactment of this act. Considered and passed.

By Mr. PEARSON (for himself and Mr. DOLE):

S. 965. A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that bonds issued to finance facilities for production and purification of synthetic natural gas by coal gasification not be considered industrial development bonds, and for other purposes; to the Committee on Finance.

By Mr. HASKELL:

S. 966. A bill to amend the Federal Election Campaign Act of 1971 to prohibit the diversion of amounts received as campaign contributions to other purposes and to prohibit the making or receipt of certain contributions; to the Committee on Rules and Administration.

By Mr. McINTYRE (by request):

S 967. A bill to authorize appropriations during fiscal year 1977 for research, development, test, and evaluation for the Armed Forces and to authorize appropriations for operation and maintenance of family housing, and for other purposes; to the Committee on Armed Services.

By Mr. SASSER:

S. 968. A bill for the relief of Aryeh Makleff; to the Committee on the Judiciary.

By Mr. CHILES (for himself, Mr. STONE, and Mr. SPARKMAN):

S. 969. A bill to amend the Service Contract Act of 1965 to extend its coverage to professional employees; to the Committee on Human Resources.

By Mr. CHILES:

S. 970. A bill for the relief of Marion G. Denton; to the Committee on the Judiciary.

By Mr. STAFFORD:

S. 971. A bill for the relief of Sheila J. Phelps; to the Committee on the Judiciary.

By Mr. NELSON (for himself, Mr. HATHAWAY, Mr. MCINTYRE, and Mr. NUNN):

S. 972. A bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes; to the Select Committee on Small Business.

By Mr. LEAHY:

S. 973. A bill for the relief of Young-Shik Kim; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 974. A bill to amend title XI of the Merchant Marine Act of 1936 to allow guarantees for fishing vessels to equal 87½ percent of actual cost; to the Committee on Commerce, Science, and Transportation.

By Mr. WILLIAMS (for himself, Mr. BAYH, Mr. CASE, Mr. CHAFEE, Mr. GRAVEL, Mr. MAGNUSON, Mr. MELCHER, Mr. METCALF, Mr. RIBICOFF, and Mr. TOWER):

S. 975. A bill to improve the administration of the national park system; to the Committee on Environment and Natural Resources.

By Mr. HUDDLESTON:

S. 976. A bill to amend the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JACKSON (for himself, Mr. FORD, Mr. HUDDLESTON, Mr. HUMPHREY, and Mr. RANDOLPH):

S. 977. A bill to require that new and, to the extent practicable, existing electric powerplants and major fuel-burning installations, in categories to be determined, utilize other than natural gas or petroleum as their primary energy source in compliance with applicable environmental requirements, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 978. A bill for the relief of Thomas E. Reilly; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 979. A bill to amend certain provisions of title 18, United States Code, relating to the sentencing of defendants convicted of certain offenses; to the Committee on the Judiciary.

By Mr. SCOTT:

S. 980. A bill to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DOLE (for himself, Mr. CURTIS, and Mr. LUGAR):

S.J. Res. 37. A joint resolution proposing an amendment to the Constitution of the United States authorizing the President to disapprove parts of appropriation bills; to the Committee on the Judiciary.

By Mr. SCOTT:

S.J. Res. 38. A joint resolution proposing an amendment to the Constitution of the United States with respect to State laws relating to the termination of pregnancy; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PEARSON (for himself and Mr. DOLE):

S. 965. A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that bonds issued to finance facilities for production and purification of synthetic natural gas by coal gasification not be considered industrial development bonds, and for other purposes; to the Committee on Finance.

COAL GASIFICATION FACILITIES FINANCING ACT OF 1977

Mr. PEARSON. Mr. President, I introduce for myself and Senator DOLE, and for appropriate reference a bill, the Coal Gasification Facilities Financing Act of 1977.

Mr. President, this legislation is not complex. It would remove any question of Federal income tax exemption from the interest on bonds issued by local governments to finance coal gasification plants. The tax code does not now treat "synthetic natural gas plants" at all, the pertinent language having been adopted some years past. Consequently, it is open to question as to whether securities issued by local government units might be "industrial development bonds" under the existing laws. Given the absence of definitive language, any community which is in a position to construct and finance a coal gasification project under present law is required to limit contract sales of project output in a fashion that is cumbersome and inefficient.

Mr. President, our bill would clearly remove any question of "industrial development bond" status for bonds or other securities issued by political subdivisions of any State for the purpose of financing facilities for the production and purification of synthetic natural gas through coal gasification, including functionally related facilities. Thus, communities could construct, own, and operate coal gasification projects, including support and auxiliary systems, and finance such projects using tax-exempt securities.

The bill would have the affect of reducing costs for consumers who use the synthetic natural gas and other output of such projects so financed. This becomes doubly important during a period when energy costs, by any definition, are expected to sharply escalate. Equally important is the fact that the bill, if adopted, could make substantial additional supplies to interstate pipeline reserves and deliverabilities.

Thus, Mr. President, our bill would allow and promote local determination and resolution of a major problem facing the Nation. The method authorized by this bill has proven to be workable in hundreds of thousands of projects constructed, without subsidy or Federal interference, throughout the Nation. The formula has been successfully utilized in a public-private sector partnership in financing a broad range of pollution abatement projects which have significantly contributed to a cleanup of our environment.

Mr. President, this bill represents a recognition that the energy problems facing the Nation rank equally in importance and severity as do the serious environmental problems which have been previously addressed on a massive scale. I urge my colleagues to consider the bill's provisions and benefits at the earliest practicable time.

SITUATION UNDER PRESENT LAW

Mr. President, section 103(a)(1) of the Internal Revenue Code of 1954 generally provides for the excludability from gross income for Federal income tax purposes of interest on "the obligations of a State, a Territory, or a possession of the United States, or any political subdivision of any of the foregoing, or of the District of Columbia."

The scope of this exemption is limited by subsection (b) of section 103, which provides that subsection (a)(1) does not apply to any "industrial development bond." "Industrial development bond" is defined as an obligation which is "part of an issue all or a major portion of the proceeds of which are to be used directly or indirectly in any trade or business carried on by any person who is not an exempt person" and "the payment of the principal or interest in which—under the terms of such obligation or any underlying obligation—is, in whole or in major part * * * secured by any interest in property used or to be used in a trade or business or in payments in respect of such property or * * * to be derived from payments in respect to property, or borrowed money, used or to be used in a trade or business."

An exempt person for this purpose includes States and local governmental units and certain charitable organizations.

Subsection 103(b)(4) exempts from the general rule with respect to industrial development bonds any issue of such obligations "substantially all of the proceeds of which are to be used to provide" facilities falling into certain exempt categories regarded, for Federal income tax purposes, as serving a particularly important general public use.

Among these categories of exempt facilities are "facilities for the local furnishing of electric energy or gas." An issue of governmental obligations used to finance facilities for the production and purification of synthetic natural gas by a coal gasification process would, under existing law, be an issue of "industrial development bonds" if the conditions set forth in Treasury Regulations section 1.103-7(b)(5) were met.

Generally speaking, these requirements are to the effect that: first, one nonexempt person agrees to take, or to take or pay for, more than 25 percent of the output of such a facility, or second, two or more nonexempt persons, each of which pays annually a guaranteed minimum payment exceeding 3 percent of the average annual debt service with respect to the issue, agree to take, or to take or pay for, more than 25 percent of such output, and third, payments with respect to such agreements exceed 25 percent of the total debt service with respect to the issue.

Under the foregoing rules, bonds issued by a State or local governmental unit to finance the cost of a plant for the production and purification of synthetic natural gas by a coal gasification process would be "industrial development bonds" if contracts were to be entered into for the sale of the output thereof on a take-or-pay basis to investor owned utilities, industrial companies, and rural electric cooperatives in excess of the amounts stipulated in the foregoing regulation.

Further, such industrial development bonds could not qualify for the exemption provided in section 103(b)(4)(E) as being issued to provide "facilities for the local furnishing of electrical energy or gas." Treasury Regulations section 1.103-8(f)(2)(iii) requires that such a facility be "a part of a system providing service to the general populace of one or more communities or municipalities, but in no event more than two contiguous counties—or a political equivalent—whether or not such counties are located in one State."

The economies of scale in the production of synthetic natural gas by coal gasification processes are such that it is generally not feasible to construct facilities with the limited capacity that would be consistent with the two-county local furnishing rule quoted above. Thus, in order for a tax-exempt financing to be available for such a facility, the use sale contracts for the output of such a facility must be limited to comply with the requirements of Treasury Regulation section 1.103-7(b)(5), described above.

Take-or-pay contracts for the sale of such output to entities with a demonstrable ability to meet debt service requirements are generally necessary to the financing of substantial output facilities such as those contemplated by the act. Although tax-exempt financing may, in some cases, be achieved within the 25 percent and 3 percent limits imposed by section 1.103-7(b)(5) of the Treasury Regulations, compliance therewith will, in most cases, have an adverse effect on the credit rating of bonds issued to provide the facilities, resulting in higher interest cost, and therefore higher cost for the gas to be produced, than would be the case without such limits. Furthermore, in many cases, it would be impossible to create an adequate credit to permit the sale of the bonds at any interest rate without the security that could be provided by take-or-pay contracts in excess of those limits.

EFFECT OF THE BILL

The bill would amend the Internal Revenue Code so that facilities for the production of synthetic natural gas by coal gasification processes would be in the same category as pollution control

facilities, solid waste disposal facilities, facilities for furnishing water and other exempt facilities described in section 103 (b)(4). Municipal bonds issued to financing of facilities for on-site production of transportation of raw materials, would be tax-exempt notwithstanding the fact that they are industrial development bonds. In addition to gasification facilities, the bill would also permit financing of facilities for on-site production or transportation of raw materials, facilities for recovery of byproducts, facilities for handling, and for upgrading the Btu content of, the SNG produced as well as facilities functionally related and subordinate to any of the mentioned facilities.

The bill would insure that only a State, a territory, or a possession of the United States, or any political subdivision of any of the foregoing, or the District of Columbia could own the facilities that are to be financed with the proceeds of bonds subject to its provisions.

Essentially, the bill would enable small municipalities to take advantage of economies of scale in connection with the production of synthetic natural gas from coal. Limitations on the amount of facility output that could be sold to private business users under take-or-pay contracts, rather than pursuant to a prevailing rate schedule, would be eliminated: this would mean that a municipality with no alternative fuel source, but with a present and anticipated need for less than 75 percent of the facility output, could obtain synthetic natural gas from coal by constructing a plant and selling excess output on a take-or-pay basis. Those take-or-pay contracts would be additional security for the bonds issued to finance the facility, thus increasing the marketability of the municipality's obligations.

Mr. President, I ask unanimous consent that the text of our bill, together with an analysis of its provisions, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 965

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coal Gasification Facilities Financing Act of 1977".

SEC. 2. Section 103(b)(4) of the Internal Revenue Code of 1954 is amended by striking out "or" at the end of subparagraph (F), by striking out the period at the end of subparagraph (G) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(H) facilities for production and purification of synthetic natural gas by coal gasification processes, which are owned by a State, a Territory, or a possession of the United States, or any political subdivision of any of the foregoing, or of the District of Columbia.".

SEC. 3. Section 103 of the Internal Revenue Code of 1954 is amended by redesignating subsection (f) as subsection (g) and by inserting, immediately following subsection (e) thereof, the following new subsection (f):

"(f) COAL GASIFICATION FACILITIES. For purposes of subsection (b)(4)(H), facilities for production and purification of synthetic natural gas by coal gasification processes include:

"(1) facilities that directly perform the coal gasification process,

"(2) facilities for the on-site production, transportation, handling, storage, or treatment of coal and other raw materials, supplies, or materials, in process preparatory to the coal gasification process,

"(3) facilities for the on-site economic recovery, recycling, handling, storage, treatment, or utilization of by-product materials or energy generated by the coal gasification process,

"(4) facilities for on-site handling, transportation, or increasing the b.t.u. content per unit of volume, of synthetic natural gas produced by the coal gasification process, and

"(5) other facilities which are on-site, to the extent functionally related and subordinate to any facilities described in paragraphs (1) through (4).

"For purposes of this section, the term 'synthetic natural gas' means any product of a coal gasification process which can be used as a substitute for natural gas, regardless of its chemical composition or b.t.u. content. Notwithstanding any other provision of this subtitle, no deduction or credit shall be allowed with respect to, or by reason of, any facility to which this subsection and subsection (b)(4)(H) apply. The adjusted basis of any facility acquired with the proceeds of any obligations to which this subsection apply shall be zero.".

ANALYSIS OF THE ACT

The proposed Act would amend section 103(b)(4) of the Internal Revenue Code by adding thereto a new subparagraph (H). Section 103(b) provides generally that interest on "industrial development bonds" issued by a State, Territory, or a possession of the United States, or any political subdivision of any of the foregoing, or by the District of Columbia is includable in gross income. Section 103(4) provides for the excludability from gross income of interest on industrial development bonds substantially all of the proceeds of which are to be used to provide facilities in certain categories regarded, for purposes of Federal tax law, as serving a particularly important general public use. Subparagraph (H) would add, as a new category of facilities serving such a public use, publicly owned facilities for the production and purification of synthetic natural gas by coal gasification processes.

The proposed Act would add a new subsection 103 (f), after appropriate redesignation of subsections, that would define the kinds of property constituting facilities described in section 103(b)(4)(H) eligible for financing with tax-exempt industrial development bonds.

The five kinds of property that would constitute facilities for production and purification of synthetic natural gas by coal gasification processes would be defined as follows:

(1) Facilities that directly perform the coal gasification process. The coal gasification process itself is limited to any particular process or combination of processes, it being recognized that there are currently, and capable of being developed in the future more than one coal gasification process that could be used to produce and/or purify synthetic natural gas. Such facilities include only the land, machinery and equipment used in the actual coal gasification process, which generally constitutes approximately 25 percent of the cost of an entire plant for production and purification of synthetic natural gas by a coal gasification process.

(2) Facilities for the onsite production, transportation, handling, storage and treatment of coal and other raw materials, supplies and materials in process preparatory for the coal gasification process. This category would include such things as onsite coal storage facilities and conveyers, but would not include facilities for the off-site mining of coal or the transportation thereof from the mine to the coal gasification plant site.

(3) On-site facilities for the economic recovery, recycling, handling, storage, treatment and utilization of byproduct materials or energy generated by the coal gasification process. The economic feasibility of at least one of the available coal gasification processes depends heavily upon the recovery of byproducts such as naphtha, tar oil, tar, ammonia, phenols, sulphur, coal fines and ash. Property eligible for tax-exempt financing under this heading would be limited, in the case of byproducts to be sold, to facilities necessary to process such byproducts to the earliest stage at which such byproducts are marketable. Thus, facilities for the conversion of heat into steam which is sold to a third party would qualify for tax exempt financing, but facilities that would utilize tar or other byproducts in the manufacture of synthetic fabrics or materials would not qualify, even if located on the same site as the coal gasification plant.

(4) Facilities for on-site handling, transportation and increasing the b.t.u. content per unit of volume of, synthetic natural gas production by the coal gasification process. This category would include pipes necessary to transmit such gas on the plant site and storage facilities, but would not include any gas pipeline or other transmission facilities beyond the boundary of the plant site. Also included in this category are facilities for increasing the b.t.u. content of such gas up to pipeline quality. While gas produced by a coal gasification process may be sold locally for some commercial and industrial purposes without upgrading its b.t.u. content, facilities to increase the b.t.u. level are necessary in order for such gas to be acceptable for commingling and transmission through pipelines from the plant site to the regions of the country where the greatest need for such gas may exist. Gas that does not meet such pipeline quality is not useable for residential heating purposes.

(5) Other on-site facilities to the extent functionally related and subordinate to any facilities described in the preceding four paragraphs. This category includes such items as buildings and other structures, power sources and other utilities, fences, cafeterias, washrooms, other facilities to accommodate personnel, parking lots, administrative service facilities, and facilities required to comply with existing or future environmental standards, regardless of whether or not such facilities would be financeable on a tax-exempt basis under present law.

Mr. DOLE. Mr. President, I join with Senator PEARSON in the introduction of the Coal Gasification Facilities Financing Act of 1977.

This measure is most important to the city of Wichita. Yet, the impact of adoption of this legislation would be nationwide in effect. Presently, municipalities are faced with a complex procedure to follow in their efforts to have tax-exempt status for bonds that they sell to finance the construction of coal-gasification plants. While this process does not hinder the ultimate outcome in most cases, it costs the city money and delays the development of additional sources of energy. Adoption of the Coal Gasification Facilities Financing Act of 1977 would not reduce Federal revenues. It would only reduce the paperwork that American municipalities are now subjected to in their efforts to provide more services to their citizens.

This legislation is consistent with the

national emphasis on the development of new energy resources. Coal gasification projects such as the city of Wichita has planned turn one of our most abundant sources of energy into one that is becoming increasingly scarce. This type of initiative by local governments should be encouraged by Congress.

Simplification of the tax code as it relates to treatment of municipal bonds used to finance coal gasification operations would not be without precedent. In the past, Congress has seen fit to extend such favorable treatment to bonds issued to provide facilities for the local furnishing of electrical energy or gas. The changes made by this bill are only technical and would not alter any substantive section of the tax code.

The problem that Wichita faces is pressing. Therefore, I intend to bring this matter to the immediate attention of my colleagues on the Finance Committee. I believe that this is only a technical amendment and is one that is consistent with national policy.

By Mr. HASKELL:

S. 966. A bill to amend the Federal Election Campaign Act of 1971 to prohibit the diversion of amounts received as campaign contributions to other purposes and to prohibit the making or receipt of certain contributions; to the Committee on Rules and Administration.

Mr. HASKELL. Mr. President, today I am introducing legislation to prohibit the practice on the part of Members of Congress of using private donations to finance official expenses or duties of office. These so-called office accounts or slush funds as they are sometimes known to the public, are the source of countless and continual problems, and it seems to me there is simply no effective way to properly regulate them so as to prevent the potential for, or appearance of abuse.

I am therefore offering this proposal which would prohibit Members of Congress and anyone holding Federal office from diverting excess campaign funds to office accounts or from accepting private donations specifically for the purpose of defraying expenses associated with the performance of official duties.

I am greatly heartened by the progress which Congress is making in establishing a strict and meaningful code of ethics for its Members and employees. The measure adopted and under consideration conform very closely to my long-held views on the subject and to legislation I have introduced. I think this particular prohibition is needed, however, to guarantee that private interests do not have superior access to a Member of Congress or a Federal official through the device of helping to improve that official's effectiveness in office. I hope that the Senate will see matters in this light and will abolish these troublesome funds. Mr. President, I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 966

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 317 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439a) is amended to read as follows:

"PROHIBITION OF DIVERSION OF CAMPAIGN FUNDS; PROHIBITION OF CERTAIN CONTRIBUTIONS

"SEC. 317. (a) Amounts contributed to or for the use of a candidate may not be used for any purpose other than that of making an expenditure (as defined in section 301 (f) (1)).

"(b) Except as provided in subsection (a), an individual who holds Federal office may not use any funds donated to him for the purpose of defraying the expenses incurred by him in connection with his duties as a holder of Federal office. No person may donate funds to such an individual to be used for that purpose, nor shall any person (other than the individual officeholder) make any payment or transfer of anything of value for the purpose of defraying such expenses of such an individual except as provided by law.".

SEC. 2. The amendment made by the first section of this Act takes effect 30 days after the date of enactment of this Act.

By Mr. McINTYRE (by request):

S. 967. A bill to authorize appropriations during fiscal year 1977 for research, development, test, and evaluation for the Armed Forces and to authorize appropriations for operation and maintenance of family housing, and for other purposes; to the Committee on Armed Services.

Mr. McINTYRE. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize appropriations during fiscal year 1977 for research, development, test, and evaluation for the Armed Forces and to authorize appropriations for operation and maintenance of family housing, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose to be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE,
Washington, D.C., March 4, 1977.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The President has submitted a supplemental request for Fiscal Year 1977 representing an increase in the amounts requested for appropriation in certain accounts of the Department of Defense. The request results from an increased need for funds because of pay increases last October. Some of these increased amounts will require fund authorization pursuant to section 138(a) of title 10, United States Code, and section 507 of Public Law 87-554, July 27, 1962.

Accordingly, there is forwarded herewith legislation, "To authorize appropriations during fiscal year 1977 for research, development, test and evaluation for the Armed Forces and to authorize appropriations for operation and maintenance of family housing, and for other purposes." This proposal is a part of the Department of Defense legislative program for the 95th Congress and the Office of Management and Budget has advised that enactment of this proposal would be in accord with the program of the President.

In accordance with usual practices, the Committee on Armed Services will be furnished with such additional information as it may require in connection with this request. A similar request is being forwarded to the Speaker of the House.

Sincerely,

L. NIEDERLEHNER,
Acting General Counsel.

By Mr. CHILES (for himself, Mr. STONE, and Mr. SPARKMAN):

S. 969. A bill to amend the Service Contract Act of 1965 to extend its coverage to professional employees; to the Committee on Human Resources.

Mr. CHILES. Mr. President, I am today introducing for myself and Senators STONE, and SPARKMAN, S. 969, a bill to extend the protections of the Service Contract Act to professionals.

This is a companion bill to H.R. 314, which was introduced by Congressmen THOMPSON and CORMAN earlier this year.

This legislation, if enacted, would protect engineers and professionals from the abuses of wage busting, a practice which has forced them to accept drastically lower salaries when service contracts are recompeted. For instance, in Brevard County, Fla., new contractors, forced through competition to trim costs to the bone, have offered engineers the same positions they had held in prior service contracts—but at a substantial drop in salary.

Presently, the Service Contract Act functions first, to determine a minimum level of wages and fringe benefits to be furnished to the various classes of covered employees and second, in successor contracts, to protect those wage and fringe benefit levels reached through collective bargaining agreements.

Congress enacted the legislation in 1965 to protect blue collar service contract employees from similar wage busting bidding practices. In 1972, Congress passed amendments to protect those covered employees whose wage and fringe benefits were reached through collective-bargaining agreements. Last year, Congress further amended the Service Contract Act to clarify its intent regarding coverage of white collar employees.

Mr. President, the passage of this legislation would provide the same protection to professionals that is presently provided to all others under the act. It would eliminate the specter of professionals with families and a mortgage scrambling to accept positions which require sophisticated technical expertise, yet barely pay the minimum wage.

I believe that an important consequence of introducing this bill today will be to focus attention upon the wage busting of professionals. In the meantime, I recognize that this legislation represents one of several ways to solve that problem. The most important task before us and the professional and engineering community today is to reach an agreement as to what method will provide the most effective solution to the problem.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 969

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(a)(1) of the Service Contract Act of 1965 (41 U.S.C. 351(a)) (hereinafter called the "Act") is amended by inserting immediately after "arms-length negotiations" the following: "*Provided,* That with regard to professionals whose services are substantially the same as those described in the National Survey of Professional, Administrative, Technical and Clerical Pay, issued pursuant to section 5305 of title 5, United States Code, the prevailing rates for such employees in any locality shall not be less than the rate described in the National Survey of Professional, Administrative, Technical and Clerical Pay.".

SEC. 2. Section 2(a)(2) of the Act is amended by inserting immediately after "arm's-length negotiations." the following: "*Provided,* That with regard to professionals whose services are substantially the same as those described in the National Survey of Professional, Administrative, Technical and Clerical Pay, issued pursuant to section 5305 of title 5, United States Code, the prevailing rates for such employees in any locality shall not be less than the rate described in the National Survey of Professional, Administrative, Technical and Clerical Pay.".

SEC. 3. Section 4(c) of the Act is amended by inserting immediately after "SEC. 4. (c)" the following: "(1)", and at the end of subsection 4(c) by adding the following new subparagraph:

"(ii) No contractor or subcontractor under a contract, which succeeds a contract subject to this Act and under which substantially the same services are furnished, shall pay any service employee under such contract less than the salaries and fringe benefits, including accrued salaries and fringe benefits, to which such service employee would have been entitled if he were employed under the predecessor contract.".

SEC. 4. Section 8(b) of the Act is amended to read as follows:

"(b) The term 'service employee' means any person engaged in the performance of a contract entered into by the United States and not exempt under section 7, whether negotiated or advertised, the principal purpose of which is to furnish services in the United States and shall include all such persons regardless of any contractual relationship that may be alleged to exist between a contractor or subcontractor and such persons, other than—

"(1) any person employed in a bona fide executive or administrative capacity (as defined in part 541 of title 29, Code of Federal Regulations, and any subsequent revision of those regulations); and

"(2) any person employed in a professional capacity (as defined in part 541 of title 29, Code of Federal Regulations, and any subsequent revision of those regulations) provided that such person is compensated at a rate not less than that received by Federal Government employees in grade 15, of the General Schedule as provided in section 5332 (a) of title 5, United States Code.".

SEC. 5. Section 10 of the Act is amended by adding at the end thereof the following new section 11:

"SEC. 11. It is the intent of Congress that the determination of minimum salaries and fringe benefits for the various classes of professional employees under the provisions of paragraphs (1) and (2) of section 2(a) shall conform with the most recent National Survey of Professional, Administrative, Technical and Clerical Pay issued by the United States Department of Labor and prepared by its Bureau of Labor Statistics. To the extent that such survey does not cover fringe benefits or does not cover average salaries in the United States for any class of professional employees, such determination should be made with respect to all contracts subject to this Act as soon as it is administratively feasible to do so. In any event, the Secretary shall make such determinations with respect to the contracts subject to this Act which are entered into during the applicable fiscal year described in section 10 hereof, no later than June 30, 1977.".

By Mr. NELSON (for himself, Mr. HATHAWAY, Mr. MCINTYRE, and Mr. NUNN):

S. 972. A bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes; to the Select Committee on Small Business.

Mr. NELSON. Mr. President, on behalf of myself and members of the Small Business Committee, I am introducing today a bill entitled "The Small Business Development Center Act of 1977."

This bill provides authority for the Small Business Administration to establish Small Business Development Centers at cooperating universities, to aid small businesses with their management problems. The program is intended to provide guidance to small business people similar to that currently provided to farmers through the Agricultural Extension Service.

The Small Business Development Centers will provide a central location for small business to seek management assistance. An analyst will be assigned to each problem and will stay with it through the entire process. Eventually, various centers will begin to develop general approaches to the needs of the area, utilizing the resources available to the university. Other centers will do depth research, provide innovation centers, and develop and share technology. The bill also provides for a network of the centers so that centers can refer clients with special problems to the location with the resources which can best solve the problem.

The responsibility for administering the program will be assigned to the SBA. The bill authorizes some changes and additions to the organization in order to adequately manage the program. Appropriate changes will be made at the SBA.

SBA Administrator Mitchell Kobelinski recently testified before the Senate Small Business Committee that, of the 400,000 small business failures each year, over 90 percent are attributable to management weaknesses. This failure rate is caused in part by the complex environment in which small businesses must now operate. The staggering pressures include increasing Federal regulations with respect to safety, environment, advertising, and health; long-term economic uncertainty; the energy crisis; rapid technological advances; and complex labor agreements and laws.

This kind of business environment creates very high costs of information. Large corporations hire staffs and consultants to keep themselves abreast of this information. Then the cost of these consultants is passed along to the consumer in the form of higher prices. Small businesses, which cannot afford large overhead and staffs, are simply forced out of the market. Universities react to this increasing market concentration by preparing students for careers with large corporations.

Businesses which turn to the Small Business Administration for help discover an agency whose traditional reliance is on financial rather than managerial assistance. Seventy percent of the SBA's personnel is devoted to its loan programs. Management assistance programs are severely limited and understaffed. Yet managerial assistance programs could save many millions of dollars in loan programs.

Over the past few years, the SBA has been working with universities which established programs for local small businesses. Gradually this cooperation has jelled into a pilot program called the Small Business Development Center program. This program is designed for small business people to receive consultation on management or technical problems by contacting the Small Business Development Center at a local university. This year the SBA has made available $300,000 to test the concept at eight universities around the country. The funding covers the salaries of the director and receptionist/secretary and some minimal overhead at each university. All other funds have come from the universities involved.

The Small Business Committee has investigated this pilot program and discovered much evidence of its effectiveness. This bill would help to further develop the program. The response of the academic and the small business communities to such an expansion has been overwhelmingly favorable and their inputs have been essential in developing this bill.

Small business development centers might eventually be established at universities in every State. Universities have many of the necessary resources on site and are aware of other sources which may be necessary to solve a business problem. Many universities, anxious to expose young men and women to career opportunities in small business, have encouraged their faculties to join in the program.

The Assistant Administrator of Management Assistance will be upgraded to the Associate Administrator for Management and Technical Assistance who, in addition to his current duties, will assume the responsibility for this new program. A new position of Deputy Associate Administrator for Management and Technical Assistance is created. This person will report to the Associate Administrator for Management and Technical Assistance and will have sole responsi-

bility to administer the small business development center program and to serve as a member of the SBA Management Council.

An advisory board is established to assist the Deputy Associate Administrator in setting policy, selecting participating universities, and establishing budgets. The board shall be appointed from universities, small business, associations representing small business, and other Government agencies who have programs that interact with this program.

Universities wishing to participate in the program will make application to the SBA, demonstrating their capability to provide the necessary assistance to small business. Since the act specifies that the Federal Government will fund only 75 percent of the center's expenses, the application will also include budget data and the source of the additional funds. The local funding availability plus the general attitude of the university toward community service are important ingredients to insuring the success of the program.

The act intends that the program will evolve gradually. Fifteen million dollars is authorized for grants and administrative expenses for fiscal year 1978.

In addition to creating centers, the act calls for the establishment of research grants to be awarded to universities for specific studies of problems that affect small business on a broad scale. The bill authorizes $5,000,000 for these grants for fiscal year 1978.

In summary, this bill provides a much needed public service to an integral part of our economy, the small business community. Small Business Development Centers around the country will be a welcome source of management and technical assistance to small businesses in the same way the Agricultural Extension Service is a source of help to the farmers. The money spent will be a fraction of the SBA loan programs. The initial outlay should easily pay for itself through increased tax receipts due to higher profits generated by a stronger small business sector through the services provided by the Small Business Development Centers.

The Federal Government has at least as much responsibility to the 10 million small businesses as it has to the Nation's farmers. It should provide management and technical assistance centers so that every small business can obtain help when needed. The agricultural research and extension programs will cost the Government over $600 million this year. But when one considers that the United States is the leading agricultural producer in the world and how this strengthens our economy, it is clear that the money is well spent.

A strong small business community is crucial to our economic recovery—by creating employment, by making our products more competitive internationally, and by strengthening our national tax base.

A healthy small business sector is the best remedy for increasing economic concentration and constraints on competition. This bill will help us reach these goals through efficient use of Federal resources.

Mr. President, I ask unanimous consent that the text of the bill and section-by-section analysis be printed in the RECORD

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 972

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Development Center Act of 1977".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) small business concerns rarely have access to useful and practical advice, information, and services of the types which are available to large business concerns or, through the Department of Agriculture extension service, to farmers and agricultural business concerns;

(2) small business would benefit from the availability of a single source of assistance in obtaining loans and developing equity capital, in obtaining, interpreting, and applying analysis, advice, training and information including but not limited to management, market, or product development, manufacturing, finance and technical information, in obtaining technical advice and assistance relating to government regulation, policies, and legal problems, and in the development of entrepreneurs; and

(3) Universities are aware of local problems and local conditions in the business communities in the United States and are better equipped than the Federal Government to develop and establish programs designed to aid small business concerns in such communities.

(b) It is the purpose of this Act to stimulate economic diversity and to foster competition by encouraging the development of Small Business Development Centers through a grant program giving Universities wide flexibility in developing and establishing centers to aid in the development and growth of existing and new small business concerns.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "Administration" means the Small Business Administration;

(2) the term "Center" means State Small Business Development Centers and regional Small Business Development Centers established or operated with assistance furnished under this Act;

(3) the term "Board" means the Small Business Development Center Advisory Board;

(4) the term "University" means any public or private non-profit institution of higher education which is located in any State; and

(5) the term "State" means a State of the United States, the District of Columbia, or any territory, possession, or commonwealth of the United States.

CENTER GRANTS

SEC. 4. (a) The Administration, acting through the Associate Administrator for Management and Technical Assistance, is authorized to make grants to Universities to assist them in developing and operating Centers to carry out a program of furnishing small businesses with a broad range of advice, information, and assistance.

(b) The Administration shall maintain a clearing house to provide for the dissemination and exchange of information between Centers, including information obtained under section 8 of this Act.

APPLICATIONS

SEC. 5. Assistance under section 4 shall be made available to a University only if that University has submitted an application to the Administration containing such information and assurances as the Administration may prescribe to assure that the University is competent to carry out activities eligible for assistance under this Act.

LIMITATIONS

SEC. 6. (a) Except as provided in subsection (b), a grant to finance the operation or development of a Center may not exceed 75 percent of the cost of eligible activities in the operation or development of the Center, as determined by the Administration, after a thorough review of the program budget submitted by the University. Assistance made available pursuant to this Act may be used only to support activities described in section 2(a)(2) or such other comparable activities as are approved by the Administration that are designed to benefit small business concerns by providing direct information or assistance or by providing access to business analysts who can refer small business concerns to available experts or consultants.

(b) The Administration may waive the 75 percent limitation contained in subsection (a) with respect to a grant to a regional Center which shall assist and cooperate with State Centers in carrying out capital intensive research or activities involving product innovation, technological opportunity analysis, or other high cost activities which are approved by the Administration.

PROGRAM MANAGEMENT

SEC. 7. (a) There is hereby established in the Small Business Administration a division to be known as the Small Business Management and Technical Assistance Division. The division shall be headed by an Associate Administrator for Management and Technical Assistance who shall be appointed by the Administrator, and shall receive compensation at the rate provided by law for other Associate Administrators of the Small Business Administration.

(b) The Administrator shall appoint a Deputy Associate Administrator for Management and Technical Assistance who will report to the Associate Administrator for Management and Technical Assistance, and who will be a member of the Management Board of the Administration.

(c) The sole responsibility of the Deputy Associate Administrator for Management and Technical Assistance shall be to administer the Small Business Development Center Program. His duties shall include, but are not limited to, establishing the annual program budget, reviewing the annual budgets submitted by each Center, establishing appropriate funding levels therefor, selecting Centers to participate in this program under this Act, establishing policies implementing the provisions of this Act, reviewing applications for research grants under section 8 of this Act, and conducting audits of recipients of grants under sections 4 and 8 of this Act. The Deputy Associate Administrator for Management and Technical Assistance shall confer with and seek the counsel of the Board in carrying out his responsibilities described in this section.

(d)(1) There is established a Small Business Development Center Advisory Board which shall consist of 14 members, 9 of whom are to be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall be persons of outstanding qualifications known to be familiar and sympathetic with small business

needs and problems. Of the 9 members so appointed, no more than 3 shall be from Universities or their affiliates and 6 shall be from small businesses or associations representing small business. At the time of the appointment of the members of the Board, the President shall designate at least one-third of the members and a minimum of 1 member from each category whose term shall end one year after the date of his appointment, and a second third whose term shall end 2 years after the date of his appointment. Members of the Board not designated for one or two year terms under the preceding sentence and the successors of all members of the Board shall have terms of office of three years. The other members of the Board shall be the National Science Foundation Director of the Office of Small Business Research and Development, Assistant Secretary of Commerce for Economic Development, Assistant Secretary of Commerce for Science and Technology, Assistant Secretary of Health, Education, and Welfare for Education, and the Assistant Administrator for Industry Affairs and Technology Utilization of the National Air and Space Administration.

(2) The Board shall elect a chairman and advise, counsel, and confer with the Deputy Associate Administrator for Management and Technical Assistance in the carrying out of his duties as described in section 7(c) of this Act. The Board shall meet at least quarterly and at the call of the Deputy Associate Administrator for Management and Technical Assistance. Each member of the Board, other than representatives of the Federal Government shall be entitled to be compensated at a rate not in excess of the per diem equivalent of the highest rate of pay for individuals occupying a position under GS–18 of the General Schedule for each day he is engaged in activities of the Board and shall be entitled to be reimbursed for his necessary expenses as a member of the Board.

RESEARCH GRANTS

SEC. 8. The Administration acting through the Associate Administrator for Management and Technical Assistance, is authorized to make grants to universities, public and private organizations, and business concerns, to support research to identify and solve managerial, economic, financial, operational, technological, or other problems which affect small business concerns. To carry out its activities under this section, there are authorized to be appropriated not to exceed $5,000,000 for fiscal year 1978.

AUTHORIZATION

SEC. 9. There are authorized to be appropriated for grants under section 4 of this Act and for salaries and expenses under section 7 of this Act not to exceed $15,000,000 for fiscal year ending September 30, 1978.

REPORTS

SEC. 10. The Administration shall transmit annually to the Committees of Small Business in the Senate and the House of Representatives a report on its activities under this Act, and for the purpose of preparing such a report, the Administration is authorized to require any recipient of assistance under this Act to furnish it with such information annually or otherwise as it deems appropriate.

SECTION-BY-SECTION ANALYSIS

FINDINGS AND PURPOSE

Section 2 introduces the principal concepts of the bill:

Small businesses lack the access that larger corporations have to high caliber management and technical counseling.

The Agricultural extension service has rendered invaluable assistance to the farming community. This program can be used as a model to aid small businesses.

Universities have the capability to organize and service small business development centers which will address the particular needs of the community and region.

SBDC's will help promote competition and arrest the trend towards economic concentration by encouraging the startup of new businesses and the growth of existing concerns.

DEFINITIONS

Section 3 defines the following terms:
"Administration"
"Center"
"Board"
"University"
"State"

CENTER GRANTS

Section 4 allows the Small Business Administration to make grants to universities for the purpose of establishing state and regional SBDC's. SBA is to maintain a clearing house for the dissemination of information by SBDC's and research done under authority of section 8.

APPLICATIONS

Section 5 directs that universities must demonstrate to the satisfaction of SBA that they are capable of administering and operating an SBDC.

LIMITATIONS

Section 6 enables SBA to provide 75% of the funding necessary to maintain state SBDC's. The universities must use other non-Federal resources to defray operational costs.

Regional SBDC's will be funded 100% by SBA to undertake capital intensive activities such as product innovation and technological opportunity analysis. The regional center activities are designed to act in support of state SBDC's.

PROGRAM MANAGEMENT

Section 7 establishes within SBA a Small Business Management and Technical Assistance Division to be headed by an Associate Administrator.

The SBDC program shall be administered by the Deputy Associate Administrator for Management and Technical Assistance.

There will be a 14 member advisory which shall counsel the deputy with regard to the exercising of his responsibilities. Nine members will be appointed by the President with the advice and consent of the Senate. Three members will be named from the academic community and six from the small business sector. The balance of the board is made up of non-SBA Federal officials.

The board shall meet at least quarterly and shall be compensated for their services and expenses on a per diem basis.

RESEARCH GRANTS

Section 8 authorizes SBA to make grants to public and private institutions as well as business concerns to research, identify, and solve managerial, economic, financial, operational, technological, and other problems affecting smaller businesses. Five million dollars may be appropriated for fiscal year 1978.

AUTHORIZATION

Section 9 authorizes the expenditure of $15 million for the administration and support of the SBDC program for fiscal year 1978.

REPORTS

Section 9 directs SBA to report annually to the Congressional Small Business Committees on the activities of the SBDC program. SBA may in turn require the grant recipients to furnish the agency with annual reports.

Mr. HATHAWAY. Mr. President, I am pleased to join a number of my distinguished colleagues on the Select Committee on Small Business in introducing the Small Business Development Center Act of 1977.

This proposed legislation would expand and improve one of the Small Business Administration's most promising and imaginative initiatives—the university business development center program.

This program allows a designated university, and all its component parts, to become a one-stop center where small businessmen and women may obtain management assistance, evaluation, and counseling. They are able to learn from expert business consultants about marketing opportunities and strategies, about cost accounting and effective management techniques. In this way, many potential business pitfalls are avoided.

The business development center concept is based on similar programs offered through our Nation's universities to the agricultural sector of our economy, the Department of Agriculture's Research and Extension Service.

These programs mobilize, through the university, all of the technical advances and management methods currently available in food production, harvesting, and processing, and insure that this knowledge is brought to bear on the problems faced by the family farmer.

This approach has led to tremendous gains in food productivity and to a sound and stable source for our national nutritional needs. Last year, over $600 million in taxpayers' funds were devoted to these efforts.

Based on the successful utilization of our academic resources in the agricultural sphere, the university business development center is intended to offer similar resources and expertise to proprietors of business in the nonagricultural sectors of our economy.

It will coordinate the management assistance capabilities of professional business analysts and consultants, of graduate and undergraduate business students and faculty, of Small Business Administration and other Government personnel, of retired executives participating through the Service Corps of Retired Executives, and of volunteer active executives participating through the ACE program.

All of these individuals will work together to help solve the problems of individual businesmen seeking assistance.

Of the 400,000 business failures which occur annually nationwide, it is estimated by SBA that 9 out of 10 such failures are due to lack of adequate management skills.

The Small Business Development Center program does not guarantee that all of these entities will be saved, but it does offer a vehicle to fight as hard as possible to instill these needed skills and talents, and thereby greatly increase the chances for prosperity and growth.

This program has great promise, but thus far it is greatly underfunded. During the past year, there has been only approximately $300,000 in funds available for grants to designated centers.

As of next Monday, there will be eight centers designated nationwide. I am pleased to note that on that date, March 14, 1977, the University of Maine at Portland-Gorham will become the eighth such center, and will be officially dedicated.

I shall be in attendance at this cere-

mony and look forward to congratulating all involved for their significant accomplishments thus far with the benefit of relatively little Federal money. The University's New Enterprise Institute, which for the past couple of years has already been functioning in the role of a business development center, has managed to rely almost exclusively on a 5-year $580,000 grant from the W. K. Kellogg Foundation along with a $30,000 grant from the National Science Foundation, $40,000 from the Department of Commerce, and $10,000 from a private donor.

On Monday, the institute and the university will officially receive the second-year renewal of the Kellogg grant, $125,000 from the Economic Development Administration of the Department of Commerce for statewide outreach, and an initial $40,000 contract from the Small Business Administration through the UBDC program.

But in order to insure the long-term success of this program and in order to allow every State in the Nation to benefit from similar programs, we need comprehensive legislation to formally recognize and firmly establish the Small Business Development Center concept.

The proposed act we are introducing today would accomplish this goal. The bill establishes within the Small Business Administration a Small Business Management Assistance Division. Within that division, a full-time Deputy Administrator will undertake direct responsibility over the Small Business Development Center program.

He or she will be guided by an independent advisory board of 14 individuals appointed by the President. Of this group, at least six will be from small businesses and at least three from the university community.

The $300,000 per year now available for the UBDC program nationwide would be raised to $15 million for the upcoming fiscal year.

Approximately 10 to 15 new centers would be designated next year and in each succeeding year, and ultimately, all 50 States would benefit from this program.

It would also provide $5 million annually for specific research grants in this area.

In order that my colleagues might be aware of the potential for such a program in their own States, as well as its past success in the State of Maine, I ask unanimous consent that an article from Maine magazine entitled, "Maine Business: The New Enterprise Institute Exists 'to Increase the Competence, Confidence, and Connectedness of Maine entrepreneurs,'" an article from the Maine Times by Barbara Riegel entitled, "Selling Maine Products," and an article from the Maine Sunday Telegram by Frank Sleeper entitled, "Salute to New Enterprise Institute," be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SELLING MAINE PRODUCTS

Discovering what makes consumers buy when they enter the supermarket is a multi-million dollar business. It was also the subject of a recent conference in Portland called The Market Frontier: Food Processing in Maine. The concept brought more than 50 representatives of Maine's blueberry, potato, poultry, fish, egg, aquaculture, apple and packaging industries to Portland's New Enterprise Institute to find out what motivates consumers to buy one product instead of another.

"The gold band on the package of Heinz Crinkle Cut Deep Fries tells you the contents are something special. The white package hints of purity. Heinz are the Tiffany of French fries; the package shows their class."

Robert Pliskin heads a New York City market research firm which catapulted Heinz to the second fastest selling French fries in the country. The company's key to success is packaging.

Pliskin, who also designed the L'Eggs egg, the white plastic egg-shaped container which holds L'Eggs pantyhose, studies the psychology of consumer buying habits. Subtle engineering, not sheer coincidence, is behind your choice of one brand instead of another. Heinz paid Pliskin thousands of dollars for a market research study and advertising campaign designed to appeal to a certain segment of the buying public. The big corporation tactics represent what Maine industry could do if it thinks big, as well as what it can't do if it thinks small. Aiming toward a relatively small speciality market was the marketing advice a Campbell Soup spokesman gave to Maine industry.

Corporation executives from Campbell Soup, General Foods and ARA Food Services, with a reported $1,300,000,000 in sales last year in school, hospital and employee cafeterias all over the country, told Maine industry that packaging is at least as important as quality. When a quality, fast-selling, brand-name product has a sudden decline in sales, it's probably because a competitor came up with a catchier label, said William Murphy of Campbell Soup. Or if a quality, brand-name product never gets off the ground, it's probably because the label wasn't quite effective in the first place. Pepperidge Farm products (now a Campbell Soup subsidiary) were mediocre sellers until the company redesigned the label with the now-familiar farm scene and a uniformly recognizable label, said Murphy.

A well-known designer necktie costs about one dollar to manufacture, estimated one speaker. "The ties sell for $10 because people believe they're buying good taste."

The mystique of brand-name advertising extends to the food industry as well. "You've got to have a brand name to attract consumers," they said. "Maine sardines don't have a name and they don't have a wrapper. People don't buy them even though they're cheap." The selling tactics behind two nationally advertised brands of chicken were aired. A newcomer to the poultry industry unseated a leader by capturing its black ethnic community market. It hired a well-known black woman singer to proclaim, on national television, the down-home virtues of home cooked chicken. The product name and ethnic appeal of the specialty market were behind the company's success, said the speaker.

Deciding what part of the market you're after and appealing directly to it are vital to the success of advertising, said Heinz Deep Fries promoter Pliskin. "Decide who the heavy users of your product are and design a package to aim the brand at its best prospects". Pliskin's market research found the buyers of Heinz Deep Fries (more expensive than plain French fries) were concentrated in the Northeast and Midwest. "They are working women who felt their families deserved the best because they were in a $15,000 a year income bracket." The results of that study (which cost upward of $25,000, said Pliskin) enabled the firm to aim its advertising blitz toward the most likely consumers.

"That's insidious," whispered one of the women in the audience. "It makes me feel like a victim instead of a shopper."

"Market research may be costly," said Pliskin, as if he had overheard the comment, "but the most costly thing is to develop a product and the machinery to package it, put the product on the market and then fail."

How much the big corporation approach will apply to Maine is debatable. Charles Stewart of the A. L. Stewart canning company says the cost of sophisticated market research and packaging is beyond the reach of most Maine companies, including his own, best known in Maine for canned blueberries. "In Maine," said Stewart, "it's more gut intuition, playing it close to the vest and hoping you come out okay."

Stewart said his products sell well regionally. The label contains the Stewart clan's Scottish plaid. Does the consumer make a conscious connection between Scotch and thrift? Probably not, Stewart said. The label has just been carried along the firm's almost 90-year history. The products appeal, conjectured Stewart, comes from being priced in between national and store brands.

The conference was sponsored by the New Enterprise Institute, a joint effort between the Massachusetts Institute of Technology Development Foundation and the Center for Research and Advanced Study at the University of Maine at Portland. The Institute began in 1974 as an outgrowth of the Center for Research and Advanced Study. Soon after Halsey Smith, former chief executive officer of Casco Bank, became head of the Center, he initiated an investigation of Maine's economic problems. Behind the study was his belief that enterpreneurship and innovation were the fastest route to healthy economic growth in Maine.

The Institute's newest member, Everett Ellin, an attorney and former executive of the Sony Corporation, feels Maine is ripe for entrepreneurs. Personally disillusioned with "the dehumanizing aspects of large corporations," Ellin feels small businesses are the direction in which Maine should move. The problem is getting potential businessmen over the "I can't do it," attitude, said Ellin. He is currently teaching a course on entrepreneurship to a selected group of students and businessmen at the University of Maine at Portland.

Maine lacks entrepreneurship because it lacks the formal networks of people that expose potential businessmen to their markets, said Nelson Upthegrove, the Institute's current director. The Institute feels its long-range efforts can fill that gap and encourage new enterprise. It has a $580,000 five-year grant from the Kellogg Foundation, an impressively credentialed staff and a public reference library of marketing and manufacturing information to encourage new business and fuel existing industry. The Institute says it tries to weed out idealistically motivated businessmen who aren't willing to work hard from genuine, zealous entrepreneurs, who want to dedicate their lives to their enterprise. Some of the businesses which the Institute helped launch say they wouldn't be viable today were it not for the hard-nosed advice New Enterprise gave them.

George Casey is on the road for the New Enterprise Institute. He believes that to help small Maine industries you have to physically get in there and show them how to run a business, how to be aggressive. Casey worked directly with one of Maine's oldest potteries, a once-thriving business whose philosophy prior to his appearance had been, if you want to sell more pottery, you make more pottery. The company hadn't raised its prices since 1952, said Casey. The product wasn't wholesaled "because someone told them years ago you don't make money wholesaling." But the same number of people came through the retail shop after production was stepped up as before it was. The supply exceeded the

demand. Pottery was piled to the ceiling, said Casey.

Casey arranged wholesale connections, manufacturers representatives ("They didn't even know what a manufacturer's representative was.") and worked closely with the firm's finances. The prospects for its success now look good, he said.

Casey feels the most relevant message the conference offered to Maine industry was to use packaging to communicate a message. On the other hand, however, was Campbell Soup's Murphy joking how instant recognition is more important in selling a product once it's established. During a market research study of Campbell Soup labels, the red and white color scheme was replaced with green and white; the lettering on the label remained the same. The green labels didn't sell. Then the word "Campbell" on the red and white label was replaced with a nonsense word with the same number of letters. The labels sold as well as the real thing. "Packaging can't force the consumer's mind to work too much," suggested. Murphy. "It's not consumers' thinking, but reacting" that has to be appealed to, he said.

Industry is not even exempt from its own deception. "Package containers in small cartons so store managers think the product is moving.

"There's $300 million in annual sales in Maine agriculture products. The figure could be doubled if industry converted to the specialty market," said Murphy. "Specialty apple, blueberry, potato, egg, poultry products. The higher value of specialties reduces the adverse effect of Maine's high freight rate, and specialties have a built-in compensation against natural price swings," he said.

"Why isn't someone fermenting wood by-products for dairy feed instead of importing grain?" Murphy challenged, "Why is a Searsmont woodcutter selling hardwood sawdust for $5 a load, delivered, when sawdust logs, brought from California, are selling in Maine supermarkets for 64 times as much as the sawdust? Why isn't Maine making sawdust logs?" asked Murphy.

Some participants thought the conference was worthwhile if it did no more than allow Maine's food processors to talk to each other. The Institute is trying to serve as a forum for industry which has none, such as Maine aquaculture. The products of the state's relatively unorganized aquaculture industry were promoted at the conference. European oysters from the Maine Oyster Corporation in Blue Hill, mussels from Abandoned Farms in Walpole, salmon from Maine Salmon Farms in Wiscasset and trout from Fox Island Fisheries on Vinalhaven were served at one of several all-Maine-product meals. The atmosphere was convivial, the bar was open and food was everywhere—Maine fried chicken, welsh rarebit, crab-stuffed tomatoes, canned fiddleheads and dandelion greens, veal, potato chips, apples, winter squash, potatoes, blueberry muffins, honey, blueberry pie and strawberry rhubarb pie, all from Maine companies.

The New Enterprise Institute, headed by successful businessmen formerly from out of state, and the out-of-state corporation executives at the conference feel that Maine industry doesn't have to settle for unaggressive marketing, in spite of its geographic handicap. But others question whether Maine industry will be receptive to the tactics that made big corporations the way they are. They also question how long it will take Maine industry to want to be a leader.—By Barbara A. Riegel.

THE NEW ENTERPRISE INSTITUTE EXISTS "TO INCREASE THE COMPETENCE, CONFIDENCE AND CONNECTEDNESS OF MAINE ENTREPRENEURS"

Nearly five years ago the seed for what has become something very important to Maine's economic future was planted when Halsey Smith, former chairman and chief executive officer of Casco Bank, agreed to serve on a committee selected to help launch a new Center for Research at the University of Maine at Portland-Gorham. Smith, who later became director of the Center for Research, felt strongly from the beginning that an important goal for the center should be solution of Maine's economic problems.

Out of Smith's conviction came a $30,000 study, funded by the Science Foundation, to find out exactly what Maine's economic problems were and more importantly, what might be done about them. The research team, a joint effort between the Center for Research and MIT Development Foundation, consisted of Nelson Upthegrove, a Ph. D. and veteran of Bell Laboratories, and Arnold Herzoff, a Ph. D. candidate at MIT's Sloan School.

"We set out," says Upthegrove, "to look at what has been the general picture of a community, area, regional, metropolitan or district economy being boosted or expanded by a base of applied knowledge or technology—or what we loosely refer to as innovation. We wanted to find a pattern common to this phenomenon and then we hoped to deduce from that something that had applicability to Maine if it didn't exist in Maine already.

"The first thing our research stated—and it's a premise, not a finding—was that entrepreneurship is really what makes the economic engine go, and that if you couple entrepreneurship with innovation that you've got a particularly valuable kind of economic growth.

"The other thing we found was that if you observe it in action—whether you look at Boston or Denver or Ann Arbor—it has a kind of self-generating characteristic. There is a point at which it seems to have self-acceleration."

What the study concluded was that these processes work through informal networks of people, and that within or between these networks people interact with each other, almost always in pairs—one on one—in constructive and supportive relationships.

"The networks," says Upthegrove, "don't exist because someone says, 'Let's get a bunch of people together and start a company.' The networks exist because people went to the same school together or because they exercise together or because they have lunch together."

After the study had been completed, Upthegrove used the accumulated research to look at Maine. He found little evidence of the existence of these "networks" in the state and found further that Maine lacked two key institutional elements which are part of the framework everywhere these processes are alive and healthy—an involved educational institution and at least one financial (venture capital) institution.

At this point, a new participant surfaced—Fred Greene, a former Boston industrial consultant who was then a partner in a Portland consulting firm. Greene, who had known and worked with Halsey Smith, then met Upthegrove.

"We decided," says Upthegrove, "that it would be an appropriate thing for a university-based operation to try to do something about the economic situation in Maine. We argued that a significant level of effort over a long period of time could lead to the formation of this pattern of informal relationships to support and encourage new enterprise in Maine."

In the summer of 1974, what had become Project New Enterprise received money from a new Science Foundation-funded program called "Incentives for Innovation" and Upthegrove moved to Maine to take over as director of the project. Fred Greene came aboard as New Enterprise Manager. Later, Governor Ken Curtis, encouraged by Jim Keefe of Department of Commerce and Industry, allocated another $40,000 seed money for PNE. At the end of the year, another $10,000 came from a private donor. (Not until May, 1976 would the program officially become the New Enterprise Institute with a $580,000, five-year grant from the Kellogg Foundation.)

Immediate goals for the newly-formed Project New Enterprise were to 1) do something about the educational aspects of the economic process 2) encourage or stimulate a venture capital entity 3) stimulate innovative growth within existing industry and 4) work with, support and encourage individual entrepreneurs.

On the educational front, the most important development has been the Enterprise Resource Center—a reference library ranging from manufacturing to marketing, material that someone in Boston would take for granted but that is sadly lacking in Maine.

"We want people to come to it and use it," says Upthegrove, "not just because there's a book on the shelf but because there's a high probability that the person can meet someone else there who can help him."

As for venture capital, Upthegrove eventually decided that a Maine-based source of capital should not be a top priority. "We began to develop the position we take now," he says, "which is if we can generate a good proposal, the absence of a Maine venture capital entity is not a problem. If you've got a good enough idea, properly thought out and presented, you'll get the money."

One problem, however, is the small amount of money usually required by Maine ventures. "Venture capitalists," says Upthegrove, "operate on a very skinny overhead and it costs them just as much to investigate a $50,000 investment as it does a $500,000 investment." Despite this problem, Upthegrove doesn't believe Maine is ready for a venture capital entity of its own. "An ordinary venture capital firm, designed for profit, might have a hard time in Maine at this point. You probably couldn't keep it in business if it were strictly for investments in Maine."

Still, whether capital is raised in Maine or elsewhere, coming up with money remains one of the most difficult aspects of expanding an existing business or launching a new one. "The process takes time," says Upthegrove. "There are a whole lot of factors that go into a decision by an investor to fund a particular venture and they're often very personal factors. It's not sufficient to put together a proposal which shows you can get a return on investment of 12 percent and then assume that anyone who has some money will be interested. It takes time to expose the venture to the right variety of people and find the match. A lot of entrepreneurs seem to have no appreciation for the time-consuming nature of the process."

So far, New Enterprise's money-raising efforts have been confined to new ventures and they have certainly had some success, but a more difficult and ultimately more challenging task has been helping—in other ways—existing Maine industry.

Almost from the beginning, Upthegrove and his staff have been involved with an indigenous Maine industry—wood turners and shapers. Superficially, the industry is healthy, but everyone involved is concerned with where the industry will go and how it will get there. Upthegrove believes wood turners should apply more technology and grow to export more products.

Bruce Saunders of Saunders Brothers, a wood turner and shaper in Westbrook, has had dealings with New Enterprise. "I have a positive feeling toward them," says Saunders. "Their enthusiasm is great, their involvement is complete, but you can't expect miracles. Maine industry has to become more technological and that takes time."

Upthegrove, perhaps better than anyone, understands that helping existing industry

grow is a long-term proposition and his commitment is a strong one, but meanwhile New Enterprise works hard to help new businesses get started in Maine.

"The whole question of motivation and self-evaluation is a very pertinent one," says Upthegrove. "Many people set out to go into business for themselves with little awareness of what it really demands. Many of them, we suspect, really don't want to create a business in the sense of making profits to increase one's wealth—what they really seek, or what they'll settle for, is creating a job for themselves.

"Another problem is one which many people recognize—a lack of understanding in a broad sense of markets. Many Maine businessmen, even in existing businesses, don't seem to have in their experience any preparation or exposure that makes it natural and easy for them to go out and explore their markets. We find over and over again that people have no awareness of what they can do for themselves—they can get in their cars and drive, walk, explore, find out about their markets."

A third problem, Upthegrove points out, is that many young entrepreneurs don't have the know-how and skills to plan as adequately as they should. A business plan is a good example of the problem. "It's important for an investor," says Upthegrove, "but it's more important for the entrepreneur. He needs a good business plan to know exactly where the business will go."

New Enterprise Manager Fred Greene deals with problems such as these almost every day. "Sometimes we get idealistically-motivated individuals who are not entrepreneurs because they're not willing to dedicate their lives to their enterprise," says Greene. "Their zeal is not sufficient. Other projects just haven't been thought through—what market do they want to serve? How much will it cost? A lot of people we see don't even have a basic concept—they know how to make widgets so wouldn't it be great if they sold widgets to the world?"

Because of these problems, NEI has decided on a hard-nosed approach when dealing with entrepreneurs. "We don't mince words," Upthegrove says. "We're not goody-goody about it and we don't hesitate to tell you in very harsh terms that you're not doing something right or that something won't work. We think it's the worst thing we can do to falsely encourage someone."

Bob Foster is president of VENTREX Laboratories in Portland, a specialized clinical diagnostic lab which serves medical communities in Maine, Vermont and New Hampshire. New Enterprise helped VENTREX get started. "They're a first-class group," says Foster. "They know how to get to the core of problems. They were very critical in their evaluation of our problems—site selection, financial planning—and if it weren't for them we wouldn't be in Maine today."

Upthegrove and the people at NEI couldn't be happier than to see a venture such as VENTREX get off the ground.

"Maine has been and is an enterepreneurial and innovative state," says Upthegrove, "but I don't think Maine now sees itself as entrepreneurial and innovative. You find that people and institutions who could help aren't prepared because there hasn't been a lot of activity because there hasn't been any practice at it.

"Our goal at the end of 10 years is to be able to say, 'We have altered the environment—there is something going on out there that we don't have to play a part in every day.' If we're going to do that, we have to be relatively pervasive in our impact and if we're going to be pervasive in our impact we have to be concerned about a broad spectrum of activities, the little guys as well as the big guys."

SALUTE TO NEW ENTERPRISE INSTITUTE

(By Frank Sleeper)

You wonder often when you're in the hallowed halls of ivy just how many of the theories you hear would work if they were actually put into practice. Many of them would not.

And so it's easy to look with a skeptical eye when someone tries to put into practice something which has come out of academia, even when that's been derived from tests made in the real world of business, for example.

I've always wondered what would have happened if Talcott Parsons (his writings turned into ordinary English) had been let loose on humanity to put to work his theories of behavior. And I've always wondered whether the Department of Human Relations at Harvard wasn't making a big thing out of the way you and I and most people do things.

So, I looked at Project New Enterprise, now the New Enterprise Institute, skeptically at first.

But not after last week. The institute sponsored a seminar of food processing in Maine.

One of the speakers at the final session was Mark Katz, owner of Deer Hill Farm, Weeks Mills. That firm makes fertilizer and other products, basically out of natural elements found in Maine.

In the audience were Allen P. Ridley, superintendent of administration for the Stauffer Chemical Company plant in South Portland and Richard A. Rozene, quality control manager at the same plant.

Along the line, Katz and the two from Stauffer struck up a conversation. What did Katz discover?

His fledging firm uses about 750,000 pounds of a substance called perlite annually. Stauffer Chemical Co. deposits 750,000 pounds of perlite annually on the South Portland dump. It's a waste process from the firm's manufacturing process.

At South Portland, Stauffer makes food stabilizers out of seaweed. Such stabilizers keep all the chocolate in a chocolate drink from clumping together in one place, keep the chocolate distributed through the drink. The perlite is used as a filter medium by Deer Hill Farm. Katz had been looking hard for a close source of supply for the perlite and didn't find one until the seminar.

Project New Enterprise (now the New Enterprise Institute) has been working all along to increase the relationships members of Maine industries have with each other and with outside sources that can help them.

Last year, it received a $580,000 grant from the Kellogg Foundation, spread out over five years, to do that.

Well, you know how it is. This sounded like just another project which was taking things everybody knew about and trying to make something out of those things. So, there was skepticism.

That one example of what will happen when members of the same industry get closer together in Maine eliminated the skepticism.

Dr. H. Nelson Upthegrove and the others at the institute are really working at something and really producing.

What, of course, has happened over the years in Maine was a spirit of separateness, of individuality, if you will, that made communities stand on their own, made businessmen stand on their own, made people stand on their own. Basically, this was a good thing. If Houlton fought Presque Isle, it didn't hurt too much—except in the areas where the two communities should have been sharing.

I have seen inventors in Maine with their workshops practically barricaded so no one else could get in and with their inventions carefully covered with sheets. The individualism is and was great.

But I've also seen small business after small business that didn't know the current state of the art at all in its field. This was especially true of small industries.

Hat's off to the New Enterprise Institute for what it's doing. Let's hope it flourishes long after the Kellogg Foundation grant has run out.

By Mr. KENNEDY:

S. 974. A bill to amend title XI of the Merchant Marine Act of 1936 to allow guarantees for fishing vessels to equal 87½ percent of actual cost; to the Committee on Commerce, Science, and Transportation.

LOAN GUARANTEES FOR U.S. FISHERMEN

Mr. KENNEDY. Mr. President, I am introducing in the Senate today legislation designed to increase the number of American fishermen who will be able to qualify for Federal assistance to buy and repair fishing vessels. Congressman MICHAEL J. HARRINGTON is introducing companion legislation in the House of Representatives.

This bill, amending title XI of the Merchant Marine Act of 1936, will lower the amount of initial capital investment fishermen would need to qualify for loan guarantees under the National Marine Fisheries vessel financing program. Because so many of the fishing operations in New England are small, independent, family-owned enterprises, the fishermen are often unable to meet the 25-percent requirement in initial capital investment in order to qualify under the Federal program. The legislation we introduce today reduces that requirement to 12.5 percent and will enable the fishermen of New England to begin the enormous job of revitalizing their industry.

Mr. President, we are all familiar with the devastating statistics on the spiraling costs and dwindling resources facing our fishermen. The Congress has taken the first and most significant step in reversing that trend by establishing the 200-mile fishing zone. Our obligation now is to restore the American fishing industry to its full potential by providing the necessary technical and financial assistance to enable the industry to realize the growth that the 200-mile fishing limit promises.

I have introduced in the Senate with Senator STEVENS a comprehensive bill to provide assistance to our fishermen by allocating to the Regional Management Councils funds collected as duties on imported fish and fines collected for violations of the fishing limit. The legislation I introduce today takes advantage as well of existing and available funds and programs to channel assistance to the fishermen who have been deprived of economic growth in their industry through high costs of energy, vessels, and equipment, unfair foreign fishing practices, and declining fish stocks.

Mr. President, the economic revitalization of the New England fishing industry is the critical second step following on the implementation of the 200-mile fishing zone if we are to benefit from the protection and renewal of our fish

stocks. We must begin now to provide the kinds of financial tools that our fishermen need for a vigorous and healthy fishing industry.

The 200-mile fishing limit is the framework on which we can rebuild our fishing industry while we protect our fish resources. We have a promise to keep to our fishermen and to the 1½ billion people around the world who depend on fish for more than half their daily supply of protein.

By Mr. WILLIAMS (for himself, Mr. BAYH, Mr. CASE, Mr. CHAFEE, Mr. GRAVEL, Mr. MAGNUSON, Mr. MELCHER, Mr. METCALF, Mr. RIBICOFF, and Mr. TOWER):

S. 975. A bill to improve the administration of the national park system; to the Committee on Environment and Natural Resources.

NATIONAL PARKS ACCESS ACT

Mr. WILLIAMS. Mr. President, at the entrance to Yellowstone National Park, there is a sign carved in stone that says, "For the benefit and enjoyment of the people." This sign, which greets visitors at our first national park, symbolizes the dual mission of the national park system—to preserve areas of outstanding natural, scenic or historical value, and to provide to all people the opportunity for recreation and enjoyment.

Unfortunately, the success of this mission has been jeopardized by the failure to plan and provide for access to the parks. The great majority of our national parks and recreation areas are accessible only by private automobile. In fact, over 90 percent of all visitors to the national park system arrive by car.

This reliance on the automobile for park access has had deleterious effects on national parks in the vast expanses of the West as well as those on the fringes of our major metropolitan areas. Extensive use of cars, and their accompanying fumes, noise and litter, can damage the fragile ecosystems which the parks are designed to protect. More and more precious parkland must be paved over for roads and parking lots to accommodate the increasing number of cars. The capacity of the park becomes dependent upon the number of cars it can absorb, rather than the number of people. Traffic congestion strains access roads beyond their capacity and places an unfair burden on adjacent communities. It also detracts considerably from the visitor's enjoyment of the park.

Policies which necessarily require visitors to use automobiles are inconsistent with the parks' mission to serve "the people." If the parks are accessible only by car, people who do not have cars are effectively denied access. Those who bear the brunt of this inequity—the poor, the elderly, the very young, and the handicapped—are thus deprived of their share of America's parkland heritage.

In recent years, new units of the national park system have been established near our largest cities, in order to bring outdoor recreational opportunities closer to people. Cape Cod National Seashore led the way in 1962, followed by other national seashores and lakeshores. National recreation areas were formed from remnants of open space and abandoned military installations at our Nation's gateways, New York Harbor and San Francisco Bay. Up to one-third of the people who live in the areas which these new parks are designed to serve do not have cars. For them, the nearness of the parks has only increased their frustration. For existing public transportation services have failed to bridge the gap between them and the parks. Until alternative means of access are provided, the promise of the urban parks will remain unfulfilled.

Besides being inequitable and inconsistent with the preservation of the parks, the exclusive use of cars for park access is contrary to our Nation's energy conservation goals. It is difficult to imagine a less energy-efficient means of getting to parks than in seemingly endless lines of idling bumper-to-bumper cars.

For all these reasons, we need to develop, provide, and promote alternatives to the automobile for travel to and within the national park system.

The National Park Service has already instituted public transportation services within the boundaries of certain parks. In some cases, these have been accompanied by restraints on the use of private vehicles. At Yosemite, double-decker buses and open-air trams have replaced cars for circulation in some areas of the park. At Fort Matanzas National Monument, a small ferry boat takes people from the visitors center to the Fort. School buses are used for getting around at Mount McKinley National Park. These and similar services at other parks have met with wide public approval. When combined with interpretive programs, they can provide a high-quality educational and recreational experience.

But the Park Service does not have the authority to provide for such services to parks. While some improvements in access have been made through consultation with public and private transit operators, much more could be done without major expenditure if the Park Service had the authority.

In some cases, only minor modifications in existing commuter and intercity passenger services would be needed. At Golden Gate National Recreation Area, for example, present bus and ferry routes could be extended and their schedules adjusted to accommodate recreational users. More frequent Amtrak stops at Glacier National Park, one of the few great parks still served by train, would encourage more people to use this mode of access.

In other cases, shuttle bus service could be instituted from transit terminals or outlying parking lots to points within the park. A park-and-ride service at Cape Cod, for example, could reduce the need for parking lots on National Seashore lands. Shuttle buses could be used to link Mount Rushmore National Memorial to Rapid City.

New and more imaginative means of access could help to lure potential visitors away from their cars. Ferry service at Gateway and rail service at Indiana Dunes and Cuyahoga could make public transit to those parks more attractive.

Outreach programs, combined with innovative fares, services, and equipment designs, could be geared to bringing special populations—the elderly, the handicapped, inner-city children, and non-English-speaking people—to the parks. Nonmotorized means of access—bicycling, horseback riding, cross-country skiing, and walking—could be encouraged and facilitated at minimal cost.

These access modes could then be linked with internal transit services, thus eliminating the need for cars for travel to and within the national park system.

Public awareness of these new programs and services would be the key to their success. Posters and brochures at transit terminals and other public places, articles in newspapers and periodicals, television and radio spots, and public speaker programs could help to let people know that they do not need a car to visit the parks. The extent of such informational efforts and the services themselves would, of course, be dependent upon the environmental and recreational limits of the parks.

At the end of the 94th Congress, I introduced a bill to focus attention on the need to improve park access. I am encouraged by the response I have received from conservation and other public interest groups, Government officials, and private citizens. The original bill has been modified to reflect their views and experience.

The bill I am introducing today, along with nine of my colleagues, would authorize the Secretary of the Interior:

First, to provide for transportation services to units of the national park system;

Second, to undertake park access projects at a minimum of nine parks; and

Third, to evaluate the projects and report to the Congress within 3 years, with recommendations for future park transportation projects and services.

In developing transportation projects, the Secretary would be required—

First, to consider environmental, energy, recreational, social, and other factors; and

Second, to consult with public and private transportation authorities and carriers, other Federal agencies, and local citizens groups.

Mr. President, I ask unanimous consent that the bill and two pertinent articles from National Parks and Conservation Magazine be printed in the RECORD.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 975

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress hereby finds that—

(1) the purpose of the national park system is to preserve outstanding natural, scenic, historic and recreational areas for the enjoyment, education and inspiration of all people;

(2) one of our primary national goals is to conserve energy and to encourage more efficient use of our scarce energy resources;

(3) units of the national parks system have recently been established near major metropolitan areas, in order to provide recre-

ational opportunities for urban residents, many of whom do not have access to personal motor vehicles;

(4) the great majority of our national parks are accessible primarily or solely by personal motor vehicle;

(5) policies which necessarily require people desiring to visit the national park system to rely on personal motor vehicles are often inconsistent with the purposes of parks and with our national energy goals, in that they—

(A) diminish the natural and recreational value of parks by causing environmental damage and by requiring roads, parking and other facilities in ever-increasing numbers and density;

(B) encourage the inefficient use of energy; and

(C) exclude people without access to personal motor vehicles, particularly the poor, the elderly, the young and the handicapped.

(b) It is therefore the policy of the Congress to make the national park system accessible to all people in a manner consistent with the preservation of the parks and the conservation of energy, by encouraging the use of transportation modes other than personal motor vehicles for access to and travel within the park system.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Secretary" means the Secretary of the Interior; and

(2) "park" means any unit of the national park system.

AUTHORIZATION

SEC. 4 (a) Subject to the provisions of section 5(d)(3), the Secretary is authorized—

(1) to contract with public or private agencies or carriers to provide transportation services for access to parks;

(2) to subsidize such services or capital equipment or facilities provided by public or private agencies or carriers;

(3) in the absence of suitable and adequate agencies or carriers, to operate such services directly;

(4) to acquire by purchase, lease or agreement existing capital equipment for such services, including buses, rail rolling stock, ferries, bicycles, and other environmentally-sound, high-volume, energy-efficient vehicles;

(5) in the absence of suitable and available capital equipment for such services, to acquire new equipment, or contract for the construction of such equipment;

(6) to construct, operate, and maintain, directly or by contract, roads, trails, bikeways, and other transportation rights-of-way and facilities, including buildings and utility systems, outside the boundaries of parks; and

(7) where necessary for transportation services, to acquire, by purchase, donation, exchange, or transfer, lands, waters, and interests therein which are situated outside the boundaries of parks which property shall be administered as part of the park: *Provided, however,* That the Secretary shall notify the appropriate committees of the Senate and the House of Representatives not less than 60 days prior to such acquisition.

(b) The Secretary shall establish information programs to inform the public of park access opportunities and to promote the use of transportation modes other than personal motor vehicles for access to and travel within parks.

(c) Transportation facilities and services may be provided pursuant to this Act without regard to any preferential right or privilege which may have accrued or which may accrue to any other person under the Act of October 9, 1965 (79 Stat. 969), relating to the granting of concession privileges in the parks, and without regard to any requirement under laws of the United States or of any State that the provision of such facilities must first satisfy criteria of convenience and necessity.

PARK TRANSPORTATION PROJECTS

SEC. 5 (a) In furtherance of the policy of this Act, the Secretary shall develop projects for transportation services for access to parks. In developing such projects, the Secretary shall consider, without limitation, the following—

(1) the possibility of modifying existing public transportation facilities and services to improve park access;

(2) the carrying capacity of the park;

(3) the environmental impact of the project on the park and surrounding areas;

(4) the energy-efficiency of the project;

(5) the special needs of poor, elderly, young, and handicapped persons;

(6) the economic costs and benefits of the project; and

(7) the recreational potential of the project.

(b) The Secretary shall consult with local, regional and State transportation authorities, private carriers, other persons or agencies charged with planning and operating public transportation services, and interested local groups and organizations, in order to coordinate park transportation projects.

(c) The Secretary of Transportation, the Secretary of Housing and Urban Development, and other heads of Federal departments and agencies shall cooperate with the Secretary in the development and implementation of park transportation projects.

(d) Prior to the implementation of any park transportation project pursuant to this Act, the Secretary shall—

(1) give public notice of the project, by publication in the Federal Register and in a newspaper or periodical having general circulation in the vicinity of the affected park;

(2) following such notice hold a public meeting or meetings at a location or locations convenient to the affected park; and

(3) report in detail any project which would involve an expenditure of more than $100,000 in any fiscal year, not less than 60 days prior to implementing such project, to the President of the Senate and the Speaker of the House of Representatives for transmission to the appropriate committees.

SELECTION OF PARKS

SEC. 6. (a) The Secretary is authorized to implement, within one year of the effective date of this act, transportation projects developed pursuant to section 5 for parks, which shall include, but not be limited to, the following—

(1) Cape Cod National Seashore, Massachusetts;

(2) Cuyahoga Valley National Recreation Area, Ohio;

(3) Fire Island National Seashore, New York;

(4) Gateway National Recreation Area, New Jersey and New York;

(5) Glacier National Park, Montana;

(6) Golden Gate National Recreation Area/Point Reyes National Seashore, California;

(7) Indiana Dunes National Lakeshore, Indiana;

(8) Mount Rushmore National Memorial, South Dakota; and

(9) Yellowstone National Park, Wyoming, Montana, and Idaho.

(b) In selecting parks for transportation projects in addition to those cited in paragraph (a), the Secretary shall consider the following—

(1) the adequacy of present access to the park;

(2) the environmental impact of present modes of access to the park;

(3) the carrying capacity of the park;

(4) the ratio of costs of implementing projects at a park to the number of persons to be served;

(5) the number of poor, elderly, young, and handicapped persons to be served; and

(6) the percentage of residents in the area served by the park who do not have access to personal motor vehicles.

MONITORING AND REPORT TO CONGRESS

SEC. 7. (a) The Secretary shall monitor park transportation projects implemented pursuant to this Act, in order to identify their effects on—

(1) park visitation;

(2) use of personal motor vehicles for access to and travel within the parks;

(3) the environment of the parks; and

(4) communities located in close proximity to the parks.

(b) Within 3 years of the effective date of this Act, the Secretary shall evaluate park transportation projects implemented pursuant to section 6, and report to the Congress his findings and recommendations for future park transportation projects and services.

EXPENDITURE LIMITATION

SEC. 8. In carrying out the purposes of this Act, the Secretary may not expend more than $1,000,000 for fiscal year 1977; $2,000,000 for fiscal year 1978; and $3,000,000 for fiscal year 1979.

IN AND AROUND THE NATIONAL PARKS: ALTERNATIVES TO THE AUTO

(By Andrew D. Gilman)

Don't it always seem to go
That you don't know what you've got
Till it's gone.
They paved paradise
And put up a parking lot.

Consider a scene on a typical summer weekend at the great valley of Yosemite National Park in 1969: Traffic is at a standstill; autos stretch bumper to bumper as far as the eye can see; horns blare; exhaust pipes spew out noxious, odoriferous, visible fumes; a smog cloud hovers two hundred feet above; bottles, cans, and papers litter the ground; people are tense, irritable, and grumpy.

In 1969 park roads in Yosemite had begun to resemble the Sante Monica Freeway at rush hour. Some visitors became so frustrated that they turned around and drove home without ever leaving their cars. Traffic congestion and resultant pollution negatively affected park ecosystems and visitor experiences. But in 1970, the National Park Service (NPS) decided to ban private automobiles from certain roads in Yosemite. In their place, a free transportation system, using propane-powered shuttlebuses, was instituted to transport visitors to various points in the village vicinity and to Mirror Lake and Happy Isles. The NPS also limited some overflow camping and regulated open campfires to reduce air pollution and reduce litter. The same disgruntled visitors from the year before would have found autoless roads open for strolling and bicycling; clear skies overhead; natural fragrance of trees and flowers; landscape free of litter; and convenient buses ready to whisk them to desired visitation points.

Yosemite, noted for suffering the most flagrant abuses, unfortunately was not alone in its auto problems. Similar bumper-to-bumper traffic congestion still is not uncommon in Yellowstone, Great Smoky Mountains, and Grand Canyon national parks. Before the institution of a public transportation system, cars traveling the dirt roads of Mount McKinley National Park kicked up so much dust that vegetation began to suffocate, and wildlife was nowhere to be seen.

As a result of such threats to park resources and in an effort to prevent further abuses, the Park Service has expanded the original Yosemite experiment to include free (or low-fee) alternate transit systems in several other National Park Service areas: Mesa

Verde, Everglades, Mount McKinley, North Cascades, Guadalupe Mountains, and Grand Canyon national parks; Point Reyes and Fire Island national seashores; Lyndon Baines Johnson, Carl Sandburg Home, and Fort Matanzas national historic sites; and the Washington Mall. The systems range from 100-passenger multi-unit trailer trains at Grand Canyon to eleven-passenger vans at Carl Sandburg Home.

In the Everglades, the Park Service conducts a one and one-half hour interpretive tour through Shark Valley. "With the public tram service . . . disturbance to plants and animals is significantly minimized. Opportunities to observe wildlife are enhanced," says Assistant Superintendent Claude McClain. When knowledgeable guides spot interesting features, they stop the tram to explain them. "For the visitor," continues McClain, "it is not just riding in a public transportation system, but it is access to a high-quality experience. The depth and breadth of the interpretive program allow us to explain the purposes of the park and to leave lasting impressions about the park. The only negative comment we get is when the service is not running in slack summer months."

These are words of enecouragement to Dick Bowser, the acknowledged Park Service transportation expert, who coordinates most of the systems. "I'm a user," says Bowser about his attitudes to parks and his belief that more people should be able to see these splendors. "However," he asserts, "we must design use with a maximum amount of conservation." Bowser's facts and figures seem to support the two objectives. He contends that buses can increase a road's capacity by a factor of seven. In addition, on a passenger-mile basis, buses use about one-fifth as much fuel and cause one-sixth the amount of air pollution as automobiles.

Don Humphrey, of the Division of Long Range Planning and Programs, seconds the transportation projects and views a long-term objective to provide "reasonable alternatives to automobiles," whether by foot, bicycle, boat, or tram.

The proposed systems at Cumberland Island National Seashore and other parks, for example, are attempts to effect the necessary compromise between use and preservation. Plans at Cumberland Island call for a ferry to three places on the island and an electric tram on the island, which will be limited to short, low-capacity routes on existing roadbeds. This system will permit the Park Service to control the number of visitors and will facilitate a good distribution of visitors throughout the island.

If properly implemented, transportation alternatives should help the Park Service strike a better balanec between its often conflicting missions to provide for both use and preservation. The transportation alternatives may also set a good example for the rest of America on how to plan and operate mass transit facilities.

In addition to endorsing public transportation within the parks, the Park Service has joined with major bus and rail concerns in an effort to coordinate schedules and routes to parks and to stimulate the use of mass transit to each of the 288 park units, especially to units located within urban areas where public transit is available.

However, coordinating and developing a "leave the driving to us" policy to parks is more difficult and complicated than operating systems within parks. But, assuming one has ample money and fuel, the visitor has many choices. The NPS, in cooperation with the public transit industry (bus, rail, and air), is promoting the use of public transportation as well as packaged tours. This effort has resulted in more convenient schedules, some additional services, improved information, and improved visitor services and programs for nonmotorist visitors.

Greyhound and Trailways bus companies and Amtrak have taken some steps to promote travel to parks, especially packaged, multi-modal tours. But the law of supply and demand traps these carriers in the age-old money bind: Unless more people choose public transportation—an option that needs to be better advertised—running lines to parks is not profitable. More than 90 percent of all park visitors continue to use private vehicles.

Today only three remote areas have direct rail service—Harpers Ferry, Glacier, and Mount McKinley—and this service has limited schedules. Several major parks and most NPS units within urban areas have access by rail to nearby terminals with some form of bus service to the parks.

Amtrak's legislation does not prohibit the reconstruction of spur lines where main lines lie nearby, but the spur lines have low priority because they would be used only seasonally.

All interstate rail, bus, and air schedules show the major NPS areas near their terminals, but information about connecting service with the parks is not readily available.

"Packaged" tours offered by major carriers and travel agencies have become very popular. These tours include transportation, lodging, some meals, and entrance fees. Typically they cost $50 to $75 per day if much travel is involved.

Amtrak, major bus companies, and some regional airlines now offer travel passes for unlimited travel for a given period of time, similar to the Eurail passes in Europe.

When examining public access to the parks, three problems consistently stand out: cost, convenience, and travel knowledge. At present, travel to parks, especially for families, is still cheapest by private auto. Even if it were more expensive, the car remains more convenient than bus or train. More equipment can be carried, travelers don't experience lapses of time between connections, and cars permit added mobility at the destination. And even with the most complete transit systems—efficient, on time, inexpensive service to parks, shuttles at gateway towns, and public transit within parks—the problem of the average person's lack of travel sophistication would still be a major obstacle. A Park Service skeptic claims "the advent of the automobile caused Americans to lose their talents of discovering how to get places. They don't know about their options." By far the most difficult task will be to educate the public on how to avail themselves of and adjust themselves to the use of mass transit.

Sooner or later America will accept concepts of Spaceship Earth and learn to deal with the finiteness of its resources. A major step toward this goal will be the gradual end of the love affair with the automobile. But great loves die slowly. The National Park Service policies may encourage other, more permanent relationships to grow.

The Park Service can be justifiably proud of its successes in introducing public transportation to the National Park System. However, no amount of careful planning and progressive policies will help the parks unless more money and more personnel are available to implement the programs. The Service may never be able to totally reclaim paradise from the automobile, but enlightened management policies, adequate funding, and a changing attitude toward public transportation on the part of the American public can help to preserve what exists and to maintain it for future generations.

BLUEPRINT FOR COMFORT: A NATIONAL PARK-TO-PARK RAILWAY

(By Alfred Runte)

"When I first heard of the Santa Fe trains running to the edge of the Grand Canyon of Arizona, I was troubled with thoughts of the disenchantment likely to follow. But last winter, when I saw those trains crawling along through the pines of the Coconino Forest and close up to the brink of the chasm at Bright Angel, I was glad to discover that in the presence of such stupendous scenery they are nothing. The locomotives and trains are mere beetles and caterpillars, and the noise they make is as little disturbing as the hooting of an owl in the lonely woods."—John Muir, *Century Magazine*, November 1902

John Muir's endorsement of trains was overstated, to be sure. Muir himself conceded that "with this wonderful extension of steel ways through our wildness there is loss as well as gain. Nearly all railroads," he said, "are bordered by belts of desolation." Still, had he lived to see the automobiles, roads, and parking lots that presently clog the national parks, his praise for the railroad probably would have been even more enthusiastic. Unlike that of the automobile, the railways' impact was never all-pervasive; they merely skirted the parks or left visitors at their gates, where stagecoaches and, later, motorcoaches transported visitors into the parks.

"Fortunately," Muir said, "nature has a few big places beyond man's power to spoil—the ocean, the two icy ends of the globe, and the Grand Canyon." Today the irony of his conclusion is heightened by uncertainty about the future of planet earth, let alone the Grand Canyon and its counterparts. In this regard restoring full rail passenger service to the national parks may seem a trivial cause by comparison. But again Muir left us an enduring reminder. "When we try to pick out anything by itself, we find it hitched to everything else in the universe." This observation is no less relevant to technology than to ecology.

Today proper evaluation of the automobile must include its impact on the depletion of petroleum, air pollution, and urban sprawl. From this perspective the revival of full rail passenger service to the national parks is the logical extension of its mandatory rebirth throughout the nation. No longer do knowledgeable Americans question whether travel by car will be curtailed; instead they wonder when and how it will occur. The only practical alternative is a system of public transportation of proven capability in moving large numbers of people safely, comfortably, economically, and with a minimum amount of disturbance to the environment. As in the past, the railroad best fits this description.

Research by the U.S. Department of Transportation concluded that modern passenger trains are at least ten times as energy efficient as jet aircraft and at least five times more efficient than the average automobile. It follows that a protracted oil embargo by the exporting nations will find Americans either taking trains to the national parks or not visiting them at all.

Any loss of individual mobility must be weighed against the great savings railroads make in the use of the land. The carrying capacity of one track has variously been estimated as the equivalent of a twelve- to sixteen-lane expressway. And a single lane of highway averages 12 feet in width, whereas the distance between the rails of a standard gauge track is but 4 feet 8½ inches.

Before the 1960s, of course, when both land and energy were thought to be ever abundant, such statistics were ignored. The low cost of fuel likewise assured the automobile and airplane preeminence over the passenger train merely on the strength of personal convenience. In the fifty years between 1920 and 1970 the number of daily passenger trains in the United States fell from 20,000 to barely 500, and most of these were but ghosts of their former grandeur and popularity.

On May 1, 1971, the National Railroad Passenger Corporation was inaugurated, a quasi-public company chartered by Congress

to assume control of all but a handful of the nation's remaining intercity streamliners. The corporation, popularly known as Amtrak, retained service on five major long-distance routes: Chicago—Seattle, Chicago—San Francisco, Chicago—Los Angeles, New Orleans—Los Angeles, and Los Angeles—Seattle. The subsequent addition of a second train between Chicago and Seattle expanded service in the West to its present configuration.

Another oil embargo, however, would find Amtrak ill-equipped to handle even a small fraction of the visitors who annually enjoy the national parks. Only one major reserve in the West—Glacier—is an official Amtrak station. The situation with regard to Yellowstone is still more revealing of the level to which rail passenger service in the region has declined. Once, no less than five major railroads promoted luxury travel to America's first national park on trains such as the *Yellowstone Comet* and *Yellowstone Special*. Two of the lines, the Northern Pacific and Union Pacific, had the competitive edge with spur tracks that terminated right at the park boundary, at Gardiner Gateway and West Yellowstone respectively. Today the closest Amtrak train, the North Coast Hiawatha, must transfer park patrons to buses at Livingston, Montana, more than fifty miles north of the park.

The direct rail link to the South Rim of the Grand Canyon, made famous by John Muir's endorsement in Century Magazine, is also history. Although the tracks are still in place, not even a freight train apparently has used the line in more than three years. Passengers to the Canyon detrain from Amtrak's Southwest Limited at Flagstaff, Arizona, and ride the remaining eight miles by motorcoach.

Yet it is the parks that author Rufus Steele once christened the "Celestial Circuit"—Bryce, Zion, Cedar Breaks National Monument, and the North Rim of the Grand Canyon—that fare worst of all. During the 1920s, in response to the request of Park Service director Stephen T. Mather, the Union Pacific Railroad opened the reserves of southern Utah and northern Arizona via a combination of rail and motorbus service. A close relationship between the Union Pacific and the parks lasted well into the 1950s and early 1960s. Then, in 1971, with the formation of Amtrak, all passenger service on the main line through Utah came to an end.

In January 1976 Region XII of the National Association of Railroad Passengers, a nonprofit consumer organization, petitioned Amtrak for restoration of this route. Surely it is now of even greater importance as the gateway to the "Celestial Circuit," since broadened with the addition of Canyonlands, Capitol Reef, and Arches national parks.

The failure of Amtrak to respond to NARP's petition underscores the lack of preparation for another energy crisis at both the federal and corporate levels. It is therefore fortunate that western railroads opened the national parks in the first place and thus, with few exceptions, laid down a system of tracks that is suited to current needs whenever they arise. Direct rail connections to the boundaries of both Yellowstone and the Grand Canyon could be restored by rehabilitating existing branch lines. Similarly, popular entrances to Mount Rainier, Grand Teton, and Rocky Mountain national parks are only a few miles distant from major spurs of the Milwaukee Road, Union Pacific, and Colorado & Southern railways respectively.

At the very least, these tracks must not be allowed to deteriorate. The Yosemite Valley Railroad, completed in 1907, already is long gone; fortunately its right of way survives and the rails could be relaid, albeit at far greater cost than the restoration proposed by Park Service officials in 1944, the year of its dismantlement.

Adding to existing branch lines, or building entirely new ones, should also be considered. For obvious reasons only the most popular reserves once enjoyed direct rail connections; today all are heavily patronized. No tracks should enter a national park proper, of course. Still, environmentalists themselves have agreed that new construction on the fringes of the reserves is the best hope of offsetting the impact of visitor facilities within the parks.

With railroads, all auto-related facilities could be removed entirely away from the parks and their adjoining environments, in most instances to staging areas with existing parking lots, motels, and other visitor accommodations. An obvious candidate is Williams, Arizona, historically the rail cutoff to the South Rim of the Grand Canyon. In fact, community and state leaders have already considered the possibility of restoring the trains, with Williams once again their point of departure.

Other communities—Livingston, Montana, on the Yellowstone cutoff, for instance—might be encouraged by state or federal help to host similar projects. Yet, although local initiative is commendable, the logical goal is a rail network that would enable special trains to make a continuous circle of every major national park in the West. Like a string of pearls, most popular reserves are perfectly spaced a day or so apart throughout the region; similarly, all lie near or adjacent to an established rail system. The one significant gap is the Yosemite Valley Railroad between Merced, California, and El Portal. In addition, extension of the Union Pacific's branch line between Lund and Cedar City, Utah, would enhance the system by enabling patrons to detrain closer to Zion, Bryce, and the North Rim of the Grand Canyon.

With these improvements a host of scenarios becomes feasible. Special trains, for example, might originate throughout the country for tours of the national parks. Similarly, existing Amtrak streamliners could begin emulating their predecessors by providing through cars to Yellowstone and the Grand Canyon. Yet this service would be merely a start. The energy crisis demands that the parks be served not as separate entities, but as an integrated whole. This would best be accomplished by a series of regularly scheduled trains circling among the parks themselves. Cities close to one or more of the reserves, including Denver, Seattle, San Francisco, and Los Angeles, would be logical terminals. The point is to make it possible for any American to visit a single park—or all of them—without being dependent on a car. Perhaps a seasonal ticket, comparable to Amtrak's USA Railpass, could be sold to backpackers, bicylists, and other enthusiasts for unlimited travel during a specified period. Between points of interest within the parks, where trips are of shorter duration, shuttle buses and motorized trams have already proven their popularity in several parks, especially in Yosemite Valley.

The question then arises: why not buses for entrance to the parks, using existing highways? The reason is that buses lack the carrying capacity that would be needed to handle both the volume of visitors and their baggage. Nor does the large majority of Americans prefer bus transportation over long distances. There simply is no room to move around, to entertain restless children, or to stretch one's legs in comfort. Trains, with their diners, lounges, and vistadome coaches, are much more comfortable. Their amenities are an obvious prerequisite if Americans are to be expected to support public transportation nationwide, let alone to the national parks.

Restoration of full rail service to the reserves holds forth the promise of one final benefit—a revival of the beauty and dignity of the passenger train itself. Like the nation at large, the railroad industry seems to have lost sight of what a streamliner could be and should be. New equipment, notes one recent commentator, has too much the look of "late American airplane." Rail enthusiasts are especially perplexed over the small windows, cramped seating, and airline-inspired fast food menus of Amtrak's latest coaches, commonly dubbed "the Amfleet." In the West the spectre of plasticized trains is further underscored by what seems to be the twilight of the domeliner. An innovation born of the magnificence of the Colorado Rockies, since 1945 its elevated glass-enclosed observation decks have thrilled travelers with an unhindered panorama of the passing landscape. As surely as buses alone cannot pick up the slack in the coming era of energy scarcity, so rail passenger travel will not recapture the hearts of the American people without the features that made it unique. Only when these, too, are restored, may all of us join in rediscovering the truth of that once familiar slogan: "Getting there is half the fun."

By Mr. HUDDLESTON:

S. 976. A bill to amend the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HUDDLESTON. Mr. President, last May the Senate Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, which I chair, held a hearing on legislation which would permit the Secretary of Agriculture to set the Perishable Agricultural Commodities Act license fee at the level determined necessary to finance adequately the administration of this self-supporting act. Under existing law only a uniform fee not in excess of $100 is permitted. The legislation on which we held hearings during the last Congress was not reported by my subcommittee because we were unable to devote sufficient time to the proposal before the sine die adjournment.

The Perishable Agricultural Commodities Act, generally referred to as PACA, is designed to protect producers, shippers, distributors, and retailers from unfair and fraudulent practices in the marketing of perishable agricultural commodities.

Commission merchants, dealers, and brokers engaged in the business of handling fresh or frozen fruits and vegetables in interstate and foreign commerce must be licensed under PACA. In addition, larger retailers are subject to the act and are required to be licensed. Those who handle produce for the account of others are required to give a true and correct accounting to their principals. Buyers and sellers must live up to the terms of their contracts, and buyers must pay promptly for their purchases. False or misleading statements, misbranding, et cetera, are prohibited.

When there is an apparent violation of the act, the Department will communicate with the respondent party, make the necessary investigation, and endeavor to bring about an amicable, informal settlement. Where informal settlement of a dispute cannot be arranged, the complainant is afforded the opportunity to file and pursue a formal complaint under the law. The Department determines whether a violation exists, the loss of amount of damages to be paid, and issues

a formal order calling for reparation where appropriate. If violations are repeated or flagrant, disciplinary action may be taken by the Department to suspend or revoke the offender's license.

Since PACA was enacted in 1930, the Secretary has set a uniform fee for all applicants within the maximum established by the Congress. The present fee of $100 is the maximum authorized by statute and has been in effect since 1969.

There is currently a need to increase the income from license fees. This need is based on two factors: The declining number of firms subject to license and the increasing cost of administering the act. It has been estimated that the PACA fund will incur an over $170,000 deficit during fiscal year 1977. Even larger deficits are projected for fiscal years 1978 and 1979.

USDA witnesses before my subcommittee, last year, indicated that the license fee needed to be increased to $135 by July 1, 1976. And, due to cost escalations it is projected that this fee level would have only allowed this self-supporting act to operate in the black through fiscal year 1978.

The legislation I am introducing today provides for a maximum PACA license fee of $300. And, the bill provides that the Secretary of Agriculture may assess a single uniform license fee for all applicants or he may assume a graduated fee based upon the amount or type of business conducted by the applicant.

The Perishable Agricultural Commodities Act provides for a license exemption for retailers and brokers selling less than $100,000 worth of fruits and vegetables. The exemption was originally established in 1962 at $90,000. Because of inflation the exemption was increased to $100,000 in 1969.

Testimony before my subcommittee pointed out that since 1969 there has been over a 70-percent increase in the wholesale price of fresh fruits and vegetables. To adjust for this increase the legislation I am introducing provides for a $200,000 PACA exemption.

The bill further provides for a reserve fund accumulation limit not to exceed 25 percent of the projected budget for the ensuing fiscal year.

Mr. President, I am not suggesting that this bill is the ultimate solution to the PACA license fee problem. As far as I am concerned not one word of it is cast in concrete. I introduce this bill in order to open discussion on the PACA license fee to see if we can resolve the question in the near future.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 976

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 1 of the Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. 499a), is amended by striking out "$100,000" in subsections (6) and (7) and inserting in lieu thereof "$200,000".

(b) The amendments made by this section shall become effective beginning with the calendar year 1978.

SEC. 2. Section 3(b) of the Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. 499c), is amended by—

(a) striking out "$100" in the third sentence and inserting in lieu thereof "$300";

(b) inserting immediately after the third sentence a new sentence as follows: "The Secretary may assess a single uniform license fee for all applicants or he may assess a graduated fee based upon the amount or type of business conducted by the applicant or both.";

(c) inserting immediately after "referred to above:" in the fourth sentence the following: *"Provided,* That the fund accumulated and on hand at the close of any fiscal year shall not exceed approximately 25 percent of the projected budget for the ensuing fiscal year:"; and

(d) inserting *"further"* immediately after *"Provided"* in the fourth sentence.

By Mr. JACKSON (for himself, Mr. FORD, Mr. HUDDLESTON, Mr. HUMPHREY, and Mr. RANDOLPH):

S. 977. A bill to require that new and, to the extent practicable, existing electric powerplants and major fuel-burning installations, in categories to be determined, utilize other than natural gas or petroleum as their primary energy source in compliance with applicable environmental requirements, and for other purposes; to the Committee on Energy and Natural Resources.

COAL UTILIZATION ACT OF 1977

Mr. JACKSON. Mr. President, in order to remove the uncertainty surrounding the future utilization of coal, I introduce the Coal Utilization Act of 1977. This measure would foster the use of coal instead of natural gas and petroleum by the U.S.'s electric powerplants and major industrial installations. This is accomplished by requiring that:

First, to require that any new electric powerplant and any new major fuel-burning installation which proposes to utilize fossil energy resources as its primary energy source shall be constructed with the capability to use coal or other fuel than natural gas or petroleum;

Second, to require that by January 1, 1979, any existing electric powerplant and any existing major fuel-burning installation with the capability to use coal or other fuel than natural gas or petroleum as its primary energy source shall utilize such fuel;

Third, to require that by January 1, 1979, any existing electric powerplant and any existing major fuel-burning installation which now utilizes natural gas as its primary energy source shall acquire the capability to utilize and shall utilize other than natural gas; and

Fourth, to require the improvement or modernization of any existing electric powerplant and any existing major fuel-burning installation, which utilizes natural gas or petroleum as its primary energy source and cannot be converted to coal utilization in order to conserve natural gas and petroleum.

Natural gas and petroleum must be conserved for higher priority uses than the generation of electricity or for boiler uses.

Many powerplants and industries with the capability to use coal are consuming scarce natural gas and imported petroleum. It is in the national interest that such installations be required to use coal in compliance with applicable environmental requirements.

The Coal Utilization Act would require electric powerplants and major fuel-burning installations to obtain a Federal permit to use natural gas or petroleum as their primary energy source. Both temporary exceptions and permanent exemptions are available, on a restricted basis, to permit the use of petroleum.

Temporary exceptions up to 5 years would be available for the use of petroleum but not natural gas where, despite good faith efforts, adequate coal supplies are not available, adequate coal transportation facilities are not available, or applicable environmental requirements cannot be met. However, the burden of proof would be on the person seeking the temporary exception.

Permanent exceptions also would be available for the use of petroleum but not natural gas where, despite good faith efforts, coal or coal transportation facilities are not available. However, in the case of new powerplants alternative sites would have to be considered.

In addition, permanent exemptions would be permitted, first, for the use of petroleum for peakload applications and, second, for intermediate load applications by existing facilities which cannot be converted to coal but agree to modernize their equipment to improve its energy efficiency.

As a last resort a facility may elect to retire from operation.

Significantly, the Coal Utilization Act assumes compliance with applicable environmental requirements such as those under the Clean Air Act. No attempt is made to modify, postpone, or rescind any applicable Federal, State, or local environmental requirements.

Title III, the Coal Substitution Incentives Act authorizes loan guarantees and low-interest loans for the procurement of air pollution control equipment needed by existing facilities which convert to coal.

The measure incorporates in title II provisions from similar legislation introduced by Senator JENNINGS RANDOLPH (S. 273 and S. 272) and Senator HUBERT HUMPHREY (S. 257).

The Coal Utilization Act of 1977 is cosponsored by Senators RANDOLPH, FORD, HUDDLESTON, and HUMPHREY.

Hearings are scheduled before the Subcommittee on Energy Production and Supply for March 21 and 29, and April 5, 1977. The subcommittee chairman is Senator FLOYD K. HASKELL; the vice chairman is Senator WENDELL FORD. The invited witnesses are:

For March 21: The Honorable John O'Leary, Administrator, Federal Energy Administration.

For March 29: Carl E. Bagge, president, National Coal Association; and

Mr. Donald G. Allen, vice president, New England Electric System—on behalf of the clean air coordinating committee of the Electric Utility Industry.

For April 5: Mr. William B. Marx, executive director, American Boiler Manufacturers Association; and

Industrial Energy Users Forum.

Statements submitted for the record should be addressed to Senator FLOYD K. HASKELL, chairman, Subcommittee on Energy Production and Supply. The committee record will remain open until April 22, 1977.

Mr. President, I ask unanimous consent that S. 977 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coal Utilization Act of 1977".

SECTION 1. The Energy Supply and Environmental Coordination Act of 1974 is amended by striking the entire table of contents following subsection 1(a) and by inserting the following new table of contents immediately following the enacting clause:

"TABLE OF CONTENTS

"TITLE I—THE ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT
"Sec. 1. Short title; purpose.
"Sec. 2. Coal conversion and allocation.
"Sec. 3. Suspension authority.
"Sec. 4. Implementation plan revisions.
"Sec. 5. Motor vehicle emissions.
"Sec. 6. Conforming amendments.
"Sec. 7. Protection of public health and environment.
"Sec. 8. Energy conservation study.
"Sec. 9. Report.
"Sec. 10. Fuel economy study.
"Sec. 11. Reporting of energy information.
"Sec. 12. Enforcement.
"Sec. 13. Extension of Clean Air Act authorization.
"Sec. 14. Definitions.
"TITLE II—NATURAL GAS AND PETROLEUM CONSERVATION ACT
"Sec. 201. Short title.
"Sec. 202. Findings and purposes.
"Sec. 203. Definitions.
"Sec. 204. New facilities.
"Sec. 205. Existing facilities.
"Sec. 206. Federal facilities.
"Sec. 207. Temporary exceptions.
"Sec. 208. Exemptions.
"Sec. 209. Retirement option.
"Sec. 210. Environmental and efficiency requirements.
"Sec. 211. Disruption of supply contracts.
"Sec. 212. Enforcement and penalties.
"Sec. 213. Emergency powers.
"Sec. 214. Disclosure.
"Sec. 215. Report
"Sec. 216. Rules and regulations.
"TITLE III—COAL SUBSTITUTION INCENTIVES ACT
"Sec. 301. Short title.
"Sec. 302. Findings and purposes.
"Sec. 303. Definitions.
"Sec. 304. Loan guarantees.
"Sec. 305. Coal conversion loans.
"Sec. 306. Conditions and priorities.".

SEC. 2. The Energy Supply and Environmental Coordination Act of 1974 is amended by inserting "TITLE I—ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT" before "SECTION 1. SHORT TITLE; PURPOSE." and by adding at the end of title I the following new titles:

"TITLE II—NATURAL GAS AND PETROLEUM CONSERVATION ACT

"SHORT TITLE

"SEC. 201. This title may be cited as the 'Natural Gas and Petroleum Conservation Acts.'

"FINDINGS AND PURPOSES

"SEC. 202. FINDINGS.—(a)(1) The Congress finds that the protection of public welfare and the preservation of national security require—

"(A) the furtherance of national energy self-sufficiency consistent with applicable environmental requirements;

"(B) the capability to use indigenous energy resources of the United States in lieu of imported energy supplies by the substitution of coal and other fuels for natural gas and petroleum products as the primary energy source for new electric powerplants and new major fuel-burning installations and, to the extent practicable, for existing powerplants and existing major fuel-burning installations; and

"(C) the conservation of natural gas and petroleum for uses other than the generation of electricity or boiler fuel, for which uses there are no feasible alternative fuels or raw material substitutes.

"(2) The Congress finds that any electric powerplant or any major fuel-burning installation shall be deemed in compliance with the purposes of this title if such powerplant or installation has the capability to use coal and utilizes coal as its primary energy source in conformance with applicable environmental requirements.

"(b) PURPOSES.—The purposes of this Act are—

"(1) to foster the greater use of coal resources in lieu of natural gas and petroleum as the primary energy source utilized by electric powerplants and major fuel-burning installations;

"(2) to require that any new electric powerplant and any new major fuel-burning installation which purposes to utilize fossil energy resources as its primary energy source shall be constructed with the capability to use coal or other fuel than natural gas or petroleum except in those circumstances provided for herein;

"(3) to require that by January 1, 1979, any existing electric powerplant and any existing major fuel-burning installation with the capability to use coal or other fuel than natural gas or petroleum as its primary energy source shall utilize such fuel except in those circumstances provided for herein;

"(4) to require that by January 1, 1979, any existing electric powerplant and any existing major fuel-burning installation which utilizes natural gas as its primary energy source shall acquire the capability to utilize and shall utilize other than natural gas except in circumstances provided for herein; and

"(5) to require the improvement or modernization of any existing electric powerplant and any existing major fuel-burning installation, which utilizes natural gas or petroleum as its primary energy source and cannot be converted to coal utilization in order to conserve natural gas and petroleum.

"DEFINITIONS

"SEC. 203. For the purposes of this title:

"(a) The term 'Administrator' means the Administrator of the Federal Energy Administration established by the Federal Energy Administration Act of 1974; except that if such Administration ceases to exist such term means any officer of the United States designated as Federal Energy Administrator by the President for the purposes of this title.

"(b) The term 'person' includes any person or individual; (2) any corporation, company, partnership, association, firm, society, trust, joint venture, or joint stock company; (3) the Federal Government, including corporations, departments, Federal agencies, and other instrumentalities; and (4) any State or political subdivision thereof, including the District of Columbia, or other government entity, which owns, leases, operates, or controls any electric powerplant or major fuel-burning installation subject to the provisions of this title.

"(c) The term 'natural gas' includes (1) dry natural gas and casing-head gas; (2) synthetic gas derived from natural gas liquids; and (3) synthetic gas derived from coal, but does not include synthetic gas derived from coal where such synthetic gas is produced by a person for use by an electric powerplant or a major fuel-burning installation regulated pursuant to sections 204 and 205 of this title.

"(d) The term 'petroleum' includes crude oil, residual fuel oil, refined petroleum products, liquid petroleum gas, and synthetic gas derived from petroleum, but does not include process waste gases, carbon monoxide, and waste gases and other liquid and solid byproducts of refinery operations within the United States, which have no commercial significance.

"(e) The term 'coal or other fuel' means coal and any fuel other than natural gas or petroleum, including, without limitation, (1) coal derivatives, including (A) synthetic liquid or solid fuels which are derived from coal, (B) low British thermal units synthetic gas derived from coal, and (C) synthetic gas derived from coal where such gas is produced by a person for use by an electric powerplant or a major fuel-burning installation regulated by sections 204 and 205 of this title; (2) petroleum coke; (3) combustible municipal, industrial, or agricultural solid wastes; and (4) wood or other bio-mass, but does not include coal derivatives where such derivatives are produced by a person for the primary purpose of use as other than a fuel.

"(f) The term 'electric powerplant' means a fossil fuel fired electric generating unit, including a gas turbine unit or a combined cycle unit, that is by design capable of being operated at a fuel heat input of one hundred million British thermal units per hour or greater, or a combination of more than one such units at the same site which in the aggregate is by design capable of being operated at a fuel heat input of two hundred and fifty million British thermal units per hour or greater, that produce electric power for the purposes of sale or exchange: *Provided, however,* That the Administrator may include in the definition of electric powerplant any such electric powerplant or a combination of more than one such unit, which is by design capable of being operated at lower fuel heat inputs where the Administrator finds the inclusion of such powerplant in such definition to be in the public interest.

"(g) The term 'major fuel-burning installation' means a major industrial installation, other than an electric powerplant, that contains a fossil fuel fired boiler, a gas turbine unit, combined cycle unit, or diesel engine, that by design is capable of being operated at a fuel heat input of one hundred million British thermal units per hour or greater, or a combination of more than one such units at the same site which in the aggregate is by design capable of being operated at a fuel heat input of two hundred and fifty million British thermal units per hour or greater: *Provided, however,* That the Administrator may include in the definition of a major fuel-burning installation a major fuel-burning installation, or combination of more than one such unit, which by design is capable of being operated at lower fuel heat inputs where the Administrator finds the inclusion of such installation in such definition to be in the public interest.

"(h) The term 'new'—

"(1) when used to modify 'electric powerplant' means—

"(A) any electric powerplant that—

"(i) as of ninety days after the effective date of regulations implementing sections 207 and 208 has not commenced the driving of the foundation piling, or another appropriate structural event, as determined by the Administrator, in accordance with approved

final drawings or an equivalent design document for the main boiler; or

"(ii) as of the date of enactment of this title, has not been contracted for in whole or in part or cannot be canceled, redesigned, or rescheduled without adversely affecting electric system reliability; or

"(B) an electric powerplant that has been issued an order under section 2(c) of title I of this Act; and

"(2) when used to modify 'major fuel-burning installation' means any major fuel-burning installation which was in the early planning process ninety days after the effective date of regulations applicable to the category of major fuel-burning installations to which such installation belongs as identified pursuant to section 204(b) of this title, or which thereafter enters the early planning process. Such regulations shall define the term 'early planning process' as it applies to each category of installations.

"(i) The term 'primary energy source' means the fuel used by an electric powerplant or a major fuel-burning installation for normal operation, but does not include the minimum amounts of fuel required (1) for boiler startup, testing, flame stabilization, and control uses; (2) to implement enforceable air pollution control emergency requirements; and (3) to alleviate or prevent any emergencies directly affecting the public health, safety, or welfare which would result from electric power outages.

"(j) The term 'applicable environmental requirements' includes any Federal, State, or local governmental standard, limitation, or other requirement applicable to emissions of environmental pollutants (including air and water pollutants) or disposal of solid waste, residues resulting from the combustion of coal or other fuels or operation of air pollution control equipment, and includes without limitation, any standard, limitation, or other requirement established pursuant to the Clean Air Act, the Federal Water Pollution Control Act, or the Solid Waste Disposal Act.

"(k) The term 'peakload' when used to modify electric powerplant or major fuel-burning installation means a powerplant or installation which operates the equivalent of one thousand five hundred full-load hours or less per calendar year.

"(l) The term 'intermediate load' when used to modify electric powerplant or major fuel-burning installation means a powerplant or installation which operates the equivalent of one thousand five hundred to three thousand five hundred hours per calendar year.

"(m) The term 'base load' when used to modify electric powerplant or major fuel-burning installation means such a powerplant or installation which operates in excess of three thousand five hundred hours per calendar year.

"(n) The term 'cost' means total costs (both operating and capital) incurred over the estimated useful life of a new electric powerplant, discounted to present value, taking into account any change in the utilization of existing powerplants in the relevant dispatching system and other relevant economic factors that are included in planning for the production, transmission, and distribution of electric power within such system.

"NEW FACILITIES

"SEC. 204. (a) Except as provided for in section 207 and 208, any new electric powerplant, or any new major fuel-burning installation in a category identified pursuant to subsection (b) of this section, shall be constructed with the capability (including the necessary auxiliary equipment and facilities) to use coal or another fuel other than natural gas or petroleum as its primary energy source in compliance with applicable environmental requirements.

"(b)(1) The Administrator shall, by rule, from time to time, identify categories of new major fuel-burning installations which shall be subject to the requirements and prohibitions of subsections (a) and (c) of this section. In identifying such categories the Administrator shall utilize a two-digit classification, within the manufacturing division of economic activity set forth in the Standard Industrial Classification Manual: *Provided*, That the Administrator shall within one hundred and twenty days of enactment of the Coal Utilization Act of 1977 identify for the purposes of this section the ten most energy-consumptive categories of major fuel-burning installations as identified by such classifications.

"(2) In identifying categories of new major fuel-burning installations pursuant to this subsection, the Administrator shall take into account any special circumstances or characteristics of the category of such installations that will be subject to the rule.

"(c) Except as provided for in title I of this Act and sections 207, 208, and 213 of this title, effective January 1, 1979, no new electric powerplant, or new major fuel-burning installation in a category identified pursuant to section 204(b) of this section, shall utilize natural gas or petroleum as its primary energy source.

"(d) The Administrator may establish criteria consistent with sections 207, 208, and 213 of this title by which a person may apply for an exemption, a temporary exception, or a stay for a new electric powerplant or a new major fuel-burning installation in a category identified in subsection (b) from the requirements of this section, including appropriate net heat rates for a new electric powerplant or new major fuel-burning installation commensurate with emerging and commercially available technology but not including applicable environmental requirements. Such temporary exceptions or exemptions may be granted at the discretion of the Administrator for such period of time as the Administrator determines.

"EXISTING FACILITIES

"SEC. 205. (a) Except as provided for in sections 207, 208, 209, and 213 effective January 1, 1979, no existing electric powerplant, existing major fuel-burning installation, with the capability to utilize coal or other fuel as its primary energy source shall utilize natural gas or petroleum as its primary energy source, unless such powerplant or installation is subject to an order pursuant to section 2 of title I of this Act with a later effective date.

"(b) NATURAL GAS RESTRICTION.—Except as provided for in sections 207, 208, 209, and 213 effective January 1, 1979, no existing electric powerplant, or existing major fuel-burning installation shall utilize natural gas as its primary energy source.

"(c) PETROLEUM RESTRICTION.—Except as provided for in sections 207, 208, 209, and 213 effective January 1, 1990, no existing electric powerplant, or existing major fuel-burning installation, shall utilize petroleum as its primary energy source.

"(d)(1) The Administrator shall, by rule, from time to time, identify categories of existing major fuel-burning installations which shall be subject to the requirements and prohibitions of subsection (a) of this section. In identifying such categories the Administrator shall utilize a two-digit classification, within the manufacturing division of economic activity set forth in the Standard Industrial Classification Manual: *Provided*, That the Administrator shall within one year of enactment of the Coal Utilization Act of 1977 consider for such identification at least the ten most energy-consumptive categories of major fuel-burning installations as identified by such classification.

"(2) In identifying categories of existing major fuel-burning installations pursuant to this subsection, the Administrator shall take into account any special circumstances or characteristics of the category of such installations that will be subject to the rule.

"(d) The Administrator may establish criteria consistent with sections 207, 208, 209, and 213 of this title by which a person may apply for an exemption, a temporary exception, the retirement option, or a stay for an existing powerplant or an existing major fuel-burning installation in a category identified in subsection (b) from the requirements of this section, including appropriate net heat rates for an existing electric powerplant or existing major fuel-burning installation commensurate with emerging and commercially available technology but not including environmental requirements. Such temporary exceptions or exemptions may be granted at the discretion of the Administrator for such period of time as the Administrator determines.

"(e)(1) Within one year of the date of enactment of the Coal Utilization Act of 1977, the Administrator, in conjunction with the Federal Power Commission, shall submit to the Congress a national plan formulated and designed to prohibit or discourage, to the maximum extent practicable by January 1, 1985, the use of natural gas other than for essential uses for which there is no feasible raw material or fuel substitute. Such plan shall include a report and recommendations regarding any additional statutory authority necessary to prevent such nonessential uses by January 1, 1985.

"(2) In developing such plan, the Administrator shall include an estimate of the increased demand for coal and other alternative fuels that would be the result of the prohibition of the use of natural gas by electric powerplants and fuel-burning installations and shall identify, by geographic region of the United States, the location of users currently utilizing natural gas as their primary energy source and the location of users that would be required to use coal or alternative fuels in lieu of natural gas as a result of the prohibition.

"FEDERAL FACILITIES

"SEC. 206. (a) Each department, agency, and instrumentality of the executive, legislative, and judicial branches of the Federal Government having jurisdiction over any electric powerplant, or major fuel-burning installation in a category identified pursuant to section 204(b) or 205(b) of this title, shall comply with the requirements and prohibitions of this title.

"(b) The President may exempt from the requirements of subsection (2) any electric powerplant or major fuel-burning installation of any department, agency, or instrumentality in the executive branch from compliance with such requirement or prohibition, if the President determines it to be in the paramount interest of the United States to do so. No such exemption shall be granted due to lack of appropriation unless the President shall have specifically requested such appropriations as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation.

"(c) The President shall report each January to the Congress all exemptions granted under this section from the requirements and prohibitions of this title during the preceding calendar year, together with his reason for granting each such exemption.

"TEMPORARY EXCEPTIONS

"SEC. 207. (a) The Administrator, upon application of the person owning, operating, constructing, or proposing to construct an electric powerplant or major fuel-burning installation subject to the requirements or prohibitions of sections 204 or 205 of this title may, for such powerplant or installation, grant a temporary exception, in accordance with subsection (b) of this section,

to the deadlines for compliance with the requirements of sections 204 or 205 of this title if—

"(1) such person prior to the effective date of any prohibition pursuant to sections 204 or 205 of this title, has submitted a compliance plan to the Administrator containing a compliance schedule for such powerplant or installation which the Administrator has approved pursuant to this section; and

"(2) the Administrator finds that such person has demonstrated that, despite good faith efforts of such person, one or more of the following items is not available for operation of such powerplant or installation in compliance with sections 204 or 205 of this title:

"(A) sufficient quantities of coal or other fuel of the quality necessary to achieve compliance with applicable environmental requirements or conformance with boiler design requirements; or

"(B) adequate transportation facilities for such coal or other fuel; or

"(C) pollution control abatement equipment or devices, including flue gas desulfurization equipment and electrostatic precipitators, necessary to assure compliance with applicable environmental requirements; or

"(D) such other equipment or facilities as the Administrator determines are necessary for the reliable operation of such powerplant or installation; or

"(3) such powerplant or installation will comply with the requirements of section 204 or 205 of this title by the use of synthetic fuels derived from coal or innovative techniques for utilizing coal or other fuel.

"(b) The temporary exception granted in subsection (a) of this section shall be for a period of time and upon such terms and conditions as the Administrator deems reasonable and necessary for the removal of the impediment to compliance with the requirements of section 204 or 205 of this title, upon which the requested temporary exception is based: *Provided, however,* That such period shall not exceed five years.

"(c) The Administrator shall exempt from the penalties provided for in section 212 of the title any electric powerplant or major fuel-burning installation granted a temporary exception pursuant to subsection (a) of this section for the period of such exception.

"(d) In no event may the action of the Administrator on a request for a temporary exception under this section result in any delay in compliance with any applicable environmental requirement.

"EXEMPTIONS

"SEC. 208. GENERAL.—(a) The Administrator, upon application by a person owning, operating, constructing, or proposing to construct or operate an electric powerplant or major fuel-burning installation subject to the prohibitions of sections 204 or 205 of this title utilizing or proposing to utilize petroleum as its primary energy source shall, within one year of such application, grant an exemption with respect to petroleum from the requirements, prohibitions, and penalties of sections 204, 205 and 212 of this title, if the Administrator finds that such person has demonstrated that—

"(1) despite good faith efforts (A) an adequate and reliable supply of coal or other fuel is not expected to be available during a majority of the useful life of such powerplant or installation; or (B) physical factors, and legal factors which cannot reasonably be expected to be overcome by diligent good faith efforts by the applicant; preclude compliance with the requirements of sections 204 and 205 of this title because of site specific limitations, such as access to coal or other transportation facilities; and

"(2) the cost of using coal substantially exceeds the cost of using imported petroleum; and

"(3) in the case of a new electric powerplant, despite good faith efforts, there is no reasonable alternative site—

"(A) at which an adequate and reliable supply of coal or other fuel allowable as a primary energy source pursuant to sections 204(a) and (c) of this title is or would be available during a majority of the first five years of operation of such powerplant;

"(B) at which the other resources, facilities, et cetera, necessary for operation of the powerplant are expected to be reasonably available during a majority of the first five years of operation and a majority of the useful life of such powerplants;

"(C) at which neither the location of such alternative site nor the time schedule for construction will impair reliability of service; and

"(D) at which a powerplant can be constructed and operated in compliance with applicable enviromental requirements; and

"(4) in the case of an electric powerplant, there is not an alternative supply of power which can be obtained during the majority of the useful life of such powerplant from another source without impairing reliability of service.

"(b) PEAKLOAD FACILITIES.—The Administrator, upon application by a person owning, operating, constructing, or proposing to construct or operate a new electric powerplant, or new major fuel-burning installation subject to the prohibitions of section 204 of this title, proposing to use petroleum as its primary energy source, shall, within ninety (90) days of such application, grant an exemption for such powerplant or such installation from the requirements, prohibitions, and penalties of sections 204 and 212 of this title, if the Administrator finds the applicant has demonstrated that—

"(1) such powerplant or installation is to be constructed or operated solely as a peakload powerplant or major fuel-burning installation; or

"(2) Such powerplant is to be constructed or operated on petroleum solely as an intermediate load powerplant or major fuel-burning installation to replace no more than an equivalent existing natural gas or petroleum fired electric powerplant capacity at sites in dispatching systems which, pursuant to section 210(e) of this Act, are sited in high environmental impact areas, providing that the net heat rate for the new electric powerplant installed, based on the higher heating value of the fuel, will be maintained at nine thousand five hundred British thermal units per kilowatt hour or less during the useful life of such powerplant or major fuel-burning installation; or

"(3) as of the date of effectiveness of the prohibitions and requirements of section 204 of this title, such powerplant or installation was in an advanced stage of construction such that imposition of such prohibitions or requirements would impose an unreasonable economic burden.

"(c) INTERMEDIATE LOAD FACILITIES.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant or major fuel-burning installation subject to the prohibitions of section 205 of this title, proposing to use petroleum as its primary energy source, shall, within ninety (90) days of such application, grant an exemption for such powerplant or such installation from the requirements, prohibition, and penalties of sections 25 and 212 of this title, if the Administrator finds that the applicant has demonstrated that—

"(1) such powerplant or installation is to be operated solely as an intermediate load powerplant or major fuel-burning installation;

"(2) such powerplant or such installation cannot be converted to coal or other fuel as its primary energy source;

"(3) new equipment will be installed to modernize or improve the performance of such existing powerplant or installation to conserve natural gas or petroleum fuels;

"(4) there will be a 20 per centum or greater improvement in the operating efficiency of such powerplant or installation as a result of such modernization;

"(5) the new equipment is convertible to burning coal derived fuels if and when they become commercially available;

"(6) such existing powerplant or installation has demonstrated a use factor over 20 per centum for the past five years;

"(7) the total fuel consumption would not materially increase by the installation of new equipment; and

"(8) no alternative means of supplying projected requirements with coal or nuclear plants appears feasible.

"(d) ELECTRIC POWERPLANT CONVERSION IMPRACTICABLE.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing electric powerplant subject to the prohibition of section 205 of this title, proposing to use petroleum as its primary energy source shall, within one hundred and eighty days of such application, grant an exemption with respect to petroleum from such prohibitions and penalties of section 212 of this title, if the Administrator finds that such person has demonstrated that conversion is not practicable. In rendering such finding with respect to such powerplant the Administrator shall consider—

"(1) the expected retirement date for such powerplant, if: (A) such retirement date is after January 1, 1985, for any powerplant that utilizes natural gas as its primary energy source or after January 1, 1990, for any powerplant that utilizes petroleum as its primary energy source, and (B) the expected retirement date is documented by the power supply plan filed with the Federal Power Commission or the National Electric Reliability Council prior to the date of enactment of this Act or by certification to the Administrator by either that Commission or Council that such powerplant would be expected to be retired by the expected retirement date based on data currently available and methodology currently used in the formulation of retirement plans filed with such entities;

"(2) the capacity factor for such powerplant for the first five-year period following conversion: *Provided, however,* That conversion shall not be considered practicable for any powerplant which the Administrator determines can be expected to operate only for peaking purposes;

"(3) the net financial impact of the costs of conversion including funds necessary for the modification or installation of boiler and fuel handling facilities (including, where appropriate, coal and ash transportation, storage, and handling facilities), funds necessary for the modification or installation of additional environmental control equipment necessary to assure compliance with applicable environmental requirements, and the additional costs that are necessary for the construction of new powerplant capacity to replace any reduction in powerplant capacity directly attributable to compliance with the provisions of this Act: *Provided, however,* That conversion shall not be considered practicable if the net financial impact exceeds 100 per centum of replacement cost of installed capacity in such powerplant as determined by reference to Federal Power Commission regulations; and

"(4) the reasonably expected time period for scheduled shutdown of such powerplant for conversion: *Provided, however,* That the Administrator shall determine, after consultation with the Federal Power Commission, whether there will be any significant adverse effects on the reliability of electric

service to any system or region after reasonable provision for interchange of power with electric systems interconnected with the system on which such powerplant is located.

"(e) MAJOR FUEL-BURNING INSTALLATION CONVERSION IMPRACTICABLE.—The Administrator, upon application by a person owning, operating, or proposing to operate an existing major fuel-burning installation subject to the prohibitions of section 205 of this title, proposing to use petroleum as its primary energy source shall, within one hundred and eighty (180) days of such application, grant an exemption with respect to petroleum from such prohibitions, and penalties of section 212 of this title, if the Administrator finds that such person has demonstrated that conversion is not practicable. In rendering such finding with respect to such installation the Administrator shall consider—

"(1) the expected retirement date for such installation if: (A) such retirement date is after January 1, 1985, for any installation that utilizes natural gas as its primary energy source; and (B) the expected retirement date is documented to the Administrator by the owner or operator of such installation;

"(2) the net financial impact of the costs of conversion including funds necessary for the modification or installation of boiler and fuel handling facilities (including, where appropriate, coal and ash transportation, storage and handling facilities), and funds necessary for the modification or installation of additional environmental control equipment necessary to assure compliance with applicable environmental requirements: *Provided, however,* That conversion shall not be considered practicable if the net financial impact exceeds 100 per centum of the replacement cost of installed capacity in such installation as determined by accounting regulations promulgated by the Administrator and based on accounting principles similar to those in the Federal Power Commission regulations applicable to electric powerplants; and

"(3) the reasonably expected time period for scheduled shutdown of such installation for conversion.

"(c) PUBLIC INTEREST EXEMPTION.—Any person owning, operating, constructing, or proposing to construct a powerplant or major fuel-burning installation subject to the prohibitions of section 204 or 205 of this title, may apply to the Administrator for an exemption under this section from such prohibitions and the Administrator may grant such an exemption upon finding that compliance would not be in the public interest or would not be of significant value in serving the purposes of this title. The Administrator shall publish his findings within twelve months after filing of the application for exemption. If the Administrator's findings support an exemption, that exemption shall be granted upon publication of the findings.

"RETIREMENT OPTION

"SEC. 209. The Administrator, upon application by a person owning or operating an electric powerplant, or a major fuel-burning installation in a category identified pursuant to sections 204 or 205 of this title, proposing to use petroleum as its primary energy source shall, within one year of such application, grant an exemption with respect to petroleum from the requirements, prohibitions, and penalties of sections 204, 205 and 212 of this title, if—

"(a) in the case of any electric powerplant, such powerplant was engaged in the sale or exchange of electric power prior to January 1, 1950; or

"(b) in the case of any major fuel-burning installation, the owner of such facility prior to the effective date of any applicable prohibition pursuant to this Act has submitted a plan setting forth a retirement schedule for such facility to the Administrator—

"(1) which the Administrator has approved pursuant to this section; and

"(2) which (A) for a facility utilizing natural gas as its primary energy source demonstrates by clear evidence that it will be retired prior to January 1, 1985, or (B) for a facility utilizing petroleum as its primary energy source demonstrates that it will be retired prior to January 1, 1990.

"ENVIRONMENTAL AND EFFICIENCY REQUIREMENTS

"SEC. 210. (a) For the purposes of sections 207, 208, and 213 of this title, in order to ascertain environmental control equipment and fuel requirements necessary to comply with applicable environmental requirements, the Administrator shall consult, as appropriate, with the Administrator of the Environmental Protection Agency or appropriate State and local authorities.

"(b) For the purposes of sections 207, 208, and 213 of this title, in order to determine appropriate efficiency requirements and technological feasibility of converting new powerplant, or any major fuel-burning installation in a category identified pursuant to sections 204 or 205 of this title, the Administrator shall consult, as appropriate, with the Administrator of the Energy Research and Development Administration.

"DISRUPTION OF NATURAL GAS SUPPLY CONTRACTS

"SEC. 211. (a) RETENTION OF TITLE.—Whenever the application of any of the provisions of this title to any electric powerplant, or any fuel-burning installation in a category identified pursuant to section 204 or 205 of this title, would result in prohibiting the use of natural gas or petroleum under contract as of the date of enactment of the Coal Utilization Act of 1977 by any facility as its primary energy source, the sale, exchange, or other transfer of such natural gas or petroleum by any such powerplant or installation shall not be prevented or otherwise impaired by the force majeure or other clauses of any contract under which, but for the application of the requirements of sections 204 or 205 of this title, such natural gas or petroleum products would have been provided to such powerplant or installation.

"(b) COMPENSATION.—(1) Whenever the application of the requirements of section 204 of this Act to any new electric powerplant or any new major fuel-burning installation would result in prohibiting any person from utilizing instrastate natural gas which such person contracted for prior to the date of enactment of the Coal Utilization Act of 1977, then such person shall be eligible for just compensation from the person or persons (designated by the Administrator) to whom such gas is subsequently delivered. The person or persons to whom such natural gas is delivered shall make payment of just compensation to the person to whom the prohibition applies and to any person who but for such prohibition would have transported such natural gas to such facility. The person or persons who pay such just compensation shall, upon payment thereof, be entitled to assume any contractual rights which the person to whom the prohibition applies may have with respect to such natural gas. If the charges for transportation or sale of natural gas delivered pursuant to such a contract were not regulated under the Natural Gas Act prior to its assumption under this subsection, the assumption of such contract under this subsection and transportation or sale of such natural gas under such contract after its assumption shall not be subject to the Natural Gas Act.

"(2) For purposes of this subsection, the term 'just compensation' means compensation for—

"(A) increased fuel costs, if any, incurred by the electric powerplant or major fuel-burning installation to which the prohibition applies; and

"(B) loss of revenue, if any, incurred by the person who transported gas to such powerplant, to the extent such loss would not have occurred but for such prohibition.

"(3) The amount of such compensation shall be determined on the record after agency hearing by the Administrator. A prohibition on the use of natural gas under this title may take effect before the amount of such compensation is finally determined by the Administrator. The Administrator may order any person to pay the amount of compensation established by the Administrator or to adjust rates of payment to reflect underpayments or overpayments.

"ENFORCEMENT AND PENALTIES

"SEC. 213. (a) It shall be unlawful for any person to violate any provisions of this title or to violate any rule, regulation, requirement, or order issued pursuant to this title.

"(b) (1) Whenever, on the basis of any information available, the Administrator finds that any person is in violation of any provision of this title or any rule, regulation, requirement, or order issued pursuant to this title, the Administrator shall issue notice of such violation and may issue an order requiring compliance with such provision, rule, regulation, requirement, or order.

"(2) Any order issued under this section shall be in writing and shall state with reasonable specificity the nature of the violation and specify a time for compliance which the Administrator determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with applicable requirements of this title.

"(c) (1) Any person who violates any provision of this title shall be subject to a civil penalty of not more than $10,000 for each violation. Each day that such violation continues shall be deemed a separate violation.

"(2) Any person who willfully violates any provision of this title shall be subject to a fine of not more than $25,000 for each violation. Each day that such violation continues shall be deemd a separate violation.

"(3) Whenever it appears to the Administrator or any person authorized by the Administrator to exercise authority under this title that any person has engaged or is engaged in acts or practices constituting a violation described in subsection (a) of this section the Administrator or such person may request the Attorney General to bring a civil action to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. In such action, the court may also issue mandatory injunctions commanding any person to comply with any provision, the violation of which is made unlawful by subsection (a) of this section.

"(4) Any person suffering legal wrong because of any act or practice arising out of any violation of subsection (a) of this section may bring a civil action for appropriate relief, including an action for a declaratory judgment or writ of injunction. United States district courts shall have jurisdiction of actions under this paragraph without regard to the amount in controversy. Nothing in this paragraph shall authorize any person to recover damages.

"(d) The owner, operator, or lessor of any electric powerplant or major fuel-burning installation, granted an exemption under section 208(b) (1) as a peakload electric powerplant or major fuel-burning installation, which, for any consecutive twelve-month period operates in excess of 1,500 equivalent full-load hours, shall be liable for a civil penalty of up to $10 per barrel of oil or $3 per thousand cubic feet of natural gas, used in excess of the equivalent of one thousand five hundred full-load hours, except (1) as provided for in sections 208

and 213 of this title or (2) in the case where the owner, operator, or lessor can demonstrate that operation in excess of one thousand five hundred hours was necessary to meet peakload demand or where other peakload electric powerplants within the system were unavailable for service due to unit or system outages or lack of available generation capacity, provided that the combined use of the affected peakload units or installations on the system does not exceed the equivalent of one thousand five hundred full-load hours for all such affected units in any calendar year. In such a case, the owner, operator, or lessor of such a peakload powerplant or major fuel-burning installation shall be liable for a civil penalty of up to $10 per barrel of oil or $3 per thousand cubic feet of natural gas should his equipment be used in excess of the equivalent of one thousand five hundred full-load hours, average use, of all affected peakload electric powerplants within the utility system.

"(c) For purposes of this section, the term 'person' shall not include the Federal Government, including corporations, departments, Federal agencies, and other instrumentalities.

"EMERGENCY POWERS

"SEC. 213. (a) The Administrator may stay or otherwise exempt for such period as the Administrator deems appropriate, the application of the requirements, prohibitions, and penalties of section 204, 205, or 212 of this title—

"(1) in the event of national, regional, or system-wide shortages of coal or other fuel supplies or of coal transportation facilities which may or will affect reliability service of new electric powerplants subject to such requirements and prohibitions; or

'(2) otherwise as necessary to alleviate or prevent any emergencies directly affecting the public health, safety, or welfare, which would result from electric power outages.

"(b) The Administrator shall stay the application of the requirements, prohibitions, and penalties of sections 204, 205, and 213 of this title for such periods as necessary to implement enforceable air pollution requirements.

"(c) Any allocation of coal or coal transportation must be documented and a report stating the need, justification and results of such allocation must be filed with the Administrator and available as public information.

"DISCLOSURE

"SEC. 214. The Administrator shall require the disclosure of the extent, characteristics, and productive capacity of coal reserves held by any private, corporate, public, or Government owner, or interest-holder in such reserves, as necessary, pursuant to section 11 of title I of this Act, and shall publish a summary of such information: *Provided*, That the Administrator may exempt small reserves from the requirements of this section where the Administrator finds that the imposition of the requirements of this section would impose an unreasonable economic burden on the owner or would not be of significant aid to achievement of the purposes of this title, except for emergency operations authorized or subsequently approved by the Administrator pursuant to section 213 of this title.

"REPORT

"SEC. 215. Beginning one year after the date of enactment of this title, the Administrator shall report annually to the Congress on the implementation of this title.

"RULES AND REGULATIONS

"SEC. 216. (a) The Administrator shall promulgate such rules, regulations, and procedures as may be necessary to carry out the functions and powers vested in the Administrator by this title.

"(b) Nothing in this title or in any rule promulgated or order issued pursuant thereto shall impair any requirement, prohibition, or duty imposed pursuant to title I of this Act or any authority covered thereby.

"TITLE III—COAL SUBSTITUTION INCENTIVES ACT

"SHORT TITLE

"SEC. 301. This title may be cited as the 'Coal Substitution Incentive Act'.

"FINDINGS AND PURPOSES

'SEC. 302. (a) The Congress finds that—

"(1) the United States is now and will increasingly be dependent on unreliable foreign sources of natural gas and petroleum;

"(2) this dependency can be reduced by the use of domestic energy resources at existing electric powerplants and fuel-burning installations;

"(3) the only domestic energy resource sufficiently abundant to be the primary energy source for such existing facilities is coal; and

"(4) the substitution of coal for natural gas or petroleum as the primary energy source in existing electric powerplants and fuel-burning installations is expensive, and will not occur to a substantial degree without temporary Federal fiscal assistance.

"(b) The purposes of this title are—

"(1) to authorize the Federal Energy Administration to provide loan guarantees and low-interest rate loans for the purchase of pollution-abatement devices necessary to comply with applicable environmental requirements, thereby stimulating the conversion to coal as a primary energy source in existing electric powerplants and fuel-burning installations now utilizing natural gas or petroleum; and

"(2) to ease the capital requirements temporarily imposed by a conversion to coal or other fuel as the primary energy source by existing electric powerplants and fuel-burning installations now utilizing petroleum or natural gas as a primary energy source.

"DEFINITIONS

"SEC. 303. For the purposes of this Act:

"(a) The term 'Administrator' means the Administrator of the Federal Energy Administration.

"(b) The term 'natural gas' includes dry natural gas, casinghead gas, and synthetic natural gas derived from natural gas liquids and which is commingled with natural gas.

"(c) The term 'person' includes a Federal, State, or local agency, who owns, leases, operates, or controls any electric powerplant or fuel-burning installation.

"(d) The term 'petroleum' includes crude oil, residual fuel oil, refined petroleum products, liquid petroleum gas, or synthetic natural gas derived from petroleum.

"(e) The term 'coal or other fuel' means coal and any fuel other than natural gas or petroleum.

"(f) The term 'small electric powerplant' means a fossil-fuel fired electric generating unit, which is part of an electric utilities system with a total net generating capacity of less than one hundred and fifty megawatts, that produces electric power for the purposes of sale or exchange.

"(g) The term 'fuel-burning installation' means an industrial installation, other than an electric powerplant, that contains a fossil-fuel fired boiler, a gas turbine unit, combined cycle unit, or diesel engine, that by design is capable of being fired for the generation of steam or heat and includes combinations of more than one such unit at the same site.

"(h) The term 'small industrial installation' means a fuel-burning installation that by design is not capable of being operated at a total fuel heat input in excess of two hundred and fifty million British thermal units per hour.

"(i) The term 'primary energy source' means the fuel used by an electric powerplant or fuel-burning installation for normal operation, but does not include the minimum amounts of fuel required (1) for boiler start-up, testing, flame stabilization, control uses, and fuel preparation; (2) to alleviate or prevent acute short-term air quality emergencies; and (3) to alleviate or prevent any emergencies directly affecting the public health, safety, and welfare which would result from electric power outages.

"(j) The term 'air pollution control device' means equipment designed to reduce the quantity of atmospheric emissions by any electric powerplant and fuel-burning installation using coal or other fuel as its primary energy source.

"LOAN GUARANTEES

"SEC. 304. (a)(1) The Administrator is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, and after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee the bonds, debentures, notes, and other obligations issued by or on behalf of any person who owns, leases, operates, or controls any existing electric powerplant or major fuel-burning installation, for the specific purpose of financing the purchase and installation of air pollution control devices at such electric powerplants or major fuel-burning installations. The aggregate amount of outstanding indebtedness guaranteed under this section may at no time exceed $5,000,000,000. No guarantee or commitment to guarantee shall be undertaken under this section after January 1, 1985.

"(2) An applicant for a guarantee under this section shall provide evidence in writing to the Administrator in such form and with such content and other submissions as the Administrator deems necessary to protect the interest of the United States. Each guarantee and commitment to guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Administrator deems appropriate.

"(b) The Administrator shall guarantee or make a commitment under subsection (a) of this section, with respect to air pollution control devices, subject to conditions and priorities pursuant to section 306 of this title, and if—

"(1) the Administrator is satisfied that the guarantee will significantly reduce the borrowing costs associated with acquisition of capital for the purchase of such pollution control devices;

"(2) the Administrator is satisfied that the acquisition of such air pollution control devices would be significantly delayed in the absence of a loan guarantee;

"(3) the amount guaranteed does not exceed 66⅔ per centum of such air pollution control device acquisition costs;

"(4) the Administrator is satisfied that the financial assistance applied for is not otherwise available from other Federal agencies and that assistance as provided in section 305 of this title has not been obtained for such air pollution control devices; and

"(5) the bonds, debentures, notes, or other obligations for which guarantees are made shall not have redemption dates or a maturity in excess of ten years from date of issuance.

"(c)(1) The Administrator shall charge and collect such amounts as he may deem reasonabe for the investigations for a guarantee, for the appraisal of properties offered as security for a guarantee, or for the issuance of commitments for a loan or other obigation guaranteed under this section, but such charge shall not exceed one-quarter of one per centum of the amount of the loan or other obigation.

"(2) The Administrator shall charge and collect an insurance fee designed to avoid a

Federal revenue loss in the event of a default of a loan or other obligation guaranteed under this section, but, during the twelve-month period following enactment of this title, such fee shall not exceed one-half of one per centum per annum of such guaranteed loan or other obligation.

"(d) No guarantee or commitment to guarantee an obligation entered into by the Administrator shall be terminated, canceled, or otherwise revoked, except in accordance with reasonable terms and conditions prescribed by the Administrator. Such a guarantee or commitment to guarantee shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hands of a holder as of the date when the Administrator entered into the contract of guarantee or commitment to guarantee, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

"(e)(1) If there is a default in any payment by the obligor of interest or principal due under an obligation guaranteed by the Administrator under this section and such default has continued for ninety days, the holder of such obligation or his agents has the right to demand payment by the Administrator of such unpaid amount. Within such period as may be specified in the guarantee or related agreements, but not later than forty-five days from the date of such demand, the Administrator shall promptly pay to the obligee or his agent the unpaid interest on and unpaid principal of the obligation guaranteed by the Administrator as to which the obligor has defaulted, using funds collected for such purpose as insurance fees pursuant to subsection (c), unless the Administrator finds that there was no fault by the obligor in the payment of interest or principal or that such default has been remedied.

"(2) If the Administrator makes a payment under paragraph (1) of this subsection, he shall have all rights specified in the guarantee or related agreements with respect to any security which he held with respect to the guarantee of such obligation, including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

"(3) If there is a default under any guarantee or commitment to guarantee an obligation, the Administrator shall notify the Attorney General who shall take such action against the obligor or any other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such obligation shall make available to the United States all records and evidence necessary to prosecute any such suit.

"COAL CONVERSION LOANS

"SEC. 305. (a)(1) The Administrator is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, and after consultation with the Secretary of the Treasury, to make loans and to make commitments to loan to any person who owns, leases, operates, or controls any existing electric powerplant, or fuel-burning installation, for the specific purpose of financing the purchase and installation of air pollution control devices at such electric powerplants or such fuel-burning installations. The aggregate amount of loans outstanding under this section may at no time exceed $1,000,000,000. No loan or commitment to loan shall be made under this section after January 1, 1985.

"(2) An applicant for a loan under this section shall provide evidence in writing to the Administrator in such form and with such content and other submissions as the Administrator deems necessary to protect the interests of the United States.

"(3) Each loan shall be extended in such form, under such conditions and terms, and pursuant to such regulations as the Administrator deems appropriate: *Provided*, That the Administrator shall, from time to time as he deems appropriate and on advice of the Secretary of the Treasury, establish the interest rate or rates at which loans shall be made under this section: *Provided further*, That this interest rate shall be established at the current rate being paid by the Secretary of the Treasury on bonds, notes, and other obligations of comparable duration issued on behalf of the Federal Government, plus such fees and other charges as the Administrator may specify pursuant to subsection (c) of this section, not to exceed one per centum per annum.

"(b) The Administrator shall loan or make a commitment to loan under subsection (a) of this section with respect to air pollution control devices, subject to conditions and priorities pursuant to section 306 of this title, and if—

"(1) the Administrator is satisfied that the financial assistance applied for is not otherwise available from other Federal agencies and that assistance as provided in section 304 of this title has not been obtained for such air pollution control devices;

"(2) the Administrator is satisfied that the acquisition of such air pollution control devices would not occur in the absence of a loan;

"(3) the loan does not exceed 66⅔ per centum of the cost of acquiring and installing such air pollution control devices; and

"(4) the loan does not have a maturity date in excess of ten years.

"(c)(1) The Administrator shall charge and collect such amounts as he may deem reasonable for the investigations for a loan, for the appraisal of properties offered as security for a loan, or for the issuance of a commitment: *Provided*, That such amounts shall not exceed one-half of one per centum of the loan amount authorized pursuant to subsection (a) of this section.

"(2) The Administrator shall charge and collect an insurance fee designed to avoid a Federal revenue loss in the event of a default of a loan made pursuant to this section. Such fee shall not exceed one-half of one per centum of such loan during the twelve-month period following enactment of this title.

"(d) No loan or commitment to loan entered into by the Administrator shall be terminated, canceled, or otherwise revoked, except in accordance with reasonable terms and conditions prescribed by the Administrator.

"(e)(1) If there is a default in any payment by the obligor of interest or principal due under a loan entered into by the Administrator under this section and such default has continued for ninety days, the Administrator has the right to demand payment of such unpaid amount, unless the Administrator finds that such default has been remedied, or a satisfactory plan to remedy such default by the obligor has been accepted by the Administrator.

"(2) In demanding payment of unpaid interest or principal by the obligor, the Administrator has all rights specified in the loan-related agreements with respect to any security which he held with respect to the loan, including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such loan or related agreements.

"(3) If there is a default under any loan or commitment to loan, the Administrator shall notify the Attorney General who shall take such action against the obligor or other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such loan shall make available to the United States all records and evidence necessary to prosecute any such suit.

"(f) There are hereby authorized to be appropriated to the Administrator such sums as shall be sufficient for the purposes of this title, but which shall not exceed the sum of $200,000,000 for each fiscal year 1978 through 1982.

"CONDITIONS AND PRIORITIES

"SEC. 306. (a) The Administrator shall guarantee or make a commitment to guarantee as authorized in section 304 of this title, or loan or make a commitment to loan as authorized in section 305 of this title, only when conditions set forth in such sections are satisfied, and if—

"(1) air pollution control devices to be acquired pursuant to this title shall satisfy any applicable environmental requirements;

"(2) the Administrator is satisfied that the acquisition of air pollution control devices will not create serious shortages in the supply of such items, or that temporary price increases will not occur as a result of such acquisitions;

"(3) the Administrator is satisfied that such air pollution control device is necessary to effect a substitution of coal for natural gas or petroleum as the primary energy source for an existing fuel-burning installation or electric powerplant;

"(4) the Administrator, in consultation with the Administrator of the Environmental Protection Agency, is satisfied that such air pollution control device does not duplicate or displace existing air pollution control devices with a remaining useful economic life in excess of two years and that such air pollution control devices being installed are—

"(A) being installed on or after the effective date of this title; or

"(B) being installed to replace an existing electric powerplant or fuel-burning installation using natural gas or petroleum as its primary energy source; or

"(5) the Administrator has determined that there will be a continued reasonable assurance of full repayment of a loan, or that a realistic plan exists for redeeming all bonds, debentures, notes, or other obligations for which a guarantee is requested; and

"(6) the Administrator is satisfied that competition among private entities for the provision of air pollution control devices for any electric powerplants or fuel-burning installations using coal as their primary energy source to be assisted under this title will be in no way limited to or precluded.

"(b) In making guarantees or commitments to guarantee pursuant to section 304 of this title, or in making loans or commitments to loan pursuant to section 305 of this title, the Administrator is directed to—

"(1) allocate twenty-five per centum of available financial assistance, to the extent feasible and practicable, to existing small electric powerplants, and to existing small industrial installations; and

"(2) give priority consideration to requests for financial assistance by existing major fuel-burning installations and electric powerplants subject to, and in receipt of, a coal conversion order issued by the Administrator pursuant to title I of the Energy Supply and Environmental Coordination Act of 1974.

"(c)(1) The Administrator shall require all persons receiving financial assistance or guarantees under this title whether in the form of loans, obligation guarantees, or other arrangements, to keep such records as the Administrator shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of

the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section or full repayment of interest and principal on a loan made or guaranteed pursuant to provisions of this title, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which in the opinion of the Administrator or the Comptroller General may be related or pertinent to the loans, obligation guarantees, or other arrangements referred to in such subsection.".

SEC. 3. Section 2(c) of the Energy Supply and Environmental Coordination Act of 1974 is amended by inserting after the words "combined cycle unit" and before the ")" the words "except as provided for in title II of this Act.".

SEC. 4. Section 2(d)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out "this Act" and inserting in lieu thereof "this title and as required to permit compliance with the requirements of section 213 of title II of this Act.".

SEC. 5. (a) Sections 2 (e) and (f) of the Energy Supply and Environmental Coordination Act of 1974 are amended by redesignating them as sections (h) and (i), respectively and inserting the following new subsections:

"(e)(1) The Federal Energy Administrator may, by order, prohibit any powerplant or major fuel-burning installation from burning natural gas if—

"(A) the Administrator determines that—

"(i) such powerplant or installation had on June 30, 1975, or at any time thereafter, the capability and necessary plant equipment to burn petroleum products;

"(ii) an order under subsection (a) may not be issued, with respect to such powerplant or installation;

"(iii) the burning of petroleum products by such powerplant or installation in lieu of natural gas is practicable;

"(iv) petroleum products will be available during the period the order is in effect;

"(v) with respect to powerplants, the prohibition under this subsection will not impair the reliability of service in the area served by the plant; and

"(B) the Administrator of the Environmental Protection Agency has certified that such powerplant or installation will be able to burn the petroleum products which the Federal Energy Administrator has determined under subparagraph (a)(iv) will be available to it and will be able to comply with the Clean Air Act (including applicable implementation plans).

"(2) An order under this subsection shall not take effect until the earliest date the Administrator of the Environmental Protection Agency has certified that the powerplant or installation can burn petroleum products and can comply with the Clean Air Act (including applicable implementation plans).

"(3) The Federal Energy Administrator may specify in any order issued under this subsection the periods of time during which the order will be in effect and the quantity (or rate of use) of natural gas that may be burned by a powerplant or major fuel-burning installation during such periods, including the burning of natural gas by a powerplant to meet peaking load requirements.

"(f) The Federal Energy Administrator shall by rule prohibit any powerplant or major fuel-burning installation which, upon the date of enactment of this subsection, burns coal as its primary energy source from thereafter burning natural gas as a primary energy source.

"(g) The Federal Energy Administrator shall by rule require the issuance of a permit to authorize the burning of oil as a primary energy source by any powerplant or major fuel-burning installation which, after the date of enactment of this subsection, burns coal as its primary energy source.".

(b) The new section 2(i) of the Energy Supply and Environmental Coordination Act of 1974, is amended—

(d) by striking paragraph (1) and inserting in lieu thereof:

"(1) Authority to issue orders or rules under subsections (a) and (b) of this section shall expire at midnight, September 30, 1980. Authority to issue orders or rules under subsection (c) of this section to any powerplant shall expire ninety days after the effective date of regulations implementing sections 207 and 208 of title II of this Act. Authority to issue orders or rules under subsection (c) of this section to any major fuel-burning installation shall expire at midnight, September 30, 1980. A rule or order issued under subsections (a), (c), and (d) of this section may take effect at any time before January 1, 1985.";

(b) by striking out paragraph (2) and inserting in lieu thereof:

"(2) Expiration pursuant to paragraph (1) of this subsection shall not affect or impair the Federal Energy Administrator's authority to amend, repeal, rescind, modify, or enforce such rules or orders.".

SEC. 6. Section 11(g)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by adding after the phrase "The provisions of this section expire" the phrase ", except to the extent necessary to carry out the purposes of section 214 of title II of this Act.".

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 978. A bill for the relief of Thomas E. Reilly; to the Committee on the Judiciary.

Mr. STEVENS. Mr. President, Mr. Thomas E. Reilly of Anchorage, Alaska, has sustained losses amounting to $7,649.75, as a result of his evacuation from Vietnam. Senator GRAVEL and I are today introducing a bill to authorize Mr. Reilly to be reimbursed the sum of $3,327.39, such amount representing the difference between the amount Mr. Reilly received from the Secretary of State as compensation for loss of household goods and effects.

By Mr. BENTSEN:

S. 979. A bill to amend certain provisions of title 18, United States Code, relating to the sentencing of defendants convicted of certain offenses; to the Committee on the Judiciary.

FAIR AND CERTAIN PUNISHMENT ACT

Mr. BENTSEN. Mr. President, I rise today to reintroduce the Fair and Certain Punishment Act, one of two proposals I am preparing to make punishment of criminals more certain and more fair.

This act provides for presumptive sentences in place of the current wide-ranging system of indeterminate sentencing. It structures a scale of severity. Presumptive sentences are set for each offense, and are increased in a graduated scale for each repeat offense.

More severe punishment is provided for more serious and dangerous crimes. Judges retain limited discretion to raise or lower sentences for specified aggravating or mitigating circumstances. Appellate review is permitted for sentences that deviate substantially from the presumptive range. Early parole is ended. The criminal will know at the time of sentencing how long he may expect to serve. Good time provisions are made slightly more lenient.

Mr. President, this legislation should find favor with those who feel that certain punishment is essential to effective law enforcement, and those who feel that fair punishment is essential to the maintenance of our just society. It is now widely recognized that the current system is not working. People like Charles Manson and Richard Speck find themselves eligible for parole. Other dangerous offenders are released unpunished. Glaring disparities among those who are punished lead to numerous and great injustices.

Indeterminate sentencing simply gives judges and parole boards too much discretion, with no guidelines and no rational frame of reference within which to make sentencing decisions. An indeterminate punishment statute might read: "imprisonment for any term of years or for life." Those found guilty could receive a life sentence, or no sentence at all. Those who receive long sentences could be eligible for parole after a third of the sentence. They could be released early. They might not. Total discretion lies in the parole board, and the prisoner could remain for years in a state of agonizing uncertainty. At the same time, dangerous offenders may be released unpunished, even if they have repeatedly done violence in the past.

Mr. President, recent parole reforms have improved the system, but are not an adqeuate substitute for inadequate sentencing laws. There should be a presumptive sentence for the normal crime that does not involve extenuating circumstances. There should be graduations of severity based on the seriousness of the crime and the conduct of the criminal. As it stands, there is no certainty to the criminal that he will be punished, no certainty to society that the dangerous will be incarcerated, and no certainty that punishment, when it is meted out, will be fair. Judges are left adrift in a sea of discretion that is so turbulent and unpredictable that one Federal judge was compelled to condemn the current system as essentially lawless in itself.

Mr. President, with increasing support from many quarters, the time has arrived to create a system of sentencing that can end the haphazard and unfair decisions that have become too common under indeterminate sentencing. By creating presumptive sentences, a rational severity scale, uniform standards of application and appellate review, my legislation meets this compelling need.

No longer should the dangerous criminal feel that even if convicted the odds are in his favor, so that he may do violence at will with the lives and safety of our people, certainty of punishment, the fact that the criminal believes that some punishment will be imposed, is a

deterrent to some forms of violent conduct. The criminal must know in advance the cost of his crime. By increasing the certainty, my legislation increases the cost.

I also believe that the standard of fairness and justice that is the hallmark of our free society commands us to end the great disparities of sentencing that now exist. There is no excuse for a system of punishment that allows people with similar criminal records to receive vastly different sentences. There is no excuse for a system that can allow one of these people to go to prison for a long period of time, and another to receive no sentence at all. There is no excuse for a system that even allows for the possibility that someone such as Charles Manson may be released on parole. Yet, at the same time, a Vietnam veteran returning home with five combat medals, a purple heart, and a drug addiction, who was convicted of minor drug sales totaling $105, could conceivably be imprisoned for 40 years.

These extreme abuses occurring under State indeterminate sentencing laws are symbolic of lesser disparities that occur every day under indeterminate State and Federal laws. The legislation I introduce today will go far towards remedying the uncertainty and injustice that currently exists under the federal system.

Mr. President, there are other important considerations. Habitual and violent criminals, who time and again commit violent acts, should be imprisoned for long periods of time. I have long supported the career criminals programs, which have led to some severe sentences for the most wanton and vicious offenders. I believe that this is appropriate.

Also, we must recognize that first offenders and nondangerous offenders ought to be treated far less severely. I am considering proposals to provide alternatives to full time incarceration for the nondangerous offender, to facilitate providing longer terms for the highly dangerous.

Besides making sound managerial use of existing and limited prison space, this will ingrain into the system the nation of increasing scales of punishment for repeat offenders, and severe punishment for the most dangerous. No repeat violent criminal should escape unpunished. Not one. For those convicted of nonserious offenses, who might otherwise receive a suspended sentence, we ought to examine a system that would permit them to work and live at home, with denial of liberty during leisure hours. For the most violent, then, let the punishment be the most severe. For the nondangerous, let us look toward less severe sanctions. At the same time, let us let the criminal know exactly what his penalty will be.

Another consideration is the notion that we ought to spend more time analyzing the presumptive sentencing system itself, how it can affect prisons and parole, and less time working on the specific sentences themselves. This is a valid notion. I am now carefully examining options to this end, including the creation of a sentencing panel to study current sentencing and propose sentences within narrowly legislatively defined limits.

The kind of proposals put forth today are finding increasing support among those concerned with law enforcement and those concerned with equal justice under law. A number of States have led the way in this area, and I believe that this Congress can do a great service to all States and to the Nation by examining this issue thoroughly, building a record of proposals and arguments pro and con, and passing legislation that can take the best efforts at the State level and serve as an example for all. A number of my colleagues have done outstanding work in this area, most especially Senators KENNEDY, JAVITS, and HART. Chief Justice Burger has lent his strong and distinguished voice in support of more uniform sentencing. The Justice Department has done invaluable groundwork. Leading thinkers such as Alan Dershowitz, Andrew Von Hirsch, Norval Morris, and Leslie Wilkins have done brilliant work that has been incorporated into my proposals and others.

Mr. President, we do not agree on every point but we agree in general principle and basic methodology. This is a complicated issue that deserve the greatest consideration. Not only must we decide what to do about sentencing but how this will affect prisons, how it relates to the current parole mechanism and possible post-release functions when its sentencing discretion is eliminated. Besides being both fair and logical in the system we create, from a managerial point of view we must make it work.

Mr. President, we live in a time when democratic institutions are facing the great trial of complexity, when our resources are being taxed to the fullest. However, I am optimistic. We can make our criminal justice system more effective and more fair at the same time. We can increase the certainty that criminals will be punished and that the punishment will be fair. The effort we embark on will not only relate to crime. It will demonstrate that our system can indeed work. It will demonstrate that honorable people can work together in the pursuit of justice, public safety, and government reorganization. It will mold the most creative and precise thinking that this Nation has to offer into a better system of justice within a safer public environment. It will be a classic example of legislative, executive, and judicial cooperation; State and Federal branches learning from and working with each other.

As the time approaches for us to prepare and implement this important reform, let us remember that with patience, fairness, and diligence, we can move our Nation forward in a manner that can make us all proud.

Mr. President, I ask consent that a summary of my bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS OF THE FAIR AND CERTAIN PUNISHMENT ACT

First. Presumptive sentences are established for the normal first offense. Such sentence rises 50 percent for second conviction, 100 percent for third, etc. Presumptive sentencing avoids the extremes of indeterminate sentencing, which provides too much discretion, and mandatory sentencing, which removes too much. Severity increases for repeat offenders, establishing a graduated scale of punishments.

Second. Upper limits of punishment are maintained. Sentences may not rise above the maximum.

Third. Discretion is allowed for judges to raise or lower sentences 40 percent for aggravating or mitigating circumstances. Total suspension of sentences allowed, or increased sentences up to the maximum, for extraordinary aggravating or extraordinary mitigating factors.

Fourth. Such aggravating or mitigating factors are spelled out in the bill. They relate to the seriousness of the crime and the conduct of the criminal. Did the defendant play a minor role in the crime? Was there duress or coercion? Did he because of youth or age lack substantial judgment, that is not a bar to conviction but is a mitigating factor for sentencing. Was great harm inflicted on victim? Was the defendant the leader of the criminal enterprise? These are the kind of factors delineated.

Fifth. Those sentences that fall outside the 40 percent aggravating or mitigating range are subject to appellate review. Sentences outside the 40 percent range must include a detailed written record citing reasons.

Sixth. A sentencing hearing is provided for to allow prosecution and defense to present evidence of aggravating or mitigating factors.

Seventh. The sentence is determined at trial. No early parole release is permitted. There is a more lenient provision for sentence reduction due to good behavior. The defendant will know at the time of sentencing how long he may expect to serve.

Eighth. Probation is restricted to cases where extraordinary mitigating factors exist, and must be justified in a reasoned written opinion that may be subject to appellate review.

Ninth. The purpose of this legislation is to provide certainty and fairness of punishment, based on the crime and the actions of the criminal. Increased prison terms are contemplated for the most violent repeat offenders, who commit a high proportion of serious crime. Less severe sanctions are contemplated for offenders who are not dangerous. The parole function is to be more of a post-release service, minus the sentencing discretion aspect of the current parole system.

By Mr. SCOTT:

S. 980. A bill to provide for the voluntary participation of certain Federal employees in the political processes of local political subdivisions of a State and of local affiliated organizations of any political party, and for other purposes, to the Committee on Governmental Affairs.

Mr. SCOTT. Mr. President, this bill will preserve the virtues of the Hatch Act governing the political activities of Federal employees, while eliminating its shortcomings. The bill would make only two changes in the law. It would allow Federal employees across the Nation to participate in local elections as candidates or as political managers, and it would allow them to do so as members of any political party they might choose. These are the only changes which this bill would permit. Those Federal employees so inclined could become political activists in their spare time, but at a level proscribed so as to preclude the possibility of overlapping into the Federal sector.

To go any further and to allow Federal employees to participate at the State level might affect Federal offices. For example, a State committee of a political party might make decisions affecting

congressional district elections. It is at this point that I believe the line should be drawn to prohibit employee political activity. Below the State level, at the State political subdivision level, there is less opportunity to violate the merit system for Federal civilian employees so long as the other existing Hatch Act provisions are retained.

We are all aware that it was President Ford's veto last year which prevented the removal of all bars to Federal civil service and postal employee participation in the political processes at all levels of government, Federal, State, and local. Thomas Jefferson foresaw the dangers of Federal employees' political activities, and Theodore Roosevelt in 1907 first promulgated some of the rules limiting such activities. The Hatch Act itself was enacted in 1939 as an outgrowth of abuses and the resulting concern over political coercion of Federal employees.

In upholding the validity of the Hatch Act, the U.S. Supreme Court in 1973 observed that its decision confirmed the judgment of history—

> A judgment made by this country over the last century that it is in the best interest of the country, indeed essential, that federal service should depend upon meritorious performance rather than political service, and that the political influence of federal employees on others and on the electoral process should be limited.

This bill would retain limits on the political activities of Federal employees but would allow them to participate in the political process on a local basis in their home communities. It would maintain the balance between the fair and impartial administration of our Federal Government and the first amendment rights of individual employees.

By Mr. DOLE (for himself, Mr. CURTIS, and Mr. LUGAR):

S.J. Res. 37. A joint resolution proposing an amendment to the Constitution of the United States authorizing the President to disapprove parts of appropriation bills; to the Committee on the Judiciary.

PRESIDENTIAL AUTHORITY TO DISAPPROVE PARTS OF APPROPRIATIONS BILLS

Mr. DOLE. Mr. President, today, I am introducing a constitutional amendment which would provide for an item veto with regard to appropriations bills passed by Congress. This provision would allow the President to veto part of an appropriations bill and sign the remainder of the bill. The basic arguments in favor of this measure are that it would restore some of the original intent of the power, it would result in decreased Federal spending, there would be less of an incentive to attach riders to appropriations bills, and it would decrease the confusion or problems which could be caused by the veto of an omnibus appropriations bill.

Currently, the President has only two alternatives with regard to legislation. He can either sign or return the entire bill. Obviously, with regard to appropriations bills, this substantially limits his options. Under my proposal, he would be able to veto part of an appropriations bill while approving other parts, giving him a veto which is more meaningful and more likely to result in Government economies. The President would no longer be in a position where he must take all or nothing without the freedom to veto appropriations measures which he considers extraneous or unwise. As a brake on the exercise of this power, Congress would be able to override his specific objections in the same way in which they currently override vetoes of entire bills.

EROSION OF CONSTITUTIONAL INTENT

The enormous size of appropriations bills and the use of appropriations riders have substantially altered the scope of the veto power given the President by the framers of the Constitution. By mixing the good with the bad, Congress can insure the passage of questionable items by making it impossible to veto these items without vetoing the entire bill. In most cases, there is a strong disincentive to veto an entire bill, despite the existence of a noxious item within a bill that the President might wish to veto. The growth of the size of appropriations bill has eroded the intent of the original veto provision of our Constitution and I believe that erosion should be reversed.

Another basic argument in favor of this legislation is that it would result in decreased Federal spending. Those measures which lack widespread public support would be more likely stricken from appropriations bills. Generally, there would be fewer pieces of "pork-barrel" legislation passing into law under this provision. Over the years, I have become increasingly concerned about the extent to which this goes on within our Federal Government. Of course, I do not impune those Members of the Senate who support such measures because it is our duty to do as much as we can for our States. However, as a group I believe that we could all endorse an institutional change which would eliminate some of this. Generally, legislation should be passed on the basis of its merit and broad based support and not the ability of individual Senators to slip in spending provisions which serve the provincial interests of their States.

WIDESPREAD ACCEPTANCE AMONG THE STATES

Perhaps the strongest argument which I can make for the item veto is that 43 States, including Kansas, have made a decision to have this provision. Frequent references are made in this Chamber to the States as testing grounds for new ideas or as laboratories for experimentation with new concepts. I believe that this is one important function of our States. In this case, however, their use of the item veto has clearly gone beyond the experimentation stage. I am amazed that in light of the widespread acceptance of this at the State level, there has been no large push in the Senate in recent years on behalf of such an amendment.

For the record, those States having an item veto provision are: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

TWO IMPORTANT LIMITATIONS

There are two aspects of this proposal which I would like to underscore. First, it applies only to appropriations bills and to nothing else. Second, it would not apply to legislative or judicial branch appropriations, keeping with the Constitution's concerns for the separation of powers between the three branches.

To summarize, this proposal would restore to the President some of the power which he has lost as a result of the growth in the size and nature of appropriations. He would be given the power to approve part of the bill and reject other parts, a reform which would result in fewer measures which lacked widespread support in the Congress and something which would lower Federal expenditures generally. The Congress would be able to override such item vetoes in the same manner which they now override vetoes of entire bills. Forty-three States have such a provision, a fact which is a strong testament to the workability and wisdom of this measure which I am introducing today.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 37

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which amendment shall be valid only if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"Any part of any bill which appropriates funds out of the Treasury and which has passed the House of Representatives and the Senate and has been presented to the President may be disapproved by the President and, if so disapproved, reconsidered by the Congress, in the same manner as the President disapproves and the Congress reconsiders as a whole any such bill under section 7 of article I, except that the President may not disapprove nor the Congress reconsider any part of any such bill which appropriates funds for the Legislative or the Judicial Branch of the Government. Upon returning any such bill to the House in which it originated, the President may state his objections with respect to one or more particular projects or purposes included within any part which he disapproves.".

By Mr. SCOTT:

S.J. Res. 38. A joint resolution proposing an amendment to the Constitution of the United States with respect to State laws relating to the termination of pregnancy; to the Committee on the Judiciary.

ABORTION

Mr. SCOTT. Mr. President, I am today introducing a joint resolution proposing a constitutional amendment relative to abortion. My own proposal will not satisfy those advocates who are either strongly for, or strongly opposed to, abortions. The proposal does not attempt to

resolve the issue for once and for all, but merely states that—

The power to regulate the circumstances under which pregnancy may or may not be terminated is reserved to the States.

It is a proposal previously introduced in the 94th Congress, and considered in hearings held in July 1975, by the Constitutional Amendments Subcommittee of the Senate Judiciary Committee.

To my way of thinking, we live in a nation of dual sovereignty. The Federal Government prevails where power has been delegated to it, and the States prevail in other instances. Of course, there are gray areas where State and Federal authorities must seek to resolve their conflicts. The right to regulate the health and morals of the people, marriage and divorce, property rights, and other matters affecting the day-to-day activities of citizens is traditionally reserved to the States and their political subdivisions in exercising the police power. This is necessarily so in a country as large and diverse as our own.

Many citizens of Virginia and across the country now recognize that the two Supreme Court decisions of 1973 on abortion rights invaded the legislative field. This proposed amendment would clarify the matter and restore full authority to State governments to decide the manner and scope of regulating abortions. The issue will not likely be resolved uniformly among the States, and yet neither do we have uniform laws on marriage, divorce, motor vehicles, property rights, incorporation, or other fields reserved to the States under our 10th amendment.

As I recall last year a similar proposal was defeated in the Subcommittee on Constitutional Rights of the Senate Committee on the Judiciary. However, I am hopeful that favorable consideration will be given the measure this year.

ADDITIONAL COSPONSORS

S. 4

At the request of Mr. DOLE, the Senator from Florida (Mr. STONE) and the Senator from Michigan (Mr. GRIFFIN) were added as cosponsors of S. 4, to amend the Internal Revenue Code of 1954.

S. 146

At the request of Mr. GOLDWATER, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of S. 146, to repeal the earnings limitation of the Social Security Act for all workers age 65 and over.

S. 459

At the request of Mr. CHURCH, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 459, to authorize reduced air fares for youth and elderly.

S. 546

At the request of Mr. SCHMITT, the Senator from Alabama (Mr. ALLEN), the Senator from New Hampshire (Mr. DURKIN), the Senator from South Carolina (Mr. THURMOND), and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 546, relating to the compensation of Members of Congress.

S. 568

At the request of Mr. HOLLINGS, the Senator from Louisiana (Mr. LONG) was added as a cosponsor of S. 568, the Safe Tanker Preference Act of 1977.

S. 600

At the request of Mr. PERCY, the Senator from Texas (Mr. BENTSEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Virginia (Mr. BYRD), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Florida (Mr. CHILES), the Senator from Arizona (Mr. DECONCINI), the Senator from New Mexico (Mr. DOMENICI), the Senator from New Hampshire (Mr. DURKIN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Wyoming (Mr. HANSEN), the Senator from Colorado (Mr. HASKELL), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Indiana (Mr. LUGAR), the Senator from Maryland (Mr. MATHIAS), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Georgia (Mr. NUNN), the Senator from Michigan (Mr. RIEGLE), the Senator from New Mexico (Mr. SCHMITT), the Senator from Virginia (Mr. SCOTT), the Senator from Texas (Mr. TOWER), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 600, a bill to reorganize Federal regulatory agencies.

S. 657

At the request of Mr. FORD, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from California (Mr. CRANSTON), the Senator from South Dakota (Mr. ABOUREZK), the Senator from New Mexico (Mr. SCHMITT), the Senator from North Dakota (Mr. YOUNG), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 657, the Earth Resources and Environmental Information System Act of 1977.

S. 740

At the request of Mr. PEARSON, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 740, to amend the Internal Revenue Code of 1954.

S. 745

At the request of Mr. TALMADGE, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 745, to provide a priority system for certain agricultural uses of natural gas.

S. 808

At the request of Mr. CASE, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 808, relating to the production and conservation of energy in developing countries.

S. 926

At the request of Mr. CLARK, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 926, to provide for the public financing of primary and general elections for the U.S. Senate.

SENATE RESOLUTION 109—SUBMISSION OF A RESOLUTION TO REFER A BILL TO THE COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. CHILES submitted the following resolution:

S. RES. 109

Resolved, That S. 970, entitled "A bill for the relief of Marion G. Denton", together with all accompanying papers, is hereby referred to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, for further proceedings in accordance with applicable law.

AMENDMENTS SUBMITTED FOR PRINTING

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977—H.R. 3477

AMENDMENT NO. 64

(Ordered to be printed and referred to the Committee on Finance.)

SMALL BUSINESS NEW JOBS CREDIT AMENDMENTS OF 1977

Mr. HASKELL. Mr. President, I submit for printing today a comprehensive amendment to the employment tax credit provisions contained in the Tax Reduction and Simplification Act of 1977 (H.R. 3477) as it was passed by the House of Representatives on March 8. My proposal can be identified as the "Small Business New Jobs Credit Amendments of 1977," and I ask unanimous consent that the text of the amendment and a technical summary be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, small business organizations, and particularly the National Small Business Association, under its president, Milton Stewart, had the foresight to suggest an employment tax provision in 1975, as the Nation was beginning to pull itself out of the worst recession since the Depression 4½ decades ago. The Carter administration, in its 1977 stimulation package, endorsed the concept of an employment tax credit, but in such a form that it would be of very little, if any, value to small business.

The Ways and Means Committee developed this into a true employment-incentive proposal as a part of the economic stimulus package; and the bill containing an employment tax credit passed the House by a resounding 341 to 74 margin earlier this week.

On February 22, I chaired a Small Business Committee hearing to explore in a systematic manner the variations of employment credit proposals from the small business standpoint. During that hearing, small business groups indicated their overwhelming and unqualified preference for the 40-percent employment credit approach drafted by the Ways and Means Committee over the administration's optional 2-percent increase in the investment tax credit or a 4-percent credit against the employer's portion of social security taxes.

WHAT THESE SMALL BUSINESS AMENDMENTS WOULD DO

As a result of our Senate investigation, we were able to develop a series of modifications which we feel will substantially extend and strengthen the overall House bill, and also render it more practical and effective for the small business community.

Accordingly, my amendments propose the following improvements to the employment credit in H.R. 3477:

First. Increase amount of credit. Would raise the credit from 40 to 50 percent of the increases over the 1976 FUTA wage base. This 25-percent rise translates into a dollar increase from $1,680 to $2,100 per new employee.

Second. Lower threshold for participation. Reduce the prior year's base—which must be exceeded to receive the credit—from 103 to 102 percent. This would significantly increase the number of employers which will benefit from the credit, particularly those whose businesses, industries, or areas are experiencing continued economic difficulties in 1977.

Third. Eliminate excess deductions. Provide that no deduction could be taken for compensation to the extent to which it would be covered by the credit. This would prevent the possibility of double dipping benefits as in the House bill.

Fourth. Total wage cap. The total cap would be raised to 105 percent of total 1976 wages, instead of 103 percent in the House bill. This would further discourage hiring low paid new workers to take the place of higher paid employees. For example, if an employer substituted two workers earning $5,250 for one $10,000 employee, he would be ineligible to receive any credit at all under this provision.

Fifth. Total credit ceiling. The cap for total credits available to each company would be raised from $40,000 in the House bill to $50,000, again a 25-percent increase.

AMENDMENTS CLEAR UP MAJOR PROBLEMS

In my view, the employment credit is superior to the administration's approach because it promises to have a significant impact on our completely unacceptable level of unemployment which has exceeded the present rate of 7.3 percent for over 2 years.

It would also clean up several provisions of the House bill that have been subject to the criticism.

During their testimony before both the Small Business Committee and the Finance Committee, Treasury officials raised a valid point—that a high tax bracket individual could actually make money by hiring people to stay home. This was theoretically possible because a taxpayer at the 70-percent marginal tax rate would make 10 percent by hiring a new employee—he would offset 70 percent of the employee's wages against his taxes as a deduction and take 40 percent of the first $4,200 in wages as a credit. By precluding a tax deduction for wages to the extent covered by the credit, these amendments eliminate this flaw.

The revenues raised by improving the legislation in this way allow us to increase the credit—to 50 percent—and reduce the prior year base requirement by one-third—to 102 percent.

REVENUE EFFECTS

Both the administration proposal and the House business package will result in revenue losses at the rate of approximately $2.4 billion for fiscal years 1977 and 1978. Our amendments would reduce revenues by the lesser amount of about $2.2 billion per year. Thus, our amendments would give the Senate the flexibility to improve the bill further. This might be done through additional provisions such as credits for the purchase of devices to facilitate employment of the handicapped, or for removal of physical barriers; postponement of the effective date of the 1976 Tax Reform Act sick pay exclusion provisions; or other worthy measures.

We believe that our small business modifications go a long way toward meeting the objections of the Treasury Department to a so-called incremental credit.

SUPERIORITY OVER ADMINISTRATION PROPOSAL

The amendments make clear that the purpose of the employment tax credit in this stimulation package is to provide a real incentive for employing people, rather than merely distributing tax revenues.

The administration proposal would distribute benefits preponderantly to big businesses.

Mr. Bruce Fielding, the president of a seven-man accounting firm testified at our Small Business Committee hearings on Febraury 22 that he would receive a benefit of about $185 under the administration's proposal. Likewise, assuming each worker received the average wage, a 70-employee firm would receive $1,490.58; a 700-employee firm would receive $14,905.80; and a 7,000-employee firm would receive $149,058. All of this money would be dispensed without the hiring of one new worker.

Now if, under the administration proposal, a new worker was hired, the benefit to the firm—at average wages—would be about $21. This is hardly an adequate benefit to induce the employment of new workers. In fact, if this administration provision became law combined with its optional 2-percent increase in the equipment credit—which might have the effect of displacing workers—there is a serious question on whether such a combination would have any favorable effect on employment.

The administration seems to be concerned about what kind of signal the tax stimulation legislation will send the business community. We feel the most appropriate signal is that our first national priority is creating jobs in the private sector, and that the Congress wishes to do something meaningful to implement this policy.

Accordingly, by making the credit apply to net new employment, rather than simply existing employment, the benefit for each employee can be raised from $21 per new employee to $1,680 per new employee under the House plan, or $2,100 per new employee under my proposal.

BUDGET ADVANTAGES OF AN EFFECTIVE EMPLOYMENT CREDIT

The Congressional Budget Office in its February 1977 report on "Public Employment and Training Assistance: Alternative Federal Approaches," points out that unemployment compensation alone costs about $3,750 annually per covered unemployed worker.

Therefore, to the extent that we are successful in encouraging new employment, we can significantly reduce the tremendous cost of our abnormal unemployment, now in excess of $20 billion per annum. According to the CBO, the combination of income security reductions and revenue increases, which result from reducing unemployment 1 percent—employing about 1 million more people—will reduce the Federal deficit by $16 billion. That is $16 billion for each 1 percent reduction in unemployment.

Our amendments envision a revenue give-up of $2,100 per employee or $2.1 billion for the million employees needed to make up the 1 percent. Even assuming some of these additional employees might have been hired anyway, in the absence of the credit, the cost/benefit ratio and budgetary impact of this approach appear to be very positive.

Our bill also encourages the creation of jobs across all elements of the private sector most of these jobs should be of a permanent nature. The employment tax credit is thus a complement to the public works and public service employment stimuli, which I also strongly support.

POTENTIAL OF SMALL BUSINESS IN AIDING RECOVERY

Small business is presently the employer of more than half the private labor force and is a prime source of employment growth. Small business is the sector which can respond most quickly to changes in the economy. More than half of all inventions and innovations originate with individuals and small firms.

The 13 million small businesses and family farms in this country therefore have an enormous potential for boosting the needed economic recovery.

According to an extensive survey of the National Federation of Independent Business, the average sole proprietorship employs 4 people, the average partnership employs 8 people, and the average corporation in this country employs 27 people. These businesses tend to be labor intensive and to increase their sales and profits by employing more people.

These businesses and the free private enterprise system they embody have experienced several decades of neglect by governmental policymakers which have undermined their profitability, their ability to survive, and their confidence in the future. Only recently in the Finance Committee and in the Congress, and now in the administration, have we been able to start to reverse these trends.

At this critical juncture of tax policy, we want to send a signal to these small businesses and to new entrepreneurs that the Federal Government wants them to build their companies and thereby strengthen the overall economy of the nation. I hope many Senators will agree and will join us as cosponsors of this proposal.

We further hope that these amendments can be adopted to materially strengthen the entire tax stimulation package, as well as to make the business portions an effective stimulus for small business and our Nation's economic recovery.

AMENDMENT NO. 64

On page 97, line 23, strike out "40 percent" and insert in lieu thereof "50 percent".

On page 98, line 2, strike out "103 percent" and insert in lieu thereof "102 percent".

On page 98, line 5, strike out "40 percent" and insert in lieu thereof "50 percent".

On page 98, line 7, strike out "103 percent" and insert in lieu thereof "102 percent".

On page 98, line 14, before the period, insert the following: "'and 105%' were substituted for '102%' each place it appears in subsection (a) of this section".

On page 98, line 15, strike out "$40,000" and insert in lieu thereof "$50,000".

On page 98, line 20, strike out "$40,000" and insert in lieu thereof "$50,000".

On page 99, lines 3 and 4, strike out "'40 percent'" and insert in lieu thereof "'50 percent'".

On page 99, lines 3 and 4, strike out "'40 percent'" and insert in lieu thereof "'50 percent'".

On page 99, line 16, strike out "$40,000" and insert in lieu thereof "$50,000".

On page 106, line 19, strike out "$40,000" and insert in lieu thereof "$50,000".

On page 106, line 21, strike out "$40,000" and insert in lieu thereof "$50,000".

On page 107, line 13, strike out "$40,000" and insert in lieu thereof "$50,000".

On page 107, line 16, strike out "$20,000 in lieu of $40,000" and insert in lieu thereof "$25,000 in lieu of $50,000".

On page 111, between lines 11 and 12, insert the following:

(c) DEDUCTION FOR WAGES PAID BY AMOUNT OF CREDIT.—

(1) IN GENERAL.—Part 9 of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280C. CREDITED PORTION OF WAGES FOR WHICH CREDIT IS CLAIMED UNDER SECTION 44B.

"No deduction should be allowed for that portion of the wages paid or incurred for the taxable year which is equal to the amount of the credit allowed for the taxable year under section 44B (relating to credit for employment of certain new employees).".

(2) CLERICAL AMENDMENT.—The table of sections for such part is amended by adding at the end thereof the following new item:

"Sec. 280C. Credited portion of wages for which credit is claimed under section 44B.".

On page 111, line 12, strike out "(c)" and insert in lieu thereof "(d)".

On page 120, line 13, strike out "(d)" and insert in lieu thereof "(e)".

TECHNICAL SUMMARY OF SMALL BUSINESS NEW JOB CREDIT AMENDMENTS OF 1977

Overall, the amendments are proposed to Section 302 of the "Tax Reduction and Simplification Act of 1977" which was adopted by H.R. 3477 on March 8, 1977, and which is being considered in public hearings of the Senate Committee on Finance on March 8–10.

Identification: Proposal can be known as "Small Business New Jobs Credit Amendments of 1977". The measure is in the form of a comprehensive series of amendments to the business portion of the bill rather than a separate bill for technical reasons—the proposals must apply to existing law to be know as "a bill."

Revenue effects: The revenue losses from the amendments, as estimated by the Joint Committee on Taxation, would be at the rate of $2.2 billion for Fiscal Years 1977 and 1978, compared with $2.4 billion for both the Administration and the House versions of the business tax provisions.

Analysis of particular provisions: (page numbers refer to the Ways and Means print of the bill since the bill as passed by the House has not been printed as of this date).

1. page 97, line 23: 40% to 50% and page 98, line 5: 40% to 50% and page 99, lines 3 & 4: 40% to 50%.

These provisions have the effect of raising the percentage of employment tax credit in the bill from 40% to 50% of the applicable FUTA wage base, or from $1,680 to $2,100.

2. Page 98, line 2: "103% to 102%" page 98, line 7: "103% to 102%"

These provisions reduce the cost-of-living adjustment to the FUTA base in the House bill by one-third.

3. Page 98, line 14: 105% to 103%

This language would raise the "total wage cap", which is an alternative safeguard, to 105% of 1976 wages from 103% in the House bill

4. Page 98, line 15: "40,000 to 50,000", page 98, line 20: "40,000 to 50,000", page 99, line 16: "40,000 to 50,000", page 106, lines 19 & 21: "40,000 to 50,000", page 107, lines 13 & 16: "40,000 to 50,000".

Raise the total credit cap to $50,000, over $40,000 in the House bill, to take into account the increase from 40% to 50% of the credit.

5 page 111, between lines 11 & 12: (insert) The proposed section 280C would prohibit any deduction of wages to the extent a benefit is obtained by way of the credit for those same wages.

It is designed to avoid a double tax benefit arising on account of the credit.

CODE OF OFFICIAL CONDUCT—SENATE RESOLUTION 110

AMENDMENT NO. 65

(Ordered to be printed and to lie on the table.)

Mr. NELSON (for himself, Mr. THURMOND, Mr. CLARK, Mr. PACKWOOD, Mr. JAVITS, and Mr. RIBICOFF) submitted an amendment intended to be proposed by them jointly to the resolution (S. Res. 110) to establish a code of official conduct for the Members, officers, and employees of the United States Senate; and for other purposes.

REGULATION OF SURFACE MINING—S. 7

AMENDMENTS NOS. 66 AND 67

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. MELCHER submitted two amendments intended to be proposed by him to the bill(S. 7) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

NOTICES OF HEARINGS

FLUE-CURED TOBACCO PRODUCTION CONTROL PRICE SUPPORT PROGRAM

Mr. HUDDLESTON. Mr. President, the Senate Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, which I chair, will hold a hearing Wednesday, March 30, 1977, at 10 a.m. in room 322 Russell Senate Office Building regarding the Flue-cured tobacco production-control-price-support program. Those wishing to testify please contact hearing clerk, Committee on Agriculture, Nutrition, and Forestry, room 322 Russell Senate Office Building, Washington, D.C. 20510, (202) 224–2035.

ILLEGAL REBATING IN OCEAN COMMERCE

Mr. INOUYE. Mr. President, I wish to announce that the Subcommittee on Merchant Marine will hold 2 days of hearings on the subject of illegal rebating in the U.S. ocean commerce. The hearings will be held on March 18, and 25, 1977, commencing at 10 a.m., in room 235 Russell Senate Office Building.

During these hearings we hope to develop a record of the fact that rebating does exist on a very broad basis in our foreign trades; that enforcement of the Shipping Act, 1916 prohibiting such practice is effective only against U.S.-flag operators; and that under such circumstances U.S.-flag operators cannot survive. From such a record I hope the committee will be able to draft and approve legislation which will bring a permanent resolution of this problem.

Our hearings will in no way be a witch hunt against any shipper, carrier ,or any Government agency, but a constructive effort to eliminate a pernicious condition in our international trade.

For further information on these hearings, please contact the subcommittee staff at 224–4958.

NOMINATION OF JOHN C. WHITE TO BE DEPUTY SECRETARY OF AGRICULTURE

Mr. TALMADGE. Mr. President, on behalf of the Committee on Agriculture, Nutrition, and Forestry, I wish to announce that the committee has scheduled a confirmation hearing on March 15, at 9 a.m. to consider the nomination of John C. White to be the Deputy Secretary of Agriculture.

The hearing will be held in room 324, Russell Senate Office Building. Oral testimony will be limited to 10 minutes, but written statements may be of any length and will be inserted in the official record in their entirety. Those who wish to testify should contact the hearing clerk of the committee at 224–2035 by close of business Monday, March 14.

LOW-INCOME HOUSING ASSISTANCE

Mr. CHILES. Mr. President, I invite the attention of my colleagues to a hearing on Low-Income Housing Assistance which the Budget Committee will hold on Monday, March 14, at 10 a.m., in room 347 of the Russell Senate Office Building. We will have a panel of witnesses composed of Mr. Jerry Fitts, Acting Assistant Secretary for Policy Development and Research from HUD; Dr. Ira Lowry of the Rand Corp.; Dr. Henry Shecter, director of the Department of Urban Affairs, AFL–CIO; and Dr. David Mundel of the Congressional Budget Office.

The Budget Committee will start its examination of the low-income housing assistance programs by presentation of a total housing "mission budget." At present, housing and community development programs are spread all over the budget. We will, therefore, want to see how our annual expenditures for low-income housing relate to our expenditures for a full set of housing missions. A useful sorting of Federal housing programs into missions was performed for the committee in a paper entitled, "A Budgetary Framework for Federal Housing and Related Community Development Programs," which is available as a staff working paper from the Congressional Budget Office. We are grateful to Dr. Arthur P. Solomon, director of the Harvard-MIT Joint Center for Urban Studies, who produced the paper in consultation with CBO staff.

This paper shows that we have six major housing missions. In the area of housing construction problems, our programs are aimed at increasing the level

of construction, improving the stability of construction, and improving the availability and cost of mortgage credit. For housing consumption problems, there are programs to reduce excessive housing costs, to improve substandard shelter and to improve reclining and slum neighborhoods. As shown by the summary table which I ask unanimous consent to have printed in the RECORD at this point, there is great overlap in how these programs relate to the major missions. I think this approach will be very helpful to the Budget Committee in understanding where in the Federal budget we should increase funds to achieve whichever goals have highest priority in a particular year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

THE CONNECTIONS BETWEEN HOUSING PROGRAMS AND PROBLEMS—"A POLICY AND BUDGET FRAMEWORK FOR FEDERAL HOUSING POLICY"

Federal housing programs	Housing construction problems			Housing consumption problems		
	Level of construction	Stability of construction	Availability and cost of mortgage credit (and other production factors)	Excessive housing costs	Substandard shelter	Declining and slum neighborhoods
I. On-budget:						
A. Mortgage credit and thrift insurance (401):						
1. GNMA	XX	X	XX	XX		
2. FHA fund	XX		XX	XX		
3. FmHA and Rural housing insurance	XX		XX	XX		
B. Community Development (451):						
1. Rehabilitation loans	X			X	XX	XX
2. Community development block grants				X	X	XX
3. 701 comprehensive planning						X
C. Housing assistance:						
1. Public housing	XX			XX	XX	
2. Public housing operating subsidies				XX	XX	
3. Sec. 8 new or rehabilitated	XX			XX	XX	
4. Sec. 8 existing				XX	XX	
5. Section 235 revised	XX		XX	XX	XX	
D. Tax expenditures:						
1. Deduction: Mortgage interest and property taxes	XX				XX	
2. Deferral of capital gains on sale	XX					
3. Exclusion of capital gain for elderly				X	X	
4. Excess bad debt reserve: Thrifts	XX		XX			
5. Depreciation in excess of straight line	XX		XX	X	X	X
6. Expensing of interest and taxes: Construction period	XX		X			
7. State and local bonds	XX		XX	XX	XX	
II. Off-budget:						
1. Elderly and handicapped housing	XX		XX	XX	XX	
2. FHLMC	XX	XX	XX			
3. FHLBB	XX	XX	XX			
4. FNMA	XX	XX	XX			

XX=Federal Government program usually has an impact on the problem.
X=Federal Government program sometimes has an impact on the problem.

Source: "A Budgetary Framework For Federal Housing and Related Community Development Policy," p. xiii, Congressional Budget Office.

I am pleased to see that the new administration is committing itself to an active role in implementing the low-income housing programs. We have had too many years of programs not being carried out because the administration did not want to spend any money on them. The mixture of programs which emerged from the disputes between Congress and the administration were based only partly on knowledge of what works in providing low-income housing, and partly upon political orientation. Now that we have an administration committed to rapid movement, we in Congress have a new responsibility to reexamine the new housing programs in the broadest possible way. We must relate our housing programs to current economic conditions and to the other new initiatives being planned by Congress and the administration.

From the Budget Committee perspective, there are two major issues that must be addressed in preparation for the first budget resolution for 1978.

First, we must ask how many units of low-income housing should be anticipated for 1978, and how this relates to our needs and goals for 1979 and 1982? In the past we have set goals without a careful examination of what capacity HUD has of meeting them and how much it will cost. It is clear that congressional housing goals have not been met, but it is not clear what effect this failure has had on the actual housing conditions of low-income people. We will be asking how the Federal Government should measure the level of need for housing assistance, and whether the 1978 goal of 600,000 low-income units a year is too low or too high in light of the low activity levels of recent years. We will also want to get a feel for what the obstacles to implementation of new construction, rehabilitation and existing housing programs have been, so that we can judge their capacity to be expanded rapidly if that is appropriate to our needs and goals. This will require us to look at different parts of the budget and economic policy. For example, if financing has been a major obstacle to starting new construction, then we will want to look at monetary policy and at the Federal credit programs which are in a different budget function.

As part of this broader look at housing programs in the context of the full Federal budget, we will want to look at the relationship between housing assistance and welfare reform. The new administration is also committed to developing a welfare reform program, and we will want to coordinate housing assistance as much as possible with welfare reform directions and objectives. Current housing programs involve a mixture of two approaches. Some programs attempt to increase the supply of housing available to low-income families; others provide cash subsidies to low-income renters to allow them to afford to live in existing housing.

Both Congress and the new administration are examining all forms of cash and in-kind subsidies to increase their equity and efficiency. We will, therefore, want to ask how many families have currently received a commitment for cash assistance and what the Carter budget implies for the long-term level of this aid. The case for this kind of earmarked cash assistance for housing should also be compared to supply strategies and unrestricted cash grants in terms of cost, equity and effectiveness. If we create an equitable cash assistance program but adequate housing is not available in the right places and at the right prices, then we will not have met our goals for either welfare or housing.

I also invite the attention of my colleagues to the budget issue paper entitled "Housing Assistance for Low- and Moderate-Income Families," which was recently issued by the Congressional Budget Office. This study shows that our present set of housing assistance programs are designed to reach a variety of income groups, and are based on different notions of the kinds of problems faced by low- and moderate-income families—physically inadequate housing or inability to afford housing that is available.

The CBO analysis also shows that our choices among direct spending programs entail different levels of indirect costs in tax expenditures and GNMA mortgage subsidies. Our choices among different programs will also produce varying rates of activity over each of the next 5 years, since it takes longer to build new housing than to rent existing units. These choices also relate to our plans for overall spending levels and economic conditions for the next 5 years. I would like to thank the staff of the CBO for laying out these choices and for their fine work in providing information to better inform the congressional budget process.

ADDITIONAL STATEMENTS

STUDENT LOAN PROGRAM CONTINUES TO FOUNDER IN OFFICE OF EDUCATION

Mr. PERCY. Mr. President, the latest report by the General Accounting Office on the administration of the guaranteed student loan program leads me to believe that the more things change, the more they remain the same—at least in the Office of Education.

In 1974, GAO found gross financial mismanagement by the Office of Education. The GAO in that year said:

> The financial statements (provided by OE) did not present fairly the financial position of the Student Loan Insurance Fund . . . and the results of operations and changes in financial position for the year then ended, in conformity with the principles and standards of accounting prescribed by the Comptroller General of the United States.

These same words are used by GAO to describe the financial position of the OE program as of the close of fiscal year 1975.

When accountants say that the financial statements do not represent the financial position of the organization being audited, it is a most serious indictment of the accounting procedures followed.

Yet, year after year, the GAO finds gross mismanagement of the student loan program, OE concedes it is true, and the following year the GAO finds the same problems in the program, despite OE's pro forma promises to improve. As GAO notes in its most recent report:

> Each year we make many of the same recommendations we made in previous reports for improving the financial data of the Fund (Student Loan Insurance). For the most part, OE has concurred in our recommendations and has indicated its intention to follow through with corrective action. However, many accounting deficiencies noted in our prior reports still exist.

I can only conclude that an entrenched bureaucracy—insulated from accountability to the taxpayers, the Congress, and the students it is charged with serving—is regretfully running this potentially great program into the ground, while we all watch helplessly.

The GAO found, among other things, that OE does not even know how much money it has distributed to State guaranteed loan agencies. While its books reflect an expenditure of $18.6 million to strengthen these agencies, the agencies themselves report receiving $19.2 million.

OE insists on estimating, as a receivable, interest it has paid out to financial institutions which hold student loan paper. In fact, most of that interest is never repaid and, the GAO says, OE is improperly overestimating the insurance fund by $15.6 million.

Other failures by OE in its administration of the student loan program include the following:

Inability to develop a complete accounting system design.

Refusal to change the method of computing loan insurance charges assessed against students, resulting in losses of $1.3 million a year.

Refusal to provide consolidated cost information.

Allowing financial institutions to overbill for interest payments on loan accounts, as well as duplicate payments to financial institutions, because of inadequate followthrough.

Mr. President, if President Carter intends to improve the efficiency of the Federal Government by reorganizing some parts of it, it seems to me he would do well to begin with the Office of Education.

My own experience with that agency has not been heartening. More than a year ago, I wrote the then-Commissioner of Education, Terrel H. Bell, proposing specific methods to improve the administration of the student loan program. Most of these suggestions could have been accomplished by the stroke of a pen, or a word to OE field offices. I proposed, for example, that the accrediting organizations, which approve schools for participation in the program, stage unannounced visits at these facilities. In that way, more knowledge could be accumulated as to how these institutions perform when they are not expecting company. I urged that annual, notarized outside audits of these schools be conducted so that OE would have a true picture of the fiscal strength of schools in the program. And I proposed an indepth examination of all sources of financial support of schools in the program.

To these and other suggestions, Commissioner Bell summarily replied that it would be inconvenient for the Office of Education and the accrediting organizations.

I subsequently pursued this matter with the former Secretary of Health, Education, and Welfare, David Mathews, from whom I never received a satisfactory explanation of why these suggestions could not be promptly implemented. Last week, I raised the matter in correspondence with the new HEW Secretary, Joseph A. Califano, Jr.

But it may be, Mr. President, that no one can shake the Office of Education into movement in the right direction until and unless that agency is thoroughly revamped.

Mr. President, I ask unanimous consent that relevant excerpts from the recent GAO report, as well as my recent letter to Secretary Califano, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
Washington, D.C., February 25, 1977.

Hon. JOSEPH A. CALIFANO, Jr.,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR JOE: I want to extend my congratulations and best wishes to you as you embark on your important new responsibilities as Secretary of the Department of Health, Education, and Welfare. You now have one of the most difficult jobs in the Federal government and I am certain that you will fulfill these responsibilities with competence and compassion.

I strongly urge you to make as one of your priorities an efficiently-run Student Loan Program.

In the fall of 1975, the Senate Permanent Subcommittee on Investigations conducted extensive hearings on the Federally-guaranteed Student Loan Program which clearly demonstrated serious flaws in the way in which the Office of Education administered this laudable program. A copy of the hearings, focusing on the now-defunct West Coast Schools of Los Angeles, is attached.

I detected several problems in the program which I believed could be straightened out by fairly simple administrative changes that could have been implemented immediately. I therefore proposed these changes a year ago to then-Education Commissioner Terrel H. Bell.

Commissioner Bell rejected these suggestions. I subsequently brought the matter to the attention of your predecessor, David Mathews. He created a Student Financial Assistance Study Group to study the financial aspects of the Student Loan Program. This group is still at work, and according to the latest information, will continue at least through May 1977.

I have felt and continue to feel that no study is required before HEW acts to correct some of the obvious problems unearthed by the Subcommittee more than a year ago. To this day, I do not understand why there is such resistance to taking the simple steps that I proposed in my February 16, 1976 letter to former Commissioner Bell. Nor has HEW advised me why these corrective measures cannot be put into effect by administrative order.

I note with interest that some of the early recommendations of the study group closely follow my recommendations of more than a year ago.

The steps I suggested to Commissioner Bell would go far to strengthen self-policing mechanisms at the Office of Education, while at the same time reduce the paperwork load. The proposals included:

Establishment of a strict procedure that lending institutions must follow to demonstrate that they have used due diligence in pursuing a borrower who has defaulted, as a precondition to the Federal government's assumption of payment on the amount of a loan outstanding.

Requiring schools participating in the program to send monthly attendance reports on student borrowers to the lending institutions directly, instead of OE. This would eliminate the new cumbersome process of having the schools first notify OE, which then notifies the lending institutions. The Federal government need not act as a midwife in a relationship involving private parties that are perfectly capable of exercising a modicum of due care.

Elimination of all proprietary schools as lenders so as to avoid a repetition of what happened with West Coast Schools in Los Angeles and the plethora of similar abuses elsewhere arising from this same defect in the system.

Requiring all schools in the program to furnish OE with annual outside audits of their operation, which the schools would pay for, and which would be properly notarized by the independent accounting firm performing the audit.

Requiring all proprietary schools to be bonded.

Requiring those accrediting organizations authorized by OE to approve schools participating in the Student Loan Program to:

Perform in-depth background checks on the principals operating each school, including a search of criminal records;

Closely examine the sources of capital support for such schools;

Verify, at least on a sampling basis, the academic degrees and experience cited by teachers at each school;

Conduct periodic, unannounced visits at each school;

Notarize all accreditation reports sent to the Office of Education; and

Notify OE when information is developed showing that the principals or individuals associated with any participating school may have engaged in illegal or improper conduct.

If this new Administration is to be more responsive to the needs of the American people, you have a unique opportunity to affirmatively demonstrate that commitment by moving immediately to tighten the Student Loan Program by mandating these administrative remedies which would do much to restore the faith of students, lenders and taxpayers in this most worthy program.

I know that Senator Sam Nunn, who so ably chaired our hearings on the Student Loan Program, shares my feelings on this matter.

So that you may review the previous correspondence on this matter, I am enclosing relevant exchanges.

Once again, good luck in your new endeavors.

Warm personal regards,

CHARLES H. PERCY,
U.S. Senate.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C.

To the President of the Senate and the Speaker of the House of Representatives.

We are reporting on our examination of the fiscal year 1975 financial statements of the Student Loan Insurance Fund, administered by the Office of Education, Department of Health, Education, and Welfare. Our examination was made in accordance with section 105 of the Government Corporation Control Act, as required by the Higher Education Act of 1965.

We believe the financial statements do not fairly present the financial position of the Student Loan Insurance Fund. Many amounts reported on the statements lacked adequate support, and support for other amounts conflicted with the reported amounts.

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of Health, Education, and Welfare; and the Commissioner of Education, Department of Health, Education, and Welfare.

ELMER B. STAATS,
Comptroller General of the United States.

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

(Examination of financial operations for fiscal year 1975 shows need for improvements in the guaranteed student loan program, Office of Education, Department of Health, Education, and Welfare.)

DIGEST

The Comptroller General is required by law to examine the financial transactions of the Student Loan Insurance Fund. This Fund finances Federal insurance of student loans and Federal reinsurance of student loans insured by State or private nonprofit agencies.

Certain Office of Education financial management policies, procedures, and practices need to be strengthened to promote greater efficiency and economy in operations. For example:

The agency is not using its full statutory authority in charging insurance premiums. If such authority were fully used, program income could have been increased by $1.35 million annually, based on fiscal year 1975 figures.

The agency has not established procedures and criteria to recall advances from guarantee agencies when they are no longer needed. Seven State guarantee agencies with advances totaling over $2.6 million did not meet the current criteria for an advance. If advances had been recalled, the Federal Government could have saved $160,000 in interest each year.

Currently, the Office of Education is presenting financial data only for the Student Loan Insurance Fund, which is just a part of the Guaranteed Student Loan program. In order for the Congress and Department of Health, Education, and Welfare (HEW) management to effectively evaluate this program, financial data should be presented for the entire Guaranteed Student Loan program.

Also, improved controls over some financial aspects of the Guaranteed Student Loan program are needed:

Controls over interest and special allowance payments are inadequate. During fiscal year 1975, $1 million of duplicate payments and $600,000 of overbillings were returned by lenders.

OE records do not adequately identify outstanding balances for advances to guarantee agencies.

The accounting system for the Guaranteed Student Loan program is unsatisfactory. It needs to provide more complete, accurate, and timely information useful to management, the Congress, and the public. Examples are:

Cash transactions are not always recorded promptly, thus causing the cash balance to be misstated.

Control accounts are not reconciled to subsidiary records, thus causing financial statement figures to be unreliable.

Allowance for loss rates are not based on program experience, thus there is a significant overstatement of assets and understatement of expenses.

Failure to verify computations cause a $128 million overstatement of liabilities and expenses.

In GAO's opinion, the financial statements of the Student Loan Insurance Fund—except for appropriations—do not present fairly the financial position of the Fund at June 30, 1975, and the results of its operations and changes in its financial position for the year then ended, in conformity with principles and standards of accounting prescribed by the Comptroller General of the United States.

This report contains recommendations that the Secretary of HEW require the Office of Education to:

Increase income by changing the method of computing insurance charges and recalling certain interest-free advances to guarantee agencies;

Provide consolidated cost information on the Guaranteed Student Loan program;

Improve controls over advances to guarantee agencies and over payments to lenders for interest and special allowance subsidies; and

Improve the quality of financial data by promptly recording all cash transactions, reconciling general ledger accounts and subsidiary records, establishing more accurate loss rates, and verifying computations.

HEW agreed with all of GAO's recommendations except the recommendation to change its method of charging insurance premiums. HEW stated that the administrative costs of the change would be more than the additional revenues generated.

GAO believes that the administrative costs would be more than offset by the additional revenues produced.

ARGENTINA: STATE OF SIEGE

Mr. CHURCH. Mr. President, last month a witness came to Washington to give extraordinary testimony about the present political situation in Argentina. Neither politician nor student of political affairs, the witness—a young Argentine scientist by the name of Dr. Cora Sadovsky—had no partisan axe to grind, no ideology to defend, no speeches to make. She came rather to talk in simple terms about basic human freedoms. She spoke calmly, as one might expect of a mind kept cool on a diet of mathematics, but her words were strong and disturbing.

Dr. Sadovsky left Argentina in fear last year following the military coup d'etat. She now lives in exile in Venezuela. During her visit to America, she came to the Washington Office on Latin America to relate a shocking story of the deteriorating human rights situation in Argentina. According to Dr. Sadovsky, over 2,000 people have been victims of political murder since the coup in March 1976, and another 25,000 people have been jailed or are unaccounted for. Six hundred scientists have been banned from government work, which in the Argentine system is tantamount to complete expulsion from scientific research. Astonishingly, 26 of Dr. Sadovsky's personal friends—not acquaintances, but close friends—were murdered in the past year. Few had expressed any political views publicly, let alone joined political movements.

This tragic story from Argentina lies closer to Washington than the thousands of miles between our countries would suggest, for in plain truth the military equipment used to suppress the citizens of Argentina comes directly from our military assistance programs. One elderly Argentine scientist, who was educated in the United States and who—like so many of his countrymen—once looked upon us as a shining beacon for the free world, recently had a letter smuggled out of Argentina to Dr. Sadovsky in Venezuela. "The Americans are killing us," he wrote in anguish to her, referring to the weapons we have placed in the hands of the Argentine regime.

Mr. President, we may not be able to persuade Argentina, Uruguay, Chile, and other morally bankrupt regimes to respect the rights of their citizens; but let us not encourage tyranny with a steady supply of American guns and bullets to these nations.

I am extremely gratified that the Carter administration has recommeded cuts in military aid to Argentina, as well as Ethiopia and Uruguay, because these nations have violated the human rights of their citizens. Let this be a signal to other lands. As President Carter has said:

> If they want our friendship and support, they must understand that we want to see basic human rights respected.

I wish also to draw to the attention of the Senate observations of an American Fulbright scholar, Robert Mauer of Ohio, who taught recently in several Argentine universities. His impression, recorded in a New York Times editorial of January 31, 1977, entitled "Argentina: Death, et cetera.", reinforce the sense of despair and desperation brought to Washington by Dr. Cora Sadovsky. Mr. President, I ask unanimous consent that

the article by Robert Maurer be printed in the RECORD following my remarks.

The Presiding Officer.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. Church. It has been said that the uniqueness of man is represented by his ability to reverse old forces and create new ones. I hope this Congress will join in the new spirit of the Carter administration to encourage the flowering of human rights in nations throughout the world.

EXHIBIT 1

[From the New York Times, Jan. 31, 1977]

ARGENTINA: DEATH, ETC.

(By Robert Maurer)

Every morning after I awake I move from bedroom to kitchen, pausing at my living-room balcony to see if any corpses are lying ten stories below in the vacant lot fronting Avenida Pueyrredon. Screened from the street by a high wall, cluttered with rubble, the lot makes an ideal terrorist dumping ground.

My daily balcony stop is irrational. I don't really expect to see corpses. Like most people in Buenos Aires, I have had no direct experience with violence. I go about my university duties, shop, attend public affairs, walk miles of city streets, and notice only trappings of the coup d'etat that last March replaced President Isabel Peron with a military junta.

Now and then I stumble upon a soldier guarding a Government building, an automatic rifle cradled in his arms like a baby that bites. When I pass a police station I am forced by wooden barriers to walk in the street. One day I find a whole city block unaccountably cordoned off; soldiers are everywhere, searching vehicles, dashing in and out of buildings, examining credentials. I barge on through; no one checks my documents. Such for me is the drift of siege.

Nevertheless, Adela, my next door neighbor (that isn't her real name), warns me: You should be much more careful. Adela once showed me the Presidential palace: "That's the Casa Rosada," she said. "Like your White House. It used to be infested with mice. Now it's filled with rats." Carlos, her brother, disagreed; at last, he maintained, Argentina has the strong Government it needs. But Carlos doesn't argue with Adela now as she admonishes me never to open my apartment door at once, as I just did for them. Look first through the peephole, she says, and ask strangers who they are, what they want.

Once begun, Adela lists other rules followed by both foreigners and portenos (seaport people), Buenos Aires natives. Never leave the building without documents. Never give your name over the telephone. Don't take any matter to the police. And, when you come to a cordoned-off area, turn and take another route. Carlos sits silently, nodding his head.

Adela's caution seems excessive until I recall our United States Embassy, which, shut off from busy Avenida Sarmiento by a wall of bullet-proof glass, seems like a besieged fortress. On each visit I must show my passport, open my briefcase, wait for a verifying telephone call upstairs and then submit to frisking.

Beyond still another glass wall a marine scrutinizes me before passing me to a guide, who escorts me to my destination. One day when I linger too long in a hallway, looking for the bathroom, someone quickly checks my business. The embassy has had bomb threats.

Nor is there refuge for me in scholarship. At the Lincoln Center, the United States Information Service library where I prepare my lectures, a librarian tells me: "The Lincoln Center is a phoenix. We have been bombed out, but we always rise from the ashes." She notices me watching the latest arrival at the reading room, a man with an attaché case. At the entrance on Avenida Florida, where hordes of tourists window-shop peacefully, this newcomer has been checked against a list of authorized scholars, and then walked through an airport metal detector.

"Of course," the librarian tells me, "that machine downstairs wouldn't pick up plastic devices."

At my breakfast table, newspapers greet me with yesterday's death score, as if Argentina's internecine slaughter were a kind of grim, surrealistic game out of a Borges short story. Daily the toll mounts, sometimes with Government, military or business people, much more frequently with leftist "subversive delinquents."

Newspaper accounts of bullet-riddled, sometimes mutilated, victims of rightist terror reach a crescendo in the English-language Buenos Aires Herald on Aug. 31: 30 BODIES FOUND ON WASTELAND NEAR PILAR. To prevent identification, a "death squad" has dismembered the corpses with powerful explosives. In late November, the Herald informs me that official reports have set at 1,155 the death toll for 1976. Tomorrow the numbers rise by six, or by 43.

Almost no *porteño* believes official reports, because every *porteño* has an unreported tale, usually of an innocent friend or relative caught in a raid by security police (or hooded men claiming they are), who was then arrested, kidnapped, or simply disappeared. That the innocent do indeed die I learn in a Herald story on Nov. 17 describing a battle at a terrorist stronghold in nearby La Plata: 6 security force men are wounded; 14 alleged guerrillas are killed, and so is the dean of professors of the Naval Military School, who by chance lived in the house next door.

Sirens, like the lives of innocent and guilty, can be indistinguishable in Buenos Aires. One moonlit night I start out of sleep, hearing sirens that don't seem headed toward the nearby German Hospital. I find myself on my balcony investigating. Then, in the eerie light, I make out that almost every balcony across Pueyrredon is occupied by people staring downward, as I am, to see if these sirens bring succor or terror.

For life in a state of siege, I discover, is a state of mind, in which fears reside perpetually within. Standing on my balcony that moonlit night, I cannot even stop myself from looking for human silhouettes amidst the construction rubble in the lot below.

NEW TOP MANAGEMENT TEAM AT GENERAL MILLS

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate an article which appeared in the Minneapolis Tribune on January 30, 1977. This article traces the remarkable careers of two outstanding citizens in the Minneapolis area—Mr. E. Robert Kinney and Mr. H. Brewster Atwater, Jr., chairman of the board and president, respectively, of General Mills, Inc.

We, in Minnesota, are proud of this company and of these two men. I commend this splendid article to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW GENERAL MILLS TEAM IS STUDY IN CONTRASTS

(By Dick Youngblood)

General Mills wasn't noticeably impressed about 25 years ago with E. Robert Kinney or the prosperous little seafood-processing company he had started in the kitchen of his apartment in Bangor, Maine.

Kinney's company had agreed to handle the sales, marketing and distribution chores for a struggling Boston cat-food company, a task it performed with such success that the cat-food business soon attracted the acquisitive eye of the Big G.

General Mills bought the cat-food company, executives couldn't conceive of how Kinney's operation could match their own marketing expertise.

And so they promptly fired him.

"Whereupon they proceeded to foul the damned thing up," Kinney was saying last week with a pardonable trace of satisfaction. "It was a disaster, and they finally had to sell it."

Kinney, 59, is not a man to hold a grudge, however, and thus has obligingly consented to step into the top job at General Mills this week when James P. McFarland retires as chairman of the board.

Joining Kinney as the other half of the company's new top management team will be H. Brewster Atwater Jr., 45, who succeeds Kinney as president.

The two are a study in contrasts: Kinney a compact man with a full head of pure white hair, Atwater tall and lean with a receding hairline; Kinney the son of a Yankee horse-trader and a graduate in history from a small Maine college, Atwater a product of the Lake Minnetonka establishment with business degrees from Princeton and Stanford; Kinney with the soft, Maine accent and the quiet, easy-going manner, Atwater the businesslike, self-confident and more intense young executive.

"You see the contrast, in physical terms at least, whenever they come into a meeting," an executive was saying last week. "Bob sort of drops in. But Bruce, he arrives."

There are, however, two key characteristics the two men share, interviews with colleagues and acquaintances indicated last week.

One man summed it up: "They are both very bright," he said, "and they are both damned shrewd businessmen."

Kinney charted the more improbable course to the top of the nearly $3-billion corporation.

The son of a Maine farmer and horse dealer, Kinney was a Phi Beta Kappa graduate of Bates College in Lewiston, Maine, where he took a major in history and a minor in economics.

He had every intention of becoming a school teacher.

But then, in the summer of 1940, it struck him that lobstermen along the Maine coast were throwing away tons of crabs that would creep into their traps. It offended his sense of thriftiness.

Kinney offered to buy the crabs for a penny apiece, and he and his wife started canning them in their kitchen at night.

"I sent three or four cans to a Boston food broker," Kinney recalled last week, "and back came an order for 3,000 cases of 24 cans apiece. We were producing only about a half-dozen cans a night."

Kinney borrowed $300, added that to the $300 a friend had scraped together, and rented a garage and some canning equipment.

Within a year the North Atlantic Packing Co. had 100 employees, and within a decade its revenues topped $2 million a year.

In the 1950s, with his company running smoothly, Kinney signed on as a consultant—and later as president—at Gorton's, an old-line Massachusetts seafood company that had fallen on hard times.

Once again his sense of thriftiness was offended—this time by all the company cars and club memberships and first-class airline tickets that Gorton's was paying for.

And once again he had a bright idea—

this time to turn Gorton's fish into a convenience food packaged as fish sticks and precooked dinners.

He also sought federal inspection so he could stamp Grade A on the packages, and installed what he later discovered was called management by objectives.

In 11 years as president of Gorton's, Kinney saw revenues climb from $10.5 million to more than $70 million, and profits from the break-even level to more than $1.5 million.

It was at that point, in 1968, that the Big G started eyeing the New England coastline once again. This time they took no chances—they acquired Kinney along with Gorton's.

A year later, impressed with what he called Kinney's "good, getsy Maine business sense," McFarland yanked Kinney into Minneapolis and installed him as executive vice president in charge of about 75 percent of the company's business.

It was at this point that the management team that now has emerged might have come unglued.

"I knew all those ambitious young executives were looking at me and wondering how a fish packer who didn't know a cereal package from a box of cake mix could come in here and run the food business," Kinney said.

One of the first he sought to reassure was Atwater, who, while still in his 30s, had recently been named head of the big consumer food group. Now, suddenly, here was an interloper moved in as his boss.

Atwater insists there was never any tension, but Kinney moved nonetheless to ensure that the air was clear.

"I told him I needed his help and that I didn't intend to stand in the way of his career," Kinney said last week, "that I'd go out on a limb to support him every time I thought he was right."

He paused briefly, then added: "And Bruce has a propensity for being right a high percentage of the time."

The result was what colleagues describe now as a "very close working relationship" between the two.

A year after he came to Minneapolis, Kinney became the company's chief financial officer, and in 1973 he became its president. Atwater was named executive vice president in 1970 and in 1971 was elected to the board of directors.

Last summer the succession upon McFarland's retirement was made clear when Kinney was named chief executive officer and Atwater succeeded him as chief operating officer.

Atwater's performance since then has left other top executives confident of his ability to run the company.

"All of Bruce's experience here was in the food business," said one, "but he hasn't missed a beat now that he has the day-to-day responsibilities for the whole thing.

"He picked up a feel for our other, nonfood businesses faster than anyone else could have possibly done."

It was a variation on a theme: From office to office, in and out of executive row, the book on Atwater describes a man of quick intellect, a quick study who swiftly absorbs detail and reaches a decision.

An outspoken man who once conceded to a reporter that a hot-selling new General Mills food item was a "terrible-tasting product," Atwater is viewed as an innovative manager who believes in taking risks once the facts are in and carefully analyzed.

A Minneapolis native, Atwater was 14 when he went to work in the family business—Scott-Atwater, manufacturer of marine motors. He soon learned it wasn't much fun being the boss's kid.

"The worst was the degreasing pits with the solvent (to remove grease from new engine parts) and the fumes," Atwater recalled last week, "and everybody wondering if the punk kid was going to quit."

Atwater took his bachelor's degree at Princeton and his master of business administration degree at Stanford. After three years on active duty with the navy he joined General Mills in 1958.

Within 10 years he was head of the company's largest and most profitable operation, the consumer food group—a business that has tripled its revenues and more than doubled its profits since he took it over.

Both Kinney and Atwater have a tough act to follow, for McFarland's stamp on the company is the diversification program he completed in the eight years he was chief executive officer.

Both men warn, however, that no dramatic changes are to be expected.

"The current mix of food and nonfood businesses is sufficient to meet our long-term objective of 10 percent compounded annual growth in earnings," Kinney said, "even without any acquisitions of new directions."

Which is not to say that there will not be any acquisitions or new directions, he was quick to point out.

But given the record of recent years—a 16 percent annual growth rate over the last five years, for example—Kinney and Atwater "would have to be nuts," as one man put it, "to start tinkering with what we've got."

SENTENCING GUIDELINES: POSSIBLE ANSWER TO PRISON TERM DISPARITIES

Mr. PERCY. Mr. President, at a time when deterrence of crime has become one of our highest national priorities, there is a pressing need to devote more of our attention to sentencing as a tool for reaching that result. In particular, I am deeply concerned about the wide disparities in prison sentences served by those convicted of similar offenses.

The effectiveness of our criminal justice system hinges in part on our willingness to apply sanctions fairly and impartially to the violators of our laws. In our society, prison sentences have been chosen as the fairest and most humane way of expressing our intolerance of many forms of socially unacceptable behavior. When equally serious crimes are punished by widely varying prison sentences, citizens lose respect for the laws which order our society, and lawlessness is surely one of the results.

Of course, there is a place for flexibility in the administration of justice. The punishment must not only fit the particular crime but must also take into account the background and characteristics of the individual who committed it.

This need for flexibility is reflected in the allocation of sentencing power among four separate institutions, each of which has extensive discretion in determining the punishment for criminal offenses. First, the legislative body has the authority to establish the range of sentences applicable to violators of specific laws. The prosecutor also exercises substantial discretion in his decision to drop or press charges, in his selection of charges to be pressed, and in his ability to obtain judicial lenience in exchange for a plea of guilty to a lesser charge. Third, the judge can in most cases select a particular sentence from the broad range of penalties permitted by law. Finally, the parole or correctional authority usually has substantial power to modify judicial sentences, depending on the prisoner's behavior.

Under this system of multiple discretion, each level will theoretically act to moderate the excesses of the other three levels. Nevertheless, in practice this arrangement clearly results in major disparities in sentencing.

One reason for this is variations in the size of the caseloads handled by prosecutors in different jurisdictions. It is probable that the more heavily burdened a prosecutor is, the more likely he will be to accept more lenient sentence in plea-bargains.

The severity of sentences imposed varies from judge to judge because the lawmakers tend to give them only the vaguest guidelines for using their broad sentencing power.

A great deal of the unjustifiable disparity in sentences results from the authority granted parole boards to decide exactly when any given prisoner is ready to return to society. This authority derives from the discredited notion that prisons serve primarily to rehabilitate offenders. The reasoning was that sentences should be flexible so that prisoners need not be released until prison officials deemed them "cured." It is now widely agreed that even with the best rehabilitation programs, very little can be done to eradicate the criminal tendencies of many prisoners. Instead, extending a prisoner's sentence within broad limits until he appears rehabilitated has served only to reward the most convincing actors and to promote cynicism about the basic fairness of sentencing decisions. The result has been to decrease, not to increase, prisoners' respect for law and law enforcement officials.

As a solution to the problem of sentencing disparities, some experts recommend that the Congress and State legislatures assign mandatory sentences of fixed duration to each specific offense. This "fixed price" proposal would do much to eliminate judicial and parole board discretion in determining sentence lengths.

I question the desirability of this proposal. In my opinion, it is simply not possible to define in advance all the characteristics which determine the seriousness of an offense. Even if we could enumerate and evaluate all of the objective considerations, such a legislative process would be too far removed from the individual human being who is being punished. It would be too easy for legislative bodies to unintentionally inject "hidden disparities" into these laws by neglecting some factors relevant to sentencing. Removing judicial authority to tailor sentences to individual defendants would institutionalize these disparities by unduly rigidifying our criminal justice system. We must keep in mind that our primary goal is equity in sentencing, and not necessarily uniformity of sentences.

A much more realistic and practical solution, suggested by the distinguished Senator from Massachusetts (Mr. KEN-

NEDY), would be to form sentencing councils, which would investigate and report the usual range of sentences actually served by those convicted of any given violation. Judges would be free to modify these suggested sentences by a very narrow margin—15 to 20 percent—in accordance with the circumstances of the case. If the sentence imposed departed from the norm by more than this percentage, the judge would be required to submit a written reason for the variation. This method would give the judge a structured, logical means of making his sentencing decision but would give him latitude to respond to the unique circumstances of each case.

In my opinion, some sort of appellate review of sentencing decisions is also desirable. But to avoid placing an unjustifiable burden on the already-crowded appellate courts, only those sentences which deviate from the norm by more than a stated percentage should be subject to review. In this way, we could screen out the extreme disparities without overwhelming our appellate judges.

Finally, the broad discretion currently possessed by parole boards and correctional authorities must be drastically curtailed. To guarantee the equity of our corrections process, we must avoid making sentences contingent upon parole officials' impressions of the prisoner's attitudes. I applaud the approach embodied in Senator KENNEDY's sentencing guidelines bill (S. 181), which would limit the role of parole boards to computing a prisoner's "good time," modifying the sentence only upon discovery of facts relevant to the case which were unknown to the sentencing judge, and releasing the offender for compelling medical reasons. This long-needed reform would help guarantee that sentence length would be determined by impartial laws and not favoritism. The ultimate effect would hopefully be to increase prisoners' faith in the fairness of our system of justice and to speed their return to a productive role in society.

I have recently read three thought-provoking essays on this subject. The first of these, "Criminal Sentencing: A Game of Chance," was written by Senator EDWARD KENNEDY and appeared in the December 1976 issue of Judicature. The second, "It's Time To Rehabilitate the Sentencing Process" by Mr. Robert McKay, appeared in the same issue of Judicature. The third piece, "Making Punishment Fit the Crime," by Prof. Franklin Zimring, was published this year as one of the University of Chicago Law School's Occasional Papers. Mr. President, I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Judicature, December 1976]

CRIMINAL SENTENCING: A GAME OF CHANCE

(By Edward M. Kennedy)

Last June the main figure in a federal investigation into nursing home abuses and Medicaid fraud in New York was sentenced to four months imprisonment after pleading guilty to conspiracy and filing a false income tax return. The hue and cry which followed his sentencing lasted for weeks and was highlighted by a public debate in the New York Times.

Highly critical of the sentence, the Times argued that "one of the most prominent current theories is that sentences should serve to deter others from committing similar crimes . . . Yet [the defendant] now joins a parade of formerly respectable white collar criminals who have received sentences which made the odds on white collar crime look rather good . . . [the sentence] can only reinforce cynicism about the realities of equal justice under law." [1]

Others came to the defense of the judge, pointing out that "sentencing is the most sensitive and difficult responsibility we impose on the courts . . . A sentence under our system must fit not just the crime but the individual." [2]

In my view, the public outcry over the sentence was misdirected. The nursing home investigation had been in the public eye for many months; the sentencing of the main defendant was a highly visible event, bound to cause controversy.

THE SENTENCING DEBATE

The real debate, which has been going on for some time now among judges, lawyers, corrections officials, law enforcement officers and the academic community, involves the much broader issue of comprehensive criminal sentencing reform. This debate has focused primarily on two interrelated problems—the total absence of any prescribed guidelines to aid judges in sentencing and the wide disparity in the sentences judges impose.

The federal code contains no list of criteria to be considered by the sentencing judge in deciding whether to impose a term of imprisonment. The result has been chaotic—one judge may sentence in order to rehabilitate, another to deter the offender (or the potential offender) from committing a similar crime, a third to incapacitate and a fourth simply to "punish." One judge may place a convicted defendant on probation, arguing that rehabilitation should never be a justification for imprisonment; another judge may justify a sentence of probation on the ground that "deterrence doesn't work."

The arguments in the *New York Times* mentioned above demonstrate the lack of any agreed upon goal of imprisonment. The *Times* maintained that four months imprisonment hardly constituted an effective *deterrent*. Defenders of the sentence, however, argued that deterrence was not the major goal of sentencing, that sentencing "must fit not just the crime but the individual." This views seems to reflect the more conventional notion that sentencing is a rehabilitative tool, and the sentence must be fashioned to meet the needs and characteristics of the offender.

Different prison terms: The absence in the federal criminal code of any articulated purposes or goals of sentencing has, unfortunately, led to a situation where different judges often mete out different sentences to similar defendants convicted of similar crimes, depending on the sentencing attitudes of the particular judge.

The resulting sentencing disparity is a national scandal. In 1974, the average federal sentence of imprisonment was 42.2 months. But in the Southern District of Georgia the average was only 18.4 months, while in the Western District of Michigan it was 94.9 months. Bank robbers receive an average sentence of over 11 years nationwide but in the Northern District of Georgia they receive seventeen years and in the Northern District of Illinois the average is only five and one-half years.[3]

Footnotes at end of article.

A landmark study by the United States Attorney's office for the Southern District of New York demonstrated wide disparity in federal court sentences for different types of offenses.[4] These are listed in the table.

And, in 1974, a study by the Federal Judicial Center affirmed the existence of "glaring disparity." [5] Fifty federal judges, most from the Second Circuit, were given twenty identical files drawn from actual cases and asked what sentence they would impose on each defendant. Disparity was found in almost all cases. In one extortion case the range of sentences varied from twenty years imprisonment and a $65,000 fine to three years imprisonment and no fine.

A cursory examination of the Southern District study yields two immediate conclusions: sentencing disparity exists whether the cases involve violent or white collar crime, and white collar offenders traditionally receive more lenient sentences.

No imprisonment at all: The disparity in the average length of prison sentences is bad enough, but much more troublesome is the disparity in the likelihood of any imprisonment at all. One may argue about what constitutes a "long" or a "short" prison term, but at least in such cases some term of imprisonment is imposed. The critical problem confronting our criminal justice system is that some convicted offenders (including repeat offenders) escape jail althogether while others—convicted of the same crime—go to jail for excessively long periods.

For example, less than 30 per cent of convicted armed robbers with prior records received a prison sentence in Los Angeles County during 1975. In my own state of Massachusetts the odds are even more biased in favor of the criminal—less than one-half of one per cent of all crimes reported in Massachusetts in 1970 resulted in some kind of imprisonment—a 50 per cent drop in certainty of punishment from 1960. Similar figures exist throughout most of the nation.

The impact of such statistics on our criminal justice system is real and immediate. An important prerequisite of any effective crime-fighting program—certainty of punishment—is absent. In addition, the criminal justice system appears arbitrary and unjust, a game of chance in which the potential offender may "gamble" on receiving not just a lenient term of imprisonment but no jail sentence at all. Disparity encourages the white collar offender to commit crimes and gives the impression that justice is something different for the rich and the poor. It nurtures an already growing public cynicism about our own institutions, a cynicism which inhibits corrective action and stimulates others to cut corners and commit crime.

Sentencing disparity also strikingly demonstrates the fallacy of fighting crime by increasing the maximum sentences which can be imposed. Counterfeiting carries a maximum penalty of fifteen years imprisonment; not only is the average sentence actually imposed less than five years, but almost 50 per cent of convicted counterfeiters receive no imprisonment at all. Simply increasing maximum penalties is an exercise in futility.

Such sentencing disparity cannot be traced to "weak" judges who "coddle criminals." The great majority of our federal judges perform their sentencing duties in a responsible and diligent manner. But these judges must act without any guidelines or review because Congress has never built any standards or safeguards into the sentencing process. Indeed, the federal criminal code invites disparity by conferring unlimited discretion on the sentencing judge to impose a sentence within wide statutory limits, ranging from probation to lengthy prison terms.

DISPARITY IN SENTENCING BETWEEN THE SOUTHERN DISTRICT OF NEW YORK AND THE NATIONAL AVERAGE FOR FEDERAL COURTS

Offenses	Likelihood of imprisonment (percent)		Average length of prison sentences (months)	
	Southern District of New York	All Federal courts	Southern District of New York	All Federal courts
Bail jumping	66.7	66.2	10.0	25.6
Bank embezzlement	23.2	19.5	18.0	21.3
Bank robbery	82.8	91.8	69.6	124.1
Bribery	25.0	42.5	11.0	15.1
Counterfeiting	51.7	53.7	14.8	40.3
Forgery	41.6	42.8	16.8	32.0
Gambling	37.2	29.9	3.3	14.5
Guns	50.0	45.3	28.2	32.1
Immigration	50.0	42.8	2.5	6.4
Internal Revenue Service	35.4	36.5	5.9	10.4
Interstate	54.8	43.7	18.1	33.8
Narcotics	77.0	70.6	62.4	46.4
Perjury	50.0	53.0	5.2	28.0
Postal	44.3	40.7	18.8	32.5
Embezzlement	43.7	19.0	5.0	11.6
Other	46.3	47.3	20.1	50.5
Rackets and extortion	55.5	47.1	46.2	31.2
Securities	70.4	55.4	31.8	38.7
Fraud	66.7	21.5	20.5	
Theft	100.0	57.4	36.5	38.7
Selective Service	63.3	27.8	12.4	22.2
Total	54.1	43.8	35.2	38.1

Note: The figures for the Southern District of New York are based on sentences imposed in a 6-mo period in 1972. The national figures cover the fiscal year ending June 30, 1972.

THE SENTENCING GUIDELINES BILL

What can be done? I have introduced legislation in the United States Senate which would make long overdue reforms in the criminal sentencing process. Entitled the Sentencing Guidelines bill (S. 2699, 94th Cong. 2d Sess.), it would bring welcome uniformity to the sentencing process by articulating for the first time the general purposes and goals of sentencing the judge should consider before imposing a sentence of imprisonment. The bill also provides for appellate review of sentences and creates a United States Commission on Sentencing to establish specific, fixed sentencing ranges for similar defendants who commit similar crimes. The sentencing judge would be required by statute to impose a sentence within the range established by the Commission or submit a written justification for sentencing outside the range.

This legislation would have a profound impact on the related problems of the absence of any sentencing purposes or goals and the existence of sentencing disparity.

What are the general purposes and goals to be considered by the judge in imposing a sentence of imprisonment? Four are listed in the bill:

(1) the nature and circumstances of the offense and history and characteristics of the defendant;

(2) the need for the sentence imposed to reflect the seriousness of the offense and promote respect for law by providing just punishment for the offense, and to afford adequate deterrence to criminal conduct;

(3) whether other less restrictive sanctions have been applied to the defendant frequently or recently; and

(4) any sentencing guidelines established by the United States Commission on Sentencing.

The bill adopts the concept of imprisonment as *punishment*. Rehabilitation as a justification for imprisonment, as opposed to a beneficial side effect, is conspicuously absent. This view of imprisonment as a vehicle to punish rather than cure the offender is consistent with the recent conclusions of Marvin Frankel, Norval Morris, Alan Dershowitz and others.[8]

The concept of rehabilitation is grounded in the optimistic belief that criminals have simply "gone wrong" and can be "cured", much as disease can be cured. But prison rehabilitation programs have not been successful—at least in those cases where such programs are compulsory in nature and are forced on the prisoner as a precondition of his release.

I am not, of course, advocating the abolition of prison rehabilitation programs. Indeed, I believe they should be encouraged and expanded. What I am advocating is an end to the comforting but totally unrealistic notion that rehabilitation of the convicted criminal can serve as a justification for imposing a prison sentence. Not only is such a sentence unfair to the individual, it doesn't seem to do much good in "curing" the offender.

The bill concentrates, therefore, on the other major justifications for imposing a term of imprisonment—incapacitation, specific deterrence, general deterrence and retribution. A sentence of imprisonment might be imposed to deter or incapacitate the offender himself (necessitating an inquiry into the personal history of the defendant, especially any previous record of "less restrictive sanctions" imposed). Imprisonment might also be designed to provide an example to others (general deterrence) or might be based on the need for society to exact a fair penalty for the crime ("retribution," couched in terms of promoting "respect for law" by providing "just punishment").

CRITICISMS

Two immediate criticisms can be leveled at the Sentencing Guidelines bill. First, some might oppose the bill for abandoning the concept of imprisonment. But, in practice, the great majority of courts have already rejected rehabilitation as the primary reason for imprisonment, so there should be little objection to actually codifying this view.

Many would also argue that listing the general goals and purposes of sentencing will do little to eliminate disparity; that general considerations of incapacitation, deterrence and retribution already enter into sentencing judgments and that disparity results not from disagreement over the general purposes of imprisonment but from the wide range of punishments available to the court. It is this unbridled, unreviewable discretion to impose such punishment which results in different judges imposing different sentences. S. 2699 deals with this problem in three ways:

It marks an important break with tradition by providing for appellate review of sentences. No longer would the court impose a sentence without the possibility of judicial review. Appellate courts would be able to examine the lower court's exercise of discretion, decide whether the sentence imposed was proper in light of all the circumstances and, if the facts warranted, reverse and remand for resentencing.

The bill also requires that the courts, in sentencing the offender to prison, give written reasons for the sentence so that these reasons become part of the public record to be reviewed on appeal. This is not required today.

Most importantly, the bill creates a federal commission to establish sentencing ranges for specific crimes. This would not be just another commission. Its members would be appointed by the United States Judicial Conference. Membership would not be limited to sitting judges but would also include correctional officials, members of the practicing bar and academic communities, and police representatives. Given an initial life of three years, the commission would be responsible for fixing the parameters of exactly what sentences should be imposed for what crimes in what situations.

THE SENTENCING COMMISSION

One of the strengths of the bill is that the commission, not the Congress, would determine the guidelines. The Congress does not have time to establish sentencing ranges for all the criminal situations which could develop. Nor is there much chance that it could avoid politicizing the entire issue of sentencing with vocal debate centering around harsher versus more lenient punishment. If the subjects of capital punishment, gun control, and criminal code reform offer any indication of how Congress would deal with the sensitive area of sentencing, the commission approach is much to be preferred.

In determining this sentencing range, the commission would consider the general criteria spelled out in the statute, available sentencing statistics and recidivism rates and, especially, the various aggravating and mitigating circumstances surrounding the crime itself. These might include, for example, leadership in the criminal enterprise, particularly cruel treatment of the victim, previous record of the offender and the degree of coercion imposed on the offender. The commission would then establish the sentencing ranges or guidelines. The sentencing judge would be required by statute to impose a sentence within the range established unless he could demonstrate in writing a justification for sentencing outside the range. Appellate review would follow.

For example, the sentencing range for burglary might be as follows:

1. When committed while the home is occupied and when the defendant brandishes a weapon in the presence of the occupants: 2.8 years to 3.5 years;

2. When committed while the occupants were at home but where the defendant, although armed with a weapon, did not brandish it: 1.5 years to 2 years;

3. When comitted in an unoccupied dwelling by a defendant armed with a weapon: 6 months to 1.2 years.

4. When committed in an unoccupied dwelling by an unarmed defendant: 3 months to 1 year.

Variations within the prescribed range would depend on the existence of other aggravating or mitigating factors.

Such guidelines would apply with equal force to white collar and government corruption crimes. Thus, a sentencing range for the crime of bribery might be as follows:

1. A government officer holding a position of high public trust who solicits and/or accepts something of value in return for a particular agreed-upon action in his official capacity: 3.0 years to 4.0 years;

2. A government officer holding a position of high public trust who solicits and/or receives something of value knowing its illegal purpose but enters into no specific agreement

Footnotes at end of article.

with the briber about how the payment will be earned: 2.0 years to 3.0 years.

It is important to point out that the fixed sentencing range agreed upon by the commission and imposed by the court would be very close to the *actual sentence now served by the offender.* It is likely that the guideline would mandate sentences substantially less than the maximums now authorized by law. But in terms of actual time served I do not see a radical change. Nor do I perceive the possibility of the guidelines approach increasing prison populations. I suspect that sentences of imprisonment would be reserved for the more serious crimes, with petty offenders—too often the cause of overcrowded prisons—avoiding lengthy prison terms.

END OF LIMBO

In the sentencing system I have described, in which guidelines assure similar sentences for similar offenders convicted of similar crimes, the traditional practice of making a prisoner eligible for parole after serving a portion of his sentence also becomes obsolete. The commission itself would take into account the fact that most prisoners are released on parole before the expiration of their full sentence and would adjust the sentencing range accordingly. The parole board's role would be limited to computing a prisoner's "good time" (based on fixed formula), modifying the sentence upon discovering new aggravating or mitigating facts unknown to the judge at the time of sentence, or releasing the offender because of compelling medical reasons.

Once the concept of sentencing guidelines is accepted, altering the role of the parole board logically follows. Since rehabilitation is no longer a justification to imprison a person, it could no longer be used by the board as a reason to retain him until he is "cured." This change would eliminate one of the major objections to our current corrections system—the arbitrary power of the parole board to hold a prison release date over the head of the prisoner until they are satisfied of his "rehabilitation."

The guidelines approach would also eliminate indeterminate or open-ended sentencing. Under such a system, the prisoner's actual term of imprisonment is set, not by the sentencing judge, but by an agency such as the parole board. The prisoner often finds himself in a state of limbo, unable to determine his own prison release date.

Indeterminate sentencing has been sharply criticized in recent years as based on a faulty premise—that a prisoner's behavior while in a prison rehabilitation program is an accurate predictor of how he or she will behave in the community once released. In his classic treatise *The Future of Imprisonment,* Norval Morris convincingly points out that such predictions cannot readily be made and that the uncertainty of release proves counter-productive to any hoped-for rehabilitation.

Indeterminate sentencing must be replaced by fixed sentences so the convicted offender knows *at the time sentence is imposed* when he will probably be released. S. 2699 would assure this.

OTHER PROBLEMS

It is obvious that correcting the arbitrary and capricious method of sentencing will not eliminate our nation's crime problem. Other critical problems beset the administration of criminal justice—overloaded courts unable to cope with mounting caseloads, archaic prisons and jails which are little more than breeding schools for crime, and an outdated and confusing federal criminal code. A strong argument can be made, for example, that one cause of sentencing disparity may be the reluctance of judges to sentence offenders to overcrowded and understaffed prisons.

But the shameful disparity in criminal sentences imposed in the federal courts is a major flaw which encourages the potential criminal to "play the odds" and, through luck and circumstance, "beat the system." Sentencing disparity is unfair; it cannot help but have an impact on a prisoner who views his offense as no more reprehensible than that of another offender placed on probation after committing the same crime.

The Sentencing Guidelines bill would help the sentencing judge decide not only how long an offender should be imprisoned but whether he should be imprisoned at all. The bill thus articulates a federal sentencing philosophy for the first time. The specific guidelines established by the sentencing commission would also help eliminate disparity and bring some desperately needed credibility to the system. "Different judge, different sentence" would be replaced by uniform sentencing, with variations from the sentencing range being based on clearly defined written reasons and being subject to judicial review. Sentences would thus become predictable; they are not predictable today.

S. 2699 deals only with that point in the criminal justice system where sentence is actually imposed on the convicted offender. But the concept of commission guidelines may ultimately prove valuable in other areas of the criminal justice system where unfettered discretion now exists—the decision to detain prior to trial, the decision to prosecute, the selection of the appropriate charge, the decision to "plea bargain" and the decision to revoke probation or parole. Indeed, some would argue that until these other areas are reformed and the decision-making process so limited, arbitrariness will continue to plague the ssytem. The entire system cannot, however, be cured overnight. A logical starting point is the formal sentencing process, where the visible weight of the state is most apparent.

We boast that ours is a "government of laws not of men." This time-honored principle may generally be followed in treating the accused before conviction but it has somehow been neglected where it would seem to be most necessary—in the sentencing judge's determination of the range of permissible punishment. This neglect can no longer be tolerated. The Sentencing Guidelines bill offers a blueprint for reform—a fair, sound, practical solution to the problem of how we sentence the criminal offender.

FOOTNOTES

[1] *Equal Justice?* (an editorial), N.Y. Times, June 18, 1976, p. A22.

[2] Arthur Liman, Esq., *Letters to the Editor: About the Bergman Sentence,* N.Y. Times, June 23, 1976, p. 38.

[3] Franklin D. Kramer, *Different Judges, Different Justice,* Washington Post, November 14, 1975, p. 26.

[4] Whitney North Seymour, Jr., 1972 *Sentencing Study for the Southern District of New York,* 45 N.Y.S. B. J. 163, (1973). Reprinted in THE CONGRESSIONAL RECORD, H 1313, March 1, 1973.

[5] Anthony Partridge and William B. Eldridge, THE SECOND CIRCUIT SENTENCING STUDY A REPORT TO THE JUDGES OF THE SECOND CIRCUIT (Washington, D.C. The Federal Judicial Center, August 1974).

[6] *See* Marvin E. Frankel, CRIMINAL SENTENCES: LAW WITHOUT ORDER (New York: Hill and Wang, 1973)! Norval Morris, THE FUTURE OF IMPRISONMENT (Chicago: The University of Chicago, 1974): Alan Dershowitz, *Let the Punishment Fit the Crime,* N.Y. Times, § 6 (Magazine) at 7. *See also,* Andrew von Hirsch, DOING JUSTICE: THE CHOICE OF PUNISHMENT: (New York: Hill and Wang, 1976).

IT'S TIME TO REHABILITATE THE SENTENCING PROCESS

(By Robert McKay)

The criminal justice system in the United States is a failure. It is in disarray at every level. It neither controls crime nor punishes criminals. The more than $5 billion spent by the Law Enforcement Assistance Administration in its "war on crime" has had no perceptible effect (unless it be argued that crime would have been even more prevalent without LEAA).

Consider the dismal facts. Since 1960, serious crime has more than doubled. In 1975 alone, according to the FBI, serious crime rose 10 percent. The agency's annual Uniform Crime Reports said there were nearly 11.3 million serious crimes committed in 1975, but that only one in five ended in arrest.

Despite the disappointing lack of success in catching and convicting criminals, no one can charge the criminal justice system with lack of severe response to those who are convicted. At the beginning of 1976 there were about 250,000 persons confined in U.S. prisons—a national record. About 250,000 others were confined in jails serving short sentences or awaiting trial. An additional million or more were on probation or parole. Prison sentences in the United States are longer than those in any other Western nation or in Japan.

Criminal justice is big business and, in typically American fashion, it is a growth business. Incarceration rates in the United States are substantially more than 200 per 100,000 population. In Great Britain, West Germany and the Scandinavian countries, the rate is below 100, and in the Netherlands the rate is below 25.[1] In Japan the rate of crime is so low (the likelihood of being robbed in the United States is 208 times greater than in Japan) that the prison population is but a small fraction of that in the United States.[2]

Where did we in the United States go wrong? There is certainly no lack of speculation about the cause of crime, theories about the purposes of imprisonment, or statistical analysis of our courts and corrections system. We are full of theories, but we lack agreed-upon answers.

THE CRIMINAL JUSTICE SYSTEM

A criminal justice system should do at least the following: define as crime that conduct which is unacceptable to society as a whole; set up an effective structure for the detection of crime and the apprehension of criminals; devise fair methods of determining guilt; and impose sanctions that are appropriate to the offenses.

The kingpin of the entire structure is the sanctioning process. It is also conceptually the most difficult. We understand how to go about defining crime, establishing police forces, and devising due process trial methods. What we do not seem to understand is the purpose (or purposes) of sanctions. Moreover, we do not seem to know why or when or how to sentence; we do not know who should not be imprisoned and who should and for how long.

It is customary to speak loosely of four purposes that might be served by imposing sanctions—particularly prison sentences—upon those convicted of crime. They are rehabilitation, deterrence (specific or general), incapacitation and punishment.

Rehabilitation: Rehabilitation has long been an American ideal. We cling to the belief that most convicted criminals can be restored to a useful social role, if only we can discover the right triggering mechanism.

In recent decades, the road to rehabilita-

Footnotes at end of article.

tive salvation was thought to lie in the prisons where inmates could be counseled, educated and trained in new vocational skills. To make the system work, it was obviously necessary to ensure a detention long enough to allow the rehabilitation to take place. Accordingly, sentencing and parole procedures were adjusted to fit that theory—if not to fit the crime. Indeterminate sentences (one to twenty years, for example) became common, with the release date to be fixed by a parole authority instructed to determine when rehabilitation had taken place.

The theory was perfect—except that it didn't work. Prison officials sometimes manipulated the inmates, and inmates sometimes manipulated the system. Rehabilitation failed to satisfy the only criterion of success—reduced recidivism rates. There was even some evidence that the longer the detention, the more likely the offender was to return to criminal activity.[3] The conviction grew that the fault was not with the idea of education, vocational training, and a humane regime in prison, but with the notion that the time served should be extended or contracted to conform to a conviction that rehabilitation is measurable and "happens" at a particular time. In fact, rehabilitation sometimes seemed more likely in a controlled setting outside the prison than on the inside, an argument for diversion rather than imprisonment.

Dean Norval Morris has stated the judgment now generally accepted:

"Rehabilitative programs in prison must be expanded and improved but they must be related neither to the time the prisoner serves nor to the conditions of his incarceration. Prison training and treatment programs must be entirely facilitative, never imposed." [4]

This 180-degree turn from one theory of sanctions to another is having substantial consequences on the criminal justice system. The indeterminate sentence is no longer in favor. In consequence, as Marc Plattner has observed, "Politicians as diverse in their views as President Ford and Senator Kennedy have endorsed a return to determinate sentencing, and several state legislatures seem to be moving in this direction." [5]

Deterrence: Deterrence of crime is the overriding concern of the criminal justice system, just as it is the first demand of every law-abiding citizen. The theory is that those who have not transgressed will be warned against crime when they see punishment imposed on others, and that the offender who is convicted and punished will be dissuaded from repetition.

Both propositions are basically sound. If there were no sanctions, crime would undoubtedly rise further. But the fact that crime rates continue to rise, among both repeaters and first-time offenders, puts in doubt the judgment that deterrence should be regarded as the primary objective of the sanctioning process. When two-thirds to three-fourths of the inmates in most prisons are repeaters, we can be sure deterrence has not worked as we hoped.

Deterrence as an objective should not be abandoned. If detection of crime and apprehension of criminals becomes more likely than not, if trials become speedy, and if conviction of the guilty becomes relatively certain, imprisonment will become a more meaningful deterrent. Meanwhile, there is little reason to believe that the often-recommended expedient of lengthened sentences will have much impact. Speed and certainty are more important to successful deterrence.

Incapacitation: The one objective that imprisonment surely accomplishes is incapacitation of the offender. When the criminal is in prison he cannot commit crimes. But that gain is necessarily limited. Almost all inmates are eventually released, and if the ex-offender leaves prison embittered, abandoned by family and friends, and without employable skills, he or she is likely to return to crime.

Punishment: The final objective of imprisonment is punishment. Every sentence to prison is admittedly a punishment, but we have sometimes not been willing to admit that it is a valid purpose. In the more realistic mood of the present, there is greater willingness to accept the proposition that a principal—perhaps the principal—purpose of imprisonment is punishment. To favor candid recognition of this reality is not to support a social policy of vengeance, but to acknowledge the fact that willful lawbreakers should receive sanctions proportionate to the severity of their offenses.

THE SENTENCING PROCESS

Society has generally failed to determine on a rational and defensible basis what punishment is appropriate to the severity of the offense and for the individual offender. That failure is the most serious injustice inherent in the criminal justice system in the United States.

When the Attica Commission investigated the causes of the tragic uprising at the Attica Correctional Center in September of 1971, it soon discovered that the most urgent inmate grievances were not about prison conditions, although there were serious deficiencies in the administration of the prison as a decent and humane institution. The most persistent complaints were about unequal treatment in the sentencing process and in the parole process. Inmates in adjacent cells believed that sentences were unjust because of unexplained disparity in severity of the sentences. The parole board was seen as a vehicle of further inequality because of unexplained differences in its decisions to release from prison.

The name of the game in prison is the release date. Time served is determined in part by the sentence and in part by the decision of the parole board. If the prisoner perceives both decisions as the product of chance or unexplained (and inexplicable) decisional processes, he can neither trust the justice of the system nor respect the rule of law under which those judgments are made.

The sad truth is that the inmate perceptions are essentially correct, not in every case perhaps, but certainly in gross. The sanctioning system does not serve its intended purpose, and it is not just.

Careful surveys in federal and state courts have repeatedly demonstrated that judges react in strongly individualistic ways in their sentencing decisions. In one group of federal judges, the recommended sentences in a sample tax-evasion case ranged from a six-month suspended prison sentence to a five-year sentence with a $20,000 fine.[6] In a study by the Federal Judicial Center in which disparity was tested by simulated sentencing, the fifty participating judges read presentence reports and made sentence recommendations. In sixteen of the twenty cases submitted to all the judges, they disagreed even on the basic question whether any prison sentence was appropriate.[7] Judges at the same level of responsibility are likely to differ, often sharply, about proper sentencing decisions. Variables that make a difference include the urban or rural setting of the court, individual opinions about the seriousness of different offenses, and differing perceptions of individual defendants. But the gross disparities are not accounted for by those factors alone. Even a single judge may be relatively lenient in his sentencing for some offenses and relatively harsh toward others.

The wide range of sentencing discretion accorded most judges assures an enormous range of results which can only be regarded as unjust by those who are subjected to this prison lottery; the system is perverted by these injustices.

CURBING SENTENCING DISPARITY

Several ways to ease the problem of sentencing disparity have been suggested. Some of the most popular are: reducing judicial discretion by moving from relatively indeterminate sentencing authorizations to relatively determinate; establishing advisory sentencing councils; and providing for appellate review of sentences.

Determinate sentences: The indeterminate sentence was essentially a product of the now-abandoned faith in the rehabilitative powers of prisons. With the reason for wide discretion gone and the resulting disparities well established, there are compelling justifications for narrowing sentencing discretion. Various proposals have been advanced. The two most interesting are those of a Task Force on Criminal Sentencing of the Twentieth Century Fund and of David Fogel, former Minnesota Commissioner of Corrections, in his book "We are the Living Proof." [8]

The Twentieth Century Fund Task Force calls its proposal "presumptive sentencing." [9] A finding of guilt would ordinarily produce a specified sentence unless mitigating or aggravating factors were established.

The legislature defines presumptive sentences for each offense and specifies factors of aggravation and mitigation. Under this formula, sentences for first offenders would be relatively low but would increase sharply with succeeding convictions. The sentencing judge would conduct a hearing to establish mitigating or aggravating factors. Deviation beyond the narrow range allowed on these findings would need to be justified by a reasoned opinion.

Because time served is a function not only of the original sentence but of the parole decision as well, the Task Force would also modify release procedures.

"The parole board or releasing agency would have more limited authority than at present to release the defendant earlier than prescribed by the judicially fixed sentence. The board could decide on release, but only within a previously fixed range and on the basis of relevant information (as defined by the legislature) that was not available to the sentencing judge." [10]

David Fogel would similarly give back to the legislature the primary responsibility for fixing sentencing policy. He recommends a narrow range of sentence (four to six years, for instance), which could be increased or decreased by the sentencing judge only by a fixed percentage (20 per cent, for instance). Further, time served would be reduced for good behavior. For every day of time served without serious rule infraction, one day would be cut off the sentence, so that a prisoner might serve only half the original sentence. There would be no parole.

In short, both proposals, in order to avoid the proven disparity in sentencing practices, would limit judicial discretion sharply and return primary responsibility to the legislature. Thus we come full circle, from faith in the capacity of judges to fit the sentence to the crime and to the criminal, to renewed reliance on the legislative process to speak for the public *and* to provide justice in terms of predictability of result.

Sentencing councils: Even if these relatively drastic changes are not adopted, the movement toward limiting judicial discretion is unmistakable. Sentencing councils have been tried in two federal district courts in Chicago and New York and in a few

Footnotes at end of article.

states.[11] The usual device, although subject to many variations, is to require each sentencing judge to consider the sentencing recommendation of two colleagues, although the final decision remains his own. Some benefit can be expected from such a system; but critics have questioned whether the benefit is sufficient to justify the additional burden on the trial courts.

Appellate review: A final suggestion is to provide appellate review of sentences, so that it will be possible to even out the most egregious disparities. Experimentation is surely worthwhile, but there are also some hazards which should be frankly considered. The views of judges at both the trial and appellate levels range from unsympathetic to hostile. Trial judges are apt to resent appellate review of sentencing as an intrusion into a uniquely trial judge function, doubting the capacity of appellate judges to understand the sentencing considerations. Appellate judges may also doubt their own capacity in the matter; perhaps more important is their reluctance to assume another potentially burdensome task.

Ending sentencing disparity will not instantly halt our escalating crime rate. Even if sentences become uniformly just, Americans will not become uniformly law abiding. But injustice in sentencing, both real and perceived, has caused our criminal justice system to lose credibility and has eroded respect for law.

The suggestions I have made carry no guarantee to reduce crime. But we must take immediate steps to ensure that the sanctioning process is made as just as possible for the sake of the victims of crime, those charged with criminal conduct, and society as a whole.

FOOTNOTES

[1] "The Treatment of Offenders, in Custody or in the Community, with Special Reference to the Implementation of the Standard Minimum Rules for the Treatment of Prisoners." Adopted by the United Nations, Annex II (Working paper prepared by the Secretariat for the Fifth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, 1975).

[2] Bayley, *Learning About Crime—the Japanese Experience*, THE PUBLIC INTEREST 55, 57 (Summer, 1976).

[3] Martinson, *What Works?—Questions and Answers about Prison Reform*, THE PUBLIC INTEREST 22 (Spring, 1974).

[4] Morris, THE FUTURE OF IMPRISONMENT (Chicago: The University of Chicago Press, 1974), p. xi.

[5] Plattner, *The Rehabilitation of Punishment*, THE PUBLIC INTEREST 104 (Summer, 1976).

[6] Diamond and Zeisel, *Sentencing Councils: A Study of Sentence Disparity and Its Reduction*, 42 U. CHI. L. REV. 109, 115 (1975).

[7] *Id.*

[8] Fogel, "WE ARE THE LIVING PROOF": THE JUSTICE MODEL FOR CORRECTIONS (Cincinnati: W. H. Anderson Co., 1975).

[9] REPORT OF THE TWENTIETH CENTURY FUND TASK FORCE ON CRIMINAL SENTENCING, FAIR AND CERTAIN PUNISHMENT (New York: McGraw-Hill Book Company, 1976).

[10] *Id.* at 22.

[11] Diamond and Zeisel, *supra* note 6.

MAKING THE PUNISHMENT FIT THE CRIME: A CONSUMERS GUIDE TO SENTENCING REFORM

(By Franklin E. Zimring)

In its current crisis the American system of criminal justice has no friends. Overcrowded, unprincipled and ill-coordinated, the institutions in our society that determine whether and to what extent a criminal defendant should be punished are detested in equal measure by prison wardens and prisoners, cab drivers and college professors. What is more surprising (and perhaps more dangerous), a consensus seems to be emerging on the shape of desirable reform—reducing discretion and the widespread disparity that is its shadow, abolishing parole decisions based on whether a prisoner can convince a parole board he has been "reformed," and creating a system in which punishment depends much more importantly than at present on the seriousness of the particular offense.

A number of books and committee reports that have endorsed these goals and proposed various structural reforms to achieve them are the stimulus for this essay. While diverse in style, vocabulary and emphasis, at least six books in the past two years have proposed eroding the arenas of discretion in the system.[1] Some authors, such as James Q. Wilson and Ernst van den Haag, see reform as a path to enhancing crime control. Others, such as Andrew von Hirsch, the Twentieth Century Fund Committee and David Fogel, advocate reform for less utilitarian reasons, with titles or subtitles such as "Doing Justice," "A Justice Model of Corrections," and "Fair and Certain Punishment."

This note cannot comprehensively review such a rich collection of literature, nor is it politic for me to oppose justice, fairness or certainty. Rather, I propose to summarize the present allocation of sentencing power in the criminal justice system and discuss some of the implications of the "structural reforms" advocated in some current literature.

MULTIPLE DISCRETIONS IN SENTENCING

The best single phrase to describe the allocation of sentencing power in state and federal criminal justice is multiple discretion. Putting aside the enormous power of the police to decide whether to arrest, and to select initial charges, there are four separate institutions that have the power to determine criminal sentences—the legislature, the prosecutor, the judge, and the parole board or its equivalent.

The *legislature* sets the range of sentences legally authorized after conviction for a particular criminal charge. Criminal law in the United States is noted for extremely wide ranges of sentencing power, delegated by legislation to discretionary agents, with extremely high maximum penalties and very few limits on how much less than the maximum can be imposed. In practice, then, most legislatures delegate their sentencing powers to other institutions. For example, second degree murder in Pennsylvania, prior to 1973, was punishable by "not more than 20 years" in the state penitentiary.[2] Any sentence above 20 years could not be imposed; any sentence below 20 years—including probation—was within the power of the sentencing judge.

The *prosecutor* is not normally thought of as an official who has, or exercises, the power to determine punishment. In practice, however, the prosecutor is the most important institutional determinant of a criminal sentence. He has the legal authority to drop criminal charges, thus ending the possibility of punishment. He has the legal authority in most systems to determine the specific offense for which a person is to be prosecuted, and this ability to select a charge can also broaden or narrow the range of sentences that can be imposed upon conviction. In congested urban court systems (and elsewhere) he has the absolute power to reduce charges in exchange for guilty pleas and to recommend particular sentences to the court as part of a "plea bargain"; rarely will his recommendation for a lenient sentence be refused in an adversary system in which he is supposed to represent the punitive interests of the state.

The *judge* has the power to select a sentence from the wide range made available by the legislature for any charge that produces a conviction. His powers are discretionary—within this range of legally authorized sanctions his selection cannot be appealed, and is not reviewed. Thus, under the Pennsylvania system we studied, a defendant convicted of second degree murder can be sentenced to probation, one year in the penitentiary or 20 years. On occasion, the legislature will provide a mandatory minimum sentence, such as life imprisonment for first degree murder, that reduces the judge's options once a defendant has been convicted of that particular offense. In such cases the prosecutor and judge retain the option to charge or convict a defendant for a lesser offense in order to retain their discretionary power.[3] More often the judge has a wide range of sentencing choices and, influenced by the prosecutor's recommendation, will select either a single sentence (e.g., two years) or a minimum and maximum sentence (e.g., not less than two nor more than five years) for a particular offender.

The *parole* or *correctional authority* normally has the power to modify judicial sentences to a considerable degree. When the judge pronounces a single sentence, such as two years, usually legislation authorizes release from prison to parole after a specified proportion of the sentence has been served. When the judge has provided for a minimum and maximum sentence, such as two to five years, the relative power of the correctional or parole authority is increased, because it has the responsibility to determine at what point in a prison sentence the offender is to be released. The parole board's decision is a discretionary one, traditionally made without guidelines or principles of decision.

This outline of our present sentencing system necessarily misses the range of variation among jurisdictions in the fifty states and the federal system, and oversimplifies the complex interplay among institutions in each system. It is useful, however, as a context in which to consider specific proposed reforms; it also helps to explain why the labyrinthine status quo has few articulate defenders. With all our emphasis on due process in the determination of guilt, our machinery for setting punishment lacks any principle except unguided discretion. Plea bargaining, disparity of treatment and uncertainty are all symptoms of a larger malaise—the absence of rules or even guidelines in determining the distribution of punishments. Other societies, less committed to the rule of law, or less infested with crime, might suffer such a system. Powerful voices are beginning to tell us we cannot.

PAROLE UNDER ATTACK

Of all the institutions that comprise the present system, parole is the most vulnerable—a practice that appears to be based on a now-discredited theoretical foundation of rehabilitation and individual predictability. The theory was that penal facilities rehabilitate prisoners and that parole authorities could select which inmates were ready, and when they were ready, to enter the community. The high-water mark of such thinking is the indeterminate sentence—a term of one-year-to-life at the discretion of the correctional authority for any adult imprisoned after conviction for a felony. Ironically, while this theory was under sustained (and ultimately successful) attack in California, New York was passing a set of drug laws that used the one-year-to-life sentence as its primary dispositive device. Yet we know (or think we know) that prison rehabilitation programs "don't work," and our capacities to make individual predictions of future behavior are minimal.

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So why not abolish parole in favor of a system where the sentence pronounced by the judge is that which is served by the offender? The cost of post imprisonment sentence adjustments are many: they turn our prisons into "acting schools," promote disparity, enrage inmates and undermine both justice and certainty.[1]

There are, however, a number of functions performed by parole that have little to do with the theory of rehabilitation or individual predictability. A parole system allows us to advertise heavy criminal sanctions loudly at the time of sentencing and later reduce sentences quietly. This "discounting" function is evidently of some practical importance, because David Fogel's plan to substitute "flat time" sentences for parole is designed so that the advertised "determinate sentences" for each offense are twice as long as the time the offender will actually serve (since each prisoner gets a month off his sentence for every month he serves without a major disciplinary infraction). In a system that seems addicted to barking louder than it really wants to bite, parole (and "good time" as well) can help protect us from harsh sentences while allowing the legislature and judiciary the posture of law and order.

It is also useful to view the abolition of parole in terms of its impact on the distribution of sentencing power in the system. Reducing the power of the parole board increases the power of the legislature, prosecutor and judge. If the abolition of parole is not coupled with more concrete legislative directions on sentencing, the amount of discretion in a system will not decrease; instead, discretionary power will be concentrated in two institutions (judge and prosecutor) rather than three. The impact of this reallocation is hard to predict. Yet parole is usually a statewide function, while judges and prosecutors are local officials in most states. One function of parole may be to even out disparities in sentencing behavior among different localities. Abolishing parole, by decentralizing discretion, may increase sentencing disparity, at least as to prison sentences, because the same crime is treated differently by different judges and prosecutors. Three discretions may be better than two!

There are two methods available to avoid these problems. Norval Morris argues for retaining a parole function but divorcing it from rehabilitation and individual prediction by providing that a release date be set in the early stages of an offender's prison career. This would continue the parole functions of "discounting" and disparity reduction, while reducing uncertainty and the incentive for prisoners to "act reformed." It is a modest, sensible proposal, but it is not meant to address the larger problems of discretion and disparity in the rest of the system.[2]

FIXED PRICE SENTENCING

A more heroic reform is to reallocate most of the powers now held by judges and parole authorities back to the legislature. Crimes would be defined with precision and specific offenses would carry specified sentences, along with lists of aggravating and mitigating circumstances that could modify the penalty. The three books with "justice" or "fairness" in their titles advocate this "price list" approach, albeit for different reasons and with different degrees of sophistication. The Twentieth Century Fund study goes beyond advocating this approach and sets out sections of a sample penal code, although all members of the committee do not agree on the specific "presumptive sentences" provided in the draft.

There is much appeal in the simple notion that a democratically elected legislature should be capable of fixing sentences for crimes against the community. Yet this is precisely what American criminal justice has failed to do, and the barriers to a fair and just system of fixed sentences are imposing. The Twentieth Century Fund scheme of "presumptive sentences," because it is the most sophisticated attempt to date, will serve as an illustration of the formidable collection of problems that confront a system of "Fair and Certain" legislatively determined punishments. In brief, the proposal outlines a scale of punishments for those first convicted that ranges (excluding murder) from six years in prison (aggravated assault) to probation (shoplifting). Premeditated murder is punished with ten years' imprisonment. Burglary of an empty house by an unarmed offender has a presumptive sentence of six months; burglary of an abandoned dwelling yields a presumptive sentence of six months' probation. The sample code clearly aims at singling out violent crimes such as armed robbery for heavier penalties, while the scale for nonviolent offenders led two of the eleven Task Force members to argue that the "range . . . appears to be unrealistically low in terms of obtaining public or legislative support."[6] Repeat offenders receive higher presumptive sentences, under specific guidelines.

The Task Force proposal produces in me an unhappily schizophrenic response. I agree with the aims and priorities of the report, at the same time that I suspect the introduction of this (or many other) reform proposals into the legislative process might do more harm than good.

Why so skeptical? Consider a few of the obstacles to making the punishment fit the crime:

1. *The incoherence of the criminal law.*— The phrase is borrowed from my colleague, James White, who is preparing a book with this title. Any system of punishment that attaches a single sanction to a particular offense must define offenses with a morally persuasive precision that present laws do not possess. In my home state of Illinois, bulgary is defined so that an armed housebreaker is guilty of the same offense as an 18-year-old who opens the locked glove compartment of my unlocked stationwagon. Obviously, no single punishment can be assigned to crime defined in such sweeping terms. But can we be precise? The Task Force tried, providing illustrative definitions of five different kinds of night-time housebreaking with presumptive sentences from two years (for armed burglary, where the defendant menaces an occupant) through six months' probation. The Task Force did not attempt to deal with daylight or nonresidential burglary.

The problem is not simply that any such penal code will make our present statutes look like Reader's Digest Condensed Books; we lack the capacity to define into formal law the nuances of situation, intent and social harm that condition the seriousness of particular criminal acts. For example, the sample code provides six years in prison for "premeditated assault" in which serious harm was intended and two years for assaults where serious harm was not intended. While there may be some conceptual distinction between these two mental states, one cannot confidently divide hundreds of thousands of gun and knife attacks into these categories to determine whether a "Fair and Certain Punishment" is six years or two.

Rape, an offense that encompasses a huge varity of behaviors, is graded into three punishments: six years (when accompanied by an assault that causes bodily injury); three years (when there is no additional bodily harm); and six months (when committed on a previous sex partner, with no additional bodily harm). Two further aggravating conditions are also specified.[7] Put aside for a moment the fact that prior consensual sex reduces the punishment by a factor of six and the problem that rape with bodily harm has a "presumptive sentence" one year longer than intentional killing. Have we really defined the offense into its penologically significant categories? Can we rigorously patrol the border between forcible rape without additional bodily harm and that with further harm—when that distinction can mean the difference between six months and six years in the penitentiary?

I am not suggesting that these are problems of sloppy drafting. Rather, we may simply lack the ability to comprehensively define in advance those elements of an offense that should be considered in fixing a criminal sentence.

2. *The paradox of prosecutorial power.* A system of determinate sentences reallocates, the sentencing power shared by the judge and parole authorities to the legislature and the prosecutor. While the judge can no longer select from a wide variety of sanctions after conviction, the prosecutor's powers to select charges and to plea-bargain remain. Indeed, a criminal code like that proposed by the Twentieth Century Fund Task Force will enhance the relative power of the prosecutor by removing parole and restricting the power of judges. The long list of different offenses proposed in the report provides the basis for the exercise of prosecutorial discretion: the selection of initial charges and the offer to reduce charges (charge-bargaining) are more important in a fixed-price system precisely because the charge at conviction determines the sentence. The prosecutor files a charge of "premeditated" killing (10 years) and offers to reduce the charge to "intentional" killing (5 years) in exchange for a guilty plea. In most of the major crimes defined by the Task Force—homicide, rape, burglary, larceny and robbery—a factual nuance separates two grades of the offense where the persumptive sentence for the higher grade is twice that of the lower grade.[8]

This means that the disparity between sentences following a guilty plea and those following jury trial is almost certain to remain. Similarly, disparity between different areas and different prosecutors will remain because one man's "premeditation" can always be another's "intention." It is unclear whether total disparity will decrease, remain stable, or increase under a regime of determinate sentences. It is certain that disparities will remain.

The paradox of prosecutorial power under determinate sentencing is that exorcising discretion from two of the three discretionary agencies in criminal sentencing does not necessarily reduce either the role of discretion in sentence determination or the total amount of sentence disparity. Logically, three discretions may be better than one. The practical lesson is that no serious program to create a rule of law in determining punishment can ignore the pivotal role of the American prosecutor.

3. *The legislative law-and-order syndrome.* Two members of the Twentieth Century Fund Task Force express doubts that a legislature will endorse six-month sentences for burglary, even if it could be shown that six months is above or equal to the present sentence served. I share their skepticism. When the legislature determines sentencing ranges, it is operating at a level of abstraction far removed from individual case dispositions, or even the allocation of resources

Footnotes at end of article.

to courts and correctional agencies. At that level of abstraction the symbolic quality of the criminal sanction is of great importance. The penalty provisions in most of our criminal codes are symbolic denunciations of particular behavior patterns, rather than decisions about just sentences. This practice has been supported by the multiple ameliorating discretions in the present system.

It is the hope of most of the advocates of determinate sentencing that the responsibilities thrust on the legislature by their reforms will educate democratically elected officials to view their function with realism and responsibility—to recognize the need for priorities and moderation in fixing punishment. This is a hope, not firmly supported by the history of penal policy and not encouraged by a close look at the operation and personnel of state legislatures.

Yet reallocating power to the legislature means gambling on our ability to make major changes in the way elected officials think, talk and act about crime. Once a determinate sentencing bill is before a legislative body, it takes no more than an eraser to make a one-year "presumptive sentence" into a six-year sentence for the same offense. The delicate scheme of priorities in any well-conceived sentencing proposal can be torpedoed by amendment with ease and political appeal. In recent history, those who have followed the moral career of the sentencing scheme proposed by Governor Brown's Commission on Law Reform through the Senate Subcommittee on Crime can testify to the enormous impact of apparently minor structural changes on the relative bite of the sentencing system.[9]

If the legislative response to determinate sentencing proposals is penal inflation, this will not necessarily lead to a reign of terror. The same powerful prosecutorial discretions that limit the legislature's ability to work reform also prevent the legislature from doing too much harm. High fixed-sentences could be reduced; discretion and disparity could remain.

4. *The lack of consensus and principle.* But what if we could trade disparity for high mandatory sentences beyond those merited by utilitarian or retributive demands of justice? Would it be a fair trade? It could be argued that a system which treats some offenders unjustly is preferable to one in which all are treated unjustly. Equality is only one, not the exclusive, criterion for fairness.

This last point leads to a more fundamental concern about the link between structural reform and achieving justice. The Task Force asks the question with eloquent simplicity: "How long is too long? How short is too short?" [10] The question is never answered in absolute terms; indeed, it is unanswerable. We lack coherent principles on which to base judgments of relative social harm. Current titles of respectable books on this subject range from "Punishing Criminals" to "The End of Imprisonment," and the reader can rest assured that the contents vary as much as the labels. Yet how can we mete out fair punishment without agreeing on what is fair? How can we do justice before we define it?

Determinate sentencing may do more good than harm; the same can be said for sharp curtailment of judicial and parole discretion. Such reforms will, however, be difficult to implement, measure and judge. Predicting the impact of any of the current crop of reform proposals with any degree of certainty is a hazardous if not foolhardy occupation.

Not the least of the vices of our present lawless structures of criminal sentencing is that they mask a deeper moral and intellectual bankruptcy in the criminal law and the society it is supposed to serve. The paramount value of these books and reform proposals is not the "structural reforms" that each proposes or opposes. It is the challenge implicit in all current debate: no matter what the problems with particular reforms, the present system is intolerable. The problems are deeper than overcrowding or lack of coordination, more profound than the structure of the sentencing system. These problems are as closely tied to our culture as to our criminal law. They are problems of principle that have been obscured by the tactical inadequacies of the present system.

FOOTNOTES

[1] Norval Morris, *The Future of Imprisonment* (University of Chicago Press, 1974); James Q. Wilson, *Thinking About Crime* (Basic Books, 1975); Ernst van den Haag, *Punishing Criminals* (Basic Books, 1975); Andrew von Hirsch, *Doing Justice—The Choice of Punishments, the Report of the Committee for the Study of Incarceration* (Hill and Wang, 1976); David Fogel, *We Are the Living Proof: The Justice Model of Corrections* (W. H. Anderson, 1975); *Task Force on Criminal Sentencing, Fair and Certain Punishment—Report of the Twentieth Century Task Force on Criminal Sentencing* (McGraw-Hill, 1976).

[2] The old Pennsylvania statute is used as an example because we have recently studied the old distribution of punishment for criminal homicide in Philadelphia. See Zimring, Eigen and O'Malley, "Punishing Homicide in Philadelphia: Perspectives on the Death Penalty," 43 *University of Chicago Law Review* 227 (1976).

[3] See Zimiring *et al.*, *supra* note 2, at pp. 229–41.

[4] Fogel, *supra* note 1, at pp. 196–99.

[5] Morris, *supra* note 1, at pp. 47–50.

[6] Task Force Report, *supra* note 1, at 55–56.

[7] The aggravating factors are (1) "the victim was under 15 or over 70 years of age" and (2) the victim was held captive for over two hours. Task Force Report at p. 59.

[8] The presumptive sentence for rape doubles with an assault causing bodily injury. The penalty for armed robbery where the offender discharges a firearm is three years if the offender did not intend to injure and five years if intent can be established. The presumptive sentence is two years if the weapon is discharged but the prosecutor cannot or does not establish that "the likelihood of personal injury is high." The penalty for armed burglary doubles when the dwelling is occupied. An armed burglar who "brandishes a weapon" in an occupied dwelling receives 24 months while a nonbrandishing armed burglar receives 18. Assault is punished with 6 years when "premeditated" and committed with intent to cause harm. Without intent, the presumptive sentence is two years. See *Fair and Certain Punishment* at pp. 38–39, 56–59. Threat of force in larceny means the difference between six and twenty-four months. As I read the robbery and larceny statutes, armed taking of property by threat to use force is punished with a presumptive sentence of six months on page 40 of the report while the same behavior receives 24 months on pages 60–61.

[9] Compare the Final Report of the National Commission on Reforms of Federal Criminal Laws (Government Printing Office, 1971) with Senate Bill 1, 94th Cong., 1st Session (1975). Among other things, the Senate bill changes a presumption in favor of probation to a presumption against probation, increases the number of felonies in the proposed code and increases the length of authorized sentences by a considerable margin. See Schwartz, *The Proposed Federal Criminal Code, Criminal Law Reporter*, Vol. 17, p. 3203 (1975).

[10] Task Force Report, *supra* note 1, at p. 4.

PUBLIC EMPLOYEES SHOULD CONSIDER SOCIAL SECURITY ADVANTAGES

Mr. KENNEDY. Mr. President, social security is one of our Nation's most important institutions.

In one way or another, it touches the lives of almost every American family. Many people today view social security as a retirement program for the elderly. But it is much more. It is also family security—protecting workers and their families from loss of earnings because of retirement, death, or disability.

During the past 2 years, several local governments have elected to pull out of social security. Several reasons have been given for the recent upswing in termination of social security coverage:

Some employees want to increase their take-home pay by reducing their payroll deductions.

Many communities are now financially hard pressed. With pressure building to cut costs, Government officials believe it is essential to consider all alternatives to reduce expenditures, including dropping social security coverage.

Last fall the Committee on Aging prepared a working paper on the "Termination of Social Security Coverage: The Impact on State and Local Government Employees."

That report made it clear that the decision to terminate social security coverage is oftentimes based upon incomplete, questionable, or inaccurate information. Moreover, it emphasized that social security is an excellent bargain for today's workers and their families.

Very few replacement plans—if any at all—can provide the same comprehensive coverage and at the same cost as social security. An individual's contribution to social security, for instance, provides retirement, disability, survivor, and hospital protection for the worker and his family.

In addition, social security benefits are tax exempt. And they are guaranteed inflation-proof. Most pension plans do not have cost-of-living adjustment mechanisms.

The Committee on Aging's working paper provides an excellent checklist for local governmental units and workers considering to opt out of social security.

Quite clearly, the termination of social security coverage for local governmental employees can be a risky decision, even for those who are fully insured. For example, workers may lose their disability protection after 5 years, unless they "moonlight." Their future benefits may also be reduced. This is because social security is computed on covered earnings over a person's working lifetime.

These considerations take on added importance because social security is the economic bulwark for the vast majority of older Americans. And it will probably continue to be the primary source of support for the elderly of tomorrow.

A recent article in the Boston Herald American provides an excellent summary of the committee working paper.

Mr. President, I commend this excellent account by Wendell Coltin—entitled "Public Employees Should Consider Social Security Advantages"—to my colleagues and local governmental employees, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

[From the Boston Herald American, Feb. 27, 1977]

PUBLIC EMPLOYES SHOULD CONSIDER SS ADVANTAGES

(By Wendell Coltin)

Critics of Social Security have just been dealt a stinging blow.

This head on a story in Senior Citizens News, publication of the National Council of Senior Citizens, says it all:

"New York City Will Stay With Social Security System."

Municipal employes in New York City will not be removed from Social Security protection as threatened, Mayor Abraham Beame has announced.

Now, I would like with a special feeling of satisfaction to reprint the head above this column in editions of Nov. 21, 1976:

"Government Employes Should Keep SS Status."

That column quoted extensively from a working paper prepared by the U.S. Senate Special Committee on Aging, "Termination of Social Security Coverage: The Impact on State and Local Government Employes."

It provided a checklist of important considerations to help government employes evaluate advantages of Social Security and other forms of coverage. They included:

Whether the replacement plans have automatic cost-of-living adjustments, as does Social Security.

Comparability of benefits under both plans.

The likelihood of future improvements.

Whether coverage will follow the worker from job to job.

Whether the benefits would be taxable once a worker retires.

The report revealed how termination decisions were reached in some areas and it stated:

"Termination of Social Security can be risky for certain current and future public employes. Failure to continue Social Security contributions could result in a loss of insured status for disability benefits and could also impair currently insured status for certain survivor benefits, lump sum payments and chronic renal disease protection under the hospital insurance program."

Eight days after that Medicare/Social Security column appeared in print, David H. Doty, city manager of Bellaire, Tex. wrote:

". . . Although I have been generally aware of Social Security benefits, I have never seen them expressed as they were done in your article.

"By a copy of this letter, I am suggesting that the Massachusetts League of Cities and Towns provide a synopsis of your article to their members."

The column informed Herald American readers that back in the Spring of 1976, City Manager Doty wrote to the Senate Committee on Aging, to relate "two primary reasons" for his city's interest in seeking to resume Social Security coverage for its employes."

On Mar. 21, 1976, the City of New York notified the Federal Government of its intention to withdraw from the system in 1978. Social Security critics loved that. The announcement coming out of the place too often referred to as "The Big Apple" was enough to get the SS critics drunk on apple juice.

New York City gave as its reason for the intended withdrawal of its employes from SS the financial distress of the city. The city hoped to save $130 million in SS contributions by terminating coverage. More than 250,000 workers would have been affected.

Now, the mayor of New York City has apparently got a bright Mayor's Management Advisory Board; a perceptive one, indeed. It cast a beam of light on the Social Security picture and recommended against a pull-out because any savings that might result would be offset by the cost of substitute pension and disability programs.

Victor Gotbaum, executive director of District Council 37, American Federation of State, County and Municipal Employes, AFL-CIO, which represents city workers, enthused:

"This is a tremendous victory for every single City employe, because the loss of Social Security would have been a crippling blow."

Gotbaum said the threatened withdrawal from SS was "a short-sighted blueprint for disaster," according to Senior Citizens News. The publication recalled that at hearings last April before the House Subcommittee on Social Security, a number of experts testified on the comparable benefits of Social Security and other private pension plans.

The consensus was that while a local government group can probably get a private pension plan offering higher retirement payments initially at an earlier age, and even comparable survivors' benefits, it is unlikely any private pension plan would offer other benefits available under Social Security.

SS Comr. James B. Cardwell testified, "We know of no private or public benefit plan available to state and local government entities which equals or exceeds the unique combination of features built into the Social Security program."

State and local governments have the option to elect SS coverage for their employes. Coverage can be terminated, but the governmental units must provide two years' notice to the Social Security Administration. Once coverage is terminated, it can never again be provided for any present or future employes of the affected governmental groups. The decision to terminate is often made in a haphazard manner, the U.S. Senate committee's working paper stated.

Speaking at the Hawaii Governor's Bicentennial Conference on Aging last summer, which I was invited to participate in, Rep. Patsy T Mink (D-Hawaii) said:

"One of the very drastic steps that city (New York) took in order to enable it to pay its bills was to make a unilateral governmental decision to get out of the Social Security system. They simply served notice on the Federal Government they were not going to continue payments to the system."

She then mentioned the law requiring two years' notice of termination and stated, "If this should take effect in two years, the pull-out termination by New York City will cost the Social Security system some $3.1 billion in Social Security taxes and interest on payments made into the system over a five-year period from 1978 to 1982. This will be a tremendous loss to the system."

She asserted, "One of the first recommendations I think we should consider is that, just as we provided for entry into the system by ballot of employes voting to become participants . . . we should require that in order to terminate participation in the system, it should also be done by ballot of the employes affected. I honestly believe that employes in these localities would not consciously vote to terminate their participation in the Social Security system."

That Patsy Mink; she's got more than good looks. If this is regarded as a "sexist" remark, I'll stand "pat" on it.

DEATH OF JORDAN'S QUEEN ALIA

Mr. HATFIELD. Mr. President, on the evening of February 9, while returning to Amman from an inspection visit to a hospital in southern Jordan, Queen Alia of Jordan met a tragic death when the helicopter carrying her and three companions crashed and burned. A Jordanian military committee formed to investigate the accident has attributed it to adverse weather conditions—low-hanging, turbulent clouds, and poor visibility—pertaining at the time.

Queen Alia had been Queen of Jordan since December 1972, upon her marriage to His Majesty, King Hussein. Aged 28, she was a graduate of Hunter College in New York, where she studied political science and social psychology. Since becoming queen, she had accompanied her consort on several visits to the United States, the most recent of which took place in March–April 1976. In addition to King Hussein, she is survived by two infant children, Princess Haya, aged 2, and Prince Ali, aged 1.

Mr. President, I asked the State Department to provide me with some material about the death of Queen Alia. I ask unanimous consent to have printed in the RECORD the announcement by King Hussein regarding the tragic death of Queen Alia on February 9, a commentary describing the causes of the crash, and the moving eulogy delivered to the people of the kingdom over Jordanian television on February 19.

My colleagues join in expressing our condolences to King Hussein.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

KING HUSAYN ANNOUNCES DEATH OF QUEEN "ALYA"

With a heart flooded with pain and sadness and engulfed with the faith in God's destiny, His Majesty King Husayn speaks to you:

Brothers, kinfolk: This morning in one of our newspapers my wife "Alya" read an appeal by a citizen calling on those responsible to acquaint themselves with the conditions in a hospital in a cherished part of our homeland in At-Tafilah. When I came down to begin my work and meetings, I received a message from that person whom I loved, because she loved my country and people, telling me that she was on her way to At-Tafilah and would return this evening.

This evening I received successive reports about a delay in her plane's arrival, and that contact with the plane had been cut off. Then I was given the tragic report that "Alya" would not return because God, may His will be done, had chosen for her to be near Him, when the aircraft which she and her companions were in was downed due to stormy and rainy weather—with which she always expressed happiness because it carries good omens and blessings to the land and the people. I was informed that all of them had been martyred.

While announcing the death of "Alya" the person, the queen, and my cherished companion, I eulogize her noble humanity, high morals and big heart. "Alya" has given me

much in one period of my life. I found solace with her. I lived a genuine life of happiness. Your love fills my heart, and service to the homeland is our highest aspiration. Although she has preceded me in going near God, she has left me a treasure of living memories: "Ali and Haya [king's children from late Queen "Alya"] In these moments, I pray to God to instill in them, their brothers and sisters a degree of her soul, which I have known, so that they will be in the service of our cherished homeland. May God keep you and preserve you. We come from God and to Him we return.

Royal Court Announces Mourning
EXCERPTS

A statement has been issued by the Royal Hashemite Court: At the instruction of His Majesty King Husayn, the Royal Hashemite Court announces state mourning in the Hashemite Court for 40 days.

The cabinet has announced a 1-week period mourning in the Hashemite Kingdom of Jordan during which flags will be flown at half mast at official departments. Public establishments will close tomorrow, Thursday, in mourning for the late queen.

The cabinet announces the death of a cherished colleague and an active and brilliant member, His Excellency Dr. Muhammad al-Bashir, minister of health, who passed away in the line of duty. [verse from the Koran] He passed away as a result of the tragic accident. [verse from the Koran]

Study Shows Queen's Helicopter Hit Ground

The Commander in Chief of the Jordanian Armed Forces has issued the following statement: In the wake of the painful accident which befell Her Majesty the late Queen "Alya" and her companions while on their way back to Amman aboard a helicopter, following an inspection visit of At-Tafilah Hospital on 9 February, a committee was formed to investigate the circumstances and determine the causes of the incident. The committee consisted of Staff Col. Bassam Qaqish, chairman; Staff Col. Engineer Mohammad Taysir Za'rur, members; Staff Air Lt. Col. Mahmud Jamal, member; Air Lt. Col. Marwan Nur ad-Din, member; Lt. Col. Lawyer Huhammad Khuraysat, member; and Staff Air Major Hanna Najjar, member.

The committee began its investigation on the same night by going to the scene of the accident, placing a guard at the scene of the wreckage and taking the testimony of witnesses. At the same time, the committee cabled the French manufacturing company Aerospatiale and asked it to send a technical team as soon as possible to participate in the technical part of the investigation. The French team arrived in Amman on 11 February consisting of (Guy Roskier) and (Jean Conche).

After hearing the testimony of the various witnesses; after the helicopter wreckage was checked by a Jordanian Air Force team and a French team from the company which manufactured the helicopter; and after listening to the tape which recorded the contacts between the pilots of the two helicopters [one helicopter accompanied the queen's]—Martyr Air Lt Col Badr ad-Din Zaza and Air 1st Lt Samir Shukri—the investigation revealed the following:

1. The two helicopters, No. 1995 and No. 1987 of the (Alouette-316C) type, left At-Tafilah at 1740. Immediately following takeoff, headlights were used because the two helicopters were flying in the dark.

2. The tragic accident was a result of helicopter No 1995 hitting the ground.

3. The crash was not due to any technical defect or malfunctioning of the craft, as affirmed by the joint Jordanian-French technical report.

4. The helicopter caught fire as a result of hitting the ground.

5. In addition to the darkness at that time of day, the area was covered with thick, low clouds. This made the two pilots concentrate on attempting to emerge from the clouds, as indicated by the recording of the conversation between them in the period between 1757 and 1816, the time of the accident.

6. Study of the angle at which the helicopter hit the ground has revealed that the helicopter was going down, indicating that its commander was trying to emerge from the clouds.

7. Study of the conversation between Martyr Air Lt Col Badr ad-Din Zaza and Air 1st Lt Samir Shukri has revealed that the martyr, in his capacity as commander of the formation, was worried about his colleague and trying to pinpoint his position, at a time when he himself was busy trying to find his way out of the thick, low clouds.

While placing these facts, which were discovered by the joint Jordanian-French investigation committee, before the citizens, I pray that God preserve his majesty, the supreme commander, and grant him long life.

King Husayn Eulogizes Late Queen, Other Martyrs

In the name of God, the Compassionate and the Merciful, dear brothers everywhere, beloved kinfolk, dear friends: I am addressing you today to send you, my brothers and sisters, a greeting of gratitude and profound appreciation for your sincere sentiments, noble condolences, and your sincere feelings with me on the personal level on the loss of my beloved companion, 'Alya', the wife and the mother, and on the national level on our loss of the human queen. She embodied those qualities which always had a sublime place in my heart. The human being is the one who gives any position its meaning and substance. The good human being is the one who interacts with what is around him. He gives to others without account or a conviction that all he leaves behind him will be good remembrances.

When "Alya", the mother of 'Ali, Haya, 'Abir, their brothers and sisters, departed to her maker, she left us accompanied by a caravan of righteous martyrs. On that dark night I returned to pray to God Almighty and to call upon Him to grant me the strength and the ability to bear with His will and decree. I found before me God's Book, in which she was reading on that day. I opened it at the mark where she was reading and my eyes fell first of all on the sacred verse: They wait for naught but that God should come to them in the shadows of the clouds with angels, and the matter has already been decided. To God are all matters returned. God says the truth.

My soul became at peace and at ease. God gave me the strength of faith, which gave me patience and the ability to submit to divine will. This guided me in time to the way in which I could answer the questions of the little ones, Haya and 'Abir, who asked: Why did our mother go away and why does she not come back?

The direct answer, which contains lessons are examples for us, can be grasped by all of us, citizens and officials. It contains incentives to all of us to change our view of public service and national conduct.

"Alya" did not go to At-Tafilah and its hospital on her last trip because her companion in martyrdom Dr. Muhammad al-Bashir had not visited that hospital before to inspect it. He had visited it four times since he assumed the post of health minister. She did not go because the director of the hospital, who came from Egypt to live among us and to serve with us, had neglected his duty. The hospital did not decline into its bad condition because of a shortage of equipment, although the equipment was not complete. The reason which prevented the hospital from achieving the required standard of efficiency and competence stems from our reality. Reform begins at home. The institutions are built on the faith of individuals, on their sense of duty and readiness to carry out work collectively, on their live conscience and on their desire to render public service and shun selfishness and a fondness for sitting idly.

How many qualified and specialized doctors threatened to resign should there be any intention to transfer them to At-Tafilah, or to a certain area of the country which would separate them even for a while from their luxurious surroundings and part of their privileges? We meanwhile see foreigners who come to us from the various corners of the earth to work in serving our own human beings, motivated by a sense of duty and humaneness, under more difficult and tougher conditions.

Society does not grow or advance by constructing buildings, importing equipment and instruments, or increasing the number of graduates alone. Society will progress when it produces a human being who believes in his duty, is ready to render public service and is conscious of his responsibilities—who enjoys a spirit of citizenship, discipline, and productive work.

Brothers, we have to think deeply of these meanings and make them a basis for our national life and a constitution of our conduct in every domain and field. The building of our country requires a spirit of work, sacrifice, solidarity and shouldering responsibility. Each one of you is a shepherd and responsible for his flock. When this spirit prevails among us and when we shun appearances and superficial privileges for productive work, then we will achieve progress and we will build our institutions on the soundest and strongest foundations. We will then mobilize and pool our national resources and our people's energies. Only then will our towns prosper and our rural areas be revived clean, beautiful and wonderful. Then all the orphans will enjoy care and kindness. Then our national sense will intensify to secure for us and for our sons after us the correct course. Then we will have sound work to achieve our goals of progress, to build our human being by serving him and bringing him up to unleash his creativeness and productive energies.

Brothers, only then will the martyrs be happy. The martyrdom will turn into a beacon lighting the way of our good and historic march. Only then will there be a meaning to the martyrdom of "Alya", the human queen with whom I lived the richest days of my life; to the martyrdom of Muhammad al-Bashir, who was at the peak of vitality and true determination in the service of the country; for Badr ad-Din Zaza, my special aide who had the military medal of courage for intercepting and shooting down an enemy plane in the first engagement with enemy planes; and for Muhammad al-Khass, the sincere and exemplary young man who was wounded while on duty in the 1967 battle. Only then will we be able to answer our children's question as to why the martyrs have gone. God grant you success and guide your steps. Peace be upon you.

ENDING EMERGENCY GOVERNMENT

Mr. CHURCH. Mr. President, some time ago, I was asked to contribute an article to the Journal of the American Bar Association concerning the legislation enacted last year which is designed to place clear restraints on the prolifera-

tion of emergency powers delegated to the Presidency over the past half century.

That legislation, as my colleagues will recall, grew out of an investigation conducted by a bipartisan Special Committee on Emergency Powers chaired by Senator MATHIAS and myself.

Because it is a subject that deserves wider dissemination, I ask unanimous consent that my article in the February, 1977, issue of the Journal of the American Bar Association be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Bar Association Journal, February 1977]

ENDING EMERGENCY GOVERNMENT

(By Frank Church)

An insidious threat to constitutional government in this country has gone all but unnoticed—the steady accretion of power, placed in the hands of the president of the United States by emergency statutes hastily enacted to cope with the wars, depressions, and domestic crises that have marked the past half century.

The extent of these emergency powers and their potential for subverting constitutional government were brought forcefully to the attention of Congress by an incident that occurred during the course of a hearing over the introduction of American forces into Cambodia. Secretary of Defense Melvin Laird, testifying before the Senate Foreign Relations Committee, was asked what the effect would be should the Congress vote to cut off funds. The secretary replied that, even though Congress decided to revoke all further funding for Cambodia, the president, in his opinion, could still go on paying the troops. When asked by what authority, Secretary Laird cited an obscure act approved during the Civil War, the Feed and Forage Act of 1861, which had been passed in order to enable the cavalry in the American West to buy feed for its horses when Congress was not in session and the money previously authorized and appropriated for the purpose had run out. Mr. Laird explained that the act had been used to finance the landing of American marines in Lebanon in 1958 and to support our military mobilization during the Berlin Crisis in 1961. Now, he implied, the statute, more than one hundred years old, might be used to justify a direct presidential override of the will of Congress.

The shock effect of this testimony led many of us to wonder what other laws were on the books that might be construed as permitting the president to govern without leave of Congress.

Accordingly, a resolution was introduced to create a special committee to investigate the emergency powers available to the president. Established by vote of the Senate on June 13, 1972, this special committee was composed of an equal number of Democrats and Republicans. As the senior Democrat, I normally would have been chairman of the committee, with Senator Mathias of Maryland, the senior Republican, serving as vice chairman. In order to underscore the bipartisan character of the committee's work, however, I suggested and it was agreed that Senator Mathias and I should act together as co-chairmen. The committee became unique in that it was the only one in Congress in which a Republican shared with a Democrat the role of chairman.

Our first task was to bring together the body of statutes enacted by Congress over a long period of time that conferred extra powers on the president during a national emergency. Nowhere in the government, not even in the Justice Department, did there exist a complete catalogue of all the emergency statutes!

There was an awareness, of course, that an enormous amount of emergency power had been placed in the president's hands, but how much no one knew. To find out, the special committee staff began a search, with the help of executive departments, experts in the Library of Congress, and the General Accounting Office. The purpose was to compile a complete roster of all delegated emergency powers. No sooner had we commenced the search, however, than we discovered that the air force had computerized the entire United States Code. All the information we needed was awaiting us at a computer facility in Colorado.

The key to obtaining the required information lay with the selection of certain words that were almost bound to be contained in typical laws delegating extraordinary powers. Examples of some of these trigger words would include: emergency, war, defense, security, attack, invasion, insurrection, crisis.

With the use of these words, the computer awarded us with a huge mass of material that was then checked against existing official catalogues of the Department of Defense, Office of Emergency Planning Documents, and a 1962 House Judiciary Committee synopsis of emergency powers. The result was the identification and compilation of 470 special statutes that could be invoked by the president at any time during a declared national emergency.

Taken together, these hundreds of statutes clothe the president with virtually unlimited power with which he can affect the lives of American citizens in a host of all-encompassing ways. This vast range of powers constitutes enough authority to permit one-man rule, should the president choose to invoke them, as long as the country remains in a declared state of emergency.

We then discovered that there are four separate declared states of national emergency still in effect. They are:

The national emergency declared by Franklin Roosevelt on March 9, 1933, to cope with the banking crisis;

The national emergency declared by Harry Truman on December 16, 1950, to respond to the Korean conflict;

The national emergency declared by Richard Nixon on March 23, 1970, to deal with the Post Office strike; and

The national emergency declared by Richard Nixon on August 15, 1971, to implement currency restrictions and to enforce controls on foreign trade.

Since early in President Roosevelt's first term, normal constitutional procedures have been abridged in varying degrees by executive orders that derived from presidentially proclaimed states of national emergency, long since outdated by events. The existence of these declared emergencies, even though they are now legal fictions, can at the president's option trigger into effect any or all of 470 emergency statutes.

These include the power to seize property; to organize and control the means of production; to seize commodities; to assign military forces abroad; to institute martial law; to seize and control all transportation and communication; to regulate the operation of private enterprise; to restrict travel; and, in a plethora of other ways, to control the lives of all Americans.

MORE POWERS THAN EMERGENCIES

The discovery of so many emergency laws led to an expanded focus for the committee. Not only did we have to be concerned with declared states of national emergency that remained open-ended, but we were faced with literally hundreds of laws that the chief executive could invoke even though no real emergency existed. The enlarged task facing the committee caused it to be redesignated the Special Committee on National Emergencies and Delegated Emergency Powers.

As for the chaotic state of our own laws respecting emergency powers, much of the blame must rest with Congress. These laws—in the main, drafted in the executive branch—were passed hastily with little consideration. Almost all of them make no provision for congressional oversight, nor do they provide a means for terminating their use, even those which are designated "temporary" by their own terms.

Most troubling is that these open-ended grants of power usually have been delegated to the president in response to the exigencies of war or other crises. They were rushed into law with only the most perfunctory committee review and with virtually no consideration of their effect on civil liberties. The passage of a broad economic emergency measure in 1933 provides an extreme example. There was a total of only eight hours of debate in both houses. There was no committee report; indeed, only one copy of the bill was available on the floor when the Senate acted. The same pattern of haste was repeated during the 1964 debate on the Tonkin Gulf resolution, a malfunction of the legislative process which Congress lived to regret.

The word emergency is not found in the Constitution. As scholar Clinton Rossiter has observed: "It never seems to have been seriously considered in the Convention of 1787, the *Federalist*, or the debates in the state ratifying conventions that the men who were to govern in future years would ever have to go outside the words of the Constitution to find the means to meet any crisis."

EMERGENCY DOES NOT CREATE POWER

As a result, the authority to respond to a crisis must be derived from the powers that are expressly contained in the Constitution. The Supreme Court has indicated that there are clear restraints on executive action in times of emergency. In 1934 Chief Justice Hughes held for a majority of the Supreme Court: "Emergency does not create power. Emergency does not increase granted power or remove or diminish restrictions imposed upon power granted or reserved. The Constitution was adopted in a period of grave emergency. Its grants of power to the federal governmental and its limitations of the power of the states were determined in the light of emergency and they are not altered by emergency." *Home Building and Loan Association* v. *Blaisdell*, 290 U.S. 426 (1934).

Nonetheless, the emergency powers made available to the president have steadily expanded and led to an erosion of normal constitutional government.

Little review by the judicial branch was exercised until 1952 when the Supreme Court turned back an attempt by President Truman to take over the striking steel industry by means of an assertion of "inherent" emergency power. Speaking for the majority, Justice Black issued an opinion (343 U.S. 579) that still stands as the Court's definitive statement in this area. Justice Black held that "the president's power, if any, to issue the order must stem from an act of Congress or from the Constitution itself." He characterized President Truman's action as an unconstitutional arrogation of "law-making power" by the executive.

Justice Jackson's widely quoted and praised concurring opinion stressed that our system of government is a "balanced power structure" and pointed out that the executive power to act is a variable depending on the collective will of Congress for its authority. Justice Jackson listed three situa-

tions that determine the extent of the president's power:

1. When the president acts pursuant to an express or implied authorization of Congress, his authority is at its maximum, for it includes all that he possesses in his own right plus all that Congress can delegate.

2. When the president acts in the absence of either a congressional grant or denial of authority, he can rely only on his own independent powers.

3. When the president takes measures incompatible with the expressed or implied will of Congress, his power is at its lowest ebb, for then he can rely only on his own constitutional powers minus any constitutional powers of Congress over the matter.

The Special Committee on National Emergencies and Delegated Emergency Powers accepted Justice Jackson's outline as a basic guide in drafting legislation to curb the abusive use of emergency powers.

In writing the National Emergencies Act, which was enacted by the Ninety-fourth Congress and signed by President Ford as Public Law 94-412, the committee worked closely with the White House and Justice Department to achieve a bill acceptable to both the executive and legislative branches. The act became law with little fanfare. But the obscurity and unanimity surrounding the bill should not disguise its importance. It provides a means for ending the four existing states of declared national emergency and establishes procedures for reasserting ultimate congressional control over emergencies declared by the president in the future. It also provides that Congress review national emergencies declared in the future at least every six months and consider whether to vote out a concurrent resolution terminating the emergency. Such a resolution is not subject to a veto by the president.

EMERGENCIES MUST END IN A YEAR

The act provides that future declared emergencies shall terminate after one year, in any case, unless the president expressly calls for an extension by reporting to Congress. When the president declares a future emergency, the act directs that he specify those emergency powers he proposes to invoke and that he keep the Congress informed of all emergency regulations issued and expenditures made. The act provides for the repeal of obsolete emergency statutes, when both the executive and legislative branches have agreed that they are no longer of any use or purpose. A few of the emergency statutes, deemed necessary for certain continuing operations of the government, will remain in effect.

It is my belief that the National Emergencies Act will provide long overdue statutory guidelines for the handling of national emergencies in the future. Moreover, it is the committee's belief, supported, I would suggest, by Justice Jackson's opinion and the weight of constitutional scholarship, that our legislation shall constitute the exclusive authority in the exercise of presidential powers in any national emergency.

It should be emphasized that nothing in this legislation would interfere with the president's right to declare a national emergency or deprive him of the necessary power to cope with an emergency. But the procedures governing the use of emergency powers in the future always shall be subject to congressional review and any declaration of an emergency may be terminated by a concurrent resolution of the Congress. Thus the legislative branch will be in a position to assert its ultimate authority.

EXECUTIVE SEEKS TO ENLARGE POWER

To those who argue that the duration of a given emergency should be left exclusively to the president to determine, I would cite the precedent established by the British Parliament, which throughout World War II delegated emergency powers to the prime minister for no longer than thirty days at a time. The point is simply this—the Congress should be forewarned that it is inherent in the nature of government that the executive will seek to enlarge its power. No one would have much difficulty in identifying certain recent presidents who were power hungry.

The historic redemption of jurisdiction by Congress that has gone forward in this decade—in the form of the War Powers Act, the congressional intervention to circumscribe and finally end the war in Vietnam, the new budget authority, and the regaining of some control over foreign policy—is long overdue and urgently needed. The Congress must not again trade away its constitutional role in the name of national emergency.

Separation of governing authority among the legislative, executive, and judicial branches is a key to democracy and transcends partisan politics. Congress must insist on its status as an independent, coequal arm of the government. Let that be one of the lessons learned from the investigations now completed, after four long years of unsung effort, with the passage of the National Emergencies Act.

THE ENERGY PLAN: FIRST BITE

Mr. PERCY. Mr. President, I call attention to a Washington Post editorial dated March 2, 1977 entitled "The Energy Plan: First Bite." As that editorial points out, energy reorganization "is manifestly and urgently necessary" so that we can get on to the more important task of deciding on a more effective and comprehensive energy policy. For that reason, I have also introduced my own energy reorganization proposal, the Omnibus Energy and Natural Resources Reorganization Act of 1977 (S. 591) to broaden the range of reorganization options under our consideration.

I have studied President Carter's reorganization bill and I am pleased to be the principal cosponsor of it. I think it has many good ideas. I plan, however, to keep an open mind in regard to both my proposal and that of the President in order to insure that the Nation gets the best energy reorganization plan we can give it.

As the Post editorial states, the importance of conservation and sacrifice must not be overlooked. Conservation energy is currently our No. 1 energy resource, and for that reason I am pledged to substantially increasing our conservation effort. Mr. Schlesinger shares this same conviction so I am optimistic that the administration is open to amendments aimed further at harnessing our conservation potential.

Mr. President, I ask unanimous consent that the text of the Post editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE ENERGY PLAN: FIRST BITE

The country's next energy policy comes in two pieces, and President Carter sent the first one to Congress yesterday. It's the federal reorganization plan, and Mr. Carter wants to get it in place before he brings out the substance of the policy on April 20. Any reorganization on this scale starts an intense fight among the insiders—the lobbyists and the lawyers who like things the way they are, congressional subcommittees jealous of the prerogatives, bureaucrats who don't care to be moved from their accustomed lairs. Mr. Carter wants, wisely, to get through this kind of infighting before the main event starts in late April. It's the April message that will get directly into the great public questions of pricing, energy taxes, mandatory conservation and—to use a term more cherished in the abstract than in the specific—sacrifice.

This reorganization plan is manifestly and urgently necessary. It is not in itself a policy, but it provides the machinery for making decisions and carrying them out. It is the plan that both of the past two Presidents knew in their hearts was essential, and that they occasionally, half-heartedly, attempted to promote. Continued indecision on fuel is wantonly dangerous to this country and to its prosperity. Indecision in Washington is dangerous to all the industrial nations, among which the United States is the richest and necessarily the leader.

It is intolerable to leave public policy scattered in small fragments all over Washington, with each agency pursuing its own dinky purposes in disregard of all the others. It's not that this country has no energy policy; the real trouble is that we have too many, all of them products of different times and circumstances. One agency keeps the price of natural gas low—so low that no one who can get it will use anything else, and the gas shortage has become endemic. The result is that a high price of a different sort is paid by working people who are laid off from their jobs in winter shortages; there were more than a million of them at one point last month. Another agency keeps domestic oil much more expensive than gas or coal, but cheaper than foreign oil. This grotesque system actually subsidizes imports of oil. As long as the country brings in foreign oil at $14 a barrel and sells it on the domestic market at $11, Americans are going to use a lot more of it than is good for them. Meanwhile the heavy end of the federal energy research budget goes into nuclear technologies for the next century, while the development of clean-burning coal systems for the 1980s continues at the usual languid pace.

Mr. Carter spoke feelingly last week of the "horrible conglomeration of confusion in the energy field." His reorganization plan would make it possible to hammer one national policy out of a contentious and self-defeating multitude. E. Pluribus Unum, as it says on the nickel.

MEETING THE CHALLENGE OF HUNGER

Mr. HUMPHREY. Mr. President, I would like to share with my colleagues an eloquent statement on present and future world food needs. This statement was given by Dr. John Hannah, the executive director of the World Food Council, to the American Farm Bureau Federation on January 10, 1977.

Dr. Hannah points out that it is important to realize that the more than 4 billion people alive today have more food available than the 2.5 billion people alive in 1950. Presently there is approximately one-fifth more food per person, but this is on the average. Underneath this average is the real food problem and the real challenge we face today—those tens of millions of starving, hungry, or badly malnourished people—most of them children.

We need to understand what the world food problem is and where and how it must be solved. Our most immediate

challenge is to devise methods to feed the hungry people in the years ahead.

Over the past quarter century, a growing imbalance in food production and consumption has emerged in the world. Some developed countries—of which the United States is one of the most developed—have mastered the techniques and the policies appropriate for producing not only enough food, but more than enough. In the developing countries, however, a less desirable phenomenon has emerged.

By the mid-1960's, food production in some underdeveloped countries was not keeping pace with population growth. During the early 1970's, the situation became even worse. Due to their food production difficulties, the developing countries—into which about 85 percent of all children are born—were no longer able to feed themselves, let alone improve the level of nutrition for their malnourished people.

Dr. Hannah advocates that we must develop a new and more efficient food production system. It is a great challenge for the American farmer and for the farmers throughout the world. It is also a challenge and a responsibility for all of us to support the development of a new, realistic and adequate system of food security.

He also points out the need for a system of food reserves and careful programing of food aid to encourage needed production.

The world has the resources and the technical capabilities for solving the world food problem and for making certain that "within a decade, no child will go to bed hungry and that no family will fear for its next day's bread—and that no human being's future and capabilities will be stunted by malnutrition," as called for by the World Food Conference.

Mr. President, I ask unanimous consent that Dr. Hannah's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

MEETING WORLD FOOD NEEDS—THE CHALLENGE TO THE UNITED STATES

Mr. Chairman, fellow members of the American Farm Bureau Federation and their guests, ladies and gentlemen, I am happy to be here. The letter of invitation from President Allan Grant suggested that I discuss "The world food situation from the standpoint of world food needs in the next decade and U.S. agriculture's challenges to produce these food needs at a profit to U.S. farmers."

Let me speak first to the question of "profit" to U.S. farmers. The world's food needs in the years ahead can only be met by the efforts of farmers all over the world. These farmers, whether subsisting on less than an acre in South Asia or Africa or elsewhere, or on a large modern farm in the United States, cannot be expected to meet this challenge unless they receive adequate rewards and incentives. There can be no question about that. Therefore what I have to say to you today is with the full understanding that the food challenge must be met at a profit to farmers. And by profit I mean an adequate return to the farmer for his costs—his land, his investments, his implements—and a fair return for his labor, his worry and his risks. Farmers all around the world cannot be expected to produce their maximum production unless there is a market for the food produced that covers all the costs. The improved seeds and the fertilizers and pesticides and other costs of production will not be assumed by American farmers or farmers on the little farms of Asia, Africa or Latin America without some assurance that the selling price will more than cover all normal production costs.

The food needs of the next decade are not simply a challenge to American farmers, or to U.S. agriculture, or to the United States. They are a challenge to all farmers, especially the small farmers in poor countries where people are hungry and not enough food is produced. Meeting these food needs is a challenge not only to food producers but to governments and consumers everywhere. The food problem is a worldwide problem and must be solved at the world level. We are all involved whether we want to be or not.

To my mind, the greatest challenge of this last quarter of the 20th century is the challenge the world faces of providing food for the world's hungry people in the years ahead.

It is a challenge for you, the farmers of America, who are experts in the production of food. It is a challenge to the farmers and consumers of food all over the world.

It is not simply the challenge of producing more food, but also the challenge of understanding what the food problem of the world is and where and how it must be solved.

The world food problem has been a source of international concern repeatedly in the past quarter century and long before that, but the challenge was not taken very seriously as a problem of concern to the whole world until the United Nations World Food Conference in Rome in November 1974, 26 months ago.

WHAT IS THE CHALLENGE?

First, let me re-state it. The challenge is how is the world to feed its hungry people in the years immediately ahead. It is embodied in the Declaration on the Eradication of Hunger and Malnutrition in these words:

"Every man, woman and child has the inalienable right to be free from hunger and malnutrition in order to develop fully and maintain their physical and mental faculties. Society today already possesses sufficient resources, organizational ability, and technology and hence the competence to achieve this objective."

This Declaration was adopted by the World Food Conference and endorsed by the General Assembly of the United Nations following the World Food Conference in December 1974.

This challenge, even its formulation, was critically influenced by the statement of the Secretary of State of the United States at the World Food Conference when he said:

"The profound promise of our era is that for the first time we may have the technical capacity to free mankind from the scourge of hunger. Therefore, today we must proclaim a bold objective—that within a decade no child will go to bed hungry, that no family will fear for its next day's bread, and that no human being's future and capacities will be stunted by malnutrition."

I emphasize this formulation because it is important to recognize that the issue is not simply one of producing more food for people in general. The world has done this consistently in the past—populations have increased rapidly and life spans have been extended—and will undoubtedly continue to do so in the future. The more than four billion people alive today have more food available than the 2.5 billion people alive in 1950 had—about one fifth more per person. But this is on the average! Underneath this average is the real food problem and the real challenge we face today. Those tens of millions of starving, hungry or grossly malnourished people—most of them children.

THE MAGNITUDE OF THE PROBLEM

Over the past quarter century a growing imbalance in food production and consumption has emerged in the world. The developed countries—of which the United States is one of the most developed and by far the most significant producer and exporter of food in the world—have mastered the techniques and the policies appropriate to producing not only enough food but more than enough. They have been able to do this in part because they are developed, which means their people have the educations and incomes appropriate to a high level of food consumption and production. This capacity to produce more than enough food gave rise to two important phenomena that characterized the food world from the end of World War II until 1972 with:

First, the accumulation of large stocks of cereal grains in North America which protected the world against unexpected calamities; and

Second, the generous provision by North America (Canada and the United States) of food aid for emergencies and for poor countries whose food supplies were inadequate and who were unable to import commercially the large amounts of food required to feed their hungry people.

But in the developing countries, less desirable phenomena were emerging. During the decade of the 1950's food production in the developing countries was growing about as rapidly as in the developed countries and more rapidly than population. In the decade of the 1960's however, the developing countries experienced both more rapid population growth and a slowing down in their rate of increase in their own food production. By the middle of the 1960's food production in the developing countries was no longer keeping up with population growth. During the first five years of the decade of the 1970's, it slipped even more seriously. As a result, the developing countries—into which are born about 85 per cent of all the children born on this earth—were no longer able to feed themselves let alone improve the level of nutrition for their malnourished people.

These developments have had two important and sobering consequences. The developing countries, which were virtually self-sufficient in their food supplies in 1950 were importing annually between 25 and 30 million tons of grain in the late 1960's, half of which was in the form of food aid, and by 1975 the gross imports of these countries had reached more than 50 million tons per year. The World Food Conference projections of the food situation for 1985 and beyond predicted a doubling of these cereals imports to a required total—from 85 to 100 million tons or more per year—unless there is a fundamental improvement in the capacity to produce food in the food deficit developing countries.

In recent years, each year additional developing countries have ceased being self-sufficient in food production and the total food import requirements of those already in food deficit has increased. The first challenge is to increase food production in the developing countries.

The second and more complex, but even more important, challenge is to see to it that the increased food supplies are actually consumed by those people who need additional food most. At the time of the World Food Conference in November 1974, 460 million people were estimated to suffer from serious malnutrition. 460 million people—that is almost twice the population of the United States. Critics may quibble about whether the figure should be 400 million or 500 million, but the fact that there is extensive hunger and malnutrition in the world is not in question. Most of the malnourished people live in Asia, another large fraction of

them live in Africa, and there are large groups of malnourished people in some Latin American countries and elsewhere in the world. These people live mostly in rural areas, although malnutrition is evident to any observant visitor in most of the larger cities in most of the world's developing countries. And the least well nourished are the women and children—the future citizens of this world and those who will be most instrumental in teaching them about the world.

If the challenge to eradicate serious hunger and malnutrition in a decade is to be seriously faced—and you and I know in our hearts that it should be—we must attack the problem where it is and this is not simply a matter of increasing food production.

The third challenge is the development of a new, realistic and adequate system of food security, which inevitably means a system of food stocks.

Food is the most necessary of all human needs, especially the basic cereals, rice, wheat and the other food grains and the oil seeds that are the principal diet for poor people in the poorest countries.

When there is a little bit too much food, prices are low and farmers have little incentive to expand production. When there is not quite enough food to go around, prices can reach incredibly high levels and hungry, poor people get hungrier and poorer, and that is particularly true in the least developed countries lacking foreign exchange to pay for food.

The basic uncertainties that surround farming, especially cereals production, require some system of food reserves that ensures equitable prices to farmers and consumers and assures that production will be stimulated when and where it is needed.

For four years the world has balanced precariously on the thin edge of each year's food supply. At first this produced high prices for many farmers and hardships for many of the world's poorest consumers. Now it is producing declines in farm prices, but consumers prices are not falling proportionally and many farm input prices have remained high.

In the past two years, efforts to formulate an effective world policy to build and manage a grain reserve that makes sense have gotten nowhere. No serious-minded person would advocate a return to the unplanned and unthought-thru accumulation and use of grain stocks in North America that typified the fifties and sixties. Now is the time to give serious thought to the establishment of food reserves or buffer stocks (if you prefer these words) that will truly benefit both producers and consumers. The United States should play a leading role in encouraging serious discussions of all of the pros and cons.

It is generally recognized that the pattern of world food production, food aid and food surpluses that prevailed during the past two decades was unsatisfactory. It produced the progressively deteriorating conditions that came to light with such force during the world food crisis of 1972–1974. These patterns of production and consumption and the policies which underlie them should not be returned to.

The inadequate levels of food production in the food deficit developing countries cannot be reversed by those countries alone without outside encouragement. Additional external resources, both capital and technical assistance, must be provided by those countries in a position to do so.

There is a useful role for food aid. Not careless food aid. Not food aid as a by-product of surplus disposal programmes. But food aid with a real intent and purpose: designed to help feed hungry people; to support efforts in developing countries to increase their own food production or to advance other development efforts that will provide the increased foreign exchange income necessary to buy more food; and to assist in the transition from negative to positive food production policies.

A responsible attitude toward world food security must include some kind of coherent and adequate system of food reserves, especially grain stocks.

After two decades of trying to cope with the burden of surplus grain stocks which tax payers had to pay for and farmers disliked because of the depressed grain prices, it is understandable that in the developed, grain exporting countries there is a degree of relief that these surpluses are gone. But for the world as a whole this is a very dangerous situation.

All of this is part of the challenge as I see it. It is a challenge with three major facets:

One, to increase the food production capacity of the poor, food deficit countries where gross malnutrition is most serious;

Two, to raise the level of nutrition of the world's poor and hungry and too often starving people; and

Three, to make the world secure against those calamities of nature and man which cannot be predicted but which we all know will occur from time to time.

One of the real needs in today's world is the development by all enlightened nations of National Food Policies arrived at after full understanding and discussion at all levels of the problems of the food producers (the farmers), of the food requirements of all people (the consumers), and of the role of governments at all levels.

The United States does not have now and never has had a national food policy. When we have reached policy decisions they have been reached in periods of stress to deal with farm prices or farm surpluses or as a result of political motivation. The American Farm Bureau Federation could play a very useful role if it should decide to urge a full national discussion of this whole matter—to be arrived at over time with all of the cards from all interested groups on the table.

If we had a thought-through and agreed upon and understood United States Food Policy, the U.S. would be in a much better position to play a useful and constructive role in the development of long-range plans and for participation by the U.S. in dealing with world food problems.

WHY IS IT IMPORTANT TO SOLVE THESE PROBLEMS?

It is difficult for many American farmers to see, or to feel intensely, just how these food problems relate to them. But I assure you they do. They are profoundly relevant to you and they will continue to be important and immediate elements in the daily lives of your children and grandchildren, and of mine, for a long time ahead.

The more than 4 billion people now on this earth will have increased to about 6¼ billion at the end of this century, 23 years from now. The food deficits of the developing countries now projected for the decade beginning in 1985 are too high to be considered manageable but are only a fraction of those that can be projected for the long years ahead unless immediate and adequate steps are taken to change the pattern of the last two decades.

It is most important that we realise that, more important than percentages of population increases or quantities of food available to feed them, is the fact that we are talking about poor, hungry, hopeful people. Hundreds of millions of men, women and children whose futures, whose perspectives on life, whose values and whose capacities to appreciate being alive depend largely on the willingness and ability now of the countries of the world to take up the challenge of helping food deficit countries to provide themselves with an adequate supply of food. If the people of our countries are unwilling to take up this challenge now with deeds and actions that actually help to bring about change, we will not have adequately provided for our own children's future.

THE WORLD FOOD CONFERENCE

The World Food Conference called for the establishment of institutions to ensure that the people of the world will face up to this problem.

I hope you will pardon me for speaking of the two which I have been especially close to and for which I have great personal hope.

THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

The World Food Conference, in its Resolution XIII, called for the establishment of an International Fund for Agricultural Development if sufficient additional resources could be generated to support such a Fund.

The Secretary-General of the United Nations assigned to me the responsibility of determining whether such funds could be generated and to organize the intergovernmental discussions necessary to bring such a Fund into being. It is a matter of great personal satisfaction for me to be able to remind you that in less than two years this Fund, which started as only an idea, has become a reality. It was possible for Kurt Waldheim, Secretary-General of the United Nations, to announce on December 20 that the goal target of $1,000 million pledged by the governments of the world had been exceeded and that the Articles of Agreement for IFAD which had been worked out and agreed upon and initialled by 91 countries were declared open for signature.

The first country to sign the Agreement was the United States. All of the members of O.E.C.D. (the countries of western Europe, Japan, Australia and New Zealand, Canada and the United States) are contributing with a total of $567 million, all twelve of the O.P.E.C. countries are contributing with a total of $435.5 million and the developing recipient countries have pledged about $20 million, bring the overall total of the Fund to $1,022 million.

The Fund is a unique institution. Its underlying financial support is new. Its voting structure is also new, divided equally among the developed countries, the O.P.E.C. countries and the developing potential recipient countries. The developing countries will have a substantial role in determining the policies and activities of the Fund.

The Fund will be managed as a business contracting with the World Bank and the Regional Banks, and other international organizations or national agencies or private corporations to carry on the business of determining the criteria to qualify for loans to be only used for projects and programs that will actually increase food production.

The management will have all the potential of any corporate entity with final executive authority in the hands of an elected Executive Board and President. The first one billion dollars is planned to be loaned over the first three years after which the Fund will come back to the donor countries for a replenishment. It is designed to provide a new source of concessional loans at a level of about $350 million per year.

The first priority in the Fund's activities will be the stimulation of food production in the poorest developing countries with first emphasis on the food deficit countries. The creation of this Fund is a clear indication that the countries of the world are ready to provide the resources necessary to seriously begin to solve the world food problem and at the same time are willing to do so with a new type of institution which will help to bridge the gap that has so often separated the rich and the poor. Of all the many ini-

tiatives launched in recent years to get the developed countries and the O.P.E.C. countries to work cooperatively together toward solving the world's serious problems the only one that has actually succeeded is IFAD. It is hoped that through it both groups will learn how to join in doing what is clearly in the interest of both groups and more important be good for all the world.

THE WORLD FOOD COUNCIL

The World Food Council is another product of the World Food Conference. It was created to give guidance and direction to international efforts to solve the world food problem. Its role is to monitor the policies and programmes of the international agencies dealing with food and those of governments to ensure that the major food problems are tackled and that the necessary resources and political support are generated to solve them.

The World Food Council consists of 36 member governments and a secretariat of about a dozen professional people, with supporting staff, of which I am proud to be the Executive Director. Representation in the Council is also unique. Almost two-thirds of its members are developing or O.P.E.C. countries. The rest are developed countries and socialist countries. The United States is a member of the Council and so is the Soviet Union. This is an important fact since participation by the USSR in international organizations dealing with food has been minimal. The present membership consists of nine African countries, eight from Asia, seven from Latin America, four from the Socialist countries of Eastern Europe and eight members from Western Europe and other developed countries. They are: Argentina, Australia, Bangladesh, Canada, Chad, Cuba, Egypt, France, Federal Republic of Germany, Guatemala, Hungary, Iran, Italy, Ivory Coast, Jamaica, Japan, Kenya, Madagascar, Mauritania, Mexico, Nigeria, Pakistan, Philippines, Poland, Rwanda, Somalia, Sri Lanka, Sweden, Thailand, Trinidad and Tobago, USSR, United Kingdom, United States, Venezuela and Yugoslavia. Each member country is represented in the Council by a Minister of that country.

The World Food Council has a long way to go to live up to the responsibilities assigned to it. As a new international body it has had to face the problem of how to work together to solve specific problems when these problems are often the result of very real political differences between countries. It is the first body in the United Nations system made up of Ministers of Government.

The Council is making progress. It has on its plate some of the serious issues which must be faced if the world food problems are to be solved—increased food production in the food deficit developing countries, improved food aid and dealing with the complicated problems of world food security.

CONCLUSION

Ladies and Gentlemen, these are only beginning steps but they are in the right direction. Repeatedly in the past the world food problem has been dramatically presented and then quietly allowed to drift from the minds of those who were concerned. The World Food Council was established to ensure that this does not happen again, and that the world's attention will be constantly focused on the need to make fundamental improvements and that ways to accomplish the desired objectives will be brought to the attention of international agencies and national governments. The dimensions of the world food problem are known—where it is, who suffers the most and, within limits, why it is. We think we now know how to move in directions that will produce results.

At the outset of this statement, I purposely noted that both the Declaration on the Eradication of Hunger and Malnutrition and Secretary of State Kissinger's statement made it clear that the world has the resources and the technical capabilities for solving the world food problem and for making certain that "within a decade no child will go to bed hungry and that no family will fear for its next day's bread—and that no human being's future and capacities will be stunted by malnutrition."

The problem is not simple—and the solution will not be easily achieved.

It is our hope that the World Food Council can and will serve as a vital link between those who possess the resources and the techniques and those who are only poor, hungry and hopeful.

It is my hope that the agricultural leadership of the United States will not limit their role to the production of food and fiber but will expand their interests in stimulating an adequate understanding on the part of all Americans of the complexity and the importance of progress toward constructive solutions to the problems of feeding the world's hungry people.

I am confident that this time the world will recognize that what it knows it should do—it can do—and will do.

JAMES W. COMPTON ADDRESSES CHICAGO URBAN LEAGUE

Mr. PERCY. Mr. President, James W. Compton, the very able executive director of the Chicago Urban League, recently delivered an address before the league's annual report luncheon, in which he assesses the economic situation of minorities, current urban problems, and the future of the city of Chicago. Although he emphasizes the city of Chicago, his timely and thoughtful remarks will be of interest to everyone concerned about poverty, the decline of the cities and the quality of life. In order to share his excellent statement with my colleagues and others, I ask unanimous consent that the text of Mr. Compton's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE COMPTON REPORT

(Presented by James W. Compton)

Thank you Rev. Smith for your kind and warm introduction. More importantly, however, I take this time, on behalf of the entire Urban League family, to commend and thank you for the excellent job you have done in your first year as president of the Chicago Urban League.

Reverend clergy, honorable mayor, to the board of directors of the Chicago Urban League, to our many friends and supporters, and to our fine staff, thank you for your many and varied contributions to the League during the past year.

To the beautiful people, I offer you my thanks and congratulations. Your selection for these awards is a tribute to your tireless efforts on behalf of social justice and your record of friendship with the Chicago Urban League.

To you, Dean Swift, and to you, Brooks McCormick, thank you for all that you have done in support of the League and thank you for wise counsel and friendship.

Too often we spend so much of our time engrossed in our day-to-day activities or attempting to convince the uncommitted, that we neglect the steadfast friends who have stood by us in bad times as well as good. Today we can rectify that in part, through the public acknowledgement of our appreciation and through you, in a symbolic way to all those dedicated, concerned, white and minority citizens who have kept their faith in the goal of justice and in the mission of the Urban League.

Today, as I stand before you for the fifth time at this annual report meeting, I cannot help but reflect on the symbolic nature of this event, and on the recognition it implies for the constructive work of the organization I represent—the Chicago Urban League.

The Chicago Urban League is a vital institution in the black community, and in the broader community as well. It provides important community services, a bridge between the races, an advocacy voice for minority Chicagoans, and remains committed to the open, pluralistic, integrated society.

It has become our tradition, on this occasion, to report on the state of race relations and the quality of life for minorities in Chicago. It is appropriate that you receive such an accounting of our stewardship and a projection of our goals. You are the urban league family and part of our constituency. You also are a magnificent gathering of committed leadership and your presence here renews our faith that we will some day make this city a hallmark of democracy.

Since we last came together, our country took the first steps into her third century of independence. In a moment charged with drama, last July 4, we crossed the celebrated bicentennial meridian buoyed by our fondest hopes of brotherhood, peace and prosperity, but burdened still by certain follies of prejudice and selfishness which we still hold too dear. That historic moment continues to embrace us, and we have the opportunity, as did the founders 200 years ago, to strike famous blows for freedom and to stir noble aspirations in the hearts of men. We face again a challenge to deeds that will light our memory in honor, or in shame "down to the latest generation."

Since we last met, large events have followed each other with staggering impact. An election which we all knew was important gave us a president about whom we knew little, but who has echoed the call of past leaders to greatness of spirit and greatness of effort.

In a few crushing months of recession, unemployment and inflation eroded the moderate gains that poor and minority Americans painstakingly made over two decades. The death of a mayor ended one era of a struggle for minority people and ushered in another.

We now face the prospect of intensive campaigning for the office of mayor. Racial polarization and deterioration of plans intended to reverse the outflow from Chicago of jobs and taxable enterprise are possible consequences. We must respond with the mature steps necessary to open up the political process, while we find remedies for racial antagonisms and attrition of the city's human and material resources.

The Chicago Urban League, our special enterprise, is committed to preventive and remedial actions to bring the disadvantaged third of the city's residents to parity with the privileged majority. We are especially committed to achieving equity in those things that determine the quality of life and even the length of life, including income, environment, and education. Ours is a most ambitious undertaking. The disabilities of poverty and social dysfunction are so destructive of the human spirit, that the suggestion that remedy is available invites ridicule among some poor. The proposition that hope is justified risks hostility from the embittered hard core.

Let us turn briefly to the events and conditions against which we pit our organized optimism. And let us proceed to those rem-

edies that are known and available for a price.

In the relatively prosperous 1960's, unemployment among blacks stubbornly held at about 8 per cent while the national average fell below 4 per cent. Earnings of blacks approached 60 per cent of earnings of whites—and remained there.

The onset of staggering inflation and the recession, that is a continuing depression in the black community, raised unemployment among blacks to 37 per cent, according to the urban league hidden unemployment index. It depressed the earnings of those whose jobs were not lost, both in real terms and in relation to earnings of whites.

The Census Bureau reported last September that median income for all Americans dropped 3 per cent between 1974 and 1975. However, the number of persons living in poverty increased over 10 per cent in the period. Those families—with total annual income of $5,500 or less—were disproportionately black.

Comfortable America has become complacent about that other America. A special resentment is reserved for those whose circumstances remind us we are not just. Even at the sacrifice of some comfort we must make the effort to be just. Clearly, we must strike at the roots of income disparities, unemployment and dependency among minority Americans, starting here and now.

Even a casual observer can discern the priority needs of the minority community. We are moneyless in a money economy, uneducated in an era of technical specialization and underrepresented in a society where political power is decisive.

Full participation in the broad range of income producing activities in the city has been systematically denied us, so that we are 50 to 100 years behind the majority. Therefore, we must continue to demand our fair share of jobs, and we must press for reasonable chances to enter business.

We must insist, not only because it is right, but because the stability of the larger community requires it. All employable citizens should be able to meet their daily needs, and make some provisions for their future through work.

Enlightened self-interest alone should impel government and the established business community to help make economic opportunities available. But in the final truth, we must be our own advocates. We must be our own strongest business allies. We must accumulate savings and create credit internally for the development of our communities, or a long slide into decay and disorder awaits us.

But the right to work and the freedom to take risks are meaningless without education and training. Day after day, unprepared young people present themselves to the Urban League for job referrals. They are desperate, and they say they are willing to do anything. In sad truth, they can do little that requires developed skills or even proficiency in reading and computation.

It is the responsibility of the public schools to provide general education and reasonable levels of trainability. The schools have not met these objectives for thousands of young people who have spent the prescribed years in enrollment. The schools have failed thousands of others who dropped out in frustration, or who were pushed out because they were difficult to teach or discipline. All of us are the poorer for this waste of our most precious resource.

If Blacks lag two to three generations behind in economic development, and they do; and a full generation behind in education, and they do, their time is now for realizing political power. This present generation can achieve effectiveness undreamed of a few years ago, by the simple exercise of the franchise. A unifying leadership and a willingness among minorities to register and vote can decisively increase minority influence in city hall, the statehouse, Congress and the White House.

Every voting age citizen of the city of Chicago and every voting age citizen of this great Republic has the obligation to exercise the franchise. But no group of people has a greater obligation than do Black people.

Black people have a special responsibility to build on the bitter sacrifices of the past and to exercise the right to vote, a right bought with blood, tears, suffering and even death.

Black people face too many disadvantages to afford the luxury of ignoring the biggest weapon in our arsenal of self-defense—the vote. There can be and there is no excuse for self-induced powerlessness. We have a responsibility to register, to understand the issues and how they affect black and poor people, to vote and to get our friends and neighbors to vote. The result of such influence, skillfully and sturdily applied, will be higher standards of living, better education, and improvement in all other areas in which government impinges upon individual lives.

An overriding social phenomenon in 20th Century America has been the surge of population to metropolitan centers. At the opening of the century, three-fourths of the population lived on farms or in rural places. Today, 75 per cent of all Americans live in urban places.

A remarkable aspect of that greatest of all migrations is that within the past 35 to 40 years, most urban Americans have shifted from the core cities to the suburban rings of these cities. Thousands of factories and other job-making activities have also left. Amenities are following after this exodus or simply disappearing from the core cities.

But the non-white minority which followed white people to the cities has not followed them to the suburbs. Non-whites are largely unwanted in suburbia, and they are largely unable to afford the single family homes decreed by most suburban zoning. And so the minority languishes in decaying center cities, disproportionately unemployed, disproportionately dependent, massively disillusioned.

As urban systems that served other migrants well break down under soaring demand and technological change, some men predictably become predatory. Their violence against persons and property is endemic in minority communities. The dimensions of the problem are not appreciated by most Americans, for both criminal and victim are non-white, and they lock in desperate struggles for survival unseen and unheard in dim crumbling ghettoes.

Not all crime is committed by minorities, of course. Not all violence against persons and property in the core city can be rationalized by the drive for survival. Some antisocial behavior grows out of frustration, despair, and the breakdown of family and community life.

Massive failure of social systems, especially the criminal justice system, sheer opportunity for gain at acceptable risk, and the pressure of peers must bear some of the blame.

For many young males in the urban underclass, their first confrontation with the police is tantamount to the rites of puberty and a jail term is a "macho" exercise that confirms manhood.

For a great many years, we have witnessed the destruction of black personhood and black social structures by racism, and the concurrent decline of the central cities where blacks live. Few people will these processes. Not since the youth-led turbulence of the '60's has the charge of genocide been regularly made against majority America. It is an inappropriate charge today, but the unchallenged trending of race relations is cruel and frightening.

Without a rational, humane approach to the needs of a pluralistic society, the ultimate choice of the dominant group may well lie between total integration of the minority or its total suppression. Therefore, despite neglect, despite institutionalized racism, minorities can not relent in their struggle for lasting justice. The legacy of those who have gone before is a faith that the dream cannot be denied us forever.

Despite the recently aborted claim of one of their number to the mayor's chair, blacks are being stirred as never before by the prospects of political power. Each new election will bring them opportunities to play a larger role in determining their own future.

There are grave dangers ahead for the social and economic systems, and growing minority political power alone does not guarantee a good outcome.

We admire the stance assumed by A. Robbert Abboud, chairman, First National Bank of Chicago, in his recent lecture at Harvard University. The cities are troubled, he admitted, reciting the familiar, chilling litany of ills. But, answering his own question of where do we go from here, Mr. Abboud declared the core cities to be the economic nerve centers and the cultural mainstays of metropolitan areas. Not only can cities be preserved as viable entities, he said, they must be made to work if the society is to hold together. The Urban League sides with him.

We side with him when he calls for an expanded innovative role for the national government in attacking urban problems of unemployment, housing, education and health care.

We side with him in calling for a greater return to Chicago of tax dollars collected by the national government and frequently used to develop other areas. We side with Mr. Abboud when he observes that the difficult problems of Chicago call for increased local commitment, increased local effort, increased taxes and a strong mayor to lead city government.

How then do those of us who agree move from accord to positive results?

One man's opinion is that we must accept our own dicta of brothehood and begin to set right the grossly unjust, inequitable relationships among people.

Concurrently, we must preserve the economic and physical environment which supports our interdependent society.

One man believes that we must return again and again to the fundamental morality of the golden rule, "do unto others as you would have them do unto you" and to integrity in our words and works.

One man believes we must pursue excellence in all things as our compact with him who gave us talents.

One man believes we must protect and preserve the family, as the cornerstone of society.

One man believes that we must each prepare for responsibility outside our personal needs and accept it when it comes.

One man believes we must develop leaders with courage and ability to face the challenges that are and the challenges that will come. One man believes we must dare to hope for brighter tomorrows.

Responsibility and leadership are urgent concerns. Each of us, in what we do, or in what we fail to do when called upon to act, bears some measure of responsibility for the fate of all of us. We carried this message to minority Chicagoans last year, urging

them to register and vote. We said to them that their freedom was meaningless unless they exercised it by voting. Some said their freedom was indeed meaningless. But fifty thousand heard us and responded.

We are entering a season when individual citizens in their partisan nominating elections and in a general election for mayor must accept responsibility as never before for voting or for not voting. The Chicago Urban League, with others, has reinstituted its voter registration program. In the weeks immediately ahead we will go into the homes and into the housing projects and into the churches and the communities with the word that each voter makes a difference.

There are about 785,000 black people of voting age. Only about 463,00 are registered to vote and an even smaller number go to the polls. In the last Presidential election, about a third of the eligible blacks voted which is a deplorable situation. The goal of the Chicago Urban League and the peoples coalition is to register each and every one of these unregistered voters and then encourage them to go to the polls.

A responsible black electorate can help lead Chicago into a new era by its vote for mayor on April 19 and June 7.

Strong personal opinions of some of our members notwithstanding, the urban league is constrained from involvement in partisan politics. These constaints do not preclude intelligent analysis of situations, nor do they prevent us from stating the qualifications we believe leadership requires.

As an agency that has observed and reported the facts and implications of the changing demographics of the city, we can hardly avoid the question of whether a black person can be elected mayor of Chicago. However, it is not so much a question of whether as it is a question of when.

We have projected that as a probability in 1983, and a possibility in 1979 based on continued population change alone. But ethnic ratio is not the sole determinant of who can be elected at a given time.

Surely it reflects a narrow, prejudiced view of white Americans to suggest that they will not vote for another American for public office, if he is black. Worse, it is a lie that denies the performance of millions who cast ballots for Edward Brooke of Massachusetts; Mervin Dymally, Lt. Governor of California; George Brown, Lt. Governor of Colorado; Andrew Young, former Congerssman of Georgia; Thomas Bradley, mayor of Los Angeles; and others.

Can it be no less a disservice to black Chicagoans to suggest that they will consider nothing but race in a mayoral election?

The perception of power in city hall should not so blind any group that it ignores principle or reality in a reach for that power. A black mayor for the wrong reasons would be a disaster; a white mayor for the wrong reasons would be a catastrophe.

We should look to the demands of the office in establishig our criteria for the candidates and in setting our courses for the campaign. Let us remember the needs of the city and the priorities in which they must be addressed, in choosing our leader.

The mayor must be a person of impeccable integrity. By nature, he must reject the temptations toward aggrandizement and favoritism.

The mayor must have managerial ability.

The mayor must have a keen comprehension of the makeup and needs of the city. He must appreciate its racial and ethnic diversity, and he must understand in practical terms, the goals and preferences of these groups.

The mayor must be able to instill confidence. He must be a credible leader in whom people believe, and who inspires people to believe in themselves.

The mayor must be able to win the cooperation of all legitimate interests. He must be able to bridge racial difference and reduce polarization. He must be able to maintain and advance the cooperation that now exists among business, labor, political interests and organized neighborhood civic groups.

He must have energy, good health and stamina, and the willingness to work long hours.

He must be committed to the welfare of the city. He must literally love this place as so many of us do.

He must have imagination and skills to generate funds to help run the city. He must be able to win revenue, and concessions from the Federal and State governments, and he must be effective in attracting and holding business here.

He must have the political acumen to deal effectively with officeholders, his own followers and opposing partisans. He must be accessible, open and communicative.

Grave responsibilities attach to the role of free men in society—the paying of taxes, observance of laws and ordinances, protection and maintenance of property, defense of peace, support of charity, and periodic selection of those who will hold public office. All of these responsibilities are implicit in the services the urban league provides people. But none exceeds our responsibility to our children.

Our young are the hope for our future and the reason for our planning. Our obligation to them in part is to provide each with the fullest opportunity to develop his potential for self realization and service. The tradition of equal educational opportunity here is older than our statehood. The first U.S. Government decreed that every sixteenth section of the land that was to become Illinois, be set aside to fund public education. That ordinance of 1787 established the principle of equality here, and generations have sustained the founder's hopes.

Sadly, the present managers of Chicago public schools do not merit inclusion among those who kept the faith. It is a major concern of the Chicago Urban League that the system persists in a distribution of special purpose resources that favors the privileged and penalizes those most in need of compensatory help.

State funds that were intended to equalize educational opportunity have been so used that they have increased the educational disadvantage of the minority poor. Further, the administration has endorsed the tragic result of its error, by defending continued privilege for the privileged.

We submit that ". . . disadvantaged children need relatively more of the formal, professional services of education institutions, as compensation for what is lacking in the home and community environment; and conversely, children with home and community advantages need relatively less from the formal institutions."

We cannot endure as a healthy society with two-thirds of our people well educated and adequately employed and one-third poorly educated and marginally employable. If no other agencies intervene, the poorly educated themselves will strike out against the injustice.

We cannot tolerate administrative decisions in our schools that sow class antagonism where seeds of opportunity should be planted. We must have the honest determination to correct wrongs and dismiss those who are responsible.

We are well along toward political patterns and economic relationships and exercises of populist power in Chicago such as we have never known. The prospect calls for leadership on a scale we have never known.

The changing character of the city charges the talented to combine excellence and responsibility and to act in the public interest. The need is great for such men and women to provide leadership. Business needs minority leaders, education needs minority leaders, labor needs them, and so do hospitals, community centers, charities, block clubs, and every other endeavor in which people band together to reach legitimate common goals.

Black people helped make this country. We planted America's tobacco, we toted its cotton, we lifted its bales. We sank the canals and laid the railroad tracks that link the Atlantic and the Pacific. The Tree of Liberty is watered with our blood, our sweat, and our tears. We've died in every war from Valley Forge to Vietnam.

So we're saying to the City of Chicago that now is the time; now is the time to recognize the potential that is in us; now is the time to correct past injustices. Now is the time for jobs in the police and fire departments. Now is the time for the education and training of our youth. We've kept our faith in this city and now is the time for this city to show its faith in us. Now is the time for Chicago to rebuild evacuated neighborhoods and communities, and now is the time to listen to the black and the poor.

In the words of James Weldon Johnson, we have come to "the place for which our fathers signed." Being here we have found not a garden, but a field to be tilled and planted. We have looked upon freedom and found not a reward but an opportunity.

Let us agree that we have not met the challenge of our opportunities in the past, but black and white, Jew and gentile, male and female, young and old, rich and poor together, let us then accept the challenge of Frederick Douglass who in 1894 said:

"Put away your prejudices. Banish the idea that one class must rule over another. Recognize the fact, that the humblest citizens are as worthy of protection as are those of the highest and your problem will be solved. Based upon the eternal principles of truth, justice and humanity, with no class having cause for complaint or grievance, your republic wil stand and flourish forever."

Thank you very much and God Bless you all.

TRIBUTE TO STATE SENATOR DAVE MANNING

Mr. METCALF. Mr. President, on March 2, 1977, the Montana State Senate paid tribute to State Senator Dave Manning who has served in the State legislature longer than any other person in the United States.

Senator Manning was first elected to the Montana House of Representatives in 1933 and served in that body through 1939; he was Speaker in the 1939 session. It was my privilege to serve with him in 1937, his third term, my first. In 1940 Dave was elected to the Montana Senate and has served there continuously ever since.

Three times Senator Manning has been elected Interim President of the Senate and in that capacity has served as acting Governor of Montana under the administrations of Governors Ayers, Aronson, and Babcock.

A quiet spoken man, Senator Manning has always been able to find some common ground for legislative accomplishments. His vast experience, his memory of activities in other legislatures, his commonsense approach to legislation has made him one of Montana's most valuable resources. Incidentally, February 27 was Senator Manning's 80th birthday. I wish to pay tribute to the dean of America's legislators and send

birthday greetings to an outstanding citizen.

SENATOR CLIFFORD P. HANSEN'S SENATE PRAYER BREAKFAST SPEECH

Mr. PERCY. The Senate Prayer Breakfast, which meets every Wednesday morning, is an inspiring experience for Members of the Senate who participate in this weekly session of fellowship and devotion. Regardless of political differences, spiritual bonds can be built among persons in public life, particularly in a "Nation under God."

Each week a different Senator leads the Prayer Breakfast. Recently Senator CLIFFORD HANSEN, past chairman of the group, former Governor of Wyoming, a classmate of mine, and a valued friend of all of us spoke to the group about the "heady" experience of being a U.S. Senator. He pointed out that we should serve with humility and learn from our predecessors the pitfalls and opportunities of public service.

I share this meaningful message with my colleagues and I ask unanimous consent to have Senator HANSEN's excellent discussion printed in the RECORD.

There being no objection, the discussion was ordered to be printed in the RECORD, as follows:

PRAYER BREAKFAST: SENATOR CLIFFORD P. HANSEN

During next week's recess, all of us are certain to be called upon to explain or justify our actions as Senators in the controversy over the pay raise. Despite what the facts may be, the average person has gained the impression that members of Congress, in effect, are agreeing to abide by a higher set of ethical standards, if our salaries are raised. I do not propose to debate the issue of the justification for a salary raise. Rather, I would like to review some past history.

It has often times been observed that there is nothing new under the sun. The trials of Watergate, the continuing efforts of people in all walks of life to gain the ear, to have influence with their legislators, make the standards that mankind kept in the past, ones which could be substituted for today's headlines. Aside from names, dates, and places, that earlier behavior and the record of it, would be just as relevant and as timely as are today's headlines and stories.

Will Durant, in his story of civilization, gives us an intimate insight into human behavior. This distinguished philosopher examines all of the major phases of a people's life, work and culture in their simultaneous operations. The weakness of this approach to an interpretation of history—synthetic method—lies in the impossibility of one mind speaking with first hand knowledge on every aspect of a complex civilization spanning a thousand years.

We may seek perspective through science by studying the relations of things in space, or through history by studying the relations of events in time. We shall learn more of the nature of man by watching his behavior through sixty centuries than by reading Plato and Aristotle, Spinoza and Kant. "All philosophy," said Nietzsche, "has now fallen forfeit to history."

The study of antiquity is properly counted worthless except as it may be made living drama, or illuminates our contemporary life. The rise of Rome from a crossroads town to world mastery, its achievement of two centuries of security and peace from the Crimea to Gibraltar and from the Euphrates to Hadrian's Wall, its spread of classic civilization over the Mediterranean and western European world, its struggle to preserve its ordered realm from a surrounding sea of barbarism, its long, slow crumbling and final catastrophic collapse into darkness and chaos—this is surely the greatest drama ever played by man; unless it be that other drama which began when Caesar and Christ stood face to face in Pilate's court, and continued until a handful of hunted Christians had grown by time and patience, and through persecution and terror, to be first the allies, then the masters, and at last the heirs of the greatest empire in history.

This composite view of man's entire experience—the study of a civilization in its total scope and life, may help us chart or at least anticipate our own cultural trajectory today and be warned or encourage by the ancient aftermath of a modern phase.

Durant reminds us that dictators have ever used the same methods. The dole was resorted to more than a century before Christ and the first Roman labor union was established about 600 B.C. Bank failures, pork barrels, depressions, governmental projects and regulations, State Socialism, war-time priority plans, electoral corruption, pressure groups, trade associations and other phenomena of ancient Rome are certainly present in our era.

Durant notes, following the death of Sulla in ancient Rome, the courts sunk into corruption. Oaths had lost all value as testimony; perjury was as common as bribery. Marcus Messala, being indicted for buying his election to the consulate, was unanimously acquitted, though even his friends acknowledged his guilt. "Trials are now managed so venally," wrote Cicero to his son, "that no man will ever be condemned hereafter except for murder." He should have said, "no man of means"; for "without money and a good lawyer," said another advocate at this period "a plain, simple defendant may be accused of any crime which he has not committed, and will certainly be convicted." Lentulus Sura, having been acquitted by two votes, mourned the extra expense he had gone to in bribing one more judge than he had needed.

Every trick, every connivance, was tried then, including sex, graft, influence-peddling, gifts, dishonesty—the whole gamut. So, while the more things change, the more they are the same, it does not lessen the need for all of us to continue to face up to our responsibilities and obligations as part of a relatively small group of people who have been called upon to provide part of the leadership for our government.

Our problems and the difficulties of life come about not because of a failure of law, or of institutions, but rather because we fail to observe the law. Greed, corruption, lust, envy, covetousness, pride, desire for power, surely are emotions not uncommon to most of us. Normally, as we grow older, time has a way of sorting out enduring values. Perhaps the increasing awareness of the temporal nature of life with the realization of death becoming ever more proximate changes our perspective. Doubtless, we all have asked ourselves: Will my having lived really make any difference?

During the long Antarctic winter of 1934, alone, Admiral Richard E. Byrd nearly lost his life not far from the South Pole. Given self-imposed time to contemplate, he perceived the importance of family and the value of living a life which merits the love and respect of members of one's immediate family—those who know him best. All of the other goals are of fleeting importance. Their merit is ephemeral—worthless evidences of hollow accomplishments and victories. He wrote:

"At the end, only two things really matter to a man, regardless of who he is; and they are the affection and understanding of his family. Anything and everything else he creates are insubstantial; they are ships given over to the mercy of the winds and tides of prejudice. But the family is an everlasting anchorage, a quiet harbor where a man's ships can be left to swing in the moorings of pride and loyalty."

There is a parallel between Admiral Byrd and those members of the ill-fated Scott party. This group of Englishmen made a dangerous dash for the South Pole. Disappointed and disillusioned to find that Amundson, the Norwegian, had already achieved that honor before them, they started their unhappy trek back to the base camp. Early on, one of the five weakened and died. Another, knowing that an accident which injured him would hopelessly delay the other men from returning to their base safely, quietly walked out into the jaws of a raging antarctic blizzard. He was not seen again.

Scott kept a diary. Found with his frozen corpse and those of his two remaining companions, eight months later, it speaks eloquently of his love of his family and his respect and concern for Great Britain.

"I do not regret this journey. We took risks; we knew we took them. Therefore, we have no cause for complaint. We bow to the will of Providence, determined still to do our best to the last.

"Had we lived, I should have had a tale to tell of the hardihood, endurance and courage of my companions which would have stirred the heart of every Englishman. These notes and our dead bodies tell the tale . . ."

"It seems a pity, but I do not think I can write any more," was Captain Scott's final entry in his diary, when every slightest movement must have been agony. And then, thinking not of himself, but of his family and the families of the men who lay dead beside him, he added, "For God's sake look after our people!" Those were his last words before the pencil slipped forever from his frozen grasp.

Earlier, knowing that the party would not make it back to the base camp, he had written a letter to a dear friend, Sir James Barrie:

"We are very near the end, but have not and will not lose our good cheer. We did intend to finish ourselves (they had carried opium along for just such an emergency) when th'ngs proved like this, but have decided to die naturally . . . I want you to think well of me and my end . . . As a dying man, my dear friend, be good to my wife and child!"

This business of being a United States Senator is a heady experience. The attention that is paid to us, the deference accorded us, the skillful and cunning behavior of some around us to gain power or importance, or to achieve a certain material goal, can be quite as intoxicating as reading our own press releases. It would be useful for each of us, when we first set foot here as a new member, to have the chance, to seize the opportunity, to meet at length with others who have gone this way before. We could learn much from them—the fleeting prominence which we will assume for a time, the ways in which we can expect to be influenced, the pitfalls which have entrapped others. The importance, the ability, the wisdom that the acclaim of others, sometimes with devious purpose, ascribe to us, is often not honest nor genuine. We need great awareness of the validity of criticisms and cautions of families, especially wives. Here particularly, the voice of conscience in order to be heard, requires amplification. We need to appreciate the relevance of religion to our everyday activities.

I believe no institution of government can ensure a better life for all of our people. While our institutions are far from perfect, if we will keep a relative skepticism about human nature, first challenging our own goals and motives, if we never forget that Christian tradition underlying the bedrock

principles upon which our Nation was founded, it will be useful. And our lives, through the grace of God, can make a difference.

Luke, Chapter 6, verses 43 through 44, says it so well:

"Enter ye in at the strait gate: for wide is the gate, and broad is the way, that leadeth to destruction, and many there be which go in thereat: because strait is the gate and narrow is the way which leadeth unto life, and few there be that find it."

SHE LOVES TEACHING

Mr. CHURCH. Mr. President, there is a growing awareness in this country of the worth of our older citizens. Their skills, experiences, historical backgrounds, and enthusiasm have oftentimes been wasted. But there is an increasing number of these talented persons making their way back into many fields.

For example, there is a trend among universities and colleges to ask retired professors to return to their areas of discipline as advisors, consultants and active teachers.

Arts and skills of the past are often taught by elderly persons to young students with an eagerness to learn of days past.

Over the past few years, there have been hundreds of elderly trained as paralegal and paraprofessionals to work with other older persons to give advice, counseling and technical assistance.

One of the more enjoyable relationships to witness is that of the elderly instructor with the young child. I have often watched RSVP and Foster Grandparents participants work with the very young children with much patience and love.

We have such a patient and loving woman in Idaho. Her name is Minnie Fitzgerald and she goes to school three mornings a week to help her "grandchildren" and their teachers. I ask unanimous consent that an Idaho Statesman story about Minnie be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHITNEY SCHOOL GRANDMOTHER: SHE LOVES TEACHING

(By Randy McCarthy)

Three mornings each week, 82-year-old Minnie Fitzgerald waits for the city bus that takes her to school. Her labor of love is helping 7-year-old students—here never-ending stream of "grandchildren"—at Whitney Elementary School, 1609 Owyhee.

"I love children," said Fitzgerald, who each Monday, Wednesday and Friday is a teacher's aide in second-grade classes at Whitney Elementary School, 1609 South Owyhee.

Fitzgerald, a slight, bespectacled woman with white hair, was an elementary school teacher in Idaho, Oregon and Minnesota for 25 years before retiring 12 years ago. But the lure of the classroom and a request from a friend brought her back four years ago.

"Mrs. (Vera) Kester and I are members of the same church, and she asked me if I would come back," Fitzgerald said of one of the three second-grade teachers she assists. "I've been here ever since."

At the Boise school volunteers conference last week Fitzgerald, the school district's oldest regularly working volunteer was honored as "the grandmother of hundreds of children at Whitney School." Fitzgerald was given a framed color picture of herself working in the classroom. The picture hangs in her living room, beneath a picture of her late husband.

During her day, Fitzgerald grades tests, helps students and generally supplies the teachers with another pair of hands. "I do anything they want me to do," she said.

Monday, while almost two dozen other youngsters toiled over their workbooks, a pony-tailed girl sat alertly in her tiny chair while Fitzgerald quizzed the girl on her spelling, as she had hundreds of other children in the past.

"Spell 'singer' . . . one who sings," Fitzgerald asked in her soft, unmistakably teacher's voice. The girl answered correctly with a string of letters. "Good," Fitzgerald said, smiling at the youngster, who clasped both sides of her chair.

Fitzgerald licked her right thumb and continued through the handful of well-worn cards. "Spell 'camp,' " she said.

Across the room, a brown-haired girl, a long yellow pencil wiggling in her hand, glanced back at Fitzgerald, "She's nice," the girl grinned.

Dressed in a red and white dress, a scarf knotted at her throat, Fitzgerald earlier had sat behind two tall stacks of workbooks and talked of her children and grandchildren, three of whom also are teachers.

One of her daughters and two of her granddaughters are music teachers, attracted to teaching by the homework Fitzgerald brought home and the activities that kept her at school.

"I didn't get help like this when I was a teacher" Fitzgerald said.

She taught one year before she was married, but quit until her four children were in high school. She taught 25 years, retired and was a substitute teacher one year before starting at Whitney.

"I've always liked to teach," Fitzgerald said. During those years, she has seen buzzers take the place of school bells, overhead projectors replace blackboards and Dick and Jane retire from reading texts.

But Fitzgerald said she plans soon to leave the chatter of the classroom for the quiet of her home and the landscapes she likes to paint. "I'm getting kind of anxious to stay home and paint."

SENATOR PERCY COMMENDS ATTORNEY GENERAL GRIFFIN BELL

Mr. PERCY. Mr. President, on January 25, in connection with the nomination of Griffin Bell to be Attorney General of the United States, I indicated that I would make special note of those actions by the Attorney General which indicate that my concerns about him were misplaced.

I am pleased to make today on the floor of the Senate my first public comments on this pledge.

First, I shall ask unanimous consent to insert in the CONGRESSIONAL RECORD at the conclusion of my remarks a front page story from the Washington Star of Sunday, February 6, entitled "Bell Orders Probe of Wilmington 10 Civil Rights Case," which describes the role Attorney General Griffin Bell has played in putting the investigation on a priority basis. The purpose of the investigation will be to determine whether or not the civil rights of the 10 persons convicted were violated by State prosecutors and a Treasury agent before and during the trial.

I commend the Attorney General for his sensitivity to the possible violation of the civil rights of these individuals. Regardless of how the investigation, now beng conducted as a very active, high priority matter by the FBI, turns out, the Attorney General's action is commendable.

Second, I believe the Attorney General is to be commended for appointments he has made to Department of Justice posts. He has brought highly qualified women and minorities into top levels of the Department, showing his sensitivity to the need for Government to set an example for the rest of the Nation in providing equal employment opportunity.

Mr. President, I ask unanimous consent to have the story from the Washington Star printed in the RECORD.

There being no objection, the story was ordered to be printed in the RECORD, as follows:

BELL ORDERS PROBE OF WILMINGTON 10 CIVIL RIGHTS CASE

(By Lyle Denniston)

The FBI is making a "very active, high priority" investigation into the civil rights case of the "Wilmington 10."

Atty. Gen. Griffin Bell put the investigation on a priority status after a meeting in his office last Wednesday.

On Bell's orders, the Justice Department's civil rights chief, Stanley Pottinger, told FBI Director Clarence Kelley to press the investigation.

This is one of a series of new developments on the case that is emerging again as a major civil rights cause. The case also could pose a challenge for Bell, whose nomination was opposed by some civil rights advocates because of his record in that field.

The "Wilmington 10" are one black man, eight black youths and a white woman, convicted of joining in the firebombing of a white-owned grocery store and other violence in Wilmington, N.C., after a period of racial unrest in the black community there six years ago.

The Rev. Benjamin Chavis, United Church of Christ minister and a civil rights activist, got the longest prison term: a maximum of 34 years.

Two prosecution witnesses in the case have since given statements saying they were coerced or coaxed into giving testimony to help convict Chavis, eight high school students and the woman, Ann Shepard.

The federal investigation is aimed according to the Justice Department, at determining whether the civil rights of the 10 persons were violated by state prosecutors and a now-retired Treasury agent before or during the trial.

Other new developments in the case include:

Lawyers for Chavis and the eight students Friday asked a state court in North Carolina to order a new trial because of the two witnesses' statements.

Leaders of the Congressional Black Caucus have urged North Carolina's new governor, James B. Hunt, to begin a state investigation of the prosecution of the case.

Private civil rights groups are attempting to organize a delegation to visit Hunt in Raleigh. The governor may be urged to pardon the Wilmington 10.

Rep. John Conyers, D-Mich., a Black Caucus leader who sat in on Wednesday's meeting at the Justice Department, and his staff have been pursuing the case as a "very symbolic example of what happened to civil rights leaders and to a lot of civil rights organizations."

The case arose in January 1971 after black

students had boycotted a high school in Wilmington, complaining that they were not allowed to commemorate the birthday of Dr. Martin Luther King, Jr.

A series of racial disturbances broke out, and Chavis went to Wilmington. The prosecution charged that he was the author of a plot to firebomb a white-owned grocery store in the black neighborhood and to shoot policemen and firemen.

After the store was burned and a black youth was shot dead during the exchange of gunfire on the night of Feb. 5, 1971, several protest marches were staged.

At one of these, police identified a black youth, Allen Ray Hall. He later was arrested on unrelated assault charges, and he ultimately became the chief prosecution witness in the case. He, too, was convicted of a role in the violence and has served one year of a 12-year sentence.

The trial was moved to the neighboring county and held in the small town of Burgaw, N.C. After the jury found all 10 guilty, Chavis was sentenced to terms of 29 to 34 years, the eight youths were given sentences ranging from 23 to 29 years and Shepard, convicted of being "an accessory," was sentenced to a maximum of 10 years.

When the Wilmington 10 first appealed their convictions to the Supreme Court in 1975, their case drew major support within the civil rights movement. Scores of telegrams were sent to the court urging it to hear the case.

But, on Jan. 19 last year, the court refused without comment to review the convictions and the Wilmington 10 went to prison.

Defense lawyers in April went to federal court in Raleigh seeking release of the 10, claiming that their procedural rights had been violated by the way the trial was conducted. That request is still pending.

The case gained new impetus last fall when Hall gave police a statement saying he had lied on the stand when he testified he had not been pressured to give evidence against Chavis and the others.

Hall has always been regarded as the central figure in the prosecution, because he testified he heard Chavis urge the firebombing of the grocery store and urge the "ambush" of policemen and firemen when they arrived to fight the fire.

In a statement dated Sept. 24, Hall said: "I did not know Ben Chavis or the other Wilmington Ten until Mr. (Jay) Stroud (the prosecutor) told me there names . . . I did not see any of the Wilmington Ten do anything wrong.

"The detective told me that if I did not go along with them that they could put me in prison for life. But I will go to court and tell what Mr. Stroud and them made me do . . . The police and Mr. Stroud told me what to say in court."

Wilmington police said at the time that Hall had told them he wrote the statement after getting a telephone call threatening his missing girl friend, Sandra Shannon. Hall has denied that.

Last October the chief defense lawyer, James E. Ferguson of Charlotte, asked the federal court in Raleigh to consider Hall's statement.

In a sworn statement filed at that time, Hall said the prosecutors had told him that Chavis "was going to have someone kill my mother or one of my brothers," they told him "what to say in court" and coached him on how to identify the Wilmington 10.

Hall also swore that Treasury agent William S. Walden, who had helped investigate the Wilmington firebombing and had interviewed Hall, had showed him how to make "Molotov cocktails" and had told him to testify that he had seen dynamite in the basement of a church used by the blacks during the incident.

Walden, who has since retired as an agent, has denied those charges, calling them "utterly ridiculous." State officials have told the federal court in Raleigh that Hall's statements were "suspect in the extreme."

The Congressional Black Caucus has asked the Treasury Department to investigate Walden's part in the case. Justice Department sources say that Walden's role is included in the FBI probe.

Early last month another youth who had testified against the Wilmington 10, Eric Junious, made a statement that the prosecutors had offered him a minibike and a job at a gas station in return for his testimony. Junious was 14 years old at the time of the trial.

Federal Magistrate Logan D. Howell of Raleigh ruled last month that defense lawyers could not bring the Hall and Junious statements into their federal court action until they had first offered them in "post-conviction" proceedings in state courts.

The lawyers began those proceedings Friday by filing a formal request for a new trial with the Pender County Superior Court in Burgaw.

The entire case was discussed last Wednesday with Bell, Pottinger and other Justice Department aides by Conyers, the congressman's assistant, William Kirk, two leaders of black lawyers' groups and Iamani Kazana, who chairs the National Wilmington 10 Defense Committee.

As of now the federal investigation is confined to the FBI. No federal grand jury is looking into it.

GENOCIDE TREATY: A MORAL IMPERATIVE

Mr. PROXMIRE. Mr. President, in recent weeks our new administration has taken a forceful stand on behalf of human rights of individuals throughout the world. We are all hopeful, of course, that the leaders of nations who may have committed transgressions against the freedom of their citizens will heed our call for an end to repression.

But, at a minimum, our administration's stance on the issue of human rights lends new credence to the United States claims as a great moral leader in the free world.

I am sorry to say however, that by neglecting to ratify the Genocide Convention treaty for nearly 28 years, we have done a great injustice to our claims of moral leadership. More than 80 other nations have already ratified this treaty, which affirms that genocide shall be recognized as an international crime.

We cannot make any claims to moral leadership by ratifying this treaty, Mr. President, but we can at least place the United States on record as joining in the sound judgment of these other nations.

I remind you that such groups as the American Civil Liberties Union, the U.S. Constitution Council, and the American Bar Association, among others, have urged that we ratify this treaty.

Moreover, at a time when events abroad are reminding us that the great Nazi holocaust of World War II—which prompted the international Genocide Convention in 1948—was not an isolated event incapable of repetition, we must sense a great urgency to put our Nation on record as deploring the commission of such heinous crimes.

Mr. President, I urge that we act immediately to ratify the Genocide Convention Treaty.

DANGERS OF THE WAR POWERS RESOLUTION

Mr. GOLDWATER. Mr. President, last Sunday, the Washington Post ran an article by W. Stuart Darling and D. Craig Mense entitled "The War Powers Flop." The thrust of what these authors argue is that the war powers resolution, shoved into the law books over a Presidential veto in 1973, should be strengthened. Rather than considering the law as any inhibition on Presidential defensive actions, the authors accept the view that the law authorizes nearly any Presidential action whatever, with Congress exercising supervisory power after U.S. troops have been committed.

They want Congress to settle decisions on the use of armed forces beforehand.

Mr. President, I believe the authors have seriously misread the war powers resolution and its potential for disaster. For one thing, they have failed to observe that the law applies not only to forces which are actually engaged in combat, but to situations where hostilities look imminent. In a crisis situation, even though no U.S. troops are engaged in battle, the law requires that they shall be pulled back within 60 days. The President may possibly have another 30 days solely for purposes of bringing about their prompt removal.

Another provision of the law, left unmentioned by the writers, would allow Congress unilaterally to order a withdrawal of military forces engaged in hostilities at any time it wishes by approving a resolution that is not subject to Presidential veto.

Now, if this law had been in effect during the Cuban missile crisis, Congress could have directed the return of all the U.S. naval and air forces engaged in the quarantine of waters around Cuba. The war powers resolution does not define what a "hostility" is, but in a situation where the United States is facing the emplacement of missiles tipped with nuclear warheads aimed at American cities holding 80 million citizens, where the First Armored Division was moving out of Texas into Georgia and five more divisions were being placed on alert, where the base at Guantanamo Bay was being strengthened, where the Navy was deploring 180 ships into the Caribbean, where the Strategic Air Command was being disbursed to civilian air fields, and where our B–52 bomber force was being ordered into the air fully loaded with atomic bombs, one might describe the circumstances as being a state of hostilities.

Now, the Cuban missile crisis did not last as long as 60 days, but if it had, the naval blockade would have been automatically terminated. At the very least, the war powers resolution would have forced Congress to debate legislation on the crisis when events were at their emotional peak. In this kind of public atmosphere, congressional proceedings

may well have disrupted the military operation and confused our country's efforts and diplomatic contacts.

Or, it is conceivable that the law may have had exactly the opposite result. The same theory of congresional dominance of the war powers that is asserted in support of congressional power to provide for the withdrawal of American forces contrary to the judgment of the Executive also permits Congress to order accelerated activity by U.S. forces. Remember, it was congressional leaders who attempted to pressure President Kennedy into much stronger military action than he wished to take during the 1962 crisis.

Thus, the dangers of having 535 Secretaries of State in Congress come both from the direction of too much weakness or too strong a reaction. The same Congress that extended the military draft by a single vote would hardly have given its approval to the occupation of Greenland and Iceland by armed troops and the use of warships to protect the British lifeline in the Atlantic under a policy of "shoot-on-sight," as was ordered by President Roosevelt prior to our official entry into World War II. On the other hand, the same Congress whose leadership pressed for an armed invasion of Cuba may have pushed the world closer to the abyss of a nuclear holocaust than the more moderate step of a blockade.

Mr. President, Messrs. Darling and Mense do not indicate where they believe Congress acquires the dominant powers to control foreign policy decisions involving the deployment or other use of military forces, but many people do make the common mistake of assuming that because Congress has power "to declare war," only Congress has power "to commit forces." Now, getting the Constitution to say something that is not written there nor appears in any interpretation given to it by the Supreme Court, is distorting and twisting and perverting that document, but nevertheless it is a common misunderstanding.

Ever since George Washington threatened Spain with the use of force if it did not open the Mississippi River to American navigation, Presidents have taken initiatives on their own in defense of American lives, liberties, and vital interests. Even Thomas Jefferson, who is often marshalled against unilateral military power, himself unilaterally sent an American naval squadron into the Mediterranean with orders to protect our commerce against attacks from the Barbary Powers. His orders directed that our naval commanders should distribute their force "so as best to protect our comerce and chastise their insolence— by sinking, burning or destroying their ships and vessels wherever you shall find them." So much for Jefferson's supposed deference to Congress.

What is generally overlooked today is that according to 18th century meaning and usage, a declaration of war served merely as a formal proclamation that war already exists. Or, it served as a check on "offensive" war, such as the wars of jealousy and dynastic squabbles then being waged by European princes. The declaration was not required for defensive actions.

The Supreme Court said in 1976:

The men who met in Philadelphia in the summer of 1787 were practical Statesmen . . .

Being practical, the framers realized that Congress, a deliberative body of numerous Members, might by its very nature be reluctant or unable to act in some time of grave need.

When the Constitutional Convention met, the country faced great foreign dangers. In the North, Britain illegally held onto frontier military posts and supported Indian raiding attacks across our frontier. To the South, Spain barred free navigation of American boats on the Mississippi. France was suspected of attempting to make the United States a dependent client embroiled in its own pet schemes. In this setting, well-known to each of the framers, they saw the need for an officer who could take action on his own initiative if necessary in the public defense.

By making the President the Commander in Chief, and by vesting him with all of the "Executive power," the framers gave him authority to enforce his oath to "preserve, protect, and defend the Constitution."

Messrs. Darling and Mense point to the elusiveness of determining which actions are "defensive" and which are "offensive." They point to the question raised by Abraham Lincoln, who when he was a first-term Congressman, asked whether it is possible to "fix any limit" to the Presidential power to wage defensive war. The authors fail to note Lincoln's answer. Fifteen years later, Lincoln wrote: "When rebellion or invasion comes, the decision is to be made" and the man whom the people have made the Commander in Chief "is the man who holds the power and bears the responsibility of making it."

The limit to the President's war powers are in the Constitution. They are in his accountability to the people and to Congress. He must come to Congress for funds to maintain and equip the Armed Forces. He must answer directly to the public every 4 years and is constantly subject to the scrutiny of a free press with its influence upon public opinion. If an outrageous abuse of power occurs, there is the resort of impeachment.

Mr. President, there is a need for clarity, as Messrs. Darling and Mense suggest. But it is for the courts to say what the law is. Congress may not assume to itself authority to define the boundaries between the powers of the President and the legislature.

Thus, I hope to bring the war powers issue to the courts. In this way, questions about the ability of the Nation to protect its people and its freedoms will be removed.

Mr. President, in order to allow Messrs. Darling and Mense to have their position explained in their own words, I ask unanimous consent that the article which appeared in the Washington Post Outlook section of March 6, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WAR POWERS FLOP

(By W. Stuart Darling and D. Craig Mense)

Three years have passed since Congress enacted the War Powers Resolution over President Nixon's veto. Since then, there has been relatively little discussion about this law which purports to ensure that the United States will never again become involved in another unpopular war like that in Vietnam.

In essence, the law seeks to ensure that American armed forces will not be committed to hostilities by the President without prior congressional authorization except in "emergency" situations. In the event that such an emergency does arise, the President can, on his own, commit forces to combat provided that they must be withdrawn after 60 days unless Congress has enacted a measure specifically endorsing his action. The statute grants the President authority to extend this 60-day period for an additional 30 days if, in his opinion, "unavoidable military necessity" so requires. Thus, the President can wage war on his own for 90 days before Congress really enters the picture.

The present act has seemingly been forgotten since the resignation of Richard Nixon. But whether, as is claimed, the law will compel future Presidents to allow for congressional participation in any decisions to commit U.S. troops to hostilities overseas is questionable. And as we enter a new era, there is a clear need to analyze the law's practical effects on the nation's foreign policy.

It is not difficult to envision, drawing from the current world situation, a crisis which might precipitate the introduction of U.S. troops overseas to protect our real or imagined interests. The death of Marshal Tito, now 85, could tempt the Soviets to grab for power in strategic Yugoslavia, probably by a variety of subtle means, conceivably by overt military action, and should that occur President Carter would not necessarily be bound by the comment of candidate Carter dismissing a military response. The potentialities for trouble in the Middle East are not limited to the Arab-Israel conflict but cover as well the volatile Persian Gulf into which has flowed in recent years large quantities of American weapons and thousands of American military instructors.

One can go on identifying potential trouble spots, evoking Cassandra-like images of the future in southern Africa or Korea.

PROBLEMS CREATED

The question which must be asked is this: Would an American President, faced with what he saw as an unavoidable conflict and aware of the military advantages of quick action, be restricted by the current war powers law from initiating U.S. military actions until he could acquire congressional approval? We think not. In fact, the existing statute creates more problems than it solves. As Yale Law Professor Charles L. Black characterized it: "Presented as a limitation on presidential power, [it] can hardly be read as other than a very nearly explicit authorization of any presidential action whatever, with Congress exercising supervisory power later along, after the commitment has been made."

The failure of the law stems from a decision made in 1973 in a conference committee formed to reconcile the differences between the bill's House and Senate versions.

The Senate had acknowledged the necessity of the President's acting without prior congressional approval in certain emergency situations, but spelled out what those "emergencies" were: (1) responding to or

preempting an attack on the United States itself (2) responding to or preempting an attack on U.S. armed forces stationed abroad (3) and rescuing American citizens abroad from circumstances which endangered their lives.

The House, on the other hand, had allowed the President unilateral emergency power without specifying what would constitute an emergency power without specifying what would constitute an emergency. The conference committee placed the Senate codifications of emergencies under the "Purpose and Policy" section of the compromise bill. The conference report explained that the "Purpose and Policy" section was "a statement of the authority of the commander-in-chief respecting the introduction of armed forces into hostilities" and went on to say "subsequent sections . . . are not dependent upon the language of this subsection, as was the case with a similar provision of the Senate bill."

By delaying the congressional imprimatur for 90 days, one of the bill's main goals was compromised. The authors of the Senate bill felt it crucially important that Congress share in the decision to use force before an actual commitment had been made. Otherwise, Congress would have to make the very difficult choice of compelling a withdrawal or evacuation of forces already engaged in hostilities. For these reasons, Sen. Thomas Eagleton (D-Mo.) voted against adoption of the conference report, though he had helped draft and guide the legislation through the Senate.

Most other supporters of the Senate bill, even though they shared many of Eagleton's reservations, chose to accept the conference version. They did so to a significant and unfortunate degree because of unrelated political events. Remember the atmosphere at the time: President Nixon, under mounting criticism from all sides because of Watergate, had recently fired special prosecutor Archibald Cox in the "Saturday Night Massacre."

Nixon vetoed the conference bill, claiming that it was both unconstitutional and an unwise inhibition on the President's conduct of foreign policy. By this time, however, Congress seemed to have tired of arguments for or against the bill itself. Nixon's veto tended to transfer the issue from the bill's provisions to a question of congressional capability to stand up to an increasingly discredited President. In its 10-month existence, the 93d Congress had not overridden any of Nixon's vetoes. In the House, the vote to override was very close. Eight House liberals who had formerly opposed the conference bill switched sides to make the override possible. The margin was only four votes above the necessary two-thirds majority. In the Senate, the override margin was 13, and on Nov. 7, 1973, in Public Law 92–148, the country at last had a war powers act.

But is this law worth having? Does it do more harm than good?

De Tocqueville observed that "foreign politics demand scarcely any of those qualities which are peculiar to a democracy; they require, on the contrary, the perfect use of almost all those in which it is deficient."

It is difficult for democracies to compete in world politics against totalitarian states. Democracies are suspicious of secrecy and not very good at it. Yet successful foreign policies sometimes require secrecy, as well as intimidation, threats, alignments with undemocratic states and, too often, the application of force to obtain desired ends. When a democracy must resort to violence, however, it is imperative both for the success of the foreign policy leading to the use of force, and for the military operation itself, that the people understand why they are fighting and accept the sacrifices necessary for victory. Without this element of consent and a willingness to bear the burdens of war, a democracy is wise to keep out of combat situations.

In effect, by deciding not to require prior congressional consent for presidential war-making in other than designated emergency situations, the conference committee awarded the President *carte blanche* to undertake any sort of military operation subject only to *ex post facto* congressional review. A situation in which Congress felt compelled to force a withdrawal of forces already engaged in hostilities would be a nightmare for all concerned, not least to the military personnel, officers and men, doing the actual fighting. The effects on service morale would be lamentable and frightening.

More likely, however, Congress would never steel itself to make such a decision unless a military venture had proved utterly calamitous, either on the battlefield or at home, or both. Additionally, if for some reason (albeit an unlikely one) Congress became too zealous in compelling withdrawals after 60 days, the world could bear witness to a succession of American Dunkirks that would be unredeemed and unredeemable.

Sen. Barry Goldwater (R-Ariz.) and others have expressed the view that the President must not be deprived of his ability to defend and protect U.S. lives and interests throughout the world. True. It is the price we pay for living in a world where force, and not law, is oftentimes the arbiter of the future. It would be a foolish mistake to deprive the President of the ability to wage a defensive war.

WHAT IS DEFENSIVE WAR?

However, there remains the problem of determining what a defensive war is. Nearly all belligerents call their half of any war "defensive;" it is the other side who's waging an aggressive, "offensive" war. Hitler claimed his invasion of Poland was a defensive war justified by a fabricated "seizure" of a German radio station, actually carried out by SS troops masquerading in Polish uniforms.

In 1848, Congressman Abraham Lincoln addressed himself to this point:

"Allow the President to invade a neighboring nation, whenever he shall deem it necessary to repel an invasion, and you will allow him to do so whenever he may choose to say he deems it necessary for such purpose—and you allow him to make war at his pleasure. Study to see if you can fix any limit to his power in this respect . . . If today he should choose to say he thinks it necessary to invade Canada to prevent the British from invading us, how could you stop him? You may say to him, I see no probability of the British invading us but he will say to you be silent: I see it if you don't."

The Senate bill presented as workable a definition of defensive war as can likely be written. In that section, the President was empowered to "forestall," or preempt, the "direct and imminent threat" of attacks on the United States itself and on American armed forces abroad without a declaration of war. In the event of attacks on the United States he could take "retaliatory" action as well. He could use the armed forces to rescue American citizens abroad, but with provisions that prevent such an operation from being used as a guise to cloak ulterior motives. In any other situation, the President would first have had to secure the approval of Congress before resorting to the use of armed forces.

The present law, however, took one step forward and two steps backward. Certainly, this War Powers Resolution is not without some valuable ideas. It makes clear, for example, that our treaty commitments are not self-executing. Apparently, this surprised several of our allies and caused them to worry aloud about American credibility as a world power. In reality, however, the mere fact that a given nation's signature appears on a treaty proclaiming a military alliance is not what matters. Alliances are a shared perception of a common threat. Alliances are little more than verbal expressions of a common view of potential danger. This common perception can change as the danger mellows or if it is mistakenly thought to mellow. In this way treaties can become only "scraps of paper."

History offers few examples of nations risking their security for "scraps of paper" that did not represent a much deeper concern than keeping promises. In 1914, Britain went to war ostensibly to honor its treaty commitment to Belgian neutrality, but the fundamental reason was that the British would not accept the jeopardization of their security which a German defeat of France would cause. The NATO treaty will become only a scrap of paper if, for whatever reason, the United States, or the West Europeans, come to feel that Soviet domination of Europe is something worth fighting to prevent.

THE NEED FOR CLARITY

The congressional record in foreign affairs since the adoption of the present war powers law has not been impressive. The failure of the bill to involve Congress in the decision-making processes surrounding the evacuation from Vietnam or the Mayaguez affair illustrates both the weaknesses of the statute and congressional reservations about accepting the constitutional responsibility that some claimed the President has usurped. If Congress continues to evoke its constitutional authority in as haphazard a manner as it has in the last two years, becoming involved in the Angolan and Cypriot situations but not in the evacuation from Vietnam or the Mayaguez affair, Congress will justifiably be subject to charges of meddling in presidential concerns and the formula for democratic participation in decisions to use force will remain cloudy.

The current period of relative domestic and international tranquility offers the opportunity to reopen the issue for further consideration. Now is a good time for a reasoned and dispassionate analysis of the existing law.

A better opportunity may not be forthcoming. It is bitter to contemplate the effects of a renewed war powers debate instigated by a future military conflict involving U.S. troops. Common sense should beckon the Congress to settle the issue beforehand.

A return to the original Senate bill would clarify the situations in which the President's emergency powers do allow him to act unilaterally and would specify the situations in which the President can act only with prior authorization.

Some flexibility would be lost to the President in his conduct of diplomacy. This weakness is inherent in our democracy and we would be better off recognizing our limitations. However, that loss of flexibility would be more than compensated by the gain of a truly democratic dialogue on the issues of foreign policy. The President, too often shielded from adversary politics, would be obliged to engage in public debate. He would be forced to state his proposal and to persuade Congress and the American people to accept it.

The adoption of such a bill would demonstrate to any future President that the judgment to send this nation to war is not his alone and that, while unforeseen circumstances may compel him to abandon the rule in favor of an exception, as Arthur Schlesinger has written, "he should not pretend—as Jefferson, Lincoln and Roosevelt declined to pretend and as Johnson and Nixon have pretended—that the exception is the rule."

The Senate bill is not perfect, but then we do not claim to know what a perfect war powers law would be. As the spokesman for the Nixon administration pointed out throughout the war powers debate, the world has probably seen the last formal declaration of war. Future wars will either be conventional wars limited in scope, or total, nuclear wars which could be over within hours, if not minutes. For the former, declarations of war are undesirable, for the latter, impossible.

Nevertheless, Congress must have a part beforehand in any decision that involves armed forces in combat situations. A good war powers law would help ensure that the President will not commit the nation to policies it will not accept. If the President does perceive dangers which this countrymen are too slow to recognize, then his task is to educate them, and not compel them to do what they do not want to do.

SAVE YOUR VISION WEEK

Mr. HUMPHREY. Mr. President, on February 16, President Jimmy Carter proclaimed the first week in March—this week—as Save Your Vision Week. In complying with the request of Congress in its joint resolution approved in December of 1963, the President gives a strong impetus to the goal of improved vision for America.

Dr. Ron G. Fair, president of the American Optometric Association, a sponsoring organization, wrote me a very kind letter concerning my role in introducing, together with Congressman PEPPER, the resolution that gives this annual event national status. In his letter, Dr. Fair traces the history of the observance back to 1924.

This annual observance continues to serve a very useful function in focusing our attention on vision as a blessing that we should protect and cultivate every day of our lives. It also reminds us that not every American enjoys equal access to vision care and correction. Yet it is a vital component of preventive medicine. Any national health program is incomplete unless it provides for education in sound vision habits and makes adequate provision for early detection and care of vision ailments.

It is especially important that the vision problems of youngsters be caught early and corrected. Neglected eye care can place a visually impaired youngster at a serious scholastic disadvantage.

It is important, too, for the aged, so many of whom suffer visual loss or ailments. This week should remind all of us of the need to increase the access of medicare beneficiaries to early detection and diagnosis of eye disease.

Those of us in Congress whose actions shape the Federal Government's role in the Nation's health care are fortunate that we can count on the dedication and experience of America's eye care professionals. Their continuing advice and cooperation is essential to formulating sound national policy.

Mr. President, I ask unanimous consent that a brief summary of the history of Save Your Vision Week, together with the text of the President's proclamation, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SAVE YOUR VISION WEEK, 1927–77, A "GOLDEN" OPTOMETRIC OPPORTUNITY

HISTORICAL BACKGROUND

Charles Lindbergh piloted "The Spirit of St. Louis" across the Atlantic. Babe Ruth hit 60 home runs in one season. "The Jazz Singer," starring Al Jolson premiered in New York, heralding the end of silent films and the coming of talkies.

The year was 1927 and nothing seemed too great to conquer or too impossible to achieve.

In the world of vision, "rubber-tire" (plastic) frames were the fad, although wire frames and rimless eyeglasses were holding their own.

A foundation was started to encourage vision research—perhaps to test theories that eye color is determined by what a person eats or that nearsightedness is related to deficiencies in the blood.

And a group of farsighted optometrists launched the first observance of Save Your Vision Week to focus attention on the value of good vision and the need for everyone to take care of their eyes.

* * * * *

"Save Your Vision Week" started in 1924 as "Eye Conservation Week." In the Stenographic report of the proceedings of the 27th AOA Congress, June 9–13, 1924, page 218, the following statement is found.

"Resolved that the American Optometric Association designate the last week of August of this and each succeeding year as 'Evesight Conservation Week' and that all affiliated bodies, individual optometrists and others interested in the work be invited and instructed to cooperate in such a movement and that the slogan, 'Save Your Eyes, Better Vision Through Scientific Optometry,' be adopted."

The name of the observance was changed to "Save Your Vision Week" in 1927, and the first real detailed report on its observance appears in the convention report of the 31st annual Congress of the AOA. July 22–27, 1928, pages 104–105.

Apparently, the observance continued without interruption since that date. The first significant effort to establish the event as an official national observance occurred in 1963 with the introduction in the U.S. Senate of a joint resolution calling upon the President to annually proclaim the first full week in March as "Save Your Vision Week." This was enacted and the President has issued proclamations declaring the observance of this event annually since 1964.

SAVE YOUR VISION WEEK, 1977

[Proclamation 4488. February 16, 1977]

By the President of the United States of America a Proclamation:

Over the past half-century, we have made remarkable progress in the prevention, diagnosis, and treatment of eye problems. Methods are available today that can restore vision or sharply reduce the risk of blindness that were unknown not long ago. Research conducted supported by the National Eye Institute and many private organizations offers very real hope for finding ways to treat eye problems that are now beyond the reach of prevention or cure.

Despite our advances, millions of Americans fail to take advantage of the sophisticated vision care services available to them. Many older Americans accept poor vision as part of growing old. Millions of middle-aged Americans regard admitting a need for vision care as admitting to a loss of youth. Young people often foolishly believe their good vision will remain without care. Children are sometimes assumed to have no vision problems because they can read an eye chart when in fact they may be unable to see the printed page.

To remind all Americans of the importance of good vision and of ways to protect it, the Congress, by joint resolution approved December 30, 1963 (77 Stat. 629, 36 U.S.C. 169a), has requested the President to proclaim the first week in March of each year as Save Your Vision Week.

Now, Therefore, I, Jimmy Carter, President of the United States of America, do hereby designate the week beginning March 6, 1977 as Save Your Vision Week. I urge all Americans to mark this observance by learning how to take care of their eyes and availing themselves of professional eye care services. I call upon the vision care professions, the communications media, educators, and all public and private organizations which support sight conservation and vision research to join in activities to improve and protect the vision of all Americans.

In Witness Whereof, I have hereunto set my hand this sixteenth day of February, in the year of our Lord nineteen hundred seventy-seven, and of the Independence of the United States of America the two hundred and first.

JIMMY CARTER.

[Filed with the Office of the Federal Register, 2:55 p.m., February 16, 1977]

TEAMSTERS PENSION FUND INQUIRY CONTINUING

Mr. PERCY. Mr. President, the Wall Street Journal on February 3 carried an informative article by James C. Hyatt entitled "Study of the Teamsters Pension Fund Grinds On, Makes Some Progress; But Skeptics Still Abound."

The article describes the recent efforts by the Internal Revenue Service, the Justice Department, and the Labor Department to investigate the Central States Pension Fund operated by the Teamsters Union. For over 15 years, observers have identified alleged kickback schemes, improper loans, and associations with organized crime in the operations of the fund.

Last year, the Senate Permanent Subcommittee on Investigations issued a report covering its investigation of the severance pay-life insurance plan of Teamsters Local 295, operating in and around Kennedy Airport in New York. Improprieties costing millions of dollars were uncovered. A followup study is expected to be released within the next several weeks pointing to even greater abuses. Senator SAM NUNN, who has been directing this inquiry, is to be commended for his substantial efforts on behalf of the entire subcommittee.

It is a disgrace that thousands of workers are overcharged or shortchanged for insurance and pensions. Honest union leaders, law enforcement officials, legislators, journalists such as Mr. Hvatt, and others are working to eliminate the lack of integrity which is costing certain unions so dearly in monev and in respect. Union officials and trustees, in particular those in the Teamsters Union, must be fully responsive to the felt concerns of the rank and file.

Mr. President, because this article is timely reading on a major national problem, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LONG-HAUL INQUIRY—STUDY OF THE TEAMSTERS PENSION FUND GRINDS ON, MAKES SOME PROGRESS; BUT SKEPTICS STILL ABOUND

(By James C. Hyatt)

WASHINGTON.—An anniversary of sorts went mostly unobserved last month at the headquarters of the Teamsters union's big Central States pension fund in Chicago.

Investigators from the Labor and Justice departments and the Internal Revenue Service marked the first year spent there in the latest government investigation of the $1.4 billion fund, one of the nation's biggest private pension arrangements.

The agencies are examining records of the fund's 900 real estate loans and its procedures for approving and paying claims to the 450,000 Teamsters members covered by the fund. They are trying to decide whether federal laws, especially the 1974 pension law, have been violated. "We are somewhere about the middle" of an expected two-year investigation, recently reported William Chadwick, who is being replaced as the Labor Department's pension-law adminstrator.

But critics in Congress are growing impatient at the pace of the investigation and skeptical that it will lead to a complete cleanup. The Senate Labor Committee has shown its concern by extracting from the new Labor Secretary, Ray Marshall, a pledge that he personally will take full responsibility for conduct of the inquiry. At least two congressional committees are considering holding hearings soon to examine its progress.

PUSH FOR SURVEILLANCE

"The only way the public and Congress will ever know the Central States fund has been thoroughly investigated and cleaned up will be for the government to push with all its force for continued surveillance," declares Democrat J. J. Pickle of Texas, a member of a House Ways and Means subcommittee that oversees the pension law. "At best, it will take five to 10 years."

Skeptics note that for at least 15 years federal agencies have investigated the fund, looking into charges of improper loans, kickbacks and possible ties to organized crime. Yet few convictions have resulted, and allegations of serious wrongdoing continue.

Thus the current crew of investigators will be under heavy pressure to show plenty of muscle during the next few months as they decide what to do about these tough problems: Should the fund's tax-exempt status, which expires Feb. 28, be extended? How deep should the government get involved in the fund's day-to-day operations? Are criminal indictments warranted? Should the entire matter be turned over to a federal court?

SKEPTICAL CRITICS

Officials involved are starting to realize that, no matter how the inquiry turns out, they face serious difficulties in convincing congressional and other critics that a cleanup is really coming. But the investigators insist their efforts already have had a major visable impact on the Central States fund, which is apparently the largest pension fund in the nation that is administered by trustees from both union and employer groups. "Compared to the last 15 years, we've actually done quite a lot," one federal man says. Some examples:

The trustees are straining to steer the fund's vast portfolio away from heavy dependence on real estate and into more conventional investments, such as stocks and bonds. Of its $1.4 billion in assets, $923 million now is in real estate properties or mortgages, ranging from Las Vegas casinos and hotels to vast California real estate developments, from cemeteries to Teamsters local union halls, from a cable-television operation to television minister Rex Humbard's Cathedral of Tomorrow; there are loans to racetracks, hospitals and skating rinks, and even a tiny $953 mortgage loan insured by the Federal Housing Administration. The current goal is to achieve a 50–50 split between real estate and securities.

Under government pressure, the fund has removed a dozen of the 16 former trustees and trimmed the board to 10 members. (Teamsters President Frank Fitzsimmons remains a trustee.) One forced resignation was that of William Presser, longtime boss of the powerful Ohio Conference of Teamsters and a key pension-fund decision-maker in recent years; Mr. Presser had refused, on Fifth Amendment grounds, to testify to federal investigators. "The trustees began to take the investigation seriously" when officials forced the board changes, an observer says.

The trustees have agreed with the government to work out, in effect, a code of conduct for handling future fund decisions. The government investigators view that arrangement as significant because it gives them a way to influence the fund's operations without surrendering the right to bring charges against its administrators for any illegal past conduct.

The fund's former assets manager, Alvin Baron, has been indicted for allegedly taking a $200,000 kickback for arranging a loan to a California cemetery owner. The indictment was based on information that the fund's managers voluntarily turned over to federal officials.

The fund has replaced or shortly will oust, several controversial advisers, including an attorney, an auditor and an actuary. It has hired the accounting firm of Arthur Young & Co. and the actuarial firm of Wyatt Co., to help prepare the voluminous paper work required under the 1974 pension law.

"A STORY TO TELL"

At the same time, the usually reticent union has begun a publicity drive defending the Central States fund.

"We've a story to tell that we've never been able to get in the newspapers," Mr. Fitzsimmons declares. "You (the press) knock our brains out about the fund, but you don't say anything about competitive funds and about the union in general."

The trustees recently sent to every U.S. daily newspaper, and to every member of Congress, a lengthy defense of the fund. They compared its performance with sizable losses reported by real estate investment trusts. Mr. Fitzsimmons also pointedly notes the precarious financial situation facing many pension funds for public employes.

"I don't think any fund has been investigated as extensively over the years as the Central States pension fund," Mr. Fitzsimmons says. "Strangely enough, the fund has realized and remained in a position of financial worth better than any other fund of its nature in the country. We have some 70,000 people receiving pension benefits today, over $20 million a month."

Despite the union's boasts, and the government's claims, skeptics in Congress stick to their sour view of the fund's situation and the current investigation. Some frown especially on the government practice of negotiating differences with the fund's trustees. "The pension law isn't a negotiating document," grouses one congressional staff member. "The government shouldn't claim a victory just because the fund is willing to negotiate."

COURT ACTION URGED

Some congressional critics insist the government should take the Central States fund matter into federal court and let a judge decide whether agreements between the fund and the government on investment and claims procedures are proper. They note that last November the Labor Department, in the first such suit under the 1974 pension law, asked a federal court to remove the trustees of two small pension and welfare funds operated by the tiny Southern Labor Union and representatives of about 100 coalmining companies.

Government investigators concede that such a dramatic move in Chicago would delight the Central States fund's critics. "There are lots of folks who aren't going to believe us until they see a bunch of skins nailed to the wall," one government man says.

Aside from the indictment of Alvin Baron, however, it isn't clear whether investigators have found evidence serious enough to support any other major charges of wrongdoing. It is known that investigators are focusing on three particular sets of transactions, including a $40 million loan to Morris Shenker, controlling stockholder of the Dunes hotel-casino in Las Vegas and a former attorney for the fund; $146 million in loans to Allen R. Glick, owner of Argent Corp., a major Las Vegas gambling-casino operator; and a $15 million hotel loan to Alvin Malnik, a Miami Beach businessman. Messrs. Glick and Malnik have been accused of close associations with organized crime.

"DANTE'S INFERNO"

Individual abuses examined so far "might read like Dante's inferno" in a court petition, confides one source, but the government apparently isn't convinced that it should file a lawsuit alleging a broad pattern of misconduct. Some officials argue that efforts first should be made to straighten out the situation voluntarily.

Equally difficult, perhaps, is the government's problem of deciding what safeguards might be needed before it could terminate the investigation. Critics of the Central States operation doubt that employers who depend on the powerful union's cooperation for their day-to-day business operation can be expected to exercise an independent voice in pension-fund matters. But government lawyers doubt there's any legal way to avoid having the fund headed by a joint group of trustees representing labor and management, rather than a board composed wholly of outsiders.

Even so, the government holds considerable power over the trustees' actions. Under the pension law, severe monetary penalties can be imposed against trustees found to have breached their responsibilities. Moreover, the fund must get Internal Revenue Service approval of a continued tax exemption. The IRS withdrew the exemption last year, then restored it on a temporary basis; but the latest extension expires Feb. 28. The prospect of extending the exemption further has become the government's carrot to go along with its enforcement stick.

Sometime soon, the government must decide just how far into the fund's future operations it wants to plunge. Should it leave investigators permanently at the fund's Chicago headquarters? Should it require that all investment decisions be made by outside experts? Should it throw the whole operation into some sort of court monitorship? Those decisions will have to be made by President Carter's new Labor Secretary, Attorney General and Internal Revenue Commissioner.

One worry nagging investigators is that any drastic government action could severely deplete the fund's assets. Getting a fair price for some of its more-questionable real estate holdings may be difficult. The fund's loan portfolio illustrates other hazards. Some loans contain terms calling only for modest payments of principal and interest for a

number of years and a large "balloon" payment of principal at the end. Arranging for repayment of such loans ahead of schedule wouldn't be easy.

The fund's officials have their own strategy for working out of the investigation. In documents filed with the IRS, and in presentations to the Labor Department, they are arguing that the administrative changes made since early 1975 meet all government legal requirements. They note the fund is being managed by a new professional team led by Executive Director Daniel J. Shannon . . . properly.

Selling that argument on Capitol Hill, or even to the investigators, won't be easy, however. "Once the government goes away," worries one congressional staff member, "Mr. Shannon could be kicked out the door."

Mr. PERCY. Mr. President, an even more recent update of the situation involving the Central States fund is contained in an account by Lee Dembart appearing in the New York Times edition of March 1, 1977. I ask unanimous consent that that article also be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES SET FOR COURT ACTION TO REMOVE FITZSIMMONS FROM TEAMSTERS' PENSION BOARD

(By Lee Dembart)

The Government and the teamsters' union were poised for a showdown yesterday as the Labor Department prepared to go to court if necessary to remove the union president, Frank E. Fitzsimmons, as a trustee of the union's major pension fund.

In a telephone interview, Mr. Fitzsimmons declined to say whether he and three other longtime trustees would bow to the Government's demand that they quit. He hinted that he thought something could be worked out.

But a person close to the Labor Department, which has spearheaded the Government's investigation into the $1.4 billion Central States, Southeast and Southwest Area Pension Fund, said: "Labor [Department] is preparing itself for any contingencies. They will go forward if that is called for." He said court action "would be appropriate."

Observers said that the move by the Government, following months of negotiations with the scandal-scarred pension fund, was initiated by the new Secretary of Labor, Ray Marshall, who has assumed personal control of the investigation.

Last fall, under Government pressure, 12 of the Chicago-based fund's 16 trustees resigned, and the board was reorganized to include the four remaining trustees, Mr. Fitzsimmons among them, and six new ones.

No negotiations were held from then until Feb. 16, when the Government investigators presented six demands, the last of which was the resignation of the four holdover trustees.

Last Wednesday the fund made a counterproposal, essentially accepting five of the demands, including the appointment of independent money managers as trustees to control the assets, but balked at the sixth.

"They've got our counterproposal," Mr. Fitzsimmons said from Washington yesterday. "When we get their answer, we'll make a decision from there."

A person close to the pension fund said that a final decision by the trustees on how to proceed might be made in a week or so. He indicated that one possibility was the resignation of the four trustees one by one over an extended period, so that it would not look as if they had been ousted.

Besides Mr. Fitzsimmons, the other trustees in question are Roy Williams, who is a vice president of the International Brotherhood of Teamsters and is sometimes talked of as a successor to Mr. Fitzsimmons as president; and two employer representatives, John F. Spickerman and A. G. Massa.

Any Government move in court, which has been discussed since last spring, would be taken under the Employee Retirement Income Security Act, the so-called Pension Reform Law, which does not specifically give the Government power to seek removal of trustees.

The Labor Department is seeking similar relief in at least two other cases, one of which involves the pension fund of Teamsters' Local 806 in Brooklyn, But if the Central States fund decided to fight, it could be expected to argue that removing trustees is not a legal remedy.

The fund also would argue, as it has in public and in filings with the Internal Revenue Service, that its practices have been cleaned up in the last year, that no new loans are being made, that a new professional staff is managing things properly and that therefore there is no justification for ousting any of the trustees.

Since its founding in 1955, the Central States fund has been accused of making shaky loans to underworld businesses and of managing the fund's assets for the benefit of the trustees rather than the benefit of the workers and pensioners.

SENATE RESOLUTION 4

Mr. JOHNSTON. Mr. President, on February 4, 1977, the Senate passed Senate Resolution 4. Immediately after final passage, an amendment to that resolution concerning committee jurisdiction over trusteeships of the United States was adopted by unanimous consent—see pages 3691 and 3692 of the February 4 RECORD. As a representative of the Committee on Energy and Natural Resources, I met with members of the Foreign Relations Committee, and the following clarification of that amendment was agreed upon:

Under this amendment the Foreign Relations Committee will have primary jurisdiction over the national security and international aspects of Trusteeships. However, such matters, following both comity and past practice, will be referred to the Energy and Natural Resources Committee sequentially, for a period of not more than thirty days. All other aspects of the Trusteeships shall remain in the Energy and Natural Resources Committee.

REPRESENTATIVE RICHARDSON PREYER: A MAN OF INTEGRITY

Mr. PERCY. Mr. President, Representative RICHARDSON PREYER was recently named chairman of a select committee to write the now-completed code of ethics for the House. He was also asked to serve on the House Ethics Committee, which is probing the question of alleged Korean bribes to Members of Congress, and he was assigned to the House Committee on Assassinations. In these times, when such investigations are vitally important in order to regain the trust of our Nation in its public officials, there are few better than he to lead off inquiries into these controversial issues. It is also appropriate that a man of such high integrity and personal standards be chosen to draft a code of ethics for his colleagues, and I am sure my colleagues join me in expressing high regard and respect for Representatives PREYER's ability to deal with these matters. I ask unanimous consent to have printed in the RECORD an excellent article from the Chicago Tribune describing the high regard in which he is held by his House colleagues because of his excellent character.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, Feb. 27, 1977]

HE'S OUT TO CLEAN UP WASHINGTON

(By Arthur Siddon)

WASHINGTON.—When Richardson Preyer walks through the halls of Congress, cameras seldom click and tourists almost never stare.

An obscure congressman from North Carolina, the 58-year-old Democrat may be on his way, however, to becoming a power in Congress, possibly one of tomorrow's superstars.

House Speaker Thomas P. "Tip" O'Neill has named Preyer chairman of a select committee to write a code of ethics for the House.

If that were not enough, O'Neill also asked Preyer to serve on the House Ethics Committee, which is probing the Korean bribes, and the controversial assassinations committee investigating the deaths of President Kennedy and the Rev. Martin Luther King Jr.

These are jobs that could strain the many friendships Preyer has made during the 10 years in Congress.

"Tip asked me to take on the jobs, and I agreed," Preyer said simply in a soft voice. "I felt it would be a challenge."

It could prove to be a costly challenge for Preyer.

The job of Preyer's special committee will be to purge the House of any questionable practices that could cause future scandals. To some members, this means putting an end to all the fun and profit in being a congressman.

"You use up all your chits when you do something like he is about to do," observed Rep. Abner Mikva [D., Evanston]. "I know a lot of men who would be pretty nervous in that job."

But Mikva and most other congressmen think O'Neill chose well. Preyer has earned an almost universal reputation for honesty among his colleagues.

This has paid off in the respect and affection of Northern liberals and Southern conservatives alike—from Ab Mikva to Rep. Joe Waggonner [D., La.].

Yet, Preyer is a complex man.

He comes from a conservative district with Republican strongholds, but he is a liberal Democrat by North Carolina standards.

He favors congressmen disclosing their incomes and assets, yet never has voluntarily disclosed his own substantial holdings—he is the millionaire heir to the Richardson-Merrell pharmaceutical fortune [Vicks Vaporrub].

He resigned a lifetime appointment as a U.S. District Court judge to run unsuccessfully for governor of North Carolina in 1964, even though some told him he had a chance one day to sit on the U.S. Supreme Court.

Southerners in Congress point out that understanding Preyer requires a knowledge of Southern politics.

"Wealthy politicians in the South, people like Rich, tend to be more liberal," explained Joe Waggonner, the unofficial leader of the Southern conservative bloc in Congress.

This makes them suspect in the minds of many old-line Southern politicians.

"But Rich has never been anything but straight with me," Waggonner said. "He is a nice, quiet guy. I have never known him to do anything other than what he thought was the right thing to do."

Another Southerner, who asked not to be quoted by name, was more blunt.

"It is characteristic of a Southerner born with a silver spoon in his mouth to want to spit it out," he said.

A graduate of Princeton and Harvard Law School, Preyer credits the late President Kennedy and former North Carolina Gov. Terry Sanford with helping him to shape his political philosophy.

The attitude of the early 1960s was that the country had a great future, that exciting things were happening, he said.

"Being a judge for the rest of my life suddenly didn't seem so exciting," he explained. "I wanted to get into the action and do my part."

But the country lost the excitement largely because of the Viet Nam war, which Preyer began to oppose while Lyndon Johnson occupied the White House.

"I hope we are beginning to get that feeling back now," Preyer said.

He is convinced the House will pass a strong code of ethics which will require financial disclosure, limit outside income, and eliminate such practices as office slush funds.

Preyer cautioned against any suggestion that he would write a model code for all time. Politics will play a part, he acknowledged. There will be give and take. There will be compromise.

"Feelings get pretty strong when you talk about money, and we're talking about how much and what kind of money a congressman can earn and how he can spend it," Preyer said.

"We're going to be sure we don't strike anybody arbitrarily," he added.

Preyer said he would move slowly, which is characteristic of the man.

He was slow, for example, in coming around to opposing Wayne Hays last year. But when he finally did, he was instrumental in Hays' downfall.

"If you want someone with universal respect to champion a cause, you go to Rich Preyer," said Mikva. "That's what Tip has done."

There will be controversy and difference of opinion on a code of ethics, according to Waggonner.

"But with Rich putting it together, we will know it is what he believes, not what somebody else told him it could be," Waggonner said. "We don't have to worry that he has struck a deal with anybody.

THE PRESIDENT'S COMMISSION TO VIETNAM

Mr. KENNEDY. Mr. President, within a few days President Carter's Commission to Vietnam will arrive in Hanoi for discussions with Vietnamese officials. As announced by the administration, the Commission's primary purpose relates to information about American military and civilian personnel still considered missing in action, and to the recovery and repatriation of remains.

I commend the President for his initiative and the Government of Vietnam for its positive response. In dispatching the Commission, the President fulfills a pledge to the many Americans who remain concerned over the missing in action, and to those Americans who also hope that our country will finally pursue a policy of reconciliation and normalization of relations toward the people and Government of the Socialist Republic of Vietnam.

In naming Leonard Woodcock to head the delegation to Hanoi, the President gives us confidence that he attaches importance to the work of the Commission. Mr. Woodcock is a very distinguished American with a long record of public service, and he and his colleagues deserve the full support of all our citizens.

I share the hope of many Americans that the President's Commission truly signals a break with the past, and that we are now seriously pursuing a policy to promote and facilitate the normalizing of relations with Vietnam. Such a policy will not only help to resolve the many outstanding problems between our two countries, but it will also contribute, I feel, to the peaceful development of Southeast Asia. In short, the orderly process of normalizing relations is in the interest of all parties concerned.

Mr. President, a satisfactory resolution of the missing in action problem is important to all Americans, especially to the families and friends of the missing personnel. And hopefully this goal will soon be accomplished. But we must also be mindful of other concerns and interests and objectives in the normalization process, and these other matters cannot be isolated from a legitimate concern over the missing in action and the repatriation of remains.

In a special report last year on the humanitarian problems resulting from the Indochina war, the Subcommittee on Refugees, which I serve as chairman, outlined some of these concerns and interests and objectives. In terms of American policy, these matters include, for example, dropping the bar against Vietnam's admission to the United Nations. They include the lifting of travel restrictions, the commencement of commerce and trade, and the opening of cultural and educational and similar exchanges between the United States and Vietnam. They also include the reunification of families separated by the events of March and April of 1975, the free exchange of personal communications and parcels between people living in the United States and those living in Vietnam, and other matters of mutual concern. And finally, even as America has welcomed refugees from Vietnam to our shores, we must not forget the needs of the war victims who remain in their native land. Many humanitarian problems, including the resettlement of displaced persons and the rehabilitation of other war victims, continue in Vietnam. And we must be mindful of such problems and of our responsibilities as a nation in helping the people of Vietnam to rebuild their country and normalize their lives.

In this connection, Mr. President, I am hopeful that the new administration will renew immediately our intention to help heal the wounds of war.

We can begin by contributing needed food assistance to the people of Vietnam, and by giving our open and active support to the rehabilitation and recovery programs of many international agencies. These agencies include the International Red Cross. They include the Office of the United Nations High Commissioner for Refugees—UNHCR; UNICEF; the United Nations Development Program—UNDP; the World Food Program—WFP; the World Health Organization—WHO; and others within the United Nations system. They also include the International Monetary Fund and the Asian Development Bank, and a World Bank study mission recently returned from the field.

Estimates by the Subcommittee on Refugees indicate that during 1976 the international agencies provided over $70 million in rehabilitation and recovery assistance to Vietnam. And projections for 1977 suggest an even higher amount. Additional assistance, of course, comes to Vietnam through bilateral channels.

Mr. President, it serves no useful purpose for our country to neglect the Indochina Peninsula and remain aloof from the concern of the international community over the future of Vietnam and its neighbors. So I am hopeful that, in addition to its primary concern over the missing in action, the President's Commission will also pursue other matters involved in the process of normalizing relations with the people and Government of Vietnam. And I join many Americans in pledging the President my support in accomplishing this goal.

WARNKE NOMINATIONS

Mr. PERCY. Mr. President, the nominations of Mr. Paul Warnke to be both Chief Arms Control Negotiator and Director of the Arms Control and Disarmament Agency, both now confirmed by the Senate, has provided the impetus for a far-ranging, much-needed, and helpful debate on national security policy. The debate went well beyond the qualifications of this able man to fill these important posts and has extended well beyond the confines of the U.S. Senate.

Not only have we been privileged to hear the articulate and informed views of able men, but there has been unprecedented newspaper, radio and television coverage of the hearings. Our previous, current and future negotiating posture with the Soviet Union, and the adequacy of our own deterrent in the light of Soviet modernization and diversification efforts have been given considerable coverage. Public interest has been piqued. Letters, mailgrams, and telegrams are running at a very high level.

Intelligent, knowledgeable, and respected men took differing views on the Warnke nominations and the supposed philosophy he espouses. Both William Foster and Gerard Smith, previous directors of the Arms Control and Disarmament Agency, enthusiastically support Mr. Warnke. Paul Nitze, a former Deputy Secretary of Defense, Secretary of the Navy, SALT negotiator, and a recent member of a presidentially appointed group to review Soviet capabilities and intentions, Team B, oppose the nomination.

This kind of debate—bringing informed but differing opinion to bear on these vital problems—is exactly what I had in mind when I suggested, approximately a year ago, in letters to the chairmen of the Armed Services and Foreign Relations committees that the Senate hold joint hearings on the Triad doc-

trine of American defense. The Foreign Relations Committee has completed some of these hearings, and more will follow. The Warnke confirmation hearings and its attendant debate inside and outside of the Congress has added to a record which will assist us all in making more informed and assured decisions on national security policy.

COMMITTEE RULES

Mr. SPARKMAN. Mr. President, in accordance with the provisions of section 133B of the Legislative Reorganization Act of 1946, as amended, I am submitting the rules of the Committee on Foreign Relations for publication in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON FOREIGN RELATIONS

A. COMMITTEE AND SUBCOMMITTEE MEETINGS

1. The regular meeting day of the Committee on Foreign Relations for the transaction of Committee business shall be on Tuesday of each week, unless otherwise directed by the Chairman.

2. Each meeting of the Committee on Foreign Relations, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the Committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the Committee or subcommittee that the matters to be discussed or the testimony to be taken at such portion or portions—

(a) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(b) will relate solely to matters of the Committee staff personnel or internal staff management or procedure;

(c) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(d) will disclose the identity of an informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

(e) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

A closed meeting may be opened by a majority vote of the Committee.

3. A majority of the authorized membership of the Committee shall constitute a quorum; provided, however, that six members, including at least one member from each party, shall constitute a quorum for the purpose of transacting Committee business, other than for reporting any measure or recommendation to the Senate which shall require a quorum as heretofore defined.

4. Proxy voting will be permitted on all matters, except that no measure or recommendation shall be reported unless a majority of the Committee were actually present.

5. The Chairman of the Committee on Foreign Relations, or the chairman of any subcommittee thereof, is authorized to fix the number of members who shall constitute a quorum for the purpose of taking testimony.

6. Except when funds have been specifically made available by the Senate for a subcommittee purpose, no subcommittee of the Committee on Foreign Relations shall hold hearings involving reporting expenses without prior approval of the Chairman of the full Committee or by decision of the full Committee. Meetings of subcommittees shall be scheduled after consultation with the Chairman of the Committee with a view toward avoiding conflicts with meetings of other subcommittees insofar as possible. Meetings of subcommittees shall not be scheduled so as to be in conflict with meetings of the full Committee.

7. Unless otherwise authorized by law or Senate Resolution, subcommittees shall be created by majority vote of the Committee and shall deal with such legislation and oversight of programs and policies as the Committee directs. Legislative measures or other matters may be referred to a subcommittee for consideration in the discretion of the Chairman or by vote of a majority of the Committee. If the Principal subject matter of a measure or matter referred falls within the jurisdiction of more than one subcommittee, the Chairman or the Committee may refer the matter to two or more subcommittees for joint consideration.

The Chairman and the ranking minority member of the Committee shall be ex officio members without vote of each subcommittee.

8. The Committee, or any subcommittee thereof, shall make public announcement of the date, place, time and subject matter of any hearing to be conducted on any measure or matter at least one week in advance of such hearing, unless the Committee, or subcommittee, determines that there is good cause to begin such hearing at an earlier date.

9. Assignments of members to subcommittees shall be made in an equitable fashion. No member of the Committee will receive assignment to a second subcommittee until, in order of seniority, all members of the Committee have chosen assignments to one subcommittee, and no member shall receive assignments to a third subcommittee until, in order of seniority, all members have chosen assignments to two subcommittees.

10. Each Member of the Committee may designate members of his personal staff for whom such Member assumes personal responsibility who may be present at executive meetings of the Committee: *Provided*, That such staff member hold a Top Secret security clearance; *Provided further*, That the Committee by majority vote or the Chairman may limit such attendance at specified meetings. Not more than one member of the personal staff of a Member may attend executive meetings of the Committee without specific authorization in advance by the Chairman.

B. COMMITTEE TRAVEL

1. No member of the Committee on Foreign Relations or staff shall travel abroad on Committee business unless specifically authorized by the Chairman, who is required by law to approve vouchers and report expenditures of foreign currencies, and the ranking minority member. Requests for authorization of such travel shall state the purpose and, when completed, a full substantive and financial report shall be filed with the Committee.

2. A member of the personal staff of a member of the Committee may travel with that member with the approval of the Chairman and the ranking minority member of the Committee. During such travel, the personal staff member shall be considered to be an employee of the Committee.

3. When the Chairman and the ranking minority member approve the foreign travel of a member of the staff of the Committee not accompanying a member of the Committee, all members of the Committee are to be advised, prior to the commencement of such travel, of its extent, nature, and purpose. The report referred to in the first paragraph of this section shall be furnished to all members of the Committee and shall not be otherwise disseminated without the express authorization of the Committee.

4. All official travel in the United States by the Committee staff must be approved in advance by the Chief of Staff.

C. NOMINATIONS

1. Unless otherwise directed by the Chairman and the ranking minority member, the Committee on Foreign Relations shall not consider any nomination until six days after it has been formally submitted to the Senate.

2. Nominees for any post who are invited to appear before the Committee shall be heard in public session, unless a majority of the Committee decrees otherwise.

3. No nomination shall be reported to the Senate unless the nominee has (1) been accorded security clearance on the basis of a thorough investigation by executive branch agencies; (2) in appropriate cases, has filed a confidential financial statement with the Committee; (3) the Committee has been assured that the nominee does not have any interests which could conflict with the interests of the government in the exercise of the nominee's proposed responsibilities; and (4) has received a complete list of any contributions made by the nominee or members of his immediate family to any Federal election campaign during the year of his or her nomination and for the four preceding years.

D. WITNESSES

1. The Committee on Foreign Relations will consider requests to testify on any matter or measure pending before the Committee.

2. If the Chairman so determines, the oral presentation of witnesses shall be limited to ten minutes. However, written statements of reasonable length may be submitted by witnesses and other interested persons who are unable to testify in person.

3. A witness appearing before the Committee, or any subcommittee thereof, shall file a written statement of his proposed testimony at least one day prior to his appearance, unless this requirement is waived by the Chairman and the ranking minority member, following their determination that there is good cause for failure to file such a statement.

4. When the Committee has ordered a measure or recommendation reported, following final action the report thereon shall be filed in the Senate at the earliest practicable time.

5. A member of the Committee who gives notice of his intention to file supplemental, minority or additional views at the time of final Committee approval of a measure or matter, shall be entitled to not less than three calendar days in which to file such views, in writing, with the chief clerk of the Committee. Such views shall then be included in the Committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the Committee report may be filed and printed immediately without such views.

6. The results of all rollcall votes taken in any meeting of the committee on any

measure, or amendment thereto, shall be announced in the committee report, unless previously announced by the committee. The announcement shall include a tabulation of the votes cast in favor and votes cast in opposition to each such measure and amendment by each member of the committee who was present at such meeting.

E. TRANSCRIPTS

1. The Committee on Foreign Relations shall keep verbatim transcripts of all Committee and subcommittee meetings and such transcripts shall remain in the custody of the full Committee, unless a majority of the Committee decides otherwise. Publication of transcripts of public hearings by the Committee shall be at the discretion of the Chairman.

2. Maintenance and security of classified transcripts:

(a) The Chief Clerk of the Committee shall have responsibility for the maintenance and security of the classified transcripts

(b) A record shall be maintained of each use of the classified transcripts.

(c) Classified transcripts shall be kept in locked combination safes in the Committee offices except when in active use by authorized persons. They must never be left unattended and must be returned to the chief clerk promptly when no longer needed.

(d) Classified transcripts shall be permitted to leave the Committee offices only in the possession of authorized persons. Delivery and return shall be made only by authorized persons. They shall not be permitted to leave the city or the country, unless adequate assurances are made to the Chairman for their security.

(e) Transcripts classified secret or higher shall not be permitted to leave the Committee offices.

(f) Extreme care should be exercised to avoid taking notes or quotes from classified transcripts. Their contents must not be divulged to any unauthorized person.

3. Persons authorized to use classified transcripts.

(a) Members and staff of the Committee, in the committee rooms, or, by permission of the Chairman, in their offices.

(b) Senators not members of the Committee and designated personal representatives of members of the Committee with appropriate security clearances, in the Committee's Capitol office, by permission of the Chairman.

(c) Members of the executive departments in the departments, or, in the Committee's Capitol office, by permission of the Chairman.

4. Declassification of executive transcripts and other executive records.

Executive transcripts and other executive records of the Committee shall be released to the National Archives and Records Service for unclassified use in accordance with the policies of that Agency. However, no such transcripts or other executive records shall be declassified within a period of 12 years except by majority vote of the Committee and with the permission of surviving members of the Committee at the time such transcripts or records were made and with the permission of the Executive Department, if any, concerned. After 12 years from the date such transcripts or records were made, they shall be declassified unless the Committee by majority vote shall decide otherwise.

F. REGULATION FOR THE USE OF CLASSIFIED MATERIAL (OTHER THAN TRANSCRIPTS)

Receipt and distribution of classified material.

1. All classified material received or originated by the Committee shall be keyed in at the Committee's offices in the Dirksen Senate Office Building, and except for material classified as "Top Secret" shall be filed in the Dirksen Senate Building offices for Committee use and safekeeping.

2. Each such piece of classified material received or originated shall be card indexed and serially numbered, and where requiring onward distribution shall be distributed by means of an attached indexed form approved by the Chairman. If such material is to be distributed outside the Committee offices, it shall, in addition to the attached form, be accompanied also by an approved signature sheet to show onward receipt.

3. Distribution of classified material among offices shall be by Committee members or authorized staff only. All classified material sent to members' offices, and that distributed within the working offices of the Committee, shall be returned to Room 4229, Dirksen Senate Office Building. No classified material is to be removed from the offices of the members or of the Committee without permission of the Chairman. Such classified material will be afforded safe handling and safe storage at all times.

4. Material classified "Top Secret," after being indexed and numbered, shall be sent to the Committee's Capitol office for use by the members and authorized staff in that office only .

5. The Chief of Staff is authorized to make such staff regulations as may be necessary to carry out the provisions of these regulations.

G. STAFF REGULATIONS

The following concepts shall guide the staff in its activities:

1. The staff works for the Committee as a whole, under the general supervision of the Chairman of the Committee, and the immediate direction of the Chief of Staff.

2. Any member of the Committee should feel free to call upon the staff at any time for assistance in connection with Committee business. Members of the Senate not members of the Committee who call upon the staff for assistance from time to time should be given assistance subject to the overriding responsibility of the staff to the Committee.

3. The staff's primary responsibility is with respect to bills, resolutions, treaties, and nominations.

4. The staff and the Committee also have a responsibility under section 136 of the Legislative Reorganization Act which provides that ". . . each standing Committee . . . shall review and study, on a continuing basis, the application, administration, and execution of those laws or parts of laws, the subject matter of which is within the jurisdiction of that committee. The staff also has a responsibility to the Committee for carrying out the mandate of Senate Rule XXV that, in addition to specific areas of jurisdiction, the Committee ". . . shall also study and review, on a comprehensive basis, matters relating to the national security policy, foreign policy, and international economic policy as it relates to foreign policy of the United States, and matters relating to food, hunger, and nutrition in foreign countries, and report thereon from time to time."

In the case of foreign relations, there is an additional responsibility deriving from the advice and consent clause of the Constitution. By the same token there are limitations deriving from the President's special constitutional position in regard to foreign relations.

5. In addition to carrying out assignments from the Committee and its individual members, the staff has a responsibility to originate suggestions for Committee or subcommittee with the Committee or subcommittee concerned. The staff also has a responsibility to make suggestions to individual members regarding matters of special interest to such members.

It is part of the staff's duty to keep itself as well informed as possible in regard to developments affecting foreign relations and in regard to the administration of foreign programs of the United States. Significant trends or developments which might otherwise escape notice should be called to the attention of the Committee, or of individual Senators with particular interests.

6. In carrying out the responsibilities in paragraph 5, the staff should bear in mind the workload of Senators and attempt not to deal in trivia but to limit itself to broad questions of basic policy or specific matters which point up a question of basic policy.

7. The staff should pay due regard to the constitutional separation of powers between the Senate and the executive branch. It, therefore, has a responsibility to help the Committee bring to bear an independent, objective, judgment of proposals to the executive branch and when appropriate to originate sound proposals of its own. At the same time, the staff must avoid impinging upon the day-to-day conduct of foreign affairs.

8. In those instances when Committee action requires the expression of minority views, the staff shall assist the minority as fully as the majority to the end that all points of view may be fully considered by members of the Committee and of the Senate. The staff must bear in mind that under our constitutional system it is the responsibility of the elected Members of the Senate to determine legislative issues in the light of as full and fair a presentation of the facts as the staff may be able to obtain.

9. The staff should regard its relationship to the Committee as a privileged one, in the nature of the relationship of a lawyer to a client. In order to protect this relationship and the mutual confidence which must prevail if the Committee-staff relationship is to be a satisfactory and fruitful one, the following criteria are suggested:

(a) The staff must be completely nonpartisan and responsible only to the Committee. Staff members will be hired and fired by the Committee solely on the basis of merit and without regard to political considerations.

(b) Members of the staff must not be identified with any special interest group in the field of foreign relations or allow their names to be used by any such group.

(c) Members of the staff must not accept public speaking engagements or write for publication in the field of foreign relations without specific advance permission from the Chief of Staff, or in his case, from the Chairman and the ranking minority member. In any event, such public statements should avoid the expression of personal views and should not contain predictions of future, or interpretations of past, Committee action.

(d) The staff must under no circumstances discuss with anyone the proceedings of the Committee in executive session or conversations with individual Senators without specific advance permission from the Committee or the Senator concerned.

H. PROVISIONS OF LEGISLATIVE REORGANIZATION ACT AND SENATE RULES

In addition to the foregoing, the Committee on Foreign Relations is governed by the standing rules of the Senate and the rules and procedures set forth in the Legislative Reorganization Act of 1946 as amended.

FEDERAL DRUG LAW ENFORCEMENT: REORGANIZATION IS NO SUBSTITUTE FOR INTEGRITY, STABILITY, AND LEADERSHIP

Mr. PERCY. Mr. President, plans to reorganize the Federal drug law enforcement effort have been offered with considerable regularity over the last several decades by various Presidents and Congresses.

As recently as 1968 the Federal Bureau of Narcotics—FBN—was removed from the Department of the Treasury and merged with other Federal drug agencies to become the Bureau of Narcotics and Dangerous Drugs—BNDD—within the Department of Justice. On July 1, 1973, BNDD was abolished and the Drug Enforcement Administration—DEA—was established. DEA is the result of a merger of the resources and functions of BNDD, the narcotics enforcement segment of the U.S. Customs Service, the Office of Drug Abuse Law Enforcement—ODALE—the Office of National Narcotics Intelligence—ONNI—and a major segment of the White House Office of Science and Technology.

Now, I understand, through recent statements made by Attorney General Griffin Bell, that the Carter administration may be considering the possibility of once again reorganizing the Federal drug law enforcement program.

Mr. President, as we all know, President Carter was elected with a mandate to carefully scrutinize the structure of the Federal bureaucracy and to greatly reorganize and simplify its operation. I feel that such a review by the President and the Congress is long overdue. Only last week the Governmental Affairs Committee, on which I serve as the ranking Republican, unanimously reported out legislation giving the President broad authority to propose reorganization plans throughout the Federal Government. On March 1, I joined a number of my colleagues in cosponsoring the President's plan to completely reorganize the Federal energy program by establishing a new Department of Energy.

I have decided to address the Senate on this subject because of articles in the press and rumors in the law enforcement community that a further reorganization of the Federal drug law enforcement effort is imminent. As far as I know, nothing could be further from the truth. In fact, Attorney General Bell, in a recent message to DEA personnel clarifying earlier remarks on this matter, indicated that he was merely studying the possibility of reorganization in this area along with numerous other policy options. In his comments, the Attorney General stated:

> In a meeting with the press this morning that has been widely reported, I commented that I am considering transferring the functions of the Drug Enforcement Administration to the FBI. Such a proposal is being considered; but it is not an accomplished fact, nor will it necessarily become an accomplished fact.
>
> The President has requested each member of the Cabinet to carefully consider reorganization as one means of streamlining the Government and making it more responsive to the public need. Logic would demand that I examine not only what the Drug Enforcement Administration is doing, but any possible larger role for the FBI, including the possibility of merging narcotics enforcement into the FBI. But this would only be done if it was proved to be a means to achieve more efficient law enforcement. A thorough study will be undertaken by well-qualified people to clearly examine the merits of such a reorganization.
>
> I would like you to know that a conclusion to reorganize narcotics enforcement has not been made. Also, I would like you to know that your career jobs will not be put in jeopardy if such a reorganization were to occur. We need more, not less, resources to handle this difficult and dangerous task.
>
> Finally, I would like to commend you for your recent accomplishments. I have just been shown your year-end statistics which reflect a continued decline in heroin purity and, for the first time, substantial reduction in heroin-related injuries and deaths.
>
> I fully appreciate how essential the work you are doing is to the Department of Justice and to the country.

It is clear from Attorney General Bell's statement that the Department of Justice has yet to fully consider the options available in the drug law enforcement area. As ranking minority member of the Permanent Subcommittee on Investigations and of the Senate Committee on Government Affairs, which has been actively involved in drug law enforcement oversight during the past 3 years, I am convinced that both the executive and legislative branches must move in this field with great caution and deliberation. Repeated reorganization in the past has had a serious effect on the morale of the personnel at DEA and its predecessor agencies. I know from individuals who have contacted me that rumors are rife within that Agency at this time concerning the abolition of the Agency or its possible merger with the FBI. I have even received inquiries about "my legislation" on reorganizing or abolishing the Drug Enforcement Administration. No such legislation exists, and from my discussions with other Senators most actively involved in this field I understand no such legislation is expected until considerable study is given to the reorganization question.

Once officials at the Department of Justice have had ample opportunity to thoroughly review DEA's operations, its relationship with the U.S. Customs Service and the FBI, the history of past reorganizations, and the current effectiveness of the overall Federal drug law enforcement effort, it may be that President Carter will want to submit a plan to the Congress restructuring this crucial area of Government. I am confident that if and when such a plan is formulated there will be consultation with those of us in the Senate who have been most active in the drug law enforcement field, such as Chairman RIBICOFF of the Governmental Affairs Committee and Senators JACKSON and NUNN, the chairman and vice-chairman respectively of the Permanent Subcommittee on Investigations. Reorganization—if it is to take place at all—should be considered only after such careful study of the current DEA structure and its history. This is the responsible way to proceed on this problem and the only way that Congress would be willing to entertain the possibility that structural change—with its attendant dislocations and personal upsets—is needed. What is essential, and I have heard Senator NUNN express the same view, is some stability in the organization of the drug law enforcement effort, integrity and commitment throughout the Drug Enforcement Administration, and the kind of decisive leadership that the present Administrator, Peter Bensinger, is providing. No reorganization, however sound in theory, can be a substitute for that.

GOVERNMENT IN THE SUNSHINE

Mr. CHILES. Mr. President, on March 12, 1977, many Federal agencies will take a significant step toward restoring the confidence of the American people in the Federal Government. This important step will be to open most important, decisionmaking meetings of about 50 Federal agencies to public observation. I want to take this occasion to encourage the public to take full advantage of this opportunity to attend agency meetings and observe how the Federal Government conducts business. Also, I want to ask the agencies covered by the Government in the Sunshine Act to use every effort to support fully the spirit and the intent of this important law. As chairman of the Senate Subcommittee on Federal Spending Practices, Efficiency and Open Government, charged with the primary oversight responsibility for the Sunshine Act on the Senate side, I am taking a very active role in monitoring the early implementation of the act. Comments today will go beyond broad generalizations of policy to include particular problems which have come to my attention.

The act does require the agencies to change to some extent the way they operate. Agencies must forget the old habits of secrecy to which many in our Government have grown accustomed over the years. New habits of openness in Government must be learned. The burdens—which, incidentally, have been exaggerated by some—will become greatly reduced. It has been the experience of officials in State governments covered by sunshine laws, there has not been such a burden. Laws of Federal agencies such as the Federal Power Commission and the Consumer Products Safety Commission which have already been opening many of their meetings that Government in the sunshine actually facilitates better decisionmaking in addition to better public acceptance of these decisions.

Faced with the Federal sunshine law, most agencies have moved forward with the drafting of suitable regulations and preparations for accommodating the public at their deliberations. I want to commend this spirit of cooperation and recognize the fine job that is being done by these agencies. It has come to my attention, however, that some potential problems have arisen.

An example of a problem that has already occurred is the laxness on the part of some agencies to have their draft regulations published in the Federal Register early enough to allow receipt and consideration of public comments on how they will implement the sunshine law. Agencies are required to allow 30 days for public comment. Some agencies promptly filed proposed regulations, yet others have waited until nearly the last possible date for submission, thereby allowing little time to consider public comments before being required to issue final regulations in order to meet the March 12 deadline. This last-minute approach is not the way to encourage effective citizen input in defining the agencies' methods for achieving greater openness.

The law gives agencies the option to close a meeting to the public under certain specified conditions. The primary danger in this implementation phase is that agencies will lose sight of the spirit and intent of the sunshine law—creating more openness. Agencies may move too quickly to close meetings that could remain open. They may try to find or invent technicalities or nit-picking points of procedure upon which to hang their preconceived desire to close meetings.

One big area agencies will face, of course, is the determination of whether a meeting is covered by the act. The major purpose of Congress in passing the Federal Sunshine Act was to open to scrutiny the inner workings of the Federal Government. This is the first principle agencies should use to guide their determinations on which meetings to close. If this first principle is kept close at hand, many potentially difficult judgments become more manageable. For example, the act does not cover informal, social encounters between members, but it does cover discussions among a quorum of members when their discussions get to the point where its effect is to consider agency business. Any discussion that results in consideration of agency business should be considered an agency meeting, even if the discussion is exploratory in nature to preserve the public's right to know a discussion of agency business should be open even if it does not result in the heads of the agency reaching a consensus on an issue before them. And, this rule applies no matter where and under what circumstances the members discuss agency business. Drawing these distinctions will not be that unusual or even difficult for agency members whose daily work, it must be remembered, is making complex judgments on the competing concerns their agencies regulate.

Some agency regulations contain a potential for circumventing the purposes of the Sunshine Act. Mechanisms providing for new delegations of authority whereby individual members may act for the collegial body under certain circumstances have been proposed in agency regulations. Some agencies have issued regulations which exempt certain briefing type meetings between the staff and more than one member. Operating under these regulations may result in agency meetings which avoid the intent of the law. In addition to congressional oversight, Common Cause will be monitoring agency implementation of the Sunshine Act through use of its extensive network of volunteers.

The Government in the Sunshine Act has a provision which allows a limited number of agencies to follow an expedited closing procedure under a set of special circumstances. The act envisions that those agencies dealing principally with banking, securities, and commodities regulations or those whose main business is to make adjudicatory type determinations on the record may provide for closing certain meetings by regulations in the abbreviated manner prescribed in the act. Thoughtfully written regulations designed to employ this special procedure would mesh the relevant provisions of the act with the specific nature of the agency's business. These regulations should tell the reader the facts about its prior meetings which lead the agency to decide that a majority of its meetings would be exempted under the appropriate statutory provisions. The public, as well as Congress, could then be sure that agencies employing the expedited procedures are not undermining the purpose of the act—to open agency meetings. Regulations which fail to show specifically how the agency meets the requirements for expedited exemption of certain meetings are incomplete, and I hope agencies will amend their regulations to reflect a concern for this problem.

Another area which deserves mention concerns the use of exemption (9)(B) which permits closing meetings which "disclose information the premature disclosure of which would—in the case of any agency, be likely to significantly frustrate implementation of proposed agency action." This is a limited exemption as the exceptions to it indicate. It should not be used, for example, to close meetings at any stage where the discussion of issuing proposed rules is being discussed.

The public must act to take advantage of the new statutory right to sit in on the meetings of their Government agencies afforded by the Sunshine Act. The Federal agencies covered by the act must insure that the public knows when meetings are open and when they will be closed. Only if the public is made aware of agency meetings will they be able to decide whether to attend. Congress has made it clear in the legislative history of the Sunshine Act, that other forms of notice in addition to publication in the Federal Register, including press releases, mailing lists, and telephone message systems, should be experimented with. As with the other points which I have discussed, some agencies have shown in their regulations and guidelines an intention to make full use of open meetings by planning a variety of announcement procedures designed to reach the widest potentially interested audience. On the other hand, some regulations are not as specific or compresensive concerning their procedure for providing notice to the public. Only if the public is notified by the effective use of agency announcements as to when meetings will be held can the act serve its purposes. I hope that all agencies covered by the Government in the Sunshine Act will assess the possibilities for creative and effective means to inform the public. If the agencies do this well, Congress can be sure that at least the invitation to observe Government in the sunshine is reaching the people.

I am pleased with the general spirit of cooperation with which most agencies have greeted the coming of sunshine to the Federal Government. And, I want to again encourage the public, as well as the news media, to take advantage of the act. My primary concern is that agencies are not starting with an attitude of searching harder for reasons to close meetings than to open them. This would obscure the real purpose of the sunshine law. Coverage of meetings must be approached with a sensitivity to the purpose of the meetings. If the purpose is to dispose of or consider agency business, then the meeting must be held in the open unless an exemption is properly applicable and the public interest would be served by closing the meeting. Agency members should not invest new procedures to reduce the necessity for open meetings. Criteria for expedited closings should be carefully drafted by all agencies which intend to use these procedures, and the covered agencies ought to try hard to effectively inform the public on the status of meetings. If the Federal agencies will, in these ways, heed the spirit of the act, the public will soon benefit from a smooth transition from Government in secret to Government in the sunshine.

WHITE HOUSE OFFICE OF DRUG ABUSE POLICY

Mr. PERCY. Mr. President, earlier this month President Carter decided to carry out a legislative mandate by setting up and staffing an Office of Drug Abuse Policy, ODAP, in the White House, with Dr. Peter G. Bourne as its director. This is an excellent move, and I wish the Office and its Director every success.

Drug abuse is one of the gravest problems facing this Nation. It may well be the Trojan horse of the 20th century. If we in Government are to deal properly with its ramifications, we must move wisely and swiftly. We need a coherent national drug policy.

Developing such policy is the mission of ODAP. That is precisely the function that my esteemed colleague from Maine, Senator HATHAWAY, and I had in mind in working for the creation of the office last year.

ODAP is a White House-level unit freed from day-to-day operational concerns of drug programs. The office can help to synchronize and coordinate law enforcement and prevention/treatment programs in the drug abuse field. It is to be a visible, policy-oriented office, close to the President, helping to determine policies and priorities.

It is especially important that the office will be also accessible and accountable to the Congress. Only through cooperation between the executive branch and the legislative branch can we effectively deal with the problems of drug abuse.

ODAP was created after the demise of its predecessor, the Special Action Office for Drug Abuse Policy. This former office suffocated under the layers of bureaucracy between itself and policymaking officials. It went out with a whimper due to, as much as anything else, anonimity.

Let us hope that the judgment President Carter has shown in staffing the office is an indication that he will show interest in the time consideration its advice. There can be no benign neglect of drug abuse.

Dr. Peter Bourne is a fine choice to be Director of the Office of Drug Abuse Policy. He is a knowledgeable psychiatrist who served as a senior psychiatric officer in Vietnam during the war. His professional writings concerning drug

abuse and related subjects are well known to scholars in the field.

I have written to President Carter congratulating him on establishing the office. Dr. Bourne and ODAP have a vital role to play as we move toward a coherent, sensible drug abuse policy for the Nation.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of my recent letter to the President concerning this office.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., February 23, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am delighted that you have implemented the legislation setting up an Office of Drug Abuse Policy in the White House. The need is critical for such a high-level unit which can develop and coordinate national drug policy, and which is, at the same time, responsive to the Congress. Senator Hathaway and I pushed for creation of the Office, and you can expect my utmost cooperation in helping to make it an effective voice for establishing a coherent and effective drug abuse policy for the Nation.

The appointment of Dr. Peter Bourne to direct the Office is excellent. I am confident he will steadfastly pursue the challenging mission you have assigned to him.

I look forward to working with you in this important area.

Sincerely,

CHARLES H. PERCY.

APPOINTMENT OF AMBASSADOR SOL LINOWITZ

Mr. SPARKMAN. Mr. President, I want to bring to the attention of my colleagues a couple of items of information bearing on the appointment of Ambassador Sol Linowitz to be a conegotiator in the Panama Canal talks.

In this regard, I wrote to Secretary of State Vance shortly after he discussed this appointment with me. Our exchange of correspondence on this issue makes it clear that Ambassador Linowitz's appointment will not extend beyond 6 months; and that this appointment is limited to the role of conegotiator and is not intended in any way to supplant Ambassador Bunker's role.

I ask unanimous consent that this correspondence be printed in the RECORD at the close of my remarks, along with that provision of the Foreign Service Act of 1946, as amended, which provides for short-term Presidential appointments with the personal rank of Ambassador.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPARKMAN. In addition to the above, Mr. President, I want to bring to my colleagues' attention a letter dated March 7, which I received from the Department of State and which bears on certain conflict-of-interest allegations with respect to Ambassador Linowitz's current position. The conclusion of this letter reads as follows:

As a result of the Department's review and the foregoing undertakings by Mr. Linowitz, the Acting Legal Adviser gave a written opinion which concluded that the requirements of the applicable statutes and Department of State regulations on conflicts of interest had been satisfied.

Mr. President, I believe this letter and enclosures will be of interest to my colleagues and I ask unanimous consent that it, too, be printed in the RECORD following the above-mentioned material.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

JANUARY 31, 1977.

Hon. CYRUS R. VANCE,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I am writing you with respect to our recent conversation concerning the appointment of Mr. Sol Linowitz.

It is my understanding that this appointment will be made for a period not to exceed six months and for the purpose of putting Mr. Linowitz in the position of U.S. co-negotiator on the Panama Canal talks. As I indicated to you, I have no objection to this arrangement for a not-to-exceed-six-month period, so long as the negotiations from the U.S. side are headed up jointly by Ambassador Bunker and Mr. Linowitz. I am sure you will agree with me that Ambassador Bunker has performed admirably throughout his tenure as chief negotiator and I am confident, as I am sure you are, that he will continue to perform in this fashion until these negotiations are brought to a successful conclusion.

I know that you will apprise me of any misunderstanding on my part about Mr. Linowitz's role. Similarly, I would appreciate being informed beforehand of any change in the co-negotiating procedure.

Sincerely,

JOHN SPARKMAN,
Chairman.

THE SECRETARY OF STATE,
Washington, February 10, 1977.

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: Thank you for your letter of January 31 concerning the appointment of Mr. Sol Linowitz. This is to confirm that your understanding that Mr. Linowitz is to be appointed as Co-Negotiator with Ambassador Bunker on the Panama Canal Talks, with the personal rank of Ambassador for a period not to exceed six months, is entirely correct. There has been absolutely no change in the co-negotiating procedure.

Sincerely,

CYRUS VANCE.

EXCERPT FROM FOREIGN SERVICE ACT OF 1946, AS AMENDED

APPOINTMENTS

SEC. 501. (a) The President shall, by and with the advice and consent of the Senate, appoint ambassadors and ministers, including career ambassadors and career ministers.

(b) The President may, in his discretion, assign any Foreign Service officer to serve as minister resident, chargé d'affaires, commissioner, or diplomatic agent for such period as the public interest may require.

(c) On and after the date of enactment of the Foreign Relations Authorization Act of 1972, no person shall be designated as ambassador or minister, or be designated to serve in any position with the title of ambassador or minister, unless that person is appointed as an ambassador or minister in accordance with subsection (a) of this section or clause 3, section 2, of article II of the Constitution, relating to recess appointments, except that the personal rank of ambassador or minister may be conferred by the President in connection with special missions for the President of an essentially limited and temporary nature of not exceeding six months.

EXHIBIT 2

DEPARTMENT OF STATE,
Washington, D.C., March 7, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Senate Foreign Relations Committee, U.S. Senate.

DEAR MR. CHAIRMAN: In light of certain statements by a member of the Senate and a member of the House with respect to Ambassador Sol M. Linowitz, I would like to make the following observations which may assist you and the members of your Committee in responding to questions or inquiries.

Ambassador Linowitz was appointed, last February 10, as Co-Negotiator for the Panama Canal Treaty, in the capacity of Special Government Employee with a six-month appointment to the personal rank of Ambassador, in accordance with applicable Federal and Department of State regulations and established procedures. He is serving in this capacity without compensation.

The Department of State conflict of interest regulations provide that no Department employee may "have a direct or indirect financial interest that conflicts substantially, or appears to conflict substantially, with his Government duties and responsibilities" (22 CFR 10.735–205). Pursuant to these regulations, Mr. Linowitz prior to his appointment submitted to the Department a full statement of his memberships on boards of directors as well as his financial holdings. These were reviewed thoroughly by the Office of the Legal Adviser.

In the cases of two companies, Pan American World Airways, Inc., and Marine Midland Banks, Inc., Mr. Linowitz furnished information from them outlining their activities and financial interests in Panama. Appended are the statements from the Presidents of these two companies. Based on the Department's review, Mr. Linowitz agreed that in the unlikely event any aviation issues arise during the course of the treaty negotiations which might be of possible interest to Pan American, he would recuse himself from participation in the negotiation of any such issues. Continued membership on the board of Marine Midland Bank did not violate the applicable regulations because of the relatively low level of financial transactions of the bank with and in Panama.

Mr. Linowitz also agreed that his law firm "is not now and will not while I am serving in this capacity, represent any client on any matter related to the Panama Canal Treaty negotiation or the Canal Zone."

In the case of Mr. Linowitz' financial interests, two companies in which he had small shareholdings—AT&T and Texaco—did have business which the Legal Adviser believed might be affected by the outcome of the Canal Treaty negotiations. Consequently, Mr. Linowitz agreed to sell his shares in those companies, and has done so.

As a result of the Department's review and the foregoing undertakings by Mr. Linowitz, the Acting Legal Adviser gave a written opinion which concluded that the requirements of the applicable statutes and Department of State regulations on conflicts of interest had been satisfied.

Sincerely yours,

KEMPTON B. JENKINS,
Acting Assistant Secretary for Congressional Relations.

NOTE

Note to F. C. Wiser.
Re Pan Am Activities in Panama—Intertrade.

Intertrade is a small distribution company, wholly-owned by Pan Am. Established in 1972, its principal functions are:

Provides bonded warehouse services, including customs clearance services and some inventory management services. It now has facilities at three locations: Colon Free Zone, Panama Airport, and Panama City.

Provides extensive local trucking services primarily between the Airport and its bonded warehouses.

Acts as Pan Am's General Sales Agent in Colon and certain other points in Panama.

Provides sea-air transhipment services; arranges for the receipt of goods by sea from Japan and other points in the Orient and for onward shipment, usually by air to points in Central and South America.

As indicated in the attached 1977 projections, 1977 Intertrade sales are expected to increase from the 1976 level of $703,000 to $946,000 and net profit before tax from $125,000 to $142,000. Pan Am originally invested $10,000 to establish the company. The underlying book value of our equity is now $170,000.

Intertrade is under the direction of Art Sumner, who has been with Pan Am 35 years, most of them as a resident of Panama. The other 58 employees are citizens of Panama.

Also attached is a recent brochure on Intertrade which may be of interest.

I understand you are being provided with information on SDISA through Art Best.

CHARLES W. TRIPPE.

JANUARY 7, 1977.

Note to F. C. Wiser.

Subject Pan American Operation, Panama.

Sales office location: Edificio Hatillo, Avenida Justo Arosemena, Panama City, Republic of Panama.

Hours/Telephone: Mon.-Fri. 8:00 am–12 Noon/1:00 pm-5:30, Sat.-Sun. closed. Telephone: 25–5425.

Airport/location: Tocumen International Airport, located approximately 18 miles from Panama City. The Airport operation at the present time, is 100% handled by Pan American personnel, with the exception of inbound cargo, which is handled by Intertrade.

Director: Reeder Chaney Office Phone: 25–6510. Home Phone. 26–0859.

Mr. Chaney is the only international employee in Panama, and is responsible for not only Panama, but offline west coast/South American General Sales Agents in Colombia, Ecuador, Bolivia and Peru.

Present Employment: 151 people.

Passenger Operations: 75 movements/month.

Passenger Sales/1976: $10,000,000.

Cargo Sales/1976: $4,000,000.

General Information: New Airport and terminal facilities will be in operation by fall of 1977.

Separate Corporations in Panama:

(a) Intertrade (separate report being prepared by C. Trippe).

Intertrade is wholly owned Panamanian cargo company and is the general Sales Agent for Pan American on the Atlantic side of the canal for cargo and passengers. They are also general Sales Agents for Pan Am for the balance of the Republic of Panama, other than the City of Panama.

An agreement has recently been signed with Intertrade to do all of our inbound cargo handling at Tocumen Airport.

(b) SDISA (Servicios y Diversiones Internacionales, S.A.).

A Pan Am wholly owned Panamanian Catering operation located at Tocumen Airport servicing all carriers.

A. S. BEST.

PAN AMERICAN OPERATION, PANAMA

Prior to World War II, Pan American operated from both the Atlantic and Pacific side of the Canal Zone in Panama. When World War II started, the operation at France Field, located on the Atlantic side, was consolidated with the operation at Albrook Field on the Pacific side.

Pan American's operation continued at Albrook Field until the Republic of Panama developed an International Airport at Tocumen in October, 1949.

At one time, our operation in Panama was considerably more active than at present. Due to retrenchment in military forces, reduction in Panama Canal Zone international employees, long-range and wide-bodied aircraft, Pan Am has decreased its total activity through Panama.

The present 151 employees represent only 9.2% of our employees in Latin America or slightly over 1% of our employees worldwide in the field marketing group. Likewise, today the total sales of $10,000,000 for passengers and $4,000,000 for cargo represents .8% of our revenue.

MARINE MIDLAND BANKS, INC., OPERATIONS RELATED TO PANAMA

A. Past or Dormant Investments.—

1. Banco Inmobiliario de Panama S.A.—This is a small mortgage bank in Panama that engages in medium- to long-term housing mortgages and the warehousing of mortgage paper. We have just sold our 2½ percent interest.

2. Financiera Centroamericana S.A.—This is a general finance company engaged in commercial, industrial, and real estate lending in Central America, as well as holding an equity interest directly and indirectly in bonded warehouses in Central America and the Caribbean. This 22.4 percent investment was just disposed of.

3. Servicio de Anuario Telefonico Internacional S.A.—This company sold and distributed telephone books in several Latin American countries. We have preferred shares at modest value. This investment will be written off.

B. Current Investments.—

Marine, through Intermarine London, owns Bream Shipping, which was formed a few years back in conjunction with the international lending operations of Intermarine London. This company is presently not being used; however, it has limited assets resulting from prior activities conducted external to Panama.

C. Branch Operations.—

Most international banks have involvements in Panama consistent with that country's currency relationship with the dollar and its favorable climate as a financial center. Accordingly, the Marine started in Panama with a Regional Representative Office for Central America in 1971. It subsequently opened a branch operation in October 1973 to complement the Representative Office with a primary focus on generating corporate business in Panama and Central America, as well as deposit gathering from Latin America. As of November 30, 1976, it has total claims of approximately $32.4 million (of which $18.5 million is claims in Panama, and the remainder is almost entirely claims due from other Central American corporate clients). In Panama much of its business involves financing trade of corporations located in the Colon Free Trade Zone. The combined Representative Office and Branch have a staff of 25, 3 of whom are U.S. nationals. This operation is not large when compared to the activities of several others.

D. Loans.—

As a large international money center bank, the Marine conducts business throughout the world. Panama has long been a center for trade, as well as a notable financial center. Loans in Panama are a national consequence of the position of the bank and the country.

Marine Midland, either directly from New York or through the Bahamas or Panama Branch or foreign affiliate, has a $100,000 short-term, unsecured loan available to the Hydroelectric Power Authority of Panama.

There is a $100,000 loan to the Agricultural Development Bank in Panama.

There is a $4 million loan to the Republic of Panama, due in November, 1983. There is Marine's share in a $115 million international syndicated loan, managed by Citibank/New York. InterUnion/Paris, in which Marine directly owns 45 percent, also has a loan of $2 million to the Republic of Panama.

In addition to these direct loans to the Government of Panama or institutes of the Government, the Marine is engaged in normal short-term lending operations through the banks and the private sector in that country.

* * * * *

Intermarine owns two Panamanian special-purpose shipping companies, International Ship Finance (Panama) Inc., and Avon Shipping, Inc. These companies each own a Panamanian flag vessel on behalf of Japanese owners, which vessels are financed by Intermarine. These corporations are financing vehicles, and they are only notionally involved with Panama.

EMPHASIS ON CONSERVATION: RECOMMENDATION TO CARTER ADMINISTRATION

Mr. PERCY. Mr. President, a recent article in the New York Times brought to my attention an interim report just issued by the National Research Council's committee on nuclear and alternative energy systems.

The work of this distinguished committee is being funded by the Energy Research and Development Administration. Its goal is to provide a comprehensive study of our Nation's future energy policy. Such an in-depth study is presently one of our most critical needs.

With 1 year of the 18-month study completed, the 16-member committee has issued its interim findings. The report predicts severe limitations on the growth of energy use in the United States in the coming decades. It bases this conclusion on rises in the cost of energy, stricter environmental regulations, energy savings from more efficient technology and, finally, a limit to the U.S. population growth.

The committee, however, is not worried about the limitations on the growth of energy use per se, but rather to what degree growth can be moderated without adverse consequences to desirable social goals. Energy itself is not an end, but a means to certain social ends. The committee's tentative findings are that lowered energy growth is probably both desirable and possible without detriment to other social goals.

The committee is confident that energy conservation would be immediately beneficial. It urges the Federal Government to stress the necessity and value of conservation more than it has in the past.

Mr. President, I ask unanimous consent that the New York Times article of January 21, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPECIALISTS ADVISE CARTER TO INCREASE EMPHASIS ON ENERGY

(By Victor K. McElheny)

A panel of prominent energy and environmental specialists advised the Federal Government yesterday to put even more stress on energy conservation than has been urged recently.

The recommendation was made by the National Research Council's committee on nuclear and alternative energy systems, headed by Dr. Harvey Brooks of Harvard University and Edward L. Gintzon, chairman of Varian Associates.

The committee's 18-month study of the nation's future energy policies was begun a year ago at the request of the Energy Research and Development Administration, one of the agencies the Carter Administration plans to merge into a Department of Energy headed by James R. Schlesinger.

In an interim report released yesterday, the 16-member committee focused on what it sees as severe limitations on the growth of energy use in the United States in the decades ahead.

LIMITATIONS ARE LISTED

Among the predicted limitations are still higher energy prices, still tighter environmental regulation, large efficiencies from conservation technologies and an easing of such pressures as population growth and demand for energy-intensive amenities.

The committee found that large unresolved issues clouded the future of both coal and nuclear electricity, the nation's best near-term possibilities for rapidly expanding domestic supplies of energy.

The committee's work is being assisted by 45 members of four major panels, on energy demand and conservation, risks and impacts, supplies and means of delivery and methods of modeling possible energy economies of the future. Assisting the panels are more than 20 study groups with a total of 160 additional members.

The study, which is expected to cost about $3 million, is being funded by the Energy Research and Development Administration.

Discussing the likelihood that energy use will grow less rapidly in the future than in the past, the committee's interim report said, "Energy is but a means to social ends; it is not an end in itself." The report added that the expected lower growth probably "is desirable and possible without detriment to other possible social goals."

The committee said it was still debating "to what degree growth can be moderated without adverse consequences."

In predicting a tightening of rules designed to minimize environmental damage from energy use, the committee said, "As society becomes more affluent, the desire to limit these adverse consequences is likely to grow and be expressed in regulations that will increase the price of energy or moderate its consumption more directly."

NUCLEAR HAZARDS CITED

Of coal and nuclear electricity, the committee members wrote, "We must gain a more complete understanding of the magnitude of the hazards associated both with nuclear power, including the problem of guarding against possible diversion of nuclear materials; and with coal, including the problems of environmental, health and land-use impacts of coal production and utilization, particularly the possible long-range climatic effects of continued reliance on fossil fuels."

Depletion of oil and gas and uranium ores shortly after the year 2000 was foreseen by the committee, which said, "more resource-efficient energy conservation systems, and, ultimately, alternative primary energy sources will be required."

Uncertainties afflict all of the major possibilities for new primary energy sources, the committee said, including solar power, a "breeder" power plant to stretch uranium supplies, the fusion of forms of hydrogen, or the tapping of heat deep within the earth.

Although several solar technologies are feasible, the committee said, "considerable uncertainty exists" about costs, when they will be commercialized and possible adverse impacts on the society or the environment.

UNIVERSITY STUDY UNDERSCORES IMPORTANCE OF SENATE INQUIRY ON COST OF REGULATION UPON SMALL HOME BUILDERS

Mr. NUNN. Mr. President, I would like to invite the Senate's attention to a Washington Post report of a study which concludes that—

> The American dream home ownership is in danger of becoming obsolete.

This language is strikingly similar to my statement opening a Small Business Committee hearing* on the impact of regulation on small home builders, conducted in Atlanta, Ga., on February 16, that—

> The American dream of owning a home has become the impossible dream for many who have found themselves priced completely out of the housing market.

A study performed by the National Association of Home Builders which was discussed at the hearings indicates that costs of labor and materials have declined as a proportion of home prices over the past 4 years—from 54.3 to 48.4 percent. But, during the same period, the study suggests that home prices have increased 53.5 percent and the median sales prices of new homes have increased over 200 percent to more than $42,000 in the past two decades. The most significant factors in the overall price increases appear to be the requirements for site development and financing, which are heavily influenced by a combination of governmental regulation—Federal, State, and local.

These regulations have apparently also reduced the profits of small homebuilders—from 15 to 12 percent—while simultaneously escalating the price of homes beyond reach of all but 22 percent of American families.

The Harvard-MIT study described by the Post states that within the next 5 years, the average new house will cost $78,000. At that level, the only families who will be able to buy are those earning $20,000 or more, approximately the top quarter of the population.

The similarity of the industry and university findings is a notable reflection of the seriousness of this problem.

I am concerned with the Nation's ability to meet its housing goals under these circumstances. It is dramatically apparent that purchase costs are too high for three-quarters of the potential buyers, particularly families with modest means and younger married couples. However, what does not meet the eye, as indicated in testimony before the hearing in Atlanta, is that the production costs are being driven up so high that homebuilders—predominantly small businesses—incur greatly increased risks and markedly lower returns. According to the Census Bureau's 1972 Census of Construction, 80 percent of the firms engaged in residential homebuilding have gross receipts of less than $250,000; and no single company builds as much as 1 percent of the national total. This cost-price squeeze has already driven some small companies out of the construction business and it threatens the survival of many more.

Businesses with the skills needed to create residential housing are vitally needed in the future. To the extent that existing firms that are forced out of business and new enterprises are discouraged from entering, competition in the home building industry is bound to decline and it will become more and more difficult to find quality dwellings at any price or moderate-priced housing in any quantities.

In my opinion, the Nation has not faced up to these problems and their economic and social implications.

I am hopeful that our Small Business Committee hearings can shed some light on this area. Our Atlanta hearing took testimony from builders' organizations—national, regional, State, and local. Observers were invited from the major Federal departments and agencies having cognizance of housing policies, and they will be invited to further public hearings in Washington in order to respond to the Atlanta testimony and to the worrisome statistics in the studies published by the industry and Harvard-MIT.

Mr. President, I ask unanimous consent that an article entitled "Dream of Home Ownership Imperiled by Spiraling Costs," dated March 4, 1977, be printed in the RECORD for all who are concerned with this important area.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DREAM OF HOME OWNERSHIP IMPERILED BY SPIRALING COSTS

(By William Claiborne)

NEW YORK, March 3.—The American dream of home ownership is in danger of becoming obsolete within half a decade because by then the average house will cost $78,000.

That is the major finding of an authoritative study of the nation's housing plight conducted by Massachusetts Institute of Technology and Harvard University.

Already, according to the Harvard-MIT Joint Center for Urban Studies, the sale prices of new houses have increased twice as fast as family incomes; barely a quarter of the nation's households can now afford a home costing $48,200, the current average price.

The poorer third of the population has been completely priced out of the market, and the only families who can afford to own the average house are earning $20,000 or more—the top quarter of the nation in terms of earning power.

*Joint hearing conducted by the Senate Small Business Committee, the Senate Veterans' Affairs Committee and the Senate Banking, Housing and Urban Affairs Committee.

The price spiral will escalate above $78,000 for modest new homes beyond the 1980s, and most of the middle-class population will be hard pressed to own their own homes, the study said.

"We're not crying out a crisis, but we do have the warning signs of a crisis a few years down the road," said Arthur P. Solomon, director of the joint center and a former White House adviser to President Johnson.

The Harvard-MIT research organization has been preeminent in forecasting housing needs since its widely publicized 1973 study disclosed that 13 million American homes were physically unsound, overcrowded or excessively expensive for the occupants.

Since 1970, according to the study released here today, the average-income family has lost ground as the cost of home ownership—mortgage and interest payments, taxes, insurance and maintenance—has outstripped increases in income.

The median sales price for new homes increased nearly 90 per cent from 1970 to 1976, and the monthly ownership costs of new homes increased during the same period by more than 100 per cent.

The median sales price for existing homes increased 65 per cent in the same period, and the monthly ownership costs for existing homes jumped 73 per cent.

In contrast, the median income, nationally, increased during the period by 47 per cent, while the consumer price index rose 46 per cent.

"The cost squeeze on middle-income families is replacing the slum as the major problem in housing in this country," said Bernard Friedman, coauthor of the report, which was funded in part by the Department of Housing and Urban Development.

The study disclosed that:

Despite a near-record 1.6 million new housing starts in 1976, the number is 20 per cent below current need.

While in 1970 almost half the U.S. families could afford to buy average-priced new homes, only 27 per cent of the families could afford an average-priced new home last year.

The number of low-income families living in physically inadequate units has declined since 1960, but the number paying an unreasonably high percentage of their incomes on housing has more than doubled.

While the commonly accepted measure for personal finance used to allow for one-fourth of monthly salary for housing costs, many U.S. families are now paying 35 per cent or more.

To compensate for spiraling house costs, the research team found, Americans are making concessions that significantly affect their quality of life. Some withdraw from the housing market and become renters, while others resort to pooling the incomes of both husband and wife.

Other families stretch their resources thinly by eliminating many nonessential expenses, while some have resorted to buying mobile homes.

At the same time, there are sociological factors increasing the pressure on the housing market, the study found. These include increasing numbers of young adults and senior citizens who split from the family nucleus to set up housekeeping, and a steadily increasing divorce rate.

Also, population shifts toward the Sun Belt states and the exurban areas of the North-central and Northeast regions of the country are creating additional housing pressures in some areas.

The Harvard-MIT unit called for a "strong national housing policy with a constructive partnership between the public and private sectors."

The policy, the group reported, should focus on better and more affordable housing for the poor, with secondary emphasis on improving the home-buying climate for the young and persons with average incomes.

When pressed for specific recommendations, Solomon and Friedman suggested reforms in federal monetary policies that would lower the home mortgage interest rate, possible adoption of a variable mortgage interest rate that would fluctuate with rises and drops in inflation, re-examination of environmental restraints on the housing industry that push home development costs upward, and adoption of new regulations that would help stabilize the cyclical effects of the roller-coaster construction industry.

REGULATORY REFORM: WHERE HAVE WE GONE WRONG AND WHAT CAN WE DO ABOUT IT?

Mr. PERCY. Mr. President, without question, people in and out of government are clamoring for reform of Federal regulation. Consumers, businessmen, and organized labor, liberals and conservatives, Republicans and Democrats alike agree that regulation is in need of continuing review and overhaul in order to make it more responsive to the felt needs of those it is intended to serve. Regulatory reform is thus one of the top priorities facing this Congress.

It is in that context that Majority Leader ROBERT BYRD, Governmental Affairs Committee Chairman ABE RIBICOFF, and I joined in proposing legislation, S. 600, which for the first time imposes a strict timetable and discipline upon both Congress and the President to insure major reform of Federal regulatory agencies.

Today, on behalf of Majority Leader BYRD and Senator RIBICOFF, I am pleased to announce that a substantial number of our distinguished colleagues, 27 all told have indicated their desire to join in cosponsoring this highly important piece of sunset legislation. They include Members from both sides of the aisle—moderates and conservatives—all of whom agree that the regulatory system needs a thorough review and overhaul to make it responsive to the felt needs of those it is intended to serve.

Those Senators cosponsoring S. 600 are: Senators BENTSEN, BURDICK, HARRY BYRD, CHAFEE, CHILES, DECONCINI, DOMENICI, DURKIN, EASTLAND, FORD, GRAVEL, HANSEN, HASKELL, HEINZ, HUMPHREY, JOHNSTON, KENNEDY, LEAHY, LUGAR, MATHIAS, MATSUNAGA, NUNN, RIEGLE, SCHMITT, SCOTT, TOWER, AND ZORINSKY.

An identical bill has been introduced in the House of Representatives, by two of the most respected and hard-working leaders of that body, Representative JOHN ANDERSON, the chairman of the House Republican Conference, and by Representative BARBARA JORDAN. That measure now has 64 cosponsors.

Under this major sunset bill, over a period of 8 years, the President would submit to Congress, every 2 years, comprehensive plans for reforming regulation in four areas of the economy, namely: 96th Congress (1979–80), energy, the environment, housing, occupational health and safety; 97th Congress (1981–82), transportation and communications; 98th Congress (1983–84), banking and finance, international trade, and Government procurement; 99th Congress (1985–86), food, consumer health and safety, economic trade practives, and labor-management relations.

The General Accounting Office and Congressional Office of the Budget would simultaneously submit detailed reports in each area. A series of action-forcing deadlines would assure that reform plans become the pending business on the floor of both Houses within 1 year of submission. If comprehensive action did not follow, the affected agencies would be limited in their authority first to issue new rules, and later to enforce existing rules—except those essential for preserving public health and safety. A final sunset proposal would terminate each affected agency for which Congress has not enacted reform.

With such considerable support from fellow Senators at the outset, we look forward to working very closely with President Carter in moving this legislation through the Congress in this session. As Majority Leader BYRD has stated:

> President Carter is committed to government reorganization. I fully expect him to devote considerable time and energy toward the core of government waste and inefficiency—namely, the regulatory agencies. This kind of discipline for reform will assist him and the Congress in making government work towards addressing the real concerns of the American people.

And, as Senator RIBICOFF recently said:

> I hope to make the Regulatory Reform Act of 1977 a Committee priority in this session of Congress. Regulation has its pluses and its minuses, but it must be made to help the economy and protect the public from abuses. It must be made to address the needs of consumers and businessmen alike, and not be an albatross around their necks. This kind of reform will see to it that the Congress seriously addresses and acts upon critical problems in this area.

Apropos of reforming Federal regulation, the Governmental Affairs Committee is now completing an 18 month comprehensive study of various facets of regulation pursuant to Senate Resolution 71, which Chairman RIBICOFF and I authored and presented to the then-Government Operations Committee. The committee staff interviewed hundreds of regulatory officials and congressional personnel and gathered information from the Library of Congress, the General Accounting Office, academicians, lawyers specializing in regulatory practice, and others. The able chairman of the committee, Senator ABRAHAM RIBICOFF, has stated:

> This study is, to my knowledge, the most comprehensive study of the federal regulatory agencies ever undertaken by the Congress.

He could not be more correct.

Chairman RIBICOFF and the chief counsel and staff director, Richard Wegman, deserve a great deal of credit for their outstanding leadership. Without their talents, the study would not be nearly so complete or impressive. Mr. Wegman was ably assisted in the supervision of this massive project by Staff Counsel Matthew Schneider.

The Regulatory Reform Study will eventually consist of six volumes. Two volumes have already been released, and the remaining four will be released over the next several weeks.

Mr. President, the two studies which have been made public—"The Regulatory Appointments Process" and "Congressional Oversight of Regulatory Agencies"—offer valuable insight into their respective topics. The reports were meticulously researched and prepared, for committee consideration by Jim Graham and Paul Rosenthal, respectively. The long, arduous, and outstanding work they put into this effort is reflected in the expert analysis and useful recommendations contained therein. I ask unanimous consent that the principal recommendations and major findings of each report be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PERCY. Mr. President, the first two studies of the committee deal with how best to assure the appointment of the most qualified people as regulators, and how to improve Congress own oversight over the regulatory agencies.

What could be more important: if we select people who do not care or who are not competent to run these agencies, or if we have a Congress which would prefer to sit idly by and fail to respond to delays, abuses, or deficiencies associated with the agencies—then we are in trouble on either account. The initial reports document the problems but, equally important, they spell out in clear detail the kinds of steps which Congress may take to make regulation work the way it was intended to work and to make regulators more accountable.

In my mind, it is axiomatic that an agency is only as good as the people running it. To the extent that the quality of regulators' report addresses issues of overpoliticizing the agencies, conflicts of interest, financial disclosure, and expanding the talent bank from which regulators are selected, we can have a direct, immediate and substantial impact on improving agency performance.

All the laws and all the rules pertaining to regulatory agencies are for naught if they are not administered by persons of caliber, persons of integrity, and persons who are sensitive to the shared needs of consumers, businessmen, and labor.

Equally important, all the laws and all the rules of reglatory agencies are comprised—they are threatened—if Congress does not impose upon itself the simple duty of overseeing regulatory performance.

In sum, unless Presidents consistently appoint good people to regulatory positions, and unless Congress is willing to discipline itself to review, systematically comprehensively—along the lines spelled out in S. 600—the performance of regulatory agencies, either we, or others like us, will be in hearing rooms and on the floor of the Senate years from now bemoaning the problems of regulation and asking "Where did we go wrong?"

To those of our colleagues who have not had an opportunity yet to study this landmark legislation, I know that Senator ROBERT BYRD and Senator ABE RIBICOFF join with me in urging you to do so. We cordially invite you to join us as a cosponsor of S. 600.

EXHIBIT 1

STUDY ON FEDERAL REGULATION VOLUME I: THE REGULATORY APPOINTMENTS PROCESS

COMPLETE LIST OF RECOMMENDATIONS

The following is a re-statement of the recommendations contained in this report.

PART II: REGULATORY STRUCTURE AND QUALIFICATIONS FOR APPOINTMENT

Chapter 2. Structure

(1) Legislative action should be taken to increase agency chairmen from Level III to Level II status, and agency commissioners from Level IV to Level III status. Reasonable relocation expenses should also be allowed for Presidential appointees.

(2) In light of the FAA experience with the Department of Transportation, future proposals to merge a single-headed agency within a cabinet department should give careful consideration to what effect absorption will have on the agency's ability to attract qualified persons to top positions in the new structure. Also, the Administrator of any such agency should be given greater latitude in making certain top level appointments without the approval of the Cabinet Secretary.

(3) The Interstate Commerce Commission should be reduced from its present eleven members to three members nominated by the President and confirmed by the Senate.

(4) The organic acts creating the Civil Aeronautics Board, Consumer Product Safety Commission and Federal Power Commission should be amended to provide that the chairmen of those bodies shall be designated by, and serve at the pleasure of, the President. Elsewhere, we propose that all Chairmanship designations be subject to Senate confirmation.

Chapter 3. Qualifications of a non-financial nature

(5) Most independent regulatory commissions cannot by statute have more than a simple majority of members from a single political party, and the remaining positions are commonly referred to as "minority seats." The Senate shall, as part of the confirmation process, make a diligent and serious effort to insure that appointees to "minority" commission seats not be partisans of the President. In that inquiry, the Senate shall consider: (a) whether the nominee has been actively involved in the campaign to elect the President; (b) whether the nominee has made any financial contributions to that campaign; and (c) any other relevant factor suggesting that the nominee is, in fact, a partisan of the President, thereby disqualifying him or her for appointment to a "minority" vacancy.

(6) The Civil Service Retirement Act should be amended to except from mandatory requirement all persons appointed by the President with the advice and consent of the Senate to serve as members of independent regulatory commissions.

(7) The organic acts of the multi-member regulatory commissions should be amended to include the following provisions: "The President shall nominate persons for the Commission/Board to insure commission membership shall be balanced, with board representation of various talents, backgrounds, occupations, and experience appropriate to the functions and responsibilities of the Commission/Board."

(8) The organic acts of the multi-member regulatory commissions should be amended to include the following provision: "The Commission/Board shall be composed of members who by reason of training, education or experience are qualified to carry out the functions of the Commission/Board under this chapter."

Chapter 4. Qualifications of a financial nature

(9) That 18 USC 208(a)(1) should be amended to provide that any waivers granted under that section before a presidentially appointed official takes office be, without exception, published in the Federal Register at least thirty days prior to the effective date. Individual waivers granted while a person is in office also be published in the Federal Register, unless the appointing authority determines that to do so would not be in the public interest.

(10) A new Executive Order on conflict of interest should be promulgated replacing Executive Order 11222. The new Order should contain Recommendation 11–14, which follow.

(11) Annual financial disclosure statements, filed by Presidentially-appointed regulators with the Civil Service Commission, be made available for public inspection.

(12) The CSC staff on conflict of interest matters ought to be expanded, and by Presidential directive a high level review board ought to be created to oversee the work of the CSC office. The Board should be responsible for review of financial statements filed by Presidential appointees, and for annual submission to the President and Congress of a report certifying the results of that review. Each agency should be required to develop and issue compliance regulations for its own employees, and the review board should review those rules for uniformity and effectiveness. The review board should also issue minimum standards for compliance mechanisms adopted by the agencies.

(13) The term "conflict substantially" as contained in Executive Order 11222 should be clarified to mean that it is intended to refer to the extent of a particular holding. When such conflict is deemed to exist, the Executive Order should expressly require divestiture, and a blind trust not be permitted.

(14) The new Executive Order should contain enunciated standards for what is to be considered an acceptable and appropriate blind trust, if a nominee qualifies for and is desirous of such a mechanism. These should include:

(a) The proposed trustee should be independent of the beneficiary, incapable of being controlled or influenced in his administration by the beneficiary. The terms of the trust should make it irrevocable for the term of government service of the beneficiary.

(b) The trustee should have complete authority to dispose of and acquire trust assets without consultation or notification to the beneficiary. The beneficiary should not receive any reports on the investments of the trust, except that the beneficiary may be informed of the net overall income or loss of the trust.

(c) All assets transferred to the trust must be free of restrictions on transfer and sale imposed by the beneficiary, unless such restrictions are expressly sanctioned by the appropriate Senate committee, in the case of a Presidential appointment, or by the appointing authority in all other cases.

(d) The initial publicly traded holdings committed in trust should be a sufficient intermixture of holdings to effectively disguise the corpus from the beneficiary. If the total corpus of the trust has a fair market value of $25,000 or more and if the trust has more than 10 percent of the initial corpus concentrated in any one stock holding, the trustee shall be directed to reduce such stock holding within a six month period in order to diversify the trust.

(e) A blind trust should not contain any property, ownership of which is prohibited by statute for that particular office. Where appropriate, the trust agreement should contain instructions against the purchase or sale of prohibited holdings.

(f) The trustee or another third party (such as an accountant) should be granted power of attorney to prepare and submit the beneficiary's tax returns, so that the regula-

tor is only informed of the total value and the net income or loss of the trust.

(g) The trust agreement and a list of those holdings initially deposited in the trust should be made available for public inspection.

(15) That the organic acts creating the CAB, CPSC, FAA, FCC, FMC, FPC, and ICC should be amended to include the following provisions and repeal any sections inconsistent therewith:

(a) That ownership by the official or employee, his spouse or member of his immediate household of holdings in any company or subsidiary thereof whose activities are in significant part subject to regulation by that agency is prohibited. The Civil Service Commission shall be charged with responsibility to review the holdings of Presidential nominees to the agency, and certify to the Senate prior to confirmation that the nominee has satisfactorily met, or intends to meet, the requirements of this section.

(b) That this provision shall not preclude investment in investment companies (mutual funds), investment advisory companies or holding companies unless their investments are concentrated substantially in the companies covered above.

(c) That the prohibition may be waived for an employee by the agency head and for an appointed official by the President upon a written determination made by such official that the financial interest is not so substantial as to be deemed likely to affect the integrity of the service which the government may expect from such officer or employee. Waivers granted pursuant to this authority shall be published in the Federal Register at least thirty days prior to their effective date.

(16) The Tax Code should be amended to allow a presidentially-designated regulator to dispose of conflicting holdings, defer capital gains taxes and permit income-averaging on that transaction.

(17) A new Executive Order should be promulgated concerning negotiations for post-agency service employment in the private sector. We propose that the Order incorporate the following provisions:

(c) Contracts or understandings for future employment by any officer or employee with significant decision-making authority of any agency or department with any party subject to regulation, or any firm or individual representing such party, are prohibited at any time except within 60 days of departure.

(b) Any officer or employee with significant decision-making authority who enters into any serious discussion concerning future employment outside of the Government with any interest subject to regulation shall, within twenty four hours, notify a designated person within the office of the General Counsel for that department or agency. The matter shall then be reviewed to determine whether any real or potential conflict of interest may exist.

(c) Information concerning such discussions shall be kept strictly confidential, and shall not be released without the express written consent of the officer or employee.

(d) Such information shall be maintained in the office of the General Counsel of that agency or department for a period of twelve months after the employee has terminated Government service, and during that time any information relating to employment offers that have been accepted will be available for public inspection.

(e) No officer or employee of any department or agency shall undertake to act on behalf of the Government in any capacity in any matter that, to his or her knowledge, affects even indirectly any person outside the Government with whom he is discussing or entertaining any proposal for future employment.

(f) Each department and agency shall issue procedures implementing these provisions.

(18) 18 USC 207(a) should be amended to define the term, "personally and substantially" to mean: "to participate as a Government officer or employee through approval, disapproval, decision, recommendation, the rendering of advice or investigation."

(19) 18 USC 207(a) should be amended to define the term, "personal appearance" as meaning: "appearance or attendance before, or personal communication, either written or oral, with the agency, or any member or employee thereof, or personal participation in the formulation or preparation of any material presented or communication to, or filed with, the agency, in connection with any application or interpretation arising under the statutes or regulations administered by the agency, except that requests for general information or explanations of agency policy or interpretation shall not be construed to be a personal appearance."

(20) 18 USC 207 (a) and (b) should be amended to delete "agent or attorney" and insert "in any professional capacity".

(21) 18 USC 207(b) should be amended to delete the words, "such responsibility", and insert "government service with that agency".

(22) That the meaning of 18 USC 207(a) should be clarified to include a lifetime prohibition against a former official aiding or assisting on any matter covered by the terms of that section.

(23) That a new subsection should be added to 18 USC 207, providing: For a period of one year following termination of service with an agency or department, a former official or employee shall have no contact, for compensation or financial gain, with that agency or its personnel on any matter of business then pending before the agency.

(24) As related to post-agency practice, the regulatory agencies should consider adopting the enforcement mechanisms in effect at the Federal Trade Commission. In any event, all agencies should develop some methods for enforcement of 18 USC 207.

(25) Each agency should adopt rules requiring former officers and employees who have served in significant decision-making positions to register for a period of two years any subsequent employment with companies or firms that may be subject to regulation by the same agency. The former official or employees shall also state, as part of that registration, the nature of the employment and any measures taken to avoid the appearance of unethical practices. During the two year period, any changes in employment should be updated with the agency.

(26) Each agency should proceed to develop and implement regulations for the determination of whether and under what circumstances a law firm may participate in an agency matter even though a partner of that same firm is disqualified due to either 18 USC 207 (a) or (b). The criteria should insulate the partner/former official from participation and knowledge of that matter: there should be no consultation with other members of the firm and no access to any files or information concerning the matter; and no part of the fees attributable to it should be shared by the former official.

(27) The acts creating certain multi-member regulatory commissions should be amended to include the following provisions:

(a) A Commissioner shall not accept any employment or compensation, either direct or indirect, from any party other than the United States, actually the subject of regulation by the Commission during his or her tenure for a period extending until the expiration of the term to which the Commissioner was appointed, except that this provision shall not apply to any Commissioner (i) who serves for a total of years equal to one full term for a member of that agency or for a period of seven years, whichever is shorter, or (ii) is removed from office as either member or chairman by the President, or (iii) who certainly resigns from office on account of ill health.

(b) Each agency shall formulate rules to insure that commissioners who resign prior to the expiration of their terms of office report any employment for the period of restriction which applies.

(c) Upon adoption of the foregoing, present restrictions on post-employment practices contained in the Federal Reserve Act, Communications Act, and the Consumers Product Safety Act are to be repealed.

PART III. THE WHITE HOUSE SELECTION PROCESS

Chapter 6. The White House appointments structure

(28) Within the White House appointments office, a single person should be given primary responsibility to advise the President on all regulatory appointments. Informal advisory panels, which include representation from consumer and other public interest groups, should be regularly consulted in the selection process. A statement on the general criteria for regulatory agency selections should be issued and published by the White House.

Chapter 7. Search, recruitment and evaluation

(29) A systematic White House recruitment operation should be developed and sustained for regulatory appointments. If the talent bank mechanism is used, such banks should contain a small and select number of applications that have been carefully evaluated. Those lists should be periodically reviewed and updated.

(30) The White House should require, as a condition to nomination, that all appointees promise in writing to give no less than 90 days notice of their intention to resign. The White House should indicate to potential appointees to fixed terms that they are under an obligation to serve the full term, unless a clear understanding to the contrary is sanctioned by the President and the Senate.

(31) The White House selection process should be more open: Notice of upcoming vacancies should be published in the Federal Register; the White House should encourage suggestions from various groups. Every effort should be made to broaden the search for potential appointees, and special efforts made to locate well-qualified women and members of minority groups for regulatory appointments.

(32) The Chairman of a regulatory commission should be consulted on appointment and reappointment decisions concerning that agency.

(33) Informal, broad-based advisory committees should be set up for each agency to suggest and evaluate possible candidates for appointment. Each committee should include representatives of consumer and other public interest groups and organizations.

(34) In-depth interviews with potential commissioners should be conducted prior to announcement of a nomination.

Chapter 8. Investigation

(35) The White House should develop and promulgate a uniform financial disclosure questionnaire, which shall be completed by every prospective regulatory agency nominee and which shall be reviewed by the White House prior to announcement of the nomination.

(36) The responses of nominees to that statement should be made available for public inspection except that any copies or tax returns shall not be made public.

(37) A complete and thorough evaluation should be conducted on the scope and pro-

cedures of the full field investigation conducted by the Federal Bureau of Investigation on prospective Presidential appointees.

(38) Executive Order 10450, which authorizes those investigations, should be withdrawn and a new Executive Order issued.

(39) The new Executive Order, in addition to emphasizing the importance of loyalty and national security, should also indicate that a prime concern of such investigations is whether an individual's character and reputation are suitable for the demands of a particular office.

(40) A new Executive Order should expressly provide that no nomination shall be announced without a review of the FBI findings and a determination that the nominee is acceptable after such review.

(41) The new Executive Order should expressly provide that no investigation should be conducted without the written consent of the subject of that inquiry.

(42) Appropriate action should be taken within the FBI to insure proper coordination and oversight of full field investigations on persons under consideration for Presidential appointments.

(43) The FBI should develop internally a uniform, basic approach to be used in all interviews, and agents should be provided with a standard set of questions to be asked in all interviews. That list can be supplemented as individual occasions demand, and agents are of course encouraged to pursue such lines of questioning when appropriate.

(44) The pertinent sections of the FBI Manual of Instructions should be reviewed and revised, and any provisions requiring special treatment for particular persons or that distinguish between various types of Presidential appointments be deleted.

Chapter 9. Presidential participation

(45) It is critical to the success of the selection process that the President demonstrate his personal interest in, and provide positive support for, the appointment of outstanding persons for the regulatory agencies. The President should attempt to have a personal meeting with regulatory nominees prior to public announcement of the nomination.

Chapter 10. Factors in the decision to nominate

(46) Ability, suitability, existing commission balance, and regulatory philosophy ought to be the principal factors in every selection decision.

PART IV: CONFIRMATION

Chapter 11. Advice and consent by the Senate

(47) When the President designates a regulatory agency chairman from within the membership of a commission, the appointment shall be subject to advice and consent by the Senate.

(48) The Senate should establish the following general standards to be applied in confirmation of regulatory agency appointees:

(a) That by reason of background, training or experience, the nominee is affirmatively qualified for the office to which he or she is nominated.

(b) That, in considering a regulatory appointment, the Senate shall consider the character and nature of the office, and the needs of the agency to which the nominee has been named.

(c) That, in considering a regulatory appointment to a collegial body, the Senate shall consider the existing composition of that body and whether or not members of a single sector or group in society are too heavily represented.

(d) That the nominee is committed to enforcement of the regulatory framework as established by Congress in the statutes.

(e) That the nominee meet the statutory qualifications to hold the office to which he or she was nominated.

(49) The Senate should adopt the following confirmation procedures:

(a) That every nominee to a regulatory agency be the subject of a public confirmation hearing with at least seven days advance notice to the general public of the date of that hearing.

(b) That committees with jurisdiction over regulatory agency appointees submit to the full Senate seven days in advance of every proposed appointment a written report containing the conclusions, recommendations and any dissenting opinions of the committee on the nominee.

(c) That the nominee agree to appear and testify, upon request, before a Congressional committee.

(d) When a person is nominated to a commission, and it is also the intention of the President to designate that person chairman of that commission, the nomination papers to the Senate shall include a statement of the President's intention as far as the chairmanship designation.

(e) That the President submit to the Senate nominees for regulatory vacancies at the earliest practicable time in order to avoid unnecessary and harmful lapses in commission membership.

(f) That the Senate require the President to submit, as part of the nomination papers, a statement indicating the reasons for a particular selection and pointing out any relevant factors in the nominee's background or training that qualified him or her for appointment.

(50) The Senate should give serious consideration to establishing an Office on Regulatory Appointment Investigations in conformity with the following guidelines:*

(a) That the Director of the Office shall be selected by the President pro tempore of the Senate, after consultation with the majority and minority leaders, and once appointed, serve a term of three years. The staff of the office, which shall be selected on a nonpartisan basis, shall be limited to a certain number of persons.

(b) All Presidential nominations to regulatory positions received by the Senate shall be automatically referred to the Office at the same time as they are referred to appropriate standing Committees.

(c) The appropriate standing Committee shall not take any formal action on the nomination, including holding or scheduling any confirmation hearing, for a period of 15 days after receipt of the nomination.

(d) As soon as practicable, but not later than 15 days after receiving a nomination, the Office shall present to the appropriate standing Committee a report of its findings on the background and integrity of the nominee. That report shall not contain any recommendations as to any action either the Committee or the Senate should take on the nomination. With the approval of the standing Committee with jurisdiction over the appointment, the time period may be extended for up to thirty days, and the same Committee may also request further investigative checks on the nominee once the time has lapsed.

(e) As a prerequisite to confirmation, nominees shall be required to provide responses to a financial and biographical disclosure statement by a deadline set by the Office. Financial information shall also be provided by nominees for any member of his or her immediate household. The Office shall prepare and publish a uniform disclosure statement for nominees.

(f) The Office shall examine any proposed blind trust agreement, contract for severance from private employment or any other document relevant to the nominee's qualifications for office. After evaluation, copies of those documents shall be incorporated in the report of the Office to the appropriate standing Committee.

(g) The disclosure statement will be maintained in the office and will be made available during regular business hours for inspection by the public. Twelve months after the appointee leaves office, the statement shall be destroyed.

(h) The Office shall conduct an investigation of the nominee's background and integrity. The Office shall not, however, inquire into the nominee's position or opinions on policy matters.

(i) The Chairman and ranking minority member of the standing Committee with jurisdiction over the nominee, two staff persons with that committee, respectively, so designated by the Chairman and ranking minority member, and the Director of the Office of Appointments Investigations shall have access to investigative findings prepared on the nominee by the Federal Bureau of Investigation or any other Executive agency charged with such investigations.

(j) All investigative findings of the Office shall remain strictly confidential unless a majority of the standing Committee with jurisdiction over the proposed appointment orders the release of such materials.

PART V. AGENCY PERSONNEL AND STRUCTURE

Chapter 12. Agency reorganization

(51) The personnel and structure of the regulatory agencies should be systematically reviewed and evaluated during the first year of the Carter Administration.

(52) Persons selected for staff positions in the independent commissions and agencies (classified by the CSC as Noncareer Executive Assignments and Schedule "C" appointments) should not be subject to White House clearance and should not be required to be advocates of Administration policies. The Civil Service Commission should not condition its approval of such appointments upon White House clearance.

(53) Either by Reorganization Act authority if revived or by legislative action, the FCC Chairman should be given the same administrative and executive authority presently accorded most agency chairmen.

LISTS OF MAJOR FINDINGS

The following is a statement of some of the major findings contained in this report.

(1) The pre-eminent problem with the regulatory appointments process, as it has operated in the past, is that it has not consistently resulted in the selection of people best equipped to handle regulatory responsibilities. For much of the past fifteen years, neither the White House nor the Senate has demonstrated a sustained commitment to high quality regulatory appointments.

(2) Highly competent men and women—in business and industry, in colleges, in the agency staff, and in state and federal government—are available to serve on a commission composed of multiple members. The reason why more qualified persons are not being appointed is not a problem of availability.

(3) The lack of balance is a matter of major concern for the independent regulatory commissions. Generally, membership on the commissions is not well-balanced, and we have not had broad representation of various backgrounds, talents, and outlook. Specifically:

(a) Women and members of so-called minority groups are woefully underrepresented in the regulatory commissions: out of a total of more than 150 appointments since 1961, only seven women and four blacks have been selected for the nine major commissions. Five of those agencies have never had a black commissioner, and three have never had a female member.

(b) The commissions are predominantly composed of white males with legal back-

* Should such a new office not be created, these guidelines should be incorporated as a responsibility of some existing unit.

grounds. Economists, engineers, political scientists, accountants and members of other professions are rarely selected.

(c) A comparatively large number of regulators come directly from the regulated industries, which is in sharp contrast to the rare selection of persons with clear identification with public interest group concerns.

(4) Generally speaking, Presidents have not displayed much continued interest in the appointments process: often the process has been set up with little or no thought, and then relegated to middle level status in the White House; criteria, either on a specific selection or even of a general nature, are rarely enunciated; and Presidents have frequently not insisted upon the most able appointees. The disinterest at the very highest levels of government in first rate regulatory appointments constitutes one of the major disabilities of the appointment process.

(5) An appointment office within the White House can consistently produce high quality appointees, provided that it has the support of the President, competent staff members and a professional process to locate and screen qualified appointees. If those elements are present, the existing framework can operate with success.

(6) There has been marked improvement in recent times in systematic consideration of financial conflicts of interest of prospective Presidential appointees by the White House and Senate.

(7) Conflict of interest statutes—as applied before, during and after agency service—must be balanced with the government's objective in attracting experienced and qualified persons to public service. A conflicts of interest policy should be reasonable, realistic and tailored to fit particular needs. More stringent restrictions should be imposed only upon a clear showing of a particular problem in need of remedy.

(8) It is in the public interest that reasonable and effective guidelines be imposed on a former regulator's dealings with the same agency of which he or she was once an officer. Such restrictions are justified on policy grounds related to the principles of fairplay and even-handed administration.

(9) The agencies have generally done very little to insure that the statutory provisions on conflict of interest are properly enforced and policed. The resources presently committed to these matters by the Civil Service Commission are inadequate. Well over half the agencies considered in this study have not taken steps to establish compliance mechanisms in accord with 18 USC 207.

(10) The public has a right to know what, if any, private financial factors influence official decision-making. Allowing public inspection of financial statements filed by officials will be an important step toward a regulatory process that is free from an appearance of favoritism.

(11) In recent years, the Senate confirmation process has become more vigorous and more thorough.

STUDY ON FEDERAL REGULATION VOLUME II: CONGRESSIONAL OVERSIGHT OF REGULATORY AGENCIES

PRINCIPAL RECOMMENDATIONS

The following are the major recommendations of this report. Other recommendations are found in the body of the report.

1. Systematic review

In order to enhance systematic congressional review of regulatory agencies, Congress should require that all regulatory agencies be made subject to a periodic authorization process. In-depth scrutiny of the agencies should be assured by requiring a thorough review of an agency's activity before it may be reauthorized. Under a "sunset" device, agencies with similar functions should be reviewed in the same years.

2. Congressional access to information

(a) Congress should enact legislation requiring concurrent submission of budget and legislative proposals by the independent regulatory agencies to the Congress and OMB.

(b) Congress should require by statute each regulatory agency to respond to Committee requests for information within a specified period or explain in writing why the request could not be complied with in time. The agencies should receive sufficient funding to enable them to promptly comply with congressional requests. Such funds should be designated as a "line item" in each agency's budget.

(c) Congress, with the assistance of each regulatory agency, should biennially review deficiencies in each agency's collection of information from firms and persons, and ascertain that each agency follows the statutory requirement that information it collects be tabulated to maximize its usefulness to Congress and the public.

(d) Legislation should be enacted ensuring the ability of Congress, through its own Legal Counsel's office, to enforce subpoenas in Federal district court. A civil remedy should be available as an alternative to criminal contempt.

(e) Congress should consider legislation which would ensure that agency personnel who provide Congress with essential information on agency activities are not penalized for such disclosures. Any congressional action should be consistent with the need for orderly agency administration and provide for the protection of the rights of private parties.

3. Coordination of oversight efforts

(a) To improve coordination of oversight activities the Congress should require that all committees with responsibility for oversight of regulatory agencies report on their oversight plans each session. Such reports would be submitted to the Senate Rules Committee or the House Administration Committee along with each committee's annual budget submission. CRS should compile and index the information from these reports, and submit a report to Congress indicating areas of potential conflict and cooperation. GAO, too, should file an annual report on its oversight plans.

(b) Legislative committees should make annual oversight reports giving their assessment of regulatory agency priorities, efficiency and other matters to the appropriations committees.

(c) The Senate and House should require standing committees to include in their legislative reports a summary of any oversight findings and recommendations made by other committees, which have been submitted to the standing committee, provided that they are made on a timely basis.

4. Evaluation of regulatory programs

Congress should enact legislation requiring each agency to evaluate its regulatory programs and present its evaluations to congressional authorizing committees periodically. The evaluations should include a discussion of the agency's goals for the next few years. A plan for evaluating agency performance of those goals should be included in the presentation. Increased training in program evaluation should be made available to Members of Congress and their staffs.

The authorizing committees should hold public hearings on those plans and make whatever suggestions are deemed necessary.

To aid in evaluation of agency performance, agency reports to the Congress should contain information tailored to each regulatory agency's activities. At a minimum, an agency report should: (i) set forth the fundamental assumptions underlying the agency's regulatory program; (ii) describe the agency's capacity to test its assumptions, and formulate procedures to assess the actual effects of the agency's regulations; (iii) set forth a detailed explanation of the agency's experience in implementing its analysis and a description of its proposed course of action for the future.

5. Staffing

The Congress should authorize increased staff for the House and Senate Appropriations Committees so that the Committees may be able to probe more deeply into the priorities and efficiency of operations of the regulatory agencies. There should be no across-the-board increase in staff for other committees. But where committees can justify a staff increase, and give reasonable assurances that the staff will be used primarily for oversight work, the request for increased staff should be granted. Committees should make increased use of congressional resource agencies and paid consultants for regulatory oversight.

6. Hearings

Committees should improve the value of hearings by: making increased use of prehearing questions; following up on hearings by issuing reports summarizing committee findings and determining whether the agency has followed the committee's recommendations; giving staff members increased opportunities to ask follow-up questions of witnesses at hearings.

7. Congressional resource agencies

Congress should make full use of its resource agencies by requiring that:

(a) The Office of Technology Assessment familiarize Members and staff with its capabilities so that it can be utilized more as an oversight resource.

(b) The appropriate unit within GAO or CRS provide information on agency rules and report on the disposition of proposed regulations. It should also analyze the impact of proposed and promulgated agency regulations. (c) The Comptroller General ensure that GAO reports deal directly and forcefully with issues of interest to the Congress in order to maximize their usefulness to Congress and the public.

(d) The Comptroller General reduce the time it takes for GAO to issue a report once it has been requested.

(e) The Comptroller General provide additional resources to its Office of Program Analysis so that it may better provide the services for which it was established.

In addition, Congressional committees should take increased advantage of GAO's expertise by: detailing GAO personnel to committees for regulatory agency oversight work; establishing closer liaison with GAO personnel at agency audit sites; and whenever feasible, requesting GAO's assistance in drafting a statement of goals and objectives in new legislation, so that evaluation of agency activity might be improved.

8. Recodification

Congress should require the regulatory agencies, in cooperation with Congress, to recodify the administrative and judicial actions and statutes pertaining to the agencies. Congress should consider, too, expansion of the House Law Revision Counsel into a joint House-Senate body to aid in the recodification effort.

9. Casework

The Congress should study the feasibility and desirability of establishing a capability to collect and analyze casework information to aid in congressional oversight efforts.

10. Legislative veto

Although the legislative veto may be appropriate in limited situations, the Congress should reject an across-the-board use of the legislative veto for regulatory agency rules. Congress should also refrain from routinely

adding a legislative veto provision to regulatory agency statutes.

11. Agency mandates

In order to improve congressional oversight, Congress should draft its statutes for regulatory agencies as narrowly as possible.

MAJOR FINDINGS

(1) Given finite time and resources, Congress should focus its oversight efforts on the broad direction of regulatory policy. Oversight should be conducted as openly as possible.

(2) There is a high level of both formal and informal oversight activity. It might even be said that Congress is now paying more attention to oversight of regulatory agencies than at any time in its history.

(3) Over the last four Congresses there has been a dramatic increase in the percentage of hearings devoted to oversight by non-appropriating committees. This increase was especially great in the House of Representatives. In addition, in the 94th Congress a larger proportion of oversight hearings were devoted to regulatory agencies than in previous Congresses.

(4) The amount of appropriations oversight attention given to the regulatory agencies has, on the whole, slightly decreased over the past decade.

(5) Currently, appropriations is the most potent form of oversight in those areas where attention is directed. Despite its importance, the appropriations process works haphazardly as an oversight mechanism. Although all agencies are reviewed, the vast sweep of regulatory policies are passed over without any initial overview. Still, appropriations oversight is the only required annual review of all Federal regulatory agencies.

(6) The authorization process, one of Congress' most valuable oversight tools, is not fully utilized because a large number of regulatory agencies are not subject to periodic authorization.

(7) Congress' long-recognized *ad hoc* approach to oversight is particularly evident in the regulatory area. Very few Members or their staffs systematically review the agencies under their jurisdiction. Most oversight efforts are not initiated with regard to carefully considered sets of priorities, but rather in response to a newspaper article, a complaint from a constituent or special interest group, or information from a disgruntled agency employee.

(8) Oversight continues to be a low priority for most Members of Congress. But with public attention drawn to the regulatory agencies, incentives for oversight of the agencies appear to have improved.

(9) There is little active coordination between committees for oversight.

(10) Almost all regulatory agencies have responded vaguely and slowly to congressional requests for information at some time, but in general, committees get the information they ask for. There have been a number of instances, however, in which independent regulatory agencies have refused to give information to Congress.

(11) Although some committees need larger staffs to perform effective oversight, most have a need not for more personnel, but for staff members with expertise in a particular area.

(12) Many regulatory agency annual reports to the Congres are less valuable than they might be because the statutory provisions requiring them set in adequate guidelines for the agencies to follow.

(13) Although oversight is not viewed as the primary function of the confirmation process, Congress' advise and consent power is often useful for policy-oriented oversight purposes.

THE FUTURE OF THE REPUBLICAN PARTY

Mr. BAKER. Mr. President, on March 5 my good friend and colleague, Senator PACKWOOD, delivered a speech at the Dorchester Conference in Seaside, Oreg.

It is a speech about the Republican Party, and the prospects for its future, a subject of importance not only to me and my colleagues, because we very obviously have a vested interest in its well-being, but, and I can say this with no immodesty, it is a subject of more importance to each and every citizen in the country—Republican and Democrat alike.

Because the Republican Party is not an end unto itself, but the means to an end—that of a good and effective government—and that is important to each and every one of us.

Correctly, I believe, the Senator says that we can do both, recover as a party and provide good government; but we can no longer hope to do either merely by saying no to the Democrats. To be the party preferred by the people, we must be the party that offers solutions to the people's problems; and, unlike the past, we must recognize that we can do this consistent with the philosophy that the Federal Government is frequently not the best solution to a problem.

The country and the Republican Party are always well served by the Senator from Oregon. For the country's sake, the Republican Party would be well served to heed the advice of the Senator contained in this speech, and for that reason, I commend it to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH TO DORCHESTER CONFERENCE BY SENATOR BOB PACKWOOD, MARCH 5, 1977

John C. Fremont was the first Presidential candidate nominated by the Republican Party. The year was 1856, and the slogan—"Free soil, free men, Fremont."

"Free soil, free men, Fremont." Not a bad slogan in 1856.

"Free men" meant a government that was responsive to you, as a free individual rather than one that dominated you as your master.

"Free soil" meant 160 acres and a mule—a cabin and a crop—the things that in an agrarian society signified certainty and predictability. With these things man could feel secure against the world.

The desire to feel certain and secure is as old as mankind. We invented the calendar to give us a certainty of time. The feudal system, lasting for centuries, assured everyone from noble to serf his own niche, a sense of certainty in society. Like it or not, you knew your obligations and your rights, and both were enforced. Even in the settling of this country, the bulk of the people lived and died within a few miles of where they were born, preferring certainty to risk-taking. The great westward migration was largely a myth. The bulk of the people never went West.

The world, we may conclude, is not generally made up of risk-takers. It has always been only a few who were the innovators, the leaders, who took chances and moved nations forward.

It is important then that a government strike the proper balance between risk-takers and certainty seekers, encouraging and rewarding those who dare, while assuring those who want only to feel secure.

The desire to feel certain on the part of the majority is a good, traditional, conservative feeling. Republicans should not disparage it. The desire to take risks on the part of the minority is a good, traditional, liberal feeling. Republicans should encourage it.

In examining the history of this country, we find that from the Civil War to the Depression, the country was predominantly Republican. The Republicans elected all but two Presidents and all but a handful of Congresses. Most state and local governments, in addition, were controlled by Republicans. Everything the Democrats tried failed to gain for them political majority in the United States.

From the Depression to date, the Democrats have been in the ascendancy. They have elected all but two Presidents. They have controlled Congress for all but four of those forty-five years. Now, in addition, the Democrats control most state and local governments. Everything the G.O.P. has tried failed to gain for us the political majority in the United States.

Some people subscribe to the "great event" theory of history. They say the Civil War was the great event that set the Republican Party in motion. The Depression was the great event that made this country turn to the Democrats. As this theory goes, all we as Republicans need to do then is wait for the wheel of fortune to spin out another "great event." The Democrats swing down and the Republicans surge to the top. I disagree. The Civil War and the Depression may have served as catalysts which accelerated change, but these two great events did not cause the change itself. The seeds of change were already planted. At each point in history one party stood for something that guaranteed to the majority what they were looking for—certainty, stability, security. In any case, I do not choose to believe that this country must go through an event as severe as the Civil War or the Depression for the Republican Party to make a comeback.

During the seventy years in which the Republican Party dominated this country, it was because we held to a political philosophy that followed the twin goals of serving the majority's desire for certainty while rewarding those who were risk-takers. Because the Party gave each what they wanted, the response was overwhelming Republican majorities.

Life was simpler and tougher in those days. The cost of health care was not a major worry. You were just as likely to live or die regardless of whether or not you saw a doctor. Lawyers were unneeded by the average family who knew no income or inheritance taxes. Education—primitive and short—a few years of grade school, then on to work full time on the farm. Day care centers—who needed them? Women worked all right, but they worked at home on the farm. They worked hard and took care of the children at the same time. And retirement homes for the aged? Nonsense. Grandmother and Grandfather lived with the children on the homestead. Looking after them was a part of life. The Republican Party made and kept a promise of land for every family to work—with as little government as possible. It suited those who wanted certainty. It suited those who took risks. And the Republican Party flourished.

A gradual migration from farm to city moved us into the Twentieth Century. America was becoming an industrial and an agricultural nation. Had events continued smoothly, America probably could have survived the transition without difficulty.

But along came the Depression and the great droughts and dust bowls in our agri-

cultural heartland. Foreclosures on homes and farms were rampant. Banks failed and savers were ruined. A society with limited education found itself unprepared for urban living. There were few jobs. There was an uprooting of all that had symbolized certainty and security in our history. There was panic and fear to a degree unknown before.

Then along came Franklin Delano Roosevelt. He proposed a bank moratorium to stave off home and farm foreclosures. The Republicans said "No." He proposed a WPA and a CCC to provide jobs. The Republicans said "No." He proposed a National Labor Relations Act to give unions simply the right to organize and bargain collectively on behalf of employees. The Republicans said "No." He proposed the minimum wage. The Republicans said "No." He proposed Social Security. The Republicans said "No."

Roosevelt gave this country a new sense of direction. He gave it a definite move again toward certainty and security. Most importantly, he gave this country hope—but the Republicans had said "No."

We Republicans lost touch with our twin goals of security and certainty for the majority, and rewards for the risk-takers. We forgot that both were essential to stable, popular government. The people of this country responded in kind by making the Democrats the majority party for the past forty-five years. Why even within the last fifteen years, the Republican Party opposed Medicare. Is it any wonder the people who seek certainty and security mistrust us?

As we look toward the last quarter of this century, is there a way that the Republican Party can succeed in again becoming a majority? By that, I don't just mean winning the Presidency half the time. I mean becoming truly competitive. I mean a party so well regarded that when the average voter gets down to the end of the ballot to vote for county auditor and is unfamiliar with either candidate, he chooses the Republican because the voter likes the Republicans better and because he feels more secure voting Republican.

We can only become a majority if:

1. There is a difference between the Republican and Democratic parties;

2. The difference is perceived by the voters; and,

3. The voters favor the Republican alternative.

Keeping that in mind, can we pinpoint major differences between the two parties now? Foreign policy? If there is a significant difference, I am unable to perceive it myself. Busing? Energy? Gun control? There are no perceivable consistent party differences on these issues.

There are, however, two significant areas in which, generally speaking, the two parties differ philosophically.

First, there is the matter of providing social services, whether Social Security, health insurance, legal insurance, day care, or the like. By and large, the Democratic Party is convinced government can provide these services better than business. Even if government cannot do it better than business, the Democratic Party still regards it as unwise to allow business to deliver social services because, to them, business is not humane enough to be trusted with this mission.

The second major area of difference is in the attitude of the two parties toward federal versus local government. Since the mid thirties, the Democratic Party has believed not only that government, rather than business, is a better provider of social services, but that, in addition, the federal government is a better provider than local government. The average Republican still intuitively feels that local government can do these things better than the federal government.

In considering this difference, we first must get over our hang-up about which government the taxpayers' money belongs to—local, state, or federal? The money does not belong to any government. It is the taxpayers' money, and government—be it local, state, or federal—simply holds it in trust for a time after collection and before disbursement. The argument that money collected by the federal government is federal money and therefore the federal government has not only a right but a duty to say how it is spent is poppycock. But even assuming the federal government does not have a right to say how it should be spent, there is nothing obtuse about saying that the federal policy on spending this money will be: Give it back to the state and local governments with minimal strings. Let them spend it as they like. We don't need dozens of housing, health, urban, and other kinds of programs, let alone fifty to one hundred categorical grant education programs. If a local government doesn't know better whether it needs a park block or a fire engine or a day care center or a school librarian, then how can those in Washington, D.C. possibly know better.

We must admit that the federal government has preempted the best tax sources—namely, the individual and corporate income taxes. The federal government can collect this money cheaply and efficiently enough. It's the strings attached in the spending of it that cost so much.

The first five-year experience with general revenue-sharing is a good example of what I recommend. The federal government disbursed about $31 billion at an administrative cost of 13/100 of 1 percent. The entire Office of Federal Revenue-Sharing during those years reached a peak of only eighty-four employees. They were able to dispense this great quantity of money with so few people because only minimal strings were attached to the distribution.

Despite this good record, when the federal revenue-sharing program was extended again last year, the majority of Democrats in Congress still wanted to add more federal strings on the money. The majority of Republicans wanted more local discretion.

Will local governments always make correct decisions? Of course not. But then, neither does the federal government. Unfortunately, however, when the federal government makes a mistake, it imposes it on everyone in the country equally. When a local government makes a mistake, it affects only that locality.

The Democrats will not support this philosophy of using the federal tax system to collect the money and local governments to disburse it with minimal strings because that view runs counter to the Democratic belief that Washington, D.C. knows best.

Now, I'd like to move to the other fundamental difference between the parties. That is, whether business or government should provide social services in this country. Of course, there are a few people in both parties who would do away with all social service programs, whether run by the government or business. However, the vast majority of Americans would not do away with programs like Social Security or company-provided health insurance. They like the certainty which comes from knowing they are protected, even from their own negligence or folly.

The average Democrat in politics prefers that the federal government deliver social services. When given the choice, most Republicans prefer that the services be provided by the private sector.

A good example of this difference is in the area of health insurance. The majority of Democrats in Congress prefer a national health insurance system run from Washington. Most Republicans prefer an expansion of the present system by which business covers its employees through private health insurance.

Let me emphasize that the issue is NOT whether social services will be provided at all! That battle is over! The issue is whether they will be provided by government or business. If people want help in educating their children, if they want day care, health insurance, or legal services to feel secure, they will find a way to get it. The Democratic Party's answer is to crank up another new federal program to supply it. The Republicans' answer can no longer be "NO," as it often has been for forty-five years.

For those who need a lawyer, the Republican answer cannot be, "Tough luck, unless you can come up with $60.00 an hour." For those who need day care, the Republican answer cannot be, "Why didn't you think of that before you had children?" For those who want their children to have a better education than they did, the Republican answer cannot be, "Education is for the privileged who can afford to pay for it." This is harsh music for people tuning in to certainty.

Yet these same people do not fault the Republican Party for saying the federal government has grown too big. As a matter of fact, people agree with us. The size and power of government is a subject people understand and care about. A recent Gallup Poll showed that Democrats, Republicans, and Independents alike all picked big government as the biggest threat to the future of our country. Then, why do people keep pulling the Democratic lever in the voting booth? Because the Republicans offer no discernible alternative.

I suggest the following alternative: A Republican care package, if you will. In this package the federal government requires that employers provide social services for their employees, instead of the federal government providing them. In return for providing those services, employers receive appropriate tax incentives.

Services provided could eventually include health care, legal care, day care, educational benefits, loans to purchase a home, employee stock ownership, income security programs, perhaps even auto care. In the future services could be included that we are not thinking about today. The important thing is that business provide them before the Federal Government jumps into it.

A number of businesses already are headed in this direction voluntarily. Let me cite some examples.

Ford Motor Company now provides very comprehensive medical coverage for its employees. The cost is $175 per month per employee. For this employees receive better health coverage than they would under any currently proposed national health insurance system. If all employers provided coverage of this magnitude, there would be no demand for National Health Insurance.

Another example: Many contracts between the Laborer's Union and contractors now provide prepaid legal insurance. Workers are afforded advice covering almost every legal entanglement a citizen might face. The average cost to the employer is about $5 per month per employee. If all employers provided prepaid legal insurance, it would stop the growing movement toward national legal coverage for almost everyone in the country. There already is a national program funded by the federal government which provides legal services for the poor. They have a program called "Judicare," and they are even experimenting with a program providing "law stamps!"

A third example is day care. Today, many companies provide day care for the children of their employees. If all employers did this, it would stop dead in its tracks the growing movement toward federally-controlled day care centers.

Now, let's take some examples of where business has not moved in extensively yet. Housing. Because of a lack of business involvement, there is a growing demand for the federal government to subsidize or build houses, not just for the poor, but for the middle income taxpayer as well.

Higher education. There are a vast variety of government student aid, loan and scholarship programs available. And there will be innumerably more if an alternate way to cover this very expensive cost is not found.

How many times have we all heard those in business say, "If only twenty years ago we had . . ." and then trail off into some complaint about a government program or regulation? Those complaints are right. If twenty years ago business had seen the need for environmental protection, we would not now have the Environmental Protection Agency. If business fifty years ago had recognized the right of workers to bargain collectively, we would not now have the National Labor Relations Board.

Will we gather at Dorchester twenty years from now and hear those in business say, "Why, do you know my payroll tax to the United States Health Corporation is now 14 percent, and it takes that damn government agency over a year to pay a claim? And I've got no choice because I'm not allowed to insure with anybody else." Or instead, twenty years from now, will we hear, "You know, I shopped around and found that Blue Cross gave me a better rate than Aetna. And not only that, they agreed to pay 90 percent of the claims within thirty days. So I switched this year. Boy, am I glad I've got a choice."

As we look toward the next twenty years, there are many more unmet needs waiting to be fulfilled.

Democrats will again respond with yet another federal program. However, in the future the Democrats will not levy the tax on all taxpayers. The Democrats will be very wary of loading these costs directly on individuals. Instead, the Democrats will levy the tax on businesses, mainly in the form of additional payroll taxes such as workmen's compensation and unemployment compensation taxes. The Democrats will be little concerned with whether or not those who take risks to move this nation forward are adequately rewarded. In trying to answer the demands for security and certainty, the Democrats will continue to pile federal program atop federal program. The inevitable result will be continued unresponsiveness, mismanagement, and eventual collapse. In the end, then, the Democrats will have provided neither certainty for the majority nor rewards for the risk-takers. They will have missed on all counts.

The Republicans must offer the alternative. If we Republicans can successfully implement proposals to unite business with the provision of social services, we will be steering this country in a far safer direction than that which England chose to follow. We must recognize and provide the certainty and security that most people covet. But we must fulfill those desires within the traditional Republican philosophy which also rewards those who take risks that move this country forward.

Will these ideas succeed in revitalizing the Republican Party? We will never know until we try. I would rather try and fail than fail to try. The time is short. The choice is ours.

STANDARDIZATION IN NATO

Mr. GLENN. Mr. President, the primacy of our security commitments to Western Europe and Japan has long been a cornerstone of U.S. defense policy. However, we and our NATO Allies have been faced for at least the last decade with a very real and pressing problem. The problem is that, as pluralistic democracies in peacetime, we do not choose to match the Soviet level of spending on military forces. As a result, an already disproportionate numerical situation is growing worse. Our adversaries, by their willingness to spend considerably more than we, will eventually close the qualitative gap which is still in our favor. In addition to this, they will retain into the future the initiatives of surprise and timing which they now have.

Mr. President, in a time of tightened belts, I do not quarrel with the spending priorities this country has made in regard to NATO. NATO's qualitative advantages over the Warsaw Pact remain impressive in many areas. The United States has contributed to these advantages by introduction of first-line systems like the F–15, F–16, F–111, and Lance missile. In addition, we have added quantitatively to NATO's fighting potential by streamlining our Army units and using the spaces gained to introduce two new brigades to Europe, one of them into the critical potential invasion route across northern Germany. Legislation originating in this body over the past several years has played an important role in furthering these objectives.

Mr. President, even without major increases in spending levels, NATO retains the wherewithal to field a posture adequate to the deterrence and defense objectives of the alliance. That capability, however, has been undermined by the slow progress to date in NATO in increasing the degree of standardization and interoperability of its weapons systems—a condition which some experts estimate costs NATO some $10 billion a year in wasted funds and which former NATO Commander Gen. Andrew Goodpaster has identified as eroding defense capabilities by as much as 30 percent.

Mr. President, recent legislation originating in this body has helped build a fire under NATO efforts to make its defense expenditures more cost-effective. Yet experience over the last several years shows that there are limits. Complete standardization is not possible because of differing tactical concepts and the time lag in developing weapons. A balanced, yet forceful approach is required. In that regard, I commend to the attention of my colleagues recent remarks by Dr. Walter LaBerge, an Assistant Secretary-General of NATO, in an article in NATO Review. Dr. LaBerge, an American, succinctly outlines the problems of standardization and interoperability in NATO. His suggestions, which I commend to the consideration of this body, are that NATO nations increase the NATO orientation of their weapons development programs and commit themselves to maximizing the degree of interoperability of their new systems in NATO. He suggests further a greater degree of transatlantic teaming in the weapons design and development process, more technological sharing among NATO nations and early and accurate information on the timing of planned replacements.

I do not personally agree with all of Dr. LaBerge's suggestions. For example, problems loom in attempting either complete sharing of technological information, or in mandating that NATO requirements—not national needs—dictate defense programs. Nevertheless, the problem is evident. As an alliance we must work together to lessen these difficulties and maximize interoperability. Movement along the path advocated in this article will benefit all member states of NATO. Our joint task is to seriously start on rationalization and, when possible, standardization.

I ask unanimous consent that Dr. LaBerge's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STANDARDIZATION AND INTEROPERABILITY: ANOTHER PERSPECTIVE

(By Walter LaBerge)

It is now eight months since I left the Pentagon for Brussels to become Assistant Secretary General for Defence Support. It has been a time of intense effort, great enjoyment and I hope of significant learning. In this article I wish to catalogue some of my first impressions and perhaps provoke enough argument so that we who are interested in NATO can better understand its problems and agree on their solution.

During my period of indoctrination I have visited many of the NATO operating commands and most of the Ministries of Defence, talked to many people and in the process formed explicit impressions of our NATO research and development and procurement strengths and weaknesses and what we should and should not do about them.

Before I start this detailed discussion I should admit that, like everyone else, I have developed a pronounced view of the present capability of NATO. Let me describe that view because it colours a great deal of what I will suggest to be the proper NATO action for the future.

UNDENIABLE CAPABILITY

It is my view that the NATO Alliance has been, and is now, an instrument of undeniable capability, for which we should all be thankful and appreciative. The existence of this Alliance capability is not an accident but the result of the working of our free and independent national industrial systems.

It is, however, also my equally strong view that we who belong to the countries of NATO do have a very real and pressing problem that we choose to ignore. That problem is that we, as an Alliance, do not wish to match the Soviet level of spending on war materiel, nor do we even wish to address the consequence of this situation. If we did face up to it, we should see that an already disproportionate numerical situation is growing worse, and appreciate that our adversaries, by their willingness to spend considerably more than we, will eventually close the quality gap which is still in our favour. In addition to this, they will retain into the future the initiatives of surprise and timing which they now have.

That spectre is the reason for NATO's present initiatives on standardization and interoperability. These initiatives are especially important since despite the compelling nature of the threat, individual national financial considerations do not seem to allow the NATO alliance to match Soviet expenditures. So for the time being at least, NATO will have to bridge this expenditure gap by an ability to make better use of what it has.

It has been absolutely obvious to all to whom I have talked, that the method by which research and development and procurement can most cost-effectively contribute to improved military capability is by

achieving greater equipment interoperability. This need for interoperability within NATO has been known for a long time. What is new is the military insistence on interoperability and the Defence Ministers' willingness to apply high level NATO and national pressure to bring it about.

As a consequence, in December 1975 the Council in Ministerial session approved the formation of an Ad Hoc Committee on Equipment Interoperability under the direction of the NATO Deputy Secretary General, Ambassador Pansa Cedronio. The terms of reference of that organization are, inter alia: to determine where the capability of allied forces to operate together, or support one another, is seriously constrained due to the lack of interoperability of equipment, and to develop specific recommendations for correcting these major deficiencies as soon as possible. In addition, it should propose procedures for assuring adequate interoperability of equipment which is to be developed and acquired in the future.

FIVE PROBLEM AREAS

As a start, the Ad Hoc Committee established five working groups in order to evaluate the following problem areas:

1. Tactical area communications,
2. Tactical aircraft rearming,
3. Tank gun ammunition,
4. Fuels,
5. Implementation of NATO standardization and Allied publications.

The Ad Hoc Committee is now coming to the end of its first year and may well be extended by the Council into a second year. The initial effort of the working groups is nearing completion and there is almost universal belief that the groups have been successful in making progress in these five most difficult areas. The Committee's success is in part due to the capability and level of its participants, but, to my mind, it also reflects a new Alliance-wide willingness to insist on, and to achieve, interoperability.

This strong and continuing pressure for interoperability should not lessen in the near future. Surprisingly, the problems of the future appear to be more easily handled than the interoperability problems of the present. However, even in current cases where industrial conflicts exist, strong pressure to find equitable industrial arrangements will make our current problems more tractable.

Some interoperability problems, however, many prove so difficult as to defy simple solution. One of these may be the case of interchangeable ammunition for the Alliance's next generation of main battle tanks. Even there one hopes that the developments of the UK, US, Germany and France can be coordinated to the point where all such ammunition will be interchangeable. Even if this problem were to remain unsolved, it would still be an exception rather than the rule as the majority of new munitions now being designed are intended to be interoperable throughout the Alliance.

In no way does the imposition of interoperability change our basic system. The best example of this is, of course, our commercial communications satellite system, which interoperates with both voice and data circuits among all the free world's telephone and computer subscribers. Nations' industries have found it to their advantage to support these interoperability agreements. The same can be the case for military systems. In fact, as I hope to show later, we are well on the way to solving for the future the impossible problems of today caused by our inattention in the past.

Many people, I know, who argue for improvement have a much less favourable view of our status than the one I have outlined. Though I am personally convinced of the compelling need for increased efficiency because of our unwillingness to match Soviet spending, I must admit to being more than a little irked by the arguments in favour of standardization and interoperability based on allegations of excessive waste and duplication.

The arguments usually compare NATO with a "waste free" perfect world of the writer's own making. However, the experience of many years teaches that we have only a choice of imperfect worlds, not the chance to command our own view of perfection. Two different economic blocs exist today, our competitive free enterprise system which depends to some degree on multiple developments and the Soviet regulated, directed and essentially non-competitive system. Up until now, in both the civilian economy and in the military world, the free enterprise system has proved to be far the superior of the two. Thus as we try to improve the efficiency of free enterprise, we must be careful not to destroy the essence of this efficient, practical and so far successful system, in favour of a theoretical system which has yet to be shown to be workable.

If improvements are to be made, there must first be a careful evaluation of current efficiency in research, development and procurement. This will be no easy task because efficiency in R & D is difficult to determine. One yardstick which is sometimes used is the proliferation of hardware that we observe in the field today, which probably is "excessive duplication." But that hardware is the result of a research and development response to an environment of 10 or more years ago, when there was low inflation, relatively large budgets, modest development costs and nowhere near the same degree of worry about Russian capabilities. To judge the effectiveness of the use today of our R & D resources requires a subtle subjectivity since the equipments resulting from today's R & D will not be in the field for years to come.

In this connection, let me provide an extract from a note from the Supreme Allied Commander Atlantic (SACLANT) which I received recently. In it, Admiral Kidd lists some examples which I will reproduce.

SUCCESSES AND FAILURES

One criterion for a success is the cooperative acquisition of naval armaments by two or more nations within the framework of NATO.

Collaborative efforts by NATO nations that have been successful or have the potential for success are as follows:

PAST SUCCESSES

NATO MK 44 torpedo,
NATO MPA aircraft (Atlantic),
NATO Azores fixed acoustic range (AFAR),
NATO acoustic communication with submarines,
NATO Sea Sparrow,
NATO helicopters, Lynx, Puma and Gazelle,
NATO patrol craft hydrofoil missile (PHM),
NATO naval forces sensor and weapon accuracy check sites (FORACS),
NATO frigate for the 1970's,
NATO Sea Grant system,
NATO conventionally powered submarine for employment in European waters,

POTENTIAL FOR SUCCESS

Very short range air defence weapon system,
Explosion resistant multi-influence, sweep system for mines (ERMISS),
Electro-optical devices,
NATO anti-surface ship missile (ASSM),
NATO small surface-to-air ship self-defence system for the post 1985 time frame (NATO "6S" system).

Other collaborative efforts by NATO nations that have been successful in areas other than naval armaments are as follows:

F104G Starfighter,
Fiat G91 strike fighter,
Hawk missile,
Sidewinder missile,
Bull-pup missile,
AS-30 missile,
Jaguar tactical and training aircraft,
Multi-role combat aircraft (MRCA),
NADGE air defense system (80 sites),
NATO multi-national F-16 air combat fighter,
220 NATO airfields with common communications and pipeline links for support,
28 allied tactical publications (ATP's) containing common doctrine,
53 allied communications publications (ACP's) containing common communications procedures and doctrine.

Nearly 900 standardization agreements (STANAGS) have been made between NATO nations to enable their forces to operate together in the most effective manner.

Other bi-lateral or multi-lateral projects between NATO nations, outside the NATO framework for cooperation, that have been beneficial in achieving greater standardization within NATO.

Harpoon missile,
3 inch/76 millimetre OTO Melara gun,
Terrier missile,
Olympus/Tyene engines,
M20 series fire control systems,
Tri-partite mine counter-measures (MCM) Exocet missile.

It is considered that NATO could improve its degree of standardization or interoperability in the following areas:

41 different types of naval guns from 20 mm upwards,
31 different types of anti-tank weapons,
6 different types of recoilless rifles,
36 different types of fire control radars,
8 different SAM systems,
6 different types of anti-surface ship missiles (ASSM's),
Common identification system (IFF),
Common data link,
Nation's implementation of standardization agreements (STANAGS),
NATO RD & P programmes,
Nations to harmonize national armament schedules,
Establish Test and Evaluation programme,
Integrate RD & P of armaments into defence planning process.

MAKING HEADWAY

Admiral Kidd's assessment as SACLANT seems to me to indicate that NATO is making headway, and should continue to do so. Nearly all his examples of uncorrected difficulties are probably not remediable until the equipments cited are replaced by future generation systems.

The impressive list of collaborative efforts cited by Admiral Kidd constitutes a very important but unrecognised progress towards more common programmes and the efficiency of large scale production and common logistic support in the field. Today, in the whole field of armaments development in Europe, very few, if any, programmes start without cooperation between several nations.

These programmes have developed by the natural process of nations and their industries determining how to work together to their mutual advantage to meet a military need. Such procedures go a long way towards providing a much greater degree of standardization in NATO than ever before. I personally do not believe that money spent by these nations should count as "waste and inefficiency" just because it duplicates work done elsewhere.

There seems to be in some places a doctrinaire approach to the question of standardization which does not recognize that, in our society, complete standardization is unnatural and, when tried, inefficient. However, it clearly can be applied in far more areas than is presently the case provided we address the fundamental economic problem of how to ensure that standardization is to the industrial advantage of the nations involved.

Lastly on this point, it is necessary to know what is meant by standardization. Nations

have different needs, different replacement schedules, and different budgets; it is only after analysis of all these factors that it is possible to assess, for an individual item, whether standardization is crucial or not.

A recent visit to the Federal Republic of Germany highlighted this problem. While there, I rode in a Leopard I tank and later talked to many developers and field users-to-be about the Leopard II, now projected for early introduction into the German forces. The next day I was briefed most intelligently on the operationally imperative need for standardization. The briefing after that was a description of the large programme to prepare for their five to ten-year transition to the Leopard II. As it turns out, there is almost nothing of importance in the Leopard II which is drawn from the Leopard I. The gun, the firecontrol, the engine, the ammunition are all different. As far as I could see, the only things standardized were the paint and the fuel. To me, these two briefings showed inconsistent arguments, one insisting on standardization, the other on a long transition period of non-standardization. It would have been possible to build a Leopard II more nearly like a Leopard I as the Soviets have built Mig 21's more nearly like Mig 19's and Mig 17's. Germany did not follow the Russian tradition of standardization, but rather, after evaluating the merits of this particular case, made a clean break in favour of improved performance. I agree with this decision. The increased performance of the Leopard II will far outweigh the ensuing problems of non-standardization.

All I wish to imply by this example is that the question of when and when not to standardize, is complicated. Another example concerns one of the nations which argues most strongly for NATO standardization. This nation has under development, with intent to deploy in NATO, four different fighter aircraft with four different radars, and three different engine types, each of which is completely different from their main line fighter aircraft now in the field—which, incidentally, is probably still the best in the world. What is euphemistically called a "high-low-mix" is actually an attempt—and a good one as far as I am concerned—to let the competitive system drive the cost down and the capability up of their entire fighter inventory.

As it is a trick problem to decide when, from a military standpoint, standardization is imperative and when only an important consideration, I believe that a forum of military and technical experts should evaluate, case by case, the proper course for NATO to follow—standardization or interoperability. It sems to me that NATO already possesses machinery which could be put to this task.

Let me now briefly review this machinery. The Conference of National Armaments Directors (CNAD) is the senior R&D Committee of the Council. CNAD has subsidiary groups which meet regularly to discuss new technology and developments and their application. In addition, the International Military Staff also has organizations working toward more efficient military operations through better use of standards. These bodies, together with the Ad Hoc Committee on Equipment Interoperability, constitute an apparatus which is working to improve the efficiency and effectiveness of the NATO development and procurement process. It is these bodies which must better understand the implications of standardization and recommend when this course should be insisted upon.

If I may select one of these bodies as an example, the Military Agency for Standardization (MAS) slowly and methodically (often slower than some people would desire but faster than believed by its critics) has developed, and nations have put into use, a number of standards which are now removing future grounds for non-interoperability which so upset the observer of NATO today.

However, besides this present machinery, other positive steps should also be taken to create a new environment which allows better use of NATO's resources.

NECESSARY MEASURES

In the following paragraphs, I have listed what I believe to be five important measures that can be taken to change constructively the environment of our free enterprise system so as to allow it to be more cost effective.

(1) Nations should insist that the first goal of national development is effective operation in NATO. This principle is not now applied in any nation of the Alliance; it should be in all. If adopted, this tenet must be buttressed in each nation by a bureacratic organization sufficiently strong to ensure the achievement of NATO interests. No NATO nation currently has such a bureaucratic or organizational instrument which can represent with authority (by having the power, for example, occasionally to delay or cancel programmes) the needs of NATO. Until nations are willing to make national examination of NATO interoperability and standardization a condition for giving the go-ahead to a programme, all the national exhortations for improvement within NATO are rehetoric, not substance.

(2) Agree that all national programmes at their inception will either obtain certification of NATO interoperability or will visibly waive this requirement. This procedure would require nations to present their programmes for review prior to the initiation of advanced development and to have the results of such reviews passed to the highest levels within the developing nation's Ministry of Defence, and also passed through the CNAD to the NATO meeting of Defence Ministers for information and consideration. At present there is no administrative machinery by which CNAD is informed at a sufficiently early stage of development to enable it to negotiate changes which would allow interoperability.

(3) The commitment to transatlantic teaming as the normal way of dealing with large programmes. In my view, the equitable trade in military equipments both ways across the Atlantic, or the "two-way street" as it is often called, cannot be developed unless some NATO programmes are created jointly by teams comprising transatlantic partners. So far nothing concrete has been done to change the traditional US position of not buying a purely European product from Europe. Therefore, however explained or rationalized, this reluctance will most likely continue. If it does, this closing off to Europe of US markets must inevitably lead in self-defence to a closing off by the Europeans of their military market to the US.

This erection of economic barriers is, to my mind, not farfetched. It will be the immediate and almost inevitable consequence of a Europe determined to save its defence industry, and a US, unwilling for whatever reasons, to buy in equitable amounts from Europe. Were this prediction to come about, the consequences would be rampant non-standardization and probably non-interoperability as well.

In our industrial economy, companies tend to design into their products only those things demanded by their potential customers. Were it otherwise, the products could no longer be cost competitive. Thus if this market isolation becomes a reality, the US will design for US needs, and Europe will design for European needs. As these needs will be different, the hardware will also be different.

NO STANDARDIZATION

Take, for example, the almost classic case of the F-111/MRCA, where two aircraft, one American and the other developed by European partners, have many similar characteristics but have been developed with no standardization apart from the air in the tyres and the fuel in the tanks. Yet both aircraft have essentially the same mission, fly at the same low altitude at the same high speed, have the same aerodynamic configuration of swing wings, and both have two engines, terrain following radar and similar low altitude bomb release systems.

Even more serious, there will be little or no interoperability in the future munitions of the two aircraft; weapons for the F-111 will be different from, and not interchangeable with, those of the MRCA and vice-versa. This long-term incompatibility arises because in the initial airframe design neither producer considered the other's market as worth designing for.

The consequences of geographic polarization can only be averted if it becomes a conscious policy of the European nations to have an American partner in programmes where they are the prime initiator, and the policy of the US to have a significant European partner who can be a second source producer for those programmes it intends to deploy to NATO.

In my view, if standardization opportunities are really to be expanded, there must be much more extensive examination within NATO on how to create the environment needed to bring about greater cooperation. Licensing methods, dual sources, and offset arrangements must be explored. But, most of all, a commitment of leadership by the U.S. in cross-Atlantic teaming is required, quickly, before the walls of geographic protectionism are erected.

The time to act is now. Three years from now will probably be too late. Once the walls are up it will be hard to bring them down.

(4) Complete Technological Information Sharing. I believe that useless and needless duplication of effort in NATO can easily result from any conscious hiding of technology discovery among NATO allies. For proprietary reasons, using military security as an excuse, nations sometimes seem to hold back the work of greatest consequence so as to establish a national product position.

We occasionally appear to deny each other knowledge of analyses and test data using the security blanket to achieve a delay for industrial or government exploitation within the discovering country. The result could be that unnecessary tests and trials are reproduced by several countries.

Of greater significance, because of incomplete knowledge, nations might become committed to programmes based on assumptions which would have been greatly different if the technology had been shared.

Lest one say that such situations are improbable, let me add that I know personally that in times past, incomplete information-sharing among nations, for whatever reasons, has existed on new munitions, lasers, electronic countermeasures, infra-red detectors, lookdown radar signal processing, integrated circuit technology, new armour systems, special materials, and many more. We are getting better at sharing information, but in my view have far to go.

This problem of secrecy for industrial reasons has not been endemic to only one side of the ocean.

It may be true that some cases are justified on security grounds and others in order to make the free enterprise system work. However, on a government-to-government basis I believe we should find a way of licensing inventions while maintaining security, so as to protect industrial positions while reducing the waste of multiple effort.

I hope that CNAD and the Alliance nations will continue to be committed to an open sharing of technology.

(5) Early and Accurate Information on Timing of Planned Replacements. Nations'

efforts to combine to develop jointly a new weapon system are greatly impeded by lack of comprehensive Alliance-wide planning information on replacement scheduled for equipment now in service. This lack of information was cited by the Military Committee in November 1975 and confirmed by the CNAD. In its meeting in April 1976 the CNAD asked that a system be proposed by which this integrated planning could be effected.

For the competitive system to work for military acquisition, it is crucial that such integrated acquisition planning exist. By use of these schedules, the equivalent of good commercial market planning can be achieved.

In the commercial motor-car equivalent, private industry must know whether or not to make the large investments necessary to bring out a new model. To know that, industry must understand the market conditions and the effect on sales of delaying or speeding up the introduction of a new product.

This situation has considerable equivalence in military planning since it is the size of the market which determines the degree of increased product cost necessary for amortization of development and production costs.

The development of integrated replacement schedules for some European NATO nations is now being actively undertaken by the European Programme Group. The CNAD is also beginning a programme of a similar nature which, when instituted, will integrate the programmes of all NATO nations. It is to be hoped that the CNAD programme will be able to rely heavily on the work done by the European Programme Group.

These five items are today on my own list of important measures which will command my personal efforts. I hope that I can convince my associates within the nations to agree that these items are ones with which they can associate themselves, so that, together, we can achieve results.

This article has covered many topics. Let me summarize it in this way. Interoperability is crucial and we are working on it. We are making progress but we must find a way of making it happen automatically. NATO and the member nations must find procedures and create bureaucratic institutions which force interoperability to be a natural circumstance.

Next most important is to provide a climate which encourges cooperation among nations. First, by early information release on technological opportunities; secondly, by integrated replacement scheduling; and thirdly, by finding a way for transatlantic teaming.

Let me conclude by once again stating the opening premise. We in NATO have today a good capability, excellent equipment, highly trained personnel and good leadership. We need not be ashamed of our performance over these last 25 years. But we must be prepared to make the necessary improvements so that the Alliance can be as successful in the years ahead. I hope that we have the courage and the foresight to work vigorously on the problem. We on the management side of NATO need to match the dedication and the zeal of our young men in the field.

HAROLD GENEEN

Mr. PERCY. Mr. President, Mr. Harold Geneen has been a controversial chief executive officer of International Telephone & Telegraph Corp. over the past 18 years, during which time he built ITT from a $765 million company into a "huge multinational conglomerate of more than 250 separate companies with total sales of more than $11 billion last year."

But there is no controversy over my own debt of gratitude to Harold Geneen for what he contributed to my own education as a businessman almost three decades ago. It was my privilege to serve with him when I first became president and chief executive officer of Bell & Howell in 1949 and he was vice president and comptroller. No new company president could have had a finer friend and business colleague than he. He was one of the ablest men I have ever known in business and he helped greatly in laying the foundation for Bell & Howell's future growth.

Unfortunately, we had no stock option plan or other special financial incentive in the company at that time and we were not able to hold Hal Geneen after he received an outstanding offer from Jones & Laughlin. But during the time that we were able to work together, he gave me an incisive understanding of the budgetary process that helped me not only in corporate life but in the Congress as well. It contributed immeasurably to the work I did over a period of several years with former Senator Sam Ervin and Senator ED MUSKIE in developing the budget reform legislation that is now law.

I would also like to mention two others who helped me and also worked with Hal Geneen in building ITT: Andre Meyer, for so many years the senior partner of the investment banking firm of Lazard Freres, and Felix Rohatyn, his brilliant and able partner who is now chairman of the Municipal Assistance Corp. in New York. To them also, I pay tribute for their friendship and support.

Mr. President, I ask unanimous consent that an article from the Chicago Tribune of February 27 about Hal Geneen be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ITT CHIEF GOT TO TOP GOING PUBLIC

(By Myron Kandel and Philip Greer)

Despite the constant complaint by businessmen that there's too much governmental interference with the way they operate—or maybe because of it, the climb to the top rung of the corporate ladder these days seems to require a dose of public service.

The latest example of this managerial development is the newly named president of International Telephone and Telegraph Corp., Lyman C. Hamilton, Jr., who spent 15 years working for such agencies as the U.S. Bureau of the Budget, the World Bank, and the International Finance Corp. before joining ITT in 1962.

Other notable examples are Irving S. Shapiro, who was a New Deal lawyer before joining E. I du Pont de Nemours & Co., where he's now chairman, and W. Michael Blumenthal, whose service as a U.S. trade negotiator helped make him chairman of the Bendix Corp., and then Secretary of the Treasury.

The youthful-looking, 50-year-old Hamilton becomes ITT's president Tuesday, and is slated to succeed Harold S. Geneen, one of the legendary figures of modern American business, as chief executive officer at the end of this year.

In 18 years at the helm, Geneen built ITT from a $765 million company into a huge multinational conglomeration of more than 250 separate companies with total sales of more than $11 billion last year.

Along the way, the company has been accused of a wide range of questionable activities, including helping to foment the military coup that overthrew Chile's Marxist government of Salvador Allende; currying favor with the Nixon administration by offering $400,000 contribution to the Republican presidential campaign in 1972 [in return for the GOP holding its convention in San Diego, where ITT's Sheraton subsidiary had just built a new hotel]; and possible tax violation in its takeover of Hartford Insurance Co.

Although Hamilton is the designated heir, Geneen remains the boss, at least until Dec. 31, when he is slated to turn over the day-to-day runnning of the company.

Not surprisingly, Hamilton has warm praise for Geneen and the way he presided over the ITT empire. "He took it from a small, really loose confederation of companies spread all over the world and made it into a real management entity," Hamilton said.

"If you compare the way he received the job and the way he is passing it on, you can say that although the guy who receives it has quite a task ahead of him, in a sense it's made so much easier by the orderly method and the kind of management engine that he's developed."

But that doesn't mean there won't be any changes in Geneen's tight managerial style, Hamilton added. "Anybody who runs anything has to do it a way that he feels comfortable with," he said. "But he's leaving a heritage of management here that should be cherished rather than tampered with."

Hamilton noted, however, that even Geneen is doing things differently now. "I remember that when I first joined the general management meeting back in the '60s, there was a preoccupation with the current quarter—how are we going to get the earnings up?—and a heavy preoccupation by Geneen himself with the details of inventory and receivables," he recalled.

"Now there's much more emphasis on new products, new thrust, competitive position. It's more a business-planning meeting than an operational review."

"He is in a position to sit back and look ahead a little more, and worry a little less about any individual quarter and, indeed, any individual profit center," Hamilton said.

One reason for the more relaxed approach may be Geneen's expansion eight months ago of the office of president to six men. That brought Hamilton, who had been the company's chief financial officer, into ITT's top operating level. It also provided the first real clue that he was destined for the top job.

Geneen, 67, had received a two-year contract to continue past the normal retirement age. Until then, it appeared that his successor as chief executive officer would be Francis J. Dunleavy, 62, who became president in 1962. Dunleavy has been named vice chairman.

Hamilton, considered affable and unpretentious by his subordinates, has been highly regarded in the financial community, to which he brought the message in recent years that ITT was stressing stability and fiscal conservatism, rather than pell-mell growth and heavy debt.

He said he once thought he might retire at 55 and try something new. But moving into the office of the president last June opened up the possibility of his eventually becoming ITT's top man.

"I suppose that if I had any thoughts of it at that point," he said, "I figured that I had plenty of time—two to three years—to become comfortable with the operational world."

But two and a half weeks ago, Geneen called him in at 11:15 a.m. and told him the board was going to tap him for the job that afternoon.

SAVIOR OF PUBLIC EDUCATION IN GEORGIA

Mr. TALMADGE. Mr. President, one of Georgia's most respected citizens and leaders is Mr. John A. Sibley, who has had a rare and distinguished career in law, banking, education, civic affairs, and public service.

Mr. Sibley, who presently serves as honorary chairman of the Trust Co. of Georgia and who was a leading attorney in the renowned King and Spalding law firm in Atlanta, was chairman of the so-called Sibley commission, which held extensive public hearings in 1960 throughout the State of Georgia in order to defuse the potentially explosive school desegregation situation at that time. As Senators will recall from the confirmation hearings on Attorney General Bell, this commission was created by then Governor Vandiver and the general assembly at the suggestion of Mr. Sibley. As chairman of this commission, Mr. Sibley brought great credit to the State, and he has come to be known as "the man who saved public education in Georgia."

Mr. Sibley is a man of strong character and integrity, and I am very proud of the friendship and association we have had over many years.

There appeared in the February issue of the University of Georgia Alumni Record a splendid profile on John Sibley, which I commend to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the profile was ordered to be printed in the RECORD, as follows:

JOHN SIBLEY: TOO BUSY TO BE ON THE NEGATIVE SIDE

(By Lynda Stewart)

John A. Sibley has been called a saviour and an uncomplimentary designation usually abbreviated by three letters (both for the same prominent deed) and laughingly concludes he's probably somewhere in between.

At 89, the venerable law, banking, educational and civic leader could reign atop a mountain of accolades accumulated during more than a half-century of service and success. Instead, he regularly is in his office at Atlanta's Trust Company of Georgia, where he is honorary chairman of the board . . . is a director on six boards, primarily The Coca-Cola Company and Trust Company affiliates . . . belongs to six legal and banking professional organizations . . . and participates in eight civic organizations, in addition to active roles for several educational and public institutions.

Sibley's service to the University of Georgia, including a term as president of the Alumni Society, earned him the Society's Award for Distinguished Service 15 years ago. In particular, the law school has benefitted from the esteemed alumnus' dedication and support.

Among an array of honors, Sibley has received the "Lawyer of the Year in Public Service" award of the Georgia Bar Association, the Silver Plaque Award from the National Conference of Christians and Jews, and the Higher Education Award of the Association of Private Colleges and Universities.

"I feel that if a man had good health, he ought not to dry up," Sibley says. "When you have my experience you should not lead—young people are leading admirably—but you should support those things you've always been interested in and feel are useful. It's to your own benefit to keep active, and maybe you have something to give."

Though he downplays his contributions over the years, Sibley has been interested in the University's development ever since his student days early in the century (he received the LL.B. in 1911). Perhaps one reason is pointed up by his comment that "back then a student just didn't sit down and decide on one school over another. You went where you *could* go. Georgia was accessible and relatively inexpensive. Now, schools have to compete for students."

And, indeed, Sibley has been in the forefront of making his alma mater more competitive. Characteristically, however, he turns the spotlight elsewhere: "The leadership of the University today, especially among young people, is better than it has ever been," he states. "I'm just eager to do what little I can."

Whether commenting on education, law, banking or any other aspect of his life, the distinguished alumnus reflects the basic integrity, character and motivation that have been guiding principles for him. Frequently described as having "old-fashioned virtues," Sibley has proved the durability of strong and incorruptible standards.

"One of my observations about universities and colleges in general," he notes, "is that, in a period of their lives, they go off on tangents or fads in education. We have to draw a distinction between acquisition of vast amounts of knowledge—which is very important—and underlying principles on which that knowledge ought to be used. I think universities, over the years, have emphasized accumulation of knowledge almost to the exclusion of everything else. What they've lacked is emphasis on the human qualities in the development of an institution or government which lead to permanency."

"Southern institutions," Sibley specifies, "came along a little behind the rest of the country. That's why they have the opportunity of developing not only new knowledge but also an attitude among students of putting what is learned to proper use. I think the University of Georgia is doing that. And, while we haven't been able to keep up pay raises the way we should, I believe we have developed in the minds of a great number of faculty the motivation to stay because there's an opportunity they won't have at a great many other places. With its youthfulness and human qualities, Georgia has a foundation to be one of the great universities in the nation, and alumni should support it."

Transferring that philosophy to banking, which he entered 30 years ago, the business leader remarks, "With competition, the gadgetry of banking is getting easier—but it also can keep you away from the people you're dealing with. When a customer needs a loan whether that person gets it is based ultimately on *character*. Banks have to operate as human beings."

Sibley adds, "The character, ability and industry of the employees and the board of directors determine the worth or lack of it in an institution." He feels, for instance, that a business should operate on such a level of ethics that the government will need to exercise only minimum regulation and supervision.

For 35 years prior to his banking career, Sibley was a practicing lawyer. Initially, he was in partnership with his brother and fellow U.Ga. alumnus, Erwin, in their hometown of Milledgeville. From 1914 to 1918, John Sibley served as judge of the Baldwin County Court. For the next 28 years, he was with the King & Spalding law firm in Atlanta, where he served as general counselor to Coca-Cola for seven years.

Whether business, government, the legal profession, or whatever, he observes that "One person standing at the right place can make a difference. Watergate is the greatest illustration in the world of men who had everything but character. If either the President or the Attorney General had told the truth, there would have been no Watergate. But their responsibilities were beyond their character and experience. Laws would not have changed the situation."

The real shame of Watergate, reflects Sibley, is that the country would have benefitted from the kind of judgment which seemed to be shown in international relations ("I think Nixon had persuaded Russia and China that our common interest in survival outweighed our differences."), as well as the President's realization that some power had to be returned to the states from a federal government grown too large and complex.

"Nixon's personal actions were inconsistent with his politics," Sibley shrugs. "He had a blind spot when dealing with matters that applied to himself."

Further expounding on government, the Atlanta lawyer observes, "A country reaches a point in history where debate and talk don't answer problems—where great knowledge can be dangerous. That's what has happened to us in international affairs. For the first time in history, nations can destroy each other. America can destroy the world. Russia can destroy the world. China is learning how. That comes from knowledge. The question is, 'What is the motivation?'"

"Another situation we're having to face up to today," he says, "is that, over the past 25 years, we've been moving toward a welfare state in which the government tries to take care of everything. But somebody has to create what the government provides. Now we're facing the fact that resources are not unlimited. We must keep our internal economy so sound that our sources of wealth and our productive capacity will remain intact. The failure to do so may prove disastrous."

Sibley suggests that the United States is going through that period in history in which we have to look at problems differently. The nation is learning from experience, he feels, that asking the government to do so much is putting it in a position in which it can't run its own affairs.

"The situation has gone beyond saying, 'I'm compassionate and I think the government ought to provide . . .,'" reiterates the bank executive. "When you realize an action creates inflation and destroys the value of the dollar—and everybody might go broke—then you have to look beyond the rhetoric."

Sibley says, "History shows that some democracies found out too late where the excesses were. Waste and extravagance among people, as well as among government, usually precedes corruption. But we still have time to realize our excesses and do something about them. Doctors, lawyers, bankers, educators—everybody—will have their part in it."

John A. Sibley has had unqualified experience in persuading people to take another look at a problem. By 1960, the South was advocating massive resistance to the Supreme Court's ruling that segregation of schools was unconstitutional. At the suggestion of Griffin Bell (then chief of staff to the governor and recently named U.S. Attorney General), then Governor Ernest Vandiver and the legislature appointed a "General Assembly Commission on Schools," asking Sibley to head it.

Familiarly known as the "Sibley Commission," the 19-person committee held town meetings in every district of Georgia to determine citizens' sentiments and to suggest certain remedies to their government.

"It was a gamble," the chairman remembers. "My friends thought I was foolish to take it on. And I felt I had only one qualification: being raised in the country, I understood and respected the people who would be testifying across Georgia. And, as an At-

lanta resident, I knew the mind and attitude of city people. I wouldn't be going out as a stranger, so I agreed to head the Commission—provided there were no political implications."

The difficulty, Sibley cites, was that people generally felt there would be some way to maintain segregation and the public school system at the same time. After all, for 100 years the Supreme Court had allowed segregated schools, and the school system had developed under that policy. Suddenly to be told that what was legal for a century was now unconstitutional created resentment that in many instances went beyond racial considerations.

"People—black and white—came to our meetings and told us what they thought," Sibley recalls. "We gave them a chance to consider quietly and calmly whether they were going to accept integration or abolish public education. We made them face the fact that, whether they liked it or not, the Supreme Court decision would be enforced. Because people realized there was nothing political in the commission's meetings, we were successful. Georgians acted with dignity and good sense, realizing they wanted to retain public schools for their children and for the future of the State."

The Commission concluded its work with a recommendation to the Legislature that laws outlining segregation be repealed and that children be allowed to go to the school of their choice.

"The courts have gone beyond the latter," Sibley laments, "and sought integration for integration's sake. I think there would have been better education with freedom of choice."

In a 13-page article a year ago in the *Georgia Law Review*, Sibley detailed what he considers "a threat to our liberties . . . through the usurpation of power by the Supreme Court of the United States." The remedy for correcting the imbalance, he concluded, is for the Supreme Court to exercise self-restraint in all areas.

For 15 years, John A. Sibley has been frequently identified as "the man who saved public education in Georgia," though he readily suggests the title is disputed by some. A letter he received recently blamed him for "the present degenerated condition of the schools" and warned him, "You will have to answer for this someday." And it was in regards to the Sibley Commission that an irate woman spelled out "S.O.B." to him.

But many others agree with Austin T. Walden, a black man and one of the leading lawyers in the southeast:

". . . only in a further removed period shall it be possible to adequately measure the contribution that was made to our state under your statesmanlike vision and seemingly inspired leadership. You've achieved an enviable eminence in your chosen profession of the law, coupled with equal distinction in business as a sound counselor and advisor to business interests. However, I'm sure the crowning achievement of your fruitful life shall prove to have been the Sibley report authored by you and interpreted with such crystal clarity that it might be understood by the man in the street. Georgia owes you a debt of gratitude that it will never be able to repay . . ."

Sibley believes a climate in which government and the citizenry can and do cooperate is necessary for significant accomplishment in this country. To illustrate, he looks back on an agricultural program in which he and the University of Georgia played a part. But the real credit, he emphasizes, goes to Georgia's Senator Herman Talmadge, who was Governor at the time. Sibley explains:

"I've always felt that the greatest asset any people have is productive lands. It's the ultimate basis of all wealth. As we industrialize, we lose all sense of what the renewable wealth means. In the late 40's, our lands had been largely eroded, especially in the South, where much of the country slopes. In Georgia, we had 'clean culture,' without cotton and corn, and we would plant every year and the winter rains would wash soil away. Rivers ran full of mud, and I always hoped I'd live to see the rivers clear again."

As a young man, Sibley had operated a farm for his father. He had a very fine crop, he recalls, but the prices of farm products went down. That convinced the farmer to get into something in which his success depended on his own efforts. Because he always had been interested in debating, Sibley decided he would try law. But his interest in farming and forestry has been life-long.

With his agricultural background, Sibley knew the way to stop erosion was to plant "cover crops" on the land, and he was active in a movement to achieve that goal.

"Herman Talmadge developed a forestry program and provided state money for a forestry department that's probably equal to any in the country," Sibley praises. "I don't think, to this day, Talmadge has been given full credit for what he did for conservation in that respect. The forestry department gave seedlings to people to plant on their lands. You don't go in Georgia today and see many lands that are washed."

"The Trust Company donated $50,000 to help the forestry department buy land," he adds, "so girls and boys across the state could participate in forestry through vocational agriculture classes. It is remarkable what the forestry department has done over the past 30 years, and the University of Georgia—with its agriculture and forestry colleges, as well as extension service—had a great part in it. If Talmadge had been a governor who wasn't interested, though, the University couldn't have done much. Independent of politics, he encouraged foundations to become interested . . . he made speeches . . . he really coordinated the whole movement."

Sibley's interest in farming extends to his personal life, and he still enjoys gardening. For years, he had a farm and acreage in Cobb County, which he sold when development around his land resulted in pipes running through his property. Now he has another farm, on large acreage, in northwestern Georgia.

Ivy W. Duggan, retired vice president of the Trust Company, describes Sibley as a man with strong family ties. He quotes Jack Spalding, editor of *The Atlanta Journal*, whose father had a farm adjoining Sibley's along the Chattahoochee River:

"Mr. Sibley's farm was a gathering place; the family was there on the weekend and friends were asked for meals. Mr. Sibley was a mean man with a hoe, and as he enjoyed—or at least found virtue in—physical exercise, the okra and greens were flavored with Sibley sweat. I'll remember him as the patriarch on his farm, tending his crops, and with his descendants around him."

Duggan also relates the story of how Sibley wanted his son, James, to take a half-interest in the farm in northwest Georgia so he would acquire and maintain an interest in agriculture—particularly cattle and trees.

"When the trees start to return any income," James pointed out, "I will be 75 years old, and you will be 100!"

"That's all right," replied his father. "Then, we will get someone to look after it for us."

"Mr. Sibley has been heard to say that he does not have time to be on the negative side," Duggan shares, "that there are too many positive things to be done."

Jack Spalding summarizes the thoughts of many of John A. Sibley's friends and associates when he says: "I'll remember him for his strength, his lack of doubts concerning the questions of the day or whatever course he followed. He has his standards. They're old-fashioned ones. Fashion and such foolishness never bother him; in fact, I doubt if he ever looks in that direction except to muse upon the follies of the world. He was brought up in an old school and never deserted it. I think the success of his life and the success of his children are testimony to the truth of these old virtues."

ELECTORAL COLLEGE EDUCATION

Mr. STEVENS. Mr. President, again this year the proposal has been made to abolish or at least make major changes in the way Americans elect our President. Critics of the current system allege that it short circuits the popular will and will at some point result in a minority President.

I am concerned about the present system but I also am concerned about the proposed changes. A recent editorial in the Washington Star summarized some of the concerns I have and I commend it to my colleagues. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Mar. 3, 1977]

ELECTORAL COLLEGE EDUCATION

We are not especially keen, you may recall, on Sen. Birch Bayh's energetic campaign to scrap the electoral college, that "archaic institution" he calls it. But over years of continuing assault, Senator Bayh has assembled, magpie-like, a litany of objections so satisfying to him that he seems to recite them without bothering to ask whether the rhetorical glitter conceals any substance.

After hearing what President Carter had to say last Wednesday—and after reading in our Witcover-Germond column that the President's remarks threw Senator Bayh into "quasi-panic"—we were not surprised to see some of the senator's choicest arguments arrayed this week in the letters column of *The New York Times*. It is entertaining sport to explore them, even a kind of turkey shoot.

One fear of direct popular election of presidents, which President Carter seems to share—he is, after all, a former state governor—is that it would enfeeble federalism by encouraging presidential candidates to ignore smaller states. A paltry fear, the senator insists. "Simply carrying a state would no longer by the objective. The critical point would be the margin of victory or the margin of defeat *in each state*." (Our emphasis.) But why does Senator Bayh bother to mention states at all? Under direct popular election," Senator Bayh goes on to say, "that to use one of those hypothetical cases of which the abolitionists are so fond, a candidate lost 49 states by 50 votes but carried the 50th by 2,451 votes, he would be president.

"The risks of electoral college malfunction," Senator Bayh goes on to say, "that results in the elevation to the presidency of a candidate who receives fewer votes than his opponent are neither remote nor unlikely." We are startled by the senator's notions of probability. How remote need remoteness be? In only one election in American history did a "malfunction" of the electoral college itself elevate the loser of the popular vote to the White House, in 1888. Two other elections (1824, 1876) are sometimes cited by the abolitionists, but neither outcome was decided by the electoral vote. Both went to the House of Representatives, and one of them ultimately to an electoral commission. So there has been one "malfunction" in nearly 50 presidential elections, which considering the fragility of most political systems isn't bad.

As a statistical probability, malfunction seems remote.

Senator Bayh further describes the electoral college as "a system which in effect disfranchises millions of Americans in every presidential election." He has in mind, we guess, the "winner-take-all" system whereby all a state's electoral votes go to the popular vote winner. But the system isn't an essential feature of the electoral college, nor is it constitutionally ordained. It arises from state preferences. Indiana could change tomorrow, so that Senator Bayh's constituents who guess wrong would be re-enfranchised for 1980. But "disfranchises" is a loaded word. What Senator Bayh means is that, as in any system of voting, up to 49.999 per cent of the voters may vote for the loser. That does not mean they are "disfranchised."

Maybe Senator Bayh needs some new arguments, especially in view of the fact that President Carter seems to be indecently open-minded about the issue. Indeed, the Germond-Witcover report warned the senator that "if the debate over direct election . . . comes down to the need to protect the power of the boondocks, (the senator) may find himself out-countried by the new kid from Plains."

It may be true that smaller states ("the boondocks") take a special interest in electoral college, but they aren't alone. The electoral college has also been shown to offer modest advantages to urban voters in the larger states: a fact that prompted Sen. John F. Kennedy foresightedly to defend it against proposed "reforms" that would have caused his defeat in 1960.

This is of political, not institutional relevance. The case against direct popular election of presidents turns on more important considerations than who get what and how. But that is not to say that practical politicians beguiled by the glitter of Senator Bayh's arguments should fail to study the possible effects of abolition on their own prospects and causes.

IN MEMORY OF ED CHAFFIN

Mr. HOLLINGS. Mr. President, South Carolina lost one of its most respected journalistic voices recently when J. E. Chaffin, editor and copublisher of the Index-Journal in Greenwood, S.C., passed away.

Ed Chaffin represented what is best about the people of my State. He stood for progress. He stood for justice. He stood for opportunity.

I have lost a friend. When I became Governor of South Carolina in 1958, I recognized that my State had to put at the top of its list of priorities a major campaign to attract industry. We were at or near the bottom of every national indicator, and the only solution was to find jobs for people in order to increase our per capita income. Without taking that first step, nothing else could have been accomplished. A great many people went to work on this problem, and at the forefront was Ed Chaffin.

I look back today on the remarkable accomplishments my State has made in the past 20 years, and Ed Chaffin looms large. He was dedicated to the task of improving his community and his State, and he lent every bit of his considerable energies and talent to that end. He was not simply content to support progressive ideas on the editorial pages of his newspaper; he was involved personally in the day-to-day work of building the future.

The fact that he was first chairman of the South Carolina Economics Opportunity Board, a member of the statewide task force for corrections and rehabilitation, a member of the committee which established the Piedmont Technical Education Center and on the building committee for the Greenwood County committee for the Greenwood County Area Vocational Facility is testament enough to his involvement in improving the lives of his fellow citizens.

Ed Chaffin was a newsman and an editor in the best sense of those words. He was dedicated to getting the facts and to presenting them fairly, and he had the talents to do a remarkable job at both. And he believed that the editorial page of a newspaper should mold and shape public opinion to accomplish the greatest good for all.

A measure of Ed Chaffin's effectiveness as a citizen and a journalist can be seen in the numerous news articles and editorials printed in newspapers across the State on the occasion of his untimely death. As a final tribute to Ed Chaffin, I ask unanimous consent at this time that a representative sampling of these articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Index-Journal, Greenwood, S.C., Feb. 21, 1977]

INDEX-JOURNAL EDITOR DIES

J. E. Chaffin, editor and copublisher of The Index-Journal, died Sunday while returning to Greenwood after a weekend of golf in Charleston and at Fripp Island.

Chaffin and three other Greenwood men were guests of Jack Lawrence for golf Saturday and Sunday. The group, which included C. D. Blalock, Henry Thayer and E. B. Moore, left to return to Greenwood shortly after 5 o'clock Sunday.

Before their car reached the entrance to Fripp Island Chaffin had lapsed into unconsciousness. Moore drove immediately to the hospital at Beaufort, where Chaffin was pronounced dead.

Chaffin, 63, was a native of Chapin. He graduated from the University of South Carolina in 1934 with an A.B. degree in journalism. He did postgraduate work at the University of California at Berkeley.

His journalism career began on weekly papers at Denmark and Lexington and in New Orleans, La.

Chaffin joined the news staff of The Index-Journal in 1937. In 1940 he left to work for the Railway Mail Service in Atlanta. In 1942 he entered the Army, serving 39 months, including duty in Japan.

He returned to The Index-Journal in 1946 as managing editor.

In 1956 he became the second editor The Index-Journal has had. He succeeded the late H. L. Watson, who had served in that capacity since the formation of the paper in 1919.

Chaffin was elected a member of the American Society of Newspaper Editors in 1961 and of Sigma Delta Chi, professional journalistic society, in 1962. He was a past president of the South Carolina Press Association and the South Carolina Associated Press News Council.

The Index-Journal editor was first chairman of the South Carolina Economics Opportunity Board which operated Project T-Square. He was chairman of the editorial advisory board of the South Carolina United Methodist Advocate publication.

Chaffin, a member of the official board of Main Street United Methodist Church, received an honorary Doctor of Humanities degree from Lander College in 1970.

He was a member of the statewide Task Force for Correction and Rehabilitation, which was part of South Carolina's participation in the Omnibus Crime Bill Act. He served on the original committee which was responsible for the establishment of Piedmont Technical Education Center. The group developed the plan through which four counties joined to build the center. He was also on the building committee for the Greenwood County Area Vocational Facility.

The editor was a life member and past president of the Greenwood County Historical society and served as a director of the Greenwood Chamber of Commerce. He also served as a member of the Greenwood County Library Board.

In 1960 Chaffin led a group of South Carolina business and professional people to Europe for a firsthand look at life behind the Iron Curtain, including Russia, Czechoslovakia and East Germany.

After he returned, he attended the seminar on communism for the southeastern part of the United States at Fort Benning, Ga. and later helped organize a similar seminar for South Carolina at Fort Jackson. He helped organize and served as vice president of South Carolina Alert, which grew out of the Fort Jackson seminar.

In 1965 Chaffin received a special, one-time award from the Greenwood Kiwanis Club which recognized him as a "community builder."

The award was presented by then club president Jack Lawrence, who hosted Chaffin's golfing group over the past weekend.

The plaque read: "To J. E. Chaffin, a community builder on the foundation stone of truth, informed and informing clearly, eloquently and vigorously through news and editorials."

He was born March 17, 1913, a son of the late T. H. and Minnie Cora Smith Chaffin.

Surviving are his wife, Mrs. Lucille Getsinger Chaffin of the home; two sons, Jimmy Chaffin of the University of South Carolina and Robert Chaffin of Greenwood; four sisters, Mrs. Francis (Nannie) Rutledge, Miss Tommie Chaffin and Miss Helen Chaffin of Columbia and Mrs. Harry (Annie) Eleazer of Chapin.

Funeral services will be at 3 p.m. Tuesday at Main Street United Methodist Church with the Rev. Harry Mays and Dr. Larry Jackson officiating. Burial will be in Greenwood Memorial Gardens.

Pallbearers will be John L. Watson, John A. Sheriff, Ronald J. Brown, Manuel E. Timms, Richard E. Rowland and H. Emory Bowen Jr.

Honorary escort will be employes of The Index-Journal and Henry Thayer, Marion Davis, E. B. Moore, Doug Bethurum, Tom Fish, Harry Stephens, W. J. Bryan Dorn, Jack Lawrence, C. Y. Thomason and C. Cooper Sanders.

The body will be placed in the church at 2:30 p.m.

The family is at the home, 216 West Laurel Ave.

The family requests that flowers be omitted and memorials be made to the South Carolina Press Association Foundation for a J. E. Chaffin Journalism Scholarship fund at the University of South Carolina.

Harley Funeral Home is in charge of arrangements.

[From the Index-Journal, Feb. 22, 1977]

J. E. CHAFFIN—A "BUILDER"

The Index-Journal lost J. E. Chaffin Sunday, but the loss will be felt by more than those of us within the walls of this newspaper.

Greenwood has lost a "builder."

J. E. Chaffin's meaning to Greenwood is etched into the face of a plaque presented to him in December of 1965 by the Greenwood Kiwanis Club as it honored him as a "community builder." These are the words:

"To J. E. Chaffin, a community builder on the foundation stone of truth, informed and informing clearly, eloquently and vigorously through news and editorials."

"In using the term 'builder' we did not necessarily mean bricks, mortar, rafters and floor joists," explained the Kiwanis Club president Jack Lawrence, "but we meant a builder in the educational, in the cultural, the social, the political, civic and religious and business areas of the community."

Mr. Chaffin's editorials were built on the solid rock of long hours of detailed thought, research and study.

He was born with a need to know about the world around him and he read and asked questions. His home is filled with evidence of his dedication to getting the information; books can be seen in almost every room.

The reporters who have worked under him have learned the lessons of good, honest journalism.

"Get the facts! Then, be fair with them!"

He was impatient with reporters who did otherwise or who had not learned the proper command of the English language.

He was equally firm in his support of his reporters when they needed backing against outside pressures.

Though he was one of the owners of The Index-Journal, he felt that its readers, in a greater sense, were also its owners with the right to express their opinions in its pages, whether they agreed or disagreed with his positions.

Mr. Chaffin's personal desire to learn led him to support those community institutions which could help others in their search for knowledge. Piedmont Technical College, Lander College, the Greenwood Area Vocational Facility and the Greenwood City and County Library received his whole-hearted support.

He was interested in seeing that minorities get a fair shake—whether the minority was a political party or a people. J. E. Chaffin recognized one race—the human race.

He will be missed.

[From the Index-Journal, Feb. 22, 1977]

IN MEMORY OF J. E. CHAFFIN . . .

Following is the text of comments by Dr. Larry Jackson delivered during services for the late J. E. Chaffin, editor of The Index-Journal, Feb. 22 at Main Street United Methodist Church:

"The quality of leadership in Greenwood and in South Carolina has been diminished because of the death of James Edward Chaffin. And many in this room have lost a friend and wise counselor.

"There are those here who could speak better than can I about the leadership which James Edward Chaffin has rendered to this community over the forty years that he has been a part of it. There are many who could speak with authority about the many long and patient hours he has given to raising the quality of the cultural and political life of Greenwood and of South Carolina. The number of those who could so witness and who will so witness over the coming months attests to the breadth of his leadership.

"I want to say a word about Ed Chaffin as a moral leader.

"A moral leader in the Christian tradition is one who structures love by working for justice in his society. Think about that for a moment. A moral leader is one who structures and strengthens love by working for justice. Most of us are heirs of a somewhat pietistic version of Christianity, and when we think of Christian love we think of it as being an easily achieved human possibility which consists mostly of an effort to love our immediate family and immediate neighbor, but the prophets and teachers of our tradition have all taught us that Christian love is much more complicated than that. They have taught us that one's love has to extend from one's immediate neighbor to the whole society, and that the only way to extend love to a whole society is to work for justice. In short, we give muscle to love by working for justice.

"James Edward Chaffin was a moral leader in the deepest sense for he believed in the American ideal of liberty and justice for all, and he worked to obtain this ideal in the society of which he was a part.

"For long years as the editor of the Greenwood paper he was a force to call forth the best in all of us and to get us to understand more fully the implications of our acts and social attitudes.

"As we think back upon his editorials today, on how they sometimes amused us, sometimes chastened us, and often enlightened us, we should also meditate for a moment on how hard it is to be an editor. An editor worth his salt, a strong editor, such as Ed Chaffin was, has no choice save to place a plumb line in our midst at times and to judge any lack of justice, any lack of compassion, any lack of quality in the society of which he is a part. This is especially true in a country with a constitution like our own glorious constitution.

"In many ways an editor is the conscience of a community, and Ed Chaffin served that role well for he had, himself, a chastened and enlightened conscience. He sometimes suffered because of his witness but always in his witness there was a clear and strong love for his community, for his fellow citizens, and for the traditions of this wonderful country.

"James Edward Chaffin was a moral leader in the deepest sense. We all owe to him a great debt of gratitude for the battles he fought for us and for a better, more just, community.

"It is right and proper that Ed's pastor read to us today selections from the Scriptures which will comfort us and comfort his family, but when I think of Ed Chaffin I will always think of that great verse in Micah: "He has showed thee, O man, what is good; and what doth the Lord require of thee, but to do justly, love mercy and walk humbly with thy God."

[From the Columbia (S.C.) State, Feb. 25, 1977]

THE NO. 1 EDITOR

Ed Chaffin was eulogized Tuesday as the conscience of Greenwood, a man who had entertained, chastised, and informed his town during almost four decades with the Greenwood Index-Journal, the last 21 years as editor.

His town and his state were his passion, and even though he was, as are all editors, an imperfect man, he sought to improve his areas of influence by pointing to the truth as he knew it.

Finding the true facts is not an easy thing. Ed Chaffin subscribed to the view of an editor who said, "Either the issues are getting more complicated, or I'm getting more stupid."

More than most of us, he tried to keep abreast of things, getting out of his office and his town to attend as many briefings, seminars, and gatherings of editors as possible. Members of the S.C. Press Association, meeting here now, deeply feel the loss of their old friend from Greenwood.

A former colleague of Ed's came up to us after his death Sunday and said, "Well, the rest of you guys can fight it out now to see who'll be the No. 1 editor in the state—because the No. 1 editor is gone."

[From the Anderson (S.C.), Independent, Feb. 24, 1977]

ED CHAFFIN: A LEADER

A highly respected, able and personable member will be missing when the South Carolina Press Association (SCPA) opens its winter meeting today in Columbia, but memories of the man and his career will be warm. He was a past president of SCPA and had devoted much time and effort to helping upbuild that organization.

James Edward Chaffin, editor of The Greenwood Index-Journal since 1956, died unexpectedly Sunday enroute home from Fripp Island where he had enjoyed a weekend of golf—his favorite pastime.

And, if there be consolation, Ed was quoted by a friend as having jested that when it came his time to go he would be happy for his departure to coincide with completion of a round of golf and a brief visit to the 19th hole.

He joined the Greenwood newspaper in 1937 as reporter, came up through the ranks and, after four years in the Army, returned to the paper in 1946 as managing editor.

Editor Chaffin was a leader. At his funeral, his pastor described him as "the conscience of Greenwood" whose basic characteristic was dedication to the advocacy of justice in every phase of the community's life.

And, the pastor went on to say, Editor Chaffin's dedication to the cause of justice provided the kind of strong moral leadership that got the right things done. Not all causes supported by Editor Chaffin were popular at the time, the speaker noted, but came to be accepted and even welcomed because of the perseverance and courage of "the conscience of Greenwood" and the newspaper he edited.

The Ed Chaffins of this world are too few and far between and when they depart they leave voids difficult to fill.

[From the Charleston, S.C. News & Currier, Feb. 24, 1977]

J. E. CHAFFIN

Throughout a career in which he rose from reporter to editor and co-publisher of the Greenwood Index-Journal, J. E. Chaffin demonstrated a steady competency in the varied aspects of journalism to which he set his hand. Friendly and unassuming, he knew South Carolina and its people, and he knew the newspaper business from the ground up. He had a firm grasp of what it takes to help people understand what's going on around them, and in the next county, state and nation. Ed Chaffin thought straight, talked straight, and wrote straight.

Managing editor for 10 years, he became editor of the Index-Journal in 1956, succeeding the late H. L. Watson. His service as president of the South Carolina Press Association and of the South Carolina Associated Press News Council was a measure of colleagues' regard for his professional ability. Friends around the state, as well as those in the community in which he lived and helped better, are saddened by his untimely death at 63.

[From the Greenville, S.C. News, Feb. 22, 1977]

J. EDWARD CHAFFIN

An all-around good citizen of his city and South Carolina, J. Edward Chaffin, editor of the Greenwood Index-Journal, was known by many of his friends as Ed, and as Buddy.

In the thriving city where he lived and in the newspaper profession, Ed Chaffin was a buddy in the finest sense of the affectionate nickname. He took active interest in the church, civic, social and cultural affairs of Greenwood. He was equally interested in state matters, and was respected by numerous governmental leaders.

Fellow journalists throughout South Carolina and in the nation admired Ed Chaffin

for his ability and esteemed him for his warm personality. He was a past president of the South Carolina Press Association and of the South Carolina Associated Press News Council.

His unexpected death on Sunday at age 63 leaves a void in Greenwood and in journalistic circles. The numerous friends of Buddy Chaffin join his family in sorrow.

[From the Florence, S.C. Morning News, Feb. 25, 1977]

GRIEVOUS LOSS

The death of J. Ed. Chaffin, editor and co-publisher of the Greenwood Index-Journal, is not only a grievous loss to that newspaper and the larger Greenwood community; it is a loss to the state and the journalistic profession.

Ed was a special kind of newspaper editor. His editorial page did more than react to contemporary times. It sought to provide guidance and leadership, to make things happen that he believed in the public interest. This he did thoughtfully and with tactful sensitivity for the foibles of human nature.

During the critical civil rights years of the 1960s, he was a strong, courageous, and eloquent advocate of equal rights and social justice. His newspaper was one of the few in South Carolina whose editorial columns showed a clear understanding that history had caught up with what was then euphemistically termed the "Southern way of life."

It is probably true that more of his editorials have been reproduced in the Florence Morning News than from any other single paper. The reverse is also likely true. Reproduction of Morning News editorials frequently appeared in his paper. Journalistically and ideologically, we were kindred spirits.

We are saddened by his passing—sad for ourselves, for his newspaper and its readers, and for the profession to which he was totally dedicated—J.A.R.

ROBERT P. TIMMERMAN ON THE ENERGY CRISIS

Mr. THURMOND. Mr. President, as we begin to emerge from the throes of a bitter winter made all the more severe by the critical energy shortage, the sage words of a South Carolina industrialist during the summer of 1976 become even more important.

Mr. Robert P. Timmerman, president of the Graniteville Co., a leading textile manufacturing firm in Aiken County of my State, wrote in his company publication last July a prophetic analysis of the energy shortage and some ways to combat it. In view of the deep freeze which we experienced in January throughout much of this country and the resultant industrial shutdowns due to shortages of natural gas, I think his words are worthy of close attention.

This eminent industrialist rightly foresaw during the heat of summer that an exceptionally cold winter could bring economic hardship, as well as the discomforts of weather extremes. He was right. The shortages of natural gas not only forced us to lower the settings on our thermostats but led to job layoffs when industries had to shut down. The economic consequences of such situations eventually reach every home in America.

Mr. President, the reason for such a drastic shortage of natural gas supplies in this country was also pinpointed by Mr. Timmerman. He reasoned that Federal regulation and restraint of gas suppliers has prevented exploration and development of new sources. I concur.

We must view the experiences of the winter now passing as a foretaste of winters yet to come. In order to avoid future shortages and the havoc they can create, the Federal regulations must go. It is not simply a question of prices but one of availability. As Mr. Timmerman so aptly summed up the main answer:

We have long advocated that Congress deregulate natural gas prices so that oil companies would have the proper incentives to seek out and deliver the natural gas that industry needs.

Of course, there are changes of technique and policy which can help save our existing fuel supplies. Mr. Timmerman outlined some of the steps taken by his company well before the shortages which stemmed from January's icy weather.

Mr. President, in order that my colleagues may have the opportunity to read this enlightened article by Mr. Timmerman, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Graniteville, S.C., Bulletin, July 1976]

FROM THE PRESIDENT'S CORNER—THE ENERGY CRISIS

The energy problem is far from being solved even though there are no long lines at the gas pumps, air conditioning units are operating at peak capacity and our homes were warm last winter.

During one week in March, our nation for the first time imported more crude oil than it produced. Currently we are importing nearly 45% of our needs, and we are importing this oil primarily from the same Middle East nations that shut off our supplies in the winter of 1973–74 and raised prices five-fold.

Meanwhile, Congress is doing little to encourage development of our energy resources and is now trying its best to break up the large oil companies which have the reserves and resources for research and development.

Our country is fast running out of natural gas because prices have been held artificially low for years by federal regulations. Natural gas is a must for the textile industry and we have long advocated that Congress deregulate natural gas prices so that oil companies would have the proper incentives to seek out and deliver the natural gas that industry needs.

A severe winter could create undue hardships because there would not be enough gas to keep our homes warm, as well as meet industry's needs.

We in the textile industry are constantly seeking new methods to conserve energy and have already cut our overall consumption by 13%. Here at Graniteville Company we are engaged in an ongoing program to reclaim and recycle heretofore "lost" energy. Pilot programs at Swint and Gregg have cut our energy use per pound of product. For example, until this past January the air conditioning units at Swint ran year-round. Now, with more sophisticated controls the units are turned off and outside air pulled in when weather conditions permit. This new system has resulted in sizeable monetary savings. At Gregg a rearrangement of the waste water pipes has created a heat exchange in which the extremely hot waste water is rerouted alongside fresh water pipes resulting in a heat transfer which raises the temperature of the incoming water, thus requiring less steam from the boiler plant and consequently less fuel.

These are but two examples of how Graniteville is combating the energy shortage, but we all must work together to find means of discouraging wasteful and inefficient energy consumption both on the job and in our homes. We use one-third of the world's energy, but yet have only 6% of the world's people. We may currently be enjoying comfortable living due to adequate energy supplies, but what are we leaving for our children and grandchildren?

MRS. ETHLYN MISSROON—OUTSTANDING NEWSPAPERWOMAN OF THE YEAR

Mr. HOLLINGS. Mr. President, one of the most prestigious awards in the journalism profession is to be named the outstanding journalist of your State. In my State of South Carolina, this much-coveted recognition has always signified an unparalleled dedication to the highest standards of the profession.

It also represents hard work, a talent for writing, and a basic determination to ferret out that which is newsworthy and so inform the public.

Mrs. Ethlyn Missroon of the Georgetown Times of Georgetown, S.C., was recently named the 1976 recipient of the King Award as the "Outstanding Newspaperwoman of the Year" by the South Carolina Press Association That is well-deserved recognition by her peers that she stands at the front rank of news men and women.

I add my congratulations. During many years of public service to my State, I have been acquainted with this remarkable woman and her outstanding reporting. I think the award is long overdue.

Mrs. Missroon's editor, Lawrence McConnell, nominated her for the award in a letter to the South Carolina Press Association, and his letter was printed verbatim in the South Carolina Newspaper, the association's official publication.

Mr. McConnell's letter says better than I ever could why Mrs. Missroon was so deserving of this award, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEWSPAPER WOMAN OF THE YEAR—OUTSTANDING

Mrs. Ethlyn Missroon, 63, of The Georgetown Times has been named the 1976 recipient of the King Award for the Outstanding Newspaperwoman of the Year by the South Carolina Press Association.

The reasons for her selection are best given in the nomination letter by her editor, Lawrence McConnell of The Georgetown Times:

When I first came to The Georgetown Times in March of 1973, I didn't really pay that much attention to the middle-aged woman who sat in the right rear corner of the front office and tapped out streams of copy about the people of Georgetown on her well-worn Remington typewriter.

"It wasn't until about a month later that I realized that Ethlyn Missroon was something special. That's when she wrote a feature about the snake lovers of Georgetown. And there, in the middle of the page, was a boa constructor wrapped around Mrs. Missroon's neck. Once again, as she's proved so

often since, nothing stops Mrs. Missroon from getting a story.

"Even at 63, Mrs. Missroon still gets into airplanes, onto cranes and aboard barges. Nothing stops her—not even an automobile accident. Earlier this year, her yellow Volkswagen was hit broadside by another car. She came on into work, stewed all day long because she didn't have a car to drive—and a couple of days later she bought a new one, because she said she'd be without one while her other one was being repaired, and that just wouldn't do.

Above all, Mrs. Missroon is a dedicated woman. Dedicated to the community and to her profession. There aren't many women I know who would give up entire weekends to cover a trip made by local citizens to Camp Hope in the Piedmont section of the state. And there are fewer still who would be able to hold themselves together while taking pictures and getting interviews at the scene of an accident in which a six-year-old boy was run over and killed.

"In order to submit her name in nomination for the King Award, I had to interview her to learn a little about her past. With characteristic reluctance, she finally agreed.

"She was born in the Pee Dee area of South Carolina, and as a child, the world of fiction "was always better than the real thing. When the other kids were out playing, I was in reading. I learned to read before I went to school so I could read Columbia Record's children's feature, 'Nancy and Nick'."

"At the age of 10—as you might expect by now—Mrs. Missroon wrote her life story. She submitted it to a magazine, with the stipulation that she would charge them "to send for more if they liked it—they never did."

"She was features editor for the Florence High School newspaper, but abandoned what appeared to be a career when she married at 19. In the early 1930s, she moved to Georgetown with her husband and had a feature column in The Georgetown Times entitled "Facts 'n Fancies" under the delightful pen name of Fanny Ferrett.

"She recalls that the first true newspaper article she wrote was printed in the Times and the News and Courier; it was about the lives of the men at the Veterans Hospital at Columbia. Later, she became a correspondent for both The State and the News and Courier—an arrangement, she says, which got her into trouble "by submitting the same story to both papers."

"She came to work fulltime at The Georgetown Times in 1964 for Thomas P. Davis, the former owner and publisher of the paper. For about 10 years, she says, her "main weapon was a Polaroid camera—which the whole town learned to fear." About a year ago, though, Mrs. Missroon junked the Polaroid in favor of 35mm camera work. Naturally, it wouldn't do for the paper to purchase the camera for her. She wanted one of her own, so she went out and bought one. I imagine that more than 90 per cent of the stories which she writes have accompanying pictures, all of which she shoots, develops and prints herself.

"Her talents have been recognized in previous press association contests. She won first place among all weeklies for news writing in 1967, honorable mention in the men's division in 1967, second place for the Judson Chapman award in 1971, 2nd place for the DeCamp Award in 1974, second place for best news story in 1970, first place for special articles in 1970, second place for education writing in 1970 and third place for best news story in 1973. She was also asked to judge the entries for the women's division contests for the Alabama Press Association.

"Truly, she is a remarkable woman. And I know of no finer tribute to her talent and dedication than the King Award for the outstanding newspaperwoman of the year. The title does her justice. She is outstanding."

STATEMENT BY THE COMMANDER OF THE AMERICAN LEGION ON THE PANAMA CANAL SITUATION

Mr. THURMOND. Mr. President, I have before me a news release issued yesterday by National Commander Bill Rogers of the American Legion in reference to his recent visit to Panama.

Mr. President, in view of the timeliness of this statement, and so my colleagues may review it, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LEGION NATIONAL COMMANDER REAFFIRMS OPPOSITION TO NEW PANAMA CANAL TREATY

WASHINGTON.—William J. Rogers, Kennebunk, Maine, National Commander of The American Legion, today urged the nation's 2.7 million members of the veterans organization to contact their elected representatives in Washington concerning the status of current negotiations on the Panama Canal and the Canal Zone. Commander Rogers returned to the United States yesterday from an inspection tour of the Canal and the Canal Zone.

"My visit reinforced my belief in the correctness of the Legion's position that the security and sovereignty rights granted to the United States in the present treaty must not be changed," Rogers said. The text of the Legion leader's statement follows:

"The American Legion fears that the Carter Administration in drafting a new treaty with Panama may act with undue haste in an effort to ratify that treaty with little or no public discussion. The future of the Panama Canal is vital to the security interests of the United States and the status of the negotiations that were mysteriously ended, with little publicity, in February must be reported, in full, to the American people, consistent, of course, with national security requirements.

"The American Legion asks the Carter Administration: Why the intensity of negotiations? Why the determined effort to move quickly? What is the urgency? Is the Torrijos government in Panama about to fall? Has the U· 'ted States government, or the banking interests who have loaned Torrijos untold sums of money, determined that it is in the best interests of the United States to keep a repressive dictator in power?

"Before a treaty is finally negotiated and acted upon by the Senate of the United States there are some questions that must be answered in regard to the political, economic, and human rights policies of the government of Panama. The American people bought and paid for the Panama Canal and the Canal Zone. The Canal was built upon land purchased, not stolen. The American people deserve and have the right to a full, open debate in the Congress concerning the status of any and all negotiations concerning the Canal. The American Legion and the American people will reject any secret deals made by our government and the dictatorship that controls the Republic of Panama.

"The security of our investment demands that this matter be dealt with openly and above board. We are, of course, concerned about our country's relationships with all nations of the Western Hemisphere, but we are not interested in being blackmailed by a totalitarian government as part of the cost of these relationships".

HEROISM IN INDIANA

Mr. BAYH. Mr. President, I recently received a letter from Mr. Nyle O. Fox, principal of the Tri-County Middle-Senior High School regarding the heroic work performed by Mr. Don Furrer of Remington, Ind., during the recent snow emergency.

Mr. President, Mr. Furrer's lifesaving activities in the face of adversity serve as an inspiration in a time when far too many Americans seem not to care about the welfare of their fellow men and women. I would like to call Mr. Furrer's work to the attention of my colleagues, and I ask unanimous consent that the letter to me from Mr. Nyle O. Fox be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TRI-COUNTY
MIDDLE-SENIOR HIGH SCHOOL,
Wolcott, Ind., February 7, 1977.

DEAR SENATOR BAYH: I'm principal of Tri-County High School where 275 travelers were stranded in the recent blizzard. This letter is to tell you about the heroic rescue performed by a member of our community, Mr. Don Furrer.

Mr. Furrer was the first person to rescue travelers from the northbound traffic on I-65. He drove a farm tractor to the fence along I-65 and walked over to the highway and led 3 or 4 travelers back to his tractor. He drove these travelers to his house. After stopping at a neighbor's house for a flare wagon, he again returned to the interstate. He led 16-18 travelers to the wagon this time and took them to the school.

At the school 10 snowmobilers were waiting trying to decide what to do. They had no idea how many people were stranded and really did not want to risk their lives unnecessarily. After talking to Mr. Furrer they all went to the interstate and cut the fence so the snowmobiles could get through. They shuttled travelers to the flare wagon where Mr. Furrer helped them to get in. The travelers covered up with blankets to complete the ride to the school. This rescue continued until dark when Mr. Furrer's tractor froze and it had to be left along the road. In this time he had helped to rescue over 100 travelers.

The temperature was 10 below zero with a wind speed of 30 plus and a chill factor of —60 degrees F.

Stranded travelers talked about the man with snow and ice frozen to his face who brought a tractor and wagon and rescued them. This surely is what special commendations are awarded for. We have tapes of various people involved in the rescue including Don Furrer's own personal account. He doesn't know I'm writing this and certainly doesn't anticipate any reward beyond his personal satisfaction of helping his fellow man. I feel there is a story here for all people to know and this one story is characteristic of the rescue efforts by private citizens in all of the Tri-County area.

Sincerely,

NYLE O. FOX,
Principal.

(This concludes additional statements submitted by Senators today.)

ORDER FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 269 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, the Senate proceed to the consideration of House Joint Resolution 269, a joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1977, for disaster relief.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 213 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of House Joint Resolution 269 tomorrow the Senate proceed to the consideration of S. 213, a bill to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Internal Revenue Service and of the Bureau of Alcohol, Tobacco, and Firearms.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 174 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate disposes of S. 213 tomorrow, it proceed to the consideration of S. 174, a bill to amend the U.N. Participation Act of 1945 to halt the importation of Rhodesian chrome.

May I say I have discussed all of these with the distinguished Republican leader and he was aware I was going to make these requests. He has no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—ESTABLISHING "MEASURES CLEARED TO BE CONSIDERED BY UNANIMOUS CONSENT" IN CALENDAR BUSINESS

Mr. ROBERT C. BYRD. Mr. President, almost daily there are measures on the calendar which have been cleared on both sides of the aisle and which can be passed by unanimous consent. In many instances these measures are reported out one day and cleared for consent and acted upon the following day.

I feel it would be a good idea if, rather than calling these up on the first day that they appear on the calendar, for example, that I indicate at the desk or from the floor those measures which have been cleared on both sides for action by unanimous consent; that they then be transferred to another page of the calendar so that all Senators may see the measures and be aware of the fact that those particular measures have been cleared for passage by unanimous consent.

It may be that a Senator would be unaware of the fact that a particular measure has been cleared for action by unanimous consent, or a Senator may wish to offer an amendment thereto, he may want a rollcall vote, or he may merely want to be present to ask some questions.

I think it would be a good idea if we initiated what I would consider to be a very useful innovation by having all those pages of the calendar marked as follows: Measures Cleared To Be Considered by Unanimous Consent.

This would allow, as I say, at least 1 day's notice to every Senator that there are going to be measures which will be taken up by unanimous consent.

Therefore, I ask unanimous consent, Mr. President, that for the remainder of this session—we will try it for just this session and if it works well, fine, we will perhaps renew it in the next session—there be a page in the general orders section of the calendar entitled "Measures Cleared To Be Considered by Unanimous Consent," hereafter to be referred to by myself as the Unanimous Consent Calendar.

Mr. STAFFORD. Will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STAFFORD. Mr. President, I assume the majority leader has discussed this with the minority leader?

Mr. ROBERT C. BYRD. Yes; I spoke to Mr. BAKER about this. He thought it was an excellent idea.

Mr. STAFFORD. The Senator from Vermont believes so, too.

Mr. ROBERT C. BYRD. I hope it works out that way. I thank the Senator.

The PRESIDING OFFICER. Without objection, and with commendation, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR EXEMPTION FROM CALL UNDER RULE VIII OF ITEMS ON UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. I ask unanimous consent that, at such time as the calendar is called, under rule VIII, the items on the unanimous-consent calendar be exempted therefrom.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURES CLEARED FOR UNANIMOUS CONSENT—CALENDAR ORDER NOS. 39, 40, 41, and 42

Mr. ROBERT C. BYRD. Mr. President, let us start this new practice working.

On today's calendar there are four measures cleared for unanimous consent. It may be from time to time that the urgency of enactments of a measure cleared for unanimous consent will be such that between the two leaders they will feel that action should be taken on the same day rather than putting it over for a day. But in those instances there will be an explanation of the urgency in the RECORD. As I say, there may be some situations which will require immediate action rather than going over for a day, as I have suggested. Ordinarily, I would hope that this practice will be followed.

Therefore, I ask, Mr. President, that Calendar Order Nos. 39, 40, 41, and 42, which were cleared for unanimous-consent action today, appear on the new calendar on the unanimous-consent calendar tomorrow, which means that they could be taken up tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE TO CONVENE ON TUESDAY, MARCH 15, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes on next Tuesday, it convene at the hour of 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS ON TUESDAY, MARCH 15, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the recognition of the two leaders or their designees on next Tuesday, Mr. PROXMIRE, Mr. SPARKMAN, and Mr. SARBANES be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE TO CONVENE ON MONDAY, MARCH 14, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate meets on Monday, it meet at the hour of 12 noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. CRANSTON. Mr. President, the Senate will meet at noon tomorrow. After the two leaders or their designees have been recognized, the Senate will take up House Joint Resolution 269. It makes an urgent supplemental appropriation for the fiscal year ending September 30, 1977, for disaster relief. The Senate will then take up S. 213, a bill to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Internal Revenue Service and of the Bureau of Alcohol, Tobacco, and Firearms. Then the Senate will take up S. 174, a bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome.

It is possible that rollcall votes will occur on Friday, but not necessary and not certain that they will occur. The leadership wishes to urge committees to take advantage of the opportunity to work in the morning to expedite the movement of legislation to the floor of the Senate.

When the Senate convenes on Monday, the pending business will be S. 174, the Rhodesian chrome matter.

RECESS

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 noon tomorrow.

The motion was agreed to; and at 7:31 p.m., the Senate recessed until to-

morrow, Friday, March 11, 1977, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate March 10, 1977:

DEPARTMENT OF AGRICULTURE

John C. White, of Texas, to be Deputy Secretary of Agriculture, vice John A. Knebel.

DEPARTMENT OF JUSTICE

W. J. Michael Cody, of Tennessee, to be U.S. attorney for the western district of Tennessee for the term of 4 years vice Thomas F. Turley, Jr., resigning.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 10, 1977:

DEPARTMENT OF LABOR

Robert J. Brown, of Colorado, to be Under Secretary of Labor.

Donald Elisburg, of Maryland, to be an Assistant Secretary of Labor.

Ernest Gideon Green, of New York, to be an Assistant Secretary of Labor.

Carin Ann Clauss, of Virginia, to be Solicitor for the Department of Labor.

OFFICE OF MANAGEMENT AND BUDGET

James T. McIntyre, Jr., of Georgia, to be Deputy Director of the Office of Management and Budget.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

SAVE YOUR VISION WEEK

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, March 10, 1977

Mr. ROBERT C. BYRD. Mr. President, this week, March 6–12, 1977, our Nation celebrates the 50th anniversary of Save Your Vision Week.

The annual event was launched in 1927 by a group of farsighted optometrists who wanted to focus attention on the value of good vision and the need for everyone to take care of their eyes.

In 1963, the U.S. Congress, by joint resolution, called upon the President of the United States to proclaim Save Your Vision Week each year as the first full week of March. The President has proclaimed this 50th anniversary and has encouraged all Americans to join in the celebration. It is quite a cause for celebration.

In less than the span of one lifetime, we have come to rely more on our sense of sight than on all our other senses combined. In many ways, our eyes play an essential part of almost every action at work, at home, at leisure, and on the road.

But we need special weeks such as this one to remind us to take care of our eyes. As strange as it may seem, some Americans today take their eyes so much for granted that they no longer consider eye care part of health care. They would never think of a brakeshoe as an auto accessory yet they equate eye care and optical aids with clothing accessories.

There was a time in this country when eye care was synonymous with eyeglasses and was purchased from store counters or mail order catalogs. But there was also a time when medical care included being bled in a barber shop. Why should we go back?

Great advances have been made in vision care within the last 50 to 75 years. Today's vision specialists utilize the finest diagnostic techniques and instrumentation to examine the human vision system. They prescribe treatment to specifically meet each patient's vision needs for all activities.

Save Your Vision Week may be as old as Charles Lindbergh's "The Spirit of St. Louis" but the idea behind it is as up-to-date as supersonic passenger jets.

On the 50th anniversary of this important event, I feel it is most appropriate to express appreciation to the Nation's optometrists and, particularly, to the American Optometric Association for establishing Save Your Vision Week and fostering it in thousands of communities these past 50 years.

I also feel it is appropriate to express appreciation to optometrists, other health professionals, and health care groups for their work on behalf of the visual welfare of all Americans.

LURE OF AFRICA NOT FINDING AN IDENTITY

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. McCLORY. Mr. Speaker, a columnist and black journalist in my 13th Congressional District, Mr. Hasan Hakeem, has made major contributions to the better understanding of the views and attitudes of some black Americans who reside in the area which I am privileged to represent in the U.S. House of Representatives.

Recently, Mr. Hakeem had occasion to write about his travels within Africa, a special assignment which he undertook in addition to other reporting responsibilities which he has undertaken for some time with the News-Sun, a daily newspaper published in Waukegan, Ill.

Mr. Speaker, in the February 21 issue of the News-Sun, Mr. Hakeem reflected upon 6 weeks of traveling through West Africa in a most revealing and timely column.

By way of counseling black Americans with respect to their heritage and seemingly to analyze some efforts to establish African roots as might be suggested by the recently published book, "Roots," by Alex Haley, Mr. Hakeem describes his own experiences and those of other black Americans who travel—or reside—in Africa.

Mr. Speaker, for benefit of my colleagues and all those who glean these pages, I am attaching Mr. Hakeem's well-written and highly informative article, as follows:

LURE OF AFRICA NOT FINDING AN IDENTITY

(By Hasan Hakeem)

This column is being written somewhere over the Atlantic during a nonstop flight Friday from London to Chicago.

After six weeks of traveling throughout West Africa, this is the last leg of a long, tiring 16-hour trip, which originated in Accra, the capital of Ghana.

I begin to prepare myself mentally for reorientation into American society by reading various magazines and newspapers and conversing with Americans on the plane.

It is a slow process and usually takes a week or so to return to the normal routine.

Undoubtedly, I will be asked the usual questions by friends.

"Why go to Africa? What is there to do in Africa?"

It is the opinion of most Americans that black Americans travel to Africa because they are somehow trying to reclaim a part of them that was lost in history.

This point of view is even more prevalent today after the publication of "Roots" and the subsequent television series based on the book.

I'm always amused to read stories written by white journalists who claim black travellers to Africa are searching for their ancesteral ties to Africa.

I'm sure there are some blacks who journey to Africa in the hope of being able to relate to the total "African experience."

It is probable most black Americans making their first trip to Africa may be searching for identification with Africa.

But after four trips to Africa and meeting various black Americans who live on the African continent. I'm convinced the lure Africa holds for blacks is not identification.

After the initial trip, a black American begins to understand that although he has a common historical bond with African peoples, he is not an African.

The black American is not an African and can never be an African.

It is only after the black American understands this very basic point that he begins to appreciate Africans and their society.

It would be misleading to lump black Americans together and argue they seek to return to Africa for purposes of identification.

Nothing could be further from the truth. During my recent stay in West Africa, I had numerous and extensive interviews with blacks now living in Africa, and some who have lived there for more than eight years.

The number of black Americans now living in various African cities and villages is almost impossible to determine. Many of them live and work at state-owned universities.

And some wander around the African continent like nomads in search of nothing. Some learn the various dialects and actually take up residence in small communal villages.

Few, if any, actually give up their American citizenship. Despite some small problems encountered in traditional African societies, the transition from America appears to be the best-of-all-worlds for black Americans.

As one black American explained: "It's not that I don't like America. I just find the

society I'm living in now is more in tune to what I, as a person, desire in life."

"Black Americans living in Africa realize they are not Africans. And they don't want to be African, known as Afros here and as a group we are respected as equals by Africans.

"Unlike America," he added, "where we are not treated as equals despite our participation in that society. In Africa, we are a definite minority, but even as a minority we are dealt with as equals by Africans."

Security is another lure to Africa today. This was best illustrated by a black woman who said, "At least it's safer here. You don't have to worry about someone invading your home and murdering your family. It just doesn't happen in Africa."

There are criminal problems, but most are regulated to one area—crimes against property.

Criminal acts with the intent to do harm to a person are rare, although they do occur.

In Ghana, the crime rate is low, primarily because the people are involved in halting criminal acts. If a thief is spotted in a market, everyone—children, old women, men—join in the chase.

And justice is swift for a thief caught by his pursuers. They usually stone him to death, if he isn't rescued by the police.

On the surface it seems cruel, especially to an American, but blacks living in Africa approve of the system. "A thief learns quickly in this society," said one black American. "The people are involved in protecting his neighbor's property. It is a good lesson that should be imitated in America's urban areas."

The problems for black Americans are minimal and most come during the transition of settling in Africa. There are dietary and medicinal problems. The lack of material comforts is quickly overcome, but never forgotten.

Some, who are unwilling to do without certain luxuries, ship cars, washers, dishwashers and freezers to the African continent and pay excessive import fees.

But for the most part, black Americans go without much and endure the challenge of living and working in an African society.

MASS TRANSPORTATION OVERVIEW

HON. THEODORE S. WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. WEISS. Mr. Speaker, I would like to share with my colleagues an excellent article from the New York Times by Ralph Blumenthal summarizing the transfer of funds under the Federal Highway Act of 1973 from highway to mass transportation use. These recent provisions have given States and localities the much needed option to determine transportation priorities.

The full text of the article follows:

ROAD FUNDS PROVE BOON FOR MASS TRANSIT

(By Ralph Blumenthal)

The Cobbs Creek Expressway in Philadelphia is unlikely ever to carry a car, truck or bus. Nor are vehicles likely to travel segments of Interstate-695 and I-95 in Boston, I-291 and I-86 in Hartford, I-95 and I-70S in the District of Columbia or I-80N in Portland, Ore.

Highways on paper, they will never be more because state and local officials have shifted the vast Federal funds committed to build those roads to mass transit projects.

The Federal highway aid act of 1973 made it possible for the first time for localities to cancel nonessential links of the Interstate highway network to devote most of the allotted monies to subway and light rail improvements. Last year the act was liberalized to allow use of a large proportion of the funds for local highways, or a mix of local roads and mass transit.

$2.1 BILLION TRANSFERRED

Since 1974, five metropolitan regions, Boston, Hartford, Philadelphia, Washington, and Portland, have taken advantage of the legislation to shift a total of $2.1 billion in Federal commitments from interstate highway construction to mass transit.

"We're delighted," said James Clark, assistant director of the District of Columbia Department of Transportation, which has won Federal approval to shift $400.2 million committed for road projects to its $5.24-billion-and-climbing Metro rail system. Eventually, he estimated, Interstate transfer money might pay for a fifth of Metro's staggering cost.

"I wouldn't underestimate its power," he said, referring to the program. He added, "For a long time it looked like those funds would be useless," untapped in an age of growing environmental concern and antipathy to continued highway building.

BOSTON CITES CUTBACK

The reaction is generally shared by other beneficiaries, though Boston transit officials said that their funding may have been cut back in other Federal aid transit programs because of an apparent feeling in Washington that $962 million in forthcoming transfer funds was enough for Boston for now.

The National League of Cities is "happy with the concept," according to Debbi Duffy, staff assistant at the Washington-based urban lobbying organization, but it considers the transfer program somewhat biased in favor of bigger cities with rapid rail lines.

"You can't use $1 billion to buy buses," she said.

In fact, some Federal officials are disappointed by the relatively limited number of communities that have taken advantage of the program so far.

NO TRANSFER FOR WESTWAY

One of the largest projects that could have fallen victim to the transfer program is New York City's controversial Westway, slated to replace the crumbling West Side Highway between the Battery and 42d Street. But that transfer appears highly unlikely in view of the strong support of Mayor Beame and Governor Carey for the $1.2 billion Hudson shore superhighway. Local officials must initiate all highway-to-transit transfer projects. However, opponents of the six-lane roadway, buoyed by last week's negative report by the Federal Environmental Protection Administration, still vow to block the project or shift the funding to mass transit.

Although the program is called "Interstate transfer" and is often thought of as a way of transfering some of the vast assets of the Highway Trust Fund to transit purposes, in fact the $9 billion revolving fund built from road-user taxes is untouched by the program.

What the transfer program does is allow a locality to withdraw from the Interstate highway system a planned urban or intercity link that would not significantly breach the national network. Then, instead of the 90 percent Federal funding the locality would have gotten for the road from the Highway Trust Fund, 80 percent of the cost of mass transit improvements is provided out of general Government revenues by the Urban Mass Transportation Administration. Or, under a 1976 amendment, the locality could elect to withdraw the Interstate link and substitute a local highway, usually to be funded 70 percent by Washington and the remainder by the state and local governments.

Because the Interstate transfer program does not actually involve a shift or highway funds for mass transit, it has been accepted by highway and motorists interest groups, including the American Automobile Association.

Another modification also allows the locality to shift Interstate funds from one Interstate project to another. Many urban experts consider the scales weighted in favor of Interstate construction since the Government pays 90 percent of these costs and less for mass transit and local highway projects.

Following is a summary of existing transfer projects:

BOSTON

The main beneficiary of the program so far, Boston pioneered in 1974 with the withdrawal of two major Interstate highway segments—a planned 12-mile section of I-95 from the Route 128 beltway into the city and a 14-mile inner belt section of I-695, for which the right of way had been cleared.

For these, the city was credited with a spendable balance of $962 million in Federal funds, of which Boston has already won approval for $197 million worth of projects. These include an extension of the South Shore rapid rail line, the building of two new stations and purchase of about 140 new rail cars, among other improvements.

Robert R. Kiley, chairman of the Massachusetts Bay Transportation Authority, said he was pleased with the aid shifts. But, he added, "since the $1 billion pot exists for us, there's a tendency by Washington to downplay" other Federal transit aid, which he indicated in effect penalizes Boston for the highway transfer.

HARTFORD

Connecticut's capital had been slated to receive about $315 million in Federal funds to build a 12-mile segment of I-291, between I-84 at Farmington and I-91 at Windsor, and to extend I-86 from I-91 in Wethersfield to I-84 at Manchester. Hartford elected to apply $70 million of it to two other Interstate segments on the city-circling beltway.

The remaining $245 million was earmarked for mass transit projects. But because Hartford has no subway or light rail system—nor a plan for one—the city and the mass transportation administration agreed the money would be held in Washington until a plan was ready.

Meanwhile, localities around Hartford have been clamoring for a part of the money—about $100 million—to patch up their roads.

PHILADELPHIA

After 20 years on the drawing boards, the controversial Cobbs Creek Expressway, a proposed nine-mile road linking I-95 at International Airport to Schuylkill Expressway to the north, was withdrawn by the city in the early days of the transfer program.

Philadelphia ended up with a spendable balance of $236 million, of what it has already allocated $78 million for 88 new commuter rail cars, improvements of other commuter facilities and five refurbished subway stations under Broad Street, among other projects. On tap is the purchase of 190 new buses and 100 light rail vehicles and trolley-buses.

DISTRICT OF COLUMBIA

The nation's capital elected to withdraw a 2.3-mile planned segment of I-70S, from the capital beltway through Montgomery County to the city, and a 3.1-mile planned stretch of I-95 from the D.C.-Maryland line into the city. These netted the District a spendable balance of $400.2 million, which it has applied toward construction of the Metro rail network.

In addition, Maryland has withdrawn segments of the same two roads, netting the

state about $86 million in funds for Metro extensions and another $100 million for other Interstate links.

In addition, the District is considering applying for withdrawal of other Interstate sections—the K Street tunnel and the Three Sisters Bridge—which would yield another $392 million. Withdrawal of additional segments could produce close to another $1 billion in transfer funds.

"So we're extremely thankful for the program," said Mr. Clark of the District transportation department.

PORTLAND, OREG.

The two-stage withdrawal of a five-mile stretch of I-80N netted the region about $203 million in transfer funds. Portland set aside $150 million for three mass transit projects sill in the planning stage—bus lanes, car pools and a possible light rail line. Another $16 million was earmarked for local highway and road improvements. As a Western state with much non-taxable public land, Oregon gets 86 percent of its transfer funds for highways from the Federal Government, rather than the 70 percent contribution of more urban states.

"There's still opposition and controversy between the urban inner-city people and the country folks," said Bob Bothman, assistant state highway engineer. "But we're pleased. It's moving well."

A TRIBUTE TO ROBERT J. HUNTLEY, WESTMINSTER, CALIF.

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. PATTERSON of California. Mr. Speaker, in recognition of Dr. Robert J. Huntley's 10 years of service to the city of Westminster, Calif., as its city administrator. I would like to commend hirm and to bring some of his accomplishments to the attention of my colleagues.

Dr. Huntley came to Westminster in 1967 with a long record of dedicated service to city government including 3 years as assistant city administrator of the city of Beverly Hills, 2 years as city administrator of the city of Santa Paula, and 5 years as city administrator of the city of La Habra.

Dr. Huntley's competence in the field of public administration has not gone unheralded. Recipient of the 1963 Administrative Achievement Award from the American Society for Public Administration, Los Angeles Chapter, he has continued to receive commendations from his peers and associates including, in 1964, the Orange County Board of Supervisors Commendation Award, and a Recognition Certification from the La Habra Area Chamber of Commerce. In 1965 he was honored with the Government Public Relations Association Annual Program Award and he has also been recognized in "Who's Who in the West," "Dictionary of International Biography."

Dr. Huntley's abilities have been recognized by the academic community as well. Over the past 20 years, he has lectured in public administration and political science at the University of Southern California, Ventura Junior College, California State College at Fullerton, Orange Coast Community College District, and California State University at Long Beach in addition to teaching ICMA courses for city and county executives in Ventura County.

The city of Westminster, with a population of 54,300 in 1967 when Dr. Huntley became city administrator, has been guided in orderly growth to a population of 68,000 in 1977. While Bob Huntley has been city administrator, Westminster has developed into a financially sound city with adequate reserves and has made great strides in its development as a safe and pleasant place to live including: the completion of the Westminster Civic Center; the construction of the Westminster Library and the Westminster Mall, one of the largest in the country; the acquisition and development of numerous neighborhood parks, Westminster Park, Park West Park, and Liberty—Adventure—Park; the establishment of a community service center, training and communication center for fire departments, and improved communications center for the police department.

With the acquisition of the Southern California Water Co., the construction of two 5,000,000 gallon water reservoirs, improvement of the water system, and installation of storm drains throughout the city, commercial and industrial development increased greatly during the 10 years Dr. Huntley was with the city of Westminster.

Dr. Robert J. Huntley has carried out his duties in the capacity of city administrator for the city of Westminster with great concern and ability. I am proud to know such a dedicated and vital Californian, and I know that the city of Westminster has much to be proud of in the way Robert Huntley has managed the city affairs for the past 10 years.

THE NOMINATION OF PAUL WARNKE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. LAGOMARSINO. Mr. Speaker, the Senate has now confirmed the nomination of Paul Warnke to be Director of the Arms Control and Disarmament Agency and Chief Negotiator for SALT. If I were a member of the Senate I would have voted "no." It is even more important for us not to lose sight of the potential for harm for America's national security interests which this appointment represents. Recently, Soviet dissident Vladimir Bukovsky met with a number of us to describe his experiences in Soviet prisons. When asked how the Soviets would respond to an American initiative for unilateral disarmament, Bukovsky replied:

We'll all meet together some day in a nice concentration camp.

A recent commentary by George Will is an excellent reminder of what we might expect from Warnke. I would like to call to the attention of my colleagues that commentary which appeared in the Washington Post, February 10, 1977.

WARNKE: "APING" THROUGH UNILATERAL ABANDONMENT

(By George F. Will)

Paul Warnke is an open book. Indeed Warnke, President Carter's nominee to head the arms control agency and strategic arms negotiating team, is an open book who has been reading himself to the nation for years.

In writings, lectures, debates and congressional testimony, he has tirelessly advocated distinctive ideas, such as a program of defense cuts that would have produced a defense budget for fiscal 1978 about $25 billion less than what Carter considers necessary.

Regarding strategic arms, Warnke believes the United States and Soviet Union are comparably "mindless"—two "apes on a treadmill." Such primitive beasts like apes have no intentions, properly speaking, only reflexes. So one cannot infer alarming intentions from the Soviet rush to strategic superiority.

Warnke thinks the principal impediment to arms control is "superpower aping," each nation reflexively responding to the other. Because the United States is the only "superpower model" the Soviet Union has to follow, Warnke says, it is probable that unilateral U.S. restraint would inspire Soviet reciprocity.

Warnke's view of the world is almost engagingly childlike, but it does not explain why the Soviet Union has not "aped" the restraint already shown by this country.

The United States delayed deploying antiballistic missiles in the hope that this would produce reciprocal restraint in Moscow. It did not. In 1967, we had 1,054 land-based ICBM launchers, the Soviet Union had fewer. Today, we have 1,054, the Soviet Union has approximately 1,600.

In 1967, the United States had 656 submarine launchers, the Soviet Union had fewer. Today, the United States has 656, the Soviet Union has more than 800.

Between 1960 and 1976, U.S. strategic arms spending (in real dollars) declined an average of eight per cent a year, total defense spending has been declining as a percentage of Gross National Product and government outlays. Soviet spending has been increasing and now is twice as large a portion of Soviet GNP as U.S. defense spending is of our GNP.

In 1965, when Defense Secretary Robert McNamara included Warnke among his advisers, McNamara announced: "The Soviets have decided that they have lost the quantitative race, and they are not seeking to engage us in that contest." Now they have emerged quantitatively superior, but Warnke has unshaken—and, it seems, unshakable—faith that unilateral U.S. abandonment of some strategic programs will evoke Soviet restraint.

So he has opposed Trident submarines, B-1 bombers, cruise missiles, improved missile accuracy, more multiple independently targeted re-entry vehicles (MIRVs)—in short, most of what arms negotiations are about. He wants the United States to undertake "unilateral initiatives"—curtailments—more drastic than the Soviet Union has yet had the audacity to demand.

Under Henry Kissinger, U.S. "negotiators" conducted a losing monologue with themselves. The Soviet side could be relatively silent while our side persuaded itself to make the next concession.

Under Warnke's approach, U.S. "negotiators" would sit silently, waiting for U.S. "unilateral initiatives" to inspire the Soviet Union to "ape" the restraint of its U.S. "model." But if reciprocity did not result, Warnke would not be much alarmed, because he thinks that "even substantial nuclear superiority, short of nuclear monopoly, could not be a decisive factor in any political confrontation between the U.S. and the Soviet Union."

Warnke's policy—meeting increased Soviet strategic efforts with increasingly risky U.S. restraint—is foolproof. If it works (provokes reciprocal Soviet restraint), it works; if it doesn't work, it doesn't much matter because "substantial superiority" doesn't much matter. But in any case, why call "unilateral initiatives" a "negotiating" policy?

If, before the election, Carter had embraced the policies embraced by Warnke, Carter would not be in a position to nominate Warnke. What Carter promised (in the crucial second debate) was a defense capability second to none." On the record, Warnke believes that promise is irrational because it is wasteful, and immoral because it is provocative. What the electorate thinks of Warnke's national security policies was made abundantly clear in 1972, when he was national security adviser to George McGovern, who had favored a $32 billion defense cut.

Until recently, strategic superiority did not need to be a stated national goal; it was a fact. The Nixon-Ford-Kissinger policy was that the meaning of superiority is unclear, but "essential equivalence" is, well, essential. Now comes Warnke, just the man for the next stage of national decline, wherein the Soviet Union will enjoy substantial nuclear superiority.

ABILITY COUNTS

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. COHEN. Mr. Speaker, each year, the Maine Governor's Committee on Employment of the Handicapped sponsors the "Ability Counts" contest to promote increased awareness of the needs of handicapped persons in our State.

The contest, part of a national competition sponsored by the President's Committee on Employment of the Handicapped, honors the Maine high school student who composes the best essay on the handicapped.

This year's Maine winner is Peter Madigan, a senior at Derring High School in Portland. Peter's essay, drawn from his personal experience, is a moving tribute to the ability of handicapped individuals to overcome great obstacles to succeed in their personal lives and careers. I commend Peter Madigan's excellent essay to the attention of all my colleagues in the House.

The essay follows:

"To Be Or Not To Be"—Shakespeare

(By Peter Madigan)

"To be or not to be" is the question. For a young twenty-four year old college graduate it was. Stephen was born October 13, 1951, the sixth child in a family of seven children. Now he had been out of college two years and was trying to gain acceptance to a medical school. In the meantime he worked at a local hospital, and in his spare time he liked to tinker with cars.

The drastic change in his life started on Easter Sunday after an enjoyable dinner with the family. He walked out the door for the last time. When his parents saw him next, Steve was in a hospital bed; he was the victim of an automobile accident. He was a paraplegic; another statistic; a poor unfortunate; a cripple.

In a matter of days the doctors told him that he would never walk again. What effects this news would have on Steve no one could tell. He had been dreaming for six years of the day he would enter the medical profession, and now this. His family, his friends, and a great team of doctors certainly used their love and skill for affirmative action.

Steve improved slowly during the next six months, hampered by a broken arm and leg. These months were the most frustrating time of his life. He felt something he had never felt before—helplessness. This feeling was not to last too long In two months Stephen was sent to the rehabilitation floor, the place that would help him become independent. Now he started to become depressed. He no longer needed the constant attention he had been receiving. Maybe he should call it quits. Now he had to use affirmative action. Now he had to work and work and work.

Finally he was able to move himself from the bed to the chair. He learned to use the wheelchair. He developed the muscles in his arms and back. At the end of six or more months and unbelievable work, Steve had started to use crutches and leg braces. But, there was a question. How long would he use the crutches? Many patients too often return to the wheelchair, never to try again. But Stephen never gave up.

Stephen continued to exercise and to use his crutches. While in the hospital he applied to medical schools. If he were accepted, he still would have to work hard. He would need courage and stamina for he was handicapped. But Stephen does not feel he is handicapped. He says a handicapped person is one who cannot achieve his goal. What was there that he could not do now that he had done before the automobile accident? Walk? Run? Jump? Yes, or course. But his arms and hands are fine; he has his mind.

One of his doctors told him he could be anything he wanted to be. He drives his car; operates his life independently, He accepted a job related to his field only two and a half months after he left the hospital. In May of last year he was asked to come to Washington, D.C., for interviews at Georgetown Medical School and at George Washington Medical School. He took a plane to Washington. Friends from his college days who were in medical schools met him and helped to present his case. They felt he had the motive and an insurmountable desire to do something meaningful with his life. The faculty at the medical schools were amazed at his progress and his independence. Stephen was accepted at both schools. He chose Georgetown.

I must add that obstacles in life are not conquered alone. Affirmative action by many people is needed. Stephen's family and his friends and his wonderful doctors were his mainstay at a critical time. He was bolstered, encouraged, and treated as normal. As he himself said, "I'm not paralyzed—I just can't walk." His courage is excellent. I am sure that Stephen will bring his competence and dedication to the medical profession.

Since my brother's accident, I have read about affirmative action for the handicapped. Federal, state and local organizations are active in promoting programs and jobs. I know from experience that families help tremendously with their faith and support. But, I think the most beautiful kind of affirmative action comes from inside a person.

I am proud of my brother.

MOBILE SOURCE EMISSION CONTROL AMENDMENTS

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. ASHLEY. Mr. Speaker, I am today joining in the sponsorship of H.R. 4444, the Mobile Source Emission Control Amendments, submitted on March 3, 1977, by Representatives Dingell and Broyhill.

I do so with a genuine sense of urgency, recognizing that the auto emission standards of the Clean Air Act of 1970, as they apply to 1978 and 1979 model-year automobiles, are simply not attainable in time to permit certification by the Environmental Protection Agency. H.R. 2380 remedies this crisis situation by substituting realistic, attainable and environmentally sound auto emission standards for model years 1978 and 1979. Unless we act in the near future to extend or modify the 1970 standards, the production of 1978 automobiles which is due to begin in a few short months will have to be halted. At the risk of understatement, I point out that the economic impact of such a halt in production would be devastating.

The schedule of standards offered in H.R. 4444 are not a radical departure from the Clean Air Act of 1970. In fact, the amendments offered maintain the "phased-reduction" approach of the earlier legislation, and honor both the spirit and the letter of the Clean Air Act. They provide a balanced schedule of standards with respect to clean air improvement, auto fuel efficiency, and lower consumer costs, while at all times recognizing the market realties of job protection and model availability. It is significant that former EPA Administrator Russell Train has endorsed H.R. 4444 and that the House passed the schedule of standards overwhelmingly last September. The new bill, as submitted, combines the best elements of last year's bill and the conference report, while eliminating questionable aspects of the conference report.

These amendments are environmentally sound and they are compelled by production realities. I urge their prompt passage.

EQUAL RIGHTS FOR CRAFT AND INDUSTRIAL WORKERS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. KILDEE. Mr. Speaker, as you know, the House Subcommittee on Labor-Management Relations is presently holding hearings on legislation providing equal rights for craft and industrial workers, the so-called common situs picketing bill. In light of the vast amount of interest in this legislation, I thought my colleagues would be interested in reading the remarks of the Secretary of Labor, Ray Marshall, on this subject.

Statement of Ray Marshall

Mr. Chairman and Members of the Subcommittee:

At the outset, Mr. Chairman, I wish to express my admiration for the distinguished contributions to the welfare of the American worker which you and the members of this subcommittee have made over the years. I look forward to a close and continuing relationship with this subcommittee in the months and years to come. I also wish to

express my appreciation to the Chairman for delaying my appearance for one week.

I appear before you today in support of legislation to provide equal treatment of craft and industrial workers under our labor relations laws and to bring about needed reforms in the structure of collective bargaining in the construction industry. At this time, it is particularly imperative that we approach the issue with a more objective perspective centered on a concern for equity and for the Nation's economic welfare.

Mr. Chairman, there can be no doubt that this Nation's most pressing domestic problem today is the restoration of a healthy economy and the reduction of the distressingly high levels of unemployment which we are now experiencing. In past weeks, much of my attention has been devoted to these important objectives. The Administration's economic stimulus package contains a mix of short-term initiatives designed to do as much as we can, as fast as we can to place our economy on the road to recovery. The long-term solutions to our economic difficulties will not be simple. We will be required to turn our attention to each of the major problem areas to see what can and must be done.

It is clear that insufficient investment in construction projects has contributed substantially to the nation's poor economic health. Construction, which typically represented approximately 10% of the total gross national product and employs about 4% of the total labor force has been in a recession since early 1973. Output in "real" terms has declined over 20% which represents a drastic underutilization of human resources and productive capacity.

The current rate of unemployment in the construction industry remains disturbingly high. In some areas of the country especially in major cities in the northeast and midwest, there are reports of unemployment among building tradesmen of 50% and more.

There has never been a complete economic recovery in an industrial nation which was not accompanied by real construction expansion. It should be noted that the President's economic stimulus package provides for an increased emphasis on counter cyclical public works projects, which should be especially helpful in affording greater employment opportunities to construction workers.

It is clear that economic stability in this important sector cannot be achieved in the long term without the full, active, and bipartisan efforts of the industry itself—both labor and management as well as responsible public policy. Resolution of the common situs issue should allow labor and management to work in harmony toward these productive ends.

I would like, at this time to outline why I believe enactment of such legislation to be fair and equitable.

The common situs issue arises because of the way in which the NLRB and the courts have applied the secondary boycott provisions of the National Labor Relations Act solely to the construction industry.

In the typical industrial situation, many crafts or occupations are employed by the same industrial employer. Thus, if the maintenance workers at a plant who belong to one union have a dispute with the employer, they may picket the entire plant for the purpose of inducing the production workers belonging to another union not to cross the picket lines.

At a construction site, on the other hand, it is typical for the work of specialized crafts to be performed by separate subcontractors, working under an arrangement with the general contractor. If one of the subcontractors has a dispute with its employees, a separate gate is established for employees of that subcontractor, and the NLRB and the courts have long interpreted the law to mean that picketing must be confined to that gate. Picketing of other entrances to the construction site is deemed an unlawful secondary boycott because it is directed at different employers. The effect of this limitation is to prevent construction unions from bringing to bear upon their employers the full economic pressures which are available to union members in other industries.

Opponents of this legislation argue that it is unfair to treat the general and subcontractors at a construction site as a single entity for the purposes of the secondary boycott provisions. They assert that each contractor is an independent business operation with little control over the labor policies of each other.

I do not agree with this reasoning. The various contractors and subcontractors on a construction project are ordinarily engaged in a closely integrated business relationship. The employees of one contractor work side-by-side with the employees of another, and the various operations are all integral parts of a single construction project. In my judgment, these various contractors and subcontractors should not be regarded as the "innocent bystanders" which the secondary boycott provisions were intended to protect. Indeed, common situs bills have been drafted to apply only when defined legal relationships exist among the employers at the site. In my view, the present application of the law results in discriminatory treatment of construction workers, simply because the construction industry, unlike other private industry sectors, operates typically through separate specialized subcontractors.

Mr. Chairman, I recognize that when questions of fairness are raised, reasonable persons can differ as to how they should be resolved. It is noteworthy, however, that common situs legislation has had strong bipartisan support for more than 25 years. Situs legislation was first proposed by the Truman Administration in 1949. It was subsequently supported by the Eisenhower, Kennedy, Johnson and Nixon administrations. In 1975, President Ford's Secretary of Labor John T. Dunlop strongly urged passage of the legislation. President Ford mysteriously vetoed the legislation which was passed with bipartisan support in both Houses. However, his veto appears to have been based principally on continuing antiunion animus to the bill.

Strong bipartisan support continues for the principle of equal treatment which underlies common situs legislation. Over the years, a variety of ancillary provisions have been added to situs bills in order to satisfy particular Congressional, Administration, or public concerns. As a result, the bill has grown in length from the simple 16-line bill introduced in 1959 (H.R. 9070) to the considerably more elaborate provisions embodied in the bill passed in 1975. A multiplicity of safeguards were added to assure that picketing rights will be exercised responsibly, and to assure the rights and interests of the public and to protect against possible adverse economic impact on small projects.

Unfortunately, common situs appears to have taken on a symbolic significance which far exceeds the actual impact which it is likely to have on the construction industry. The legislation may have the effect of encouraging more job sites which are exclusively union or exclusively nonunion.

However, it is my view that the mixing of labor policies at a construction site is not conducive to industrial peace, productivity, or good management. While in some geographic areas it may have the effect of increasing the segment of the industry which operates under collective bargaining agreements, in other areas it may have the opposite effect.

It is my view that the continued existence of the common situs issue as a source of controversy on the labor relations scene makes it considerably more difficult for labor and management to address the unique problems which beset the construction industry. Title II of H.R. 4250 offers an opportunity for labor and management to deal with the more basic issues in the construction industry.

Since the mid-1960's, the wage structure in the construction industry has been marked by considerable instability. During portions of this period, overall wage settlements were substantially above those prevalent in industry generally. Moreover, wide variations have existed in these settlements among the various localities. Distortions in wage relationships occurred among crafts within an area and across geographic areas.

The underlying causes of the instability remain. A principal cause is the highly fragmented structure of collective bargaining in the construction industry. In the most recent Census of Construction, there were almost 500,000 contractors or operative builders with a payroll in the industry. In the unionized sector of the industry, there are nearly 2.6 million workers in 10,000 local unions affiliated with 18 national unions. Seventeen national unions are affiliated with the Building and Construction Trades Department, AFL–CIO.

Generally, bargaining is conducted separately in a locality, a part of a state, or occasionally on a statewide basis by each trade with one or more associations of contractors employing that trade. Bargaining is rarely coordinated among trades, local unions of a single trade, or employer associations, although in some localities the basic trades and general contractors tend to negotiate together.

The highly fragmented and localized structure of bargaining has sometimes led to distortions in collective bargaining settlements. Inappropriate agreements may tend to set a pattern that causes leapfrogging and results in local labor market instability.

It is these underlying difficulties which Title II of H.R. 4250 seeks to address. Title II is premised on the following considerations:

(1) Construction is a vital and complex industry for which unique solutions may be appropriate;

(2) The problems in the industry can be most effectively addressed not by government regulation or control, or by compulsory arbitration. The solution can be found through voluntary cooperation within the industry itself;

(3) The need for a more rational structure of bargaining and improved productivity is at the root of many of the problems faced by the industry; and

(4) Such a structure can best be achieved by bringing to bear on local bargaining, broader regional and national concerns.

Title II establishes a tripartite Construction Industry Collective Bargaining Committee whose purpose is:

"To establish a more viable and practical structure for collective bargaining in the construction industry by establishing procedures for negotiations with a minimum of governmental interference in the free collective bargaining process."

The Director of the Federal Mediation and Conciliation Service and the Secretary of Labor are *ex-officio* members of the committee. Local unions, contractors, and contractor associations are required to notify the national organizations with which they are affiliated 60 days in advance of contract expirations. Contractors with no national affiliation must notify the committee directly. The national organizations will pass on the notices which they receive to the committee.

If the committee takes jurisdiction over the matter, a strike or lockout may be deferred for up to 30 days beyond the contract expiration or reopening date. When the committee takes jurisdiction, a variety of procedures are available to resolve the

matter. The Committee itself may become directly involved in the negotiations. It may refer the matter to national branch or craft boards or other organizations containing representation of national unions and employer associations. The Committee is authorized to promote the establishment of such organizations in order to assist in the resolution of local labor disputes.

If the Committee requests that representatives of the appropriate national labor organizations and national contractor associations participate in the negotiations, no new or revised collective bargaining agreement may be put into effect unless the national labor organization approves the agreement proposed by its local. The national labor organizations are immunized from liability which might result from their participation under the Act or from approval or disapproval of the agreement.

The Committee is also authorized to make other appropriate recommendations to facilitate improved structures of bargaining in construction.

Mr. Chairman, I would like to emphasize that Title II of H.R. 4250 is by no means the answer to all the ills which have beset the construction industry. However, it does provide a framework within which these problems can be addressed.

Commons situs legislation represents equal treatment for craft and industrial workers. It is my view that it is likely to have significantly less impact on the construction industry than many of its proponents and many of its opponents suspect. If this divisive issue remains a permanent fixture on the labor relations scene, efforts to bring about long term solutions will, at best, be extremely difficult. The President has advised me that he will sign a common situs bill with a collective bargaining provision and with protections for small residential projects.

I appreciate the opportunity to express my views on these matters and would be pleased to answer any question you may have.

GUN CONTROL

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. PRESSLER. Mr. Speaker, I am basically opposed to gun control. I fear that Federal gun control legislation would tend to take guns out of the hands of responsible citizens but not out of the hands of criminals and wrongdoers.

I am a congressional adviser to the Citizens Committee for the Right to Keep and Bear Arms; therefore, I firmly believe individual, law-abiding citizens should have the right to own a gun.

If I believed restrictive gun control laws would put an end to armed robberies, kidnappings, and murders, I would support control legislation wholeheartedly. Unfortunately, neither the Federal Gun Control Act of 1968 nor restrictive State control laws have lessened the rate of violent crimes in America. In fact, statistics show the rate of criminal homicides in those States having restrictive gun laws is higher than the homicide rate in States lacking strict control measures.

We might have a better chance of deterring crime if we stiffen the penalties for the commission of crimes with firearms. I have introduced legislation which would provide a 2-year mandatory sentence for any person committing a felony with a firearm. Should the conviction be the second or subsequent one, a 5-year sentence would be imposed under the provisions of this legislation. I also suggest we enforce present criminal laws pertaining to firearms and their criminal use more vigorously than in the past.

Gun control is an emotional issue on which a consensus of opinion is hard to obtain. A common goal all of us share is the desire to eliminate the fear of crime and its consequences; and, certainly this is a goal worth achieving. I believe an excellent first step would be a mandatory jail sentence for committing a crime with a gun. But I do not agree that prohibiting gun ownership would solve our problem—indeed it might add to it because criminals would still keep guns.

WATER POLLUTION CONTROL ACT

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. EDGAR. Mr. Speaker, I would like to insert into the RECORD the testimony of Dr. Richard J. Martyr, Mid-Atlantic States representative of the National Audubon Society, before the House Public Works Subcommittee on Water Resources on proposed amendments to the Water Pollution Control Act:

STATEMENT OF THE NATIONAL AUDUBON SOCIETY PRESENTED BY DR. RICHARD J. MARTYR, MID-ATLANTIC STATES REPRESENTATIVE

Water Resources Subcommittee of the House Committee on Public Works and Transportation:

Wetlands protection is an historic priority of the National Audubon Society. The origin of the society is rooted in a fight to save wildlife inhabitants of the marsh, namely the egrets and herons which were ruthlessly exploited for the adornment of fashionable hats. It is ironic that almost a century has passed and we are here today fighting the same battle—the battle to protect wetlands for wildlife and for people. Our testimony this morning will focus exclusively on Section 16 of H.R. 3199 as it relates to fish and wildlife.

We have no new arguments to offer today, nor are they necessary.

Wetlands are among the most productive ecosystems on earth.

Wetlands are not renewable resources; once destroyed they can never be replaced. The complexity of the biotic community and its relationship with the abiotic elements of soil, water, and nutrients cannot be reconstructed with the same intricate wisdom demonstrated by nature.

Other than the praiseworthy, but unfortunately piecemeal, efforts by some states and private organizations, Section 404 of the Federal Water Pollution Control Act is the only guarantee we have that the value of inland and coastal wetlands will be given nationwide consideration in the future.

If Section 16 of the bill we have before us is adopted, we have no guarantees, because Section 16 would leave an estimated 70–75% of our Nation's wetlands entirely unprotected.

Wetlands were once thought to be wastelands, but this is no longer so. Swamps, marshes, and estuaries are, on the average, 3 to 4 times more productive than any other ecotype. We have great hope for our oceans, but the deep sea is a desert compared to the wetlands which supply its nourishment. Gross primary productivity (a figure for vegetative productivity) in some wetlands is 10–25 g/m^2 per day compared to 0.5 g/m^2 per day in open seas. Temperate forests fall only in the range of 3–10 g/m^2 per day. This high wetland productivity may not be immediately evident but manifests itself in the vast numbers of fish, shellfish, birds, mammals, reptiles, amphibians, and invertebrates produced and sustained by the wetlands system. The animal biomass of estuaries, on a worldwide scale, is exceeded only by algal beds and tropical rainforests.

The intent of the Federal Water Pollution Control Act was to assure a federal commitment to all waters of the United States. Did Congress intend to exclude swamps, marshes, small lakes, estuaries, shallow streams, and potholes? We think not.

Swamps support a large and varied collection of flora and fauna. Bass, catfish, and mammals including otter, bobcat, and bear depend on swamp systems. Likewise, waterfowl and other birds, such as the increasingly rare osprey, could not survive without the swamp. Marshes support cranes, swans, mallards, teal, gadwalls, snow and Canada geese, herons, mink, fox, muskrat, songbirds, the list goes on and on. The potholes of the north are 10% of our weltands yet produce 50% of our migratory waterfowl. The declining black duck population can be attributed to the draining of this pothole breeding habitat. Similarly, shallow streams and tributaries are vital to the life cycle of anadromous fish such as the salmon. All of these species have an evolutionarily prescribed niche; thus when habitat is destroyed so too is the associated wildlife.

Numerous threatened and endangered species rely on wetlands for their livelihood. The American alligator and the Florida everglades kite come immediately to mind. The endangered bald eagle is unable to reproduce without undisturbed waterfront nesting sites. The competition with summer homes is a futile one for America's national bird. One of the purposes of the Endangered Species Act was to emphasize habitat protection with the hope that threatened and endangered species might be brought back from the brink of extinction. However, more importantly, by protecting wetlands we not only attempt to shorten the list, but assure that no new species are added. Floral and faunal diversity is indeed a barometer of a healthy environment.

Although the asthetic value of wetlands and its indigenous fish and wildlife should be sufficient justification for a careful look at development plans, perhaps commercial arguments are more persuasive. In 1970, 36 million fishermen and hunters spent $7.1 billion to pursue their sport. Wetlands fish and wildlife contributed greatly to these figures. The Gulf Coast fishing industry is a multi-million dollar industry. Of the 642,000 acres of estuary destroyed by dredge and fill during the period 1950–1969, ⅔ of this acreage was along the Gulf of Mexico. Estimates run as high as 90% for the number of fin and shellfish which are dependent on marshes and estuaries for some portion of their life cycle. Blue crab, oyster, and sea trout are only a few.

Not only do wetlands produce fish and wildlife but they also serve as water purification systems. Perturbation by dredging and filling releases previously trapped pollutants to the free flowing water. Lead, arsenic, PCB's, mercury, and DDT are freed to wreck havoc with plant and animal life, and with human health.

The National Audubon Society has a membership of 350,000 Americans who are concerned about water quality and wetlands protection. Among the Audubon Society's own 65 sanctuaries are 26,000 acres of coastal marsh in Louisiana, a 10,000 acre swamp in Florida, another 5,000 acres in Florida known

as Rookery Bay Sanctuary, and 4,000 acres of swamp in South Carolina.

Audubon will continue to vigorously oppose any attempts to renege on earlier farsighted commitments by opposing amendments to Section 404. Our involvement in 404 is not simply a verbal involvement but an action involvement as well. The National Audubon Society was an intervenor along with the Environmental Defense Fund, Florida Audubon Society, and the Collier County Conservancy in the now famous Marco Island case in Southwest Florida.

The scare tactics which have resulted in suggested revisions to Section 404 are based on misinformation. Regulations can be, and have been written, to exclude certain activities such as some normal farming practices, thus precluding the need to rewrite the law. In this case, the Corps of Engineers is experiencing a renaissance of sorts. Implementation of all three phases of the Corps program will be a difficult task, but it is one the Corps appears capable of handling.

Section 404 does not halt all development, it simply requires us to stop and weigh the alternatives. Americans have an historical heritage based on a seemingly endless supply of natural resources, and especially a seemingly endless supply of land. Unfortunately, our population has reached the point where we can no longer afford to expand to our heart's content. (Of an original 127 million acres of wetlands we are now down to 70 million.) A growing conservation ethic, in this country and in this Congress, is demanding we re-examine our policies and think before we fill every marsh and dredge every waterway. We hope that this committee will not take hasty action to overturn this important wetlands protection program before it has even had a chance to become fully operational.

TARAS SHEVCHENKO: SYMBOL OF FREEDOM

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. DELANEY. Mr. Speaker, today marks the 115th anniversary of the death of Taras Shevchenko, the Ukrainian Nation's foremost hero, poet, and symbol of freedom.

During his relatively short life, Shevchenko was a free man a meager 9 years. But his passion for and love of freedom was larger and stronger than life itself. He became poet-laureate of Ukraine for works such as: the "Kobzar," which marked an epoch in modern Ukrainian literature, and the "Haydamaki," Shevchenko's best work, is the masterpiece of Ukrainian epic poetry.

Shevchenko's deep-seated love of his homeland and his painful longing for its freedom are most evident in works like "Great Grave," the "Caucasus," "Katrina," and the "Hireling." In these poems he underscores a host of social ills plaguing his people. The "Great Grave" is particularly significant to Ukrainians today; nowhere does Shevchenko express more powerfully and bitterly his disapproval of the oppression of Ukraine by Moscow and the Russians.

Shevchenko's importance as a writer and his significance as a national symbol of Ukraine cannot be overemphasized. He was the greatest of the Ukrainian poets, but not just that. Shevchenko was the first major writer who was purely and thoroughly Ukrainian, and the first to dream of an independent place in the world for Ukrainian language and literature.

As a symbol of freedom, Shevchenko's spirit will never die. In 1964, more than a hundred years after his death, over 100,000 anti-Communist Ukrainian Americans and Canadians came to our Nation's Capital from all over to cheer the unveiling of a statue of Shevchenko, which was erected at the command of the U.S. Congress, entitled Public Law 86–749.

Mr. Speaker, I would like to conclude by quoting a few lines written by Taras Shevchenko, in which he expressed admiration for a kindred spirit who stood for the ideals which the poet so cherished:

When will we receive our Washington,
With a new and righteous law?
And receive him we will some day . . .

For all Ukrainians, and for all those of Ukrainian ancestry in my district and else where, I sincerely hope that day is very, very soon.

NEED FOR REPUBLIC OF CHINA TO FULFILL ITS PROMISE ON TARIFF RELIEF FOR U.S. APPLIANCE EXPORTS TO TAIWAN

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. VANIK. Mr. Speaker, as chairman of the Ways and Means Trade Subcommittee, I think it time to address our concern to the Republic of China over an unfair trade practice which has gone on for too long to the detriment of U.S. trade interests.

In March of last year, an American citizen, Mr. Charles Rehfeldt, who imports American-made home appliances into the Republic of China—ROC, petitioned the Office of the Special Representative for Trade Negotiations, under section 301 of the Trade Act, alleging unfair trade practices by the ROC in the form of confiscatory tariff levels on imports of home appliances. Mr. Rehfeldt, trading under the name, Lai Fu Trading Co., Ltd., had built up a small trade in American-built television sets and refrigerator-freezers, catering to those Taiwanese who could afford the larger U.S. product. At no time was the actual or potential sale of these U.S.-made home appliances ever likely to be a threat to the Republic of China produced product.

A few years ago, the ROC was encountering balance of payments problems. To cope with this problem, duties were raised on imports of home appliances to discourage further imports. The balance-of-payments problems have long since passed, but certain key duties, such as those on color TV sets and refrigerators, still have not been returned to the 33-percent level from which they were originally raised.

When the Office of the Special Trade Representative held hearings last April on Mr. Rehfeldt's petition, the ROC Embassy in Washington requested that the record show that the ROC was moving to reduce the subject duties. Ever since then they have made repeated commitments as to the lowering of the subject duties. While duties have been rolled back on a number of the less important items, they have continually failed to take the final step concerning the duties on color TV sets and refrigerator-freezers, the mainstay of the small trade that has been built up in Taiwan for the American appliance manufacturers.

The above case is summarized in a letter to the Speaker from the Honorable Frederick B. Dent, Special Representative for Trade Negotiations. This letter, which contains a complete report covering the 6 months ended December 1, 1976, on reviews and hearings arising from complaints of unfair trade practices by foreign governments pursuant to section 301(d)(2) of the Trade Act of 1974 is included in Ways and Means Committee Print 95–9, February 4, 1977. The reference follows:

Doc. No. 301–9, CHARLES C. REHFELDT

On March 15, 1976, a petition was received from Mr. Charles C. Rehfeldt, Executive Vice-President of the Lai Fu Trading Co., Ltd., alleging unfair trade practices by the Republic of China, in the form of confiscatory tariff levels on imports of major home appliances. The petition was filed in the Federal Register for April 13, 1976 (41 FR 15452), and hearings were held on May 18. At those hearings, the Embassy of the Republic of China requested that the record show that the Government was moving to reduce the subject duties. Minor changes were made by the Republic of China on July 1, 1976 and, at the end of the reporting period the U.S. was informed that additional tariff rate reductions were imminent. Discussions with the Republic of China are continuing.

Mr. Speaker, we are sympathetic to the problems of developing nations generally and to the peculiar problems faced by the ROC. But one cannot be silent in the face of the realities which exist in this case. The ROC-based manufacturers are inundating the U.S. market with television sets and other electrical appliances. The plants in the ROC are no longer infant industries. The U.S.-made product can only compete in Taiwan on the basis of an appeal to the luxury goods market. At best, the United States might hope to sell 10,000 color TV sets a year in the ROC. Certainly the sought-for 33-percent import duty provides all the tariff protection that would ever be needed by ROC producers.

This failure of the ROC to respond to our interests promptly is particularly unseemly since it comes at a time when crucial decisions are to be made by the President on imports of shoes and television sets, products of considerable interest to Taiwanese exporters and to the Taiwanese economy.

It would be difficult indeed to support a liberal trade policy in these respects when this minimal and legitimate complaint in behalf of U.S. trade interests remains unsettled.

I would hope that this message will register on the Government of the Republic of China and that they will quick-

ly move to reestablish the equities in this situation.

HELPING THE HANDICAPPED

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. BRADEMAS. Mr. Speaker, for more than 55 years, the Vocational Rehabilitation Act has been helping handicapped people. I think it is widely agreed that the vocational rehabilitation program has been one of the most effective and beneficial programs supported by the Federal Government. It has made possible services that physically and mentally handicapped people need to prepare them for employment and for productive, useful living.

Since the inception of this Federal-State program, over 3 million handicapped people have been rehabilitated. Under the act, State vocational rehabilitation agencies now serve over 1½ million handicapped individuals annually.

Mr. Speaker, a recent issue of U.S. News & World Report carried an interview with Dr. Henry B. Betts, medical director of the Rehabilitation Institute of Chicago and a past president of the American Congress of Rehabilitation Medicine, in which Dr. Betts discussed many of the gains that handicapped people have achieved through rehabilitation programs.

As chairman of the Subcommittee on Select Education, with responsibility over matters relating to disabled people, I am pleased to call attention to this interview with Dr. Betts and at this point I would like to insert the article in the RECORD:

LATEST ON HELPING THE HANDICAPPED "WE HAVE COME A LONG WAY": INTERVIEW WITH DR. HENRY B. BETTS, MEDICAL DIRECTOR, REHABILITATION INSTITUTE OF CHICAGO

Q. Dr. Betts, is the U.S. making much progress in rehabilitating victims of injuries or illness so that they can return to leading active lives?

A. Unquestionably yes. We have come a long way in helping people—through therapy, education and new devices—who not very many years ago would have been regarded as incurable or hopelessly crippled. You pass many of these people on the streets every day without even knowing it.

Q. How many people in this country today are crippled in one way or another by injury or disease?

A. There's no very good estimate, but the total number is enormous. Strokes and heart attacks alone disable millions of people. There are about 120,000 with spinal-cord injury; about 500,000 more with multiple sclerosis.

The important point is that physical handicaps touch literally every family in this country. Everybody is going to be physically handicapped to some extent—unless they undergo sudden death before the handicap occurs.

Q. Can you estimate the economic loss from disabilities?

A. The thing that's been proven is that when you rehabilitate someone with a physical disability, for every dollar spent the economy gains $10 in return by making a taxpayer out of a potential welfare recipient.

Q. What are some of the chief causes of disability?

A. Stroke, arthritis, Parkinson's disease, multiple sclerosis, spinal-cord injury, cerebral palsy, amputations, muscular dystrophy and other neuro-muscular problems. These are the life-expectancy disabilities we deal with at centers such as the Rehabilitation Institute of Chicago.

Perhaps the major contributor is increasing age. Another is increasing speed and industrialization—and therefore more accidents. And the third is the greater "heroism" on the part of physicians and hospitals in saving lives. For instance, 25 years ago, someone who suffered an amputation, was in an auto accident or had brain damage or spinal-cord injury might die. But now their lives are saved, and when they come out of their comas, they have a physical disability.

Q. Can anyone with a physical disability benefit from rehabilitation?

A. Not all of them, no. In our Chicago Institute we select patients who can benefit. They are referred by physicians and by agencies, and we screen them very carefully.

But, generally speaking, I would say that the great majority of the disabled can benefit from rehabilitation to the extent of achieving a life of some independence—particularly if they get into the system early.

Q. How soon should a person start rehabilitation after suffering a disabling injury or illness?

A. Right away; the minute the vital signs—pulse, respiration, blood pressure—are normal.

Q. Why is that so important?

A. Because, first of all, physically it's very important to get going in order to work with whatever residual strength there is. And, secondly, it's extremely important psychologically for the patients to feel that they're not being "dumped."

It used to be that someone who had a stroke or a spinal-cord injury would languish around a hospital until his money ran out, with nothing much being done about him. Then one day someone would say, "Oh, well, maybe we could think about rehabilitation." In that period you could imagine what their feelings are—that he or she is essentially rejected, and will be forever. If you start rehabilitation right away, they'll know that at least people are going to make an effort to bring them back into the mainstream.

Q. Specifically, how do you go about rehabilitating a disabled person?

A. First, we try to understand exactly what kind of persons they are and what their expectations are in life—what their relationship is to their family and their community and their job. We try to understand what the over-all picture of that person is. That's the first thing.

And then you do all kinds of technical things like exercising and training in activities of daily living.

Also we have a bioengineering center in our facility—Northwestern University—and they have invented things there that allow one to run a wheel chair or run almost anything just by sipping and puffing in a little straw. Those are the dramatic things that people like to hear about.

Q. How long do you spend rehabilitating someone?

A. We make an effort as long as they're improving, and that's the only rule of thumb. The average length of stay in our Institute is 52 days.

Q. What does that cost?

A. Two hundred and forty dollars a day. That includes room, board, physicians—everything.

Q. Is it usually covered by insurance?

A. Yes—by medicare, medicaid, Blue Cross-Blue Shield—most insurance—workers' compensation or vocational rehabilitation.

Q. What do you do physically—surgery, prosthetics?

A. We have full-time, salaried physicians who are in charge of a team of people. That team involves therapists, rehabilitation nurses, speech pathologists, vocational counselors and others whose job is to help the patients to care for themselves and, hopefully, even to return to their work.

We also can call in plastic surgeons, internists, cardiologists, orthopedic surgeons, general surgeons and so on. And, of course, we use all sorts of prosthetic devices.

Q. You mentioned one device by which you can control a wheel chair by blowing on a straw. What other recent inventions have there been in this area?

A. The myoelectric arm is one you may have read about. You attach it to the stump of an amputated arm, and whenever you want to move the fingers, you just think about it and they move. When you want to close the fingers, they close by picking up impulses in remaining muscles.

The bioengineers also have developed a typewriter that works with a computer system by this sip-and-puff system through a little straw. It throws letters on to a screen, and the person typing selects out of that.

Q. It sounds like a very expensive device. How would a person make use of something like that?

A. That is a research device, and I'm sure it will be very expensive at this stage of development. But you've got to remember the return benefits. Let's say an electric wheel chair costs $1,000. This is a lot of money. But that $1,000 wheel chair may make it possible for someone to go to work instead of staying in bed all the time. What is that worth?

Q. What sort of emotional or psychological problems do handicapped people face?

A. The first problem they face is dependency, and dependency is a terrific psychological burden for anybody, particularly in this society and particularly for men. You think of what the masculine image is—right or wrong—and for a man to suddenly be left dependent is devastating. It is a very shattering experience. So the first psychological problem they face is that they are dependent in a society where independence, aggressiveness and productivity are put at a premium.

The other thing is what may be least discussed, and that is the matter of sex. The patient may be thinking more about that than any other one thing and talking about it the least. People who have strokes, rheumatoid arthritis, spinal-cord injury and so on are terrified that they are not going to be able to perform sexually.

Q. Can they perform?

A. Often they can, but they think they aren't going to be able to. And don't think age has anything to do with it. Men of 80 who have strokes and may become impotent—they don't like that at all.

The other thing is economic. They're terrified that they're not going to be able to meet the economic needs of themselves and their families.

Q. What is the patient's usual reaction to these worries?

A. They get extremely depressed. I consider that normal. Frankly, if I have a patient who doesn't get depressed about being suddenly paralyzed, I think that maybe they're schizophrenic.

The next stage they are likely to go through is hostility and be angry at God or whomever. You know: "Why me? Why did this happen to me? I was a good guy, and I was nice to my family and so on, and why did this happen to me?" And: "Damn God and everybody else who has anything to do with it." A little guilt is thrown in there, too.

Then this hostility overflows to us, to the physicians and nurses, because we don't cure them. They say: "Well, here I've come to this place. It's costing $240 a day. They told me

it was a wonderful place, but I'm not getting well. I mean, I'm still paralyzed. Who do these people think they are?" Most patients go through this anger phase, and then it begins to even out.

Q. How do families of disabled people react?

A. That's the whole "ball game," in a way. The relationship between the patient and the family, or the community, is the final solution. If someone who is terribly paralyzed can go back to a receptive and loving society—be that a family or society as a whole—the paralysis doesn't seem quite so bad.

Q. Is it true that families tend to reject severely injured or severely disabled people?

A. Yes. Almost everybody rejects them. That may sound too harsh, because a loving wife is not really going to end up rejecting a loving husband. But the immediate impulse—after having been attuned all your life to rejecting people who don't look like everybody else and then you've got one on your hands—well, of course, you start out with at least some little segment of rejection.

Say that as a wife you have built your life on the fact that your husband is a strong, vigorous man, great in society, recognized as a big man by everyone. Then suddenly you have some dependent soul who is crippled—by anybody's standards. That is very distressing, needless to say.

IF THE FAMILY IS "BURDENED WITH GUILT"

Q. What do you tell these patients' families?

A. That's almost unanswerable, because they are all so entirely different. All I can tell you is that we get to know the family extremely well, and we work with them through these things. If they do feel an impulse to reject the patient, you have to indicate to them that it doesn't necessarily mean that they're the greatest sinners of all times.

Of course, they don't want their husband to be handicapped. That's normal. They shouldn't feel badly about that and become so burdened with guilt that they are unable to move.

Q. Basically, you teach the patient and family to live with the disability—

A. Right—because we're not going to cure very many of them. They don't come in paralyzed and go out all well very often. You're usually going to send them out still with some kind of a disability. Our goal is to bring them to the maximum and then teach them, their families and the community to adjust to whatever residual remains.

Q. The attitude of the community toward the handicapped is important—

A. Yes, extremely so. In a large center like ours, we've tried very hard to have an impact on the community relative to their attitude toward the handicapped—to employ them, let them in the museums, let them in the concert halls, let them get through the streets, into the stores, things like that.

Q. Are you talking about ramps for wheel chairs, wide doors and those kinds of conveniences?

A. Among other things. It's just an access into the place. It's having a bathroom stall that's accessible to the wheel chair, the drinking fountain that's low, and a telephone that's low, and a few seats where a wheel chair can go. That's all.

Q. That can involve a lot of expense—

A. There's a lot of cost to redoing places to make them accessible, but there's no cost to building anew.

In Chicago, for instance, every curb that's being redone is going to be revamped. They're not going all over town tearing curbs out and ramping them, but whenever they do anything to them, they ramp them.

In new buildings, such as the new segment of the Art Institute of Chicago, they're going to be accessible. Here in Washington, they are building a new addition to the National Gallery of Art, and it's going to be accessible to the handicapped—thanks to Nancy Hanks and Carter Brown. My feeling is: Why not? It doesn't cost any more. It looks nice. You do eliminate majestic stairways, but that's about the only thing.

OUT OF PAIN, "EXTRAORDINARY" GIFTS

Q. Do handicapped people do better when they mix with the rest of society, or is it better for them to associate with people in a similar condition?

A. I think it's very rare that it would be the latter. It seems to me that the best thing for themselves and for society is to live together. There are going to be some people who are so tremendously disabled or retarded that you can't realistically expect that. But for most of the handicapped, the best thing is to be a part of society.

First of all, handicapped people prefer being out in the community with other people. And to tell you the truth, I really think that the community benefits from that. In every single instance where we've gotten a handicapped person employed or back into the mainstream, we have heard from people who have said that this person has added considerably to the lives of the people around them.

The reason is that these people have been through the fire. We, who are not handicapped, try to ignore the fact that pain and suffering exist. Well, let me tell you that these people have gone through an extremely hard time. As a result, they are very likely to be extraordinary in what they can contribute to the people around them.

Q. Do you find much job discrimination against handicapped people?

A. I can think of no case in our Institute where former patients have had to take legal action after being turned down for a job. I am sure that there are people who have been rejected for work, but you have to remember that we try very hard not to put them into a job where they are not going to be useful, and we make a lot of contacts before they even get there.

Q. What about the expense that may be involved for an employer asked to hire a handicapped person?

A. I have had no reluctance on the part of employers at the level of presidents and chairmen of boards to employ handicapped people. However, I've had reluctance on the part of personnel directors who didn't want to go out on a limb.

Keep in mind that we have tried to line up the right person with the right job. We don't try to find an executive position for someone with severe brain damage, or recommend a blind person to be a librarian.

Q. Some of the "hire the handicapped" programs claim that these people are actually more dependable than others in certain jobs—

A. In a given job, they *are* more dependable when you find the right person for the right job—because of their motivation and because of the kind of thing that they've had to go through. I seem to oversimplify it and make it sound easy, and I don't really mean that because there's a whole, broad spectrum of problems involved.

MILITANCY "MEANS THERAPY WORKED"

Q. Are disabled or handicapped people more militant today about jobs, transportation, housing and so on?

A. Yes. They have become much more militant in the last five years. They are now much more outspoken and much more critical of the entire "system"—critical of society and critical of all of us who have done this rehabilitative work.

Personally, I think it's a rather healthy attitude. The fact that they are now speaking out more means to me that the therapy has worked. After all, we've tried all these years to make them independent and part of the mainstream of life—and part of the mainstream of life nowadays is that you speak up and be heard from.

Some of my colleagues don't like it because some of the things the handicapped say about us are not totally heartwarming. But personally I think that's very useful.

Q. Even after rehabilitation, don't the handicapped still face a certain public prejudice?

A. Absolutely. Historically, we relate an obvious physical disability with evil. In fairy stories, for instance, the guy with a hook for a hand is always a bad guy; the hunchback is a bad guy; the person with one eye is a bad guy. We learn this from early childhood.

Then all you need to do is read the ads, and everybody is bouncy and young and beautiful. Even our Presidents try to be young and beautiful. It makes it very hard on people who don't fit that mold.

The reality is that some of the greatest contributors to society can be people who don't fit that mold—including our ancestors, many of whom came to this country because they were essentially misfits somewhere else.

So at this point, if you don't fit the mold you've very often got a rough deal in this country. You can look at the physically handicapped and see that they don't conform because they don't look like everybody else. And that should not be the way to judge them.

I wouldn't ever go around and say, "All of you must hire all the handicapped." I don't know what jobs you have open, and I don't know what every handicapped person can do.

All I can say is that they should be judged on an individual basis without a preconceived idea—just the way everybody else should be judged. And in that, they have not gotten a fair shake.

FRANCES P. BOLTON

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. ZABLOCKI. Mr. Speaker, death has taken from us the Honorable Frances P. Bolton, an extraordinary person who gave of herself fully for the improvement of the lives of the people of this country and around the world.

It was my privilege to have been associated with her as a member of the then Foreign Affairs Committee, on which she served for 28 of her 29 years in the House of Representatives. When she left the Congress in 1969, she was the ranking Republican member of our committee.

Her active interest in legislation and issues before the committeee was wide ranging. In 1953, she became the first woman to be appointed as a congressional delegate to the United Nations General Assembly. She was an early advocate, ahead of most of the rest of us, of increased American concern for the problems of Africa. One recognition of her contribution in this field was establishment of the Frances P. Bolton Chair for American Studies at the School for Advanced International Studies in Washington.

Her outstanding efforts in the health field began well before most of us here today entered public life. She was instrumental in the establishment of an Army School of Nursing during World War I. During World War II, as a Member of Congress, she authored the legislation creating the U.S. Cadet Nurse Corps. In her native Cleveland today there is the Frances Payne Bolton School of Nursing of Case Western Reserve University.

Another area of her noteworthy contributions was in conservation of the national sites around Washington. She was a leader in the work for the preservation and restoration of the home of George Washington, and in the preservation of the view from Mount Vernon.

Mr. Speaker, not many Americans have accomplished so much in one lifetime. We will always be grateful for her having been among us.

OPERATION BOOTSTRAP FOR THE AMERICAN INDIAN RESERVATION

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. PRESSLER. Mr. Speaker, in my time in Congress, I have become increasingly disturbed by the alarming rates of unemployment and underemployment that exist on and near our Nation's Indian reservations. This situation is compounded by the high rate of unemployment currently plaguing the country as a whole, and by the severe drought in South Dakota in particular.

To relieve the situation that exists in South Dakota and other rural States, I have introduced legislation based on the "Operation Bootstrap" concept so effectively used in Puerto Rico. That program, begun during the early 1950's provided tax incentives to locate in Puerto Rico. It was so successful that over 121,500 new jobs were created directly, and as many as 300,000 indirectly. At the same time, the real standard of living on the island has risen 537 percent over the past 30 years, largely due to the "bootstrap" idea. I believe that a similar program on our Indian reservations can enable these severely depressed economic areas to "pull themselves up by their bootstraps," and to experience the same kind of stability and growth as Puerto Rico.

In brief, the legislation I have introduced "to provide a program for an 'Operation Bootstrap' for the American Indian in order to create meaningful jobs and to improve conditions among Indians and non-Indians on reservations and in other communities . . ." offers the following incentives for job creation:

First. New private industries locating on reservations would be completely exempt from Federal income taxes for the first 10 years;

Second. During the following 5 years, the bill offers those new industries a special tax deduction—20 percent of the original cost of the property, or of its market value at the end of the 10-year period of tax exemption, whichever is higher; and

Third. During that 5 years following the 10-year tax free period, there would be a tax deduction for the employment of Indians who were previously on welfare.

No new private industry could locate on an Indian reservation without the approval of both the tribe and the Secretary of the Interior.

Legislation similar to mine was introduced in the House of Representatives in 1960. Hearings were held and the proposal received the support of Indians and non-Indians throughout the country, but it was never brought up for consideration in Congress.

I believe that the time has come for us to take another look at this concept. The problems plaguing South Dakota and its reservations—instability of income, unemployment and underemployment, poverty and outmigration—face other States as well. Rural America needs an economic "shot in the arm," and I believe our free enterprise system, with the encouragement of "Operation Bootstrap for American Indian Reservations," can provide the remedy we need.

The bill follows:

H.R. 3945

A bill to provide a program for an "Operation Bootstrap" for the American Indian in order to create meaningful jobs and to improve conditions among Indians and non-Indians on reservations and in other communities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that the purposes of this Act are to bring about industrial development and economic advancement within Indian communities in order to aid in bringing Indian economic well-being more nearly to the level of the non-Indian community by authorizing tribal action which will enable Indians to attract and retain new industry within Indian reservations and among Indian communities, in order to promote gainful employment of Indians, and by authorizing steps to improve the lot of Indians, including self-help on the part of the Indians and Indian tribes and Indian communities, legislative and corporate action by such Indians, tribes, and communities which will accord assurances and security to industries availing themselves of the benefits of this Act, and tribal action for self-help notwithstanding regulations or review by the Secretary of the Interior.

SEC. 2. As used in this Act:

(1) The term "tribe" means any Indian tribe, band, or other identifiable group living on one reservation or tract of trust land, and receiving direct services from the Bureau of Indian Affairs.

(2) The term "Indian" means any recognized member of a tribe.

(3) The term "new private industry", when used with respect to the location of such industry on the reservation occupied by a tribe, means a new private industry sufficiently capitalized for purposes of this Act and approved for purposes of such location by the majority of the qualified resident voters of that tribe and by the Secretary of the Interior, and which will, after location on such reservation, employ not less than fifty employees at such location who shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such title applied to the employee and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay for persons employed in similar occupations by the same employer.

SEC. 3. None of the provisions of this Act (except section 4) shall apply with respect to any tribe until the majority of the qualified resident voters of the tribe have voted to accept the provisions of this Act in a referendum (which may be conducted in connection with regular tribal elections or in a special election called for the purpose).

SEC. 4. The Secretary of the Interior shall cause to be drafted a model corporate charter embodying the provisions and purposes of this Act which shall be circulated to each tribe, whether or not the tribe has voted to accept the privileges of this Act, and whether or not the tribe is operating under a charter approved by the Secretary before the date of the enactment of this Act.

SEC. 5. (a) Any Indian tribe which has accepted the provisions of this Act may adopt an appropriate constitution and bylaws, or, in the case of a tribe which already has a recognized constitution and bylaws, may adopt amendments thereto, which shall become effective, in accordance with such rules and requirements as the Secretary of the Interior may prescribe, when ratified by a majority vote of the adult members of the tribe, at a special election authorized and called by the Secretary of the Interior under such rules and regulations as he may prescribe. Any such constitution and bylaws may be revoked, in accordance with such rules and requirements as the Secretary of the Interior may prescribe, by a majority vote of the adult members of the tribe in a referendum (which may be conducted in connection with regular tribal elections or in a special election called for the purpose). Amendments to the constitution and bylaws thereafter proposed may be ratified and approved by the tribe in the same manner as is provided in this section for adoption by the tribe of the original constitution and bylaws.

(b) Upon the adoption of a constitution and bylaws, as provided in subsection (a), the tribe shall be a body corporate, with such powers as are prescribed in this Act, and to the extent not inconsistent with this Act or any other law, shall have the powers provided by such constitution and bylaws.

SEC. 6. (a) Each tribe which has accepted the provisions of this Act shall, in addition to any corporate powers which it otherwise may have or may be provided, have authority, without the approval of the Secretary of the Interior, to purchase, sell, exchange, pledge, mortgage, or hypothecate property of every description, real and personal, in trust or fee status, on such conditions, if any, as the tribe may provide, and in the case of any exercise of such authority (other than a purchase) without approval of the Secretary of the Interior with respect to any such property which was immediately before the date of such exercise, held in trust for that tribe by the United States, that tribe shall thereby waive any claim or demand it may otherwise have had against the United States arising out of the sale, exchange, pledge, mortgage, or hypothecation. Except to the extent that this subsection authorizes the sale, exchange, pledge, mortgage, or hypothecation of property, without Secretarial approval, no provision of this Act shall be regarded as affecting or impairing any claim which the tribe may have against the United States.

(b) Any existing lawful debts of any tribe which has accepted the provisions of this Act shall continue in force, except as such debts may be satisfied or canceled pursuant to law.

(c) The individually owned property of members of any tribe shall not be subject to any corporate debts or liabilities of the tribe.

(d) The officers of each tribe which has accepted the provisions of this Act shall maintain accurate and complete public accounts of the financial affairs of that tribe which shall clearly show all credits, debts, pledges, and assignments, and shall furnish an annual balance sheet and report of financial affairs to the Secretary of the Interior. A summary of the balance sheet shall be published in a local paper of general distribution within the area of the community or reservation of that tribe within thirty days after the date of compilation of such balance sheet.

(e) Each tribe which has accepted the provisions of this Act shall have the following

corporate powers, in addition to any corporate powers which it otherwise may have or may be provided—

(1) to appropriate and use any tribal moneys (including those held in trust) as an incentive to the location of new private industry on the reservation occupied by the tribe;

(2) to negotiate and execute contracts with private industry, Federal, State, and local governments;

(3) to extend to new private industry on the reservation occupied by the tribe a binding waiver of tribal taxes for a period which may not, without extension, exceed fifteen years;

(4) to borrow money from any commercial organization or from established programs of the Federal Government, and if desired, to place tribal properties, real and personal, in trust or fee status, as collateral;

(5) to deposit corporate funds, from whatever source derived, in any National or State bank to the extent that such funds are insured by the Federal Deposit Insurance Corporation, or by a surety bond, or other security;

(6) to pledge or assign (for periods not to exceed ten years) chattels or future tribal income due or to become due;

(7) to lend funds from the tribal treasury to any new private industry locating on the reservation, or for expansion of private industry operating on the reservation, where such location or expansion will further the economic well-being of the members of the tribe; and

(8) to exercise such further incidental powers not inconsistent with law as may be necessary for the conduct of corporate business.

The Secretary of the Interior may delegate to such tribe, upon request, such authority as may be needed for the purposes of this Act.

(f) Before any per capita distribution is made by any tribe which has accepted the provisions of this Act to its members, not less than sixty days advance notice must be given to the Secretary of the Interior, who may prohibit such distribution to the extent that he determines, and so notifies the tribe before the expiration of such sixty days, that the sums set aside for per capita payments do not represent income over that necessary to defray corporate obligations to members or other persons; to establish an adequate reserve fund; to construct necessary public works; to cover the costs of public enterprises; to pay the expenses of tribal government; or for other necessary corporate needs. Such notice by the Secretary shall be fully documented to show the tribe why approval was not given.

(h) All officers of any tribe which has accepted the provisions of this Act, who shall have responsibility for handling tribal moneys under this Act, shall be bonded in such amounts as the Secretary of the Interior may from time to time determine.

(i) In the case of malfeasance, misfeasance, or nonfeasance in office by officials of any tribe which has accepted the provisions of this Act, where such malfeasance, misfeasance, or nonfeasance is at the expense of individual members or the membership of a tribe at large, the Secretary of the Interior shall have full rights of investigation and review, including authority to set aside any such action, and including the right to seek assistance of courts of competent jurisdiction to that end.

SEC. 7. (a) Any person who (as determined by the Secretary of the Treasury or his delegate) establishes, after the date of the enactment of this Act, a new private industry on any reservation occupied by a tribe shall qualify for the incentives provided by this section, unless the Secretary of the Treasury or his delegate, determines that the establishment of such new industry is a device whereby operations of an existing industry are transferred to the reservation. Any such person shall not qualify for such incentives for any period during which less than half of the employees of such industry employed on the reservation are Indians.

(b) No tax shall be imposed by chapter 1 of the Internal Revenue Code of 1954 on the income of any person qualified for the incentives provided by this section to the extent that—

(1) such income is attributable to the operation of a new private industry established on a reservation occupied by a tribe, and

(2) such income is received as accrued during any of the first ten taxable years ending after such investor first qualifies for the incentives provided by this section with respect to such new private industry.

(c) In the case of any capital investment made by any person qualified for the incentives provided by this section in any new private industry on a reservation occupied by a tribe, the basis of the property of such person in such industry as of the end of the tenth taxable year ending after such person first qualifies for the incentives provided by this section shall, for purposes of the Internal Revenue Code of 1954, at the election of such person, be the higher of—

(1) its fair market value at the end of such tenth taxable year, or

(2) its costs.

In addition, at the election of such person, the deduction for depreciation allowed with respect to such property under chapter 1 of such Code may, for the eleventh through the fifteenth taxable year after such person first qualifies for the incentives provided by this section, be computed at the rate of 20 per centum of the basis of such property.

(d) Where any member of a tribe who is receiving welfare income at the time he is employed in a new private industry on a reservation occupied by a tribe by any person who has qualified for the incentives provided by this section remains continuously employed in such industry during any taxable year, such person shall be allowed a deduction from gross income, for the purposes of the Internal Revenue Code of 1954, in addition to any other deductions otherwise allowable, for any of the first five taxable years beginning after the tenth taxable year after such person first qualifies for the incentives provided by this section during which such member of the tribe remains continuously employed. Such deduction, for each year in which allowable, shall equal fifteen times the monthly welfare payment being made to such member of a tribe at a time he was first employed.

SEC. 8. (a) The Secretary of the Interior shall provide services to Indians under the various programs which the Secretary of the Interior is authorized to administer which provide benefits or services to Indians, including programs providing adult education and vocational training, on a priority basis with the view toward cooperating in the training of employable Indians for positions in new private industries located on a reservation occupied by a tribe under the provisions of this Act.

(b) The Secretary of the Interior is authorized to lease for rentals, which may range from a fair market rental downward to nominal or no rentals, depending on the attraction of industry, any surplus or excess Federal lands (including improvements) under his jurisdiction.

(c) The Secretary of the Interior is authorized, in his discretion, to lend Federal funds to be used in conjunction with tribal funds in such ratio as the Secretary may prescribe for construction of buildings and other facilities for investors seeking to qualify, or already qualified for the incentives provided by section 7, but only if the rentals to be paid by the industry over a period not exceeding fifteen years equal the original investment in Federal and tribal funds, plus interest thereon at a rate of 8 per centum per annum.

CONGRESSMAN EDGAR'S POSITION PAPER ON ENERGY

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. EDGAR. Mr. Speaker, I have formulated my position with respect to solving this Nation's energy problems. I would like the opportunity to share it with my colleagues, and I insert it at this point in the RECORD:

ENERGY STATEMENT OF CONGRESSMAN ROBERT W. EDGAR

What emphasis should be placed on nuclear energy? Should the federal government regulate the price of oil and natural gas? Does private enterprise have the capital for the development of coal gasification plants? How much government support should be given to solar energy research and development? Should there be a tax on fuel-inefficient motor vehicles?

There are many more questions which need to be answered to formulate a responsible national energy policy. Our government leaders must have the ability to realistically and objectively assess the state of technological development, projections of energy demand years into the future, and the limits of domestic energy reserves. An integration of these three factors with literally scores of others, each very difficult to quantify, will form the basis for an energy policy.

But even if these measurements are obtained with a degree of accuracy, the implementation of an energy policy demands decisive action. Tough and often unpopular political decisions will need to be made. An energy policy will have a direct impact on our quality of life, our economy, our national security. And to a large degree, there will be a significant effect upon our individual lifestyles. An energy policy will affect our lives not just in years of energy crisis, but for many years into the future.

Citizens participation in developing energy policies is important to assure that our national energy policy is sensitive to the needs and goals of all of our people. As Delaware County's Congressman, I will work very hard to make the national energy policy responsive to the constraints which our energy crisis has placed on all of us.

I am distressed about this nation's increasing dependence upon foreign energy imports. I am concerned that both the Congress and the executive branch have been avoiding the necessary, but politically difficult decisions which would alleviate much of the pressures we will experience tomorrow due to inaction today to deal constructively with this precarious situation.

For many decades, we have taken for granted the abundance of energy at a price which failed to discourage wasteful and inefficient use. Within the period of just a few months, we were suddenly confronted by factors which lessened our access to energy sources, and increased the price exorbitantly. We have been required to reexamine our needs and priorities with respect to energy utilization. We recognize now that adjustments need to be made.

While I believe that such adjustments need to be made gradually due to the limitations of our economy, every citizen must make some sacrifices. I will work in the Congress to support an energy policy which will place strong disincentives on wasteful uses of energy, regardless of a individual's or industry's financial ability to avoid conserving energy. I will support well-financed programs for research and development of new and innovative energy sources and tech-

nologies. And I will concentrate my efforts to providing incentives for private enterprise to participate in expanding our capacity to supply our energy needs.

I will reject policies which place too heavy a burden upon those without the financial resources to absorb large cost increases. Already, the rise in price for gasoline, home heating fuels, and electricity has placed a severe hardship upon family budgets. In the aggregate, our national economy has suffered a severe setback due to this loss of purchasing power.

I believe that conservation of energy has the greatest potential as a strategy for limiting the wide disparity between energy supply and demand. Reducing demand would have other indirect benefits, such as reducing pollution, thinning our clogged roadways, and allowing consumers to spend money for goods and services other than imported oil, a change which would mean thousands of American jobs and strengthen our balance of payments. As a Member of the House Subcommittee on Surface Transportation, I have been active in laying the groundwork for providing substantial financial support for carpool and vanpool programs. Such federal funding would be used as self-replenishing loans to private companies to finance the capital costs they incur in establishing vanpool programs. Such a program at 3M Company is saving 500,000 gallons of gasoline each year. Scott Paper Company in Chester has also demonstrated that industry can play a major role in establishing voluntary energy conservation programs. Carpool and vanpool programs are only two ways that a partnership, between government, industry, and individuals can work successfully to reduce our energy requirements.

In September, 1975, I voted for the comprehensive "Energy Conservation and Policy Act", now public law. This Act mandates improved energy efficiencies for both automobile and electrical appliances. It establishes a strategic reserve for oil, and regulates the price of crude oil to encourage exploration and drilling at a price which can be absorbed by our present fragile economy.

During the 94th Congress, I voted for funding to demonstrate the energy-saving potential of electric vehicles, and programs which would encourage homeowners to insulate their residences to improve energy efficiency. Revitalizing our nation's crumbling railroad network also received my support as a way to reduce transportaion fuel requirements.

Domestic supplies of oil and gas are rapidly diminishing. It is clear that research and development for alternative energy sources must be accelerated. I have supported and will continue to support generous increases in federal research and development for solar energy. During my first term in Congress, I supported reasonable tax breaks for individuals and businesses that install solar energy equipment, and I cosponsored a bill which would authorize a study of the practicability of installing solar equipment in federal buildings.

Nuclear power will play an increasing role in providing our electricity. The safety and security of all of us are in danger when construction of nuclear plants and radioactive waste storage facilities proceeds without sufficient regard to the dangers inherent in them. An accident in a plant could result in a catastrophe, and possibly would require a shutdown of all nuclear plants nationwide for an indefinite period. I therefore advocate very cautious support for our federal nuclear program. At this time, I will oppose further development of the controversial Liquid Metal Fast Breeder Reactor (LMFBR) because of strong evidence that such a reactor, while technologically feasible, is economically premature. It is clear to me that the LMFBR has highly questionable safety thresholds. Inadequate protection for the strategically dangerous plutonium, generated by the breeder reactor, also poses a significant threat to health and security.

I feel it is important for the Congress to examine each energy program to assure that all outlays of federal dollars are used effectively. From my perspective, the energy crisis should be a true concern for all Americans. But the hysteria of the energy crisis does not justify a blank check to industry for energy development, nor does it justify the placing of too much emphasis on research and development of any single technology.

I fear that the potential of geothermal, thermal gradient, and hydroelectric technologies has been underestimated. The budget of the Energy Research and Development Administration has been top-heavy as far as nuclear research and development is concerned. Perhaps our future dependence on nuclear energy will be a self-fulfilling prophesy.

In the meantime, oil, natural gas, and coal will remain the primary sources of energy. Our coal resources are abundant, and I applaud efforts to refine commercialization of coal gasification and liquifaction, two processes which will increase our usable energy supplies while limiting the amount of pollution which results from the combustion of other fossil fuels.

Further exploration for more oil and gas should be encouraged. I support responsible production of reserves located in Alaska, the outer continental shelf, and in military reserves. Such production must be sensitive to possible adverse impact that the development could have on our environment.

The fact that a foreign cartel headquartered in the Middle East has managed to dictate a world price for oil five times what it is worth is no justification for domestic producers to expect the same price from American consumers. As long as the cartel is strong, I will support ceilings on energy prices which will provide a fair and reasonable profit margin for producers, and an incentive for continued production and exploration.

One of the limiting factors in developing a realistic energy policy is the lack of reliable data concerning reserves, production, and consumption. I intend to support legislation which will give the federal government access to up-to-date statistics on these and other magnitudes. Such information will allow the government to adjust its policies to account for new trends.

I also believe that it is important for my constituents to have access to reliable energy information so that they can make their own judgment about the need for, and priority of, various components of an energy policy.

As your Congressman, I am constantly in contact with representatives from consumers, energy companies, and government officials.

I have come to the conclusion that each region of the country has its own unique energy-related problems, and that a national energy policy must take into account these regional factors.

One of the difficulties in aggressively attacking national energy problems has been the overlapping of Congressional committees with energy jurisdiction. I feel that the House would benefit by establishing a Select Committee on Energy, and I have cosponsored a bill to do this. I am also a cosponsor of the legislation sent to Congress by the President to establish a single department of the executive branch to handle energy problems.

I also support the concept of a House Task Force for solving energy problems, and developing creative strategies to reduce our dependence on foreign energy.

I intend to closely monitor energy-related trends and developments, and communicate with my constituents about the status of energy legislation in the 95th Congress, and respond carefully to their concerns.

PROBLEMS, PROBLEMS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. MICHEL. Mr. Speaker, yesterday I pointed out the problems of what I prefer to call the "do-it-yourself" diplomacy of the Carter administration. I pointed out that recent statements by Ambassador Andrew Young and American delegate to the United Nations Human Rights Commission, Brady Tyson, have confused not only other nations but Americans as well.

Today's Washington Post carries an editorial, "The Andy Young Problem," which addresses itself to some of the questions I raised yesterday. The Post, an enthusiastic supporter of Ambassador Young, very gently remonstrates with him and suggests he might be better off if he would stop giving his personal opinions instead of administration policy.

I am glad to see the Post offer this guidance to Ambassador Young and I hope he takes the advice it offers. The only questions I have is whether the current chaos in the administration's foreign policy is really the fault of Andy Young. I prefer to call it the Jimmy Carter problem. The buck, after all, stops at the same place today as it did when Harry Truman was President.

I insert this editorial in the RECORD at this point:

THE ANDY YOUNG PROBLEM

Well, you may say, what's so wrong with American delegate Brady Tyson's apologizing at Geneva for U.S. involvement in subverting Chile in 1973? Didn't Jimmy Carter himself campaign against that Nixon policy? Doesn't now-President Carter wish this country to set an example in moral concern? Why did the State Department and then the President slap him down?

What's wrong is that the Tyson apology represents the latest manifestation of what might be named the Andy Young problem, in honor of the man who appointed Mr. Tyson, Mr. Young of course, is the American ambassador to the United Nations. Drawing on his close association with the President and pronouncing himself a "point man," he has offered one public judgment after another that turns out to have been neither cleared in advance nor approved afterward by the administration. Mr. Tyson is in effect Andy Young's Andy Young: after Mr. Tyson spoke in Geneva the ambassador said that before commenting he wished to see the full text, which is precisely the sort of thing that Secretary of State Vance and other officials have regularly found themselves forced to say after some of Mr. Young's pronouncements. So now, perhaps, Mr. Young knows how it feels.

No one denies Mr. Young, or Mr. Tyson, the right as a public official to lobby in channels for his personal views. But foreign governments and the American people understandably expect that public statements made by officials in appropriate forums represent the policy of the U.S. government. The President has a right to expect that officials speaking in his name express his administration's views. There is a necessary presumption of good order. Foreign governments are not interested in the personal views of American officials; they want to know what is the official policy. To toss off personal opinions—or to play "point man"—and then to be repudi-

ated is to lose a certain part of one's claim on another government's or the public's attention: to lose effectiveness.

In Mr. Tyson's case, the central point is not that he thought he was expressing the President's viewpoint but that he was taking upon himself an extremely rare and sensitive decision—to formally apologize, for a country as well as for a government, for the controversial policy of a past administration. Surely that decision is weighty enough to deserve being left to the considered opinion of the President and his top advisers. A President who did not assert his own authority in such a matter would be inviting constant disorder and embarrassment.

Given his ties with the President, Ambassador Young's case is special. Or is it? Is he really immune from the departmental or presidential discipline that, however personally constricting, is finally what can give true force to his ideas? Does he want that sort of immunity? We applauded Mr. Young's appointment, believing that he had a solid contribution to make to the shaping of American foreign policy. We would not want to see his influence wane before he had barely begun to wield it.

SUBCOMMITTEE ON TRADE OF THE COMMITTEE ON WAYS AND MEANS COLLECTING INFORMATION ON EFFECT OF GENERALIZED SYSTEM OF PREFERENCES

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. VANIK. Mr. Speaker, title V of the Trade Act of 1974 created a generalized system of preferences—GSP—designed to assist the economies of developing nations by allowing them to export limited quantities of products to the United States duty-free. Presently, some 2,700 different products normally subject to U.S. duties are on the list of items which developing nations may enter duty-free into the United States.

The GSP system has been the subject of considerable controversy. The Customs Service finds it difficult to administer. Many employee organizations feel that it permits the products of extremely low-wage countries to compete against American products unfairly. Some of the developing countries have found it to be of little assistance in helping their economies. There are also special problems. Developing countries which are also OPEC nations are excluded from GSP—even though several OPEC nations, such as Venezuela and Ecuador in the Western Hemisphere, did not participate in the 1973 oil embargo. The exclusion of these nations from the GSP "program" is a sore point in our relations with those countries.

In view of the number of issues involved in GSP, the Ways and Means Subcommittee on Trade is seeking information on the operation and effectiveness of GSP:

What is its impact on domestic employment and domestic consumer prices?

How can the administration of GSP be improved?

Are there administrative problems in the way that products and developing nations are listed as eligible to participate in GSP?

What is the effect of GSP on the economies of developing nations and their volume of trade, and does GSP encourage those nations to establish trade patterns resulting in increased American exports?

How does GSP compare with other systems of tariff preferences of other industrial nations, including such arrangements as the EC-Lome group?

Are there any nations excluded from GSP, because of the OPEC exclusion which should be considered for GSP?

The subcommittee is interested in receiving comments from the public on these and related questions. As soon as sufficient data becomes available, the subcommittee will schedule hearings on trade policy toward developing countries, including the operation of the generalized system of preferences under title V of the Trade Act of 1974.

Comments should be addressed to the Honorable CHARLES A. VANIK, chairman, Subcommittee on Trade, 233 Cannon House Office Building, Washington, D.C. 20515.

FRANCES PAYNE BOLTON

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. BROOMFIELD. Mr. Speaker, it was with profound personal sorrow that I learned yesterday of the death of Frances Payne Bolton. Mrs. Bolton, as many of my colleagues will recall, was a Member of Congress from the State of Ohio from 1940 until 1969. She was a member of the Foreign Affairs Committee for 28 years, and served with distinction as the ranking minority member from 1963 until 1969.

As one who was associated with Mrs. Bolton on the Foreign Affairs Committee for almost 8 years, I can attest to her deep commitment to bipartisanship in the conduct of our foreign relations. Mrs. Bolton was trained as a nurse and, throughout her career, was active in humanitarian and philanthropic work. With this background, it is not surprising that she brought an abiding sense of justice and decency to her work on the committee.

Frances Bolton was one of the first Members of the House to take an active interest in African affairs; in 1953 she was the first woman appointed as a delegate to the United Nations General Assembly; 2 years later, she was the first woman Member of Congress to head a mission abroad. Frances Bolton's awards and achievements are extensive. They are impressive. But, in the final analysis, they are only a small part of the legacy she has bequeathed to Congress and the American people.

Those who knew, admired, and served with Mrs. Bolton for many years will recall today her honesty and compassion; the total dedication she brought to her work; and her uncanny ability to perceive our overriding national objectives and relate them to the broader, humanitarian interests of mankind.

Mrs. Bolton made an important contribution to the work of the House and of the Committee on Foreign Affairs for over a generation. She established a standard of talent, integrity, and dedication that will be difficult to emulate. I am sure all Members of the House join me in mourning her passing and in extending our condolences to the friends and family of a truly extraordinary public servant.

TRIBUTE TO REPRESENTATIVE HELEN MEYNER

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. MINISH. Mr. Speaker, on February 3 of this year, the Senate Appropriation Committee's Subcommittee on Military Construction approved an Army request to fund the construction of administrative facilities at the new Armament Research and Development Command at Picatinny Arsenal in Dover, N.J.

This decision will immeasurably aid economic development in northern New Jersey and reflects hard work and dedication on the part of the State's congressional delegation, particularly Representative HELEN MEYNER, whose district includes the Picatinny Arsenal.

In a tribute to Mrs. MEYNER, I would like to recount, briefly, the history of her successful involvement in securing the future of this important military institution.

Mrs. MEYNER's involvement with Picatinny began even before she was sworn into office in January 1975. In 1972, an Army study of its own different commands prompted the Army Materiel Acquisition and Review Committee to strongly recommend consolidation of research, development, and engineering elements within the Army Materiel Command.

A review of this study was being conducted in November 1974, as Mrs. MEYNER was elected to Congress. Mrs. MEYNER contacted civilian and Army personnel, as well as union leaders and civic groups, in order to consolidate the efforts in Picatinny's behalf. In February 1975, the Army study group listed alternate proposals for the realinement of research, development, and engineering functions. Included among the proposals were options to locate all facilities at Edgewood Arsenal in Aberdeen, Md., or to do nothing. We felt both choices were in poor judgment.

It was through HELEN MEYNER's initiative that the New Jersey delegation articulated the argument for Picatinny. She authored a delegation report which made it clear that Picatinny was the logical location for the new command headquarters and two weapons systems.

Congresswoman MEYNER, working with the New Jersey Department of Labor and Industry, developed an impact study of the Arsenal and its pay-

roll on the State. It was shown that the closing of Picatinny would directly or indirectly result in the loss of 16,000 jobs in northern New Jersey.

Through Mrs. MEYNER's dedication to the task at hand, favorable dealings with the Army resulted. On December 2, 1975, it was announced that the new Army Research and Development Command—ARRADCOM—would be established at Picatinny.

But as the Army prepared to place an advance team at the site, it also prepared to request the first construction funds: $7.3 million. Because these funds were previously budgeted, the Army needed only approval from both the House and Senate Appropriation Committees' Subcommittees on Military Construction to reprogram them. On September 21 of last year, the House Subcommittee disapproved the request, but at HELEN MEYNER's urging, the subcommittee reconvened the next day and reversed its vote.

Finally, after opponents of Picatinny made one last effort to halt the funding, the Senate also approved the request.

The Army can now begin building a bigger and better Picatinny. More than 1,000 new jobs and $20 million will be included on the Picatinny payroll and millions of dollars more will be generated in economic activity.

Mr. Speaker, our colleague Representative MEYNER deserves recognition for her efforts in the fight for Picatinny. She was there from the beginning and she followed through until the job was done.

This record of hard work and tenacity is typical of HELEN MEYNER's service in the Congress. In my opinion, the people of New Jersey's 13th Congressionad District are indeed fortunate to have such quality representation in the House.

MEXICO LOSING WAR TO HALT HEROIN FLOW

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. EDWARDS of California. Mr. Speaker, the problem of heroin addiction in the United States has reached critical proportions. Unfortunately, thus far the efforts being made to combat this growing menace have been less than successful.

Elias Castillo of the San Jose Mercury has written an outstanding series of articles on the difficulties being faced by the Mexican and United States Governments in their efforts to stop the production of opium and heroin from poppies. I am sure that my colleagues will find the articles most informative, and I would like to share the series with you today. The articles follow:

MEXICO LOSING WAR TO HALT HEROIN FLOW

(By Elias Castillo)

MEXICO CITY.—Across the vast Sierra Madre of Mexico, heroin has become the brown gold of this country's underworld.

To American taxpayers it means a staggering $13 billion in annual social and law enforcement costs as "Mexican brown," selling at $1,400 an ounce or ten times the price of gold, streams into the United States.

In Mexico, outlaws have seized virtual control of isolated mountain areas where poppy fields feeding the opium and heroin industry thrive. The drugs are poppy derivatives.

Mexican officials state they are doing their best to wipe out narcotics gangs that are unprecedented in their viciousness.

Yet they warn that because of a widespread and tightly linked underworld, Americans cannot expect quick relief from a soaring crime wave that has swept U.S. cities—half of it committed by heroin addicts.

The south of the border country, limping on a crippled economy and burdened by a growing population, simply cannot afford to spend large amounts on a heroin eradication program, its officials privately state.

Meanwhile, the United States has poured nearly $39 million into Mexico since 1970 in an effort to stop opium production—an amount that some U.S. officials now concede may have simply been wasted.

Yet, the combined U.S.-Mexico effort is continuing with added support from Mexican President Jose Lopez Portillo.

The narcotics war is being led by Mexico's Procuraduria General de Justicia (Department of Justice) located in a grimly gray 14-story building in this city.

Its top floor is reserved for Mexico's major law enforcement official, Oscar Flores.

In an exclusive interview, Flores was asked whether the present heroin eradication program will end Mexico's heroin production.

"What a question to ask," he snapped, "Has any country ever completely wiped out the poppy?"

The American public, Flores stressed, "must realize that Mexico is doing everything possible to crush heroin production. Our goal is 100 per cent destruction of the fields."

Flores shuffled through a folder on his spacious desk and displayed a sheet of figures: "Look, since January of this year, we've destroyed 8,260 plantios (fields) of poppy. That's just since the beginning of this year."

U.S. officials contend that whatever's being done, it's probably not enough.

If the flow of heroin is to be stopped, one highly placed Washington source said, the United States and Mexico must launch a "big bang" campaign that would include easing poverty among Mexico's poor and ending the lure of easy money found in narcotics trafficking.

Linked to that would be a major push against the millionaire drug dealers who now live in lavish Mexican mansions surrounded by huge walls and guarded day and night by "pistoleros," some of them armed with machine guns.

Despite what the U.S. official believes is a sincere effort by Mexico to destroy the poppy fields, he says Mexico is facing a near impossible task.

The source, who declined to be identified because of his sensitive government position, said Mexico's economic problems prevent it from launching a campaign that would stretch along its entire West Coast where opium fields have been discovered.

Instead, Mexican officials—with U.S. aid—are relying on task forces of federal agents and soldiers, equipped with helicopters, to move into the areas where the poppies grow. The groups spray the fields with an herbicide, attempt to make arrests if the cultivators can be found, then move on to the next location.

"This is a permanent fight.... We are trying new techniques, but it is difficult. Our teams will find one piece of the opium production line, then when they get through with that they find that another has suddenly popped up," Flores states.

The attorney general's statements echo those of many Mexican officials who realize they are facing severe geographical, economic and social obstacles, including corruption, in their anti-heroin campaign.

The opium production problem in Mexico, and its effect on U.S. crime, has been described by one American agent as so vast "it is incomprehensible to the American public."

So far, opium poppy fields have been aerially detected in 11 of Mexico's 29 states—or nearly half of the country. Much of those states' land is in Mexico's rugged, dangerous and almost impenetrable Sierra Madre range.

It is a region where Mexican soldiers on foot must use climbing ropes to reach the thousands of opium fields that have been aerially detected in those regions.

Together, the 11 states cover a total of 349,804 square miles or an area roughly equal to that of the combined states of California, Nevada and Utah.

The 11 States are Chiapas, Chihuahua, Nayarit, Durango, Sinaloa, Zacatecas, Jalisco, Michoacan, Oaxaca, Guerrero and Colima. The vegetation ranges from dry brittle brush and cactus in Mexico's northwest to lush tropical vegetation in the south.

Sources have said Mexico's tactic of destroying fields, then moving on to another poppy area isn't working because as soon as the anti-heroin forces leave, the opium fields are usually quickly replanted.

The same Washington source who believes a "big bang" campaign is needed, bluntly states this year's anti-heroin campaign "is not going to do the job."

He criticized the U.S. Drug Enforcement Administration for its "cops and robbers" attitude toward what he described as an extremely complex problem.

The official said the DEA believes simple destruction of poppy fields and arrest of ring leaders will stop the heroin production and trafficking.

"They've been doing that for 20 years and it hasn't worked. They (DEA agents) make a big arrest, announce it and a few days later it's business as usual for the drug rings. Someone always fills the vacuum," the official said.

Mexico's heroin production is awesome and traditional law enforcement tactics, he stressed, are not going to stop it.

What is needed, the official believes, is a full commitment by both President Carter and Mexican President Lopez Portillo to launch a vast economic, social and political program linked to an intense law enforcement drive against the production of heroin.

The program would stress agricultural, educational and financial aid for those areas where opium poppies are being produced. "If the peasants and Indians can be shown they can grow traditional crops and maintain a comfortable living, then maybe they won't risk arrest by growing opium poppies," the official said.

Mexico, to some extent, is moving in that direction; however, because of its limited resources and other pressing economic problems, it has not been successful in fully convincing many mountain families to shun opium poppies.

Nor has the country been able to offer them a substitute crop to lure them from the poppies which, while risky to grow, have meant an end to poverty for many peasants.

Unless that is done, the U.S. official believes, American taxpayers will continue to be permanently burdened by the expensive antidrug program here.

"We're spending millions of dollars a year for nothing," he emphasized.

The money includes an annual $160 million budget for the U.S. Drug Enforcement Administration with its more than 2,000 agents. Almost the entire effort of this agency is aimed at cutting the flow of heroin.

Meanwhile, the State Department provides $35 million in aid annually to countries such as Mexico to help them finance anti-narcotics operations.

Heroin, for most U.S. law enforcement agencies, has become the number one nar-

cotics target as states have gradually eased penalties on the use of marijuana.

An official of the Narcotics Assistance Unit of the U.S. Embassy here, said that since 1970, the United States has helped Mexico's anti-narcotics effort with $39 million.

That aid has provided helicopters, light aircraft, training and aerial reconnaissance equipment, including a private jet aircraft for the previous director of the Mexican anti-heroin program.

The jet aircraft, an $845,000 Cesna Citation, was provided for the use of Dr. Alejandro Gertz Manero, who served in the administration of former President Luis Echeverria, and said the aircraft would allow him to more adequately supervise field operations.

DOPE WAR ODDS, 1,000 TO 1

(By Elias Castillo)

CULIACAN, MEXICO.—"This is a war, make no mistake about it."

With those words, Carlos Aguilar Garza, Mexican assistant attorney general, taps a huge wall map of Mexico's northwest state of Sinaloa. The map bristles with dark-colored pins, each representing 10 to 30 fields of heroin producing opium poppies.

The room in which he stands is the strategy center from which Garzo commands 73 federal agents and 14 aircraft assigned to destroy Sinaloa's 15,000 thriving poppy fields.

It is not an easy job and is just part of an almost monumental task facing Mexico, now ranked as one of the world's major producers of illicit heroin.

Mexican and U.S. officials believe 70 per cent of that production is hidden in the rugged mountains surrounding Culiacan, Sinaloa's state capital.

The mountains make ideal hiding places for the poppy fields growing in gulches, ravines, steep mountainsides, and riverbanks.

Even as the anti-heroin campaign concentrates on Sinaloa, Mexican officials fear new poppy fields may spring up in southern Mexico to replace those destroyed in the country's northern sectors.

Besides facing geographical obstacles, Mexican federal officials are getting little help from remote and impoverished villagers who cultivate the mountain fields. Villagers under questioning deny any knowledge of poppy fields that sometimes are less than a half mile from their homes, Mexican agents state.

Culiacan, capital of Sinaloa, has become the underworld center in Mexico for the processing and eventual shipment of heroin into the U.S.

It is also the home base for the Beltran, Quintero and La Farga who have been identified by the Mexican government as the kingpins of heroin production. Mexican agents report the families have millions of U.S. dollars stashed in bank accounts.

Critics of the government operation have said the eradication effort will never succeed until Mexico's various families that control the narcotic production are broken up. Mexican officials respond it is extremely difficult, because of the gangs' tight security measures, to infiltrate agents inside the families.

Two undercover agents here were recently ambushed in the center of the city's downtown area. Gunmen ripped them apart with machineguns and shotguns as they sat in a pickup truck waiting for a traffic light to change. The dead pair reportedly had managed to single out members of one of the city's many narcotics rings.

One example of the Culiacan's links to large-scale drug smuggling was displayed Jan. 14 when Mexican officials at Tijuana seized a private aircraft carrying 300 pounds of cocaine and 11 pounds of heroin. U.S. agents called it the biggest seizure ever on the West Coast and estimated the drugs' street value at $73 million.

All of the three men arrested were from Culiacan.

Early this year, a condition similar to martial law existed in Culiacan where the homicide rate was almost two per day. Most of the deaths were linked to the narcotics trafficking and production.

Now, police cars on patrol each carry three officers, armed with automatic weapons to guard against ambushes. It also is not an uncommon sight to see truckloads of helmeted soldiers moving through city streets.

With such actions, Aguilar Garza's description of the antiheroin drive as a "war," appears to be accurate. During an interview with the federal official at his headquarters, about 25 Mexican federal agents, each carrying a powerful AR15 rifle, boarded two small, unmarked trucks and sped away on a nighttime narcotics raid.

The arrests in Tijuana and the intensity of law enforcement efforts in Sinaloa are examples of the wide-ranging U.S.-Mexico program aimed at crushing the narcotics smuggling by simultaneously striking at smugglers and destroying the source of heroin.

The program's critics maintain it is too little, too late. U.S. State Department official Donald C. Johnson wrote in late 1975 that the U.S. Drug Enforcement Administration (DEA) eradication program "will be no more successful than it is at home—a series of costly and inconclusive skirmishes in which the principal casualty is the U.S. taxpayer."

Johnson's statement was published in the Foreign Service Journal and stressed that the eradication program will only drive up the price of heroin, forcing addicts to commit more crimes to support their habits.

The DEA in Washington, maintains the present strategy will prove its critics wrong and that already the purity of heroin is diminishing while the price is rising—a statement that partially agrees with Johnson's thinking.

Meanwhile, the project has included the use of spray equipped helicopters in a strategy that is similar to that used by helicopter forces in Vietnam.

To accomplish that job, the Mexican government has sent a task force of 2,300 soldiers and agents into Sinaloa. The program is dubbed "Operation Condor." The same plan, on a smaller scale, is underway in other parts of Mexico where opium has been discovered.

Aguilar Garza directs his men out of a small, whitewashed stucco building guarded by combat equipped Mexican soldiers. Two-way radios and telephones, providing him with instant communication to agents in the field or Mexico City, are placed throughout the structure.

In a small yard the agents' sleek, fast, late model American cars are parked under the guard of burly Mexican officers.

Standing at the map in the strategy room, Aguilar Garza, clad in a leisure suit, points out advance bases from which teams of helicopters are daily flying out to seek and destroy the illicit poppy fields.

The operation involves expensive Bell 206 and 212 helicopters, similar to those used in Vietnam. Spotter reconnaissance aircraft, sometimes flown by U.S. DEA agents, are sent out each morning. They return with aerial photographs that are quickly scanned When opium poppy fields are pinpointed, two helicopters, one loaded with 11 armed soldiers and agents, the other carrying a herbicide called "Gramoxene" are sent to the area where the fields have been discovered.

While the helicopter carrying the herbicide swoops low over the field to spray it, the other hovers above to guard against sniper fire.

Occasionally the helicopter carrying soldiers and agents will land and question villagers near the fields. Nine times out of 10, the agents state, the villagers will claim to know nothing about the fields.

When the helicopters leave, the men in the village, Aguilar Garza says, will return to salvage what they can of the precious opium poppy that promises to lift them out of the extreme poverty in which they exist. They can sell a kilogram of raw opium for $2,400. Dealers who transform the opium into heroin will later sell it for $1,400 an ounce.

According to a DEA report, it takes eight kilograms of opium or 16 pounds, to make one kilo, or 2 pounds, of heroin.

The young assistant attorney general is confident his sector will destroy the poppy fields before April when the poppies reach the harvesting stage. Each day, he claims, helicopters are spraying 600 fields to reach that goal. "If we don't do it," warns Aguilar, "we have lost the war."

Aguilar Garza does not have the manpower or equipment available to launch an attack that would simultaneously destroy all the poppy fields.

Instead, the fields are being destroyed as they reach maturity, with young fields being ignored in favor of older planted poppies.

MEXICO'S OPIUM ASSAULT: POPPY FIELD RAIDS ROAR OFF AT DAWN

(By Elias Castillo)

CULIACAN, MEXICO.—Each day the raids start at dawn. Mexican Department of Justice helicopters at Culiacan's airport whine then explode into life as they begin another day of search and destroy operations aimed at illegal opium poppy fields.

Helicopter pilots, with .45 automatic pistols swinging from their hips, lift the machines carrying heavily armed soldiers and federal agents for the day's work in the rugged Sinaloa Sierra Madre mountains.

Within a half-hour they will be swooping over the small bright green patches of carefully cultivated opium poppy fields, providing armed cover for smaller helicopters that will spray the plants with a powerful herbicide.

On the ground, at strategic advance bases, Mexican soldiers, armed with Belgium-made 7.62 automatic rifles swing aboard trucks to sweep through isolated mountain villages in their search for caches of raw opium and heroin processing laboratories.

"Here, there are no holidays or weekends. We will work 365 days a year trying to destroy these damned fields," say Mexican Asst. Atty. Gen. Carlos Aguilar Garza, 26, who is in charge of the heroin eradication program, in this section of Mexico.

A team of U.S. newsmen, including a Mercury reporter, were allowed to accompany one of the raids recently to get a close look at how such operations are conducted.

The day before the raid, a reconnaissance plane had spotted a cluster of 10 poppy fields near the isolated village of Bacubirito, northeast of Culiacan.

Two helicopters, one loaded with herbicide, the other with newsmen and guards were sent to destroy the fields.

The helicopter carrying the newsmen also had as a passenger, Manuel Arreguin Perez, chief of the 73 Mexican federal agents in Sinaloa. He pointed out at least five more opium fields spotted from the helicopter as it flew to the target area. None were ready for harvesting so did not require immediate destruction, Arreguin Perez said.

From the air, the opium fields, ranging in size from a half-acre to the size of a large living room, are small bright green patches in an otherwise arid sea of grayish green brush.

Arriving at the fields to be destroyed, the larger helicopter swooped low over the gullies and ravines hoping to flush out any opium growers hiding in the bush.

Sensing no threat, the helicopter pilot landed at a clearing next to one of the poppy fields. As it touched down helicopter guards, one carrying an Uzi machine gun the other

an M16 rifle, sprang from their seats to guard the landing perimeter as the rest of the passengers stepped out.

About 50 yards away, the poppy field, dotted with bright red flowers, was nestled against a gently sloping hillside. Whoever cultivated it had piled branches around the border to keep out wild animals.

The two guards leaped over the rickety fence and began thrashing the tallest stems with sticks. Minutes later the helicopter in which they had ridden hovered over the field. Five soldiers, picked up on a second trip, leaped onto the field and completed cutting the stems.

They were followed by the spraying helicopter which made three passes over the tiny field, leaving behind the herbicide that would kill the opium plants within 48 hours.

The herbicide is so effective it cannot be washed off and will not damage the soil or nearby vegetation that has a different leaf structure from that of opium plants.

On the return flight, Arreguin Perez had the pilot fly over one of the mountain villages. "We'll fly over it, but we won't land because we don't have enough protection. There are areas in these mountains where it's too dangerous to enter without enough men," he said.

As the helicopter made a high and quick turn over the village, a lone woman stood at the doorway of a small adobe shack. She used her hand to shade her eyes as she peered at the helicopter.

No other person could be seen.

"It's always like that. Only women and children," yells Arreguin Perez over the din of the helicopter engine. "It's very difficult trying to find out who is growing the poppies. All we can do is destroy them."

Earlier the same day, Mexican soldiers had seized 11 tons of marijuana loaded onto three trucks. The drivers, who each were paid 10,000 pesos or $500 U.S. dollars, had been told by their "employer" they would have no difficulty in reaching a rendezvous point where the marijuana was to be transferred to another convoy of vehicles.

The marijuana, pressed into two pound bricks, wrapped in oiled paper sealed with tape and placed in large nylon sacks, made a mound 10 feet high.

The same army unit that had discovered the trucks also displayed over 1,000 rifles and pistols seized during a 20-day sweep of villages in a section of the Sinaloa mountains.

Mexican Gen Jose Hernandez Toledo, in charge of the troops, stressed "there are twice that many weapons still in the hills. There are enough guns to start a revolution."

Many of the guns are used by opium growers and opium buyers, called "gomeros," to protect their cargo from raids by rival gangs.

Hernandez Toledo, whose soldiers have come under criticism for alleged mistreatment of villagers during mountain searches, said "the army will not mistreat anyone. Those are stories made up to keep people from cooperating with us. Our mission is to destroy drugs."

Whether Mexico can accomplish that goal remains to be seen. Its government and the U.S. Drug Enforcement Administration (DEA) are confident the search and destroy method will reduce the heroin to "tolerable levels."

A spokesman for the U.S. State Department in Washington believes U.S. heroin addicts will start feeling the pinch from the reduction of heroin within months.

However, he adds, it may be as much as two years before the full effects of the eradication program, if it is successful, can be felt.

He cited Turkey as one example in which the government there, with the U.S. aid, eliminated illegal opium production. It was two years before secret stockpiles of opium gum were used up after the eradication program in that country ended.

The Turkish project was launched in the late 60s and early 70s and turned that country's opium fields into the source of government-controlled morphine production that is used by hospitals throughout the world.

What worries officials in both countries is that if a stockpile of heroin exists in Mexico there may be enough of the drug to carry over the narcotics kingpins until they can establish heroin connections with other opium producing countries such as Burma.

Should the Mexican eradication program fail, there are enough critics of the State Department and the DEA who will charge that the U.S. taxpayers' money should have been spent on a more widespread project that would have ended Mexico's heroin production once and for all.

The White House, through a DEA spokesman, has said President Carter plans no immediate change in the present U.S-Mexico effort.

EDGAR INTRODUCES PUBLIC TRANSPORTATION BILL

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. EDGAR. Mr. Speaker, to the detriment of the Nation's public transportation program, the 94th Congress failed to enact an important measure amending the Urban Mass Transportation Act of 1964: H.R. 3155, introduced by Congressman JAMES HOWARD, and S. 662, the Senate version introduced by Senator HARRISON WILLIAMS. This legislation would have smoothed the administration of public transportation programs, and strengthened the section of the 1964 act dealing with the transportation of elderly and handicapped persons.

Early this year, Senator WILLIAMS gave new life to the provisions of S. 662 by introducing new S. 208, the National Mass Transportation Assistance Act of 1977. This measure combines S. 662 with new amendments increasing and extending authorizations for various public transportation assistance programs.

I am pleased to introduce today a House bill paralleling S. 208. This bill incorporates most of the provisions of old H.R. 3155 into a new measure that also will provide new authorizations for the "section 3" and "section 5" transit assistance programs. The bill I introduce today differs from S. 208 in that it does not extend transit programs through fiscal year 1982, but rather provides transit programs with new authorizations for fiscal years 1978, 1979, and 1980 only. While I believe that it is desirable and indeed important for us to increase transit assistance at this time, I believe that the question of extending current programs past fiscal year 1980 should be debated as part of a more comprehensive surface transportation act that will hopefully be developed by Congress and the administration during the next 2 years.

The chairman of the Subcommittee on Surface Transportation, Mr. HOWARD, has indicated his willingness to tackle the development of a comprehensive surface transportation measure during this Congress, and as a member of that subcommittee I do not wish to constrict our options in designing a long-range transportation policy for the 1980's.

The bill I introduce, then, is a short-range "quick fix" of our public transportation program, much in the spirit of H.R. 3155. I urge prompt hearings on this or similar measures, and invite the comments of my colleagues and others interested in public transportation.

A 75TH BIRTHDAY SALUTE TO MARIAN ANDERSON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. RANGEL. Mr. Speaker, music-lovers around the world have for many years delighted in the unique and beautiful vocal talents of Marian Anderson, hailed by many as perhaps the greatest contralto and certainly one of the greatest singers of our century.

Miss Anderson's career spans nearly five decades with performances on four continents. Her accomplishments in the world of music are a tribute to her not only as a woman but as a black who brought to her people and her country a strong sense of pride in her achievements.

Miss Anderson's natural and superb talent for singing led her to become the first black to sing with New York's Metropolitan Opera in 1945. Certainly in a time when racial discrimination was openly practiced throughout our Nation, this achievement ranks as one of the most significant in the struggle for black people to attain recognition, respect, and equality in their many fields of endeavors.

For this and other reasons, Congress is preparing for Miss Anderson a special gold medal that has been previously awarded to Americans exhibiting outstanding achievements in the fields of arts and sciences, entertainment, and others. Miss Anderson is to be praised upon the occasion of her 75th birthday last February 27. She has given much to the world of music and to those of us who have taken great pleasure in the enjoyment of her music.

I would therefore like to share with my colleagues the following article taken from the Virgin Islands Daily News commemorating the 75th birthday of Marian Anderson. The article follows:

75TH BIRTHDAY SALUTE FOR MARIAN ANDERSON

All Americans, black or white, can take great pride in Marian Anderson as a national treasure.

The world-famous contralto will be saluted on her 75th birthday, Feb. 27, at Carnegie Hall with a benefit concert sponsored by Young Audiences, a nonprofit organization devoted to introducing millions of young people each year to classical music, theater and dance.

Featured in the concert will be Leontyne Price, Clamma Dale and Shirley Verrett. Miss Anderson, who has been in poor health, is expected to come for the salute and will be joined in her box by First Lady Rosalynn Carter.

In a career spanning more than 30-years,

Miss Anderson performed before kings and queens, princes and presidents. She had a repertoire of 1,500 songs from Negro spirituals to the works of Bach, Brahms, Handel, and Schubert. She sang in nine languages. Her concerts took her to every major city in the nation, to Europe, South America and the Far East.

Finally, at the peak of her career, Miss Anderson realized a life-long dream in her debut with the Metropolitan Opera Company. She was the first Negro to sing with the Met.

Yet, for all of her talent, Miss Anderson found the doors closed to her in her native land. She won fame first in Europe and then returned home to become an American Institution.

Miss Anderson began her uphill climb to fame in South Philadelphia where she was born in 1902. Singing came naturally to her. At age six she was a member of the junior choir of her neighborhood church.

Later she sang in the senior choir and for high school events and along the way managed to acquire some vocal training. Some of it was given free; some was paid for with money her mother earned taking in washing.

What seemed to be Miss Anderson's big break came in 1925 when she won out against 300 competitors in New York's Lewisohn Stadium concert. The Philadelphia Philharmonic Orchestra signed her for a brief engagement but nothing else came of it.

Discouraged, Miss Anderson turned to Europe for further vocal training. In 1933, she had to pay a concertmaster $500 to arrange her debut in Berlin, but the concert was a success. She toured the continent and gave command performances for the kings of Sweden and Denmark.

Returning to the U.S. in 1935, Miss Anderson gave a recital at New York's Town Hall in spite of a fractured foot suffered on the Atlantic crossing. She was hailed as a brilliant artist. From then on, her career prospered.

Although recognized as a great singer, Miss Anderson was turned down four years later when she sought to give a concert in the Daughters of the American Revolution's Constitution Hall in Washington, D.C.

As a result, Eleanor Roosevelt resigned from the DAR. Miss Anderson then gave an open-air concert at the Lincoln Memorial on Easter Sunday before 75,000.

Appropriately, she gave her farewell performance on Easter Sunday in 1965 at New York's Carnegie Hall, then retired with her husband to their farm in Danbury, Conn.

Music critics have hailed Marian Anderson as "one of the greatest singers of the century." Others have called her the "greatest contralto in the world." Arturo Toscanini, the famous conductor, put it another way when he once said, "a voice like hers comes once in a lifetime."

PERSONAL EXPLANATION

HON. JOSEPH A. LE FANTE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. LE FANTE. Mr. Speaker, I regret that I was unable to be on the floor of the House on Wednesday, March 9, 1977, when the vote was taken on House Resolution 383, a resolution to establish a Select Committee on Ethics. Had I been present, I would have voted "yea" on the resolution and on the previous question.

ON AMENDING SELECT COMMITTEE RESOLUTIONS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, yesterday in his closing remarks on House Resolution 383, creating a Select Committee on Ethics, the gentleman from Missouri (Mr. BOLLING) resorted to an ad hominem attack on me by referring to "carp" and "personal interest" and not knowing the rules. I will not dignify the former two attacks by commenting, but had he yielded to me for response, as is the longstanding tradition in this body when a Member's name is mentioned, I would have addressed myself to the latter charge and the implication that, had I been familiar with the House rules, I would not have protested or challenged the no-amendment procedure under which House Resolution 383 was brought to the floor.

Mr. Speaker, not once during my remarks on House Resolution 383 did I charge that House Resolution 383 was being considered under a procedure which was inconsistent with, contrary to, or in violation of the rules of the House. While I may not be the expert on House rules which the gentleman from Missouri certainly is, I think I have been on the Rules Committee long enough now to understand that the committee does have authority under clause 4 of rule XI to report matters of original jurisdiction as privileged. I never questioned that right nor was that ever the real issue. But the gentleman from Missouri is certainly familiar enough with our rules to know that we also could have reported House Resolution 383 under an open rule or a rule for its consideration in the House, as in the Committee of the Whole, thus permitting amendments to be offered. To somehow imply that such a rule would have been impossible under our rules, or at least highly unusual or unprecedented, is to totally misrepresent our rules and precedents and mislead the Members.

While the gentleman's memory may be faulty, the fact is that the Rules Committee has granted open rules on four of the nine resolutions it has reported in the 94th and 95th Congresses creating select committees. While we did not have to report any rules on those resolutions, we did so because we realized that they involved some controversy and Members just might want to offer amendments to those resolutions.

That is all I was asking on House Resolution 383 when the amendments which I offered during markup in the Rules Committee were rejected. Had we followed our usual custom in the Rules Committee of granting an open rule on a select committee resolution to which Members wished to offer serious amendments, then we could have avoided the time-consuming and heated discussion over the procedural constraints, and the House would have had the chance to freely work its will on the substantive aspects of House Resolution 383 through the amendment process.

Contrary to the claim made against our effort, the amendment process is not a partisan minority plot. It is simply a democratic legislative practice to permit all Members, of both parties, to fully participate in and contribute to the formulation of important measures. To somehow imply that amendments are synonymous with minority partisan domination of the process is to ignore the two-thirds majority party control of this body. How can the majority leadership possibly fear amendments offered from the minority side unless it is uncertain of its own case or its own membership?

Certainly, it has nothing to fear from purely partisan amendments offered from the minority side. And the fact that a substantial number of Democrats of all ideological persuasions voted against the previous question on House Resolution 383 is proof that something other than partisanship was involved here. What really was at issue here was openness and whether we will continue to be rubberstamps of the leadership and our committees, or whether we will insist on exercising our independent judgment on the House floor.

Mr. Speaker, to put to rest the bugaboo that open rules on resolutions creating select committees are somehow contrary to our rules, customs, precedents, and practices, I at this point in the RECORD insert a complete list of all resolutions reported from the Rules Committee in this and the last Congress creating such select committees, including a record of those on which open rules were granted:

SELECT COMMITTEES CREATED BY THE HOUSE

NINETY-FOURTH CONGRESS

(1) Select Commitee on Intelligence (H. Res. 138), adopted February 19, 1975, 286–120. Rule (H. Res. 174), open, one hour of debate, reported by Mr. Murphy of Illinois, adopted by voice vote.

(2) Select Committee on Missing in Action (H. Res. 335), adopted September 11, 1975, 394–3. Rule (H. Res. 705), consider in the House as in the Committee of the Whole, reported by Mr. Moakley, adopted by voice vote.

(3) Select Committee on Intelligence (H. Res. 591), adopted July 17, 1975, voice vote. Rule (H. Res. 596), open, two hours of debate, reported by Mr. Bolling, adopted by voice vote.

(4) Select Committee on Professional Sports (H. Res. 1186), adopted May 18, 1976, voice vote.

(5) Select Committee on Narcotics Control & Abuse (H. Res. 1350), adopted July 29, 1976, 361–10.

(6) Select Committee on Assassinations (H. Res. 1540), adopted September 17, 1976, 280–65.

NINETY-FIFTH CONGRESS

(1) Select Committee on Assassinations (H. Res. 222), adopted February 2, 1977, 237–164. Rule (H. Res. 230), consideration in House as in Committee of Whole, reported by Mr. Bolling, adopted 265–145.

(2) Select Committee on Professional Sports (H. Res. 111), rejected March 7, 1977, 75–271.

(3) Select Committee on Ethics (H. Res. 383), adopted March 9, 1977, 410–1.

SELECT COMMITTEE TOTALS, 94TH AND 95TH CONGRESSES

(1) Resolutions Creating—9: (a) adopted—8; (b) defeated—1.

(2) Open Rules—4: (a) adopted—4; (b) defeated—0.
(3) No Rule—5: (a) adopted—4; (b) defeated—1.

SURPLUS REAL PROPERTY FOR LOCAL ECONOMIC DEVELOPMENT

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. JOHN L. BURTON. Mr. Speaker, today I am introducing a bill to make it easier to use certain Federal surplus real property for local economic development. When the Government closes a facility or base, local employment often drops and the economy suffers. This bill authorizes the Administrator of General Services to sell or lease surplus real property resulting from the shutdown to local government at 50 percent of estimated fair market value. To get the discount, the purchasing entity must present a plan to use the real property for economic development.

In the last Congress, the Government Activities and Transportation Subcommittee held a hearing on H.R. 2532 and 16 identical or similar bills seeking the objective of the bill I now offer. The hearing showed wide endorsement of the principle of repairing local economic injury to an area caused by such a shutdown, and doing so through discounted sale of available surplus real estate. The present bill is designed to carry out the basic objective of the legislation to which this subcommittee devoted much attention during the 94th Congress. As current chairman of the subcommittee, I am pleased that so many of our subcommittee members have joined as cosponsors in bipartisan support of this legislation.

Here, briefly, is what the bill does:

First. It covers surplus real property, including land, buildings, fixtures, and equipment. It excludes military family housing. Personal property is not included; it is available under other law.

Second. Entitlement to the discount benefit is dependent on a faciilty closure that causes or threatens severe economic or social disruption, and unemployment.

Third. Disposals may be made to State and local governments and their agencies and instrumentalities, which must use the property for economic development purposes.

Fourth. The discount rate is 50 percent of the estimated fair market value of the property interest to be sold or leased.

Fifth. The Secretary of Commerce must first make certain determinations: That there are special economic needs resulting from the disruption caused by the shutdown; that the local plan for economic development use of the property is acceptable; and that the effect of calling for the full estimated fair market value for the property would discourage its use for economically productive purposes.

Sixth. The property is to be used in accordance with the economic development plan for at least 20 years.

Seventh. Before making a disposal under the new authority, GSA must send an explanatory statement to the appropriate congressional committee.

Existing law already authorizes disposals of surplus real property for non-Federal activities, without monetary consideration. For instance, schools and hospitals obtain property for education or public health purposes. Local public bodies acquire property for park and recreation, or historic monument, or wildlife conservation purposes. An old law entitles local public bodies to obtain surplus real property for public airport purposes. This bill is in the transition of congressionally-authorized disposals for select purposes of a public character.

I believe our bill is a workable approach to the issue, and can attract broad support at all levels within and outside the Federal Government. I hope that Members of the House will want to join us in support of this legislation.

ENCOURAGING A "MARRIAGE OF TRADES AND THE HUMANITIES"

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. PRESSLER. Mr. Speaker, 2 years ago, on my first day in the Congress, I spoke of the need for a strengthening of the vocational education systems in the United States. During the 94th Congress, this need was answered in part by the enactment of the Vocational Education Act amendments which I cosponsored. This was only one step, however; and because I believe so strongly in our Nation's need to fully utilize the talents and resources of our people, I would like to call your attention today to the manpower demands of the future, and the importance of lessening the great division that currently exists between vocational education and our traditional 4-year college and university education programs—and of considering a "marriage of the humanities and the trades."

The manpower needs of our society are rapidly changing. According to the most recent studies by the U.S. Department of Labor, employment in this country is expected to rise by 29 percent between 1974 and 1985. Approximately 13.1 million college graduates will be entering the civilian job market in that decade. However, job openings requiring college graduates will total only 12.1 million. Thus one million of our Nation's most highly educated young people may very well be forced to seek employment in skilled jobs for which they are not prepared.

I believe that we, the makers of education policy in this country, must realize that it is time we seek to provide our college graduates with vocational skills in addition to their traditional 4-year college education. Presently, a student who opts for a traditional 4-year college or university program gives up the chance to take vocational training. Individuals who chose the vocational and technical school route generally give up the opportunity to gain a background in liberal arts and the humanities. The resolution I am introducing today expresses the sense of Congress that there should be a blending of vocational and technical training with education in liberal arts and the humanities.

With increasing shortages of natural resources, we must make the best use—and reuse—of all materials and human skills and talents. In addition, the present combination of economic problems facing the Nation and its people, and the current rates of unemployment and underemployment, demand that we work to provide the graduates of our institutions of higher education with the knowledge and skills necessary for productive employment. I also believe that a renewal of the work ethic could be a major factor in restoring our country's fiscal health as well as its morale. Thus, I urge your attention and favorable consideration of this resolution, and a "marriage of the humanities and the trades":

CONCURRENT RESOLUTION

Whereas it is of vital importance to the continued growth and development of the United States that unemployment and underemployment be minimized,

Whereas it is the role of our institutions of postsecondary education to adequately provide their graduates with the knowledge and skills necessary for productive employment,

Whereas job projection surveys indicate that there will be a significant increase in the demand for persons with vocational and technical skills, and

Whereas the liberal arts background provided by traditional four-year college and university education programs is vital to the personal enrichment of the individuals who attend those institutions and to the quality of life in society: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurrnig), That it is the sense of the Congress that there should be an increased emphasis by the Congress, the Office of Education in the Department of Health, Education, and Welfare, and any other agency of the United States which administers education programs, with respect to the provision of education in both vocational and technical skills and the liberal arts and humanities to all full-time or part-time students pursuing postsecondary education programs, and the encouragement of such students to participate in both types of education.

VOICE OF FREEDOM CONTEST WINNER

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. WIRTH. Mr. Speaker, I am pleased to insert a speech given by a young constituent of mine, David Walker. David is a junior at Regis High School in Denver, Colo., is listed in Who's Who Among American High School Students, and is planning a career in law. David's speech won the Colorado division of the national Voice

of Democracy spech contest sponsored by the Veterans of Foreign Wars.

The speech follows:

America is the spirit, founded on faith, and the vision of a better future for those who will inherit the greatest fortress of individual freedom and human dignity the world has ever known. Man alone, is the architect of his destiny, and history demonstrates the power of the individual to change the course of events. Socrates said, "Know thyself", Plato said, "Control thyself" and Christ said, "Give thyself". It follows then that only in the shaping and changing of ourselves in this land of moral and political liberty do we achieve the greatness our forefathers envisaged. To know that our Constitution guarantees those certain Unalienable Rights endowed by our Creator is the most exciting heritage America can bestow upon you and me.

Our birthright is the freedom to choose the direction we will take today, tomorrow, and the next 200 years. The purveyors of doubt, doom and despair would have us believe we are headed down the road to total chaos, powerless to change course. They feed on the discontent, the frustration, the hatred, the seemingly utter hopelessness of life's problems . . . poverty, overpopulation, inflation, pollution, war, the list is endless! And what's their answer? Simple. Our economic philosophy and political system are outmoded, unable to meet the needs of the New Social Order.

Has something happened to the American Dream? Are we truly a nation in decay . . . on the brink of collapse? Has our will power been replaced with won't power? No! The facts prove otherwise. We have only 6% of the world's population, 7% of the land and yet we produce 25% of all the steel, 40% of the electric power, and 50% of the corn. Less than 1% of us are farmers and they produce almost half of the world's food supply. We have sent millions to feed and clothe the hungry ravaged by disasters in every corner of the earth only by virtue of the fact that we are individuals with the God-given freedom to pursue life, liberty, and happiness. Thank God for problems. Send us more problems to keep us growing. We are truly a nation of uncommon birth, uncommon people with uncommon leaders. We can realize the fruits of our creations under a system of free enterprise that has produced a nation without parallel.

Yes, America is the land of plenty, but we don't owe our greatness to just resources of climate. It's greater than that. It's found in a thousand history books and millions of lives, from Maine to Miami, from Cape Canaveral to Puget Sound. It's the faith that binds us together as one people—the Spirit of America. The essence of that spirit is inscribed on the Statue of Liberty: "Give me your tired, your poor, your huddled masses yearning to breathe free". That's it! The essence of the American Spirit! Yearning to breathe free, to throw off the chains of tyranny, to build where nothing stood before, to worship our Creator who makes all things possible.

Ponder these words of Dr. Heartsill Wilson, "This is the beginning of a new day. God has given me this day to use as I will. I can waste it, or use it for good, but what I do today will be gone forever, leaving in its place something that I have traded for it. I want it to be gain, and not loss; good, and not evil; success, and not failure; in order that I shall not regret the price that I have paid for it".

Yes, the American spirit lives today and for those who believe in their God-given freedom to live as they choose, respecting the rights of others to that same freedom, there will always be this great land united in spirit, in faith and in the vision of a better tomorrow.

This is how America lives in each individual. This is America to me!

TRIBUTE TO ART SMITH

HON. THEODORE S. WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. WEISS. Mr. Speaker, Red Smith, one of America'c finest sports writers has written the following moving tribute to his recently deceased brother, Art. Art Smith was a "super newsman" having put in his time at innumerable papers across the country making his special mark at each stop. I am confident that my colleagues who may have missed this article will welcome the opportunity to read this intimate portrayal.

The full text of the article follows:

HE'D QUIT A JOB TO SEE THE CIRCUS

(By Red Smith)

When Art Smith worked on the Chicago Times the paper was run by Louis Ruppel, a big, hard-nosed and aggressive editor whose speech was redolent of Brooklyn. On some assignments in the northern Wisconsin woods, Art wrote a line about a log cabin "among the towering tamaracks," no doubt because the alliteration pleased him. In the first edition this caught the eye of some tree freak in the city room, who protested to Ruppel that tamaracks didn't tower, reaching a height of only 20 or 25 feet. "Don't hire no more of them little guys," Ruppel told the city editor. "Everything looks big to 'em." That wasn't why Art lost that job, though. Patti was. She was the food editor, a smashing young widow with a small daughter. An artist, she would write about how to cook turnips in beer, and illustrate the piece with pen-and-ink sketches. Ruppel fired Art for marrying her. "He took my cooking editor," Ruppel said. "I'll fix it so they got nothing to cook."

Art got another job. He could always get another job. His obituary in the New York Daily News yesterday said he had worked on 21 newspapers before he landed on the News in 1942. How anybody managed to count them, it is hard to say. Some that were shot from under him during the Depression are almost completely forgotten today, like the Detroit Mirror.

When that one folded, Art went down to St. Louis, where nobody was hiring anybody. The Star wasn't even sending anyone to Florida to cover the Cardinals and Browns in training camp. Arrangements had been made for Clarence Lloyd, a reformed sportswriter who was the Cardinals' traveling secretary, to file a daily story from his camp. The Star was going to pay $15 a week.

FIREPOWER OF MARTINIS

"Give me the $15," Art said, "and I'll file."

So for the next six weeks or so he was a sportswriter. In those days the newspapers, except for the Post-Dispatch in St. Louis, let the ballclub pick up the tab for writers traveling with the team. So food and lodging were free, the $15 a week took care of cigarettes, and Sam Breadon, who owned the club, loved parties and poured with a heavy hand. Thus all necessities of life were provided, Clarence Lloyd was relieved of a chore he didn't want, and everybody was happy.

When that assignment ended, Art went somewhere else. He was always going somewhere else—Milwaukee, Chicago, Denver, Philadelphia. Sometimes he would hit two or three papers in the same town. Sometimes he did two or three different hitches on the same paper.

He could always get a job because he was a hell of a good newspaperman, an enterprising and imaginative reporter whose writing was lively and professional. He used to say he was one of the best bad writers around. A lead comes back to mind, done when he was on rewrite at the News: "The firepower of martinis was effectively demonstrated at the New York Atheltic Club last night when a guest sprang across the table and bit off his host's nose."

When Art was in Detroit the Purple Mob was riding high. He got to meet some interesting people with names like Singin' in the Nighttime Sam (Salvatore Nottecantare). He covered the police beat in the Chicago of Al Capone and Bugs Moran. He never really got over the notion that the best possible news story was a good gangster funeral.

Once when he was in Milwaukee between newspapers he took a job on a magazine called The Wisconsin Banker. Art never had more than a quarter and that only until he could get rid of it. It was pleasant to think of this master of finance teling banks how to handle money.

SINS OF THE FATHERS

The Wisconsin Banker didn't make Art's fortune but it did lead, in a roundabout way, to the gold fields of the Yukon. On the magazine he made friends with a colleague, one Mort Stevens, an older man who had been in the Klondike gold rush of 1898. Later in St. Louis, Art had a letter from Stevens, then working as a private eye in Southern California. He had talked a couple into grub staking a prospecting expedition and he suggested that Art join up.

For $20 Art got a hot pass to Los Angeles from the son of an official on the Santa Fe. (The young man did a small business renting out his father's pass.) Art and Stevens were joined by Ray Powers, a newspaperman who had gone down with Art when the Detroit Mirror sank. Alaska and the Yukon territories seemed to be fresh out of nuggets, so Art worked for a while on the paper in Anchorage, caught ship for Seattle and hopped an eastbound freight. He was heard from next on the Denver Post.

He was light of heart and light of foot and he would quit a job to go to the circus. He drank a lot, too much and too often in the opinion of some editors. Once he landed in New York, however, he stayed put.

After 17 years on the News he did a short turn on the Daily Mirror, then took over the rod and gun column on the Herald Tribune. He made such a hit on that job so fast that editors around town started asking who was that bright new boy on the Trib. He wrote the column until the Herald Tribune and its misbegotten offspring, the World Journal Tribune, were dead. Then he helped Robert Abplanalp launch the Eldred Preserve in the Catskills, a trout hatchery and fee fishing project. Fish interested Abplanalp before he took up bankrolling Richard Nixon.

Authorities from Euripides to Shakespeare assure us that the sins of the fathers are visited upon the children, yet. Art's father was a sinless man who headed the family business—wholesale produce and retail groceries—in Green Bay, Wis. Nevertheless, he had two sons who became newspapermen and had each a son who became a newspaperman, although Art's son, Patrick, escaped into television. It makes one wonder about sin.

FOOD AND POPULATION: V

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. RICHMOND. Mr. Speaker, the triumph of advanced societies to a life

of material abundance will remain precarious as long as the vast human majorities are extremely poor. And it is not difficult for the 2 billion underpriviledged to see that the few industrial civilizations are getting richer while they are frozen into technologically illiterate, overpopulated, and brutally poor societies. If one is also to consider that rapid population growth penalizes primarily the poor in the poor countries, then the future of a stable world order is in serious trouble.

No one will suggest that the United States can solve the world food, poverty, and population problems. But at least, we should see that our assistance does benefit those who labor in the earth—the small farmers. They are the absolute majorities in many poor countries. They work the land under severe economic, social, and political constraints. They only need an opportunity to continue to produce food and have control over their limited resources. If such programs are coupled with incentives for small families, much could be done.

I want to bring to your attention, Mr. Speaker, an article on the world's small farmer written by Dr. Even Vallianatos, and published in the Christian Science Monitor, November 18, 1975. Dr. Vallianatos is a consultant with the Environmental Fund and author of a major study on the world food problem: "Fear in the Countryside"—Ballinger, 1976. Vallianatos' eloquent article on the need to help the world's small farmer follows:

HARNESSING THE WORLD'S SMALL FARMERS

(By E. G. Vallianatos)

The world food problem is not so much a problem of declining food production as it is a problem of gross social inequalities in the poor countries. The victim of these inequalities is the peasant farmer.

The massive exodus of the rural population of the underdeveloped countries to the cities reflects the desperate effort of the peasants to escape the crushing poverty of their social and physical environment. These peasant majorities have vastly inferior basic facilities like water and health care. And their children can aspire to little if any schooling.

The rural landowning elites of the poor countries feel nothing short of contempt for the peasantry. Land tenure inequalities permit a very small number of landholders to use the millions of landless agricultural workers as labor in return for a wage of perpetual poverty.

The landholder has both the state and local resources at his command. Most of the business institutions operate largely for his convenience. And most of the technical assistance and technologies the West has transferred to the poor countries have been exclusively designed for the benefit and convenience of the large farmer.

The green revolution or the agricultural technologies of the 1960s work best with the assistance of mechanized farming. These high-yielding monocropping technologies need also a lot of fertilizers and plenty of controlled water supplies. This means that the green revolution prefers capital to labor.

No doubt many poor farmers used the new technologies effectively and for their profit. But as a rule the green revolution made the wealthy landowner more wealthy at the expense of the poor. Besides, the crops of the green revolution are genetically vulnerable to insects and disease microorganisms. Their untested one-commodity crop farming threatens the traditional but biologically sound intercropping practices of the small farmer.

The green revolution is another example in the efforts of the West to make the big landowner the main food provider of the underdeveloped countries. But the green revolution effort has clearly failed. It failed primarily because it sought to fuel an agricultural development strategy that was largely inappropriate to the needs of the small tropical farmer.

Some members of the Western elite like to talk about the rural poor and the global food problem. But so far they have not managed to transcend their theoretical and often humanitarian speculations into concrete action. Multinational corporation executives attend and finance conferences to justify their "social responsibility." And yet they are not even willing to encourage, much less support, research to explore ways to help the poor farmer to break the vicious chains of poverty.

But while the rich-country elites can afford to maintain their "neutrality" to the brutal realities of backwardness, the poor-country elites must be aware that underdevelopment is slowly eroding the ecological as well as the human environment of their own countries. It is pointless to hold tenaciously to a largely undermined colonial legacy of keeping the majority of the population in a state of perpetual poverty and malnutrition. If not human kindness, at least technology and energy have made slavery obsolete.

It is reasonable, then, to assume that enough citizens of the poor countries will have the courage to face the fundamental fact that the small farmers, constituting as they do the most productive sector of their societies, deserve not contempt but more land, technical assistance and credit. In short, the small farmers deserve to be brought into the realms of political power and technology.

Land reform is synonymous with social and economic justice. It also contributes to higher productivity. It must then become a critical priority for the underdeveloped countries.

The rich countries can (1) develop appropriate food-crop technologies for the tropical environment; (2) see that their technical assistance does reach the small peasant farmer; and (3) use their technologies and power to insist that the elites of underdeveloped countries direct their development goals to benefit their rural majorities. A new green revolution is needed to combine technological innovation with profound and sustained social change.

CLOSING OF THE UNITED NATIONS DEVELOPMENT OFFICE IN ISRAEL

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. FRASER. Mr. Speaker, I would like to note today that the United Nations development program recently closed its offices in Israel after 26 years of successful assistance to the Israeli Government and people.

The office was closed at Israel's request since the Israeli Government will no longer be requesting any funds from the UNDP. The program has been an outstanding example of international cooperation and assistance. It is a model for all the developing countries in the world to look to and for the UNDP to be proud of.

Following my comments there is an article from the Jerusalem Post which should be of great interest to my distinguished colleagues in the U.S. Congress:

U.N. DEVELOPMENT OFFICE CLOSES AFTER 26 YEARS

The office of the United Nations Development Programme in Israel will close its doors on Friday—ending 26 years of technical assistance in Israel.

The last resident representative, Kenneth Luke, will be leaving on Sunday. It is his final post in the UN too. He is taking the opportunity of retiring from the service.

The Israel Government informed the Governing Council of the UNDP in June, 1973, that it would not be requesting funds, after the expiration of the current five-year programming cycle in 1976. A major factor in this decision, the Government stated, was its awareness that resources should be concentrated on those developing countries most in need.

According to Mr. Luke, all member states of the UN are encouraged to become "net contributors" to the programme as early as possible. Israel contributes $240,000 a year, but has been receiving technical assistance to the value of $1m. Henceforth, she will be a net contributor, according to the size of her annual donation.

During the period 1950–66, Israel was host to 385 UN experts, and received 731 fellowships for training abroad. Since 1966 the accent has been on sponsoring major projects—most recently the creation of a centre for information systems (under the Productivity Institute), dealing with data-processing.

Asked whether Israel will stop getting technical assistance altogether, Mr. Luke stated that activities will continue on a smaller scale under specalised agencies, particularly the World Health Organization and the International Atomic Energy Agency.

Israel will still participate in conferences and seminars, and plans to be active in TCDC (Technical Assistance Among Developing Countries). "Israel is increasingly important as a provider of know-how for others. Sh has 600 experts overseas at the moment—100 of them under the UN programme," he said.

The work of the resident representative will be handled henceforth from afar by Leonice Bloch, who resides at UNDP headquarters in Geneva.

END OF AN EPOCH

It is a cause for sentimental regret that the small but always busy Jerusalem office of the UN Resident Representative will be finally closed this week, after a quarter of a century of devoted service to Israel's development.

Israel has outgrown the need for aid in basic skills and knowledge, thanks not a little to the work of the UN and also, in its time, to the American Point Four programme.

The impact of UN assistance was always bigger than it seemed in money terms, because its purpose was to "teach the teachers." Every expert had an Israeli counterpart, who was supposed to pick his brains.

Training centres were established—among them one for Technicians and Foremen, one for Industrial Research, one for Science Teaching, one called the Small Industries Advisory Service. The organisers and lecturers were originally UN men, handpicked from the industrialised countries. Today they are Israelis.

In contrast with the political arm of the United Nations, the technical assistance administration has always shown impartiality. It is distinguished from the various bilateral (nation-to-nation) programmes by its exclusive devotion to the interests of the recipient country.

Disappointment is all the keener that the number of fellowship-holders coming to learn in Israel under the UN programme has dropped—for political reasons. The responsibility lies not with the UN Development

Programme, but with African countries that want to avoid ruffling Arab feathers.

They should take inspiration from the UN offices that continue operating in their various territories, and whose success derives from a scrupulous determination to keep business and politics apart. Israelis can happily say "thank you" to the United Nations for its work in this area, with a clear conscience.

NBC's 3-HOUR SMEAR OF JOSEPH McCARTHY—PART THREE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. McDONALD. Mr. Speaker, this is the third of a series of reports to my colleagues concerning the NBC propaganda film "Tail-Gunner Joe."

On February 28 Mr. Robert Hynes of NBC's Washington office visited with me and presented me with a copy of a letter dated February 22, 1977 from Robert D. Kasmire, NBC's vice president for corporate affairs. In essence the letter refused my request for a hour and a half of NBC television time to present an answer to the propaganda film presented on February 6, 1977. According to the NBC letter, "It is true that some literary license was taken, but we believe that it was well within accepted limits for historical dramas of this type." Mr. Hynes in discussion with me and members of my staff, stated that this film was an "entertainment program" which therefore does not come under the fairness doctrine.

I believe that this intepretation is incorrect. The 3-hour film was a pseudo-history which was introduced by an announcer who said:

Peter Boyle stars with Burgess Meredith, Patricia Neal, John Forsyth and Jean Stapleton in the incredible but true story of Senator Joseph McCarthy the man who almost tore America apart.

A January 18, 1977 press release by MCA–TV which produced the film refer to it as a: "Fact-based drama."

This propaganda film certainly comes under the fairness doctrine and I intend to write to the FCC making a complaint under this doctrine.

NBC's Mr. Hynes seemed upset when I and members of my staff refer to the film as "Propaganda." Actually, it utilized a number of basic propaganda techniques to get its ideas across. The most obvious was the name-calling device. During the 1930's the Institute for Propaganda Analysis exposed Nazi propaganda and defined the name-calling device as follows:

"Name Calling" is a device to make us form a judgment without examining the evidence on which it should be based. Here the propagandist appeals to our hate and fear. He does this by giving "bad names" to those individuals, groups, nations, race, policies, practices, beliefs, and ideals which he would have us condemn and reject.

Another device used in the NBC film and described years ago by the Institute for Propaganda Analysis was the card stacking device. They defined it as:

"Card Stacking" is a device in which the propagandist employs all the arts of deception to win our support for himself, his group, nation, race, policy, practice, belief or ideal. He stacks the cards against the truth. He uses under-emphasis and over-emphssis to dodge issues and evade facts. He resorts to lies, censorship, and distortion. He omits facts. He offers false testimony. He creates a smoke-screen of clamor by raising a new issue when he wants an embarrassing matter forgotten. He draws a red herring across the trail to confuse and divert those in quest of facts he does not want revealed. He makes the unreal appear real and the real appear unreal. He lets half-truth masquerade as truth.

The Nazis knew the value of the propaganda film. Helmut Heiber in his definitive biography of the Nazi propagandist Goebbles published in England in 1972 described how the Nazis took over the German film industry and then produced anti-Semitic films such as Die Rothschilds and Jud Suss. These films were used to justify the atrocities against the Jews. The classic Nazi propaganda film "Triumph of the Will" produced in 1934 is still shown to students of the propaganda art. The Prince Georges County, Md. Film Library Catalog describes the film as one which makes, "the Nazis seem more like Gods than men."

The Communists too understood the value of film as a propaganda medium. An article in a 1925 issue of the Communist Party magazine Worker's Monthly said:

Of all the arts, the motion picture is for us the most important—these words of Nicolai Lenin are quoted in an interesting illustrated pamphlet, "Conquer the Film!" by Willi Muenzenberg, head of the International Workers' Aid, and one of the most expert propagandists in the world today. Many other authorities are quoted in support of his thesis: that the film is today an avenue to the mass mind comparable only to the press and worthy of the same intense support by the workers. Zinoviev, Lunacharsky, Clara Zetkin and many others give their testimonials, and the author cites the decision of the Enlarged Executive of the Communist International, held in March of this year, that all Communist Parties are to devote much more attention than heretofore to the problem of placing the cinema into the arsenal of Communist weapons for propaganda and enlightenment.

Its tremendous revolutionary possibilities, among precisely those elements difficult of access of our ordinary propaganda weapons—the primitive-minded inert working masses who never go to meetings, and never read anything better than a capitalist comic page—as well as special elements like the scattered rural proletariat and semi-proletariat; the oppressed and often illiterate subject peoples; the children, and similar groups. These vast masses hold the future of the revolutionary movement in their hands—they will determine the outcome of our struggle against imperialism—we must win these. Every weapon used by the masters to hold them we must seek to turn to help set them free. And the film is by no means the least of these. We must win it for the working class.

The NBC propaganda film painted Senator McCarthy in black images. He had no redeeming features. Interestingly enough on March 1, 1977, ABC presented a 1974 movie with Peter Boyle—who also starred in the NBC film—entitled, "Crazy Joe." This film which was a fictionalized account of the life of an organized crime mobster Joey Gallo showed him not only as a murderer but also as a man who loves children—he rescued some from a burning building—a philosopher and a man active in improving race relations. The propagandist didn't feel that it was necessary to show Joe McCarthy in any favorable light.

Peter Boyle, the star of the movie, has a leftist background himself. In 1971 he was one of the stars and a writer of Jane Fonda's anti-American show called "FTA" which was translated "F... The Army." This show was put on in the vicinity of military bases to disrupt our Armed Forces. According to a report of the Department of Defense, the show consisted of skits and songs that were "anti-military, anti-establishment or racially agitational in nature." See Investigation of Attempts to Subvert the U.S. Armed Services—House Committee on Internal Security, 1971 and 1972.

I am attaching NBS's letter to me as an appendix to this statement. The letter follows:

NATIONAL BROADCASTING CO., INC.
New York, N.Y., February 22, 1977.

The Honorable LARRY P. McDONALD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN McDONALD: This is in response to your letter of February 9 concerning the NBC–TV presentation, "Tail Gunner Joe."

NBC regrets that you were displeased by the program. Even though Senator McCarthy and the events depicted in "Tail Gunner Joe" took place many years ago, divergent views persist with regard to both the issues and the Senator. Indeed, Mr. Roy Cohn, one of Senator McCarthy's chief aides, in a subsequent NBC appearance did present his different version of some of the dramatized incidents (Tomorrow Show, February 10, 1977).

Although the period remains interesting, we believe it is interesting as history, and not in terms of current controversial issues of public importance. It was this continuing interest that made us feel the story was suitable material for a television drama.

It is true that some literary license was taken, but we believe that it was well within accepted limits for historical dramas of this type. We recognize that your complaint is that the program exceeded these bounds. As with many matters, this is one where reasonable people can and do reach different conclusions. We believe that the basic events that were the focus of the telecast were carefully researched by the independent production company that produced the film for NBC, and we believe that they were accurately portrayed, without any excessive dramatic liberties.

While, for the reasons stated, we do not believe the reply time you request is necessary, we do thank you for this opportunity to exchange views with you.

Cordially,

ROBERT D. KASMIRE.

THE INTEGRITY OF THE MERIT SYSTEM

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. TAYLOR. Mr. Speaker, the Committee on Post Office and Civil Service of which I am a member has devoted

enormous amounts of time to try to protect the integrity of the merit system which was established when Congress created the U.S. Civil Service Commission on January 16, 1883. While there may have been a time when the "spoils" system whereby an elected official upon taking office would use his authority to pass out political patronage jobs to all of his supporters, that has been tossed on the ash heap of history as not being consistent with good government. The Civil Service Act was designed to establish a merit system so that appointments to Federal jobs are made on the basis of merit and competence rather than Federal preference or political considerations. In recent years, the Supreme Court of the United States has ruled that an otherwise qualified person cannot be removed from a Federal position on the basis of his political views or activity, that being a violation of the first amendment of the Federal Constitution. In addition, Congress put on the statute books many years ago laws imposing severe fines and imprisonment for persons who promise, award or deny Federal jobs on the basis of political support or activity.

Since our committee first published "Policy and Supporting Positions" in 1960, an impression has developed that there exists a list of "political jobs" or a "Plum Book" connoting its use by a new administration to make appointments in the executive branch. To an extent this is true. Individuals who serve at the pleasure of the President or as confidential assistants to Presidential appointees obviously hold "political jobs." The exception of these so-called scheduled C positions from the competitive civil service reflects such considerations as "advocacy" of administration programs or policy determining responsibilities.

However, other positions listed in the so-called plum book such as those in schedule A and B are excepted from competitive civil service solely because it is impractical to hold competitive examinations for the jobs. They are not political jobs and persons holding those jobs are not subject to dismissal at the will of the President or his appointees.

I think it would be wrong for President Carter directly or indirectly to permit schedule A positions to be treated as "political jobs" or to permit evasion of the law by having these jobs reclassified from schedule A to schedule C. This would not only violate the letter but the spirit of the Civil Service Act and criminal laws, but the Federal Constitution as well.

Because of the importance of this question, I am reprinting here a letter to me from the Honorable Carl L. Shipley, a former distinguished member of the Republican National Committee with whom I served when I was a member of that organization, and a letter that he wrote to President Carter in this connection. Regardless of partisan considerations, I believe the fundamental principle involved merits the attention not only of Members of Congress but the public at large. We all share a common interest in maintaining a system of Federal employment based on merit instead of political patronage.

The letter follows:

SHIPLEY SMOAK & AKERMAN,
Washington, D.C., March 10, 1977.

Hon. GENE TAYLOR,
Members of Congress, U.S. House of Representatives, Committee on Post Office and Civil Service, Washington, D.C.

DEAR CONGRESSMAN TAYLOR: I am attaching a copy of a letter dated February 8 I wrote to President Carter in behalf of certain Schedule A employees of the Farmers Home Administration and Agriculture Stabilization and Conservation Service that we represent.

We have in our files a significant number of newspaper stories containing announcements by various Democratic party leaders in different states that the state directors of Farmers Home Administration will soon be replaced on the basis of political patronage by the Carter Administration. As I have indicated in the attached letter to the President, I believe this violates the Supreme Court's decision in *Elrod* v. *Burns*, — U.S. —, 96 S. Ct. 2673, which reaffirms the law that federal employees have a First Amendment right not to be denied government employment on the basis of their political views, and forbids the imposition of political allegiance as a condition of federal employment.

Not having received a response to my February 8 letter, and having received a number of additional newspaper articles from various parts of the country, I am increasingly concerned that this problem not be fairly considered by the White House before it is too late.

In 1883 Congress established the Civil Service Commission in order to eradicate the "spoils" system which so long had been a part of our elections. Indeed Congress has imposed serious civil and criminal penalties to protect federal employment from a reimposittion of the "spoils" system. (E.g., 18 U.S. Code 1917).

The U.S. Government says, "The Civil Service Act was designed to establish a merit system under which appointments in federal jobs will be made on the basis of fitness . . . rather than personal preference or political considerations." Congress in 18 U.S. Code 599, 600 and 601 has specifically provided fines and imprisonment for any one who directly or indirectly pledges support for, or promises appointment to a federal job in consideration for political support, or directly or indirectly deprives or attempts or threatens to deprive any person of federal employment on the basis of political activity.

It may well be that persons on the White House staff and in the Department of Agriculture are not familiar with the recent Supreme Court decisions which simply restate numerous previous Supreme Court decisions, or with the laws which apply to federal employment.

There is no question but what there are certain policy and supporting positions in the federal government which the President and his assistants have not only the right but the duty to fill with persons of his choice. These are known as Noncareer Executive Assignments and Schedule C positions, and the incumbents serve at the pleasure of the agency head because the position's excepted status reflects such considerations as advocacy of administrative programs or policy determining responsibilities.

However, Schedule A positions are excepted from the competitive civil service solely because it is impractical to hold competitive examinations for the jobs. They are not "political" jobs and historically do not involve either "advocacy" of the President's programs or "policy determining" responsibilities. State directors of the Farmers Home Administration are primarily engaged in banking activities, and executive directors of the Agricultural Stabilization and Conservation Service are engaged in administrative responsibilities carrying out policies advocated and determined solely by the President and his political advisers.

Unless the White House takes definitive action to advise the Agriculture Department that it cannot and should not seek to replace people holding Schedule A positions in the department, these people will have no choice but to litigate the issue. This should not be necessary in light of the commitment of all of us in general and President Carter in particular to abide by the law. I hope you can give this matter your early and serious consideration.

This is a matter of urgency based on information that the Department of Agriculture is going to start an "arm twisting" campaign asking for the resignation of these Schedule A employees within the next two or three weeks—by telephone rather than in writing. This would seem to be a calculated evasion of the law, and I would hope you can set in motion whatever action is necessary to cause the people doing this to uphold the oath they have taken as federal officers. Also the Secretary of Agriculture has written to the Civil Service Commission to ask that Schedule A positions be reclassified as Schedule C positions, which is another calculated scheme to evade the law and the Federal Constitution. It would be in the public interest for your committee to look into this matter at the earliest possible time.

Thank you for your cooperation.

Sincerely yours,

CARL L. SHIPLEY.

FEDERAL DEPOSITORY LIBRARIES

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. MURPHY of New York. Mr. Speaker, title 44 of the United States Code provides for a class of libraries in the United States in which certain Government publications are deposited for the use of the public. These libraries are known in the Office of the Superintendent of Documents of the Government Printing Office where the distribution is made, as designated depository libraries. I have introduced legislation H.R. 4748 which would make all American Bar Association accredited law schools Federal depositories.

Title 44, which is the authority for the operation of the depository program, was codified and enacted during the 90th Congress. Under the present provisions of this code, those libraries, which may be Federal depository libraries, are the highest State appellate court libraries; State libraries; two libraries from each congressional district designated by the Representative from that district, and two libraries designated in any part of the State by each Senator. By special legislation, the library of the American Antiquarian Society of Worcester, Mass., and the Public Library of the District of Columbia were designated Federal depositories.

If a depository designated by a Representative already exists within a congressional district, before an additional one may be designated, a certified statement of justification of the need for an additional depository must be furnished by the head of the library to be designated. This justification must further be

signed by the head of each existing depository library within the congressional district or by the head of the library authority of the State.

Once a library has been designated as a depository, it cannot be removed from the list nor can another library be designated in its place by the election of a new Member of Congress. It remains a depository until it ceases to exist, vacates the privilege at its own request, or is removed by the Superintendent of Documents for failure to abide by the laws governing the depository program.

A need has arisen among the law school libraries of this country to become Federal depositories; however, under the present depository law, this is not possible. A crisis has developed at these law libraries because they are unable to obtain U.S. Government documents with the speed, reliability, and cost efficiency of the past. Many law libraries are the centers of research, not only for faculty and students, but also for lawyers, judges, and scholars from the community and other institutions. The documents of the U.S. Government are crucial to the usefulness of both law students and those doing comparative work.

Presently, approximately 49 law libraries have become depositories, including approximately 26 in universities whose main library is also a depository. One must keep in mind that many law libraries are not in the proximity of a university's main library. Some are on the other side of town or even in other cities.

Law libraries began running into problems obtaining Government documents when the Joint Committee on Printing implemented the congressional order that the Government Printing Office operate without the benefit of annual subsidies and become self-supporting. The implementation of this order had three disastrous consequences for the libraries; prices rose dramatically; dealers ceased doing business with the Government Printing Office because their discounts were discontinued and subscriptions, which had supplied the libraries with essential items as soon as they were available, were abolished leaving them to order items only after they had been published.

A valid question can be asked as to why law libraries should be singled out as Federal depositories. The range of use and users of the various Government documents at these libraries can be easily underestimated. Congressional hearings and reports are vital to those who compile legislative histories which ultimately aid courts in interpreting statutory material. The various forms of the bills which proceed the public acts are similarly used. It must be remembered that even this huge category of material is only a part of the output of one arm of Government, the legislative branch. The judicial branch produces both reports of the Supreme Court and various statistics compiled by the court administration.

Do not forget that some of the standard items found in any law library are also the most difficult to obtain, absent a good subscription service. These items are the reports coming from executive and independent agencies, opinions from the Attorney General's office, IRS bulletins, U.S. Tariff Commission annual report, Civil Aeronautics Board reports and other reports used in research.

Many judges and attorneys rely upon law review articles to both trace trends in law and expand concepts. These law reviews are dependent upon a good research documentes section of a law library. Law school courses—such as administrative law, collective bargaining, and labor arbitration—and numerous others, are taught which are dependent upon the availability of Government documents.

Both the teaching and the research done within a law school require a complete and current collection of U.S. Government documents. The recent changes in governmental policies have made this increasingly difficult and potentially impossible to achieve. Depository status would insure that law libraries will continue to meet the needs of the law school students and the many others that rely upon them.

THE FUTURE OF THE PANAMA CANAL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. ANDERSON of California. Mr. Speaker, I view with deep concern the current indications that the new administration is pushing ahead on the projected giveaway of the Panama Canal.

I believe that any renegotiation or relinquishment of our rights to this strategic waterway would be a grave mistake for the United States to make. The facts are the canal is vital to our international trade, commerce, and defense interests. As such, I believe the Congress and the American people will reject the acquiescence of the Department of State to the demands of the Republic of Panama.

History shows that our territorial sovereignty was undeniably established on December 2, 1903, when the United States signed the Hay-Bunau-Varilla treaty. In it, the United States agreed to pay the Republic of Panama $10 million in gold—plus a yearly annuity for, "in perpetuity the use, occupation, and control" of a 10-mile wide strip of territory. Article III of this Hay-Bunau-Varilla treaty granted the United States "all rights, power, and authority, which the United States would possess and exercise as if it were the sovereign of the territory to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights." The $10 million which the United States paid to Panama under article XIV, as well as the $250,000 to be paid annually during the life of the treaty were expressly stated to be the price or compensation for the rights, powers, and privileges granted in this convention.

Therefore, I believe the canal is a duly-paid-for territory of the United States. Thus, the yielding of any property paid for from appropriated funds, such as the Panama Canal, must be approved by the House and Senate of the United States.

Usually the House does not ratify treaty negotiations, a prerogative of the Senate, who gives advice and consent to ratification by the President of a treaty. However, article IV, section 3, paragraph 2, of the Constitution states:

> The Congress shall have the Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States.

That is one reason why sovereignty and ownership are an issue.

Mr. Speaker, since 1903, such eminent people as Secretaries of State Hay, Root, and Hughes have repeatedly and categorically confirmed America's sovereignty over the Panama Canal.

The Supreme Court of the United States in the case of *Wilson* v. *Shaw*, 204 U.S. 24, a suit to restrain the Secretary of the Treasury from paying out funds for the construction of the canal, on the ground that the United States did not have title, a unanimous court said:

> It is hypercritical to contend that the title of the United States is imperfect, and that the territory described does not belong to this nation, because of the omission of some of the technical terms used in ordinary conveyances of real estate . . .

In a 1971 U.S. Court of Appeals for the Fifth Circuit decision, *United States* v. *Husband R. Roach*, 453 F. 2d 1054, certiorari denied 406 U.S. 935, in a case coming up for review from the Canal Zone, referring to both the 1903 and 1936 treaties the fifth circuit court declared:

> The Canal Zone is an unincorporated territory of the United States over which Congress exercises complete and plenary authority.

Mr. Speaker, the Republic of Panama is unqualified to assume the grave responsibilities involved in operating, maintaining, controlling, defending, and improving the canal. At present, the Panamanian Government is in deep financial trouble, as a result of its own mismanagement. I believe it is disastrous to attempt to insure stability in this zone by yielding control of U.S. security and commerce to a government headed by a military dictator, who seized power in a coup in 1968. I, for one, am not ignoring the alleged visit of Panama's Gen. Omar Torrijos to Cuba, nor allegations that Torrijos' government has denied its citizens many of the basic human rights promoted by President Carter.

We have been neither imperialistic nor exploitive in our relations with Panama. Benefits have accrued to the Republic, as we have spent in excess of $6.8 billion in maintaining, defending, and operating the Panama Canal. The Republic of Panama now boasts the highest per capita income in Central America, without a doubt, the greatest single beneficiary of the canal.

Mr. Speaker, why should we as a nation nullify a treaty which was legally ratified, and give land back which was legally purchased? It is my belief, and I think the belief of the American people

that the United States should maintain and strengthen its defense, commerce, and trade interest in the Panama Canal.

PLEASE PASS TITLE XX OR THE CENTER WILL BE CLOSED

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. KOCH. Mr. Speaker, all too often our elderly citizens are among the first to be rejected from the mainstream of our society. Many times, they are excluded from participating in community and social activities that make up the regular daily routine for most of us. For our elderly, loneliness and depression are oftentimes the rule rather than the exception. And when confronted with pressing needs, older people are sometimes left unaware of the avenues of assistance available to them.

To assist senior citizens with some of these problems, some States have applied their title XX funds of the Social Security Act toward establishing social group centers for the elderly. Basically a revenue sharing plan to the States for social services, title XX is perhaps best known for the services it provides for the children of this Nation such as child day care centers. Some States have expanded their social service programs under title XX to include centers for senior citizens that provide social activities, administer hot meals through title VII of the Older Americans Act, provide ombudsman services, make county social workers available, and serve as a focal point for the administration of home health services.

I recently received correspondence from a constituent of mine who was in need of services such as I have described. This woman, alone and despondent, was unaware that a program operating with title XX funding allocated by the State of New York was located quite near her home. I urged her to join this center, and now she is provided with companionship and activities of interest to her.

My constituent is now concerned that this center, which has been of such help to her, may be closed if title XX is not adequately funded. I was pleased to be able to tell her that President Carter recently proposed funding of title XX to its current services level. I also urged her to contact her local Social Services District Office and to inform them of her concerns, since the decision to use title XX funds for Senior Citizens' Centers is up to the States. I have appended my correspondence with her to this statement.

Mr. Speaker, at a time when many of our social service programs are being reduced in their scope, I am glad that President Carter has recognized the value of title XX of the Social Security Act, and has requested a restoration of its funding. As a member of the Appropriations Committee, I will do all I can to support the President's request. In addition, I urge those States that now do so to continue to apply part of their title XX funds to these excellent programs to aid our senior citizens:

FEBRUARY 7, 1977.

Hon. EDWARD I. KOCH: Thanks for sending me the list of allowable tax exemptions. I'll take it to the lady who makes out my tax returns.

My income is a little above that required to receive food stamps, etc. What is SSI. Rent relief, etc.

I have no help on my dental expenses.

I'm a retired kindergarten teacher, age 81, on a fixed income.

Last year I had to pay more in taxes than President Nixon did. No exemption as head of the household. My husband had a special Washington, D.C., job. He planned what should be put on the ship for the big push to Normandy.

He died of cancer in '51. I had it in '61. God has been merciful, but I have lived too long.

If I ever need home care, I hope I will have a clear enough brain to take my own life. I have no one alive now who cares about me.

Thanks for the article.

(Signature)

WASHINGTON, D.C., *February 25, 1977.*

DEAR ———: I read your letter and I want you to perk up. Life is never over so long as we have breath. And you are not only spunky but intelligent. Why don't you join a Senior Citizens' Organization near you, such as the Stein Senior Center, 301 East 29th Street, phone #689-4615. You will find plenty of new friends there as well as activities that will interest you.

All the best.

Sincerely,

EDWARD I. KOCH.

FEBRUARY 28, 1977.

Hon. EDWARD KOCH: Thank you for your February 25th letter.

I did join the Stein Senior Citizen's on 29th and they are terrific.

Sincerely,

(Signature)

MARCH 8, 1977.

Representative KOCH: The Stein Senior Club on 29th St. as you wrote is excellent.

Its existence is at stake.

Please pass Title XX or the center will be closed.

They do a fantastic job and many I see there are needy, blind, some with canes, etc. Please help.

Sincerely,

(Signature)

WASHINGTON, D.C.,
March 10, 1977.

DEAR ———: I have your letter urging me to support funding for Title XX of the Social Security Act.

I assure you that I will do all I can at the federal level to make certain Title XX receives its current services funding. When the Budget for HEW, which administers Title XX, comes before the Appropriations Committee and the House, I will certainly support the President's request for current services funding.

However, since the decisions to use Title XX funds specifically for Social Group Centers for the Elderly is made at the state level, I suggest that you contact your local Social Service District Office and inform them of your concerns.

You will be pleased to know that more New York Counties will be eligible to apply Title XX funding towards Senior Citizens' Centers as a result of the recent re-organization of the State of New York's Department of Social Services.

In addition, the enclosed may be of interest to you. All the best.

Sincerely,

EDWARD I. KOCH.

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Friday, March 11, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MEETINGS SCHEDULED

MARCH 14

9:00 a.m.

Agriculture, Nutrition, and Forestry

To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.

Until: Noon 322 Russell Building

10:00 a.m.

Appropriations

HUD-Independent Agencies

To resume hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration.

1318 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration; and to consider supplemental appropriations for fiscal year 1977 for activities falling within the subcommittee's jurisdiction.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.

357 Russell Building

Environment and Public Works

To hold hearings on the nomination of James Gustave Speth, of the District of Columbia, to be a Member of the Council on Environmental Quality.

4200 Dirksen Building

Foreign Relations

Subcommittee on Foreign Economic Policy

To hold hearings to receive testimony on an overview of American foreign economic policy.

4221 Dirksen Building

Judiciary

To resume hearings on S. 11, and printed amendment No. 40 thereto, providing for the appointment of additional district judges.

2228 Dirksen Building

10:30 a.m.

Appropriations

Defense Subcommittee

To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense establishment.

1223 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration.
1224 Dirksen Building

MARCH 15

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 and on proposed supplemental appropriations for fiscal year 1977 for the Trust Territory of the Pacific Islands.
1114 Dirksen Building
Environment and Public Works
To resume consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building
10:00 a.m.
Appropriations
Treasury, Postal Service and General Goverment Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Council of Economic Advisers, the Council on Wage and Price Stability, the National Security Council, and the National Center for Productivity and Quality of Working Life.
1224 Dirksen Building
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration, American Battle Monuments Commission, and for the U.S. Army Cemeterial Expenses.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol
Banking, Housing, and Urban Affairs
Subcommittee on International Finance
To hold hearings on S. 69 and 92, to amend and extend the Export Administration Act.
5302 Dirksen Building
Energy and Natural Resources
To hold hearings on S. 9, proposed Outer Continental Shelf Lands Act Amendments.
3110 Dirksen Building
Finance
To consider the nominations of Hale Champion, of Massachusetts, to be Under Secretary, Arabella Martinez, of the District of Columbia, to be an Assistant Secretary, and Thomas D. Morris, of the District of Columbia, to be Inspector General, all of the Department of Health, Education, and Welfare, to be followed by mark up H.R. 3477, to provide for a refund of 1976 individual income taxes; to reduce individual and business income taxes, and to simplify and reform certain other tax provisions; to be followed by consideration of nominations of Arabella Martinez, Thomas D. Morris, and Hale Champion, all of the Department of Health, Education, and Welfare.
2221 Dirksen Building
Foreign Relations
To hold hearings on the nominations of Richard Holbrooke, of the District of Columbia, to be an Assistant Secretary of State; John E. Reinhardt, of Maryland, to be Director of the United States Information Agency; and Hodding Carter III, of Mississippi, to be an Assistant Secretary of State.
4221 Dirksen Building
Governmental Affairs
To resume hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol
2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Election Commission, the Civil Service Commission, the Defense Civil Preparedness Agency and the Federal Labor Relations Council.
1224 Dirksen Building
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced
Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Department of Defense and AID.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

MARCH 16

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed supplemental appropriations for fiscal year 1977, and on proposed budget estimates for fiscal year 1978 for the administration of the Trust Territory of the Pacific.
1114 Dirksen Building
Environment and Public Works
To continue consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building
10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear Secretary of Defense Brown.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building
Budget
To hold hearings in preparation of reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building
Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on causes of deaths and injuries involving cars and tractor trailers.
235 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration, with testimony on nuclear aspects.
3110 Dirksen Building
Finance
To mark up H.R. 3477, to provide for a refund of 1976 individual income taxes; to reduce individual and business income taxes, and to simplify and reform certain other tax provisions.
2221 Dirksen Building
Governmental Affairs
To resume hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol
10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building
2:00 p.m.
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs to hear representatives of the Energy Research and Development Administration.
Room to be announced

MARCH 17

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building
10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Alcohol, Drug Abuse, and Mental Health Administration, and Saint Elizabeths Hospital.
S-128, Capitol
Banking, Housing, and Urban Affairs
To mark up S. 69 and 92 to amend and extend the Export Administration Act and related matters.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building
Commerce, Science, and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Finance
To mark up H.R. 3477, to provide for a refund of 1976 individual income taxes; to reduce individual and business income taxes, and to simplify and reform certain other tax provisions.
2221 Dirksen Building
Governmental Affairs
To resume hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Labor-Hew Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Health Resources Administration.
S-128, Capitol
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for Public Works programs, to hear testimony on national security programs.
Room to be announced

MARCH 18

10:00 a.m.
Appropriations
Defense
To resume hearings on proposed budget estimates for fiscal year 1978 for research, development, testing and evaluation program of the Army.
1223 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building
Foreign Relations
Subcommittee on Foreign Economic Policy
To resume hearings to receive testimony on an overview of American foreign economic policy.
4221 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To continue hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephone, computers, etc.)
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 929 and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To hold oversight hearings on developmental disabilities.
Room to be announced
Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to receive testimony on funds for the Uniformed Services University of the Health Sciences.
1223 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Energy and Natural Resources
To hold hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf, and for other purposes.
3110 Dirksen Building
Government Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs, to hear representatives of Environmental Research and Development Administration.
Room to be announced

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
235 Russell Building
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To receive testimony on the administration's legislative proposals for programs for the handicapped.
Room to be announced

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearing on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on activities of the Electronic Fund Transfer System Commission.
4302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on U.S. Monetary policy.
357 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Government Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act)
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol
2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government, to hear public witnesses.
1224 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act, to hear Secretary of Agriculture Bergland.
Until: noon 322 Russell Building
9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communication common carrier policies (i.e., telephone, computer, etc.).
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including E. 292, and S. 689.
5110 Dirksen Building
10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed reprogramming of funds for fiscal year 1977.
1223 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act
5302 Dirksen Building
Energy and Natural Resources
Subcommitee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations.
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset act).
3802 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol
Select Small Business
To hold hearings on S. 972, authorizing the Small Business Administration to make grants to support the development and operation of small business development centers.
Until 1 p.m. 424 Russell Building
2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federal affected areas and emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until 1 p.m. 457 Russell Building
9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689
10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occupational, vocational, and adult education programs.
S-128, Capitol
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1378 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Commerce, Science and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the U.S. Railway Association and on funds for the Office of Rail Public Council within the Interstate Commerce Commission.
235 Russell Building
Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center to be located on the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorization for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced
Government Affairs
*Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
6226 Dirksen Building
2:00 p.m
Appropriations
Foreign Operations Subcommittee.
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education and welfare programs, and for library resources.
S-128, Capitol

MARCH 25

9:30 a.m.
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building
10:00 a.m.
Appropriations
Subcommitte on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Congressional witnesses.
1223 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building
Energy and Natural Resources
Subcommitte on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced
11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for 1977 from officials of Amvets.
Until: Noon.

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building
10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Commission.
1224 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings to inquire into domestic communications common carrier policies (i.e., telephones, computer, etc.).
235 Russell Building

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every 5 years (Proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to announced

MARCH 29

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment to hear Congressional witnesses.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Government Affairs
*Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
6226 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

MARCH 30

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Agriculture, Nutrition and Forestry
Subcommittee on Agricultural Production, Marketing and stabilization of Prices
To hold oversight hearings on problems of flue cured tobacco farmers.
322 Russell Building

Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1976 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the defense establishments, to hear public witnesses.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Social Security Administration.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witness.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for National Highway Traffic Safety Administration.
1224 Dirksen Building

Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office for Civil Rights, Inspector General, Policy Research and General Management.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearing on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Committee, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
1318 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission; Office of Consumer Affairs and Consumer Information Center.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and Related Agencies, to hear public witnesses.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration .
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 21

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
*Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

Appropriations
Transportation Subcommittee
To continue hearings on proposed estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 28

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration
1224 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Appropriations
* Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
5302 Dirksen Building

MAY 12

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 24

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 26

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

SENATE—*Friday, March 11, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 12 meridian, on the expiration of the recess, and was called to order by the Deputy President pro tempore (Mr. HUMPHREY).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, under whose providence men and nations live and move and have their being, we thank Thee for this day of deliverance. We thank Thee for the skill of diplomats, for the competence and fidelity of the custodians of our safety—the sergeants at arms, the police officers, detectives, and their associates, for faithful and discerning stewards of public information, and for the patience, understanding, and cooperation of the people.

We thank Thee, O Lord, for the hidden power of the Spirit at work among us, for the triumph of reason over the irrational, for the concern and compassion of the community in the bonds of brotherhood, and the fellowship of faith and trust.

Give comfort to those who mourn and healing to those who have been hurt. Bring again the reign of law and universal reverence for life and property. Prosper the counsels of our President as leaders of many nations arrive and depart from this Capital, to the end that peace and justice may abide in the world. And dispose all of us to do justly, love mercy, and walk humbly with our God. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Thursday, March 10, 1977, be approved.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there are nominations placed on the Secretary's desk in the Coast Guard which I understand have been cleared on both sides of the aisle. I ask unanimous consent that the Senate go into executive session to consider those nominations only.

Mr. BAKER. Mr. President, do I correctly understand that we are speaking now of just the Coast Guard nominations and not the Interior or Commerce nominations as they appear on the Executive Calendar?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER. There is no objection to proceeding with them on this side, Mr. President.

There being no objection, the Senate proceeded to the consideration of executive business.

The DEPUTY PRESIDENT pro tempore. The nominations will be stated.

NOMINATIONS PLACED ON THE SECRETARY'S DESK—COAST GUARD

The second assistant legislative clerk proceeded to read nominations in the Coast Guard which have been placed on the Secretary's desk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The DEPUTY PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed in the RECORD at the conclusion of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

The DEPUTY PRESIDENT pro tempore. The Senator from Tennessee is recognized.

RELEASE OF HOSTAGES

Mr. BAKER. Mr. President, it is with a collective sigh of relief that we can this morning note the release of the 134 hostages held for more than 40 hours by terrorists in the Nation's Capital.

It was an extraordinary time, an extraordinary period of events that brought painfully home the arbitrary horror of terrorist activities which have in recent years plagued so many areas of the world but never here. Violence visited upon innocent victims wherever it occurs and for whatever reason will always be terrible, but now, in a tragic event that could have potentially been so much worse, we are reminded how painfully tenuous and frail is the thread of civilization that binds even this community and this Nation together.

But it was extraordinary for other reasons, Mr. President, it was extraordinary for the heroism, the painstaking dedication, patience, and courage of the Washington Metropolitan Police Force and the tireless and able leadership of Mayor Washington and Chief Cullinane. By the very nature of their employment, police are inclined to be men of action; and throughout the entire process when the potential for violence was so great, when one ill-considered move could have triggered the destruction of so many more human beings, they waited and they watched and they were patient.

Finally, Mr. President, it was extraordinary because in this moment of extreme domestic crisis we were assisted by three very courageous diplomats who placed themselves in a position of great personal danger to negotiate with the captors and help secure the release of the hostages. To Ambassador Zahedi of Iran, Ambassador Yagub-Khan of Pakistan, and Ambassador Ghorbal of Egypt, we owe the greatest debt of gratitude.

Perhaps it is ironic, Mr. President, I hope that it is an omen for the future, but I cannot help but note that the negotiations between the terrorists and these three Ambassadors, two of whom are themselves from the troubled Middle East, occurred in the lobby of the B'nai B'rith Building. However frail the thread of civilization may be, Mr. President, let us hope that the compassion that was demonstrated without regard to the identity of the hostages involved, will also be demonstrated by all the parties involved in the very troubled area of the Middle East.

There is no conclusion to draw from these events, Mr. President. It was tragic, and we can be relieved only that they did not prove even more tragic; it was a time marked by courage and compassion; and, we have found that we are not immune.

OUTSTANDING SPEECHES BY SENATOR PACKWOOD

Mr. BAKER. Mr. President, yesterday I was pleased to insert in the RECORD for the benefit of my colleagues a remarkable speech by our colleague, Senator BOB PACKWOOD.

I am now doubly pleased that the New York Times, in an editorial entitled, "A Republican Care Package," that appeared in this morning's edition, also recognized the wisdom of the ideas expressed by the Senator from Oregon.

I should note that this speech is but one of a series of outstanding speeches delivered by the Senator that invariably are not only politically astute but also are of great literary quality.

It was my privilege to hear another one of these at a Senate prayer breakfast back in September of last year. It, too, was "pure Packwood" and at the time I asked that it be inserted in the RECORD. For the benefit of those of my colleagues who may have missed it, Mr. President, I ask unanimous consent that that speech and the editorial that appeared in this morning's edition of the New York Times be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From The New York Times, March 11, 1977]

A REPUBLICAN CARE PACKAGE

"There is no new Republican Party, no old Republican Party. There is only the same Republican Party which for half a century has opposed every major piece of social legislation." The speaker was John Kennedy and the time was the 1960 campaign, but it could have been any number of Democrats speaking at almost any time since the New Deal. Republican obstructionism on social welfare has been a stock target in Democratic shooting galleries for a generation.

What a surprise, then, to read the following sentiments voiced the other day by Senator Bob Packwood, Oregon Republican, at a conference of partisans: "Roosevelt gave this country hope—but the Republicans said 'No'. . . . Why even within the last 15 years the Republican Party opposed Medicare. Is it any wonder that the people who seek certainty and security mistrust us?"

It should not be hastily assumed that Senator Packwood has all this time been a closet Democrat. On the contrary, his words introduced an intensely loyalist proposal for how the badly outnumbered Republicans should try to reclaim voter support. The problem, as he sees it, is that the public wants social services and that Republicans have offered no discernible alternative to the Democrats' big government approach to providing them. His solution is "a Republican Care Package," in which government requires employers to provide health insurance, day care, education assistance, legal aid plans or other such services to their employees. In return, employers would receive tax benefits.

There are plenty of problems with the Packwood idea. It would not reach a lot of people; those who don't work for someone or don't work at all total perhaps 20 percent of the work force. It would not be a substitute for those "big government" anti-poverty programs such as food stamps, that disturb some conservatives most. The Packwood proposal might be onerous for smaller businesses to administer, and government might be required to enter the picture after all, with its customary red tape.

We hope the Senator fleshes out his sketchy plan and that it generates a lively debate. But to get caught up in details is to miss what is most important about the proposal: A Republican is willing, even eager, to acknowledge the need for social services and, more, is groping for innovative ways to meet it. Against the wintry Republican record, that may be a sign of a possible political spring.

[From the CONGRESSIONAL RECORD, Sept. 9, 1976]

SENATOR PACKWOOD'S ADDRESS TO THE SENATE PRAYER BREAKFAST

HUME, HEGEL, AND TOYNBEE

This is a particularly auspicious morning for me because I'm going to use as part of my text George Sabine's "History of Political Theory." I see Mark at the end of the table, and for two years when I was a political science student of his, I had to listen to him lecture to me and today he has to listen to me lecture to him.

I'm going to take three philosophers and tie some of their philosophies together. Then I'll try to translate what their philosophies are into problems that we face today.

The three are David Hume, who was a conservative English philosopher of the 1730's and '40's; Frederick Hegel, a German philosopher of a later period; and then Arnold Toynbee, a contemporary historian and philosopher.

I'll start with Hume because he is the most significant to English political philosophy and to ours because of what we took from England in so many ways. Hume in 1740 wrote a book called the "Treatise of Human Nature." It had such a stunning impact on philosophy that even Immanuel Kant, the great German philosopher, said that he awoke from thirty years of intellectual slumber when he read Hume's "Treatise of Human Nature." Professor Sabine described it as follows, "This work occupies a critical position in the history of modern philosophy and its importance is not even mainly in the field of political philosophy. At the same time the general philosophical position that Hume developed had a profound bearing upon all branches of social theory. What Hume supplied was a penetrating logical analysis which, if accepted, destroyed all of the pretentions of natural law to scientific validity. In addition, he extended this critical result to specific applications of natural law in religion, ethics and politics . . . Hume undertook to analyze the concept of reason as this term was customarily used in the system of natural law to show that under this term there had been uncritically combined and confused three factors or processes which are quite different in their meaning. The effect of this confusion was to describe as necessary truths or unchallengeable laws of nature and morality; propositions which can make no claim to such absolute certainty."

The theology and philosophy of natural law was very paramount at that time. The natural law theory said that there were certain immutable laws in science and among men and that somehow you could divine them directly from God. This was a more prevalent philosophy in continental Europe than it was in England. But even England to some degree shared it. Certainly the theory of the divine right of Kings was one branch of that concept that somehow God had endowed certain kinds of government with divinity and they were not to be changed.

Hume looked at the theory of natural law. He divided reason, as the term was then used, into three categories. He said first, you've got the kind of reason where you reason from a premise to a conclusion. It's a mathematical kind of reasoning. He said it

is pure reason but it doesn't prove the truth of anything. All you have is a premise and reasoning from the premise you can come to a conclusion. It doesn't prove the conclusion is true because you don't know if the premise is true. But it is a method of reasoning.

Secondly, he took what he called cause and effect reasoning. He would use the example of Newton's apple—you hold the apple, let it loose, and it falls. It's a cause and effect. There's no necessary morality to that cause and effect; there's no necessary truth to it and as a matter of fact, two centuries later we find that in space the apple doesn't fall. It's simply weightless. It stays in the same position. So there was no necessary truth to many of the causes and effects which in 1740 were regarded as having divine verity.

Third, Hume examined what he called the codes of human conduct. This is what we're most inclined to ascribe natural law to: that there are certain immutable things, eternal truths, that govern mankind. Hume said that those were really conventions of convenience. As such, they were not to be demeaned. They are very important; they give government stability. But, we use them and we keep them not because they were divinely inspired, but because over years or centuries of experience we have found that they produce a better result than other forms of experience that we may have tried at one time or another and found wanting. Again, Hume says there's no necessary morality to these "conventions"; no necessary "truth"; no necessary "rightness"; but our experience teaches us it's a better way to proceed than other ways.

English history is really full of that kind of philosophy. Most of the traditional English civil liberties, which generally are all of the acts of Parliament guaranteeing civil liberties from roughly Magna Carta in 1215 to the English Bill of Rights in 1688, were based on experience—not divinity. In most cases the preservation of English civil liberties was nothing more than individual acts of Parliament, passed after years of experience. Englishmen collectively decided it was necessary to limit the power of government and especially to limit government's power over Englishmen's civil liberties. It was necessary to pass certain laws to restrain majorities, to restrain kings, to restrain Parliaments. But England wisely never ascribed to those Acts any kind of divine quality.

The common law, the English Judicial System, is a perfect example of what Hume was talking about. There was never, in all of the Court cases in England, never any indication that somehow God had divined certain results. Of course, the common law changed. Every fifty years or so, as the Courts would see new circumstances, they would change their decisions.

By and large the United States followed the English rather than the continental European philosophy. We were never a strong, natural law country. Our Declaration of Independence was phrased in terms of natural law. That is understandable, however. At that time, we weren't taking much from English law. In the Declaration of Independence we say, "We hold these truths to be self-evident, that mankind is endowed by his creator with certain inalienable rights." That is very much natural law language. By the time we came to writing our Constitution, however, it was much more English. Our Bill of Rights was copied from England. Additionally we added to it freedom of the press and freedom of religion which England did not protect. Those were innovations of this country rather than England. The whole Constitution doesn't really speak of being from God, or of being divine. It was the history of experience and what do we need to do to limit government; what do we need to do to protect mankind. We drew very heavily on our English background.

Now that's Hume. There is no natural law, no natural morality but certainly strong conventions and codes of conduct which we find to be necessary in order to have stability.

Move now to Frederick Hegel, a German philosopher, much maligned because of later deviations from his philosophy that he would not have stood still for. Hegel came up with a theory of studying history called the "Dialectic." He thought by applying the dialectic you could look at history and be able to reveal what the future would hold. He thought you had a continual outpouring of ideas, new ideas tumbling over old ideas, and that they would finally culminate in the Nation State. He regarded this as the highest form of government and that these ideas would be continually outpouring and revealing themselves almost for eternity until you finally had a perfect Nation State.

Hegel used three terms—thesis, antithesis, and synthesis. His concept of the "thesis" was that there would be an idea. This idea was ongoing, but eventually, at some stage, the idea, not being irrevocably right, was met with a counter idea, the "anti-thesis." As these two clash together, out of it comes a "synthesis" which is in essence a new idea (that is, a new "thesis"). This new "thesis" goes on and meets another "anti-thesis" producing a new "synthesis" which in turn becomes the new "thesis" and so on continually. Hegel analogized this process to waves at the ocean coming in and breaking (the thesis), then falling back and hitting the next wave coming on (the anti-thesis), forming a new wave (the synthesis), and so on.

Marx distorted Hegel. Marx said that mankind isn't interested in ideas, they're interested in goods, materialism. And he applied the dialectic and called it "dialectical materialism." He said the inevitable result of his study of history, using the dialectic, is the inevitable coming of communism and materialism. That would stand Hegel on his head. I don't think he ever would have conceived of that but it didn't do much for Hegel's reputation to have Marx grab the dialectic and attach materialism to it instead of ideas. The dialectic was even further demeaned during Hitler and the Third Reich because they seized upon the idea of Hegel's evolutionary national state and said that Hegel was sort of a patron saint of the Third Reich. I don't think Hegel would ever have tolerated most of the things the Third Reich stood for. But between Marx and Hitler, Hegel was put into a good deal of disrepute for a long period of time.

Now take Hume's concept—that there's no natural law; take Hegel's concept of the thesis, the anti-thesis, and the synthesis, and view them in light of Toynbee and his Study of History. Toynbee really did not study democratic civilizations. They hadn't existed long enough. We have not had what he would have called a civilization of democracies that was born, flourished and died. So all of his studies of civilization were in essence dictatorships and monarchies, call them what you want. Toynbee concludes in his Study of History that all civilizations fall because they cannot change. They become too rigid. At the very height of their power and glory, they have within them the seeds of their own destruction. He even uses in his Study of History the concept of the thesis, the anti-thesis, and the synthesis. The thesis is the civilization at its absolute glory but within it or without it, is an anti-thesis trying to chip away at it trying to get it to change, trying to come forth with a new synthesis. The problem Toynbee says is that all of these dictatorships or monarchies in the past fell because they could not change. They could not adapt. They had too much natural law in their philosophy, too much rigidity in their thinking, too many absolute verities that they knew were true and therefore, if they were true and God had inspired them, they should not be changed. They were not true and they could not stay true and those civilizations could not stand against this continual pushing at it of new ideas.

I don't know if Toynbee would come to this conclusion or not. The conclusion I come to is this: Democracies, more than any other form of government, have at least the chance of continuing their civilization because by the very nature of democracy—by the very nature of what we try to build into it in terms of diversity—diversity of religion, diversity of political views—makes us more receptive to being able to change. It makes us more receptive to being able to adapt to the anti-thesis coming back to us than if we were a rigid dictatorship that was eternally convinced we were right.

Everyone of us has an individual conscience and every one of us must live by it. There's probably no better advice than that in Hamlet given by Polonious to Laertes when he said, "To thine own self be true and as sure as the night must follow the day thou can be false to no man." We get ourselves into a bind, however, if we ascribe to the actions of our government or anything we may vote upon some kind of natural divinity.

Take capital punishment. Mark and I can remember within the last 15 years in our state when it was voted out—I think over 2 to 1. Any kind of poll today would indicate it would be voted back in Oregon by about the same margin. I'm not saying that capital punishment is right or wrong. I personally happen to favor it. But it's awfully hard to ascribe an eternal verity to it if fifteen years ago we thought it was terrible and now we think it's good. It isn't a question that it was good and it's become bad. We should never say that it's eternally right or wrong.

We should be prepared to change as it is necessary to change. If we don't change, if we try to ascribe to ourselves certain verities, certain absolute divinities, and say those are right, God has spoken to us, then I think what we are asking for is that we can become rigid because of our own thinking. We can get ourselves into a box by ascribing to God things that should not necessarily be ascribed to him. And then we are in essence asking, or at least sowing the seed, for the destruction of our own civilization, because we would become so rigid in our thinking, so unreceptive to change, so convinced that God has spoken to us collectively as a Nation, that we won't be able to see the new synthesis coming on and it will wash over us and possibly destroy us.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I yield back the remainder of my time under the standing order.

Mr. ROBERT C. BYRD. Mr. President, there is no order for the recognition of any Senator, is there?

The DEPUTY PRESIDENT pro tempore. There is a previous order for the Senate to proceed at this time to the consideration of House Joint Resolution 269.

AUDIT OF THE INTERNAL REVENUE SERVICE AND THE BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed at this time to the consideration of S. 213. Mr. METCALF is here, and he is ready to manage it. I understand it will take only a very brief time. This

will not delay the action on House Joint Resolution 269.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 213) to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Internal Revenue Service and of the Bureau of Alcohol, Tobacco, and Firearms.

The Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs with amendments as follow:

On page 3, line 16, after "Taxation, the" insert "Committee on";

On page 3, beginning in line 16, strike "Committee";

On page 3, line 17, strike "Representatives and" and insert "Representatives, the Committee on Governmental Affairs of";

On page 4, line 2, strike "and";

On page 4, line 2, after "the" insert "Committee on";

On page 4, line 3, strike "Committees";

On page 4, line 3, strike "Representatives" and insert "Representatives,";

On page 4, line 4, after "and" insert "the Committee on Governmental Affairs of";

So as to make the bill read:

S. 213

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 117 of the Accounting and Auditing Act of 1950 (31 U.S.C. 67) is amended by adding at the end thereof the following new subsection:

"(d)(1) The Comptroller General shall make, under such rules and regulations as he shall prescribe, audits of the Internal Revenue Service and the Bureau of Alcohol, Tobacco, and Firearms of the Department of the Treasury: *Provided*, That such audits shall not affect the finality of findings or decisions of the Secretary of the Treasury or his delegate under section 6406 of the Internal Revenue Code.

"(2) For purposes of, and to the extent necessary in, making the audits required by paragraph (1) of this subsection, representatives of the General Accounting Office—

"(A) shall, to the extent provided by, and subject to the requirements imposed by, section 6103 of such Code but notwithstanding the provisions of any other law, have access to returns and return information (as defined by section 6103(b) of such Code); and

"(B) shall, notwithstanding the provisions of any other law, have access to all other books, accounts, financial records, reports, files, papers, things, and property belonging to or in use by the Internal Revenue Service or the Bureau of Alcohol, Tobacco, and Firearms:

Provided, That no officer or employee of the General Accounting Office shall, except as otherwise expressly provided by law, divulge or make known in any manner whatever to any person, other than another officer or employee of such office whose official duties or responsibilities require such disclosure, any information described in clause (B) in a form which can be associated with, or otherwise identify, directly or indirectly, a particular taxpayer. Any such officer or employee who makes a disclosure in violation of this proviso shall be subject to the penalties provided by law.

"(3) The Comptroller General shall, from time to time, but not less often than once every six months, designate in writing the name and title of each officer and employee of the General Accounting Office who, pursuant to the provisions of paragraph (2) of this subsection, is to have access to tax return information, or any information described in clause (B) of such paragraph (2), in a form which can be associated with or otherwise identify, directly or indirectly, a particular taxpayer. Each such written designation, or a certified copy thereof, promptly shall be delivered to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Joint Committee on Taxation, the Committee on Government Operations of the House of Representatives, the Committee on Government Affairs of the Senate, the Commissioner of Internal Revenue, and the Director of the Bureau of Alcohol, Tobacco, and Firearms.

"(4) The Comptroller General shall, as frequently as may be practicable, make reports to the Congress on the results of audit work performed. In addition, the Comptroller General shall submit an annual written report to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Joint Committee on Taxation, the Committee on Government Operations of the House of Representatives, and the Committee on Governmental Affairs of the Senate which report shall include, but shall not be limited to, the following:

"(A) The procedures and requirements which the General Accounting Office, the Internal Revenue Service, and the Bureau of Alcohol, Tobacco, and Firearms have established for protecting the confidentiality of tax returns and tax return information made available to the Comptroller General under this subsection;

"(B) The scope and subject matter of any audit or other examination or review authorized under paragraph (1) of this subsection; and

"(C) Any findings, conclusions, or recommendations developed by the Comptroller General as a result of any audit or other examination or review authorized under paragraph (1) of this subsection including any significant evidence of inefficiency or mismanagement.".

Mr. METCALF. Mr. President, the main purpose of S. 213 is to resolve a longstanding disagreement between the Internal Revenue Service and the General Accounting Office. The bill makes clear that the Comptroller General has the authority to initiate regular management reviews of the IRS and the Bureau of Alcohol, Tobacco and Firearms, obtain access to pertinent records and personnel, including tax returns and tax return information, and make such audits on an independent basis.

Final authority of the Secretary of the Treasury or his delegate to make findings and decisions as to any claim under the internal revenue laws is specifically preserved.

A second, and most important purpose of the legislation is to assure that GAO audits will in no way result in the unauthorized disclosure of tax returns and tax information. There shall be full congressional oversight over GAO's handling of such sensitive information. GAO employees shall be subject to the same penalties and sanctions as are employees of IRS and ATF for any unauthorized disclosure.

S. 213, which was approved unanimously by the Senate Governmental Affairs Committee, is identical to legislation approved by the Senate on the last day of the 94th Congress, except for the technical amendments required by the renaming of the Committee on Governmental Affairs.

I ask unanimous consent to have printed in the RECORD the background and legislative history of this bill, as it appears in Senate Report 95–42.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BACKGROUND AND LEGISLATIVE HISTORY

The IRS and the ATF, with concurrence by the Treasury Department, have consistently taken the position that the GAO is barred from making independent management reviews requiring access to records relating to their administration of the Internal Revenue Laws. The GAO has consistently been of the opposite view. A detailed summary of the arguments made by IRS, ATF, and GAO in support of their respective positions can be found in the report of the Senate Committee on Government Operations accompanying H.R. 8948 (Rept. No. 94–752). This longstanding controversy was essentially resolved in the 94th Congress. But although all parties involved had reached agreement, the 94th Congress adjourned before perfecting legislation was enacted.

On July 25, 1975, the chairman and seven members of the House Subcommittee on Commerce, Consumer, and Monetary Affairs introduced H.R. 8948 to amend the Accounting and Auditing Act of 1950 to provide for the audit of the Internal Revenue Service by the Comptroller General. Legislative hearings on H.R. 8948 were held on September 11, 1975, when testimony was received from Robert Keller, Deputy Comptroller General of the United States, and the Commissioner of the IRS, Donald C. Alexander.

The House Government Operations Committee, in reporting formally on the legislation recognized the broad authority placed by Congress in the Comptroller General to audit Federal agencies, even when final settlement authority is lodged with the agency being audited, as is the case with the IRS and the ATF, and it further recognized the compelling need for an independent GAO audit. The House report on H.R. 8948 says in part:

"The subcommittee members believe that, as a consequence of the refusal, IRS and ATF management practices and administration of the tax laws have not been as efficient as they would have been; and that many committees, including the House Government Operations Committee, and individual Members of the Congress have been denied meaningful information on IRS and ATF operations. Further, that such a refusal together with the knowledge of IRS abuses and weaknesses has led to some loss of public confidence in the administration of our tax laws—an essential prerequisite for the success of our voluntary system of tax collection."

However, the House committee also concluded that the conclusive authority of the Secretary of the Treasury as to findings of fact and decisions on claims should be preserved, and that Internal Revenue Code restrictions against disclosure of tax returns and tax return information should be specifically applied to the GAO in its conduct of any audit.

Accordingly, the House committee amended the legislation to provide (1) that the GAO audits of the IRS and the ATF shall not affect the finality of findings or decisions of the Secretary of the Treasury or his delegate under section 6406 of the Internal Revenue Code; and (2) that no officer or employee of the GAO shall disclose any tax return or tax return information, except as authorized by existing law.

The authority of the Comptroller General to make audits of the IRS and ATF together with these protecting amendments was approved by the House on October 15, 1975, under a suspension of the rules. The language of the bill and the amendments were worked out in cooperation with representatives of the GAO, the IRS, and ATF.

On the Senate side, the chairman of the

Subcommittee on Reports, Accounting, and Management introduced S. 2352 on September 17, 1975, which incorporated the language of the House-passed bill (H.R. 8948). Hearings were held by the subcommittee on October 2, 1975, at which Elmer B. Staats, Comptroller General of the United States, testified accompanied by Robert F. Keller, Deputy Comptroller General, and other officials of GAO.

The Committee on Government Operations received written comments from the GAO and the Department of Treasury on this legislation. In addition, the IRS, the GAO, and the Subcommittee on Commerce, Consumer, and Monetary Affairs of the House Committee on Government Operations commented in writing on the amendments proposed by the Senate Government Operations Committee to the House-passed bill. The GAO also submitted to the committee a draft of "GAO Procedures for Safeguarding of Tax Returns and Tax Return Information Obtained by Designated Representatives of the General Accounting Office for Purposes of Evaluating Administration of the Internal Revenue Laws." These materials are reproduced in a Senate Government Operations Committee print entitled, "GAO Legislation: Agency Comments and Other Related Materials," March 30, 1976.

On April 14, 1976, the Senate Government Operations Committee reported the House bill (H.R. 8948) essentially as passed by the House, but with certain reporting requirements added concerning advice to Congress as to personnel and procedures involved in GAO's access to tax returns and information. The bill was then referred to the Senate Finance Committee.

The Finance Committee version, reported May 20, 1976, sought to preserve the independent authority of the Comptroller General to initiate audits but with the added requirement that access by the GAO to tax returns or return information would be subject to approval by the Senate Finance Committee, the House Ways and Means Committee, or the Joint Committee on Internal Revenue Taxation.

Differences among the various approaches on the legislation became involved in debate on the 1976 tax reform measure. In that bill, the Senate Finance Committee inserted an amendment specifying the basis upon which GAO representatives would be granted access to tax returns and return information which, again, would have required prior approval from the tax writing committees.

After discussion, a modified amendment was placed in the tax bill requiring that plans for GAO initiated audits be reported to the Joint Committee on Taxation and made subject to veto by a two-thirds vote of the committee members within 30 days.

With enactment of the Tax Reform Act of 1976, the Internal Revenue Code now provides in subsection 6103(1)(6) a comprehensive set of conditions forming the basis upon which GAO representatives have access to tax returns and return information. H.R. 8948 was passed by the Senate on October 1, 1976, the last day of the session of Congress, with amendments to conform it to the Tax Reform Act provisions. Unfortunately, because of the pressure of legislative business, the bill arrived at the Speaker's desk for House action shortly after the House had adjourned sine die. The Senate Government Operations Committee had been notified that the House was prepared to accept the amendments made by the Senate. The bill, as amended, was also satisfactory to the IRS, the ATF, and the GAO. The bill under consideration, S. 213, is identical to the measure passed in the previous Congress.

The new provisions in the Internal Revenue Code essentially resolve the longstanding controversy between the IRS and GAO concerning the authority of GAO to make tax administration audits and have access to tax returns and tax return information. However, the committee believes it is desirable and necessary to enact the original measure as amended to make GAO's authority clear. The Senate Finance Committee has no objection to such further enactment.

The Committee on Governmental Affairs feels that in the light of the extensive hearings and consideration of this legislation by the appropriate committees and by the Members of both Houses, and the agreement of the agencies affected, S. 213 should receive expeditious action in the new Congress.

The committee amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The DEPUTY PRESIDENT pro tempore. The Chair now recognizes the Senator from West Virginia.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, without any resolutions coming over under the rule, and the period to extend only until such time as Mr. PROXMIRE, who is now on his way to the floor, reaches the floor and is ready to take up House Joint Resolution 269.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

THE AMBASSADORS OF PEACE

Mr. MATHIAS. Mr. President, the capital of this Nation today should be a place where humility and pride both can find a place in our hearts.

A siege has ended and the concern that many lives would be lost is now allayed. We have suffered the death of a young man with a promising future, the injury of many innocent people, the anguish of waiting, the mobilization of our police force.

But we were spared a tragedy that could have been much greater. This escape should make us humble. The credit for bringing this situation to a conclusion with minimum loss goes to many people, including Chief Maurice J. Cullinane and the members of the Metropolitan Police. They have made us proud.

Our particular gratitude must, however, be extended to three remarkable men who live among us as friends and neighbors, but who had no special duty to involve themselves in this serious domestic problem.

They are the Ambassador of Egypt, Ashraf Ghorbal; the Ambassador of Iran, Ardeshir Zahedi, and the Ambassador of Pakistan, Sahabzada Yaqub-Khan.

In spite of the warning of the danger by the highest authorities in the land, they risked their lives for the sake of the lives of Americans held hostage at the B'nai B'rith headquarters, the District of Columbia Building and the Islamic Mosque.

They have set the world an example of personal courage and moral commitment. They have shed light upon the words of the Koran which speaks in the name of God the Compassionate, the Merciful.

Beyond that, Ashraf Ghorbal, Ardeshir Zahedi, and Sahabzada Yaqub-Khan have given us a vision of brotherhood that transcends nations and religions. They are thrice welcome in Washington.

How beautiful upon the mountains are the feet of him that bringeth good tidings, that publisheth peace. (Isaiah 52:7.)

PRIVILEGE OF THE FLOOR—S. 174

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Christopher Lehman and John I. Brooks, of my staff, be granted the privilege of the floor during consideration of S. 174, a bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The DEPUTY PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to Public Law 85–474, appoints the following Senators to the Interparliamentary Union Conference, to be held in Canberra, Australia, April 11–16, 1977: the Senator from Alabama (Mr. SPARKMAN), chairman; the Senator from New Jersey (Mr. WILLIAMS); the Senator from Indiana (Mr. BAYH); the Senator from New Hampshire (Mr. DURKIN); the Senator from Oregon (Mr. PACKWOOD); and the Senator from Vermont (Mr. STAFFORD).

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Deputy President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees; and the withdrawal of the nomination of Robert Riggs Nordhaus, of Connecticut, to be a member of the Council of Economic Advisers.

(The nominations received today are printed at the end of the Senate proceedings.)

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–864. A letter from the Assistant Secretary for Congressional Relations of the Department of State transmitting, pursuant to law, Presidential Determination No. 77–12 permitting the sale to the Syrian Arab Republic under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), of $15 million worth of agricultural commodities (with accompanying papers); to the Committee on Agriculture, Nutrition, and Forestry.

EC–865. A letter from the Secretary of Defense transmitting, pursuant to law, the report "Real and Personal Property of the Department of Defense," as of 30 June 1976 (with an accompanying report); to the Committee on Armed Services.

EC–866. A letter from the Acting General Counsel of the Department of Defense transmitting a draft of proposed legislation to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluations for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes (with accompanying papers); to the Committee on Armed Services.

EC–867. A letter from the Chairman of the Federal Deposit Insurance Corporation transmitting, pursuant to law, the annual report of the Federal Deposit Insurance Corporation for the calendar year 1976 (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–868. A letter from the President of the National Railroad Passenger Corporation transmitting, pursuant to law, the annual report on the Northeast Corridor improvement program for the period October 1, 1975 to September 30, 1976 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–869. A letter from the Secretary of Commerce transmitting, pursuant to law, the first report on activities of the Regional Fishery Management Councils and the Department of Commerce with respect to fishery management plans, regulations, to implement such plans, and other activities relating to the conservation and management of fishery resources that were undertaken during 1976 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–870. A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, the report of HEW regarding the administration of the Fair Packaging and Labeling Act by the Department during fiscal year 1976 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–871. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Audit of the Office of the Attending Physician Revolving Fund August 1, 1975, through September 30, 1976" (with an accompanying report); to the Committee on Governmental Affairs.

EC–872. A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, the fourth annual report on Head Start Services to Handicapped Children for 1976 (with an accompanying report); to the Committee on Human Resources.

EC–873. A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, the sixth annual marihuana and health report for 1976 (with an accompanying report); to the Committee on Human Resources.

EC–874. A letter from the Chairman of the Securities and Exchange Commission transmitting, pursuant to law a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–875. A letter from the Chief Commissioner of the U.S. Court of Claims transmitting, pursuant to law, a report of the review panel, adopting (with minor modification) and including therein the reports of the Trail Commissioner concerning the case *John T. Knight v. The United States, Cong.*, Ref. No. 7–76 (with accompanying papers); to the Committee on the Judiciary.

EC–876. A letter from the Secretary of the Emergency Loan Guarantee Board of the Department of Treasury transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–877. A letter from the Chairman of the Board of the Tennessee Valley Authority transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–878. A letter from the Commissioner of the Immigration and Naturalization Service of the Department of Justice transmitting pursuant to law, copies of orders entered in 1,219 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised (with accompanying papers); to the Committee on the Judiciary.

PETITIONS

The DEPUTY PRESIDENT pro tempore laid before the Senate the following petitions which were referred as indicated:

POM–86 Senate Joint Resolution No. 2 adopted by the Legislature of the State of Nevada calling for the Congress of the United States to conduct early hearings on the Consumer Communications Reform Act of 1977 and to reaffirm the national communications policy and to reaffirm the authority of the State Public Service Commission; to the Committee on Commerce, Science, and Transportation:

"ENROLLED JOINT RESOLUTION No. 2

"Be it resolved by the Legislature of the State of Wyoming:

"Whereas, the objective of the Federal Communications Act of 1934 is to assure the widest possible availability of basic telephone service at the lowest practicable cost to the consumer; and

"Whereas, the nearly universal use of telephone service in the United States attests to the wisdom of this national policy of promoting an integrated switched communications network with end-to-end service responsibility; and

"Whereas, in recent years the Federal Communications Commission, which was created by the 1934 act, made several decisions which have upset the traditional service responsibility of the telephone industry; and

"Whereas, the Federal Communications Commission policy may permit the direct connection of nonutility provided telephone instruments, PBXs, and other types of terminal equipment to the telephone network; and

"Whereas, the Federal Communications Commission also permits 'specialized common carriers' to provide intercity private-line telephone service over selected routes carrying extremely heavy traffic which is highly profitable; and

"Whereas, these decisions were adopted without analyzing the long term economic effect on such 'competition' on the telephone industry; and

"Whereas, these policies have begun to erode the revenues of telephone companies and an acceleration of this process will force the companies to seek new rates, causing residential and small business customers to pay higher rates or do without telephone service; and

"Whereas, the net effect of the Federal Communications Commission policies reduces the subsidies provided to basic telephone service by revenues from long distance calling, business communications service and various optional services; and

"Whereas, these subsidies have kept the rates for basic telephone service lower than they otherwise would be, reflecting the stated objectives of the Federal Communications Act of 1934 to assure the widest possible availability of basic telephone services; and

"Whereas, a recent research study sponsored by the United States Independent Telephone Association indicates that the two types of so-called "competition" authorized by the Federal Communications Commission would result in rate increases of as much as 60% to residential customers and 56% to business users of basic telephone service within 10 years, exclusive of inflation;

"Now, therefore, be it resolved by the Legislature of the State of Wyoming, that the Congress of the United States conduct early hearings to reaffirm the stated national communications policy of "universal service," the provision of high-quality, low-cost telephone service to the maximum number of people;

"It is further resolved that Congress is requested to reaffirm the authority of the State Public Utilities Commissions to regulate the interconnection to the communications network of nonutility provided equipment utilized in local telephone service."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

S. Res. 111. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 925. Referred to the Committee on the Budget.

With amendments:

S. 925. A bill to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought (Rept. No. 95–50).

By Mr. MUSKIE, from the Committee on the Budget:

Without amendment:

S. Res. 108. A resolution waiver under section 402(a) of the Congressional Budget Act with respect to the consideration of S. 489 (Rept. No. 95–51).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. PROXMIRE:

S. 981. A bill for the relief of Teresita Villanueva Prill; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 982. A bill to amend the Internal Revenue Code of 1954 to provide that an unmarried individual without any dependents who owns or is purchasing his principal residence shall be treated as a head of household for purposes of such Code; to the Committee on Finance.

By Mr. EASTLAND (for himself and Mr. STENNIS):

S. 983 A bill to authorize channel clearing on the Yazoo River in Mississippi; to the Committee on Environment and Public Works.

By Mr. METCALF:

S. 984 A bill to establish congressional policy direction for the administration and management of the National Wildlife Refuge System; to establish the "National Wildlife Refuge Service"; to provide authority for study, review, and establishment of addition-

al units of the National Wildlife Refuge System; and for other purposes; to the Committee on Environment and Public Works.

By Mr. HUMPHREY (for himself, Mr. METCALF, and Mr. MUSKIE):

S. 985. A bill to prohibit State and local law from permitting construction which interferes with sunlight necessary for solar energy equipment; to the Committee on Governmental Affairs.

By Mr. HUMPHREY (for himself and Mr. ANDERSON):

S. 986. A bill to make crop insurance under the Federal Crop Insurance Act available under certain emergency conditions; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 982. A bill to amend the Internal Revenue Code of 1954 to provide that an unmarried individual without any dependents who owns or is purchasing his principal residence shall be treated as a head of household for purposes of such Code; to the Committee on Finance.

Mr. THURMOND. Mr. President, today I am introducing a bill that would not only help to balance the tax burdens of single people, but also encourage investment in homeownership throughout the country.

As each of us becomes painfully aware at this time every year, there are four tax rate schedules applicable to individuals: First, one for married people filing joint returns and for surviving spouses; second, one for single people qualifying as heads of households; third, one for single people; and fourth, one for married people filing separately.

Prior to the Revenue Act of 1948 there was only one tax rate schedule and the individual was the sole taxable unit. Court interpretations of pre-1948 income tax laws permitted a married couple to significantly reduce their combined tax liability in community property States by filing separate returns when one spouse received most or all of the couple's income. The 1948 act equalized the tax treatment of married couples in community property States and noncommunity property States by permitting all married couples to divide their income for Federal tax purposes. This marked the change in the concept of the taxable unit for married people from the "individual" to the "married couple."

Another justification for this shift is frequently cited: That married couples generally have greater living expenses, because single people do not generally maintain a household or support dependents. In recognition of the fact that this assumption is not always valid, Congress created a new filing status, "head of household," in 1953. Approximately one-half the benefits of marital "income-splitting" accrue to those qualifying as "heads of households." A "head of household" is now defined as an unmarried taxpayer who, first, maintains a home for himself and a dependent, a child, or a descendant of a child or second, supports at least one parent in a separate home. This statutory scheme is an incomplete attempt to deal fairly with single people, because it applies only in situations where dependency costs are incurred, ignoring the additional support requirements occasioned through home ownership per se.

I propose a simple amendment to the Internal Revenue Code which would expand the definition of "head of household" to include single taxpayers who own, or are purchasing, their principal residences.

This approach is workable since the concepts of "ownership" and "principal residence" are well defined. This approach is fair. Each of us is familiar with the added costs associated with homeownership. This approach will have very significant incident benefits. It will stimulate the depressed housing industry and provide tax relief for those who find the costs of home maintenance skyrocketing, particularly elderly widows and widowers.

The bill I am introducing gives us the opportunity to lighten the unequal tax burden on single people of all ages. At the same time it may well be the deciding factor in a young person's decision to purchase a first home, or it may make it easier for the elderly to stay in a family home long after the family itself has gone its separate ways.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 982

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(b) of the Internal Revenue Code of 1954 (relating to definition of head of household) is amended by adding at the end thereof the following new paragraph:

"(4) SINGLE TAXPAYERS PURCHASING PRINCIPAL RESIDENCES.—Notwithstanding any other provision of this subsection, a taxpayer who is not married at the close of his taxable year, who is not a surviving spouse, and who fails to qualify as a head of household under the preceding paragraphs of this section, shall be considered to be a head of household for any taxable year if, at the close of that taxable year, he—

"(A) owns the property he uses as his principal residence for the taxable year, or

"(B) pays or incurs amounts for the purchase of property acquired by the taxpayer during the taxable year and used by him as his principal residence for the taxable year.

For purposes of this paragraph, a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in section 216) is treated as a taxpayer described in subsection (B) of this paragraph if he acquires or is acquiring stock which entitles him to occupy the house or apartment which is his principal residence."

SEC. 2. The amendment made by the first section of this Act applies to taxable years beginning after December 31, 1974.

By Mr. METCALF:

S. 984. A bill to establish congressional policy direction for the administration and management of the National Wildlife Refuge System; to establish the "National Wildlife Refuge Service"; to provide authority for study, review and establishment of additional units of the National Wildlife Refuge System; and for other purposes; to the Committee on Environment and Public Works.

Mr. METCALF. Mr. President, the first Federal Wildlife Sanctuary, Pelican Island, off the East coast of Florida, was established by Executive order of President Theodore Roosevelt in 1903. Since then, the National Wildlife Refuge System has developed into the most far-reaching and comprehensive wildlife habitat management program which has been applied to the land in the history of mankind. Today, the system has nearly 350 units and contains more than 30 million acres. There is a wildlife refuge system unit in all the various States except West Virginia. As a matter of fact, the system has more field stations in more States and contains more acreage than the National Park System. In addition to wildlife resources, the system contains nationally significant multiple values including, but not limited to, cultural, social, natural, economic, recreation, historical, and scenic values of enduring benefit to the Nation.

Throughout the years, Congress has provided funds and the authority for wildlife refuge establishment. Still lacking, however, are clearcut congressional policies and direction on what the National Wildlife Refuge System should be and how it should be administered and managed for the public good.

Mr. President, the mere existence of a Federal land management program devoted primarily to providing wildlife habitat needs and the public benefits therefrom are, in my view, a positive measure of the stature of the American people as a free and civilized society. The bill I introduce today will assure future generations an enduring wildlife heritage by providing policy guidance for administration and management of one of our country's finest land dedication achievements.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 984

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Wildlife Refuge System Organic Act of 1977".

STATEMENT OF FINDINGS

SEC. 2. (a) The Congress hereby finds that—

(1) the National Wildlife Refuge System constitutes a national network of wildlife environments containing the most widely distributed public land resource in the United States and represents the most comprehensive wildlife habitat management and preservation program in the history of mankind; there are units of the System in all of the major Life Zones of North America; and associated with these lands are diverse plant and animal communities and renewable and nonrenewable resources of national and international significance and benefit to present and future generations;

(2) in addition to wildlife resources, the System contains nationally significant multiple values including, but not limited to cultural, social, natural, economic, recreational, educational, wilderness, historical, interpretive, and scenic values of enduring benefit to the Nation;

(3) since its inception in 1903, the System has grown opportunistically and sporadically in response to changing national needs to acquire and administer habitat required by a wide variety of wildlife for survival and there is now an urgent need to provide comprehensive policy direction setting forth

goals and principles by which the System will be organized, administered and managed;

(4) while the largest number of System units has been established to protect and husband colonial nesting and migratory birds, the bulk of the acreage of the System has been acquired by withdrawal from public domain to preserve representative samples of wildlife landscapes essential to sustain unique, threatened, rare or endangered wildlife; and

(5) one of the unfortunate results of population expansion and settlement, economic growth and development, urbanization, and resource extraction and utilization has been the disappearance of natural environments and ecosystems required by many wildlife species for survival; that habitat destruction often is the principal factor causing a specific wildlife species to become rare, endangered or extinct; and that there is an urgent need to expand the land acquisition authorities of the Secretary to enlarge the System by identifying, acquiring, withdrawing and managing, in the national interest, natural fish and wildlife habitats that are threatened with extinction including, but not limited to, environments necessary to sustain in perpetuity game and nongame migratory, upland, and marine species of wildlife; and

(b) The Congress further finds that native fish and wildlife have a natural right to inhabit land, air, and water; that the securing of such right by the people of the United States enhances our stature as a free and civilized peoples; and that native fish and wildlife are a renewable natural resource of great benefit to the social, economic, spiritual, recreational, and general well-being of our citizens.

STATEMENT OF POLICY

SEC. 3. In order to maintain and secure for the American people of this and future generations an enduring wildlife heritage, it is hereby declared to be the policy of the Congress that—

(a) the mission of the National Wildlife Refuge System is to acquire, restore, preserve, manage, administer, and develop wildlife environments for the continued enjoyment and benefit of the American people and to assure that no native species of fish and wildlife shall become rare, endangered, or extinct due to lack of habitat in the United States and its possessions;

(b) the purpose of each unit of the System now and in the future shall be to provide habitat requirements for native fish and wildlife to thereby assure the public benefits derived from healthy and abundant wildlife populations;

(c) the System is an incomplete national network of wildlife environments providing a variety of public values and, though part of a network, each unit of the System is an independent entity with differing ecological features which shall in combination—

(1) be administered to provide for public enjoyment of wildlife and its natural environment in such manner and by such means as will leave them unimpaired for the enjoyment of this and future generations,

(2) be administered, in combination with their primary wildlife functions, to purposefully guard and, where necessary, restore the broadest possible spectrum of wildlife values and associated plant life,

(3) be consciously developed as showplaces for all kinds of wildlife where disturbances are regulated and minimized and where wildlife-oriented recreational, inspirational, educational and natural history values are protected and public enjoyment thereof encouraged,

(4) stand as monuments to the science and practice of wildlife management by avoiding artificiality and by displaying native flora and fauna in greatest diversity and reasonable abundance,

(5) be managed to retain or restore the natural and primeval status of the environment, assuring the survival in a natural state of each indigenous plant and animal species.

(d) In the planning, management and administration of the System and each unit thereof:

(1) social and intangible values shall be considered on an equal basis with quantifiable values,

(2) sound ecological principles shall be adhered to, and

(3) full public participation shall be encouraged in all management decisions.

DEFINITIONS

SEC. 4. For the purposes of the Act—

(1) the terms "administer" and "administration" mean the operation of any unit of the System in a manner appropriate to achieve the purpose for which it was established and classified;

(2) the term "existing National Wildlife Refuge System Units" means all wildlife refuges, areas for the protection and conservation of fish and wildlife that are threatened with extinction, wildlife ranges, game ranges, wildlife management areas, and waterfowl production areas which exist on the day before the effective date of this title within the National Wildlife Refuge System established by the National Wildlife Refuge Administration Act of 1966;

(3) the term "fish and wildlife" means any wild mammal, fish, wild bird, insect, amphibian, reptile, mollusk, or crustacean, or any part, products, egg, or offspring thereof;

(4) the term "lands" includes lands, waters, and interests therein;

(5) the terms "manage" and "management" mean the rehabilitation, restoration, protection, and preservation of lands within the System, based on applied research and sound ecological principles, for primary wildlife utilization and protection purposes;

(6) the term "multiple value" means the operation and coordinated management of the varied resources and values of any system unit without impairment to, and in harmony with, the primary wildlife values of that unit;

(7) the term "person" means any individual, partnership, corporation, or association;

(8) the term "Secretary" means the Secretary of the Interior;

(9) the terms "State" and the "United States" mean the several States of the United States, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands;

(10) the term "System" means the National Wildlife Refuge System and units thereof as classified by this Act,

(11) the term "take" means to pursue, hunt, shoot, capture, collect, kill, or attempt to pursue, hunt, shoot, capture, collect, or kill.

PLANNING AND TRAINING

SEC. 6. (a) The Secretary shall develop a systematic planning program for the development and maintenance of plans to guide administration and management of the System and each unit of the System. Such plans shall be completed within five years.

(b) In the development and maintenance of such plans, the Secretary shall:

(1) use an interdisciplinary planning team approach to achieve integrated consideration of ecological, wildlife, social and economic sciences, and skills;

(2) develop concept plans for each unit of the System and the System as a whole designed to document goals and alternative methods of achieving them and to predict possible consequences in order to explicate multiple values to society;

(3) identify and coordinate multiple values with an objective of achieving an optimum mix of values for wildlife, natural ecosystems, and public benefit;

(4) determine and state costs, both social and economic, of achieving stated goals;

(5) coordinate, to the extent he deems feasible and proper, with local, State and other Federal agency planning activities;

(6) determine environmental impact of planning and management decisions pursuant to the provisions of the National Environmental Policy Act of 1969;

(7) provide maximum opportunities for the public to participate in all stages of decisionmaking concerning planning, administration, and management of the System and units of the System;

(8) from time to time revise plans to reflect changing candidates and public attitudes;

(9) distribute completed plans to the public.

(c) The Secretary shall establish a national planning, training, and research academy to be known as the "J. Clark Salyor II National Wildlife Refuge Training Academy". The Academy shall—

(1) be centrally located in the forty-eight coterminous States within an existing system unit or a unit to be specifically acquired and developed for such purposes, which unit to contain a wide variety of ecosystems and subsystems so that training experiences and planning and land management methodologies will be maximized;

(2) function as a national and international training center to foster understanding, knowledge, philosophy, and development of wildlife and wild lands management techniques throughout the world;

(3) focus on development of human leadership potential by continuous training of a cadre of men and women in an ecological approach to wildlife habitat management as well as modern managerial techniques;

(4) function as a nationwide planning service center for personnel of varied planning disciplines and skills.

ESTABLISHMENT OF SYSTEM AND CLASSIFICATION OF COMPONENT UNITS

SEC. 7. (a) The National Wildlife Refuge System consists of—

(1) all existing National Wildlife Refuge System units established before the effective date of this Act; and

(2) all units of the system established after the effective date of this Act.

(b) All units of the National Wildlife Refuge System in existence on the effective date of this Act and established on or after the effective date of this Act shall be administered under the primary jurisdiction of the Secretary of the Interior for wildlife conservation purposes and shall be appropriately classified to one of the following categories:

(1) NATIONAL WILDLIFE REFUGE.—A unit of the System established to protect and preserve natural habitat and associated ecological communities required to meet sanctuary needs and perpetuation of a particular species or groups of species of North American fauna.

(2) NATIONAL WILDLIFE AREA.—A unit of the system established to manage, rehabilitate or develop wildlife habitat in order to perpetuate, distribute, and provide public enjoyment of native wildlife populations and to enhance compatible recreational, education, social, and economic use of associated lands, waters, and natural resources.

(3) NATIONAL WILDLAND.—An extensive unit of the System withdrawn from public domain or established by Acts of Congress to protect, and where necessary restore, wildlife habitats and ranges in a wildland condition in order to perpetuate natural ecological communities necessary to restore or maintain nationally significant or unique species of wildlife and public enjoyment thereof.

(4) NATIONAL WATERFOWL PRODUCTION AREA.—A unit of the System acquired, controlled, and managed for the purposes of preserving North American waterfowl production habitat.

(5) NATIONAL MARINELAND.—A unit of the system established by Act of Congress to pre-

serve marine environments, including surface waters, submerged lands, and associated islands, tidelands, and estuaries, in order to protect and sustain marine life for public enjoyment and benefit.

(6) NATIONAL URBAN WILDLIFE AREA.—A unit of the system which is established for the purpose of preserving or creating necessary wildlife habitat in close proximity and within urban areas of the Nation in order to provide healthful wildlife-oriented recreational pursuits, including, but not limited to, hunting, fishing, interpretation, and wildlife observation.

(7) NATIONAL WILDLIFE WILDERNESS.—A unit, or a portion of a unit, of the System which has been designated as wilderness in accordance with the provisions of the Wilderness Act (16 U.S.C. 1131–1136) and which is administered to preserve the wilderness character of the area for wildlife and public benefit.

(c) The Secretary shall classify each of the existing system units before the close of the one-year period following the effective date of this Act.

(d) After the effective date of this Act no national wildlife, national marinelands, or national urban wildlife area may be established within the system other than by Act of Congress, except that the Secretary may establish national wildlands by withdrawal of lands from the public domain or by transfer from other Federal agencies.

DISPOSAL OF LANDS WITHIN SYSTEM

SEC. 8. (a) It is the policy of the Congress that all lands and waters within the National Wildlife Refuge System are valuable national assets which shall be retained in the public interest primarily for wildlife and wildlands benefit.

(b) No lands within the system may be disposed of (whether by sale, donation, cooperative agreement, or otherwise), nor may the administration or management of any unit of the system be transferred in whole or in part unless the Secretary of the Interior has determined that such disposal or transfer will have no adverse impact on wildlife or human environments and has transmitted a report of his findings, including environmental impact, and recommendations to the President. The President shall advise the President of the Senate and the Speaker of the House of Representatives of his recommendations with respect to the proposed relinquishment. A recommendation of the President for disposal shall become effective only if so provided by an Act of Congress: *Provided, however*, That the exchange provisions of title 16, United States Code 688dd (b)(3), shall continue to apply.

(c) The Secretary of the Interior shall, prior to submitting his recommendations to the President, conduct a thorough public review and shall—

(1) give appropriate public notice of the proposed action including, but not limited to, publication in the Federal Register and in newspapers having general circulation in the vicinity of the affected land or water; issuance of news releases describing the proposed action; and distribution of descriptive materials to the public;

(2) hold a public hearing or hearings at a location or locations convenient to the area affected. The public hearings shall be announced at least 60 days in advance through such means as the Secretary shall deem appropriate, including notices in the Federal Register and in newspapers having general circulation in the area, and other news media in the area affected by the proposed action: *Provided*, That if the lands involved are located in more than one State, at least one hearing shall be held in each State in which a portion of land lies; and,

(3) at least sixty days before the date of a hearing, advise the Governor of each State, or his representative, in which the lands are located, and citizens having an interest in the matter, and invite such officials and citizens to submit their views on the proposed action at the public hearing or by no later than forty-five days following the day of the hearing: *Provided, however*, That the Secretary shall furnish to officials and citizens such materials as he deems appropriate to fully explain and justify the proposed action, including a descriptive brochure and a map.

(d) Any views submitted to the Secretary under the provisions of (c) of this subsection with respect to any area shall be included with any recommendations to the President and to Congress with respect to such area.

(e) No lands which are or become a part of the System may be disposed of unless such lands are disposed of for an amount not less than the greater of (1) the fair market value (as determined by the Secretary) of such lands as of the date of acquisition, or (2) the fair market value (as determined by the Secretary) of such lands as of the date of disposal. The Secretary shall pay into the migratory bird conservation fund the aggregate amount of the proceeds of any disposal referred to in this subsection.

REVIEW OF EXISTING NATIONAL WILDLIFE REFUGE SYSTEM UNITS

SEC. 9. (a) The Secretary is authorized and directed to review all lands and waters contiguous to and within all units of the National Wildlife Refuge System in existence on the effective date of this Act and report his findings and recommendations to the President within three years with respect to:

(1) lands and waters which should be acquired or withdrawn in order to fully protect the investment of the Federal Government in each unit;

(2) lands and waters which should be acquired or withdrawn to fulfill the purposes for which the unit was originally established;

(3) lands and waters which should be acquired or withdrawn to assure a manageable ecological unit of significance to wildlife;

(4) lands and waters which should be acquired or withdrawn for proper management of the unit and its associated wildlife populations;

(5) inholdings which should be acquired to effectively administer surrounding lands or waters.

REVIEW OF PUBLIC DOMAIN

SEC. 10. (a) The Secretary is directed to review, within three years, all lands and waters under his jurisdiction on the effective date of this Act, including lands previously classified or withdrawn, except lands within the National Park System and lands recommended for inclusion in the System pursuant to section 17(d)(2) of the Alaska Native Claims Settlement Act, and withdraw from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, those lands and waters that he deems suitable for addition to or creation of units of the National Wildlife Refuge System. Emphasis will be on lands which are chiefly valuable as reservations for rare, endangered, threatened, unique, or peripheral species of wildlife; nongame vertebrates; all forms of migratory birds, including, but not limited to, passerines and raptors; and lands which are threatened by development which are chiefly suitable for retention in the public interest for wildlife conservation and related purposes: *Provided, however*, That the Secretary shall transfer as units of the National Wildlife Refuge System those areas under his jurisdiction previously identified and classified as being principally of value as wildlife habitat.

(b) With respect to those areas that are deemed suitable for inclusion in the National Wildlife Refuge System the Secretary shall submit recommendations to the President. The President shall advise the President of the Senate and the Speaker of the House of Representatives of his recommendations with respect to the proposed addition. The Secretary shall, prior to submitting any recommendations to the President, hold public hearings in accordance with the procedures set forth in section 8(c) of this Act.

NATIONAL URBAN WILDLIFE AREAS

SEC. 11. (a) The Secretary shall identify and from time to time submit to the President and the Congress proposals for the acquisition of areas of land and water in proximity to urban areas which are suitable for preservation, restoration, or enhancement of natural fish and wildlife habitat and for public use in pursuit of wildlife-oriented recreational activities in a natural setting including, but not limited to, nature appreciation, environmental education, interpretation, wildlife observation, fishing, and hunting. The Secretary is authorized to acquire lands and interests in lands within the authorized boundaries of any such area hereafter approved by Act of Congress pursuant to the Land and Water Conservation Act, as amended (16 U.S.C. 460).

(b) Any such areas of land and water acquired by the Secretary pursuant to the provisions of this section shall be designated as "National Urban Wildlife Areas" and shall be administered as units of the National Wildlife Refuge System.

NATIONAL MARINELANDS

SEC. 12. (a) The Secretary shall review, in cooperation with the various States, before the close of the three-year period following the effective date of this Act, all coastal and marine waters within the territorial jurisdiction of the United States and its possessions and determine those marine environments which should be recommended to the Congress for inclusion as a national marinelands within the National Wildlife Refuge System: *Provided, however*, That the Secretary shall complete reviews and make recommendations on the marine environments surrounding the Farallon Islands in the State of California, the submerged lands and tidelands encompassing Bristol Bay within and without the State of Alaska, and the Ten Thousand Islands area in the State of Florida within one year of the effective date of this Act.

(b) The Secretary, prior to submitting recommendations to the President, shall hold public hearings in accordance with the procedures set forth in section 8(b).

UNITED STATES FISH AND WILDLIFE SERVICE

SEC. 13. Section 3(c) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742b) is amended to read as follows:

"(c)(1) The United States Fish and Wildlife Service consists of the National Wildlife Refuge Service and the Bureau of Biological Services. There shall be a Chief of each such Bureau appointed by the Secretary.

"(2) The National Wildlife Refuge Service shall be responsible for (A) the administration and management of the National Wildlife Refuge System (including the provision of all supporting services and activities); (B) the administration of all programs and facilities (including wildlife research stations) relating to, or engaged in, research regarding wildlife habitat; and (C) the administration of all laws, programs, and activities relating to rare, endangered, and threatened species of wildlife within the System.

"(3) The Bureau of Biological Services shall be responsible for all those functions administered by the United States Fish and Wildlife Service on the day before the date of the enactment of this title except those functions vested in the National Wildlife Refuge Service by paragraph (2)."

SPECIAL PROVISIONS

SEC. 14. (a) Unless previously withdrawn and subject to existing valid rights, all units of the System are hereby withdrawn from all forms of appropriation under the public land laws, including the mining and mineral leasing laws.

(b) Nothing in this title shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water laws.

(c) Nothing in this title shall be construed to authorize the Secretary to control or regulate hunting or fishing of resident fish and wildlife, including endangered or threatened species thereof, on lands not within the System. The regulations permitting hunting and fishing of resident fish and wildlife within the System shall be, to the extent practicable, consistent with State fish and wildlife laws and regulations. The provisions of this title shall not be construed as affecting the authority, jurisdiction, or responsibility of the several States to manage, control, or regulate fish and resident wildlife under State law or regulations in any unit within the System.

(c) Nothing in this Act may be construed to affect in any manner the authority to acquire lands for the System pursuant to the first section of the Act of June 25, 1910 (43 U.S.C. 141), the Fish and Wildlife Act of 1956 (16 U.S.C. 742 et seq.), the Migratory Bird Conservation Act (16 U.S.C. 715 et seq.), the Migratory Bird Hunting Stamp Act (16 U.S.C. 718 et seq.), the Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.), the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), the Act of September 28, 1962 (16 U.S.C. 460k et seq.), or any other Act in effect on the effective date of this Act which otherwise authorizes the acquisition of lands for wildlife conservation purposes.

(d) Nothing in this Act shall be construed to amend, repeal, or otherwise modify the provisions of the Act of September 28, 1962 (16 U.S.C. 460k et seq.) which authorize the Secretary to administer units of the System for public use and enjoyment. The provisions of this Act relating to recreation shall be administered in accordance with the provisions of such Act.

OUTSTANDING REGULATIONS

SEC. 15. All regulations issued by the Secretary to implement the National Wildlife Refuge Administration Act of 1966 and which are in effect on the day before the date of the enactment of the Act shall remain in full force and effect until modified, suspended, rescinded, or otherwise changed by the Secretary.

SEC. 16. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 17. This Act shall take effect ---------.

By Mr. HUMPHREY (for himself, Mr. METCALF, and Mr. MUSKIE):

S. 985. A bill to prohibit State and local law from permitting construction which interferes with sunlight necessary for solar energy equipment; to the Committee on Governmental Affairs.

THE SOLAR AIR RIGHTS ACT OF 1977

Mr. HUMPHREY. Mr. President, today I am introducing the Solar Air Rights Act of 1977, with my distinguished colleagues, Senator METCALF and Senator MUSKIE. My friend, Congressman MOAKLEY, is introducing similar legislation today in the House of Representatives. This bill deals directly with the right of access to sunlight for utilization by solar energy equipment.

Congress has clearly indicated its interest and support for solar energy—and I am very proud to be a part of that effort. However, we have failed to deal with the major, and even critical, legal issue threatening the large-scale utilization of solar energy—the lack of a guaranteed right to lateral sunlight which is necessary for the operation of solar collectors.

Mr. President, we have made great progress in developing solar energy technology. The Federal Government is taking effective measures, as well, to utilize and promote that technology now. And, I am hoping that Congress will enact tax credit legislation this year to encourage greater use of solar energy in the private sector.

Existing law now permits adjacent landowners to construct buildings, erect fences, or otherwise block the lateral light necessary for a solar collector to function efficiently and reliably. The surface owner only has the right to receive sunlight from directly above his property, not the right to light flowing to him across neighboring land. Yet, in northern latitudes, all sunlight flows laterally. So, Mr. President, the only way one can guarantee the use of lateral sunlight under existing law, is to buy the adjacent land to the south.

I believe Congress must clarify the sunshine rights of existing and potential solar energy users in order to insure this technology's future. We must shift our legal doctrines to accommodate this new technology, ancient legal precedent notwithstanding.

The Solar Air Rights Act of 1977 would assure and protect an individual's access to the sun. It would mandate solar zoning activities by States and localities to insure that one person unilaterally does not construct anything that may block the flow of sunlight to a solar collector. This legislation, in short, would provide legal assurances to those who use solar energy equipment that solar energy will always be available.

It is with these goals in mind that I am introducing the Solar Air Rights Act of 1977. In sponsoring this legislation in the Senate, it is my hope to insure the rapid utilization of solar energy.

Mr. President, I ask unanimous consent that this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 985

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as "The Solar Air Rights Act of 1977."

SEC. 1. The Congress finds that the heating and cooling of buildings, the heating of water and the production of electricity accounts for a significant portion of the consumption of oil, natural gas, coal, and electric power in interstate commerce, that the use of solar energy equipment can reduce the dependency of our natural economy on such energy sources, and that certain construction which may be permitted under State and local law can, by obstructing sunlight, inhibit the use of such solar energy equipment.

PROHIBITION OF STATE AND LOCAL LAWS RESPECTING CERTAIN CONSTRUCTION

SEC. 2. (a) No State or local zoning law, regulation, ordinance, or other provision may permit the construction of any building or other object within the jurisdiction of such State or locality in any location or manner which would obstruct or otherwise interfere with sunlight necessary for the operation of any solar energy equipment, and which is in use on any building or structure on the date on which any permit or other authorization for such construction is issued (or on the date of such construction in any case in which no such permit or other authorization for such construction is required under the applicable law, regulation, ordinance, or other provision).

(b) Subsection (a) of this section shall apply only with respect to permits or other authorizations for construction which are issued after the date of six months after the date of the enactment of this Act.

OTHER STATE AND LOCAL LAW NOT PREEMPTED

SEC. 3. Nothing in this Act shall preclude or deny any State or local government from adopting or enforcing any law, regulation, ordinance, or other provision with respect to zoning, construction, or any other matter which is not inconsistent with the purposes of section 2 of this Act.

By Mr. HUMPHREY (for himself and Mr. ANDERSON):

S. 986. A bill to make crop insurance under the Federal Crop Insurance Act available under certain emergency conditions; to the Committee on Agriculture, Nutrition, and Forestry.

DEALING WITH THE CROP INSURANCE EMERGENCY

Mr. HUMPHREY. Mr. President, yesterday the Federal Insurance Corporation decided that it would no longer accept any new crop insurance applications for the entire State of Minnesota and most of Iowa and Wisconsin.

I realize the language of the crop insurance law requires that the program be run on a sound actuarial basis. However, for our producers, facing the possibility of another year of drought, this is one further obstacle in obtaining some measure of protection on their investments. With our various emergency assistance programs in a state of disarray, it is urgent that action be taken without delay to reopen the crop insurance program for new applications.

The bill I am introducing today, with Senator ANDERSON, would recognize this critical need by reopening the program for new crop insurance applications for a period ending 30 days after the normal closing date. We would require, however, that new applicants make a commitment to remain in the program for a 3-year period. This would be designed to encourage these new policyholders to remain in the program and maintain some equity in relation to those producers who have been in the program for many years.

Thus we would not wish to encourage a producer to come into the program on a 1-year basis when faced with serious drought conditions, only to withdraw as weather and crop prospects improve. The purpose of crop insurance is to spread the risk of loss over a number of years.

We also would require that new applications be made by no later than 1 month after the "normal closing date" when the particular crop would have been planted.

Mr. President, this legislation has been drafted to meet a pressing problem for many of our producers. I am hopeful that we can get support for it from the Department of Agriculture.

I ask unanimous consent that the text of my bill be included at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 986

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 508 of the Federal Crop Insurace Act is amended by adding the following new subsection at the end thereof:

"(g) With respect to any county in the United States in which the Federal Crop Insurance Corporation has for any reason closed the county to new applications for crop insurance prior to the normal closing date, upon a determination by the Secretary of Agriculture that an emergency exists in such county as a result of a natural disaster, the Federal Crop Insurance Corporation shall specially reopen such county to new applications for crop insurance for a period ending thirty days after the normal closing date.

Insurance shall be issued, during this special period, to applicants who otherwise meet the requirements for crop insurance set by the Corporation under the same terms, conditions, and premium rates as were applicable prior to the most recent closing period for the crop to be insured. *Provided,* That the Corporation may additionally require persons applying during this special reopening period to make a three year commitment to the crop insurance program. An application may not be rejected, and a premium rate may not be established, on the basis of conditions which have been found by the Secretary to constitute the emergency resulting in the reopening of the application period. The Corporation will be reimbursed from the Treasury of the United States at the end of the period for which the insurance is issued in the amount by which the indemnities paid exceed the premiums received by the Corporation with respect to policies issued during the special reopening period provided for in this subsection. The Corporaton, in makng any future adjustments in premium rates shall not take into account acturial data arising from insurance issued during this reopening period. This subsection is to become immediately effective, and apply for the 1977 crop year only. However, any obligations incurred under the subsection shall continue to its conclusion. As used herein 'normal closing date' for any crop insurance means the date established each year by the corporation, taking into consideration the crop and the location involved, after which no crop insurance policies for the crop may be entered into because of the nearness of such date to the normal planting date for the crop."

ADDITIONAL COSPONSORS

S. 14

At the request of Mr. MATHIAS, the Senator from Alabama (Mr. ALLEN) was added as a consponsor of S. 14, to protect citizens' privacy rights.

S. 62

At the request of Mr. MATHIAS, the Senator from Alabama (Mr. ALLEN) was added as a consponsor of S. 62, to amend the Tax Reform Act of 1976.

S. 274

At the request of Mr. THURMOND, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 274, to prohibit unionization of the military services.

S. 753

At the request of Mr. HUMPHREY, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 753, relating to disability benefits for the blind.

S. 926

At the request of Mr. CLARK, the Senator from Minnesota (Mr. ANDERSON) was added as a consponsor of S. 926, to provide for the public financing of primary and general elections for the U.S. Senate.

SENATE RESOLUTION 111—ORIGINAL RESOLUTION REPORTED RELATING TO THE CONSIDERATION OF S. 925

(Referred to the Committee on the Budget.)

Mr. JACKSON, from the Committee on Energy and Natural Resources, reported the following original resolution:

S. RES. 111

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 925, a bill to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–1977 drought. The waiver is necessary in order to provide the opportunity for funding of drought preventive measures in a timely fashion so as to mitigate beforehand adverse economic and resource impacts of the 1976–1977 drought.

AMENDMENTS SUBMITTED FOR PRINTING

IMPORTATION OF RHODESIAN CHROME—S. 174

AMENDMENTS NOS. 68 THROUGH 71

(Ordered to be printed and to lie on the table.)

Mr. HARRY F. BYRD, JR., submitted four amendments intended to be proposed by him to the bill (S. 174) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome.

AMENDMENTS NOS. 72 AND 73

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted two amendments intended to be proposed by him to the bill (S. 174), supra.

NOTICES OF HEARINGS

CHANGE OF SCHEDULE

Mr. TALMADGE. Mr. President, on behalf of the Committee on Agriculture, Nutrition, and Forestry, I wish to announce a change in date for the confirmation hearing of Carol Tucker Foreman to be an Assistant Secretary of Agriculture. The committee will consider Mrs. Foreman's nomination on Tuesday, March 15, along with the nomination of John C. White to be Deputy Secretary of Agriculture. The committee will hear testimony on Mr. White first.

The hearings will begin at 9 a.m. in room 324. Anyone wishing to testify should contact the hearing clerk of the committee at 224–2035.

NOMINATION OF PETER F. FLAHERTY TO BE DEPUTY ATTORNEY GENERAL

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, March 22, 1977, at 10 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

Peter F. Flaherty, of Pennsylvania, to be Deputy Attorney General, vice Harold R. Tyler, Jr., resigned.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.

COMMITTEE ON HUMAN RESOURCES

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Human Resources has scheduled a hearing on Tuesday, March 15, 1977 at 10 a.m. in room 4232, Dirksen Senate Office Building, on the nominations of Francis X. Burkhardt, of Maryland, to be Assistant Secretary for Labor-Management Relations, Arnold Packer, of Maryland, to be Assistant Secretary for Policy, Evaluation, and Research, Dr. Eula Bingham, of Ohio, to be Assistant Secretary for OSHA, and Alexis Herman, of Georgia, to be Director of the Women's Bureau.

Persons wishing to testify or submit statements, please contact Ian Lanoff in Senate Courts 302D of the committee staff.

ADDITIONAL STATEMENTS

PANAMA CANAL

Mr. THURMOND. Mr. President, recently, Mr. Walter Brown commented on the Panama Canal in two editorials on WSPA of Spartanburg, S.C.

Mr. Brown is a well-known and highly respected journalist. For many years, Walter Brown has been a leader in his field, often taking an initiative to inform the listening public on important issues of the day. I am sure my colleagues would be interested in Mr. Brown's comments.

Mr. President, I ask unanimous consent that Mr. Brown's two editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

PANAMA CANAL

The building of the Panama Canal was one of the great accomplishments of the administration of Theodore Roosevelt and the American government, and that is the reason the talk of turning its control over to the government of Panama has become such an emotional issue in this country as well as in Central and South America.

Since the 16th Century there had been talk about an Isthmian canal in Central America to avoid the 8,000 mile trip around Cape Horn. Several abortive attempts were made at construction. The last was made by a French company which quit in 1889 after expending $260 million.

Congress in 1902 empowered President Roosevelt to acquire the French rights for $40 million if Colombia would grant "perpetual control" of a strip across the Isthmus on reasonable terms, and as an alternate route, a strip across Nicaragua.

Colombia rejected a treaty which would have permitted the canal. President Roose-

velt then focused his attention on Panama, a restless province of Colombia.

A revolution was started in 1903, and Panama with the passive support of Washington won its independence. Then the United States entered into a treaty with the new Republic of Panama to build the canal. Some say if the United States is going to give away the Panama Canal, it should go to Colombia rather than Panama.

Three years were required to carry out a sanitation program to make the Canal Zone habitable, including the conquering of yellow fever. Work on the canal was completed in 1914 at a cost to the United States of more than $365,000,000, including payment to the French company for its land and to the Republic of Panama.

The treaties which the United States entered into with both Panama and Colombia spelled out in no uncertain terms that the territory of the Canal Zone was ceded to this country. This was reaffirmed in the 1936 Treaty between Panama and the United States negotiated during the administration of Franklin Roosevelt. Both the President and the Panamanian Prime Minister at that time said this treaty granted Panama the concessions it wanted and no more would be asked.

Simply stated, the question which will face the United States Senate if and when a new treaty is submitted is whether or not this important waterway and strategic link in the American defense system should be turned back to Panama at some fixed future time as a good will gesture to Central and South America.

Panama Canal and DOCA

There is an organization which is little known, but is performing an outstanding service in helping to assure an adequate defense for the United States. It is the Defense Orientation Conference Association and is composed of a cross section of American business, educational, professional and farm leaders that can look at national defense problems in an objective manner.

At their own expense and with no remuneration for their time, members of this organization, referred to as DOCA, two or three times each year visit various military commands and establishments in the United States and in various parts of the world.

The group has just completed a visit to the U.S. Southern Command in the Panama Canal Zone. While there, they heard presentations from the military people, the Panamanians and State Department negotiators on the question of what to do with the Panama Canal

It became an issue in the 1976 presidential campaign, and there can be no question but Ronald Reagan forced President Ford as well as Jimmy Carter to yield to the popular sentiment in this country that the Panama Canal should not be given away.

Apparently what the State Department is trying to do is to negotiate a new treaty with Panama which can win Senate ratification and at the same time satisfy Panama and other Central and South American countries where the Panama Canal has become a highly emotional issue.

Ambassador Ellsworth Bunker, Chief U.S. Canal negotiator, contends that to say the United States' rights in the 1903 Treaty are guaranteed in perpetuity "in today's world is not only unrealistic but dangerous."

Ambassador Bunker says a treaty negotiated 70 years ago "cannot be expected to last forever without adjustment." He fails however to make mention of the fact in his paper circulated to members of DOCA that in 1936, under the administration of Franklin Roosevelt, adjustments were made in the 1903 Treaty which the Senate ratified.

Attached to the 1936 Panama Treaty was a memo by Undersecretary Sumner Wells declaring that the then President and the then Foreign Minister of Panama declared for the record that they had received "everything that Panama could possibly want from the United States and henceforth would request no more concessions."

Certainly what the members of the Defense Orientation Conference Association conclude after their visit to Panama and Colombia and transmit to the Carter Administration and their senators will have strong influence on the outcome of the Panama Canal Treaty controversy.

THE FEDERAL ADVISORY COMMITTEE SYSTEM: AN ASSESSMENT

Mr. METCALF. Mr. President, Kit Cage and Samuel S. Epstein of the Commission for the Advancement of Public Interest Organizations have coauthored an informative article, "The Federal Advisory Committee System: An Assessment," in Environmental Law Reporter, volume VII, No. 2, February 1977.

I ask unanimous consent that the article and its footnotes be printed in the RECORD, while noting that the article is copyrighted by the Environmental Law Institute.

There being no objection, the article and its footnotes ordered to be printed in the RECORD, as follows:

The Federal Advisory Committee System: An Assessment

(By Kit Cage and Samuel S. Epstein)

Formal and informal advisory committees have long been used to furnish expert advice, ideas, and diverse opinions to the federal government.[1] Their utility depends upon the balance and institutional and financial ties of members, especially when their advice is rendered in confidence. For present purposes, "balance" can be defined as broadly representatives of sectors of society interested in the subject matter of the committee. Problems of balanced representation of advisory committee viewpoints and interests and confidential communications are apt to be most acute in the environmental domain, for here industrial interests historically have dominated representation on committees.

Recognizing the difficulties inherent in unbalanced advisory committees, Congress conducted extensive hearings in 1970 and 1971 [2] and finally enacted the Federal Advisory Committee Act (FACA),[3] which, for the first time, required balance advisory committee membership and insisted on public meetings. This article describes and assesses the effectiveness of FACA as a means of ensuring balanced and accurate information supply from advisory committees.[4]

Major provisions of the federal advisory committee act

Scope

The scope of the Act is determined by its definition of "advisory committee:"

"Any committee, board, commission, council, conference, panel, task force or other similar group, or any subcommittee or other subgroup thereof . . . which is

"(A) established by statute or reorganization plan, or

"(B) established or utilized by the President, or

"(C) established or utilized by one or more agencies, in the interest of obtaining advice or recommendations for the President or one or more agencies. . . .[5]"

This unusually broad definition of an advisory committee covers not only groups set up and administered directly by agencies but also potentially includes those groups established by institutions contracting with the government, such as the National Academy of Sciences.

The Act, as clarified by the legislative history of the 1970–71 hearings and by the subsequent oversight hearings of the Senate Government Operations Subcommittee,[6] defines the formation, procedures, and permissible structure of advisory committees, and requires that this information be specified in each committee charter. These statutory guidelines apply to all committees created by acts of Congress, agencies, or executive order.[7] The guidelines require that committees must be "independent" and that they operate under a clearly defined charter.

Members, meetings, and access

Crucial to the Act is the stipulation that committee composition must be balanced, so that individual members represent all major positions of different segments of society on the issues under consideration. The advice given to the government must be: "balanced in terms of the points of view represented and the functions to be performed by the advisory committee." [8]

The Act mandates that advisory committee meetings shall be open to the public, with the few exemptions listed in the Freedom of Information Act (FOIA). "Timely" notice of advisory committee meetings must appear in the Federal Register.[9]

The Act requires that "detailed minutes" be kept for all federal advisory committee meetings and that these should comprise "a complete and accurate description of matters discussed and conclusions reached." [10] The Act further requires that minutes and all documents including working papers, committee reports, and charters be made available to the public. Annual reports, which are also available to the public, must be prepared by each agency for each of its advisory committees. Even advisory committees that hold closed meetings must include a summary of such meetings in their annual reports.[11]

Oversight

The standing committees of the House of Representatives and Senate have oversight responsibilities for all advisory committees. These standing committees, through congressional and staff studies and public hearings, must ensure that each advisory committee serves a necessary function and follows the guidelines set down by the Act.[12] The appropriations committees of the House and Senate, similarly, must evaluate the cost effectiveness of each advisory committee, in addition, the House and Senate Government Operations Committees oversee the system as a whole.

The executive branch shares in these oversight responsibilities. The Office of Management and Budget (OMB) Committee Management Secretariat is assigned the direction and control of all advisory committees and is "responsible for all matters relating to advisory committees." [13] An OMB Circular, submitted by the Secretary to all agencies, defines the required procedures for the creation and operation of each advisory committee.[14] Qualitative oversight is to be assured by an annual comprehensive review conducted by OMB to revise merge, or abolish advisory committees, as necessary.[15]

The Federal Advisory Committee Act: Ambiguities and Violations

The effectiveness of FACA in dealing with the problems of the advisory committee system can be assessed by studying the language of the statute and claimed statutory violations by advisory committees—two interrelated sets of issues. Common to both problems is the ambiguity of the Act itself, ranging from simple lack of clarity, to the absence

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Footnotes at end of article.

of requirements, to lack of sanctions for noncompliance. The major problems fall into three groups: scope, membership, and access to meetings and records.

Scope

Despite the Act's seemingly broad coverage, there remain numerous committees which claim exemption or are exempted by statute from the Act and consequently do not announce their meetings, do not open them to the public, and do not keep detailed minutes available to the public.[16] The recently formed Study or Investigatory Panels of the Science Advisory Board of the Environmental Protection Agency (EPA) appear to fall into the former category, as EPA decided they are exempt from the FACA. EPA claims that these panels give factual advice as opposed to recommendations, and this advice is reported to EPA advisory committees and not to the Agency directly; thus, EPA claims that the panels are exempt from the Act.[17] A former senior EPA official has criticized the propriety of such procedures:

"[I]f this pattern of closed deliberation is repeated, our Science Advisory Board will, in my opinion, rapidly squander its credibility.[18]

Furthermore, the working papers of the Study Panels are unavailable to the public and minutes are not kept at meetings, although the Panels' assessments are used in open meetings of advisory committees. FACA, however, clearly stipulates that: "working papers . . . which were made available to *or prepared for* or by each advisory committee shall be available for public inspection."[19]

Sometimes groups which directly advise the government refuse to acknowledge that they are federal advisory committees until forced to do so through litigation.[20] One example of a committee which was claimed to be exempt from FACA and whose recommendations were almost directly incorporated into a proposed rule recently occurred in a determination by the U.S. Coast Guard. This committee, composed exclusively of representatives of the oil and shipping industries and the federal government, recommended against the use of double bottoms and of segregated ballast (in most instances) on large oil tankers, a measure with profound environmental implications. The action is now in litigation.[21]

In other instances, meetings of advisory committee members take place outside the statutory framework. An example of this problem is furnished by an October 1975 meeting of EPA with state officials on drinking water regulations. Members of an advisory committee were invited, but EPA denied that this was an advisory committee meeting. The agency then met separately that same month with environmentalists, who had expressed a desire to meet openly with other parties. At the meeting, EPA announced that the regulations would be severely weakened. There was never a joint meeting of all concerned groups to attempt some compromise effort. Subsequently, the Environmental Defense Fund filed suit over the decision to eliminate testing for organic chemical pollutants in drinking water.[22] It is certainly possible that this litigation would have been avoided if an open forum had been arranged via an advisory committee.

In some cases, committees apparently drift in and out of federal advisory committee status. In 1974, 69 previously unreported committees were recognized, and 13 others which had been separately identified as advisory committees in 1973 no longer were so identified, yet still existed in 1974.[23]

Some bodies which are not specifically included in (or explicitly excluded from) FACA function as advisory committees, perform advisory functions of comparable import, and have similar kinds of problems. One important example is the National Academy of Sciences (NAS). Through a congressional charter of 1863, the Academy is the "official scientific advisor to the Government."[24] The NAS has a major role in providing advice on a wide range of issues to the government:

"By the 1970's, the Academy had become a major source of scientific advice for the Federal government. In fiscal year 1970, more scientists served on the Academy's committees than served on advisory committees appointed directly by government agencies—namely 8328 appointments on Academy committees in that year compared with only 6424 appointments to science advisory posts with Federal agencies."[25]

Though the members are not paid consultants' fees for their efforts, they understand that membership on an NAS committee is a prestigious position and will likely improve their connections in the scientific sphere.

The applicability of FACA to NAS has been under scrutiny. In response to a Food and Drug Administration (FDA) request in 1973 regarding FACA's application to an NAS committee under contract to the FDA, the Department of Justice stated that it "do[es] not regard the legislative history as completely clear or conclusive. Still, there is evidence of a general intent on the part of Congress to exclude NAS committees from the coverage of the Act."[26]

The Department of Justice went on to say that it is "unable, however, to accept as a categorical rule the . . . statement that the "Act does not apply to persons or organizations which have contractual relationships with Federal Agencies . . ." [as does the NAS]. Our reason is that if the mere existence of a contract were decisive, avoidance of the Act in situations involving "utilized" advisory committees could easily, be accomplished."[27]

The Department of Justice's view that the NAS is exempt from FACA depends on the structure of the NAS (as, in essence, an ongoing review organization) and that therefore one of its advisory committees is an integral part of that function and not a separate entity subject to FACA. Using the same rationale, however, the Department of Justice has viewed the Federation of American Societies for Experimental Biology (FASEB) committees as advisory committees subject to FACA, because they were not to be subject to an on-going review process of FASEB, and were not inseparable from the structure of the organization.[28] Notably, Justice's rationale in the case of FASEB could subject to FACA's requirements many committees that have ben exempt from FACA solely on the basis of their contractual nature.

The Academy was recently sued over just such an issue, that is, whether the Committee on Motor Vehicle Emissions of the NAS was an advisory committee and whether the Academy could be considered an agency under FACA. In *Lombardo v. Handler*,[29] Judge Sirica held that NAS is not an agency for purposes of FACA and the Committee is not an advisory committee subject to FACA. The crucial factor in the decision seems to be Judge Sirica's thoroughly researched view that the legislative history exempted the NAS specifically from FACA. Unfortunately, *Lombardo* may slow the process of opening the deliberations of de facto advisory committees similar in nature to NAS: those which advise the federal government under institutional contract.

There are other organizations not affiliated with the federal government that nonetheless serve in an official advisory capacity and therefore should be subject to FACA. One such is The Institute of Ecology (TIE), which is described in a report of the Director as being organized: "to direct and coordinate ecological analyses and research projects in the Western Hemisphere—projects beyond the scope and management capabilities of any single university or research institution."[30]

TIE includes as member organizations some 80 universities and research institutions. Since its organization in 1971, TIE has performed several major projects at the behest of NSF, the U.S. Corps of Engineers, and EPA. TIE has been called on to advise the federal government on various important issues of ecological concern, including coastal zone management, tropical ecology research, urban ecosystem research, and ecological program assessment. TIE does not consider its committees to be federal advisory committees and therefore they do not attempt to comply with FACA.[31] The Act's definition of federal advisory committees, however, logically includes the TIE committees, formed at government behest and cost (though the members are generally not paid for their services).[32] Little distinction can be made between TIE committees and federal advisory committees in any area. Despite an NSF ruling on TIE advisory committees which uses the contractual agreement rationale to exclude TIE from compliance with FACA, the Department of Justice ruling on the NAS,[33] downplaying the role of institutional contracts as the determining factor in exemption from FACA, demonstrates that TIE's committees ought to be subject to FACA's requirements.

There are other important professional organizations, such as the American Public Health Association (APHA), which, under contract to the government, advise on the status of research and propose future research areas. The APHA committees are selected by that organization and are paid consultant and travel fees for their efforts just as are federal advisory committees. The crucial issue here is that these professional organizations, while receiving government funding, have sole control over their committee membership and related procedural matters.[34]

As the foregoing demonstrates, administrative whittling of FACA's seemingly broad scope has made its application problematic. The solution would seem to lie in Congress' being more specific about FACA's coverage, through legislation or oversight. In particular, NAS should receive special attention to bring it within FACA's scope.

Membership problems—balance

The FACA does not explicitly define the term "balanced representation." Nor does it specify which sectors of society are to be represented in which kinds of committees. Must a committee be divided evenly by interest sectors or is one member, with a viewpoint differing from the majority, sufficient to balance a committee? In implementing the Act, federal agencies have generally skirted the issue of representation of opposing viewpoints, concentrating only on the less controversial factors (in this context) of geography, race, and sex as the overriding indicators of balance.[35] The concept that source of employment and grants or contracts should be considered in the determination of balance often is not significantly reflected in appointment of advisory committee members.

An extreme example appears in the National Petroleum Council of the Department of the Interior, in which "balance," as reflected through the composition of the committee, is the representation of most major petroleum companies.[36] Even after pressure brought to bear on the Council resulted in perfunctory efforts to represent consumer and environmental interests, "balance" was taken to mean only the presence of a few representatives of countervailing interests and not equal representation of diverse viewpoints.[37]

Footnotes at end of article.

The Council has since been sued by Senator Lee Metcalf on the grounds that the Council's composition and operation violates FACA.[38] This issue is significant because of the influence the Council wields with Interior in energy policy areas. Because of lack of standing to sue, however, the Senator's concern remains unresolved, along with the issue of the Council's compliance with the Act.

Attempts to alter the membership of existing advisory committees, and to balance them with respect to points of view represented, are constrained in several ways. Terms of membership on advisory committees average about three years, though variation has been noted from a few months to six years or to indefinite terms,[39] and terms often overlap within a committee. Moreover, agencies rarely announce the existence of committee vacancies in the Federal Register. For instance, the Bureau of Radiological Health, HEW, as part of a new policy[40] opened its nominations to the public for three federal advisory committees—Technical Electronic Product Radiation Safety Standards Committee, Radiation Bio-Effects and Epidemiology Advisory Committee, and Medical Radiation Advisory Committee. The Bureau received 39, 14, and 55 nominations, respectively, for these three committees as a result of this public notice, thus stemming fears that they would be overwhelmed by nominations.[41] This policy of publicly soliciting membership is an important method of reaching a variety of qualified individuals. While some of the better-established and amply-funded associtions have developed their own systems to place members on advisory committees,[42] other individuals and groups, often representing public interest and environmental concerns more specifically, must rely upon the government for such notice.

FACA's failure to limit renomination or to include search procedures for new members tends to slow the changeover of membership and maintain the "old boy" method of solicitation for new members.[43] While EPA and the Bureau of Radiological Health have, in limited areas, begun some innovative membership search procedures, all agencies may need more persuasion to set up such mechanisms throughout the federal advisory committee system.

Even though the NAS is not subject to FACA, its committees have membership problems that could be solved were the NAS to follow FACA's mandates. The NAS Panel on Coal Miners Pneumoconiosis of the Committee on Mineral Resources and the Environment has issued a report that has been thoroughly criticized by experts in the field.[44] It seems clear that neither the membership of the full committee nor the panel was competent by experience or education to analyze the social implications of coal workers pneumoconiosis which its task included along with analysis of medical effects.[45] Furthermore, the overwhelming orientation of the panel and committee was toward management, both directly and through academicians' close affiliation with management. There was no representation of working miners, disabled miners, or even of miners' widows.[46] Nonetheless, the panel and committee response to charges of imbalance was simple, unelaborated disagreement.[47]

Membership problems—Discrimination

Some advisory committees are now making a concerted effort to inform and include environmental or consumer representatives. These efforts have not, however, resolved the problems of the nature of representation. The current definition of the statutory term "public" is a major hurdle to fair representation of that public. The government contends simply that all who are not federal employees are the public, including industry representatives. This distinction is not sufficient because the general public, primarily consumers and recipients of services, and the technically- or scientifically-qualified public interest sectors must have separate representation. Persons who are informed on environmental or consumer problems, knowledgeable about specific advisory committee issues, and unaffiliated with industry or government are necessary to represent the public on advisory committees whose work in major ways affects the public, whether in consumer, environmental, or other affairs. They need not necessarily have the specific technical expertise to deal with the scientific aspects of the issues under consideration.

These representatives should be full voting members. Equally important, however, is the adequate representation of the technically-qualified public interest representatives, for through their scientific expertise and analysis the public can be protected from industry self-interest.

An instance of consumer representation being isolated and limited occurred within the Animal and Plant Health Inspection Service of the Department of Agriculture. The Service's initial advisory committee plan included the membership of consumer representatives on technical advisory committees as well as on a Consumer Advisory Committee. The Service has now drawn away from this proposal and plans to include in its plans only the consumer committee whose members serve as *ex officio* members on its expert panels, not as full members. Though this category of membership may be preferable to no membership, it tends to minimize the input of consumers on such crucial committees as the Department of Agriculture's Expert Panel on Nitrites and Nitrosamines.[48]

Membership problems—Conflict of interest

A more subtle membership-related problem of advisory committees is conflict of interest. The Act requires committees not to be "inappropriately influenced by the appointing authority or by any special interest," but contains no enforcement provision.[49] Experts in a particular field are often dependent to some extent on government or industry contracts and grants, which alone do not necessarily determine their views or prejudices. Their relationship to the government agency receiving their advice is one which must be clearly understood in order to comprehend the full implications of that advice. It is not necessary to forbid conflicts, so much as to mandate disclosure of interests. If interests remain hidden, then it is impossible to properly balance a committee with respect to views represented or determine if special interests are disproportionately represented. An expert working at a university, for example, who has been funded by indusrty grants may well come to conclusions unfavorable to that industry, but it is also likely that the expert would make sure that his or her actions and advice would not jeopardize continuation of these sources of funding. In this case, the associations and work of that person may give the closest idea of the point of view he or she represents, and this information, in tandem with public knowledge of any funding grants the person may have received would enable wise placement on an advisory committee. This idea has been elaborated by the former director of the National Environmental Research Center of EPA:

"[T]he public cannot easily understand subtle influences that may impinge upon scientists working for university departments or research institutes. If these departments or institutes are heavily funded by industries which are being regulated, there is certainly the potential for conflict of interest. This situation is not hypothetical but rather one which currently exists.[50]

Conflict of interest statements are not mentioned in FACA. Further, only a few agencies require advisory committee members to file such statements, which merely list the identity of financial affiliations, i.e., employment, grants, consulting arrangements, and other financial interests.[51] Also, these statements do not require the listing of compensation funneled indirectly from industry to an individual through an academic or other institution. A senior official of EPA has articulated the rationale behind requiring interest statements:

"To avoid hidden conflicts of interest, the background of our scientific advisors must be accessible to the public. . . . Our Agency should take immediate affirmative action to assure that the sources of such research conducted in departments or institutes in which our scientific advisors work are matters of public record. Our Agency should not only gather this information, but also collate it, present it in an understandable format and make sure that the resulting documents are easily available to any interested member of the public." [52]

This action would have allowed the public to know that a newly-reappointed member of the National Cancer Advisory Board (and chairman of its Subcommittee on Environmental Carcinogenesis), a committee which oversees the National Cancer Institute (NCI),[53] was also the recipient of the second highest contract from the National Institutes of Health (of which NCI is a branch) while he was a member of the committee.[54] This member also has been a consultant to Miles Laboratories and Abbot Laboratories, among other industries.[55]

Further conflict of interest problems arise in the political screening process for members of scientific advisory committees. Vacancies are not filled on some important Department of Health, Education and Welfare (HEW) advisory committees due, not only to the search for balance in race, sex, and geographical distribution, but to the fact that competent scientists must also be of the proper political persuasion. Such pressure comes from the White House and occasionally from Congress. There is, needless to say, no provision of FACA requiring political clearance for membership. Such a politically-cleared committee might well be questioned as to the independence of its advice to the administration in power or to Congress.[56]

The NAS does require conflict of interest statements of its members,[57] though it is clear that many conmmittee members are in serious conflict of interest. For example, the former committee to examine biological effects of airborne fluorides and the Food Protection Committee task force to examine toxicity of chemicals in food were both heavily weighted by industry representatives.[58] An unusual case where an undisclosed interest prejudiced a committee's function is described in a recent article discussing the NAS Subcommittee on Particulate Contaminants, which is studying the health effects of asbestos. NAS claimed not to know that one member was an unpaid consultant to Reserve Mining Company and had testified on behalf of Reserve that asbestos is not a serious health hazard. The situation only came to light as memoranda describing an agreement between a company attorney and the committee member regarding the NAS committee surfaced among documents obtained in the litigation against Reserve for extensive pollution of Lake Superior by dumping taconite tailings. The NAS has three procedural safeguards designed to ensure that an individual will have no conflict of interest with regard to a particular committee. However, due to vagueness in the bias statement itself, the committee's non-compliance with one of the review safeguards, and an insufficient screening by the NAS, the committee member revealed no affiliation. The committee mem-

Footnotes at end of article.

ber has since resigned under pressure.[59] The importance of this example has been lost, however, because NAS has not indicated what steps it will take to ensure that this and other conflicts do not recur.

Access to meetings and records

FACA mandates that all advisory committee meetings be open to the public, with the few exceptions provided in the exemptions to the FOIA.[60] In 1974 and 1975, however, half of all federal advisory committee meetings held were entirely or partially closed to the public.[61] Most of those committees which closed all or part of their meetings cited one of the FOIA exemptions as justification for closing. Both Senator Metcalf and Chester Warner, former director of the OMB Committee Management Secretariat, have expressed their dismay at the high percentage of closed meetings and have encouraged the committees to consolidate the closed portions of the meetings to allow the public greatest possible access to the meetings.[62]

It now appears, though, that most of the problems so prevalent with the applicability of the FOIA exemptions to FACA have been eliminated by the recently-enacted Government in the Sunshine Act.[63] A last minute addition to the bill in Congress made the limitations on open federal advisory committee meetings consonant with those few in the sunshine bill, thus eliminating the exemption covering interagency and intra-agency memoranda.[64]

That a committee member may feel constrained by the presence of the public or the press is an often-heard complaint and one which is superficially valid. Often, however, public exposure compels the member to give more carefully reasoned advice, thus benefitting the government and the public. One other plausible reason to skirt FACA would be to avoid public exposure of a sector's views and methods. The federal advisory committee system, however, is not the proper forum for carrying on private discussions with the government. Another reason for avoiding the Act's open meeting requirement would be a belief that the committee system is an insufficient forum for thoroughly representing particular views. Fairer representation of all major interest constituencies would alleviate this concern.

The decisions involving the Travel Advisory Board of the Civil Aeronautics Board (CAB) in *Aviation Consumer Action Project v. Washburn*[65] illustrates one aspect of problems with the closed-meeting issue. A meeting of the Board was closed to the public because inter-agency and intra-agency memoranda were to be discussed at the meeting, an FOIA exemption applicable to FACA. However, in the district court, Judge Bryant stated that the exemption was: "inapplicable and cannot be invoked . . . as to documents which have been voluntarily disclosed by the agency to members of an advisory committee who are not fulltime officers or employees of the Federal government."[66]

This exemption, in particular, has been the cause of much controversy as it brings to a head the issue of government secrecy and real questions as to the distinction between members of the public in general and members of the public who are on advisory committees.

A notable change from agency positions on closure of meetings has occurred through the General Energy Administration Act of 1974, which not only positively requires clearly balanced representation on advisory committees, but which also mandates open meetinges (except in the interest of national security).[67]

Important attempts of several advisory committees to hold open meetings, even on some fairly sensitive issues, have lend credence to the movement for wider standards in open meetings. Among these are the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, which, observers believe, now has encouraged greater thoughtfulness on the part of members while not inhibiting freedom of expression, and FDA's Toxicology Advisory Committee, which remained open at the behest of the public through a complicated and unresolved discussion of the problem of Red Dye No. 2.[68]

A variation on closed-meetings violations of FACA is illustrated by the Standards Advisory Committee on Coke Oven Emissions of the Department of Labor, which held a "fact-finding field trip" that was declared not a federal advisory committee meeting, even though it was a paid gathering of the entire committee for the purpose of fact-finding prior to making recommendations.[69]

Public attendance of advisory committee sessions is also inhibited by unofficial government actions that effectively close the sessions. For example, an "open" meeting was held in the Old Exacutive Office Building next to the White House. Attendance was made very difficult by the tight security measures and after a few hours this "open" meeting was closed—without prior notice.[70]

Another such example is afforded by the Bureau of Land Management (BLM) which announced an open meeting of the advisory board as a field trip to observe lands acquired by BLM in which members of the public were "required to furnish their own transportation."[71]

Likewise, in the past, NAS meetings have been closed to the public and only final documents have been made public.[72] NAS has now instituted a new public-access-to-information policy, the purpose of which is to open some NAS advisory committee meetings to the public and provide greater access to the documentation of those meetings and reports of subcommittees. Even under the new NAS guidelines, executive and working meetings of the committees still will not normally be open to the public[73] and notice of meetings will not appear in the Federal Register.

An example of some current closure problems in NAS advisory committee proceedings concerns the committee dealing with lead in paint. In a decision regarding the percentage of lead to be allowed in paint,[74] the Consumer Product Safety Commission received conflicting recommendations. One suggestion from HEW would have set maximum levels of 0.06 percent lead in paint, but another recommendations from an *ad hoc* advisory committee of the NAS would have allowed up to 0.5 percent lead in paint.[75] The Commission decided to accept the Academy study as the preferred level. If the NAS bore the title of "government agency," its advisory committee proceedings would be open, thus giving others the opportunity to observe and participate in the input and analysis of data.[76] With its closed meetings, it is impossible to determine what induced the NAS to make its recommendations. Some of the resultant furor might have been avoided or brought in at an earlier stage of decision-making had the proceedings of the advisory committee meetings been open to the public.[77] Only the final NAS *ad hoc* committee report, but not minutes or working papers, was made available through the Consumer Product Safety Commission. Unfortunately, the NAS report fails to validate scientifically the bases for its recommendation on permissible lead paint levels.

Access—Notice of meetings

Notice of meetings, whether open or closed, is a crucial element of member and observer attendance. On the average, federal advisory committees hold three meetings per year.[78] OMB Circular A–63 requires that announcements of committee meetings appear in the Federal Register at least 15 days in advance of the meeting, along with notification that the meeting is either open or closed, and if closed, for what reasons.[79] December 1974 and August 1975 examinations of the Register indicate that most of the approximately 300 meetings held per month are announced in the Federal Register or by press releases.[80] In July 1974, however, 47 percent of the Register notices to the public of advisory committee meetings violated the 15-day requirement for advance public notice for meetings,[81] by December, only 9 percent remained in violation.[82]

Access—Minutes of meetings

The FACA calls for complete minutes of meetings; this has not, however, eliminated inconsistent practices in keeping minutes. Some advisory committees already keep good, detailed minutes (supplemented by transcripts or tapes); others supply minimal minutes.[83] An available transcript or tape would allow government and public access to the total range of advice given by the committee. Minutes of committee meetings closed for reasons of national security should be kept by the agency to whom the committee reports.

Access—Annual reports

Critical for proper oversight of the system is consistent and accurate basic information on the structure, membership, and activities of each federal advisory committee. The Annual Report of the President to the Congress is a method by which the public and the government can have direct access to and oversight of advisory committee proceedings and makeup because it should include the cost, accomplishments, and membership of each committee. The Annual Report to Congress, required by the Act, has varied in substance and in public availability. For the Second Annual Report, covering 1973, the full documentation of individual committee annual reports was available to the public only at the General Services Administration (GSA), and Government Operations Subcommittees of Congress—not "easily accessible" as required by the Act.[84] While the GSA's report—the Third Annual Report—is publicly available for sale, the fiscal figures used are not entirely consistent with those of the Senate Subcommittee on Reports, Accounting and Management, primarily due to procedural differences.[85] In addition, the Senate Government Operations Committee has discovered that numerous committees under its jurisdiction are now moribund though they are reported as active in both the Third and Fourth Annual Reports.[86]

The government has compiled and published indices more thorough than that for the First Annual Report (no index was compiled for the Second Annual Report). Detailed, current, and mostly accurate information is now readily available from GSA. This index should be made mandatory for each Annual Report because of the massive quantities of information they include.

Access—Other records

The Act requires the Library of Congress to maintain a repository of advisory committee documents including committee charters and any report an advisory committee submits to an agency, for "public inspection and use."[87] However, approximately one quarter of the charters of federal advisory committees listed in the Second Annual Report are not on file at the Library. Indeed, until complaints were lodged, there was no regular file at the Library but only a large cardboard box for storage of all advisory committee material.[88] The Congressional Research Service, the research branch of the Library, is given the option to keep topical advisory committee reports; otherwise the Library generally discards them.[89] No attempt is made by the Library to see that the collection of charters is complete or up-to-date and similarly, the reports are merely channeled

Footnotes at end of article.

through the Library, not cataloged or made publicly available.[90] Some of the collection is now gradually being bound.

The only feasible solution to the confusion which exists regarding storage of the advisory committee records is to create and maintain in one place in the Library of Congress, a complete record of all charters, verbatim transcripts, or tapes of open meetings, committee reports, annual reports, and membership lists of all advisory committees. This could be on microfiche or a comparably inexpensive and space-saving method. The collection should then be codified and cataloged at the Library, at the direction of an amendment of the FACA or through an OMB directive. As all of the materials for this collection are currently available (with the exception of verbatim transcripts or tapes, in some cases), the problem would be primarily that of assembly codification.

ADVISORY COMMITTEE EFFECTIVENESS

Annual reports of all federal advisory committees must describe the committee's accomplishments over the past year. These accomplishments vary dramatically. For instance EPA's Antimicrobial Advisory Committee was reported to be merely "familiarized" by the agency "with the magnitude and complexity of the problems to be reviewed." [91] EPA's Technical Advisory Group for Municipal Waste Water Systems, on the other hand, participated in numerous workshops for the development and implementation of various regulations.[92]

The question remains how well the recommendations of advisory committees are utilized by agencies. The Act does not require that agencies follow advisory committees' advice. On the other hand, if agencies totally ignore their advice, the whole process is useless and the advisory committee ought not exist, or the agency should consider modifying its policies.

Several important movements are now in progress to measure government use of the advice of these committees. The actual value of each advisory committee can be partially assessed from the form that agencies must complete for the Fourth Annual Report, which includes a question on government actions taken regarding advisory committee recommendations primarily within the last year.[93] Another possibility for increased government responsiveness to its advisory committees requires more direct feedback from the government to the advisory committee on the use made of its advice. At this point, only the members of EPA's former National Air Quality Criteria Advisory Committee and the National Drinking Water Advisory Council are known to have initiated this procedure, that is, to request government response to advisory committee advice.[94] These committees recommended that their suggestions should be circulated to all EPA advisory committees. More specifically, the air committee's resolution recommends that meetings be attended by the Assistant Administrator for Air and Waste Management "or if that is not possible or practicable, by a senior official as his representative," and that the Agency use the committee for consultation on the scientific aspects of matters related to regulatory policy on air quality criteria in a systematic fashion.[95] Although this committee no longer exists, other EPA committees would do well to initiate similar procedures.

Improved congressional and executive branch oversight

Either through strengthening of the Act, requiring congressional standing committee reports on the status of advisory committees under their jurisdiction, or through comparable directives, standing committees must carry out their oversight responsibilities under the Act. These are the only bodies outside of the executive branch which are set up to oversee thoroughly each individual committee. Section 5(a) of FACA gives the standing committees of Congress continuing oversight of federal advisory committees under their jurisdiction. The extent of actual oversight is both difficult to determine and varying in purpose.[96] For instance, there has been no central list of standing committees, and those advisory committees they are to oversee, in the House and a severely outdated one for the Senate, although the Congressional Research Service now has prepared an updated list for the Senate.[97] Furthermore, congressional appropriations committees review some, but apparently not all,[98] advisory committees only with respect to their cost effectiveness, not with respect to compliance with FACA.

Most of the congressional standing committees engage in only sporadic oversight of advisory committee compliance with FACA.[99] Among the factors contributing to this problem are committee understaffing and resultant concentrations on new legislation or more major issues with perhaps only peripheral study of advisory committees, lack of public or congressional prodding to investigate advisory committees and dearth of knowledge of the requirements of FACA. This is not to say that there has been no oversight, because some committees have conducted thorough hearings on particular advisory committees,[100] while other congressional committees are beginning to review advisory committees or at least have expressed an active interest in pursuing this function. OMB's Committee Management Secretariat should also be clearly empowered to control federal advisory committees. Sanctions for noncompliance with the Act must necessarily come from that office and from the Congress.

RECOMMENDATIONS

As has been demonstrated, most of the failings in the advisory committee system stem from statutory ambiguity and administrative lassitude. Corrective action should be by amendment to FACA or vigorous agency enforcement of its mandates. Specifically, the following solutions are recommended.

Scope

Congress should legislatively clarify and, through congressional oversight, enforce the current definition of a federal advisory committee. In particular, the National Academy of Sciences should be legislatively determined to be subject to FACA.

Membership—Balance

Congress should statutorily define "balanced representation" in terms of direct and indirect interests as well as geography, race, and sex.

Membership—Discrimination

All members should have equal voting power and equal financial assistance. Technically- and otherwise-qualified public interest representatives should be included in all advisory committees.

Membership—Conflicts of interest

FACA should be amended to require preparation and full public disclosure of advisory committee members' conflicts of interest statements. The statements should contain financial affiliations and descriptions of direct and indirect industry funding of academic personnel.

Meeting access—Closure

The Government in the Sunshine Act should be vigorously enforced by agencies and through congressional oversight.

Meeting access—Notice

There should be 30-day notice publication in both the Federal Register and other media likely to reach affected or interested members of the public.

Meeting access—Minutes

Agencies should strictly enforce FACA's requirement that meeting minutes be maintained. In addition, the Act should be amended to require complete transcripts or tapes to be kept of all advisory committee meetings.

Meeting access—Annual reports

FACA's requirement that annual reports be "easily accessible" should be enforced. Indexing of the Annual Report should be mandatory.

Meeting access—Other records

Through amendment of FACA or an OMB directive, the Library of Congress should catalog and maintain in one place a complete record of all committee charters, minutes, transcripts, reports, and membership lists.

CONCLUSION

The implementation of FACA has had an impact both on the advisory process and on agency operations. It has reformed the advising system into an organized, though perhaps slower, feedback system of nongovernmental input. As for government operations, surprisingly, the increase in bureaucracy has not caused greater overall cost as the number of committees has generally decreased and the oversight on committee spending has increased.[101] Perhaps too, more careful selection of members through demands for balanced representation and elimination of conflicts of interest produces more responsible advice.

FACA, while incurring significant record-keeping does seem to be increasingly effective. "Effectiveness" of a committee, though difficult to define and quantify, may be simply viewed as thorough committee consideration and commentary on any relevant issue which may benefit from outside evaluation. The basic purpose of the Act is to see that this consideration occurs with a standardized set of checks. Given this purpose, some strengthening amendments to the Act, based on several years' experience, are in order, and recent oversight hearings and the new amendments proposed by Senators Metcalf, Hatfield, and Percy could go far toward improvement of the system.[102] Though some vested interests would prefer to see the Act destroyed or weakened—and it is possible that stronger regulation may lead special interests to further circumvent the Act and advisory committees—though oversight and agency compliance with the Act can help preclude this. It is also true that some committees have been largely isolated from the Act and probably will never be examined by overseeing bodies except possibly by the agencies which control them—such as the committees which deal with "national security" issues. In general, though, the more crucial and well-publicized the issue, the more chance that there will be careful consideration of membership and activities of a committee by an agency. The ultimate effectiveness of FACA depends on the overseers of the agencies—Congress and the public—requiring agencies and their advisory committees to conduct the public's business for and in sight of the public.

TABLE I.—NUMBERS AND COST OF ADVISORY COMMITTEES

Year	Number	Cost (in millions of dollars)
1970 [1]	1,800	*74
1972 [2]	1,439	50
1973 [3]	1,250	31
1974 [4]	1,242	42
1975 [5]	1,267	52

[1] 1970 House Hearings, supra text note 2, at 31.
[2] 121 Congressional Record S1429 (daily edition Jan. 27, 1975).
[3] General Services Administration, Federal Advisory Committees, "2d Annual Report of the President (1974)."
[4] General Services Administration, Federal Advisory Committees, "3d Annual Report of the President" (1975).
[5] "4th Annual Report," supra text note 15.
*Approximate.

Footnotes at end of article.

TABLE II.—NUMBERS OF ADVISORY COMMITTEE MEMBERS ON MORE THAN 1 ADVISORY COMMITTEE

Number of committees served simultaneously [1]	Number of members: 1st annual report	Number of members: 3d annual report [2]
2	420	----
3	280	----
4	100	107
5	55	47
6	30	21
7	14	7
8	10	9
9	10	1
10	----	2
12	----	1
15	4	1
17	1	----
18	1	----
20	1	----

[1] These numbers represent maximum committees served. In other words, a member serving simultaneously on 4 advisory committees is not considered to be serving simultaneously on 3 advisory committees.

[2] See 121 Congressional Record S22288 (daily edition Dec. 16, 1975).

TABLE III.—ORGANIZATIONAL REPRESENTATION ON ALL FEDERAL ADVISORY COMMITTEES

Multiple industry representation:	
1. AT&T	95
2. RCA	95
3. ITT	86
4. Gen. Electric	80
5. Comsat	64
6. Exxon Corp	48
7. IBM	40
8. MITRE Corp	37
9. Boeing	36
10. Western Union	35
Universities and institutes multiple memberships:	
1. U. of California	350
2. Harvard U	167
3. U. of Texas	110
4. Mass. Inst. Tech	108
5. Johns Hopkins	103
6. U. of Michigan	103
7. Columbia U	102
8. U. of Wisconsin	96
9. U. of Washington	93
10. Stanford U	91
Federations, national unions and employee associations, multiple representation:	
1. AFL–CIO	92
2. ALPHA	30
3. USA	16
4. IBEW	15
5. CIA	12
6. ACWA	11
7. AFGE	11
8. IAM	11
9. IWA	8
10. LIUNA	8
Trade and other Associations Multiple Representation	
1. Air Transport Association of America	34
2. Aircraft Owners and Pilots Association	26
3. National Business Aircraft Association	21

[a] Employees from these organizations are representatives on the listed number of committees. *See* 121 Cong. Rec. S22290 (daily ed. Dec. 16, 1975).

FOOTNOTES

[1] George Washington reportedly used an advisory committee to help resolve the Whiskey Rebellion of 1794. After World War II, a significant number of advisory committees were formed to help agencies make decisions by providing the diversity of expert advice not available within the ranks of government. See Levine, *The Federal Advisory Committee Act*, 10 Harv. J. Legis. 217 (1973); Perritt & Wilkinson, *Open Advisory Committees and the Political Process: The Federal Advisory Committee Act After Two Years*, 63 Geo. L.J. 725 (1975); Tuerkheimer, *Veto By Neglect: The Federal Advisory Committee Act*, 25 Am. U.L. Rev. 53 (1975). *See generally* Morehead, *Federal Advisory Committees and Access to Public Information*, in 2 *Government Publications Review* 1 (1975).

In step with the growth of government, the number of subject areas in which advisory committee input has been sought has burgeoned, as has the complexity of those subject areas and the cost of dealing with them. *See* Table I *infra*. By 1975 there were over 1,250 federal advisory committees serving some 52 federal agencies, composed of approximately 25,000 members (about 6,000 nominated each year for about four-year terms) and advising all sectors of government on the widest range of regulatory policies. Many committee members serve simultaneously on several committees. *See* Table II *infra*.

[2] Documents issued pursuant to the congressional studies include *Presidential Advisory Committees, Hearings Before a Subcommittee of the House Committee on Government Operations*, 91st Cong. 2d. Sess. (1970) [hereinafter *1970 House Hearings*]; *Advisory Committees, Hearings on Advisory Committees Before the Legal and Monetary Affairs Subcommittee of the House Government Operations Committee*, 92d Cong., 1st Sess. (1971) [hereinafter *1971 House Hearings*]; *Advisory Committees, Hearings Before the Subcommittee on Intergovernmental Relations of the Senate Government Operations Committee*, parts I, II, III, 91st Cong., 2d Sess. (1970, 1971) [hereinafter *1970–71 Senate Hearings*].

[3] Of the many bills introduced the most important were S. 1637, 92d Cong., 1st Sess. (1971), the Open Advisory Committee Act, introduced by Senator Metcalf (D-Mont.), and H.R. 4383, 92d Cong., 1st Sess. (1971). The Federal Advisory Committee Standards Act, introduced by House Committee Chairman Monagan (D-Ct.). The former proposed drastic changes in the advisory committee system, specifying that meetings must be open to the public, that membership on committees must be fairly balanced, and that noncompliance with the Act could be challenged in court. This bill provided that one third of the membership on an advisory committee must be from the public sector, that is, from outside industry or the government. Representative Monagan's bill, similar in intent but less restrictive, was the basis of FACA. As passed, however, FACA did incorporate Senator Metcalf's recommendations that meetings and records be open and accessible in accordance with the requirements of the Freedom of Information Act (FOIA), 5 U.S.C. § 552, ELR 41015. In spite October 6, 1972, P.L. 92-463, 5 U.S.C. App. I, ELR 41019.

[4] The authors make the following assumptions: (1) that public examination of issues is vital to proper government, (2) that FACA (or an improved Act), which requires significant recordkeeping and some standardization procedures, helps to insure this examination, and perhaps more essentially, (3) that legislation establishing an organized set of meetings in which issues may be debated in a single forum is in the public interest. These assumptions are based upon a well-founded fear on the part of many environmentalists, consumer representatives and other public interest workers that without these measures, industrial lobbying efforts and a plethora of well-financed promotional and research efforts would, meeting in secret with the government, overwhelm the understaffed, poorly-funded public interest sector.

[*Editors' note:* One of the outhors, Samuel Epstein, recently was rejected for membership on the Food and Drug Administration's advisory board for the National Center for Toxicological Research, even though he received the highest number of endorsements from consumer groups. The board advises the Center on how to allocate funds to study the biological effects of toxic substances. Burros, *FDA Rejected No. 1 Choice for Advisory Panel*, Washington Post, Nov. 27, 1976, at A3, col. 1.]

[5] FACA § 3(2).

[6] *Oversight Hearings before the Subcommittee on Budgeting, Management and Expenditures of the Senate Committee on Government Operations*, 93d Cong., 1st and 2d Sess. (1973–74) [hereinafter *1973–1974 Senate Oversight Hearings*]; *Hearings before the Subcommittee on Reports, Accounting and Management of the Senate Committee on Government Operations*, 94th Cong., 2d Sess. (1976) [hereinafter *1976 Senate Hearings*].

[7] FACA § 5(c). There is some controversy as to the meaning of this provision. Agencies have used it to exempt themselves from important aspects of the Act.

[8] *Id.* § 10(a)(1).

[9] *Id.* § 10(a)(2).

[10] *Id.* § 10(a)(3)(c).

[11] *Id.* § 10(d).

[12] *Id.* § 5(a).

[13] *Id.* § 7(a).

[14] OMB Circular A–63 (1974).

[15] General Services Admin., *Federal Advisory Committees, Fourth Annual Report of the President* (1976), Transmittal Memorandum No. 3 [hereinafter *Fourth Annual Report*].

[16] 121 Cong. Rec. S6562 (daily ed. Apr. 23, 1975).

[17] Memorandum from C. Richard Boehlert, Deputy Associate General Counsel, Grants, Contracts and General Administration Division, EPA to Staff Director, Science Advisory Board Secretariat, March 18, 1975, on The Use of Investigative Panels by Advisory Committees of the Science Advisory Board:

The Act . . . does not apply to a group specifically constituted to gather information for the use of an "advisory committee" and which lacks recommendatory authority. Consequently, to the extent that your subgroups simply collect scientific information and data pertaining to a specific topic for presentation to an advisory board for their deliberations, they are not "advisory committee[s]" within the Act. *Cf.* note 69 *infra*.

[18] Memorandum from John F. Finklea, former Director, National Environmental Research Center, to Ms. Ferial Bishop, Office of Program Management, EPA, *Comments on the Proposed EPA Science Advisory Board*, Dec. 13, 1974, at 2 [hereinafter cited as *Finklea Memorandum*].

[19] FACA § 10(b).

[20] *E.g.* a meeting of advisors to the Civil Aeronautics Board was not acknowledeged as a federal advisory committee and was closed to the public. Aviation Consumer Action Project v. Yohe, Judgment for Plaintiff, Civ. No. 73–707 (D.D.C. June 21, 1973).

[21] NRDC v. Coleman, Civ. 76–181 (D.D.C., filed Feb. 2, 1976), ELR Doc. [412], ELR 65322. Of the 11 members, 8 were from affected industries, 3 from the government.

[22] Environmental Defense Fund v. Train, No. 75–2224 (D.C. Cir., field Dec. 17, 1975) ELR Doc. [373], ELR 65291.

[23] 121 Cong. Rec. S7340–42 (daily ed. May 1, 1975).

[24] 36 U.S.C. § 251–254 (1970). *See generally* P. Boffey, *The Brain Bank of America, An Inquiry into the Politics of Science* (1975). In 1970, a House commitee stated:

A great number of the approximately 500 advisory committees of the National Academy of Sciences and its affiliates should be added to the above 1800 advisory committees as the NAS committees fall within the intent and literal definition of advisory committees under Executive Order 11007. H. Rep. No. 91–1731, 91st Cong., 2d Sess. 15 (1970).

[25] Boffey, *supra* note 24, at 11. Science advisory committees with federal agencies are those federal advisory committees which deal specifically with scientific matters—for ex-

ample, most National Institutes of Health committees.

[26] Letter from Robert G. Dixon, Jr., Ass't Attorney General, Office of Legal Counsel, Department of Justice to Peter Barton Hutt, Ass't General Counsel, Food and Drug Division, HEW, Nov. 23, 1973.

[27] *Id.* at 3.

[28] *Id.* at 7. These committees were set up to review "Generally Recognized As Safe" (GRAS) ingredients in food. Subsequent to the ruling FASEB copied NAS structure for advisory committees which effectively circumvented its need to comply with FACA.

[29] 397 F. Supp. 792, 6 ELR 20046 (D.D.C. 1975).

[30] Neuhold, *Ecosystem Processes and Organic Contamination, A Workshop Proposal to NSF-RANN*, App. A (The Institute of Ecology, Dec. 2, 1974).

[31] Authors' discussion with F. J. Rimberg, The Institute of Ecology.

[32] Neuhold, *supra* note 30, at 15. The TIE solicits and chooses committee members from its membership. Travel expenses are paid by the contractee.

[33] Letter from Robert G Dixon, Jr., *supra* note 26.

[34] Authors' discussions with a staff member of the American Public Health Association, May 21, 1975 and other occasions.

[35] This conclusion is based on conversations and letters between the authors and 20 committee management officers of various agencies during the month of October 1974, and analysis of approximately 300 advisory committee charters. *See also* Table III *infra*.

[36] At least 105 of the 155 members on the National Petroleum Council are directly involved in the recovery, refinery and/or sale of petroleum products, not including law firms, banks, truckers, etc., whose significant business may be from these same products and with these same companies.

[37] Aug, *Ex-Aide Calls Continuing of Counsel Illegal*, Washington Star News, Jan. 20, 1975, at A12. A Department of the Interior news release outlined the new procedures to balance the Council. Twenty-two members were added: three environmentalists, five consumers (which includes the AFL–CIO and a rural electric cooperative), three academicians, and a number of small business people. Dep't of the Interior, *National Petroleum Council Broadened* (Jan. 6, 1975). One observer has stated:

[t]ypical is the National Petroleum Council which political science professor Robert Engler commends as a "case study" on how concentrated economic power is "capable of shaping or forestalling presumably public policies." Rodgers, *Advisory Committees, Back Room Arm Twisters*, The Nation, June 8, 1974, at 724.

[38] Metcalf v. National Petroleum Council, Civ. No. 75–0397 (D.D.C., filed Feb. 9, 1976).

[39] This conclusion is based on a mixed sample of 500 advisory committee charters for 1974.

[40] 39 Fed. Reg. 24940 (July 8, 1974).

[41] This data is based on authors' discussions with the three executive secretaries of the federal advisory committees of the Bureau of Radiological Health, April 23, 1975.

[42] *A.M.A. Develops Referral System to Put Doctors on U.S. Health Advisory Panels*, N.Y. Times, June 29, 1975, at 19.

[43] In the recently phased-out Hazardous Materials Advisory Committee of EPA, 50 percent of the membership had been constant since October 1971, even though members serve terms of only three years. *Compare 1970 Senate Hearings, supra* note 2, *with* EPA Committee Management Office, *Advisory Committee Membership List* (1973; Mar. 1975).

[44] Letter from Harriet L. Hardy, M.D. to Brian Skinner, M.D., May 19, 1976. Dr. Skinner is Chairman, Committee on Mineral Resources and the Environment, NAS. Letter from John D. Stoeckle, M.D. to Brian Skinner, M.D., Apr. 19, 1976.

[45] Letter from Lorin E. Kerr, M.D., United Mine Workers to Brian J. Skinner, Apr. 13, 1976; Falk, *Notes on the National Academy of Sciences Supplementary Report: Coal Workers' Pneumoconiosis—Medical Considerations, Some Social Implications*, (United Mine Workers, May 28, 1976).

[46] *Id.* at 1, 2.

[47] Letter from Brian J. Skinner to Dr. Lorin E. Kerr, Apr. 22, 1976. Letter from Robert Frank, M.D., Chairman, Panel on Coal Workers' Pneumoconiosis, to Lorin E. Kerr, M.D., July 2, 1976.

[48] 122 Cong. Rec. S678–80 (daily ed. Jan. 28, 1976).

[49] FACA § 5(b)(2).

[50] *Finklea Memorandum*, supra note 18, at 2.

[51] Dep't of Housing and Urban Development, HUD Form No. HUD 844A (8–69) (not altered since pasage of FACA): Food and Drug Administration, FDA Form #FD 2637 (2.74). Half of the ten agencies contacted by the authors regarding the confidential statement require their advisory committee members to complete the form. None of these makes the completed forms public.

[52] *Finklea Memorandum, supra* note 18, at 2.

[53] Dep't of Health, Education and Welfare, *NIH Public Advisory Groups, Authority Structure, Functions, Members*, (Jan. 1, 1974), DHEW Publ. No. (NIH) 74–11.

[54] NIH, *Public Health Service Grants and Awards, Part III*, (1973), contract #9 Nol CP33278–00, $3,446,000, to Eppley Institute of Cancer Research. *See also NIH Advisors Advised Cost of Penury is High*, Science (Mar. 9, 1973).

[55] *Hearings Before the Subcommittee on the Department of Labor and Health, Education and Welfare of the House Committee on Appropriations*, Part 4, 93d Cong., 1st Sess. 132 (1973).

[56] Hicks, *Politics Charges in Science Panels*, N.Y. Times, Dec. 4, 1975.

[57] Boffey, *supra* note 24, at 44, 87.

[58] *Id.* at 77:

In addition to such direct industry representation, many academic scientists serving on Academy committees have ties to industry that are difficult for an outsider to detect. Thus a committee that issued a report in 1971 on the biological effects of airborne fluorides was composed entirely of scientists from universities and research laboratories that were seemingly independent of industry influence. But it was later revealed that four of these scientists, who had written most of the report, had close ties to the aluminum industry, which is a major emitter of fluorides. Some had written publications for the Aluminum Association, received research support from the industry, or testified for the industry in hearings on fluoride standards. The report which they helped prepare under the Academy imprimatur proposed tolerance thresholds which were somewhat more lenient than standards proposed by the Center for Science in the Public Interest, a Washington-based study group. (footnotes omitted). The NAS itself recognized in an internal document of April 20, 1975 that:

Scientists are accustomed to forming increasingly firm conceptions in their professional work and may not realize how much room there is in advice on policy questions.

One of the authors has stated:

In April 1969, a nine-man task force of this Committee (Food Protection, NAS), of whom five were industrial employees, one a commercial testing house director, and the other three academic scientists, with long and intimate associations with industrial interests, released a report entitled "Guidelines for Estimating Toxicologically Insignificant Levels of Chemicals in Food." None of the authors of the report are recognized as knowledgeable, let alone as authortiies, in the field of carcinogenesis. *Hearings before the Senate Select Committee on Nutrition and Human Needs*, 92d Cong., 2d Sess. 12 (1972) (testimony of Dr. Samuel Epstein).

[59] Wade, *NAS Committee on Asbestos: Discovery of a Special Relationship*, 193 Science 661 (Aug. 20, 1976).

[60] FACA § 10(d). FACA allows meetings which consider issues of national security, foreign policy, personnel matters, trade secrets, confidential financial information, and inter-agency and intra-agency memoranda not available through litigation to be exempt from public access.

[61] 121 Cong. Rec. S7340–42 (daily ed. May 1, 1975); 122 Cong. Rec. E1844 (Apr. 6, 1976).

[62] *Id. See also* Aug. *supra* note 37.

[63] Section 5(c), 5 U.S.C. § 552b, ELR 41017.

[64] FOIA, 5 U.S.C. § 552(b)(1)(A)(3).

[65] Aviation Consumer Action Project v. Washburn, Civ. No. 73–1838 (D.D.C. Sept. 10, 1974), *rev'd* 535 F.2d 101 (D.C. Cir. 1976).

[66] *Id.* For further litigation regarding FOIA exemption five, *see also* Wolf v. Weinberger, Civ. No. 74–454 (D.D.C. Oct. 31, 1975); Don't Tear It Down, Inc. v. GSA, 6 ELR 20091 (D.D.C. Apr. 23, 1975); Nader v. Dunlop, 370 F. Supp. 177 (D.D.C. 1973); Gates v. Schlesinger, 366 F. Supp. 797 (D.D.C. 1973).

[67] Section 17, P.L. 93–275, U.S.C. § 776, ELR 41270.

[68] *"Freedom of Information" Can Work*, 188 Science 812 (May 23, 1975). *See also* 122 Cong. Rec. E1589–90 (daily ed. Mar. 29, 1976).

[69] Letter from Bertram Robert Cottine, Staff Attorney, Health Research Group of Public Citizen, Inc., to John H. Stender, Assistant Secretary of Labor for Occupational Safety and Health, U.S. Department of Labor, January 7, 1975. Factfinding is not one of the exemptions of the Freedom of Information Act; therefore, the meeting was closed in violation of the FACA.

[70] *1973–74 Senate Oversight Hearings, supra* note 6, at 20.

[71] *Id.* at 79.

[72] Boffey has stated:

It is difficult for an outsider to evaluate how well a committee has performed simply by reading its final report. The report seldom makes explicit the compromises that were reached, the issues that were ducked, or the biases that may have swayed committee members. Such flaws might often be revealed in internal files. But lacking access to those files, we were forced to rely heavily on interviews to reconstruct the factors that influenced a committee's thinking. P. Boffey, *supra* note 24, at xi.

[73] NAS, *NRC Drafting Guidelines for New Public-Access-To-Information Policy*, (May 7, 1975).

[74] Consumer Product Safety Comm'n, *A Report to Congress in Compliance with Lead Based Paint Poisoning Prevention Act, as Amended* (Dec. 23, 1974); National Academy of Sciences, *Report of the Ad Hoc Committee to Evaluate the Hazard of Lead in Paint Prepared for the Consumer Product Safety Commission* (Nov. 1973).

[75] Letter from Charles C. Edwards, M.D., Ass't Secretary for Health, HEW, to the Honorable Richard O. Simpson, Chairman, Consumer Product Safety Commission, Dec. 19, 1974, summarizing the views of the Department with respect to the safe level of lead in residential paints. Letter from Vernon N. Houk, M.D., Director, Environmental Health Services Division, HEW, to Dr. Robert M. Hehir, Director, Bureau of Biomedical Science, Consumer Product Safety Commission, Dec. 9, 1974.

[76] P. Boffey, *supra* note 24, at xi.

[77] *Id.* at viii:

Almost all meetings of the Academy's working committees are off limits to press and public, making it impossible for an outsider to determine at first hand how well a committee performs. Similarly, most of the

internal documents relating to an advisory report—including original data submitted to the committee, conflict-of-interest statements filed by committee members, expert critiques of the report by the Academy's own reviewers, occasional dissenting opinions, correspondence, minutes of meetings, and the like—are kept hidden from public view. The Academy has a rule that only those internal documents that are more than fifty years old are available for examination upon request; anything less than fifty years old is considered privileged and can be seen only with special permission, seldom granted (letter, Ernst Weber to Louis V. Lombardo).

[78] This conclusion is based on the authors' 1974 survey of 500 committee charters.

[79] OMB Circular A–63, § 8(b)(3) (1974). ACAP v. Washburn, *supra* note 65, suggested that a 30-day notice period would more easily have allowed the public to respond to notices. Also testimony in the 1973–74 oversight hearings promoted 30-day advance notice to allow those who have an interest in the meeting in question to arrange to attend the meeting or submit or prepare a statement for it. *See generally 1973–74 Senate Oversight Hearings, supra* note 6.

[80] Chester Warner, speech at Freedom of Information Act Luncheon, Washington, D.C., Feb. 6, 1975, and authors' survey of the Federal Register, August 1975.

[81] OMB Circular A–63 (1974).

[82] Chester Warner speech, *supra* note 80.

[83] A survey reported in the *1970–71 Senate Hearings, supra* note 2, at 815, suggested that keeping complete transcripts of all meetings would be prohibitively expensive. However, although no study has determined precise numbers, many committees already make complete transcripts of meetings.

[84] The First Annual Report is a five volume compendium, which costs $52. The Library of Congress publishes a summary of each annual report listing advisory committees and the agencies and committee management officers responsible for them. Also included in this summary is a copy of the Act, Circular A–63 and some basic cost information on the system. The microfilm of the Third Annual Report is available for $24. Unlike the First Annual Report, the Third Report lists the individual committee reports required by the Act to be available to the public.

[85] These differences include the Senate Subcommittee consideration that ended on December 31, 1974, while GSA extended its consideration to include committee actions taken in January.

[86] Authors' discussion with a member of the Senate Subcommittee on Reports, Accounting and Management regarding for example, the Emergency Stabilization Industry Advisory Committee for Retailing (other than for and automobiles) of the General Services Administration.

[87] FACA § 13.

[88] Information learned from authors' repeated visits to the Library of Congress. Letters from Carl C. Clark to L. Quincy Mumford, former Librarian of Congress. Letter from Mumford to Clark, October 1, 1974. Mr. Mumford correctly stated that the Act "does not define the methods" which should be used to maintain a repository at the Library of Congress.

[89] Authors' discussions with Nathan Einhorn, Chief Gift and Exchange Division, Library of Congress.

[90] Authors' discussions with Alma Mather, Advisory Committee Desk, Library of Congress.

[91] EPA, *U.S. Environmental Protection Agency Advisory Committees, Charters and Rosters* 6 (Jan. 1974). The committee no longer exists, having accomplished nothing.

[92] *Id.* at 34.

[93] *Fourth Annual Report, supra* note 15, App. D.

[94] EPA, National Air Quality Criteria Advisory Comm., *Draft Resolution (Revised), Effectiveness of the National Air Quality Criteria Advisory Committee* (Apr. 4, 1975). The Committee passed the resolution; EPA, National Drinking Water Advisory Council, resolution submitted by Harold W. Wolf, Mar. 15, 1975.

[95] *Draft Resolution (Revised), supra* note 94.

[96] In early June, 1975, a total of 18 committees of the House and Senate were contacted by the authors with regard to their oversight efforts.

[97] This new list is unfortunately based largely on the old list and has been determined by the Senate Subcommittee on Reports, Accounting and Management to be significantly incorrect. For example, advisory committees of the National Endowment for the Humanities are listed as the responsibility of the Rules and Administration Committee, rather than, more logically, under the oversight of the Labor and Public Welfare Committee.

[98] *See Hearings (Appropriations for Fiscal 1975) before a Subcommittee of the House Committee on Appropriations,* Part 4, 93d Cong., 2d Sess. (1914).

[99] *Id.*

[100] Some of the Food and Drug Administration advisory committees are being investigated by Senator Edward Kennedy's (D-Mass.) Subcommittee on Health, Committee on Labor and Public Welfare. *See, e.g., Food and Drug Administration Practice and Procedure, 1975,* 94th Cong., 1st Sess. (1975).

[101] Most committees terminated by the FACA as of January 1975 have been renewed; others have been created and equal 25 more than the number of committees terminated. *See Fourth Annual Report, supra* note 15.

[102] Federal Advisory Committee Amendments of 1976, S. 2947, 94th Cong., 2d Sess. (1976); S. 3013, 94th Cong., 2d Sess. (1976). *See 1976 Senate Hearings, supra* note 6.

ROLE OF DIPLOMATS IN RELEASE OF HOSTAGES IN WASHINGTON

Mr. CASE. Mr. President, I wish to commend the three diplomats, the Ambassadors of Iran, Egypt, and Pakistan, for their efforts in the successful negotiations leading to the freeing of the hostages held at the B'nai B'rith Building, the D.C. Building and at the Islamic Cultural Center.

The actions of the three Ambassadors set a high example of international cooperation and goodwill.

THE ESCALATING FARM REAL ESTATE VALUES

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of the Congress an item from the Kansas Cooperative Council Newsletter pointing out the rapid increase in land values in recent years in our agricultural heartland.

The article deals mainly with the statistics on Iowa where the average value per acre is presently $1,231 an acre, an increase of 24 percent over last year.

The article also details earlier land price escalations, beginning in 1900, and one realtor predicts that many regions of the country will witness a tripling of land values in the next decade.

A news release by the Minnesota Department of Agriculture on February 15, 1977, provides additional information along the same lines regarding Minnesota's farm real estate value which has doubled in just the past 3 years. In the case of Illinois, land value has gone up 119 percent, and there has been a 111-percent increase in Iowa in the past 3 years.

These trends are of major significance for our agricultural community. These trends may well strain the family farm system as we know it today.

Mr. President, I ask unanimous consent that these informative articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

The boom in farm real estate values over the past several years is a phenomenon of all time. The soaring trend is highly visible in all farming sections, but especially in the cornbelt and northern Great Plains.

In just one year—Nov. 1975 to Nov. 1976—Kansas farmland values rose 15 percent. The average dollar value is now $384 per acre. For the U.S. as a whole, the per acre value increased from $380 to $445 in that interval, a jump of 17 percent. Since 1970 when the U.S. value was $195 and acre, the increase has been over 128 percent.

Such "averages" as these, of course, do not tell the true story of actual land costs. In most states, the quality of farmland varies widely, ranging from flat and fertile to rough, rocky and thin; so an average is quite meaningless. If you're after good land, the Kansas average of $384 will hardly get you an introduction to a real estate agent.

Iowa statistics, however, present a truer if somewhat more exaggerated picture; first, because its land is remarkably uniform state wide; second, Iowa State University has the oldest, and perhaps most accurate, land value report.

Even discounting the tendency of its public relations to sound the trumpet, Iowa is one whale of a farm state. It has been called "One stupendous farm, 90 percent of it flat; 95 percent of it fertile." It has 5 percent of the nation's top-grade farm land, on which is grown 10 percent of the U.S. food supply. In short, those after good land in which to sink the plow can find it there, and it doesn't matter much which part of the state they head for. It also costs more than anywhere in the country on the average, that is.

That Iowa average right now is $1,231 an acre, an increase of $242 or 24.5 percent over last year. The latest survey shows land values there average $1,000 or more per acre in 63 of Iowa's 99 counties. The average price in one favored spot, Grundy Co., is a whopping $1,806.

The price of land in Iowa, and elsewhere on a bit more modest scale, took off like a home-sick angel about five years ago. After a modest increase of 11.4 percent in 1972, it leaped 31.6 percent in 1973; 32.6 percent in 1974; 30.8 percent in 1975; and 24.5 percent in 1976. The line on the land value graph resembles the straight-up trajectory of an Atlas rocket.

So far, only scanty analysis has been made as to the effect of the historic farm land boom, and it shows it as a mixed blessing. For the well-landed farmer with his acres paid for or under control, the increment from the rising value has been a bonanza. For those who expanded their farms with borrowed money on the strength of continued high commodity prices and future promise, it can mean a disaster. For the young farmers trying to get started, it's a nightmare.

Aside from these obvious and more immediate effects, there is one far more insidious and subtle. This is the avid interest of "outside" interests, banks and investment houses. "In the last year alone, my firm

has talked with banks from nations all over the world" says the president of a large eastern real estate agency.

This is not the individual investing of successful business and professional people common to agriculture; neither is it the "corporation farming" that's scared the daylights out of farmers for decades. It's investment by big banks and other financial institutions, with the long-term appreciation of farm land as the goal.

In a recent Newsletter, we called attention to one of these new ventures. A big Chicago bank and a top U.S. investment firm have teamed up to invest millions of corporate profit-sharing and pension trust funds in prime agricultural land. The land would then be rented to farmers, but managed by the bank. We understand the institution is already adept in that role. It currently manages farm properties in 22 states, including several Iowa farms totaling thousands of acres.

Outcome of the boom seems impossible to forecast, largely because many new factors are influencing it. These include the growing demand for food, the declining supply of good land, and the more intensive use of what's left. In spite of the incredible, fantastic rate of appreciation, there are few expressed fears of a land bust. In fact, most thinking is bullish. "Many regions of the country will witness a tripling of value in the next decade," predicts one realtor.

At this point, it is interesting to note what happened during the last great U.S. farm land boom. There's no guessing about that. The story is written indelibly in the pages of farm history, and it's fascinating. It extended roughly over two decades—from 1900 to 1920. As now, it had its focal point in the Cornbelt, radiating out to other nearby farm states.

In 1900, the going rate for good Iowa land was around $25 to $30 an acre. By 1910, impelled by higher commodity prices and wider markets, it had wavered its way up to an average $96. Then, with the outbreak of war in Europe and the inflation that followed, the price soared to peak at a stunning $255 an acre in 1920. Land owners suddenly found themselves filthy rich, at least by standards then. "Iowa farmers have made five times as much while they slept as they have earned by the sweat of their brow," roared one crusty old farm editor.

What happened in this interval of two wild decades is an interesting study in human nature and sociology, as well as agricultural economics. Iowa lost its solid core of good practicing farmers.

Many newly-descended from pioneer stock with itchy heels cashed in their "unearned" increment, as it was called, and moved to other areas where land was cheaper, to do it all over again. Others, perhaps prodded by a tired wife and a couple of corn-fed daughers with no yen for rural living, sold or rented their farms and moved to town with the laudable excuse they wanted to give their families more "advantages."

Two other types of landlords quickly entered the picture. One was the "capitalist" investor who bought farms as a permanent investment that couldn't be lost in a maze of financial juggling. He was satisfied with a saving-bank rate of return and whatever additional profit might accrue in the rise of land values. The other was the speculator who purchased on narrow margin with the idea of squeezing the last dollar of value.

As a result, farm tenancy increased at a horrifying rate. In 1916 it was found that 45 percent of Iowa's farms were operated by non-owners. While many tenants were conscientious and efficient, others had the same goal as the landlord, milk the land. Too, tenants were hampered by the short-term, one-year leases that the landowners insisted upon. The system placed emphasis on quick return so cash-cropping became rife, and livestock was neglected.

It was the smaller farmers, or the younger ones, however, who were the victims of the era. Spurred by high commodity prices, and by the increasing availability of machinery which enabled them to farm more, they eagerly bought the higher-priced land as addition to their eighties and quarters, unmindful of the economics involved. In the new expansion minded atmosphere, the mortgage which had been traditionally considered a millstone about the neck of farmers, came to weigh no more heavily than the necktie they wore on the Sabbath. When the decline came, these were the ones who paid the piper.

And the decline came; not suddenly or dramatically, but at about the same pace the land went up. It peaked in 1920 at $255 an acre. By 1930, it had slid to $135. During the next decade, the price sagged to $88. Land values began to recover in 1940, but it took 45 years to get back to the 1920 peak.

So far as farm land values go, we seem to be back in the "county fair" atmosphere which prevailed in the first two decades of this century. In the classic words of the sideshow barker "Round and round the wheel goes; and where it stops nobody knows". But, one thing is certain. There is a desperate need to re-affirm the basic principle upon which the agriculture of this country was founded—the idea that ownership of farm land is best vested in those who work it.

The logical outgrowth of this policy, the traditional family farm system, has proved its value, but with the concentration of our most fertile acres in fewer and fewer hands, the system is taking a beating. It's time we gave more than lip service to it.

"What's so sacred about farm land? Everything else in this world is owned by investors," says one financier whose firm's checkbook is open to buy up the best.

The answer to his question is simple. It provides our daily bread.

The foundation of a national farm policy is equally simple. It was perhaps best expressed by an anonymous farm philosopher back in 1916. "The greatest problem of the statesman of the future," he said, "is to keep enough men on the land to make it produce the food required at prices the consumer can afford to pay."

* * * * *

Ag-Land Trust, the plan of Continental Illinois Bank & Trust and the brokerage firm of Merrill Lynch, Pierce, Fenner & Smith to invest in prime farm land, is meeting with strong opposition in the Congress. Secretary Bergland has been asked to investigate the proposal and prevent its going into operation.

"I see it as nothing more than a high-handed attack on the basic premise of the family farm system," said Senator George McGovern. "It is a cynical scheme by corporate interests and big money investors to take advantage of rapidly rising land prices that will not serve the best interests of farmers or those who buy their products."

[News Release]

MINNESOTA DEPARTMENT OF AGRICULTURE,
February 15, 1977.

A revised federal estimate of farm real estate values has boosted the worth of the average acre of Minnesota farm land to $627 per acre, the Minnesota Department of Agriculture reported today.

By using November, 1976 data, Minnesota's 30.6-million acres of farm real estate now represents an estimated value of nearly $19.2-billion. The value increased by over $3.6-billion in just the past year.

The average Minnesota farm, 261.5 acres in 1977, is valued at $163,985. That does not include the machinery, tools, livestock, poultry or grain inventories, or the personal property of farmers . . . only their real estate. In 1975, Minnesota's average farm value was $87,776.

The new report issued by the Economic Research Service of the United States Department of Agriculture also reveals that the value of Minnesota's farm real estate has doubled in just the past three years.

During the year ended last November the average value of Minnesota farm land increased by $119 or over 23 per cent per acre. That was the sixth highest rate of gain in value among the 48 states, behind only Illinois 41 per cent, Iowa 33 per cent, Ohio 32 per cent, Indiana 30 per cent and Nebraska 25 per cent one-year increases.

Minnesota's increase in farm land value during the previous three years, November, 1973—November, 1976, at 100 per cent was the third highest rate of gain in the nation, behind only Illinois' 119 per cent and Iowa's 111 per cent.

In the past two years the average value of Minnesota farm land has climbed from 25th rank among the 48 states to the 18th highest.

THE FEDERAL BUDGET

Mr. McCLURE. Mr. President, from time to time on the floor of this Chamber and elsewhere, I have taken the Congressional Budget Office to task. I have never questioned the need for that organization nor have I impugned the professional competence of its staff, nor do I intend to do either or those things today.

As a member of the Budget Committee however, I do feel compelled to comment on a recent CBO publication. That release, entitled "Five-Year Budget Projections: Fiscal Years 1978–1982," creates a false impression of the ease with which the Federal budget could be balanced by fiscal year 1982.

Let me first summarize the CBO publication and deal at greater length with the inadequacies of the assumptions upon which that forecast is based.

According to CBO projections, the Federal budget will move into a surplus position of between $82 and $126 billion by 1982. Less enthusiastic economic assumptions reduce the potential surplus to $34 billion in 1982. It is important to note that this balance and/or surplus is achieved only in the event that Federal revenues rise from 19 percent of GNP in 1976 to 22 percent of GNP in 1982. The projections are dependent upon a number of questionable assumptions relating to:

First. The rate of economic growth;

Second. The rate of revenue growth; and

Third. The rate of expenditure growth.

Let us take each of these assumptions, in turn, and test their validity.

The report includes two potential growth paths of real GNP for the period 1978–82. The first path, and highest revenue producer, assumes real GNP growth of 5.5 percent annually for 3 years and 4.5 percent thereafter. In this scenario, unemployment falls to 4.1 percent and, consequently, certain categories or outlays are reduced.

The second path assumes less vigorous economic expansion with real GNP growth rates falling from 6.5 percent in 1976 to 4 percent by 1979 and remaining

at the 4 percent level until 1982. In this case, unemployment would fall to 5.5 percent by 1982.

Neither projection includes a recession or any other period of reduced real growth, but even barring such an event, the constant growth projections are too high. In addition, the inflationary consequences of large deficits are ignored. Consequently, revenues are overstated and economically sensitive expenditures are understated. Thus, the projected fiscal surplus is unlikely to be realized.

The basis for the revenue projections is current law. No changes in that law are envisioned over the 5-year period. Under these assumptions, revenues grow to a level of $668 billion, or 22 percent of GNP, by fiscal year 1982.

Sources of revenue remain virtually unchanged, but individual income tax receipts make up a larger percent of total receipts due to inflation and the nature of the progressive tax structure.

Percent of total revenues

	1977	1982
Individual income tax	44.6	51.0
Corporate income tax	16.1	13.8
Payroll tax, etc.*	29.5	28.1
Other taxes	9.7	6.9
	100.0	100.0

*Base assumed to rise from $15,300 in 1976 to $24,000 in 1982. Over the same period, the rate would increase from 11.7 percent to 12.1 percent.

It remains a mystery to me how the envisioned economic growth will occur in an environment in which effective tax rates on consumers continue to rise. Within the report, this conflict remains unaddressed.

In the event that tax relief is granted in order to maintain current effective tax rates, the fiscal dividend or budget surplus disappears in its entirety.

Conceptually, the weakest section of the entire report is that which projects expenditure growth at the Federal level. Outlays, as prescribed in the 1977 SCR, are estimated to be $413 billion, or five times the level of 1957. Over the past 20 years, expenditures grew at an annual rate of 8.8 percent. Thus, outlays as a percent of GNP rose from 18 percent in 1957 to 23 percent in 1977. The CBO projects expenditures to rise to a level of $585.7 billion by 1982, if all programs are indexed for inflation. It would appear that the full indexing assumption is appropriate given prior legislative history.

Expenditures and the unrealistic assumptions relating to them are best illustrated if we study four outlay categories rather than the 17 budget functions. These categories are:

First. National defense—to include DOD, military assistance, atomic energy (military), et cetera. (Synonymous with Function 050)

Second. Benefit payments for individuals—to include payments for retired and/or unemployed persons, their dependents, the disabled, veterans, and low-income families and individuals. Also included are Federal benefits to individuals paid through State and local governments.

Third. Grants to State and local governments—to include revenue sharing, highway construction, waste treatment plants, transportation, community development, public service employment and training. (Does not include payments to individuals counted in No. 2 above.)

Fourth. Net interest—to include only that interest paid on the portion of the debt held by the public.

These four categories account for 88 percent of Federal expenditures. All CBO projections are based on programs in place in 1977 and contemplate no net new programs; that is, a current policy is used.

NATIONAL DEFENSE

Outlays in national defense are assumed to rise from $100 billion in 1976 to $147 billion in 1982. This estimate provides for no change in major procurement items, and makes no provision for the acquisition of new weapons systems. It does reflect rising personnel and procurement costs associated with current programs. Inasmuch as CBO could even then anticipate a 1978 budget request of some $112 billion, the projected 1982 figure of $147 billion is suspect. Such a figure is unlikely even in the event of a complete revision of retirement, pay and allowances, and so forth. Thus, this projection of 25 percent of 1982 total outlays appears to be unrealistically low.

PAYMENTS TO INDIVIDUALS

These expenditures, the largest single component of Federal outlays, are predicted to rise from $183.9 billion in fiscal year 1977 to $275.4 billion in 1982, an increase of 50 percent. Prior years growth in these outlays has reflected the introduction of new programs such as medicare, medicaid, food stamps, and housing assistance. In addition, benefits and coverage have been expanded in older programs such as social security, public assistance, and unemployment compensation.

The CBO projections assume:

First. Falling unemployment;

Second. Reduced inflation;

Third. Reduction of special unemployment benefits;

Fourth. Declining veterans' benefits;

Fifth. Stabilization of beneficiary populations in many welfare programs, that is, food stamps, AFDC, and so forth; and

Sixth. No new programs or extended coverage.

Here again, the projections can hardly be considered valid predictions of the likely course of events. Thus, this category of outlays is understated to a significant extent.

GRANTS TO STATE AND LOCAL GOVERNMENTS

For 1977, these grants stand at a level of $48 billion. CBO projects a "current policy" increase to $53 billion by 1982. In percentage terms, such grants would decline from 12 percent of Federal outlays in fiscal year 1977 to 9 percent of outlays in fiscal year 1982. Here again, reduced levels of unemployment and the phasing out of countercyclical assistance create an unrealistically low projection.

In addition, the CBO projections fail to reflect the fact that the cities are in real difficulty and some form of Federal involvement will be sought. This involvement, should it come to pass, will be expensive.

NET INTEREST

According to CBO, net interest outlays will rise from $30.4 billion in fiscal year 1977 to $39.4 billion in fiscal year 1982. The increase reflects a larger public debt in combination with a rather sanguine view of interest rates.

In short, given unreal economic assumptions, an escalating effective rate of taxation and an absence of any legislative initiatives, the Federal budget can theoretically move into a surplus position by 1982.

Unfortunately, many of our colleagues and certain members of the press have failed to recognize the inadequacy and the inaccuracies of the assumptions employed to generate the data contained in the CBO report. They have therefore concluded that a balanced Federal budget including many new spending initiatives is not only possible but likely in the near future. I encourage them to study the report more closely.

Balancing the Federal budget at 20 percent of GNP will demand restraint. It will require that new programs replace existing ones. We must recognize that the days of incremental budgeting are clearly behind us. Further, the goals of a balanced Federal budget and a healthy private sector assume effective fiscal and monetary policies at the Federal level. We can no longer endorse inflationary economic policies which speed, in the short run, the rate of growth of Federal revenues but ultimately lead to recession and unemployment. Just as energy is a scarce resource so also are Federal tax dollars. We must, in both areas, learn to do more with less. This is the true legislative challenge of the next 5 years.

GENOCIDE

Mr. PROXMIRE. Mr. President, in recent days I have reminded my colleagues that the genocidal acts which have allegedly been committed by Ugandan President Idi Amin should move us to prompt ratification of the Genocide Convention Treaty.

But lest we be deceived by recent press attention to Amin into thinking that his actions represent isolated and unusual incidents, I would remind you that similar, but less extreme and certainly less publicized acts have been going on quite recently in other nations.

In Ethiopia, villages have been ransacked and their occupants, members of tribes unfriendly to the government, slaughtered. We must also recall the deaths of thousands of Ibo tribesmen in Nigeria in the late 1960's, victims in a bloody civil war over the independence of the Biafran tribes. In Kenya as well, political assassinations and repression have accompanied the nation's development.

Mr. President, I could cite countless other examples of mass murder which have occurred in the last 28 years, while

we have continued to ignore our duty to ratify the Genocide Treaty.

I do not profess to say that our ratification of this treaty will bring about a timely end to all such violence. But at least it would allow our Nation to be as staunch in its defense of human life as it has become in defense of human rights.

Mr. President, I urge that we act immediately to ratify the Genocide Convention Treaty.

FRANCES BOLTON

Mr. MATHIAS. Mr. President, as we reflect on our years of service in the Congress the personalities of some of our colleagues stand out in our memories. Frances Bolton, of Ohio, is one of the finest of the people with whom I have served, and the news of her death stirs many recollections.

The people of Maryland have good cause to remember her with gratitude. Her personal gifts to the Accokeek Foundation and her official interest as a Member of Congress did much to preserve Maryland history and the Potomac shoreline. She was distinguished among a distinguished company of ladies who have preserved Mount Vernon for the Nation.

Mrs. Bolton was one of the rare people who accepted both the benefit and the responsibilities of the privileges with which she was endowed. She never shrank from the fact of her fortunate position in life, but she never flaunted it. On the contrary, she shared her resources with others through the numerous causes in which she enlisted.

But her life was not always easy. In her youth her health was threatened and she adopted a rigorous discipline of life which she observed through the years. Much sadness followed the death of members of her family.

But Frances Bolton never flagged in her interest in people and in doing constructive work.

Her last note to Mrs. Mathias and me was full of this strong spirit. And that spirit, preserved in the work she did, will survive a long time.

I ask unanimous consent that the column by Edward A. O'Neill, published in the Washington Post on Friday, March 11, be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

FORMER REP. FRANCES BOLTON, IN CONGRESS 29 YEARS, DIES

(By Edward A. O'Neill)

Former Rep. Frances Payne Bolton, (R.-Ohio), a Standard Oil heiress who became one of the hardest working members of Congress during her tenure of nearly 29 years, died Wednesday at her home in Lyndhurst, Ohio. She was 91.

Only one woman member of Congress served longer than she—Rep. Edith Nourse Rogers (D-Mass.), who died in 1960, just after she had been nominated for her 19th two-year term.

Mrs. Bolton was defeated in 1968 when she attempted at the age of 83 to win her 15th consecutive term, by Rep. Charles A. Vanik, a Democrat, who challenged her after a shifting of district boundaries.

Marquis Childs in a column in The Washington Post in 1946, when Mrs. Bolton had been in the House for nine years, characterized her this way: "She knows that a conservative is not someone who merely says no in a loud and angry voice. A conservative must know how to conserve, which does not mean standing in the way of all change."

There was an eclectic quality about this very rich woman from Cleveland who more than did her job in the legislative halls. She made herself an expert on Africa. She traveled, with the help of her own considerable resources, for hundreds of thousands of miles to see what the world was like.

She could be called the "mother" of the Army Nurse Corps because of efforts she made as a civilian during World War I. She interested herself personally and financially in such diverse activities as control of venereal disease, extra-sensory perception, medical education for blacks, basic English, the illegitimate children of American soldiers overseas and African art. At 65, she could and did dance the polka with her Slavic constituents.

She asked no special perquisites as a woman in Congress, but was frequently critical of her male colleagues. During the civil rights debates in the 1960s, she said on the floor of the House, while trying to get a federal ban against discrimination against women: "Your bones harden long before our bones do. We live longer and have more endurance."

She told the National Press Club in 1965, "The Lord after creating the world, put a man in charge. He messed everything up, so the Lord turned everything over to a woman, and He gave her everything He had given man, plus two more things: pain, so that she would understand what creation is, and laughter, so that she could stand that and the man."

Mrs. Bolton, after her 1968 defeat, returned to Cleveland but kept an office in Washington as a base from which to operate the many interests she kept in this area, including the Mount Vernon Ladies Association, which maintains the George Washington estate.

She was president of the Accokeek Foundation, and for it bought more than 400 acres of land across the Potomac from Mount Vernon to protect it from development and preserve the view. The tract and other land has been designated as Piscataway Park, under federal auspices, but has not yet been developed.

Mrs. Bolton retained her home on Wyoming Avenue NW near the French Embassy, and used it during her visits here, which might have been as often as four times a year. She also kept houses in Maine and Palm Beach, Fla., where her father was one of the first people to build a winter vacation home.

Born Frances Payne Bingham on March 29, 1885, she was reared in the style of the newly wealthy society of industrial Cleveland, and in a climate of high-level Republican politics. Her father, Charles W. Bingham, banker and industrialist, was a close friend of William McKinley, Mark Hanna and William Howard Taft.

However, one of her grandfathers, Henry B. Payne, was a Democrat who represented Ohio both as a representative and a senator. One of his sons, Oliver Hazard Payne, was an early associate of John D. Rockefeller Sr., in the formation of the Standard Oil Company. Mrs. Bolton inherited a fortune from this uncle, among whose other heirs was her cousin, Payne Whitney, the New York financier.

Mrs. Bolton attended private school in Cleveland, then Miss Spence's in New York where the daughters of wealthy families living west of the Alleghenies were sent for eastern "finishing." She later studied voice at the Mannes School of Music in New York, and for a time, was said to have considered a singing career.

But she went back to Cleveland, made her debut, and joined a debutante club called the Brownies, which engaged in various good works. Unlike most debutantes of her day, Frances Bingham's encounter with the darker side of Cleveland during duties as an assistant to public health nurses left a lasting impression. For the rest of her life, nursing and public health were major preoccupations.

In 1907 she married Chester Castle Bolton, a son of Mark Hanna's business partner.

The Boltons had three sons and a daughter. The infant daughter died a day after her birth during the influenza epidemic of 1919. Mrs. Bolton also nearly died in the epidemic.

Her bout with influenza left Mrs. Bolton a near invalid, but she took up yoga exercises and regained her health and energy.

In 1928, her husband ran for Congress as a Republican from Ohio's 22d District, and won. He served in the House until 1939, except for a two-year hiatus when he was beaten during the Roosevelt landslide in 1936.

When her husband died in 1939, Mrs. Bolton successfully ran in a special election to replace him in the House.

When Mrs. Bolton was elected to Congress in 1939, she was "vaguely isolationist," as one writer described her. She voted the conventional Republican line of those days—against President Franklin D. Roosevelt's "billions for defense" legislation, Lend-Lease, and other measures. With the coming of Pearl Harbor, like other Republicans', her views changed.

The first significant piece of successful legislation she sponsored was the Bolton Act, which established the U.S. Cadet Nurse Corps. More than 124,000 nurses were trained under the act, and nurses in uniform began receiving pay comparable to that of male officers.

Mrs. Bolton's Cleveland area district became the most populous in the nation, having more than 900,000 people after World War II. In 1952, it was divided, and her son, Oliver P., ran for election as a Republican in the new district. According to one biographical sketch, Mrs. Bolton asked her son if there was anything she could do to help him in his campaign. His reply was, "Sure there is—stay the hell out of my district." He was elected.

The only mother-son combination to serve simultaneously in Congress, they differed many times in their votes. Oliver Bolton suffered a heart attack in 1956, and left the Congress. He died in 1972.

Mrs. Bolton is survived by a son, Kenyon Castle Bolton, of Cleveland, eight grandchildren and four great-grandchildren.

ASSURING REASONABLE PRICES AND ADEQUATE PRODUCTION OF MILK FOR THIS COUNTRY

Mr. HUMPHREY. Mr. President, I wish to share with this body a release by the Council on Wage and Price Stability on the issue of milk price supports, a rebuttal letter to that release by the National Milk Producers Federation, and a letter which I sent to Mr. Bert Lance, Director of the Office of Management and Budget.

Mr. President, I cite these three documents because I am concerned that milk supports be set at an adequate level so that our producers can continue to supply the dairy products which this Nation needs. In addition, I would like to point out, as indicated in the Federation letter, that the Congress has directed in law that the purpose of the dairy price sup-

port program is "to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs."

The letter of the National Milk Producers Federation accuses the Council on Wage and Price Stability of urging the Secretary of Agriculture to ignore this directive.

In my view the Council has too narrowly focused its attention on what the cost of the milk support program might be without fully recognizing or even comprehending the full implications of its own recommendations for reduced price support levels. The Milk Producers Federation letter indicates that, in its view, the Council hopes that the dairy industry will absorb increased production costs and produce as much or very nearly as much milk at a lower price.

The Federation also points out that major improvements in productivity have taken place in the dairy industry. It is interesting to note that in 1950, dairy farmers produced 116.6 billion pounds of milk from 22 million cows. By 1976 the level of production had increased to 120.4 billion pounds from only 11 million, or half the earlier number of cows. It also is worth noting that the average factory worker in 1950 needed almost one half hour of labor to buy a pound of butter. In 1976, less than 15 minutes was required.

The letter of National Milk Producers Federation to the Council reminded it of the statutory charges to "focus attention on the need to increase productivity in both the public and private sectors of the economy." The Federation letter suggests that, in spite of the charge, there is no evidence that the Council has made any effort to assess the record of productivity within the dairy industry.

I also wish to point out my letter to the Honorable Bert Lance, Director of the Office of Management and Budget, because the Carter administration neglected to restore a major reduction in funds for the special milk program for fiscal year 1978. Again, we see a short-sighted view as to how to save money without a full understanding as to the impact on our producers and ultimately the assurance of adequate supplies of dairy products for our consumers.

These documents must be reviewed and considered with some care by our Committee on Agriculture, Nutrition and Forestry. I particularly urge that special attention be given to the National Milk Producers Federation response.

Mr. President, I ask unanimous consent that these three documents be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL MILK PRODUCERS FEDERATION,
Washington, D.C., March 10, 1977.

Mr. ROBERT W. CRANDALL,
Acting Director, Council on Wage and Price Stability, Washington, D.C.

DEAR MR. CRANDALL: The National Milk Producers Federation was alarmed to receive the recommendations of the Council on Wage and Price Stability to the Secretary of Agriculture with regard to establishment of the dairy price support level for the 1977–78 marketing year.

On behalf of dairy farmers and the cooperative marketing associations throughout the country, we must say that our alarm was occasioned by the fact that once again the Council has utilized methods of analysis and proposed courses of actions which have proven bankrupt. Beyond this, the intent of the law authorizing the dairy price support program has been completely ignored.

We do recognize that the responsibilities of the Council on Wage and Price Stability and of the Secretary of Agriculture in this instance are not identical. We do not feel, however, that the Council can meet its responsibilities by totally ignoring the direction and purpose of the dairy price support program ". . . to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs." You acknowledge that you have given no consideration to these factors, yet the thrust of your recommendations to the Secretary of Agriculture calls upon him to ignore this legal mandate and thereby fail in his responsibility under the law.

On February 4, 1976, the Council submitted a similar set of comments with regard to the dairy price support program. Following a careful review of that paper, the Federation commented in detail in a letter dated February 12, 1976. Since much of the current analysis is based on the arguments set forth in the 1976 commentary, we are attaching a copy of our letter of last February to Mr. Michael H. Moskow, then director of the Council. The comments contained in that letter still fully apply.

There can be no quarrel with the need to restrain inflation as part of the nation's economic policy. We in the dairy industry are as fully aware of the ravages of inflation as any segment of the economy. The clear implication contained in your recommendations is that inflationary pressures on the consumer should be abated by their total absorption by dairy farmers. Serious attempts were made to force achievement of this condition during 1973 and 1974. The manifold problems this created for the dairy industry and the resultant price increases forced upon consumers should fully demonstrate the seriousness of that error. We strongly believe that the role of the Council would be more fully discharged by a balanced assessment of specific actions that recognizes the need to achieve needed levels of production to bring about stable prices for both consumer and producer.

The statutory charge to the Council to "focus attention on the need to increase productivity in both the public and private sectors of the economy . . ." is cited among the reasons for the current interest. Despite this citation, there is no evidence that the Council has made any effort to assess the record of productivity within the dairy industry.

By any measurement, it is a record to be sought after by other sectors of the economy. In 1950, dairy farmers produced 116.6 billion pounds of milk from 22 million cows. In 1976, 120.4 billion pounds of milk was produced by 11 million cows. Production per cow last year averaged 10,885 pounds, up more than 500 pounds from the year before. This compares with a 5,314-pound average in 1950.

Labor efficiency on dairy farms has increased dramatically. 2.7 billion man hours were devoted to milk production in 1950, an average of 2.36 hours per hundred pounds of milk. In 1975, little more than one-half hour was required to produce a hundredweight of milk as total labor in milk production declined to 600 million hours.

An examination of the situation in the retail market shows that these results have been, in large measure, transferred to that point. Milk and dairy products, in real terms, cost less today than they did in 1950. The average factory worker needed almost one-half hour of labor in 1950 to buy a pound of butter. In 1976, less than 15 minutes were required. A half-gallon of milk at the local store required 15.8 minutes of work in 1950. 9.6 minutes were required last year.

In the quarter century since 1950, expenditures for dairy products have declined both as a percentage of disposable personal income and as a percentage of consumer expenditures for food. Looking at milk and dairy products as an element of the Consumer Price Index which is cited in your recommendations, the overall index stood at 170.5 for 1976. All food items were at a level of 180.8 for the year while milk and dairy products were below both levels at 169.3.

Considerable emphasis is placed on seeking establishment of "competitive levels" for milk prices without clearly stating what those levels might be. Reading the 1977 and 1976 submissions of the Council, however, one is left with the conclusion that the so-called competitive level envisioned is substantially below present price levels and without regard to the income position of dairy farmers.

We are thus, once again, faced with the finding that dairy farmers will be induced to produce as much or very nearly as much milk at a lower price. This hypothesis has been advanced by several government agencies in recent years; however, those of us with some knowledge of farm costs, conditions, and realities can find no basis for it in reality. Milk production does respond to price. Consequently, a price drop can only mean less milk, followed by higher prices. Such production and price volatility thus induced is not in the best interests of consumers or farmers.

The combined suggestions of reducing farm prices for milk and expanding imports as means of controlling inflation are not new. Efforts to implement these policies were in full force in 1973 and 1974, largely at the behest of the Council's predecessor agency, the Cost of Living Council. The record of that period, as documented in the attached letter, is so dismal that any efforts to repeat the process should be rejected out-of-hand.

In 1976, dairy farmers responded to the most pressing need facing the industry, the need to expand production to meet the needs of the market. This response came as the result of advanced market prices created by increasing demand and production that has been at reduced levels through 1973, 1974 and 1975. What is needed today is a stabilizing period that will allow dairy farmers to consolidate gains made a year ago and permit consumption to match demand.

It was for these and other reasons that the Executive Committee of the National Milk Producers Federation developed a comprehensive set of recommendations with regard to the establishment of the dairy price support level for the 1977–78 marketing year. A copy of those recommendations is enclosed for your information and use. We firmly believe that, if implemented, the program outlined in these recommendations will prove to be in the best interests of both producers and consumers in the long term.

These are issues of great importance to dairy farmers and the nation. We have, in the past, expressed the desire and willingness to meet with the director of the Council to discuss them. We would welcome such an opportunity.

Sincerely,

PATRICK B. HEALY,
Secretary, National Milk Producers Federation.

COUNCIL STAFF OPPOSES INCREASE IN MILK PRICE SUPPORTS

Any increase in the support price for milk is likely to have a significant inflationary impact and may impose substantial costs on consumers of dairy products and taxpayers, according to the staff of the Council on Wage and Price Stability. Even maintaining the present support price of $8.26 per hundred pounds (which would be approximately 77 percent of parity on April 1, 1977) of manufacturing milk would impose substantial costs.

The Council staff's views came in response to a USDA request for comments on the operation of the Federal milk price support program for the 1977–78 marketing year beginning April 1, 1957. Under the Agricultural Act of 1949, as amended, the support price is set between 75 and 90 percent of parity and is achieved by the willingness of the Commodity Credit Corporation to purchase manufactured products (butter, non-fat dry milk, and cheese) at prices designed to return the support price to the farmer.

The Council staff argued that supporting prices above competitive levels simultaneously leads producers to increase supply and consumers to decrease consumption of dairy products. Costs are incurred by taxpayers as a result of the Federal spending needed to finance government purchases of the resulting surpluses. In addition, consumers bear direct costs of paying higher prices for dairy products. Finally, increasing support prices leads to pressure to tighten import quotas which deprive consumers of additional dairy supplies at lower prices.

In its filing, the Council staff presented evidence suggesting that these costs may be particularly high this year. During the last several months dairy prices have been near support levels and government purchases of dairy products have been substantial, even though milk production has been at seasonally low levels. Available estimates of the effects of alternative support prices indicate that government purchases will continue to be heavy:

Even at the statutory minimum of 75 percent of parity, government costs alone would be over $300 million over the coming year.

At 80 percent of parity, government purchase costs would be almost $600 million. As a result of increased dairy prices, an 80 percent support level would cost consumers about $315 million more than would a 75 percent support level according to rough calculations which the Council urged USDA to refine. Thus, supporting prices at 80 percent of parity would cost consumers and taxpayers in excess of $900 million over the coming year.

An increase in the support level from 75 to 80 percent would increase the Consumer Price Index for food by almost two-tenths of a percent. This would come at a time when food prices are beginning to rise in response to recent adverse weather conditions.

The Council staff therefore opposed any increase in the support price at this time and recommended that serious consideration be given to lowering the support level towards the statutory minimum. While the effects of any action on producers must also be taken into account, the staff stated its view that these recommendations would minimize consumer costs and minimize the inflationary impact of the dairy price support program.

COMMITTEE ON
AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, D.C., March 10, 1977.

Hon. BERT LANCE,
Director, Office of Management and Budget, Executive Office of the President, Washington, D.C.

DEAR MR. LANCE: I wanted to write regarding the Administration's submitted budget which proposed a major reduction in funds for the special milk program from $155 million in FY 1977 to $34.9 million in FY 1978.

Unfortunately, the Ford Administration had proposed this reduction, and the Carter budget did not restore the cut. Earlier Administrations, unfortunately, also had recommended reducing this important program to show a budget saving.

Congress has repeatedly decided that the special milk program is important in terms of maintaining the health of our school children. One of the lessons coming out of World War II was that many of our youth had not maintained an adequate diet and that milk was one of the best ways of meeting this need. Our school children need this vital food as much as ever today in order to assure healthy growth and development.

This program also is of major significance to our farm producers. Our dairy producers are without peer in terms of efficiency, and this program helps to stabilize the seasonal production variations.

You should be aware that our Senate Committee on Agriculture, Nutrition and Forestry has acted to recommend adding $126,600,000 to restore the special milk budget cut, and I expect that the Appropriations Committee will sustain this restoration. I will do my part to see that the program is continued.

I would hope that the next Carter Administration budget will act forthrightly and recommend continning this important program which serves to benefit both producer and consumer.

Past Administrations, and particularly O.M.B., have often overlooked the needs and interests of our farm producers in favor of shortsighted cost savings for urban consumers. A healthy and prosperous agriculture is essential for a sound economy, and I hope that you at O.M.B. will provide positive leadership and be helpful to our farm producers without relying on congressional guidance.

Sincerely,

HUBERT H. HUMPHREY.

DROUGHT IN KANSAS

Mr. DOLE. Mr. President, words alone cannot portray the human agony and physical devastation of the severe drought conditions that are parching Kansas and much of the West. The rest of the Nation has been slow to grasp the full extent of the economic and spiritual damage to land and people. By failing to respond promptly with coordinated emergency disaster relief and water supply redistribution plans, the administration has been particularly negligent.

In the March 9 edition of the Wall Street Journal, Joseph M. Winski dramatically described the impact on Kansas in an excellent article written from Garden City.

I ask unanimous consent that the story be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LAND WITHERS, THE WHEAT IS TORN AND THE PEOPLE PRAY—KANSAS DROUGHT AND WIND STIR FEARS ABOUT HARVEST; THROAT LOZENGES SELL WELL

(By Joseph M. Winski)

GARDEN CITY, KANS.—"You going to Garden City?" the man at the Wichita airport says. "Better hope the wind don't blow, that's all I got to say."

As it happens, the wind isn't blowing hard this day, and the low-flying Cessna doesn't bounce much. There is a good view of the landscape. It changes gradually from east to west. In the east, where some of the winter wheat is four inches tall or more, there are faint patches of green. As you move west, the land is all tan and brown and gray.

Farm ponds in the west are muddy brown or dry. Rivers and streams look like thin lines of ink on parchment. There is no sign of rain, just a few wisps of cloud, a pale blue sky.

The sight doesn't inspire optimism about the ability of the breadbasket of the world to bring forth a bountiful harvest this year. "It's too dry just about everywhere west of the Mississippi," says John Gholson of the National Weather Service office in Dodge City, Kans.

Especially bad, Mr. Gholson says, are northern California, eastern New Mexico, eastern Colorado, most of Texas north of San Antonio, most of Oklahoma, and all of Kansas, Nebraska and the Dakotas. Minnesota and Iowa are also too dry, Mr. Gholson says, although they had some "fairly useful snow" last week. Central and southern Illinois have been hurt, too; in many places farmers have to truck in water to feed to livestock and use in the home.

THE GROUND TAKES OFF

Garden City, in the high plains of southwestern Kansas, is just about as bad off as anyplace. It has had virtually no measurable precipitation since October. The soil feels like powder, and when the wind blows hard enough and low enough, the ground takes off. The wheat plants are either torn right out of the earth or pelted by the flying dirt.

On Ash Wednesday, Feb. 23, the wind reached 65 miles an hour. Maurice Niedens Jr., 23, became a local celebrity when a picture of him in the Garden City Telegram was picked up by the Associated Press and was carried in papers all over the country.

In the picture, Mr. Niedens is walking across what looks like a sand dune. Actually, it is part of the thousand acres the Niedenses own north of town. It was the morning after the storm and he was surveying the damage to the delicate wheat shoots that were just poking through the dirt. The damage was considerable, but not as bad as it might have been if he weren't irrigating most of his land.

If you're willing to drill far enough which could mean anywhere from 150 to 400 feet, you still can get enough water to irrigate with in the Garden City area. That isn't true in some parts of the Plains, where underground water supplies are insufficient to allow much irrigation. Some people in Garden City wonder how long they'll be able to keep "mining" the water this way.

$62,000 FOR A RIG

Besides, irrigation is expensive. Mr. Niedens has two rigs on his property, each capable of irrigating a circle of land a half-mile in diameter. They cost $62,000 each, so while more people are turning to irrigation, a lot of people are still dry-land farmers. They naturally suffer more from the lack of rain and from the wind than the irrigators do.

Mrs. Hubert Biehn says she and her husband, who heads the Finney County Wheat Growers, lost about half the wheat on their 1,200 unirrigated acres on Ash Wednesday, and that her former brother-in-law lost two-thirds of his: "I have never seen land move so," Mrs. Biehn says.

Her husband, who is stripping now, or plowing under alternating strips of ground to reduce blowing, says that even normal weather from here on out "will produce a disaster in western Kansas, because normal weather means wind and wind means goodbye wheat."

Garden City, the seat of Finney County, has 19,674 people, and the well-being of all of them is tied to agriculture—corn, livestock and, mostly, wheat. After the schools and the hospital, the largest employer is a Farm-

land Foods beef plant run by a large farm cooperative. There are about 25 farm-equipment dealers in the area, 36 livestock-related businesses, 15 fertilizer companies, five farm auctioneers (who may be busy if things don't get better soon) and 31 irrigation companies.

Expensive though it may be, irrigation is booming here. You can't listen to the radio very long without hearing a commercial for Boss Irrigation or Gigot Irrigation. "Not gee-go," a resident tells a visitor who first sees the name in print. It's jiggett, he says, "just like it's spelled." These firms do the drilling and install and service the equipment.

The dust forces a lot of changes in everyday life. For instance, people spend a lot more time these days cleaning the house and laundering. A waitress at the airport grumbles about having to "wash the bedspreads all over again." The dust isn't good for throats and sinuses, either. Marcella Degnan, who works at an Agriculture Department office in Garden City, had a special medicine prescribed for her sinuses because of the dust. Local drugstores say that throat lozenges are selling well. So are humidifiers; people buy extra ones and run them all the time.

The emotions are affected, too. "It just makes you feel very irritable," Mrs. Degnan says. One woman said the dust was so thick on Ash Wednesday that she couldn't even see the "Have a Nice Day" happy face on the car in front of her until she almost ran into it.

Certainly there are other things to talk about in Garden City. Two women showed up at a council meeting the other day with brown bags stuffed with magazines that they said were obscene and were purchased in Garden City; an ordinance to outlaw such publications was introduced. And that same week, the freshman girls' basketball team made only four of 31 shots from the field in a game against Liberal South. The opposition did a little better, six for 37, and won the game, 13 to 10.

But the weather is topic No. 1, evoking memories of the Dust Bowl of Depression days. People here say that the Ash Wednesday storm wasn't as bad as some of those in the 1930s. Dr. Maurice Niedens Sr., who was a youngster farming with an iron-wheeled tractor then, notes that the Ash Wednesday storm lasted only 24 hours or so. At times in the Thirties, he says, "it blew for three days and three nights the way it did at the peak of this last storm."

This last storm was bad enough, though. Schools had to close early, and the rural kids had to stay in town because the highways were closed. Some people had to be treated for dust inhalation down south around Ulysses. Tumbleweeds were jammed up against barbed-wire fences, forming instant hedges. Hubert Biehn got caught out in the dust in his pickup, and now the truck has started to burn oil.

"It got all over the napkins, the dishes and everything in here," says Teresa Plymell, a waitress at the Grain Bin Supper Club. "Oh, maybe I shouldn't have told you that. Everything's cleaned up now, though." She recommends the boneless sirloin.

The Sunday after the dust storm was an official day of prayer for rain in Garden City. To help those who had run out of ways to frame their requests, the Telegram reprinted a prayer composed by famous Kansas journalist William Allen White during the drought of the Thirties. It is called, "O Lord, Let it rain": ". . . God of Israel, Isaac and Jacob, let it come down so hard, let the drops dance so high that the streets and sidewalks seem covered with a six-inch fog of spatterdrops. . . ."

Maurice Niedens Jr. didn't go to church that Sunday to participate officially in the day of prayer. For one thing, he is still peeved at the way some of the town women peered disapprovingly at him when he wore his jeans to church once. Anyhow, he says, "I figure I can talk to the man upstairs just as good out here."

"Out here" is on a rise in the middle of his land. On a clear day, you can see for 20 miles from here, Mr. Niedens says. He proudly sketches the lay of his land in dashboard dust of his truck. "Bad as things are" he says, "I could never give up all this."

He almost did once, when he nearly married a girl he had met in California. She visited Garden City once, decided immediately she didn't like it and told him they'd have to live in California. Three days before the wedding, he called it off.

Toward the end of the week, there is talk of a winter storm in the Rockies, possibly heading for Finney County. Some dark cumulus clouds that look fat with moisture do roll in, and war with the sun for dominance of the sky. The wind kicks up—15 miles an hour, 25, 35. The dust rises, the horizons turn an eerie orange as sunlight is filtered through the now swirling dirt. The world has become a faded sepia photograph.

The rain doesn't come. "All we get is promises and more dirt," the airport waitress says to a departing visitor. "Kansas is indeed the promised land. O Lord," William Allen White's prayer says, "and if it gets a break it will flow with milk and honey. But we can't live much longer on promises. . . ."

The plane takes off. Down below, tiny bent figures can be seen through the haze, moving slowly, as if under water. The people of Garden City lean into the wind, and carry on.

MARQUETTE UNIVERSITY INTERN JAMES ALLISON SAVES TAXPAYERS $50,000

Mr. PROXMIRE. Mr. President, I commend a $90-a-week intern in my office, Mr. James Allison, of Marquette University, Wis., for his role in saving $50,000 in tax funds by getting the Defense Department to use the regular mail instead of telegrams to announce fuel price changes.

It all began one day about 2 weeks ago when my office received some information about price notifications that the Defense Fuel Supply Center was sending out to various recipients.

Jim Allison began to dig into the details. He found out that these price notifications had been sent out since February 15 and had cost the Defense Department an extra $6,000 to $8,000 by using telegrams instead of regular mail.

He also discovered that a new batch of notifications to some 500 fuel users was about to go out at an increased cost of between $56,000 and $59,000. Each telegram was to be about 50 pages long.

But then the people at the Defense Fuel Supply Center Jim had been talking with decided that just maybe it was costing too much to use telegrams. So right in the middle of the fourth batch and after Jim's calls, they changed their policies. The net result was a one-time savings of about $50,000.

It is obvious that the Defense Department weighed the extra time that might be saved by the telegrams against the cost, and the taxpayer came up the winner. In fact, given the particular circumstances, the mails will be only marginally slower, if at all.

This is an excellent example of how just one person can make a difference It took Jim only a day or two to save the taxpayers $50,000. That may not be a big sum so far as the entire Defense Department goes, but it is a lot more than the average family takes home in Wisconsin.

I am proud of Jim and his work. It is that kind of dedication and tough research that makes the internship program pay off—for everyone.

By way of background, Jim came to my office in January from Marquette University where he majored in political science. He had a 3.87 grade point average, was graduated summa cum laude and was on the dean's list for five semesters. He plans to go on to law school.

FEDERAL CONSULTANTS AND CONTRACTORS

Mr. METCALF. Mr. President, I wish to advise Members of a survey of Federal consultants and contractors that is being made by the Subcommittee on Reports, Accounting and Management and the Congressional Research Service of the Library of Congress.

During recent years growing sums of money have been spent on increasing numbers of Federal consultants and contractors for a widening array of services. Often work has been contracted out in order to avoid exceeding personnel ceilings, even though the Government loses in-house competence by contracting out work previously done within the agency.

No one can say with certainty how many Federal contractors and consultants there are, who they are, or how much we spend on their services. Nor can we find answers to other basic questions, which both Congress and the executive branch should have, in order to provide informed oversight and policy direction of consultants and contractors.

During the past 2 years I have discussed this matter with the Comptroller General and the Director of the Office of Management and Budget. My staff has reviewed the Civil Service Commission's Central Personnel Data file.

We have reviewed the plans for a Federal Procurement Data System, which would establish uniform data elements to be reported to a central data bank by Federal agencies on contracts of more than $10,000. If and when it goes into operation, the FPDS will provide information on what was purchased, when, from whom, by whom, dollar value of the transaction, the principal place of performance, method of procurement, extent of competition, negotiation authority, type of contract, type of business, foreign trade data, and other information. For all that, the FPDS will be oriented more toward hardware than services.

In order to obtain data on software services obtained by the Federal Government through contractors and consultants, I directed letters, each accompanied by an identical short questionnaire, interrogatory and reference definitions, to the heads of 178 departments,

agencies and bureaus last October. These units of government, as listed in the Congressional Directory, are either within the executive branch or are independent regulatory commissions. The responses to these queries are now being tabulated and evaluated by the Congressional Research Service. An initial report, covering major agencies involved in energy, should be available in a month or so. The methodology and problems resulting from dissimilarities in the materials submitted will then be reviewed, after which tabulation and evaluation of the other responses will proceed.

Various committees and Members of Congress, and the General Accounting Office, have expressed interest in the results of this survey. It is my intention to make them available as soon as CRS has completed its tabulation and evaluation. It is my hope that this survey will lead to the development of an annual reporting system, regarding Federal contractors and consultants, which will lead to improved management of Federal dollars and personnel.

Mr. President, I ask unanimous consent to print in the RECORD my October 5 letter to agency heads, with enclosures, and Margot Hornblower's February 15 article in the Washington Post, "Federal Contracting for Services; How Much Is Too Much?"

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U. S. SENATE,
October 5, 1976.

DEAR SECRETARY ———:

The Senate Subcommittee on Reports, Accounting and Management seeks your assistance in compiling a report on Federal contractors and consultants.

The Subcommittee has examined two reports from the Civil Service Commission's Central Personnel Data File as of January 1976, covering 10,777 employees in pay plan "EC" (experts and consultants). These were statistical reports compiled from official agency personnel actions reported to the CSC. Unfortunately, existing central records on consultants and contractors are incomplete, necessitating this request.

However, I believe the internal review of contractor and consultant arrangements required to complete the questionnaires and interrogatory will provide useful management insights into your agency. The pooled information which the Subcommittee will make available will also be helpful in evaluation of expenditures for consultants and contractors.

The major question to be resolved with regard to a format for a contractor and consultant reporting system is whether it should be a registry or a periodic publication, such as an annual index. If a registry, such as a computerized data bank or manually maintained file arrangement, it might include basically the same data the agencies are now required to maintain on experts and consultants under 5 USC 3109.

To help the Subcommittee determine the most feasible reporting system, and to provide for the first time an authoritative data base on consultants and contractors, please respond to the enclosed questionnaire and interrogatory-summary. Additional copies of the short questionnaire, one of which should be completed for each consultant or contractor, are available from the Subcommittee. Separate forms should be used for each consulting or contract arrangement. The third enclosure provides certain definitions.

The reporting period for this survey is fiscal 1976. The completed questionnaires and response to the interrogatory should be returned to the Subcommittee no later than 19 November. Please meet the deadline.

If all the information requested on the questionnaire is available in a report compiled by your agency, it may be submitted in lieu of responses to the questionnaire. Submission of partial data that is available is not an alternative to data requested in the questionnaire.

A similar letter is going to Bureau of International Labor Affairs, Employment and Training Administration, Labor-Management Services Administration, Employment Standards Administration, Occupational Safety and Health Administration, and Bureau of Labor Statistics. Therefore, in your response, please provide information on all consultants and contractors in your department except those agencies.

If there are questions, they should be directed to Gerald Sturges, professional staff member of the Subcommittee, on 224–1474.

Very truly yours,

LEE METCALF.

QUESTIONNAIRE

To be completed and returned, with agency response to accompanying interrogatory-summary, to Senate Subcommittee on Reports, Accounting and Management, 161 Russell Senate Office Building, Washington, D.C., 20510.

NOTE: Report on separate questionnaire form each contractor or consultant to whom $5,000 or more was paid or obligated in fiscal 1976. Call Subcommittee at 224–1474 for additional questionnaire forms.

Name of agency:

(1) Full Name and Address of Contractor or Consultant.

(4) (name) (street address or box number) (city) (state) (zip).

Agency Official Responding to Questionnaire:

(2) (name) If contractor or consultant is a firm rather than an individual, and a subsidiary of a parent firm, provide full name and address of parent company.

(3) (phone).

(5) (parent name) (parent address) (city) (state) (zip).

(6) Number of employees: full time ------

(7) Intermittent ------ or (8) temporary ------ of contractor or consultants participating in fulfillment of project. If consultants, include their name and addresses.

Dollar amount paid or obligated to contractor or consultant during fiscal 1976:

(9) $------ (paid).

(10) $------ (obligated).

(11) $------ (total of 9 and 10).

(12) Provide a brief description of work for which contractor or consultant was engaged. Identify product or service.

CONTRACTOR-CONSULTANT INTERROGATORY AND SUMMARY

NOTE: The response to this interrogatory and summary should be sent along with completed questionnaires to the Senate Subcommittee on Reports, Accounting and Management, 161 Russell Senate Office Building, Washington, D.C. 20510.

I. What definition is used by your agency for (A) "contractor" and (B) "consultant?"

Are grant recipients included in your report to the subcommittee as (C) contractors and (D) consultants?

(If answer to either (C) or (D) is yes, but requires explanation or qualification, include brief comment in your response to those questions.)

II. Does your agency always include in recommendations, reports, studies and other publications, in which contractors or consultants participated, written acknowledgement and description of their participation?

(If answer is negative, list those recommendations, reports, studies or other publications in fiscal 1976 where attribution was not made, identify the consultant or contractor who participated in preparation, identify the materials by title and subject, and state where copies may be obtained.)

III. Are all reports and publications which are produced pursuant to contracting and consulting arrangements (A) available and (B) indexed, in the agency reading room, library or elsewhere within the agency?

(If answer is yes, state specific location, including room number. If answer is no, advise how reports can be identified and obtained from National Technical Information Service or other sources.)

IV. Does your agency maintain a central record of contracts and agreements with contractors and consultants? If so, state specific location, including room and phone number, and state whether index is available.

(If answer is no, advise where these contracts and agreements can be viewed.)

V. (A) What information does your agency require from prospective consultants and contractors regarding their private interests and affiliations and possible conflicts of interest if engaged by your agency?

(B) Does your agency engage consultants or contractors who are registered lobbyists or affiliated with registered lobbyists?

(If answer to (B) is yes, but requires explanation or modification, include brief comment in your response to the question.)

VI. How many contracting and consulting arrangements did your agency (A) enter into and (B) renegotiate in fiscal 1976?

(C) Of that number, how many were subject to competitive bidding?

VII. What policies govern potential conflicts of interest in the use of contractors and consultants? Are there rules, for example, that prohibit contractors from evaluating work they oversaw or helped design or develop?

VIII. Does your agency have any procedures which it follows for post-contract evaluation? If so, describe briefly.

IX. Does your agency have any guidelines defining or limiting the kind of work they may be assigned to, or the degree of authority that may be exercised by, contractors and consultants? If so, describe briefly.

X. What was (A) the total of (wo) man-years of contractor and consultant employment by your agency in fiscal 1976? and (B) that total's percentage relationship to the number of in-house agency employees as of 30 June, 1976?

XI. What was the total compensation—including travel and fringe benefits—(A) paid and (B) obligated for consultants and contractors by your agency in fiscal 1976?

(C) State the total of (A) and (B).

(D) State the total's (C) percentage relationship to total agency outlays and obligations in fiscal 1976.

(E) Report the percentage relationship of total compensation (including travel and fringe benefits) paid or obligated (C) to total agency outlay for salaries in fiscal 1976

XII. On 27 July, 1976, the Office of Management and Budget asked certain agencies "to identify (by 23 August) . . . unless very good reasons are given . . . at least five functions presently performed in-house" that can be contracted out.

(A) Was your agency subject to this OMB memorandum?

(B) If so, what functions did you suggest for contracting out?

(C) If, instead, your agency told OMB that you had good reasons not to suggest further contracting, what were those reasons?

REFERENCE DEFINITIONS FOR CONSULTANT-CONTRACTOR SURVEY

The first three definitions below—of consultant, intermittent employment and temporary employment—are taken from the

Federal Personnel Manual. The definition of contractor is a working definition for purposes of this survey.

(1) Consultant means a person who serves as an adviser to an officer or instrumentality of the Government, as distinguished from an officer or employee who carries out the agency's duties and responsibilities. He gives his views or opinions on problems or questions presented him by the agency, but he neither performs nor supervises performance of operating functions.

(2) Intermittent employment means (a) occasional or irregular employment (b) on programs, projects, problems, or phases thereof, requiring intermittent service. When an intermittent expert or consultant works more than one-half of full-time employment, i.e., he is paid for all or any part of a day for more than 130 days in a service year, his employment automatically ceases to be intermittent and becomes temporary.

(3) Temporary employment means (a) employment for one year or less (b) on programs, projects, problems, or phases thereof, requiring temporary service for one year or less.

(4) The term "contractor" includes not only experts and consultants, but individuals and organizations who supply services pursuant to the authority of the agency to procure such services under the Federal Property and Administrative Services Act, the Armed Services Procurement Act or specific agency legislation authorizing procurement of particular services. The term does not include individuals or organizations who contract to provide supplies or other hardware, as distinct from services.

[From the Washington Post, Feb. 15, 1977]

FEDERAL CONTRACTING FOR SERVICES: HOW MUCH IS TOO MUCH?

(By Margot Hornblower)

As the former Secretary of Transportation tells it, the contract landed on his desk about six months ago after an interagency dispute over its approval. "It was a proposal for two or three hundred thousand dollars to study the advantages of walking to work," William Coleman recalled.

"I said, 'For Chrissake, why spend $300,000 on that?' "

The proposal, which he turned down, started him thinking, Coleman said. He asked his staff for a list of service contracts—contracts which provide not pencils or airplanes, but services such as economic analyses, policy studies and engineering operations.

The list Coleman received described 131 outstanding contracts from eight Transportation agencies amounting to $104 million. The Federal Aviation Administration, for example, is paying $1 million to a Falls Church computer firm for "technical support to FAA areas involving communications engineering." George Washington University was listed for $140,746 to study "consumer motivation to use public transit."

There are scores of such contracts outstanding that led Coleman to the obvious questions:

With nearly 73,000 civilian employees in the Department of Transportation, who needs outside consultants? Why can't the bureaucracy produce reports on "consumer motivation" and "communications engineering"?

The same questions have been asked by skeptical members of Congress about the federal government as a whole. It employs nearly 5 million civilian and military men and women at an annual fringe and payroll cost of $70 billion. Why, then, must it dole out billions every year to produce studies, reports, speeches and the like?

The issue is not a new one. But it has far-reaching implications for a new administration intent on examining federal spending. Contracting, an essential part of agencies' operations, is frequently a haphazard process with little regulation or oversight, and is open to abuse.

Although popular opinion tends to equate the government with masses of entrenched bureaucrats, more than $66 billion annually—one-fifth of the federal budget—is spent through contracts to about 250,000 businesses and institutions. The largest procurement—$48 billion worth—is the Defense Department's.

Few would argue that the government should manufacture its own weapons, but a dispute has raged for years over what services should be contracted out by various government agencies.

Should a military base laundry be run by a private company or by civil service employees? Should the U.S. Geological Survey draw its own maps or contract for them? Should the Food and Drug Administration use its own scientists or hire private laboratories to test products?

The studies Coleman questions are a small part of federal procurement. The government buys every imaginable type of service and there is little uniformity across the agencies as to what is contracted out and what is performed in-house.

Since the Eisenhower administration, government policy has directed that commercial and industrial activity—a term that has as many interpretations as there are federal contract officers—be contracted out unless it can be proven to be more cheaply performed in-house. The reasoning is that government should not compete with private industry for work a contractor might do more efficiently.

Under Nixon and Ford, the Office of Management and Budget aggressively promoted contracting over civil service hiring.

The American Federation of Government Employees (AFGE) claims that services contracts have increased 33 per cent in four years, to $9 billion a year. Other estimates go as high as $30 billion.

The contractors' lobby group, the National Council of Technical Service Industries, says contracting for goods and services was 60 per cent of the federal budget in the middle 1960s and has since declined.

OMB has argued, however, that government does not contract out enough, pointing out that contractors could do military equipment repair, janitorial services, film processing, cafeteria work, and electrical work, among other things.

The most vocal critic of contracting is, predictably, AFGE, the largest federal employees union. "In the long run, contracting is no cheaper," said Greg Kenefick, the union's spokesman.

"There's a tendency for the contractor to perform services and then jack up the price during the second and third year of the contract," he charged.

Likewise, the House Manpower and Civil Service Subcommittee has found, according to its staff director, Paul Newton, that "contractors cost more. Their wage rates are comparable and you end up paying a profit to the contractor."

The prime motive for contracting out, according to Newton and several other experts, has often been to circumvent civil service hiring ceilings imposed by Congress and OMB in the Nixon-Ford years.

Members of Congress, for the most part, tend to sympathize with the contractors. "There's an emotional reaction on the Hill," Newton said. "They react negatively against an entrenched bureaucracy doing work that could be contracted out to their districts."

The contractors say they are more efficient than government agencies. "We advocate a dollar-by-dollar comparison," said Russell W. Richardson, an aerospace industry executive who speaks for the NCTSI. "We think we can beat them every time."

"Once government hires people, they never fire them. Then you have a bloated bureaucracy. A contractor goes in, gives a report and leaves. There are no damn taxes to pay to support workers who have nothing to do."

Contracts, however, can be windfalls for some—freelance writers, for example. The National Aeronautics and Space Administration has signed a contract for a 6,000-word article on the Viking Mars landing program. Sen. William Proxmire (D-Wis.), complained that the $24,000 contract amounted to $4 a word for the writer, who already had a $78,850 NASA contract to write about the Apollo Soyuz project.

Charges of bureaucratic favoritism, congressional intervention and lack of competitive bidding also are problems with contracting. The House Government Operations Committee recently reported that only 36 per cent of the government's more than $4 billion worth of contracts for automated data processing in 1975 was fully competitive.

Newspaper accounts have named defense officials who visit the hunting lodges of weapons contractors. A massive investigation of graphic arts firms contracts here last year has resulted in evidence of widespread bribery and kickbacks in several federal agencies.

Of eight 1975 General Services Administration contracts audited by the General Accounting Office, all eight included improper billings. The $24.4 million contracts, for government equipment such as aircraft test machinery, included charges for hours that were not worked, gasoline and lumber that was not used. One company charged 360 paint brushes for an item that was not painted. Another charged 48 gallons of red paint and 40 gallons of black paint to an item that was painted yellow.

Some waste can be attributed to contracting frenzies in the few months before the end of the fiscal year that contractors call "the buying season."

At the end of the year, program heads find they have money left over, according to Donald Boegehold of the General Accounting Office. "They are told by the head of the agency, 'If you don't spend it this year, then Congress won't give it to you next year.' "

So, in the case of consultants' contracts, agencies pour out a flood of "requests for proposals" which are published in the Commerce Business Daily. Contractors submit proposals in response.

With a new administration, the time may be at hand to re-examine the policy and procedures of government contracting, Coleman and others said.

The AFGE has been pushing for oversight legislation. "We're asking for a central repository of information on the justification for contracts and on what the government spends," said Kenefick, the union spokesman.

Coleman sees the possible solution as stricter control by each department head. "Once you find out what you are spending for contracts . . . the next step is to analyze each one," he said. "The Secretary should get a briefing and establish a system to get better review—to make sure they don't get out of hand."

VICE PRESIDENTIAL SELECTION

Mr. DOLE. Mr. President, on Saturday, Senator HUMPHREY and I were honored to participate in an "NBC Forum" discussion of "How and When the Vice Presidential Candidate Should be Selected." It is a topic that both of us addressed from a position of some interest in prior years. NBC is to be commended for its organization of the examination of several important questions of electoral reform, including Federal financing, the role of the

media, and the function of the debates in the 1976 campaign.

I ask unanimous consent that my presentation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

VICE PRESIDENTIAL SELECTION

(By Senator Bob Dole)

The decline of our political parties is a disturbing trend for several important reasons. People who elect to be independent of both major parties are forfeiting what may be the most crucial role a citizen can play—and that is the opportunity to participate actively in the nomination of candidates. To restore their confidence in the political system, the signs are clear that it is necessary for us to open up the business of our parties in every way as much as possible. Decisions secretly arrived at are not compatible with either the television age or the demands of Americans who are disenchanted with both parties.

The topic that Senator Humphrey and I are discussing today—Vice Presidential selection—is one of the few remaining features of the electoral system that is not totally above board and visible for all to see. Almost always, a certain amount of suspense and mystery shrouds the selection of the Vice Presidential candidates. Running mates customarily emerge from the brain of the newly acclaimed Presidential nominee—usually on rather short order without any meaningful chance for the convention delegates to work their will.

There is considerable mythology that has built up around the public understanding of how this process works, however, as Senator Humphrey and I can both testify.

FIRST OF THE MYTHS

The first of these myths is that Presidential candidates don't dare even think about possible running mates until after they are safely nominated.

It was not until after the last election that I had time to inquire into the exact details of how I came to be on the ticket with Gerald R. Ford. The prevailing impression left throughout the campaign was that the President happened upon my name in the wee hours of the morning during a conference with his sleepy advisors and after some frantic negotiations with Governor Reagan's representatives. Long before the convention, the White House began contacting party leaders, future delegates, governors, members of Congress, and so forth.

As the screening process continued, those of us who were still on the list were asked to submit our personal financial records for review. The next step was extensive opinion polling under the direction of Bob Teeter, who was coordinating the White House polling. Then, before going to Kansas City, there were more staff meetings, three of them involving the President himself, all of them two hours or longer in length. In the convention city, I am told, there were three more meetings, two of them attended by both the President and the Vice President, Nelson Rockefeller. At the end of the third meeting, the list had apparently been narrowed to three—Ruckelshaus, Baker, and Dole. Following the President's nomination, he reconvened his advisers from 2:30 until 5:30 in the morning, and again at 9:30 the next morning. Twenty minutes later, the President said: "Assume it's Bob Dole—I am not clear what happens next." Somebody remarked: "Mr. President, you had better call him," and everyone laughed.

The point is that only a fool would select a running mate without a lot of advance thought and research. And not many fools can count on getting nominated for President.

ANOTHER MYTH

Another myth is that an otherwise astute, methodical politician who had either reached or was within reach of the Presidency would make such an important decision without carefully considering his running mate's standing in the party—his popularity among the delegates who represent the party—his strengths and weaknesses in various regions of the country—and the fact that today voters are conditioned to think of the Vice Presidential candidate as a potential Presidential successor; therefore, they are going to assess the running mate's capacity to be President. Nor, in this scientific age, would any wise candidate make a choice of such importance without "market-testing" various possibilities through public opinion polling. A candidate who deliberately selected a lesser light because he did not want to be out-shone by his running mate would have to be either way out in front or awfully insecure.

Is there any reason, then, why President Ford could not have made public the field of candidates he was considering a month or so before the convention? None, except for the importance in a close contest of retaining maximum flexibility right up until the last moment. A candidate who does not have the nomination locked up finds it useful for no one to be eliminated from Vice Presidential consideration. Even Mr. Carter's list was so lengthy as to cover all the bases that he had to be concerned about at that late date. How the rejects felt about having all the world know they had fallen short of his standards has not, to my knowledge, been recorded.

The advantage of such an arrangement—and I think it is an important one—is that the Presidential nominee will not be in a position to pull the name of a comparative unknown out of a hat without adequate time for public scrutiny. After recent experience, I believe the voters would react unkindly to the last-minute choice of a running mate whose public record was not well known.

HISTORIC BACKGROUND

It is only recently that many people thought twice about the Vice Presidency or much cared who got the job. At first, it was a consolation prize for the runner-up in the Presidential election. But the political rivalries within the executive branch proved intolerable. Then there were a series of forgettable non-entities nominated for ticket-balancing reasons. During most of one seven-year period, the office was even left vacant. Nobody seemed to notice. Daniel Webster turned down the nomination on the Whig ticket in 1848. "No, thank you," he said. "I do not propose to be buried until I am really dead and in my coffin." Thomas Marshall, who was Woodrow Wilson's running mate, compared the Vice President to "a man in a cataleptic state: He cannot speak; he cannot move; he suffers no pain; and yet he is perfectly conscious of everything that is going on about him." It is a doomed office," said the historian Arthur Schlesinger. "No President and Vice President have trusted each other since Jackson and Van Burean."

Nevertheless, it is probably unrealistic to think of depriving the Presidential nominee of his traditional opportunity to "handpick" his running mate. Leaving the decision to the convention, or waiting until later when the delegates would either reconvene or else the national committees would make the choice, are suggestions that would only add to party factionalism—something the Republican Party can do without right now.

Some of the other suggestions have merit. Authorizing confidential FBI checks of names submitted by Presidential candidates in both parties is one. Another is requiring after the primaries have been completed that the candidates make public a list of names from which the recommended running mate must be chosen. Perhaps serious thought should be given to having Presidential and Vice Presidential candidates run as a team in the primaries and come before the convention as a team. Of course, that would be a ticket-balancing exercise of the highest order—and much simpler for an incumbent President, or someone who has the nomination locked up, than for a darkhorse candidate. There always have been ticket-balancing considerations in the Presidential candidate's decisions. In my case, I have been told that the pre-convention surveys indicated we had serious troubles in the farm belt and I would help the ticket there and in the South.

NO DRASTIC CHANGES YET

It is probably meaningful that both parties have done a great deal of thinking about changing the selection procedures recently, yet have agreed on no drastic changes.

I could be in favor of convention rules that give the Presidential nominee a little more time to consider his recommendation; and then requiring a reasonable wait between the announcement of his decision and the balloting for Vice President. If there is substantial opposition to the running mate, this would allow time for the opposition to organize. It might be advisable for the rules to provide for an automatic first-ballot up-or-down vote on the President's choice, without the necessity of pitting him or her against other names offered in nomination. If the ticket failed of convention endorsement, then Vice Presidential nominations could be opened up.

By focusing attention on this very important subject, NBC is performing a useful public service. Recent history underlines the importance of the nominations for this office. Theodore Roosevelt thought it would be a stepping stone to nothing but oblivion for him. He was wrong, of course. The Vice Presidency is now worth considerably more than the warm pitcher of spit John Nance Garner talked about . . . and both our parties ought to do everything they reasonably can to bring the selection procedures more in tune with the times.

SELECTING THE VICE PRESIDENTIAL CANDIDATE

Mr. HUMPHREY. Mr. President, it was my privilege to participate in the NBC Forum conducted in Washington, D.C., on March 5. I was asked to respond to the question of what reforms should be instituted in the process leading to the nomination of Vice Presidential candidates by political parties.

In recent years, the Vice Presidential selection process has become a matter of national concern. Having been a successful Vice Presidential candidate and having undergone the demanding process of naming a running mate for the Presidential election camgaign in 1968, I have certain firm viewpoints on this important issue. Moreover, in 1973 I chaired the Democratic Party's Commission on Vice Presidential Selection which made an intensive examination of various reform proposals.

A basic conclusion reached by the Commission, and one in which I fully concur, is that the selection of the Vice Presidential candidate should continue to be a function of the political party convention. However, our recommendations focused on providing adequate time for careful deliberation on the selection of this nominee.

Mr. President, the series of forums sponsored by NBC brought together some of the Nation's leading experts to

discuss critical issues involved in our national elections. These issues include reforms in the electoral college and in the Presidential primaries, campaign financing, and the role of the media in campaigns.

It is essential that we find answers to these vital questions as we seek to strengthen our democratic process. They are questions that demand intensive public discussion prior to the next Presidential election in 1980.

NBC, in sponsoring these forums, has made an important contribution to this public discussion. The forums were filmed and will be broadcast nationwide on radio and television.

In the Washington area, radio station WRC will carry it on their program, "Second Sunday," on March 13, from 9 to 10 p.m. And on Sunday, March 20, the program will be televised nationwide on NBC from 1 to 3 p.m. I hope a wide segment of the public will have an opportunity to hear these discussions.

Mr. President, I ask unanimous consent that the text of my remarks as prepared for delivery at the NBC forum be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SELECTION OF THE VICE PRESIDENTIAL CANDIDATE

(Remarks of Senator Hubert H. Humphrey)

The Vice Presidency, long an ignored or belittled American political institution, has in recent years received increased attention in this country consistent with the increased responsibilities of the office.

This new interest also derives in great part from the fact that, of the last nine Vice Presidents, four succeeded to or were elected to the presidency itself. And three others were leading candidates for their parties' presidential nominations.

I was privileged to carry the Democratic party's standard in 1968, opposing a former Vice President who emerged victorious after a close and exciting contest.

Another reason the vice presidency is undergoing special examination is the widespread feeling in both major parties that the vice presidential selection process has been too hurried and has not received the attention from national convention delegates that the office deserves.

In the traditional vice presidential selection process, the presidential nominee announces a running mate almost at the last minute, sometimes to the dismay and surprise of the convention.

Critics of this process point especially to 1972, when the Democratic party's vice presidential nominee withdrew from the national ticket, and the Republican nominee, although elected, later resigned from the vice presidency itself.

Because the vice presidency is a springboard to the White House, increasing attention is being focused on two questions:

First, what should be the role of Vice Presidents in our political system?

Second, should there be changes in the process by which nominees for Vice President are selected?

As Vice President and as a candidate for President concerned with selecting a vice presidential running mate, I have reached some general conclusions about both these questions.

The Constitution gives the Vice President only the responsibility for presiding over the Senate and casting votes in that body in the case of a tie, or succeeding to the presidency in case of a vacancy or disability in that office.

Consequently, some critics argue that a vacancy or disability in the presidency is not the best time to introduce an unfamiliar face—that of the Vice President—to the country. The widest possible acceptance of such a transfer of power should be one of our political system's highest priorities.

This is a strong argument for a President to assign important duties to the Vice President—duties that will equip him for the difficult decision-making responsibilities of the President, and functions that will give the Vice President periodic public exposure. I applaud the initiatives taken by President Carter in giving Vice President Mondale precisely these kinds of assignments.

But, second, the wise and careful selection of a vice presidential nominee helps to insure public acceptance of a later possible transfer of power precisely because that nominee was elected to office.

The elevation to the presidency of a Vice President elected on the same ticket and who is committed to the same platform and policies as the President, maximizes the opportunity for continuity in programs and policies endorsed by the nation in the preceding presidential election.

When no one was especially concerned with the vice presidency, scant attention was paid to nominees for the office. Our political history is full of vice presidential nominees chosen to placate factions of a party, regions of the country, or ruffled personalities otherwise unhappy with other convention decisions. Frequently, in our political history more attention has been given to the political needs of the party than to the selection of a candidate of presidential timber.

But in the last 30 years, because of deaths and illnesses of Presidents in periods of general international instability, we increasingly have come to recognize that we cannot afford the luxury of giving priority to in-house party politics in the selection of vice presidential candidates.

Selection of vice presidential nominees is not a matter that is controlled or guided by federal law. Therefore, it is essential that the major parties institute reforms in the selection of vice presidential nominees that will contribute to the serious consideration of the nomination that the office deserves.

I served as Chairman of the Democratic Party's Commission on Vice-Presidential Selection which reported proposed changes in vice presidential selection to the Democratic National Committee, in December 1973.

Our commission's work might be interpreted as having had limited impact. But it should be recognized that, after having considered other alternatives, our major recommendation was a reaffirmation of the party's national convention as the best forum for vice presidential candidate selection.

But from an historical perspective, the most important fact was that the establishment of the commission and the widespread attention given to our work clearly indicated that the vice presidential selection process had become a matter of national concern.

The commission recommended that the length of the Democratic national convention be extended by one day to permit an interval of 48 hours between the selection of the party's presidential and vice presidential candidates.

A second recommendation made by the commission would allow the presidential candidate to ask the convention for additional time if it agreed that one extra day did not allow enough deliberation on the choice for a running mate. He also could propose more than one person for that nomination.

If that additional time were granted, a special meeting of the Democratic National Committee would be held between 14 and 21 days after the convention to select the party's vice presidential candidate.

We also proposed that every Democrat, even without the presidential nominee's recommendation, might seek the vice presidential nomination, providing petitions supporting his or her candidacy are signed by at least 10 percent of all delegates, and those delegates are from at least three states.

There have been many proposals to change the method of selecting vice presidential nominees. These include such radical departures from present practices as requiring presidential candidates to indicate their choices for running mates before state conventions and presidential preference primaries, or requiring that the vice presidential nomination be awarded to the runner-up in the presidential nomination balloting. Other proposals similarly seek to narrow the options open to the party and the presidential nominee.

It is my belief that the present method—allowing the presidential nominee and the the delegates to the national convention to agree on a choice that need not be made official until mid-convention—best serves the needs of our political system.

After all, both the party and the presidential nominee want to win the election. They want to face the electorate with issues and candidates they can proudly support. Any arbitrary system that forces a vice presidential nominee on a reluctant presidential nominee would not serve the interest of the party or the nation.

Today, both parties should be focusing on the real problem in vice presidential selection—how to give the presidential candidate and his advisers time to make a wise choice.

There is no way to take politics out of the business of choosing candidates for public office. No detailed party rules can prevent a presidential candidate and a party convention from choosing a vice presidential candidate for purely political reasons or prevent what may later prove to be a bad choice.

We must rely on the individuals involved in the process—just as we rely on the good judgment of public officials to enact good laws and carry them out with good sense.

Our system of government provides the best check yet devised against poor government. That check is the ballot box or, in the case of political party conventions, the vote of the delegates.

INDEPENDENCE OF REGULATORY COMMISSIONS

Mr METCALF. Mr. President, the budget submitted to us each year shows what the judicial and legislative branches of Government request. The Office of Management and Budget, which usually revises requests of executive branch agencies, does not alter the requests of the Congress, its General Accounting Office, or the judiciary. OMB does, however, alter the requests of the independent regulatory commissions, which are arms of the Congress. Therefore, the budget documents which come to our desks contain what OMB thinks the independent commissions should have, and for what purposes, rather than providing us with the independent commissions' own requests.

Similarly, responses to our requests to commissions for comment on legislation often are routed through OMB. Consequently, Congress sometimes receives comments from commissions that have been modified, or at least delayed, by OMB.

The Senate Government Operations Committee has, during past Congresses, considered legislation which would have budget requests and legislative comments of independent regulatory commissions come concurrently to the Congress and OMB. This year the committee, in volume 2 of its regulatory reform task force recommendations, recommends passage of such legislation. I plan to introduce an appropriate bill at a later date, similar to S. 363 in the 94th Congress, which provided that budgets proposed by the independent regulatory commissions be printed in the President's budget; comments on those independent commission budgets by OMB would not be precluded.

However, at this time it is important for Members to be aware of changes which OMB, under the outgoing administration, made in the budget requests of various independent commissions. In January, I requested commission chairmen to provide information on those changes. I ask unanimous consent to have printed in the RECORD a summary of OMB changes in the budgets of the Civil Aeronautics Board, Federal Communications Commission, Federal Maritime Commission, Federal Power Commission, Federal Trade Commission, Interstate Commerce Commission, and Securities and Exchange Commission.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

REGULATORY COMMISSIONS' BUDGETS, FISCAL YEAR 1978

[Dollar amounts in thousands]

	Agency request OMB	OMB request to Congress	Amount cut	Percent reduced
CAB	$24,226	$23,367	$859	3.5
FCC	65,984	59,826	6,158	9.3
FMC	9,580	8,901	679	7.1
FPC	49,778	42,785	6,993	14.0
FTC	65,714	59,543	6,171	9.3
ICC	67,504	61,566	5,938	8.8
SEC	61,390	58,290	3,100	5.0
Total	344,176	314,268	29,908	8.7

In summary, OMB reduced the seven budget requests by a total of $29.9 million. In terms of new positions proposed by the commissions but denied by OMB, the cuts were as follows:

CAB	34
FCC	194
FMC	65
FPC	96
FTC	152
ICC	315
SEC	72
Total	928

Let us look at the type of reductions which OMB required the commissions to make.

At the CAB the proposed program which took the greatest cut—12 positions—was enforcement and consumer advocacy.

The big cut at the FCC—52 positions—was in field operations, which primarily involves enforcement and consumer services. OMB also cut out 29 proposed positions in the common carrier bureau. This means a cutback in the area where the FCC is attempting to inject competition into the world's largest monopoly, where the commission is attempting finally to determine the rate base of American Telephone and Telegraph and apply sound economic regulation to that giant corporation. Students of telephone regulation may recall that in fiscal 1971, when the FCC finally started trying to keep better books on Bell, OMB reduced the FCC's budget request to Congress by 30 percent, with a substantial portion of the cut coming from the common carrier bureau.

This year OMB reduced FMC's request for compliance and enforcement by 44 positions. At the FPC, 43 positions requested for industry systems analysis were denied, as were 28 positions dealing with gas certificate regulation. The FTC lost 76 positions proposed for consumer protection activity. The ICC (which, under the 4–R act passed last year, has the right to transmit its budget to Congress and OMB simultaneously) lost $5.9 million in budget requests at OMB. This total included $1.3 million for rail public counsel, $1.8 million for compliance and enforcement and $1.9 million for formal proceedings.

Mr. President, I shall include in the Record details I have requested and received from the chairmen of each of these agencies, and from the chairmen of the Securities and Exchange Commission and Nuclear Regulatory Commission as well. NRC's budget is almost as large as the other seven commissions together—$292.5 million as compared with $314.3 million. OMB disallowed 105 positions requested by NRC and reduced its budget by $11 million. However, because of the substantial budget of NRC the reduction, percentagewise, from $303.5 million to $292.5 million was only 3.6%.

Mr. President, it appears that some of the commissions have earnestly tried to beef up enforcement and consumer protection programs, and that OMB has concentrated its reductions in those areas. Congress is the final arbiter and the various appropriations subcommittees will be considering the OMB requests and such amendments to it that the new administration is making.

Rigid personnel ceilings at the independent regulatory commissions could frustrate accomplishment of tasks which Congress has directed those commissions to do. Too often, rigid ceilings lead to contracting out—sometimes at greater cost—of work that should be done within the agency, in order to maintain commission proficiency.

The details I have received from the commissions should be helpful to those members and committees who are interested in the budgets and work of the individual commissions. I therefore ask unanimous consent to insert at this point in the Record the materials I have received from the commission chairmen, along with the task force discussion of the recommendation of the Government Operations Committee regarding the manner in which budget requests and legislative comments of independent regulatory commissions are presented to Congress.

CIVIL AERONAUTICS BOARD,
Washington, D.C., February 1, 1977.

Hon. LEE METCALF,
Chairman, Subcommittee on Reports, Accounting and Management, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of January 21, 1977 relating to differences between the Civil Aeronautics Board's budget estimates and requests and those included in the budget document submitted to Congress by the President.

The Board's request to OMB for the appropriation for Salaries and Expenses for fiscal year 1978 was for 836 positions and $24,226,000, adjusted to reflect the pay raise effective in October 1976. The President's budget shows 802 positions and $23,367,000. The enclosed table contains a breakdown of those totals by our major budget activities.

The Board's other appropriation is for "Payments to Air Carriers". The President's budget includes $72,510,000, the same amount as requested by the Civil Aeronautics Board for fiscal 1978.

Sincerely,

JOHN T. ROBSON,
Chairman.

CIVIL AERONAUTICS BOARD

FISCAL 1978 SALARIES AND EXPENSES BUDGET ESTIMATES COMPARED WITH PRESIDENT'S BUDGET

[Dollars in thousands]

Program	CAB estimate		President's budget		Disallowed	
	Positions	Amount	Positions	Amount	Positions	Amount
Awards of operating authority	289	$8,310	279	$8,071	10	$239
Regulation of rates and fares	232	6,815	224	6,598	8	217
Regulation of agreements and interlocking relationships	45	1,222	45	1,218		4
Regulation of air carrier accounting and reporting	94	$2,990	90	$2,921	4	$69
Enforcement and consumer advocacy	113	3,328	101	3,014	12	314
Management support	63	1,561	63	1,545		16
Total	836	24,226	802	23,367	34	859

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., February 2, 1977.

Hon. LEE METCALF,
Chairman, Subcommittee on Reports, Accounting, and Management, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of January 21, 1977, requesting information of the differences between the Federal Communications Commission's budget request to the Office of Management and Budget and that as submitted to the Congress by President Ford.

The information requested is provided herewith, by activity, as an attachment.

With regard to your request relating to the Carter budget submission, we have been advised that no changes are contemplated insofar as the Federal Communications Commission is concerned. Therefore, data transmitted herewith apparently will be valid at that time.

If I can be of further assistance, please do not hesitate to call on me.

Sincerely yours,

RICHARD E. WILEY,
Chairman.

FEDERAL COMMUNICATIONS COMMISSION

COMPARISON OF BUDGET REQUESTS TO OMB AND TO CONGRESS, FISCAL YEAR 1978, BY ACTIVITY

[Dollar amounts in thousands]

Activity	To OMB		To Congress	
	Positions	Amount	Positions	Amount
Commissioners	47	$1,650	47	$1,680
Broadcast	445	11,726	431	11,149
Common carrier	323	9,707	294	8,076
Safety and special radio services	336	10,645	315	9,811
Field operations	552	15,018	500	13,465
Research and planning in communications technology	185	5,485	155	4,585
Cable television	117	2,540	104	2,441
Support	366	9,213	331	8,617
Total	2,371	65,984	2,177	59,826

Note: Dollar amounts do not add due to rounding.

FEDERAL MARITIME COMMISSION,
Washington, D.C., February 4, 1977.

Hon. LEE METCALF,
Chairman, Subcommittee on Reports, Accounting, and Management, Committee on Government Operations, Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your letter of January 21, 1977, I am pleased to furnish you with the information you requested in conjunction with legislation you believe might be considered by the 95th Congress concerning the simultaneous submission of regulatory commissions' budget requests and estimates to the Congress and the Office of Management and Budget.

The budget estimates for the Federal Maritime Commission for 1978 submitted to the Office of Management and Budget included a request for 65 additional permanent positions to support a number of agency programs of major significance to which I planned to accord greater emphasis during the 1977 and 1978 fiscal years. These positions, which were denied, would have increased our authorized staffing from 319 to 384, for the following purposes:

Administrative Law Judges—Reduce caseload per Law Judge	1
Office of the General Counsel—Provide legal support for increased compliance and enforcement activity	2
Compliance—Increase in volume and complexity of agreements and tariff matters	24
Certification & Licensing—Recertification of vessels for hazardous substances under Federal Water Pollution Control Act and reissuance of certificates every two years	4
Industry Economics—Increase number of economic studies; conduct on-site audit of carriers; reduce backlog in environmental assessments; and increase in ADP activity	10
Enforcement—Step up enforcement activity wtih regard to rebating and other forms of malpractice in the shipping industry	20
Office of Hearing Counsel—Increase in hearings due to compliance and enforcement activity	2
Division of Office Services—Provide procurement and mail and communications support	2
Total increases	65

It is my understanding that this denial was based, in part, on President Ford's expressed desire to achieve a balanced budget in Fiscal Year 1979.

In keeping with this goal, and recognizing the need to hold down Federal expenditures, I submitted an appeal to the Office of Management and Budget on November 16, 1976, expressing a willingness to reduce the number of additional positions from 65 to 26.

The appeal for 26 additional permanent positions, for our enforcement program, was made to enable the Commission to continue, at an accelerated pace, an aggressive campaign to end rebating and other forms of malpractice that have become widespread in the U.S. ocean trades during recent years. This particular campaign is of recent origin, having been instituted shortly after my appointment as Chairman, and one for which prior budgetary provision had never been made. My appeal to the Office of Management and Budget for the additional 26 permanent positions was also denied.

I am convinced that the 65 additional positions initially requested in our Fiscal Year 1978 budget estimates represent the minimal number of positions necessary to ensure effective and timely administration of all Commission activities. I also believe that these 26 additional positions requested in my appeal letter to the Office of Management and Budget for our enforcement program reflect this Agency's highest priority if we are to ensure stability in the liner trades of the United States.

To date, the Commission has been obliged to pursue the campaign to end rebating and other malpractices within the shipping industry with the present staffing available. This has meant transfer of positions to this enforcement program which, because of the very small professional staff on our rolls, creates serious staffing deficiencies in other vital program areas.

The volume of cases now before the Bureau of Enforcement is enormous and, without additional staffing, the statute of limitations will run out on many of the violations before they can be investigated.

An example of the type of enforcement action that the staff has been processing is the Commission's recent settlement with Sea-Land Service, Inc., in the amount of $4,000,000, for violations under Sections 16 and 18 of the Shipping Act during the period from August 30, 1972, through April 1, 1976. This represented the largest civil penalty settlement in the history of a transportation regulatory agency.

I have personally reviewed the need for each of the 26 additional positions requested in the proposed revisions to the 1978 budget. I firmly believe that the reasons for this request are compelling in nature and of such significant importance as to warrant approval. It is generally more difficult for the Commission to obtain evidence to document statutory violations by foreign flag carriers, since their records are practically always located overseas, and frequently protected from the Commission's direct reach by foreign secrecy laws. Although this makes the development of evidence much more difficult and time-consuming, the leads must be pursued. It is imperative that the Commission's enforcement program be even-handed, since it would not be in the national interest to deal more severely with U.S. flag carriers and shippers than with their foreign competitors.

I am also convinced that this request can be justified on a cost effectiveness basis. With greater emphasis on our enforcement program in Fiscal Years 1977 and 1978, the Commission can expect that sums accruing to the United States from additional fines or penalties imposed on other violators of the shipping statutes will amount to several millions of dollars; far in excess of the cost of the additional positions needed to implement fully this program.

It is essential, therefore, that the Commission obtain relief from its limited staffing if it is to properly administer and carry out, aggressively and effectively, its Congressionally-mandated responsibilities under the shipping statutes.

The enclosed table summarizes the budget estimates submitted to the Office of Management and Budget for Fiscal Year 1977 and 1978, and Congressional action taken to date for Fiscal Year 1977.

Sincerely,

KARL E. BAKKE,
Chairman.

FEDERAL MARITIME COMMISSION

APPROPRIATION SUMMARY (FISCAL YEARS 1977–78)

[In thousands of dollars]

	Fiscal year 1977				Fiscal year 1978	
			Supplemental			
	Positions	Amount	Positions	Amount	Positions	Amount
FMC request to OMB	380	$9,026	26	$290	384	$9,580
Reductions by OMB	−61	−1,306	−26	−290	−65	−1,031
Increase for civilian pay raise (Executive Order No. 11883, effective October 1975)		319				
Increase for civilian pay raise (Executive Order No. 11941, effective October 1976)						[1] 352
Recommended to the Congress by the President	319	$8,309			319	$8,901
Action by the Congress		−9				
Appropriation	319	8,300				
Supplemental for civilian pay increases		[2] 340				
Appropriation (adjusted)	319	8,640				

[1] Increase for civilian pay raise effective in October 1976 pursuant to Executive Order 11941.

[2] Request for supplemental appropriation of $340,000 to cover civilian pay increases effective October 1976 pursuant to Executive Order 11941 pending action by the Congress.

FEDERAL POWER COMMISSION,
Washington, D.C., January 31, 1977.

Hon. LEE METCALF,
Chairman, Subcommittee on Reports, Accounting and Management, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request of January 21, 1977, for information concerning any differences between the Federal Power Commission's own estimates and requests and those included in the budget document submitted to the Congress by the President on January 17, 1977.

The Commission submitted to the Office of Management and Budget a FY 1978 budget request of $49,778,000 and 1,554 positions. The President's budget provides for $42,785,000 and 1,458 positions.

Enclosed is the distribution of the funds by Program Activity, as well as by Object Classification.

Sincerely,

RICHARD L. DUNHAM,
Chairman.

FEDERAL POWER COMMISSION

REDUCTION BY OFFICE OF MANAGEMENT AND BUDGET, FISCAL YEAR 1978

[Dollars in thousands]

	(1) 1978 to OMB		(2) 1978 to OMB adjusted for administration		(3) 1978 OMB mark		(4) October 1975 pay raise	(5) President's budget 1978		(6) Net changes (2 less 5)	
	Positions	Amount	Positions	Amount	Positions	Amount		Positions	Amount	Positions	Amount
I. Water resources analysis	59	$1,578	65	$1,795	65	$1,673	$82	65	$1,755		−$40
II. Hydroelectric project licensing	162	4,135	180	4,731	176	4,202	202	176	4,404	−4	−327
III. Electric utility regulation	80	1,881	89	2,138	82	2,027	88	82	2,115	−7	−23
IV. Gas certificate regulation	190	5,279	211	5,916	183	5,114	232	183	5,346	−28	−570
V. Gas rate regulation	155	4,152	172	4,707	176	4,635	213	176	4,848	+4	+141
VI. Industry systems analysis	394	17,177	438	18,277	395	12,906	377	395	13,283	−43	−4,994
VII. Compliance and legal support	359	10,964	399	12,214	381	10,568	466	381	11,034	−18	−1,180
VIII. Administration[1]	155	4,612									
Total	1,554	49,778	1,554	49,778	1,458	41,125	1,660	1,458	42,785	−96	−6,993

[1] Administration positions and funds distributed to remaining programs in President's budget.

FEDERAL POWER COMMISSION

REDUCTION BY OFFICE OF MANAGEMENT AND BUDGET, FISCAL YEAR 1978

[In thousands of dollars]

Object class	1978 to OMB	1978 to Congress	Difference (+) or (−)
11.1 Permanent positions	29,244	29,086	−158
11.3 Positions other than permanent	270	80	−190
11.5 Other personnel compensation	150	150	
11.8 Special personal services payments	25	25	
Total personnel compensation	29,689	29,341	−348
12.1 Personnel benefits	2,743	2,732	−11
21.0 Travel and transportation of persons	1,316	1,150	−166
22.0 Transportation of things	55	46	−9
23.0 Rent, communications, and utilities	5,937	4,215	−1,722
24.0 Printing and reproduction	505	552	+47
25.0 Other services	5,882	3,748	−2,134
26.0 Supplies and materials	947	751	−196
31.0 Equipment	2,704	250	−2,454
Total obligations	49,778	[1] 42,785	−6,993

[1] Includes pay increase of $1,519,000 for personnel compensation, and $141,000 for personnel benefits; not included in 1978 to OMB.

FEDERAL TRADE COMMISSION,
Washington, D.C., February 8, 1977.

Hon. LEE METCALF,
Chairman, Subcommittee on Budgeting, Management and Expenditures, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your January 21, 1977 inquiry. Specifically, you requested that the Commission inform you of any difference between the Commission's fiscal 1978 budget request to the Office of Management and Budget and President Ford's budget as submitted to Congress.

To that end, I am enclosing two tables that show the Commission's fiscal 1977 appropriation, the request to the Office of Management and Budget for fiscal 1978, and President Ford's budget for 1978, by mission and by object classification.

Sincerely,

CALVIN J. COLLIER,
Chairman.

FEDERAL TRADE COMMISSION

ANALYSIS OF RESOURCES BY MISSION

[Dollars in thousands]

Mission	Fiscal 1977 appropriation		Fiscal 1978 Commission request		Fiscal 1978 President's budget	
	Work-years	Amount	Work-years	Amount	Work-years	Amount
Maintaining competition	643	$22,975	719	$26,906	643	$24,168
Consumer protection	674	19,966	737	25,810	674	22,990
Economic activities	140	3,859	157	4,531	140	4,071
Executive direction and policy planning	104	$3,109	[1] 100	$3,366	[1] 104	$3,375
Administration and management	151	4,771	151	5,101	151	4,939
Total	1,712	54,680	1,864	65,714	1,712	59,543

[1] Subsequent to the submission of the budget request to OMB, the Commission reassessed the number of workyears required to administer the Freedom of Information Act; therefore, the number of planned workyears for the executive direction and policy planning mission was increased from 100 to 104.

Note: Figures include the costs associated with the October 1976 pay raise.

FEDERAL TRADE COMMISSION

FISCAL 1978 BUDGET ANALYSIS BY OBJECT CLASSIFICATION

[In thousands of dollars]

Object classification	Fiscal 1977 appropriation	Fiscal 1978 Commission request	Fiscal 1978 President's budget
Salaries	34,555	40,671	36,198
Benefits	3,184	3,791	3,337
Travel	1,820	2,192	1,981
Transportation of things	91	90	60
Rents and communication	6,010	6,952	6,835
Telephone—GSA	460	460	460
Telephone—commercial	75	96	96
Teletype and telegraph	35	34	34
Postage	500	500	500
Rents—ADP	275	270	270
Rents—office equipment	935	1,052	935
Rents—office space	3,340	4,100	4,100
Federal tie-line	390	540	440
Printing	619	650	560
Other services	7,363	9,745	9,209
Building alterations	227	180	180
Equipment repairs	85	80	80
Steno reporting	651	807	784
Tuition and training	125	178	125
Program contracts	5,775	7,500	7,540
Public rulemaking participation	500	1,000	500
Supplies and materials	850	987	850
General office, lab and printing supplies	550	673	550
Library materials	300	314	300
Equipment	188	756	513
Furniture	50	320	205
Equipment—office	138	348	220
Other—lab		88	88
Total	54,680	65,714	59,543

Note: These figures include the cost of the October 1976 pay raise.

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., January 31, 1977.

Hon. LEE METCALF,
Chairman, Subcommittee on Reports, Accounting, and Management, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN METCALF: In response to your letter of January 21, 1977, requesting differences between the Interstate Commerce Commission's own budget estimates and those recently presented to Congress by the President, I am enclosing schedules comparing the two estimates.

I am interested in your statement that legislation is likely to be proposed which will allow for simultaneous transmission of regulatory agencies' budget estimates to the Office of Management and Budget (OMB) and to Congress. As you may be aware, with the enactment of the Railroad Revitalization and Regulatory Reform Act of 1976, the Interstate Commerce Commission has already been given the right to transmit simultaneously its budget to OMB and Congress.

The recommendations prepared by OMB and currently included in the "President's Budget" represent substantial reductions from what we estimate as the minimum resources necessary for meeting our legislative responsibilities and mandates. OMB has recommended a total budget for Fiscal Year 1978 of $61,566,000 for 2,193 positions compared to the Commission's estimate of $67,504,000 for 2,508 positions. The OMB recommendation does not provide the resources needed to eliminate "regulatory lag" nor does it provide the resources necessary to strengthen our consumer protection program activities. I will be pleased to provide you with similar comparisons with the new Administration's budget estimates as soon as that information becomes available.

Sincerely yours,

GEORGE M. STAFFORD,
Chairman.

COMPARISON OF FISCAL YEAR 1978 BUDGET ESTIMATES—INTERSTATE COMMERCE COMMISSION VERSUS OMB ESTIMATES

PROGRAM AND FINANCING

[In thousands of dollars]

	ICC	OMB
Direct programs:		
1. Formal proceedings	29,495	27,572
2. Compliance and enforcement	20,991	19,150
3. Financial oversight	7,590	7,089
4. Tariff examination	4,914	4,852
5. Planning rail services	1,477	1,282
6. Permanent planning	797	714
7. Rail public counsel	2,033	700
8. Depreciation and funds flow analysis	207	207
Total obligations	67,504	[1]61,566
Estimated outlays	68,504	60,566
Permanent positions	2,508	2,193

OBJECT CLASSIFICATION

Personnel compensation:		
Permanent positions	44,010	40,803
Positions other than permanent	204	1,101
Other personnel compensation	422	209
Total personnel compensation	44,635	42,113
Personnel benefits	4,151	3,946
Travel	2,461	1,847
Transportation of things	67	50
Rent, communications, and utilities:		
Standard level users charge	4,259	3,979
Other rent, communications, and utilities	2,898	2,721
Printing and reproduction	442	389
Other services	7,203	5,234
Supplies and materials	694	650
Equipment	694	637
Total obligations	67,504	61,566

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., February 1, 1977.

Hon. LEE METCALF,
Chairman, Subcommittee on Reports, Accounting, and Management, Commitee on Government Operations, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN METCALF: In response to your letter of January 21, 1977, I am enclosing a tabular statement reflecting the variances between the Commission's budget submission to the Office of Management and Budget and the budget estimate recently submitted to Congress which reflects the Presidential allowances. Basically, the reductions shown on this listing can be summarized into two areas, the first of which reflects a reduction in the average amount of time a position can be funded (greater lapse). The second group of reductions is mainly in the area of other expenses and relates primarily to the modernization program presently underway in the Commission. In retrospect, even with these reductions in our original request, sufficient funding is available for continuing the projects as presently contemplated. This determination is supported by the recently completed Five-Year Plan for automation and a review of the planned cycle of accomplishments within this area.

As we have indicated on numerous occasions in prior communications to various Congressional leaders, reasonable men could think that these budget requests are insufficient to carry out the responsibilities of the Commission. To some degree, we must admit that this budget represents a modest request and will necessitate a stringent plan of action on the use of the staff to fulfill these responsibilities. Further complicating our abilities to carry out these functions are the additional burdens placed on us by the passage of the Securities Acts Amendments of 1975.

It is because of these ever-changing and increasing responsibilities that the Commission has determined that effective program management must be centered around an improved automated information system. It is our plan to proceed with this effort in the hopes that we can reduce the time-consuming paperwork process and in addition provide a better management tool for determining the most effective use of staff personnel. Hopefully these improvements will allow the Commission to effectively carry out its responsibilities with the present staffing levels.

In conclusion, we would, of course, not hesitate to submit a supplemental budget request if at any time we were not able to meet our enforcement or other program responsibilities within the present staff allowance. If President Carter's budget estimates to Congress reflect changes in the Commission's budget presently in Congress, we will then inform you of the changes.

Sincerely,

RODERICK M. HILLS,
Chairman.

SECURITIES AND EXCHANGE COMMISSION

COMPARISON OF FISCAL YEAR 1978 BUDGET REQUESTS SUBMITTED TO THE OFFICE OF MANAGEMENT AND BUDGET AND TO CONGRESS

Item	Requested of OMB		Requested of Congress		Variance	
	Man-years	Amount	Man-years	Amount	Man-years	Amount
Permanent positions	2,069	[1]$42,295,650	2,001	$40,714,100	(68)	($1,571,550)
Temporary positions	15	168,500	11	163,000	(4)	(5,500)
Overtime		151,300		151,300		
Subtotal, salary estimate	2,084	42,615,450	2,012	41,028,400	(72)	(1,587,050)
Personnel benefits		[2]4,118,100		3,893,200		(224,900)
Accident compensation		66,200		66,000		(200)
Travel		1,919,700		1,773,600		(146,100)
Transportation of things		39,950		39,950		
Communications and rentals		$6,990,250		$6,491,700		($498,550)
Printing		269,700		252,200		(17,500)
Other services		4,017,100		2,405,650		(611,450)
Supplies		865,750		802,000		(63,750)
Equipment		487,800		537,300		49,500
Subtotal, other expenses		18,774,550		17,261,600		(1,512,950)
Total request	2,084	61,390,000	2,012	58,290,000	(72)	(3,100,000)

[1] For comparability purposes, the sum of $2,181,000 has been added for the cost of the pay increase effective Oct. 10, 1976.

[2] For comparability purposes, the sum of $209,000 has been added for the increased costs associated with the pay increase effective Oct. 10, 1976.

U.S. NUCLEAR REGULATORY COMMISSION,
Washington, D.C., February 3, 1977.

Hon. LEE METCALF,
Chairman, Subcommittee on Reports, Accounting, and Management, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your letter of January 21, 1977, you will find enclosed a table which shows the difference between the Commission's budget requests submitted to the Office of Management and Budget in September and the budget requests submitted to the Congress.

We are currently working with the Office of Management and Budget for budget amendment consideration. We will, as you requested, provide the subcommittee with a comparison of the Commission's budget requests and the Administration's budget requests for the Commission no later than two weeks after President Carter's budget is submitted to the Congress.

Sincerely,

MARCUS A. ROWDEN,
Chairman.

U.S. NUCLEAR REGULATORY COMMISSION—FISCAL YEAR 1978

	Fiscal year—		Fiscal year 1978	
	1976 actual	1977 estimates	Estimates to OMB	Estimates to Congress
BUDGET HISTORY (THOUSANDS)				
Nuclear material safety and safeguards:				
Fuels and materials	$2,884	$5,110	$6,297	$6,082
Safeguards	937	3,627	5,078	4,744
Other	1,739	137	145	145
Subtotal	5,560	8,874	11,520	10,971
Nuclear regulatory research:				
Reactor safety research	74,496	86,454	112,405	106,200
Nonreactor confirmatory research	6,910	12,468	15,675	15,675
Safeguards research	2,831	9,113	10,935	10,935
Subtotal	84,237	108,035	139,015	132,810
Program technical support	1,574	1,800	910	892
Program direction and administration	3,423	4,840	10,285	10,250
Total program support	111,669	148,579	186,665	178,956
Administrative support	11,605	17,549	17,980	17,580
Travel	3,708	4,855	5,505	5,370
Equipment	5,381	8,847	10,280	9,744
Construction	4,874			
Refunds to licensees	2,000			
Total obligations, direct program	199,299	[1] 256,400	303,500	292,150
BUDGET ESTIMATES, PERMANENT POSITIONS				
Nuclear reactor regulation	597	613	642	618
Standards development	132	153	153	153
Inspection and enforcement	507	592	691	666
Nuclear material safety and safeguards	192	264	301	284
Nuclear regulatory research	118	135	162	150
Program technical support	$216	$224	$247	$241
Program direction and administration	527	548	604	583
Total	2,289	2,529	2,800	2,695
BUDGET HISTORY (in thousands)				
Full-time permanent staff	2,289	2,529	2,800	2,695
Personnel compensation	54,988	70,250	76,200	73,800
Personnel benefits	5,074	6,320	6,870	6,700
Program support:				
Nuclear reactor regulation:				
Operating reactors	360	1,885	3,330	3,330
Safeguards	0	500	600	600
Licensing reviews and support	9,543	12,005	10,645	10,377
Subtotal	9,903	14,410	14,575	14,307
Standards development:				
Site standard	1,066	2,048	1,752	1,597
Safeguards	1,050	1,555	1,500	1,500
Fuel cycle	607	532	860	860
Nuclear powerplants	957	1,046	1,210	1,102
Other	680	482	688	688
Subtotal	4,360	5,663	6,010	5,747
Inspection and enforcement:				
Environmental	841	965	1,395	1,395
Safeguards	1,260	1,020	1,065	1,065
Other	511	2,972	1,890	1,519
Subtotal	2,612	4,957	4,350	3,979

[1] This total does not include $200,000 that the Commission requested as a supplemental appropriation for financing intervenors' participation solely in special hearings concerning the generic environmental statement on the use of mixed oxide fuel in light water cooled reactors. This request was disapproved by the administration on Jan. 14, 1977.

CHAPTER 11—TRANSMITTAL OF BUDGET AND LEGISLATIVE PROPOSALS

BUDGETING PROPOSALS

The Budget and Accounting Act of 1921 [1] mandated that the budgets of any Federal "department or establishment" must be submitted to the Budget Bureau (now the Office of Management and Budget). The few independent regulatory agencies then in existence questioned their inclusion under the Act. But the 1939 Reorganization Act removed any doubt the commissions might have had by amending the Budget and Accounting Act to include "any independent regulatory commission or board." [2] Subsequently, the independent regulatory commissions were treated as if they were executive branch agencies for budget and related purposes. The agencies present their budgets to OMB, which usually prunes them before the President transmits the requests to Congress in his budget. Congress does not see the original request of the agency, but only the amended and usually reduced OMB version. Congress often reduces further the agencies' budget requests in the President's budget, thus, allocating to the agencies significantly less than originally requested. This may leave the regulatory commissions without the resources necessary to effectively regulate the industries assigned to them.

As Table 11–1 indicates, Congress sometimes appropriates more than the OMB requests but less than the agencies' original budget. OMB consistently reduces agency budget requests. Congress can justly assume that the President's budget has reduced the original requests of the agencies without even seeing the agency request to OMB. Apparently, the appropriations committees have worked upon this assumption, though at times they appropriated a sum identical to OMB's request or even reduced that request.

Footnotes at end of article.

TABLE 11–1

Fiscal year	Agency request	OMB request	Percent agency request reduced (increased if preceded by +)	Appropriations Committee			Percent OMB request reduced (increased if preceded by +)
				House	Senate	Enacted	
Civil Aeronautics Board:							
1973	15,356	14,123	8.03	14,123	14,123	14,173	+0.35
1974	16,252	14,767	9.13734	14,767	14,767	14,767	
1975	17,419	17,283	.78076	17,150	17,150	17,150	.77
1976	20,438	19,400	5.08	18,995	18,995	19,295	.54
1977	21,556	21,654	.45	21,450	21,450	21,450	.94
Consumer Product Safety Commission:							
1973							
1974	30,900	30,900		30,900	30,900	30,900	
1975	42,819	42,819		36,219	42,569	[1] [28,269]	10.63
		42,819		37,454	37,454	37,454	12.53
1976	49,237	36,595	25.68	42,790	40,849	41,820	+14.28
1977	54,870	37,000	32.57	41,100	37,000	39,000	+5.41
Environmental Protection Agency:							
1973	452,000	453,014	+0.22	401,014	495,514	471,014	+3.97
1974	435,000	494,000	+13.56	532,700	572,700	546,700	+10.67
1975	594,500	677,200	+13.91	644,250	723,550	[672,250]	.73
		677,200		642,120	642,125	672,125	5.18
		54,000		54,000	54,000	54,000	
1976	888,400	742,800	16.39	768,520	766,520	771,520	+3.87
1977	919,020	817,192	21.85	1,000,705	968,405	973,405	+35.54
Federal Communications Commission:							
1973	38,046	34,173	10.18	34,173	34,173	34,173	
1974	43,840	36,860	15.92	39,860	39,860	39,860	+8.14
1975	48,260	46,847	2.93	46,900	46,900	46,900	+.11

Fiscal year	Agency request	OMB request	Percent agency request reduced (increased if preceded by +)	Appropriations Committee			Percent OMB request reduced (increased if preceded by +)
				House	Senate	Enacted	
1976	51,885	49,820	3.98	49,500	49,500	49,500	.64
1977	58,334	51,448	11.80	51,448	57,945	54,696	+6.31
Federal Energy Administration:							
1973							
1974							
1975							
1976	NA	112,435		98,388	158,245	149,992	+33.40
1977	351,300	193,157	45.02	145,298	185,220	150,385	22.14
Federal Maritime Commission:							
1973	5,800	5,679	5.09	5,679	5,679	5,679	
1974	6,871	6,040	12.09	6,000	6,000	6,000	6.61
1975	7,560	7,382	2.35	7,300	7,300	7,300	1.1
1975	7,560	7,382	2.35	7,300	7,300	7,300	1.11
1976	8,276	7,915	4.36	7,840	7,840	7,840	.95
1977	9,026	8,309	7.94	8,300	8,300	8,300	.11
Federal Power Commission:							
1973	27,529	23,890	13.22	23,500	23,500	23,500	1.63
1974	27,812	27,163	2.33	27,700	27,700	27,000	.60
1975	36,310	32,393	10.79	32,100	32,100	32,100	.90
1976	47,240	35,910	23.98	35,610	35,610	35,610	.84
1977	48,124	41,582	13.59	41,582	41,582	41,584	
Federal Trade Commission:							
1973	30,428	28,354	6.82	30,474	30,474	30,474	+7.48
1974	37,080	30,090	18.85	29,600	32,090	30,600	+1.69
1975	39,835	38,104	4.35	37,034	38,848	[1] [38,043]	.16
		38,379	3.66	37,898	37,898	37,898	1.25
1976	50,966	45,649	10.43	45,927	45,927	45,927	.61
1977	57,837	53,073	8.24	52,700	52,700	52,700	.70
Food and Drug Administration:							
1973	157,200	(153,423)	2.40	(159,623)	159,623	159,623	+4.04
1974	237,200	166,140	29.96	166,140	168,590	168,590	+1.47
1975	208,600	200,056	4.10	199,206	199,206	[199,206]	.42
		200,056	4.10	196,356	196,356	196,356	1.85
1976	228,700	203,460	11.04	202,805	202,805	202,805	.32
1977	256,600	242,618	5.45	239,796	255,530	245,102	+1.02
Interstate Commerce Commission:							
1973	37,485	31,660	15.54	33,120	33,120	33,120	+4.61
1974	46,315	35,000	24.43	34,750	34,750	34,750	.71
1975	44,365	43,300	2.40	43,000	43,000	43,000	.69
1976	52,135	49,970	4.15	49,130	69,630	49,330	1.28
1977	58,967	55,976	5.07	56,400	57,036	57,036	+1.89
National Highway Traffic Safety Administration (104):							
1973	63,805	48,268	24.35	43,000	45,673	44,185	8.46
1974	64,090	56,882	11.25	44,632	49,757	44,757	21.32
1975	95,962	84,500	11.94	71,350	80,040	73,445	13.08
1976	78,775	72,150	8.41	66,850	67,440	66,850	7.35
1977	98,660	73,980	25.02	68,000	74,826	72,326	2.24
National Labor Relations Board:							
1973	49,043	50,456	+2.88	50,456	50,456	[50,456]	
		50,456		50,456	50,456		
1974	55,081	55,050	.06	55,050	55,055	55,050	
1975	62,378	61,400	1.57	60,980	60,980	60,980	.68
1976	68,493	68,499	+.01	67,461	68,071	67,766	1.07
1977	78,579	78,204	.48	77,776	78,204	77,776	.55
National Transportation Safety Board:							
1973	10,480	7,785	25.72	7,700	8,285	7,785	
1974	10,800	8,000	25.93	7,975	7,975	7,975	.31
1975	10,225	9,536	6.74	9,450	9,450	9,450	.90
1976	11,950	10,175	14.85	11,110	11,950	11,260	+10.66
1977	16,500	12,000	27.27	13,800	13,800	13,800	+15.00
Nuclear Regulatory Commission:							
1973							
1974							
1975							
1976	219,935	219,935		202,500	215,423	215,423	2.05
1977	333,306	249,430	25.16	244,430	244,430	244,430	2.00
Occupational Safety and Health Administration:							
1973	67,500	69,207	+2.53	69,207	80,000	[1] [72,207]	+4.33
		69,207		69,207	72,207		
1974	79,124	69,836	10.61	69,318	73,400	70,408	+.82
1975	120,604	102,500	15.01	100,816	105,206	102,006	.48
1976	156,494	116,025	25.86	108,221	118,221	116,221	+.17
1977	127,970	130,820	+2.23	129,833	134,333	130,333	.37
Securities and Exchange Commission:							
1973	32,330	29,761	7.95	29,761	29,761	29,761	
1974	34,027	31,210	8.28	34,027	34,027	34,027	+9.03
1975	45,349	42,131	7.10	43,077	43,077	43,077	+2.25
1976	51,577	47,187	8.51	46,885	48,885	47,885	+1.48
1977	54,822	53,098	3.14	53,000	53,000	53,000	.18

[1] Vetoed.

Source: Congressional Research Service, Oct. 28, 1976.

Senator Metcalf introduced in 1975 (94th Cong., 1st sess.) S. 363, a bill providing that seven independent regulatory commissions transmit their budget estimates and requests to the Congress and executive branch concurrently.[3] S. 363, which did not become law, made it clear that the requests must be the independent views of the appropriate agency and cannot be changed at the direction of any government agency, though consultations with other agencies is not prohibited. The bill also would have required that the President's budget set forth the original budget estimates or requests transmitted to OMB by all of the commissions. Thus, the President may alter the original budget requests of the commissions as long as he includes their original, unaltered requests within the budget document. This procedure allows Congress to conveniently weigh both the commissions' view of the funds necessary to perform its duties and the overall recommendations of the President.

The Executive Office of the President argues that advance submission of budget requests to the Congress would "hinder the President's responsibility to submit a unified, comprehensive budget to Congress."[4] The Executive office noted that,

The present process by which the budget submission is put together is designed to achieve the maximum practicable objective analysis of the government's fiscal needs to accomplish overall national objectives. This practice entails the submission to OMB of each agency's budget, as perceived from its narrow point of view. Since the budgets and programs of other agencies and programs of the government closely relate to those of the regulatory agencies, it is OMB's responsibility to coordinate those activities which are supportive of each other.[5]

It was also argued that if budget decisions "are to reflect the best objectives of the Executive, they must be made in an atmosphere free from the pressure of special interests which may accompany advance disclosures."[6] The Executive Office of the President also said that existing OMB policies—expressed in OMB Circular No. A-10—provide that after the President's budget has been transmitted to Congress, the heads of agencies will provide information concerning their budget requests when solicited by Congress or congressional committees.[7]

But these claims are unfounded. Concurrent budget submissions would not deny the President his overall review of proposed programs and agencies; he would still receive the agencies' requests and OMB recommendations. Similarly the President's responsibility to submit a unified, comprehensive budget to Congress would be unaffected. All that concurrent transmittal would require is that the present process of providing the information on agency budget requests be formalized and accelerated. In the words of the Senate Commerce Committee's Report on S. 3308: "*** the unique position of the independent regulatory agencies, and the unique responsibility of the Congress which created them, require that there be no impediment to communication between the agencies and Congress."[8] The Committee believed that agency independence was severely limited if they were not free to transmit their original budget estimates, requests and justifications directly to Congress for Congressional evaluation pursuant to the appropriations process. The Committee concluded, however, that at the same time the executive branch would be informed of the agencies' budget requests "which it may wish to counter through its own legislative recommendations, testimony, or comments on legislation."

Footnotes at end of article.

Congress has taken some action in obtaining simultaneously with the President's budget the original budget requests from certain agencies. The Consumer Product Safety Act of 1972 [8] which established the Consumer Product Safety Commission, and the Commodity Futures Trading Commission Act of 1974, both provided for concurrent submittal of agency budgets, the former to the Congress and the latter to the appropriate committees of Congress. Additionally, the Federal Trade Commission Act was amended in the 94th Congress to provide for the concurrent submittal of the FTC budget.[10]

Though the concurrent budget transmittal provision of the Consumer Product Safety Act (Section 27(k)) has not been in effect long enough to assess its merit, it is noteworthy that the Senate Appropriations Committee allotted CPSC over $4 million less than its independent budget requested. (The Committee's allocation paralleled the President's budget outlay for the CPSC). Thus, CPSC's concurrent transmittal did not have excessive influence with the Committee.

Even if the agencies do not benefit from larger appropriations, though, there is still merit in requiring concurrent budget transmittal. Most subcommittees may informally obtain the agencies' original budget requests and justifications, but not all bother to do so. Those subcommittees which do not presently review the agencies' original budget request may find the estimates helpful when presented with them. There is no reason why this information cannot be presented to the Congress in a systematic, open fashion. Therefore, it is recommended that concurrent budget transmittal be instituted for the "independent" regulatory agencies.

TRANSMITTAL OF LEGISLATIVE PROPOSALS

Since the mid-1930s independent agency *legislative* proposals have been submitted to the Congress via the Bureau of the Budget (OMB) OMB reviews the reports and legislative recommendations in light of the President's policy objectives.[11] OMB will frequently effect various revisions. Although this procedure has been in effect for approximately forty years, no statutory authority exists for this practice.

The problem with this custom is that Congress may then be deprived of the uncensored views of the independent agencies. Furthermore, there is probably less justification for this practice than submission of agency budgets to OMB; much less than the President's budget process is at stake.

As with the budget proposals, the committee believes that Congress should be able to receive an uncensored view of what each independent agency perceives to be desirable legislative action. The Committee, therefore, recommends that independent agencies be required to submit their legislative proposals to Congress at the same time they apprise OMB of their ideas.

Recommendations: The Congress should enact legislation requiring concurrent submission of budget and legislative proposals by the independent regulatory agencies to the Congress and OMB.

FOOTNOTES

Public Law 13—67th Congress.

[2] Public Law 19—76th Congress.

[4] Senator Metcalf had introduced similar bills in previous Congresses. See, e.g., S. 704 (93d Cong.). Other bills in the 94th Congress containing similar provisions were S. 857, S. 2925, and S. 3308 (94th Cong.).

[5] Regulatory Commission's Independence Act, S. 704, Compendium of Materials, prepared by the Subcommittee on Budgeting Management and Expenditures of the Senate Comm. of Government Operations, 93d Cong., 2d sess., Sept. 1974, p. 129.

[6] *Id.*

[7] The Justice Department raised some questions as to the constitutionality of S. 704 and the concurrent budget transmittal provision. The Department argued that,

". . . Congress, in effect, is interfering with the Executive's Article II. Section 3, right to recommend legislative programs or 'such Measures as he shall judge necessary and expedient' and his obligation to 'take Care that the Laws be faithfully executed.' Both of these Article II. Section 3 executive functions require that the Chief Executive retain a measure of managerial control over administrative bodies within the Executive Branch. Legislation designed to deny the Executive the control he requires to manage the Executive Branch and to coordinate its functions to formulate Executive policy, to seek implementation of an Administration's legislative program, and to execute the laws through effective supervision of Government litigation is of questionable constitutional validity under Article II and the doctrine of the separation of powers." Regulatory Reform—1974, Hearings before the Senate Committee on Government Operations, 93d Cong., 2d Sess., Nov. 1974. Part 1, pp. 24–41 (letter to Senator Ervin from Assistant Attorney General Rakestraw).

The Justice Department's argument, however, misses the mark. These are not agencies "within the Executive branch". The independent commissions were intended to be free from Executive control, and the Supreme Court has respected Congress determination. In describing such an independent agency the Court said ". . . [a] body . . . shall be independent of executive authority, except in its selection, and free to exercise its judgment without the leave or hindrance of any other official or any department of the government." *Humphrey's Executor* v. *United States*, 295 U.S. 602, 625–26 (1935).

[8] Interim Regulatory Reform Act of 1976. Report of the Senate Commerce Committee on S. 3308, 94th Cong., 2 sess., S Rept. No. 94–838, May 13, 1976, p. 5.

[9] Public Law 92–573.

[10] Magnuson-Moss Warranty—Federal Trade Commission Improvement Act, Public Law 94–637.

[11] MacIntyre, "The Status of Regulatory Independence," 29 Fed. Bar J. 1, 10 (Winter, 1969).

OFFICIAL CONDUCT AMENDMENTS OF 1977

Mr. NELSON. Mr. President, the Special Committee on Official Conduct yesterday reported unanimously Senate Resolution 110. Each Senator has received a copy of the resolution and the report of the Special Committee.

Title I of Senate Resolution 110 proposes a new Senate Code of Official Conduct, to be incorporated in the Standing Rules of the Senate. Title II proposes amendments to Senate Resolution 338, the basic charter of the Select Committee on Ethics, to set forth procedures for enforcing the Code of Official Conduct and other rules, regulations or laws within the jurisdiction of the Ethics Committee. Title III proposes a number of studies by other committees of the Senate on issues touched upon by the Special Committee which the committee did not have the time or the jurisdiction to fully resolve.

The Special Committee ordered Senate Resolution 110 to be reported on February 24. Since the new members of the Ethics Committee were not designated until recently, the special committee was unable to benefit, prior to February 24, from the advice of the committee which would actually be responsible for implementing the code. Consequently, the ad hoc drafting subcommittee of the special committee had several meetings with Senators STEVENSON and SCHMITT, the chairman and ranking minority member of the Ethics Committee, and the joint leadership, to discuss the implementation of the code as drafted.

The concerns expressed by Senators STEVENSON and SCHMITT were valuable, and it is the belief of the members of the drafting subcommittee that the concerns can be accommodated without changing the basic scope, character and objectives of Senate Resolution 110. For that reason, a resolution in the nature of a substitute has been prepared and unanimously agreed to by the members of the drafting subcommittee, Senators THURMOND, RIBICOFF, JAVITS, CLARK, PACKWOOD, and myself. When the Senate takes up Senate Resolution 110, it is our intention to offer this substitute and request unanimous consent that it be considered as original text.

Mr. President, I ask unanimous consent that the following be printed in full in the RECORD: First, Senate Resolution 110, as reported by the special committee; second, an outline of the differences between Senate Resolution 110 as reported and the proposed substitute; and third, the proposed substitute.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. RES 110

Resolution to establish a Code of Official Conduct for the Members, officers, and employees of the United States Senate; and for other purposes

Resolved, That this resolution may be cited as the "Official Conduct Amendments of 1977".

TITLE I—CODE OF OFFICIAL CONDUCT

SEC. 101. The Standing Rules of the Senate are amended—

(1) by striking out rules XLI, XLII, XLIII, and XLIV; and

(2) by renumbering rule XLV as rule XLI, and by adding after such rule the following new rules which shall be known as the "Senate Code of Official Conduct":

"RULE XLII

"PUBLIC FINANCIAL DISCLOSURE

"1. (a)(1) Each individual who for a period in excess of ninety days during a calendar year is a Senator, or an officer or employee of the Senate who is compensated at a rate in excess of $25,000 a year, shall file a report containing a full and complete financial statement for that calendar year.

"(2) Each employee designated under rule XLIX to handle campaign funds during any calendar year shall file a full and complete financial disclosure statement for that calendar year.

"(b) Each individual described in subparagraph (a) who during any calendar year ceases to occupy an office or position described in such paragraph shall file a report containing a full and complete financial statement for that portion of such year beginning on January 1 and ending on the date on which he ceases to occupy such office or position.

"(c) Any individual who seeks nomination for election, or election, to the office of United States Senator shall file in any year in which such individual has—

"(1) taken the action necessary under the law of a State to qualify for nomination for election, or election, or

"(2) received political contributions or

made expenditures, or has given consent for any other person to receive political contributions or make expenditures, with a view to bringing about such individual's nomination for election, or election, to such office, a report containing a full and complete financial statement for the preceding calendar year.

"(d) The Secretary of the Senate shall submit annually to the Select Committee on Ethics (hereinafter referred to as the "Select Committee") a complete list of Members, officers, and employees of the Senate who are required to file a report under this paragraph and shall submit at the close of each calendar quarter a list of individuals required to file such report who have begun or terminated employment with the Senate or been designated pursuant to rule XLIX.

"2. Each individual shall include in each report for each calendar year for which he is required to file a report under paragraph 1 a full and complete statement, in such manner and form as the Select Committee shall prescribe, which contains the following:

"(a)(1) the amount and the identity of each source of earned income (exclusive of honoraria) received during such calendar year which exceeds $100 in amount or value:

"(2) the identity of the source, the amount, and the date, of each honorarium received during such calendar year and an indication of which honoraria, if any, were donated to a charitable organization pursuant to paragraph 2(c) of rule XLIV; and

"(3) the identity of each source of income (other than earned income) received during such calendar year which exceeds $100 in amount or value, and an indication of which of the following categories the amount of value of such item of income is within:

"(A) not more than $1,000,

"(B) greater than $1,000 but not more than $2,500,

"(C) greater than $2,500 but not more than $5,000,

"(D) greater than $5,000 but not more than $15,000,

(E) greater than $15,000 but not more than $50,000,

"(F) greater than $50,000 but not more than $100,000, or

"(G) greater than $100,000.

"(4) For purposes of clauses (1) and (3), any gift described in subparagraphs (b) and (c) of this paragraph shall not be considered as income.

"(b) The identity of the source, a brief description of, and the value of any gifts of transportation, lodging, food, or entertainment aggregating $250 or more provided by any one source other than a relative during the calendar year except that any food, lodging, or entertainment received as part of the personal hospitality of any individual need not be reported.

"(c) The identity of the source, a brief description of, and the value of all other gifts aggregating $100 or more from any one source other than a relative during the calendar year.

"(d) Gifts with a fair market value less than $35 need not be aggregated for the purposes of subparagraphs (b) and (c) of this paragraph.

"(e)(1) The identity and category of value of each item of real property held, directly or indirectly, during such calendar year which has a fair market value in excess of $1,000 as of the close of such calendar year; and

"(2) the identity and category of value of each item of personal property held, directly, or indirectly, during such calendar year in a trade or business or for investment or the production of income which has a fair market value in excess of $1,000 as of the close of such calendar year.

"(f) The identity and category of value of each personal liability owed, directly or indirectly, which exceeds $2,500 at any time during such calendar year.

"(g) The identity, date, and category of value of any transaction, directly or indirectly, in securities of commodities futures during such calendar year exceeding $1,000, except that (1) any gift to any tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code of 1954 involving such a transaction need not be reported, and (2) any transaction solely by and between the reporting individual, his spouse, and dependents need not be reported.

"(h)(1) The identity, date, and category of value of any purchase, sale, or exchange, directly or indirectly, of any interest in real property during such calendar year if the value of the property involved in such purchase, sale, or exchange exceeds $1,000 as of the date of such purchase, sale, or exchange.

"(2) For the purposes of subparagraph (e)(1) of this paragraph and clause (1) of this subparagraph the identity of an item of real property shall include the number of acres of property (if there is more than one acre), the exact street address (except with respect to a personal residence of a reporting individual), the town, county, and State in which the property is located, and if there are substantial improvements on the land, a brief description of the improvements (such as "office building").

"(i) Any patent right or any interest in any patent right, and the nature of such patent right, held during such calendar year.

"(j) The identity of all positions held as an officer, director, trustee, partner, adviser, proprietor, agent, employee, or consultant of any corporation, company, firm, partnership, or other business enterprise, any nonprofit organization, and any educational or other institution.

"(k) A description of, the parties to, and the terms of any contract, promise, or other agreement between such individual and any person with respect to his employment after such individual ceases to occupy an office or position described in paragraph 1, including any agreement under which such individual is taking a leave of absence from an office or position outside of the United States Government in order to occupy an office or position described in paragraph 1, and a description of and the parties to any agreement providing for continuation of payments or benefits from a prior employer other than the United States Government.

An officer or employee of the Senate required to file a report under paragraph 1 shall include in such report the identity of any person, other than the United States Government, who paid such individual compensation in excess of $5,000 in any of the two calendar years prior to such calendar year and the nature and term of the services such individual performed for such person. The preceding sentence shall not require any individual to include in such report any information which is considered confidential as a result of a privileged relationship, established by law, between such individual and any person nor shall it require an individual to report any information with respect to any person for whom services were provided by any firm or association of which such individual was a member, partner, or employee unless such individual was directly involved in the provision of such services.

"3. (a) For purposes of subparagraphs (e) through (h) of paragraph 2, an individual need not specify the actual amount or value of each item required to be reported under such subparagraphs, but such individual shall indicate which of the following categories such amount or value is within:

"(1) not more than $5,000.

"(2) greater than $5,000 but not more than $15,000,

"(3) greater than $15,000 but not more than $50,000,

"(4) greater than $50,000 but not more than $100,000,

"(5) greater than $100,000 but not more than $250,000,

"(6) greater than $250,000 but not more than $500,000,

"(7) greater than $500,000 but not more than $1,000,000,

"(8) greater than $1,000,000 but not more than $2,000,000,

"(9) greater than $2,000,000 but not more than $5,000,000, or

"(10) greater than $5,000,000.

"(b) For the purposes of subparagraph (e) of paragraph 2, if the current value of an interest in real property (or an interest in a real estate partnership) is not ascertainable without an appraisal, an individual may list the purchase price of the interest in the real property at the time of purchase and the date of purchase instead of specifying a category of value pursuant to subparagraph (a) of this paragraph. If the current value of any other item required to be reported under subparagraph (e) of paragraph 2 is not ascertainable without an appraisal, such individual may list the book value of a corporation whose stock is not publicly traded, the net worth of a business partnership, the equity value of an individually owned business, or with respect to other holdings, any recognized indication of value but such individual shall include in his report a full and complete description of the method used in determining such value.

"(c)(1) For the purposes of subparagraphs (a) through (j) of paragraph 2, a reporting individual shall, subject to clauses (2) and (3) of this subparagraph, also report the interests of the spouse or dependents of that individual.

"(2) For the purposes of subparagraphs (a) through (c) of paragraph 2, the individual need only report the source, not the amount, of any earned income over $1,000 or gifts over $100 ($250 in the case of transportation, lodging, food, or entertainment) received solely by his spouse or dependents, but with respect to earned income, if his spouse or dependents are self-employed in his or her own business or profession, only the nature of such business or profession need be reported.

"(3) No report shall be required with respect to the interests of a spouse living separate and apart from the reporting individual.

"(d)(1) The holdings of and income from a trust or other financial arrangement, whether 'blind' or not, whether or not created by or under the control of the reporting Senator, officer, or employee or the spouse or dependents of such reporting individual must be publicly reported according to the provisions of paragraph 2, except that the identity of the holdings and the sources of a trust's income need not be disclosed if—

"(A) the trust was not created directly or indirectly by the reporting individual, his spouse, or dependents,

"(B) the reporting individual, his spouse, and dependents have no knowledge of the contents or sources of income of the trust, and

"(C) the reporting individual has requested the trustee to provide information with respect to the holdings and sources of income of the trust and the trustee refuses to disclose the information.

However, where the identity of the holdings and the sources of income of a trust need not be disclosed, the reporting individual must list the category of the net cash value of his interest in the total trust holdings under subparagraph (e) of paragraph 2, and must list the category of the amount of the in-

come from the trust under subparagraph (a) (3) of paragraph 2.

"(2) Since it is the policy of the United States Senate that Senators, and officers and employees of the Senate make full and complete public financial disclosure of financial holdings, it is the sense of the Senate that trusts established for the purpose of being 'blind trusts', whether revocable or irrevocable, shall be dissolved by the creating party to permit the disclosures required by this rule.

"(e) An individual only is required to report information within his knowledge; however, it is the responsibility of a reporting individual to exercise reasonable diligence to obtain the information necessary to comply with this rule.

"4. (a) Each individual required to file a report under paragraph 1(a) for any calendar year shall file such report with the Secretary of the Senate not later than May 15 of the next year.

"(b) Each individual required to file a report under paragraph 1(b) for a portion of a year shall file such report with the Secretary of the Senate on the last day he occupies an office or position described in paragraph 1 during such year.

"(c) Each individual required to file a report under paragraph 1(c) shall file such report with the Secretary of the Senate not later than the thirtieth day following the day on which such individual first fulfills the filing requirements of such paragraph during such year or May 15 of that year, whichever is later.

"(d) A copy of each report filed under subparagraphs (a), (b), and (c) shall be provided to the Select Committee by the Secretary of the Senate.

"(e) Each Senator and each individual required to report under paragraph 1(c) shall cause his financial disclosure statement to be filed as a public document with the Secretary of State (or, if there is no Office of Secretary of State, the equivalent State offices) in the State which the Senator represents or in which he is a candidate for the poistion of Senator.

"(f) The Select Committee may grant one or more reasonable extensions of time for filing any report but the total of such extensions shall not exceed ninety days.

"(g) The Comptroller General shall provide assistance in completing any reports required under this rule when requested by a Member, officer, or employee of the Senate.

"5. (a) Except as provided in this paragraph, the Secretary of the Senate shall make each report filed with him under this rule available to the public within fifteen days after the receipt of such report, and shall provide a copy of any such report to any person upon a written request.

"(b) The Secretary of the Senate may require any person receiving a copy of any report under subparagraph (a) to supply his name and address and the name of the person or organization, if any, on whose behalf he is requesting such copy and to pay a reasonable fee in any amount which the Secretary of the Senate finds necessary to recover the cost of reproduction or mailing of such report excluding any salary of any employee involved in such reproduction or mailing. The Secretary of the Senate may furnish a copy of any such report without charge or at a reduced charge if he determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the public.

"(c) Any report received by the Secretary of the Senate shall be held in his custody and made available to the public for a period of seven years after receipt by the Secretary of the Senate of such report. After such seven-year period, the Secretary of the Senate shall destroy any such report.

"(d) The Select Committee shall review all financial statements filed pursuant to paragraph 1 to determine whether such statements are filed in a timely manner and are complete and in proper form.

"(e)(1) The Comptroller General shall, under such regulations as he may prescribe, and which are approved by the Select Committee, conduct, on a random basis, audits of approximately 5 per centum of the reports filed with the Secretary of the Senate (other than those filed by a Member of the Senate).

"(2) The Comptroller General shall, during each six-year period beginning after the date of enactment of this Act, audit at least one report filed by each Member of the Senate except that no such audit shall take place during the calendar year such Member is up for reelection.

"(3)(A) In conducting an audit under clause (1) or (2), the Comptroller General is authorized to request that the Select Committee issue a subpena to require the production of books, papers, and other documents.

"(B) The Comptroller General may use outside consultants to assist him in his responsibilities under this subparagraph.

"(4) The Comptroller General shall transmit the findings of each audit to the Select Committee and the individual being audited.

"6. (a) Each individual who is required to file a financial statement under paragraph 1 for any calendar year shall file with the Comptroller General, in a sealed envelope, a report containing a copy of the returns of taxes, declarations, statements, other documents, and amendments thereto, which he, or he and his spouse jointly, or any fiduciary (regarding income received on behalf of such individual), made for such year in compliance with the income tax provisions of the Internal Revenue Code of 1954. Such report shall be filed not later than the date on which such individual is required to file a financial statement under paragraph 1.

"(b) Except as otherwise provided by this paragraph, all papers filed with the Comptroller General under this paragraph shall be kept by the Comptroller General for not less than seven years, and while so kept shall remain sealed. Upon receipt of a resolution of the Select Committee, adopted by a recorded majority vote of the members of the Select Committee, requesting the transmission to the Select Committee of any of the reports filed by an individual under this rule, the Comptroller General shall transmit to the Select Committee the envelopes containing such reports. Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the Select Committee such envelope may be opened and the contents thereof may be examined only by members of the Select Committee in executive session. If, upon such examination, the Select Committee determines that further consideration by the Select Committee is warranted and is within the jurisdiction of the Select Committee, it may make the contents of any such envelope available for any use by any member of the Select Committee, or any member of the staff of the Select Committee, which is required for the discharge of his official duties. The Select Committee may receive the papers as evidence, after giving to the individual concerned due notice and opportunity for hearing in a closed session. The Comptroller General shall report to the Select Committee not later than the 1st day of June in each year the names of Senators, officers, and employees who have filed a report. Any paper which has been filed with the Comptroller General for longer than seven years, in accordance with the provisions of this paragraph, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of service of a Member of the Senate or an officer or employee of the Senate, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such death or termination of service unless the Select Committee directs that such papers be returned at a later date.

"(c) Notwithstanding the provisions of subparagraph (b), the Comptroller General, after giving notice to the individual being audited, may examine the material filed pursuant to this paragraph for the purpose of conducting an audit as required under paragraph 5(e).

"(d) Whenever in any criminal case pending in any competent court in which a Member, officer, or employee of the Senate is a defendant, or in any proceeding before a grand jury of any competent court in which alleged criminal conduct of the Member, officer, or employee of the Senate is under investigation, a discovery order of such court is served upon the Comptroller General directing him to appear and produce any reports filed pursuant to this rule, the Comptroller General shall—

"(1) within a reasonable time prior to appearing in response to such discovery order of such court, notify the individual whose report is requested of the receipt of the discovery order of such court,

"(2) if such report is in a sealed envelope, unseal the envelope containing such report and have an authenticated copy made of such report, replace such report in such envelope and reseal it, and note on such envelope that it was opened pursuant to this clause in response to a discovery order of such court, a copy of which shall be attached to such envelope, and

"(3) appear in response to such discovery order of such court and produce the authenticated copy so made.

For purposes of this subparagraph, the term 'competent court' means a court of the United States, a State, or the District of Columbia which has general jurisdiction to hear cases involving criminal offenses against the United States, such State, or the District of Columbia, as the case may be; and the term 'discovery order' includes a subpena approved by a competent court.

"7. As used in this rule—

"(a) the term 'commodity future' means commodity future as defined in sections 2 and 5 of the Commodity Exchange Act as amended (7 U.S.C. 2 and 5);

"(b) the term 'Comptroller General' means the Comptroller General of the United States;

"(c) the term 'dependent' has the meaning set forth in section 152 of the Internal Revenue Code of 1954;

"(d) the term 'earned income' means outside earned income (as defined in rule XLIV) and any salary disbursed to an individual by the Secretary of the Senate;

"(e) the term 'gift' means a payment, subscription, advance, forebearance, rendering, or deposit of money, services, or anything of value, including food, lodging, transportation, or entertainment, and reimbursement for other than necessary expenses, unless consideration of equal or greater value is received, but shall not include (1) a political contribution otherwise reported as required by law, (2) a loan made in a commercially reasonable manner (including requirements that the loan be repaid and that a reasonable rate of interest be paid), (3) a bequest, inheritance or other transfer at death, or (4) anything of value given to a spouse or dependent of a reporting individual by the employer of such spouse or dependent in recognition of the service provided by such spouse or dependent;

"(f) the term 'income' means gross income as defined in section 61 of the Internal Revenue Code of 1954;

"(g) the term 'employee of the Senate' means an individual whose salary is disbursed by the Secretary of the Senate;

"(h) the term 'political contribution' means a contribution as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431);

"(i) the term 'political expenditure' means an expenditure as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431);

"(j) the term 'relative' means, with respect to a person required to file a report under this rule, an individual who is related to the person as father, mother, son, daughter, brother, sister, uncle, aunt, great uncle, great aunt, first cousin, nephew, niece, husband, wife, grandfather, grandmother, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of the spouse of the person reporting;

"(k) the term 'security' has the meaning set forth in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b); and

"(l) the term 'transactions in securities and commodities futures' means any acquisition, transfer, or other disposition involving any security or commodity.

"RULE XLIII

"GIFTS

"1. No Member, officer or employee of the Senate, shall solicit or accept a present or future gift, favor, service, or anything of value from any person, business, or other entity under circumstances where he knows by the exercise of ordinary care that such gift, favor, service, or thing of value will, might tend to, or is intended to affect the present or future performance of official duties.

"2. (a) No Member, officer, or employee of the Senate, or the spouse or dependent thereof, shall knowingly accept or knowingly permit his spouse or dependent to accept, directly or indirectly, any gift or gifts having an aggregate value exceeding $100 during a calendar year directly or indirectly from any person, organization, or corporation having a direct interest in legislation before the Congress or from any foreign national.

"(b) For purposes of subparagraph (a), only the following shall be deemed to have a direct interest in legislation before the Congress:

"(1) a person, organization, or corporation registered under the Federal Regulation of Lobbying Act of 1946, or any successor statute, a person who is an officer or director of such a registered lobbyist, or a person who has been employed or retained by such a registered lobbyist for the purpose of influencing legislation before the Congress; or

"(2) a corporation, labor organization, or other organization which maintains a separate segregated fund for political purposes (within the meaning of section 321 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b)), a person who is an officer or director of such corporation, labor organization, or other organization, or a person who has been employed or retained by such corporation, labor organization, or other organization for the purpose of influencing legislation before the Congress.

"(c) The prohibitions of this subparagraph do not apply to gifts—

"(1) from relatives;

"(2) with a value of less than $35;

"(3) of personal hospitality of an individual.

"3. For purposes of this rule—

"(a) the term 'gift' means a payment, subscription, advance, forebearance, rendering, or deposit of money, services, or anything of value, including food, lodging, transportation, or entertainment, and reimbursement for other than necessary expenses, unless consideration of equal or greater value is received, but shall not include (1) a political contribution otherwise reported as required by law, (2) a loan made in a commercially reasonable manner (including requirements that the loan be repaid and that a reasonable rate of interest be paid), (3) a bequest, inheritance, or other transfer at death, (4) a bona fide award presented in recognition of public service and available to the general public, (5) a reception at which the Member, officer, or employee is to be honored, provided such individual receive no other gifts that exceed the restrictions in this rule, other than a suitable memento, or (6) anything of value given to a spouse or dependent of a reporting individual by the employer of such spouse or dependent in recognition of the service provided by such spouse or dependent; and

"(b) The term 'relative' has the same meaning given to such term in paragraph 7(j) of rule XLII.

"4. If a Member, officer, or employee, after exercising reasonable diligence to obtain the information necessary to comply with this rule, unknowingly accepts a gift described in paragraph 2, such Member, officer, or employee shall, upon learning of the nature of the gift and its source, return the gift or, if it is not possible to return the gift, reimburse the donor for the value of the gift.

"RULE XLIV

"OUTSIDE EARNED INCOME

"1. During the period of service in a calendar year of a Senator, or of an officer or employee of the Senate compensated at a rate exceeding $35,000 a year and employed for more than ninety days in a calendar year (unless hired on a per diem basis), the aggregate amount of the outside earned income of such individual for such period shall not exceed 15 per centum of—

"(1) the aggregate amount of the salary of such an officer or employee disbursed by the Secretary of the Senate during such period; and

"(2) in the case of a Senator, the aggregate amount of base salary paid to Senators and disbursed by the Secretary of the Senate for that period.

"2. (a) A Senator shall not receive honoraria in excess of $1,000 for each appearance, speech, or article.

"(b) An officer or employee of the Senate covered by paragraph (1) shall not receive honoraria in excess of—

"(1) $300 for each appearance, speech, or article, and

"(2) $1,500 in the aggregate in any one calendar year.

"(c) Notwithstanding the limitations under paragraph 1 or 2(b)(2), any Senator, officer, or employee may accept honoraria in excess of the amount allowed in paragraph 1 or 2(b)(2) but not in excess of $25,000, if he immediately donates such honoraria to an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954 and if no tax benefits accrue to such Senator, officer, or employee for such donation.

"3. (a) For purposes of this rule, the term 'outside earned income' shall, subject to the provisions of subparagraphs (b) and (c), mean any income earned by an individual which is income received as a result of personal services actually rendered if such services are material income-producing factors.

"(b) Outside earned income shall include, but is not limited to—

"(1) honoraria and stipends, and

"(2) advances on books other than from an established trade publisher under usual contract terms, or advances on other creative or artistic works.

"(c) Outside earned income does not include the following: (1) royalties from books; (2) income from family enterprises if the services provided by the Senator or officer or employee of the Senate are not a material income-producing factor; (3) gains derived from dealings in property or investments; (4) interests; (5) rents; (6) dividends; (7) alimony and separate maintenance payments; (8) annuities; (9) income from discharge of indebtedness; (10) distributive shares of partnership income if the services provided by the Senator, or officer or employee of the Senate, are not a material income-producing factor; (11) income from an interest in an estate or trust; (12) proceeds from the sale of creative or artistic work; and (13) any 'buy-out' arrangement from professional partnerships or businesses which is reasonably related to the fair market value of his interest in the enterprise at the time of the severance, payable within a reasonable period of time, and not related to future profitability of the enterprise.

"RULE XLV

"CONFLICT OF INTEREST

"1. A Member, officer, or employee of the Senate shall not receive any compensaton, nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt of which would occur by virtue of influence improperly exerted from his position as a Member, officer, or employee.

"2. No Member, officer, or employee shall engage in any outside business or professional activity or employment for compensation which is inconsistent or in conflict with the conscientious performance of official duties.

"3. No officer or employee shall engage in any outside business or professional activity or employment for compensation unless he has reported in writing, when such activity or employment commences and on May 15 of each year thereafter so long as such activity or employment continues, to his supervisor. The supervisor shall then, in the discharge of his duties, take such action as he considers necessary for the avoidance of conflict of interest or interference with duties to the Senate.

"4. No Member, officer, or employee shall knowingly use his official position to introduce or aid the progress or passage of legislation, a principal purpose of which is to further only his pecuniary interest, only the pecuniary interest of his immediate family, or only the pecuniary interest of a limited class of persons or enterprises, when he, or his immedate family, or enterprises controlled by them, are members of the affected class.

"5. A Member, notwithstanding the provisions of Rule XII of the Standing Rules of the Senate, may decline to vote, in committee or on the floor, on any matter when he believes that his voting on such a matter would be a conflict of interest.

"6. No Member, officer, or employee of the Senate compensated at a rate in excess of $25,000 per annum and employed for more than ninety days in a calendar year (unless hired on a per diem basis) shall provide professional services for compensation. For the purposes of this paragraph, 'professional services' shall include services as an engineer, real estate agent, insurance agent, attorney, physician, architect, consultant, or activities of a similar character.

"7. No Member, officer, or employee shall serve as an officer or member of the board of any publicly held or publicly regulated corporation, financial institution, or business entity. This prohibition shall not apply when a Member, officer, or employee serves without compensation as an officer or member of a board of an organization exempt from taxation under section 501(c) of the Internal Revenue Code of 1954 or institutions or organizations that are principally available to

Members, officers, or employees of the Senate, or their families.

"8. An employee on the staff of a committee who is compensated at a rate in excess of $25,000 per annum and employed for more than ninety days in a calendar year (unless hired on a per diem basis) shall divest himself of any holdings which may be directly affected by the actions of the committee for which he works, unless he has received permission in writing from his supervisor and the Select Committee on Ethics to retain such holdings.

"9. If a Member, upon leaving office, becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or any successor statute, or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, he shall not lobby Members, officers, or employees of the Senate, or seek access to the Senate floor for the purpose of influencing the consideration of legislation, for a period of one year after leaving office.

"10. If an employee on the staff of a Member, upon leaving that position, becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or any successor statute, or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, such employee may not lobby the Member for whom he worked or that Member's staff for a period of one year after leaving that position. If an employee on the staff of a committee, upon leaving his position, becomes such a registered lobbyist or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, such employee may not lobby the members of the committee for which he worked, or the staff of that committee, for a period of one year after leaving his position.

"11. For purposes of this rule—

"(a) an employee of the Senate includes any employee whose salary is disbursed by the Secretary of the Senate;

"(b) an individual who is an employee on the staff of a subcommittee of a committee shall be treated as an employee on the staff of such committee; and

"(c) the term 'lobbying' means any oral or written communication to influence the content or disposition of any issue before Congress, including any pending or future bill, resolution, treaty, nomination, hearing, report, or investigation; but does not include—

"(A) a communication (i) made in the form of testimony given before a Committee or office of the Congress, or (ii) submitted for inclusion in the public record, public docket, or public file of a hearing; or

"(B) a communication by an individual, acting solely on his own behalf, for redress of personal grievances, or to express his personal opinion.

"12. For purposes of this rule—

"(a) a Senator or the Vice President is the supervisor of his administrative, clerical, or other assistants;

"(b) a Senator who is the chairman of a committee is the supervisor of the professional, clerical, or other assistants to the committee except that minority staff members shall be under the supervision of the ranking minority Senator on the committee;

"(c) a Senator who is a chairman of a subcommittee which has its own staff and financial authorization is the supervisor of the professional, clerical, or other assistants to the subcommittee except that minority staff members shall be under the supervision of the ranking minority Senator on the subcommittee;

"(d) the President pro tempore is the supervisor of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, the Chaplain, the Legislative Counsel, and the employees of the Office of the Legislative Counsel;

"(e) the Secretary of the Senate is the supervisor of the employees of his office;

"(f) the Sergeant at Arms and Doorkeeper is the supervisor of the employees of his office;

"(g) the Majority and Minority Leaders and the Majority and Minority Whips are the supervisors of the research, clerical, or other assistants assigned to their respective offices;

"(h) the Majority Leader is the supervisor of the Secretary for the Majority and the Secretary for the Majority is the supervisor of the employees of his office; and

"(i) the Minority Leader is the supervisor of the Secretary for the Minority and the Secretary for the Minority is the supervisor of the employees of his office.

"RULE XLVI

"PROHIBITION OF UNOFFICIAL OFFICE ACCOUNTS

"1. No Member may maintain or have maintained for his use an unofficial office account. The term 'unofficial office account' means an account or repository into which funds are received for the purpose, at least in part, of defraying otherwise unreimbursed expenses allowable in connection with the operation of a Member's office. An unofficial office account does not include, and expenses incurred by a Member in connection with his official duties shall be defrayed only from—

"(a) personal funds of the Member;

"(b) official funds specifically appreciated for that purpose;

"(c) funds derived from a political committee (as defined in section 301(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)); and

"(d) funds received as reasonable reimbursements for expenses incurred by a Member in connection with personal services provided by the Member to the organization making the reimbursement.

"2. No contribution (as defined in section 301(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)) shall be converted to the personal use of any Member, or any former Member who is defeated for reelection or does not seek reelection. For the purposes of this rule 'personal use' does not include reimbursement of expenses incurred by a Member in connection with his official duties.

"RULE XLVII

"FOREIGN TRAVEL

"1. Unless authorized by the Senate (or by the President of the United States after an adjournment sine die), no funds from the United States Government (including foreign currencies made available under section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)) shall be received for the purpose of travel outside the United States by any Member of the Senate whose term will expire at the end of a Congress after—

"(a) the date of the general election in which his successor is elected; or

"(b) in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the second regular session of that Congress.

"2. No Member, officer, or employee engaged in foreign travel may claim payment or accept funds from the United States Government (including foreign currencies made available under section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)) for any expense for which the individual has received reimbursement from any other source; nor may such Member, officer, or employee receive reimbursement for the same expense more than once from the United States Government. No Member, officer, or employee shall use any funds furnished to him to defray ordinary and necessary expenses of foreign travel for any purpose other than the purpose or purposes for which such funds were furnished.

"3. A per diem allowance provided a Member, officer, or employee in connection with foreign travel shall be used solely for lodging, food, and related expenses and it is the responsibility of the Member, officer, or employee receiving such an allowance to return to the United States Government that portion of the allowance received which is not actually used for necessary lodging, food, and related expenses.

"4. For purposes of this rule, an employee of the Senate includes any employee whose salary is disbursed by the Secretary of the Senate.

"RULE XLVIII

"FRANKING PRIVILEGE AND RADIO AND TELEVISION STUDIOS

"1. A Senator or an individual who is a candidate for nomination for election, or election to the Senate, may not use the frank for any mass mailing (as defined in section 3210(a)(5)(D) of title 39, United States Code) if such mass mailing is mailed at or delivered to any postal facility less than sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator is a candidate for public office or the individual is a candidate for Senator.

"2. A Senator shall use only official funds of the Senate to purchase paper, to print, or to prepare any mass mailing material which is to be sent out under the frank.

"3. (a) When a Senator disseminates information under the frank by a mass mailing (as defined in section 3210(a)(5)(D) of title 39, United States Code), the Senator shall register annually with the Secretary of the Senate such mass mailings. Such registration shall be made by filing with the Secretary a copy of the matter mailed and providing, on a form supplied by the Secretary, information as to the number of pieces included in the mass mailing and a description of the group or groups of persons to whom the mass mailing was mailed.

"(b) The Secretary of the Senate shall promptly make available for public inspection and copying the copy of the mail matter registered, the description of the group or groups of persons to whom the mass mailing was mailed, and the number of pieces mailed.

"4. Nothing in this rule shall apply to any mailing under the frank which is in direct response to inquiries or requests from persons to whom the matter is mailed, is addressed to colleagues in Congress or to governmental officials (whether Federal, State, or local), or consists entirely of news releases to the communications media.

"5. The Senate computer facilities shall not be used to store, maintain, or otherwise process any lists or categories of lists of names and addresses identifying the individuals included in such lists as campaign workers or contributors, as members of a political party, or by any other partisan political designation, or for producing mailing labels or computer tapes for use other than in the service facilities maintained and operated by the Senate.

"6. (a) The radio and television studios provided by the Senate or by the House of Representatives may not be used by a Senator or an individual who is a candidate for nomination for election, or election, to the Senate less than sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which that Senator is a candidate for public office or that individual is a candidate for Senator.

"(b) This paragraph shall not apply if the facilities are to be used at the request of, and at the expense of, a licensed broadcast organization or an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954.

"RULE XLIX

"POLITICAL ACTIVITY BY OFFICERS AND EMPLOYEES

"1. No officer or employee of the Senate may receive, solicit, be the custodian of, or distribute any funds in connection with any campaign for the nomination for election, or the election of any individual to be a Member of the Senate or to any other Federal office. This prohibition does not apply to one assistant to a Senator in Washington, District of Columbia, and one assistant in the Senator's home State who have been designated by that Senator to perform any of the functions described in the first sentence of this paragraph (except solicitation) and who are compensated at an annual rate in excess of $10,000, if such designation has been made in writing and filed with the Secretary of the Senate and if such assistant files a financial statement in the form provided under rule XLII for each year during which he is designated under this rule. The Secretary of the Senate shall make the designation available for public inspection.

"2. (a) No officer or employee of the Senate may contribute funds to any campaign for the nomination for election, or the election, of a Member who is his supervisor to any public office.

"(b) No Member shall solicit contributions for any such campaign from any officer or employee for whom such Member is the supervisor.

"(c) For purposes of this paragraph—

"(1) a Senator is the supervisor of his administrative, clerical, or other assistants;

"(2) a Senator who is the chairman of a committee is the supervisor of the professional, clerical, or other assistants to the committee except that minority staff members shall be under the supervision of the ranking minority Senator on the committee;

"(3) a Senator who is a chairman of a subcommittee which has its own staff and financial authorization is the supervisor of the professional, clerical, or other assistants to the subcommittee except that minority staff members shall be under the supervision of the ranking minority Senator on the subcommittee:

"(4) the President pro tempore is the supervisor of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, the Chaplain, the Legislative Counsel, and the employees of the Office of the Legislative Counsel;

"(5) the Majority and Minority Leaders and the Majority and Minority Whips are the supervisors of the research, clerical, or other assistants assigned to their respective offices;

"(6) the Majority Leader is the supervisor of the Secretary for the Majority and of the employees of the office of the Secretary for the Majority, and

"(7) the Minority Leader is the supervisor of the Secretary for the Minority and the employees of the office of the Secretary for the Minority.

"3. No officer or employee of the Senate who is engaged substantially in campaign activities shall remain on the payroll of the Senate. Nothing in this paragraph shall be construed as prohibiting an officer or employee from engaging in (1) political activity directly related to his official duties; (2) campaign activity of a de minimus nature during office hours; and (3) voluntary campaign activity on the officer's or employee's own time.

"4. For purposes of this rule, an employee of the Senate includes any employee whose salary is disbursed by the Secretary of the Senate

"RULE L

"EMPLOYMENT PRACTICES

"No Member, officer, or employee of the Senate shall, with respect to employment by the Senate or any office thereof—

"(a) fail or refuse to hire an individual;

"(b) discharge an individual; or

"(c) otherwise discriminate against an individual with respect to promotion, compensation, or terms, conditions, or privileges of employment

on the basis of such individual's race, color, religion, sex, national origin, or state of physical handicap.".

TITLE II—PROVISIONS RELATING TO THE SELECT COMMITTEE ON ETHICS

SEC. 201. Section 2(a) of Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964 is amended—

(1) by inserting after "violations of law," in paragraph (1) "violations of the Senate Code of Official Conduct,"; and

(2) by deleting "and" at the end of paragraph (3), redesignating paragraph (4) as (5), and inserting after paragraph (3) the following:

"(4) Prescribe and publish such regulations as the Select Committee feels are necessary to implement the Senate Code of Official Conduct; and"

SEC. 202. Section 2 of the Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964, is amended by redesignating subsection (b) as (i), and by inserting after subsection (a) the following new subsections:

"(b)(1) Each sworn complaint filed with the Select Committee shall be in writing, shall be in such form as the Select Committee may prescribe by regulation, and shall be under oath.

"(2) For purposes of this section, 'sworn complaint' means a statement of facts within the personal knowledge of the complainant, alleging a violation of law, the Senate Code of Official Conduct, or any other rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate.

"(3) Any person who knowingly and willfully swears falsely to a sworn complaint does so under penalty of perjury, and the Select Committee may refer any such case to the Attorney General for prosecution.

"(4) For the purposes of this section, 'investigation' is a proceeding undertaken by the Select Committee after a finding, on the basis of an initial review, that there is substantial credible evidence which if true would constitute a violation within the jurisdiction of the Select Committee.

"(c) No resolution, report, recommendation, advisory opinion, or investigation of conduct may be made unless approved by the affirmative recorded vote of not less than four members of the Select Committee.

"(d) The Select Committee shall promptly conduct an initial review of each sworn complaint filed with it by a Member of the Senate or by any other person. If, as a result of such initial review, the Select Committee determines by recorded vote that there is no reason to conduct an investigation, it shall report such determination to the complainant and to the accused party, together with an explanation of the basis of such determination. If the Select Committee determines by recorded vote that there is reason to conduct an investigation, it shall promptly conduct such investigation. Upon the conclusi of any investigation undertaken by the Select Committee, the Select Committee shall report to the Senate, as soon as practicable, the results of such investigation, together with its recommendations (if any) pursuant to s section (a)(2).

"(e) If the Select Committee determines not to conduct an investigation of a sworn complaint filed under subsection (b), it shall be in order at any time within thirty days after the date of such determination (not counting any day on which the Senate is not in session) for two members of the Select Committee to introduce a resolution which shall be printed in the Congressional Record in its entirety directing the Select Committee to commence such investigation immediately pursuant to subsection (d). Such resolution shall become the pending business of the Senate one hour after the Senate convenes on the tenth day following the introduction of the resolution (not counting any day on which the Senate is not in session). During such ten-day period the material in the possession of the Select Committee pertaining to such resolution shall be made available to any Member of the Senate under conditions prescribed by the Select Committee to insure confidentiality. Debate on the resolution shall be limited to not more than ten hours, the time to be equally divided between and controlled by the sponsors of the resolution and the party charged (if a member of the Senate) or his designee or the majority or minority leader or their designees. No amendment to the resolution, and no intervening motion except a motion to lay on the table shall be in order, and the provisions of Rule XIX, paragraph 2, of the Standing Rules of the Senate shall not apply. When all time on the resolution has expired, the years and nays shall be ordered and the results of the vote shall be printed in the Congressional Record.

"(f) Notwithstanding any other provision of this section, no initial review or investigation shall be made of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred.

"(g) The Select Committee shall adopt written rules setting forth procedures to be used in conducting investigations of complaints.

"(h) Nothing in this resolution shall be construed to prevent the Select Committee from attempting to correct or prevent a violation within its jurisdiction by informal methods if the Select Committee determines such violation to be inadvertent, technical, or otherwise of a de minimus nature."

SEC. 203. The first section of Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964, is amended by adding after subsection (d) (as added by section 102 of Senate Resolution 4, Ninety-fifth Congress) the following new subsection:

"(e)(1) A member of the Select Committee shall be ineligible to participate in any initial review or investigation relating to his own conduct, or relating to any complaint filed by him, and the determinations and recommendations of the Select Committee with respect thereto.

"(2) A member of the Select Committee, may at his discretion, disqualify himself from participating in any investigation pending before the Select Committee and the determinations and recommendations of the Select Committee with respect thereto. Notice of such disqualification shall be given in writing to the President of the Senate.

"(3) Whenever any member of the Select Committee is ineligible under paragraph (1) to participate in any investigation or disqualifies himself under paragraph (2) from participating in any investigation, another Member of the Senate shall, subject to the provisions of subsection (d), be appointed to serve as a member of the Select Committee solely for purposes of such investigation and the determinations and recommendations of the Select Committee with respect thereto. Any Member of the Senate appointed for such purposes shall be of the same party as the member who is ineligible or disqualifies himself.".

SEC. 204. Section 3 of the Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964, is amended—

(1) by inserting after "fix the compensa-

tion of" in subsection (a)(7) the following: "a staff director, a counsel, an assistant counsel, one or more investigators, and";

(2) by amending subsection (b) to read as follows:

"(b)(1) The Select Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the executive branch of the Government) whenever the Select Committee determines that the retention of outside counsel is necessary or appropriate for any action regarding any complaint or allegation, which, in the determination of the Select Committee is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee.

"(2) Any investigation conducted under section 2 shall be conducted by outside counsel as authorized in paragraph (1), unless the Select Committee determines not to use outside counsel."

(3) by amending subsection (c)(1) to read as follows:

"(c) With the prior consent of the department or agency concerned, the Select Committee may (1) utilize the services, information, and facilities of any such department or agency of the Government, and"

SEC. 205. Section 2(a) of Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964, is amended by inserting after "disciplinary action" in paragraph (2) the following: "(including, but not limited to, in the case of a Member: censure, expulsion, or recommendation to the appropriate party conference regarding such Member's seniority or positions of responsibility; and, in the case of an officer or employee: suspension or dismissal)".

SEC. 206. Section 3 of Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964, is amended by adding at the end thereof the following new subsection:

"(e)(1) The Select Committee shall render an advisory opinion, in writing, within a reasonable time in response to a written request by a Member, officer, or employee of the Senate, or by a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

"(2) Notwithstanding any provision of the Senate Code of Official Conduct or any rule or regulation of the Senate, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraph (3) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

"(3) Any advisory opinion rendered by the Select Committee under paragraph (1) may be relied upon by (A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered: *Provided, however,* That the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and (B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

"(4) Any request made under paragraph (1), and any advisory opinion issued with respect thereto, shall be printed in the Congressional Record with appropriate deletions to assure the privacy of the individual concerned. The Select Committee shall, before rendering an advisory opinion, provide any interested party with an opportunity to transmit written comments to the Select Committee with respect to the request for such advisory opinion. The advisory opinions issued by the Select Committee shall be compiled, indexed, reproduced, and made available on a periodic basis.".

TITLE III—MISCELLANEOUS; EFFECTIVE DATES

SEC. 301. (a) The Committee on Rules and Administration and the Committee on Appropriations shall conduct a comprehensive study of the sufficiency and adequacy of Senatorial allowances and their permissible uses in defraying or providing for reimbursement of necessary and appropriate expenses in connection with the operation of a Member's office.

(b) The committee shall report the results of their study under subsection (a), together with their recommendations, to the Senate within one hundred and twenty days after the day on which this resolution is agreed to.

SEC. 302. (a) The Committee on Rules and Administration and the Committee on Appropriations, in consultation with the Committee on Finance, shall review the provisions of the Internal Revenue Code of 1954 relating to the tax status of funds raised and expended to defray ordinary and necessary expenses of a Member, the regulations prescribed thereunder, and the rulings made with respect thereto.

(b) The committees shall report the results of their review under subsection (a), together with their recommendations, to the Senate within one hundred and twenty days after the day on which this resolution is agreed to.

SEC. 303. (a) The Committee on Rules and Administration shall review the desirability of promulgating rules and regulations providing for—

(1) periodic audits by the General Accounting Office of the accounts of all committees and offices of the Senate;

(2) a centralized system of recordkeeping and comprehensive reporting relating to the accounts, allowances, expenditures, and travel expenses of all committees and offices of the Senate;

(3) suggested accounting procedures for the handling of the accounts of all committees and offices of Members; and

(4) public disclosure and availability of information on the accounts of all committees and offices of the Senate, which shall be available in a form which segregates the allowances and expenses of each committee and office.

(b) The committee shall report the results of its review under subsection (a), together with its recommendations, to the Senate within one hundred and twenty days after the day on which this resolution is agreed to.

SEC. 304. (a) The Committee on Rules and Administration shall review the desirability of requiring that only official Senate funds may be used to pay for any expenses incurred by a Senator in the use of the radio and television studios provided by the Senate.

(b) The committee shall report the results of its review under subsection (a), together with its recommendations, to the Senate within one hundred and twenty days after the day on which this resolution is agreed to.

SEC. 305. (a) The Committee on Foreign Relations shall review the problem of travel, lodging, and other related expenses provided to Members, officers, or employees of the Senate paid for by foreign governments in the situation where it is not possible to procure transportation, lodging, or other related services or to reimburse the foreign government for those purposes.

(b) The committee shall report the results of its review under subsection (a), together with its recommendations, to the Senate within ninety days after the day on which this resolution is agreed to.

SEC. 306. (a) The Committee on Governmental Affairs shall review whether it is desirable to permit—

(1) a Senator to mail franked mail with a simplified form of address for delivery within the State for which he was elected; and

(2) a Senator to mail franked mail with a simplified form of address as provided under paragraph (1) which is—

(A) to be prepared as directed by the Postal Service and

(B) to be delivered to—

(i) each box holder or family on a rural or star route,

(ii) each post office box holder, and

(iii) each stop or box on a city carrier route.

(b) The committee shall report the results of its review under subsection (a) together with its recommendations, to the Senate within one hundred and twenty days after the day on which this resolution is agreed to.

SEC. 307. (a) Except as provided in this section, the amendments to the Standing Rules of the Senate made by title I and the provisions of title II shall take effect on the day after the day on which this resolution is agreed to.

(b)(1) Rule XLII of the Standing Rules of the Senate (as amended by title I), relating to Public Financial Disclosure, shall take effect on October 1, 1977, and the statement required to be filed thereunder on or before May 15, 1978, shall cover the period October 1, 1977, through December 31, 1977, except that, at the option of any individual required to file such statement, it may cover the calendar year 1977.

(2) Rule XLIV of the Standing Rules of the Senate (as such rules existed prior to the amendments made by this title I) shall remain in effect for the period through September 30, 1977, and the statement required to be filed thereunder on or before May 15, 1978, shall cover the period January 1, 1977, through September 30, 1977, except that, at the option of any individual required to file such statement, it may cover the calendar year 1977

(c) Rule XLIV of the Standing Rules of the Senate (as amended by title I), relating to Outside Earned Income, shall take effect on January 1, 1978.

(d) Paragraphs 6, 7, 8, 9, and 10 of rule XLV of the Standing Rules of the Senate (as amended by title I), relating to Conflict of Interest, shall take effect on April 1, 1978.

(e) Rule XLVI of the Standing Rules of the Senate (as amended by title I) relating to Prohibition of Unofficial Office Accounts, shall take effect as follows:

(1) On the day after the day on which this resolution is agreed to, no contributions to an unofficial office account may be received.

(2) Expenditures from unofficial office accounts shall terminate on December 31, 1977.

(f) Rule XLVIII of the Standing Rules of the Senate (as amended by title I), relating to Franking Privilege and Radio and Television Studios, shall take effect on August 1, 1977.

(g)(1) Paragraph 1 of rule XLIX of the Standing Rules of the Senate (as amended by title I) shall take effect thirty days after the day on which this resolution is agreed to.

(2) Rule XLIII of the Standing Rules of the Senate (as such rules existed prior to the amendments made by title I) shall remain in effect for the period through the thirtieth day after the day on which this resolution is agreed to.

(h) The amendments to Senate Resolution 338 contained in sections 202, 203, and 206 of title II of this resolution shall take effect thirty days after the day on which this resolution is agreed to.

OUTLINE OF DIFFERENCES BETWEEN SENATE RESOLUTION 110 AS REPORTED AND THE PROPOSED SUBSTITUTE

Rule XLIX—Politcal Activity—The provision prohibiting contribution of funds from staff to their supervisor and the provision prohibiting employees from engaging substantially in campaign activities (former paragraphs 2 and 3) were deleted. Sections requiring studies of these problems—and requiring reports with recommendations to the full Senate by a date certain—were included in Title III. A definition of the word "employee" and provisions requiring certain employees working in the Senate on assignment or without pay to comply with the Code of Conduct were added.

Rule L—Employment Practices—A provision was added to Title III directing the Governmental Affairs Committee to study how to handle employment discrimination complaints and to report its recommendations within 180 days. The recommendations will then be referred to the appropriate committee for 60 days. Rule L will take effect on January 3, 1979.

TITLE II—ENFORCEMENT

The enforcement procedures were revised to give the Select Committee on Ethics more flexibility than was provided in S. Res. 110 while preserving the basic principles of the original proposal.

The major changes are:

1. The sworn complaint procedure now applies only to complaints against Senators or officers. The procedure for handling complaints against employees is left to the discretion of the Ethics Committee.

2. The Ethics Committee is authorized to propose a remedy in a case involving a willful but not serious violation of the Code. If the matter is resolved in this way, a statement of the remedy and the Committee's reasons for proposing it would be filed with the Secretary of the Senate as a public document. The Committee then would not have to conduct a full investigation or report its findings to the Senate for Senate action.

3. The procedures for the privileged appeal to the full Senate of an Ethics Committee decision not to conduct an investigation were deleted.

4. Flexibility was added to the advisory opinion procedure to give the Ethics Committee discretion with regard to issuing advisory opinions requested by employees. The Committee is also authorized to issue interpretive rulings.

5. The Ethics Committee is authorized to use hearing examiners.

6. The provisions prohibiting retroactive application of the new Code were strengthened.

AMENDMENT NO. 65

(In the nature of a substitute.)

On page 1, strike all after *"Resolved"* and insert in lieu thereof the following:

That this resolution may be cited as the "Official Conduct Amendments of 1977".

TITLE I—CODE OF OFFICIAL CONDUCT

SEC. 101. The Standing Rules of the Senate are amended—

(1) by striking out rules XLI, XLII, XLIII, and XLIV; and

(2) by renumbering rule XLV as rule XLI, and by adding after such rule the following new rules which shall be known as the "Senate Code of Official Conduct":

"RULE XLII

"PUBLIC FINANCIAL DISCLOSURE

"1. (a)(1) Each individual who for a period in excess of ninety days during a calendar year is a Senator, or an officer or employee of the Senate who is compensated at a rate in excess of $25,000 a year, shall file a report containing a full and complete financial statement for that calendar year.

"(2) Each employee designated under rule XLIX to handle campaign funds during any calendar year shall file a full and complete financial disclosure statement for that calendar year.

"(b) Each individual described in subparagraph (a) who during any calendar year ceases to occupy an office or position described in such subparagraph shall file a report containing a full and complete financial statement for that portion of such year beginning on January 1 and ending on the date on which he ceases to occupy such office or position.

"(c) Any individual who seeks nomination for election, or election, to the office of United States Senator shall file in any year in which such individual has—

"(1) taken the action necessary under the law of a State to qualify for nomination for election, or election, or

"(2) received political contributions or made expenditures, or has given consent for any other person to receive political contributions or make expenditures, with a view to bringing about such individual's nomination for election, or election, to such office,

a report containing a full and complete financial statement for the preceding calendar year.

"(d) The Secretary of the Senate shall submit annually to the Select Committee on Ethics (hereinafter referred to as the "Select Committee") a complete list of Members, officers, and employees of the Senate who are required to file a report under this paragraph and shall submit at the close of each calendar quarter a list of individuals required to file such report who have begun or terminated employment with the Senate or been designated pursuant to rule XLIX.

"2. Each individual shall include in each report for each calendar year for which he is required to file a report under paragraph 1 a full and complete statement, in such manner and form as the Select Committee shall prescribe, which contains the following:

"(a)(1) the amount and the identity of each source of earned income (exclusive of honoraria) received during such calendar year which exceeds $100 in amount or value:

"(2) the identity of the source, the amount, and the date, of each honorarium received during such calendar year and an indication of which honoraria, if any, were donated to a charitable organization pursuant to paragraph 2(c) to rule XLIV; and

"(3) the identity of each source of income (other than earned income) received during such calendar year which exceeds $100 in amount or value, and an indication of which of the following categories the amount or value of such item of income is within:

"(A) not more than $1,000,

"(B) greater than $1,000 but not more than $2,500,

"(C) greater than $2,500 but not more than $5,000,

"(D) greater than $5,000 but not more than $15,000,

"(E) greater than $15,000 but not more than $50,000,

"(F) greater than $50,000 but not more than $100,000, or

"(G) greater than $100,000.

"(4) For purposes of clause (1) and (3), any gift described in subparagraphs (b) and (c) of this paragraph shall not be considered as income.

"(b) The identity of the source, a brief description of, and the value of any gifts of transportation, lodging, food, or entertainment aggregating $250 or more provided by any one source other than a relative during the calendar year except that any food, lodging, or entertainment received as part of the personal hospitality of any individual need not be reported.

"(c) The identity of the source, a brief description of, and the value of all other gifts aggregating $100 or more from any one source other than a relative during the calendar year.

"(d) Gifts with a fair market value less than $35 need not be aggregated for the purposes of subparagraphs (b) and (c) of this paragraph.

"(e)(1) The identity and category of value of each item of real property held, directly or indirectly, during such calendar year which has a fair market value in excess of $1,000 as of the close of such calendar year; and

"(2) the identity and category of value of each item of personal property held, directly or indirectly, during such calendar year in a trade or business or for investment or the production of income which has a fair market value in excess of $1,000 as of the close of such calendar year.

"(f) The identity and category of value of each personal liability owed, directly or indirectly, which exceeds $2,500 at any time during such calendar year.

"(g) The identity, date, and category of value of any transaction, directly or indirectly, in securities or commodities futures during such calendar year exceeding $1,000, except that (1) any gift to any tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code of 1954 involving such a transaction need not be reported, and (2) any transaction solely by and between the reporting individual, his spouse, and dependents need not be reported.

"(h)(1) The identity, date, and category of value of any purchase, sale, or exchange, directly or indirectly, of any interest in real property during such calendar year if the value of the property involved in such purchase, sale, or exchange exceeds $1,000 as of the date of such purchase, sale, or exchange.

"(2) For the purposes of subparagraph (e)(1) of this paragraph and clause (1) of this subparagraph the identity of an item of real property shall include the number of acres of property (if there is more than one acre), the exact street address (except with respect to a personal residence of a reporting individual), the town, county, and State in which the property is located, and if there are substantial improvements on the land, a brief description of the improvements (such as "office building").

"(i) Any patent right or any interest in any patent right, and the nature of such patent right, held during such calendar year.

"(j) The identity of all positions held as an officer, director, trustee, partner, adviser, proprietor, agent, employee, or consultant of any corporation, company, firm, partnership, or other business enterprise, any nonprofit organization, and any educational or other institution.

"(k) A description of, the parties to, and the terms of any contract, promise, or other agreement between such individual and any person with respect to his employment after such individual ceases to occupy an office or position described in paragraph 1, including any agreement under which such individual is taking a leave of absence from an office or position outside of the United States Government in order to occupy an office or position described in paragraph 1, and a description of and the parties to any agreement providing for continuation of payments or benefits from a prior employer other than the United States Government.

An officer or employee of the Senate required to file a report under paragraph 1 shall include in such report the identity of any person, other than the United States Government, who paid such individual compensation in excess of $5,000 in any of the two calendar years prior to such calendar year

and the nature and term of the services such individual performed for such person. The preceding sentence shall not require any individual to include in such report any information which is considered confidential as a result of a privileged relationship, established by law, between such individual and any person nor shall it require an individual to report any information with respect to any person for whom services were provided by any firm or association of which such individual was a member, partner, or employee unless such individual was directly involved in the provision of such services.

"3. (a) For purposes of subparagraphs (e) through (h) of paragraph 2, an individual need not specify the actual amount or value of each item required to be reported under such subparagraphs, but such individual shall indicate which of the following categories such amount or value is within:

"(1) not more than $5,000,

"(2) greater than $5,000 but not more than $15,000,

"(3) greater than $15,000 but not more than $50,000,

"(4) greater than $50,000 but not more than $100,000,

"(5) greater than $100,000 but not more than $250,000,

"(6) greater than $250,000 but not more than $500,000,

"(7) greater than $500,000 but not more than $1,000,000,

"(8) greater than $1,000,000 but not more than $2,000,000,

"(9) greater than $2,000,000 but not more than $5,000,000, or

"(10) greater than $5,000,000.

"(b) For the purposes of subparagraph (e) of paragraph 2, if the current value of an interest in real property (or an interest in a real estate partnership) is not ascertainable without an appraisal, an individual may list the purchase price of the interest in the real property at the time of purchase and the date of purchase instead of specifying a category of value pursuant to subparagraph (a) of this paragraph. If the current value of any other item required to be reported under subparagraph (e) of paragraph 2 is not ascertainable without an appraisal, such individual may list the book value of a corporation whose stock is not publicly traded, the net worth of a business partnership, the equity value of an individually owned business, or with respect to other holdings, any recognized indication of value but such individual shall include in his report a full and complete description of the method used in determining such value.

"(c)(1) For the purposes of subparagraphs (a) through (j) of paragraph 2, a reporting individual shall, subject to clauses (2) and (3) of this subparagraph, also report the interests of the spouse or dependents of that individual.

"(2) For the purposes of subparagraphs (a) through (c) of paragraph 2, the individual need only report the source, not the amount, of any earned income over $1,000 or gifts over $100 ($250 in the case of transportation, lodging, food, or entertainment) received solely by his spouse or dependents, but with respect to earned income, if his spouse or dependents are self-employed in his or her own business or profession, only the nature of such business or profession need be reported.

"(3) No report shall be required with respect to the interests of a spouse living separate and apart from the reporting individual.

"(d)(1) The holdings of and income from a trust or other financial arrangement, whether 'blind' or not, whether or not created by or under the control of the reporting Senator, officer, or employee or the spouse or dependents of such reporting individual must be publicly reported according to the provisions of paragraph 2, except that the identity of the holdings and the sources of a trust's income need not be disclosed if—

"(A) the trust was not created directly or indirectly by the reporting individual, his spouse, or dependents,

"(B) the reporting individual, his spouse, and dependents have no knowledge of the contents or sources of income of the trust, and

"(C) the reporting individual has requested the trustee to provide information with respect to the holdings and sources of income of the trust and the trustee refuses to disclose the information.

However, where the identity of the holdings and the sources of income of a trust need not be disclosed, the reporting individual must list the category of the net cash value of his interest in the total trust holdings under subparagraph (e) of paragraph 2, and must list the category of the amount of the income from the trust under subparagraph (a)(3) of paragraph 2.

"(2) Since it is the policy of the United States Senate that Senators, and officers and employees of the Senate make full and complete public financial disclosure of financial holdings, it is the sense of the Senate that trusts established for the purpose of being 'blind trusts', whether revocable or irrevocable, shall be dissolved by the creating party to permit the disclosures required by this rule.

"(e) An individual only is required to report information within his knowledge; however, it is the responsibility of a reporting individual to exercise reasonable diligence to obtain the informaton necessary to comply with this rule.

"4. (a) Each individual required to file a report under paragraph 1(a) for any calendar year shall file such report with the Secretary of the Senate not later than May 15 of the next year.

"(b) Each individual required to file a report under paragraph 1(b) for a portion of a year shall file such report with the Secretary of the Senate on the last day he occupies an office or position described in paragraph 1 during such year.

"(c) Each individual required to file a report under paragraph 1(c) shall file such report with the Secretary of the Senate not later than the thirtieth day following the day on which such individual first fulfills the filing requirements of such paragraph during such year or May 15 of that year, whichever is later.

"(d) A copy of each report filed under subparagraphs (a), (b), and (c) shall be provided to the Select Committee by the Secretary of the Senate.

"(e) Each Senator and each individual required to report under paragraph 1(c) shall cause his financial disclosure statement to be filed as a public document with the Secretary of State (or, if there is no Office of Secretary of State, the equivalent State offices) in the State which the Senator represents or in which he is a candidate for the position of Senator.

"(f) The Select Committee may grant one or more reasonable extensions of time for filing any report but the total of such extensions shall not exceed ninety days.

"(g) The Comptroller General shall provide assistance in completing any reports required under this rule when requested by a Member, officer, or employee of the Senate.

"5. (a) Except as provided in this paragraph, the Secretary of the Senate shall make each report filed with him under this rule available to the public within fifteen days after the receipt of such report, and shall provide a copy of any such report to any person upon a written request.

"(b) The Secretary of the Senate may require any person receiving a copy of any report under subparagraph (a) to supply his name and address and the name of the person or organization, if any, on whose behalf he is requesting such copy and to pay a reasonable fee in any amount which the Secretary of the Senate finds necessary to recover the cost of reproduction or mailing of such report excluding any salary of any employee involved in such reproduction or mailing. The Secretary of the Senate may furnish a copy of any such report without charge or at a reduced charge if he determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the public.

"(c) Any report received by the Secretary of the Senate shall be held in his custody and made available to the public for a period of seven years after receipt by the Secretary of the Senate of such report. After such seven-year period, the Secretary of the Senate shall destroy any such report.

"(d) The Select Committee shall review all financial statements filed pursuant to paragraph 1 to determine whether such statements are filed in a timely manner and are complete and in proper form.

"(e)(1) The Comptroller General shall, under such regulations as he may prescribe, and which are approved by the Select Committee, conduct, on a random basis, audits of approximately 5 per centum of the reports filed with the Secretary of the Senate (other than those filed by a Member of the Senate).

"(2) The Comptroller General shall, during each six-year period beginning after the date of enactment of this Act, audit at least one report filed by each Member of the Senate except that no such audit shall take place during the calendar year such Member is up for reelection.

"(3)(A) In conducting an audit under clause (1) or (2), the Comptroller General is authorized to request that the Select Committee issue a subpena to require the production of books, papers, and other documents.

"(B) The Comptroller General may use outside consultants to assist him in his responsibilities under this subparagraph.

"(4) The Comptroller General shall transmit the findings of each audit to the Select Committee and the individual being audited.

"6. (a) Each individual who is required to file a financial statement under paragraph 1 for any calendar year shall file with the Comptroller General, in a sealed envelope, a report containing a copy of the returns of taxes, declarations, statements, other documents, and amendments thereto, which he, or he and his spouse jointly, or any fiduciary (regarding income received on behalf of such individual), made for such year in compliance with the income tax provisions of the Internal Revenue Code of 1954. Such report shall be filed not later than the date on which such individual is required to file a financial statement under paragraph 1.

"(b) Except as otherwise provided by this paragraph, all papers filed with the Comptroller General under this paragraph shall be kept by the Comptroller General for not less than seven years, and while so kept shall remain sealed. Upon receipt of a resolution of the Select Committee, adopted by a recorded majority vote of the members of the Select Committee, requesting the transmission to the Select Committee of any of the reports filed by an individual under this rule, the Comptroller General shall transmit to the Select Committee the envelopes containing such reports. Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the Select Committee such envelope may be opened and the contents thereof may be

examined only by members of the Select Committee in executive session. If, upon such examination, the Select Committee determines that further consideration by the Select Committee is warranted and is within the jurisdiction of the Select Committee, it may make the contents of any such envelope available for any use by any member of the Select Committee, or any member of the staff of the Select Committee, which is required for the discharge of his official duties. The Select Committee may receive the papers as evidence, after giving to the individual concerned due notice and opportunity for hearing in a closed session. The Comptroller General shall report to the Select Committee not later than the 1st day of June in each year the names of Senators, officers, and employees who have filed a report. Any paper which has been filed with the Comptroller General for longer than seven years, in accordance with the provisions of this paragraph, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of service of a Member of the Senate or an officer or employee of the Senate, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such death or termination of service unless the Select Committee directs that such papers be returned at a later date.

"(c) Notwithstanding the provisions of subparagraph (b), the Comptroller General, after giving notice to the individual being audited, may examine the material filed pursuant to this paragraph for the purpose of conducting an audit as required under paragraph 5(e).

"(d) Whenever in any criminal case pending in any competent court in which a Member, officer, or employee of the Senate is a defendant, or in any proceeding before a grand jury of any competent court in which alleged criminal conduct of the Member, officer, or employee of the Senate is under investigation, a discovery order of such court is served upon the Comptroller General directing him to appear and produce any reports filed pursuant to this rule, the Comptroller General shall—

"(1) within a reasonable time prior to appearing in response to such discovery order of such court, notify the individual whose report is requested of the receipt of the discovery order of such court.

"(2) if such report is in a sealed envelope, unseal the envelope containing such report and have an authenticated copy made of such report, replace such report in such envelope and reseal it, and note on such envelope that it was opened pursuant to this clause in response to a discovery order of such court, a copy of which shall be attached to such envelope, and

"(3) appear in response to such discovery order of such court and produce the authenticated copy so made.

For purposes of this subparagraph, the term 'competent court' means a court of the United States, a State, or the District of Columbia which has general jurisdiction to hear cases involving criminal offenses against the United States, such State, or the District of Columbia, as the case may be; and the term 'discovery order' includes a subpena approved by a competent court.

"7. As used in this rule—

"(a) the term 'commodity future' means commodity future as defined in sections 2 and 5 of the Commodity Exchange Act as amended (7 U.S.C. 2 and 5);

"(b) the term 'Comptroller General' means the Comptroller General of the United States;

"(c) the term 'dependent' has the meaning set forth in section 152 of the Internal Revenue Code of 1954;

"(d) the term 'earned income' means outside earned income (as defined in rule XLIV) and any salary disbursed to an individual by the Secretary of the Senate;

"(e) the term 'employee of the Senate' has the same meaning given to such term in paragraphs 2, 3, and 4 of rule XLIX;

"(f) the term 'gift' means a payment, subscription, advance, forebearance, rendering, or deposit of money, services, or anything of value, including food, lodging, transportation, or entertainment, and reimbursement for other than necessary expenses, unless consideration of equal or greater value is received, but shall not include (1) a political contribution otherwise reported as required by law, (2) a loan made in a commercially reasonable manner (including requirements that the loan be repaid and that a reasonable rate of interest be paid), (3) a bequest, inheritance or other transfer at death, or (4) anything of value given to a spouse or dependent of a reporting individual by the employer of such spouse or dependent in recognition of the service provided by such spouse or dependent;

"(g) the term 'income' means gross income as defined in section 61 of the Internal Revenue Code of 1954;

"(h) the term 'political contribution' means a contribution as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431);

"(i) the term 'political expenditure' means an expenditure as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431);

"(j) the term 'relative' means, with respect to a person required to file a report under this rule, an individual who is related to the person as father, mother, son, daughter, brother, sister, uncle, aunt, great uncle, great aunt, first cousin, nephew, niece, husband, wife, grandfather, grandmother, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of the spouse of the person reporting;

"(k) the term 'security' has the meaning set forth in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b); and

"(l) the term 'transactions in securities and commodities futures' means any acquisition, transfer, or other disposition involving any security or commodity.

"RULE XLIII

"GIFTS

"1. No Member, officer or employee of the Senate, shall solicit or accept a present or future gift, favor, service, or anything of value from any person, business, or other entity under circumstances where he knows by the exercise of ordinary care that such gift, favor, service, or thing of value will, might tend to, or is intended to affect the present or future performance of official duties.

"2. (a) No Member, officer, or employee of the Senate, or the spouse or dependent thereof, shall knowingly accept or knowingly permit his spouse or dependent to accept, directly or indirectly, any gift or gifts having an aggregate value exceeding $100 during a calendar year directly or indirectly from any person, organization, or corporation having a direct interest in legislation before the Congress or from any foreign national.

"(b) For purposes of subparagraph (a), only the following shall be deemed to have a direct interest in legislation before the Congress:

"(1) a person, organization, or corporation registered under the Federal Regulation of Lobbying Act of 1946, or any succesor statute, a person who is an officer or director of such a registered lobbyist, or a person who has been employed or retained by such a registered lobbyist for the purpose of influencing legislation before the Congress; or

"(2) a corporation, labor organization, or other organization which maintains a separate segregated fund for political purposes (within the meaning of section 321 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b)), a person who is an officer or director of such corporation, labor organization, or other organization, or a person who has been employed or retained by such corporation, labor organization, or other organization for the purpose of influencing legislation before the Congress.

"(c) The prohibitions of this subparagraph do not apply to gifts—

"(1) from relatives;

"(2) with a value of less than $35;

"(3) of personal hospitality of an individual.

"3. For purposes of this rule—

"(a) the term 'gift' means a payment, subscription, advance, forebearance, rendering, or deposit of money, services, or anything of value, including food, lodging, transportation, or entertainment, and reimbursement for other than necessary expenses, unless consideration of equal or greater value is received, but shall not include (1) a political contribution otherwise reported as required by law, (2) a loan made in a commercially reasonable manner (including requirements that the loan be repaid and that a reasonable rate of interest be paid), (3) a bequest, inheritance, or other transfer at death, (4) a bona fide award presented in recognition of public service and available to the general public, (5) a reception at which the Member, officer, or employee is to be honored, provided such individual receives no other gifts that exceed the restrictions in this rule, other than a suitable memento, or (6) anything of value given to a spouse or dependent of a reporting individual by the employer of such spouse or dependent in recognition of the service provided by such spouse or dependent; and

"(b) The term 'relative' has the same meaning given to such term in paragraph 7(j) of rule XLII.

"4. If a Member, officer, or employee, after exercising reasonable diligence to obtain the information necessary to comply with this rule, unknowingly accepts a gift described in paragraph 2, such Member, officer, or employee shall, upon learning of the nature of the gift and its source, return the gift or, if it is not possible to return the gift, reimburse the donor for the value of the gift.

"RULE XLIV

"OUTSIDE EARNED INCOME

"1. During the period of service in a calendar year of a Senator, or of an officer or employee of the Senate compensated at a rate exceeding $35,000 a year and employed for more than ninety days in a calendar year (unless hired on a per diem basis), the aggregate amount of the outside earned income of such individual for such period shall not exceed 15 per centum of—

"(1) the aggregate amount of the salary of such an officer or employee disbursed by the Secretary of the Senate during such period; and

"(2) in the case of a Senator, the aggregate amount of base salary paid to Senators and disbursed by the Secretary of the Senate for that period.

"2. (a) A Senator shall not receive honoraria in excess of $1,000 for each appearance, speech, or article.

"(b) An officer or employee of the Senate covered by paragraph (1) shall not receive honoraria in excess of—

"(1) $300 for each appearance, speech, or article, and

"(2) $1,500 in the aggregate in any one calendar year.

"(c) Notwithstanding the limitations under paragraph 1 or 2 (b)(2), any Senator, officer, or employee may accept honoraria in

excess of the amount allowed in paragraph 1 or 2(b)(2) but not in excess of $25,000, if he immediately donates such honoraria to an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954 and if no tax benefits accrue to such Senator, officer, or employee for such donation.

"3. (a) For purposes of this rule, the term 'outside earned income' shall, subject to the provisions of subparagraphs (b) and (c), mean any income earned by an individual which is income received as a result of personal services actually rendered if such services are material income-producing factors.

"(b) Outside earned income shall include, but is not limited to—

"(1) honoraria and stipends, and

"(2) advances on books other than from an established trade published under usual contract terms, or advances on other creative or artistic works.

"(c) Outside earned income does not include the following: (1) royalties from books; (2) income from family enterprises if the services provided by the Senator or officer or employee of the Senate are not a material income-producing factor; (3) gains derived from dealings in property or investments; (4) interests; (5) rents; (6) dividends; (7) alimony and separate maintenance payments; (8) annuities; (9) income from discharge of indebtedness; (10) distributive shares of partnership income if the services provided by the Senator, or officer or employee of the Senate are not a material income-producing factor; (11) income from an interest in an estate or trust; (12) proceeds from the sale of creative or artistic work; and (13) any 'buy-out' arrangement from professional partnerships or businesses which is reasonably related to the fair market value of his interest in the enterprise at the time of the severance, payable within a reasonable period of time, and not related to future profitability of the enterprise.

"RULE XLV

"CONFLICT OF INTEREST

"1. A Member, officer, or employee of the Senate shall not receive any compensation, nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt of which would occur by virtue of influence improperly exerted from his position as a Member, officer, or employee.

"2. No Member, officer, or employee shall engage in any outside business or professional activity or employment for compensation which is inconsistent or in conflict with the conscientious performance of official duties.

"3. No officer or employee shall engage in any outside business or professional activity or employment for compensation unless he has reported in writing, when such activity or employment commences and on May 15 of each year thereafter so long as such activity or employment continues, the nature of such activity or employment to his supervisor. The supervisor shall then, in the discharge of his duties, take such action as he considers necessary for the avoidance of conflict of interest or interference with duties to the Senate.

"4. No Member, officer, or employee shall knowingly use his official position to introduce or aid the progress or passage of legislation, a principal purpose of which is to further only his pecuniary interest, only the pecuniary interest of his immediate family, or only the pecuniary interest of a limited class of persons or enterprises, when he, or his immediate family, or enterprise controlled by them, are members of the affected class.

"5. A Member, notwithstanding the provisions of Rule XII of the Standing Rules of the Senate, may decline to vote, in committee or on the floor, on any matter when he believes that his voting on such a matter would be a conflict of interest.

"6. No Member, officer, or employee of the Senate compensated at a rate in excess of $25,000 per annum and employed for more than ninety days in a calendar year (unless hired on a per diem basis) shall provide professional services for compensation. For the purposes of this paragraph, 'professional services' shall include services as an engineer, real estate agent, insurance agent, attorney, physician, architect, consultant, or activities of a similar character.

"7. No Member, officer, or employee shall serve as an officer or member of the board of any publicly held or publicly regulated corporation, financial institution, or business entity. This prohibition shall not apply when a Member, officer, or employee serves without compensation as an officer or member of a board of an organization exempt from taxation under section 501(c) of the Internal Revenue Code of 1954 or institutions or organizations that are principally available to Members, officers, or employees of the Senate, or their families.

"8. An employee on the staff of a committee who is compensated at a rate in excess of $25,000 per annum and employed for more than ninety days in a calendar year (unless hired on a per diem basis) shall divest himself of any holdings which may be directly affected by the actions of the committee for which he works, unless he has received permission in writing from his supervisor and the Select Committee on Ethics to retain such holdings.

"9. If a Member, upon leaving office, becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or any successor statute, or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, he shall not lobby Members, officers, or employees of the Senate for a period of one year after leaving office.

"10. If an employee on the staff of a Member, upon leaving that position, becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or any successor statute, or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, such employee may not lobby the Member for whom he worked or that Member's staff for a period of one year after leaving that position. If an employee on the staff of a committee, upon leaving his position, becomes such a registered lobbyist or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, such employee may not lobby the members of the committee for which he worked, or the staff of that committee, for a period of one year after leaving his position.

"11. For purposes of this rule—

"(a) 'employee of the Senate' has the same meaning given to such term in paragraphs 2, 3, and 4 of rule XLIX;

"(b) an individual who is an employee on the staff of a subcommittee of a committee shall be treated as an employee on the staff of such committee; and

"(c) the term 'lobbying' means any oral or written communication to influence the content or disposition of any issue before Congress, including any pending or future bill, resolution, treaty, nomination, hearing, report, or investigation; but does not include—

"(A) a communication (i) made in the form of testimony given before a Committee or office of the Congress, or (ii) submitted for inclusion in the public record, public docket, or public file of a hearing; or

"(B) a communication by an individual, acting solely on his own behalf, for redress of personal grievances, or to express his personal opinion.

"12. For purposes of this rule—

"(a) a Senator or the Vice President is the supervisor of his administrative, clerical, or other assistants;

"(b) a Senator who is the chairman of a committee is the supervisor of the professional, clerical, or other assistants to the committee except that minority staff members shall be under the supervision of the ranking minority Senator on the committee;

"(c) a Senator who is a chairman of a subcommittee which has its own staff and financial authorization is the supervisor of the professional, clerical, or other assistants to the subcommittee except that minority staff members shall be under the supervision of the ranking minority Senator on the subcommittee;

"(d) the President pro tempore is the supervisor of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, the Chaplain, the Legislative Counsel, and the employees of the Office of the Legislative Counsel;

"(e) the Secretary of the Senate is the supervisor of the employees of his office;

"(f) the Sergeant at Arms and Doorkeeper is the supervisor of the employees of his office;

"(g) the Majority and Minority Leaders and the Majority and Minority Whips are the supervisors of the research, clerical, or other assistants assigned to their respective offices;

"(h) the Majority Leader is the supervisor of the Secretary for the Majority and the Secretary for the Majority is the supervisor of the employees of his office; and

"(i) the Minority Leader is the supervision of the Secretary for the Minority and the Secretary for the Minority is the supervision of the employees of his office.

"RULE XLVI

"PROHIBITION OF UNOFFICIAL OFFICE ACCOUNTS

"1. No Member may maintain or have maintained for his use an unofficial account. The term 'unofficial office account' means an account or repository into which funds are received for the purpose, at least in part, of defraying otherwise unreimbursed expenses allowable in connection with the operation of a Member's office. An unofficial office account does not include, and expenses incurred by a Member in connection with his official duties shall be defrayed only from—

"(a) personal funds of the Member;

"(b) official funds specifically appropriated for that purpose;

"(c) funds derived from a political committee (as defined in section 301(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)); and

"(d) funds received as reasonable reimbursements for expenses incurred by a Member in connection with personal services provided by the Member to the organization making the reimbursement.

"2. No contribution (as defined in section 301(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)) shall be converted to the personal use of any Member, or any former Member who is defeated for reelection or does not seek reelection. For the purposes of this rule 'personal use' does not include reimbursement of expenses incurred by a Member in connection with his official duties.

"RULE XLVII

"FOREIGN TRAVEL

"1. Unless authorized by the Senate (or by the President of the United States after an adjournment sine die), no funds from the United States Government (including foreign currencies made available under section 502 (b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)) shall be received for the purpose of travel outside the United States by any Member of the Senate whose term will expire at the end of a Congress after—

"(a) the date of the general election in which his successor is elected; or

"(b) in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the second regular session of that Congress.

"2. No Member, officer, or employee engaged

in foreign travel may claim payment or accept funds from the United States Government (including foreign currencies made available under section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)) for any expense for which the individual has received reimbursement from any other source; nor may such Member, officer, or employee receive reimbursement for the same expense more than once from the United States Government. No Member, officer, or employee shall use any funds furnished to him to defray ordinary and necessary expenses of foreign travel for any purpose other than the purpose or purposes for which such funds were furnished.

"3. A per diem allowance provided a Member, officer, or employee in connection with foreign travel shall be used solely for lodging, food, and related expenses and it is the responsibility of the Member, officer, or employee receiving such an allowance to return to the United States Government that portion of the allowance received which is not actually used for necessary lodging, food, and related expenses.

"RULE XLVIII

"FRANKING PRIVILEGE AND RADIO AND TELEVISION STUDIOS

"1. A Senator or an individual who is a candidate for nomination for election, or election to the Senate, may not use the frank for any mass mailing (as defined in section 3210(a)(5)(D) of title 39, United States Code) if such mass mailing is mailed at or delivered to any postal facility less than sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator is a candidate for public office or the individual is a candidate for Senator.

"2. A Senator shall use only official funds of the Senate to purchase paper, to print, or to prepare any mass mailing material which is to be sent out under the frank.

"3. (a) When a Senator disseminates information under the frank by a mass mailing (as defined in section 3210(a)(5)(D) of title 39, United States Code), the Senator shall register annually with the Secretary of the Senate such mass mailings. Such registration shall be made by filing with the Secretary a copy of the matter mailed and providing, on a form supplied by the Secretary, information as to the number of pieces included in the mass mailing and a description of the group or groups of persons to whom the mass mailing was mailed.

"(b) The Secretary of the Senate shall promptly make available for public inspection and copying the copy of the mail matter registered, the description of the group or groups of persons to whom the mass mailing was mailed, and the number of pieces mailed.

"4. Nothing in this rule shall apply to any mailing under the frank which is in direct response to inquiries or requests from persons to whom the matter is mailed, is addressed to colleagues in Congress or to government official (whether Federal, State, or local), or consists entirely of news releases to the communications media.

"5. The Senate computer facilities shall not be used to store, maintain, or otherwise process any lists or categories of lists of names and addresses identifying the individual included in such lists as campaign workers or contributors, as members of a political party, or by any other partisan political designation, or for producing mailing labels or computer tapes for use other than in the service facilities maintained and operated by the Senate.

"6. (a) The radio and television studios provided by the Senate or by the House of Representatives may not be used by a Senator or an individual who is a candidate for nomination for election, or election, to the Senate less than sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which that Senator is a candidate for public office or that individual is a candidate for Senator.

"(b) This paragraph shall not apply if the facilities are to be used at the request of, and at the expense of, a licensed broadcast organization or an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954.

"RULE XLIX

"POLITICAL FUND ACTIVITY; DEFINITIONS

"1. No officer or employee of the Senate may receive, solicit, be the custodian of, or distribute any funds in connection with any campaign for the nomination for election, or the election of any individual to be a Member of the Senate or to any other Federal office. This prohibition does not apply to one assistant to a Senator in Washington, District of Columbia, and one assistant in the Senator's home State who have been designated by that Senator to perform any of the functions described in the first sentence of this paragraph (except solicitation) and who are compensated at an annual rate in excess of $10,000, if such designation has been made in writing and filed with the Secretary of the Senate and if such assistant files a financial statement in the form provided under rule XLII for each year during which he is designated under this rule. The Secretary of the Senate shall make the designation available for public inspection.

"2. For purposes of the Senate Code of Official Conduct—

"(a) an employee of the Senate includes any employee whose salary is disbursed by the Secretary of the Senate; and

"(b) the compensation of an officer or employee of the Senate who is a reemployed annuitant shall include amounts received by such officer or employee as an annuity, and such amounts shall be treated as disbursed by the Secretary of the Senate.

"3. Before approving the utilization by any committee of the Senate of the services of an officer or employee of the Government in accordance with section 202(f) of the Legislative Reorganization Act of 1946 or with an authorization provided by Senate resolution, the Committee on Rules and Administration shall require such officer or employee to agree in writing to comply with the Senate Code of Official Conduct in the same manner and to the same extent as an employee of the Senate. Any such officer or employee shall, for purposes of such Code, be treated as an employee of the Senate receiving compensation disbursed by the Secretary of the Senate in an amount equal to the amount of compensation he is receiving as an officer or employee of the Government.

"4. No Member, officer, or employee of the Senate shall utilize the full-time services of an individual for more than ninety days in a calendar year in the conduct of official duties of any committee or office of the Senate (including a Member's office) unless such individual—

"(a) is an officer or employee of the Senate,

"(b) is an officer or employee of the Government (other than the Senate), or

"(c) agrees in writing to comply with the Senate Code of Official Conduct in the same manner and to the same extent as an employee of the Senate.

Any individual to whom subparagraph (c) applies shall, for purposes of such Code, be treated as an employee of the Senate receiving compensation disbursed by the Secretary of the Senate in an amount equal to the amount of compensation which such individual is receiving from any source for performing such services.

"RULE L

"EMPLOYMENT PRACTICES

"No Member, officer, or employee of the Senate shall, with respect to employment by the Senate or any office thereof—

"(a) fail or refuse to hire an individual;

"(b) discharge an individual; or

"(c) otherwise discriminate against an individual with respect to promotion, compensation, or terms, conditions, or privileges of employment

on the basis of such individual's race, color, religion, sex, national origin, or state of physical handicap.".

TITLE II—PROVISIONS RELATING TO THE SELECT COMMITTEE ON ETHICS

SEC. 201. Section 2(a) of Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964, is amended by inserting after "violations of law," in paragraph (1) "violations of the Senate Code of Official Conduct,".

SEC. 202. Section 2 of Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964, is amended by redesignating subsection (b) as (k), and by inserting after subsection (a) the following new subsections:

"(b)(1) Each sworn complaint filed with the Select Committee shall be in writing, shall be in such form as the Select Committee may prescribe by regulation, and shall be under oath.

"(2) For purposes of this section, 'sworn complaint' means a statement of facts within the personal knowledge of the complainant, alleging a violation of law, the Senate Code of Official Conduct, or any other rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate.

"(3) Any person who knowingly and willfully swears falsely to a sworn complaint does so under penalty of perjury, and the Select Committee may refer any such case to the Attorney General for prosecution.

"(4) For the purposes of this section, 'investigation' is a proceeding undertaken by the Select Committee after a finding, on the basis of an initial review, that there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.

"(c)(1) No investigation of conduct of a Member, or officer, and no report, resolution, or recommendation relating thereto may be made unless approved by the affirmative recorded vote of not less than four members of the Select Committee.

"(2) No other resolution, report, recommendation, interpretative ruling, or advisory opinion may be made without an affirmative vote of a majority of the members of the Select Committee voting.

"(d)(1) When the Select Committee receives a sworn complaint against a Member or officer of the Senate, it shall promptly conduct an initial review of that complaint. The initial review shall be of duration and scope necessary to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.

"(2) If as a result of an initial review under paragraph (1), the Select Committee determines by a recorded vote that there is not such substantial credible evidence, the Committee shall report such determination to the complainant and to the party charged, together with an explanation of the basis of such determination.

"(3) If as a result of an initial review under paragraph (1), the Select Committee determines that a violation is inadvertent, technical or otherwise of a de minimus nature, the Select Committee may attempt to

correct or prevent such a violation by informal methods.

"(4) If as the result of an initial review under paragraph (1), the Select Committee determines that there is such substantial credible evidence but that the violation, if proven, is neither of a de minimus nature nor sufficiently serious to justify any of the penalties expressly referred to in section 2(a)(2), the Select Committee may propose a remedy it deems appropriate. If the matter is thereby resolved, a summary of the Committee's conclusions and the remedy proposed shall be filed as a public record with the Secretary of the Senate and a notice of such filing shall be printed in the Congressional Record.

"(5) If as the result of an initial review under paragraph (1), the Select Committee determines that there is such substantial credible evidence, the Select Committee shall promptly conduct an investigation if (A) the violation, if proven, would be sufficiently serious, in the judgment of the Select Committee, to warrant imposition of one or more of the penalties expressly referred to in section 2(a)(2), or (B) the violation, if proven, is less serious, but was not resolved pursuant to paragraph (4) above. Upon the conclusion of such investigation, the Select Committee shall report to the Senate, as soon as practicable, the results of such investigation together with its recommendations (if any) pursuant to subsection (a)(2).

"(6) Upon the conclusion of any other investigation respecting the conduct of a Member or officer (as defined in subsection (b)(4)) undertaken by the Select Committee, the Select Committee shall report to the Senate, as soon as practicable, the results of such investigation together with its recommendations (if any) pursuant to subsection (a)(2).

"(e) When the Select Committee receives a sworn complaint against an employee of the Senate, it shall consider the complaint according to procedures it deems appropriate. If the Select Committee determines that the complaint is without substantial merit, it shall notify the complainant and the accused of its determination, together with an explanation of the basis of such determination.

"(f) The Select Committee may, in its discretion, employ hearing examiners to hear testimony and make findings of fact and or recommendations to the Select Committee concerning the disposition of complaints.

"(g) Notwithstanding any other provision of this section, no initial review or investigation shall be made of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provision of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship or transaction which occurred prior to the effective date of the applicable provision of the Code. The Select Committee may conduct an initial review or investigation of any alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Select Committee.

"(h) The Select Committee shall adopt written rules setting forth procedures to be used in conducting investigations of complaints.".

SEC. 203. The first section of Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964, is amended by adding after subsection (d) (as added by section 102 of Senate Resolution 4, Ninety-fifth Congress) the following new subsection:

"(e)(1) A member of the Select Committee shall be ineligible to participate in any initial review or investigation relating to his own conduct, or relating to any complaint filed by him, and the determinations and recommendations of the Select Committee with respect thereto.

"(2) A member of the Select Committee may, at his discretion, disqualify himself from participating in any investigation pending before the Select Committee and the determinations and recommendations of the Select Committee with respect thereto. Notice of such disqualification shall be given in writing to the President of the Senate.

"(3) Whenever any member of the Select Committee is ineligible under paragraph (1) to participate in any investigation or disqualifies himself under paragraph (2) from participating in any investigation, another Member of the Senate shall, subject to the provisions of subsection (d), be appointed to serve as a member of the Select Committee solely for purposes of such investigation and the determinations and recommendations of the Select Committee with respect thereto. Any Member of the Senate appointed for such purposes shall be of the same party as the Member who is ineligible or disqualifies himself.".

SEC. 204. Section 3 of Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964, is amended—

(1) by inserting after "fix the compensation of" in subsection (a)(7) the following: "a staff director, a counsel, an assistant counsel, one or more investigators, one or more hearing examiners, and"; and

(2) by amending subsection (b) to read as follows:

"(b)(1) The Select Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the executive branch of the Government) whenever the Select Committee determines that the retention of outside counsel is necessary or appropriate for any action regarding any complaint or allegation, which, in the determination of the Select Committee is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee.

"(2) Any investigation conducted under section 2 shall be conducted by outside counsel as authorized in paragraph (1), unless the Select Committee determines not to use outside counsel.".

SEC. 205. Section 2(a) of Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964, is amended by inserting after "disciplinary action" in paragraph (2) the following: "(including, but not limited to, in the case of a Member: censure, expulsion, or recommendation to the appropriate party conference regarding such Member's seniority or positions of responsibility; and, in the case of an officer or employee: suspension or dismissal)".

SEC. 206. Section 3 of Senate Resolution 338, Eighty-eighth Congress, agreed to July 24, 1964, is amended by adding at the end thereof the following new subsection:

"(e)(1) The Select Committee shall prescribe and publish such regulations as it feels are necessary to implement the Senate Code of Official Conduct.

"(2) The Select Committee is authorized to issue interpretative rulings explaining and clarifying the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction.

"(3) The Select Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member of officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

"(4) The Select Committee may in its discretion render an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

"(5) Notwithstanding any provision of the Senate Code of Official Conduct or any rule or regulation of the Senate, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraphs (3) and (4) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

"(6) Any advisory opinion rendered by the Select Committee under paragraphs (3) and (4) may be relied upon by (A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered: *Provided, however,* That the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and (B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

"(7) Any advisory opinion issued in response to a request under paragraphs (3) or (4) shall be printed in the Congressional Record with appropriate deletions to assure the privacy of the individual concerned. The Select Committee shall to the extent practicable, before rendering an advisory opinion, provide any interested party with an oportunity to transmit written comments to the Select Committee with respect to the request for such advisory opinion. The advisory opinions issued by the Select Committee shall be compiled, indexed, reproduced, and made available on a periodic basis.".

TITLE III—MISCELLANEOUS; EFFECTIVE DATES

SEC. 301. The Committee on Rules and Administration and the Committee on Appropriations shall, within one hundred and twenty days after the day on which this resolution is agreed to, report to the Senate legislation to adjust the amounts and permissible uses of Senatorial allowances so that such allowances will be adequate to defray the necessary and appropriate expenses incurred in connection with the operation of a Member's office.

SEC. 302. (a) The Committee on Rules and Administration and the Committee on Appropriations, in consultation with the Committee on Finance, shall review the provisions of the Internal Revenue Code of 1954 relating to the tax status of funds raised and expended to defray ordinary and necessary expenses of a Member, the regulations prescribed thereunder, and the rulings made with respect thereto.

(b) The committees shall report the results of their review under subsection (a), together with their recommendations, to the Senate within one hundred and twenty days after the day on which this resolution is agreed to.

SEC. 303. (a) The Committee on Rules and Administration shall review the desirability of promulgating rules and regulations providing for—

(1) periodic audits by the General Accounting Office of the accounts of all committees and offices of the Senate;

(2) a centralized system of recordkeeping and comprehensive reporting relating to the accounts, allowances, expenditures, and

travel expenses of all committees and offices of the Senate;

(3) suggested accounting procedures for the handling of the accounts of all committees and offices of Members; and

(4) public disclosure and availability of information on the accounts of all committees and offices of the Senate, which shall be available in a form which segregates the allowances and expenses of each committee and office.

(b) The committee shall report the results of its review under subsection (a), together with its recommendations, to the Senate within one hundred and twenty days after the day on which this resolution is agreed to.

SEC. 304. (a) The Committee on Rules and Administration shall review the desirability of requiring that only official Senate funds may be used to pay for any expenses incurred by a Senator in the use of the radio and television studios provided by the Senate.

(b) The committee shall report the results of its review under subsection (a), together with its recommendations, to the Senate within one hundred and twenty days after the day on which this resolution is agreed to.

SEC. 305. (a) The Committee on Foreign Relations shall review the problem of travel, lodging, and other related expenses provided to Members, officers, or employees of the Senate paid for by foreign governments in the situation where it is not possible to procure transportation, lodging, or other related services or to reimburse the foreign government for those purposes.

(b) The committee shall report the results of its review under subsection (a), together with its recommendations, to the Senate within ninety days after the day on which this resolution is agreed to.

SEC. 306. (a) The Committee on Governmental Affairs shall review whether it is desirable to permit—

(1) a Senator to mail franked mail with a simplified form of address for delivery within the State for which he was elected; and

(2) a Senator to mail franked mail with a simplified form of address as provided under paragraph (1) which is—

(A) to be prepared as directed by the Postal Service, and

(B) to be delivered to—

(i) each box holder or family on a rural or star route,

(ii) each post office box holder, and

(iii) each stop or box on a city carrier route.

(b) The committee shall report the results of its review under subsection (a) together with its recommendations, to the Senate within one hundred and twenty days after the day on which this resolution is agreed to.

SEC. 307. The Committee on Rules and Administration shall study laws relating to contributions solicited from or made by officers or employees of the Senate and report the results of their review, together with their recommendations, to the Senate within one hundred and eighty days after the day on which this resolution is agreed to.

SEC. 308. The Committee on Rules and Administration shall, within one hundred and eighty days after the day on which this resolution is agreed to, report proposals to prohibit the misuse of official staff by holders of public office in campaigns for nomination for election, or election, to Federal office.

SEC. 309. (a) The Committee on Governmental Affairs shall conduct a study of the subject of handling employment discrimination complaints.

(b) The Committee shall report the results of their study under subsection (a), together with their recommendations, to the Senate within one hundred and eighty days after the day on which this resolution is agreed to.

(c) The recommendation of the Committee on Governmental Affairs shall be referred to the appropriate committee for a period not to exceed sixty days.

SEC. 310. (a) Except as provided in this section, the amendments to the Standing Rules of the Senate made by title I and the provisions of title II shall take effect on the day after the day on which this resolution is agreed to.

(b)(1) Rule XLII of the Standing Rules of the Senate (as amended by title I), relating to Public Financial Disclosure, shall take effect on October 1, 1977, and the statement required to be filed thereunder on or before May 15, 1978, shall cover the period October 1, 1977, through December 31, 1977, except that, at the option of any individual required to file such statement, it may cover the calendar year 1977.

(2) Rule XLIV of the Standing Rules of the Senate (as such rules existed prior to the amendments made by title I) shall remain in effect for the period through September 30, 1977, and the statement required to be filed thereunder on or before May 15, 1978, shall cover the period January 1, 1977, through September 30, 1977, except that, at the option of any individual required to file such statement, it may cover the calendar year 1977.

(c) Rule XLIV of the Standing Rules of the Senate (as amended by title I), relating to Outside Earned Income, shall take effect on January 1, 1978.

(d) Paragraphs 6, 7, 8, 9, and 10 of rule XLV of the Standing Rules of the Senate (as amended by title I), relating to Conflict of Interest, shall take effect on April 1, 1978.

(e) Rule XLVI of the Standing Rules of the Senate (as amended by title I) relating to Prohibition of Unofficial Office Accounts, shall take effect as follows:

(1) On the day after the day on which this resolution is agreed to, no contributions to an unofficial office account may be received.

(2) Expenditures from unofficial office accounts shall terminate on December 31, 1977.

(f) Rule XLVIII of the Standing Rules of the Senate (as amended by title I), relating to Franking Privilege and Radio and Television Studies, shall take effect on August 1, 1977.

(g)(1) Paragraph 1 of rule XLIX of the Standing Rules of the Senate (as amended by title I) shall take effect thirty days after the day on which this resolution is agreed to.

(2) Rule XLIII of the Standing Rules of the Senate (as such rules existed prior to the amendments made by title I) shall remain in effect for the period through the thirtieth day after the day on which this resolution is agreed to.

(h) Rule L of the Standing Rules of the Senate (as amended by title I), relating to Employment Practices, shall take effect on January 3, 1979.

(i) The amendments to Senate Resolution 338 contained in sections 202 and 203 of title II of this resolution shall take effect thirty days after the day on which this resolution is agreed to.

(This concludes additional statements submitted today.)

URGENT SUPPLEMENTAL APPROPRIATION FOR DISASTER RELIEF, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair now lay before the Senate House Joint Resolution 269.

The DEPUTY PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of House Joint Resolution 269, which the clerk will state by title.

The legislative clerk read as follows:

H.J. Res. 269, a joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1977, for disaster relief.

The Senate proceeded to consider the joint resolution.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The DEPUTY PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, today we are taking up a piece of legislation, House Joint Resolution 269, which will provide $200 million that is badly needed to meet the needs of disaster victims across the country. Initially the Congress appropriated $100 million which, with another $65.8 million in carryover funds should have been sufficient to take care of all disasters in fiscal 1977. However we did not foresee the cruelty of the winter we have just passed through. We did not realize that we could have a drought as severe as the one now devastating the Western part of the United States. The Carter administration has asked that we provide the $200 million included in this resolution so that $100 million can be used to alleviate the effects of the drought and another $100 million can be used to help the victims of some of the coldest winter weather in the Nation's history.

Mr. President, it is generally acknowledged that this money is badly needed. The resolution is supported by the ranking member of the HUD—Independent Agencies Subcommittee, Senator MATHIAS. It passed the House by a 411-to-4 vote on March 3. It was unanimously approved by the Senate Appropriations Committee.

I move the adoption of the resolution, House Joint Resolution 269, at this time

Mr. President, I suggest the absence of a quorum.

The DEPUTY PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, the Senator from Indiana is very anxious to have action taken by Congress that would permit assistance to be given to four States, including, of course, Indiana. I am very sympathetic with him. We have a problem on this particular bill, but I think perhaps we can work it out very soon.

I am happy to yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I appreciate the courtesy of my colleague from Wisconsin. I apologize for delaying the Senate on a piece of legislation that we are anxious to pass quickly. I shall take only a very few minutes. I wish us to

develop a record on which we can rely when we come back to address ourselves to the full supplemental bill.

A number of States are receiving much needed money to deal with a wide variety of disasters. We have droughts and too much water, not enough water, and too much snow. We know what the thrust of much of the disaster portion of this legislation is.

There are four States involved; Pennsylvania, Michigan, Ohio, and my own State of Indiana, with a particular problem. I stood in the Chamber and listened to the pleas of our colleagues, Senator METZENBAUM and Senator GLENN, yesterday. Our States have been turned down by the President in our applications to become disaster relief areas. However, the President has issued an emergency declaration in each of these four States which then made it possible for the Federal Government to provide assistance to remove snow.

In Indiana, this declaration was about 3 or 4 days after the snow had become so deep that people could not get in and out of places. Most small county commissioners are not going to sit around and wait for the Federal Government to trigger legislation when they have old people who cannot get coal and oil or inner-city people who cannot get food. So they went out and hired people to remove that snow, got in there, and saved those lives. Then 3 days later the Federal Government came along and said: "OK. We will pay for clearing that snow, but we are not going to pay after the fact."

So I asked my distinguished friend and colleague from Wisconsin for assistance. Although I do not wish to delay this legislation, I wish him to offer his assistance on the full supplemental bill. I would like to be able to say to those communities, who have already used up all of their road maintenance money for this whole year, that we will, in those instances, where there has been an emergency declaration reimburse those small communities for the cost of snow removal.

Mr. PROXMIRE. I think the Senator from Indiana has made a very strong case. As he knows, he is on the subcommittee that will deal with this on the supplemental appropriation, and we will be marking it up very shortly, within a matter of a few days.

I am extremely sympathetic with the Senator's position, and I want to do this if we possibly can. There may be some problems. We have not had any hearings and do not have a record on this. I do not understand it fully. I have not heard any reason why the administration is unwilling to permit the situation the Senator has so well described in Indiana, Michigan, Ohio, and Pennsylvania to qualify, and I would like to hear that, but I think the Senator from Indiana has made, as I say, a very strong case, and I am sympathetic and want to do all I can for him.

Mr. BAYH. Mr. President, if the Senator will yield, we have a fellow—and I do not want to get involved in personalities—who has been running that disaster relief agency down there, and is still running it, who I have had some dealings with over the past 3 or 4 years when we have had tornadoes in Indiana. It seems to me we have the wrong psychology down there, when they say, "You have disaster legislation, and we have to do our best to protect people from going in there and using that disaster legislation." So we have people with their barns blown down, their fences rolled up, their cattle gone, and we have people in that office using every jot and tittle to see if they can avoid making disaster relief payments.

Mr. PROXMIRE. Is it the Senator's interpretation that the administration could do it if they wanted to?

Mr. BAYH. A humane interpretation of the law, it seems to me, would do it. The emergency declaration provided for clearing roads, but because of the timing of that declaration, the counties and the small towns involved have already gone in and cleaned the roads, to help people who were in trouble. Why in the world should not the Federal Government say, "We are going to go back and reimburse them"?

I am not talking about reimbursing them for something that they would not have been entitled to if the Federal declaration had been made before the fact. But the fact is that when you have a snow emergency, it is different from a tornado. If you have a flood or a tornado, the destruction is there after the fact, to see. Snow melts eventually and is gone.

Mr. PROXMIRE. I will agree wholeheartedly that the administration should interpret the law the most humane way they possibly can. I agree with the Senator on that, and I would hope the administration would reconsider and permit some of these funds to be used for the purpose the Senator has described extremely well. I think that is a humane kind of action. It clearly is not an emergency under these circumstances.

Mr. BAYH. I appreciate that.

Mr. PROXMIRE. I support the Senator, and will do whatever I can to be helpful to him when the supplemental comes before the committee.

I do want to hear the views of the administration; I am not making a final commitment, but I am very sympathetic.

Mr. BAYH. I appreciate the views of the Senator from Wisconsin, and I appreciate his tolerance in taking some time on a very busy day and a very important piece of legislation.

Mr. MATHIAS. Mr. President, I am pleased to support the speedy passage of this supplemental appropriation for disaster relief. The $200 million provided in this appropriation will go a long way toward aiding the thousands of people and businesses hurt by this winter's severe effects of freezing, droughts, and floods throughout the country.

The entire Nation has felt the effects of the most severe winter in 30 years. From the citrus growers in Florida, to the breadbasket farmers in the Midwest, to the fruitgrowers in California, to the fishermen on the Chesapeake Bay—all these Americans have been set back by either drought or freezing.

This appropriation will provide the funds for loans and grants to those people under the Disaster Relief Act to get back on their feet.

The fishermen, oystermen, and crabbers of Chesapeake Bay were unable to pursue their very livelihood for a period of almost 6 weeks this winter when the Chesapeake Bay froze solid.

They could not fish. They could not venture from their homes at times. Fuel and food was scarce, particularly for those on Tilghman Island, Kent Island, and other fishing communities. Emergency supplies had to be helicoptered in.

When you see situations like that, as I did in January, the stark reality of a natural disaster is indelibly printed in your mind.

We have got to help the fishing industry recover as quickly as possible from the freeze because Chesapeake Bay supplies the country with a substantial portion of its seafood.

Maryland, in 1975, provided over 14 million pounds of fish; over 25 million pounds of crabs; over 2 million bushels of oysters; and over 6 million pounds of clams.

There were other ravages of nature prior to this winter which this appropriation will also help to relieve. My hometown of Frederick, Md., was devastated by a freak storm in October of last year flooding residents and businesses, forcing them from their homes, and generally causing havoc. I want to insure that those people make a quick recovery from that devastation and are able to take advantage of loans to repair their homes and businesses.

Mr. MUSKIE. Mr. President, the bill now before the Senate, House Joint Resolution 269, would provide $200 million in supplemental funding for disaster relief.

This supplemental has been made necessary by severe drought in the Western States and severe winter storms in the East. The hardship of individuals and the economic losses to business were so severe that they overwhelmed the ability of regular Government programs to respond. The Federal Disaster Assistance Administration relieved numerous crises with disaster unemployment assistance, emergency snow removal, and the purchase and transportation of animals and feed. I understand that if these additional funds are not quickly appropriated, the Disaster Relief Fund will shortly be depleted.

Mr. President, the amounts in this supplemental can be accommodated within the spending ceiling established in the third budget resolution which was approved by Congress on March 3, 1977. I support enactment of House Joint Resolution 269.

The PRESIDING OFFICER (Mr. FORD). The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution was read the third time and passed.

IMPORTATION OF RHODESIAN CHROME

The PRESIDING OFFICER. Under the previous order, the Senate will now

proceed to the consideration of S. 174, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 174) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the international community.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment on page 2, line 1, to strike the semicolon and the word "and" and insert:

The Secretary may exempt from the requirements of such Executive order any shipment of chromium in any form which is in transit to the United States on the date of enactment of this sentence.

so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the United Nations Participation Act of 1945 (22 U.S.C. 287c) is amended—

(1, by adding at the end of subsection (a) the following new sentence: "Any Executive order which is issued under this subsection and which applies measures against Southern Rhodesia pursuant to any United Nations Security Council resolution may be enforced, notwithstanding the provisions of any other law," The Secretary may exempt from the requirements of such Executive order any shipment of chromium in any form which is in transit to the United States on the date of enactment of this sentence.

(2) by adding at the end thereof the following new subsection:

"(c)(1) During the period in which measures are applied against Southern Rhodesia under subsection (a) pursuant to any United Nations Security Council resolution, a shipment of any steel mill product (as such product may be defined by the Secretary) containing chromium in any form may not be released from customs custody for entry into the United States if—

"(A) a certificate of origin with respect to such shipment has not been filed with the Secretary; or

"(B) in the case of a shipment with respect to which a certificate of origin has been filed with the Secretary, the Secretary determines that the information contained in such certificate does not adequately establish that the steel mill product in such shipment does not contain chromium in any form which is of Southern Rhodesian origin; unless such release is authorized by the Secretary under paragraph (3) (B) or (C).

"(2) The Secretary shall prescribe regulations for carrying out this subsection.

"(3)(A) In carrying out this subsection, the Secretary may issue subpenas requiring the attendance and testimony of witnesses and the production of evidence Any such subpena may, upon application by the Secretary, be enforced in a civil action in an appropriate United States district court.

"(B) The Secretary may exempt from the certification requirements of this subsection any shipment of a steel mill product containing chromium in any form which is in transit to the United States on the date of enactment of this subsection.

"(C) Under such circumstances as he deems appropriate, the Secretary may release from customs custody for entry into the United States, under such bond as he may require, any shipment of a steel mill product containing chromium in any form.

"(4) As used in this subsection—

"(A) The term 'certificate of origin' means such certificate as the Secretary may require, with respect to a shipment of any steel mill product containing chromium in any form, issued by the government (or by a designee of such government if the Secretary is satisfied that such designee is the highest available certifying authority) of the country in which such steel mill product was produced certifying that the steel mill product in such shipment contains no chromium in any form which is of Southern Rhodesian origin.

"(B) The term 'Secretary' means the Secretary of the Treasury.".

The PRESIDING OFFICER. What is the will of the Senate?

The Chair, acting under his prerogative as a Senator from Kentucky, suggests the absence of a quorum, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized.

Mr. CLARK. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 174.

Mr. CLARK. I send to the desk a technical amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair must advise the Senator from Iowa that his amendment is not in order at this time until the committee amendment has been disposed of.

Mr. CLARK. I thank the Chair.

The PRESIDING OFFICER. The clerk will state the committee amendment.

The second assistant legislative clerk read as follows:

On page 2, line 1, strike "and" and insert new language.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. CLARK. Mr. President, I ask unanimous consent that Norvill Jones of the Committee on Foreign Relations, Pauline Baker of that committee, and Marianne Spiegel of my staff be given the privileges of the floor during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa.

UP AMENDMENT NO. 73

Mr. CLARK. Is my amendment in order now?

The PRESIDING OFFICER. Yes.

Mr. CLARK. I ask that my amendment be stated, and I ask unanimous consent that the second part of my amendment be in order even though it amends the committee amendment already agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Iowa (Mr CLARK) proposes an unprinted amendment No 73

The amendment is as follows:

On page 1, line 6, strike the word "sentence" and insert in lieu thereof the word "sentences."

On page 2, line 2, strike the word "Secretary" and insert in lieu thereof the word "President."

Mr. CLARK. Mr. President, this is simply an amendment to change two words in the bill. The first one simply refers to changing the word "sentence" on line 6 to "sentences", plural, because of a phrase which was added later. Secondly, on page 2 of the bill, it simply changes the word "Secretary", referring to the Secretary of State, to "President" because upon research we found that the President is the only one with the authority to authorize this.

Mr. WALLOP. Mr. President, I wish to direct a question to the Senator from Iowa. Has Mr. CASE been informed of this amendment?

Mr. CLARK. Yes.

Mr. WALLOP. He is aware of it?

Mr. CLARK. The staff of the Foreign Relations Committee on the Republican side have been advised and have worked with us on it.

Mr. WALLOP. Very well. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CLARK. Mr. President, I wish to speak for a few moments about the measure before us.

Mr. President, in bringing the Rhodesian sanctions bill before the Senate. I would like to review here the background behind the legislation, its importance to events occurring in Southern Africa, and its implications for the United States.

The history of Rhodesian sanctions began shortly after Rhodesia's white minority government made a unilateral declaration of independence from Great Britain in 1965. The United Nations Security Council responded by applying selective economic sanctions against Salisbury in 1965 and 1966, but these failed to restrict trade with any degree of effectiveness. On May 29, 1968, the Security Council voted unanimously to apply a total, mandatory embargo on Rhodesian products and commodities. Two months later, President Lyndon Johnson issued Executive Order 11419 enforcing the Security Council resolution and fulfilling U.S. international obligations under the Charter of the United Nations.

The American Bar Association, in a letter to the Foreign Relations Committee dated February 18, 1977, noted that by complying with the vote of the Security Council, President Johnson had acted in accordance with two provisions of the U.N. Charter, in which we presently stand in violation. The first, article 2, section 5 states that:

All members shall give the United Nations every assistance in any action it takes in

accordance with the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.

The second provision, article 25, states that:

The members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the present Charter.

At the outset, therefore, the United States adhered to the Security Council decision. But in 1971, Congress enacted section 503 of the Military Procurement Act of 1972, a measure commonly known as the Byrd amendment for its author, Senator HARRY F. BYRD, JR. This law effectively nullified President Johnson's action by prohibiting U.S. sanctions against non-Communist countries from whom we obtain strategic materials. Reflecting the opinion of many observers, the ABA concluded that this amendment not only violated U.S. treaty obligations, but "seriously damages U.S. international prestige and influence while tending to undermine the effectiveness of the United Nations." I would hope in the debate today that those who favor our continued violation of our solemn legal commitment will describe for us how they would answer this important legal question.

Years of controversy followed passage of the Byrd amendment, including repeated congressional attempts to reverse its effect as it applies to Rhodesia.

Indeed, this body did repeal the Byrd amendment in 1973 by a rather resounding vote, but it failed in the House of Representatives.

The issue became more critical since the collapse of Portuguese colonialism in Africa in 1974, an event which triggered a realinement of the balance of power in the region. Angola and Mozambique became independent, the former after a bitter civil war involving Cuban and Russian intervention. Tensions have risen dramatically between these new states and the remaining white regimes: hostilities have increased in Namibia which shares a border with Angola, racial riots have erupted over several months in South Africa, and the Rhodesian situation has worsened considerably. Since the unilateral Declaration of Independence, several attempts to reach a negotiated settlement have collapsed, the guerrilla war has expanded on all fronts, and the threat of foreign intervention has grown.

The United States embarked upon a new policy in southern Africa after Soviet and Cuban intervention in Angola. Attempting to replace military involvement which failed in Angola with a political initiative, former Secretary of State Kissinger launched a spectacular diplomatic offensive to achieve a peaceful settlement in Rhodesia. That effort proved fruitless. The Carter administration is presently evolving a broader approach to the problems of southern Africa —indeed the President is meeting at this time with the British Prime Minister to discuss this and other matters— and, accordingly, has placed its full support in favor of the application of Rhodesian sanctions.

It is not surprising that some misunderstanding has resulted from this controversial history. For this reason, it is appropriate at this point to clarify precisely what Rhodesian sanctions legislation purports to do.

Although it is often referred to as "repeal of the Byrd amendment," the bill simply suspends the Byrd amendment as it pertains to Rhodesia, nothing more. But for that exception, the rider attached to the 1972 Military Procurement Act, which restricts the President from applying sanctions to non-Communist countries from whom we obtain strategic materials, still stands. That part of the Byrd amendment is not affected.

However, with regard to Rhodesia, S. 174 goes beyond previous efforts. First, it specifically bans steel mill products containing Rhodesian chrome—not finished goods—from importation into the United States; these products are manufactured by third country importers and transshipped to the United States. Second, it establishes an enforcement mechanism to monitor embargoed imports, in order to protect American producers from unfair competition with foreign producers having access to Rhodesian chrome. In addition, this enforcement mechanism, which consists of a certificate of origin to be filed for each steel mill product entering the United States, places the burden of monitoring responsibility on third country importers who may transship chrome products to the United States. The bill empowers the Treasury Department to inspect the industrial routing of chrome imports to insure enforcement of legislative restrictions.

The Rhodesian sanctions bill that I am sponsoring, together with 18 of my distinguished colleagues, thus represents probably the most effective legislation of its kind that has been considered by Congress. The expectation is that the House of Representatives will vote on this measure early next week. It differs from past efforts in the thoroughness of its enforcement procedures, in the sharing of monitoring responsibilities with third country importers, and in the specific inclusion of a processed product—steel mill imports, which heretofore offered a feasible method of sanctions evasion.

Twelve years after Rhodesia's UDI and 6 years after Congress insured U.S. violation of U.N. sanctions, this country is taking an important step forward in contributing toward an enlightened foreign policy in Africa. As we all know, this bill will, first of all, restore the United States to a position of honor under international law, by permitting the President to fulfill treaty obligations that have been blatantly violated. Its enactment will also, thankfully, put to rest the long domestic controversy which has surrounded this issue. It places congressional support unequivocally behind administration efforts to find a peaceful solution to the Rhodesian problem, a need which was affirmed by Secretary of State Cyrus R. Vance when he testified in behalf of this bill before the African Affairs Subcommittee last month.

Beyond this, I am convinced that American credibility in Africa, and possibly in many other countries in the Third World, will be greatly enhanced by enactment of this legislation. It will help shift the image of the United States from one which tacitly "tilted" toward the white regimes to one which openly identifies with the aspirations for self-rule among the majority of peoples in Southern Africa. Among the strongest conclusions I came to as a result of my trip to Africa in November was that the Byrd amendment was perhaps the single most offensive aspect of U.S. policy in Africa in the eyes of leaders throughout the continent. As long as we violate U.N. sanctions against Rhodesia, our chances of improving African-American relations, and specifically, of making inroads in achieving a peaceful settlement in southern Africa, remain handicapped.

Enactment of this legislation will, of course, not in itself bring about majority rule in Rhodesia nor suddenly induce the African states to applaud U.S. policy in all its dimensions. But it will certainly remove this handicap under which we have operated for years, adding one more link to the chain of opposition to minority rule in the region as a whole.

In retrospect, it may well be that historians will evaluate the political effect of this bill as being more meaningful now than at any other time since the Byrd amendment was enacted. It comes after the collapse of the Geneva talks and in the wake of the assertion by Prime Minister Ian Smith that he expects assistance and sympathy from the West because he accepted the so-called Kissinger Plan, although he refused to negotiate beyond it. This legislation represents, in effect, an answer to that assertion. It shows that the U.S. Congress is in accord with the statement announced by Secretary Vance in early February that Rhodesians could not count on any form of American assistance in their efforts to prevent majority rule or to enter into negotiations which exclude leaders of the nationalist movements.

It is in this context that the political and symbolic importance of this legislation should be seen, as a barometer of congressional opinion at a crucial juncture in the development of U.S. policy in southern Africa.

Exactly what economic impact this legislation will have on Rhodesia is difficult to assess because the Rhodesian Government does not release trade or production statistics. According to the State Department's Bureau of Intelligence and Research, in 1975 the United States imported from Rhodesia 93,600 tons of chromite, an estimated 27 percent of that country's total export production. We also imported 74,000 tons or 53 percent of Rhodesia's ferrochrome exports. In 1976, these figures dropped to 12,000 tons or 4 percent of Rhodesia's chromite and 46,000 tons or 31 percent of Rhodesia's ferrochrome production. While the world market for chrome may not be affected by U.S. sanctions and Salisbury may readily shift to other buyers, our continued contribution to Rhodesia's economy in this way is, under the present circumstances, indefensible, standing in direct contradiction to our

longstanding policy not to recognize or aid a regime internationally recognized as illegal.

Moreover, there remains little economic justification for continued American importation of Rhodesian raw materials, a fact attested to by Government and industry spokesmen alike. Secretary Vance stated in his testimony before our subcommittee that "American industry is not dependent on Rhodesian chrome and repeal will not harm our economy." Indeed, Julius L. Katz, Assistant Secretary of State for Economic and Business Affairs, held that this legislation "is a rational economic step looking forward to a time when majority African rule in Rhodesia will come about."

Because of a new technological development, in fact, several developments—a large strategic stockpile of chrome, and wider sources of supply, U.S. dependence on Rhodesian chrome is less today than at any other time since the Byrd amendment was enacted. Union Carbide Corp., one of the largest U.S. importers of chrome, indicated that the dependence of the specialty steel industry on Rhodesian chrome had been greatly reduced by two technological breakthroughs. One is a smelting process which enables the industry to get higher grade ferrochrome out of lower grade ores. The other, described by Mr. E. F. Andrews of Allegheny Ludlum Industries as "a very major breakthrough in the steel industry," is the Argon Oxygen Decarburization process, now used by 60–65 percent of the world's steel producers; it permits a higher yield of chromium from lower grade ores. Thus, the steel industry no longer needs Rhodesia chrome as it has in the past.

Indeed, let me quote specifically from the testimony of E. F. Andrews, speaking for the producers of specialty steels, as he appeared before our subcommittee last month:

> We cannot stand before you and make the arguments we made in 1967 and 1971, getting the Byrd amendment in, or in 1974, in keeping it in. Those arguments are no longer valid.
>
> We feel that due to technological breakthroughs in both the ferroalloy industry and the ferrochrome industry we are no longer dependent upon Rhodesia for ferrochrome and for chrome supplies—and we therefore cannot make the arguments we have made over the past seven or eight years in regard to the Byrd Amendment.

Now, chrome inventories in this country today are between 6 and 9 months supply for normal usage, not including the Government's strategic stockpile which the Bureau of Mines reports is equivalent to 3.82 million tons of metallurgical chrome ore, of which 3.59 million tons are reserved for national security needs.

I explored further the impact of this legislation on the American economy in our subcommittee hearings with representatives of the United Steel Workers of America. Of particular interest was the refutation by Mr. John J. Sheehan, legislative director of the steel union, of allegations that Rhodesian sanctions would have deleterious effects on labor. I quote from the steel workers themselves:

> The steel workers Union has consistently and actively supported the repeal of the Byrd Amendment ever since its enactment. We have done so despite the fact that one of the major arguments persistently used to justify its existence has been the allegation that access to Rhodesian chrome is necessary to preserve jobs of our members in the specialty steel industry. The job loss argument has been a persuasive one to many. But it is a false argument. Steelworkers' jobs are not threatened by a reimposition of the full embargo on Rhodesian trade, and they never have been. We do not want the jobs of our members to be used as a screen for destroying the effectiveness of the embargo, thereby contributing to the repression of civil liberties for the majority of Rhodesians.

While these political and economic arguments have become more persuasive in evaluating the likely consequences of broader Rhodesian sanctions, the primary justification of the Byrd amendment is of even deeper significance. This justification consists essentially of the argument that American access to strategic materials should remain as open as possible regardless of other considerations, in order to avoid heavy reliance on the Soviet Union. However, a close examination of the history of U.S. trade in chrome, of the actual effect of the amendment in reducing our dependence on the Soviet Union, and of the importance and reliability of Rhodesia as a supplier negates that argument.

First, Russia has been and still remains our largest supplier of chrome ore. The amendment did not relieve us of this dependence as it was intended to do. To the contrary, since it came into effect in 1971, Russia has continued to be our largest single source of supply and it is likely to remain so in the future because it has the highest quality chrome ore available. Trade in essential commodities between the United States and the U.S.S.R. is extensive, reciprocal, and mutually beneficial, a relationship that encompasses far more than chrome. The Byrd amendment has had very little, if any, impact on this relationship.

Second, to say that the U.S.S.R. is our largest supplier is not to say that it is our only supplier. The proportion of our total chrome ore imports originating from the Soviet Union is declining, not because of the amendment which permits us to buy from Rhodesia, but because of diversification of sources of supply—including South Africa, Turkey, Philippines, Pakistan, Iran, Finland, and others. The decline in Soviet imports—from 59 percent in 1972 to 44 percent in 1976—was not matched by an increase in Rhodesian imports. Indeed, Rhodesian chrome ore imports similarly declined, from 9 percent in 1972 to less than 2 percent in 1976.

Third, political and economic difficulties have established Rhodesia as an unreliable supplier, with dwindling export capabilities as a result of tightening transportation routes. South Africa remains her sole remaining route to the outside world. According to Mr. Katz, Rhodesia was the source of 3 percent of total U.S. imports by chromium content in 1976 as compared to 17 percent from the U.S.S.R., 38 percent from South Africa, 17 percent from Turkey, 10 percent from the Philippines and 15 percent from others.

Fourth, the only chromium product imported into the U.S. from Rhodesia in significant amounts is ferrochrome, an intermediate product processed from chrome ore. It is not competitive with the Soviet Union which exports no ferrochrome at all. Cutting off our access to Rhodesian ferrochrome would compel a widening of U.S. sources of supply, but it would not increase our reliance on the Soviet Union. Mr. Katz reported that economic adjustments such as this required by barring Rhodesian imports would be "relatively short term and can be largely overcome over a period of time."

Barring importation of Rhodesian chrome therefore neither makes the United States significantly more dependent upon the Soviet Union than it might otherwise be, nor places the United States in a more insecure supply position generally. Enactment of S. 174 will implement the announced policy of President Carter and that of the previous three Presidents—Republican and Democrat alike. Above all, it will recognize political and economic realities to which the United States must now, after years of debate, meaningfully respond. I call upon my colleagues to vote overwhelmingly in favor of this legislation.

The PRESIDING OFFICER (Mr. SARBANES). The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, I recognize that the distinguished Senator from Iowa is chairman of the Africa Subcommitte of the Foreign Relations Committee. While I do not agree with its conclusions, I think that from his point of view he has made a fine presentation.

I think that the report of the Foreign Relations Committee on the bill introduced by the Senator from Iowa (Mr. CLARK) is most interesting. The legislative background is in good order. There is one particular aspect that was not included in the report, but I would hardly expect that it would have been.

As a part of the legislative history, the facts show that the Byrd amendment, at one time or another, when it was before Congress, received the support of Representatives from 46 of the 50 States.

I think that is a very important part of the legislative history. It shows that it was not a regional vote. It was a bipartisan political vote. It cut across party lines, both the Democratic Party and the Republican Party, and it cut across geographical lines. In fact, representatives of only 4 of the 50 States did not vote for the Byrd amendment.

So I commend the Foreign Relations Committee and the Senator from Iowa (Mr. CLARK) for this report, and I particularly commend the staff members who developed the report. Of course, I do not agree with the conclusions drawn by the report, but I do think it is a report that is very worthwhile and one that draws together the history of this legislation, which goes back almost 6 years.

I first became interested in this matter 10 years ago. It was right after the United Nations had imposed sanctions.

I felt, No. 1, that whether Rhodesia became independent of Great Britain or whether Rhodesia continued in her previous status within the British Commonwealth was a matter to be determined by the people of Rhodesia and by the people of Great Britain. It seemed to me at that time, just as it does now, that neither the United States nor the United Nations should inject itself into the internal affairs of Rhodesia and should not attempt to determine whether Rhodesia should become independent of Great Britain or continue as a part of the British Empire.

Incidentally, the reasoning given by the United Nations for the embargo—and it is quoted in the committee report—was that Rhodesia was a "threat to world peace." This is a little, landlocked country, with 6 million people, with virtually no military assets at all. The police force is the main organization which maintains order in the country, and that force is predominantly black. So there is no way in the world that that country could be considered a threat to world peace. I contended that it was rather ludicrous for the United Nations to so declare.

I had a very interesting exchange with Secretary Kissinger when he appeared before the Committee on Finance on March 7, 1974, 3 years ago this week. I put several questions to the Secretary. I admit that they had little to do with the legislation under discussion before the Finance Committee. Well, yes, they did, too. It had quite a bit to do, in looking back on it, with the matter before the Finance Committee at that time.

Secretary Kissinger was speaking in behalf of liberalized trade, so this tied in with that endeavor.

I brought up the question of Rhodesia with the Secretary, and I want to read this brief colloquy because, while the colloquy is not mentioned in the committee report, the report does mention that Rhodesia is a threat to world peace. I read from the colloquy with Secretary Kissinger:

Mr. Secretary, I am very much interested in the Rhodesian matter. I have never been there; I have no connection with it one way or the other. You have testified that you feel the actions that the United States has taken is a just action, and you are entitled to your view, just as I am entitled to my view. I think it is an unprincipled action.

I will skip a little.

Senator BYRD. You have testified that you do not regard Rhodesia as being a threat to world peace.

Secretary KISSINGER. That is correct.

Here is the Secretary of State, one of the ablest we have had, who stated categorically before a Senate committee that Rhodesia is not a threat to world peace.

I want to emphasize the view of Secretary Kissinger on this important matter as to whether Rhodesia is a threat to world peace. I quote now from my colloquy with the Secretary of State when he appeared before the Committee on Finance on March 7, 1974:

Senator BYRD. Do you think our actions toward Rhodesia are just or unjust?

Secretary KISSINGER. I think it reflects the decisions of the international community and the general conviction about justice.

Senator BYRD. Well, I am not clear whether you regard it as just or unjust.

Secretary KISSINGER. Our action? Yes, I recognize it as just.

Senator BYRD. You recognize our action in embargoing trade with Rhodesia as being just?

Secretary KISSINGER. Yes.

Senator BYRD. Do you regard the Soviet Union as being governed by a tight dictatorship, by a very few persons over a great number of individuals?

Secretary KISSINGER. I consider the Soviet Union, yes, as a dictatorship of an oligarchic nature, that is, of a small number of people in the Politburo.

Senator BYRD. In your judgment, is Rhodesia a threat to world peace?

Secretary KISSINGER. No.

Senator BYRD. In your judgment, is Russia a potential threat to world peace?

Secretary KISSINGER. I think the Soviet Union has the military capacity to disturb the peace, yes.

Senator BYRD. In your judgment, does Russia have a more democratic government than Rhodesia?

Secretary KISSINGER. No.

Senator BYRD. In your judgment, does South Africa have better racial policies than Rhodesia?

Secretary KISSINGER. Does South Africa have better racial policies?

Senator BYRD. Yes.

Secretary KISSINGER. I would not think so.

Now, I digressed from going back to the history of this legislation to bring up the point that was made in the committee report that the United Nations decreed Rhodesia to be a threat to world peace.

In the first place, I think it was a rather ridiculous assertion, and certainly was an unjustified one, and certainly it did not conform to the views of Secretary of State Kissinger insofar as Rhodesia's being a threat to world peace.

I emphasize that Secretary Kissinger opposed the Byrd amendment. He was opposed to the Byrd amendment, and he urged that it be repealed, but he was frank enough to say that Rhodesia is not a threat to world peace.

Now, to go back to 1967 when I first became interested in this matter, it resulted, I suppose, not only from the fact that I thought it was unwise for our country to inject itself into the internal problems of another country, but it resulted because at that time the United States was engaged in a full-scale war in Southeast Asia. We had some 400,000 Americans in Vietnam at that time. The number went up considerably subsequent to that date. It got up as high as 550,000.

So when the United Nations took the action of embargoing trade with Rhodesia, I developed a series of questions in the form of a letter to our then Ambassador to the United Nations, the Honorable Arthur Goldberg.

Ambassador Goldberg is not only a tremendously able individual, but he has served his country with distinction in several capacities, including that of Justice of the Supreme Court of the United States and as our Ambassador to the United Nations.

One of the questions that I put to Ambassador Goldberg was if the United Nations were determined to embargo any country why would it not embargo trade with Vietnam, a nation with which the United States was at war, a nation in which we had at that point lost a great many men and subsequently were to lose by death 53,000 men and 303,000 wounded. That was one of a number of questions.

I received a detailed reply from Ambassador Goldberg, in which he said, in response to one of my questions, that the United States had not sought an embargo on trade with Vietnam and went on to say that the United Nations would not support, in his judgment, an embargo on trade with North Vietnam.

I then made several speeches in the Senate, asking how our country could justify putting a trade embargo on the peaceful country of Rhodesia, which had done nothing whatsoever in opposition to the United States, but that our representatives in the United Nations would not advocate a United Nations embargo on trade with North Vietnam with which the United States was at war.

A few days later I received a telephone call from Ambassador Goldberg. He said:

I am at the White House and President Johnson says I must see you right away.

I said:

That is fine, Mr. Ambassador; come down at your convenience, any time you wish.

He said:

I will be right down.

Ambassador Goldberg spent an hour and a half or 2 hours with me in my office. He is a delightful individual, as Senators who know him would certainly agree. He is very articulate. We had a very lengthy and useful discussion of this matter. Needless to say we were not in agreement on the issue. But I was glad to have had the chance to go into it in such detail.

I cite that to show that my interest in this matter goes back some 10 years and that it developed to a considerable extent because the United States was involved in the war in Southeast Asia, and I felt that if anything were justified in the way of a trade embargo by the United Nations against any nation of the world that certainly the justification was there in the case of North Vietnam.

Then several more years go by. And what do we find? We find that as a result of the trade embargo against Rhodesia the United States became heavily dependent on Communist Russia for a vital war material. We had cut ourselves off from trade with a nation that has two-thirds of the world's metallurgical grade chrome supply. The rest of the world's metallurgical chrome, for the most part, is in only two other countries, South Africa and Russia. The other countries, Turkey, Pakistan, and one or two other countries have very small amounts. But as a practical matter virtually all of the world's supply of metallurgical chrome is in Rhodesia, South Africa, and Russia.

So it was then, in 1971, that I proposed to Congress that the United Nations' em-

bargo and President Johnson's unilateral embargo not apply to any strategic material. That proposal specificaly provided that the President would be prohibited from placing an embargo on the importation of a strategic material from a free world country if that same material was being imported from a Communist dominated country.

We had many fights in the Senate on that issue. The proposal was finally adopted after many votes in the Senate. It then went to the House of Representatives. The House of Representatives voted approval of the Byrd amendment, and President Nixon signed it into law.

Almost every year, I believe every year thereafter, an effort was made in either the House of Representatives or the Senate, or both, to repeal the Byrd amendment. Up to this point the efforts have not been successful. I do not know how this matter that is now before the Senate will come out. I recognize that those of us who support my position have a very tough and difficult fight, and I make no claims as to the outcome.

But if we do eliminate the opportunity for our Nation to buy chrome from Rhodesia, then we are cutting ourselves off from the nation which has two-thirds of the world's supply of that strategic metal.

Let me point this out: Under the existing law, under the Byrd amendment, a President at any point after it became law in 1971 could have nullified the effect of the Byrd amendment with regard to Rhodesia in one of two ways. By removing chrome from the strategic materials list that in itself would nullify effect of the Byrd amendment with regard to Rhodesia.

The second way the President could have reinstituted the embargo on chrome at any point in the last 6 years, if President Carter desired to do so, would be to prevent the importation of chrome from Communist Russia.

The Byrd amendment merely says this: That the President shall not prohibit the importation of a strategic material from a free world country if that same material is being imported from a Communist-dominated country.

Frankly, Mr. President, I think it is foolish for this country to spend $120 billion of the tax funds of the hardworking American people for national defense purposes directed almost entirely against the potential threat of aggression from the Soviet Union, and yet at the same time put ourselves in a position of greater dependence on that potential aggressor for a strategic, vital, and essential material.

The United States has no chrome; we have to import all of our requirements. We do not have any of our own, and if we cut ourselves off from Rhodesia, which has two-thirds of the world's supply, we will obviously become more dependent on the countries which have the bulk of the other third; namely, South Africa and Russia.

Mr. President, there is a very significant statement in this report, at the bottom of page 9. It says:

> Because of the history of controversy surrounding this issue, clarification should be made of precisely what S. 174 does. Although it has often been referred to as a bill to "repeal the Byrd amendment," S. 174 does not in fact repeal that provision of law.

Then it goes on to say:

> It simply makes an exception to the amendment in the case of Rhodesia.

So the measure introduced by the distinguished Senator from Iowa does not repeal the Byrd amendment, and I assume that by not repealing it, and by the fact that the Foreign Relations Committee noted that fact in its report, it sustains the principle of the Byrd amendment. I am glad to note that, because in the past that has not been the case. It sustains the principle of the Byrd amendment, which I submit is a sound principle, but it vitiates the Byrd amendment insofar as one country is concerned; namely, Rhodesia.

Mr. President, S. 174 would, if enacted, halt the importation of Rhodesian chrome. It seeks to reinstitute an embargo on the importation of Rhodesian chrome into the United States in compliance with the U.N. embargo initiated in 1966.

President Johnson unilaterally took action to implement economic sanctions against Rhodesia in July 1968 by Executive Order No. 11322. This action was undertaken without congressional action and without congressional review.

The United States has complied with this U.N.-imposed sanction and has continued vigorously to do so for over 10 years, with the exception of chrome, which is a strategic material.

In 1971, I introduced legislation that would prohibit the President from banning the importation of a strategic material from a free world country if that same material is being imported from a Communist country.

The reasoning behind this legislation was that the United States should not allow itself to become dependent upon the Soviet Union for a strategic material vital to the defense and economic well-being of this country.

Prior to the imposition of U.N. sanctions in 1966 Rhodesia was the largest single source of metallurgical grade chrome ore imported into the United States.

In the years after 1966 when the United States observed the embargo, including chrome, the United States became increasingly dependent on its next largest supplier—the Soviet Union. In 1968 and 1969 U.S. imports of metallurgical grade ore from the Soviet Union approached 60 percent of our total imports.

During this time of increased dependence on the Soviet Union, the Soviet price for chrome ore rose by 188 percent with prices reaching their peak in 1971, the last year of the embargo on Rhodesian chrome.

After enactment of the Byrd amendment, when the United States again had access to Rhodesian chrome, Soviet prices declined considerably.

However, again in 1974, when legislation to reimpose the Rhodesian embargo looked as though it might be approved by Congress the Russians again began an economic "squeeze play." The Soviets doubled their price to $160/ton and sharply curtailed their shipments.

The Soviet Union has demonstrated clearly that it will not hesitate to work this lever against the United States and history makes clear that if we cut ourselves off from two-thirds of the world's supply of metallurgical grade chrome this lever will again be used by the Soviets.

Besides Rhodesia, there are only two major sources of metallurgical grade chrome in this finite world—the Soviet Union and South Africa—and consequently we will by definition be more dependent on the Soviet Union if we are cut off from Rhodesia.

And I might say at this point that we would become more dependent also on South Africa. Is anyone in this Chamber prepared to argue that South Africa has better racial policies than Rhodesia? I doubt that we are likely to hear that argument.

I would say that the racial policies of both of those countries are contrary to the wishes of the majority of the American people. But, I say again, that is a matter to be determined by those countries themselves, and not by the United States. They are internal policies. But if we are going to embargo Rhodesia because of its racial policies, what justification is there for not embargoing trade with South Africa, whose racial policies are, I think one might accurately say, somewhat more severe than are the policies of Rhodesia?

I am aware that technological innovations may soon allow the widespread use of lesser quality metallurgical grade chromium, and that this will decrease our dependence to some extent on Rhodesian chrome supplies.

But I am informed also that it will be a much more expensive process. Certainly, it took a very heavy investment which must be recovered, which again indicates a substantial increase in price. However, I should note, too, that despite Assistant Secretary of State Katz' statement before the African Subcommittee this month, chemical and refractory grade ores will not be suitable substitutes for metallurgical grade ore in steel-making applications.

Consequently, the fact remains that two-thirds of the world's supply of metallurgical grade chromium is in Rhodesia and that is the only chromium usable in steel making.

There is another factor to consider in evaluating the effects of the new technological process. That is, many of the industries in this country which use chromium are small firms which do not have the new process. This Nation has hundreds of small factories which cannot afford the massive capital investment required by the new process and must therefore continue to depend on the finer chrome which Rhodesia supplies.

I suggest that this is one more way in which this Nation's small businesses will be hurt and huge multinationals will benefit.

If the new process is successful it will permit the use of greater quantities of South African chromium and I will be

grateful for it. However, no matter how one looks at it, if we deny ourselves access to Rhodesian chrome there are only two primary sources remaining—South Africa and Communist Russia.

If the Nkomo/Mugabe political group gains control of Rhodesia, it is likely that a strong marxist political structure will be set up and Rhodesia will likely become a front line state pressuring South Africa. At that point chrome supplies from South Africa may be in jeopardy and the United States will be put in the dangerous position of depending on a marxist Rhodesia and a marxist Soviet Union for almost all of its chrome. One can only guess what would happen to the price of chrome should such a situation occur.

I question as well, the need for reimposing the embargo on chrome as a means of demonstrating the "relentless opposition" of the United States to the white minority regime—to use Henry Kissinger's words.

The United States has carefully observed the U.N. embargo since its inception in 1966 and has imported from Rhodesia only strategic materials.

It is the rest of the world which has ignored the embargo. Most of our European allies, Japan, the Soviet Union, Red China and, most notably, many of the Black African nations have ignored the embargo.

In fact, there has been reports that Great Britain has been one of the chief violators of the sanctions.

In 1969 alone the U.N. received 60 reports of violations.

More recently, in January 1977 a limited distribution report was issued by the U.N. charging the Soviet Union and four East European countries with major sanction-breaking operations.

I find it ironic that those countries have been some of the most vocal against U.S. importation of strategic materials.

Another issue which should be addressed is the question of the legality of the U.N. sanctions and the propriety of the United Nations and the United States intervening in what can legitimately be considered the internal affairs of another nation.

The United Nations' imposed embargo is both illegal and unethical in terms of its own Charter. Under articles 39 and 41 of the Charter of the United Nations, an embargo can only be imposed against a country if it is judged to be a threat to world peace.

I have already made clear that the able former Secretary of State, Henry Kissinger, answered that issue categorically with one word. He said: "No, Rhodesia is not a threat to world peace."

No one can seriously argue that Rhodesia was a threat to world peace at the time the embargo was imposed.

Even now, if there is a threat to world peace in that region, it comes from without the borders of Rhodesia where other nations harbor and support terrorists whose purpose is to overthrow the Government of Rhodesia by bloodshed and terror.

I have quoted several times today in this speech in the Senate, what Secretary Kissinger said with regard to whether Rhodesia is a threat to world peace, but I want to quote it again because I think it is highly significant:

Senator BYRD. In your judgment, is Rhodesia a threat to world peace?

Secretary KISSINGER. No.

Senator BYRD. In your judgment, is Russia a potential threat to world peace?

Secretary KISSINGER. I think the Soviet Union has the military capacity to disturb the peace, yes.

Senator BYRD. In your judgment, does Russia have a more democratic government than Rhodesia?

Secretary KISSINGER. No.

Mr. President, we might say it fits in a nutshell.

I think most people would agree with Secretary Kissinger that Rhodesia is not a threat to world peace. Most people would agree with Secretary Kissinger that Russia has the potential for a great threat to world peace.

Yet if this proposal before the Senate today is approved, we will eliminate the opportunity for the United States to buy a strategic material, a vital and essential material, from a free world country—namely, Rhodesia—and thus automatically increase the dependence of the United States on the one potential enemy against which we are spending $120 billion on defense.

The United Nations' embargo against Rhodesia has no legal basis whatsoever. Indeed, as the Secretary of State Dean Acheson observed, the U.N. action against Rhodesia is "barefaced aggression, unprovoked, and unjustified by a single legal or moral principle."

Those are the words of a man who served as Secretary of State, if I recall correctly, for 5 or 6 years. He certainly served a long time. Five or six years as Secretary of State. And he was in that capacity under the administration of the Democratic President from Missouri, President Harry Truman.

To add to the already farcical nature of this matter, the U.N. sanctions demonstrate a grievous inconsistency. One of the principal reasons given for the embargo is the failure of the Rhodesian Government to provide for "an orderly transition to majority rule." Yet, if the criteria for sanctions is minority rule then the world economy would be crippled with embargoes. By that standard we should not import chrome from South Africa or the Soviet Union.

Where do you have a greater minority rule than in the Soviet Union? A few people in the Communist hierarchy have complete domination over the lives of 230 million Russian citizens. I submit that there is no other nation on earth where so many people are involved with a dictatorship, except Communist China.

Now, in Africa alone, of the 49 countries, 15 are military dictatorships and 29 of them are one-party states of a distinctly authoritarian complexion. Further, if one uses the criterion of political freedoms the farce is even more apparent.

An organization in New York called the Freedom House conducts an annual survey of comparative freedoms around the world under the heading of political rights and civil rights.

In this year's survey Rhodesia stands about midway in the world ratings and near the top of all African nations.

This proves that the real opposition to Rhodesia is political and emotional and is not based on facts and legal principles.

If this country wants to take action in trying to straighten out the affairs of another country, I think Uganda would be a very good place to start. The best available records show that Idi Amin, during the time that he has been dictator of that country, has killed between 50,000 and 300,000 of his fellow countrymen. But we do not want to do anything about that. We are concentrating entirely on the little country of Rhodesia, which has no problems such as that, I might add.

There is another important philosophical point to be made concerning the legislation now pending before the Senate.

I have consistently said that I oppose the application of any embargo against Rhodesia. Recognizing that there was no chance of removing all sanctions, I have concentrated my effort on strategic materials.

But I am basically opposed to the philosophy of the embargo. I am most certainly opposed to this legislation, which would make our participation in the embargo deeper and more complete.

Let me make my position on the matter of the embargo clear.

The whole economic structure of the United States depends upon the availability of resources. We import more than 50 percent of many of the materials critical to our industry; indeed, we import all or nearly all of our supply of chromium, platinum metals, titanium, manganese, cobalt, strontium, and mica.

And I hardly need remind the Senate that we import nearly half of our oil.

A free flow of resources among nations is essential to the survival of the American economy. In my view, a nation situated as is the United States today has no business taking part in embargoes for political purposes.

I recall all too well the cry of indignation which arose in this Chamber when the Arab members of OPEC imposed an embargo upon shipments of oil to the United States. I say that cry of indignation was well justified.

But in the name of consistency and fairness, how can we denounce the use of an embargo for political ends by the Arabs, and in the next breath proclaim an embargo against Rhodesia as a holy crusade?

I say that by participating in the Rhodesian embargo, we weaken our position as an opponent of oil embargoes, or indeed any similar moves that might be made by individual nations or cartels controlling vast amounts of vital materials.

Our country has a strong tradition of free trade. I say we should cling to that tradition—not only on theoretical grounds, but for the very practical reason that we must have assured access to the resources of the world.

Aside from all these important arguments it is extremely important to note that the President has the option of

halting the importation of Rhodesian chrome instantly without any legislative action. As written, the Byrd amendment states only that the President may not ban imports of a strategic commodity from a free world country if the same material is being imported from a Communist country.

The President could cut off shipments of chrome from Rhodesia to the United States by either declaring chrome nonstrategic or by banning imports of chrome from Russia.

Opponents of my legislation for years have argued that the importance of chrome is overrated. If they really believe that, why is chrome not declared nonessential? Incidentally, it is near the top of the strategic list.

My opponents also have said that cutting off Rhodesian chrome will not make the United States dependent upon the Soviet Union. If that were true, we could get along without chrome from either Rhodesia or Russia. If we are not to be dependent on Russia, then why do we not cut off the importation of chrome from Russia as well as from Rhodesia?

Why build up the Russian economy?

Of course, the facts are that chrome is vital and we cannot cut off both the Rhodesian and Russian supplies.

The failure of the administration to take chrome off its strategic list or to cut off Russian imports show the real need for chrome, and it dramatizes the validity of the Byrd amendment.

The Byrd amendment was sound legislation in 1971 and it remains sound legislation today. Representatives of 46 of the 50 States voted in favor of that amendment, and the courts have upheld its challenge, the challenge to its legality.

I think it significant that not only was the Byrd amendment approved by the Senate, approved by the House of Representatives, signed by the President, but when a group opposed to it took it to the courts of our land it was upheld in every court in the United States to which it was taken.

I think we need to ask ourselves what is the essence of the action which the proponents of S. 174 would have us take. It is this: We are being asked to eliminate trade in a vital commodity with a friendly country and, simultaneously, build up a potential enemy.

I think enactment of S. 174 would be a surrender of our long-term interests to the passions of the moment.

I urge my colleagues to reject this legislation.

(The following proceedings occurred during the foregoing address by Mr. HARRY F. BYRD, JR., and are printed at this point in the RECORD by unanimous consent.)

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. HARRY F. BYRD, JR. I am delighted to yield to my friend and colleague from South Carolina.

Mr. THURMOND. Mr. President, I believe the Byrd amendment was adopted by the Senate and the Congress in 1971. Is that correct?

Mr. HARRY F. BYRD, JR. That is correct.

Mr. THURMOND. According to this report, and I wanted to verify this, it reads this way:

". . . the President may not prohibit or regulate the importation into the United States of any material determined to be strategic and critical pursuant to the provision of this Act, if such material is the product of any foreign country or area not listed as a communist-dominated country or area in general, headnote 3(d) of the Tariff Schedules of the United States (19 U.S.C. 1202), for so long as the importation into the United States of material of that kind which is the product of such communist-dominated countries or areas is not prohibited by any provision of law."

Is that correct?

Mr. HARRY F. BYRD, JR. That is correct. That was the proposal which was approved by the Senate, approved by the House of Representatives, signed by the President, and became law some 5 or 6 years ago.

Mr. THURMOND. Does the Senator, who is the author of this amendment, construe that amendment merely to mean that so long as chrome comes from the Soviet Union or any Communist-dominated country, it will be allowed to come from Rhodesia or any non-Communist country?

Mr. HARRY F. BYRD, JR. Yes.

Mr. THURMOND. Is that all it does?

Mr. HARRY F. BYRD, JR. That is what it does. President Carter could cut off the importation of chrome from Rhodesia tonight. He does not have to repeal the Byrd amendment, which, incidentally, the pending legislation does not do. He does not need the passage of the present legislation in order to cut off chrome from Rhodesia. In the legislation which the Senator from South Carolina just read there are two ways that the President can immediately, by the stroke of a pen, eliminate the importation of chrome from Rhodesia. He can do it in one of two ways. He can strike chrome from the strategic materials list. That would nullify the effect of the Byrd amendment with regard to Rhodesia. In lieu of that, he could say, 'We are not going to import chrome from Russia," and that would prevent the importation of chrome from Rhodesia.

Mr. THURMOND. Does the Senator construe the effect of this action, if the bill S. 174 should pass, to be that which will continue to allow chrome to be imported from the Soviet Union but not allow it to be imported from Rhodesia?

Mr. HARRY F. BYRD, JR. That is the effect and purpose of the bill now before the Senate, to eliminate the importation from Rhodesia. It would continue to permit the importation from Russia.

Mr. THURMOND. Mr. President, it is very difficult to understand why a bill of this kind has been introduced. It would be very difficult to understand why any Senator would support such a bill. The Soviet Union is the enemy of the free world. The Soviet Union has as its goal to expand communism and to dominate the world. Are we going to allow the Soviet Union to continue to send chrome here and get the benefit of that from an economic standpoint, but not allow a non-Communist country, a country which is a friend of the United States, to ship chrome here at all? Is that correct?

Mr. HARRY F. BYRD, JR. The Senator is so right; he is so correct. Besides that, by this legislation we are aiding, economically and otherwise, the Soviet Union. We are appropriating $120 to $121 billion of defense money this year to protect ourselves against the potential threat of Communist aggression, namely, the Soviet Union.

Mr. THURMOND. Mr. President, if the Senator will yield further, is it well known that the aim of the Soviets is to topple the United States, if it can, because if they should topple us, the rest of the free world falls just like ripe apples into a basket?

Mr. HARRY F. BYRD, JR. My belief is the Soviet Union wishes to dominate the world. I do not mean that it wishes to invade the United States or wishes to take over the United States, but I think it wishes to be in a position where it can make its own philosophy effectively felt on the United States and on other nations of the world.

Mr. THURMOND. And heretofore, the chief sources of chrome used in this country have been the Soviet Union and Rhodesia.

Mr. HARRY F. BYRD, JR. Rhodesia has two-thirds of the world's supply. The other one-third is divided for the most part between South Africa and Russia.

Mr. THURMOND. If we cut off Rhodesia and become dependent upon the Soviet Union for chrome, or for a large portion of it, if relations should be broken off with the Soviet Union, where would we get sufficient chrome?

Mr. HARRY F. BYRD, JR. Though there is a little in the Philippines, in Turkey, and in Pakistan, we would have to rely almost entirely on South Africa. We do not know what is going to happen in South Africa. Things may not go too well for the people there. South Africa may come under Russian influence.

Mr. THURMOND. Does it sound very practical and wise to rely on a country which wants to dominate the world, which is well acknowledged by the people of this country, I believe, to be an enemy of the free world and of the United States, to rely on it from which to purchase chrome when we can get it from other countries, especially Rhodesia, friendly to the United States?

Mr. HARRY F. BYRD, JR. It certainly does not seem logical to the Senator from Virginia to make ourselves further dependent on the Soviet Union for this vital, strategic material, one which is essential not only to our military but is also necessary for so many hundreds of consumer items which the people of our country need.

Mr. THURMOND. And, as a matter of fact, did not the United States pay the Soviet Union a much larger price for chrome than it had to pay in Rhodesia?

Mr. HARRY F. BYRD, JR. It was a tremendous increase in price.

Mr. THURMOND. So what we are doing, if we pass this bill, is to cut off a source of chrome where we can buy it cheaper than we can buy it in the Soviet

Union, and if we buy it in the Soviet Union and at any moment they become dissatisfied with selling us chrome, then we are cut off from receiving chrome from that country.

Mr. HARRY F. BYRD, JR. That is correct. That would put our defense posture in a very difficult, awkward, and almost impossible situation. It would hurt our consumers. This bill itself will hurt our consumers. It will increase the price of products. Even though they testified in favor of the pending legislation and testified against the positions held by the Senator from South Carolina and the Senator from Virginia, they admit it will raise the price to consumers. I do not want to increase the price of products to consumers. We have to decrease the price.

Mr. THURMOND. Is it not true that if they do not cut off chrome, we are paying more for it, costing our consumers more, and also, it is building up the economy of the only nation in the world today that is a genuine threat to the United States and the free world?

Mr. HARRY F. BYRD, JR. I think that is a vitally significant point that the able Senator from South Carolina is making. By this legislation, we are building up the only potential threat to the United States.

Mr. THURMOND. Mr. President, as I said in the beginning, I just do not see how and why we should build up the Soviet Union, which would destroy our freedom, and kick in the pants a nation that is a friend of ours and will sell us chrome cheaper than the Soviet Union.

Mr. HARRY F. BYRD, JR. I certainly am as bewildered as the Senator from South Carolina on that point.

Mr. THURMOND. Mr. President, I hope the Senate will think on this matter. It has been said that the United Nations has placed certain sanctions against Rhodesia. I am not discussing the race question of Rhodesia. That is a matter for the people there. I am looking at this from the standpoint of the defense of this Nation. I am looking at this matter from our best interests, regardless of what the United Nations does.

In fact, the United Nations has been acting in such a way that they have been voting against the interests of the United States for years. The so-called emerging nations have been voting with the Communist countries to such an extent that today, the United States can hardly get enough support to pass anything through the United Nations.

The United Nations today stands against the interests of the United States as expressed by the votes that they have taken there as whole. Is that not true?

Mr. HARRY F. BYRD, JR. That is certainly correct. Incidentally, as the able Senator knows so well, under the United Nations charter, the only way that the Security Council can declare an embargo on trade with a particular country is to declare it to be a threat to world peace. Now, how could anyone seriously contend that that little landlocked nation of Rhodesia, with 6 million people, with virtually no army or other military potential, is a threat to world peace? As a matter of fact, let us see what our own Secretary of State, Mr. Kissinger, said about that when I queried him before the Senate Committee on Finance on March 7, 1974. 3 years ago this week.

I said this:

In your judgment, is Rhodesia a threat to world peace?

Secretary Kissinger answered in one word, "No."

Yet the United Nations declared it to be a threat to world peace and decreed an embargo. That is about as ridiculous a thing as I have ever heard of.

Mr. THURMOND. Is that not about as big a farce as the Soviet Union used to go down into Czechoslovakia, saying that Czechoslovakia was a threat to the Soviet Union?

Mr. HARRY F. BYRD, JR. Absolutely.

Mr. THURMOND. And everybody knew that little Czechoslovakia, with just 3 million people, was no threat to the Soviet Union with 200 million people, and with nothing like the armaments that the Soviet Union has.

Mr. HARRY F. BYRD, JR. It is the same ploy the Soviet Union used to put down that uprising on the part of the people of Hungary, who were seeking their freedom, a fine little country, just like Czechoslovakia.

I have been to Czechoslovakia. It is one of the most wonderful countries in the world, though not so wonderful under Communist dictatorship. Prague is one of the most beautiful cities I have seen. Yet when those people sought to have some reasonable freedom of their own, this nation of 230 million people, Communist Russia, said, "You are a great threat to us," and went in there with tanks and troops and quelled that effort on the part of the people of Czechoslovakia to get some little freedom.

Mr. THURMOND. In view of the action of the United Nations and the attitude they have expressed toward the United States, is there any reason that we should feel bound to go along with them on some matter that we know or ought to know is against the best interests of the people of the United States?

Mr. HARRY F. BYRD, JR. I believe, I say to the Senator from South Carolina, that our obligation as Members of the U.S. Senate is, No. 1, to the people of the United States. I think that is our foremost obligation. I do not believe that we should put ourselves in a position of greater dependence on a potential threat to our Nation just because the United Nations decrees that we should do so.

The only breach in the U.N. embargo by the United States has been in the importation of strategic materials, which we badly need, which we have to have, which we have little or none ourselves, which are essential for our military operations and essential for hundreds of consumer products.

Mr. THURMOND. Is not the first obligation of the Congress of the United States to protect the best interests of the people of the United States? Should not that be our prime object here, as Senators in this body? And should we not follow that course rather than some action of the United Nations, which, in recent years, has been against the interests of the United States in many ways, and upon which we cannot rely to protect the freedom of the world?

Mr. HARRY F. BYRD, JR. I think the Senator from South Carolina is precisely correct. Incidentally, our country, for the last few years, has been appropriating for the benefit of the United Nations some $453 million a year of money we are taking out of the hard working wage earners of our country and turning it over to that world organization, dominated by nations which are doing everything they can to embarrass the United States.

Mr. THURMOND. Mr. President, I commend the able and distinguished Senator from Virginia for sponsoring this resolution in 1971. I abhor the effort to repeal that amendment or the effect of that amendment, as I am confident it is not in the best interests of the people of the United States.

Mr. President, I support the Byrd amendment allowing continued importation of Rhodesian chrome. We have all heard the arguments in favor of repeal of the Byrd amendment. A number of witnesses testified before the Senate Foreign Relations Subcommittee on African Affairs as to the technological advances in the refining process of chrome and to the changes in the U.S. foreign policy toward Rhodesia and South Africa. However, one very vital element in the argument to preserve the Byrd amendment has not changed at all: the necessity to maintain in the strongest position our national security and defense.

Chromium is an essential ingredient in the production of specialty steel. It is unique in its corrosion-resistant and alloying qualities, and it is required in the production of almost every alloy from stainless steel to iron castings. Stainless steels are vital to production of aircraft, machinery, processing equipment, automobiles, and many other capital, strategic, and consumer goods requiring a high degree of corrosion resistance. Most important to our national defense and security is the production of stainless steel.

Since there is no substitute for chrome in the production of specialty steels, and since chrome plays an essential role in defense related production requirements, the strategic and critical material stockpile contains the equivalent of 3.82 million tons of metallurgical chrome ores in the form of ores and ferroalloys. Of this, 3.59 million tons are reserved to meet the needs of national security. This is evidence of the high degree of security importance placed on chrome.

It is true that the Argon oxygen decarburization—AOD—process developed by industry in the late 1960's has been successful in providing a higher yield of chromium derived from lower grades of chrome ore, and thereby increasing our use and importation of chrome from South Africa and other countries. However, it is not of paramount importance which country provides the most chrome ore to the United States. What is of extreme urgency is that the United States not shut itself off from any major source of this vital element.

Figures compiled by the Library of Congress last month indicated that 32 percent of imported ferrochromium for the year 1976 was from South Africa while 22 percent was from Rhodesia. Since ferrochrome is now principally used in the production of stainless steel, the relevance of these figures is that our second largest supplier of ferrochrome last year was Rhodesia. I maintain that it is not in the best interests of the United States for this source to be outlawed.

I am concerned for the peaceful negotiation of a system of majority participation in the Government of Rhodesia. I am concerned with the nature of the compliance with United Nations actions taken by the United States. However, I am most concerned for the protection and preservation of the United States of America. We simply cannot afford to limit ourselves in the availability of vital elements of our national defense. We do not have a tremendous stockpile of chrome. With our present consumption, it would be rapidly depleted. If the Byrd amendment is repealed, then we will be without approximately one-fifth of our supply of ferrochrome. The impact of that on our economy, in terms of jobs in the industry and the price of stainless steel, would be rapid and drastic.

I urge my colleagues to consider the effect this legislation will have on our security and defense production as well as on the domestic use of stainless steel. I urge retention of the Byrd amendment and will vote against S. 174.

Mr. HARRY F. BYRD, JR. I thank the Senator from South Carolina for his participation. I know how effective the Senator from South Carolina was in 1971, when we had the original fight on this legislation and the Senator from South Carolina did so much to bring about its enactment. The points that the Senator from South Carolina raised today are the salient features of the amendment which was adopted in 1971. The points he brought out today dramatize so ably the reasons why the pending legislation, reported by the Committee on Foreign Relations, should not be approved.

Mr. THURMOND. Mr. President, the vision shown by the Senator from Virginia is highly commendable and regardless of how the vote goes on this matter in the Senate, I am convinced that the position that he has taken on this question is the sound position and will ultimately be approved by the American people.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. SCOTT. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to my colleague from Virginia.

Mr. SCOTT. Mr. President, I merely want to associate myself with the position that has been taken over the years, today and before, by my senior colleague from Virginia and agree with the statement that he has made that, certainly, Rhodesia is not a threat to the security or safety of the United States.

We had before the Subcommittee on Manpower Personnel of the Senate Armed Services Committee, a four-star admiral testify before our subcommittee, and we asked him a number of questions. But specifically we asked, aside from political considerations, is keeping the Panama Canal under the control of the United States militarily desirable?

Of course, he replied that it was. Yet, we have people negotiating that could result in a treaty that would take away control of the canal.

We asked about the Simonstown, South Africa, Naval Base which the United States, I understand, does not use. We asked him as to the caliber of this naval base and he indicated it was one of the best naval bases in the world, and South Africa was the path that the oil coming from the Middle East took.

These things may seem unrelated, but I think they are related to one another, because here we need Rhodesian chrome, we need a naval base in the Indian Ocean. We talk about Diego Garcia and we have arguments as to what use we should make of that. Then we have this Panama Canal where we can use it and not go around the entire South American country.

It would seem that our political leaders sometimes do not appear to give due emphasis to the military strength of this country. I think this is one instance of that.

I commend the able senior Senator from Virginia for what he is attempting to do.

Mr. HARRY F. BYRD, JR. I thank my friend and colleague from Virginia.

The point my colleague from Virginia makes in regard to the Panama Canal dramatizes that Congress, regardless of administrations, is too eager, it seems to me, to try to satisfy everyone throughout the world—in the case of Panama, by giving away our rights of sovereignty over the Panama Canal; in the case of Rhodesia, by cutting ourselves off from the major source of a supply of a strategic material which we have none of and which we need badly.

Mr. SCOTT. I appreciate the distinguished Senator yielding to me. I did not intend to interrupt his train of discussion, but I just thought that that parallel should be made.

Mr. HARRY F. BYRD, JR. I think it is an excellent parallel, and I appreciate the Senator from Virginia participating in this discussion and bringing out that very important point.

(This concludes the proceedings which occurred earlier.)

Mr. CLARK. Mr. President, I would like to read into the RECORD a position the administration has advised me of in terms of the Defense Department's position with regard to Rhodesian chrome and with specific reference to the Defense Department's position on S. 174.

The Department of Defense concurs with the proposed legislation.

While the United States now imports significant quantities of critical metallurgical grade chromium from Rhodesia, it is the view of the Department of Defense that government and private stockpiles and possibilities for expanded imports from other sources, end-use substitution, secondary recovery, conservation, and improved technology in combination offer sufficient protection to the national security. Furthermore, considering the inevitability of majority rule in Rhodesia, United States access to that country's chromium supplies may best be protected in the long run by compliance with the United Nations sanctions.

But, Mr. President, I do want to compliment the distinguished Senator from Virginia for his comments and, particularly, for the historical analysis and the description with which he began his debate. I think it is valuable to have this information and, indeed, a good bit of it I had not heard before.

I think it is not surprising, Mr. President, that the distinguished Senator from Virginia and I disagree on this important measure in general and in many specific ways.

It seems obvious to me that this issue is ultimately simply going to have to be decided by a majority vote of this body, and I personally have no further debate at this time.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HANAFI SECT SIEGE

Mr. BENTSEN. Mr. President, I am outraged by the recent events surrounding the Hanafi sect takeover of three Washington, D.C., buildings—and I am particularly incensed by the release of the leader of this group. The growing incidence of crimes of terrorism in this country is abominable. The destruction of innocent lives in the pursuit of some so-called political objective is reprehensible and alien to the traditions of a free and civilized society. There is no excuse, no justification, and no reasoning that will suffice to make these acts anything else.

Mr. President, our Government must make it perfectly clear to these terrorists who will plant bombs in airport lockers, pistolwhip hostages, and hold them while they threaten their lives, that they are not going to be able to substitute bullets for ballots or violence for votes in the name of some so-called higher political cause. Murder is murder; violence is violence; and no cause or higher belief can justify either.

I believe the release of Hamaas Abdul Khaalis, the mastermind of this tragic endeavor, was a grievous error. I find no fault when authorities make promises to gun-wielding outlaws in an effort to free innocent victims. But a promise made at the point of a gun has no moral force whatsoever. You cannot negotiate in good faith at gunpoint. Khaalis was free on his own recognizance, at liberty with his family and friends, even before his hostages were home, and even before the funeral of the assassinated reporter.

What kind of precedent does this set for those who would contemplate future

acts of violence? What kind of example does the release of Khaalis set for the rest of the world? It ill becomes a great nation like our own to lecture to others about the evils of terrorism and acceding to terrorist demands if we ourselves do not practice what we preach.

I firmly believe our policy should be to take strong and severe action against terrorists and economic sanctions against nations which aid and abet them. And we ought to do that by cutting off trade preferences and foreign aid where it is applicable.

I have introduced a bill to suspend all forms of assistance to countries harboring terrorists and a bill to impose strict and certain punishment for domestic acts of terrorism. I hope the Senate will act soon on this legislation and send a message to those who would entertain thoughts of terrorist acts that we will not countenance violence, and we will impose the severest penalties on those who choose terrorism to further their personal and political aims.

Mr. President, I yield back the floor.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, the two nominations that appear on the Executive Calendar under Department of the Interior have now been cleared. I have discussed this with the minority leader, and there is no objection to proceeding with these nominations at this time. Therefore, I ask unanimous consent that the Senate go into executive session to consider only the two nominations to the Department of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF THE INTERIOR

The second assistant legislative clerk read the nomination of James Alfred Joseph, of Indiana, to be Under Secretary of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The second assistant legislative clerk read the nomination of Leo M. Krulitz, of Indiana, to be Solicitor of the Department of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE BUDGET COMMITTEE TO HAVE UNTIL MIDNIGHT TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Budget Committee may have until midnight tonight to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO FILE A BILL AND REPORT ON S. 925 UNTIL MIDNIGHT TONIGHT

Mr. JACKSON. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources may have until midnight tonight to file the bill and report on S. 925, the emergency drought bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPORTATION OF RHODESIAN CHROME

The Senate continued with the consideration of the bill (S. 174) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the international community.

Mr. HELMS. Mr. President, I commend the able Senator from Virginia on the stand that he has taken and is continuing to take on this vital matter. Long before I came to the Senate I supported his efforts in this behalf, and since coming here I have done my best to continue that. I commend the Senator, I agree with his position, and I share his concern about the action proposed in repealing the so-called Byrd amendment. I wonder if I might ask the able Senator a few questions, to put the matter in somewhat better perspective than it is in the minds of some.

Mr. HARRY F. BYRD, JR. Yes, indeed. First let me thank my friend from North Carolina for the tremendous part that he has played since he has been in the Senate, not only on this matter but on other crucial national security matters.

Mr. HELMS. It is a privilege to work with the Senator on all matters.

First of all, Mr. President, I wonder if the Senator from Virginia would comment on the dependency of the United States as regards imports of chromite ore.

Mr. HARRY F. BYRD, JR. The United States has not produced chromite since 1961. We have no chromite. According to the National Commission on Supplies and Shortages in its report to the President, the United States is 100 percent dependent on foreign imports of chromite.

Mr. HELMS. Are there any other major industrial areas dependent on foreign sources of chromium?

Mr. HARRY F. BYRD, JR. Yes. Both Western Europe and Japan, our closest allies, must import 100 percent of their chromium needs according to the reports of the National Commission on Supplies and Shortages.

Mr. HELMS. Does the Senator know whether the United States is stockpiling chromium?

Mr. HARRY F. BYRD, JR. The United States currently stockpiles chromium in various forms. The Office of Technology Assessment of the Congress substantiates this assertion. Stockpiling includes three grades of chromite, three grades of chromium and chromium metal.

Mr. HELMS. Are any other countries contemplating stockpiling chromite?

Mr. HARRY F. BYRD, JR. I was informed that in January 1974 a mining group of Japan immediately recomended stockpiling of four metals, including chromite. The group noted Japan's consumption of chrome has increased by an average of 12 percent per year over the past decade. Japan, of course, is closely allied to the United States and is our closest friend in the Far East.

Mr. HELMS. The Senator's information is identical to the information available to the Senator from North Carolina. Let us turn to the U.S. stockpile for chromite. Has there ever been the necessity for the use of any part of that stockpile?

Mr. HARRY F. BYRD, JR. During the Berlin blockade, the Soviet Union cut off all sales to the United States for chromite and manganese. This cutoff of shipments lasted through the blockade and some period of time afterward, necessitating economic use of part of this country's strategic stockpile. Those who advocate or say, "Do not worry about having to import chrome, we have a stockpile," should know the purpose of a stockpile is to take care of the United States in case of an emergency. If we are going to dissipate that stockpile, if we have another Berlin blockade or something similar to it elsewhere in the

world, where do we go from that point? I think it would be very unwise to dissipate our stockpile of this vital material. I might say in that connection that the Senator from Nevada (Mr. CANNON) is chairman of the Stockpile Subcommittee of the Committee on Armed Services. He has consistently opposed having the United States cut itself off from Rhodesian chrome.

Mr. HELMS. That leads me to my next question. Is the Soviet Union now a major supplier to the United States?

Mr. HARRY F. BYRD, JR. Yes; the Soviet Union is a major supplier. The United States gets a very high percentage of chromite from the Soviet Union. If the embargo is placed on trade with Rhodesia, insofar as chromite is concerned, that would mean that we will be even more heavily dependent on Russia. It is axiomatic if our country cuts itself off from the country which has two-thirds of the world's supply we cannot help but be more dependent on the other one-third, in which the Soviet Union is dominant.

Mr. HELMS. What the Senator has said in responses to this series of questions is, first, that the United States is 100 percent dependent on foreign sources for chromite.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HELMS. The Senator has also made clear, and this ought to have great interest to the American people, that the Soviet Union has made clear its willingness to cut off all shipments of chromite to the United States as it did during the Berlin blockade, which the Senator referred to. Is that correct?

Mr. HARRY F. BYRD JR. That is correct. It just shows what will happen to the United States if we become involved in another confrontation with the Soviet Union in any area of the world. Russia will hold a very important whip at our backs if we pass the pending legislation and make it impossible to draw on the vast supply of chromite which is available in Rhodesia

Mr. HELMS. The Senator referred to the fact that the Soviet Union is now supplying a substantial amount of the chromite which we import. The information the Senator from North Carolina has is that that is about 50 percent of our imports. Is that correct?

Mr. HARRY F. BYRD, JR. That is about right. It is in that general area.

Mr. HELMS. So any contention to the contrary notwithstanding, there is a great deal of cause for concern that shipments of chromite to the United States might be cut off again by the Soviets in the future. Is that correct?

Mr. HARRY F. BYRD. JR. That is correct. Also, it could be used as a blackmail weapon in a time of crisis.

Mr. HELMS. Exactly.

Mr. HARRY F. BYRD, JR. What about in the SALT talks? When Mr. Warnke goes over there to negotiate a SALT agreement, if he says, "No, we do not want to agree to" such and such a proposal of the Soviet Union, the Soviet Union then could say, "If you do not agree to that, we will cut you off from chrome." Then what will we do? If this bill passes, we will voluntary cut ourselves off from Rhodesia and that will leave us dependent on South Africa. Those who oppose Rhodesia oppose it apparently on its racial policies and South Africa has a problem also with its racial policies.

Mr. HELMS. The Senator is correct.

Just to shift for a moment, the Senator from Virginia is one of the most consistent advocates of trying to stabilize the economy of this country, to stop the inflation which is plaguing the American people. Whether the people realize it or not, this issue, which is being largely overlooked, I am afraid, does have the potential for great economic impact. Just suppose there was the chromite cartel cutback of chrome imports. What would be the economic effect of that, I will ask?

Mr. HARRY F. BYRD, JR. I think it would have a very severe effect. We know what happened when the cartel decreed an embargo on oil and multiplied the price of the oil. We know what happened to our economy 3 years ago when that occurred. Chrome is not in the same category as oil in the sense that it is not used directly by the individual citizen of our country, such as gasoline is, but chrome is essential to so many consumer products. All stainless steel products must have chromite.

If we are subject to a cartel arrangement on chrome, then we are going to see the price of chrome escalate and the price of the consumer products in the country go up sharply.

Even with a cartel arrangement, the Soviet Union itself, just acting alone, without being in concert with any other nation, if this legislation is passed, can have a significant effect on the cost of many consumer products. As a matter of fact, even the Department of State recognizes that. It said so at the Foreign Relations Committee hearing, that the passage of this legislation would increase the cost of goods in the United States.

I think the Congress of the United States is taking too many steps to increase the cost of living for the American people.

Mr. HELMS. Amen.

Mr. HARRY F. BYRD, JR. In many cases, I think it is done—I could, perhaps, say in all cases—with good intent. This legislation that I am opposing today is done with good intent. I do not question the motives at all. It is just a question of difference of viewpoint. This legislation has good intent from the point of those who are pressing it. But it is going to have the effect, again, like so many pieces of legislation with good intent around here, of increasing the cost of living for the American people.

Where are we going to stop?

Mr. HELMS. Right.

Mr. HARRY F. BYRD, JR. Where are we going to stop? All these regulatory things we do, all these regulations we pass—what happens is that all the paperwork that is required of the various businesses of the country, all that additional cost is paid for by the people who buy the product. If we cut ourselves off from Rhodesian chrome, if this pending measure is passed what it is going to do is increase the cost of living to the American people and, more than that, cut the United States off from a major source of a vital product, one we cannot get along without and of which we have none in our Nation.

To make it more ironic, in reimposing an embargo on trade with Rhodesia in regard to chrome, we, at the same time, are building up our adversary, our potential enemy in a military way—Communist Russia, against whose possible aggression we are spending $121 billion of American tax funds to arm ourselves.

Mr. HELMS. The Senator is saying that we are meddling in the internal affairs of Rhodesia. If we are going to be consistent, why do we not meddle in some other internal affairs? What does the Senate think of the internal affairs of the Soviet Union? They had better ask my friend, Alexandr Solzhenitsyn. He will tell the Senate about it.

Mr. HARRY F. BYRD, JR. When it comes to minority government, I do not suppose there is any government in the world—with the exception, possibly, of Red China—where so few people dominate so completely in a dictatorship, as does Communist Russia. A very few persons dominate the entire 230 million Russians.

Mr. HELMS. To say the very least, our present policy is very selective in terms of the internal affairs of other countries into which we meddle. If we are going to tell Rhodesian how to run Rhodesia's business, why do we not say the same thing to the Soviet Union or some other countries?

Mr. HARRY F. BYRD, JR. I believe virtually every U.S. Ambassador to the United Nations has been in my office at one time or another in the past 10 years. I put that same question to all of them. I put it to the various secretaries of state. I put it to many other people.

Mr. HELMS. And the Senator got mumbo-jumbo in return.

Mr. HARRY F. BYRD, JR. They answer it a little differently from time to time, but basically they say, "Well, Russia is too big; we cannot do anything about Russia. But this little country, we can."

Mr. HELMS. It is a bit significant to me that we appear always to select nations which want to be our friend for our meddling. The Senator from North Carolina does not pretend that everything in Rhodesia is apple pie. What are we getting to, I ask the Senator, when we cut off our own noses to spite our faces, risking our defense capability—and that is what we are talking about in terms of chrome. The Senator mentioned that chrome is not quite like gasoline; but, on the other hand, it really is, because how many automobile motors can we make without chrome? It is essential in the manufacture of automobile engines.

Mr. HARRY F. BYRD, JR. We would not have any jet aircraft, either.

Mr. HELMS. Exactly.

The Senator mentioned the State Department's acknowledgment that this would increase the cost to the consumer in this country. A more specific acknowledgment was made by the Office of Minerals Policy Development of the Depart-

ment of the Interior, as the Senator knows. This office estimates that the 10-year economic effect of a cartel action would amount to an additional $4 billion in cost to the American taxpayers—consumers. We are all consumers.

Mr. HARRY F. BYRD, JR. Will the Senator repeat that figure? $4 billion?

Mr. HELMS. $4 billion in cost to America. That same Office of Minerals Policy Development of the United States Department of the Interior states that an embargo would cost America more than $5.7 billion over the same 10-year economic period.

Mr. HARRY F. BYRD, JR. Does the Senator agree that if this legislation is passed, we are on our way to another high inflationary period? I think we are on our way to another high inflationary period, anyway, but this is going to add to it.

Mr. HELMS. The Senator is right. That is what we are talking about. That is why I commended the Senator at the outset for his perspicacity in pointing these things out to the American people. I am very proud of the Senator from Virginia. He fights against the odds, but he fights. I admire him for it.

In other words, and I do not want to keep the Senator too long, the voluntary embargo on Rhodesian imports, coupled with action by the Soviet Union in denying this country the chromite it needs, with the added complicating factor of potential unrest in South Africa and what that may do to their ability to mine and market chromite—all of these factors, to the Senator from North Carolina, seem to say that the United States may find itself in a potentially critical situation if we voluntarily—and that is what we are talking about—cut off our major suppliers of higher grade chromite that we are talking about from Rhodesia. Is that correct?

Mr. HARRY F. BYRD, JR. The Senator from North Carolina is so correct. Even with the 26-month supply of higher grade chromite in the strategic stockpile as of December 21, 1974, based on 1973 needs, this country could face serious disruption, and who can tell how much more we will need of stainless steel and specialty steel in the coming years? If the SALT talks bog down or if we find the Soviets increasing the armaments to a rate much greater than we anticipated, the United States may well need to expand production on a wide scale.

It seems senseless, since we buy all kinds of materials from countries whose governments we do not agree with, to deny to the people of this country a source of supply for material that is so critical to our basic industrial expansion.

Chrome is so important not just for military needs. It is vitally important for military needs, but not just for military needs. It is vital to so many consumer products.

Of course, I do not object to having this high standard of living for this country. I do not think any of us ought to voluntarily give it up. I want to see a high standard of living maintained in this country, but I do not see how we are going to maintain it if we take action to voluntarily cut ourselves off from huge sources of a very important material of which we have none.

Mr. HELMS. I certainly thank the Senator for his patience in responding to my questions.

I wish that all Americans could be persuaded to sit down and think about what is being proposed that this country do to itself with this action, which is not justifiable to any extent that the Senator from North Carolina can ascertain.

Let me say one thing and then I am through.

Some weeks ago, former Governor of California, Mr. Reagan, showed me a letter he had received from a member of the legislature in Rhodesia.

That Rhodesian senator thought that the people of the United States simply do not understand that the problems in Rhodesia are not black versus white, they are black versus black.

We are doing this as part of this majority rule matter that we are so inconsistent about in Rhodesia, yet the fiercest competition over there is black factions versus black factions.

Now, which faction will the United States attempt to dictate to take over that country? That is the question that is not raised around here very often and it ought to be because do we want to see a stable country, or at least it was stable until we began meddling, destroyed by the internal strife that is going to worsen, if I am any forecaster at all, worsen after we get through meddling by such actions as contemplated by the measure before us.

I thank the Senator for his patience in answering my questions and I commend him on the stand he has taken on this.

Mr. HARRY F. BYRD, JR. I am very grateful to the able Senator from North Carolina and particularly pleased that he brought out the questions on the floor which he did in this brief colloquy this afternoon. I think it helps to keep the whole situation in focus.

In regard to the Senator from North Carolina's concluding remarks, I started my remarks earlier today by saying that I first became interested in this matter some 10 years ago. I became interested in it for two reasons. My interest followed the United Nation's embargo and the subsequent U.S. embargo of Rhodesia.

I felt then and I feel the same way today that this country ought not attempt to inject itself in the internal affairs of other countries.

Mr. HELMS. That is correct.

Mr. HARRY F. BYRD, JR. I think a matter between Great Britain and Rhodesia was to be determined between Rhodesia and Great Britain. We were involved at that time in Vietnam and were trying to tell them what to do there. That was the second reason I became involved in it, because it seemed to me it was very foolish for the United States and the United Nations to embargo trade with Rhodesia with whom we were at peace and do nothing about embargoing trade with North Vietnam with whom we were at war. We suffered 53,000 men killed and 303,000 wounded. That did not make any sense to me. That is how I became involved in this situation.

Mr. HELMS. If the Senator will yield, not only at peace with Rhodesia, but Rhodesia was one of the few nations in this world that offered to help us in Vietnam, does the Senator recall that?

Mr. HARRY F. BYRD, JR. The Senator is so correct, I had momentarily forgotten that. That is absolutely correct.

Mr. HELMS. So again I thank the Senator for his patience with the Senator from North Carolina.

AMENDMENTS NOS. 68–71

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk four amendments and I ask, No. 1, that they be printed at this point in the RECORD, and No. 2, that they be printed and distributed on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT No. 68

At the end of the bill add the following new section:

HALTING THE IMPORTATION OF SOVIET CHROME

SEC. —. (a) It is the sense of the Congress that the Union of Soviet Socialist Republics has a minority government and has repeatedly violated human rights.

(b) Effective upon the expiration of 30 days after the date of the enactment of this Act, the President shall prohibit the importation of Chromium in any form from the Union of Soviet Socialist Republics.

AMENDMENT No. 69

At the end of the bill, add the following:

EFFECTIVE DATE

SEC. —. The amendments made by this days after the President certifies to Congress that all members of the United Nations are complying with the sanctions imposed against Southern Rhodesia by the United Nations Security Council.

AMENDMENT No. 70

At the end of the bill add the following new section:

SEC. —. The amendments made by this Act shall not apply upon the expiration of 30 days following the date of any determination by the Secretary of the Treasury that the price of chromium in any form has, during any 3-month period, increased by at least 10 per centum more than the increase during the same period in the Consumer Price Index.

AMENDMENT No. 71

At the end of the bill, add the following:

Sec. —. The amendments made by this Act shall not be effective after a finding by the President that (1) there has occurred a significant interruption in the supply to the United States of any commodity affected by such amendments, and (2) such interruption jeopardizes the security of the United States.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 1 P.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the

Senate completes its business today, it stand in recess until 1 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT MEASURES ON UNANIMOUS-CONSENT CALENDAR CONTINUE TO BE SUBJECT TO RULES VII AND VIII

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that measures appearing on the unanimous-consent calendar continue to be subject to rules VII and VIII in every respect.

The PRESIDING OFFICER. Without objection, it is so ordered.

Including call of the calendar under rule VIII.

Mr. ROBERT C. BYRD. Including call of the calendar under rule VIII.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, it is my understanding, in that respect, that the measures cleared to be considered by unanimous consent, be an accumulation of matters that will still be subject to all the rules of the Senate with respect to the procedure for disposing of them, including rules VII and VIII, and that no rights will have been created and no rights extinguished with respect thereto, and that the unanimous-consent calendar will be simply a listing of those matters that the leadership would hope to be able to dispose of under the Standing Rules of the Senate.

The PRESIDING OFFICER. The Senator from Tennessee is correct.

Mr. BAKER. I thank the Chair, and I commend the majority leader for the request, and I certainly concur in it.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over to 1 p.m. on Monday, the Secretary of the Senate be authorized to receive messages—either from the White House or the other body—and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR RECORD TO REMAIN OPEN UNTIL 5 P.M. TODAY

Mr. BAKER. Mr. President, would the majority leader consider a request that we have until 5 o'clock for Members to file statements?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 p.m. today to file statements, to introduce bills, resolutions, petitions, and memorials into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

CODE OF OFFICIAL CONDUCT FOR MEMBERS, OFFICERS, AND EMPLOYEES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I call attention of all Senators to the fact that Senate Resolution 110, a resolution to establish a code of official conduct for the Members, officers and employees of the U.S. Senate, and for other purposes, is available for the perusal of Senators.

I also call attention of Senators to the fact that the report of the Special Committee on Official Conduct of the U.S. Senate, to accompany Senate Resolution 110, is printed and is available to Senators for their examination and study.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. I point out for the record that there will be a Republican conference on Monday to consider these matters, and all our colleagues on this side of the aisle are urged to examine those proposals and that report before that conference.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 1 p.m. on Monday.

After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business, by unanimous consent, with the understanding that no resolutions may come over under the rule.

The PRESIDING OFFICER. Does the distinguished majority leader wish to put a time limit on that?

Mr. ROBERT C. BYRD. Yes. Not to extend beyond 45 minutes, with statements therein limited to 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Following the period for routine morning business, the Senate will resume consideration of S. 174, a bill to amend the U.N. Participation Act of 1945 to halt the importation of Rhodesian chrome. Amendments may be called up and voted on in relation to that measure. Other motions in relation thereto may be made and voted upon. Hopefully, final action can be taken on that measure Monday, but this cannot be said with assurance at this time.

Other measures cleared for action may be taken up on Monday. Conference reports will be called up on Monday. Rollcall votes, therefore, are entirely possible and even likely on Monday.

RECESS UNTIL 1 P.M., MONDAY, MARCH 14, 1977

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 1 p.m. on Monday next.

The motion was agreed to; and at 3:35 p.m. the Senate recessed until Monday, March 14, 1977, at 1 p.m.

NOMINATIONS

Executive nominations received by the Senate March 11, 1977:

SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Robert S. Strauss, of Texas, to be Special Representative for Trade Negotiations, with the rank or Ambassador Extraordinary and Plenipotentiary, vice Frederick B. Dent, resigned.

DEPARTMENT OF STATE

Lucy Wilson Benson, of Massachusetts, to be Under Secretary of State for Coordinating Security Assistance Programs.

Terence A. Todman, of the Virgin Islands, a Foreign Service officer of the class of Career Minister, to be an Assistant Secretary of State.

DEPARTMENT OF LABOR

Arnold H. Packer, of Maryland, to be an Assistant Secretary of Labor, vice Abraham Weiss, resigned.

Eula Bingham, of Ohio, to be an Assistant Secretary of Labor, vice Morton Corn, resigned.

Francis X. Burkhardt, of Maryland, to be an Assistant Secretary of Labor, vice Bernard E. DeLury, resigned.

Alexis M. Herman, of Georgia, to be Director of the Women's Bureau, Department of Labor, vice Carmen Maymi, resigned.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Robert Campbell Embry, Jr., of Maryland, to be an Assistant Secretary of Housing and Urban Development, vice David Olan Meeker, Jr., resigned.

Lawrence B. Simmons, of New York, to be an Assistant Secretary of Housing and Urban Development, vice James L. Young, resigned.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Richard D. Warden, of the District of Columbia, to be an Assistant Secretary of Health, Education, and Welfare, vice Thomas L. Lias, resigned.

Frank Peter S. Libassi, of Connecticut, to be general counsel of the Department of Health, Education, and Welfare, vice William H. Taft IV, resigned.

COMMODITY CREDIT CORPORATION

Howard W. Hjort, of the District of Columbia, to be a member of the board of directors of the Commodity Credit Corporation, vice Robert W. Long, resigned.

COUNCIL OF ECONOMIC ADVISERS

William D. Nordhaus, of Connecticut, to be a member of the Council of Economic Advisers, vice Paul Webster MacAvoy, resigned.

WITHDRAWAL

Executive nomination withdrawn from the Senate, March 11, 1977:

COUNCIL OF ECONOMIC ADVISERS

Robert Riggs Nordhaus, of Connecticut, to be a member of the Council of Economic Advisers, vice Paul Webster MacAvoy, resigned, which was sent to the Senate on March 7, 1977.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 11, 1977:

DEPARTMENT OF THE INTERIOR

James Alfred Joseph, of Indiana, to be Under Secretary of the Interior.

Leo M. Krulitz, of Indiana, to be Solicitor of the Department of the Interior.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify

before any duly constituted committee of the Senate.

IN THE COAST GUARD

Coast Guard nominations beginning Michael B. Garwood, to be lieutenant, and ending Glen A. Reed, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the Congressional Record on January 18, 1977.

Coast Guard nominations beginning Lawrence A. Eppler, to be lieutenant (j.g.), and ending Robert D. Lassiter, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the Congressional Record on January 19, 1977.

Coast Guard nominations beginning Robert E. Hahn, to be commander, and ending Marcus J. Wallace, Jr., to be commander, which nominations were received by the Senate and appeared in the Congressional Record on February 21, 1977.

Coast Guard nominations beginning William Marion Addington, to be ensign, and ending William J. Emerson, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the Congressional Record on March 1, 1977.

EXTENSIONS OF REMARKS

UTILIZING EXPERIENCE OF FORMER PRESIDENTS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. PICKLE. Mr. Speaker, my good friend and constituent, Bob Hardesty of Austin has written a provocative column for Newsweek magazine. The gist of his essay is that we are wasting much training, knowledge and experience by not making better use of our former chief executives. As a special assistant to Lyndon Johnson, both when he was President and after he left that office, Hardesty possesses a special insight regarding this matter.

Whether we agree with Mr. Hardesty about creating a special seat in the U.S. Senate for former Presidents, I do think that his article is very stimulating "food for thought."

A SQUANDERED NATIONAL RESOURCE

(By Robert L. Hardesty)

It's not a new idea. But that alone might well commend it to our attention. In fact, it's an idea that's long overdue. Let's give them a voice in the critical affairs of our nation. Let's amend the Constitution to create a special seat in the United States Senate for former Presidents—where they can participate or not participate, as they choose.

It's insane the way we treat them now. We spend a fortune on their training. We bring them up through the ranks of public life—the Trumans, the Eisenhowers, the Kennedys, the Johnsons, the Nixons, the Fords—nurturing them, preparing them for the ultimate test of leadership. We give them experience and knowledge and hone their judgment and elect them to the most powerful office in the free world.

And there they stand at the pinnacle of power . . . where they learn to deal with prime ministers, presidents, monarchs, dictators and petty tyrants . . . where they lead the nation along the perilous razor's edge between security and holocaust . . . where they learn to judge the pulse of human needs and human aspirations across the land. We brief them morning, noon and night on events in every part of the world, giving them a grasp of international affairs that few men or women ever possess.

And then we dump them on the rubbish heap of history.

POLITICAL KNOW-HOW

In a single day's time, we turn our backs on a lifetime of training and knowledge and experience and public esteem and political know-how.

Surely, there's a better way.

It's not for our former Presidents that I'm pleading; it's for us. Leaders are too scarce to dismiss like fading matinee idols. They are a national resource and we ought to treat them accordingly.

I'm not saying that former Presidents are necessarily wiser than the rest of us—or infallible in their judgments. It's just that their *experience* is different from ours and therefore they possess a point of view that the rest of us cannot share.

In the preface to his memoirs, "The Vantage Point," Lyndon Johnson spoke of that singular experience:

"No one can share the burden of his decisions or the scope of his duties," Johnson wrote. "A Cabinet officer, no matter how broad his mandate, has a limited responsibility. A senator, no matter how varied his interests, has a limited constituency. But a President represents all the people and must face up to all the problems. He must be responsible, as he sees it, for the welfare of every citizen and must be sensitive to the will of every group. He cannot pick and choose his issues. They all come with the job. So his experience is unique among his fellow Americans."

WASTED QUALITIES

I worked with Lyndon Johnson during the years of his retirement. I watched his keen and unflagging interests in domestic and foreign affairs. I was constantly amazed by the insights he possessed—both as to people and to events. His judgment was sound and seldom in error. His love for his country and its people was towering.

And it saddened me to see these qualities going to waste.

Not that *he* wanted back in the arena. He had had his day, and he knew it. The last thing in the world he wanted to do was to make life more difficult for his successor—or to make a fool of himself.

But there were times when I suspect he would have welcomed a forum—and used it. I remember well his anguish in 1970 when the future of the Voting Rights Act was in doubt. I can imagine him rushing to Washington, striding onto the floor of the Senate and telling a hushed, packed crowd about the *moral* commitment that the nation had to voting rights. I can hear him describing, in low, urgent tones, how black men and women now walk proudly to the polling places throughout the South, where only a few years ago they wouldn't have dared to show their faces.

I imagine he would have come back again to defend his anti-poverty programs against the incessant attacks of the Nixon Administration, speaking passionately of the young people who had been saved from wasted lives by Head Start and the Job Corps and the Teacher Corps. And I think his appeals would have made a difference.

Perhaps that's all a special Senate seat for former Presidents would amount to: a rarely used forum for only the most crucial national debates. But God knows, that alone would make it worthwhile.

Think of President Andrew Johnson returning to Washington to try to temper the repressive actions of the Reconstruction Congress. (When he *did* return to the Senate after six years, it was too late for the Nation and for himself for he died within months.)

Think of Theodore Roosevelt, urging the Congress on to even greater reforms, instead of sulking over his defeat by Wilson.

Think of Harry Truman, coming back at the height of the McCarthy era to restore a semblance of sanity to public life with his blunt talk and common sense.

"Yes," my wife reminds me, "and think of Richard Nixon returning to Washington on still another comeback trail." I reply that if the idea has merit, it can survive Richard Nixon, too, just as the Presidency survived him.

Someone once remarked that we squeeze our Presidents like lemons, and when they're used up, toss the hulls away. But I don't think that's so. We abuse them, heaven knows, but we don't squeeze them dry.

VOICES OF SANITY

I think they have something unique to offer—something even more valuable than their experience. They are, for the most part, politicians at the twilight of their careers. They're not burning with ambition; they've already been at the summit. They're not intensely partisan, for they understand that a President's problems go beyond party interests. They have few, if any, axes to grind.

They could be voices of sanity and reason in the midst of chaos and confusion and party bickering. They could be voices that other leaders might listen to and that the people might respond to.

Surely Gerald Ford could be such a voice. Surely he has more to give to the Nation than he does to the game of golf.

I didn't vote for him, but I'd like to hear what he has to say in the years ahead. He is, as I said before, a national resource, and we don't have resources to squander.

A DOUBLE STANDARD

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1977

Mr. PRESSLER. Mr. Speaker, recently I introduced legislation to bring Congress and all Federal agencies under the enforcement and inspection authority of the Occupational Safety and Health Administration.

While section 19 of the Occupational Safety and Health Act encourages Congress and Federal agencies to provide safe and healthful working places for employees, these entities are exempt from OSHA inspections and fines.

Late last summer, I requested the Occupational Safety and Health Administration to conduct an inspection of my Washington office. I found that it was against the intent of law for a bonafide Occupational Safety and Health inspector to enter my office—even at my request—for the purpose of making an inspection.

Prior to the passage of the Occupational Safety and Health Act, most major industries had programs to encourage on-the-job safety. These programs

were found to be inadequate for the protection of working men and women throughout the country. Hence, a Federal law was passed to coordinate safety and health programs nationwide.

The programs ostensibly implemented by the legislative, judicial and executive branches of government under the Occupational Safety and Health Act are no different from the voluntary programs which existed in the private sector prior to 1970. Congress and Federal agencies are not subject to unannounced inspections, penalties or any of the Occupational Safety and Health Administration enforcement procedures which must be followed by businesses.

If Congress is to pass a law governing the safety and health conditions in the private sector, it should subject itself to the same regulations, enforcement and compliance procedures demanded of small and large businesses. To do otherwise is to promote a double standard whereby Congress does not live by the laws it passes.

Congress has been callous to the problems small businesses have with OSHA regulations. This is evident, since Congress has not amended the law since its passage in 1970. The inflexibility of certain OSHA regulations may be better understood and appreciated if each congressional office were to be inspected by OSHA—and fines for any violations paid by Members of Congress.

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

The schedule follows:

MEETINGS SCHEDULED

MARCH 14

9:00 a.m.

Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon
322 Russell Building

Armed Services
Tactical Air Power Subcommittee
To continue closed hearings on defense programs, to hear testimony on the Marine Aviation Program and the Navy Shipboard Air Defense programs.
224 Dirksen Building

Appropriations
Agriculture Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture
1114 Dirksen Building

10:00 a.m.

Appropriations
State, Justice, Commerce
To mark up that section of a proposed measure appropriating funds for economic stimulus programs for fiscal year 1977 which fall within the subcommittee's jurisdiction; to be followed by hearings on supplemental appropriations for fiscal year 1977 for the Department of Commerce.
S–146, Capitol

Appropriations
HUD-Independent Agencies
To resume hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration; and to consider supplemental appropriations for fiscal year 1977 for activities falling within the subcommittee's jurisdiction.
1224 Dirksen Building

Armed Services
Subcommittee on Manpower and Personnel
To hold hearings on fiscal year 1978 authorization requests for selected reserve components personnel strengths.
212 Russell Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building

Environment and Public Works
To hold hearings on the nomination of James Gustave Speth, of the District of Columbia, to be a Member of the Council on Environmental Quality.
4200 Dirksen Building

Foreign Relations
Subcommittee on Foreign Economic Policy
To hold hearings to receive testimony on an overview of American foreign economic policy.
4221 Dirksen Building

Judiciary
To resume hearings on S. 11, and printed amendment No. 40 thereto, providing for the appointment of additional district judges.
2228 Dirksen Building

10:30 a.m.

Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense establishment.
1223 Dirksen Building

11:00 a.m.

Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense establishment.
1223 Dirksen Building

1:30 p.m.

Appropriations
Agriculture Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.
1114 Dirksen Building

2:00 p.m.

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
S–126, Capitol

MARCH 15

9:00 a.m.

Armed Services
Subcommittee on Tactical Air Power
To continue hearings on defense programs to hear Navy officials.
224 Russell Building

Agriculture, Nutrition, and Forestry
To hold hearings on the nominations of John C. White, of Texas, to be Deputy Secretary of Agriculture; and Carol Tucker Foreman, of the District of Columbia, to be an Assistant Secretary of Agriculture and a Member of the Board of Directors of the Commodity Credit Corporation.
322 Russell Building

9:30 a.m.

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 and on proposed supplemental appropriations for fiscal year 1977 for the Trust Territory of the Pacific Islands.
1114 Dirksen Building

Environment and Public Works
To resume consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building

Armed Services
Subcommittee on General Procurement
To hold hearings on military procurement authorizations for fiscal year 1978 for strategic programs and space and communications programs.
212 Russell Building

10:00 a.m.

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Council of Economic Advisers, the Council on Wage and Price Stability, the National Security Council, and the National Center for Productivity and Quality of Working Life.
1224 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration, American Battle Monuments Commission, and for the U.S. Army Cemeterial Expenses.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S–128, Capitol

Banking, Housing, and Urban Affairs
Subcommittee on International Finance
To hold hearings on S. 69 and 92, to amend and extend the Export Administration Act.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 9, proposed Outer Continental Shelf Lands Act Amendments.
3110 Dirksen Building

Finance
To consider the nominations of Hale Champion, of Massachusetts, to be Under Secretary, Arabella Martinez, of

the District of Columbia, to be an Assistant Secretary, and Thomas D. Morris, of the District of Columbia, to be Inspector General, all of the Department of Health, Education, and Welfare, to be followed by mark up H.R. 3477, to provide for a refund of 1976 individual income taxes; to reduce individual and business income taxes, and to simplify and reform certain other tax provisions; to be followed by consideration of nominations of Arabella Martinez, Thomas D. Morris, and Hale Champion, all of the Department of Health, Education, and Welfare.
2221 Dirksen Building

Foreign Relations
To hold hearings on the nominations of Richard Holbrooke, of the District of Columbia, to be an Assistant Secretary of State; John E. Reinhardt, of Maryland, to be Director of the United States Information Agency; and Hodding Carter III, of Mississippi, to be an Assistant Secretary of State.
4221 Dirksen Building

Governmental Affairs
To resume hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building

Human Resources
To hold hearings on the nominations of Francis X. Burkhardt, of Maryland, Arnold H. Packer, of Maryland, and Eula Bingham, of Ohio, each to be an Assistant Secretary of Labor; and Alexis M. Herman, of Georgia, to be Director of the Women's Bureau, Department of Labor.
Until: 12 noon 4232 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

10:30 a.m.

Commerce, Science, and Transportation
To resume hearings on legislation to create mandatory safety requirements for all oil tankers that engage in U.S. or foreign commerce (S. 182, 568, 682, 715, and 898).
5110 Dirksen Building

2:00 p.m.

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Election Commission, the Civil Service Commission, the Defense Civil Preparedness Agency and the Federal Labor Relations Council.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Department of Defense and AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Armed Services
Subcommittee on Research and Development
To resume closed hearings on proposed military procurement authorizations for fiscal year 1978 for Army programs.
224 Russell Building

MARCH 16

9:00 a.m.

Armed Services
Tactical Air Power Subcommittee
To continue hearings on defense programs, to hear testimony on the Enforcer aircraft.
224 Russell Building

9:30 a.m.

Appropriations
Interior Subcommittee
To resume hearings on proposed supplemental appropriations for fiscal year 1977, and on proposed budget estimates for fiscal year 1978 for the administration of the Trust Territory of the Pacific.
1114 Dirksen Building

Environment and Public Works
To continue consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear Secretary of Defense Brown.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building

Budget
To hold hearings in preparation of reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on causes of deaths and injuries involving cars and tractor trailers.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration, with testimony on nuclear aspects.
3110 Dirksen Building

Finance
To mark up H.R. 3477, to provide for a refund of 1976 individual income taxes; to reduce individual and business income taxes, and to simplify and reform certain other tax provisions.
2221 Dirksen Building

Foreign Relations
Subcommittee on Arms Control
Oceans and International Environment
To hold closed, followed by open, hearings to receive testimony on national security and arms control implications of current United States strategic options with respect to the Soviet Union's capabilities and intentions.
4221 Dirksen Building

Governmental Affairs
To resume hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.

*Commerce, Science, and Transportation
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.

Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs to hear representatives of the Energy Research and Development Administration.
Room to be announced

MARCH 17

9:30 a.m.

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building

10:00 a.m.

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Alcohol, Drug Abuse, and Mental Health Administration, and Saint Elizabeths Hospital.
S-128, Capitol

Banking, Housing, and Urban Affairs
To mark up S. 69 and 92 to amend and extend the Export Administration Act and related matters.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building

Commerce, Science, and Transportation
Subcommittee on Science, Technology, and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorization for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Finance
To mark up H.R. 3477, to provide for a refund of 1976 individual income taxes; to reduce individual and busi-

ness income taxes, and to simplify and reform certain other tax provisions.
2221 Dirksen Building

Governmental Affairs
To resume hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building

Human Resources
Labor Subcommittee
To hold hearings on S. 924, to provide for equal treatment of craft and industrial workers and to establish a national framework for collective bargaining in the construction industry.
Until 6 p.m. 4232 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

10:30 a.m.
*Commerce, Science, and Transportation
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Health Resources Administration.
S-128, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1976 for Public Works programs, to hear testimony on national security programs.
Room to be announced

MARCH 18

9:00 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Foreign Agricultural Policy
To hold oversight hearings on P.L. 480 programs (food aid).
322 Russell Building

10:00 a.m.
Appropriations
Defense
To resume hearings on propcsed budget estimates for fiscal year 1978 for research, development, testing and evaluation program of the Army.
1223 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building

Foreign Relations
Subcommittee on Foreign Economic Policy
To resume hearings to receive testimony on an overview of American foreign economic policy.
4221 Dirksen Building

10:30 a.m.
*Commerce, Science, and Transportation
To continue hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

Human Resources
Health and Scientific Resources Subcommittee
To consider S. 754 and 755, extending through fiscal year 1978 all expiring health programs under the Public Health Service Act and the Community Mental Health Centers Act.
Until: 12:30 p.m. 4232 Dirksen Building

2:00 p.m.
Commerce, Science, and Transportation
Subcommittee on Science, Technology and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

MARCH 21

9:00 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Foreign Agricultural Policy
To continue oversight hearings on the P.L. 480 program (overseas food aid)
322 Russell Building

9:30 a.m.
Commerce, Science and Transportation
*Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
1202 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

Human Resources
Handicapped Subcommittee
To hold oversight hearings on developmental disabilities.
Room to be announced

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
*Defense and Military Construction Subcommittees
To hold joint hearings on the administration's proposal to close the Uniformed Services University of the Health Sciences.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirken Building

Energy and Natural Resources
To hold hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf, and for other purposes.
3110 Dirksen Building

Government Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs, to hear representatives of Environmental Research and Development Administration.
Room to be announced

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission.
1114 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
235 Russell Building

Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

Human Resources
Handicapped Subcommittee
To receive testimony on the administration's legislative proposals for programs for the handicapped.
Room to be announced

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearing on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on activities of the Electronic Fund Transfer System Commission.
4302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on U.S. Monetary policy.
357 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

10:00 a.m.
Judiciary
To hold hearings on the nomination of Peter E. Flaherty, of Pennsylvania, to be Deputy Attorney General.
2228 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
6226 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government, to hear public witnesses.
1224 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act, to hear Secretary of Agriculture Bergland.
Until: noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communication common carrier policies (i.e., telephone, computer, etc.).
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including E. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed reprogramming of funds for fiscal year 1977.
1223 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset act.
3302 Dirksen Building
Governmental Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol
Select Small Business
To hold hearings on S. 972, authorizing the Small Business Administration to make grants to support the development and operation of small business development centers.
Until: 1 p.m. 424 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federal affected areas and emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until 1 p.m. 457 Russell Building

9:30 a.m
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occupational, vocational, and adult education programs.
S-128, Capitol
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1378 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Commerce, Science and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the U.S. Railway Association and on funds for the Office of Rail Public Council within the Interstate Commerce Commission.
235 Russell Building
Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center to be located on the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorization for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced
Government Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
6226 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education and welfare programs, and for library resources.
S-128 Capitol

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Nutrition
To hold oversight hearings on the food stamp program
322 Russell Building

9:30 a.m.
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for 1977 from officials of Amvets.
Until: Noon.

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Commission.
1224 Dirksen Building

Commerce, Science, and Transportation
*Communications Subcommittee
To resume hearings to inquire into domestic communications common carrier policies (i.e., telephones, computer, etc.).
1202 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 29

9:30 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Rural Development
To hold hearings on medicare reimbursements for rural-health care clinics.
322 Russell Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Congressional witnesses.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witneses.
Room to be announced

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Government Affairs
*Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
6226 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses
Room to be announced

MARCH 30

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Agriculture, Nutrition and Forestry
Subcommittee on Agricultural Production, Marketing and Stabilization of Prices
To hold oversight hearings on problems of flu-cured tobacco farmers.
322 Russell Building

Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1976 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the defense establishments, to hear public witnesses.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the Social Security Administration.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witness.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for National Highway Traffic Safety Administration.
1224 Dirksen Building

Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office for Civil Rights. Inspector General, Policy Research and General Management.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearing on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
1318 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission; Office of Consumer Affairs and Consumer Information Center.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and Related Agencies, to hear public witnesses.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 21

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
*Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation.
1224 Dirksen Building
2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 28

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration
1224 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Appropriations
*Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
5302 Dirksen Building

MAY 12

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building
2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 14

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 26

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

CANCELLATION
MARCH 21

10:00 a.m.
Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building

SENATE—*Monday, March 14, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 1 p.m., on the expiration of the recess, and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the Gospel of John: *The hour cometh, and now is, when the true worshippers shall worship the Father in spirit and in truth: for the Father seeketh such to worship Him. God is a spirit: and they that worship Him must worship Him in spirit and in truth."*—John 4: 23, 24.

Our Father-God, as for this quiet moment we look away from ourselves and our tasks to Thee, help us to worship Thee in spirit and in truth. Enable us to know the power of the pause that refreshes, the interval when all else is shut out and our hearts know Thy cleansing and renewing grace. As we return to the pressing problems of state, we beseech Thee to replace the angry, violent, and fearful days of the past week with days of peaceful endeavor and high accomplishment in service to the Nation and in the advancement of Thy kingdom on Earth.

We pray through Him who redeems all sin and heals all hurts. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 14, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CLARK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, March 11, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the

measures that appear on the unanimous consent calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HISTORY OF THE COMMITTEE ON FINANCE

The resolution (S. Res. 98) authorizing the printing of a history of the Committee on Finance as a Senate document, was considered, and agreed to, as follows:

Resolved, That a compilation of materials relating to the history of the Committee on Finance be printed, with illustrations, as a Senate document, and that there be printed one thousand six hundred additional copies of such document for the use of that committee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–45), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 98 would provide (1) that a compilation of materials relating to the history of the Committee on Finance be printed, with illustrations, as a Senate document; and (2) that there be printed 1,600 additional copies of such document for the use of that committee.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

To print as a document (1,500 copies)	$3,371
1,600 additional copies, at $740 per thousand	1,184
Total estimated cost, S. Res. 98	4,555

A joint letter in support of Senate Resolution 98 addressed to Senator Howard F. Cannon, chairman of the Committee on Rules and Administration, by Senator Russell B. Long and Senator Carl T. Curtis, chairman and ranking minority member, respectively, of the Committee on Finance, is as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
February 23, 1977.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Seven years ago, the Committee on Finance prepared a pamphlet tracing the committee's history. In order to assure that all Government depository libraries received copies, the committee was requested to publish the history as a Senate document. A resolution to that effect was introduced, referred to the Committee on Rules and Administration, favorably reported by that committee, and passed by the Senate in 1970.

When supplies were exhausted a second edition was prepared and its printing as a Senate document was authorized by the Rules Committee and the Senate in 1973. Requests for this useful document have been steady since the second edition was printed 4 years ago and we have now prepared a third edition to bring the earlier edition of the committee history up to date.

The Committee on Finance in executive session this morning approved a resolution to print the new edition of the committee history as a Senate document. The resolution has been referred to the Committee on Rules and Administration. On behalf of the Committee on Finance we urge that your committee approve this resolution so that the revised history, a copy of which is enclosed, may be published as a Senate document.

Sincerely,

RUSSELL B. LONG,
Chairman.
CARL T. CURTIS,
Ranking Minority Member.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

The Senate proceeded to consider the resolution (S. Res. 99) authorizing additional expenditures by the Committee on Finance for routine purposes, which had been reported from the Committee on Rules and Administration with amendments as follows:

On line 3, strike "amounts," and insert "amount,";

On line 5, strike "1946, and in S. Res. 148, Ninety-third Congress, agreed to August 2, 1973." and insert "1946.";

So as to make the resolution read:

Resolved, That the Committee on Finance is authorized to expend from the contingent fund of the Senate, during the Ninety-fifth Congress, $30,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the amendments are considered and agreed to en bloc.

The resolution (S. Res. 99), as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–46), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Section 134(a) of the Legislative Reorganization Act of 1946 (Public Law 601, 79th Congress, 60 Stat. 812, August 2, 1946) authorized each standing committee of the Senate to expend not to exceed $10,000 per Congress for routine purposes.

Senate Resolution 99 would authorize the Committee on Finance to expend from the contingent fund of the Senate, during the 95th Congress, $30,000 in addition to the amount, and for the same purposes, specified in said section 134(a).

The Committee on Rules and Administration is reporting Senate Resolution 99 with technical amendments.

A joint letter in support of Senate Resolution 99 addressed to Senator Howard W. Cannon, chairman of the Committee on Rules and Administration, by Senator Russell B. Long and Senator Carl T. Curtis, chairman and ranking minority member, respectively, of the Committee on Finance, is as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., March 4, 1977.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Committee on Finance has favorably reported S. Res. 99, a resolution to authorize the Committee to expend from the contingent fund of the Senate during the first session of the Ninety-fifth Congress $30,000 in addition to the amounts already made available under Section 134(a) of the Legislative Reorganization Act.

The Committee's workload during the current session of the Congress promises to be a heavy one. The bulk of the funds made available under Section 134(a) of the Legislative Reorganization Act have been used for transcripts of hearings held by the Committee. The Committee expects to be holding hearings during the course of the year on tax reduction proposals as well as proposals involving social security, welfare, unemployment compensation, medicare and medicaid, revenue sharing, and other important areas within the Committee's jurisdiction. In addition the ten subcommittees established recently are expected to be active in developing information and holding hearings on legislative proposals.

In order for the Committee to accomplish its legislative work, it is necessary to request the additional authorization sought in the pending resolution. We urge that the Committee on Rules and Administration approve this resolution authorizing additional funds for the Committee on Finance.

Sincerely,

RUSSELL B. LONG,
Chairman.
CARL T. CURTIS,
Ranking Minority Member.

CONGRESSIONAL OVERSIGHT OF REGULATORY AGENCIES

The resolution (S. Res. 100) authorizing the printing of the committee print entitled "Study on Federal Regulation, Volume II, Congressional Oversight of Regulatory Agencies" as a Senate document was considered and agreed to, as follows:

Resolved, That the committee print of the Committee on Governmental Affairs entitled "Study on Federal Regulation, Volume II, Congressional Oversight of Regulatory Agencies" be printed as a Senate document, and that there be printed eight hundred additional copies of such document for the use of that committee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–47), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 100 would provide (1) that the committee print of the Committee on Governmental Affairs entitled "Study on Federal Regulation, Volume II, Congressional Oversight of Regulatory Agencies" be printed as a Senate document; and (2) that there be printed 800 additional copies of such document for the use of that committee.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

To print as a document (1,500 copies)	$3,618.32
800 additional copies, at $730.64 per thousand	584.51
Total estimated cost, S. Res. 100	4,202.83

A joint letter in support of Senate Resolution 100 addressed to Senator Howard W. Cannon, chairman of the Committee on Rules and Administration, by Senator Abe Ribicoff and Senator Charles H. Percy, chairman and ranking minority member, respectively, of the Committee on Governmental Affairs, is as follows:

U.S. SENATE,
COMMITTEE ON
GOVERNMENT OPERATIONS,
Washington, D.C., March 2, 1977.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Senate Resolution 100 and Senate Resolution 101, before your committee, provide for printing as Senate documents the Governmental Affairs Committee's prints, "Study on Federal Regulation, Volume II, Congressional Oversight of Regulatory Agencies" and "Study on Federal Regulation, Volume I, The Regulatory Appointments Process," which were published in January 1977. They were prepared pursuant to Senate Resolution 71 (94th Cong., 1st sess.) by the study of regulatory agencies of the Governmental Affairs Committee. Senate Resolution 100 and Senate Resolution 101 would authorize the printing of volumes II and I, respectively, as Senate documents (1,500 copies each) and the printing of 800 additional copies of each volume for the use of the Committee on Governmental Affairs.

These two volumes represent the first findings of the Committee on Government Affairs' 18-month investigation of the regulatory agencies which was begun pursuant to authority granted by Senate Resolution 71 (94th Cong., 1st sess.). Volume I examines the regulatory appointments process. Many of the problems frequently associated with the regulatory agencies are attributed to the appointments process and this report focuses on how the process fails to insure effective leadership at the agencies. Volume II examines congressional oversight of the regulatory agencies. The predominantly ad hoc nature of congressional oversight has, in the past, contributed to inefficiency in the operation of the regulatory agencies. The report examines current oversight mechanisms and offers suggestions to improve them.

This is the first time these problems have been studied by the Congress and much of the information in these reports has never before been published. It is understandable, therefore, that the demand for these works has been overwhelming. Our supply of both volumes has been virtually exhausted. Libraries, State and local governments, Federal agencies, the press, Members of Congress, the private sector and the public have requested copies. We have filled as many as we have been able. We would like to fill all requests and we anticipate that with the publication of the next two reports, demand for these first two volumes will resume.

We respectfully request that the Rules Committee approve Senate Resolution 100 and Senate Resolution 101.

Sincerely,

ABE RIBICOFF,
Chairman.
CHARLES H. PERCY,
Ranking Minority Member.

STUDY ON FEDERAL REGULATION, VOLUME I, THE REGULATORY APPOINTMENTS PROCESS

The resolution (S. Res. 101) authorizing the printing of the committee print entitled "Study on Federal Regulation, Volume I, the Regulatory Appointments Process" as a Senate document, was considered and agreed to, as follows:

Resolved, That the committee print of the the Committee on Governmental Affairs entitled "Study on Federal Regulations, Volume I, The Regulatory Appointments Process" be printed as a Senate document, and that there be printed eight hundred additional copies of such document for the use of that committee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–48), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 101 would provide (1) that the committee print of the Committee on Government Affairs entitled "Study on Federal Regulation, Volume I, The Regulatory Appointments Process" be printed as a Senate document; and (2) that there be printed 800 additional copies of such document for the use of that committee.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

To print as a document (1,500 copies)	$7,026.95
800 additional copies at $1,391.90 per thousand	1,113.52
Total estimated cost, S. Res. 101	8,140.47

A joint letter in support of Senate Resolution 101 addressed to Senator Howard W. Cannon, chairman of the Committee on Rules and Administration, by Senator Abe Ribicoff and Senator Charles H. Percy, chairman and ranking minority member, respectively, of the Committee on Governmental Affairs, is as follows:

U.S. SENATE,
COMMITTEE ON
GOVERNMENT OPERATIONS,
Washington, D.C., March 2, 1977.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Senate Resolution 100 and Senate Resolution 101, before your committee, provide for printing as Senate documents the Government Affairs Committee's prints, "Study on Federal Regulation, Volume II, Congressional Oversight of Regulatory Agencies" and "Study on Federal Regulation, Volume I, The Regulatory Appointments Process", which were published in January 1977. They were prepared pursuant to S. Res. 71 (94th Cong., 1st Sess.) by the Study of Regulatory Agencies of the Governmental Affairs Committee. Senate Resolution 100 and Senate Resolution 101 would authorize the printing of volumes II and I, respectively, as Senate documents (1,500 copies each) and the printing of 800 additional copies of each volume for the use of the Committee on Governmental Affairs.

These two volumes represent the first findings of the Committee on Governmental Affairs' 18-month investigation of the regulatory agencies which was begun pursuant to authority granted by Senate Resolution 71 (94th Cong., 1st session). Volume I examines the regulatory appointments process. Many of the problems frequently associated with the regulatory agencies are attributed to the appointments process and this report focuses on how the process fails to insure effective leadership at the agencies. Volume II examines congressional oversight of the regulatory agencies. The predominantly ad hoc nature of congressional oversight has, in the past, contributed to inefficiency in the operation of the regulatory agencies. The report examines current oversight mechanisms and offers suggestions to improve them.

This is the first time these problems have been studied by the Congress and much of the information in these reports has never before been published. It is understandable, therefore, that the demand for these works has been overwhelming. Our supply of both volumes has been virtually exhausted. Libraries, State and local governments, Federal agencies, the press, Members of Congress, the private sector and the public have requested copies. We have filled as many as we have been able. We would like to fill all requests and anticipate that with the publication of the next two reports, demand for these first two volumes will resume.

We respectfully request that the Rules Committee approve Senate Resolution 100 and Senate Resolution 101.

Sincerely,

ABE RIBICOFF,
Chairman.
CHARLES H. PERCY,
Ranking Minority Member.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I have no further use of my time.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I have no requirement nor request for time under the standing order, and I yield back my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 45 minutes, with statements therein limited to 15 minutes.

WAIVER OF SECTION OF THE CONGRESSIONAL BUDGET ACT WITH RESPECT TO S. 489

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that Calendar Order No. 45 has been cleared on both sides of the aisle. It is a resolution waiver under section 402(a) of the Congressional Budget Act with respect to the consideration of S. 489.

I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 108, Calendar No. 45.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 108), waiver under section 402(a) of the Congressional Budget Act with respect to the consideration of S. 489.

There being no objection, the Senate proceeded to consider the resolution which was agreed to as follows:

Resolved, That (a) pursuant to section 402 (c)(1)(A) of the Congressional Budget Act of 1974 (Public Law 93–344; 88 Stat. 297), subsection (a) of such section shall not apply with respect to the consideration in the Senate of the bill (S. 489) to authorize the appropriation of funds necessary to provide military assistance to Portugal in fiscal year 1977.

(b) Such waiver is necessary for the following reasons:

(1) The Committee on Foreign Relations, in reporting S. 489, is responding to events in Portugal that were not foreseeable prior to May 15, 1976.

(2) The committee believes this assistance to be important to the national interest of the United States in that it will help strengthen the North Atlantic Treaty Organization by providing the means for an enhanced Portuguese contribution to this vital alliance.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–51), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE RESOLUTION

Section 402(a) of the Congressional Budget Act of 1974 (provides that it shall not be in order in either the House or the Senate to consider any bill or resolution which directly or indirectly authorizes the enactment of new budget authority for a fiscal year unless that bill or resolution is reported in the House or Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year. Because S. 489 which authorizes enactment of new budget authority which would become available in fiscal 1977, was reported by the Committee on Foreign Relations on March 9, 1977, a resolution waiving section 402(a) of the Budget Act with respect to S. 489 must be adopted before this bill can be considered by the Senate. In reporting favorably on the resolution, the Budget Committee is simply recommending that the Senate proceed to full consideration of S. 489 and is not prejudging the merits of the bill.

Committee criteria

The Budget Committee is extremely reluctant to recommend the adoption of resolutions waiving section 402(a) of the Budget Act. This section was included in the Budget Act to insure that all authorizing legislation is considered as far as possible in advance of the fiscal year in which it will take effect so that it could be considered in the formulation of the First Concurrent Resolution. In addition, this section was included to provide the Appropriations Committee with some reasonable notice of needed appropriations for the coming fiscal year so that the Appropriations Committee can meet the appropriations timetable spelled out in the Budget Act.

Legislation authorizing the enactment of new budget authority which is reported to the Senate after May 15 could delay the enactment of appropriations bills past the Budget Act deadline of seven days after Labor Day for the completion of the entire appropriations process. The legislative history of the Budget Act indicates that the May 15 reporting deadline is not to be lightly waived. Under these circumstances, the Budget Committe, in deciding whether to favorably report resolutions waiving section 402(a) of the Budget Act, will consider factors including: the reporting committee's effort to meet the May 15 deadline, the delay in the appropriations process engendered by the delayed reporting of the authorization, and whether the enactment of the authorization will significantly affect the national priorities established in the Congressional Budget.

BUDGET IMPLICATIONS

S. 489 authorizes an additional $4.5 million in supplemental military assistance to Portugal for fiscal year 1977. Enactment of this legislation would result in a military assistance program to Portugal of $34.5 million in fiscal year 1977, of which $30 million falls within the levels already authorized.

According to the Committee on Foreign Relations, the purpose of this legislation is to assist Portugal in the upgrading of its armed forces which were seriously debilitated as a result of prolonged colonial wars in Africa; and that it is in the national interest of the United States to support Portugal in these efforts to modernize its forces, which will assist that country in fulfilling its NATO mission and also help to stabilize and reinforce democratic processes in Portugal.

In favorably reporting the resolution, the Committee notes that the Committee on Foreign Relations made every effort to fully authorize all military assistance programs prior to May 15, 1976. At that time, however, the requirements of the NATO-related Portuguese military modernization had not yet been identified.

Consideration of S. 489 will not delay the regular appropriations process because the fiscal year 1977 appropriations bill for Foreign Assistance has already been enacted. Funding for S. 489 could be provided in a supplemental appropriation. The amount involved can be accommodated within the spending ceilings of the Third Concurrent Resolution on the Budget.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER PLACING S. 489 ON CALENDAR OF MEASURES CLEARED TO BE CONSIDERED BY UNANIMOUS CONSENT

Mr. ROBERT C. BYRD. Mr. President, I call attention to Calendar Order No. 38, S. 489, a bill to amend the Foreign Assistance Act of 1961. This measure has been cleared for unanimous consent action on both sides of the aisle.

I ask unanimous consent that it be placed on the unanimous consent calendar as far as today is concerned.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER HOLDING HOUSE MESSAGE ON H.R. 3843 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the House on H.R. 3843 be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make this request on behalf of Mr. PROXMIRE. It has been cleared with my colleague on the other side of the aisle, Mr. BAKER.

Mr. BAKER. Mr. President, there is no objection on our side.

Mr. ROBERT C. BYRD. Now, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ASSISTANCE TO THE PEOPLE OF ROMANIA

Mr. JAVITS. Mr. President, on behalf of myself and 11 cosponsors I am today submitting a concurrent resolution, and will ask for its immediate consideration, requesting that the United States join with other nations and international organizations and with public and private groups to help alleviate the suffering that has befallen the Romanian people as a result of the recent, disastrous earthquake they have experienced.

This calamity, according to recent reports, has claimed over 1,387 lives in Bucharest alone. Some of Romania's most outstanding writers and artists were killed by the earthquake. As of March 10, 10,500 people were counted among the injured, and more than 7,000 Romanian families had been made homeless. In addition, some 20,000 housing units had collapsed or sustained serious damage. The country's economic losses have been severe and probably will exceed $1 billion.

Despite this blow, the Romanian people already have demonstrated their resilience and resolve. I hope that, with our continued assistance and that of many nations, should that prove necessary, those that have survived this terrible event will overcome the losses they have sustained.

Together with other nations, international organizations, and private groups, the United States has taken steps to aid Romania. I feel a great sense of sorrow for the Romanian people and am certain that the American people, through our Federal Government and private organizations, will continue to do all that is within our power to ease the suffering in Romania. The United States always has come to the assistance of those who have been the unfortunate victims of natural disasters. This is a fine tradition, and one of which we all can be proud.

The U.S. Government has sent a plane loaded with medical supplies to Romania, and a team of structural engineers and seismologists has been dispatched to help analyze the effects of the earthquake and the likelihood of additional major tremors. The preparation of a large shipment of powdered milk is about to be completed and should reach Romania by the end of this month.

Additional assistance to Romania has come from a large number of countries including Austria, Belgium, Bulgaria, Canada, Denmark, France, the German Federal Republic, East Germany, Greece, Italy, Jordan, the Netherlands, Norway, Switzerland, and the United Kingdom. The United Nations Relief and Disaster Office and the United Nations International Children's Emergency Fund have donated $20,000 and $25,000 respectively to Romania.

Offers of assistance also have come from various private organizations throughout the world such as the Red Cross societies of the United States, Belgium, Canada, and several other countries, CARITAS, World Vision, OXFAM, and the Seventh Day Adventists. Money, food, field hospitals, ambulances, medical supplies, and even the services of res-

cue dogs have been contributed by the international community.

I have cleared the resolution with the distinguished majority leader and with the distinguished minority leader.

I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Con. Res. 12) relating to the earthquake in Romania.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from New York add my name as a cosponsor?

Mr. JAVITS. I had hoped for that, and I ask unanimous consent that the Senator's name may appear after Senator BAKER's name.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement on this matter by the distinguished Senator from Massachusetts (Mr. KENNEDY).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. KENNEDY

I am pleased to join with my distinguished colleague from New York (Mr. JAVITS) in cosponsoring this resolution expressing the concern of the American people over the earthquake disaster which struck the people of Romania March 4.

The full scope of the tragedy which hit Romania is now clear. Close to 1,500 people were killed, mostly in Bucharest, 2,300 people were hospitalized, and thousands more injured.

Of those still alive, thousands have taken shelter with friends or relatives, or in public buildings. And since the earthquake struck the urban area of Bucharest, over a billion dollars in damage has been reported to housing and apartment complexes, as well as to commercial and industrial facilities.

According to government reports, over 4,000 buildings collapsed and some 12,000 housing units are no longer habitable. In addition, 200 industrial enterprises were closed, some only temporarily, but many until extensive repairs are made.

As longer-term rehabilitation and reconstruction needs are identified, I stand ready, as I know others in Congress do, to support necessary legislation to offer America's helping hand to the earthquake victims in Romania.

I am pleased to join today with Senator JAVITS in expressing the deep sympathy and concern of the United States to the people and government of Romania.

The PRESIDING OFFICER. The question is agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 12) was agreed to.

The preamble was agreed to.

The concurrent resolution (S. Con. Res. 12), with its preamble, submitted by Mr. JAVITS (on behalf of himself, Mr. BAKER, Mr. ROBERT C. BYRD, Mr. KENNEDY, Mr. CASE, Mr. CLARK, Mr. HUMPHREY, Mr. MCGOVERN, Mr. METZENBAUM, Mr. SARBANES, Mr. SPARKMAN, Mr. WILLIAMS, and Mr. ZORINSKY), reads as follows:

Whereas Romania has suffered a disastrous earthquake which resulted in a significant loss of life, much human suffering, enormous physical destruction, and major economic disruption; and

Whereas it is in the tradition of the United States to provide humanitarian assistance to the victims of such disasters: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the United States should do all that is possible to assist the people of Romania in their hour of need following the terrible natural disaster which has just afflicted them; and should join with other nations and international organizations and with public and private organizations for that purpose; and that the people of the United States express their deepest sympathy to the victims and to their bereaved families.

Mr. JAVITS. Mr. President, I simply wish to advise the Senate that in the other body similar action will be presented by Congressman ROSTENKOWSKI.

I thank the Chair and am grateful to the majority leader and minority leader.

Mr. ROBERT C. BYRD. I thank the Senator.

(Later in the day the following occurred:)

Mr. JAVITS. Mr. President, earlier today we adopted a resolution relating to assisting the people of Romania in respect of their earthquake.

I now ask unanimous consent that the form of that resolution may be deemed to be a concurrent resolution for the purposes of passage and action by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

(NOTE.—The foregoing measure was originally introduced and considered as a Senate joint resolution. Pursuant to the above unanimous-consent request of Mr. JAVITS, the resolution, as it appears in today's RECORD, has been deemed to be a concurrent resolution for the purpose of action by the Senate; and the measure has been agreed to as S. Con. Res. 12, as appears above.)

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO ALEX HALEY

Mr. GLENN. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 112) to pay tribute to Alex Haley for the impact of his epic work *Roots*.

Mr. GLENN. I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the Senate will proceed to its consideration.

Mr. GLENN. Mr. President, I am very pleased to introduce Senate Resolution 112 honoring Mr. Alex Haley for his outstanding, exhaustive research and scholarship that culminated in the epic work, "Roots."

Mr. Haley, by virtue of this work, has made a substantial contribution toward the cause of better racial understanding in the United States. His 12 years of research into his African ancestry has given all Americans a new sense of awareness of black Americans' long-obscured and rich history. This monumental effort has provided us with new insights into and better understanding of black Americans' ongoing struggle for complete freedom and equality, historically and at present.

Mr. Haley is a very distinguished American. He was born in 1921, he served as a journalist in the U.S. Coast Guard for 20 years and has written and researched extensively. He holds honorary doctorates from Howard University, Williams College, and Seton Hall University among others and in 1975 he was a Presidential appointee to the American Revolution Bicentennial Commission. Not only is his book, "Roots," an outstanding work, but the television adaptation, an unprecedented 12-hour, 8-night production, was seen by record viewing audiences.

Mr. President, the Ohio State Senate has voted 33 to 0 to honor Mr. Haley with a similar resolution that was sponsored by the very able Ohio State Senator, Mr. M. Morris Jackson, who is assistant president pro tempore of the Ohio Senate. I believe that the U. S. Senate should follow the example of the Ohio Senate in expressing our entire Nation's appreciation and gratitude for Mr. Haley's excellent work and achievement. I hope that Mr. Haley's epic will help the Nation deal more ably and more intelligently with its still serious racial problems.

I urge rapid passage of this resolution.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the resolution has been cleared on both sides of the aisle.

Mr. GLENN. That is correct.

Mr. BAKER. Mr. President, as the majority leader says, the resolution has been cleared on this side. I shall take just a brief moment to commend the distinguished Senator from Ohio for his initiative in offering this resolution, and to express my appreciation to him for permitting me to be a cosponsor of the resolution.

Mr. Haley is a Tennessean, and his traditions are embedded in the rich soil of the western part of our State. We are proud of his contribution to the history of the United States in that era.

I thank the Senator for moving this matter at this time.

Mr. GLENN. I thank the distinguished minority leader.

The PRESIDING OFFICER. The question in on agreeing to the resolution.

The resolution was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, submitted by Mr. GLENN, on behalf of himself, Mr. BROOKE, Mr. KENNEDY, Mr. HUMPHREY, Mr. JOHNSTON, Mr. CHILES, Mr. DOLE, Mr. WILLIAMS, Mr. PERCY, Mr. MATSUNAGA, Mr. BAYH, Mr. ABOUREZK, Mr. GARN, Mr. METZENBAUM, Mr. MELCHER, Mr. DECONCINI, Mr. BAKER, Mr. JAVITS, and Mr. HOLLINGS, reads as follows:

S. RES. 112

Whereas the Senate wishes to honor Alex Haley, the author of *Roots*, for his extensive research and scholarship which culminated in the book and the television production which have contributed so much to better racial understanding in the United States;

Whereas Alex Haley spent twelve full years in the investigation of his ancestry, beginning with only fragments of information as told to him by his grandmother, and requiring travels on three continents, visits to back country African villages, and research in 58 libraries, archives and other repositories;

Whereas the unprecedented twelve hour-eight night television production of *Roots* gave a record viewing audience a new sense of awareness of Black Americans' long-obscured rich history by presenting a chronology of Haley's ancestors during the 100 years preceding the Emancipation Proclamation; and

Whereas through the efforts of Alex Haley, individuals of all races have gained new insights into, and a better understanding of, Black Americans' on-going struggle for complete freedom and equality, both historically and at the present time: Now, therefore, be it

Resolved, That the Senate wishes to honor and pay tribute to Alex Haley for his exceptional achievement in producing *Roots*, and to extend to him its highest praise.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Alex Haley.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were received on March 11, 1977, during the recess of the Senate, and also communicated to the Senate today by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received on March 11 and today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:04 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has passed the bill (H.R. 3843) to authorize additional funds for housing assistance for lower-income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the resolution (H. Res. 389) electing Mr. HAWKINS of California and Mr. DICKINSON of Alabama members of the Joint Committee on Printing; and Mr. NEDZI of Michigan, Mr. BRADEMAS of Indiana, Mr. DEVINE of Ohio, and Mr. STOCKMAN of Michigan members of the Joint Committee of Congress on the Library.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the enrolled joint resolution (H.J. Res. 269) making an urgent supplemental appropriations for the fiscal year ending September 30, 1977, for disaster relief.

The enrolled joint resolution was subsequently signed by the Acting President pro tempore (Mr. CLARK).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC-879. A letter from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals for the month of March, 1977 (with an accompanying report); jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, Commerce, Science, and Transportation, Armed Services, Energy and Natural Resources, Finance, Environment and Public Works, Human Resources, Small Business, Foreign Relations, Agriculture, Nutrition, and Forestry, the Judiciary, and Governmental Affairs, and ordered to be printed.

EC-880. A letter from the Secretary of the Interior transmitting a draft of proposed legislation to amend Public Law 92-287 to provide certain additional authorities for the replacement of a metallurgy research center now located on the campus of the University of Utah (with accompanying papers); to the Committee on Energy and Natural Resources.

EC-881. A letter from the Acting Assistant General Counsel for International, Conservation, and Resource Development Programs of the Federal Energy Administration transmitting, pursuant to law, notice of a meeting related to the International Energy Program to be held March 16, 17, and 18, 1977; to the Committee on Energy and Natural Resources.

EC-882. A letter from the Chairman of the United States International Trade Commission transmitting a draft of proposed legislation to provide authorization of appropriations for the United States International Trade Commission for fiscal year 1978 (with accompanying papers); to the Committee on Finance.

EC-883. A communication from the President of the United States transmitting a draft of proposed legislation to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

EC-884. A letter from the Executive Secretary of the Federal Deposit Insurance Corporation transmitting, pursuant to law, a report on changes to existing systems of records, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC-885. A letter from the Chairman of the Indian Claims Commission transmitting a draft of proposed legislation to authorize appropriations for the Indian Claims Commission for fiscal year 1978 (with accompanying papers); to the Select Committee on Indian Affairs.

EC-886. A letter from the Acting Assistant Secretary of the Army, Manpower and Reserve Affairs, transmitting a draft of proposed legislation to authorize the President to retire Lieutenant General Vernon Anthony Walters in the grade of lieutenant general (with accompanying papers); to the Committee on Armed Services.

EC-887. A letter from the Information Officer of the Federal Deposit Insurance Corporation transmitting, pursuant to law, the 1976 Annual Report of the Federal Deposit Insurance Corporation (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

EC-888. A letter from the Chairman of the Civil Aeronautics Board transmitting, pursuant to law, a copy of the Annual Report of the Board covering fiscal year 1976 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC-889. A letter from the Secretary of Commerce transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1978 and 1979 for certain maritime programs of the Department of Commerce, and for other purposes (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC-890. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report that monitors changes in market shares of the statutory categories of retail gasoline marketers for November 1976 (preliminary estimates) and October 1976 (final) (with an accompanying report); to the Committee on Energy and Natural Resourcees.

EC-891. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report that monitors changes in the refiner distribution and market shares of the statutory categories of refined petroleum products for November 1976 (with an accompanying report); to the Committee on Energy and Natural Resourcees.

EC-892. A letter from the Assistant Secretary for Economic Development of the United States Department of Commerce reporting that the report on the Special Economic Development and Adjustment Assistance Program will be delayed; to the Committee on Environment and Public Works.

EC-893. A letter, dated March 10, 1977, from the Assistant Legal Adviser for Treaty Affairs transmitting, pursuant to law, international agreements other than treaties entered into by the United States within the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

EC-894. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report on a new system of records, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC-895. A letter from the General Counsel of the Securities and Exchange Commission transmitting, pursuant to law, notice of amendment of the description of Systems of Records No. SEC-36, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC-896. A letter from the Acting U.S. Commissioner of Education transmitting a review by the National Advisory Committee on the Handicapped of the report entitled "Training Educators for the Handicapped: A Need to Redirect Federal Programs" (with

accompanying papers); to the Committee on Human Resources.

EC–897. A letter from the Chairman of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research transmitting, pursuant to law, a report and recommendations concerning the use of psychosurgery (with an accompanying report); to the Committee on Human Resources.

EC–898. A letter from the Secretary of Housing and Urban Development transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–899. A letter from the Acting President of the Inter-American Foundation transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–900. A letter from the Chairman of the Federal Communications Commission transmitting a draft of proposed legislation to amend Section 1114 of Title 18 of the United States code to make the killing, assaulting, or intimidating of any officer or employee of the Federal Communications Commission performing investigative, inspection, or law-enforcement functions a Federal criminal offense (with accompanying papers); to the Committee on the Judiciary.

EC–901. A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, an order in the case of an alien who has been found admissible to the United States (with accompanying papers); to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM–87. House Memorial 2002 adopted by the House of Representatives of the State of Arizona relating to the McCarran-Ferguson Act; urging the Congress to reject all proposed amendments to the McCarran-Ferguson Act which would limit State regulation of insurance; to the Committee on the Judiciary:

"HOUSE MEMORIAL 2002

"Whereas, in 1945 the McCarran-Ferguson Act (Title 15, United States Code, Sections 1011 through 1015) was enacted into law and in that Act it was stated that "Congress declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest"; and

"Whereas, in the course of such regulation, the several States have encouraged and required continued improvements in insurance coverages and the provision of insurance at reasonable rates; and

"Whereas, the several States have continually reviewed, experimented with, and altered various approaches to regulation in an effort to assure the public of the availability of insurance at the lowest practicable cost; and

"Whereas, the business of insurance has developed a competitive structure; and

"Whereas, the public has benefited from the competitive structure of the insurance industry including at the retail level a wide variety of organizations, often small businesses, intensely competing, and from regulation of the industry by the several States; and

"Whereas, federal regulation has repeatedly been shown not to be a panacea; and

"Whereas, it is becoming increasingly clear that the establishment of federal regulation increases the cost of government, often increases the cost of products and services to the consumer, and often without providing offsetting benefits to the public; and

"Whereas, federal regulation often adds confusion and delay; and

"Whereas, there has been no showing that the several States cannot continue to regulate the insurance industry; and

"Whereas, there has been no showing that federal regulation of the insurance industry by limiting State regulation and permitting the application of the federal antitrust laws will have a salutory effect upon the industry or otherwise benefit the public; and

"Whereas, it is often necessary, subject to state regulations, to pool the resources of several insurance companies in order to provide for coordinated actions to provide effective insurance coverage of certain risks and to provide the public with reasonable prices, efficiency in which the services are rendered at reasonable cost and innovation in which new products and services are made available; and

"Whereas, officials of the federal government have publicly, although unofficially, recommended amending the McCarran-Ferguson Act to limit state regulation of the business of insurance.

"Wherefore your memorialist, the House of Representatives of the State of Arizona prays:

"1. That the Congress of the United States reject all legislation proposing any amendment to the McCarran-Ferguson Act which would limit state regulation of insurance.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM–88. Resolution adopted by the Legislature of the Commonwealth of Massachusetts memorializing the Congress of the United States to enact legislation that would preclude social security benefits from affecting Veterans Administration pension payments; to the Committee on Veterans Affairs:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION THAT WOULD PRECLUDE SOCIAL SECURITY BENEFITS FROM AFFECTING VETERANS ADMINISTRATION PENSION PAYMENTS

"Whereas, Many war veterans are receiving Social Security payments and Veterans Administration Pensions; and

"Whereas, It would be unfair and unjust to allow any Social Security payments to decrease or eliminate the Veterans Administration Pensions to veterans receiving both; therefore be it

"Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States to enact legislation to preclude any change in Social Security payments from affecting any Veterans Administration Pension to veterans receiving both; and be it further

"Resolved, That a copy of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the presiding officer of each branch of Congress, and to the members thereof from this Commonwealth."

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Richard M. Moose, of Arkansas, to be Deputy Under Secretary of State.

Douglas J. Bennet, Jr., of Connecticut, to be an Assistant Secretary of State.

Richard N. Gardner, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Richard N. Gardner.

Post: Ambassador to Italy.

Nominated: January 20, 1977.

Contributions, amount, date, and donee:

1. Self, $250, February 8, 1976, Jimmy Carter.

$250, April 6, 1976, Campaign Committee.

2. Spouse, $250, February 8, 1976, Jimmy Carter.

$250, April 6, 1976, Campaign Committee.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. ANDERSON:

S. 987. A bill to amend the Immigration and Nationality Act to remove all restrictions on the adoption by U.S. citizens of more than two children; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 988. A bill for the relief of Narayan Chandra Mohanty; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself and Mr. STONE):

S. 989. A bill to amend title 38 of the United States Code relating to condominium and cooperative home loans; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MATHIAS:

S. 990. A bill to amend title 5, United States Code, to provide special allowances to certain physicians employed by the United States in order to enhance the recruitment and retention of such physicians; to the Committee on Governmental Affairs.

By Mr. RIBICOFF (for himself, Mr. MAGNUSON, Mr. HUMPHREY, Mr. PELL, Mr. NUNN, Mr. ALLEN, Mr. BARTLETT, Mr. BAYH, Mr. BELLMON, Mr. CHILES, Mr. CHURCH, Mr. CLARK, Mr. CRANSTON, Mr. DECONCINI, Mr. DOMENICI, Mr. EAGLETON, Mr. FORD, Mr. HEINZ, Mr. HOLLINGS, Mr. INOUYE, Mr. JACKSON, Mr. KENNEDY, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. MELCHER, Mr. PEARSON, Mr. RANDOLPH, Mr. SASSER, Mr. SPARKMAN, Mr. STAFFORD, Mr. STONE, Mr. WEICKER, Mr. WILLIAMS, Mr. HART, and Mr. MUSKIE):

S. 991. A bill to establish a Department of Education, and for other purposes; to the Committee on Governmental Affairs.

By Mr. RIBICOFF (for himself and Mr. HOLLINGS):

S. 992. A bill to amend title 5 of the United States Code to provide that a congressional employee may credit service as an employee of a congressional campaign committee for civil service retirement purposes; considered and passed.

By Mr. PACKWOOD:

S. 993. A bill to prohibit the employment while in the United States of aliens who are in the United States unlawfully or lawfully in the United States but not entitled to employment; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ANDERSON:

S. 987. A bill to amend the Immigration and Nationality Act to remove all restrictions on the adoption by U.S. citizens of more than two children; to the Committee on the Judiciary.

ADOPTION OF FOREIGN ORPHANS

Mr. ANDERSON. Mr. President, during the last Congress the House Select Subcommitte on Education and the Senate Subcommitte on Children and Youth conducted indepth hearings concerning policies and procedures within the adoption and foster care systems. I have been very pleased to learn of the important progress being made in the identification of problems within these systems and will look forward to working with my colleagues to find solutions to them. The hearings documented, for example, that a great many children who would benefit from placement in adoptive homes remain "lost" within the foster care system.

In addition to problems concerning adoption of children in this country, there are serious obstacles for American families who seek to adopt foreign children. Under the present immigration laws, families who have filed petitions for adoption of two alien children are precluded from filing petitions to bring additional children to this country on immediate relative status. The nonpreferred status allowed under these circumstances often result in delays of a year or more. Many of the families involved in intercountry adoption deeply want to adopt more than two children, and there is no question about the importance of providing warm loving homes to the youngsters. Even if parents experience the tragedy of the death of an adopted foreign child, they cannot legally bring another child into the country on immediate relative status.

The legislation I am introducing today, which was introduced last session by Vice President MONDALE, would grant immediate relative status to foreign orphans, regardless of the number of previous petitions filed by the prospective parents.

At this time I would like to share with my colleagues excerpts from two very moving letters I received from Mr. and Mrs. Ronald Taggert of Mound, Minn., and Mrs. Charles Johnson of Anoka, Minn.

DEAR SENATOR ANDERSON: We have an adopted Korean son, Jared, who arrived on July 3, 1974. On April 19 of 1976 our Korean daughter, Gina, arrived. Gina died on August 12 of myocarditis. The loss of her has left a great empty spot in our home.

We now wish to adopt another Korean child; however, the current law allows only two I-600 visas per family. Our local agency, Children's Home Society of Minnesota, and the Korean agency, Social Welfare Society of Korea, have agreed to work with us on the adoption of another Korean child even though this will require a special act of Congress. . . .

* * * * *

DEAR SENATOR ANDERSON: My name is Carolyn Johnson. I have a husband whose name is Charles, and a very precious little son named Christopher.

My husband and I adopted Chris through Lutheran Social Services in Minneapolis. He arrived from Seoul, Korea on July 10, 1974 when he was eighteen months old. During the past two and a half years we have shared all the love we have within us, and have gotten twice that much in return from him.

On July 19, 1976 our beautiful three month old daughter arrived from Korea. We had all the love, affection, anticipation, pride and everything that parents can feel towards their newly arrived child. We felt so fortunate to have received a second child.

We were advised at the airport to take our daughter to a doctor immediately, as she was very ill. Kara was placed in the hospital and two days later it was diagnosed that she had shigella. Kara was not able to win the fight for her beautiful and precious life. She passed away on July 20, 1976.

Kara was taken from us for a very special purpose. We have accepted that—for we know it was God's will. However, there is a great emptiness in our family. We know that no one can take the place of the very special little girl who was so much a part of our family for such a very short time. We will never try to replace our little Kara, but we still have all the love and hope within us to adopt another Korean child.

As you know, each family is entitled to only two I-600's for foreign adoption. . . . We would greatly appreciate any and all the help that you could give us. . . .

Mr. President, I request unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 987

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 204(c) of the Immigration and Nationality Act, as amended (8 U.S.C. 1154(c)), is amended to read as follows:

"(c) Notwithstanding the provisions of subsection (b), no petition shall be approved if the alien has previously been accorded a nonquota or preference status as the spouse of a citizen of the United States or the spouse of an alien lawfully admitted for permanent residence, by reason of a marriage determined by the Attorney General to have been entered into for the purpose of evading the immigration laws.".

By Mr. MATHIAS (for himself and Mr. STONE):

Mr. MATHIAS. Mr. President, I am introducing today a bill to permit the Veterans' Administration to guarantee home mortgages for the purchase of homes converted to condominiums or cooperatives.

Mr. President, the VA will only guarantee home loans for new condominiums and not condominum or cooperative conversions. This is an inequitable situation which excludes from VA guarantee many substantial homes and apartment buildings which have been converted from rental to the condominium or cooperative form of ownership.

The apparent reason for excluding condominium and cooperative conversions from VA loan eligibility was an interpretation by VA that it was not the congressional intent to permit VA loans for condominium and cooperative conversions. This bill serves to correct this mistaken impression.

Mr. President, I need not reiterate the numerous statistics on our inflationary housing market and the fact that three-fourths of our Nation's families cannot afford the median-priced new home today. The condominium and cooperative form of home ownership offers one way for some of those people to participate in homeownership because frequently the financing terms and sales price are less expensive than the terms for a conventional fee simple house.

As of March 1975, there were 125,000 condominium conversions in the country, most of them concentrated in the Boston-Washington corridor. This is less than 10 percent of the total housing stock nationwide. In addition, there are approximately 28,000 cooperative conversions in the United States.

Nevertheless, Mr. President, they are a housing resource which should be made available with all of the financing and ownership options available which are also available for the purchase of a conventional home.

Many of our veterans have not been able to afford a home and are presently renters. This bill would provide them with the one homeownership option which could make owning a home within their financial means.

By Mr. MATHIAS:

S. 990. A bill to amend title 5, United States Code, to provide special allowances to certain physicians employed by the United States in order to enhance the recruitment and retention of such physicians; to the Committee on Governmental Affairs.

Mr. MATHIAS. Mr. President, attracting and retaining the best quality physicians in the U.S. civil service system is becoming increasing difficult because physicians' salaries in the private sector are more lucrative than in the civil service. The executive pay scale limit has placed an arbitrarily low ceiling on salaries for doctors and dentists.

To remedy this situation, a variable incentive pay system was authorized by the Congress which provides bonus pay for most of the 39,400 physicians and dentists in the Federal Government. However, approximately 1,950 physicians and dentists, 7 percent, were not covered by the variable incentive pay system, VIP. My bill is addressed to this group and simply provides for the variable incentive pay so that they will be compensated at the same level as other physicians in the Federal service.

At present, as my colleagues know, the top salary any general schedule civil servant can receive is $39,600. Without the ceiling, the GS pay schedule calls for rates up to $54,410 per year. When the variable incentive pay is added to the GS ceiling salary, the top salary can reach $53,100 for federally employed physicians.

Thus, for this small group of doctors and dentists outside the VIP, there is a difference in their salary of up to $13,500 compared with their federally employed counterparts.

These approximately 1,950 physicians who do not receive incentive pay are employed by the following agencies:

LIST OF AGENCIES

Foreign Service.
Federal Aviation Administration.
National Aeronautics and Space Administration.
U.S. Postal Service.
Commerce Department.
Interior Department.
Central Intelligence Agency.
Department of Defense.
Food and Drug Administration.
St. Elizabeth's Hospital.
Library of Congress.
D.C. Health Services.
Public Health Service.
Labor Department.
National Security Agency.
Social Security Administration.
National Science Foundation.
National Institutes of Health.
National Institute of Occupational Safety and Health.
Drug Enforcement Administration.
Bureau of Engraving and Printing.
National Bureau of Standards.
Energy Research and Development Administration.
Tennessee Valley Administration.
Canal Zone.

The physicians employed are in positions ranging from staff physician to medical director and their tenure ranges from newly employeds to 20 years of service.

Without the variable incentive pay system, the agencies I have mentioned will continue to have difficulty retaining, and particularly attracting, qualified medical personnel.

The obvious inequity of this situation was pointed up in an August 31, 1976, GAO report, which I quote:

We found cases where differences between systems caused some employees to transfer between systems in an agency. In one PHS installation we visited, seven GS physicians transferred to the commissioned corps during fiscal year 1975 in order to receive VIP. Other GS physicians, who reportedly would have switched, had previously switched from the commissioned corps to the GS prior to the implementation of VIP because the benefits of the GS system were better at that time.

We found numerous instances where physicians who were receiving VIP worked with physicians not receiving VIP because of ineligibility. This has caused bitterness among physicians and resulted in lawsuits being filed against the Federal Government by those physicians not receiving VIP.

The longer term findings and recommendations of the GAO report point out the need for one rather than three pay systems for federally employed physicians. It is my understanding that the Office of Management and Budget has agreed to submit such a comprehensive pay and benefits plan to the Congress this month. Until then, however, 7 percent of federally employed physicians continue to be treated unequally with regard to pay.

I ask for speedy consideration of this bill.

By Mr. RIBICOFF (for himself, Mr. MAGNUSON, Mr. HUMPHREY, Mr. PELL, Mr. NUNN, Mr. ALLEN, Mr. BARTLETT, Mr. BAYH, Mr. BELLMON, Mr. CHILES, Mr. CHURCH, Mr. CLARK, Mr. CRANSTON, Mr. DECONCINI, Mr. DOMENICI, Mr. EAGLETON, Mr. FORD, Mr. HEINZ, Mr. HOLLINGS, Mr. INOUYE, Mr. JACKSON, Mr. KENNEDY, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. MELCHER, Mr. PEARSON, Mr. RANDOLPH, Mr. SASSER, Mr. SPARKMAN, Mr. STAFFORD, Mr. STONE, Mr. WEICKER, Mr. WILLIAMS, Mr. HART, and Mr. MUSKIE):

S. 991. A bill to establish a Department of Education, and for other purposes; to the Committee on Governmental Affairs.

DEPARTMENT OF EDUCATION

Mr. RIBICOFF. Mr. President, I am pleased to introduce along with Senators MAGNUSON, HUMPHREY, PELL, and NUNN and 28 of my distinguished colleagues, a bill to establish a separate Department of Education.

I first introduced a bill to establish a Department of Education in the 89th Congress. Today, such a Department is even more needed.

American education has grown rapidly. The needs and demands placed on education have greatly increased. Thirty years ago, fewer than half of American students finished high school. By 1974, the average school years attended was 12¼. Enrollment of blacks has increased by more than 200 percent in the past 8 years. The Office of Education expects women to receive almost half the college degrees awarded by 1978. Education is now becoming a lifelong process. Today, well over 60 million persons are enrolled in public and private education institutions from kindergarten through graduate school. That is almost one out of every three citizens.

Education is not given the priority attention it needs. We cannot help but become more aware that problems with our education system are worsening. In March of 1976, the Office of Education released a study showing a 10-year decline in reading skills among American students. In November 1975, the college entrance examination board reported that 1975 scores on the scholastic aptitude test showed the biggest drop in 20 years. College educators are more and more concerned about the low reading and writing ability of high school graduates. In one of our major universities, nearly half of the freshman class was required to take remedial courses in English. Surely, we must make education a long-overdue national priority.

Why is a separate Department of Education needed? Leadership to handle the vast range of educational issues and programs is almost impossible within the Department of Health, Education, and Welfare because of its immense size. This Department consists of a vast and diffuse range of responsibilities, agencies, and programs—all competing for attention. HEW's total spending for over 300 programs was $128 billion in 1976, in 1977 it is approximately $146 billion and the spending for 1978 is expected to be $162 billion. This is an increase of $34 billion over a 2-year period and an annual average increase of over 15 percent. A large portion of this continued increase is caused by increased needs for social security and medicare.

The budget for Health and Welfare is 18 times as large as the $9.1 billion budget of the Education Division. Yet, the Education Division itself is enough to constitute a major department. Its budget alone is more than that of the Departments of the Interior, $5.5 billion; Commerce, $6.7 billion; Justice, $2.3 billion, and State, $1.2 billion. Its Office of Education administers 136 education programs. The proposed new Department of Energy is expected to cost $10 billion, just $1 billion more than the Education Division in HEW.

The unmanageability of this Department is widely known. Last year, the Governmental Affairs Committee reported a measure to establish an Office of Inspector General in HEW. Findings by the House Governmental Affairs Committee found that the magnitude and complexity of HEW's activities—including the administration of more than 300 separate programs involving expenditures over $118 billion—caused, in many instances, a lack of direct control over its expenditures, including evidence of fraud and abuse. Hearings by several subcommittees of the Governmental Affairs Committee have also outlined numerous examples of HEW mismanagement.

Education can never be a major priority in such a large Department. Uncontrollable programs will continue to grow and education will continue to be enmeshed and entangled with other priorities.

Although most of the components for the new Department of Education are presently in HEW, other education programs are fragmented and dispersed throughout more than 20 Federal agencies. No mechanism presently exists to coordinate these numerous programs in a sensible, workable and effective framework. By removing education functions out of HEW, education, health, and welfare will be more manageable to meet the many demands of our most needy citizens, and an effective reorganization of all three areas can more rapidly and more efficiently occur.

I am aware that Secretary of HEW Califano has announced a series of reorganization initiatives to improve HEW's manageability, and I commend him. But the need for a new Department of Education is still essential.

Size, budget, and management considerations are good reasons alone to justify the creation of a new department. But these reasons are only the bureaucratic side of the picture.

American education needs a unified direction. It needs a full-time Secretary of Education who can devote all his or her enthusiasm, imagination, time and capability to strengthening American education.

No Secretary of such a large Department as HEW can adequately devote the time for the national education leader-

ship needed. No Secretary of such a large department can give education the priority it should have.

This bill would address itself to the effective administration of our educational programs. The Secretary of Education would advise the President on goals and priorities. The Secretary would develop policies and programs to foster development of educational facilities and resources; exercise leadership in coordinating Federal activities affecting education; and provide leadership by conducting studies, making recommendations and administering discretionary programs to facilitate the continuing development of American education. Also, comprehensive planning by State and local governments would be encouraged.

Under the Secretary of Education, there would be an Under Secretary, a General Counsel, an Inspector General, and four Assistant Secretaries—for Legislation and Public Affairs, Intergovernmental Relations, Evaluation and Planning, and Administration and Management. Each officer would be subject to Senate confirmation.

The act would transfer HEW's Education Division, the Headstart program in the Office of Child Development, the Education Directorate of the National Science Foundation, the Armed Forces dependents schools, and jurisdiction over the National School Lunch Act, BIA Indian Schools, HUD college housing loans, and HEW's grant programs for the construction of public broadcasting facilities. Functions carried out by the Secretary through the Office of Civil Rights concerning the enforcement of those laws and education orders which apply to educational institutions, educational financial assistance and Federal contracts in education would be transferred.

The bill would also transfer the National Foundation on the Arts and Humanities which is actively involved in promoting the cultural aspects of education. The National Endowments within the Foundation would retain their present structure under the bill and their inclusion would clearly lend itself to a broader view of education.

Other components of the bill would include a Federal Interagency Committee on Education, a National Advisory Committee on Education, and an Office of Inspector General.

The Federal Interagency Committee on Education would be chaired by the Secretary of Education. The committee would be composed of various representatives from other departments and agencies. Its main purpose would be to assure effective coordination of Federal programs affecting education. The committee would meet six times a year and report annually to the Secretary;

The National Advisory Commission on Education would be composed of 15 members, appointed by the President, who have demonstrated commitment to the educational needs of the Nation. Its purpose would be to assist the Secretary in the formulation of Federal policy with respect to the appropriate role of the Government in education and to review the administration, regulations for, and operation of Federal education programs;

The Inspector General whose functions would be similar to those of the present Inspector General in HEW, would provide and supervise policy direction for auditing and investigative activities in the Department. Other duties would include conducting activities to promote economy and efficiency while preventing and detecting fraud and abuse in education programs. The Inspector General could be removed only by the President.

Hearings have never been held on a proposed Department of Education, and it is my hope that the various components of the bill, including the proposed transfers, would be thoroughly discussed.

I urge my colleagues in Congress to join us in sponsoring this legislation. The time is long overdue for a cabinet Department of Education to coordinate education programs, eliminate duplication and waste, and strengthen and improve American education.

Mr. NUNN. Mr. President, I am pleased to join Senators RIBICOFF, MAGNUSON, HUMPHREY, PELL, and others in introducing legislation to create a separate Department of Education to administer and oversee all educational programs and policies for the Federal Government.

If there is one point on which most Americans will agree, it is that the U.S. Department of Health, Education, and Welfare is too large and too bureaucratic to effectively or efficiently manage the numerous programs under its jurisdiction. This Department is currently charged with the task of administering vast programs designed to provide for the health needs of our citizens, to provide assistance to the elderly, the handicapped and the underprivileged, and to help the States provide quality education for every American. One of the biggest tasks facing President Carter and the Congress should be to restructure and reform this massive and cumbersome department.

The establishment of a separate Department of Education, which would be accomplished by the passage of the bill we are introducing today, is the first logical step toward achieving the goal of reorganization of HEW. At the present time, most of the Federal educational programs are administered by the U.S. Office of Education which is a relatively small subdivision of HEW. Yet, this Office of Education is alone responsible for approximately 120 programs. Its fiscal year 1976 budget was $7.4 billion which is larger than the combined budgets of the Departments of Commerce, Interior, Justice, and State.

For too long, our educational programs have failed to receive the attention and status that their importance demands. The lack of singular leadership in the educational field has also contributed to the lack of a coherent and effective Federal education policy. Education needs and deserves a single spokesman who can articulate educational priorities, plans, and programs at the highest levels of Government.

The bill that we are introducing today will provide a more efficient and administratively manageable structure for education by removing the Office of Education from the existing Department of Health, Education, and Welfare. It will also consolidate education programs, which are currently fragmented throughout the Federal Government, under the new Department of Education. This consolidation should insure that duplication of programs and needless waste of money is avoided.

This bill also creates an independent Office of Inspector General in the new Department to prevent fraud and abuse in education programs. During the 94th Congress, legislation was signed into law to establish an Office of Inspector General in HEW. It is certainly important that a single person in the new Department of Education be responsible for fraud detection and for insuring that the taxpayers' funds appropriated for educational programs are not wasted because of inefficiency and abuse.

The creation of a separate Department of Education would not only enhance our educational policies but would also give new prominence to our health and welfare programs. The Secretary of Health and Welfare could devote his full time and efforts to meeting the pressing health needs of our citizens and to cleaning up the management of our welfare programs.

Investment in education is investment in the future productivity of our Nation through the advancement of skills of the workers of tomorrow. Our educational goals are important ones and we cannot gamble with their success. A single Department administered by a single Secretary is the best way of reaching these goals and of guaranteeing that our educational dollars are efficiently and economically spent in this process. The establishment of a Department of Education would represent a giant step toward the genuine reform needed in our educational programs.

Mr. RIBICOF. I ask unanimous consent that the text of the bill be granted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 991

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Education Act of 1977".

FINDINGS AND PURPOSES

SEC. 2. The Congress finds that—

(1) education is of fundamental importance to the Nation and it is appropriate to reassess the condition of education in our Nation to insure that all Americans have an equal opportunity for quality education;

(2) existing Federal programs in support of education are fragmented and often duplicative and should be better coordinated in order to promote quality education;

(3) the role and importance of education increases as our society becomes more complex and new technologies and advancements are developed to meet changing needs;

(4) public policy toward education is vital to the present and long-range interests of the United States;

(5) education must be broadly conceived in terms of all those forces, institutions, and agencies which function as educating influences in the United States; goals, and institutions should be enhanced; and

(7) it is essential therefore to establish a

Department of Education to provide Federal leadership, to insure effective enforcement of equal opportunity legislation in education, to weigh and consider major educational policy issues confronting the Nation, and to facilitate a continuing renewal of the educating institutions and policies of the United States.

DEPARTMENT OF EDUCATION ESTABLISHED

SEC. 3. There is established an executive department which shall be known as the Department of Education (hereinafter referred to as the "Department").

OFFICERS

SEC. 4. (a) The Department shall be administered by a Secretary of Education (hereinafter referred to as the "Secretary"), who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for level I of the Federal Executive Salary Schedule under section 5312 of title 5, United States Code. The Department shall be administered under the supervision and direction of the Secretary.

(b) There shall be in the Department an Under Secretary of Education who shall be appointed by the President by and with the advice and consent of the Senate. The Under Secretary shall perform such duties and exercise such powers as the Secretary shall prescribe. During the absence or disability of the Secretary, or in the event of a vacancy in the office of the Secretary, the Under Secretary shall act as Secretary. The Under Secretary shall receive compensation at the rate prescribed for level III of the Federal Executive Salary Schedule established under section 5314 of title 5, United States Code.

(c) There shall be in the Department a General Counsel and four Assistant Secretaries of Education as follows:

1. Assistant Secretary of Education for Legislative and Public Affairs;

2. Assistant Secretary of Education for Administrative and Management Policy;

3. Assistant Secretary of Education for Evaluation and Planning; and

4. Assistant Secretary of Education for Intergovernmental Relations.

Each of such Assistant Secretaries shall be appointed by the President, by and with the advice and consent of the Senate. Each such Assistant Secretary shall perform such duties and exercise such powers as the Secretary shall prescribe. During the absence or disability, or in the event of a vacancy in the office of the Secretary or of the Under Secretary, an Assistant Secretary determined according to such order as the Secretary shall prescribe shall act as Secretary. Each Assistant Secretary and the General Counsel shall receive compensation at the rate prescribed for level IV under section 5315 of title 5, United States Code.

POWERS AND DUTIES OF THE SECRETARY

SEC. 5. (a) The Secretary shall be responsible for the exercise of all functions of the Department, and shall have authority to direct and supervise all personnel and activities thereof.

(b) (1) The Secretary is authorized to appoint and fix the compensation of such officers and employees, and prescribe their functions, as may be necessary to carry out the purposes and functions of this Act.

(2) The Secretary may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(c) The Secretary may promulgate such rules and regulations as may be necessary to carry out the functions vested in the Secretary or in the Department, and may delegate authority for the performance of any such function to any officer or employee under the Secretary's direction and supervision.

(d) The Secretary shall cause a seal of office to be made for the Department, of such design as the President shall approve, and judicial notice shall be taken thereof.

FUNCTIONS OF THE DEPARTMENT

SEC. 6. (a) It is the principal function of the Department to promote the cause and advancement of education throughout the United States.

(b) In addition to any other function of the Secretary under the provisions of this Act, the Secretary is authorized to—

(1) advise the President with respect to the progress of education, including the recommendation of long-range goals and priorities;

(2) develop and recommend to the President appropriate policies and programs to foster the orderly growth and development of the educational facilities and resources of the United States especially in the light of long-range requirements;

(3) exercise leadership at the direction of the President in coordinating Federal activities affecting education;

(4) conduct continuing comprehensive surveys, and to collect, analyze, and disseminate relevant information, data and statistics, concerning education in the United States;

(5) provide information and such other assistance as may be authorized by the Congress to aid in the maintenance of efficient school, college, and university or other education systems;

(6) encourage comprehensive planning by State and local governments, especially with respect to coordinating Federal, State, and community educational activities at the local level; and

(7) provide leadership by conducting studies, making recommendations, and administering discretionary programs to facilitate the continuing development of the American educational system.

TRANSFER OF FUNCTIONS AND AGENCIES

SEC. 7. (a) There are transferred to the Secretary, all functions of the Secretary of Health, Education, and Welfare or the Commissioner of Education, as the case may be—

(1) with respect to and being administered by the Secretary through the Education Division of the Department of Health, Education, and Welfare;

(2) with respect to and being administered by the Secretary through the Office of Child Development of the Department of Health, Education, and Welfare regarding Headstart;

(3) any advisory committee in the Department of Health, Education, and Welfare giving advice to and making recommendations which concern education primarily;

(4) under section 394 of the Communications Act of 1934; relating to Federal grants for the construction of television and radio broadcasting facilities to be used for educational purposes;

(5) with respect to and being administered by the Secretary through the Office of Civil Rights for the enforcement of those provisions of law and Education Orders which apply to educational institutions, including Title VI (insofar as it relates to educational financial assistance) and Titles VII and IX of the Education Amendments of 1972 and Executive Order 11246 (insofar as it pertains to employer's holding Federal contracts in education.)

(6) with respect to all functions of the National Foundation on the Arts and the Humanities including all functions of the National Endowment for the Arts and all functions of the National Endowment for the Humanities.

(7) with respect to all Federal laws concerning the relationship between Gallaudet College, Howard University, and American Printing House for the Blind, and the Department of Health, Education, and Welfare;

(8) with respect to the operation of schools for dependents of members of the Armed Forces by the Secretary of Defense;

(9) with respect to the operation of schools for Indian children being administered by the Secretary of the Interior through the Bureau of Indian Affairs;

(10) with respect to the National School Lunch Act and the operation of the Graduate School, being administered by the Secretary of Agriculture;

(11) with respect to Title IV of the Housing Act of 1950 relating to college housing, being administered by the Secretary of Housing and Urban Development; and

(12) with respect to and being administered by the Director of the National Science Foundation, the Education Directorate.

(b) In any case where all of the functions of any agency or office are transferred pursuant to this Act, except any committee transferred under subsection (a)(3) of this section, such agency or office shall lapse.

(c) All officers, employees, assets, liabilities, contracts, records, property, leases, obligations, and commitments and unexpended balances of appropriations, allocations, and other funds which the Director of the Office of Management and Budget determines are to be employed, held, or used primarily in connection with any office, agency, bureau, foundation, or function transferred under the provisions of this Act, are hereby transferred to the Department.

ADDITIONAL TRANSFERS

SEC. 8. The President is authorized to transfer to the Department of Education any other agency or instrumentality of the Federal Government which the President determines has functions relating to education and should be transferred to the Department of Education to promote efficiency in Government and to carry out the purposes of this Act. Such transfers shall incorporate, to the extent deemed desirable, the recommendations of the Federal Interagency Committee on Education as provided by section 12(c) and shall be completed within one hundred and eighty days after the date of enactment of this Act. A report describing such transfers shall be submitted to the Congress not later than thirty days thereafter.

TRANSFERRED PERSONNEL

SEC. 9. Each officer or employee of the United States or any department or agency thereof who is transferred at any time to the Department of Education shall be deemed, effective as of the date of such transfer, to be an officer or employee of the Department. No reappointment of any such officer or employee shall be required because of his transfer to that Department. Except as otherwise specifically provided by this section, no such officer or employee shall be reduced in rank, grade, seniority, or rate of compensation because of any such transfer.

PROVISIONS OF LAW APPLICABLE TO THE DEPARTMENT

SEC. 10. Except to the extent inconsistent with this Act, all provisions of law applicable to the executive departments generally shall apply to the Department.

REDESIGNATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 11. (a) The Department of Health, Education, and Welfare is hereby redesignated the Department of Health and Welfare, and the Secretary of Health, Education, and Welfare is hereby redesignated the Secretary of Health and Welfare.

(b) Any reference to the Department of Health, Education, and Welfare or the Secretary of Health, Education, and Welfare in any other law, rule, regulation, certificate, directive, instruction, license, or other official paper in force on the effective date of this Act shall be deemed to refer and apply to the Department of Health and Welfare and the Secretary of Health and Welfare, respectively.

FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

SEC. 12. (a) There is hereby established a "Federal Interagency Committee on Educa-

tion" (hereinafter referred to in this Act as the "Committee").

(b) The Committee shall study and make such recommendations as may be necessary to assure effective coordination of Federal programs affecting education, including—

(1) development of Federal program in accordance with the educational goals and policies of the Nation;

(2) consistent administration of policies and practices among Federal agencies in the conduct of smilar programs;

(3) full and effective communication among Federal agencies to avoid unnecessary duplication of activities with respect to education;

(4) adequate procedures for the availability of information on educational matters requested by the Secretary;

(5) recommendations for the improvement of federal programs for the purpose of aiding students in their transition from school to work; and

(6) full and effective cooperation with the Secretary on such studies and analyses as are necessary to carry out the purposes of this Act.

(c) The Committee shall, within 90 days of the enactment of this Act or the appointment and qualification of all Committee members, whichever is earlier, recommend to the President the transfer of such additional responsibilities as may be appropriate.

(d) The Committee shall be composed of the Secretary, who shall be the Chairperson, and one appropriate representative of each of the following agencies: The Department of State, the Department of Defense, the Department of Agriculture, the Department of Commerce, the Department of Labor, the Department of Health and Welfare (as redesignated by section 11 of this Act), the Department of Housing and Urban Development, the National Sicence Foundation, and the National Aeronautics and Space Administration. The Committe shall also include the Chairpersons of the National Endowment for the Arts, and the National Endowment for the Humanities of the Department.

(e) The Chairperson may invite Federal agencies, in addition to the agencies which are represented on the Committee under the provisions of subsection (d) of this section, to designate representatives to participate in meetings of the Committee on matters of substantial interest to such agencies which are to be considered by the Committee.

(f) The Director of the Office of Management and Budget, the Chairperson of the Council of Economic Advisers, and the Executive Director of the Domestic Council may each designate a staff member to attend meetings of the Committee as observers.

(g) The Committee shall meet at last six times in each year and shall prepare an annual report to the Secretary concerning its recommendations.

(h) Each Federal agency which is represented on the Committee under the provisions of subsection (d) of this section, shall furnish necessary assistance to the Committee in accordance with section 214 of the Act of May 3, 1945 (31 U.S.C. 691).

NATIONAL ADVISORY COMMISSION ON EDUCATION

SEC. 13. (a) There is established a National Advisory Commission on Education (hereinafter referred to as the "National Commission") composed of fifteen members appointed by the President, by and with the advice and consent of the Senate, from among individuals—

(1) who have a demonstrated commitment, in public or private industries or organizations, for the enhancement and development of the educational needs and goals of the Nation;

(2) who have competence in assessing the progress of educational agencies, institutions, and organizations in meeting those needs and achieving those goals; and

(3) who are experienced with the policies or administration of State and local educational agencies and of institutions of higher education.

Members shall be appointed for terms of three years, except that (A) in the case of initially appointed members, as designated by the President, five members shall be appointed for terms of one year, five members shall be appointed for terms of two years, and five members shall be appointed for terms of three years, and (B) any member appointed to fill a vacancy shall serve the remainder of the term for which the member's predecessor was appointed.

(b) The National Commission shall—

(1) assist the Secretary in the formulation of Federal policy with respect to the appropriate role of the Federal Government in each action;

(2) review the administration of, general regulations for, and operation of Federal education programs;

(3) advise the Secretary and other Federal officials with respect to the educational needs and goals of the Nation and assess the progress of the renewal of appropriate agencies, institutions, and organizations of the Nation in order to meet those needs and achieve those goals;

(4) conduct objective evaluations of specific education programs and projects in order to ascertain the effectiveness of such programs and projects in achieving the purpose for which they are intended;

(5) make recommendations (including recommendations for changes in legislation) for the improvement of the administration and operation of Federal education programs;

(6) consult with Federal, State, and local and other education agencies, institutions, and organizations with respect to assessing education in the United States and the improvement of the quality of education, including—

(A) areas of unmet needs in education, national goals, and changing education priorities, and the means by which those areas may be met, developed, and achieved;

(B) specific means of improving the quality and effectiveness of teaching, curriculums, and educational media and of raising standards of scholarship and levels of achievement;

(7) conduct national conferences on the assessment, improvement, and renewal of education, in which national and regional education associations and organizations, State and local education officers and administrators, and other education-related organizations, institutions, and persons (including parents of children participating in Federal educational assistance programs) may exchange and disseminate information on the improvement of education;

(8) conduct, and report on, comparative studies and evaluations of education systems in foreign countries; and

(9) advise and assist in the coordination of all Federal educational advisory committees, councils or commissions.

(c) The National Commission shall make an annual report, and such other reports as it deems appropriate, to the President and to the Congress, concerning its findings, recommendations, and activities.

(d) In carrying out its responsibilities under this section, the National Commission shall take, together with the Secretary, whatever action is necessary to carry out section 448 of the General Education Provisions Act, to devise a manageable and effective advisory structure for the Department. The National Commission shall advise the Secretary on the number of advisory bodies that are necessary and the manner in which such bodies relate to one another. The National Commission shall consult with the National Advisory Council on the Education of Disadvantaged Children, the National Advisory Council on Educational Research, and such other advisory councils and committees as may be appropriate to carry out its functions under this subsection. All Federal agencies are directed to cooperate with the National Commission in carrying out its functions under this subsection.

(e) The National Commission is authorized to procure such technical assistance as may be required to carry out its functions and the Secretary shall, in addition, make available to the National Commission such secretarial, clerical, and other assistance and such pertinent data prepared by the Department as the National Commission may require to carry out its functions.

(f) Members of the National Commission who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the National Commission or while otherwise engaged in the business of the National Commission, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service for grade GS–18 under section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the National Commission away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(g) The President shall nominate members to the National Commission not later than thirty days after the date of enactment of this Act.

OFFICE OF THE INSPECTOR GENERAL

SEC. 14. (a) As used in this section—

(1) the term "Inspector General" means the Inspector General of the Department;

(2) the term "Deputy" means the Deputy Inspector General of the Department; and

(3) the term "Federal agency" means an agency as defined in section 552(e) of title 5, United States Code, but shall not be construed to include the General Accounting Office.

(b) There is hereby established in the Department an Office of Inspector General.

(c) There shall be at the head of the Office an Inspector General who shall be appointed by the President, by and with the advice and consent of the Senate, solely on the basis of integrity and demonstrated ability and without regard to political affiliation. The Inspector General shall report to and be under the general supervision of the Secretary or, to the extent such authority is delegated, the Under Secretary, but shall not be under the control of, or subject to supervision by, any other officer of the Department.

(d) There shall also be in the Office a Deputy Inspector General appointed by the President, by and with the advice and consent of the Senate, solely on the basis of integrity and demonstrated ability and without regard to political affiliation. The Deputy shall assist the Inspector General in the administration of the Office and shall, during the absence or temporary incapacity of the Inspector General, or during a vacancy in that office, act as Inspector General.

(e) The Inspector General or the Deputy may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.

(f) The Inspector General and the Deputy shall each be subject to the provisions of subchapter III of chapter 73, title 5, United States Code, notwithstanding any exemption from such provisions which might otherwise apply.

(g) It shall be the duty and responsibility of the Inspector General—

(1) to supervise, coordinate, and provide policy direction for auditing and investigate activities relating to programs and operations of the Department;

(2) to recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by the Department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;

(3) to recommend policies for, and to conduct, supervise, or coordinate relationships between the Department and other Federal agencies, State and local governmental agencies, and nongovernmental entities with respect to (A) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by the Department, or (B) the identification and prosecution of participants in such fraud or abuse; and

(4) to keep the Secretary and the Congress fully and currently informed, by means of the reports required by subsection (i) and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Department, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.

(h) In carrying out the responsibilities specified in subsection (g)(1), the Inspector General shall have authority to approve or disapprove the use of outside auditors or to take other appropriate steps to insure the competence and independence of such auditors.

(i) In carrying out the duties and responsibilities provided by this section, the Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view to avoiding duplication and insuring effective coordination and cooperation.

(j) The Inspector General shall, not later than March 31 of each year, submit a report to the Secretary and to the Congress summarizing the activities of the Office during the preceding calendar year. Such report shall include, but need not be limited to—

(1) an identification and description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Department disclosed by such activities;

(2) a description of recommendations for corrective action made by the Office with respect to significant problems, abuses, or deficiencies identified and described under paragraph (1);

(3) an evaluation of progress made in implementing recommendations described in the report or, where appropriate, in previous reports; and

(4) a summary of matters referred to prosecutive authorities and the extent to which prosecutions and convictions have resulted.

(k) The Inspector General shall make reports on a quarterly basis to the Secretary and to the appropriate committees or subcommittees of the Congress identifying any significant problems, abuses, or deficiencies concerning which the Office has made a recommendation for corrective action and on which, in the judgment of the Inspector General, adequate progress is not being made.

(l) The Inspector General shall report immediately to the Secretary and to the appropriate committees or subcommittees of the Congress whenever the Office becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of the Department. The Deputy and Assistant Inspectors General shall have particular responsibility for informing the Inspector General of such problems, abuses, or deficiencies.

(m) The Inspector General (A) may make such additional investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General, necessary or desirable, and (B) shall provide such additional information or documents as may be requested by either House of Congress or, with respect to matters within their jurisdiction, by any committee or subcommittee thereof.

(n) Notwithstanding any other provision of law, the reports, information, or documents required by or under this section shall be transmitted to the Secretary and the Congress, or committees or subcommittees thereof, by the Inspector General without further clearance or approval. The Inspector General shall, insofar as feasible, provide copies of the reports required under subsections (j) and (k) to the Secretary sufficiently in advance of the due date for their submission to Congress to provide a reasonable opportunity for comments of the Secretary to be appended to the reports when submitted to Congress.

(o) In addition to the authority otherwise provided by this section, the Inspector General, in carrying out the provisions of this section, is authorized—

(1) to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Department which related to programs and operations with respect to which the Inspector General has responsibilities under this section;

(2) to request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental agency or unit thereof;

(3) to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this section, which subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court;

(4) to have direct and prompt access to the Secretary when necessary for any purpose pertaining to the performance of functions and responsibilities under this section;

(5) in the event that a budget request for the Office of Inspector General is reduced, before submission to Congress, to an extent which the Inspector General deems seriously detrimental to the adequate performance of the functions mandated by this section, the Inspector General shall so inform the Congress without delay;

(6) to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(7) to obtain services as authorized by section 3109 of title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for grade GS-18 of the General Schedule by section 5332 of title 5, United States Code;

(8) to the extent and in such amounts as may be provided in advance by appropriations Acts, to enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this section.

(p)(1) Upon request of the Inspector General for information or assistance under subsection (o)(2), the head of any Federal agency involved shall, insofar as is practicable, and not in contravention of any existing statutory restriction, or regulation of the Federal agency from which the information is requested, furnish to the Inspector General, or to an authorized designee, such information or assistance.

(2) Whenever information or assistance requested under subsection (o)(1) or (o)(2) is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary and to the appropriate committees or subcommittees of the Congress without delay.

(3) In the event any record or other information requested by the Inspector General under subsection (o)(1) or (o)(2) is not considered to be available under the provisions of section 552a(b) (1), (3), or (7) of title 5, United States Code, such record or information shall be available to the Inspector General in the same manner and to the same extent it would be available to the Comptroller General.

(q) The Secretary shall provide the Inspector General and his staff with appropriate and adequate office space at central and field office locations of the Department, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

(r)(1) The Inspector General shall receive compensation at the rate provided for level IV of the Executive Schedule by section 5315 of title 5, United States Code.

(2) The Deputy shall receive compensation at the rate provided for level V of the Executive Schedule by section 5316 of title 5, United States Code.

(s) There are hereby transferred to the Office of Inspector General the functions, powers, and duties of the Office of Inspector General in the Department of Health, Education, and Welfare established under title II of the Act entitled "An Act to authorize conveyance of the interests of the United States in certain lands in Salt Lake County, Utah, to Shriners' Hospitals for Crippled Children, a Colorado corporation," approved October 15, 1976 (90 Stat. 2429) which the Director of the Office of Management and Budget determines to be principally involved in education.

(t) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under subsection (s) are hereby transferred to the Office of Inspector General.

(u) Personnel transferred pursuant to subsection (t) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

(v) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to this subsection, such office or agency shall lapse. Any person who, on the effective date of this section, held a position compensated in accordance with the Executive Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

SAVING PROVISIONS

SEC. 15. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are trans-

ferred under this Act, by (A) any agency or office or part thereof, any functions of which are transferred by this Act, or (B) any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Education by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not effect any proceedings pending at the time this section takes effect before any agency or office, or part thereof, functions of which are transferred by this Act; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department of Education. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued before the agency or office, or part thereof, before which they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Education, by a court of competent jurisdiction, or by operation of law.

(c)(1) Except as provided in paragraph (2)—

(A) the provisions of this Act shall not affect suits commenced prior to the date this section takes effect, and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in the officer's official capacity as an officer of any agency or office, or part thereof, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any agency or office, or part thereof, functions of which are transferred by this Act, or by or against any officer thereof in the officer's official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Department of Education as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If, before the date on which this Act takes effect, any agency or office, or officer thereof in the officer's official capacity, is a party to a suit, and under this Act—

(A) such agency or office, or any part thereof, is transferred to the Secretary of Education,

(B) any function of such agency, office, or part thereof; or officer is transferred to the Secretary of Education,

then such suit shall be continued by the Secretary of Education (except in the case of a suit not involving functions transferred to the Secretary of Education in which case the suit shall be continued by the agency, office, or part thereof, or officer which was a party to the suit prior to the effective date of this Act).

(d) With respect to any function transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any agency, office, or part thereof, or officer so transferred or functions of which are so transferred shall be deemed to mean the department or officer in which such function is vested pursuant to this Act.

(e) Orders and actions of the Secretary of Education in the exercise of functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Secretary.

(f) In the exercise of the functions transferred under this Act, the Secretary shall have the same authority as that vested in the agency or office, or part thereof, exercising such functions immediately preceding their transfer, and the Secretary's actions in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

(g) The Secretary, in addition to the authority to delegate and redelegate contained in any other Act in the exercise of the functions transferred in this Act to the Secretary may delegate any of such functions to such officers and employees of the Department, as the Secretary may designate, may authorize such successive redelegations of such functions as the Secretary may deem appropriate and may make such rules and regulations as may be necessary to carry out functions of the Secretary.

ADMINISTRATIVE PROVISIONS

SEC. 16. (a) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary shall find to be desirable in the interest of economy and efficiency in the Department including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central library service. The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are hereby authorized) and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such fund shall be reimbursed in advance from available funds of agencies and offices in the Department or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses) considered above the amounts transferred or appropriated to establish and maintain such fund.

(b) In addition to the authority contained in any other Act which is transferred to and vested in the Secretary as necessary, and when not otherwise available, the Secretary is authorized to provide for, construct, or maintain the following for employees and their dependents stationed at remote localities:

(1) emergency medical services and supplies;

(2) food and other subsistence supplies;

(3) motion picture equipment and film for recreation and training; and

(4) living and working quarters and facilities.

The furnishing of medical treatment under paragraph (1) and the furnishing of services and supplies under paragraphs (2) and (3) of this subsection shall be at prices reflecting reasonable value as determined by the Secretary and the proceeds therefrom shall be credited to the appropriation from which the expenditure was made.

(c)(1) The Secretary is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury in a separate fund and shall be disbursed upon order of the Secretary.

(2) Upon the request of the Secretary the Secretary of the Treasury may invest and reinvest in securities of the United States or in securities guaranteed as to principal and interest by the United States any monies contained in the fund provided for in paragraph (1). Income accruing from such securities, and from any other property held by the Secretary pursuant to paragraph (1) shall be deposited to the credit of the fund, and shall be disbursed upon order of the Secretary.

(d) Nothing contained in this section is intended to amend, modify, or repeal any provisions of law administered by the Department of Health, Education, and Welfare which authorize the making of contracts for research.

ANNUAL REPORT

SEC. 17. The Secretary shall, as soon as practicable after the end of each fiscal year, prepare a report to the President for submission to the Congress on the activities of the Department during the preceding fiscal year. Each such report shall also contain objective data regarding changing trends in education, including enrollments, expenditures, numbers of teachers and other categories of professional and related personnel; special needs of critical concern such as the disadvantaged, rural, and urban education, and progress made toward the continuing renewal of education; the results and outcomes of education and schooling, including the overall results on generally recognized standard examinations for entrance to undergraduate and graduate institutions; budget projections for five years based on actual or anticipated appropriations for the fiscal year in which the annual report is issued; recommendations as to the improvement of programs for the handicapped and recommendations with respect to the advisory structure of the Department, including the names and composition of advisory committees and councils and the relationships the committees and councils bear to one another and recommendations as to the elimination of overlapping advisory committees and similar data.

CONFORMING AMENDMENTS

SEC. 18. (a) Section 19(d)(1) of title 3, United States Code, is amended—

(1) by striking out "Secretary of Health, Education, and Welfare"; and

(2) by inserting before the period at the end thereof a comma and the following: "Secretary of Health and Welfare, Secretary of Education".

(b) Section 101 of title 5, United States Code, is amended—

(1) by striking out "Health, Education, and Welfare." and inserting "Health and Welfare."; and

(2) by adding at the end thereof: "The Department of Education.".

(c) Section 5312 of title 5, United States Code, is amended—

(1) by striking out

"(10) Secretary of Health, Education, and Welfare."

and inserting in lieu thereof

"(10) Secretary of Health and Welfare.";

(2) by striking out "(13)" and inserting in lieu thereof "(14)"; and

(3) by inserting immediately after

"(12) Secretary of Transportation."

the following:

"(13) Secretary of Education.".

(d) Section 5314 of title 5, United States Code, is amended—

(1) by striking out

"(6) Under Secretary of Health, Education, and Welfare."

and inserting in lieu thereof:

"(6) Under Secretary of Health and Welfare.";

and

(2) by adding at the end thereof the following:

"(62) Under Secretary of Education.".

(e) Section 5315 of title 5, United States Code, is amended—

(1) by striking out "Assistant Secretaries of Health, Education, and Welfare (5)" and inserting in lieu thereof the following: "Assistant Secretaries of Health and Welfare (4)";

(2) by striking out "General Counsel of the Department of Health, Education, and Welfare." and inserting in lieu thereof the following: "General Counsel of the Department of Health and Welfare."; and

(3) by adding at the end thereof the following:

"(114) Assistant Secretary of Education for Legislative and Public Affairs.

"(115) Assistant Secretary of Education for Administrative and Management Policy.

"(116) Assistant Secretary of Education for Evaluation and Planning.

"(117) Assistant Secretary of Education for Intergovernmental Relations.

"(118) General Counsel, Department of Education.

"(119) Inspector General, Department of Education.".

EXPENDITURES AUTHORIZED

SEC. 19. The Secretary is authorized to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for lawbooks, books of reference and periodicals, and for printing and binding) as may be necessary to carry out the provisions of this Act, and as may be provided for by the Congress from time to time.

APPROPRIATIONS AUTHORIZED

SEC. 20. There are authorized to be appropriated such sums as may be necessary to enable the Department to carry out the provisions of this Act and to perform any other duties which may be imposed upon it by law.

EFFECTIVE DATE

SEC. 21. The provisions of this Act shall be effective on its date of enactment.

By Mr. PACKWOOD:

S. 993. A bill to prohibit the employment while in the United States of aliens who are in the United States unlawfully or lawfully in the United States but not entitled to employment; to the Committee on the Judiciary.

ALIEN EMPLOYMENT ACT

Mr. PACKWOOD. Mr. President, today I am introducing the Alien Employment Act, a bill to prohibit the employment of illegal aliens in the United States.

I think most of my colleagues will agree that a meaningful effort to reverse the tide of illegal immigration into this country is long overdue. The Immigration and Naturalization Service reports that there are between 6 and 12 million illegal aliens presently in the United States, and by conservative estimates, that number is increasing at a rate of 250,000 per year.

We can no longer afford to treat the results of this problem as if they were the problem itself. American taxpayers are hard pressed to make up for the unpaid taxes and the billions of dollars lost through money sent out of the country by illegal aliens. They are tired of paying the cost of education and welfare benefits to those not entitled to them. And they are indignant about the Nation's unemployment rate while millions of illegal aliens hold jobs. The entire cost of this burden is in the area of 13 million U.S. tax dollars a year. And for each additional 250,000 illegal immigrants, the taxpayers' bill raises approximately $500 million.

What is it, Mr. President, that has drawn millions of illegal immigrants to our country? It is not medicaid or food stamps. It is not our fine school systems. It is employment. Jobs. I do not mean just low paying agricultural jobs. We are talking about jobs that many Americans would grab in a second.

Many people accept the illegal alien phenomenon on the notion that illegals only fill Jobs that Americans would not take. The facts dispute this. A recent INS study shows that fewer than one-third of the illegals in the United States are employed in agriculture. The 1975 figures for the Los Angeles area, for example, show that of a total 8,813 aliens apprehended, 50 percent were employed in heavy industry earning $4.50 to $6.50 per hour. Twenty percent were employed in light industry at $2.50 to $3.55 per hour, and only 30 percent were involved in low paying nonindustrial labor. Of a total 8,747 employed illegal aliens apprehended in Illinois, 90 percent were in industry and only 10 percent in agriculture.

If employment in the United States is the goal of illegal immigrants, the only way to effectively discourage this silent invasion of the American work force is to outlaw the hiring of illegal aliens. Presently, it is not a breach of Federal statutes to employ an illegal alien. My bill, like a number of others introduced during the 94th and 95th Congresses, would accomplish this.

We must realize however, that such a requirement could place a substantial cost on the business community to screen all job applicants. When one considers that 3 million people apply for jobs each day, the paperwork and administrative procedures could be overwhelming.

Acknowledging this problem, the Senate Small Business Committee, at my request, has conducted a field test and 2 days of hearings to ascertain the effect of such legislation on American businessmen. It has determined that legislative recommendations banning the employment of illegal aliens could be divided into three different types:

First. The first type provides that an employer cannot hire an illegal alien, but provides no method for checking on a job applicant's right to employment.

Second. The second would provide that every job applicant simply sign a statement that he or she has the right to employment in the United States.

Third. The third type of legislation would provide that an employer check specific pieces of identification, including the social security card, before employment could be granted.

Legislation which I proposed last year, and which I again propose this year, is modeled on the third example. Comments from both small and large businesses suggest that any legislation passed by Congress prohibiting the employment of illegal aliens should offer the employer a clear and simple way of complying with the law. Such legislation should spell out in certain terms what identification should be required of a job applicant to satisfy the employer's responsibility to hire only legal workers.

The result of my work with the Small Business Committee and the substantial input by members of the business community has encouraged me to retain this approach in my legislation. It also has caused me to redraft some provisions.

The main thrust of the bill is still to prohibit the employment of illegal aliens, with an exemption for agricultural labor. I still propose a $1,000 fine for each violation of the act. And we still require presentation of a job applicant's social security card to verify his legal right to work in the United States.

The changes I have made focus on reducing paperwork and recordkeeping to the greatest possible extent in conjunction with enforcement of the law. Added recordkeeping and reporting requirements will be minimized and the use of existing recordkeeping mechanisms will be encouraged.

Under my bill, an employer will be asked to keep on file for the duration of the employment of each worker a statement verifying that he has seen the employee's social security card and supplementary identification. Many employers already have a similar requirement as part of their job application forms.

Officials of the Small Business Administration would then conduct surveys of employers within the United States from time to time to insure that their employees have presented appropriate identification to verify their legal right to employment in the United States. Of all Federal agencies, the SBA has the closest operating relationship with America's 13 million small businesses and can easily work with the Nation's larger employers as well. SBA has an existing network of 70 offices around the country, but will need additional resources and staff to undertake these duties. The results of these surveys would be transmitted to the Attorney General for enforcement action as he sees fit.

While the majority of illegal workers in this country are not engaged in agricultural labor, there is undeniably a heavy concentration of them in that field. In enacting prohibitive legislation, we in Congress would be remiss not to recognize this fact. To prohibit such employment would put many of them right out of business, leaving crops literally rotting in the field. Therefore, I have provided a limited 5-year exemption to permit the continuance of alien employment in agriculture and animal husbandry at locations where there are not sufficient laborers who are legally entitled to employment. I think such an exemption is perfectly in keeping with

the main purpose of any illegal alien employment prohibition. We are attempting to open up jobs which would be filled from the ranks of our unemployed. It would simply be unrealistic to expect that enough unemployed persons who have previously held industrial or service-oriented positions would fill the void left by the departed alien harvester.

Mr. President, the citizens of this country are demanding an answer to the illegal alien situation. Past congressional opposition has been based on the fact that problems could arise with enactment of this legislation. There is the enforcement problem: How much pressure will we create for the business community How much paperwork? How much Government interference in the private sector There are human rights problems: How do we prevent employment discrimination against certain minorities?

These obstacles have been fully considered during the 2 years I have worked on this legislation, and because of the tremendous input we have had from the business community, from Government officials and human rights organizations, I believe my bill will avoid these drawbacks.

I simply ask my colleagues to consider the magnitude of the problems we face now and will face in the future if the tide of illegal immigration is not stemmed.

Mr. President, I ask unanimous consent that the bill and the section-by-section analysis be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 993

Be it enacted by the Senate and House of Representatives of the United States of America in Congress asembled, That this Act may be cited as the "Alien Employment Act.".

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) Employment in the United States is our single most important economic resource.

(2) We have been fortunate enough to be able to extend to those employed in this country some of the highest wages and fringe benefits received by the workers in this world.

(3) Because of our economic prosperity, other workers have in the past and will continue in the future to legally or illegally seek employment in this country.

(4) There are many such persons illegally employed in this country at this time.

(5) The Government, and small and large employers of this country have an interest in and responsibility toward preserving jobs for those legally entitled to them.

(b) PURPOSE.—It is therefore declared to be the purpose of this Act to enlist the aid of Federal agencies concerned with employment and immigration and to solicit the support of employers toward location and removal from employment of those persons illegally employed and to check future employees prior to employment so as to ascertain their legal right thereto.

RESTRICTION OF EMPLOYMENT OF ALIENS

SEC. 3. (a) Section 274 of the Immigration and Nationality Act is amended—

(1) by striking out in subsection (a) the colon and all that follows before the period;

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following new subsection:

"(b)(1) Any person who willfully or knowingly, or who in the exercise of due diligence should know, employs, whether as an agent or as an employer, or refers, for a fee, an alien for employment by an employer, or refers for employment, any alien in the United States who is not lawfully admitted to the United States for permanent residence, unless the employment of such alien is authorized by the Attorney General, shall be guilty of misdemeanor and shall be punished for a first offense by a fine not in excess of $1,000 for each alien with respect to whom a violation of this subsection occurs, and for any subsequent offense such person shall be fined not exceeding $1,000 for each such alien with respect to whom such a violation occurs.

"(2) The requirement of due diligence imposed under paragraph (1) of this subsection shall be considered to have been met if the employer or person who refers an alien for employment complies with the requirements imposed by Section 5 of the Alien Employment Act."

(b) Section 274(a) of such Act, as amended by subsection (a) of this section is further amended by striking out "$2,000" in paragraph (4) and inserting in lieu thereof "$5,000".

RESPONSIBILITIES OF SOCIAL SECURITY ADMINISTRATION

SEC. 4. (a) Section 205(c)(2) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(C)(i) Notwithstanding any other provision of law, the Secretary shall not assign to any individual a social security account number unless the Secretary is satisfied that such individual is, either a citizen of the United States, or, an alien lawfully admitted to the United States for permanent residence, or, under other authority of law permitting such alien to hold such card, except that such card shall plainly state that such alien may not engage in employment in the United States.

"(ii) The Secretary shall, at the request of the Attorney General, conduct a review of appropriate records and other reports, with a view to determining, and reporting to the Attorney General, each instance in which (I) an individual referred to in any such report is not identified therein by a social security account number assigned to such individual by the Secretary and whether such an individual is entitled to be issued a social security account number and (II) an individual who is identified by a social security account number is in fact the individual to whom such account number has been issued by the Secretary and whether the number was properly issued.

"(iii) The Secretary shall, beginning not later than five years after the date of enactment of the Alien Employment Act, conduct a continuing review of appropriate records and other reports to determine and report to the Attorney General, each instance in which (I) an individual referred to in any such report is not identified therein by a social security account number assigned to such individual by the Secretary and whether such an individual is entitled to be issued a social security account number, and (II) an individual who is identified by a social security account number is in fact the individual to whom such account number has been issued by the Secretary and whether the number was properly issued.

"(iv) The Secretary shall take appropriate action to encourage individuals referred to in clauses (ii)(I) and (iii)(I) who do not have a social security account number to apply for such an account number.

"(v) The Secretary shall, to the extent permitted by law, cooperate with the Attorney General, the Secretary of the Treasury, and the Administrator of the Small Business Administration in the administration of the Alien Employment Act."

RESPONSIBILITIES OF THE SMALL BUSINESS ADMINISTRATION

SEC. 5(a). The Administrator of the Small Business Administration shall conduct surveys of employers within the United States from time to time in accordance with the provisions of this section. Such surveys shall be conducted to insure that individuals employed by employers surveyed have shown their employers a social security card and two pieces of supporting identification. Such surveys shall not be limited to small business concerns.

(b) The Small Business Administration shall work with the Secretary of the Treasury and the Attorney General to prepare and cause to be distributed to each employer in the United States recommendations for a format or forms requiring submission of such information as may be necessary to carry out the requirements of Sec. 5(a). The forms or format shall be prepared in such a manner as to enable the employer to hold for examination such information as may be required for the surveys made by the Small Business Administration whenever such surveys are undertaken. Such information shall be retained by the employer as long as such individuals may be employed by such employer.

(c) The forms and format shall provide for certification at the time of employment by the employee that such employee's social security account number is the account number assigned to such employee under Sec. 205 of the Social Security Act, that supporting documentation is furnished as identification and has been issued to such employee and is otherwise valid, and that such employee is lawfully entitled to employment in the United States.

(d) Such form or format shall take into account existing requirements placed on employers and employees at time of employment to minimize paperwork as required under Sec. 6 of this act.

(e) For the purposes of this Act, time of employment shall be defined as within 30 days of the commencement of employment. However, employees may be required to prove the right to employment during any survey made by the Small Business Administration.

(f) Should an employer be unable to provide the documentation on employees required under subsection (a) of this section, such information shall be transmitted by the Small Business Administration to the Attorney General for such action as he sees fit under section 3 of this Act, and notification of such transmittal shall be sent to the employer.

SEC. 6 (a). The Secretary of the Treasury shall work with the Social Security Administration and the Small Business Administration in drafting regulations as may be required in accordance with the provisions of section 5 to accomplish the screening of prospective employees for employment with the least possible paperwork falling on both prospective employees and employers.

EXEMPTION FOR CERTAIN AGRICULTURAL EMPLOYMENT

SEC. 6. (a) The amendments made by section 4 of this Act and the provisions of section 5 of this Act shall not apply to nonimmigrant aliens who lawfully enter the United States, during the period beginning on the date on which this section becomes effective and ending five years thereafter, to perform authorized agricultural labor in compliance with the provisions of this section.

(b)(1) Upon receipt of a petition from the Governor of a State certifying a shortage of agricultural labor within such State, the Attorney General shall grant such peti-

tion to permit the temporary admission of nonimmigrant aliens in sufficient numbers to satisfy the agricultural labor requirements of any employers approved by a State agency designated by the Governor of such State.

(2) Upon petition by an employer, the State agency shall investigate to determine whether the employer is able to obtain, in the locale of the employer, sufficient employees legally entitled to employment in the United States who are qualified to perform the type of agricultural labor sought to be exempted. At least thirty days prior to the date requested by the employer for such agricultural labor, the State agency shall determine whether the employer is entitled to such agricultural labor. Upon an affirmative determination, the State agency shall certify both the number of such aliens and their destination and places of employment. If such aliens are to be employed at more than one location in one or more States, or by more than one employer, or both, such certification shall include a detailed description of their itinerary. Such movement must be approved by the Attorney General at least thirty days prior to any such proposed transfer unless a shorter period of time is requested by the employer. Such certification shall also include such evidence as the Attorney General may require to insure that the prospective employer or employers, or their agents, have made arrangements satisfactory to the Attorney General to (A) meet and transport such aliens from their point of entry into the United States to their place of employment, (B) transport such aliens to any other place of employment in that State or in another State, and (C) return such aliens to their point of departure from the United States.

(c) The special regulations prescribed by the Attorney General under subsection (b) may include, but not be limited to, a requirement that a fee be paid by the employers who participate in the agricultural exemption process, to assist in defraying the expense of administering the program and that a bond be furnished by any such employer to insure the prompt departure of such nonimmigrant aliens to the next point of permitted employment or, from the United States as the case may be, at the expiration of the time such nonimmigrant aliens are authorized to be employed to satisfy the agricultural labor requirements of any such employer.

(d) For the purposes of this section the term "agricultural labor" means the production, principally by hand and upon the premises of the employer, of agricultural or horticultural commodities including vegetables, fruits, and nuts in their raw or natural state, or animal husbandry.

AMENDMENTS TO CRIMINAL CODE

SEC. 8 (a) The first paragraph of section 1546 of title 18, United States Code, is amended to read as follows:

"Whoever forges, counterfeits, alters, or falsely makes any immigrant or nonimmigrant visa, permit, border crossing card, alien registration receipt card, or other document prescribed by law or regulation promulgated thereto for entry into or as evidence of authorized stay in the United States knowing it to be forged, counterfeited, altered, or falsely made, or to have been procured by means of any false claim or statement, or to have been otherwise procured by fraud or unlawfully obtained; or".

(b)(1) Chapter 25 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 510. Social security card

"Whoever, with intent to defraud, falsely makes, forges, counterfeits, or alters any document issued or purported to be issued by the Social Security Administration to an individual for purposes of identifying that individual's social security account number shall be fined not more than $5,000 or imprisoned not more than five years, or both.".

(2) The analysis of such chapter 25 is amended by adding at the end thereof the following new item:

"510. Social security card.".

LIMITATION ON CONSTRUCTION

SEC. 9. (a) Nothing in this Act authorizes the Attorney General to require the issuance or presentation of any form of universal identification not already in existence.

AUTHORIZATION AND APPROPRIATION OF FUNDS

SEC. 10. There are authorized to be appropriated such funds as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATES

SEC. 11. The provisions of this Act shall become effective upon enactment, except that the amendments made by sections 3, 4, and 7 shall become effective ninety days after such date and the provisions of section 5 shall become effective one hundred and eighty days after the date of enactment.

SECTION-BY-SECTION ANALYSIS

Sec. 1. The bill is cited as the "Alien Employment Act."

Sec. 2. Declares that the purpose of this bill is to coordinate the resources of both Federal agencies and private employers to locate and remove from employment, or prevent the employment of illegal aliens.

Sec. 3. Prohibits any person from willfully or knowingly hiring or referring for employment any illegal alien in the United States. This section provides for a fine up to $1,000 for each violation. It also increases the penalty for smuggling illegal aliens from $2,000 to $5,000.

Sec. 4. The Social Security Administration shall cooperate with the Attorney General in all efforts to identify individuals who are employed without a valid Social Security account.

Sec. 5. The Small Business Administration shall conduct surveys of employers from time to time to insure that their employees have presented a Social Security Card and two supporting pieces of identification to verify their legal right to employment in the U.S. The S.B.A. shall work with the Attorney General and the Secretary of Treasury to develop a form or a format to enable each employer to obtain and file such identification information on each employee.

The S.B.A. will report the findings of its surveys to the Attorney General for enforcement action if needed.

Sec. 7. Provides special procedure for agricultural employment whereby the Governor of any state may establish a state agency to receive petitions from employers alleging a shortage of agricultural labor. So finding the state agency can permit an employer to import alien labor for a specified time and purpose either from outside the Country or from other such permitted employment. The Attorney General oversees the movement of such aliens and can require fees from employers to defray administrative costs as well as to ensure that employees confine their activities to permitted employment.

Sec. 8. Provides penalties for the alteration or counterfeiting of various immigration documents and Social Security cards.

Sec. 9. States that no provision of the Act can authorize the use of any new form of identification not already in existence.

ADDITIONAL COSPONSORS

S. 76

At the request of Mr. STONE, the Senator from Washington (Mr. MAGNUSON) was added as a cosponsor of S. 76, to amend title XVIII of the Social Security Act.

S. 146

At the request of Mr. GOLDWATER, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 146, to amend the Social Security Act.

S. 174

At the request of Mr. CLARK, the Senator from New York (Mr. MOYNIHAN) was added as cosponsor of S. 174, to amend the United Nations Participation Act of 1945.

S. 175

At the request of Mr. SCHWEIKER, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 175, a bill to provide a special program of financial assistance to Opportunities Industrialization Centers and to other national community based organizations.

S. 196

At the request of Mr. BURDICK, the Senator from South Dakota (Mr. MCGOVERN) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 196, to amend the Internal Revenue Code of 1954.

S. 201

At the request of Mr. BURDICK, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 201, to amend title 39 of the United States Code.

S. 287

At the request of Mr. ROBERT C. BYRD (for Mr. MELCHER), the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 287, the mosquito control bill.

S. 666

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 666, to allow Federal employment preference to certain employees of the Bureau of Indian Affairs and the Indian Health Service.

S. 684

At the request of Mr. PROXMIRE, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 684, the Federal Land Bank Commission Act of 1977.

S. 708

At the request of Mr. CLARK, the Senator from Iowa (Mr. CULVER), the Senator from Oregon (Mr. HATFIELD), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of S. 708, to amend title XVIII of the Social Security Act to provide payment for rural health clinic services.

S. 779

At the request of Mr. BURDICK, the Senator from Vermont (Mr. STAFFORD), the Senator from Kentucky (Mr. FORD), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 779, to amend the Internal Revenue Code of 1954.

S. 780

At the request of Mr. CLARK, the Senator from Montana (Mr. MELCHER), the Senator from Michigan (Mr. RIEGLE), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 780, to amend title II of the Social Security Act to establish a new consumer price index for older Americans

for calculating automatic cost-of-living benefit increases, to provide for semiannual cost-of-living increases, and to modify the social security retirement test.

S. 784

At the request of Mr. SCHWEIKER, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 784, to provide for unbiased consideration of applicants to medical schools.

S. 795

At the request of Mr. BAYH, the Senator from South Dakota (Mr. ABOUREZK) and the Senator from Idaho (Mr. CHURCH) were added as cosponsors of S. 795, the Petroleum Industry Competition Act of 1977.

S. 801

At the request of Mr. MCINTYRE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 801, to amend title I of the Housing and Community Development Act of 1974.

S. 803

At the request of Mr. HELMS, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alaska (Mr. STEVENS), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 803, to amend the Internal Revenue Code of 1954.

S. 826

At the request of Mr. RIBICOFF, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 826, the Department of Energy Organization Act.

S. 834

At the request of Mr. SCHWEIKER, the Senator from South Carolina (Mr. THURMOND) was added as a cospsonor of S. 834, to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct, or to claim a credit for, amounts paid as tuition for his own education or the education of a dependent at the elementary, secondary, or postsecondary levels.

S. 939

At the request Mr. BAYH, the Senator from Arizona (Mr. DE CONCINI) was added as a cosponsor of S. 939, the trade adjustment assistance program amendments.

AMENDMENT NO. 40

At the request of Mr. MCCLELLAN, the Senator from Florida (Mr. CHILES) was added as a cosponsor of amendment No. 40, intended to be proposed to S. 11, to provide for the appointment of additional district court judges.

AMENDMENTS 72 AND 73

At his own request, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of amendments No. 72 and 73, intended to be proposed to S. 174, to halt the importation of Rhodesian chrome.

AMENDMENTS SUBMITTED FOR PRINTING

ALTERNATIVE TYPES OF MORTGAGE LOANS—S. 70

AMENDMENT NO. 74

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to the bill (S. 70) to broaden homeownership opportunities by providing alternative types of mortgage loans in order to better match the ability of families to meet monthly payments, and for other purposes.

NOTICE OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold a public hearing on S. 972, a bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes. The hearing will be held on March 23, 1977, beginning at 10 a.m. in room 424, Russell Senate Office Building. Chairing the hearing will be the Senator from Georgia (Mr. NUNN).

Further information can be obtained from the committee office, room 424 Russell Office Building, telephone 224–5175.

COMMITTEE ON VETERANS' AFFAIRS

Mr. CRANSTON. Mr. President, for the information of Senators and the public, I announce that the Committee on Veterans' Affairs will meet in public session on Tuesday, March 15, at 10:15 a.m. in room 414, Russell Senate Office Building, to consider the committee's recommendations to the Senate Budget Committee for the fiscal year 1978 budget.

DEPARTMENT OF ENERGY—S. 826

Mr. RIBICOFF. Mr. President, there has been considerable interest expressed in S. 826, the bill to reorganize the Federal Government's responsibilities for energy matters. Therefore, as chairman of the Governmental Affairs Committee, I wish to add the following list of witnesses and hearing dates to our consideration of this bill and I ask unanimous consent that the list be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY HEARINGS—WITNESSES

Friday, March 18, 1977:

Honorable Stuart Udall, former Secretary of the Interior.

Ms. Louise Dunlap, Executive Vice President, Environmental Policy Center.

Mr. Tom L. Kimbel, Executive Vice President, National Wildlife Federation.

Mr. Greg Thomas, Washington Representative, Sierra Club.

Mr. Jeffery Knight, Legislative Director, Friends of the Earth.

Mr. Ivan Tether, Staff Attorney, Environmental Law Institute.

Tuesday, March 22, 1977:

Governor Julian Carroll, National Govnors Conference (Appearing with Governor Carroll will be Governor Lamm from Colorado and Governor Perpich from Minnesota).

Representative Mary O'Hollaran, chairman, State Federal Assembly Energy Committee, National Conference of State Legislatures.

Thursday, March 24, 1977:

Mr. Robert Partridge, Executive Vice President and General Manager, National Rural Electric Cooperatives Association.

Mr. Alexander J. Kalinski, President, National Rural Electric Cooperatives Association.

Mr. Alex Radin, Executive Director, American Public Power Association.

Mr. Vernon T. Jones, President, Association of Oil Pipelines.

Mr. Lloyd Unsell, Executive President, Independent Petroleum Association of America.

Mr. William P. Chapman, President, American Society of Heating, Refrigerating, and Air Conditioning Engineers, Inc.

Friday, March 25, 1977:

Honorable Elmer B. Staats, Comptroller General of the United States.

Mr. Kenneth T. Blaylock, National President, American Federation of Government Employees.

Mr. George E. Pake, President, American Physical Society.

ADDITIONAL STATEMENTS

REGULATORY REFORM: AIRLINE DEREGULATION

Mr. PERCY. Mr. President, the Washington Post carried an excellent series of articles by Carole Shifrin which provided in-depth analysis of the current question of deregulation of the airline industry.

The airlines are one of America's largest industries. Each day they fly over half a million passengers and 7,500 tons of cargo on more than 13,000 flights.

Yet today's regulatory apparatus was created in 1938 for an embryonic industry. For many years the Civil Aeronautics Board, CAB, operated to protect companies from competition both from inside and outside the industry. Many feel the protection and its concomitant regulation have outlived their usefulness.

The proponents of deregulation have amassed an impressive array of evidence. Intrastate airlines, which are not federally regulated, fly routes comparable to those of some regulated flights for as little as two-thirds of the regulated price. Too often, many of the regulated companies have scored dismally in terms of profits, some falling deep into the red. Experts attribute this to rigidities inherent in the regulatory process. CAB Chairman John E. Robson, to his credit, has documented the case and courageously called for substantial deregulation.

Such deregulation could well redound to everyone's benefit. Price competition assures consumers that they are charged the lowest possible flight fees. More market-responsive pricing could expand the total industry size, creating new jobs and providing better return for investors. More ready entry and exit into the industry would work to optimize society's allocation of scarce resources.

Chicago residents may be among the first in the Nation to enjoy the benefits of CAB's new attitude toward airline deregulation. Two new airlines have applied to the CAB to offer regularly scheduled service from Chicago to as many as 14 cities at a 53-percent fare savings. One of the new airlines hopes to service up to 5.1 million new passengers, including many elderly persons, the poor, and blue-

collar workers unable to pay today's fares. The new service would offer one-way fare to Detroit from Chicago for $15, compared with the current $39. The service would be offered out of Midway Airport, only 20 minutes by auto from Chicago's energetic Loop. A third new airline and seven established carriers have now also applied for similar service.

Some special interest groups may well oppose deregulation because it threatens the status quo. Throughout history there have always been those who, out of self-interest, would amputate Adam Smith's proverbial "invisible hand." But economics and history amply demonstrate that when the market can work properly on its own, there is no substitute for open competition. It works for the general good.

The future role of the Civil Aeronautics Board must be to insure an efficient market in accord with social objectives. Those special interests that now oppose change stand to benefit when the economy operates to maximize our standard of living.

Mr. President, Ms. Shifrin has objectively written on an issue which means dollars and cents to everyone who uses air travel—indeed, to everyone who participates in the economy at all. Her articles are a valuable primer, and I ask unanimous consent that they be printed in the RECORD, along with a Washington Post editorial appearing on March 1, 1977, on a related point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 1, 1977]

MAKING ADULTS OUT OF AIRLINES

The General Accounting Office reported recently that if the airline industry had been less regulated between 1969 and 1974 passengers would have saved about $1.5 billion each year in fares. That is a very large number—more than 25 percent of the average fare—and it undoubtedly will be disputed. But it is a number that Congress will do well to keep in mind as it considers the proposals for deregulation already made by the Civil Aeronautics Board and those which President Carter says he will make soon. For if the GAO is only half right, the costs of the current regulatory system are simply too high.

But there is a second half to the GAO report that ought not to be overlooked, either by Congress or by the rest of us. Savings of that size—if they come about with less regulation—are not going to come out of airline profits, which are insufficient now. They are going to come at the cost of more crowded airplanes, fewer flights, less leg room, a lower level of on-board service, and, quite possibly, the elimination of air service to some communities and the disappearance of some airlines.

These are not costs to be dismissed lightly, particularly the loss of service and the possibility of airline bankruptcies. When deregulation occurs, it may well be necessary for government to increase its subsidies to airlines which serve non-profitable routes. But given the amount of money now being poured into subsidies for other kinds of transportation, that does not seem to us to be a major concern in light of the potential savings to air travellers. Bankruptcies of airline companies, of course, would disrupt the money markets and hurt those who own their stocks or bonds. But mergers are an alternative and a carefully managed transition from the present tight regulation towards a much lower level of regulation might avoid most of the problems.

We have been persuaded for some time that the sacrifice of some comfort and convenience in exchange for lower air fares, even if accompanied by a period of some dislocation and economic disorder, is one the nation ought to make. The system of tight airline regulation—fares, routes, and practically everything else—was created in the 1930s to aid an infant industry. It did its job well. But the airline business is no longer an infant. Indeed, it is the major common carrier of inter-city passengers. The new GAO report bolsters the case that the protections given the infant are no longer needed. It is time for the airlines to join the adult world competition.

[From the Washington Post, Nov. 29, 1977]

U.S. AIRLINES: IN PRECARIOUS HEALTH

(By Carole Shifrin)

"No, I don't want a federal certificate," says F.M. Morse, president of Command Airways, one of 235 commuter airlines in this country not regulated by the federal government.

"That (regulation) just assures that the government will see you never make any money."

Morse's view of what regulation does to the airline industry may be extreme, but most critics and regulators would agree there is more than a grain of truth to it.

If you accept Morse's view, he is one of the lucky ones. Command Airways does business in New York and Massachusetts. It does not fly planes seating more than 30 persons across state lines. Hence it does not come under federal certification and regulation.

But the big U.S. trunk lines—United, American, Pan Am, Eastern and others—do.

And these are the lines, with some exceptions, that are hurting. The reasons are manifold and complex.

They range from huge cost increases for fuel and new planes to only modest growth in the number of people who use planes.

They include small or non-existent profits, business mistakes made in the glory days of the '60s, competition that in many instances is phony. And eventually, in any list of reasons for the precarious health of the airline industry, one comes back to the point made by F.M. Morse—federal regulation, Civil Aeronautics Board regulation.

Since the CAB was established in 1938 to encourage and develop a nationwide air transportation system and to foster sound economic conditions in the industry, the airlines subject to its regulation have had their good years and their bad.

Just 50 years ago, the U.S. airline industry consisted of 100-mile-per-hour, open-cockpit planes that took 30 hours (and six pilot changes en route) to carry mail across the country.

In 1930, Trans World Airlines started the first transcontinental airline service; it took 36 hours, with an overnight stop in Kansas City. It wasn't until 1953 that TWA started the first non-stop passenger service coast to coast, a flight that took eight hours. It now takes five.

Today, the U.S. airline system is a pervasive part of American life, with planes criss-crossing the country on more than 13,000 flights a day, carrying more than half a million passengers and more than 7,500 tons of mail and freight.

The industry that carried 6,000 passengers in 1926 now flies 215 million a year.

The airlines' glamour and phenomenal growth history would suggest that this is a healthy, thriving industry, making lots of money.

Instead, in the words of CAB chairman John Robson, it is an industry "frequently in trouble."

It is also an exceptionally cyclical industry.

In the past decade, the corporate rate of return for the major domestic airlines reached 10 per cent only once (in 1966), and in seven of the last 10 years it has not climbed over 6 per cent.

There also is a wide disparity in earnings among the carriers.

From 1966 through 1975, two major airlines did particularly poorly; Pan American World Airways had an average annual loss of $11.6 million and Eastern Airlines had an average annual loss of $3.6 million.

Over the same 10 years, Delta Airlines, Northwest Airlines and United Airlines did the best, with average annual profits that ranged from $33 million to $47 million.

Other major airlines, on the average, also made money over the last 10 years, but not as much as the staggering revenues collected might suggest.

For instance, American Airlines collected a total of $12.1 billion in gross revenues from 1966 through 1975, but had a net profit of only $110.3 million, an average of $11 million a year That works out to a net profit as a percentage of revenues of 0.9.

Continental Airlines collected $3.3 billion in gross revenues over the same decade, but had a net profit of just $66.9 million. Its net profit as a percentage of revenues collected was 2.

Nineteen seventy-five was a disaster for the industry. The recession and a resulting decline in passenger traffic combined with continuing increases in operating expenses for fuel and labor. As a result, the 6 biggest of the 11 trunk carriers lost money—American, United, Eastern, Pan Am, TWA and Continental.

The industry is doing better this year, but many industry observers believe that the financial difficulties of the airlines and the present state of regulation don't make for rosy forecasts.

Among the problem areas:

Moderate traffic growth in the future, compared to earlier years. From 1945 to 1969, mileage flown by passengers grew at an average rate of 15 per cent on major airlines. Since 1969, it has only grown by 3.8 per cent a year.

Rising costs, especially of fuel and labor. In the past, technological advances such as larger planes and jet engines tended to offset these costs and often even reduced them. This will not be true in the future.

The need for substantial amounts of capital to replace an increasingly aging fleet of airplanes with models that are quieter and more fuel efficient. About 1,550 planes out of the major airlines' total of 2,250 will not meet federal noise standards that will be phased in over the next eight years.

At the same time, retention of the older equipment adds to the airlines' costs by denying them the savings of more fuel-efficient planes.

The recent lean years have left many carriers without cash reserves and deeply in hock to banks and insurance companies—their traditional lenders. Many airlines still are paying off for the mistakes of the late 1960s when carriers made overly optimistic traffic projections and ordered large and expensive planes.

These arrived just when traffic growth slowed, leaving the airlines with big bills and underbooked big planes.

The cumulative debt some of the airlines are carrying is enormous: American Airlines, $440 million; Pan Am, almost $700 million; Eastern, $660 million; TWA, $1 billion.

New planes, which have to be ordered several years before delivery is made, each cost anywhere from $7.5 million to $45 million (the large Boeing 747s).

Rough estimates of the capital needs of the airline industry for new planes by 1985 come to $20 to $25 billion.

As the major carriers face these challenges, the poor financial condition of so many of them raises numerous questions about the present regulatory framework—created in 1938 during the infancy of the airline industry.

The CAB now regulates almost all aspects of the industry dealing with rates and routes, while the Federal Aviation Administration (FAA) regulates matters dealing with safety.

The CAB decides what airline can fly to what city. It decides how much the airline can charge, in first class and economy, for children and babies, for standbys and vacationers.

Economists, legislators, even the regulators, have begun to ask whether this system of protecting the carriers from the rigors of the market place is a disservice to both the airlines and the passengers.

Wouldn't both be better off if the carriers were exposed to competition? Wouldn't the result be greater efficiency, increased productivity, a wider consumer choice and lower prices?

Airline officials answer that the industry is quite competitive. And it is. But the airlines don't compete, as other industries might, by offering to undercut their competitors' prices. The only form of price competition is in the form of discount and promotional fares with their various restrictions.

The airlines compete for customers by offering more and more frequent flights, attractive flight attendants, gourmet meals, free drinks, first-run movies and comfort. All of these increase the airlines' cost of operations, but not their efficiency, nor necessarily the total number of customers.

The carriers' "service" competition manifests itself most prominently in the number and frequency of flights. And there is evidence to support the airlines' belief that increasing the number of flights in a market often results in a more than proportionate increase in passengers, according to CAB officials.

This pattern drives up capacity in the more than 70 per cent of the market where there are "competing" carriers but there generally is no proportionate rise in the total number of passengers carried. So the added flights result in a decline in the percentage of seats occupied by paying passengers. As load factors decline, fewer passengers share the total costs of operations, which in turn creates pressure for higher fares.

"If fares are permitted to rise, the cycle repeats itself," according to the CABs Robson. "The higher fare levels enable carriers to mount additional capacity with which to compete for a larger market share. The result is a spiral of future excess capacity, lower load factors, and pressures for further fare increases."

CAB statistics indicate that, on the average, planes flown by the major carriers are barely more than half full. For the 11 "trunk" airlines, planes were 53 per cent full in fiscal 1975 and 55.4 per cent full in fiscal 1974.

There are wide variations among the carriers; some begin to make money carrying far fewer passengers than their competitors. Northwest Airlines, for instance, has a breakdown load factor of 43 per cent compared with a 59 per cent breakeven load factor for United Airlines.

"The board believes that the crux of the industry's poor financial results in recent times is that the airline industry . . . operates more aircraft than are needed to satisfy demand at normal fares," Robson says. "With supply outrunning demand, it is not surprising that the industry has been unprofitable."

Members of the apparently ever-widening group of government officials and legislators critical of the current regulatory apparatus contend that exposing the carriers to the same laws of supply and demand that most other industries face—by giving them freedom to lower and raise prices and by opening opportunities for new competitors—would cause them to become more efficient and permit their managements to test their skills in bringing in more passengers, and more profits.

Under more competitive conditions, the theory goes, the airlines would seek to put more passengers on their planes, would go after passengers by offering lower fares than their competitors and, in the end, would increase the total number of people who fly.

The airlines see a simple cause for many of their problems: Airline fares have been kept too low. There is "nothing basically wrong" with the industry or the form of regulation under which it operates, according to Albert V. Casey, chairman and president of American Airlines. "What is wrong is that the industry's costs have escalated rapidly in recent years, and its fares have not been permitted to stay abreast of costs," he says.

He and other airline executives for the most part believe the CAB is to blame for setting what they say are unrealistic standards for approving fare increases. The board's policy is to allow the airlines to charge fares that will produce a 12 per cent return on investment, assuming that the carriers are operating at a "reasonable" load factor of 55 per cent—irrespective of the carriers' actual load factor—and collecting full fares from those passengers. The formula also assumes that the plane is carrying the number of seats it was designed to carry.

But to the airlines, these are sweeping assumptions.

The carriers want the board to approve fare increases based upon their actual load factors and yields; they point out the yield per passenger is lower than the board assumes because many of them may be paying the discount instead of the regular fares.

Board officials, however, insist the formula is necessary to save the airlines from themselves, to prevent further wasteful overcapacity and a continual upward spiral in fares that may in turn discourage some air travel. The standards are necessary "to avoid having the public support excess capacity through higher fare levels and to protect full-fare passengers from subsidizing discount-fare passengers," Robson told Congress this year.

Besides allowing fares to go up, Frank Borman, president—and, as of Thursday, chairman—of Eastern Airlines, has other prescriptions to improve the economic health of the industry: Reduce the federal tax on air transportation, which goes into the airport development trust fund, abandon the liberalization of charter rules designed to increase low-cost air travel (the scheduled carriers say it cuts into their scheduled business), put off hearings on applications for "duplicative" competitive route authority, reduce government environmental regulations, let the airlines cooperate in developing new aircraft, and grant ailing carriers federal subsidies "as a last resort."

Eastern is one of three major carriers—Pan Am and TWA were the others—who asked for annual subsidies totaling $500 million but were turned down by the CAB this year.

The federal government, through the CAB, already pays subsidies totaling more than $70 million a year to eight of nine federally certificated "local service" carriers such as Frontier, Ozark, and Piedmont to serve localities the board thinks might otherwise go without air service.

Robson worries that if the nation doesn't move soon to reduce regulation of the airline industry, the government may be forced alternatively to tighten regulation as carriers turn to the government for public funds in times of distress. "I do not presume to speculate or assert that such is inevitable," he told the New York Society of Security Analysts last month, "but the experience of the railroads cannot be ignored."

He's come to believe, in his year and-a-half tenure on the board that the long-term financial prospects for industries subject to strict government economic regulation are not as bright as they are for unregulated industries.

Delay in the regulatory, decision making process, the necessity for economic regulators to balance demands of competing constituencies, and the unpredictability inherent in differing philosophies as board members leave and are replaced, all suggest fundamental long-term structural problems of economic regulation, Robson contends.

[From the Washington Post, Nov. 30, 1977]

CAB Called Roadblock Despite Its Changes

(By Carole Shifrin)

Everyone appears to agree that the Civil Aeronautics Board has changed—a good deal.

Two years ago—only yesterday in the life of a federal bureaucracy—the agency was under attack for alleged corruption of its high officials, lack of impartiality, and overprotective view of the industry it regulates, a hostile attitude toward newcomers, a lack of due process, and disinterest in the consumer.

"The CAB has become a fundamentally different agency than the one I studied and critized during the many weeks of hearings in 1974 and 1975," admits Sen. Edward M. Kennedy (D-Mass.), who conducted hearings of the Senate Administrative Practice and Procedure Subcommittee on the board's performance.

Since those hearings, the CAB's top personnel, procedures and policies have undergone substantial change.

But the next Congress will have to decide whether the changes Sen. Kennedy referred to are enough. The questions remain.

Can the agency function adequately under its 38-year-old mandate? Has it outlived its usefulness? Is it serving the public or is it impairing further development of a sound, nationwide air transportation system?

The board itself told Congress this year that less regulation would result in a more efficient and less costly air travel system.

The board called for legislation that would alter its statutory mandate to make clear that it should "favor competition" over protection, reduce the scope of its regulation over some sectors of the industry, encourage freer entry into and exit from air routes and the business generally, and give the airliners greater pricing freedom.

"The board should be given high marks for coming up and saying all is not well," CAB member R. Tenney Johnson said in an interview, but it generally was praised for not defending the status quo.

Though he insists it was a "team effort," the man generally credited with moving the board to this position is chairman John E. Robson, who took over the embattled agency 18 months ago.

Since that time, the board's achievements have been significant. It:

Ended a five-year "route moratorium" during which it severely limited new air route awards by declining to grant hearings on applications from carriers seeking to expand their areas. In fiscal 1976, the board scheduled for hearings 48 per cent more route cases than it had in fiscal 1975, and completed 40 per cent more.

Reversed policy direction and liberalized regulations for charters in an effort to expand low-cost air travel.

Certificated Air Midwest as a local service carrier. Though required to certify those "fit, willing and able," the board has certificated few local service carriers, and no major trunk carriers in its 38-year history.

Ended a policy of approving capacity re-

duction agreements, an anti-competitive practice sanctions for five years which permitted airlines to meet among themselves and agree to reduce the number of flights each would operate on highly traveled domestic routes.

Implemented many recommendations made by an outside advisory committee on procedural reform to expedite board activities and cut down on regulatory "lag," including the imposition of deadlines so matters no longer will languish for years.

Encouraged and approved the use of discount and promotional fares, though at the same time approving cumulative fare increases on domestic flights totaling 10 per cent.

Redirected the focus and resources of the board's Bureau of Enforcement away from pursuing technical violations of the law. "We now have a pervasive attitude of looking at the policy basis for pursuing an enforcement action, with the consumers' interest the number one concern," says Thomas F. McBride, former associate Watergate special prosecutor who became the bureau's director. During this period, American, Braniff, Continental and Aloha Airlines agreed to civil penalties totaling $575,000 to settle charges of failing to report properly disbursements of corporate funds, some of which were used to make illegal political contributions.

Set in motion many important proceedings, including a comprehensive review of rules governing conflict of interest and outside communications on board matters.

But despite all the reforms, despite quicker action on route applications, despite encouraging more competition, the CAB, in the view of its critics, remains a formidable roadblock to a healthy, competitive airline industry.

The anti-regulation argument holds that airlines would make quicker decisions on price and service if they were truly competing for airline travelers in a free and open market.

Instead, because of regulation, the airlines spend a good bit of time and resources protecting themselves and their territories from would-be competitors. They do it by filing petitions with the CAB opposing another airline's request to fly certain routes. Petitions result in hearings, appeals, rehearings, and finally court tests.

The alternative suggested is the competition of the marketplace—If another airline tries to take your passengers away, offer a better, cheaper product as companies in unregulated industries do.

A good test of the regulatory system is in the making right now.

Southwest Airlines, a Texas-only carrier, and a new airline, Midway Airlines, have applied to fly to and from Chicago and 15 other cities at fare almost half the current price. The proposals are expected to be greeted with scores of opposing petitions from airlines that now fly these routes.

Petitions to extend the initial comment period (a preliminary skirmish before the actual petitions of opposition are filed) were received almost immediately by the CAB and have already been granted.

"It's going to be a big hoedown," Robson admits.

"Every decision the board makes is going to make someone unhappy," CAB member Johnson says.

The Southwest, Midway applications are expected to take 18 months to two years and then, in all probability, will wind up in court. "The board is always caught between the carriers and courts," Johnson says.

Much of the CAB's growing workload involves decisions on the nitty-gritty of airline operations. For instance, last month the board for the second time in two years rejected a request from Frontier Airlines to drop permanently two cities it now serves by virtue of its federal certificate—Paris, Tex., and McAlester, Okla.

Frontier had argued that even though it might be subsidized by the federal government to serve those towns—it gets an overall subsidy in the neighborhood of $12 million a year—the traffic generated wasn't large enough or lucrative enough to merit stopping in the two cities: an average of five passengers a day. Most travelers from those places prefer to drive the 100 miles to the large airports near them (Dallas-Fort Worth and Tulsa) than use the local service, the carrier contended.

The board last month repeated its view that cutting off air service to the communities would impair their link to the national transportation network and would affect their growth and development, even though it realized that continued service by Frontier using its large aircraft was "not the most efficient manner for providing the necessary service at these two communities." It did grant Frontier the authority to suspend service to Paris, Texas, if a small commuter airline institutes scheduled service as is planned.

Inaction is another charge leveled at the CAB. One recent example involved a plane load of Hawaii vacationers returning on a charter flight to San Francisco.

From San Francisco they were booked on United Airlines, but United was on strike. So intead, the charter operator arranged for seats on Pacific Southwest Airlines, a California intrastate carrier.

The CAB entered the picture because its permission was needed to transfer the baggage from the CAB-regulated charter to the nonregulated Pacific Southwest plane. The CAB members could not agree and the upshot was that the passengers had to carry their own luggage from one plane to another.

"They made those people lug their bags over a half mile from one gate to the other for no good reason," a staff member said.

More serious examples of inaction are given by Reuben B. Robertson III, legal director of the Aviation Consumer Action Project, a Ralph Nader started group that prods the board on consumer problems.

Robertson agrees that the CAB has changed.

"Personal integrity was the issue two years ago," but no longer, he says. Nevertheless, despite excellent people on the board, the CAB is not able to regulate, he adds.

"They are a paralyzed agency; they are simply unable to make decisions that need to be made," Robertson contends. "Cases wait years to be resolved in areas that are not difficult to resolve."

Robertson cites overbooking as an example.

Overbooking is a widespread industry practice under which the airlines sell "confirmed reservations" on a flight to more customers than there are seats in order to compensate for the problem of no-shows they say they have to contend with.

More than 130,000 would-be passengers who held "confirmed reservations" were bumped from scheduled flights last year by the major airlines, according to CAB figures.

"It's a fraud and causes enormous consumers inconvenience," Robertson argues. He has asked that the board prohibit the policy as "deceptive" under the Federal Aviation Act, which he says would force the carriers to come up with a better way to handle whatever problems they may have as a result of no-shows.

So far, the CAB has declared that airlines with a policy of deliberately overbooking flights must begin informing customers of that fact, but has deferred further action pending the outcome of an overall examination of the board's policies concerning deliberate overselling. The board has had the issue of overbooking before it for several years.

"It's a question of what comes first," says CAB chairman Robson. "You've got stuff you have to do, like tariffs, that take precedent over everything; you have things of varying degrees of importance, and you just can't do it all at once. So it doesn't get all done at once and some things get less expeditious treatment."

Although the list of achievements and changes at the board is substantial and Robson speaks only of his respect and affection for the board and its staff, board insiders say it hasn't been easy to effect change and that some board members' traditionalist views have slowed the process. Robson, a non-traditionalist who came to the board without a background steeped in the industry but dedicated to solving some of its problems, faced an overall agency steeped in tradition and a widely held view that their job is really to "help" the industry, some board sources say. "We never did it that way before" is said to be the most frequent sentence uttered at the board and the toughest thing to contend with, a source says.

Some observers fear that whatever progress the board has made could be wiped out if Robson leaves and is not replaced by a similar non-traditionalist.

But Robson brushes aside questions about whether changes at the agency are only skin-deep.

"The only fair measurement of what an agency is . . . is what it does," he says. "The only way to measure whether it's different or not different . . . is sort of bottom line."

Robson has expressed the view that the problems of the board and the airline industry are inherent in regulation and that the board's statutory authority should be changed, a view echoed by Kennedy.

". . . streamlined procedures and better appointments—as important as they may be—do not close the book on regulatory reform," Kennedy said. "The underlying mandates of the agencies are as often as not the real problem and the CAB is a perfect example of that."

To which one CAB official adds a plaintive footnote:

"Any senator who votes to set up a multi-member agency should be obliged to serve on one."

THUMBNAIL SKETCHES OF THE CAB MEMBERS

JOHN E. ROBSON

John E. Robson, 46, became chairman of the CAB in April 1975, following a period of blistering critcism of the board's leadership, policies, and procedures on Capitol Hill and from the Executive Branch.

A Republican, Robson had served in the Johnson administration, first as a special consultant to the director of the Bureau of the Budget in 1966, then as the Department of Transportation's first general counsel and then as its Under Secretary.

He was a partner in the Chicago law firm of Sidley and Austin immediately prior to his appointment to the board. His term expires at the end of 1977.

Under federal law, the President must annually redesignate the CAB chairman.

R. TENNEY JOHNSON

R. Tenney Johnson, 46, was general counsel of the Energy Research and Development Administration when appointed to the board in March. A Republican, whose term expires at the end of next month, Johnson considers himself a career civil servant. He began as an attorney with the Defense Department after law school, and has served as general counsel of the National Aeronautics and Space Administration, general counsel to the CAB, and deputy general counsel of the Transportation Department.

"The board cannot be a substitute for carrier management," he says. "So if I ask myself, should the government be more involved or less, the answer is as much less as possible."

G. JOSEPH MINETTI

G. Joseph Minetti, 69, has been on the board since 1956. He hasn't made a speech in 10 years and declined to be interviewed.

"He just doesn't give interviews as a matter of personal policy," his assistant said. "He considers that his views are expressed in the board's orders and opinions and, where he disagrees with them, in the dissents."

Minetti's term expires at the end of 1979, but he turns 70 in April and will need a waiver from the White House in order to remain a member after that.

Minetti, a Democrat, served on the Federal Maritime Commission before he was appointed to the CAB by President Dwight D. Eisenhower.

RICHARD J. O'MELIA

Richard J. O'Melia, 59, a member of the CAB staff since 1957, served as director of the Bureau of Enforcement from 1969 until he was named to the board in 1973 by Richard Nixon. His tenure on the board has been marked with some controversy. During congressional hearings last year, O'Melia and former CAB chairman Robert D. Timm gave conflicting testimony, which was referred to the Justice Department, on whether an investigation into illegal campaign contributions by the airlines was ordered closed by one of them. Another point of controversy involved 16,228 shares of General Tire & Rubber Co., valued at more than $320,000 and owned by O'Melia's wife who inherited them from her father, a member of the company's founding family. General Tire owns RKO General which in turns owns controlling interest of Frontier Airlines, a CAB-regulated and subsidized carrier. At the end of 1974, Mrs. O'Melia put the stock in a "blind" trust.

O'Melia is a Republican whose term expires at the end of 1980. He declined to be interviewed.

LEE R. WEST

Lee R. West, 47, was an Oklahoma state judge when he was appointed to the CAB in November 1973 by President Richard Nixon.

An assistant said West has not made a speech since he's been on the board, and has a policy of not granting interviews. It's been his position that his views are made known through the official positions taken by the board in published orders and very often through dissents," his assistant said.

West's term expires at the end of 1978. He is a Democrat.

[From the Washington Post, Dec. 1, 1976]

REGULATED AIR FARES USUALLY HIGHER

(By Carole Shifrin)

If you want to fly from Dallas to Houston, you can take Southwest Airlines for $25 during the day or $15 on evenings and weekends.

Or you can take Braniff International for $38.

The price difference is largely federal regulation.

Southwest is an intrastate carrier whose routes, so far, lie totally within the State of Texas. As a result, it is not regulated by the Civil Aeronautics Board.

Braniff is a "trunk" carrier with a federal certificate whose routes and rates are regulated by the CAB.

If you want to fly from Tulsa, Okla., to Fayetteville, Ark., you can take Frontier Airlines for $28, or Scheduled Skyways for $20.

The difference again is one of a federal regulatory agency setting the fares versus free market forces setting the fares.

Frontier is a "local service" carrier certificated by the CAB which regulates its rates and routes. Scheduled Skyways is one of 235 commuter airlines whose rates and routes are not set by the federal government. (Even though Skyways crosses state lines, it escapes federal regulations because its planes seat no more than 30 passengers.)

The difference in the fares of federally regulated and unregulated airlines aren't always as startling as these examples. Sometimes the fares of some of the commuter airlines are the same or higher than those of the regulated airlines.

But evidence collected by the Department of Transportation indicates that fares of commuters in the markets where they compete head-to-head with the CAB-regulated airlines are lower more often than they are higher.

In addition, the fares of intrastate carriers in Texas and California—who are subject to various forms of state regulation—are now and have always been lower than those of the CAB-regulated airlines.

The success of Southwest, Scheduled Skyways and other federally unregulated airlines in providing good service at lower prices raises some tough questions about the efficiency of the present framework of CAB regulations.

"The difference between low air fares and high air fares should not be the difference between the absence and presence of federal regulation," Sen. Edward M. Kennedy (D-Mass.) said during Senate hearings last year.

But there can be no argument that the major airlines don't compete in the one area of most concern to the passenger—price.

They compete in other ways. Major airliner campaigns are waged over such frills as free movies, cheap liquor, steaks (even bagels and lox), and flight times. But not over prices.

Often, there is also a bewildering schedule of different prices depending on your age, the length of your stay or the time of departure. But again, the competition is in frills or convenience, not in price.

If a Washingtonian wants to fly to Los Angeles, for instance, there are a number of kinds of flights from the scheduled carriers with authority to take you there (American Airlines, United Airlines, and Trans World Airlines):

If you have to go tomorrow, a round-trip coach ticket will cost you $384; a first-class ticket is $584. Accompanying children can travel for $256 coach and $390 first class.

If you go at night, your ticket will cost $308 coach, your child's $205. A first-class ticket at night costs $384 for adults, $256 for each accompanying child.

If you can make your reservations at least 14 days in advance, pay for your ticket no later than 10 days after reservations are confirmed, but at least 14 days prior to departure, and plan to stay 7 to 30 days, you pay $307 and your child pays $192 for an "excursion" fare. This alternative may not be available, however, because only a limited number of seats are for sale at this price. An airline is allowed to offer these fares for up to 30 per cent of the seats of any given flight at this discounted fare, but it doesn't have to designate any seats at this fare if it doesn't want to.

There also is an excursion price at night with the same rules applying which will cost you $288 round-trip with children traveling for $192.

If you are willing to purchase a ground tour or hotel package along with your air ticket, and will not travel after 2 p.m. on Friday or Sunday, will stay at least 6 days but not more than 30, your round-trip flight will cost you $288—the "tour basing fare"—plus the cost of the ground package, which has to be at least $65 including two nights' lodging and a tour feature.

Except for charters, which have their own (often more complicated) strings but whose fares are usually substantially lower, those are your choices. None of the three carriers flying to California from here—American, United, or TWA—will offer you a better price to get you to travel with them.

Each of them charges exactly the same for the trip, regardless of their different labor or fuel costs, the differing amounts of money they spend on advertising and decorating their planes, the varying costs of the frills they offer, variations in how much they pay their top executive officers, or whether the plane is full or half-empty.

This is called "service" competition.

Sometimes a traveler will be quoted different prices by different airlines for the same trip, but that is the result of mistakes. And it apparently happens frequently for trips involving more than one destination, thanks to the complex set of regulations involving stopovers, changes of airlines and fare construction rules.

"The price structure is so complicated for certain kinds of air routes that neither you nor the ticket agent can cope with it," Consumer Reports told its readers after it surveyed trip costs. "And there is a strong chance that you will pay more than you should." The magazine, published by the non-profit Consumers Union, found itself overcharged on 15 to 20 air tickets it purchased from 8 major airlines. No one undercharged.

Fares for the federally regulated airlines, which account for most air passenger traffic in the United States, are essentially determined by the CAB.

The carriers file their proposed fares with the board, giving at least 30 days' notice. The board has the power to approve the fare requests or to suspend them—not put them into effect—and investigate their lawfulness if the board thinks the fares might be discriminatory—too high or too low.

The board approves or disapproves fare proposals using standards it has set in a series of decisions over the last five years arising out of its "domestic passenger fare investigation" (DPFI).

Under the DPFI formula, fares are approved if they yield a 12 per cent rate of return on investment above costs of operations. For the purpose of setting these returns the CAB assumes that planes are 55 per cent full and are carrying the number of seats they were designed to carry.

The carriers aren't happy with these CAB assumptions.

They say, for example, that seats are often taken out of planes to make them roomier. This makes the board's use of the full number of seats unrealistic. United chairman Edward Carlson has been quoted as saying that putting the seats back would result in "cattle-car treatment" the public doesn't want. TWA chairman Charles Tillinghast has suggested that the air lines can make the allowable 12 per cent rate of return only on the "Mickey Mouse charts" of the CAB.

The board, however, strongly defends the DPFI. "I don't think the public understands how much regulatory reform was involved in the DPFI," says Arthur H. Simms, director of the board's Bureau of Economics. "In an industry characterized by service competition, instead of price, there would be ever-escalating service if the board permitted fares to reflect those costs.

"If the board is going to protect the carriers from entry (of new competition), then it must set standards to encourage the industry to be efficient."

Because service competition results in excess capacity, board officials contend that if they allowed the carriers what they want, the customers would face higher and higher fares to pay for a continual spiral of empty seats.

"The board acted to prevent some major costs of service competition from being passed through to the consumer in higher fares," CAB chairman John E. Robson says of the DPFI.

Robson told Congress this year during hearings on proposals to reduce regulation of the industry that the board fears that service competition is "an inherent feature of the basic regulatory system" rather than a product of the board's particular decisions. In a system with limited freedom of entry, the carriers appear to have "very little incentive" to compete on the basis of price, Robson said. No carrier has ever come in and asked for a general reduction of its fares.

In its testimony to Congress on deregulation proposals, the board admitted that regulation had produced fares that were higher than they might otherwise have been.

The Senate Administrative Practice and Procedure Subcommittee, after its extensive hearings on board operations, admitted the DPFI was a step forward, but contended that built into the board's rate-setting system are a number of features that inherently will tend to discourage the offering of lower fares to consumers:

Because the board insists that carriers charge equal fares for equal distances, carriers are prevented from selective price cuts even though their costs vary.

The rule that fares must increase gradually as distances increase ignores the fact that costs over the long-haul routes may be lower per mile than shorter-distance routes.

By making fare decisions based on their effect on the entire industry, the CAB discourages across-the-board price cuts by one carrier. It works this way: Carrier A applies to cut all its fares by 5 per cent; the board studies the effect that this price cut would have on all of carrier A's competitors; it finds that if the entire group followed carrier A's example, the rate of return would be less than the permitted 12 per cent. The request is denied.

The subcommittee also noted that built into the board's formula is a view that demand for air travel is relatively inelastic, that is, it does not change much with changes in price. The contrary may be true, it said.

"If the board is mistaken—if demand is in fact elastic rather than inelastic—then the board's efforts to obtain higher revenues for the industry through a series of continued price increases are doomed to failure, for the price increases will drive away too many passengers to make service more profitable," the subcommittee suggested. "Rather, efforts to tap new markets through lower fare service would be more likely to maintain industry profits."

The airlines operating solely within the States of California and Texas, and thus outside the scope of CAB regulation, provide especially good fodder for the Kennedy subcommittee's conclusions that lower fares might attract increasing numbers of passengers.

By offering consumers low fares on frequent flights between major cities in California, two carriers—Pacific Southwest Airlines and Air California—created a dramatic increase in air traffic compared to similar-distance routes in other parts of the country. Between 1965 and 1971, DOT figures indicate that their traffic increased by an average of 23.3 per cent per year, while the average annual growth in interstate short-haul markets, like the California routes, was 4.7 per cent.

Air traffic in Texas also increased dramatically after the entry of Southwest Airlines into the Texas market in 1971. For instance, there were 340,000 passengers a year flying between Dallas and Houston in 1970 before Southwest got in. This year, there will be a total of 900,000 air passengers between the two cities. And Southwest will be flying about 675,000 of them, according to the airline's president, M. Lamar Muse.

His airline has attracted new passengers by offering them low fares and frequent service. Muse says Southwest offers its passengers a two-tier pricing system. An "executive class" fare—$25 on all but one of its routes—is charged for flights weekdays until 6:59 p.m.; a "pleasure class" fare of $15 is charged in the evenings and on weekends.

Compared to the "executive class" fare, "the CAB airlines' coach fares are some 55 per cent higher," Muse told Congress this summer. His "pleasure class" fare is 61 per cent less than the CAB carriers' coach fare.

Southwest is flying planes that are 66.7 per cent full compared to the major airlines' 53 per cent. Fuller planes mean more profits.

A report written by the aviation consulting firm of Simat, Hellisen & Eichner for DOT concluded that nationally there are 60 interstate markets similar in distance and density to the California and Texas markets—6 of them involving Washington.

Travelers on those routes could take advantage of lower fares, similar to those in Texas and California, if the airlines were operating in a less regulated environment, the report suggested. The figures indicated that travelers from Washington could save $9 a flight to Boston, $10 to Detroit and $7 to New York during peak travel times, and fly almost half-price at other times.

A traveler flying the 399 miles from Washington to Boston now pays $55, while a Californian flying the 456 miles from San Francisco to San Diego pays $32. "A comparison of virtually any intrastate route with virtually any comparable interstate route reveals similar fare differences," the Kennedy subcommittee said.

The CAB-regulated airlines argue that it is not CAB regulations but special circumstances, that brought about the low fares within California and Texas, like better weather, denser traffic, less congestion and the absence of costs associated with interstate baggage and ticket requirements.

The Kennedy subcommittee concluded that there were differences but that, taken all together, the factors accounted for less than half of the fare differences.

"Most of the differences arises from the fact that the intrastate carriers carry more passengers in their planes," the report simply concluded. " . . . greater freedom to compete is probably responsible for those fuller planes and lower fares."

Southwest Airlines plans to get CAB approval to fly between Chicago and 14 cities at nearly half the current fares, applying the formula so successful in Texas—low-fare, frequent, on time commuter type service, using airports close in to major cities when possible.

Midway Airlines, a newly created carrier, has already filed with the CAB for authority to fly in and out of Chicago's little-used Midway Airport from six cities at similarly low fares.

But it would be premature to try and make reservations.

A decision on their applications is expected to take from 18 months to two years.

[From the Washington Post]

DEGREE OF CHANGE NEEDED IN AIRLINE REGULATION DISPUTED

(By Carole Shifrin)

World Airways, a charter airline, applied in 1967 to fly regular routes at low prices between Los Angeles and New York. After 6½ years of study, the Civil Aeronautics Board dismissed the application as stale.

Federal Express Corp., an all-cargo airline, wanted permission to operate larger planes because its business was growing. The large planes required a CAB exemption. It was denied.

Pan Am sometimes flies near-empty planes between New York and the West Coast because it is not permitted to pick up "local" passengers. Local passengers are those who aren't coming from, or going to, an overseas location.

These and hundreds of other examples are cited to show that the regulatory process is slow and rigid and not in the best interest of the carriers or the consumers.

And many experts, including industry and CAB officials, agree that changes in the regulatory system are needed.

The ongoing argument is over how far these changes should go.

One view is that airlines, like most other industries, should compete openly in the marketplace.

Another is that the regulatory system can be streamlined and updated to do away with the delays and absurdities spawned by the present maze of rule.

The rules that govern major airline operations were fashioned in the 1930s when airplanes literally were barely off the ground. The whole orientation of the mandate under which the CAB operated then—and operates now—was geared to developing and protecting an infant industry through traditional, public-utility-type regulation:

Control who comes into the market;

Control where they operate;

Control how much they charge for their services.

But the U.S. airline industry is grown up now and may no longer need the protective mantle of federal regulation, if indeed it ever did.

Proponents of change suggest that the airlines' current unhealthy financial condition may in fact be caused by being protected from the rigors of the marketplace. Competition ordinarily spurs efficiency, innovation, sensitivity to consumer demands and lower prices.

The argument over deregulation also comes at a time when the airline industry faces challenges far different from its growing period.

What is ahead is a period characterized by increasing costs without the productivity gains of the past. Traffic growth (the number of people who fly) will be moderate compared with the spectacular increases of previous years. New capital, to finance a modern and environmentally acceptable fleet for the 1980s, will be difficult to raise.

For all these reasons, the cry for deregulation, or at least decreased regulation, has become more insistent.

Even at the CAB, there is a growing consensus that the fortunes of the carriers may be substantially improved if, over a transition period, the agency's controls are loosened and the airlines are permitted to operate in a more competitive environment.

Legislative proposals for change—written by the Ford administration; Sen. Edward M. Kennedy (D-Mass.); Senate Aviation Subcommittee chairman Howard W. Cannon (D-Nev.); and House Aviation Subcommittee chairman Glenn M. Anderson (D-Calif.)—all have a similar thrust, relax federal regulation of pricing and entry and exit on routes; move toward placing greater reliance on competitive market forces.

These advocates of change, while they differ on details, all believe that giving airlines the chance to charge different prices as well as drop or add different routes will lead to more efficiency, lower fares, more customers and higher profits.

Primarily because they feel the CAB has not permitted adequate fare increases in the past, the airlines now support some pricing flexibility. But they are still opposed to decontrols on who can enter or leave a certain market.

Supporters of change insist that if you have one you must have the other. If airlines are given the right to raise or lower prices on certain routes, then other airlines must have the right to compete on those routes without CAB interference.

"Fare flexibility will equal rapidly increasing fares if there is not some kind of marketplace constraint . . ." argues John W. Barnum, Deputy Secretary of Transportation. "The marketplace is disciplined by the po-

tential entry of a new competitor. The fact that a potential competitor is waiting in the wings . . . will keep the fares down."

The air carriers disagree. They argue strenuously that tampering with the current regulatory system on routes will have a number of disastrous results: cause market chaos and undo the integrated nature of the air transport system, result in predatory pricing and cut-throat competition to drive out competitors, leading to monopoly and even higher air fares, and cause carriers to abandon routes on their systems—mostly smaller cities—which they say are currently losing money but which are being subsidized by their profitable routes.

"In my view, it would cause grave and irreparable damage to the integrated air transportation network," American Airlines chairman and president Albert V. Casey told Congress this year during hearings on deregulation proposals. Because "our costs are 90 per cent fixed," fares could not possibly drop, he said. Instead, under deregulation, more airlines would serve the same routes, and consequently planes would be carrying even fewer passengers.

"There would be chaos," Braniff International president Hardling L. Lawrence contended. "We'd have to chase the loads; we'd be here today, and there tomorrow. We would take advantage of every market that would be available to us."

Others suggest that passengers would be unable to make reservations and they wouldn't know from day to day who flies which routes at what fares.

Though there would be a period of uncertainty and instability, DOT and CAB officials discount the carriers' predictions of chaos and doom. The commuter experience indicates, they say, that deregulation doesn't mean the same as "chaos." Commuter airlines, for instance, make reservations, publish their fares, adhere to their schedules.

Predatory price-cutting to drive others out of the market in order to gain a monopoly wouldn't make much sense under a system of open entry, they point out, because competing firms always could re-enter markets when the existing firms sought to raise fares to unrealistic levels.

Carriers won't all rush to the same markets either, Barnum argues. "In the last analysis, the airlines make money because they fly their airplanes X hours a day with a Y load factor. If you give management flexibility, it's going to make logical decisions as to the best total route structure to get a higher load factor and to get maximum hour utilization out of its aircraft," he said.

As for service to small communities, DOT officials contend they can find no evidence of widespread cross-subsidization in the airline business. The CAB has had a fairly liberal policy of letting carriers drop routes that are losing money; indeed, a DOT study indicated that, despite the payment over the last 16 years of more than a billion dollars in federal subsidies designed to encourage continued air service to small cities, the regulated carriers have, since 1960, abandoned almost a third of the points they then served. Commuter airlines have taken over service to most of these cities.

"There will be some instability, but I don't feel any small community will be without air service forever," says Bruce E. Cunningham, director of the CAB's bureau of operating rights. "If the demand is there, people are going to be able to fly." It just won't be the same airline, he adds.

Though they generally dismiss the dire consequences the airlines have predicted, government officials are frank to admit there are risks to moving from a rigid system of regulation to one more reliant on sometimes cruel market forces. "After 38 years of economic regulation, there should be a transition period, so those told to play the rules this way can adapt," Cunningham says. "If it happens too quickly it would put some carriers into bankruptcy in a reasonable period of time."

As a result of the long-time regulation, the carriers have different route structures that may face different intrusions under a less regulated environment; their current cost system is also a result of regulation; they have built-in seniority labor costs because they are mature companies.

The incumbent carriers wouldn't start off on an equal footing, and the possibility of bankruptcies haunts them. "I should like to be able to say that TWA is not afraid of deregulation of market entry," TWA chairman Charles C. Tillinghast testified this summer, "I cannot."

Despite their opposition so far, DOT Deputy Secretary Barnum thinks several of the airlines might endorse proposals to reduce air regulation if the new administration decides to back a measure. "In this town, you've got to let a lot of shoes drop before you put yours on the floor," he says. Because both the Senate and House aviation subcommittee chairmen have written their own bills, held lengthy hearings this year and have stated that they plan to go forward in the next Congress with consideration of deregulation proposals, the remaining question is what the Carter administration will do.

Earlier this month, aides to President-elect Carter said regulatory reform proposals would be "one of the early priorities" of his administration. During the campaign, Carter told Ralph Nader's Public Citizen Forum that "economic regulation which permits, in many instances, an unwarranted increase in the price of products to consumers ought to be drastically curtailed.

"One obvious . . . example . . . is the relative cost of intrastate airline travel, such as in Texas or California, compared to equivalent distances traveled in interstate airline routes where the cost is almost doubled . . ." he said.

Formidable opposition to passage of legislation, however, exists. Some may come from labor unions who perceive in deregulation a threat to jobs should a carrier fail, and increased pressure on future wage contracts; under the present system, increased labor costs are passed through to the consumer.

These costs are significant. The airline industry is the highest paid in America. According to the Air Transport Association, the scheduled carriers trade group, the average salary of the regulated carriers is $17,000 plus $3,000 in benefits. Airline pilots' salaries range up to $100,000 a year.

But despite opposition, the CAB's chairman, John E. Robson, believes that change must come.

If not, Robson, says the airline industry will continue to have its ups and downs, but probably more downs; fares will continue to rise, putting a damper on traffic growth; and the airlines will increasingly turn to the government for financial aid.

And with federal aid will come tighter and tigher controls on the way the airlines do business.

As one congressional source put it:

"Congress does not allocate federal funds to private companies without taking its pound of flesh."

SENATE RESOLUTION 110

Mr. METZENBAUM. Mr. President, the Special Committee on Official Conduct has reported out Senate Resolution 110, establishing a Code of Official Conduct for the Senate. I support that resolution.

I believe in full disclosure. I believe the people of my State are entitled to know my net worth, and I published such a statement during my campaign.

I ask unanimous consent that a copy of that statement be printed in the RECORD. Prior to July 1 of this year, I will up-date the statement and print it in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Net worth statement for Howard M. and Shirley T. Metzenbaum, March 1, 1976

Assets:	
Cash on hand and in banks	$70,100
Municipal bonds and Citicorp note	95,000
Loans Receivable	20,000
Corporate stocks:	
International Telephone and Telegraph Corp	3,601,600
ComCorp.	621,000
Ogden Corp	66,370
Curtis Noll Corp	37,500
Penril Corp	368,200
MCI Communications, Inc	1,400
Samuel Moore & Co	1,425
Grandview Raceway	2,800
Budd Company	4,400
Xerox Corp	2,700
Cleveland Professional Basketball Co	45,000
Miscellaneous	45,000
Total	4,756,895
Investments in various nonpublic companies (reasonable estimate):	
194th Street Hotel Corp	100,000
Miscellaneous Real Estate and F. J. Cooper, Inc	230,000
	5,271,995
Partnership interests:	
Cleveland Crusaders and Cleveland Indians	125,000
Louisiana Investment	100,000
Investment Plaza (including notes and interest (estimate)	400,000
Miscellaneous real estate	150,000
	6,046,995
Personal assets, including home	350,000
Total assets	6,396,995
Liabilities:	
The Cleveland Trust Co	2,455,000
Society National Bank	120,000
Union Commerce Bank	155,000
Miscellaneous loans	20,000
Total liabilities	2,750,000
Net worth	3,646,995

THE CASE AGAINST UNIONS IN THE MILITARY

Mr. THURMOND. Mr. President, in the March 8, 1977, edition of the Washington Star, James J. Kilpatrick wrote an article entitled "The Case Against Unions in the Military." In this article, Mr. Kilpatrick points out that AFGE is ready to make its move to unionize the military. Mr. Kilpatrick and I both agree that such action would be disastrous. He urges, as I have done many times in the past, that my bill be passed now rather than waiting to see what AFGE is going to do.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CASE AGAINST UNIONS IN THE MILITARY

(By James J. Kilpatrick)

President Carter, in the Pentagon last week for a question-and-answer session with defense employees, said of unionization in the military forces: "My own opinion, which is strongly held, is that it would not be advisable to have the military personnel unionized." The President said no labor leaders had approached him about it; he had no plans for sponsoring legislation to forbid unionization, but if the proposition seemed to be heating up, he would attempt to engender public support for his position.

Mr. Carter might be well advised to start engendering. Last September the American Federation of Government Employees (AFGE) specifically authorized military memberships. David Cortright, an associate with the Center for National Security, reports that "an actual organizing drive may begin within a few months." Far from being anyone's fancy, Mr. Cortright says, "Unionism in the American military has become a pressing issue."

The prospect may strike most Americans as fantastic—it strikes me as disastrous—but military unionization is far advanced in Europe and in Sweden. Writing in the *Defense Review* of the American Enterprise Institute, Mr. Cortright summarizes the arguments in favor of military unions. Senator Strom Thurmond (R-S.C.) argues with equal fervor against them. I stand four-square with Senator Thurmond.

The two advocates agree on this much—that troublesome conditions exist among the ranks of both enlisted personnel and professional officers. The enlistees and non-coms are concerned with all the usual gripes over pay, food, housing, and even the length to which hair must be trimmed. Officers are increasingly vexed by what seems to be a steady curtailment of their fringe benefits. In civilian life, these are among the issues an industrial union would deal with. It is small wonder that the AFGE, enchanted by the prospect of two million dues-paying union members, amended its constitution to authorize the formation of military locals.

Acknowledging all this, most observers probably, would regard the move as unthinkable. Granted, citizens do not give up their First Amendment rights when they volunteer for military service; they are free "peaceably to assemble and to petition the government for a redress of grievances." But it is preposterous to transform this basic right into a right to bargain collectively, to negotiate on working conditions, and even—incredibly—to strike.

The advocates of military unionism doubtless will soothe objections by disavowing any thought of interjecting union democracy into policy decisions. But if the AFGE's now-dormant seeds ever germinate, it is hard to see a stopping point. If military unions can negotiate a 40-hour workweek with extra pay for overtime, as they have in several European countries, they can negotiate just about anything.

"Move out!" cries the captain. "Let's take that hill!"

"No can do," says the steward of Local 507. "The men still have 20 minutes on their lunch break; we have a union meeting at 4 o'clock; and the members voted last night against further overtime or weekend work for the rest of the month. Take the hill yourself."

The fallacy in the concept of military unionism lies in the notion that military service can be equated with private employment. No way. The armed forces traditionally and constitutionally have operated under different obligations and different law. Military service is inherently authoritarian; it cannot be made democratic.

Fortunately, the proposition appears to command little public support. One public opinion poll, cited by Senator Thurmond in his AEI argument, finds 82 per cent of the people opposed. A recent survey of 936 members of the Air Force indicated that only 36 per cent of the enlisted personnel and 16 per cent of the officers would join a union. Half of the Air Force respondents said they believed unionization would hurt discipline and decrease effectiveness.

Mr. Carter may be right, and Mr. Cortright wrong, in estimating the momentum toward military unions. If so, Congress should act to prohibit unionization now, rather than a few years hence when it may be too late. Senator Thurmond has a bill that says flatly, no. The bill ought to be passed.

RULES OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MAGNUSON. Mr. President, pursuant to the requirements of section 133 B of the Legislative Reorganization Act of 1946, as amended, I ask unanimous consent that the rules of the Committee on Commerce, Science, and Transportation, adopted March 10, 1977, be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, ADOPTED MARCH 10, 1977

I. MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the Committee shall be the first and third Tuesdays of each month. Additional meetings may be called by the Chairman as he may deem necessary or pursuant to the provisions of sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

3. Field hearings of the full Committee, and any Subcommittee thereof, shall be scheduled only when authorized by the Chairman and the ranking minority member of the full Committee.

II. QUORUMS

1. Ten members shall constitute a quorum for official action of the Committee when reporting a bill or nomination; provided, that proxies shall not be counted in making a quorum.

2. For the purpose of taking sworn testimony a quorum of the Committee and each Subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in Committee on any bill, resolution, amendment, or any other question, a majority of the members being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone or through personal instructions.

IV. BROADCASTING OF HEARINGS

Public hearings of the full Committee, or any Subcommittee thereof, shall be televised or broadcast only when authorized by the Chairman and the ranking minority member of the full Committee.

V. SUBCOMMITTEES

1. Any Member of the Committee may sit with any Subcommittee during its hearings or any other meeting but shall not have the authority to vote on any matter before the Subcommittee unless he is a Member of such Subcommittee.

2. Subcommittees shall be considered *de novo* whenever there is a change in the chairmanship, and seniority on the particular Subcommittee shall not necessarily apply.

KEEPING EXCELLENCE IN TELECOMMUNICATIONS SERVICE

Mr. GOLDWATER. Mr. President, it was my pleasure last week to join as a cosponsor of the legislation introduced by my friend, the senior Senator from Wyoming (Mr. HANSEN) to assure that 216 million Americans will continue to enjoy the most advanced and low-cost local and long-distance telephone service provided anywhere in the world.

Mr. President, why in the world anyone would want to tamper with a telephone system that is far superior to anything seen in any other nation is beyond me. Americans who have visited abroad have a standard of reference and will know what I mean. Advances have been made in the quality, convenience and even appearance of telephone service in the United States on a steady basis. These accomplishments have been accompanied by small price increases that have stayed far below the rises in the Consumer Price Index. In fact, average Arizona home telephone rates have gone up only by a total of 19 percent since 1954.

Yet, in the late 1960's, the Federal Communications Commission began to experiment with a very selective type of competition within the telecommunications industry. The FCC first opened up the terminal equipment market in 1968 and then the intercity private line market in 1969. The Commission promised that this would uniquely benefit certain customers by bringing new services to meet new needs. This, I say, is the theory behind the FCC's decisions.

The actual and potential consequences of those decisions is exactly the opposite. The competitors who are unregulated and can pick and choose whom they will serve, have for the most part duplicated intercity private line routes and services that were already supplied by the telephone companies. A somewhat larger variety of terminal equipment might have become available, but the overwhelming majority of this equipment is presently imported and may have had an adverse effect on jobs in this country.

But the real problem is not in what has been done by the FCC to date; the serious question which must be confronted by the American people is what effect the continuation of these experiments by the FCC will have on the telephone service the public receives in the future. Here is where I am very troubled.

Mr. President, I have studied voluminous materials on both sides of this issue. And, I am convinced from my personal review of the situation that the almost universal system of low-cost telephone service, which is now available in this country to Americans of all income groups and to residents of the most isolated places in the Nation, is endangered by the trend of FCC decisions.

I believe that there is a serious threat to the quality of telephone service people now get if these decisions continue.

I believe telephone rates for the vast majority of the American public will rise dramatically if these decisions continue.

I believe telephone users will not receive the benefits of innovation in new products and services that they are accustomed to receiving if the FCC policies continue.

I believe many of the 1,618 independent telephone companies will be put out of business if these policies continue.

Mr. President, it is my feeling that a sudden and giant shift in the basic direction of our Nation's telecommunications policy has occurred. This is why I have decided to cosponsor legislation in this field. Now, as I understand it, the purpose of the original Communications Act of 1934 was to provide the widest possible availability of high quality telephone service at the lowest feasible price to all of the public. If I am correct in this interpretation, then it is clear that the direction of recent FCC policies is contrary to this aim.

For this reason, I believe it is necessary for Congress, as the elective body of representatives of all the people, to consider what is going on. Do we, the lawmakers, want to change the course of national telecommunications policy as is being done by the FCC? Do we wish to reaffirm the original purpose of the Communications Act of 1934?

Mr. President, Congress must focus on this issue. We must not let a regulatory agency take such a serious step as to alter the future of the telecommunications industry beyond change without even examining what is happening.

Mr. President, I personally want to reaffirm the 1934 law. But whatever decision Congress as an institution may make, it is we who must make it. A nonelected Commission should not be the one who makes such a fundamental decision.

Mr. President, there are many factors which have caused me to make up my mind on this matter. Not the least among them is proof that the average home telephone bills of Arizona's 2.3 million citizens may go up by more than 75 percent if the trend of FCC decisions is not halted and that rates in rural areas may increase even more, to over 85 percent. On top of that, there are taxes imposed on telephone service by some local governments that will make these bills even higher.

Mr. President, in view of the importance of the subject, I will briefly discuss the most common arguments used against the legislation I am cosponsoring, with my answers to these charges.

First, Mr. President, it is said competition in terminal equipment and private line services will have an insignificant effect on telephone company revenues.

My answer is that FCC policies have not been fully felt because the major portion of the terminal interconnection program has been stayed by the courts. Also, the more formidable, potential competitors have not yet entered the field.

Second, it is claimed the bill is anticompetition.

My answer is that what other companies want is not competition. They want to take only the profitable part of service without any obligation to furnish all services to all the public. Moreover, this kind of unregulated competition would destroy many of the 1,618 independent telephone companies who now connect to the Bell System for long-distance service. There are seven independents operating in Arizona alone. If several of these independents go out of business, there would be less competition than exists in the industry today and less service to home users.

Third, it is claimed the bill grants a blanket exemption for A.T. & T. from antitrust laws.

My answer is that this statement is completely wrong. The Senate bill has nothing to do with acquisitions, nor with the pending Justice Department antitrust suit that seeks to separate Western Electric from the Bell System; nor does it make any mention of antitrust matters.

Fourth, Mr. President, it is said the bill will reverse terminal competition.

My answer is in the testimony of the chairman of A.T. & T., John de Butts, who said last year that he does not look to Congress to turn back the clock. He said terminal competition "is not at issue." The bill would not give State regulatory bodies any authority to reverse the FCC decision on terminal equipment. If an amendment is needed to clarify this point, I will help draft and will support such an amendment.

Fifth, it is claimed the bill will give the telephone industry a monopoly over microwave relay systems now used to carry TV signals.

Here, Mr. President, my answer is that the bill would not touch at all on cable TV's present relay system. This charge may stem from the desire of some cable systems to expand their services beyond TV and FM signals to messages.

Sixth, it is claimed the bill will give the telephone industry a monopoly of satellite service.

My response is that the bill will not affect competing satellite companies so long as they stay in the private line business. But if a competing satellite company wishes to enter the switched message field, then it would be duplicating service already provided by the telephone system. Service can be provided more effectively and at a lower cost by a single telephone system.

Seventh, it is charged the telephone industry has arrogated to itself the decision to tax business and long-distance customers and allot the tax to home users.

Mr. President, my answer is that this is a badly misinformed claim. For the present rate structure has evolved over a great many years and was not dictated by the telephone industry, but by various State regulatory commissions. The telephone industry does wish to encourage the widest possible availability of service by keeping local rates low, but this aim has been mandated by official orders of State commissions directing the telephone companies to derive most of allowed rate increases from their business users, rather than residential users.

Eighth, it is argued unregulated competition will promote a wider and better variety of services and equipment.

My answer is that, in fact, the predictable result of dividing up the most lucrative of the telecommunications market to open competition by unregulated companies, who can pick and choose what business they wish to provide and who their customers may be, will hinder the introduction of high capacity and thus cost-saving technology. And, let us remember, it is the telephone industry who introduced electronic switching, satellite communications, direct overseas dialing, touch-tone calling, and other advances. The telephone industry has not been a slouch in bringing forth innovations and the implication is not substantiated that unregulated competition could do any better for the public than the telephone industry has already done.

Ninth, the charge is made that growth in the market will increase telephone company revenues faster than competition will cut into them.

My answer is that the only way telephone industry revenues could increase or keep pace with wide open competition from unregulated companies is by a restructuring of rates that will bring much higher phone bills to home customers and the likely destruction of numerous independent telephone companies. This is the real question. What will unregulated competition do to the existing rate structure? And, how will home telephone service be priced if the trend of FCC decisions continues?

Tenth, it is argued there is no evidence residential service is supported by other services.

My reply is that the telephone industry has presented voluminous evidence that business and long distance service now help to offset the costs of home service.

Mr. President, these studies prove that increased competition from unregulated companies would force the telephone companies to lower the price of services in these specialized fields. In turn, this would result in lower contributions from these services to home rates.

It is true that large businesses and higher income families who do a lot of long distance calling may gain, but charges will increase dramatically for the great bulk of telephone users with home phones.

Moreover, the separations payments independent telephone companies now receive from the Bell System for their part in handling long distance calls would be cut so drastically many of those companies would be forced to go out of business. The independents typically depend upon the flowthrough of toll payments for 70 to 85 percent of their revenues. For example, the Arizona independent telephone company which serves the most isolated Indian people in America, the Havasupai Indians who live at the bottom of the Grand Canyon, testified before Congress that it "could lose everything" if the trend of FCC decisions is not corrected.

Mr. President, at least eight different major studies prove the potential for sharp rises in home telephone rates and the damaging impact of unregulated competition on independent telephone companies. These studies have been re-

viewed by independent auditors and economists who verify the truthfulness of these conclusions and the reasonableness of the study methods.

These reports include an impartial study conducted by Systems Applications, Inc., a research firm previously used by the FCC. This study was commissioned by the U.S. Independent Telephone Association and is entitled "Regulatory Policy Changes and the Future of the Independent Telephone Industry." The final report is dated January, 1976.

Also, Walter S. Baer and Bridger M. Michell, independent consultants to the Continental Telephone Corp., have published a significant study bearing upon these issues. It is entitled "The Economic Impact of Competition on Telephone Operations in the Continental Telephone System" and is dated March, 1975. The study uses a methodology based on principles prescribed by the FCC and State regulatory commissions.

In fact, the Committee on Communications of the National Association of Regulatory Utility Commissioners, a body representing the State officials who are responsible for regulating local rates, issued a report which concludes that unregulated competition will have "a substantial adverse economic impact on local exchange telephone subscribers." This paper is called the "Report After Investigation of May 1974."

Then, there is the Arthur D. Little study relative to the impact of technological progress of multiple suppliers in the telecommunications industry.

And finally, there are the 1975 residential cost study, the business exchange cost study, and the study relative to the impact of cost pricing on home telephone customers by the Bell System and the Bell Laboratories multiple supplier network study.

RECENT GENOCIDE

Mr. PROXMIRE. Mr. President, we need look no further than our daily newspaper for the evidence of blatant disregard for human life which should move us to ratify promptly the Genocide Convention treaty.

However, I should remind colleagues that mass slaughter of human beings and other atrocities did not begin yesterday, nor are they merely modern phenomena.

Indeed recent history is marred with a series of such occurrences. Can we ever forget the brutality which accompanied the Russian Revolution in 1917, the mass executions which were so vital to the Communist takeover in China in 1949, the Stalinist purges of the 1950's, or the violence which attended the ascendance of Castro in Cuba?

Man's inhumanity to man knows no political bounds, Mr. President. It flourishes wherever those with political power or military might are invested with an ability to exercise their ruthless will over innocent and defenseless people.

Neither the lessons of history nor the daily reminders we receive in our newspapers seem sufficient to move us to action. For nearly 28 years, we have neglected to ratify a treaty which would put the United States on record as deploring acts of mass violence and would raise genocide to the status of an international crime.

Mr. President, I ask that we act immediately to ratify the Genocide Convention treaty.

FARM POLICY

Mr. BAKER. Mr. President, I am sure that most of my colleagues are aware of the potential problems faced by this country's agricultural community as a result of the drought conditions which exist.

My good friend and colleague, Senator PETE DOMENICI, has recently traveled his own State of New Mexico and made some significant findings regarding this situation. He has discussed his findings in testimony before the Senate Agriculture Committee, and I ask unanimous consent to have his statement printed in the RECORD so that the Senate as a whole can benefit from his knowledge of this difficult area.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY BY U.S. SENATOR PETE DOMENICI OF NEW MEXICO BEFORE THE SENATE AGRICULTURE COMMITTEE

Mr. Chairman and Members of the Committee, I am pleased to appear before you today and testify on behalf of the Agricultural Producers of New Mexico.

In my testimony, I would like to make some general statements on farm policy and then move into some areas where I will make specific recommendations.

First, Mr. Chairman, let me say that I have not seen a time during the past several years in which more instability and uncertainty afflicted the agricultural community in my state and in the Rocky Mountain Region.

As I have toured my state, farmers, ranchers, and members of the financial community that have dealt for years with the producers of food and fiber have told me of their deep fears about the future of agriculture in this nation. I do not need to remind you all of the great service our agricultural producers have done for Americans and the rest of the world. And the success of American agriculture can at least in part be attributed to the sensitivity this committee has shown to the needs of both producers and consumers.

However, it seems to me that many farmers and ranchers now feel caught up in events out of their control—events that may force them into bankruptcy or into financial hardship. I hope that whatever legislation this committee adopts will pay particular attention to the new equation that our farmers and ranchers confront—increasing costs of energy and fertilizer, decreasing returns on their produce, and, in many areas, an uncertain water supply aggravated by this year's drought. This new equation could spell serious disruption of the nation's agriculture.

When considering legislation on farm and food policy, we realize that a unique set of economic and physical relationships affect our farm markets.

First, major farm crops are harvested only once a year, requiring that supplies be stored and metered out until the next harvest. This metering system relies on future markets that provide buyers and sellers with prices for future purchases or sales. If supplies become scarce, futures prices rise, which tends to reduce purchases by domestic and foreign buyers and assures a supply of the commodity at the end of the marketing year. If supplies increase, future prices fall, encouraging longer use of supplies and lower carryover at year's end.

Second, in our farm economy a small variation in the supply of a commodity causes a large variation in its price. A shortage of food brings a willingness to pay high prices; too much results in little demand for more at any price. A shift from too much to little or vice-versa causes dramatic fluctuations in price.

Third, livestock-meat production involves a multi-year process requiring large amounts of grain. As a result, livestock production must be coordinated with feed crop production or unusual instability will occur in livestock cost and profit relationships.

Four, one out of every four acres harvested in America is exported. Variations in demand for, or in the volume of, our annual export shipments cause sharp fluctuations in market prices with subsequent effects on grain and livestock producers, and eventually on the consumers.

It should be evident that the complexity and uniqueness of our food and fiber production system demonstrate the difficulty of developing any farm and food policy. However, it does suggest certain goals toward which we should aim in legislating a farm policy. I believe the direction we choose to take should take into consideration the following objectives:

1. To assure Americans an adequate supply of food and fiber.

2. To assure adequate production incentives to our nation's farmers.

3. To promote reasonable stability in our farm and food markets with minimal government interference in market forces.

4. To develop and expand foreign markets for our agricultural commodities; and, finally,

5. To provide an adequate amount of flexibility in our programs to allow America's agricultural producers to meet changing conditions.

While these goals, and many more, have been suggested by others, I do believe the ones I have briefly summarized here should guide the committee in their deliberations.

Mr. Chairman, I would now like to make specific recommendations on provisions which I feel should be included in any new farm legislation.

First, commodity loan level rates should be set at more realistic levels and target prices should be adjusted, as accurately as possible, to levels close to current costs of production. I should admit that in New Mexico there is some area of disagreement between various farm organizations and individual farmers as to what constitutes realistic loan levels and the concept of target prices set at full cost of production levels. However, many farmers have indicated that if it is the intent of Congress to set target prices at current costs of production levels, they disagree with the figures provided in the Economic Research Service estimates and with the figures contained in several of the legislative proposals which have been introduced. Most New Mexico farmers would ask the committee to take another look at the formulas used to evaluate costs of production, especially in the area of land costs.

Second, I recommend that the maturity of commodity loans be extended from one year to any period, not exceeding five years, specified by the producer-borrower, and bearing an interest rate not to exceed 5 per cent.

Third, I recommend adoption of S. 505, introduced by the Senator from Oklahoma, Mr. Bellmon, and which I cosponsored. The purpose of this legislation is to assist wheat and feed grain producers to construct grain shortage facilities on their farms. Loans guaranteed under this bill would be guaranteed up to 90 percent of the local cost of the storage facility, not to exceed $500,000. The size of the storage facility would be based upon the amount of space required to store the average quantity of the commodity pro-

duced by the borrower during the two preceding crop years. The term for these loans would be for any period, not in excess of 10 years, as specified by the borrower.

Fourth, I would recommend to the committee that the Consolidated Farms and Rural Development Act be amended so as to raise the limits on Farmers Home Administration farm ownership and farm operating loans.

Authority should be given for farm ownership loans up to $200,000, instead of the present $100,000, and up to $300,000 for guaranteed loans. Authority should also be given to increase farm operating loan limits from $50,000 to $100,000, and up to $200,000 for guaranteed loans.

There are many other areas of interest in general farm legislation. However, in the interest of brevity, I would recommend to the committee that any new legislation contain provisions which accomplish the following:

Provide incentives for foreign countries who wish to purchase and store grain in this country;

Provide restraints that will insure our foreign customers against an unnecessary interruption in their food supply;

Update crop allotments to reflect more current cropping patterns;

Update and streamline the disaster provisions in the 1973 Act; and

Allow the control of carryover stocks and reserves to remain in the hands of the individual producers. Concerning this issue, I would like to submit for the record a statement by Wayne Baker, President of the Roosevelt County Farm and Livestock Bureau (Exhibit 6).

Let me close by making one final observation. I have recently been approached by several livestock and crop producers who are not in the habit of "crying wolf" and asking for government assistance. They have convinced me of the severity of their situation and of the need for this Congress to develop and expedite the passage of meaningful farm legislation.

Thank you for the opportunity of appearing before you today.

A VIETNAM VETERAN'S VIEW OF AMNESTY

Mr. MUSKIE. Mr. President, I want to share with the Senate the reaction of a young Vietnam veteran to the pardon for draft evaders that President Carter announced shortly after taking office.

I think Roger Corbin's letter expresses the feelings of many Americans; a pardon granted by the Government does not detract from the worth of the service our veterans performed, or from the self-respect and justifiable pride that these men can and should take in having honorably carried out their duty.

The differences that divided Americans over the conduct and purpose of the Vietnam war have not invalidated the worth of these young men's sacrifices; differences over the nature of the pardon cannot denigrate their contribution either.

Roger Corbin expressed his feelings to me forcefully, and I think they are worth the attention of the whole Senate. I therefore ask unanimous consent that the text of his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR MUSKIE: I'm a Viet-Nam Veteran. I served in Viet-Nam from July 23, 1968 to July 23, 1969.

If you look at the history of this cold war you'll notice—that year was one of the most critical years we spent there. For twelve months, I served my country in Viet-Nam as a Combat Infantry OR what we used to call, "A grunt". I didn't get a rear job but rather out in the boonies my entire year.

I do not want a pat on the back, for I know myself and what I have done for my country. I do not want a favor, for my country has given me the G.I. Bill which helped me get through college. What I do want from you, is to consider my opinion on the subject of Amnesty.

I do agree with President Carter giving amnesty for these people as he stated. Let these men come back to their country if they want to. Let these men judge themselves and live with their judgment. I know what I have done for my country and I can walk proudly among them.

The issue being used by such men is that we didn't belong there. The real issue, in my opinion, was answering the call of our government to serve our country. Whether such action taken upon by our country was right or wrong, the fact still remains, are you going to back your country's decision; at a time it thinks its doing right by it.

One thing I will be against, if the issue over occurs, is the draft evaders asking amnesty for deserters. Draft evaders and Deserters are two separate elements. You are now talking about men who have raised their right hands and sworn to protect and serve their country.

If you are asked in our courts of law, to raise your right hand and swear to tell the truth and do not stand by what you swore to, you will be punished.

It is with this in mind I feel these deserters should not be granted Amnesty. If a deserter wants to come back to the U.S. of America, then let him face the punishment the American Government gives him.

Senator Muskie, our Democratic Government tells its people that they have a say in government by representation. A very small percentage of your saying is my saying.

If the issue on granting Amnesty for Deserters is brought out on the Senate Floor, I would appreciate if you would keep in mind my small portion of representation.

If ever you should read this letter on the Senate Floor, then I would have to say to you Senator Muskie, that you have represented me above and beyond the call of duty. Thank you very much.

A Loyal Citizen,

ROGER G. CORBIN.

TERRORISM, HOSTAGES, AND IMMUNITY

Mr. PELL. Mr. President, the year 1977 has so far been sadly replete with instances of gunmen taking hostage innocent people in order to draw attention to their cause, or to make demands of one form or another. Recent events here in Washington, in Ohio, as well as Indiana and outside New York City have left many of us baffled, saddened and angered.

Despite our relief and thanks that, in the latest incident, 134 hostages were released unharmed early Friday morning by the Hanafi Muslims, we are reminded today of the very thin line between life and death in these situations as the Nation's Capital observes the funeral of a promising young reporter, Maurice Williams, who lost his life in the opening moments of the Hanafi attack on the District Building.

Throughout the past month of terrorism and brutality, public debate has focused on the actions of elected officials, the police—even the President of the United States—in dealing with these situations. Particular attention has been given to the question of immunity—whether immunity from prosecution should be granted in order to save lives; whether, because immunity is granted under duress, it can be subsequently withdrawn; and the precedential effects of such actions.

In the Indianapolis incident, State officials promised immunity from State prosecution to a gunman holding hostage a real estate executive. After the gunman released his hostage unharmed, State officials withdrew the promised immunity, later confiding that they had never intended the immunity offer to be sincere. Although violations of Federal law occurred in that case, the U.S. attorney in Indianapolis, upon conferring with the Justice Department in Washington, decided not to offer immunity from Federal offenses in exchange for release of the hostage.

When questioned about the Justice Department's policy on immunity a few days later, Attorney General Bell stated that the granting and subsequent withdrawal of immunity was a bad idea. He said that if he granted immunity he would stand by his word, because he would never want to be in a situation where a person would not believe his word when he offered immunity. I believe this policy is most sensible and proper and I commend the Attorney General for his wisdom.

Although the emphasis in such situations must be on saving lives, the precedential effect of official conduct must not be forgotten. Governments must not make it a practice of countenancing mistrust. When the word of a public official is given, it must be kept, not only as a matter of principle but because of the effect that loss of faith in one situation will have on future actions.

Yesterday's Washington Post carried a story by Charles Fenyvesi, one of the hostages held at the B'nai B'rith Building, in which he points up the dangers of such mistrust. According to this story, the leader of the Hanafi group in Washington was most aware of the Indiana situation wherein State officials had given immunity, then, after the hostage was released unharmed, withdrawn it. He points out how this action by Indiana State and local officials had colored the Hanafi's view of dealing with Federal and District of Columbia officials. An already tense situation was thereby further aggravated, and could have led to further bloodshed.

I commend Federal and District of Columbia officials for the calm and effective way they handled a potentially explosive situation. I particularly commend the Ambassadors of Egypt, Iran, and Pakistan for their courageous personal involvement in helping settle the matter peaceably. All these officials helped restore much of the credibility that was lost by official misdeeds in Indiana.

AMERICAN MARIGOLD

Mr. BAKER. Mr. President, I recently introduced Senate Joint Resolution 23, to designate the American Marigold as the national flower of the United States. Since that time I have received a number of letters from enthusiastic supporters of the marigold throughout the country urging that favorable action be taken on this measure, and I am both pleased and grateful to know that this proposal continues to have a wide appeal.

One of the most eloquent statements on behalf of the marigold which I have received comes from my good friend Mr. David Burpee of the W. Atlee Burpee Co. in Doylestown, Pa. Mr. Burpee lists a number of reasons why the marigold, more than any other flower, deserves to be honored as our national floral emblem. I would like to share those reasons with my colleagues in the Senate, and I ask unanimous consent that Mr. Burpee's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REASONS WHY THE AMERICAN MARIGOLD SHOULD BE THE FLORAL EMBLEM OF THE UNITED STATES OF AMERICA

There are many reasons why the American Marigold (Tagetes erecta), the Friendship Flower should be the Floral Emblem of the United States.

Let me tell you some of them: The Marigold is native to Southwestern United States and to Mexico. It grows well and is popular in every state of our Union from Florida to Maine and from Hawaii to Alaska and also in every civilized country of the world. And it is known as the Friendship Flower.

The Marigold is not the state flower of any one of our states and is not the national flower of any foreign nation and as it is American, it can truly represent the United States of America.

The Rose is the national flower of England and is considered a symbol of warfare—The War of the Roses. The Rose is also the national flower of six other nations, two of which are behind the Iron Curtain. The Rose would not be appropriate as our national flower.

When Cortez conquered ancient Mexico, he found Marigolds growing there. The gorgeous golden Marigolds were so beautiful Cortez took seed with him back to Spain. In Spain the beautiful golden Marigolds became the favorite flower of the devout to place at the altar of the Virgin Mary and because of that they were called Mary's Gold and then became known as Marigolds.

Then seed of Marigolds was taken to every civilized country of the world. They were so easy to grow everywhere and so beautiful. they became popular everywhere.

In India Marigolds became, and still are, the favorite flower to put in leis to place around a person's neck to indicate friendship and because of that they have become known as friendship flowers.

It is my thought that since we are the only great nation in the world that does not have a floral emblem, that especially when world affairs are so troubled, it would be very desirable to name as our National Floral Emblem the American Marigold, the Friendship Flower. It would indicate that we desire to be friends with all the peoples of the world and through friendship, it would perhaps help to deter future wars.

I urge you to support the American Marigold for the National Floral Emblem of the United States of America.

KAIPAROWITS POWERPLANT

Mr. GARN. Mr. President, the Nation finds itself today caught in a bind between the need for environmental protection and the need for energy. The bind is neatly illustrated by the controversy over the construction of the Kaiparowits powerplant, which died last year after 10 years of planning. Its demise was largely a function of delays produced by governmental regulation and environmental lawsuits, both direct and indirect.

The citizens of the State of Utah have watched this growing bind with considerable apprehension, because their own opportunities and livelihoods are at stake. Utah has tremendous energy potential, and is ready and willing to make it available to the rest of the Nation. Despite that willingness, Utah is not allowed to produce: coal leasing moratoriums, surface mining regulations, air quality restrictions, concerns about water, all combine to stifle growth needed not just for Utahans, but for all Americans. Our sense of frustration is real and growing.

Last month, I visited southern Utah, to hear at first hand the expression of this frustration from rural Utahans. I would like to share with my colleagues a brief statement, delivered at one of the public meetings, by Mr. James E. Kropf, a representative of ALIVE, the American League for Industry and Vital Energy. This is an authentic voice, and one that demands to be listened to. I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. JAMES E. KROPF

The problems we are addressing this afternoon are not peculiar to the National Park Service. All governmental agencies and bureaus have grown at enormous rates. Today, we are addressing problems that deal with interface of the National Park Service and the American public. These problems are not just limited to this geographical area, but rather to the whole system.

The National Park Service is a bureau in the Department of the Interior. It came into existence in 1916 under the administration of Woodrow Wilson. At the time of the National Park Service's inception, the national park system consisted of 37 geographical areas. In the last 60 years it has grown to 300 geographical areas, encompassing a land area of 48,500 square miles. This represents a total land mass larger than the state of Pennsylvania. There is some land involvement in every state and territory except Delaware.

To operate and administer this system, the park service has six regional offices, a national capital park office, a planning and service center, as well as two training centers. This is only the main entities. It does not take into account the many smaller offices under the control of the regional offices.

It is inconceivable to me that with all the resources available to the National Park Service, that a report such as the National Park Service's environmental evaluation on Kaiparowits could have come into existence. In view of the numerous reports and studies of many private companies and responsible governmental agencies—at al levels—this report stood singularly out of line. To any responsible thinking person, it was obvious that the report was based on a prejudically formed assumption—then written to support that position. It was based on very existing fact. Not only was the report apparently erroneous and unprofessional in its statements in the negative direction, it did not include the positive aspects. I would think that this would border on a direct violation of the intent of the act which created the service. It in no way could be informative to the Under Secretary of the Interior in charge of the park service; therefore, it could not inform the Secretary of the Interior, nor the Congress, nor the President. It only succeeded in creating confusion in the Kaiparowits development. In concept, the report reeked of a conspiracy similar to the EPA report filed on Kennecott Copper Corporation, which the Los Angeles Times and other news media exposed as a doctored version. Alll of this was done at an expense that we can only conjecture—not to mention the expense of all the other reports made—most of them duplicated efforts.

We would suggest that the Congress of the United States of America take steps to:

1. Ascertain who was responsible for this report and closely scrutinize their position.

2. Take steps to insure that this agency as well as other agencies cease and desist from this type of reporting.

3. Take steps to eliminate the duplication of studies and reports.

4. Insure that all the agencies get back into line of administering rather than setting policy, policing, and judging.

It is evident that under the Constitution of the United States that judging belongs to the judicial branch—and that these bureaus were created to administer the intent of Congress and Executive branches. I do not see any place in the act that created the National Park Service that would give them the right to suppress facts, or to attempt to suppress the wishes and inalienable rights of a region to develop it's own natural resources—in view of the fact that we, as well as the developers of Kaiparowits, had complied with all existing requirements and laws at the time.

In closing I would like to quote a statement by Woodrow Wilson, President of the United States made on January 27, 1916, which illustrates the state of mind that existed in 1916 when the Congress created the National Park Service:

"Gentlemen, there is something that the American people love better than they love peace. They love the principles upon which their political life is founded. They are ready at any time to fight for the vindication of their character and of their honor. They will not at any time seek the contest, but they will at no time cravenly avoid it because if there is one thing that the individual ought to fight for, and that the nation ought to fight for, it is the integrity of its own convictions. We cannot surrender our convictions."

(This concludes additional statements of Senators submitted today.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

IMPORTATION OF RHODESIAN CHROME

The PRESIDING OFFICER (Mr. METZENBAUM). Under the previous order, the

Senate will now resume the consideration of S. 174, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 174) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the International community.

The Senate resumed the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I ask unanimous consent that my comments on the Byrd amendment be placed in the RECORD following any opening speeches that any of the principal sponsors would like to make, but I make these comments with the approval of those who are managing the bill so that we can move right ahead as expeditiously as possible.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, the Senate will act very soon on a resolution to restore the embargo on imports of strategic goods from Rhodesia. The question really is, What is at stake? How does the embargo relate to our main foreign policy objectives?

I shall review for just a moment the history of our relationships in Southern Africa and do so from a perspective as a member for several years of the African Subcommittee of the Foreign Relations Committee and from personal observations that I made while making a study trip in southern Africa last year on behalf of the Foreign Relations Committee.

In 1965, a white-minority regime headed by Ian Smith in Rhodesia declared itself independent of Britain. The white minority constitutes only 4 percent of the Rhodesian population; yet it has retained a complete monopoly of political power, and it has only recently shown signs of easing some of the economic restrictions on the black majority.

Gradually, the stubborn resistance of the whites to sharing power has caused the black Rhodesian nationalists to resort to arms. The level of casualties has risen steadily in recent years, and so have the numbers of white Rhodesian leaving the country.

It is plain that the Smith regime cannot continue to cling to power by sheer force. Yet they have retained an irrational belief that, if they plunge their country into racial war—and label the Rhodesian nationalists "Communist"—they can induce South Africa, Britain and the United States to intervene on their side.

Mr. President, it was quite clear to me that I should do everything I conceivably could, as one Senator, to disillusion Rhodesia of the fact that even if they tried to manipulate and control this situation, the United States had no intention of coming in and pulling their chestnuts out of the fire, that the grievances that were held were legitimate grievances, that this is the 20th century and they cannot continue to live in the 19th century, that they must face the reality of world affairs. Not a single nation has diplomatic relations with the Smith regime now in Rhodesia, and those facts of life have to be recognized.

I have not any doubt that the author of that amendment, Senator HARRY F. BYRD, JR., who is one of my most beloved and distinguished colleagues and a man for whom I have eminent respect, had an honest conviction that he did not want to make this country more dependent upon Communist countries like the Soviet Union for a vital mineral, such as chrome.

But now we have a chance to analyze that objective and the facts simply refute the continuation of the Byrd amendment.

I think we should recognize that gradually the resistance of the whites to sharing power has caused the Rhodesians to resort to arms. That has caused a tremendous destabilizing effect, and there is nothing we can do about it.

The level of casualties has risen. So has the number of white Rhodesians leaving the country. Those facts of life have to be looked at realistically by the remaining whites. Property values are declining. Whites are beginning to flee.

We have seen this same pattern in other countries, and what has the result been? Obviously, the Communists stand ready to move in. Obviously, the Communists would be delighted to start furnishing arms. But it is the black frontline presidents, as the chairman of our African Subcommittee can testify, who are saying, "We do not want outside forces to come in."

I cannot speak for Great Britain, but feel absolutely certain that the United States will not be on their side, and having talked with Air Marshal Hawkins, who is the resident representative in Cape Town for Rhodesia, I know he is under no illusion that South Africa with its forces and arms is going to come in to bail Rhodesia out.

Both Britain and South Africa have worked hard to produce a political solution in which black Rhodesians would gain power while the rights of white Rhodesians would be protected. Four successive U.S. administrations have tried to make it plain to Smith that the United States favors this type of solution and will not intervene on his side.

In 1968, the United States supported a resolution in the United Nations Security Council calling for a trade embargo against Rhodesia. The purpose was to compel the Smith regime to grant basic political rights to the country's black majority before racial unrest got out of hand. Some Soviet arms are already in the hands of the nationalists. The embargo was and is conceived as a device to encourage political change in Rhodesia before the situation there attracts massive outside military intervention, as in Angola.

However, in 1972, Congress passed the Byrd amendment to the military procurement bill. This amendment prohibits U.S. sanctions against a non-Communist country that supplies the United States with strategic materials. The practical effect has been that, during the last 5 years, we have imported between 4 and 18 percent of our chrome ore and between 18 and 45 percent of our ferrochrome from Rhodesia.

Other important suppliers of these commodities are South Africa, Turkey, Brazil, and the Soviet Union. Although the Byrd amendment was designed to cut our dependence on the Soviet Union, we have still imported between 41 and 83 percent of our chrome ore from the U.S.S.R. in the last five years. We have never imported ferrochrome from the Soviets.

When it comes to ferrochrome, we are more dependent on the Soviet Union today than we were before adoption of the Byrd amendment.

Our stockpiles of chrome ore are sufficient to meet our total needs for 4 years and our purely military needs for an estimated 20 years.

Mr. President, there is not a single agency in the executive branch of our Government that would say that the national security of this country depends in any way upon continuation of the Byrd amendment.

Thus, refusing to buy Rhodesian chrome ore and ferrochrome need not make us more dependent on the Soviets for these commodities. Indeed, this was indicated by representatives of the U.S. stainless steel industry in recent testimony before Congress. However, these industry representatives continue to oppose the embargo as a violation of free trade.

U.S. executive branch departments and agencies agree that restoring a full embargo on trade is consistent with our broader economic, political, and security interests.

I believe they are correct in this judgment and that Congress will act accordingly. Restoring the embargo will make it plain to the white-minority regime in Rhodesia that it cannot look to us for support if it continues to refuse basic political rights to the black majority.

We also have a growing interest in access to the raw materials and markets of African states that support the embargo.

Failing to restore the embargo now will send the wrong signal about U.S. interests and aims. It would rob us of diplomatic leverage to help resolve this problem before it attracts greater foreign intervention.

So, Mr. President, I strongly support repeal of the Byrd amendment. I believe deeply, as does the President of the United States and all other leaders of the executive branch, and the distinguished sponsors of this bill, led by Senator CLARK, that this is in our national interest. I can see no disadvantage. I can see tremendous advantages accruing to this country by the repeal of this act. I think the circumstances have proved that it is not needed, that conditions in the world are quite different from when it was imposed.

In no sense do I detract in any way from the high motivation, the great patriotism, or the sincere belief of Senator HARRY F. BYRD, JR., that what he was doing was in the best interests of this country; but the experiment has not

worked. The changing world is such that today we cannot evaluate the arguments similarly in the light of today's conditions. In fact, I think it would be very dangerous, indeed, for us to continue to violate this embargo and thereby isolate ourselves from a great part of the world.

I believe that we should back up our convictions as supporting the resolutions at the United Nations and not look like hypocrites or be inconsistent with the stated policy of this Government.

Many of these points were developed in an article I wrote for the Chicago Sun-Times and which appeared this morning in that newspaper. Mr. President, I ask unanimous consent to include the text of this article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESTORE RHODESIA TRADE EMBARGO

(By Charles H. Percy)

The Senate may act Monday on a resolution to restore the embargo on imports of strategic goods from Rhodesia. What is at stake? How does the embargo relate to our main foreign policy objectives?

In 1965, a white-minority regime headed by Ian Smith in Rhodesia declared itself independent of Britain. The white minority constitutes only 4 percent of the Rhodesian population, yet it has retained a complete monopoly of political power, and it has only recently shown signs of easing some of the economic restrictions on the black majority.

Gradually, the stubborn resistance of the whites sharing power has caused the black Rhodesian nationalists to resort to arms. The level of casualties has risen steadily in recent years, and so have the numbers of white Rhodesians leaving the country.

It is plain that the Smith regime cannot continue to cling to power by sheer force. Yet they have retained an irrational belief that, if they plunge their country into racial war—and label the Rhodesian nationalists "Communist"—they can induce South Africa, Britain and the United States to intervene on their side.

Both Britain and South Africa have worked hard to produce a political solution in which black Rhodesians would gain power while the rights of white Rhodesians would be protected. Four successive U.S. administrations have tried to make it plain to Smith that the United States favors this type of solution and will not intervene on his side.

In 1968, the United States supported a resolution in the United Nations Security Council calling for a trade embargo against Rhodesia. The purpose was to compel the Smith regime to grant basic political rights to the country's black majority before racial unrest got out of hand. Some Soviet arms are already in the hands of the nationalists. The embargo was and is conceived as a device to encourage political change in Rhodesia before the situation there attracts massive outside military intervention, as in Angola.

However, in 1972, Congress passed the Byrd amendment to the military procurement bill. This amendment prohibits U.S. sanctions against a non-Communist country that supplies the United States with strategic materials. The practical effect has been that, during the last five years, we have imported between 4 and 18 percent of our chrome ore and between 16 and 45 per cent of our ferrochrome from Rhodesia.

Other important suppliers of these commodities are South Africa, Turkey, Brazil and the Soviet Union. Although the Byrd amendment was designed to cut our dependence on the Soviet Union, we have still imported between 41 and 43 percent of our chrome ore from the U.S.S.R. in the last five years. (We have never imported ferrochrome from the Soviets.)

Our stockpiles of chrome ore are sufficient to meet our total needs for four years and our purely military needs for an estimated 20 years.

Thus, refusing to buy Rhodesian chrome ore and ferrochrome need not make us more dependent on the Soviets for these commodities. Indeed, this was indicated by representatives of the U.S. stainless steel industry in recent testimony before Congress. However, these industry representatives continue to oppose the embargo as a violation of free trade.

U.S. executive branch departments and agencies agree that restoring a full embargo on trade is consistent with our broader economic, political and security interests.

I believe they are correct in this judgment and that Congress will act accordingly. Restoring the embargo will make it plain to the white-minority regime in Rhodesia that it cannot look to us for support if it continues to refuse basic political rights to the black majority.

We also have a growing interest in access to the raw materials and markets of African states that support the embargo.

Failing to restore the embargo now will send the wrong signal about U.S. interests and aims. It would rob us of diplomatic leverage to help resolve this problem before it attracts greater foreign intervention.

Mr. CLARK. Mr. President, I congratulate the Senator from Illinois on his statement. He knows what he talks about. He has traveled in South Africa extensively. He has served on the Subcommittee on African Affairs in the Committee on Foreign Relations, and I believe he has attended more sessions than almost any other member of the committee. He has talked with a number of the leaders in southern Africa, all across the front line states—Rhodesia, South Africa, and so forth. I commend him on his statement.

Mr. PERCY. I thank my distinguished colleague.

The PRESIDING OFFICER (Mr. MATSUNAGA). Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, on Friday, the Senator from Virginia submitted four amendments to the pending measure and requested that they be printed in the RECORD and that they be printed for distribution to Senators today. I have been looking for those amendments. They have not been distributed to Senators.

I am prepared to call up an amendment, but I want a copy on the desk of each Senator when I call it up. Can the Chair advise?

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 12 Leg.]

Baker	Clark	Matsunaga
Byrd, Harry F., Jr.	Helms	Sparkman
	Laxalt	Thurmond

The PRESIDING OFFICER. A quorum is not present.

Mr. HELMS. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina. Let the Clerk call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Nevada (Mr. CANNON), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. McGOVERN), the Senator from Montana (Mr. MELCHER), the Senator from Florida (Mr. STONE), the Senator from Georgia (Mr. TALMADGE), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Iowa (Mr. CULVER) are necessarily absent

I further announce that the Senator from Colorado (Mr HASKELL), and the Senator from Hawaii (Mr INOUYE) are absent on official business.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of a death in the family.

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from New Mexico (Mr. SCHMITT), the Senator from Virginia (Mr. SCOTT), the Senator from Vermont (Mr. STAFFORD), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent to attend the funeral of a relative.

The result was announced—yeas 71, nays 2, as follows:

[Rollcall Vote No. 49 Leg.]

YEAS—71

Allen	Ford	Morgan
Anderson	Garn	Moynihan
Baker	Glenn	Muskie
Bayh	Griffin	Nelson
Bentsen	Hansen	Nunn
Brooke	Hart	Packwood
Bumpers	Hathaway	Pearson
Burdick	Hayakawa	Pell
Byrd, Harry F., Jr.	Heinz	Percy
	Helms	Proxmire
Byrd, Robert C.	Hollings	Randolph
Case	Huddleston	Ribicoff
Chafee	Humphrey	Riegle
Chiles	Jackson	Sarbanes
Church	Javits	Sasser
Clark	Laxalt	Schweiker
Cranston	Lugar	Sparkman
Curtis	Magnuson	Stennis
Danforth	Mathias	Stevens
DeConcini	Matsunaga	Stevenson
Dole	McClellan	Thurmond
Domenici	McClure	Wallop
Durkin	McIntyre	Young
Eastland	Metzenbaum	Zorinsky

NAYS—2

Goldwater	Metcalf

NOT VOTING—27

Abourezk	Hatch	Roth
Bartlett	Hatfield	Schmitt
Bellmon	Inouye	Scott
Biden	Johnston	Stafford
Cannon	Kennedy	Stone
Culver	Leahy	Talmadge
Eagleton	Long	Tower
Gravel	McGovern	Weicker
Haskell	Melcher	Williams

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

AMENDMENT NO. 69

Mr. HARRY F. BYRD, JR. Mr. President, I call up my amendment No. 69 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the bill, add the following:

EFFECTIVE DATE

SEC. —. This Act shall become effective 30 days after the President certifies to Congress that all members of the United Nations are complying with the sanctions imposed against Southern Rhodesia by the United Nations Security Council.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Virginia may proceed.

Mr. HARRY F. BYRD, JR. Mr. President, this amendment is a very simple one. It provides that the legislation now pending before the Senate, namely S. 174, shall become effective 30 days after the President certifies to Congress that all members of the United Nations are complying with the sanctions against Rhodesia.

Mr. President, if we do not adopt this amendment, it will mean that the United States is voluntarily penalizing itself economically, penalizing the people of our country economically, without making any effort to have the other nations which are members of the United Nations comply with the Security Council embargo.

The United Nations has repeatedly charged its members with widespread violations of the embargo against Rhodesia. Hundreds of cases have been reported.

Nations that have been cited include West Germany, Japan, Italy, several nations of black Africa—and most recently, a "major sanctions-breaking operation" was attributed to the Soviet Union, Romania, East Germany, Czechoslovakia, and Bulgaria.

In that connection, Mr. President, it is very interesting to note an article which was published in the Washington Post of February 10, 1977. It was a special report to the Washington Post, datelined United Nations, February 9. I shall read a few paragraphs from that article:

The Soviet Union, the leading non-African supporter of guerrilla forces seeking to overthrow the white-minority government of Rhodesia, has been accused along with four other East European countries of conducting "regular trade" with Rhodesia in a "major sanctions-breaking operation."

The charge emerged in a limited-distribution annual report issued last month by the U.N. Security Council's committee to police economic sanctions against Rhodesia imposed by the United Nations in 1966. The report was not distributed to the press.

The accusation, submitted to the U.N. Sanctions Committee by the British government in September, was one of four British diplomatic notes over the past year that have alleged specific trade relationships between Rhodesia and companies controlled by Soviet bloc governments. Together, they indicate a broad pattern of sanctions-breaking by the Soviet bloc.

Failure of the U.N. sanctions against Rhodesia over the last decade has been generally acknowledged.

This is a report to the Washington Post datelined United Nations, which was published in the Post, as I say, on February 10 of this year.

At a later point I shall put the entire article into the RECORD, but it goes on to say that:

The U.N. Sanctions Committee, which meets in secret and is composed of all 15 members of the Security Council, has no power to halt sanctions violations. The report also disclosed that the committee had considered 58 new cases of sanctions-breaking last year. Other countries charged included West Germany, Belgium, Italy, Japan, Switzerland, several African nations, Turkey, Iraq, Israel and the United States.

Mr. President, I ask unanimous consent that the entire Washington Post article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered

(See exhibit 1.)

Mr. HARRY F. BYRD, JR. Before the trade embargo against Rhodesia was imposed, the U.S. automobile industry controlled some 90 percent of the Rhodesian auto market. Today it is the Fiats, the MG's, the Toyotas, and the Volkswagens which can be found in Rhodesia.

The world has ignored the embargo, including our European allies, Japan, the Soviet Union, and Red China, as well as the principal African nations. As the London Economist observed:

Nobody is so foolish as to believe that the country could survive without the unpublicized assistance from Rhodesia's neighbors, both black and white. Of particular importance are the agreements that allow Rhodesian imports and exports to move by train across Zambia, Botswana and Mozambique. Coal still moves from the Wankie mines across the Victoria Falls bridge into Zambia, bound, so it is believed, for Zaire.

So, Mr. President, it is clear and has been clear for a long time that many if not most of the nations which are members of the United Nations are violating the United Nations embargo. The United States has not violated the United Nations embargo on trade with Rhodesia except in one instance, and that is in respect to strategic materials, which are vital to our own national defense and which are of great importance to so many consumer products which are sold to our citizens here in the United States.

If we are going to pass the pending legislation, introduced by the distinguished Senator from Iowa (Mr. CLARK), which would prevent the United States from importing chrome from Rhodesia, then I think we should certainly put as an amendment on that proposal the amendment which I have just offered and which is now the pending business, namely, that we will not cease to import chrome from Rhodesia until such time as the other nations are complying with the embargo.

EXHIBIT 1

[From the Washington Post, Feb. 10, 1977]

SOVIETS ACCUSED OF TRADE LINKS WITH RHODESIA

UNITED NATIONS, Feb. 9.—The Soviet Union, the leading non-African supporter of guerrilla forces seeking to overthrow the white-minority government of Rhodesia, has been accused along with four other East European countries of conducting "regular trade" with Rhodesia in a "major sanctions-breaking operation."

The charge emerged in a limited-distribution annual report issued last month by the U.N. Security Council's committee to police economic sanctions against Rhodesia imposed by the United Nations in 1966. The report was not distributed to the press.

The accusation, submitted to the U.N. Sanctions Committee by the British government in September, was one of four British diplomatic notes over the past year that have alleged specific trade relationships between Rhodesia and companies controlled by Soviet bloc governments. Together, they indicate a broad pattern of sanctions-breaking by the Soviet bloc.

Failure of the U.N. sanctions against Rhodesia over the last decade has been generally acknowledged but previously most sanction-breaking had been laid to Western nations. The Soviet Union has criticized the United States frequently for openly importing Rhodesian chrome, despite the U.N. ban, as a result of Congress' passage in 1971 of the Byrd Amendment.

The United Nations has often criticized the West for trading with Prime Minister Ian Smith's white-minority, breakaway government that declared independence from Britain in 1965.

These documented British accusations represent the first hard evidence of Soviet and East European trade with Rhodesia.

The Soviet Union and Romania, both members of the Sanctions Committee, have denied the allegations while the other East European nations named—East Germany, Czechoslovakia and Bulgaria—have not replied.

Although the formal British notes do not explicitly accuse these nations of knowingly trading with Rhodesia, one diplomat on the Sanctions Committee said, "If they didn't know, it was because they hadn't asked the questions that they didn't want answered."

The major British allegation involving the Soviet Union was linked to a Rhodesian trading agency, Michelle Enterprises, Ltd., which allegedly exported "tobacco and other agricultural commodities from Rhodesia and, in turn, imported chemicals, metals and agricultural requirements from Eastern Europe," according to the U.N. report.

The amounts involved and the nature of the Soviet chemicals and metals allegedly traded to Rhodesia were not specified, except for a general description of the trade as "major."

Rhodesia's high-quality tobacco has continued to reach world markets and has been a major factor in maintaining the Rhodesian economy, despite sanctions. The network used to export the tobacco has never been exposed, however.

It is apparent from the quiet way that the Sanctions Committee circulated the British allegations that it did not want to embarrass the Soviet Union. The trade between Rhodesia and the Soviet bloc came to general public attention as a result of investigative reporting by Eric Malling of the Canadian Broadcasting Corporation's public affairs program, "the fifth estate," televised yesterday in Canada.

The trade was allegedly conducted through three Geneva-based companies, set up specifically for the purpose—Comaisa, Tobatrade and Centrex. It involved, the U.N.

committee was told, the sale in Eastern Europe of cigarettes made from Rhodesian tobacco and packaged with striking realism under the names Benson & Hedges, Pall Mall, Lucky Strike, Chesterfield and State Express—all fraudulently purporting to have been manufactured in the United States and Britain.

A subsequent British note to the U.N. committee sent on Dec. 15, alleged that the Soviet state-owned trading company, All-Union Corporation For Trade in Miscellaneous Goods, and the Bulgarian state tobacco trading company, had entered negotiations through a Geneva company, Intabex, to buy Rhodesian tobacco from the Rhodesian company Tradimpex.

Two other British notes to the U.N. committee implicated other Eastern European nations in trade with Rhodesia.

One, submitted in April, noted that the C. Z. Scientific Instruments, identified as a British-based subsidiary of the East German company Carl Zeiss of Jena, had been fined $10,000 after pleading guilty in a British court to sanctions-breaking.

The East Germans denied involvement in the Rhodesia trade conducted by the corporation. Britain replied with documentation on the extensive East German shareholdings in and managerial control of the British company.

The most recent British note, submitted just last month, alleges that a Liechtenstein-based firm called Tobmark, Ltd., "collects orders and negotiates contracts" for the Rhodesian tobacco trading company called Trading Enterprises, Lt. Among the Rhodesian customers, the note says, are the Tobacco State Enterprises of Iraq, and Tabak DSO Bulgarskitutinil of Sofia, Bulgaria.

The U.N. Sanctions Committee, which meets in secret and is composed of all 15 members of the Security Council, has no power to halt sanctions violations. The report also disclosed that the committee had considered 58 new cases of sanctions breaking last year. Other countries charged included West Germany, Belgium, Italy, Japan, Switzerland, several African nations, Turkey, Iraq, Israel and the United States.

Special correspondent Malling reported that the CBC began to investigate the Rhodesian trade issue last fall, after British customs in Manchester seized 370,000 pounds of tobacco that had been purchased by MacDonald Lease Co. of Canada for one of its European subsidiaries.

British customs became suspicious after a Rhodesian coin fell out of a bail of Macdonald's tobacco during a routine inspection. Dissident black workers in Rhodesia occasionally salt the tobacco with Rhodesian coins to tip foreign inspectors as to the product's origin.

The particular shipment of tobacco was seized officially July 15 last year after neither Macdonald nor the Geneva-based firm Intabex could produce a simple certificate of origin for what the company's claim was Thai tobacco.

Macdonald, a recently purchased subsidiary of the U.S. tobacco giant R. J. Reynolds of North Carolina, said it ordered Thai tobacco and that, as soon as the origin was questioned, it canceled the contract and got its money back from Intabex.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to our distinguished colleague from North Carolina.

Mr. HELMS. May I inquire of the Senator if he will modify his amendment to correct the obvious typographical error, and change the word "national" to "nations"?

Mr. HARRY F. BYRD, JR. I appreciate the Senator's calling that to my attention.

Mr. President, I modify my amendment to change one word. Where the printed amendment says "United National Security Council" that should be, of course, "United Nations Security Council."

The PRESIDING OFFICER. The amendment will be so modified.

Mr. HELMS. Mr. President, I commend the able Senator from Virginia on his amendment. As he knows, I do not think there ought to be any sanctions against Rhodesia. I strongly support the Byrd amendment.

But as I read the Senator's amendment, all he is proposing is that we ensure that there will be consistency in this imposition of sanctions against Rhodesia; is that correct?

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HELMS. And if there are going to be sanctions by the United Nations, that they will be uniformly applied; is that correct.

Mr. HARRY F. BYRD, JR. The Senator is correct.

Mr. HELMS. There is no reason, Mr. President, why the United States should be the only nation that applies these sanctions rigidly. As the Senator from Virginia has just stated, Rhodesia exports many milions of dollars worth of goods and commodities every year. Therefore, Mr. President, there must be somebody buying them, including members of the United Nations. I would say to the able Senator from Virginia that I have reliable information that Great Britain is among those nations.

I commend the Senator on his amendment. I wonder if he has asked for the yeas and nays.

Mr. HARRY F. BYRD, JR. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, I believe the concern for violations of sanctions is a very proper one. Although I have no specific evidence of violations, it is my own judgment that sanctions have been violated from time to time, perhaps in some cases on a regular basis.

I do not want to suggest for a moment that it is not our concern and our interest, particularly if we are now going to begin to abide by these sanctions, to be concerned about those, and to do everything we can within our power, the President and others, to see that in fact these sanctions are implemented by others with whom we have relations in the world. It is of concern.

It seems to me, however, that if we were to pass this amendment—and I read the amendment because it is just one sentence—

> This act shall become effective 30 days after the President certifies to Congress that all members of the United Nations are complying with the sanctions imposed against Southern Rhodesia by the United Nations Security Council—

Obviously, the President does not have the authority, ability or responsibility to go into every other country in the world, the 160 countries in the world, to make sure that sanctions are, in fact, being followed, desirable as that would be, in my judgment.

In other words, if we could be very certain that no other country was violating sanctions, if we had an effective way to implement it, I would be for it. Obviously, we cannot go into the Soviet Union, into Japan, into Burundi, into Cambodia, make a judgment and the President come back to the Congress and certify that Cambodia is not violating any sanctions in Rhodesia or any other country.

I think the amendment is certainly well intentioned. It is one in which I concur if we could find a way for the President to honestly and effectively monitor every other country in the world on its imports and exports. I believe it is clear, however, that that is not workable.

Since the President, obviously, could not in good judgment ever say that no other country in the world, no other member of the United Nations, is violating these sanctions, it would have the effect of destroying the amendment, in my judgment.

The United States is unique in that it passed a law, the Byrd amendment, allowing violations of sanctions after voting in favor of these sanctions in the United Nations. So we are a bit different than other countries who are participating in this matter.

Some other countries, interestingly enough, are unable to comply with sanctions because they do not have the ability to even effectively monitor their own companies' activities. I think that is quite clear from the history of these sanctions against Rhodesia. It is not because, in many cases, they deliberately passed laws allowing sanctions violations as we did, but rather because they do not have the wherewithal to carry out the monitoring.

Of course, not all United Nations members are complying with these sanctions, as Senator BYRD, Senator HELMS, and I have said. I think that almost certainly is the case. The most serious violator of all, obviously, is South Africa, which, as the Senator from Virginia pointed out last Friday, as even I believe and I share his view, has even worse racial policies of discrimination than Rhodesia. They are obviously violators of the sanctions. Because South Africa has a policy of violating sanctions it is very difficult for any country which trades with South Africa to make absolutely certain that its products are not getting through to Rhodesia.

It seems to me that the amendment would be very difficult, would be impossible, to really enforce. All Rhodesia's trade goes through South Africa. Often goods intended for South Africa end up in Rhodesia.

According to the Treasury Department, it is possible to tell the difference between South African and Rhodesian chrome and ferrochrome. Ironically, sanctions against Rhodesian chrome are therefore easier to enforce than other commodities which South Africa may ex-

port as its own, at least in comparison with other countries.

The U.S. compliance with sanctions is uniquely important for both political and psychological reasons. First, Ian Smith still hopes that in the end the United States will come to his aid against the guerrilla forces. I think he has made that clear in statement after statement.

Violation of sanctions encourages this hope. That is why President Carter and Secretary Vance have said publicly that they support this measure before us today.

Smith does not look for assistance to any other power outside Africa. Therefore, indications of the U.S. position on change in Rhodesia are particularly significant to Prime Minister Smith.

The United States has an interest in peaceful rather than violent change in Rhodesia.

U.S. compliance with sanctions will help to encourage Ian Smith to accept a peaceful settlement to go back to Geneva and try to work out a settlement that is short of war. The alternative I think is a devastating racial war in Southern Africa, which is already intensifying daily.

Other countries, such as China and the Soviet Union, are providing weapons for this conflict. Their interest in peaceful change, and in sanctions working, is not as great as ours. We need, want, and are working for, with Great Britain, a peaceful transition to majority rule.

Finally, this amendment is obviously intended to vitiate or make ineffective the intention of the bill. Universal compliance as a condition of an embrago means there will be no embargo. It is an impossible task for any single nation to undertake, I believe. Moreover, it is not our legal or moral obligation to insure universal compliance, much as we want it. Our task is to try to insure our own compliance with the United Nations resolution.

Therefore, Mr. President, I move to table the pending amendment.

Mr. HELMS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Virginia. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Nevada (Mr. CANNON), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), the Senator from North Carolina (Mr. MORGAN), the Senator from Maine (Mr. MUSKIE), the Senator from Georgia (Mr. TALMADGE), the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Iowa (Mr. CULVER) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) and the Senator from Hawaii (Mr. INOUYE) are absent on official business.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of a death in the family.

On this vote, the Senator from Iowa (Mr. CULVER) is paired with the Senator from North Carolina (Mr. MORGAN). If present and voting, the Senator from Iowa would vote "yea" and the Senator from North Carolina would vote "nay."

Mr. STEVENS. I announce that the Senators from Oklahoma (Mr. BARTLETT) and (Mr. BELLMON), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Kansas (Mr. PEARSON), the Senator from New Mexico (Mr. SCHMITT), the Senator from Virginia (Mr. SCOTT), the Senator from Vermont (Mr. STAFFORD), and the Senator from Texas (Mr. TOWER), are necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent due to a death in the family.

The result was announced—yeas 45, nays 28, as follows:

[Rollcall Vote No. 50 Leg.]

YEAS—45

Anderson	Glenn	Moynihan
Bayh	Griffin	Nelson
Bentsen	Hart	Packwood
Brooke	Hathaway	Pell
Bumpers	Heinz	Percy
Burdick	Huddleston	Proxmire
Case	Humphrey	Ribicoff
Chafee	Jackson	Riegle
Church	Javits	Sarbanes
Clark	Magnuson	Sasser
Cranston	Mathias	Schweiker
Danforth	Matsunaga	Stevens
DeConcini	McIntyre	Stevenson
Durkin	Melcher	Weicker
Ford	Metzenbaum	Zorinsky

NAYS—28

Allen	Garn	Metcalf
Baker	Goldwater	Nunn
Byrd, Harry F., Jr.	Hansen	Randolph
Byrd, Robert C.	Hayakawa	Sparkman
Chiles	Helms	Stennis
Curtis	Hollings	Stone
Dole	Laxalt	Thurmond
Domenici	Lugar	Wallop
Eastland	McClellan	Young
	McClure	

NOT VOTING—27

Abourezk	Hatch	Muskie
Bartlett	Hatfield	Pearson
Bellmon	Inouye	Roth
Biden	Johnston	Schmitt
Cannon	Kennedy	Scott
Culver	Leahy	Stafford
Eagleton	Long	Talmadge
Gravel	McGovern	Tower
Haskell	Morgan	Williams

So the motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. DECONCINI). The Senator from New York.

Mr. JAVITS. Mr. President, I ask unanimous consent that Frank Ballance be granted privilege of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask unanimous consent that Dick McCall of Senator HUMPHREY's staff be granted privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 68

Mr. HARRY F. BYRD, JR. Mr. President, I call up amendment No. 68 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, JR.) proposes an amendment numbered 68:

At the end of the bill add the following new section:

HALTING THE IMPORTATION OF SOVIET CHROME

SEC. —. (a) It is the sense of the Congress that the Union of Soviet Socialist Republics has a minority government and has repeatedly violated human rights.

(b) Effective upon the expiration of 30 days after the date of the enactment of this Act, the President shall prohibit the importation of chromium in any form from the Union of Soviet Socialist Republics.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will come to order.

Mr. HARRY F. BYRD, JR. Mr. President, I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I am opposed to the passage of the pending bill which would nullify the application of the Byrd amendment to Rhodesia and thereby prevent continued trade in strategic materials—particularly chrome—with that country.

The suggested major justification for this measure, according to the Foreign Relations Committee report, is that it may help bring about majority rule in Rhodesia. Mr. President, we trade with the People's Republic of China. We trade with a number of Eastern European countries with Communist governments. We trade with Russia. None of these countries permits majority rule but there is no protest about these conditions by the proponents of this legislation. In my view, it is hypocritical under these circumstances to make a special case of Rhodesia and treat it harshly while tolerating without protest equally as bad, if not worse, discriminations in other countries.

Chrome is a vital material. It is on the Defense Department's list of "strategic materials"—ones considered essential for the Nation's defense. Increasing the vulnerability of this country's source of chrome by stopping trade with a country that has proven a reliable supplier and forcing a resort to the Soviet Union, the alternate source of this ore and a powerful adversary of this country is inconsistent with the highest order of national security.

Mr. President, I am not at all persuaded that Russia's form of government grants any greater liberties to some of its citizens than is denied by Rhodesia to some of its people.

Therefore, Mr. President, I think the amendment just offered is an appropriate amendment.

Why will we not do the same thing with respect to Russia, our second source? It is just as logical that we do

it. No one will stand on this floor and insist that there is not oppression and discrimination in Russia or that they have open rule.

The proposed measure is void of both high principle and sound policy. I shall vote against it, and I hope it will be rejected by the Senate. I believe that the amendment now before the Senate is a real test of consistency, of what is really behind this. If it is simply not to trade with Rhodesia because she denies majority rule and some of her people are oppressed, then the same argument, the same principle—everything that is said to justify doing this to Rhodesia—is applicable to Russia and to other countries with whom we trade.

Mr. President, I shall try to be consistent with my vote.

Mr. HARRY F. BYRD, JR. Mr. President, the able senior Senator from Arkansas has just made an effective and powerful statement.

As the distinguished Senator from Arkansas pointed out, if this country wishes to take action in the way of a trade embargo against Rhodesia because it disapproves, as the majority of the American people do disapprove, of the way Rhodesia handles some of its internal problems, then certainly it is logical that Congress should take similar action against Russia, whose repressive policies against an overwhelming number of its citizens is no better than that of Rhodesia and indeed, in almost any accepted sense of the word, is far worse, from the point of view of the average citizen of Russia as compared to the average citizen in Rhodesia.

The amendment now pending before the Senate, the amendment to the proposal of the Senator from Iowa (Mr. CLARK), has only two brief sections. Section (a) says,

> It is the sense of the Congress that the Union of Soviet Socialist Republics has a minority government and has repeatedly violated human rights.

Can any Member in this Chamber challenge that assertion? The Union of Soviet Socialist Republics—namely, Russia—has a minority government and has repeatedly violated human rights.

If we are concerned about human rights in Rhodesia, why are we not equally concerned about human rights in Russia? As a matter of fact, we should be more concerned about an embargo on trade with Russia as compared with Rhodesia, for the simple reason that Rhodesia is no military threat to the United States. Russia is a military threat to the United States.

The American taxpayers are being called upon this year to put up $121 billion for national defense, the primary purpose being to safeguard our Nation against the potential aggression of the Soviet Union. Yet, if S. 174 is enacted, it will greatly benefit Communist Russia and build up our adversary.

It is important to realize that S. 174 would cut the United States off from trading with a nation that has two-thirds of the world's supply of metallurgical grade chrome. For the most part, the remaining one-third is in South Africa and Russia. So in cutting ourselves off from that trade with Rhodesia, we would make ourselves more dependent on Russia.

Section (b) of the pending amendment says:

> Effective upon the expiration of 30 days after the date of enactment of this act, the President shall prohibit the importation of chromium in any form from the Union of Soviet Socialist Republics.

So if we want to cut ourselves off from Rhodesia's chrome supply, I submit that we also should cut ourselves off from Russia; because if we do not do that, we become more dependent upon a potential adversary.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, again I commend the able Senator from Virginia on another fine amendment, which I support.

What he is saying is that if the United States is really interested in supporting sanctions, let us support sanctions across the board.

Let me make it clear, Mr. President, that this Senator is opposed to any sanctions against Rhodesia. I believe that the action of the United Nations in imposing sanctions was illegal and immoral, in the first place, and a clear intervention in the internal affairs of Rhodesia. I believe that the United States never should submit its sovereign acts to the decisions of the United Nations. In any case, every nation has a prior right to place its strategic interests before any other international obligations, real or pretended.

However, if we are going to support sanctions, as the Senator from Virginia has emphasized, even at the expense of our own national security—and that is what we are talking about here—then we should support them all across the board. Let us not be selective, Mr. President.

I already have pointed out, during the debate on this legislation, that both Japan and South Africa import Rhodesian chrome in some form, and I do not fault them for doing it.

So I commend the Senator from Virginia. I hope his amendment will prevail. If we are going to go this absurd route, let us go all the way, so that the people of the United States can understand what the Senate of this country is doing.

I do not think we should have sanctions, certainly not at the expense of national security and our own economic welfare, when so many other countries are playing footsie behind the scenes. Here we go, throwing principles aside, which reap us nothing but the whirlwind.

Mr. President, I ask for the yeas and nays on the amendment of the Senator from Virginia.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARRY F. BYRD, JR. Mr. President, the printed amendment is not on the desk of each Senator.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, for reasons of political expediency a decision has been made to nullify the Byrd amendment, whatever the cost to the security of this Nation. The distortions which have been circulated regarding the need of this Nation for chromium in all forms are so great that one is inevitably led to the conclusion that a deliberate attempt has been made to mislead the American people.

For example, Secretary of State Cyrus Vance, in his testimony before the Senate Foreign Relations Committee, said the following:

> It should now be clear that access to Rhodesian chrome and other minerals is not an important element in U.S. security or overall economic policy. We maintained a huge supply of chrome in our strategic stockpile, and the Defense Department's requirement for metallurgical-grade chromite was relatively small.

Moreover, Mr. John J. Sheehan, legislative director of the United Steelworkers of America, made the following statement:

> We are nearly experiencing a de facto embargo on Rhodesian chrome right now, and there is no impact on American jobs.

It has even been alleged that new technology now makes it possible to use low-grade chromite for making stainless steel, and so therefore our stocks of chromite or sources of supply are no longer critical.

Mr. President, such allegations gloss over the harsh realities of the supply picture, and seize upon the worldwide recession of the past 2 years to paint a false picture of declining need. They also fail to examine the nature of the word "strategic" when we talk about strategic stockpiles, and the necessity to maintain them. Fluctuations of demand in the consumer market are not the criteria by which we determine strategic need; nor is a narrow definition of military uses sufficient to exclude chromium from the list of strategic materials.

The point is this: It should be plainly obvious that a shortage of chrome could cripple the United States both militarily and economically, even if we were able to supply the specific amounts of chromium needed in weapons and military transport. All kinds of machine tools, chemical and petroleum processing equipment, pumps and tanks, railroad rolling stock, airplanes, boilers, reactors, generators, and medical equipment, not to speak of food processing equipment and consumer goods require chromium. Although some of these goods can be rationed, it remains true that even the lack of small amounts of chromium can shut down entire industries, or prevent expansion. In time of war—and we cannot assume that all wars in the future will consist of nuclear exchanges—rapid mobilization of production facilities can require large quantities of critical materials.

Mr. President, with the Senate's indulgence, I want to go into a more detailed discussion of the need for strategic stockpiles in a few minutes; but right now we must look at the alleged decline, and the real factors behind the present situation.

Throughout this discussion we must keep in mind the distinction between chromite—the unprocessed ore—and ferrochromium, the semiprocessed ore which is used directly in the steelmaking process. The Byrd amendment allows the importation of both from Rhodesia. However, the Church bill goes one step further than merely prohibiting the importation of chromite and ferrochrome; it also effectively forbids the importation of any "steel mill product" made with chromite and/or ferrochrome from Rhodesia. Thus the impact of S. 174 will be far greater upon the United States than a simple repeal of the Byrd amendment. This, I think, the Senate ought to bear in mind during the consideration of the pending legislation.

This impact will be obvious if we examine what has been happening in the world chrome market in the past 2 years.

The first factor in recent changes has been the fact that the very threat that the Byrd amendment would be repealed has been sufficient to treble the prices for chrome ore. After the Byrd amendment was adopted in 1971, prices, which had been raised to abnormally high levels by the Soviet Union, immediately declined to normal.

That was the effect of the Byrd amendment, and the American people, the consumers, were the beneficiaries of the wisdom of the Senator from Virginia in putting forth his amendment, and the Senate and House of Representatives in approving it. But beginning in 1975, when it appeared that a strong drive would be made to repeal the Byrd amendment—a drive that failed at the time—the Soviet Union and Turkey immediately began to raise prices again. Although the Soviet Union sells no ferrochrome, the effect was worldwide upon all producers of ferrochrome and chrome-alloy steels.

Despite the rising costs of ore, however, world demand decreased because of the economic recession, particularly in Western Europe and Japan. The only reason why the normal laws of supply and demand failed to work was because of the political intervention of threats to pass the Byrd amendment and to hand the Rhodesian Government over to an unstable group of revolutionaries.

1974 was a boom year for chrome; but 1975 showed sharp declines because of cutbacks in all kinds of productive industries.

Thus, early last year, the United States found itself with a large inventory of both ore and ferrochrome. In fact, at the beginning of 1976, chromite stocks were twice what they had been a year before—a 6-month surplus. And this happened in spite of the fact that usage of chromite in 1975 was 40 percent lower than in 1974.

Indeed, U.S. alloyers cut their output to 40 to 60 percent capacity in 1975. The stocks of alloyers were 70,000 tons, in October 1975, as compared to 19,101 tons in October of 1974. The stocks of chrome alloy consumers were 68,000 tons in October 1975, as compared to 43,000 tons in October 1974.

Thus U.S. alloyers have been "working down their inventories." They have preferred to hold ore, rather than to refine it, and be caught holding large stocks of processed inventories. This is the explanation behind the so-called de facto embargo that we have been hearing so much about. It is entirely economic in origin, due to the temporary recession. It would indeed be folly to make permanent legislation upon the basis of the evidence of a temporary aberration in the market, an aberration that is already changing.

In 1976, consumption of chromite rose to 1.04 million tons from only 881,000 the year before. In fact, demand is predicted to increase at the rate of 2.1 percent through 1980.

Moreover, another factor in the excessive stocks of chrome alloys in the hands of chrome consumers in 1975 was the sharp increase in the importation of steel mill products containing chrome. There were two reasons for this: The first was that the worldwide recession resulted in poor markets for ferrochrome in Japan and Western Europe, so producers flooded the American market, which was in better shape. The second was the fact that the imports found a ready market where the buyers were concerned over the possibility that action to repeal the Byrd amendment might make chromium products in short supply.

Should S. 174 become law, then such imports would be prohibited if they contained chromium from Rhodesia. It is important, therefore, to look at the table of major U.S. imports of high-carbon ferrochromium products.

Mr. President, I have a list of exporter countries and the short tonnage. I ask unanimous consent that this list be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

High carbon

Exporter:	*Short tons*
Brazil	15,653
Japan	63,277
Rhodesia	60,545
South Africa	70,051
Yugoslavia	10,133

Mr. HELMS. I thank the Chair.

This table shows that the major exporters of ferrochromium to the United States are Japan, Rhodesia, and South Africa. Rhodesia, of course, would be excluded per se. But Rhodesia is the principal supplier of chromite to Japan, and a high proportion of South Africa's chromite also comes from Rhodesia. Moreover, any steel mill products that contained ferrochrome from those three countries would also be banned, because of the Rhodesian origin of the chromite.

It is thus erroneous to dwell upon chromite imports from countries other than Rhodesia, or to put the emphasis on new technological developments. The fact of the matter is that the name of the game now is ferrochrome, and that Rhodesian ferrochrome will continue to play an important role in the world market. If we pass S. 174, we will be cutting ourselves off not just from Rhodesia but also from most of the steel producers of the world.

Now, if that is what the U.S. Senate wants to do, let Senators go home and tell the people that that is what they, the Senators, favor.

Nor can we ignore the fact that the actions of the Soviet Union in the chrome market have had a ripple effect throughout the world. The Soviet Union blatantly raised prices, as I stated earlier, to an exorbitant level until their near-monopoly position was defeated by the Byrd amendment in 1971.

Then and then only prices fell. Instead of repealing the Byrd amendment now we ought to be engaging in a colloquy of congratulations to the distinguished Senator from Virginia for proposing the amendment in the first place and we ought to be very proud of having approved such legislation instead of wiping it from the books.

With the expectation that the Byrd amendment might be repealed, prices, as I said earlier, have again tripled. Obviously, in both cases, Turkey has followed the Soviet Union's example.

But we must not forget that the Soviet Union suspended chromite shipments during the Berlin blockade, and for 5 months during the Vietnam war. In 1975, Turkey was unable to meet delivery requirements because of the Cyprus affair.

So what does this indicate, Mr. President? Does it indicate that we can afford to cut off any source, especially a major source like Rhodesia, in a world where politics is sometimes more powerful than economics?

I say, Mr. President, the answer to that, after any rational consideration, is no.

Here we are, preparatory to repealing the Byrd amendment and going further even than that, cutting off our noses to spite our faces, inviting a position of power on behalf of the Soviet Union, and meddling in the internal affairs of a country which is trying to be our friend, one of the two countries that when we were bogged down in Vietnam offered to help us.

Maybe there is a logical explanation for all of this, Mr. President, but it escapes the Senator from North Carolina.

It is often asserted that we need not worry about cutting off Rhodesia because we have chromium in the strategic stockpile. At the present time the goal for the stockpile of metallurgical grade chromite is 2.5 million tons; we have 1.9 million tons of metallurgical grade—about 22 months' usage at last year's rate. But at the 1974 rate of usage, we have only about 18 months' usage.

Mr. President, the American people fully understand these issues. If I count correctly, I have been in about 40 States in the past 14 months and I have met with Americans in all walks of life.

I have been surprised at the awareness of this issue among the people. I do not think there is any question about how the people stand on the issue. They are overwhelmingly opposed to U.S. involvement in putting pressure on Rhodesia. They overwhelmingly favor buying chrome from Rhodesia, regardless of its internal political situation. That is the

way the American people feel about it, and yet here we go.

Here we go, wiping the Byrd amendment away, as if we had a logical explanation for our action. In a survey conducted a few months ago by the Opinion Research Corp. of Princeton, N.J., 66 percent of the respondents said that the United States should not become involved in pressuring Rhodesia, and 72 percent said that we should continue to buy chrome from Rhodesia, no matter what the internal situation.

That is the way the American people feel about it. Think of that, Mr. President: 72 percent of the American people agree with the fundamental premise of the Byrd amendment.

Moreover, the Opinion Research group said that:

Opinion on this issue shows no significant variation by party affiliation, political ideology, or other major demographics.

Concerning the findings of the Opinion Research group, I ask unanimous consent that the questions and answers in their entirety on this issue from the Opinion Research poll be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE AMERICAN PUBLIC BELIEVES THE UNITED STATES SHOULD NOT BECOME INVOLVED IN THE POLITICAL PROBLEMS OF RHODESIA

Fewer than a fifth of the public favor the policy, recently expressed by Secretary of State Kissinger, of the United States bringing pressure on Rhodesia to give the rule over to the black majority. On the other hand, only about one person in ten favors supporting the present Rhodesian government. The majority opinion—voiced by two-thirds of the public—is for the United States not to become involved. And a policy of non-involvement is supported throughout the population.

U.S. POLICY TOWARD RHODESIA

Question 8. "As you know, Rhodesia is a country in the southern part of Africa that is ruled by a white government, although whites are a minority in the country. Recently, Secretary of State Kissinger said the United States would bring pressure on Rhodesia to give the rule over to the black majority. Do you favor such a policy on the part of the United States, do you favor supporting the present government, or should we not become involved?"

	Total public *Percent*
Favor a policy of bringing pressure on Rhodesia to give rule to black majority	18
Favor supporting present Rhodesian government	9
United States should not become involved	66
No opinion	7
Number of interviews	1,017

By a wide margin, the public supports the United States continuing to buy chromium ore from Rhodesia regardless of its internal political situation.

To determine public opinion on the issue of buying Rhodesian chromium ore, respondents were informed about—

Secretary of State Kissinger's recently annunciated position,

The need for chromium ore in a number of manufacturing processes,

The world's supply of high-quality chromium ore.

With this information to consider, over seven people in ten say the United States should continue to purchase Rhodesian chromium ore, while 14% support a cessation of these purchases.

THE PURCHASE OF CHROMIUM ORE FROM RHODESIA

Question 9. "Secretary Kissinger also has said that, if the rule of Rhodesia is not turned over to the black majority, the United States will continue to deny diplomatic recognition of Rhodesia and we will stop buying its high-quality chromium ore.

"Chromium ore is necessary for a number of manufacturing processes—such as manufacturing stainless steel, manufacturing paint, food processing, and for the manufacture of jet engine blades and other components in mass transportation systems. Two-thirds of the world's high-quality chromium ore is in Rhodesia. The only other major sources are the Republic of South Africa and Russia.

"Given this situation, should the United States stop buying chromium ore from Rhodesia, or should we continue to buy from Rhodesia regardless of its internal political situation?"

	Total public *percent*
Stop buying chromium ore from Rhodesia	14
Continue to buy chromium ore from Rhodesia	72
Does not matter	3
No opinion	11
Number of interviews	1,017

Opinion on this issue shows no significant variation by party affiliation, political ideology, or other major demographics.

Mr. HELMS. I would observe that these questions are from a wide ranging poll of attitudes on foreign policy questions conducted by Opinion Research for the Institute of American Relations in May of 1976.

Mr. President, I yield the floor.

Mr. CLARK. Mr. President, I should like to speak briefly on this particular amendment. The amendment is just two sentences, and I should like to read those two sentences before commenting on it:

It is the sense of the Congress that the Union of Soviet Socialist Republics has a minority government and has repeatedly violated human rights.

Effective upon the expiration of 30 days after the date of the enactment of this Act, the President shall prohibit the importation of chromium in any form from the Union of Soviet Socialist Republics.

I think we ought to get one particular point straight at the outset. No one that I know of in this body, or any sponsor of this amendment, questions that the Soviet Union has repeatedly violated human rights. I do not favor violation of human rights. I support the initiative of the President with regard to human rights, and the amendment I offer in no way suggests that we think less of human rights violations in the Soviet Union. I do not see anything in the language that indicates that.

The purpose of this measure is not to cut off trade with all countries which violate human rights. Obviously, if that were the purpose, it would have to include the Soviet Union, just as it would have to include at least half the nations of the world, which do, indeed, violate human rights.

So I do not want anyone to read this debate or hear this debate and believe that it is the purpose of this measure to cut off all trade with all countries which violate human rights. Obviously it is not.

I believe we should protest human rights violations as the President and others have done, and work to correct them. However, the precise actions we will take are different, obviously, from one country to another, given one historical situation as compared to another.

I might say, incidentally, before looking at Rhodesia, that there has been a good bit of discussion about consistency. Is it consistent to say that we will impose sanctions on Rhodesia but not on the Soviet Union? In fact, the whole premise of this amendment as presented is one of consistency. Are we really concerned about consistency?

It seems to me that if we were really concerned about consistency, we would not limit it to the Soviet Union.

Look at the countries we import chrome from: Turkey, South Africa, Brazil, the Philippines, Madagascar, the Sudan, Pakistan, Iran, New Caledonia—we import chrome from many countries that I think, almost by any standard, one would have to say are broader than the Soviet Union in terms of violations of human rights.

Does anyone really believe human rights are not violated in the Republic of South Africa, where black people are not permitted the right to vote at all, under any circumstances—in what is called "white South Africa"?

Mr. HARRY F. BYRD, JR. Mr. President will the Senator yield for a question?

Mr. CLARK. I do.

Mr. HARRY F. BYRD, JR. If the proposal offered by the distinguished Senator from Iowa is approved, then it will mean that the United States will become more dependent on South Africa as well as more dependent on the Soviet Union. As the able Senator has said, South Africa has no better racial policies than does Rhodesia.

Mr. CLARK. I think worse.

Mr. HARRY F. BYRD, JR. The Senator thinks worse; and yet the proposal which is before the Senate and which has been approved by the Foreign Relations Committee would build up South Africa and the economy of South Africa.

Mr. CLARK. That is precisely why I have said that I think the purpose of this amendment is not to correct violations of human rights all over the world. If indeed that were the purpose, then South Africa would have to be included, because I think it is quite true that there is no country in the world that is more racist in its attitudes.

It is certainly not the only country in the world that violates human rights, but it is the country in the world, I think, that violates human rights on the basis of racism more than any other country in the world. Yet South Africa is not in the amendment, and South Africa has not been mentioned in the debate. Why not South Africa, if we are going to have this become a human rights amendment, which in my opinion it should not be?

Mr. HARRY F. BYRD, JR. Will the Senator yield again?

Mr. CLARK. Yes.

Mr. HARRY F. BYRD, JR. The proposal offered by the Senator from Iowa does not include South Africa. The reason that the Senator is including Rhodesia, as I understand it, is because of Rhodesia's racial policy; is that not it?

Mr. CLARK. No, I would say it goes much more deeply than that. I am coming to that part of my discussion. I think the matter has to be seen in historical perspective, as to how the present government came into power. I think you would have to show the British reaction, and the reaction in the United Nations. I think only in that perspective does it make sense to have sanctions against Rhodesia.

I would not suggest that I am doing it because it is the most racist country in the world.

Mr. HARRY F. BYRD, JR. Does it make sense in the judgment of the Senator, to have sanctions against South Africa?

Mr. CLARK. I am not sure. I would rather not face that question at the moment, as to whether the United States should impose sanctions on South Africa. We have not chosen to do so in the United Nations and I abide by that decision today. If the United Nations were to impose sanctions on the Soviet Union or on South Africa, I would feel they ought to be followed.

Mr. WALLOP. Will the Senator yield?

Mr. CLARK. I yield.

Mr. WALLOP. I had a conversation this morning with Mr. Schaufele. He said that it is the U.S. position that Rhodesia is not a country. Would the Senator care to comment on that?

Mr. CLARK. It is quite true that the United States does not recognize the legality of the government in Salisbury.

Mr. WALLOP. He also suggested to me that that was one of the reasons why it was all right for us to trade with South Africa and Russia, because we did recognize them and we failed to recognize Rhodesia, as indeed he said South Africa has done. We were, therefore, putting ourselves in the position of supporting a U.N. mandate, as the American Bar Association would have it. Is that more or less the understanding of the Senator?

Mr. CLARK. I am not sure I understood the point of the Senator.

Mr. WALLOP. He said to me that the reason we were embarked on sanctions—in following the historical perspective of the Senator as it relates to Great Britain—is that it was a U.N. sanction imposed because of the unilateral declaration of independence on the part of Rhodesia.

Mr. CLARK. I believe there is a relationship, yes.

Mr. WALLOP. My question then would be: If this is indeed the position of the United States, that Rhodesia is nothing but a territory of Great Britain, should sanctions not extend to Great Britain?

Mr. CLARK. I would argue not. Let me try to explain in answer to what the Senator has asked and what Senator BYRD has asked. I tried very briefly to state why I believe Rhodesia is a unique case rather than just another South Africa, another Soviet Union, or another violator of human rights. It relates to what the Senator is talking about.

Let us remember that here was a British colony for decades and decades. They decided they were going to give this colony its independence, just as they had done with Northern Rhodesia, which became Zambia, just as they had done with Kenya, just as they had done with several other parts of their colonial empire.

Just a short period of time before it was done, suddenly there was a usurpation of power in Salisbury by Ian Smith and the party which called itself the Rhodesian front. They took power through a unilateral declaration of independence in 1965.

One could say, "Well, that is not so bad. Many countries have done that." That is quite right, but the point was they did it on a racial basis. That is why Great Britain did not recognize it. In fact, the question at issue in 1965 was whether Great Britain should in fact send in troops, take the government over again, go ahead with the decolonization process, and let that colony develop as Kenya, Zambia, and others had done. They chose not to.

Instead of going a war route, in a sense, a violent route, they said, "No, rather than doing this, let us go to the United Nations. Let us get the other members of the United Nations to insist that they be colonized in a nonracist way."

So they came to the United Nations, they made their case, and every member of the United Nations, with the possible exception of South Africa, every other nation in the world including the United States, said, "Yes, let us try to get a peaceful transition, a peaceful solution, to the decolonization process." We supported that.

Incidentally, no nation in the world recognized Rhodesia and that new government because they did not want to encourage it to go down that racial route. Indeed, South Africa herself did not even recognize the existence, and does not recognize the legal existence, of the Government of Rhodesia. It has always failed to get recognition. It has always been viewed as an illegal government. The United Nations always tried to bring it along the route of bringing about the decolonization without warfare.

Mr. WALLOP. Will the Senator yield further?

Mr. CLARK. Yes.

Mr. WALLOP. Would that not put us and the United Nations in the position of solving a difficult problem for Great Britain whereas a similar kind of situation has occurred in other countries of the world, such as Czechoslovakia?

Mr. CLARK. I do not think so.

Mr. WALLOP. It seems to me what we were trying to do, by participating in this United Nations decision, was to get Britain off an extremely difficult political problem. For obvious reasons, they could not send troops against citizens of their own country because the colonists were citizens of their own country. Now it seems that the posture we are taking is to have the United Nations solve a difficult political situation for Great Britain.

Mr. CLARK. The case I am trying to make is that obviously there are a lot of countries which have declared a unilateral declaration of independence. We did.

Obviously, there are a lot of countries that violate human rights. Obviously, there are a lot of other countries that are racist in their attitude, as evidenced by South Africa. That is quite true. This amendment does not cover all of them.

Under this unique circumstance, Great Britain came to the United Nations. All the nations heard their case and they said, "Yes, we provided for this in the charter of the United Nations under section 7."

They made their case and universally, with the possible exception of South Africa, they said, "Yes, this is the rightful way to bring about a peaceful transition rather than having an invasion from Great Britain."

We subscribed to that, though the Senator may disagree. We did and other countries did, and we abided with those sanctions until we provided for this exception for chrome.

Mr. WALLOP. Not every other country has abided by the sanctions.

Mr. CLARK. I agree.

Mr. WALLOP. West Germany has not and a number of other western ally countries have not who presumably cast the same vote. Yet we are posturing ourselves as something different or more moral when, by the arguments, it is apparent to me that there is significant economic and strategic effect for this.

Mr. CLARK. As we said in the debate on the last amendment, I do not think there is any question but what other countries in the world do violate sanctions in their agreement with the United Nations. Some of them do. Frankly, it is impossible to tell how many or in what amounts because we do not have any official reports. I am very much inclined to believe that sanctions are violated. I do not have any statistics. As far as I know, no one has statistics. All we hear are rumors, and so forth.

It seems to me that the issue with us is not just whether everybody else in the world is right, but whether it is right for us and whether we ought to abide by it. There may be other cheaters. I should not say other cheaters, but there may be cheaters. If there are, we ought to condemn them and stand against them. I do not think that that allows us to be one of the cheaters, in effect, by exempting ourselves legally here in the Senate and in the House of Representatives from those sanctions. That is my feeling.

Mr. WALLOP. The United Nations sanctions, in effect, go further than just chrome, do they not?

Mr. CLARK. Yes. We abide by that sanction with the exception of chrome and some other strategic materials included in the Byrd amendment.

Mr. WALLOP. I thank the Senator.

Mr. CLARK. To complete what I was saying, the purpose of this amendment is not to straighten out the problems of human rights around the world. It is not even to be consistent. As I have said, if we were to be consistent in terms of applying this sanction to every country in the world that violated human rights, we would turn very quickly to South Africa, which is a major exporter of chrome and

ferrochrome to this country. That is not our purpose.

In simply saying, "We do it with Rhodesia, therefore we must include the Soviet Union," as this amendment proposed, seems to me to miss the point.

We are dealing here with a unique situation, the case of Rhodesia. In this case, as I have said in discussions with Senator Wallop, the international community has taken a stand in support of human rights in this area. It seeks to bring about peaceful change through international sanctions. That is the key point, peaceful change.

It hurts the cause of human rights throughout the world for the United States, I think, not to stand with the United Nations in this case. It is a unique case for the reasons I believe I have suggested.

It would hurt the United States much more to stop importing chrome from the Soviet Union than from Rhodesia if one is going to make the assumption that chrome is a strategic material, and I believe it is. I think it clearly is. That is why I think it would be wrong for the President of the United States to declare it not to be a strategic material. In my judgment, it is.

But let us not forget, in the process of this, that the United States has not, as a result of the Byrd amendment, become less dependent upon the Soviet Union. The fact is that, last year, we imported 44 percent of our metallurgical grade chrome ore from the Soviet Union. We imported 5 percent—less than 5 percent; 4.7 percent—from Rhodesia. With those figures—44 percent from the Soviet Union, 4.7 percent from Rhodesia—can anyone argue that if we indeed cut off further imports from Rhodesia, we are not going to be able to survive strategically, where we are getting less than 5 percent now and, on the other hand, argue that we could afford to cut off purchases from the Soviet Union, where we are getting 44 percent of our chrome? If we are interested in this as a strategic material in continued supply, it does not seem to me one could argue, no, we want to continue to buy from Rhodesia, but, yes, we want to cut off imports from the Soviet Union.

It seems to me the only logical way one could support this amendment is to say, yes, let us cut off importations altogether. But unfortunately, this amendment does not do so—or fortunately, perhaps I should say, it does not do so.

Looking back on dependence on the Soviet Union, people assume that if we became more dependent on Rhodesian chrome during the period of the Byrd amendment, it is a fact that since we could go back into Rhodesia and buy their chrome, we would become less dependent on the Soviet Union. As a matter of fact, it is to the contrary. United States dependence on Soviet chrome precedes even the embargo itself. It is not generally realized that the Soviet has long been our principal supplier. In 4 out of 5 years preceding the period in which we did adhere to the embargo, before the U.N. ever acted, Russia was our largest source of ore, not Rhodesia. Before sanctions were even brought about, we bought most of our chrome from the U.S.S.R. Since the passage of the Byrd amendment, we continue to rely on Russia as our main source of ore.

I would argue, I think, without having the table in front of me, the statistics, that they have always been—before, during, and after the Byrd amendment and the embargo—they have continued to be our principal supplier.

So, in fact, we have not become less dependent and are not apt to become less dependent on the Soviet Union, in fact, whether or not we pass the Byrd amendment. Certainly, that has been the historical fact of the matter.

I might say, before leaving that point, it is because the United States is not dependent upon Rhodesian chrome that every President since the sanction has said that we ought to abide by the United Nations sanctions. We have not had a single President—President Johnson at the time the sanctions were imposed, in fact, gave the Executive order to impose the sanctions, followed by President Nixon, who always favored repeal of the Byrd amendment and maintenance of the sanctions—yes, President Nixon—President Ford, who followed him, who spoke strongly in favor of repeal of the Byrd amendment; President Carter today, who favored repeal of the Byrd amendment—I would not argue that any of these people is soft on communism. I would not argue that any of them does not operate in the strategic interest of the United States. Of course they do.

The Secretary of State, who was quoted here earlier, I think, is quite right in saying that this country is not dependent—not dependent—upon Rhodesia for its strategic stockpiles and needs in chrome. I think he has shown it quite clearly.

Those persons in the Department of Defense who, after all, have a certain concern for the defense and welfare of our national security, say they favor repeal of the Byrd amendment. They do not feel that it is essential to the strategic interests of the United States. In fact, they argue to the contrary—that they believe that it is in the interests of this country to repeal the Byrd amendment.

It seems to me difficult to argue that the United States is somehow, going to be left defenseless, less dependent on Soviet chrome if this measure is passed.

If it is argued, as it is going to be argued, that trade sanctions should be applied equally against the Soviet Union as in Rhodesia, then we will have to cease all trade with the Soviet Union. That is what we did with Rhodesia, that is what we are doing. It is not a question of chrome or those materials. We have no trade with Rhodesia except in those areas, so if we are to be consistent, this amendment ought to be expanded to say we shall have no trade with the Soviet Union.

The main argument for applying sanctions against Rhodesia is that we are legally bound, as a responsible member of the international community, to do so. That is what I argue. We are complying with our treaty obligations. No such responsibility for applying sanctions applies against the U.S.S.R. If the U.N. does apply such sanctions against the Soviet Union, we would similarly like to see the United States apply those sanctions. That is what we agreed to and what we ought to abide by or get out.

Finally, our dependence on Rhodesian chrome has dwindled substantially. Our dependence on Russian chrome has not. To cut off access to our largest supplier is quite different from cutting off access from one of our smallest suppliers—namely, Rhodesia, from whom we get less than 5 percent of our chrome.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. HARRY F. BYRD, JR. Mr. President, this amendment seeks to apply more consistently the logic which underpins the bill now before the Senate. If it is wise policy to embargo the importation of chrome from Rhodesia because that country has a minority government, then that logic should apply equally to the Soviet Union. I doubt that any Member of this body would maintain that there is more political freedom in the Soviet Union than there is in Rhodesia.

In that connection, it is interesting to recall the views of our former longtime Secretary of State, one of our ablest Secretaries of State, Henry Kissinger, in testifying before the Senate Committee on Finance on March 7, 1974. I put several questions to him along this line. I quote from that Finance Committee report:

Senator BYRD. Do you regard the Soviet Union as being governed by a tight dictatorship, by a very few persons over a great number of individuals.

Secretary KISSINGER. I consider the Soviet Union, yes, as a dictatorship of an oligarchic nature, that is, of a small number of people in the Politburo.

Senator BYRD. In your judgment is Rhodesia a threat to world peace?

Secretary KISSINGER. No.

Senator BYRD. In your judgment, is Russia a potential threat to world peace?

Secretary KISSINGER. I think the Soviet Union has the military capacity to disturb the peace, yes.

Senator BYRD. In your judgment, does Russia have a more democratic government than Rhodesia?

Secretary KISSINGER. No.

Mr. President, if we want to deal with oppressive governments or want to do something about oppressive governments, none is more oppressive of its citizens than is the Soviet Union. There is an organization in New York called Freedom House, which conducts an annual survey of comparative freedoms around the world under the heading of "Political Rights and Civil Rights." In this year's survey, Rhodesia stands about halfway in the world ratings and toward the top of the nations of Africa. The Soviet Union, on the other hand, stands very near the bottom of the ratings. However, I am sure that we shall hear arguments that we should not impose the sanctions on the Soviet Union.

I suggest that any argument against sanctioning the Soviet Union should apply equally well to Rhodesia.

To put it another way, if sanctions against Rhodesia are justified, then sanctions against Russia are even more justified.

I doubt that any government on Earth

more consistently and systematically tramples upon the rights of its citizens than does the Soviet Union.

If you want to know of Soviet freedom or Soviet justice, ask Solzhenitsyn. Ask Sakharov. Ask Buchovsky. Ask Russian Jews. Ask the inhabitants of the Gulag Archipelago.

Yet, before us today is legislation which would increase our dependence upon the Communist tyranny of Russia, while cutting us off from a supply of a strategic material from a nation whose government—whatever its faults—is less oppressive and is basically friendly to the United States.

In the debate it was mentioned that a basic reason for imposing sanctions on Rhodesia is that Rhodesia unilaterally sought her independence from Great Britain.

Is that not exactly what the United States did in 1776? If our ancestors had not unilaterally sought freedom from Great Britain, I do not believe Great Britain would have voluntarily given us our freedom.

Also, in regard to that United Nations' sanction, we had another Secretary of State who was widely acclaimed in his time. I am referring to Secretary of State Dean Acheson. I quote what Dean Acheson said in regard to United Nations' sanction again Rhodesia. He said this:

> That sanction against Rhodesia is bare faced aggression, unprovoked and unjustified by a single legal or moral principle.

So, Mr. President, the fact that the United Nations has decreed sanctions against Rhodesia is not the law of the land for the United States. The fact the United Nations has decreed sanctions against Rhodesia does not prevent the United States from taking action necessary to protect the United States and the defense of our Nation.

That is the basic purpose of the Byrd amendment.

The basic purpose of the Byrd amendment is to make it possible for our country to import a strategic material—chrome—from a free world country, if that same commodity is being imported from a Communist dominated country, and the facts are that two-thirds of the world's supply of chrome is in Rhodesia. The other one-third for the most part is in South Africa and Russia.

It is logical that if we cut ourselves off from two-thirds of the world's supply, we, ipso facto, become more dependent on the other one-third.

Mr. President, I also say in regard to the legality of the Byrd amendment, that it was approved by the Senate in 1971. It was approved by the House of Representatives in 1971. It was signed by the President of the United States. Subsequently, a group of legislators in the House of Representatives took it through the courts of the United States and the courts sustained the action of the Congress.

I do not think there is any question whatsoever as to its legality.

Mr. GOLDWATER. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the gentleman from Arizona.

Mr. GOLDWATER. Mr. President, I have listened to this debate with a great deal of interest.

Actually, if we wanted to do Rhodesia a favor, we would insist on these sanctions. I have been to that country twice since the sanctions were placed, and it has forced this country to diversify itself until today it is better off economically than it has ever been.

So here is the United States meddling in a country that is trying to do something that is extremely difficult, while we refuse to take any sanctions against the Soviet Union, that disrupts the lives of its people, and people all over the world.

For the life of me, I cannot understand why Members of Congress seem so interested in castigating a small nation in Africa, trying their best to work out something that will be in the best interests of everybody on Earth and, at the same time, allowing day after day, month after month, year after year, the Soviet Union to do anything they want.

Mr. HARRY F. BYRD, JR. I thank the Senator from Arizona. I certainly concur in his views which he has just expressed.

It has always seemed to me, right from the beginning of the embargo on trade with Rhodesia, that the matter between Great Britain and Rhodesia is a matter to be determined by Great Britain and Rhodesia.

I do not think the United States should inject itself into that controversy and attempt to dictate its terms or attempt to embargo one party because of the desires of the other party.

I think we have been trying to interfere in the internal affairs of a nation and we certainly ought not do that. But if we insist on doing it, as we have, then because of the critical nature of this very strategic material, I think we must consider the effect it will have on the United States and the fact that it will make us more dependent on Russia, the only potential threat to our security.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER (Mr. BUMPERS). The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, the able Senator from Arizona and the able Senator from Virginia have put their finger on, as the cliche goes, the bottom line.

Here is the United States jumping on a little country. We do not have the temerity to take on the Soviet Union on the question of human rights.

I wish that Senators could have talked as I did at great length with Alexandr Solzhenitsyn when he was here. Mr. Solzhenitsyn visited in my home. He talked about tyranny as it is practiced in the Soviet Union.

The United States appeases and compromises with the Soviet Union—but we are so courageous when we take on a little country that is probably the most developed and civilized country in Africa—the country of Rhodesia.

Statistics have been bandied around, but before we vote on this question let me reiterate the point that the American consumers are going to pay through the nose if this measure is approved.

I pointed out earlier in my comments that when the Soviet Union had its way, prices tripled, and anybody who tries to contend that there will be no economic effect on the consumers of the United States had better look again.

Regardless of any percentage figures that anybody may want to advance, let me give some statistics which are not in contest.

Very little is being said about U.S. imports of high-carbon ferrochromium products.

The year 1975 is the last year for which statistics are available on U.S. imports of high-carbon ferrochromium products. But in 1975, from Rhodesia, we imported 60,545 short tons, exceeded only by imports from Japan and South Africa.

From South Africa, we imported 70,051 short tons in that year, 1975; from Japan, 63,277 short tons; Brazil, 15,653 short tons; Yugoslavia, 10,133 short tons.

It is a little exasperating, Mr. President, to see our country meddling in the affairs of another nation. How we would resent it if another nation did the same thing to us.

As for the declaration of independence by Rhodesia, they did it precisely as we did it in 1776. The Senator from Virginia alluded to that.

So if we are going to criticize the declaration of independence from Great Britain by Rhodesia, then we criticize by implication the Founding Fathers of our own land. That, Mr. President, this Senator is not going to do.

As far as I am concerned, I am ready to vote.

Mr. HARRY F. BYRD, JR. Mr. President, before the Senator yields the floor I wish to say that I thought the Senator made a very important point when he mentioned the increase in prices to the American consumer, which certainly will occur if the pending legislation, S. 174, is enacted.

Even those officials of our Government who testified on behalf of the legislation admitted that the prices of products containing stainless steel would certainly go up.

So this legislation, if enacted, will have an effect on the consumers of our Nation, Not only is chrome vitally important as a military material, as a national defense material, but it is vitally important for so many stainless steel products which must be used by the housewives of our country, and the housewives of our country already are facing some difficult times in this inflationary period in making ends meet.

I do not know why we want to insist upon Congress passing legislation which would have an upward impact on prices.

Incidentally, going back a few years during the time of increased dependence on the Soviet Union, between the embargo and the enactment of the Byrd amendment in 1971, the Soviet price for chrome rose by 188 percent with prices reaching their peak in 1971, the last year of the embargo on Rhodesian chrome, and as of the enactment of the amendment which is now being sought to be repealed, when the United States again had access to Rhodesian chrome, Soviet prices declined considerably.

I think it is perfectly clear, just as those who testified in opposition to the point of view of the Senator from North Carolina and the Senator from Virginia, that the prices of consumer products will go up.

Mr. President, vote.

Mr. CLARK. Mr. President, I will just take 2 minutes, and then I will be ready to vote, as well.

I want to comment on one point that was made.

There has been a fair amount of discussion here about poor little Rhodesia and the note—I am trying to get it correct—the most civilized country in Africa.

I think it should be pointed out, at least, that Rhodesia is a country which has 4-percent white and 96-percent black. Yet whites effectively control all of the political, economic, and social life of that country.

It is a country in which over half of the whites have come to it in the last two decades, about 250,000 out of 6 million.

It is a country in which until the last few days, in fact, blacks could not even buy part of the white land.

It is a country in which half of all the land is reserved for that 4 percent of the country which is white by law.

So I do not think it should pass without at least saying that although it may be true that South Africa is an even more racist society than Rhodesia, Rhodesia would be a very close second without any competitor, in my judgment.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Nevada (Mr. CANNON), the Senator from Missouri (Mr. EAGLETON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from North Carolina (Mr. MORGAN), the Senator from Georgia (Mr. TALMADGE), and the Senator from Iowa (Mr. CULVER) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL), and the Senator from Hawaii (Mr. INOUYE) are absent on official business.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of death in the family.

On this vote, the Senator from North Carolina (Mr. MORGAN) is paired with the Senator from Iowa (Mr. CULVER). If present and voting, the Senator from North Carolina would vote "yea" and the Senator from Iowa would vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Virginia (Mr. SCOTT), the Senator from Vermont (Mr. STAFFORD), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH), is absent due to a death in the family.

On this vote, the Senator from Utah (Mr. HATCH) is paired with the Senator from Oregon (Mr. HATFIELD). If present and voting, the Senator from Utah would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 29, nays 50, as follows:

[Rollcall Vote No. 51 Leg.]

YEAS—29

Allen	Eastland	McClellan
Baker	Ford	McClure
Byrd, Harry F., Jr.	Garn	Nunn
Byrd, Robert C.	Goldwater	Randolph
Chiles	Hansen	Sparkman
Curtis	Hayakawa	Stennis
Dole	Helms	Stone
Domenici	Hollings	Thurmond
Durkin	Laxalt	Wallop
	Lugar	Young

NAYS—50

Anderson	Hathaway	Packwood
Bayh	Heinz	Pearson
Bentsen	Huddleston	Pell
Brooke	Humphrey	Percy
Bumpers	Jackson	Proxmire
Burdick	Javits	Ribicoff
Case	Long	Riegle
Chafee	Magnuson	Sarbanes
Church	Mathias	Sasser
Clark	Matsunaga	Schmitt
Cranston	McIntyre	Schweiker
Danforth	Melcher	Stevens
DeConcini	Metcalf	Stevenson
Glenn	Metzenbaum	Weicker
Gravel	Moynihan	Williams
Griffin	Muskie	Zorinsky
Hart	Nelson	

NOT VOTING—21

Abourezk	Haskell	McGovern
Bartlett	Hatch	Morgan
Bellmon	Hatfield	Roth
Biden	Inouye	Scott
Cannon	Johnston	Stafford
Culver	Kennedy	Talmadge
Eagleton	Leahy	Tower

So the amendment of Mr. HARRY F. BYRD, JR., was rejected.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Before the Senator proceeds, the Senator from North Carolina is entitled to be heard. Let us have order in the Chamber. Will Senators either take their seats or retire to the cloakroom? Proceedings will be suspended until we have order in the Senate.

The Senator may proceed.

UP AMENDMENT NO. 74

Mr. HELMS. Mr. President, I send to the desk an unprinted amendment and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes unprinted amendment No. 74.

At the end of the bill, add the following:

"Sec. . The President shall prohibit the importation of chromium in any form from any country if he finds that country has imported chromium in any form from Southern Rhodesia during the year prior to the enactment of this Act. This section shall become effective thirty days after the date of enactment of this Act."

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I thank the Chair.

Mr. President, let me repeat the total text of this amendment just for emphasis.

At the end of the bill, add the following:

Sec. . The President shall prohibit the importation of chromium in any form from any country if he finds that country has imported chromium in any form from Southern Rhodesia during the year prior to the enactment of this Act. This section shall become effective thirty days after the date of enactment of this Act.

Mr. President, this amendment proposes very simply to tear off the hypocrisy very inherent in S. 174. If we are really interested in supporting sanctions now, let us really support the sanctions. Why should we penalize the American people? Why should we weaken our own industry? Why should we further escalate inflation in our country? And why should we undermine our security and our strategic stockpiles when other nations have it both ways? They pretend to abide by the sanctions, but they make money by surreptitiously evading those sanctions. Moreover, they will be gaining at our expense because of our stupidity—and there is no other word for it, Mr. President—in placing our own national security and our own economic survival in jeopardy when no one else is doing the same thing.

Mr. President, again I make it clear that I am opposed to any sanctions against Rhodesia. I believe that the action of the United Nations in imposing sanctions was illegal, immoral, and a clear intervention in the internal affairs of Rhodesia.

I believe that the United States should never submit its sovereign acts to the decisions of the United Nations. And in any case, every nation has a prior right to place its strategic interests before any other international obligations, real or pretended.

But if we are going to support sanctions, even at the expense of our own security, then we should support them across the board. Let us not be selective. As I have already pointed out, both Japan and South Africa import Rhodesian chrome in some form. I do not fault them for it; indeed, I think it is commendable that they place their national interests before those of an uncontrollable international body, namely; the United Nations. But I, as a Senator from North Carolina, do not see why we should ban Rhodesian chrome when these other nations do not. It is as simple as that. Similarly, we import chrome from the Soviet Union at the same time that the Soviet Union is importing chrome from Rhodesia.

I would like to point out that my amendment does not apply only to chrome of Rhodesian origin. It forbids also the substitution of other chrome for

export to the United States if the exporter is buying chrome from Rhodesia. In other words, the exporters cannot export their chrome to the United States and substitute Rhodesian chrome for their own needs. Such a substitution in itself would depend upon violation of the sanctions; if we are to be consistent, we must follow the sanctions to their logical conclusion.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. HELMS. I am delighted to yield to my friend from Virginia.

Mr. HARRY F. BYRD, JR. I simply wish to commend the Senator from North Carolina for the amendment he has introduced. It seems to me to be a most appropriate one, and I am very happy to support it.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, has there been a response to the rollcall?

The PRESIDING OFFICER. There has not been a response. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. In view of the fact that this is the last rollcall of the day, I ask unanimous consent that it be a 20-minute rollcall, because it has come up suddenly, without expectation on the part of many Senators who went back to their offices.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will proceed.

The rollcall was resumed and concluded.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Nevada (Mr. CANNON), the Senator from Missouri (Mr. EAGLETON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from North Carolina (Mr. MORGAN), the Senator from Georgia (Mr. TALMADGE), the Senator from Arizona (Mr. DECONCINI), and the Senator from Iowa (Mr. CULVER) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) and the Senator from Hawaii (Mr. INOUYE) are absent on official business.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of a death in the family.

On this vote, the Senator from North Carolina (Mr. MORGAN) is paired with the Senator from Iowa (Mr. CULVER). If present and voting, the Senator from North Carolina would vote "yea" and the Senator from Iowa would vote "nay."

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI) would vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Utah, Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Virginia (Mr. SCOTT), the Senator from Vermont (Mr. STAFFORD), the Senator from Texas (Mr. TOWER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Delaware (Mr. ROTH) is absent attending the funeral of a relative.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 22, nays 54, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—22

Allen	Eastland	McClellan
Baker	Garn	McClure
Byrd, Harry F., Jr.	Hansen	Sasser
	Hayakawa	Stennis
Chiles	Helms	Stone
Curtis	Laxalt	Thurmond
Dole	Long	Wallop
Domenici	Lugar	

NAYS—54

Anderson	Hart	Nunn
Bayh	Hathaway	Packwood
Bentsen	Heinz	Pearson
Brooke	Hollings	Pell
Bumpers	Huddleston	Percy
Burdick	Humphrey	Proxmire
Byrd, Robert C.	Jackson	Randolph
Case	Javits	Ribicoff
Chafee	Magnuson	Riegle
Church	Mathias	Sarbanes
Clark	Matsunaga	Schmitt
Cranston	McIntyre	Schweiker
Danforth	Melcher	Sparkman
Durkin	Metcalf	Stevens
Ford	Metzenbaum	Stevenson
Glenn	Moynihan	Weicker
Gravel	Muskie	Williams
Griffin	Nelson	Zorinsky

NOT VOTING—24

Abourezk	Goldwater	McGovern
Bartlett	Haskell	Morgan
Bellmon	Hatch	Roth
Biden	Hatfield	Scott
Cannon	Inouye	Stafford
Culver	Johnston	Talmadge
DeConcini	Kennedy	Tower
Eagleton	Leahy	Young

So Mr. HELMS' amendment was rejected.

AMENDMENT NO. 73

Mr. ALLEN. Mr. President, I call up my amendment No. 73 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill, add the following:

EFFECTIVE DATE

SEC. . This Act shall become effective 30 day after the Secretary certifies to Congress that the certification requirements under section 5(c) of the United Nations Participation Act of 1945, as such section would be in effect if this Act were effective, do not violate the letter or the spirit of the General Agreements on Trade and Tariffs and do not otherwise comprise a non-tariff barrier to the free flow of trade.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Will the Senator withhold his request?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. Mr. President, there will be no further action on the bill today or on the amendment by Mr. ALLEN. It is my understanding, from talking to Mr. ALLEN, that the amendment will be laid before the Senate only, without any action being taken thereon today.

I believe the Senator from New Mexico wishes to be recognized.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. SCHMITT. Mr. President, I compliment the Senator from Virginia (Mr. HARRY F. BYRD, JR.) for his diligent efforts in resisting the effort to impose an embargo on the importation of Rhodesian chrome into the United States.

I am very sympathetic to the aims of the sponsors of this bill, namely, to bring pressure on the present Government of Rhodesia to work more diligently toward majority rule. I believe that much more effective pressure can be brought as an economic partner of that Government, in cooperation with all the people who depend on and need jobs and income. These people include, most of all, the indigenous black people who must gradually become a functioning part of the electorate and Government of Rhodesia.

Nothing would be gained and much would be lost if we force even greater economic privation on the same people we profess to be trying to help.

In addition, our participation in economic embargoes for political reasons rather than reasons clearly related to our national security is inconsistent with our traditional belief in free trade and the betterment of the economic situation of individual human beings everywhere Unless we work for a lessening of the economic, agricultural, and educational gap between peoples everywhere, there is little chance for freedom to expand and survive on this planet.

Mr. President, the proponents of an embargo on the importation of chrome from Rhodesia argue that this will help bring down the present white minority government of that unfortunate country and, by so doing, help establish black majority rule. There is very little evidence in the history of other African nations that this would, in fact, occur. Instead, the probability is extremely high that a black minority government would be established to the detriment of the majority of Rhodesians and, I believe, the majority of Africans, and our own national interests.

Our economic cooperation with Rhodesia provides an important vehicle through which we can bring about peaceful change using our nonmilitary strength in agriculture, education, and technology. We should not throw this opportunity away for the faint hope that black majority rule will follow the fall of the present government of Rhodesia.

Mr. President, the proponents of this measure also argue that we have no further need for the high quality metallurgical grade chrome ore that we presently import from Rhodesia as a strategically critical mineral.

We also import, indirectly, much Rhodesian chrome from other countries. Nothing could be further from the truth as a geologist who has been long associated with the science and economics of ore deposits, I feel obligated to talk to the general issue of chrome as a strategic material. Chromium as an element is very different from other ores in its

chemical and metallic properties. As a consequence of these properties, it has a high melting point and resists corrosion greatly. In alloy with iron, it transfers these properties to steel, making the resulting material extremely valuable for commercially and strategically essential products.

We are presently dependent on Rhodesia for about 17 percent of our metallurgical chromite imports and for over 50 percent of our imports of ferrochrome, if other countries are included that indirectly ship us ferrochrome. Ferrochrome is an intermediate product derived from metallurgical chromite and extremely important in the total economic picture involving this important element. This dependence has a very reasonable geological explanation. The very old, great layered intrusive rocks which contain metallurgical chromite are very rare in occurrence, although very large in volume. They are similar in some respects to the maria on the moon.

It may be that new deposits in the free world will be found. However, until then we are dependent on Rhodesian and South African deposits.

These deposits, Mr. President, are important and unique. I cannot emphasize that too much for the purposes of this debate.

Technology is gradually providing alternatives to the high quality Rhodesian chromite we presently use. Technology may provide an alternative to chromium and steel. However, until we have these alternatives, we must either buy Rhodesian chrome from Rhodesia at a reasonable price or we buy Rhodesian chrome from the Soviet Union at a vastly inflated price and with great uncertainty as to the permanence of its availability in the event of a national emergency.

Until we have other options or much larger emergency stockpiles, we must continue to take reasonable steps to assure our supplies from Rhodesia.

Mr. President, this essential nature of chromium in our strategic economics and the lack of certainty that its embargo would at all solve the internal problems of the Government of Rhodesia will force me to cast my vote against S. 174.

Mr. President, I yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from New Mexico has by his speech in the Senate today brought out information which has not previously been developed in the Senate debate.

The Senator from New Mexico probably is the only Member of the Senate who has had personal experience of an unusual nature with this strategic metal.

The Senator from New Mexico makes the point that high grade chromite is a unique material and that it can be obtained in abundance only from Rhodesia and South Africa.

I think the Senator from New Mexico has rendered the Senate an important service in the comments he has made in the Senate this afternoon and certainly added a lot to the debate on the pending measure.

It seems logical to the Senator from Virginia that if the United States cuts itself off from the source of two-thirds of the world's total chrome supply, it necessarily must be more dependent on the one-third which is left, and most of that is found either in South Africa or in Russia.

But, in any case, by eliminating the opportunity for this country to purchase high-grade chromite from Rhodesia, we are limiting our capacity and our ability to purchase what the Senator from New Mexico calls a unique natural resource.

I thank the Senator from New Mexico for his very interesting and informative comments.

Mr. SCHMITT. I thank the Senator from Virginia and extend my compliments to him for the work he has done to point out many of the myths—as he calls them—versus the facts that have surrounded this particular element and the auras of that element.

I cannot emphasize too much how marginal the political benefits seem to be to force an embargo on imports of this material and how much it goes against our own traditions in searching for a free trade environment in this world and our own needs to provide economic assistance to the people—black and white—of Africa.

Moreover, I must emphasize something that I am afraid not many people realize that there really is not another large intrusive rock mass of the scale that we find in this very old part of the continent of Africa which is known to geologists today. There are smaller ones, and most of the other deposits we talk about come from related types of rocks, but these apparently unique earth resources are confined to that part of southern Africa.

We had better realize that, before we take a precipitate step to deny ourselves that particular resource, when other nations are not going to do the same thing.

So there are two basic arguments—the political one, the rationale for which I think is very marginal, and the economic one, the question of our strategic resource base. I think that is extremely important, and we should not deny ourselves at this time in our history this resource base.

I will advocate at a different time, and I suggest strongly to the Senate now, that we explore our alternatives to chrome in terms of developing our own domestic resources and developing our technology, so that those resources can be used in the event of an emergency, and that we generally apply the same logic to other strategic minerals.

In a crisis, other nations may start to cut off some of the other resources in order to put the screws on us in an international situation that may develop in the future.

Mr. HARRY F. BYRD, JR. The Senator has made a vitally important point.

I ask the Senator from New Mexico this question: Did chromite play a significant role in making possible our Moon flights?

Mr. SCHMITT. These specialty steels have been very important in that modern technology and will continue to be. Yes, there are specialty steels, involving chrome, titanium, nickel, and quite a number of other elements for which we also have importation problems.

Of course, the defense applications of chrome alloy are well known, and it certainly was important in that national endeavor that brought us to the moon and back.

Mr. HARRY F. BYRD, JR. I thank the Senator from New Mexico.

Mr. SCHMITT. The chemical properties of chrome are such that it is very difficult for nature to concentrate. It tends to be dissolved in solution only when the rocks are very hot; and as it cools, they combine with oxygen very readily and precipitate. This has happened on a variety of occasions in the history of the earth, but only in large volume in connection with these unique rocks in Southern Africa.

So I hope our Senate colleagues will look at the record before they cast their votes and realize the kind of strategic situation—intolerable situation—we will be putting ourselves into by the repeal of the Byrd amendment or by repealing the provisions of law relating to the importation of Rhodesian chrome. I do not know how to make the point any stronger than that.

The same problem is going to develop if we allow ourselves to be roped into placing embargoes on other imported materials in this world. This is exactly the opposite of the situation where we argue against oil embargoes, where we are the ones being embargoed, and the inconsistency in our position is not going to be lost on other nations of the world.

Mr. HARRY F. BYRD, JR. It is true, is it not, that our country lacks many of the vitally important materials we must import? If we get into the business of embargoing, other countries can get into the same business, and we could find ourselves in a very awkward position, it seems to me, as time goes on.

Mr. SCHMITT. I agree completely with the Senator. That is absolutely true.

Realizing this, I hope that we will take note of our strategic dependence on some of these minerals and develop emergency plans for action in the event that they disappear, if they are, in fact, embargoed.

What is our natural resource base in this country? What are the substitutes or the steps we take to conserve? These kinds of questions must be asked. This kind of planning must be done in this very volatile and uncertain world we live in. An embargo of chrome, an embargo of oil, an embargo of other essential supplies, such as nickel, could happen at any time, and we are not prepared for it. We are not prepared for another embargo of energy supplies from the Middle East.

If we now create another situation in which we deny ourselves imports of a strategic material—in this case chrome, we will have created, I feel, a critical situation that no logical or rational people would ever step into.

So I strongly urge a vote against S. 174 at the conclusion of this debate.

Mr. HARRY F. BYRD, JR. As great as our country is—and we have the greatest country in the world and we have many natural resources—but as great as we are, despite the number of natural resources we have, there are many we do not have. We are not self-sufficient. We must depend on trade. The direction we need to

go in, as I see it, is toward freer trade, rather than away from free trade.

Mr. SCHMITT. Yes. It is important to remember that it is free trade, independent of our current political difficulties, that actually is going to help the oppressed people of the developing world. It does not make any sense to me to cause the oppressed—and I will say they are oppressed, the majority of Rhodesians, because they do not have democratic control of their government—to be worse off economically because we are not going to buy their chrome. I think we actually can do those people a great deal more good by assisting them in their economic development, so that gradually, through liberalization and domestic reforms, through education, improved agriculture, and internal development of their country and their resources, they can assume the reigns of power that I am sure they are going to be given one way or another.

If we precipitately force the Government of Rhodesia to turn over to what we call a black majority rule, I feel confident that unfortunately, we will not solve the problems of the majority of blacks in Rhodesia. I fear that they will find themselves oppressed by a different government, perhaps worse than the one now in power.

I think we should take all these factors into consideration as we develop a long-term foreign policy relative to Rhodesia and other developing countries. We cannot force them into our mold overnight. It is not going to happen. But we have to take longer term steps so that the opportunity is created for them to participate in a free and democratic form of government. At the present time—as I think the Senator would agree—I am afraid this would not happen.

ADDITIONAL STATEMENT SUBMITTED ON S. 174

Mr. BAYH. Mr. President, today the Senate is considering S. 174, legislation which I have cosponsored that will reimpose the ban on the importation of chrome from Rhodesia. It will nullify the effect of section 203 of the Armed Forces Appropriations Act of 1972, commonly known as the Byrd amendment, as it applies to Rhodesia.

In 1968 the United States supported a United Nations Security Council resolution imposing mandatory economic sanctions against the white supremacist regime of Mr. Ian Smith in Salisbury. It was the view of our Government, our allies and the international community that every reasonable effort had to be brought to bear against the illegal Government of Rhodesia in order to facilitate majority rule in that country. Unfortunately, Congress refused to accept the administration's policy.

This legislation contains two sections. The first reinstates Executive Order 11419, of July 29, 1968, which prohibited importation into the United States of Rhodesian commodities and products. An enforcement mechanism is also provided through the requirement that a certificate of origin must be filed with the Treasury Department for each steel mill import. The effect of this provision is international since it requires third country importers to share the monitoring responsibility with the United States.

On February 10, Secretary of State Cyrus Vance testified before the Senate Africa Subcommittee stating the Carter administration's strong support for legislation repealing the Byrd amendment. I believe that passage of the bill before us today is a long overdue step in the direction of a new U.S. policy for Sub-Saharan Africa.

Our support of majority rule with equal rights is not new. S. 174 is a necessary means of achieving these worthy ends. It will put the United States back in compliance with our obligations under the United Nations Participation Act of 1945. It will greatly enhance American credibility throughout the region.

That credibility is vital if we are to play a constructive role anywhere in the world. The dream of self-determination for the people of Zimbabwe can no longer be deferred. The brutalities and atrocities which have already been inflicted upon the people of Rhodesia through the intransigence of the present government must not continue. Every day that we delay participating in this international effort designed to assist the forces of social justice in Rhodesia means another day of unnecessary suffering for those who wish a full voice in their national destiny.

Despite the moral imperative which many of us feel as sufficient reason for support of this legislation, we must address the cold economic realities as well. Since 1971 when the Byrd amendment was enacted into law, several arguments were made for its maintenance in terms of the national interest. One argument appeared particularly compelling. If the United States did not have access to chrome ore from Rhodesia, or so the reasoning went, we would be forced to rely on the Soviet Union for necessary supplies of this vital material. Unfortunately, resulting import figures worked out quite the reverse of what proponents of this argument had intended.

In 1971 Rhodesia accounted for 4 percent of all chrome ore imported while 45 percent came from the Soviet Union. In 1972, when Rhodesian chrome ore imports rose to 9 percent of the import market, we were importing 63 percent of all chrome ore from the Soviet Union. It is hard to imagine that this is what the advocates of the Byrd amendment intended.

Another important point in reference to the Soviet supply argument is the fact that we import no ferrochrome from the U.S.S.R. Ferrochrome is a processed alloy made from raw chrome and is a major component of specialty steels. Imports of this alloy are increasing substantially because of the desire of producer nations to establish refining facilities of their own.

Nonetheless, Rhodesian ferrochrome imports dropped some 56 percent in 1976. Technological advances such as that pioneered by Union Carbide known as the argon-oxygen decarbonization process—AOD—permit greater use of chrome from sources other than Rhodesia.

I would add that there is evidence that Rhodesian ferrochrome imports have been detrimental to U.S. jobs. The Committee of Producers of Low Carbon Ferrochrome have petitioned the U.S. International Trade Commission for an investigation into the damage done to the ferroalloy industry in this country, and it seems clear that the less we import Rhodesian ferrochrome, the more we will be protecting American workers.

The view that we must import Rhodesian chrome in order to satisfy our national security requirements has been discounted by every administration since President Johnson's Executive Order 11419 of 1968 imposing the original import ban. Secretary of State Vance reiterated this view on February 10 when he said:

> It should be clear that access to Rhodesian chrome and other minerals is not an important element in U.S. security or overall economic policy.

Since March of 1976 no Rhodesian chrome ore has been imported into the United States. Assistant Secretary of State for Economic Affairs Julius Katz emphasized that "Rhodesia cannot be considered a reliable supplier" and that the "prospects for finding other sources of material are good." And review of the facts indicates that this is clearly the case. Even one-time supporters of the Byrd amendment such as E. F. Andrews, vice president of Allegheny Ludlum Industries, have stated that previous arguments against repeal are no longer appropriate.

Mr. President, the economic merits and the political logic of banning Rhodesian chrome now resonate with the moral requirement that we do so. I would hasten to add, however, that it is also in our own economic self-interest that we take this step. Despite our ability to get along without Rhodesian chrome, there can be no doubt as to the vast natural riches of that country. Therefore we must move to make certain that our relations with the black majority governments which will eventually rule Zimbabwe have a stable foundation. Our resoluteness in prompt passage of S. 174 is an important element in that foundation. It will provide President Carter with the authority he needs to conduct a more effective African policy.

Our action today in passage of S. 174 is, in many ways, a fulfillment of John F. Kennedy's pledge to the peoples of the developing world when he said:

> To those peoples in the huts and villages across the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves—not because the Communists are doing it, not because we seek their votes, but because it is right.

These bonds have been loosened considerably during the past 16 years and the people of Africa stand on the brink of true self-determination. Our role in the realization of their national liberation can only be limited. It is, however, with an unlimited sense of urgency that we should support efforts that will mean peaceful transition to majority rule with equal rights.

Mr. JAVITS. Mr. President, we have reached a point now in dealing with the

issue of U.S. compliance with U.N. sanctions against Rhodesia by repealing the Byrd amendment that there is an overwhelming preponderance of evidence favoring repeal. There is no longer any real economic rationale, since new processes permit the use of lower grades of chrome. Even one of the major defenders of the Byrd amendment, E. F. Andrews of Allegheny Ludlum Corp., admits that there would be no practical adverse impact on the American steel industry if the Byrd amendment were repealed.

The United Steelworkers Union also testified that no American jobs would be lost as a result of imposing sanctions on Rhodesia. Furthermore, the bill contains a provision that prevents the imports of steel mill products containing Rhodesian chrome by requiring a certificate of origin that specifies that the chrome contained in the steel did not come from Rhodesia. Therefore, U.S. jobs will not be lost to German or Japanese steelmakers using Rhodesian chrome.

There are very strong reasons for repealing the Byrd amendment. It is especially important now to demonstrate to the Rhodesian Government that the United States cannot be counted on to bail them out in the end. If there is any remaining hope now for some type of peaceful transition to majority rule in Rhodesia, it will require Ian Smith to negotiate with the Rhodesian nationalists. I have followed the negotiations between the Smith government and these nationalists with great interest, and my information is that the Smith government would not negotiate on the Kissinger proposals, even after Dr. Kissinger himself said repeatedly that these were not fixed in concrete but were a basis for negotiating. The Smith government again rejected the good office of Ivor Richard, the British Ambassador to the U.N., who sought a formula for the control of sensitive posts in an interim Rhodesian Government that would satisfy black concerns and white fears. Again Ian Smith was not prepared to make any concessions whatever.

The American Bar Association has urged the Congress to repeal the Byrd amendment on legal grounds.

The least the United States can now do is to repeal the Byrd amendment and bring our country back into compliance with our international legal responsibilities.

Further, we must make it clear to the world that we favor majority rule in Rhodesia—and in southern Africa—if we are to exercise the positive influence of which we are capable on the course of events in that part of the world.

Mr. President, I ask unanimous consent that an issues paper of the United Nations Association of the U.S.A., that spells out these arguments in greater detail, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RHODESIAN SANCTIONS: ISSUES

Today, South Africa and the United States stand alone as the only two nations in the world which have decided to publicly ignore these international sanctions.

FOREIGN POLICY ISSUES

Since the Byrd Amendment was first proposed in 1971, it has been consistently opposed by every U.S. Ambassador to the United Nations, every U.S. Secretary of State, the Foreign Relations Committee of the Senate, and the International Relations Committee of the House. In 1974, Secretary of State Kissinger wrote Representative Diggs, ". . . the Byrd provision is not essential to our national security, brings us no real economic advantage, and is detrimental to the conduct of foreign relations. . . . On the other hand the Byrd provision has impaired our ability to obtain the understanding and support of many countries. . . ." In 1977, Secretary of State Vance told the Foreign Relations Committee, "It is my firm belief that repeal of the Byrd Amendment will serve the interests of the United States. It will in no way harm us strategically or economically. To the contrary, it will strengthen our position and add to our stature internationally."

On February 21, 1977, the Committee on Foreign Relations reported to the Senate a bill which would restore the United States to full compliance with the U.N. Sanctions on Rhodesia, and thereby repeal the Byrd Amendment. In their Report, the Foreign Relations Committee stated: As long as the 1971 Byrd Amendment stands, U.S. credibility as a country committed to peaceful transition to majority rule remains weak. With the repeal of the amendment, the United States takes a real step forward in restoring its credibility in Africa. . . .

One week later, the House International Relations Committee took similar action, and reported to the House of Representatives that the Rhodesian case presents both a challenge and an opportunity to the international community as it attempts to effect peaceful political change on behalf of self-determination. Only by complying with the decision of the Security Council can the United States exert effective leadership to achieve full compliance by other nations.

Both the House and Senate Committee Reports echo their previous recommendations which were made by the House Committee in July 1974 and July 1975, and by the Senate Committee in October 1973.

INTERNATIONAL LEGAL OBLIGATIONS

Under the authority granted to him by Article II; Section 2 of the U.S. Constitution President Roosevelt negotiated, and President Truman submitted to the Congress, the Charter of the United Nations. Pursuant to Article 1; Section 8 of the Constitution the Congress decided to make the United States a party to the U.N. Charter, by way of a special Act, *The United Nations obligation, to adhere to the provisions of the Participation Act of 1945. Since that time the United States has been bound, by treaty U.N. Charter.*

Acting under Chapter VII; Article 39 of the U.N. Charter, the Security Council determined on December 16, 1966 that the *situation in Southern Rhodesia constitutes a threat to international peace and security.* As a Permanent Member of the Security Council, the United States had the authority to veto this decision, but instead the U.S. actively supported it. The Security Council went on to act under Article 41 of the Charter, and—once again with U.S. support—imposed selective *mandatory* economic sanctions on Southern Rhodesia. On May 29, 1968, the Security Council decided to expand the Sanctions; and make them comprehensive.

Since December 1966, the United States, like all Members of the United Nations, has been legally obliged to carry out the Sanctions Program under Articles 25 and 48 of the Charter. Article 48 of the U.N. Charter, as ratified by the Congress reads: The action required to carry out the decisions of the Security Council for the maintenance of international peace and security *shall be taken by all Members of the United Nations,* or by some of them as the Security Council may determine. (emphasis added).

Repeatedly since 1946, *U.S. Federal Courts have recognized the legality of this treaty obligation,* to adhere to the U.N. Sanctions on Rhodesia (see *U.S. v. Muller and Co.; U.S. v. Margas Shipping Co.; U.S. v. Reynolds International, Inc.;* etc.)

In August 1972, the American Bar Association took up the question of U.S. obligations to adhere to the U.N.'s Sanctions on Rhodesia. The Bar Association concluded that:

Whereas, Article 25 of the Charter of the United Nations provides that "The Members of the United Nations agree to accept and carry out the decisions of the Security Council . . .";

Whereas, the Security Council of the United Nations has decided in accordance with the Charter to impose economic sanctions against Rhodesia;

Whereas, the Congress . . . has approved legislation which . . . requires the United States to permit the importation of chrome . . . from Rhodesia;

Therefore Be It Resolved, that the American Bar Association urges the Congress of the United States to repeal such legislation. . . .

ECONOMIC ISSUES

When the Congress first considered the proposal that the United States violate the U.N. Sanctions on Rhodesia, one of the most compelling factors raised in support of that action was the economic importance of Rhodesia to the United States. Rhodesia is a territory rich in minerals needed by most industrial economies. Most significant among these is chrome ore, or chromite, as it is sometimes called.

Scientists estimate that 22% of global chrome reserves are to be found in Rhodesia. However, of the chrome ore that is considered useful for metallurgical purposes, (i.e., having a high chromic oxide content) about 67% of world reserves are found in Rhodesia. It is not surprising, then, that Rhodesian chrome has long been used by the industrial world in the manufacture of ferrochrome, which itself is used in the manufacture of stainless and specialty steel.

One should not assume from these figures, however, that Rhodesia—or Rhodesian chrome—is of major significance to the American economy. In fact, although Rhodesia has substantial reserves of metallurgical grade chrome ore, it has not nearly approached full capacity to exploit these reserves. This has been the case because of the international economic sanctions which have largely prohibited the improvement of the Rhodesian chrome mining and smelting industries.

Since 1969, Rhodesia has been a producer of ferrochrome, as well as of chrome ore. Although by any standard, Rhodesia is not a major producer of ferrochrome.

It has often been suggested that the imposition of economic sanctions on Rhodesia has done, or will do, serious harm to the American economy in general, and the American steel industry in particular. *The facts do not support such a position.*

Since 1972, when the United States resumed trade with Rhodesia (in violation of the U.N. Sanctions), a small and decreasing percentage of U.S. imports of metallurgical grade chrome have come from Rhodesia. For the five year period 1972 through 1976, an average of 11.2% of annual U.S. imports of metallurgical chrome came from Rhodesia. In 1976, the percentage of metallurgical chrome imported from Rhodesia dropped to 5 percent. *Since March 1976, according to the U.S. Bureau of Mines, there have been no U.S. imports of metallurgical chrome whatever from Rhodesia.*

The cause of the steady decline in imports of metallurgical chrome from Rhode-

sia can be traced to the political and military situation in southern Africa. Since March 1976, all of landlocked Rhodesia's neighbors—save South Africa—have closed their borders, denying Rhodesian exports access to the Indian Ocean ports.

Rhodesia has also been a source of ferrochrome imports. Since the U.S. resumed trade with Rhodesia in 1972, we have received an average of 28.8% of our annual imports of high carbon ferrochrome from Rhodesia, and 9.8% of our annual low carbon ferrochrome imports.

Two factors should be borne in mind in analyzing these figures, however. First, imports are not the only source of ferrochrome to the U.S. steel industry. In 1976, for example, the American steel industry consumed some 248,000 gross tons of high carbon ferrochrome, while it imported for the same period some 179,000 gross tons. The difference was made up of industry stockpiles and domestic production. Consequently, *although Rhodesian h.c. ferrochrome accounted for 21.9% of all imports in 1976, it accounted for only 15.8% of all consumption.* In other words, to suggest that Rhodesia is important in the import market for high carbon ferrochrome (or any other product) is not to say that it is important to the economy as a whole.

The second factor which should be understood in viewing the significance of Rhodesia as a source of ferrochrome to our economy is the importance of new technologies in the manufacture of stainless steel. Many of these technologies make the importation of ferrochrome from Rhodesia less important than it might have been in the past. According to Representative John Dent (D-Pa), a longtime advocate of U.S. trade with Rhodesia, who represents a steel-producing District: It is my understanding that the *U.S. specialty steel industry can now satisfactorily use lower grade, nonRhodesian chrome ore* which is available from other sources . . . Since American economic reliance on Rhodesian chrome has been overcome, *there is no longer any immediate need for the Byrd* Amendment. (emphasis added).

Mr. E. F. Andrews, the Vice-President of Allegheny Ludlum Steel Company (and another long-time advocate of U.S. trade with Rhodesia), expended on this point in his February 9, 1977 testimony to the Senate Foreign Relations Committee. At that time, Mr. Andrews said: But the point I am making is we have come up here with integrity and argued for our ore supply in 1967, 1968, 1969, for our ferrochrome supply in 1974, we have put our case for exactly what we need—*we now stand before you and frankly admit that due to this investment in technology we are not dependent upon Rhodesia for our ferrochrome as we were 3 years ago,* or on their ore as we were 8 years ago. (emphasis added.)

REPEAL OF THE BYRD AMENDMENT

Mr. CHURCH. Mr. President, I believe the time has come to repeal the 1971 law, known as the Byrd amendment, which permitted the United States to import Rhodesian chrome.

The world has changed since 1971, and this law no longer warrants continuation. The Byrd amendment was, in the first place, a direct violation of international law, for the United States gave its support in 1966 and 1968 to economic sanctions approved by the United Nations Security Council. Yet, for economic reasons many believed we could not afford to uphold these sanctions. Today, however, it is clear that this economic argument no longer holds. Technological innovations have allowed the United States to process lower quality chrome ore imported from countries other than Rhodesia. Furthermore, our large stockpiles of chrome are sufficient to last us for decades. Our economic reliance on Rhodesian chrome has come to an end and, therefore, so does any need for the Byrd amendment.

State Department analysis suggests, moreover, that a failure to repeal the Byrd amendment may well severely jeopardize our trading relationships with other nations in Africa. According to the Department, at stake could be our continued access to such strategic goods as petroleum, uranium, copper, cobalt, manganese, and diamonds.

But these economic realities are not the only consideration. We must be sensitive, also, to the political situation in Africa. As Secretary of State Cyrus Vance testified before the Senate Foreign Relations Committee on February 10, repeal of the Byrd amendment "will strengthen our positions and add to our stature internationally" in seeking a "peaceful transition to majority rule and equal rights" in Rhodesia. Secretary Vance told the committee that, in his opinion, the "symbolic importance" of repeal "cannot be overestimated." The Secretary added that repeal would "in no way harm us strategically or economically. To the contrary, it will strengthen our position and add to our stature internationally. And it will assist us in reaching . . . a peaceful transition to majority rule and equal rights in Rhodesia."

Our good colleague, Senator DICK CLARK of Iowa, who chairs the Senate African Affairs Subcommittee, has said—quite rightly—that a breakthrough in technology now permits the United States to do "what is politically and morally right without any economic sacrifice." I trust we will have the wisdom to repeal this unnecessary legislation.

S. 174—TO RETURN THE UNITED STATES TO COMPLIANCE WITH U.N. SANCTIONS AGAINST RHODESIA

Mr. HUMPHREY. Mr. President, as an original sponsor of S. 174, to place the United States back into compliance with United Nations sanctions against Rhodesia, I urge its swift passage by the Congress.

The situation throughout southern Africa has become chaotic and increasingly precarious. I have supported, and will continue to do so, efforts of the United States to promote a peaceful transition to democratic government which would allow all people to participate in a fair and equitable manner in the political process.

I support this general policy line because I believe that a basic foundation of American democratic principles, both at home and abroad, is the right for all adults—regardless of race, creed, color or sex—to participate in the democratic political process on an equitable basis. This opportunity has been denied blacks in Rhodesia. Furthermore, institutionalized discrimination based on race is practiced in that country on a variety of levels, including education, use of facilities, access to jobs, land ownership, and wages. Although we in the United States still have our problems with race relations, I have fought such inequities over the entire course of my political career, and have sponsored much of the civil rights legislation which has been addressed to solving these problems. I am, therefore, committed to supporting the cause of human rights both within our borders and abroad.

Today, South Africa and the United States stand alone as the only two nations in the world which have decided to publicly ignore U.N. sanctions against Rhodesia. Continued U.S. violation of these sanctions is widely understood—in the developing countries, in Europe, and in Rhodesia itself—as a symbol of our support for an economic and political system imposed on the black majority, who comprise 96 percent of the population, by the white minority of Rhodesians.

Since the Congress first voted to place the United States in violation of sanctions against Rhodesia—back in 1971—this measure has been consistently opposed by every U.S. Ambassador to the United Nations, every U.S. Secretary of State, and by both the Senate Foreign Relations Committee and the House International Relations Committee. As former Secretary of State Henry Kissinger stated in 1974:

> . . . the Byrd provision is not essential to our national security, brings us no real economic advantage, and is detrimental to the conduct of foreign relations . . . On the other hand, the Byrd provision has impaired our ability to obtain the understanding and support of many countries. . . .

Just last month, Secretary of State Cyrus Vance told the African Affairs Subcommittee of the Senate Committee on Foreign Relations that:

> It is my firm belief that repeal of the Byrd amendment will serve the interests of the United States. It will in no way harm us strategically or economically. To the contrary, it will strengthen our position and add to our stature internationally.

As we noted in our report on S. 174, the Foreign Relations Committee pointed out:

> As long as the 1971 Byrd amendment stands, U.S. credibility as a country committed to peaceful transition to majority rule remains weak. With the repeal of the amendment, the United States takes a real step forward in restoring its credibility in Africa . . .

When the Congress first supported the proposal allowing the United States to violate sanctions against Rhodesia, one of the arguments raised in support of that action was the economic importance of Rhodesia to the United States. Rhodesia is a territory rich in minerals needed by most industrial economies. Most significant among these minerals is chrome ore.

Scientists estimate that 22 percent of global chrome reserves are to be found in Rhodesia. However, of the chrome ore that is considered useful for metallurgical purpose, about 67 percent of the world reserves are found in Rhodesia.

Since 1969, Rhodesia has been a producer of ferrochrome, as well as of chrome ore, although by any standard Rhodesia is a minor producer of ferrochrome.

In light of these facts I have just mentioned it has often been argued that the imposition of economic sanctions on Rhodesia will do serious harm to the

American economy in general, and the American steel industry in particular. Yet, the facts do not support such a claim.

Since 1972, when the United States resumed trade with Rhodesia—in violation of the U.N. sanctions—a small and decreasing percentage of U.S. imports of metallurgical grade chrome has come from Rhodesia. For the 5-year period 1972 through 1976, an average of 11.2 percent of annual U.S. imports of metallurgical chrome came from Rhodesia.

In 1976, the percentage of metallurgical chrome imported from Rhodesia dropped to 5 percent. Since March of 1976, according to the U.S. Bureau of Mines, there have been no U.S. imports of metallurgical chrome whatsoever.

The cause of the steady decline in imports of metallurgical chrome from Rhodesia can be traced to the political and military situation in southern Africa. Since March of 1976, all of landlocked Rhodesia's neighbors—save South Africa—have closed their borders, denying Rhodesian products access to the Indian Ocean ports.

Rhodesia has also been a source of ferrochrome imports. Since the United States resumed trade with Rhodesia in 1972, we have imported an average of 28.8 percent of our annual imports of high carbon ferrochrome from Rhodesia, and 9.8 percent of our annual low carbon ferrochrome imports.

Two factors should be borne in mind in analyzing these figures, however. First, imports are not the only source of ferrochrome to the U.S. steel industry. In 1976, for example, the American steel industry consumed some 248,000 gross tons of high carbon ferrochrome, while it imported for the same period some 179,000 gross tons. The difference was made up from industry stockpiles and domestic production.

The second factor which should be understood in viewing the importance of Rhodesia as a source of ferrochrome to our economy is the importance of new technologies in the manufacture of stainless steel. Many of these technologies make the importation of ferrochrome from Rhodesia less important than it might have been in the past. According to Representative JOHN DENT of Pennsylvania, who has been a long-time advocate of U.S. trade with Rhodesia:

> It is my understanding that the U.S. specialty steel industry can now satisfactorily use lower grade, non-Rhodesian chrome ore which is available from other sources. Since American economic reliance on Rhodesian chrome has been overcome, there is no longer any immediate need for the Byrd amendment.

Mr. E. F. Andrews, vice president of Allegheny Ludlum Steel Co.—and another long-time advocate of U.S. trade with Rhodesia—expanded on this point in his February 9 testimony before our African Affairs Subcommittee. Mr. Andrews pointed out:

> . . . the point I am making is we have come up here with integrity and argued for our ore supply in 1967, 1968, 1969, for our ferrochrome supply in 1974, we have put our case for exactly what we need—we now stand before you and frankly admit that due to this investment in technology we are not dependent upon Rhodesia for our ferrochrome as we were three years ago, or on their ore as we were eight years ago.

Assistant Secretary of State for Economic and Business Affairs, Julius Katz, also testified before our committee that the prospects for finding other sources of chrome and ferrochrome are good. He noted that in the first 11 months of 1976, the United States imported from Rhodesia only 6,871 content tons of chrome ore and 28,546 content tons of processed ferrochrome. Chrome ore imports dropped by more than 80 percent from the previous year; ferrochrome imports were down by 56 percent. Alternative supplies of ore include Turkey, the Soviet Union, South Africa, and Finland; ferrochrome is available also from Japan. South Africa, Brazil, Yugoslavia, France, Norway and West Germany.

Assistant Secretary Katz also pointed out that Rhodesia could not be considered a reliable supplier. Once again, the reason given was Mozambique's closure of its border with Rhodesia. In addition, South Africa quietly held up some Rhodesian exports during the negotiations on the future of Rhodesia in the second half of 1976.

A major study prepared for the National Bureau of Standards by Charles River Associates in August last year also found that current U.S. stocks were substantially larger than required under almost any reasonable assessment of contingency risks. The report found that private stocks, plus Government stocks in excess of strategic needs, totaled 4 years' consumption. Bureau of Mines statistics show that privately held stocks, plus excess Government stocks, could replace Rhodesian imports at 1976 levels for 90 years in the case of metallurgical grade chrome ore and 12 years in the case of ferrochrome.

U.S. policy toward Rhodesia should also take into account the growing U.S. economic interdependence with independent Africa. The U.S. imports significant amounts of minerals from these countries, including high-quality, low-sulfur oil from Nigeria, copper from Zambia and Zaire, manganese from Gabon, Zaire and Ghana, bauxite from Guinea and Ghana, and cobalt from Zaire.

Over the past 15 years, total U.S. trade with independent Africa has grown at more than twice the rate of trade with Rhodesia and South Africa. In 1975, U.S. private investment in independent Africa was about $2.5 billion, considerably larger than that in South Africa and Rhodesia.

Mr. President, majority rule is clearly inevitable in Rhodesia, but the minority regime of Ian Smith remains intransigent in coming to grips with this reality. Pressure on Smith is clearly required if we are to avoid an acceleration of violence in Rhodesia. No less than seven times since 1965 has the Smith regime entered into negotiations with the British and/or African nationalists. But he has never conceded any real power or accepted any settlement which would provide for genuine majority rule and avoid an all-out race war.

As Secretary Vance noted in our hearing last month, the U.S. Government views:

> . . . with deep concern the dangerous situation in Rhodesia that has arisen out of the attempt of the illegal, minority government to maintain itself in power.

The Secretary also made the following point which, in my view, makes it all the more imperative that the Congress support passage of S. 174.

> . . . the key to peace lies in Mr. Ian Smith's hands, and repeal of the Byrd Amendment would do far more to persuade him to use it. It is essential that the Congress and the Executive Branch work together in this respect to present a unified American position.
>
> By repealing the Byrd Amendment we would remove this symbol of ambivalence in American policy toward Rhodesia and toward international law. We would return to adherence to our obligations under the United Nations Charter.

In conclusion, Mr. President, Senate action placing the United States back into compliance with U.N. sanctions against Rhodesia will give a consistency to the new human rights initiatives launched by the Carter administration. When the international community has taken a strong stand in support of human rights and self-determination, the United States has turned out to be not the international leader, but a nation paying lipservice to international political agreements which it originally endorsed. Therefore, I hope the Congress will be consistent in its support of the President's human rights policy.

Our role as a great Western power is not the only reason we must take the leadership in this international defense of human rights. We are also one of the world's largest multiracial states. There are more people of African descent living in the United States than any other country in the world outside Nigeria. Our struggle to assure equality of opportunity, to make good our commitment to human rights, is not over. But we realize it must be made, that all races will benefit when it is finally won.

An increasingly interdependent multiracial world looks to us as a test to see whether the races can live and work together as equals. Whenever our commitment to racial equality lags at home or abroad, those who are committed to interracial cooperation feel the blow. And those who are committed to apartheid feel their case is strengthened—that the races will forever remain unequal and apart.

(This concludes additional statements submitted on S. 174.)

ORDER FOR RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT CREDIT FOR CONGRESSIONAL CAMPAIGN COMMITTEE EMPLOYEES

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. RIBICOFF and Mr. HOLLINGS, I send to the desk a bill and ask for its immediate consideration. It is my

understanding that it has been cleared on both sides of the aisle.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 992) to amend title V of the United States Code to provide that a congressional employee may credit service as an employee of a congressional campaign committee for Civil Service retirement purposes.

Mr. BAKER. Mr. President, I would only say we have indeed considered and cleared this bill on this side. It is a matter that has been dealt with in the Senate before and we fully support it.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read the first time by title and the second time at length, and that it be moved to third reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8332 of title 5, United States Code, is amended by the end thereof the following new subsection:

"(l) An individual who is entitled to an annuity upon separation from service as a Congressional employee may be allowed credit for service as an employee of the Democratic Senatorial Campaign Committee, the Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the Republican National Congressional Committee if such employee makes the deposit provided for in section 8334 (c) of this title with respect to Congressional employees for such service. The period of service which may be credited under this subsection by any individual shall not exceed 10 years.".

SEC. 2. The amendment made by the first section of this Act shall apply to individual who are entitled to annuities upon separation from service as Congressional employees on or after the date of the enactment of this Act.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER RECOGNIZING SENATOR BARTLETT ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, after the two leaders or their designees have been recognized under the standing order, Mr. BARTLETT be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION TO MEET ON THURSDAY AFTERNOON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation may be authorized to meet during the session of the Senate on Thursday afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 noon tomorrow, following a recess.

Mr. PROXMIRE, Mr. SPARKMAN, and Mr. SARBANES each will be recognized for not to exceed 15 minutes, following the regular order for the recognition of the two leaders or their designees, after which the Senate will resume consideration of the Rhodesian chrome bill.

The pending question at that time will be on the adoption of the amendment by Mr. ALLEN.

I hope the Senate will act finally on the bill tomorrow. The Senate may be in session into the evening in order to accomplish this. There will be rollcall votes on amendments throughout the afternoon.

Other measures which likely will be called up tomorrow at some point are the following: S. 650, a bill to provide temporary emergency assistance to wheat producers; H.R. 3879, an act to rescind certain budget authority recommended in the message from the President on January 17, 1977, House Document 95–48, transmitted pursuant to the Impoundment Control Act of 1974.

It may be possible on tomorrow to take up S. 925, a bill to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. President, I ask unanimous consent that following the recognition of the Senators aforementioned under the orders previously entered, there be a period for the transaction of routine morning business tomorrow, for not to exceed 30 minutes, with statements therein limited to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no resolutions come over under the rule at the close of routine morning business tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if the Senate does not complete action on S. 174, a bill to halt the importation of Rhodesian chrome on tomorrow, action will continue on Wednesday on that measure.

It is the intention of the leadership to bring up, either on Wednesday or Thursday, the code of ethics measure, Senate Resolution 110, and to continue action thereon until the Senate completes its work on that measure.

Other measures may be called up if cleared for action. There may be a conference report or so that would be ready to be called up during tomorrow or on any day.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 meridian tomorrow.

The motion was agreed to; and, at 5:41 p.m., the Senate recessed until Tuesday, March 15, 1977, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate after the adjournment of the Senate on March 11, 1977, pursuant to the order of March 11, 1977:

RENEGOTIATION BOARD

William F. McQuillen, of Virginia, to be a member of the Renegotiation Board, vice Norman B. Houston, resigned.

Harry R. Van Cleve, of Virginia, to be a member of the Renegotiation Board, vice Christopher U. Sylvester, resigned.

Executive nominations received by the Senate March 14, 1977:

ORGANIZATION OF AMERICAN STATES

Gale W. McGee, of Wyoming, to be the Permanent Representative of the United States of America to the Organization of American States, with the rank of Ambassador.

DEPARTMENT OF STATE

Patsy T. Mink, of Hawaii, to be an Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs.

DEPARTMENT OF DEFENSE

William James Perry, of California, to be Director of Defense Research and Engineering, vice Malcolm R. Currie, resigned.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Eileen Shanahan, of the District of Columbia, to be an Assistant Secretary of Health, Education, and Welfare, vice Susan B. Gordon, resigned.

DEPARTMENT OF THE TREASURY

Daniel H. Brill, of Maryland, to be an Assistant Secretary of the Treasury, vice Sidney L. Jones, resigned.

IN THE AIR FORCE

The following officer for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be brigadier general

Col. John B. Conaway, [redacted] FG, Air National Guard.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. John Alfred Kjellstrom, [redacted] Army of the United States (major general, U.S. Army).

The following-named person for reappointment in the active list of the Regular Army of the United States, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be colonel, Regular Army and colonel, Army of the United States

Hill, James J., [redacted].

The following-named persons for appointment in the Regular Army, by transfer in the grade specified, under the provisions of Title 10, United States Code, sections 3283 through 3294:

To be lieutenant colonel

Willis, David B., [redacted].

To be major

Meade, William C., xxx-xx-xxxx
Rinkel, Marcia L., xxx-xx-xxxx

To be captain

Arkangel, Carmelito, Jr., xxx-xx-xxxx
Brantner, Jim N., xxx-xx-xxxx
Brantner, Jam N., xxx-xx-xxxx
Brigham, Robert A., xxx-xx-xxxx
Carleton, Ardenne S., xxx-xx-xxxx
Clark, Elliot J., Jr., xxx-xx-xxxx
Cobey, Eldwood A., xxx-xx-xxxx
Fall, Stephen M., xxx-xx-xxxx
Fay, Michael J., xxx-xx-xxxx
Gordon, Donald J., xxx-xx-xxxx
Herman, Stephen M., xxx-xx-xxxx
Higgins, Bernard F., xxx-xx-xxxx
Higley, John W., xxx-xx-xxxx
Horne, Daniel W., III, xxx-xx-xxxx
Konermann, Leo L., Jr., xxx-xx-xxxx
Kulikowski, Bogdan M., xxx-xx-xxxx
Ozimek, Carl D., xxx-xx-xxxx
Speilman, Daniel E., Jr., xxx-xx-xxxx
Waters, Keith H., xxx-xx-xxxx
Yonushonis, William P., xxx-xx-xxxx

To be first lieutenant

Bantz, Eric W., xxx-xx-xxxx
Berrey, Bedford H. Jr., xxx-xx-xxxx
Bickel, John W., xxx-xx-xxxx
Bowman, Greg A., xxx-xx-xxxx
Brown, David L., xxx-xx-xxxx
Doleac, Philbert C., Jr., xxx-xx-xxxx
Donovan, John C., xxx-xx-xxxx
Fitzharris, Joseph B., xxx-xx-xxxx
Fournet, Ronald A., xxx-xx-xxxx
Gibson, Merlyn D., xxx-xx-xxxx
Grimm, Paul W., xxx-xx-xxxx
Hales, Robert E., xxx-xx-xxxx
Hollsten, Donald A., xxx-xx-xxxx
Hopkinson, William J., xxx-xx-xxxx
Innis, Bruce L., xxx-xx-xxxx
James, William D., xxx-xx-xxxx
Knight, Robert D., xxx-xx-xxxx
Mancuso, Joseph J., Jr., xxx-xx-xxxx
McNab, James F., Jr., xxx-xx-xxxx
Morris, William J., xxx-xx-xxxx
Mueller, Edward J., xxx-xx-xxxx
Nickle, Gary W., xxx-xx-xxxx
Reyna, Troy M., xxx-xx-xxxx
Slominski, Martin W., xxx-xx-xxxx
Smith, Paul N., xxx-xx-xxxx
Thomassen, Thomas S., xxx-xx-xxxx
Wiswell, Thomas E., xxx-xx-xxxx

The following-named persons for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294 and 3311:

To be captain

Barton, Douglas A., xxx-xx-xxxx
Bates, Bernie L., xxx-xx-xxxx
Brown, Roger L., xxx-xx-xxxx
Ginn, James P., xxx-xx-xxxx
Hartley, William R., xxx-xx-xxxx
Hudak, Jane L., xxx-xx-xxxx
McCarroll, James E., xxx-xx-xxxx
Newman, John F., xxx-xx-xxxx
Shank, Joyce G., xxx-xx-xxxx
Spiller, John E., xxx-xx-xxxx
Thompson, Gerald E., xxx-xx-xxxx

To be first lieutenant

Anderson, Karen A., xxx-xx-xxxx
Badger, Kathy A., xxx-xx-xxxx
Bakley, Patricia, xxx-xx-xxxx
Baksic, Michael T., xxx-xx-xxxx
Balthaser, Gretchen T., xxx-xx-xxxx
Berlin, Eileen K., xxx-xx-xxxx
Cheney, Virginia R., xxx-xx-xxxx
Chisolm, Janet E., xxx-xx-xxxx
Coakley, John M., xxx-xx-xxxx
Cooper, Richard L., xxx-xx-xxxx
Creasman, Michael D., xxx-xx-xxxx
Doherty, Thomas E., xxx-xx-xxxx
Dyer, Roberta E., xxx-xx-xxxx
Eberly, Larry E., xxx-xx-xxxx
Flecker, Gary W., xxx-xx-xxxx
Foster, Janice M., xxx-xx-xxxx
Hancock, Mary M., xxx-xx-xxxx
Hopkins, Connie S., xxx-xx-xxxx
Howell, John L., xxx-xx-xxxx
Jeleski, Barbara A., xxx-xx-xxxx
Knight, Carolyn C., xxx-xx-xxxx
Large, Patricia C., xxx-xx-xxxx
Lashlee, Jo Lynne, xxx-xx-xxxx
Maddox, Stephen L., xxx-xx-xxxx
McFarland, Barbara T., xxx-xx-xxxx
Nelson, Patricia D., xxx-xx-xxxx
O'Connor, Sheila, xxx-xx-xxxx
Paige, Patti L., xxx-xx-xxxx
Patney, Carol A., xxx-xx-xxxx
Patterson, Cynthia R. M., xxx-xx-xxxx
Peterson, Jeffrey B., xxx-xx-xxxx
Rihm, David M., xxx-xx-xxxx
Roach, Thomas W., xxx-xx-xxxx
Robertshaw, Linda A., xxx-xx-xxxx
Russell, Wayne G., xxx-xx-xxxx
Schryver, Darrell L., xxx-xx-xxxx
Steed, Robert D., xxx-xx-xxxx
Titcomb, Linda K., xxx-xx-xxxx
Wildes, Ann P., xxx-xx-xxxx
Young, Susan D., xxx-xx-xxxx

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant under the provisions of title 10, United States Code, sections 2106, 3283, 3284, 3286, 3287, 3288 and 3290:

Adams, James R., Jr., xxx-xx-xxxx
Agosta, Paul P., xxx-xx-xxxx
Akers, Bruce E., xxx-xx-xxxx
Alford, Leon E., Jr., xxx-xx-xxxx
Allen, Kenneth R., Jr., xxx-xx-xxxx
Amadee, Joseph C., III, xxx-xx-xxxx
Anderson, Jack M., xxx-xx-xxxx
Anderson, Karen D., xxx-xx-xxxx
Andrzejewski, Joseph A., xxx-xx-xxxx
Angleton, David L., xxx-xx-xxxx
Ariotta, Donald S., xxx-xx-xxxx
Arnold, Bryan G., xxx-xx-xxxx
Arnwine, Michael L., xxx-xx-xxxx
Ascani, Timothy R., xxx-xx-xxxx
Atkinson, Robert K., xxx-xx-xxxx
Atwood, Basil W. Jr., xxx-xx-xxxx
Baird, Adrian G., xxx-xx-xxxx
Ballard, James B., xxx-xx-xxxx
Banasau, Ernest G., Jr., xxx-xx-xxxx
Banks, Larry V., xxx-xx-xxxx
Barnard, James F., xxx-xx-xxxx
Bates, Dennis G., xxx-xx-xxxx
Baumgartner, Jerry G., xxx-xx-xxxx
Bautista, Robert S., xxx-xx-xxxx
Baxter, Bruce R., xxx-xx-xxxx
Beaver, Robert L., Jr., xxx-xx-xxxx
Beavers, Garry J., xxx-xx-xxxx
Beazley, Timothy M., xxx-xx-xxxx
Bellamy, Virgil B., xxx-xx-xxxx
Berardi, Roger L., xxx-xx-xxxx
Berg, Delbert L., xxx-xx-xxxx
Berry, Lee W. III, xxx-xx-xxxx
Best, Malcolm T., Jr., xxx-xx-xxxx
Bickerstaff, Billy G., xxx-xx-xxxx
Bierwirth, Diane D., xxx-xx-xxxx
Bishop, Daniel B., xxx-xx-xxxx
Black, Michael A., xxx-xx-xxxx
Bland, Arthur J., xxx-xx-xxxx
Bosen, Dennis W., xxx-xx-xxxx
Bohn, Ilsa M., xxx-xx-xxxx
Bolton, Dewey R., xxx-xx-xxxx
Booker, Douglas M., xxx-xx-xxxx
Boone, Arthur N., Jr., xxx-xx-xxxx
Bosanco, Mark W., xxx-xx-xxxx
Bourquin, Grant G., xxx-xx-xxxx
Braddick, Merton L., xxx-xx-xxxx
Bradish, Nanette E., xxx-xx-xxxx
Breckenridge, Terry E., xxx-xx-xxxx
Brewer, James B., xxx-xx-xxxx
Bricker, George, xxx-xx-xxxx
Broda, Richard A., xxx-xx-xxxx
Brookshire, Steven G., xxx-xx-xxxx
Brown, Arthur A., xxx-xx-xxxx
Brown, Drusilla, xxx-xx-xxxx
Brown, Earnest P., xxx-xx-xxxx
Brown, Jack R., xxx-xx-xxxx
Brown, Lenwood, xxx-xx-xxxx
Brown, Michael P., xxx-xx-xxxx
Brown, Richard E., xxx-xx-xxxx
Brunson, Robert O., xxx-xx-xxxx
Bryant, Richard W., xxx-xx-xxxx
Buckland, Eric W., xxx-xx-xxxx
Bucklew, Keith J., xxx-xx-xxxx
Bugaj, Joseph K., xxx-xx-xxxx
Burke, William E., xxx-xx-xxxx
Burkes, Kenneth L., xxx-xx-xxxx
Burnham, Robert, xxx-xx-xxxx
Burton, Donald J., xxx-xx-xxxx
Byrne, Sean J., xxx-xx-xxxx
Cadle, Ricky G., xxx-xx-xxxx
Caine, John B. II, xxx-xx-xxxx
Caling, Philip W., xxx-xx-xxxx
Cambre, Joseph D., xxx-xx-xxxx
Campbell, Steven L., xxx-xx-xxxx
Cantrell, David R., xxx-xx-xxxx
Carman, Virgil A. L., xxx-xx-xxxx
Carr, Dale A., xxx-xx-xxxx
Carroll, Leslie J., xxx-xx-xxxx
Cash, Stanley V., xxx-xx-xxxx
Castillo, Carlos A., xxx-xx-xxxx
Cathel, David R., xxx-xx-xxxx
Cecchini, Charles A., xxx-xx-xxxx
Celentano, Karen M., xxx-xx-xxxx
Chagnon, Michael D., xxx-xx-xxxx
Chalmers, Gary E., xxx-xx-xxxx
Chambers, Rebecca L., xxx-xx-xxxx
Cheuvront, Allan N., xxx-xx-xxxx
Christy, Betty C., xxx-xx-xxxx
Cihunka, Colleen M., xxx-xx-xxxx
Clark, Mary L., xxx-xx-xxxx
Clarke, Robert A., xxx-xx-xxxx
Cochran, William J., Jr., xxx-xx-xxxx
Cody, Kevin W., xxx-xx-xxxx
Coet, Ewald H., xxx-xx-xxxx
Collins, James R., Jr., xxx-xx-xxxx
Conley, Michael D., xxx-xx-xxxx
Connell, Anne M., xxx-xx-xxxx
Connelly, Frank P., III, xxx-xx-xxxx
Connors, Robert E., Jr., xxx-xx-xxxx
Conway, Phil D., xxx-xx-xxxx
Cox, Rachel R., xxx-xx-xxxx
Cox, Robert E., Jr., xxx-xx-xxxx
Craig, Gregory P., xxx-xx-xxxx
Crocker, Richard T., xxx-xx-xxxx
Crooks, Mark E., xxx-xx-xxxx
Crotts, Brian K., xxx-xx-xxxx
Crouch, James R., xxx-xx-xxxx
Crow, Frank J., xxx-xx-xxxx
Crow, Gerald K., xxx-xx-xxxx
Crumrine, Russell B., Jr., xxx-xx-xxxx
Cuciti, Anne P., xxx-xx-xxxx
Curtis, Glenn P., xxx-xx-xxxx
Daly, James T., xxx-xx-xxxx
Damico, John M., xxx-xx-xxxx
Danahy, Jeanne M., xxx-xx-xxxx
Darley, William M., xxx-xx-xxxx
Davis, Donald V., xxx-xx-xxxx
Davis, Gregory D., xxx-xx-xxxx
Davis, Lisa A., xxx-xx-xxxx
Davis, Michael W., xxx-xx-xxxx
Dawson, Gerald T., xxx-xx-xxxx
Del Villan, Amanda M., xxx-xx-xxxx
Dennison, Ezekiel, Jr., xxx-xx-xxxx
Depaz, James M., xxx-xx-xxxx
Derrick, Robert R., xxx-xx-xxxx
Devens, Robert M., xxx-xx-xxxx
De Vore, Charles A., xxx-xx-xxxx
Dewitt, Tony M., xxx-xx-xxxx
Diener, Nick I., xxx-xx-xxxx
Dirkes, Dale I., xxx-xx-xxxx
Dobbins, James M., xxx-xx-xxxx
Dorta, Grace A., xxx-xx-xxxx
Dunr, James M., xxx-xx-xxxx
Dzierzewski, Steven A., xxx-xx-xxxx
Econ, Eugene N., xxx-xx-xxxx
Edmond, Rodney, xxx-xx-xxxx
Edmonds, Margaret A., xxx-xx-xxxx
Eisenhard, Scot D., xxx-xx-xxxx
Elkins, Virgil L., xxx-xx-xxxx
Eller, Douglas R., xxx-xx-xxxx
Elrod, Kendal J., xxx-xx-xxxx
Emmick, Ann, xxx-xx-xxxx
Enderle, Scott W., xxx-xx-xxxx
English, Curtis O., xxx-xx-xxxx
English, Marla K., xxx-xx-xxxx
Fahlgren, Michael W., xxx-xx-xxxx
Fast, Paul A., xxx-xx-xxxx

Fay, Richard J., xxx-xx-xxxx
Fedako, Werner S., xxx-xx-xxxx
Ferguson, John R., xxx-xx-xxxx
Ferrer, Mariane, xxx-xx-xxxx
Ferwerda, Kendra K., xxx-xx-xxxx
Fette, Daniel H., xxx-xx-xxxx
Finkenbiner, Tracey A., xxx-xx-xxxx
Fisher, Scott R., xxx-xx-xxxx
Fleming, Wayne T., xxx-xx-xxxx
Floyd, Carolyn E., xxx-xx-xxxx
Flynn, Fred V., Jr., xxx-xx-xxxx
Fountaine, Cynthia J., xxx-xx-xxxx
Fowler, Alan L., xxx-xx-xxxx
Francis, Thomas G. III, xxx-xx-xxxx
Francis, Timothy D., xxx-xx-xxxx
Frazier, Timothy C., xxx-xx-xxxx
Fry, Rodney L., xxx-xx-xxxx
Fuqua, Ronald M., xxx-xx-xxxx
Gabriel, Clarence J., Jr., xxx-xx-xxxx
Gahagan, Robert T., xxx-xx-xxxx
Gahagan, Ronnie., xxx-xx-xxxx
Galindo, Charles L., xxx-xx-xxxx
Gansel, Sandra L., xxx-xx-xxxx
Gantman, Marc Jan, xxx-xx-xxxx
Gantt, Edward W., xxx-xx-xxxx
Garcia, Rufino, Jr., xxx-xx-xxxx
Garr, John H., xxx-xx-xxxx
Garrett, Gregory C., xxx-xx-xxxx
Garrison, Leslie D., xxx-xx-xxxx
Garvin, Frank W., xxx-xx-xxxx
Garza, Ivett L., xxx-xx-xxxx
Garza, Richard, xxx-xx-xxxx
Gatch, Michael K., xxx-xx-xxxx
Gatti, Raymond R., xxx-xx-xxxx
Gaule, David A., xxx-xx-xxxx
Gay, Ralph B., xxx-xx-xxxx
Gentry, Gary M., xxx-xx-xxxx
Gerhardt, William P., xxx-xx-xxxx
Gibbs, Robert A., xxx-xx-xxxx
Gibson, Donald F., xxx-xx-xxxx
Gibson, Jewell B., xxx-xx-xxxx
Gilbertson, Gene E., xxx-xx-xxxx
Gilchrist, John E., xxx-xx-xxxx
Gisler, Frederick S., xxx-xx-xxxx
Gleason, Thomas L., xxx-xx-xxxx
Godwin, Rhys B., xxx-xx-xxxx
Goff, Barbara A., xxx-xx-xxxx
Golightly, Kenneth A., xxx-xx-xxxx
Gordon, Timothy D., xxx-xx-xxxx
Gorwitz, David K., xxx-xx-xxxx
Grabowski, Richard A., Jr., xxx-xx-xxxx
Grady, James J., xxx-xx-xxxx
Graham, Mark A., xxx-xx-xxxx
Graham, Wade F., xxx-xx-xxxx
Gray, Edward, xxx-xx-xxxx
Graydon, Donald M., xxx-xx-xxxx
Green, Lisanne R., xxx-xx-xxxx
Greer, Jon D., xxx-xx-xxxx
Griffin, Donna S., xxx-xx-xxxx
Guerette, Paul D., xxx-xx-xxxx
Guram, Apjinder J., xxx-xx-xxxx
Hall, Jon L., xxx-xx-xxxx
Halliday, Edward F., xxx-xx-xxxx
Hames, Daniel C., xxx-xx-xxxx
Harrison, Felix B., xxx-xx-xxxx
Harrison, Lesley A., xxx-xx-xxxx
Hartmann, Bert R., xxx-xx-xxxx
Haws, Kenneth E., xxx-xx-xxxx
Hayden, Lawrence M., xxx-xx-xxxx
Hayduk, Elizabeth S., xxx-xx-xxxx
Hays, James R., xxx-xx-xxxx
Healy, John R., xxx-xx-xxxx
Heard, Geni C., xxx-xx-xxxx
Heise, William B., xxx-xx-xxxx
Henderson, Robert L., Jr., xxx-xx-xxxx
Hendrix, Kurtis E., xxx-xx-xxxx
Herup, Carl W., xxx-xx-xxxx
Hervey, Spencer W., xxx-xx-xxxx
Hlyinsky, Paul J., xxx-xx-xxxx
Hoeft, Gregory P., xxx-xx-xxxx
Holland, Oscar L., Jr., xxx-xx-xxxx
Holloway, Kenneth A., xxx-xx-xxxx
Hourigan, Timothy J., xxx-xx-xxxx
Hubbard, Zachary P., xxx-xx-xxxx
Humphries, Tony L., xxx-xx-xxxx
Hunt, John M., xxx-xx-xxxx
Jackson, Mary C., xxx-xx-xxxx
Jackson, Ruthia J., xxx-xx-xxxx
Jacque, Keith T., xxx-xx-xxxx
Jamison, Walter K., III, xxx-xx-xxxx
Jennings, Scott B., xxx-xx-xxxx
Johnson, Aldrich D., xxx-xx-xxxx
Johnson, Michael T., xxx-xx-xxxx
Johnson, Noah L., xxx-xx-xxxx
Johnson, Thomas M., xxx-xx-xxxx
Jolly, Stephen W., xxx-xx-xxxx
Jones, Chauncey D., xxx-xx-xxxx
Jones, Gary M., xxx-xx-xxxx
Jones, Joe R., xxx-xx-xxxx
Just, Frederic W., xxx-xx-xxxx
Kamauu, Howard W., Jr., xxx-xx-xxxx
Karpowicz, Martin, xxx-xx-xxxx
Keenan, Deirdre M., xxx-xx-xxxx
Kell, James D., xxx-xx-xxxx
Kelso, Robert B., xxx-xx-xxxx
Kelly, John J., xxx-xx-xxxx
Kendall, Howard M., xxx-xx-xxxx
Kiley, James P., Jr., xxx-xx-xxxx
King, Linda H., xxx-xx-xxxx
King, Michael R., xxx-xx-xxxx
Kinney, James M., xxx-xx-xxxx
Kirschman, John A., xxx-xx-xxxx
Kissel, Robert O., xxx-xx-xxxx
Klein, Jonathan J., xxx-xx-xxxx
Koiv, Vello A., xxx-xx-xxxx
Komisak, David J., xxx-xx-xxxx
Kone, Raleigh C., xxx-xx-xxxx
Knapp, Bruce E., xxx-xx-xxxx
Knight, Calvin, xxx-xx-xxxx
Knight, Timothy B., xxx-xx-xxxx
Kreizinger, Diane H., xxx-xx-xxxx
Kribbs, Patrick M., xxx-xx-xxxx
Kuespert, Karl H., xxx-xx-xxxx
Kuk, George J., xxx-xx-xxxx
Kuklish, Thomas, xxx-xx-xxxx
Kurre, Erich L., xxx-xx-xxxx
Lamb, Charles S., xxx-xx-xxxx
Lane, Paul S., xxx-xx-xxxx
Lang, Jonathan N., xxx-xx-xxxx
Latsha, Kimber L., xxx-xx-xxxx
Lawson, Loree D., xxx-xx-xxxx
Leal, Michael J., xxx-xx-xxxx
Leary, Rodney N., Jr., xxx-xx-xxxx
Lechler, George P., III, xxx-xx-xxxx
Ledbetter, Raymond M., xxx-xx-xxxx
Ledesma, Ronald H., xxx-xx-xxxx
Lee, Corbin R., xxx-xx-xxxx
Lee, Freddie A., xxx-xx-xxxx
Leeson, John E., Jr., xxx-xx-xxxx
Leming, Michael L., xxx-xx-xxxx
Lenderman, David R., xxx-xx-xxxx
Leonard, Alvin J., xxx-xx-xxxx
Leonard, James W., xxx-xx-xxxx
Leonard, Steven R., xxx-xx-xxxx
Leonard, Theodore E., Jr., xxx-xx-xxxx
Lewis, Adrian, xxx-xx-xxxx
Lewis, Carl E., xxx-xx-xxxx
Lewis, Michael A., xxx-xx-xxxx
Lewis, Robert D., xxx-xx-xxxx
Lien, Larece E., xxx-xx-xxxx
Ligon, Steven R., xxx-xx-xxxx
Lindquist, Paula R., xxx-xx-xxxx
Lindsay, Michael E., xxx-xx-xxxx
Lindstrom, Robin H., xxx-xx-xxxx
Linnenkohl, Karen A., xxx-xx-xxxx
Livernash, Thomas S., xxx-xx-xxxx
Locher, James R., Jr., xxx-xx-xxxx
Lochmiller, Robert L., II, xxx-xx-xxxx
Logan, David H., xxx-xx-xxxx
Lopez, Warren J., xxx-xx-xxxx
Love, Jerry G., xxx-xx-xxxx
Lovin, Lowell B., Jr., xxx-xx-xxxx
Lovitt, Steven L., xxx-xx-xxxx
Lowe, James K., xxx-xx-xxxx
Lucas, Donald C., xxx-xx-xxxx
Luckey, Charles D., xxx-xx-xxxx
Lyons, Michael F., II, xxx-xx-xxxx
Macadams, Douglas K., xxx-xx-xxxx
Mackoy, Rebecca J., xxx-xx-xxxx
Macura, Elyssa M., xxx-xx-xxxx
Maglin, William H., II, xxx-xx-xxxx
Maksoudian, Levon S., xxx-xx-xxxx
Manifold, Susan M., xxx-xx-xxxx
Manion, Randall M., xxx-xx-xxxx
Manning, Hiram G., xxx-xx-xxxx
Mansfield, Alan C., xxx-xx-xxxx
Manske, Elton R., xxx-xx-xxxx
Marks, Wiley J., xxx-xx-xxxx
Martin, Peter H., xxx-xx-xxxx
Mathews, Billy R., xxx-xx-xxxx
Mazzarella, Joseph A., xxx-xx-xxxx
McCabe, Kevin P., xxx-xx-xxxx
McCandless, William M., xxx-xx-xxxx
McClure, Barbara T., xxx-xx-xxxx
McCollem, Mark R., xxx-xx-xxxx
McConnell, Patrick, xxx-xx-xxxx
McCracken, Jeffrey A., xxx-xx-xxxx
McDaniel, Jerry T., xxx-xx-xxxx
McDaniels, Jeffrey B., xxx-xx-xxxx
McDougal, Evan R., xxx-xx-xxxx
McFarland, William H., Jr., xxx-xx-xxxx
McHale, Timothy P., xxx-xx-xxxx
McKibbin, William J., xxx-xx-xxxx
McKinnon, Byron W., xxx-xx-xxxx
McNamara, Thomas J., xxx-xx-xxxx
Merritt, Eugene A., Jr., xxx-xx-xxxx
Mikula, Kevin E., xxx-xx-xxxx
Millard, Kirby L., xxx-xx-xxxx
Mitchell, Lester C., xxx-xx-xxxx
Moore, Stephen M., xxx-xx-xxxx
Morales, Reinaldo, xxx-xx-xxxx
Morehead, Edwin C., xxx-xx-xxxx
Morris, Donald W., xxx-xx-xxxx
Moser, John W., II, xxx-xx-xxxx
Moss, Stewart P., xxx-xx-xxxx
Mott, John R., Jr., xxx-xx-xxxx
Mouras, Steven Lou, xxx-xx-xxxx
Mues, Mark S., xxx-xx-xxxx
Mull, Frederick H., xxx-xx-xxxx
Muller, Kent E., xxx-xx-xxxx
Mullin, Patrick M., xxx-xx-xxxx
Munns, Roger H., xxx-xx-xxxx
Murray, Joseph W., Jr., xxx-xx-xxxx
Murray, Spencer J., xxx-xx-xxxx
Nahstoll, Richard L., xxx-xx-xxxx
Neas, Stephen L., II, xxx-xx-xxxx
Nelson, John R., xxx-xx-xxxx
Newton, Daryl W., xxx-xx-xxxx
Nickson, Reginald J., xxx-xx-xxxx
Norfleet, Paul W., xxx-xx-xxxx
Norvell, Douglas E., xxx-xx-xxxx
Occhiuzzo, Joseph W. M., xxx-xx-xxxx
Odom, Darwin R., xxx-xx-xxxx
O'Keefe, John P., xxx-xx-xxxx
Oliveras, Stanley J., xxx-xx-xxxx
O'Neal, Timothy B., xxx-xx-xxxx
Orrell, Ira T., xxx-xx-xxxx
Osborne, William C., xxx-xx-xxxx
Oughton, David T., xxx-xx-xxxx
Pace, John T., IV., xxx-xx-xxxx
Painter, Lorraine C., xxx-xx-xxxx
Pangrazzi, Robert P., xxx-xx-xxxx
Paquin, Joseph E., Jr., xxx-xx-xxxx
Parry, Dana H., xxx-xx-xxxx
Pascal, Arthur L., xxx-xx-xxxx
Paskert, John E., xxx-xx-xxxx
Patrick, Paul B., xxx-xx-xxxx
Patten, Douglas L., xxx-xx-xxxx
Pellegrini, Robert P., xxx-xx-xxxx
Peppins, Larry A., xxx-xx-xxxx
Perry, Anthony G., xxx-xx-xxxx
Peters, Ferdinand F., xxx-xx-xxxx
Petree, Glenn R., xxx-xx-xxxx
Phelan, Mark V., xxx-xx-xxxx
Phipps, Dwight V., xxx-xx-xxxx
Pipkin, Michael E., xxx-xx-xxxx
Polk, Robert L., xxx-xx-xxxx
Pond, David R., xxx-xx-xxxx
Poole, Albert H., xxx-xx-xxxx
Poole, Jeffrey G., xxx-xx-xxxx
Porto, Justin E., xxx-xx-xxxx
Post, William C., Jr., xxx-xx-xxxx
Pratt, Robert J., Jr., xxx-xx-xxxx
Preuit, Marilyn R., xxx-xx-xxxx
Pritchett, Thomas H., xxx-xx-xxxx
Pry, Gerald R., xxx-xx-xxxx
Prysock, Fred S., xxx-xx-xxxx
Quash, Wendell K., xxx-xx-xxxx
Quimby, David E., xxx-xx-xxxx
Quinn, Frederick C., xxx-xx-xxxx
Rayborn, Bobby E., xxx-xx-xxxx
Rayborn, James W., xxx-xx-xxxx
Redmon, David A., xxx-xx-xxxx
Reichard, Michael E., xxx-xx-xxxx
Reid, Terry N., xxx-xx-xxxx
Reilly, Jeffrey M., xxx-xx-xxxx
Rhoad, Loren M., xxx-xx-xxxx
Rice, Paul D., xxx-xx-xxxx
Rice, Rainey M., xxx-xx-xxxx
Richards, Wayne J., xxx-xx-xxxx
Richardson, Robert B., Jr., xxx-xx-xxxx
Richardson, Wayne P., xxx-xx-xxxx
Riddle, Johnny B., xxx-xx-xxxx

Rios, Luis A., xxx-xx-xxxx
Ritchie, Ronald W., xxx-xx-xxxx
Rittmanic, Mark B., xxx-xx-xxxx
Rivera, Enrique S., xxx-xx-xxxx
Roberts, Henry D., Jr., xxx-xx-xxxx
Roberts, Jeanne C., xxx-xx-xxxx
Robinson, Bruce H., xxx-xx-xxxx
Rodgers, Johnny O., xxx-xx-xxxx
Rodriguez, Francis X., xxx-xx-xxxx
Rosbeck, Ronald C., xxx-xx-xxxx
Rosenberg, David C., II, xxx-xx-xxxx
Ross, John M., xxx-xx-xxxx
Ross, Keith J., xxx-xx-xxxx
Rouse, John E., xxx-xx-xxxx
Runyon, Susan R., xxx-xx-xxxx
Sadler, John R., II, xxx-xx-xxxx
Salassi, Louise A., xxx-xx-xxxx
Sanders, Charles R., Jr., xxx-xx-xxxx
Savage, Marilyn J., xxx-xx-xxxx
Schambach, Paul D., xxx-xx-xxxx
Schiavoni, Stephen J., xxx-xx-xxxx
Schimkat, Peter A., xxx-xx-xxxx
Schodlbauer, Robert A., xxx-xx-xxxx
Schons, Mark F., xxx-xx-xxxx
Schumacher, Ruth A., xxx-xx-xxxx
Scott, Michael P., xxx-xx-xxxx
Sell, John P., xxx-xx-xxxx
Seufer, Paul M., xxx-xx-xxxx
Seymore, Roger D., xxx-xx-xxxx
Shaffer, Michael E., xxx-xx-xxxx
Shepherd, John C., xxx-xx-xxxx
Shimabukuro, Dennis Y., xxx-xx-xxxx
Shrives, Mark W., xxx-xx-xxxx
Shuman, Jeffrey S., xxx-xx-xxxx
Simkins, Hiram D., xxx-xx-xxxx
Simon, Alfred J., xxx-xx-xxxx
Simpson, Paul M., xxx-xx-xxxx
Singleton, Daniel G., xxx-xx-xxxx
Skeen, David L., xxx-xx-xxxx
Slaughter, Charles D., xxx-xx-xxxx
Slayton, Bernard, xxx-xx-xxxx
Sloan, Diane R., xxx-xx-xxxx
Smart, Leroy P., xxx-xx-xxxx
Smith, Beatrice, xxx-xx-xxxx
Smith, Clayton G., xxx-xx-xxxx
Smith, Ernest A., Jr., xxx-xx-xxxx
Smith, James B., xxx-xx-xxxx
Smith, Jon R., xxx-xx-xxxx
Smith, Michael J., xxx-xx-xxxx
Sozio, Michael A., xxx-xx-xxxx
Speaker, Gregory C., xxx-xx-xxxx
Spiker, Robert P., xxx-xx-xxxx
Spring, Michael Y., xxx-xx-xxxx
Stafford, Arthur T., III, xxx-xx-xxxx
Stark, Kenneth J., xxx-xx-xxxx
Steckel, Paul W., xxx-xx-xxxx
Stephens, Loren D., xxx-xx-xxxx
Stevenson, David, xxx-xx-xxxx
Stith, Lonnie L., xxx-xx-xxxx
Stoetzer, Charles E., xxx-xx-xxxx
Storey, Cynthia J., xxx-xx-xxxx
Strader, Lacy E., xxx-xx-xxxx
Street, Victor L., xxx-xx-xxxx
Strong, Cynthia C., xxx-xx-xxxx
Stull, Robert W., xxx-xx-xxxx
Sturrup, Warren B., xxx-xx-xxxx
Styer, John C., xxx-xx-xxxx
Sullivan, Michael J., xxx-xx-xxxx
Swaringen, Mark A., xxx-xx-xxxx
Swarts, John C., xxx-xx-xxxx
Tammany, Thomas, xxx-xx-xxxx
Taylor, William C., xxx-xx-xxxx
Terrell, Constance E., xxx-xx-xxxx
Tippett, David E., xxx-xx-xxxx
Thomas, Randolph J., xxx-xx-xxxx
Thompson, Bonnie M., xxx-xx-xxxx
Tosi, Amadio J., xxx-xx-xxxx
Toski, Mary P., xxx-xx-xxxx
Trent, Neal H., xxx-xx-xxxx
Tryon, John A., xxx-xx-xxxx
Turner, Michael G., xxx-xx-xxxx
Underwood, Anthony P., xxx-xx-xxxx
Uphoff, Frederick M., xxx-xx-xxxx
Urban, Stephen A., xxx-xx-xxxx
Uson, Jose, Jr., xxx-xx-xxxx
Vantresca, Guy P., xxx-xx-xxxx
Vega, Raymond A., xxx-xx-xxxx
Vermillion, Michael L., xxx-xx-xxxx
Vinacco, John J., Jr., xxx-xx-xxxx
Vincent, James C., xxx-xx-xxxx
Vogl, Mark K., xxx-xx-xxxx
Walcott, Craig R., xxx-xx-xxxx
Walker, Brett D., xxx-xx-xxxx
Wall, James A., xxx-xx-xxxx
Wall, Marvin O., xxx-xx-xxxx
Wallace, Alan L., xxx-xx-xxxx
Wallace, Stephen O., xxx-xx-xxxx
Waller, James L., xxx-xx-xxxx
Walsh, Michael J., xxx-xx-xxxx
Wanstall, Catherine R., xxx-xx-xxxx
Warne, Richard N., xxx-xx-xxxx
Warren, Robert S., xxx-xx-xxxx
Watson, Cynthia J., xxx-xx-xxxx
Watson, Larry, xxx-xx-xxxx
Waugh, Michael L., xxx-xx-xxxx
Webb, Anthony M., xxx-xx-xxxx
Webb, Charles B., xxx-xx-xxxx
Webb, Harold W., xxx-xx-xxxx
Weed, John L., xxx-xx-xxxx
Weidenthal, Kurt, II, xxx-xx-xxxx
Wells, John E., xxx-xx-xxxx
Wells, Thomas D., xxx-xx-xxxx
West, William T., Jr., xxx-xx-xxxx
White, Wayne M., xxx-xx-xxxx
White, William A., xxx-xx-xxxx
Widener, Michael A., xxx-xx-xxxx
Wilde, Terry L., xxx-xx-xxxx
Wilde, Vicky L., xxx-xx-xxxx
Wilhide, David C., xxx-xx-xxxx
Williams, Barry J., xxx-xx-xxxx
Williams, Robert L., Jr., xxx-xx-xxxx
Williamson, Ronald A., xxx-xx-xxxx
Wollenberg, Larry E., xxx-xx-xxxx
Wynn, James E., xxx-xx-xxxx
Yandl, Steven J., xxx-xx-xxxx
Yates, Douglas R., xxx-xx-xxxx
York, Jay A., xxx-xx-xxxx
York, Ken C., xxx-xx-xxxx
Young, Hazel L., xxx-xx-xxxx
Yurk, Michael J., xxx-xx-xxxx
Yuzakewich, Michael D., xxx-xx-xxxx
Zamecnik, David C., xxx-xx-xxxx
Zimmerman, David C., xxx-xx-xxxx

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Ernest LeRoy Boyer, of New York, to be Commissioner of Education, vice Edward Aguirre, resigned.

DEPARTMENT OF COMMERCE

Elsa Allgood Porter, of Virginia, to be an Assistant Secretary of Commerce, vice Joseph E. Kasputys, resigned.

HOUSE OF REPRESENTATIVES—*Monday, March 14, 1977*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be strong and of a good courage; be not afraid, neither be thou dismayed: for the Lord thy God is with thee.—Joshua 1: 9.

Eternal Father of us all, in the quiet reverence of this sacred moment, we lift our hearts anew unto Thee praying that Thy grace will cleanse us, Thy power strengthen us, and Thy love create in us a greater spirit of good will. May Thy wisdom be our wisdom as we make our decisions this day. May Thy strength be our strength as we stand firmly for what is right. May Thy patience make us patient. Thy forgiveness make us forgiving, and Thy love make us loving, too.

Amid the disturbances of our day and the tenseness of our time keep us calm, hold us steady, and give us enough understanding to listen and to do what is right and good for all concerned.

In the spirit of Him who calls us to do justly we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 269. Joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1977, for disaster relief.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 11. An act to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 11) entitled "An act to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RANDOLPH, Mr. BURDICK, Mr. MUSKIE, Mr. BENTSEN, Mr. ANDERSON, Mr. MOYNIHAN, Mr. STAFFORD, Mr. CHAFEE, Mr. DOMENICI, and Mr. MCCLURE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a resolution of the following titles, in which the concurrence of the House is requested:

S. 213. An act to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Internal Revenue Service and of the Bureau of Alcohol, Tobacco, and Firearms;

S. 964. An act to provide that the salaries of certain positions and individuals which were increased as a result of the operation of the Federal Salary Act of 1967 shall not be increased by the first comparability pay adjustment occurring after the date of the enactment of this act.

S. RES. 104

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

JOINT COMMITTEE ON PRINTING: Mr. Cannon of Nevada, Mr. Allen of Alabama, and Mr. Hatfield of Oregon.

JOINT COMMITTEE OF CONGRESS ON THE LIBRARY: Mr. Cannon of Nevada, Mr. Pell of Rhode Island, Mr. Williams of New Jersey, Mr. Griffin of Michigan, and Mr. Baker of Tennessee.

The message also announced that the chairman of the Committee on Banking, Housing, and Urban Affairs, pursuant to section 712(a)(1) of the Defense Production Act of 1950, as amended, appointed Mr. PROXMIRE, Mr. SPARKMAN, Mr. MCINTYRE, Mr. BROOKE, and Mr. TOWER to be members, on the part of the Senate, of the Joint Committee on Defense Production for the 95th Congress.

And that the Vice President, pursuant to section 6968(a), title 10 of the United States Code, appointed Mr. BUMPERS (Armed Services), Mr. SASSER (Appropriations), Mr. MATHIAS (Appropriations), and Mr. CHAFEE (At-Large) to be members, on the part of the Senate, of the Board of Visitors to the U.S. Naval Academy.

And that the Vice President, pursuant to Public Law 85-474, appointed Mr. SPARKMAN (chairman), Mr. WILLIAMS, Mr. BAYH, Mr. DURKIN, Mr. PACKWOOD, and Mr. STAFFORD to attend, on the part of the Senate, the Interparliamentary Union Conference, to be held in Canberra, Australia, April 11 to 16, 1977.

DEFENSE PRODUCTION ACT

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, today I am introducing a bill to extend for 2 years the Defense Production Act of 1950. The act is due to expire on September 30, 1977. My bill would simply extend it to September 30, 1979.

The Defense Production Act is the statutory mechanism by which our Government can insure that our industrial capacity and resource inventories remain at levels necessary to safeguard the national security.

Briefly, the act provides authority for the President to: First, give priority to vital defense contracts; second, allocate materials and facilities needed for defense programs; third, expand the Nation's productive capacity to insure that defense needs can be met, including the making of loans and loan guarantees to private business enterprises; fourth, encourage increased participation by small business enterprises in defense contracts; fifth, request various elements of the private sector to enter into voluntary agreements to develop preparedness programs and to expand productive capacity and supply, with such agreements providing an affirmative defense against antitrust prosecution; and sixth, establish a national defense executive reserve—a pool of trained executives to be available to the Government in the event of a required rapid mobilization. Extension of the Defense Production Act would also continue the Joint Committee on Defense Production.

In all, some 18 departments, agencies, and boards of the Federal Government participate directly in the implementation of the Defense Production Act.

Mr. Speaker, the Defense Production Act was first passed during the Korean war, and it has been extended by every Congress since then. I believe it is necessary legislation and should be extended for another 2 years.

RESOLVED: EVERY MEMBER OF CONGRESS SHOULD PREPARE HIS OWN INCOME TAX RETURN

(Mr. DEL CLAWSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DEL CLAWSON. Mr. Speaker, to paraphrase the report of Capt. Oliver Hazard Perry on his historic victory in 1812, and with apologies for grammatical license, "We have met the enemy and they are us?"

This is the personal report of at least one Member of Congress who has emerged victorious from the menacing labyrinths of Federal income tax form 1040. To be sure, it is a relatively modest victory. More important, any impulse to heroics is subdued by the sober realization of the responsibility which the Congress must bear for the complex, abstruse, productivity-limiting tax code upon which the tax forms are based. But if we had to reach the present maddening level of mystifying tax codification in order to be prodded into change then there may be some promise of eventual victory. And if we do lay siege to the burdensome tax structure, it would appear that we are not without a powerful ally in the Executive, judging from the President's endorsement of tax simplification during his recent telephone hookup with the Nation.

In the thought that added incentive to the process of demolition and reconstruction may be necessary, I am today introducing a resolution to require that every Member of Congress prepare his own income tax return without assistance until Congress exercises its responsibility to lift the burden on the rest of the Nation's taxpayers. The text of the resolution follows:

H. CON. RES. —

Whereas recent tax legislation has made Federal tax laws increasingly complex;

Whereas this increase in complexity has forced many persons to seek professional assistance to prepare their tax returns;

Whereas Congress, while bearing responsibility for the complexity of the Federal tax laws and with the authority to simplify them, has not enacted tax simplification legislation: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that every Member of Congress must prepare his own income tax return without assistance until Congress exercises its responsibility and prerogative to ease the burden that the complex and obtuse tax laws place on taxpayers.

CONFERENCE REPORT ON H.R. 2647, INCREASING SBA LOAN LIMITATIONS AND SURETY BOND AUTHORIZATIONS

Mr. SMITH of Iowa. Mr. Speaker, I call up the conference report on the bill (H.R. 2647) to amend the Small Business Act and the Small Business Investment Act of 1958 to increase loan limitations and to increase surety bond authorizations, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 8, 1977.)

Mr. SMITH of Iowa (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER. The gentleman from Iowa (Mr. SMITH) is recognized for 1 hour.

Mr. SMITH of Iowa. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts (Mr. CONTE), pending which I yield myself such time as I may consume.

Mr. Speaker, this matter is noncontroversial and has bipartisan support; and it should not take very long.

The House has already passed H.R. 692, an omnibus bill which would specify program levels at which SBA would be authorized to operate for fiscal years 1978 and 1979. The Senate has already commenced holding hearings on this bill.

In the meantime, the bill H.R. 2647 is an interim measure which merely increases the amount of loans which may be outstanding at any one time and it also increases the authorization for appropriation to the surety bond guarantees fund.

The program levels at which SBA is designed to operate for the remainder of this fiscal year have already been approved by the Appropriations Committee and subsequently by the Congress and the President. It is the primary purpose of this bill to allow SBA to continue operating at these previously approved levels and also to have some flexibility to operate at higher levels if the Congress and the President so desire without our committee being required to bring additional legislation to the floor to increase the limitations.

The bill agreed upon in conference would increase the Small Business Administration's overall loan ceiling to $7.4 billion from the present $6 billion—the House bill would have increased it to $8 billion and the Senate amendment would have increased it to $6.8 billion—increase the sublimitation for economic opportunity loans to $525 million from $450 million—as provided in the House bill; no comparable Senate provision—and for financial assistance to small business investment companies to $887.5 million from $725 million—the House bill would have increased it to $1.1 billion and the Senate amendment would have increased it to $775 million. The surety bond guarantees fund would be increased to $110 million from $56.5 million—as provided in the House bill; the Senate amendment would have increased it to $68.5 million.

I believe that this is a good compromise and that it will provide SBA with the needed flexibility and I urge my colleagues to approve it.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in wholehearted support of the conference report to accompany H.R. 2647. It is extremely important to the Small Business Administration and its constituency that this conference report be approved immediately.

The bill, H.R. 2647, was passed by the House on February 1 of this year. It is a simple, noncontroversial bill which merely raises the ceilings on the amount of obligations the Small Business Administration may have outstanding. It raises the ceiling on the small business loan and investment fund, the subceiling on economic opportunity—minority enterprise—loans, the ceiling on small business investment company loans; and the authorization for surety bond guarantees.

Action is needed immediately in each of this areas, because the Small Business Administration has reached its statutory ceilings.

The House version of the bill raised the ceiling for the business loan and investment fund from $6 billion to $8 billion, the subceiling on EOL loans from $450 million to $525 million, the ceiling on SBIC loans from $725 million to $1.1 billion, and the surety bond guarantee authorization from $56 million to $110 million.

The new ceilings approved by the House were designed to carry the SBA through this fiscal year and into the next fiscal year. It was our intention to insure that the agency could continue to operate at the current or increased levels until the other body had an opportunity to act on another House bill, H.R. 692, which would provide annual levels of operation for the next 2 fiscal years.

The other body increased the ceiling for the business loan and investment fund from $6 billion to $6.8 billion. It failed to raise the subceiling on EOL loans. It raised the ceiling on SBIC loans to only $887.5 million and the authorization for surety bond guarantees to only $68.5 million.

We have received assurances that H.R. 692, which provides new ceilings for the fiscal years 1978 and 1979, will be acted on before the end of this fiscal year. For that reason, the House conferees did not insist on the House figures for the business loan and investment fund and the small business investment company loans. On the other hand, we felt that the figures adopted by the other body were too low to permit the SBA to operate at a desired accelerated pace through this fiscal year. Consequently, the conference substitute split the difference in these two areas.

The conferees agreed that the House figures in the other two areas, the economic opportunity loans and the surety bond program, were appropriate and needed. Consequently, the conference substitute adopts the House figures.

The conference substitute is a fair, adequate, and needed compromise. I remind my colleagues that the Small Business Administration must, due to statutory limitations, severely curtail its activity immediately if this conference substitute is not adopted.

For these reasons, I urge a favorable vote on approving the conference report.

Mr. SMITH of Iowa. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 355, nays 1, not voting 76, as follows:

[Roll No. 67]

YEAS—355

Abdnor	Conte	Harsha
Addabbo	Conyers	Hawkins
Akaka	Corcoran	Hefner
Alexander	Corman	Heftel
Allen	Cornell	Hightower
Ammerman	Coughlin	Hollenbeck
Anderson, Calif.	Crane	Holt
	D'Amours	Holtzman
Anderson, Ill.	Daniel, Dan	Horton
Andrews, N. Dak.	Daniel, R. W.	Howard
	Danielson	Hubbard
Annunzio	Davis	Huckaby
Archer	de la Garza	Hughes
Armstrong	Delaney	Hyde
Ashbrook	Dent	Ichord
Ashley	Derrick	Ireland
Aspin	Derwinski	Jacobs
AuCoin	Devine	Jeffords
Badham	Dicks	Jenkins
Bafalis	Diggs	Jenrette
Baldus	Dingell	Johnson, Calif.
Barnard	Downey	Johnson, Colo.
Baucus	Drinan	Jones, N.C.
Bauman	Duncan, Oreg.	Jones, Okla.
Beard, R.I.	Duncan, Tenn.	Jones, Tenn.
Beard, Tenn.	Early	Jordan
Bedell	Edgar	Kasten
Bellenson	Edwards, Ala.	Kastenmeier
Benjamin	Edwards, Okla.	Kazen
Bennett	Eilberg	Kelly
Bevill	English	Ketchum
Bingham	Erlenborn	Keys
Blanchard	Ertel	Kildee
Blouin	Evans, Colo.	Kindness
Boggs	Evans, Del.	Koch
Bolling	Evans, Ga.	Kostmayer
Bonior	Fary	Krebs
Bonker	Fascell	Lagomarsino
Bowen	Fenwick	Latta
Brademas	Fisher	Le Fante
Breaux	Fithian	Leach
Brinkley	Flippo	Lederer
Brodhead	Flood	Leggett
Brooks	Flowers	Lehman
Broomfield	Flynt	Lent
Brown, Mich.	Foley	Levitas
Brown, Ohio	Ford, Mich.	Lloyd, Calif.
Broyhill	Forsythe	Lloyd, Tenn.
Buchanan	Fountain	Long, La.
Burke, Calif.	Fraser	Long, Md.
Burke, Fla.	Frenzel	Lott
Burke, Mass.	Gammage	Luken
Burleson, Tex.	Gaydos	Lundine
Burlison, Mo	Gephardt	McClory
Burton, John	Giaimo	McCloskey
Burton, Phillip	Gibbons	McCormack
Butler	Ginn	McDade
Byron	Glickman	McFall
Caputo	Goodling	McHugh
Carney	Gore	McKay
Carr	Gradison	McKinney
Carter	Grassley	Madigan
Cavanaugh	Gudger	Maguire
Cederberg	Hagedorn	Mahon
Chisholm	Hall	Mann
Clausen, Don H.	Hamilton	Markey
	Hammer-schmidt	Marks
Clawson, Del		Marriott
Cleveland	Hanley	Martin
Cochran	Hannaford	Mathis
Coleman	Hansen	Mattox
Collins, Tex.	Harrington	Mazzoli
Conable	Harris	Meeds
Meyner	Quie	Stanton
Michel	Quillen	Stark
Mikva	Rahall	Steed
Miller, Calif.	Railsback	Steers
Mineta	Rangel	Stratton
Minish	Regula	Studds
Mitchell, Md.	Rhodes	Symms
Mitchell, N.Y.	Rinaldo	Taylor
Moakley	Risenhoover	Thompson
Moffett	Roberts	Thone
Mollohan	Robinson	Traxler
Moore	Roe	Treen
Moorhead, Calif.	Rogers	Trible
	Roncalio	Tsongas
Moss	Rooney	Tucker
Mottl	Rose	Udall
Murphy, Ill.	Rosenthal	Ullman
Murphy, N.Y.	Rostenkowski	Van Deerlin
Murphy, Pa.	Rousselot	Vento
Murtha	Roybal	Volkmer
Myers, Gary	Rudd	Waggonner
Myers, Ind.	Runnels	Walgren
Myers, Michael	Russo	Walker
Natcher	Ryan	Walsh
Nedzi	Sarasin	Wampler
Nix	Satterfield	Watkins
Nolan	Schroeder	Weaver
Nowak	Schulze	Weiss
O'Brien	Sebelius	Whalen
Oakar	Seiberling	White
Oberstar	Sharp	Whitehurst
Obey	Shipley	Whitley
Panetta	Shuster	Whitten
Patten	Sikes	Wiggins
Pattison	Sisk	Wilson, Bob
Pease	Skelton	Wilson, Tex.
Pepper	Skubitz	Winn
Perkins	Slack	Wirth
Pettis	Smith, Iowa	Wolff
Pickle	Smith, Nebr.	Wright
Pike	Snyder	Wydler
Poage	Solarz	Wylie
Pressler	Spellman	Yates
Preyer	Spence	Yatron
Price	St Germain	Young, Mo.
Pritchard	Staggers	Young, Tex.
Quayle	Stangeland	Zablocki

NAYS—1

McDonald

NOT VOTING—76

Ambro	Ford, Tenn.	Patterson
Andrews, N.C.	Frey	Pursell
Applegate	Fuqua	Reuss
Badillo	Gilman	Richmond
Biaggi	Goldwater	Rodino
Boland	Gonzalez	Ruppe
Breckinridge	Guyer	Santini
Brown, Calif.	Harkin	Sawyer
Burgener	Heckler	Scheuer
Chappell	Hillis	Simon
Clay	Holland	Steiger
Cohen	Kemp	Stockman
Collins, Ill.	Krueger	Stokes
Cornwell	LaFalce	Stump
Cotter	Lujan	Teague
Dellums	McEwen	Thornton
Dickinson	Marlenee	Tonry
Dodd	Metcalfe	Vander Jagt
Dornan	Mikulski	Vanik
Eckhardt	Milford	Waxman
Edwards, Calif.	Miller, Ohio	Wilson, C. H.
Emery	Montgomery	Young, Alaska
Evans, Ind.	Moorhead, Pa.	Young, Fla.
Findley	Neal	Zeferetti
Fish	Nichols	
Florio	Ottinger	

The Clerk announced the following pairs:

Mr. Teague with Mr. Andrews of North Carolina.

Mr. Zeferetti with Mr. Ford of Tennessee.

Mr. Ambro with Mr. Gonzalez.

Mr. Chappell with Mr. Krueger.

Mr. Dellums with Mr. Milford.

Mr. Cotter with Mr. Stockman.

Mr. Florio with Mr. Young of Alaska.

Mr. LaFalce with Mr. Miller of Ohio.

Mr. Montgomery with Mr. Marlenee.

Mr. Moorhead of Pennsylvania with Mr. Lujan.

Mr. Nichols with Mr. Frey.

Mr. Rodino with Mr. Bergener.

Mr. Richmond with Mr. Gilman.

Mr. Stokes with Mr. Thornton.

Mr. Waxman with Mr. McEwen.

Mr. Badillo with Mr. Eckhardt.

Mr. Biaggi with Mr. Cohen.

Mr. Boland with Mr. Kemp.

Mr. Fuqua with Mr. Fish.
Mr. Dodd with Mr. Findley.
Ms. Mikulski with Mr. Reuss.
Mr. Metcalfe with Mr. Charles H. Wilson of California.
Mr. Holland with Mr. Dickinson.
Mr. Harkin with Mr. Goldwater.
Mr. Breckinridge with Mr. Pursell.
Mr. Brown of California with Mr. Hillis.
Mr. Clay with Mr. Scheuer.
Mrs. Collins of Illinois with Mr. Cornwell.
Mr. Edwards of California with Mr. Sawyer.
Mr. Evans of Indiana with Mr. Dornan.
Mr. Ottinger with Mr. Vander Jagt.
Mr. Vanik with Mr. Emery.
Mr. Tonry with Mr. Young of Florida.
Mr. Stump with Mr. Guyer.
Mr. Simon with Mrs. Heckler.
Mr. Santini with Mr. Steiger.
Mr. Neal with Mr. Patterson of California.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION OFFERED BY MR. SMITH OF IOWA

Mr. SMITH of Iowa. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SMITH of Iowa moves that the House recede from its disagreement to the amendment of the Senate to the title of the bill and concur therein.

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

APPOINTMENTS TO REPUBLICAN OFFICIAL OBJECTORS COMMITTEES FOR CONSENT AND PRIVATE CALENDARS

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I have asked for this time for the purpose of announcing my appointments to the Republican official objectors committees for the Consent and Private Calendars.

For the Consent Calendar, the Republican official objectors for the 95th Congress will be the gentleman from Florida, Mr. FREY, the gentleman from Pennsylvania, Mr. SCHULZE, and the gentleman from California, Mr. BADHAM.

For the Private Calendar, the Republican official objectors for the 95th Congress will be the gentleman from California, Mr. ROUSSELOT, the gentleman from Ohio, Mr. WYLIE, the gentleman from Maryland, Mr. BAUMAN.

FREEDOM AS A REWARD FOR TERRORISM

(Mr. KREBS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KREBS. Mr. Speaker, last week this city and the rest of the Nation witnessed one more terrorist activity of the type that gave us Munich, Lydda, Maalot, Khartoum and other demented terrorists' outrages. For 38 long hours these outlaws threatened to decapitate their innocent hostages, after having murdered a 22-year-old reporter and having injured other innocent human beings.

Since then several of these criminals have been released without bail to walk the streets of this city as free men as a reward for their activities of last week.

I believe it is impossible for the American people to understand that we have a system of justice in any part of these United States which would tolerate this kind of judicial process. While we all commend the police of this city and the three ambassadors who were instrumental in the release of the hostages, I think it behooves the city of Washington to clean its house so as to make it possible for the American people to renew their faith in our system of justice.

FRANCES PAYNE BOLTON

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, the death of the Honorable Frances Payne Bolton has removed from this earth a lady who became one of the most distinguished Members of this body during her 30 years of service from 1939 to 1969. Mrs. Bolton was the wife of one Member of Congress from Ohio, Representative Chester Bolton, and the mother of another, Representative Oliver Bolton.

Mrs. Bolton, who died last week at the age of 92, was more than just a Congresswoman. In Congress, she was an influential member of the Foreign Affairs Committee, but she also was a driving force for improvements in the nursing profession.

Out of Congress, she found time for massive philanthropic and public service activities, in which she recognized her responsibilities as one of the richest woman in the world, and at the same time to pursue political activities in behalf of the Republican Party, serving as vice chairman of the national Republican program committee and a member of Ohio's Republican State Central Committee. When she left Congress in 1969, she was the senior Republican on the House Foreign Affairs Committee and had headed up a number of its subcommittees.

She will, I am sure, find herself a niche in the Valhalla to which we all aspire in our afterlives.

PROVIDING FOR CONSIDERATION OF H.R. 1746, UNITED NATIONS PARTICIPATION ACT OF 1945 TO HALT IMPORTATION OF RHODESIAN CHROME

Mrs. CHISHOLM. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 397 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 397

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1746) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentlewoman from New York (Mrs. CHISHOLM) is recognized for 1 hour.

Mrs. CHISHOLM. Mr. Speaker, I yield the usual 30 minutes for the minority to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 397 provides for the consideration of H.R. 1746, a bill which amends the United Nations Participation Act in order to halt the importation of Rhodesian chrome. The rule provides for 1 hour of general debate and is an open rule.

H.R. 1746 would amend section 5(a) of the United Nations Participation Act of 1945 by providing that an Executive order issued under this section that would reimpose the embargo against Rhodesian chrome will be enforceable, notwithstanding any other provision of any other law. In other words upon enactment of this bill the President could issue an Executive order banning the importation of Rhodesian chrome notwithstanding the provisions of the so-called Byrd amendment which amended the Strategic and Critical Materials Stock Piling Act in 1971.

Under the terms of the bill, the President would be given the discretionary authority to exempt shipments that were already in transit at the time this bill was enacted so that there will be no undue hardship on importers.

The bill also seeks to prevent the indirect importation of chrome from Rhodesia via foreign-made specialty steels. Imported chrome ore, ferrochrome, and nickel products would have to bear a certificate of origin that stated that the material therein was not from Rhodesia.

Mr. Speaker, long-term U.S. economic interests in Africa will be aided by repeal of the Byrd amendment. African nations have large supplies of valuable natural resources and future American access to these resources could be denied if the United States fails to fully support the majority rule in Africa.

Mr. Speaker, at this juncture I yield

to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, I thank the gentlewoman from New York for yielding.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentlewoman from New York has outlined the provisions of this 1-hour, open rule allowing for the consideration of H.R. 1746, a bill to halt the importation of Rhodesian chrome.

What the legislation is designed to do is permit the President to reimpose the embargo on imports of chrome ore, ferrochrome, and nickel from Rhodesia. Since the President has indicated his strong support for the embargo and this bill, there is little doubt but that the import ban against Rhodesia will be implemented should H.R. 1746 be enacted into law.

It is my understanding that the gentleman from Missouri (Mr. ICHORD) intends to offer an amendment to the bill, and I am sure there will be a number of other amendments, but the gentleman from Missouri (Mr. ICHORD) did come before the Rules Committee and discuss his amendment. It would authorize the President to suspend the operation of the embargo if in his opinion such suspension would promote meaningful negotiations for a peaceful resolution of the problems in Rhodesia. I understand the gentleman's amendment will be in order, according to the Parliamentarian, and I shall support it.

Mr. Speaker, there was testimony from both sides of the aisle before the Rules Committee, both pro and con, and certainly this is a very emotional issue and one this House has debated at length in the past.

What I find difficult to rationalize is this Nation's general abhorrence of economic boycotts with its apparent acquiescence in just such a boycott against Rhodesia. From what I have gathered from recent news accounts, the circumstances in Southern Africa have changed dramatically since very similar legislation to this was considered in the last Congress. Yet, only 1 day of hearings were held in the subcommittee before the bill before us today was reported.

One of the responsibilities of the Rules Committee is to make sure that legislation which comes before this body has been properly considered in the committee. I submit the political situation is so complex and volatile, we should take the time to adequately review the entire issue in the light of new developments. I would urge this body to proceed very cautiously and carefully in considering passage of such legislation to make sure we are not endangering the interests of the United States. I think there are some basic questions that have to be addressed in debate on this bill and I am sure they will be. How is the Soviet chrome less tainted for their violation of human rights than Rhodesian chrome?

How much is the price going to increase that we pay for Rhodesian chrome? How many members of the U.N abide by the present embargo on Rhodesian imports and how many do not? I think we will be surprised by the number that do not abide by it. As a matter of fact, we will probably be joining the minority of the members of the United Nations.

Finally, how well will the embargo be enforced against indirect imports of chrome from Rhodesia? In other words, will we be buying chrome at higher prices from Russia?

Mr. Speaker, I cannot oppose the adoption of this rule on parliamentary grounds, but I do oppose the passage of this legislation.

Mr. Speaker, I cannot oppose the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman from Mississippi for yielding.

Mr. Speaker, I rise in support of H.R. 1746 which would amend the U.N. Participation Act of 1945 to halt the importation of Rhodesian chrome into this country. This legislation was supported by the previous two Republican administrations and now has the support of the present Carter administration. All this amendment would do would be to bring the United States back into full compliance with the U.N. economic sanctions against Rhodesia which we first approved in the Security Council in 1966, and again when they were expanded in 1968 to make them comprehensive. At the present time, the United States and South Africa are the only nations which openly flout these sanctions and thus publicly violate international law.

Mr. Speaker, there have been some who have argued in the past that U.S. support for the sanctions under chapter 7 of the U.N. Charter was mistaken because the Rhodesian minority regime's breakaway from Great Britain in 1965 did not constitute a threat to international peace and security as required by that chapter for the imposition of international sanctions. I seriously doubt if anyone today would make that argument given the volatile situation in southern Africa and all its international implications and pitfalls. This clearly is a situation which is fraught with peril for the international community, and the United States cannot sit idly by while that situation erodes, especially when the continuation of our economic support for the minority regime under the Byrd amendment only contributes to its resistance to majority rule.

Mr. Speaker, many of the old arguments used to oppose repeal of the Byrd amendment no longer apply. Innovations in the steel industry no longer make us as dependent on Rhodesian chrome as we were in the past. Moreover, the abandonment of this amendment is in the best long-term interest of U.S. foreign policy and national security interests. We have become increasingly dependent on raw materials from other African nations which view with disdain our continued flouting of sanctions against Rhodesia. By the same token, the imminence of majority rule in Rhodesia should give us sufficient cause for concern and action to insure future access to its resources and favorable treatment.

In conclusion, Mr. Speaker, I think this is the most opportune and propitious time to abandon the Byrd amendment to demonstrate to the Smith regime and the world community, not only our strong support for human rights and majority rule in Rhodesia, but to bring further pressure to bear on the Smith regime to go back to the negotiating table and work out a peaceful transition settlement for majority rule in that country.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I am pleased to yield to my distinguished colleague from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. I thank the gentleman for yielding to me.

Mr. Speaker, I would like to associate myself most earnestly with the gentleman's fine remarks. I think they convey the feelings many of us have, and I am happy to be able to associate myself with the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. I thank the gentlewoman from New Jersey for her contribution.

Finally, Mr. Speaker, I would say that in addition to giving strong support today, I would hope, for majority rule, for human rights, that the result of this action might be, hopefully, to bring further pressure to bear on the Smith regime to go back to the negotiating table and to work out the peaceful transition settlement that will bring about majority rule.

The SPEAKER pro tempore (Mr. SMITH of Iowa). The time of the gentleman from Illinois has expired.

Mrs. CHISHOLM. Mr. Speaker, I yield 7 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Speaker, Members of the House, I thank the distinguished gentlewoman from New York and my good friend (Mrs. CHISHOLM) for yielding to me, even though I think a great deal differently than she does on the proposal we are considering today.

I would think that the Members of the House are well aware of my feelings toward this repealer of the Byrd amendment, which has been discussed many times previously in this body. I have branded it as the most hypocritical resolution ever to come before this great parliamentary body. Ostensibly, the proposals predicate the repeal of the Byrd amendment on America's dedication to human rights, but still I would point out to the Members of the House that this measure prohibits the importation of chrome and nickel from Rhodesia, but it permits the importation of chrome from Russia, a nation which Henry Kissinger himself has testified before this Congress is less democratic than the nation of Rhodesia.

This measure, Mr. Speaker, is steeped in cleverness, but it is lacking in character. It is polluted with hypocrisy; it is short on principle. The proposed sanctions against Rhodesia were born in hypocrisy. Today, 11 years later, the sanctions are still wallowing in hypocrisy.

Why do I say so? To begin with, the sanctions are illegal. Why are they illegal? This is because the United Nations Charter itself only permits sanctions against a given nation if that nation is a threat to world peace. Is Rhodesia a threat to world peace? Is there any Member of this body who can stand up on the floor of this House and honestly state that Rhodesia is a threat to world

peace? Perhaps one might honestly do that, but I do not think that anyone on the Foreign Affairs Committee or anyone who actually knows about conditions in Rhodesia and southern Africa would believe that statement.

This is what Secretary Kissinger had to say about the matter less than 2 years ago, and I read from the record the testimony of Secretary Kissinger before the body:

Senator BYRD. Do you think our actions toward Rhodesia are just or unjust?

Secretary KISSINGER. I think it reflects the decisions of the international community and the general conviction about justice.

Senator BYRD. Well, I am not clear whether you regard it as just or unjust.

Secretary KISSINGER. Our action? Yes, I recognize it as just.

Senator BYRD. You recognize our action in embargoing trade with Rhodesia as being just?

Secretary KISSINGER. Yes.

Senator BYRD. Do you regard the Soviet Union as being governed by a tight dictatorship, by a very few persons over a great number of individuals?

Secretary KISSINGER. I consider the Soviet Union, yes, as a dictatorship of an oligarchic nature, that is, of a small number of people in the Politburo.

Senator BYRD. In your judgment, is Rhodesia a threat to world peace?

Secretary KISSINGER. No.

Senator BYRD. In your judgment, is Russia a potential threat to world peace?

Secretary KISSINGER. I think the Soviet Union has the military capacity to disturb the peace, yes.

Senator BYRD. In your judgment, does Russia have a more democratic government than Rhodesia?

Secretary KISSINGER. No.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. LOTT. Mr. Speaker, I yield 3 additional minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. I, Mr. Speaker, am not trying to preserve the status quo in Rhodesia. I was reared to loathe racism in any form. I was also reared to loathe hypocrisy. I have no personal economic interest, from the standpoint of my district, I would state to my colleagues in the House. I have no stainless steel industry. But I do have the unique experience of having Bishop Muzorewa, the greatest moral force in Rhodesia, the black Bishop Abel Muzorewa, to have gone to school in my congressional district. I met with Bishop Muzorewa when the gentleman from Pennsylvania (Mr. DENT) and the gentleman from New Mexico (Mr. RUNNELS) and I were in Rhodesia a little over a year and one-half ago.

Last Friday I talked to Dr. Chabunduku, who was the secretary to Bishop Muzorewa's party. I also talked to Ian Smith, by the way. I do not have time at this particular time to discuss my amendment in detail; but I hope and I plead with the gentleman from Minnesota that he accept my amendment. I know that he is now talking to the State Department about the amendment.

Why do I ask that this amendment be accepted? I charge, Mr. Speaker—and I know that the gentleman from Pennsylvania will concur in my statement—that there are very few people on the floor of this House who actually know what is going on in Rhodesia. How many of the Members have been there? I charged last Monday, Mr. Speaker, on the floor of this House that our State Department, in the main, was ignorant about what was going on in Rhodesia. Why is the American State Department ignorant? Because we have no contact whatsoever with the nation of Rhodesia. The only intelligence that we have is the intelligence that we get through the British. I say to the Members that there could be no more biased intelligence than that coming from the British. In fact, I would state to my distinguished friend and colleague from New York that probably the reason why the brilliant and fair proposal of Henry Kissinger failed was because he made the mistake of putting the British in charge of the negotiations to transfer power from a minority government to a majority government.

Mr. Speaker, placing the British in charge of those negotiations would be just about like placing the British in charge of negotiations leading to a treaty between George Washington's newly formed American Government and the Indians in 1792 to give America back to the Indians.

There are very few white Rhodesians who trust the British in Rhodesia, and most of them are of British extraction.

I fear, Mr. Speaker, that if we continue in this body acting out of ignorance, if my colleagues will forgive me for saying that, we could very well have on our hands the blood of thousands of people, and in fact I will predict that we will have on our hands the blood of not only thousands of white Rhodesians but thousands of black Rhodesians if we proceed blindly without checking the status of negotiations in Rhodesia.

I am not so much against the repeal of the Byrd amendment as I am against the timing. At this particular time we could very well, by imposing an external settlement in Rhodesia, impose a black minority instead of a black majority government upon the people. This is a state of affairs that none of us desire.

Mr. FRASER. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I will gladly yield to my friend, the gentleman from Minnesota.

Mr. FRASER. Mr. Speaker, I thank the gentleman for yielding.

Earlier the gentleman referred to an amendment which he has indicated he will propose to the bill when we reach that part of the proceedings.

I want to advise the gentleman that my understanding of his amendment is that it would give the President the discretion to withhold the enforcement of the provisions of the bill before us if in his judgment it would facilitate the peaceful transition to majority rule.

The SPEAKER pro tempore (Mr. SMITH of Iowa). The time of the gentleman from Missouri (Mr. ICHORD) has expired.

Mrs. CHISHOLM. Mr. Speaker, I yield 1 additional minute to the gentleman from Missouri (Mr. ICHORD).

Mr. FRASER. Mr. Speaker, will the gentleman yield further?

Mr. ICHORD. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Speaker, my understanding is that the discretion which the gentleman seeks is contained in the bill at the present time, but in order to make absolutely clear that the discretion exists, it is my present intention—and I have consulted with some of the other members of the committee concerning this—to accept the gentleman's amendment at the time it is offered.

My understanding also is that if the amendment is agreed to, the present intention of the gentleman from Missouri (Mr. ICHORD) would be to support the adoption of the bill as amended.

Mr. ICHORD. Mr. Speaker, I would state to the gentleman from Minnesota (Mr. FRASER) that it is my great fear that if we proceed without my amendment, the President will not take advantage of this discretion. I urge upon the Members that it is necessary that we write legislative history to make it clear that we want him to look into the situation to see how close they are to successful negotiations in Rhodesia and how close they are to a peaceful transition of power from a minority government to a black majority government.

In that event, as much as I feel that the measure is steeped in hypocrisy, I would still vote for it because I do not want the blood of thousands of blacks and whites on my hands.

Mr. FRASER. Mr. Speaker, I appreciate the gentleman's statement.

Mr. LOTT. Mr. Speaker, I yield 10 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, we have before us today the latest in a long series of liberal foreign policy initiatives regarding Africa which in my opinion could eventually culminate in the complete subjugation of the African Continent by communism. Many of the nations of that area are already under the control of leftist or Communist dictatorships, armed with Soviet weapons and in the case of Angola, aided by Castroite colonials.

Why would I make such a serious charge? Is not the real issue here the political and moral and human rights of the people of Rhodesia? Should not the Congress of the United States be willing to cast its vote for decency and humanity against the racist regime of Ian Smith?

We know the answers to those questions are not simple and yet this legislation before us is one of the simplest responses to a highly complex problem one could imagine.

There are many good arguments supporting the retention of the Byrd amendment, not the least of which is the economic effect its repeal will have on American industries and American consumers. We hear a great deal of collective wailing about the plight of consumers from our liberal brethren in this House, but today the fact that consumers will get socked with increased costs for specialty steel products as a result of this bill is the price unfortunate Americans must pay so that liberal foreign policy objectives can be attained.

Yes, Mr. Speaker, the real cause at issue here is human rights, and so the

United States will move away from the politically and morally contaminated low-cost chrome of Rhodesia, which we need, and turn instead to increasing our purchases from the Soviet Union, a nation we all know to be a paragon of international virtue, where seldom is heard a dissident word, and the political prisons operate 24 hours a day. By our vote today we say to the world that America will have nothing to do with the white racists, but we will embrace the Red totalitarians who have subjected half the world to their tyranny, murder, and mass bloodshed. But then we were told only last month by our new Ambassador to the United Nations that communism is no threat to Africa, but racism is.

This despite the fact that Angola has fallen to the Communists, Mozambique is controlled by Communists, and the Soviet Union's shipments of arms, munitions, and Cuban mercenaries to numerous African states is somehow supposed to bring peace and freedom.

Or perhaps the legislation before us will force America to turn to South Africa as a source of more of our chrome. That nation has the second largest supply in the world. But, you say, is not South Africa constantly attacked by the self-same people who are pushing hardest for the enactment of the bill we will vote on today? Of course it is, and that nation will be next on the list for boycotts and trade restrictions, and our liberal brethren have already made that clear.

Mr. Speaker, of all the forums in the world which should set the standard for morality, it is laughable that we should be told that the United States has an obligation to follow the United Nations in its boycott of Rhodesia. This is the same U.N. which condemned Israel as a "racist" nation. The same U.N. whose Commission on—would you believe?—Human Rights refused last week in Geneva to investigate the bloody carnage which is and has been taking place in Idi Amin's Uganda, where more than 50,000 people have been slaughtered in an area not much bigger than the State of Maryland.

Lastly, by our action here today, if we do repeal the Byrd amendment, we are indeed giving what one of our colleagues has called "a strong signal to the world community," not as he suggests, that America is committed to achieving majority rule in southern Africa by peaceful means, but rather a signal that the United States will join, even though tacitly, with the forces of darkness and violence that wish to crush all hope of freedom for the people of Rhodesia, both black and white.

I hold no brief for Ian Smith and his government. In a matter of months that government will be gone, even as Mr. Smith himself finally has pledged to transfer power to a new government representative of all the people of his nation. But by our unnecessary slap at Rhodesia today we will lend encouragement to the guerrilla forces, armed with Soviet weapons and trained by their Cuban clients, who are slaughtering blacks and whites, bishops, nuns, ministers, priests, mothers, fathers, children indiscriminately. By our vote we will discourage those democratic black elements in Rhodesia who might be seeking a peaceful transition to majority rule.

And, Mr. Speaker, a question must be raised here today and again and again in the future as to just what our liberal brethren mean when they say "majority rule." Nothing could better underscore the need to define that high-sounding phrase than the bill before us today.

Is the repeal of the Byrd amendment really going to bring about a free and democratic system in Rhodesia? Are we really lending encouragement to freedom in that troubled land? The situation has changed in Rhodesia. Only a few days ago Mr. Smith forced through his Parliament one of the broadest grants of civil rights to Rhodesian blacks ever enacted, and he did so with the votes of some of the black members. Oh, you say, it's about time, and I agree, but think what we signal the world if we vote against the Byrd amendment.

We are saying, purely, and simply, that no amount of progress toward a peaceful solution in southern Africa will gain the blessing of the United States. Instead we will align ourselves with the most extreme elements aiming not at establishing majority rule but those who desire control at any price, including collaboration with communism.

Look at the map of Africa and see, one after another, the tyrannical rulers who have subjected their people, black and white, not to freedom but to political slavery and worse. If we vote for this bill today we make it all but inevitable that one more nation will fall back into a new darkness which is descending over Africa.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, the legislation we are considering today (H.R. 1746) does nothing, I repeat nothing, for human rights.

I think the comments of our colleague, the gentleman from Pennsylvania (Mr. GOODLING) who is a member of the committee, and by his own statement in the minority views, states that he cannot vote for the bill because it is totally inconsistent with commonsense. This bill is the height of hypocrisy. And for that reason alone I cannot support it. But, Mr. Speaker, I think it is a shame that in the name of human rights we believe we are going to help establish civil rights in Rhodesia by the passage of this legislation. When it is known it will do nothing of the sort. Unfortunately most members of the Committee on International Affairs know that.

So, Mr. Speaker, I find myself in agreement with my colleague the gentleman from Pennsylvania (Mr. GOODLING). I hope that my other colleagues will at least review the views he has presented in the report of the committee. As I say, the gentleman from Pennsylvania is a member of this committee and he has tried desperately to find a way to determine whether he really was contributing in a positive way to human rights by voting for this repeal, but he knows we will not be. Neither will this House.

Mr. Speaker, another reason I cannot support H.R. 1746 is that it sets a dangerous precedent in American foreign policy which deserves the attention of the Members.

Let us look at the basic principles which underlie this country's proposed embargo of Rhodesian chrome. When all the peripheral issues are eliminated, and I am sure the proponents of H.R. 1746 will agree with this, the Rhodesian embargo is based on the Smith government's alleged denial of human and political rights to Rhodesia's black majority. I do not want to enter at this time into the question of to what extent those rights are or are not actually recognized. What should be pointed out, however, is the fact that H.R. 1746 singles out Rhodesia as an object of revulsion, without reference to the continuous denial of human and political rights which goes on elsewhere in the world, and in Communist bloc countries in particular.

For a systematic and coldly executed suppression of human and political rights, no parallel exists for the Communist systems. Certain national variations must exist, but the underlying principles remain the same throughout. Whether it is in Cambodia, where at least 1.2 million people have been quietly massacred since 1975 by the Khmer Rouge; in the People's Republic of China, where political dissent brings lengthy terms of "reform through labor"; or in the Soviet Union, where dissenters are arrested, confined to mental institutions, or in the more fortunate cases exiled, free political expression is a nonexistent commodity throughout the Communist world. This is not random political suppression; it is institutionalized, and for that reason it is more dangerous. Why do we insist on closing our ears to the courageous words of Alexandr Solzhenitsyn, Dr. Sakharov, Mr. Bukovsky, and others who tell us again and again of the smothering of political rights, of political expression, and of political participation on the Soviet Union?

The administration has recently had some strong words to say on human rights in the U.S.S.R.; and we are all expected, no doubt, to take this as a sign of the administration's clearcut commitment to the defense of human rights throughout the world. I fear, though, that our interest will stop there, that with a token gesture made it will prove too inconvenient to translate those words into action. In the case of Rhodesia, however, we are seeking to impose sanctions, because that is convenient. The world—that same world which continues to covertly trade with Rhodesia on a large scale will likely applaud. The Soviet Union will certainly applaud too, despite the fact that it has been cited by the U.N. for "massive sanctions breaking" in contravention of the Rhodesian embargo.

The ninth report of the special Security Council committee established to oversee the embargo, dated this year, cites the Soviet Union and five Soviet bloc countries for "regular trade" with Southern Rhodesia through three Swiss trading companies, which are said to exist "solely to provide a seemingly legitimate cover for a major sanctions-breaking operation." This trade is car-

ried out through the state trading organizations of these countries, which exchange chemicals, metals, and agricultural items for Rhodesian tobacco and other agricultural commodities. And it is this same Soviet government, which actively trades with Rhodesia yet suppresses the political and human rights of its own citizens, from which the United States proposes to import fully half its chromium.

These facts should be considered by the members of this board. We all, I am convinced, believe in the importance of fundamental human and political rights, and we must defend those rights. The real question is: Is morality, as we conceive it, relevant to only certain times and certain situations. Can it be selectively applied, ignoring those cases which threaten to be inconvenient or embarrassing? If this is so, then our Government's avowed defense of human rights is a farce, and our moral standard no more than a propaganda tool. Both justice and logic demand that if the United States is to insist on enforcing its moral standards against other nations, that that policy is pursued consistently and impartially. If the standard of human and political rights is to be used for sanctions against Rhodesia, then those sanctions should be enforced no less against the Soviet Union and other nations which affront our values—or else they should not be enforced at all. The pious application of a double standard in the case of Rhodesia, in response to the clamoring of nations which also follow a double standard, sets a dangerous precedent in American foreign policy which this House must firmly oppose.

I hope my colleagues can be persuaded not to support the repeal of the Byrd amendment because it does not, in fact, improve human rights.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Speaker, I had not intended to speak again to this question. I think that our colleague, the gentleman from Illinois, has spoken eloquently on this. This bill is receiving some resistance because it is symbolic. It is far more important perhaps than it may seem to be on the surface. What we really are doing in the repeal of the Byrd amendment, which I earnestly hope we will vote to do, is sustaining the position of the United States before the world. We voted for it in the United Nations, and the Security Council unanimously sustained the vote not to buy from Rhodesia. In this we are joined, not just by a group of nations that mean nothing to us, but by our principal allies: Great Britain, France, the Netherlands, West Germany, most of the nations in the west, nations that stand for justice and order in this world. So this bill is indeed symbolic.

People have accused others of hyprocrisy. How do we judge the hearts of others?

All I can say is that I accuse no one as to motives in this. If they resist repeal of the Byrd amendment they surely have reasons which I would not impugn. But I believe they are mistaken. It will inure to the honor of this country that we vote repeal. It is important for the position of our Nation in the eyes of the world. It would be a great shame and a great pity if it does not pass.

Mr. ROUSSELOT. Mr. Speaker, will the gentlewoman yield

Mrs. FENWICK. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the comments of the gentlewoman from New Jersey, about the fact that other nations have joined in this repeal of the so-called Byrd amendment concept, but, having done so, many of them have turned right around and have continued to buy chrome from Rhodesia. How does that affect human rights in Rhodesia?

Mrs. FENWICK. I would state to the gentleman from California that before the United States ever passed the Byrd amendment, we bought 50 percent of our chromium ore from Russia, and we are still buying 40 percent of our chromium ore from Russia. As to human rights—

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mrs. CHISHOLM. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I have been in this well many times on this Rhodesian chrome issue. I have told the President and I am telling the Members that my past position supporting the Byrd amendment was based upon the needs of my constituency and the economic needs of the country. I felt that unless we had access to Rhodesian chrome, the high-grade metallurgical ores, we could not produce the specialty steels that are critical to the American economy. The American specialty steel industry has now discovered and perfected a method by which it can use the lower grade non-Rhodesian ores. Thus, I have no further argument on the economics of this matter. The only thing that has to be done by this country is to assure that the other non-Rhodesian sources are made available to us.

I have talked to the chairman of this committee, Mr. FRASER, and he understands the economic situation. I have also talked to the White House and they understand the economic and supply situation. Both Mr. FRASER and the President agree that we cannot be put in a position where we are subject to economic blackmail by the Soviet Union. Those steel producing countries that are competing with us are still buying their ore directly and indirectly from Rhodesia. At the time of the embargo, this Nation obeyed the sanctions of the U.N., but the other nations did not. By our actions today we must assure compliance with the embargo to protect our vital industries. I want to support the rule and will support the bill.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentleman for yielding.

I want to ask my collague from Pennsylvania where this low-grade ore comes from.

Mr. DENT. From the Transvaal region of South Africa, Russia, Brazil, and other countries.

Mr. GOODLING. If the gentleman will yield further, so it is available from those human rights giants, the Soviet Union, South Africa, India, Albania, and Chile.

Mr. DENT. And Turkey.

Mr. GOODLING. All of those human rights giants, the Soviet Union, South Africa, India, Albania, Chile, and Turkey.

Mr. DENT. While I am fighting for human rights; I am also fighting for the honor of this country and its economic needs.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I will not repeat the issues that have been covered by other Members. But this is an incredibly complex subject, complex because one could argue an economic question while another Member could argue a civil rights issue, and never the twain shall meet. But there are a few points I wish to make for the record.

First, one of the implications in this attack on the Byrd amendment is that by passage of the Byrd amendment the United States has kept Rhodesia afloat. That is not true at all. Let me just recite a little history for the Members. The Rhodesian Declaration of Independence from Great Britain was adopted November 11, 1965. The British Government at the time was too weak or too afraid of home vote reaction to take any practical action to put down this revolt. They instead imposed economic sanctions which did not work. Then on December 16, 1966, the U.N. Security Council first voted sanctions. From that time, December 1966 until early 1972 the United States completely abided by the sanctions.

That was the period of the greatest economic boom for Rhodesia in which many other nations—some of them listed in U.N. reports, Japan, West Germany, Eastern European countries, and some countries in Africa, not just South Africa but other countries in Africa—continued to trade with Rhodesia.

With the passage of the Byrd amendment—and let me again make this point because it gets lost in rhetoric—the Byrd amendment did not mention either chrome or Rhodesia but rather stated that "any strategic material imported from Communist countries could not be banned from importation from non-Communist countries." Basically that is the Byrd amendment. Chrome is a critical material and that is the issue.

If we repeal the Byrd amendment, what we do, in effect, is put ourselves in the position that we were in from 1966 to 1971, when there was a growing dependence on the chrome ore from the Soviet Union and this ore was available to us only at a constantly rising cost.

I do not defend at all the legality of that government in Rhodesia. My interest is in the economic well-being of the United States, its industries, and its consumers. When the U.S. industries have to acquire chrome ore from the Soviet Union at a much higher cost, that cost is going to be borne by the consumers, your constituents. That is the issue before us.

If Members wonder about violations, here we are in the United States by act of Congress abiding by these violations except for the strategic materials which Congress permits us to acquire from Rhodesia. The other countries, the ones who have been referred to by many Members as being the hypocritical lot, are carrying on extensive trade with Rhodesia. Recently a British report to the U.N. Security Council Sanctions Committee noted that Bulgaria, East Germany, Czechoslovakia, and the Soviet Union all were in violation of the sanctions. Other reports have indicated that Belgium, Italy, Japan, Switzerland, several African nations, Turkey, Iran, and Israel are in violation. These countries do not admit to be violating the sanctions. The United States openly does it by the act of Congress in passing the Byrd amendment.

Let me give the Members one other figure. The issue is made that we now depend more on ferrochrome than on chrome ore. One of the countries from which we import ferrochrome is Japan. Japan is not a producer of chrome ore. Japan has to import its chrome ore, and they refine it, and sell it to the United States. Where does Japan get its chrome ore? There is a very strong suspicion that a good deal of that Japanese chrome ore comes from Rhodesia.

Mrs. CHISHOLM. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Speaker, I want to deal with what seems to me to be the major argument which has been raised against this rule and legislation. I refer to the contention that by repealing the Byrd amendment we will somehow be engaged in an act of moral hypocrisy because, at the same time that we prohibit the importation of Rhodesian chrome, we will be simultaneously importing chrome from other countries, such as the Soviet Union and South Africa, which no one here could fairly characterize as exemplars of decency or as protectors of those human and civil rights which we hold dear in our own country.

It seems to me that the answer to this argument, which I think is a very serious and legitimate one, is that it would be nice if we could act in a completely consistent fashion, but in the world in which we live it is not really possible to formulate and to fashion a foreign policy which is completely consistent.

I suspect that Emerson was right when he said that "A foolish consistency is the hobgoblin of little minds." I would submit that our inability to act against immorality in one part of the world should not prevent us from acting against immorality in other parts of the world. Would it have made sense, for example, in World War II for us to have abstained from the fight against fascism because in order to defeat Nazi tyranny we had to aline ourselves with Communist totalitarianism in the Soviet Union? Or, to put it in somewhat more contemporaneous terms, take the example of the different policies which we fashioned and formulated with respect to Chile on the one hand and Korea on the other.

Mr. Speaker, these are both repressive regimes. They are both countries which violate our most cherished ideals and yet it seems to me that it would be a fundamental mistake for us to treat them both in precisely the same manner, because the fact is that the security of one of those countries is essential to the international balance of power, while the security of the other is in no way significantly endangered; or to put it somewhat differently, I submit that just because we provide military assistance to Korea it would be a mistake for us to feel obligated to provide military assistance to Chile in the same sense that our refusal to provide arms to Chile should not require us to refrain from providing essential assistance to Korea.

Mr. Speaker, the fact is that an embargo against Rhodesia can make a difference while an embargo against the Soviet Union or against some of these other countries would not.

I had an opportunity last July to travel to several of the countries of southern Africa. I was in South Africa, Rhodesia, Zambia, Mozambique, and Tanzania. I can tell this House that our willingness to repeal the Byrd amendment is viewed throughout Africa as the litmus test of our commitment to majority rule. I think our relations with Africa have improved significantly since Secretary Kissinger's speech at Lusaka and the reaffirmation of the American commitment to majority rule by President Carter and his administration.

The SPEAKER pro tempore (Mr. SMITH of Iowa). The time of the gentleman from New York has expired.

Mrs. CHISHOLM. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. SOLARZ. Mr. Speaker, if the Congress of the United States refuses to repeal the Byrd amendment, this change in our foreign policy from benign neglect to active diplomatic support for majority rule will be viewed throughout Africa as an exercise in national hypocrisy.

Mr. Speaker, it seems to me that we have a significant commitment to the peaceful establishment of majority rule in Rhodesia. Our ability to achieve such a transition without the kind of bloodshed, and without the possibility of international intervention which might otherwise take place, depends to a very significant extent on a perception on the part of Ian Smith and the Rhodesian front that they can no longer count in the crunch on the support of the United States for the protection of minority rule in their country.

If we fail to repeal the Byrd amendment today, it will be possible for Mr. Smith to continue to delude himself into the profoundly mistaken belief that, in the final analysis, if he holds out long enough, we may come rushing to his assistance. That, my friends would be a formula not only for disaster within Rhodesia itself, but for international chaos and confrontation as well.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Speaker, I want to commend the gentleman for these very excellent remarks and I hope all Members were listening closely.

I want to say further that the issue of inconsistency and hypocrisy is not at all the case, that one does not use the same weapons against a rat and a rhinoceros.

We have taken positions, and ought to take positions, to attempt to obtain human rights in the Soviet Union also, but this can work in Rhodesia, as the gentleman has said.

The SPEAKER pro tempore. The time of the gentleman from New York has again expired.

Mrs. CHISHOLM. Mr. Speaker, I yield 1 additional minute to the gentleman from New York.

Mr. SOLARZ. Mr. Speaker, the gentleman may be more familiar with rats and rhinoceroses than I am; but it seems to me the general thrust of the gentleman's remarks are well taken. What is appropriate in one set of circumstances may be inappropriate in another. I think it would be disastrous if we were frozen into diplomatic and moral immobility because we are not in a position to instantaneously establish similar policies with respect to every other repressive regime that also exports chrome.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, in other words, there are extenuating circumstances so that we do not want to argue for equality under the laws of the United of America; is that what the gentleman is saying?

Mr. SOLARZ. I am for equal rights for all people everywhere.

Mr. SYMMS. But not in the Soviet Union.

Mr. SOLARZ. I am very much committed to freedom and equality, not only in the West but in the East; not only in the United States, but in the Soviet Union. But what is appropriate to the achievement of those objectives in one country may not, because of prevailing international realities, be appropriate elsewhere.

Mr. LOTT. Mr. Speaker, I would like to address a question to the chairman of the International Organization Subcommittee of the Committee on International Relations, if I could.

Did I understand him correctly to say earlier that he found the Ichord amendment acceptable, or that he was inclined to accept it when we get to the amending process?

Mr. FRASER. If the gentleman will yield, what I said was that our present intention is to accept the amendment at the time it is offered.

Mr. LOTT. I thank the gentleman.

Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Speaker, it would appear, listening to some of this discussion, that the best course Rhodesia could take in its own self interest is to become, first of all, much more oppressive than it is now in denying human rights, and to perpetrate the kinds of injustices and violations that the Soviet Union has been doing for so many years, about which we

have heard most recently from Mr. Bukovsky.

Third, it should become an imperial state and, in effect, declare war on the free world and free institutions. Then, the United States would make a hasty turnabout, guarantee them a monopoly in the sale of chrome and pay double the price we paid for it before.

Mr. LOTT. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mrs. CHISHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there has been a great deal of discussion pertaining to the rule, and the question that keeps popping up, of course, is economic sanctions, economic boycott, and what would happen if possibly the United States were not able to get any more of this specific kind of chrome from Rhodesia.

It has been very interesting to me that very little of the discussion has centered on human rights, the fact that the leaders in many of these African countries have indicated that there could be a lessening of the tensions and the doing away of the benign neglect policy toward the countries of the third world, as contrasted to European nations, if there was a repeal of the Byrd amendment. No one has addressed that. I noticed one of the gentlemen—I believe it was the gentleman from Illinois (Mr. DERWINSKI)—said that his main concern was the economic well-being of the United States. I think that most of us in this room are concerned about the economic well-being of the United States, but we are also interested in the fact that this country enunciates constantly the espousal of equalitarian principles, and that this country actually believes in democratic principles. Since it is on the record and it is a known fact that the repeal of this Byrd amendment will give to the nations of the third world, particularly the African countries, the idea and the feeling and the attitude that the United States is no longer going to have contradictory and different foreign policies for nations throughout this world, then we should consider this situation in that particular light.

In conclusion, I would like to read a letter sent to the chairman of the Committee on Rules, the gentleman from New York (Mr. DELANEY).

Mr. Speaker, the letter follows:

U.S. REPRESENTATIVE
TO THE UNITED NATIONS.

Hon. JAMES J. DELANEY,
Chairman, Committee on Rules,
House of Representatives.

DEAR MR. CHAIRMAN: The President has stated his belief that the urgent repeal of the Byrd Amendment is of major importance to the conduct of foreign policy. Secretary Vance also testified on behalf of the repeal of the Byrd Amendment before the Senate on February 10.

I personally can state the significance the repeal of this legislation will have in Africa and at the United Nations. On my recent trip to Africa, at the President's direction, I met with over 15 Heads of State and other African officials, and most pointed out to me the very positive impact that repeal of the Byrd Amendment would have in bringing about a settlement in Rhodesia. At the United Nations, such repeal will mean that the United States will no longer be in clear violation of our obligations under the United Nations Charter, and will underscore the impact we attach to fulfilling our international obligations.

I am convinced that repeal is in the best interest of the United States and that there is no longer a need for this legislation for strategic and economic reasons. I believe that the bill to repeal the Byrd Amendment represents an excellent opportunity for the Congress to work closely with the Administration in helping to bring peace to Southern Africa, an important foreign policy goal.

I hope you will give full bipartisan support to this effort.

Sincerely,

ANDREW YOUNG.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mrs. CHISHOLM. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentlewoman tell us what they are about and why this permission is needed?

Mrs. CHISHOLM. The reports are on House Resolution 4876, the economic stimulus bill, and House Resolution 4877, the supplemental appropriations bill.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, why is unanimous consent needed?

Mrs. CHISHOLM. They are scheduled for this week. One is on the floor tomorrow and the other is on the floor the following day.

Mr. ROUSSELOT. Are we doing damage to the 3-day rule, or what is it?

Mrs. CHISHOLM. It can be laid over 1 day before it can be considered.

Mr. ROUSSELOT. So that all we are bypassing here is the 1-day rule; is that correct?

Mrs. CHISHOLM. Yes; that is correct.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

AMENDING UNITED NATIONS PARTICIPATION ACT OF 1945 TO HALT IMPORTATION OF RHODESIAN CHROME

Mr. FRASER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House of the State of the Union for the consideration of the bill (H.R. 1746) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota (Mr. FRASER).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 1746, with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Minnesota (Mr. FRASER) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill, H.R. 1746, amends the United Nations Participation Act of 1945 in order to permit—but not require—the President to enforce full United States compliance with United Nations Security Council sanctions against trade with the white minority government of Rhodesia. The effect of this bill is to permit the President to override the Byrd amendment which has been in force since 1971.

Mr. Chairman, and members of the Committee, this bill has been debated on the floor of this House several times in recent years. Today there is probably a more compelling reason for enactment of this legislation than ever before; and the reasons that have been cited in opposition to the bill are considerably less than ever before.

In the first place, the dependence of the United States upon Rhodesian chrome is very small. Only 5 percent of the chromium ore which the United States imports comes from Rhodesia; only 14 percent of the ferrochrome comes from Rhodesia.

Second, it is now clear that through technological advancement in the ferrochrome industry lower grade chromium ore can now be utilized in making ferrochrome. Thus, our dependence upon high-grade chrome ore which is found in Rhodesia is no longer a necessity for American industry.

Third, the Smith government will not be in power very long. It is hard to ascertain how long the white minority of 5 percent will retain power, but surely within a matter of a few months or a year or so that government will no longer be in power, and, therefore, at that point there will be no need to enforce sanctions against the successor government.

Finally, I would like to make the point that the political climate in which we consider this measure has changed considerably. Those who have opposed the bill in the past are now prepared to support it. President Carter has made it clear that the adoption of this measure is important to his leadership in the conduct of American foreign policy.

The major stainless steel companies are not opposing the measure at this time. There was some concern expressed by the foundries, but it turns out upon examination that they only use 2 per-

cent of the chromium which is brought into the United States.

So on every count, Mr. Chairman, there is every reason now to adopt this bill. There are very few reasons left to oppose it. President Carter will be going to the United Nations later this week. It will be important for the United States and for President Carter to carry with him a message that the Congress has given him authority to put the United States back into compliance with the United Nations sanctions, thereby restating our commitment to the principle of majority rule.

So I hope, Mr. Chairman, that the debate will proceed on the merits, and I think as the Members examine the merits they will conclude that the time has come for the adoption of this measure.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 1746 and ask my colleagues to vote in favor of repealing the Byrd amendment. I would like to use the time available to me to explain the factors that have convinced me that this legislation is in our national interest. I also want to emphasize some of my continuing concerns about the Rhodesia embargo and the moral duplicity rampant at the United Nations.

Mr. Chairman, there are thousands of people in my congressional district—chrome platers, employees of the large automotive firms, small businessmen—whose very livelihood depends on continued access to chrome ore at a reasonable price. The economic well-being of these people, together with my doubts about the effectiveness of the U.N. embargo, led me in the past to oppose repeal of the Byrd amendment.

Recent technological advances have made the American economy far less dependent than in the past on high-grade ferrochrome ore. Congress has also been assured by the administration that, even with repeal of the Byrd amendment, the United States will continue to have access to chrome ore adequate to meet our strategic and industrial requirements. While I believe we must continue to monitor carefully the price and availability of chrome ore in this country, I can no longer see any compelling economic justification for importation of Rhodesian chrome.

In addition, there is a powerful political rationale arguing in favor of repeal of the Byrd amendment. Our acknowledged violation of the U.N. embargo against Rhodesia has acquired a symbolism and generated an emotionalism that damages our position among black African nations at a particularly critical time. It would well hamper our future ability to play a constructive role in helping to resolve the problems of southern Africa. I am convinced that the potential political advantages of repeal outweigh the economic risk involved.

However, I think we should also take care not to delude ourselves about the impact of repeal, particularly as it relates to the issue of human rights. Through some quirk of nature and politics, abundant chrome ore is concentrated in areas such as Rhodesia, South Africa, and the Soviet Union, where respect for human rights is minimal or nonexistent.

Racism is wrong in Rhodesia; it is also wrong in South Africa. Suppression of individual rights and liberties is wrong in Rhodesia; it is equally wrong in the Soviet Union.

We will probably act today to punish Rhodesia for its policies and its intransigence on human rights issues. Ironically, our action will tend to reward the Soviet Union and South Africa by handing them a greater share of the American chrome market.

I sincerely hope repeal of the Byrd amendment will have the desired political impact because, as a matter of principle, I fail to see how Rhodesian ore is any more tainted than that of South Africa or the U.S.S.R.

The ultimate irony of the U.N. embargo of Rhodesia is not our forced reliance on the product of South Africa and the Soviet Union. It is rather that the Soviet Union and certain of its Eastern European allies have violated this embargo under the table without incurring the wrath, or even—as far as I can determine—the notice of the third world nations so prominent at the United Nations.

Somehow, the United States has managed to monopolize international ill will on this issue for several years. There is hard evidence that the Soviet Union, which brutally suppresses dissidence at home, denies its people the right to emigrate, and makes a mockery of Basket Three of the Helsinki Accords, also engages in covert violations of the Rhodesian embargo. But little is heard about Soviet attitudes.

I think the administration now has an obligation to insure that the rest of the world fully comprehends Soviet policy and actions on Rhodesia. I have spoken with the Secretary of State and written to Ambassador Young on this issue, and I think we will see some action. I hope we will see the United States forcefully and aggressively challenge the moral double standard that prevails in the General Assembly and many of the U.N. specialized agencies.

Mr. Chairman, I have attempted to point out certain logical inconsistencies in H.R. 1746. On balance, however, I am convinced that repeal of the Byrd amendment will strengthen our hand in southern Africa and will enable the United States to serve the cause of international peace and stability in that important area.

Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, our President has asked us to give him the authority that is embodied in this bill to bring to an end a situation that has created problems for our country for some years now. He, in recommending this action, joins each of his last two predecessors in urging this action by the Congress. Presidents Nixon, Ford, and now Carter have urged us to take this action.

In addition, the present and immediate past Secretaries of State have asked us to take this action, and all the other principal officials in the executive branch of our Government who have responsibility that is relevant urge us to take the action of giving the President the discretion to act in a way that would effect repeal of the Byrd amendment.

Mr. Chairman, this is in fact a human rights issue, and I make no apology for asking our country to do better than some others may do. I make no apology for taking this position and asking the question, "If gold doth rust, then what will iron do?" I make no apology for expecting our country to do that which is right and just whatever others may do.

It is a human rights issue and it is clearly that. Every nation in Africa looks to us this day, and they understand that we here will take a stand clearly for or against the aspirations of the 95 percent majority of the people in Rhodesia. They understand we will take an action for or against black rights and human rights on the continent of Africa.

I do not think there is any confusion there as to what the nature of this issue is; it is a legitimate human rights issue.

Mr. Chairman, I will not go into detail on this subject, but I would again say that we can use different weapons in fighting for human rights in different cases. In this instance, the taking of this action can be effective toward helping to bring about negotiations. We can take action now which may prove effective in this case.

Mr. Chairman, I would urge that we continue to take action in support of human rights in the Soviet Union. We ought to commend our President for the stand he has taken and the others who have taken strong stands on behalf of human rights in that repressive country.

I happen to believe, Mr. Chairman, that by taking this action, we do not render ourselves more reliant on the Soviet Union in the long term, but that, rather, if we do not wish to play into the hands of that totalitarian super power, we will take this action today so that we shall better guarantee our long-term access to the world's richest supply or richest reserves of chrome by pitting our great strength on the side of the aspirations of the majority of that country, who shall control that country from a few short years or months from now until the end of time.

I would further say that it is our last chance to help influence the outcome as to who shall be in charge in the long term of the Rhodesian Government.

Mr. Chairman, if we put our weight, by the passage of this resolution, behind the negotiating process, we may not yet be too late to help bring about an end result of the kind of government that will follow policies of moderation, policies of wisdom, and may be the best end result within Rhodesia; but if we continue to pit our strength behind the minority Government of Rhodesia, to strengthen it psychologically in its intransigence, we cannot help but guarantee a violent and revolutionary end result with a government of most unfortunate nature. Then in the long term, we may find all the chrome on which we would depend for all the years to come in hostile hands.

Mr. Chairman, there is no inconsistency in taking this stand for human rights, but it is one that is mandatory if the people of Africa are to understand

that we are on their side and to support their legitimate aspirations.

Mr. Chairman, as the gentleman from New York has made plain, we are reliant not only in the long-term on the chrome reserves that are there, but there are many other basic raw materials important to us in the hands of governments that oppose our position in this matter.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. BUCHANAN) has expired.

Mr. FRASER. Mr. Chairman, I yield 1 additional minute to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the House today can take a stand on behalf of what our country stands for as a nation. We can here underline our support for human rights and majority rule in Rhodesia and our support for the legitimate aspirations of the peoples of Africa. The people of Rhodesia shall win their struggle for majority rule, but they should do so with our support rather than against our opposition. Mr. Chairman, it seems to me that not only is that in our national interest, in narrow economic terms, but it is in our national interest in terms of our continuing to be a country that identifies with those things which caused our country to be created in the first place and for which I hope and trust it shall forever stand.

Mr. Chairman, I urge that we act today to give the President the discretion to put us in line with our commitments solemnly made and in line with our own principles as a nation.

Mr. FRASER. Mr. Chairman, I yield 6 minutes to the gentleman from California (Mr. RYAN).

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. RYAN. I yield to the gentleman from Indiana.

Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 1746.

I believe we should reimpose the embargo on imports of chrome ore, ferrochrome and nickel from Rhodesia. I also believe we should return the United States to full compliance with United Nations economic sanctions against Rhodesia in accordance with the International Treaty obligations of this country.

After the Unilateral Declaration of Independence by the British Colony of Southern Rhodesia in 1965 and the establishment of a white minority government under Ian Smith, the United Nations Security Council voted to impose mandatory economic sanctions against the Smith regime. The United States, at the time, strongly support the sanctions because the white minority government of Rhodesia had not taken steps to insure the rights of 95 percent of its citizens, the black majority. This same situation persists today.

Since 1966, we have supported United Nations sanctions with a single exception. In 1971, the Congress amended the Strategic and Critical Materials Stock Piling Act to allow the importation of Rhodesian chrome. This 1971 Byrd amendment was designed to protect our steel industry from strategic reliance on imports of Russian chrome.

Recent events in Africa and changes in the needs of our steel industry, however, have made this exception politically indefensible and strategically unnecessary.

Mr. Chairman, three crucial arguments can be made for support of the repeal of the Byrd amendment.

First, the Byrd amendment has allowed us to disregard our obligation to abide by international law and agreements. Its repeal would reestablish important legal and moral commitments. We can hardly argue for the rule of law among nations if we ourselves abide by that law only when it is convenient.

The United States is now the only Nation other than South Africa which openly violates the U.N. sanctions against Rhodesia.

Second, the Byrd amendment has alined us against the principle of majority rule. Its repeal would reaffirm our historic support for the right of self-determination.

We cannot expect other nations to respect our democratic principles if we ourselves do not support those principles abroad. We cannot have a viable or credible African policy if we do not oppose colonial rule. We ignore the 95 percent of Rhodesians who are black at our own risk.

Third, the Byrd amendment, which may have been helpful for a time, is no longer required to safeguard our strategic needs of chrome ore, ferrochrome and nickel. A recent advance in steel technology is making Rhodesian chrome unnecessary.

Even with the Byrd amendment, we have been importing rapidly declining amounts of Rhodesian chrome and we are replacing it with Finnish, South African, and Turkish supplies.

Over the last few years, Rhodesian chrome ore has represented no more than 17 percent of the U.S. market and sinch March 1976, no Rhodesian chrome ore has been imported. Similarly while Rhodesian high-carbon ferrochrome was imported heavily 5 years ago, in the last year imports fell over 50 percent.

Finally, we have the equivalent of 3.82 million tons of chromium ore in storage in our country. Such a quantity is more than enough for any emergency.

Mr. Chairman, for these reasons, I support H.R. 1746 which repeals the Byrd amendment because I believe it is in the national interest.

I urge my colleagues to support this legislation. Without it, there will be no credibility to any African policy we may seek to implement.

Mr. RYAN. Mr. Chairman, this afternoon in New York City a man who until recently was a member of this body sits now, by Presidential appointment, as the American Ambassador to the United Nations.

In his capacity as Ambassador to the United Nations he is now, this month, taking his turn as President of the United Nations Security Council.

I believe it was on the last day of February or perhaps the first day of March of this year that Ambassador Young addressed the House Committee on International Relations. One remark that he made at that time has rung in my mind ever since. He said—if I may paraphrase—

> I am very new at this job. I am a little scared. I cannot think of anything that would help me or help my country more than to be President of the United Nations Security Council and be able to bring the news to the other members of that body, the significant news, that the United States, and the Congress of that country, has changed its mind and now finds itself in accord with the stated principles and intentions of the United Nations on this issue This is a signal issue, and of far more importance than the current issue of chrome ore.

We have already heard speakers up until now say that the actual amount of chromium ore is low that we get from Rhodesia.

I cannot find anything in looking at current metal trade demands where this would be increased for any particular reason. In fact we have today, so I am told, more than a 4-year supply of this material in our stockpile in case the United States should lose its sources of supply. So that this issue of supply cannot be the primary issue itself.

It cannot be the primary issue because of the objection of the unions and others, because we have the AFL–CIO, the United Steelworkers, the United Automobile Workers, as well as the American Bar Association, the NAACP, the National Council of Churches and various other distinguished and different bodies throughout this country who are in favor of this particular bill.

So I do not think that is the reason as to really why this bill must pass in this body and must pass this year.

Let us look at this subject from a historic perspective. Many Members, if they wanted to, could find reason to argue that we should have the status quo as it was say 40 years ago in Africa when most of these countries were colonial entities owned by some country from outside their own continent, but that does not make much sense today. But the colonial past is gone. The present looks to the future. I do not believe there is anyone here who would not say in this body that we are committed as a nation, and that this House is committed as a body, to majority rule in America.

So what is the problem? To me it seems to be a problem of when and in what way we implement that particular general principle of majority rule for Africa, in general, and Rhodesia in particular. In that respect there can be no more clear statement this year, according to Ambassador Young, than a statement made by this particular body as to this issue. It is not as if we chose this issue to make this statement because I do not think we did. Time itself has forced upon us this particular issue and given it the kind of signal visibility which it might not otherwise have had from a mere commercial or trade standpoint. Its sole importance now rests with the statement that we will make today upon the floor of this House by this bill to repeal the Byrd amendment. I cannot help but com-

pare this situation with the circumstances that arose 2 years ago on another matter upon which Members from both sides argued very vehemently from their own points of view, that matter having to do with the situation in Cyprus, wherein this House injected itself into an emotional battle between warring Greek and Turkish residents of Cyprus. We found ourselves in the middle of the issue. How that came out I am not prepared to assess today, but I can tell the Members that this stand we take today on this issue is not, as has been implied, just an issue which affects the country of Rhodesia alone. Even on that point, I think we have been told that the Ian Smith proposal for broadening majority rule, or for broadening the base of the vote and participation in the government of Rhodesia, consists of allowing exactly 13 hundredth of 1 percent more blacks to vote than voted before, in a nation that is 95 percent black.

If, then, there is reason to presume that this legislation is important, it is important because it is a signal to the other 46 nations in Africa who are not particularly friendly to this country today.

We want a more cordial relationship with those countries in Africa. We need good relationship—if for no other reason than that we need their trade, and their abundant natural resources, as our own dwindle.

Abolition of the Byrd amendment, means more than that. It signals to those African nations that we are interested in their own self-government, and in their own future.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR).

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. ROBERT W. DANIEL, JR. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, the question of whether the United States should renew its boycott of Rhodesian chrome is a tricky one indeed. Contrary to what proponents would like Americans to believe, reimposition of the boycott would not improve the consistency of the American position on human rights nor would it be without certain economic and strategic drawbacks. At best, it would leave us more chrome-dependent on other nations whose record on human rights is suspect; at worst, and far more likely, it would play into the hands of the Soviet Union which has the most to gain, both economically and politically, from such a display of misplaced idealism.

Looking at the situation realistically, cutting off our purchases is not going to aid the cause of majority rule in Rhodesia. Regrettably, the current choices in Rhodesia are: First, between minority black rule and minority white rule unless a compromise can be worked out; and second, between continued bloodshed and peaceful evolution. According to a report in the March 13, 1976, issue of the Economist on civilian governments in Africa, only three of 32 OAU nations have anything resembling multiparty governments. All the rest, including most of those active in the fight to topple the current Rhodesian regime are dictatorships antithetical to the concept of majority rule. And, at least one, Mozambique, has declared itself to be a Marxist-Leninist state.

If, we are really committed to the concept of majority rule in Rhodesia, perhaps we should rethink the logic behind this bill which says that its passage will show the Ian Smith regime it can expect no support from the United States. The corollary to such a proposition is that enactment of this measure will show that the United States does support the guerrillas in Rhodesia and the antidemocratic nations that are behind them. How that contributes to either a peaceful solution or majority rule is a question that I think must be answered and, frankly, I do not see how it can be answered affirmatively. There is absolutely no indication, for one thing, that the self-appointed guerrilla leaders who claim to represent Rhodesian blacks are indeed the leaders the black majority would choose, or that they would not become increasingly intransigent in light of our "support." For another thing, there is no guarantee that by our actions we will not be bringing another Idi Amin to power.

There are several other aspects of this human rights question. Perhaps the most ironic is that on the heels of President Carter's letter to Andrei Sakharov and his visit with Vladimir Bukovsky, Congress is contemplating the boycott of Rhodesian chrome, but not Soviet chrome. Certainly the treatment of Soviet dissidents and the refusal of the Soviets to permit Jews to emigrate, to say nothing of the fact the Soviets do not hold elections in either their own country or the countries they have taken over, suggests that the Soviets, rather than the Rhodesians, should be the first target of any boycott. After all, they are a far greater threat to human freedom than 278,000 Rhodesian whites and they are not the least bit hesitant to assist in the imposition of minority rule throughout Africa. Their activities in Angola, and those of their satellite Cuba, ought to make that quite clear.

Also ironic is the fact that proponents of this bill would have us become more dependent on South Africa, Turkey, and Brazil—along with the Soviet Union—for chrome. Yet, many of those who would have us take this position have been outspokenly critical of minority rule in South Africa, the Turkish invasion of Cyprus, and the military government of Brazil.

Are we to expect that at some future time the arguments we are hearing today may be resurrected leaving us, ultimately, with no chrome at all, or are we simply going to pick on one country for no real philosophical purpose? Moreover, have we not forgotten how vehemently we protested when the Arabs embargoed oil to this country for political purposes. Yet, here we are talking of boycotting Rhodesian chrome for equally political reasons.

Then, there is the practical side of this question. If we do not opt to cut ourselves off almost completely from foreign chrome, what assurances are there that either the South Africans or the Turks will continue to sell it to us. The South Africans may well see in this proposed boycott further indication of both U.S. hostility and hypocrisy and do business elsewhere, while the Turks have already demonstrated that they will not hesitate to hurt us strategically if they view it in their interest. In short, we could find ourselves in a critical bind, not only in terms of the price of chrome but also in terms of supply. And it is not as if we can do without chrome; our steel and defense industries are highly dependent upon it, particularly for the production of jet engines.

A few figures put this picture in clearer context. In 1975, we imported 50 percent of our metallurgical grade chromite—chrome ore—from the Soviet Union, 15 percent from Turkey and 12 percent from South Africa; last year, these figures were 44 percent, 24 percent, and 26 percent, respectively—just about our entire supply. Moreover, almost two-thirds of the world's high grade chrome reserves are in Rhodesia meaning that, if we rule them out, we may find ourselves vulnerable to other political pressures at a later date.

If all that were not enough, we cannot overlook the effects of the provisions requiring that all foreign steel imports carry certification that they do not contain Rhodesian chrome. Not only will this section be difficult to enforce, but it will endanger relations with our allies, particularly Japan. The Japanese import roughly 50 percent of the chrome they use for steel and steel is one of Japan's major exports. Any further restriction of their export trade would cause difficulties that, in the end, are likely to drive up prices for the American consumer.

Given all these factors, I see no compelling reason why the United States should repudiate the Byrd amendment and boycott Rhodesian chrome. Such a step is likely to encourage intransigence rather than compromise and, in any event, is not likely to produce majority rule in Rhodesia. Moreover, by singling out one nation, among a number with whom we deal for chrome, for special punishment smacks of a double standard on human rights. If we believe suppression of these rights to be wrong in one place it should be wrong everywhere and the worst culprit should be punished first. At the very least, if we are to cut off purchases of Rhodesian chrome we should do the same thing with Soviet chrome and let the world know that our rhetoric has some meaning and some consistency. Commonsense requires no less.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, we should feel shame. Yes, this House should feel shame that we are seriously considering this proposal that we turn our backs on the genuine economic interest of the United States by agreeing to deprive our country of its source of an important natural resource.

Why are we doing this? Well, the main reason being given is that by so doing we shall ingratiate ourselves with the leaders of black African nations. Incidentally, it

has been well established that other African countries pay little attention themselves to this embargo. We hear that principles of "self-determination, democracy, and majority rule" compel us to action against Rhodesia.

Let us consider these leaders to whom it is hoped we shall endear ourselves by this step, and let us consider the condition of civil liberties in their countries.

For one there is President Macias of Equatorial Guinea. It is reported that this great leader has killed 50,000 of his subjects without trial or charge, has caused one-fourth of the nation's original inhabitants to flee into exile and, now hear me well, has instituted a system of slavery.

Then there is Jean Bedel Bokassa, self-proclaimed Emperor of an unfortunate land he now calls the Central African Empire, who has tortured hundreds of minority tribesmen to death according to the signs of the Zodiac.

Perhaps the most vehement organization critical of Rhodesia is the Organization of African Unity. Charter members of this group include Burundi, where over a quarter million innocent civilians have been slaughtered over the past few years, and Chad, where the local dictator reserves a special treatment for Christians: he buries them alive in ant hills for his personal amusement.

We should not overlook "Big Daddy" Amin of Uganda, were it even possible to imagine doing so. In addition to his recent newsworthy antics, Amin has also—

Expelled over 60,000 Ugandans of Asian ancestry;

Executed a number of political opponents estimated to be over 100,000 and perhaps as many as 300,000;

Reportedly placed the severed heads of some of his late opponents in his deep freeze so that he might deliver lectures to them;

Thrown four cabinet members and the chief justice of the supreme court to the crocodiles; and

Criticized Adolph Hitler for not killing more Jews.

If we associate ourselves, through repeal of the Byrd amendment, with the aggression of other African countries against Rhodesia, we shall be participating in a double standard and the greatest hypocrisy. Under this double standard the leaders of black African countries denounce repression by white minority regimes, but close their eyes and remain silent about murders, tortures, abductions, and systematic persecutions carried out in black-ruled African countries. We should face the truth: The truth is that practically every black government, military or civilian, has employed such repressive measures in what they present as necessary efforts to avert revolution, chaos, and dissolution.

This legislation, if passed, would nullify an action taken by the House on November 10, 1971, which lifted a senseless embargo on the importation, among other things, of chrome ore from Rhodesia.

Lifting this embargo was in our national interest.

The facts are that the three countries of the world which produce the bulk of the world's chrome—metallurgical chrome, chromite, or whatever term you want to use—are Rhodesia, South Africa, and the Soviet Union.

The economic sanctions placed against Rhodesia were voted by the United Nations and were put into effect by the President of the United States. They were never submitted to the Congress for ratification.

I do not endorse the internal policies of the Rhodesian Government, but certainly by the same token I do not endorse the internal policies of the Soviet Government or the Chinese Communist Government. However, to be consistent, should we not similarly apply economic sanctions against all nations whose form of government and way of life are not consistent with our sense of human values? Of course not. We cannot hope to impose our way of life on any other nation of the world.

If we eliminate Rhodesia and South Africa as sources of chrome ore, our only remaining supplier is Russia. I find it inconceivable that this body could possibly accede to such stupidity.

During the Korean war, the Russians turned off their supply of chrome ore. What perverse logic prompts us to think that when the Soviet Union again finds it in its national interest to deny chrome ore to the United States that it will not do so once again?

If the Congress passes this bill and reimposes an embargo on Rhodesia, we will be legislating higher prices for American consumers and windfall profits for the Soviet Union.

Every American was disturbed by the oil embargo imposed on us in 1973. Yet we are now contemplating ratifying the same kind of economic sanctions that we then condemned.

This is a bad bill and it should be rejected.

Mr. FRASER. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I was asked by my good friend, the distinguished gentleman from Georgia (Mr. LEVITAS), to publicly respond to a question he asked me, during the course of a conversation we had in connection with this legislation, concerning the extent to which our support for the boycott of Rhodesian chrome would obligate us to support a U.N. boycott against Israel, should one ever be imposed on that country, with respect to some other kind of critical commodity.

The long answer as well as the short answer to that question is: No. According to the United Nations Charter, the only way in which the U.N. can impose a boycott on a country is through the action of the Security Council. To the extent that the United States is one of the permanent members of the Security Council, in a position to veto such sanctions, I think it is probably safe to say that it is virtually inconceivable that we would ever acquiesce in a United Nations-approved boycott of our one reliable democratic ally in the Middle East. But even if somehow, as a result of circumstances no one can envision, the United Nations went ahead and tried, perhaps through a nonbinding vote of the General Assembly, to impose a boycott on Israel, I would submit that we would be under no such obligation to adhere to that boycott. I say this, because those of us who support this bill do so not simply because of our obligations as a member of the United Nations, but also because the boycott against Rhodesian chrome is the right thing to do.

If the United Nations should ever advise us to embark on a course of action which is the wrong thing to do, then I would hope that the Members of this House would stand up and say that is a course of action with which we choose not to associate ourselves.

In foreign policy, Mr. Chairman, one often has to choose between what is strategically sound and what is morally right. This legislation provides us with a very rare opportunity to adopt a course of action which is both principled and pragmatic. If the day should ever come when the establishment of an embargo on Soviet or South African chrome holds forth the prospect of significantly improving the status of human rights in those countries, I will be the first to support it, but until that day arrives let us not be frozen into a stance of diplomatic and moral immobility by refraining from taking the kind of action against Rhodesia which holds forth the prospect of achieving an objective to which every man and woman in this Chamber and virtually every man and woman in this Nation is truly committed: the establishment of majority rule and minority rights for all the people of that unfortunate country.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I would like to ask the gentleman how Russia is treating its minorities now and if it permits free emigration from Russia of these minorities? And if this is not true, why should we continue to purchase chrome from Russia?

Mr. SOLARZ. I hold no brief for the Soviet Union. I think they trample on human rights every day of the week and every hour of the day.

Mr. Chairman, I say to the gentleman, if I may reply, that I would be perfectly prepared to support such a boycott if I thought it could be effective. The problem is that it would not.

Mr. CARTER. Mr. Chairman, if the gentleman will yield further, we should not purchase Russian chrome; nor be forced to do so.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I am voting in favor of H.R. 1746 which will allow the President to ban the importation of Rhodesian chrome. I am a cosponsor and supporter of this legislation, because I believe it will express America's opposition to the Rhodesian regime which pres-

ently represses and rules illegally over the black majority in that country.

This bill rejuvenates America's commitment against the inhumane and inequal policies in Rhodesia. In 1966, the United States supported the enactment of the U.N. resolution that requires its signers to impose economic sanctions on Rhodesia. In 1967, the United States supported those sanctions under an Executive order of the President. However, in 1971 Congress supported the Byrd amendment which allowed the United States to escape its commitment to economic sanctions and undercut the strength and authority of the U.N. resolution. The Byrd amendment in reality placed the United States in a posture of thumbing its nose at the international community. It also placed us in a terribly hypocritical stance—defenders of freedom at home, but not abroad.

Today, we have the opportunity to adopt a new policy that rejects the Byrd amendment by legislating America's support for the original U.N. sanctions. By doing so we will lend the strength, weight, and force of our country's reputation as a nation of free people to press Rhodesia into reforming its inhumane policies. Refusal by the United States to import chrome will signal our opposition to the following Rhodesian policies: Voter qualification laws which discriminate against blacks and allow, for all practical purposes, only whites to vote; segregationist policies that allow whites to have free mobility, but restrict the black majority to living in so-called protected villages; and the Emergency Act for Law and Order Maintenance which permits the Rhodesian Government to hold prisoners without the right of habeas corpus.

Passage of this bill, however, signals in my mind much more than mere opposition to "policies"; rather this bill indicates our support for majority rule and the right to the majority to have their natural human rights recognized. In addition, I believe this bill, if passed, will inject a breath of fresh air which has long been needed in U.S. foreign policy—consolidating and mobilizing our country's moral indignation over the treatment of all human beings all over the world including those in the U.S.S.R., Uganda, South Africa, and others who are having their natural human rights denied.

I strongly urge my fellow Members of Congress to advance their wholehearted support for this vital and important legislation.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of H.R. 1746. I would like to focus on what I consider to be the most important issue of today's debate; namely, the geopolitical question.

Several years ago in a very perceptive article in Harper's magazine, Arthur Schlesinger, Jr., noted the fact that one of the two driving forces in the world today is the quest for self-determination. Certainly the correctness of Mr. Schlesinger's observation is quite obvious, in view of the fact that since the end of World War II countless colonies have achieved their independence and are now free nations.

Mr. Chairman, I think we have to recognize, however, that on the other side of the coin is the fact that when there exists a group of people who are enjoying a good life, who possess power, despite their minority status, they are not going to give this up very easily. As a consequence, it seems inevitable that when these two forces come into conflict there is going to be bloodshed. Indeed, we are seeing blood being shed in Rhodesia today. I am very fearful that what we may see in the near future is full scale hostilities.

I addressed a group of African leaders several months ago at a conference in Lesotho. I pointed out to the representatives of this conference that the answer to African problems, and specifically those in Rhodesia, must rest with the Africans themselves. I pointed out that if Rhodesia is to look to any other countries for help, they must seek this assistance from their neighbors in Africa.

Mr. Chairman, what can these neighboring African countries do? First, they can provide sanctuary to those who may flee the terror of war.

Second, if they so desire, they may undertake the training of Rhodesian military forces.

Third, these neighboring states may find it necessary either to supply arms or troops to the Rhodesian majority seeking self-determination.

I further pointed out that there is very little that the United States can do in this situation. Quite obviously, it is not in our security interests to send troops either to Rhodesia, Namibia, or South Africa; but I did state there are certain political actions that I think we can take that may be of very much help in this situation, such as positive actions in the World's fora, such as the United Nations as well as in the U.S. Congress itself. I think today offers one such opportunity.

Mr. Chairman, I urge my colleagues to adopt H.R. 1746 for three reasons. First, it is going to reestablish our credibility by reaffirming a commitment which we made a number of years ago in the United Nations Security Council. To my embarrassment, and to the embarrassment of many of our country, we have reneged on this commitment which we made in 1966.

Second, it is going to put us on the right side of a world political issue, and this may be the last chance to do this.

By affirming H.R. 1746 the House of Representatives will say, in effect, that we are in favor of the concept of self-determination.

Mr. Chairman, let me make a third and perhaps the most important observation of all. I expressed the fear a few moments ago that there might be all-out war in Rhodesia if the majority rule issue is not settled. This might be avoided if it becomes very evident to the minority leaders that they have no chance of winning, that they must compromise.

If we fail to pass the bill that is before us, we are saying, in effect, to the Smith regime, "Look, we are with you; we are likely to back you in any future problems you may have".

President Carter has gone on record very forcefully saying to Rhodesia's leaders:

Don't look to the United States for help.

It seems to me that the Congress of the United States can back up the President if it passes this bill. We, too, will send the signal to Ian Smith that he cannot look to the United States for help in perpetuating his minority regime. If we do this it seems to me, Mr. Chairman, that this is the one chance, the one hope, of avoiding all-out warfare in Rhodesia.

Mr. FRASER. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, at President Carter's swearing in a few short weeks ago, I was fortunate enough to be seated on the House side. I was right below a pillar on which the American flag was projected against a brilliant blue sky. While I sat there observing our flag, I had some time to ruminate on what it is that makes this country assume the leadership role of the world. As I sat there and ruminated, it was very, very clear to me that military might alone does not project a nation into world leadership. As I sat there contemplating the flag, it was made very clear to me that economic power alone does not project a nation into world leadership.

So, I thought on those things, and it occurred to me that a nation assumes world leadership in the international scene primarily and almost solely and exclusively because it can see the right and it will do the right. There have been times, as many Members know, when I have questioned what America's role is on the international scene. There have been times when we have been concerned about our involvement in Vietnam and our involvement in some other issues, but generally this Nation has the capacity and the will and, I think, the deepseated decency to come back and do the right thing.

That is all we are asking for today. All that we are asking for is that America live out its role of moral leadership in the world. Shortly, our President will go before the United Nations, and quite frankly, my colleagues here on the floor, I do not want my President to go before the United Nations saying that my country is still operating outside of the scope of international law. I do not want this to happen, and I do not think other Members should want it to happen.

I believe that my colleague from Alabama (Mr. BUCHANAN) has made the very salient point here earlier, that time is running out. Had we done this a year ago, maybe we might have diminished the possibility for armed conflict in Rhodesia, because a moderate leadership was available, looking to us for some help, and that moderate leadership might have assumed the chief negotiating role. But, we delayed, and because of this delay we might have moved ourselves closer to some sort of turmoil in Rhodesia.

There are times in this House, and there are times in the country when the issue becomes so very stark and clear. We simply raise the questions that one of the Chief Justices used to raise when is-

sues came before the Supreme Court. The questions that Justices raised were: Is it right? Is it fair? Is it just?

Now, if we lay out what we do here today in terms of those three questions—Is it right? Is it fair? Is it just?—then there is no doubt in my mind but that we will pass this legislation and repeal the Byrd amendment.

Mr. Chairman, today we are here to vote on H.R. 1746, a bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome. This is a bill which I have cosponsored and a bill which, in my opinion, is desperately needed.

In addition to cosponsoring this legislation I have also presented testimony on behalf of the Congressional Black Caucus before the House Subcommittees on Africa and International Organizations of the International Relations Committee on the Rhodesian chrome issue.

In 1971, the Congress passed the Byrd amendment which permitted the United States to import chrome ore from the racist nation of Rhodesia. By that congressional act, the United States was in violation of its international obligation because under chapter VII of the United Nations Charter enforcement measures against Rhodesia have been invoked. As a matter of international law, the United States was committed under article 25 of the United Nations Charter to abide by the enforcement measures. The United States did not, and therefore, acted in violation of its often stated proclaimed devotion to international law. In short, by importing chrome ore from Rhodesia, the United States acted in a lawless fashion.

Economically, former supporters of the Byrd amendment, such as the specialty steel companies, now acknowledge that for economic and technological reasons, there is no need for this amendment to remain in force. Imports of Rhodesian high-carbon ferrochrome into the United States were 56 percent lower in 1976 than in 1975. Moreover, no Rhodesian chrome ore has entered the United States since March of last year. Contrary to arguments that importing Rhodesian chrome would reduce U.S. dependency on the Soviet Union, our major chrome supplier, 44 percent of all chrome imports in the United States in 1976 came from the Soviet Union, while Rhodesia accounted for only 5 percent.

The crucial objection to the importation of the chrome ore had come from the workers of the International Longshoremen's Association whose responsibility it was to unload the cargo. On August 1, 1972, local 333 in my city of Baltimore, refused to unload chrome ore abroad the *Mormaccove*, an American flag ship owned by Moore-McCormick Lines. This and other incidents of rejection by the longshoremen in Baltimore and in other cities across the Nation, illustrate that I am not the only person indignant about the import of goods that helped to maintain a minority regime in Africa.

If we continue to import Rhodesian chrome the United States is violating international law and ignoring the United Nations sanctions against Rhodesia—sanctions which I must stress upon again, were originally approved by the United States. The United States is officially responsible for having broken the United Nations Security Council ban on trade with the minority regime in Rhodesia. That failure to comply with these sanctions undermines the authority of the United Nations, whose overall contribution to world stability and peace the United States values and seeks to enhance.

Repealing of the Byrd amendment would be the strongest signal we could give to the world community that we are seriously committed to achieving majority rule in southern Africa through peaceful means. The success of the recent factfinding mission to Africa by U.N. Ambassador Andrew Young proved the desire of African nations to achieve our mutually avowed goal of peace in Southern Africa. President Carter has already stated his full support for the repeal of the Byrd amendment. Furthermore, the specialty steel companies which have hitherto opposed repeal of the Byrd amendment have also stated that they would no longer oppose such an action.

I am hopeful that the House will rectify a mistake which has caused us severe difficulty in the conduct of foreign policy. A return to the United Nations sanctions against Rhodesia is a small price to pay for relations with the black African nations upon whose good will and understanding we will be increasingly dependent. Failure to amend the U.N. sanctions may well result in the development of a negative foreign policy between the United States and Africa.

I would think that we would be grateful for the opportunity to rectify such travesty while it is still in our power to do so.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, let us understand this Rhodesian chrome bill exactly as it is. The bill does not refer to Rhodesia nor does it refer to chrome. The bill establishes a trade policy that gives free countries the same opportunity to trade with the United States on equal terms that the United States can maintain its strategic critical materials.

Let me quote the exact language of the bill:

> To amend the United Nations Participation Act of 1945 to prevent the imposition thereunder of any prohibition on the importation into the United States of any strategic and critical material from any free world country for so long as the importation of like material from any Communist country is not prohibited by law.

Of all the strategic critical materials chrome is one of the most critical. We do not produce any of our Nation's chrome and have mined none since 1961, so we rely on foreign imports. Sixty-seven percent of the world's reserves of metallurgical chrome are in Rhodesia while South Africa has 22 percent. Chrome is what makes stainless steel stainless.

The United Nations contended that Rhodesia must be under an embargo, because it was a threat to world peace. This little country with 6 million people has only 250,000 whites. So apparently the reference is to this handful of whites. Over in Africa with 401 million people, we discuss Rhodesia when the threat to the world's peace is in Uganda in Africa. This is a technical reason, because the United Nations Charter does not allow it to enter into internal affairs.

What this debate is doing is opening the door for another American Vietnam relationship. We all remember so vividly how the liberal leadership of this country did not approve of the type of government that existed in Vietnam. With firm intentions for establishing a democracy for the people of Vietnam, our liberals pushed us into a confrontation in Asia. The Vietnam conflict was the most unfortunate period our Nation has suffered. In a no-win, undeclared war that was hopelessly administered by the State Department, the Vietnam war dragged through 10 of the most dismal years of America's history. Now we have taken it upon ourselves in our self-righteousness to move from Asia to Africa to solve the human rights for Rhodesia. This continued meddling could well lead us into another Vietnam disaster.

Who ordained the U.S. Congress to determine the governmental systems for the entire world? We are doing a poor job in administering a government in the United States. We should concentrate on ending inflation. We should find solutions for water in California and the other dry States. We should concern ourselves with the gas and energy shortages. We should be finding answers for the perpetual unemployment which hovers in Northern cities. We should be calling for austerity in those cities that are facing bankruptcy. We should eliminate terrorism here in our Nation's Capital. We should be finding solutions for drugs that are becoming entrenched in the lives of our young people.

Through all of these years, our country made progress by building a great country on the private enterprise system. We provided an inspiration for the rest of the world by showing them how to build through our living example. Vietnam did not want our advice. Rhodesia does not need it. Let us allow the world freedom of speech and action. Let us turn to solving this Nation's own problems. America does not have the genius to solve world problems, when we cannot solve our own problems here at home.

Mr. FRASER. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Chairman, I thank the distinguished gentleman from Minnesota (Mr. FRASER) for yielding in order that I may speak in support of H.R. 1746.

Since the enactment of the Byrd amendment in 1971, the United States has permitted the importation of Rhodesian chrome ore and ferrochrome in contravention of a United Nations sanctions program which was established in 1966 with the support of our Government.

In spite of repeal attempts in the 93d and 94th Congresses, and Secretary Kissinger's request for repeal in April 1976, the 1971 action of the Congress remains inviolate.

At the urging of the present administration and specifically President Carter and U.N. Ambassador Young, we are again considering the repeal of the Byrd amendment, probably with much greater promise than in previous Congresses.

Having the honor and privilege of representing northwest Indiana, the steel-producing capital of the Nation, I admit to my early apprehensions regarding the impact of this bill, not only in terms of employment, but also in terms of national defense.

I know that many of the steel employers in northwest Indiana previously opposed any repeal or the modification of the Byrd amendment. Consequently, our office proceeded to contact such firms as United States Steel, Inland Steel, Youngstown Steel, Armco Steel, Budd Co., Republic Steel, La Salle Steel, Blaw-Knox Foundry, and Calumet Steet. These are some of the major steel producers in northwest Indiana who have a need for chrome or ferrochrome. They employ from 105 persons to over 25,000 persons at their northwest plants.

In anticipation that all or some of them would oppose this bill, we were preparing amendments to be offered today which are found in the Trade Act of 1974 so as to offer assistance to persons who might become unemployed as a result of the passage of this bill.

I was pleasantly surprised as the responses were received. Each one of these industries reported that, first, there would be no adverse impact to their plants, production, or employment rolls resulting from the adoption of this bill, and second, there was either support or at least no opposition to the bill. We did not attempt to ascertain the impact, if any, on businesses and industries outside of northwest Indiana.

Considering the reported supply of chrome and ferrochrome for military needs, and considering the negligible impact of any boycott of these products on northwest Indiana, I am delighted to join in support of H.R. 1746.

Recently, several of us joined in to utter public remarks regarding the independence of several captive nations. Those remarks were inundated with quests for independence, majority rule, and human rights.

It is difficult to explain our philosophical positions on these noble goals when we refuse to act from time to time to support our verbiage. Today, it was reported that the President was criticized for his recent remarks on behalf of human rights. I suggest that we offer appropriate rebuke to those criticisms by supporting him on this measure.

While every geographical region may not be as well off under this legislation as mine, I suspect that any adverse economic impact is negligible and almost unnoticeable in face of the larger question of the world leadership our Nation is assuming in the quest for peace, freedom, and human rights.

Therefore, I am pleased to support this measure in relating that the economic fears and apprehensions of several years ago have been removed in at least one sector of the country and one segment of the steel industry and that I join with the President in attempting to resolve a tenuous situation by using our economic position to support our foreign policy.

I yield back the balance of my time.

Mr. BROOMFIELD. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I rise to express my opposition to H.R. 1746, to halt the importation of Rhodesian chrome into the United States.

Since 1971, we have been importing chrome from Rhodesia as a result of passage of the Byrd amendment. The language of the amendment states that any strategic material imported from a Communist country cannot be banned from importation from a non-Communist country. One of the major reasons advanced for passage of the Byrd amendment was that chrome was a critical strategic material and the only alternative source of chrome other than Rhodesia was the Soviet Union.

We have been hearing that technological innovations have rendered this argument invalid. Due to a technique known as argon-oxygen decarbonization, the U.S. steel industry can get along with lower grade chrome from other suppliers, particularly South Africa, but also countries such as India, Brazil, Turkey, and the Philippines. The Soviet Union has in the past provided a major source of chrome for U.S. markets and no doubt will continue to do so.

The issue which we are debating today revolves around bringing the United States into compliance with U.N. imposed economic sanctions against Rhodesia, because of that country's attitudes and practices against its black citizens. Yet passage of H.R. 1746 would embody the most blatant sort of hypocrisy. We assail Rhodesia for its record on human rights and use this as a rationale for curtailing all trade with that country. However, what about the nations which would fill in the trade gaps left by withdrawal of Rhodesian chrome? Would anyone care to comment on the Soviet Union's record on human rights? or India's?

If H.R. 1746 were passed, then the United States would be one of very few U.N. members which actually honor the economic embargo against Rhodesia. It is interesting to note that the Soviet Union and many of her Eastern European allies covertly carry on trade with Rhodesia, under cover of Swiss companies acting as middlemen. The United States at least has never tried to hide her actions in this regard.

H.R. 1746 is bad legislation, because it takes a moralistic approach to foreign affairs, but on a highly selective and discriminatory basis and consequently, I shall vote against it.

Mr. LAGOMARSINO. Mr. Chairman, I rise in opposition to H.R. 1746, to halt the importation of Rhodesian chrome.

Since the adoption of the Byrd amendment in 1971, the United States has imported Rhodesian chrome, an important element for our industrial economy. We considered it to be in our national interest not to join the ban on trading with Rhodesia, and we were not afraid to make our position official by legislating an exception for chromium imports. Other nations hypocritically denounced the United States for its dealings with Rhodesia and at the same time conducted a broad range of import and export activities with that nation. I find it hard to believe that we should now have to yield to pressure to join a common front against trading with Rhodesia when, in fact, a common front does not exist.

There are those who argue that our imports of chrome provide crucial economic support for an oppressive minority government. I do not intend, by my remarks, to support minority rule in Rhodesia. There have been encouraging signs in recent weeks of movement by the Smith government to take steps which will lead to majority rule. I believe that we should serve as a positive instrument to encourage that transition to majority rule. Repeal of the Byrd amendment is an entirely negative action which will most likely not have the effect desired by those supporting repeal. There is no reason for the United States to promote economic instability in that country. That would only increase the problems a new majority government would have to solve when it comes to power. Such action certainly will not have the effect of diminishing the resolve of the Smith government to seek a transition which does not jeopardize its own security. The Rhodesian Information Office has made that very clear in its own statement:

> The safeguarding of political and economic stability in Rhodesia under majority rule far outweighs the importance of chrome sales to the United States.

Beyond the futility of such a course of action are the very real negative effects upon the United States. These include higher costs to consumers for chromium steel products, higher costs to taxpayers for defense procurement, and increased unemployment in a variety of industries.

There are only three major suppliers of chrome in the world: Rhodesia, South Africa, and the U.S.S.R. I suggest we are cutting off our ethical noses to spite our diplomatic faces when we single out Rhodesia for a boycott. During the period when we honored the U.N. sanction, we were forced to turn to Russia for our strategic needs. The Soviets, Marxist injunctions against capitalism notwithstanding, promptly doubled the price, whereupon we got smart late and lifted the boycott. There is no reason to expect any different scenario today. The irony is that the Soviets were actually selling us Rhodesian chrome during this period, saving their own supplies.

There has been some talk about the new process for processing low-grade ore which negates all these arguments. Yet close analysis reveals this is just talk.

More than half the foundries in the United States, representing 40 percent of our capacity, will be unable to afford conversion to the new process. And, of course, the process itself will increase prices.

But the most serious domestic impact of this bill will be on the unemployment rolls. Supporters of this bill have said that it will actually aid unemployment, by keeping out competitive chrome products made with Rhodesian ore in third countries. Yet the "certificate of origin" procedure they offer is little more than a legal fiction. Once the refining has gone past a certain point, there is no way of identifying the source of origin of chrome. All this insures is that even more processing work will be done overseas before the finished product is imported into this country.

I submit, Mr. Chairman, that this bill is a sham. It will not accomplish the diplomatic aims even its proponents hope for. And it will certainly have negative impacts at home. The hypocrisy of boycotting Rhodesia for its racial policies, while relying upon South Africa and the Soviets, is nothing short of economic and ethical hypocrisy. I urge a "no" vote on H.R. 1746.

Mr. FRASER. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I thank the gentleman for yielding.

I would like to have the attention of my friend, the gentleman from Minnesota (Mr. FRASER), and also the attention of my friend, the gentleman from Illinois (Mr. DERWINSKI).

I am toying around with the idea of introducing an amendment which would suspend the operation of the amendments in this act if the price of chrome unduly rises in the United States.

The gentlewoman from Illinois (Mrs. COLLINS) has given us some statistics about how much chrome ore is imported from Rhodesia, and how much ferrochrome is imported from Rhodesia; and we certainly have to be acquainted with the difference between ferrochrome and chrome. However, I see nothing in the RECORD about how much the repeal of the Byrd amendment is going to increase the price of chrome, ferrochrome, or chromium products in this country.

Mr. Chairman, could either of the gentlemen enlighten me in that respect?

Mr. FRASER. Mr. Chairman, if the gentleman will yield, I would say to the gentleman that there is no way to know what the price fluctuations may be. The price, of course, is dependent on a number of things, including the level of industrial activity in the advanced countries of the world.

I, myself, think that there would be a modest price increase in chrome.

Mr. ICHORD. What does the gentleman mean by "modest," I would ask the gentleman?

Mr. FRASER. Modest in the sense that it would go up somewhat. I would not expect it to go up very much, because my own guess is that a lot of this chrome ore is still going to leak into the world market. Therefore, the supply is not going to be changed that much, so there would not be an economic reason for it to go up very much.

Mr. ICHORD. Could the gentleman from Illinois (Mr. DERWINSKI) enlighten us in this regard?

Mr. DERWINSKI. Mr. Chairman, if the gentleman will yield, like the gentleman from Minnesota (Mr. FRASER), I do not have any hard-and-fast figures; but my guess is that the chrome ore prices would soon double, as they did in the previous period when we did not have access to Rhodesian chrome.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I thank the gentleman for yielding.

As I approached this whole idea of serving on the committee, someone asked me, "What do you have to offer that committee?"

I said, "Hopefully, an open mind and no preconceived ideas. I want to hear all sides and make judgments after I have heard all sides."

Mr. Chairman, I did not get that opportunity in relationship to this legislation. Do we realize that we are spending more time on the floor of the House today on this very important issue than we did in committee? To the best of my knowledge, we only had one hearing on this particular issue.

Mr. Chairman, I indicated in my dissenting remarks that I opposed this legislation not because of my disregard for human rights and majority rule, but because I believe it is an undesirable policy for the United States to become caught in inconsistencies concerning the issue of morality and security within the context of current American foreign policy.

We have heard the argument that we no longer need Rhodesian chrome, in fact that has been the whole mood, we do not need the Rhodesian chrome, and that is true—that is true—but we do need chromium and the question is: Should we not then come back next week and take the same stand, and I think many people would agree we should, in relationship to Russia, Turkey, and South Africa? Then I think we would hear a tremendous uproar in relationship to the whole issue.

But I think the most important issue is, and the point I would really like to make, that if we are going to write foreign policy around human rights as seen through American eyes, and that is the important thing, as seen through American eyes—and that is what has gotten us into all of the trouble we have gotten ourselves into in international affairs over the past 40 years—but if that is the way we are going to make realistic foreign policy, then we want to make very, very sure we have the American people ready to make the sacrifices.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I thank the gentleman for yielding me the additional time.

Mr. Chairman, just to finish my statement, let me repeat that if we are going to try to center our foreign policy around human rights as seen through American eyes, then I think we have to make sure that the American public is ready for this. As you know, we get on our soap boxes down here and sometimes we seem to think that the American people are as idealistic as we are. I am certain we are full of idealism but I never have thought that we can attach that same amount of idealism to the American public when things start to get tough because at that time, all of a sudden, they lose that idealism. That sticks in my mind because when we had the oil embargo, had that embargo continued a few more months, the ground swell in this country would have meant that no longer could we continue our policy and therefore like other countries would have to back off our support for Israel. This support would no longer be possible, because the country would have been forced to withdraw the support because of the public swell against it.

So I think we have to make very certain that we have the public geared for that kind of foreign policy based on human rights as seen through American eyes, not just as we here in the Congress see it, but as the majority of the American people see it.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, we have heard and will hear learned arguments pro and con about the merits of H.R. 1746. I am convinced that the Byrd amendment is not only constitutionally sound but is in the best interest of our Nation. I will therefore vote against H.R. 1746.

I do want to point out, however, that while the specific issue may be the Byrd amendment and Rhodesian chrome, what we should today be debating is something far more wide ranging and important. We should be debating our Nation's policies in Africa. Indeed, we should be debating a larger argument and that is how our Nation should deal with countries whose internal policies we may deplore.

If we do overturn the Byrd amendment and impose a ban upon importation of Rhodesian chrome, who will be hurt? The white Rhodesians? This is absurd, since they have long since proved that there are ways to get around even the most stringent sanctions. The Rhodesian Government will be strengthened, not hurt, as even those whites who might disagree with certain government policies rally around Ian Smith as a sign of white Rhodesian solidarity.

If anyone is hurt by this sanction, it will be black Rhodesians, at the bottom of the economic ladder. Is this really what we want to do? I think not. I think we want, instead, to help Rhodesians of both races to achieve the kind of government they want.

Ian Smith has agreed to majority rule in 2 years under a plan presented by Secretary of State Henry Kissinger. It was not Smith, it was not black Rho-

desians, but the leaders of surrounding black nations who rejected this offer of majority rule. So we have Smith's gesture of good will rebuffed and now we want to follow that with an action that can only be interpreted in Rhodesia as American support of the intransigence of the black leaders who are the only ones holding up majority rule under a plan guaranteeing minority rights. We do not pass legislation in a vacuum, Mr. Chairman. What we do here today concerns more than chrome.

Finally, may I add a fact that everyone knows but no one here seems willing to talk about? As it stands at the moment, we have no certainty that "majority rule" will mean "democratic rule" in Rhodesia. In fact, the historic evidence in Africa suggests very strongly that majority rule without strong guarantees for minority rights will lead to the kind of dictatorships that are endemic in Africa today. From Ethiopia in the north to Mozambique over to Angola and up to Nigeria there are more dictatorships than democracies. What makes anyone think that black or white Rhodesians are going to get anything different if "majority rule" is brought about without protection of civil and human rights?

That is what we are faced with, Mr. Chairman. Not pleasant-sounding words about "majority rights" but the current facts of denial of human rights by whites and blacks all over the African continent. Needless to say, such denial of rights is not unique to Africa. There are denials of human rights in the Soviet Union and China as well as in dozens of African countries.

To make all of this even more grave, Ambassador Andrew Young, acting as President Carter's "point man" has been going around the world using inflammatory and irresponsible rhetoric about the Rhodesian and South African situations. He is being praised in the media for his courage and his willingness to take risks. I am reminded of the grim joke of American soldiers in World War II about Gen. George Patton, nicknamed "Old Blood and Guts." They would say: "Our blood, his guts." I feel the same way about President Carter's African policies as embodied in Ambassador Young: His courage—but who will pay the price? Whose blood will be shed? Will it be the American soldiers Young wants to send to Rhodesia as a "peacekeeping force"?

These are the questions we should be debating. But we choose to debate a question that avoids the real issue. Right now the only real question in Rhodesia is whether the plan agreed to by Ian Smith's government, which would lead to majority rule in 2 years with rights of the minority guaranteed, will be revived. If it is not, there will be a tragedy of unimaginable proportions in Africa. And history will show that while this tragedy was developing, the Congress was debating the right of the United States of America to get strategic materials when and where it wants to.

Mr. BROOMFIELD. Mr. Chairman, I yield the remainder of my time to the gentleman from Illinois (Mr. DERWINSKI), to close the debate.

Mr. DERWINSKI. Mr. Chairman, this bill, if enacted, would halt the importation of Rhodesian chrome. It seeks to reinstitute an embargo on the importation of Rhodesian chrome into the United States in compliance with the U.N. embargo initiated in 1966.

The United States has fully complied with this U.N.-imposed sanction for over 10 years, with the exception of chrome, which is a strategic material.

By Executive Order No. 11322, the President, in 1968, took action to implement economic sanctions against Rhodesia. This action was undertaken without congressional action or congressional review.

Subsequently, Senator BYRD of Virginia introduced the legislation that would prohibit the President from banning the importation of a strategic material from a free-world country if that same material is being imported from a Communist country.

The argument for this legislation was that the United States should not allow itself to become dependent upon the Soviet Union for a strategic material vital to the defense and economic well-being of this country. At the time of the imposition of U.N. sanctions in 1966, Rhodesia was the largest single source of metallurgical grade chrome ore imported into the United States.

In the years after 1966 when the United States observed the embargo, including chrome, the United States became increasingly dependent on its next largest supplier—the Soviet Union. In 1968 and 1969 U.S. imports of metallurgical grade ore from the Soviet Union approached 60 percent of our total imports. In this period of increased dependence on the Soviet Union, the Soviet price for chrome ore rose by 188 percent with prices reaching their peak in 1971, the last year of the embargo on Rhodesian chrome.

After passage of the Byrd amendment, when we again had access to Rhodesian chrome, Soviet prices declined considerably.

Besides Rhodesia, there are only two major sources of metallurgical grade chrome—South Africa and the Soviet Union—and we will clearly be more dependent on the Soviet Union if we do not import chrome from Rhodesia.

I understand that technological innovations may allow the widespread use of lesser quality metallurgical grade chrominum and this decreases our need for Rhodesian chrome supplies.

There is another pertinent factor to consider in evaluating the impact of the new technological process and that is—many of the industries in the United States which use chromium are small firms which do not have the new process. Our Nation has hundreds of small foundries which cannot afford the huge capital investment required by the new process and they must continue to depend on the finer chrome which Rhodesia supplies.

The United States has properly observed the U.N. embargo since its inception in 1966, importing from Rhodesia only strategic materials. But the rest of the world has persistently ignored the embargo. Many of our European friends, Japan, the Soviet Union, Red China, and even many of the black African nations have ignored the embargo. In January 1977, a limited distribution report was issued by the U.N. charging the Soviet Union and four East European countries with "major sanction-breaking" operations.

Another point to note: This bill would require strict monitoring of steel mill product imports into the United States to insure that none of these products contained chromium of Rhodesian origin. This will be a cumbersome operation and will be open to cheating. Many countires now import Rhodesian chrome despite the embargo as is evidenced by the fact that the United States and Rhodesia only consume approximately 35 percent of Rhodesia's yearly chrome production. Therefore, 65 percent is consumed by sanction violators, and it is going to be difficult if not impossible to prevent that chronium from coming into the United States. For countries like Japan, which have no indigenous chrome and import Rhodesian chrome, this bill will force them either to curtail their exports of steel products to the United States or resort to alternations of the so-called certificates of origin. Another problem is the possibility of the Soviet Union's importing Rhodesian chrome for its own consumption and exporting to the United States chromium of Soviet origin. The net effect of this, of course, is that Rhodesian chromium will still be consumed as a result of U.S. demand.

It must be noted that the President presently has the option of halting Rhodesian chrome imports without any legislative action. This is because the Byrd amendment provides that the President may not ban imports of a strategic commodity from a free world country if the same material is being imported from a Communist country.

The failure of the administration to take chrome off the strategic materials list, or to cut off Russian imports, shows the real need for chrome—and dramatizes the validity of the Byrd amendment.

The Byrd amendment was sound legislation in 1971, and it remains sound legislation today. The courts have upheld it despite a challenge to its legality.

The issue simply is one of providing a critical commodity needed for industrial production. The repeal of the Byrd amendment will increase costs to the American consumer. From a human rights standpoint, our increased prices of chrome from the Soviet Union will not advance the cause of individual freedom in that country.

For some years now, I have been trying to get many of my colleagues on the International Relations Committee to see the importance of maintaining some consistency in our foreign policy. To date, they have failed to heed by advice and H.R. 1746 bears witness to that. They are blissfully unconcerned about the illogic of a bill that imposes sanctions against

a nation because of internal policies that are commensurate with most of the other countries from which we get our chrome supplies.

This same inconsistency pervades international politics. While the United States, with the exception of the Byrd amendment, has abided by the U.N. embargo against Rhodesia, many of its fellow U.N. members have not.

Ironically, some of the countries that posture most dramatically and sanctimoniously on this issue at the U.N. are also among those that have maintained regular trade with Rhodesia over a number of years.

Mr. Chairman, just as I am convinced of the correctness of my view, I am aware that mine is a minority viewpoint in the House today, but for the record these points had to be made. The passage of time will demonstrate which side of the argument will ultimately be the most accurate.

Mr. FRASER. Mr. Chairman, I yield the remaining time to close the debate to our distinguished colleague, the gentleman from Michigan (Mr. DIGGS), whose subcommittee also reported this measure.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. DIGGS. I yield to the distinguished majority whip.

Mr. BRADEMAS. I thank my colleague, the gentleman from Michigan, for yielding.

Mr. Chairman, I rise in strong support of this legislation, and I want to commend the gentleman from Minnesota (Mr. FRASER) and the gentleman from Michigan in the well (Mr. DIGGS) for their outstanding leadership on a measure that seems to me to be crucial to the capacity of our country to speak with a clear and telling voice in the conduct of foreign policy, particularly in respect of Africa.

At stake in this legislation is the integrity of our commitment to human rights and majority rule. At stake is the integrity of our international legal obligations. At stake, in part, is the prospect for peaceful settlement of the issues afflicting southern Africa.

Mr. Chairman, I want also to note that both former Secretary of State Kissinger and Secretary Vance have called for repeal of the Byrd amendment and have made clear that the national security of our own country would thereby not be endangered.

We are all aware, finally, Mr. Chairman, that our distinguished former colleague in the House, now our Ambassador to the United Nations, Mr. Andrew Young, has given great leadership on this important matter, as has President Carter. It would, Mr. Chairman, be tragic if our President were to speak at the United Nations later this week and not be able to point to the fact that the Congress of the United States—both Democrats and Republicans acting together—have joined in passing his highly important legislation. I urge approval of the bill.

Mr. DIGGS. I thank the gentleman from Indiana for his very constructive contribution.

Mr. Chairman, I rise in support of the repeal and to just say a few words of emphasis rather than elucidation, because I think that the issues are quite clear. The gentleman from Pennsylvania does not perhaps have the historical perspective of how long we have been dealing with this matter, and the reason that it may have been processed by the International Relations Committee as expeditiously as it has relates to that particular fact, not because a full record has not been laid out time and time again.

I would like to express, first of all, Mr. Chairman, some surprise that the whole question of our international obligations under the U.N. Charter has been treated so cavalierly by some of the people who have spoken here today.

It is a solid obligation, and as long as we are members of the United Nations operating under that charter, I think that our obligations ought to be quite clear.

I think that the references to the clear signal that our action here is going to send to the minority regime in Rhodesia is a point that is well taken because as early as 3 weeks ago on "Issues and Answers" it was quite apparent that Mr. Smith has still not been convinced that there is not some kind of rescue operation standing by when the crunch comes.

I think also it is important to emphasize, Mr. Chairman, that this has been a nonpartisan issue. We have had this matter under consideration now by three administrations, all of whom have approved the repeal which is pending on the floor today. There has not been enough respect in my view for that particular fact is one to gain any influences from what has been said here today by people who would seek to substitute their foreign policy considerations for the foreign policy establishment of three administrations.

Mr. Chairman, I am not going to dwell upon the dependency question and the technological innovations that have been made, although I would say that matter has not been stressed enough, that we now really have techniques that make it possible to seek other sources for this very important metal.

That is why Mr. Andrews, who is the vice president of Allegheny Ludlum Corp., testifying for the stainless steel industry committee, a traditional opponent of the repeal, has indicated that he is satisfied that the stainless steel industry no longer needs Rhodesian chrome. That is why our colleague, the gentleman from Pennsylvania (Mr. DENT) among many additional people can now advocate repeal.

Most importantly, failure to restore sanctions will jeopardize our improving relations with the rest of Africa.

During the past 10 years, Africa has become increasingly important in the area of investment and trade to the United States. In 1966, U.S. direct investment in Africa was only $1.8 billion. By 1970, it has soared to $3.2 billion and in 1975, amounted to $4 billion, a figure that would have been higher had it not been for the nationalizations of U.S. investment in Libya and Nigeria. It is important to note that nearly two-thirds of this investment is in the extractive industry. Many of the minerals involved are officially considered by the U.S. Government as critical and strategic raw materials.

Africa is the last largely unexploited region that enjoys great resource wealth, so we can anticipate increased and sustained interest by U.S. investors.

Similarly, U.S. exports to Africa increased from $1.3 billion in 1966 to $4 billion in 1975.

While South Africa traditionally has been the largest recipient of U.S. investment—increasing from $460 million in 1966 to $1.6 billion in 1976—the political situation has begun to change this pattern. According to the Journal of Commerce, before the June 16, 1976 student uprising in Soweto, the net inflow of capital into South Africa each was $184 million. Since that time, there has been a net monthly outflow of $6.4 million.

The new recipients of large U.S. investment are those very countries who have urged us to adopt more progressive policies in support of majority rule in Southern Africa: Nigeria, Zaire, Zambia, Libya, Gabon. Stopping Rhodesian chrome imports will demonstrate to the nations of Africa that the American people are serious about their support for majority rule.

Mr. Chairman, I do feel constrained to comment upon what appears to be a fairly widespread misunderstanding. Certain Members of this body have objected to restoring sanctions against Rhodesia because it would, according to their observations, leave the United States dependent upon South Africa and the Soviet Union whose human rights records are not better than that of Southern Rhodesia. Sanctions were imposed on Rhodesia to end its rebellion against Britain, the former colonial power, not because of human rights violations which have accompanied UDI. Let us recall that economic sanctions constitute an action short of war, or military sanctions. If this Nation espouses peaceful solutions to conflict, we must support them.

Mr. Chairman, I recognize that it may be difficult for some Americans to adjust to the post colonial world. However, disenchantment with it, will not change the contemporary political configuration of power in the world community. African States account for nearly one third of the membership in the United Nations and represent an important voting group in international fora.

As most of you know, the Secretary of State and President Carter will address the United Nations on Wednesday and Thursday of this week. Our former colleague, Andrew Young, is presiding over the U.S. Security Council this month. A debate on southern Africa questions is anticipated in the Security Council beginning on March 21. A stronger vote in support of Byrd repeal would strengthen the hand of the new administration as it tries to reach an accommodation on the southern Africa problem in the United Nations.

If the economic case for repealing the Byrd amendment is persuasive, the moral

justification for restoring sanctions is overwhelming. Ian Smith's latest rejection of a settlement plan represents the Seventh abortive attempt to end the colony's 12-year-old rebellion against the British Government. Self determination, majority rule and respect for human rights and civil liberties are the pillars of democratic societies. The incumbent regime in Rhodesia makes a mockery of such principals.

Over 3,500 have already died in the protracted struggle in Rhodesia.

According to the New York Times of February 14, 1977, 3,534 people died in the war for independence with majority rule between December 1972 and mid-February 1977. The vast majority of these were Africans: 2,364 insurgents, 874 black civilians including 189 accused of breaking the curfew; 71 white civilians and 252 members of government forces. During the week that the 7 Catholic missionaries were killed, 52 other civilians died—most of them black and 30 of these killed by Rhodesian Government forces.

By restoring sanctions, we enhance the chances for peaceful settlement. We have an opportunity to usher in a new era with Africa and the rest of the developing world.

We must repeal the Byrd amendment not just because it is our duty under international law, not just because it is right, but because it is in our best interests.

I strongly urge passage of H.R. 1746.

Mr. ASHBROOK. Mr. Chairman, I rise in strong opposition to H.R. 1746, a bill to halt the importation of Rhodesian chrome. This legislation does not serve our national interest.

Chrome is an important strategic material. It is vital to our defense needs and our domestic economy. Specialty steels such as stainless steel, for example, require chrome ore for their production.

Unfortunately the United States has virtually no chrome deposits. A report issued in the 94th Congress by the House Committee on Armed Services states the following:

> The United States has no indigenous chromite ores of economic significance. . . . Since 1961 there has been no domestic mining of chromite.

Simply put, we have no chrome. We are dependent on foreign countries for this important material.

The world's supply of chrome is concentrated in a very few areas, in particular Rhodesia, South Africa, and the Soviet Union. About 67 percent of the known reserves of metallurgical grade chrome is found in Rhodesia. Another 22 percent is located in South Africa. Approximately nine-tenths of all the known chromium reserves is in Rhodesia and South Africa.

A large share of the rest is in the Soviet Union. In fact, about 40 percent of our chrome ore is imported from the Soviet Union.

If we cut ourselves off from Rhodesian chrome by adopting H.R. 1746, we only make ourselves more dependent on chrome from South Africa and the Soviet Union. Can anyone seriously argue that the Soviet Union—a land dotted like a "Gulag Archipelago" with concentration camps for those who disagree with the Communist regime—is less repressive than Rhodesia? Is South Africa with its official policy of apartheid a morally superior nation to Rhodesia?

To halt purchases of chrome from Rhodesia but continue to buy it from the Soviet Union and South Africa seems somewhat hypocritical. We would be embracing a double standard of morality.

The hard truth is that the chrome exporting nations do not come up to our own moral standards. Consequently for the United States to pick out Rhodesia for penalty is little more than selective morality.

Nor is this the only case of selective morality. Black Africa is run largely by military juntas, one-party dictatorships and, in the case of Idi Amin, an absolute madman. Why are not the advocates of this bill out demanding majority rule in these other countries?

Let us be honest. Chrome is essential to our national security and our economy. It should be foolhardy to deprive ourselves of such a major source as Rhodesia, especially when the primary alternative sources are the Soviet Union and South Africa.

In addition, if we halt the importation of Rhodesian chrome we will place American steel companies at a competitive disadvantage. The price of chrome ore for American firms will almost certainly go up. During the period of the last Rhodesian embargo, the Soviet Union took advantage of the situation by doubling the price and lowering the quality of the ore. Only after removal sanctions did Soviet prices drop.

Consequently other countries that use the cheaper high-grade Rhodesian chrome will be able to sell their products at a lower price. We should not be naive in this regard. Our foreign competitors may give lip service to boycotting Rhodesia but in actuality they have continued to import chrome from that nation.

Japan is an excellent example of what I am talking about. It supposedly was scrupulously abiding by the U.N. sanctions against Rhodesia. In mid-1974, however, it was conclusively shown that Japan had been importing over 25 percent of its chrome requirements from Rhodesia over the previous 5 years. Japanese chrome buyers used forged South African certificates to evade the embargo, a policy apparently winked at by the Japanese Government.

So we should not kid ourselves on this point. Passage of H.R. 1746 would put us in a position of being the only major steel producer prohibiting imports of Rhodesian chrome. Foreign countries will continue to use the cheaper Rhodesian chrome, either openly or covertly, and then sell these products in the U.S. markets in competition with American firms. The end result will be a loss of business for American firms and a loss of jobs for Americans.

The Committee on International Relations recognizes this problem and attempts to solve it by requiring foreign steel mill products to have a certificate of origin stating that these products do not contain Rhodesian chrome. This may sound good on the surface but it is no real solution to the problem.

It is virtually impossible to detect the origin of chromium once it has been made into processed steel. This fact has been well established in previous congressional testimony. Consequently the certificate of origin provision is little more than window dressing to help a serious problem. It is ineffective, unenforceable and a sheer waste of time.

I urge my colleagues to place American interests first on this important issue. I urge the defeat of H.R. 1746.

Mr. HANSEN. Mr. Chairman, I am shocked that the arguments for or against the Byrd amendment regarding Rhodesian chrome have so easily skirted the real issue, which is the matter of our economic and military security, and degenerated to an unproductive argument on civil rights. Rhodesia has limited civil rights but is not an enemy of the United States. The Soviet Union, which is the other major source of chrome has even more limited civil rights, is an economic adversary and an avowed ideological and military enemy. Any action which would make the United States largely or solely dependent on the Soviet Union seems not only blatantly unwise, but even treasonous.

And as for civil rights, I am shocked at the civil rights tunnel-vision which seems to exist on Capitol Hill. The oppression of certain ethnic groups is not necessarily the worst example of civil rights violations in the world. Man's inhumanity to man is not limited along lines of racial, religious, and sexual bigotry. Oppressive government knows no such limitations and the best, or worst, examples are nations like the Soviet Union and the Peoples' Republic of China.

It is in both the context of national security and civil rights that I must ask each of my colleagues for a strong search of conscience regarding forthcoming action on the Byrd amendment. Civil rights are improving in Rhodesia under the pressure of political reality and I feel that an extension of the Byrd amendment for at least an additional probationary period is in order.

In the meantime, out of a sense of fairness, I feel that any pressure being exerted on Rhodesia should also be applied in like manner to nations such as the Soviet Union so that they also will have strong inducement to get their human rights houses in order. If civil rights is to be the deciding factor then we should ban South African chrome because of the internal policies of that Government, Turkish chrome because of that country's occupation of Cyprus, and the Brazilian chrome because of that country's internal policies. This would leave us at the mercy of the Soviet Union ore and their internal oppression is the flagrant of all. Our priorities should not be arbitrary in this regard—the worst offenders against civil rights should not be exempted just because they are larger and more difficult to impress.

Economically, the United States is totally dependent upon imports for chrome ore, both for production purposes and for our national stockpile. Without the Byrd

amendment we are at the mercy of the Soviet Union for chrome supplies.

During the period when sanctions against Rhodesian chrome ore were in effect, the Soviet Union was our principal source of high chromite. The U.S.S.R. took advantage of our dependence upon it in two respects. First, the quality of the ore exported to the United States steadily deteriorated, and second, Soviet prices dramatically increased. From $35.78 per short ton in 1965 the price steadily increased to $68.45 in 1972 and then fell back to $51.73 per ton in 1973 when sanctions were lifted. However, in anticipation of congressional action restoring the U.S. embargo on importation of Rhodesian chrome, Russian metallurgical grade ore prices in 1975 were being quoted as $160 per ton.

There is also another strong reason for not abandoning the Byrd amendment at this point just because the large steel and other multinational corporations say it is OK. I am sure that there are many Members of this body who are tired of having the big money groups set the foreign policy of this Nation particularly when it can have damaging impact upon the Nation's small and family businessmen and their employees.

There is every reason to believe that the announced technological breakthrough which has prompted the big steel industries to switch positions on this need for Rhodesian chrome is not all that great and immediate a blessing to the smaller and sometimes marginal businesses not so able to pass on increased costs of production to the consumer. I have learned that 75 percent of our domestic cast metal firms, those who employ 100 or fewer workers, may end up as little more than brokers for foreign cast metal industries leaving the United States even more dependent upon other nations.

Economically, there is so much to explore in terms of the full impact on this Nation of killing the Byrd amendment that I feel such action is extremely risky and premature. For the sake of our military and economic security, for true international progress in civil rights, and for the benefit and well-being of small businessmen, the laborers, and the consumers of this Nation, I implore you to once again vote to retain the Byrd amendment.

Mr. BADILLO. Mr. Chairman, last year, a similar bill to H.R. 1746 came before this body, and I supported it. And the reasons for my doing so again this session are just as compelling.

What has changed this year is the administration of this country. We have a new President, who has boldly made international human rights one of the cornerstones of his foreign policy, who has not shrunk from the controversial and difficult actions that are necessary to "put our money where our mouth is."

It would be ironic if we, in this Democratic Congress, feeling for the first time in so many years that we can establish a cooperative and mutually beneficial relationship with the occupant of the White House and with his agencies, were to vote against a measure which he has directly declared that he supports: "I want to see the Byrd amendment repealed," President Carter has stated, "and I will give my backing for the repeal." Our Ambassador to the United Nations, Andrew Young, has reinforced this thought:

> In very tangible terms repeal would show the Smith regime that it could not count on assistance from the U.S. government in its obstinate refusal to accede to majority rule. It would impress on Africans that the United States is serious in its support for majority rule in independent Zimbabwe.

"It would impress on Africans * * *" Those are very important words. Our present posture can do nothing but increase hostility to our country among black African nations, nations whose support we need much more than Rhodesia's, and will certainly not sit well with the inevitable black regime of that country.

Finally, the Byrd amendment is offensive to those who believe in the future of the United Nations. We have committed ourselves to the search for world peace through that body. We have excoriated those member states who have not abided by its principles. And yet, for seemingly crass commercial reasons, we are guilty of ignoring U.N. sanctions, and thereby contributing to weakening the effectiveness of the entire organization.

And so, for our commitment to black Africa, for our commitment to world peace, and, primarily, so that we can effectively implement our country's hope for individual rights throughout the world, I shall vote for this bill, and urge my colleagues to do the same.

Mr. BIAGGI. Mr. Chairman, I rise to indicate my support of H.R. 1746, legislation to repeal the Byrd amendment of 1971. I take this position after careful deliberation. My views are based on the overwhelming evidence that imposition of an embargo on Rhodesian chrome and ferrochrome will have no appreciable effect on the U.S. economy or on our national security. Further, I view the passage of this legislation to be an important demonstration of this Nation's new commitment to the establishment of a moral and consistent foreign policy toward third world nations.

I have long been a supporter of the Byrd amendment. From the time it was adopted in 1971 until as recently as the vote in the last Congress, I had opposed the imposition of an embargo on Rhodesia chrome because of this Nation's seeming dependence on the supplies and reserves of chrome and ferrochrome from Rhodesia.

However, based on figures provided in the committee report and by the State Department, the dependence argument is a specious one. In 1976, only 3 percent of our chromium ore and 22 percent of our ferrochrome supply were imported from Rhodesia. This does not constitute undue dependence by anyone's interpretation.

I have also based my opposition to repeal in the past on the impact such an action would have on the American job market. Concerns had been raised by the specialty steel industry. Yet, as the committee report points out, the specialty steel industry has stated emphatically that a reimposition of the embargo on Rhodesia chrome would not threaten steelworker jobs. The comments of my colleague from Pennsylvania (Mr. DENT) have also played a role in my decision to change my position.

The Rhodesia chrome question must be analyzed from another perspective. The Carter administration has made a strong commitment in support of self-determination and majority rule for Rhodesia. Yet, our efforts to be influential in this area are being sabotaged daily by the continued importation of chrome from Rhodesia. This has the effect of giving the present Rhodesian leadership a sense of security, allowing them to stall in the implementation of the agreement to transfer power in Rhodesia; an agreement ironed out during the previous administration.

It is time that our foreign policy reflected a sense of consistency in its application. We must stop undermining our own image through the perpetuation of outdated positions and philosophies. The right of self-determination has long been a bulwark of our foreign policy. It has been primarily directed at the Soviet satellite nations of Eastern Europe. But the deprivations of human freedoms exist in other nations such as Rhodesia, as well as Northern Ireland and if our policy is to have any credibility, we must support a repeal of the Byrd amendment.

Last, we must view a repeal of the Byrd amendment as a positive step in the development of improved relations with the continent of Africa. Many nations in Africa including some which are economically more important than Rhodesia, have been angered by our continued importation of chrome. Repeal of the Byrd amendment would constitute an important good faith effort on the part of the United States which will place us in a better position with the entire African Continent. This is the real national security issue. The growth of Soviet influence in Africa, especially in southern Africa, should be a source of deep concern to this Nation. It has been allowed to flourish in part because of basic distrust of American policies in Africa, best exemplified by our policy with respect to Rhodesia chrome. A change in position on this matter may improve the course of American-African foreign policy.

Finally, of somewhat lesser importance, is the fact that a repeal of the Byrd amendment will put us in full compliance with the United Nations Charter. This could have important benefits to our position in the United Nations, especially if Ambassador Young is able to assume the Presidency of the Security Council.

As I indicated earlier, my vote today does represent a change in my position. Yet, weighing all the facts and arguments as I have, I see no real justification for continuing to support the Byrd amendment. Our economy is capable of detaching its limited dependence on Rhodesia chrome both from the standpoint of our available supplies, as well as our reserves of the metal. I do add the thought that if we are successful in repealing the Byrd amendment today, we

should accompany it with a strong new commitment to increasing our own domestic capabilities to develop sources of chrome and ferrochrome. Extreme reliance on imports of any necessary commodity presets problems, as we have seen with respect to the Arab oil cartel.

Good economic sense as well as the establishment of a foundation for improved third world relations are what a vote for repeal of the Byrd amendment represents. I urge my colleagues to join me in support today.

Mr. COTTER. Mr. Chairman, American importation of Rhodesian chrome belies our pious criticism of white supremacist rule in southern Africa.

The efforts of this administration to secure a peaceful transition to majority rule in Rhodesia, a transition without bloodshed and retaliation, will fail unless we can restore the confidence and trust of black Africa.

Our influence with the governments of Africa will be negligible, however, if we continue to grant Ian Smith's regime the implicit recognition of economic relations.

There are two events, Mr. Chairman, that will be influenced by our vote today.

The first is President Carter's address before the United Nations on Thursday. He can go there with a foreign policy that proves that America, the first nation to throw off the chains of colonial rule, is still the defender of national self-determination everywhere.

This will be possible only if the Byrd amendment is repealed.

The second event is the Helsinki followup meeting, which convenes in Belgrade on June 15. We are going to Belgrade with the demand that the Soviet Union live up to the treaty they signed at Helsinki, especially to that treaty's provisions on the right to emigrate.

Our demand will be compromised, however, if the Soviet representatives at Belgrade can take our own arguments and throw them back into our teeth. Why did the United States vote for the economic sanctions against Rhodesia, the Soviets can ask, if we were not prepared to observe them ourselves? Do we consider ourselves exempt from our international agreements?

Mr. Chairman, much has already been said about the irrelevance of Rhodesian chrome to our economy. The Government says we have enough chrome stockpiles to meet our strategic needs for several decades of war. The United Steelworkers of America have testified that a ban on Rhodesian ferrochrome will not affect employment in the stainless steel industry. The steel industry itself has conceded that the loss of Rhodesian chrome will not significantly affect production.

But whether or not we repeal the Byrd amendment, events will soon overtake our ability to ship any chrome from Rhodesia. To state the facts simply: American imports of Rhodesian chrome are declining year after year.

We have not purchased any raw chrome from Rhodesia since March 1976. Imports of refined high-carbon ferrochrome, used in the manufacture of stainless steel, have declined from 41 percent of the import market to 21.9 percent last year.

Those imports will continue to decline, Mr. Chairman, because the Rhodesian Government is unable to protect either its internal stability or its external trade. Mozambique has closed its ports to Rhodesian business and guerrilla activity is rapidly escalating into civil war.

The white minority regime is losing its grip on Rhodesia, Mr. Chairman. A thousand Byrd amendments will not guarantee continued shipments of Rhodesian chrome.

But the main issue before us today has nothing to do with the steel industry. The black nations of Africa are beginning to believe that our support for majority rule in Southern Africa is not a pious fraud. There is a word for their growing confidence in our policies: It is called "credibility." And credibility is indispensable to our efforts to avert racial war in Rhodesia. The future welfare of both blacks and whites in that country may very well turn upon our ability to influence the black governments of Africa. That issue alone would justify our support for H.R. 1746.

Mr. Chairman, I voted in 1975 for the last attempt in this House to repeal the Byrd amendment, and I am proud to be a cosponsor of the resolution we are considering today. I urge my colleagues to support it.

Mr. KOSTMAYER. Mr. Chairman, I rise in support of H.R. 1746 to halt the importation of Rhodesian chrome.

So far 1977 has been an important year for all who cherish the basic rights that belong to all people. We are beginning to end the inconsistencies between our philosophy of human rights and our foreign policy. I applaud the administration for all it has done in this cause. It is my hope, Mr. Chairman, that we in Congress will now take this opportunity to continue.

Since the passage of the Byrd amendment in 1971, we have supported a racist minortiy government which restricts the rights of the majority of its citizens. Our economic support of this government runs contrary to our historical preference for majority rule.

If the United States means what it says about human rights we must prove it by the policies we pursue abroad.

These policies cannot include the support of minority rule against the will of the majority, nor can they include the abrogation of our international commitments. The passage of the Byrd amendment in 1971 created such an abrogation.

Since 1971, we have stood against a United Nations sanction prohibiting trade with Rhodesia. The sanctions were invoked in 1966 and 1968 under chapter VII of the U.N. Charter. We are committed, by the Charter to abide by those sanctions.

How can this country be an advocate of human rights when we stand opposed to the one international body capable of forwarding the cause to which we attach so much importance? Our standing in the world depends on our expression of faith in the ability of the United Nations to effect the outcome of the struggle for freedom for all people. This must include the black majority in Rhodesia.

I am sure, Mr. Chairman, that those of my colleagues who supported the Byrd amendment did not do so out of any desire to limit the human rights of the people of Rhodesia. They perhaps felt at that time the economic realities of the situation demanded we import chrome from Rhodesia. Dependence upon the Soviet Union for high quality chrome was viewed as disadvantageous, and still is. However the economic conditions that may have required our reliance on Rhodesia chrome no longer exist. According to the Bureau of Mines of the Department of the Interior our dependence on Rhodesian chrome dropped by almost 50 percent between 1975 and 1976. This is due to advances in technology in our steel industry which have limited the need for high quality chrome ore as well as our ability to purchase chrome from other sources, such as the Phillipines and Brazil.

Mr. Chairman, it may be an unfortunate reality that economic necessity can stand in the way of philosophically consistent policy. However, when the economic realities change we must do what is right.

Mr. Chairman, for over 200 years struggling people all over the world have looked to America for inspiration. Many times we have provided it. Now the people of Rhodesia look to us. The majority is setting forth its rightful demand to rule that embattled country.

I urge my colleagues to stand against minority rule, to stand against abrogation of international agreements, and to vote for H.R. 1746.

Ms. MIKULSKI. Mr. Chairman, I rise to speak in favor of H.R. 1746 to halt the importation of Rhodesian chrome.

The repeal of the Byrd amendment will be a sign to the world community that the United States is serious about its commitments to human rights. This action is essential to the development of good relationships with the African nations. If we continue to import Rhodesian chrome, we will make it impossible for the citizens of these countries to believe that we are sincere in our support of self-determination and majority rule in Rhodesia.

When the Byrd amendment passed in 1971, forceful arguments were made that we must import chrome from Rhodesia; that we should not be dependent on the Soviet Union for chrome; that this was a matter of national security. Presently we have enough chrome stockpiled to last for several decades of war.

Another argument was the loss of American jobs. The proponents of the Byrd amendment stated that many workers in the stainless steel industry would be laid off. This has been a fallacious argument according to the United Steelworkers. In fact, they have been resentful that the job security of their workers has been the scapegoat for not complying with the embargo. And now the stainless steel industry, who in the past lobbied for the need of the Byrd amendment, has testified that new technologies no longer make this necessary.

It is our hope to effect a peaceful solution to the problems in Rhodesia. President Carter's administration is behind the repeal. There are no reasons to

continue to import chrome from Rhodesia and every reason to comply with the terms of the embargo.

I urge my colleagues to vote for the repeal of the Byrd amendment and in doing, they will be voting for human rights and our commitment toward self-determination in Rhodesia.

Mr. NICHOLS. Mr. Chairman, today this body is considering H.R. 1746, a measure to halt the importation of Rhodesian chrome. I believe that passage of this legislation would be economically unwise and if enacted, it will establish glaring incongruities in our foreign policy regarding human rights.

The proponents of this legislation point to the fact that the steel industry has developed new and improved technology thereby eliminating the need for high-grade Rhodesian chrome. These supporters say that the need for continued use of this product can be eliminated by switching to the lower grade chrome.

What they fail to realize is the expense of initiating a new technology. Companies such as Republic Steel, United States Steel, and others may be able to absorb the capital expenditures necessary to bring on line a new process but other smaller factories will find it prohibitive. The cast iron metal industries are primarily comprised of small facilities utilizing the manpower of less than 100 workers. These plants do not have the capital on hand to rapidly switch from the present process to the newer more expensive process known as AOD. We would be cutting off the livelihood of many of the companies, increasing unemployment, and requiring additional importation of foreign processed metal products.

Furthermore, the elimination of Rhodesian chrome would, in all likelihood, have an adverse inflationary effect on our economy. By limiting the supply of any product, our economic laws tell us the competition for a restricted market item will increase its price. The increased cost of the new product made without Rhodesian chrome would be passed along to the consumer stymieing our potential for growth.

But this is only the economic aspect of this legislation, what of the political ramifications? The thrust behind this bill is due to the repressive attitudes of the Rhodesian Government. Their apartheid policies are as caustic to me as they are to the supporters of this bill but so are the tyrannical and dictatorial policies employed by the Soviet Union, our other major source for chrome. Are we to overlook the questionable police tactics of this Communist country and in the meantime place restrictive trade sanctions on a smaller government? To selectively impose such economic sanctions is dangerous, confusing, and capricious.

Mr. Chairman, we need to face facts. We need Rhodesian chrome whether we like their internal policies or not. If we impose this economic sanction against Rhodesia it would be totally inconsistent to turn around and look toward the other principle exporter of chrome, the Soviet Union, for the product. I hope we utilize rationality over passion on this issue and defeat the proposal before us, H.R. 1746.

Mr. MARKS. Mr. Chairman, I rise in support of H.R. 1746, a bill to halt the importation into the United States of Rhodesian chrome and restore the United States to full compliance with United Nations economic sanctions in accordance with international treaty obligations.

On December 16, 1966, the Security Council of the United Nations adopted a resolution invoking mandatory selective economic sanctions against Rhodesia. The United States voted in favor of this resolution, and the sanctions were implemented in this country by Executive Order No. 11322. Further sanctions, also supported by the United States, were adopted by the Security Council in May 1968. The impact of this action was to make the embargo on Commerce with Rhodesia virtually total.

The United States supported the economic embargo against Rhodesia until 1971, when the Byrd amendment to the Strategic and Critical Materials Stock Piling Act was adopted. This allowed the importation from Rhodesia of chrome ore, ferrochrome, and nickel in violation of the U.N. sanctions. Attempts to repeal the Byrd amendment in the 93d and 94th Congresses were unsuccessful.

We must not allow this present effort to repeal the Byrd amendment to fail. I say this for two reasons.

First, the economic arguments in support of the Byrd amendment no longer are persuasive. In a specialty steel update to the Pennsylvania congressional delegation, Mr. Howard O. Beaver, Jr., president of Carpenter Technology Corp., stated:

> Today, because of major technological advances in specialty steelmaking and tremendous investments in the Republic of South Africa in mining, ore beneficiation, and new smelting technology, the chromium from Rhodesia is no longer absolutely essential to the continued operation of our industry.

Similarly, Mr. E. F. Andrews, vice president of Allegheny Ludlum Industries, testified before the Senate Africa Subcommittee on behalf of the Tool and Stainless Steel Industry Committee that "we cannot stand before you and make the arguments" made in 1971 and 1974 against previous repeal efforts. In addition, Mr. John Sheehan, legislative director of the United Steelworkers of America, pointed out in a letter to Members of the House:

> Our union has always opposed the embargo-breaking Byrd amendment, and we have always denied the argument that reinstatement of the embargo would jeopardize the jobs of our members in the specialty steel industry.... We are pleased that the specialty steel industry has now also publicly stated that Rhodesian chrome is not vital to domestic needs. It should be emphasized that less than 10 percent of the chrome consumed by the U.S. last year came from Rhodesia. That small amount can easily be replaced by other sources.

Some in the specialty steel industry have expressed concern that repeal of the Byrd amendment would allow unfair competition from foreign specialty steel producers who ship steel to the United States which contains Rhodesian chrome. The bill before us addresses this problem by requiring that imports of chromium-bearing specialty steel mill products be accompanied by a certificate of origin specifying that the chromium in them did not originate in Rhodesia.

There is another point which should be kept in mind as far as the economic impact of repeal of the Byrd amendment is concerned. It is the question of short term policies versus long term policies. Whatever economic benefits are derived from dealing with the present minority government in Rhodesia in violation of the U.N. sanctions, those benefits inevitably are short term in duration. The tide of history is against that government, and its days clearly are numbered. We must consider that a future majority government of Zimbabwe will recall those who propped up the predecessor regime through illegal trade when it decides with whom it will share the world's largest natural reserves of chrome ore.

Second, retention of the Byrd amendment is injurious to the international interests of the United States. The Byrd amendment has severely damaged our credibility with black Africa. How can we claim to be concerned about human rights, self-determination, and majority rule when we violate U.N. sanctions by trading with an illegal, racist government to which no nation has extended diplomatic recognition? Our words in support of majority rule will not be taken seriously in Africa until they are matched by action. By making a small, short term commercial sacrifice, we can recapture the respect of black Africa and dispel the mistrust our actions have engendered.

Hopefully, by asserting our moral leadership to bring about universal compliance with the U.N. sanctions against Rhodesia we can create a climate that will permit the peaceful implementation of majority rule in that country. With this in mind, I urge my colleagues to vote in favor of H.R. 1746.

Mr. McKINNEY. Mr. Chairman, once again Congress is confronted with the critical issue of U.S. participation in the 10-year-old U.N. embargo of Rhodesian chrome. Since 1971, with the passage of the Byrd amendment, we have directly violated the United Nations economic sanctions against that nation, and have alined ourselves with a government which represents only 4 percent of its population. I hope that today we will end this practice, and will put the United States back into compliance with international law, permitting the U.S. Government to take a constructive role in a peaceful transition to majority government.

The arguments against this action have been persuasive in the past, but have recently lost their strength. For instance, the specter of U.S. dependence on the Soviet Union for this critical material has always been a powerful argument against our participation in any United Nations sanctions against Rhodesia's self-proclaimed minority government. Given the current technological advances in the processing of lesser-grade chrome ore, however, U.S. dependence on the Soviet Union for this critical material has lessened. While we currently import from the Soviet Union approximately 50 percent of our chrome ore, we have consistently increased our ferrochrome im-

ports, which are processed from a lower quality ore made available from non-Soviet sources.

Also, the impact which this embargo would have upon industries dependent on chrome supplies would be minimal. Last year Rhodesian chrome accounted for only 5 percent of the total imported, and the steel industry has acknowledged that ending Rhodesian imports is no longer a subject of serious contention. We also must not forget that the United States has a 4-year supply of high-grade chrome ore in reserve. Even if there are repercussions as a result of this embargo, losing 5 percent of our imports now is better than losing future, and hopefully a greater percentage, of imports after the inevitable advent of majority-ruled government.

With the weakening of these economic arguments, it becomes all the more important for the United States to take its proper place among those nations pressing for an orderly transition to majority rule in Rhodesia. The emerging nations of Africa and the entire Third World will surely condition their future trade agreements on how we support their allies today. Remember, beside huge chrome deposits, Africa houses some of the world's richest supplies of tin, bauxite, copper, and other materials we need to exist as an industrial nation.

The change to majority rule in Rhodesia is close at hand. Let us hope it will be a peaceful transition, and that we can play a beneficial role in it. With adequate stockpiles to meet our defense needs for years to come, we should not hesitate today to help the oppressed Rhodesians through our support of H.R. 1746. As recent developments have shown, continued ambivalence on the part of the major industrialized nations will only prolong the senseless bloodshed and violence which has marred the road to majority rule.

Mr. EDWARDS of California. Mr. Chairman, I wish to add my voice to those of my colleagues who are urging support of H.R. 1746, a bill which reimposes an embargo on imports of chrome ore, ferrochrome, and nickel from Rhodesia. Since Congress passed the Byrd amendment to the Strategic and Critical Materials Stockpile Act in 1971, this Nation has been in open violation of the sanctions imposed by the United Nations against Rhodesia. The Byrd amendment was adopted in spite of the fact that the United States in 1968 supported the U.N. Security Council finding that the actions of the white minority regime in Rhodesia constituted a threat to world peace. At that time the United States joined the Security Council's mandatory, comprehensive sanctions program against the Ian Smith government.

Adoption of the Byrd amendment has meant economic support by the United States for an African regime which represents only whites—less than 4 percent of Rhodesia's population. Voting qualifications for blacks are extremely restrictive and continuing white control has denied them a fair share of education, income, and land. Furthermore, it is entirely inconsistent for this Nation, which seeks to serve as a beacon for human rights, to continue economic support for such a repressive and racist regime.

For these reasons, the bill before us today has the support of a wide range of groups including the American Bar Association, AFL–CIO, United Auto Workers, Americans for Democratic Action, U.S. Catholic Conference, National Council of Churches, Ford Motor Co., United Steel Workers of America, and the NAACP.

I strongly urge each of my colleagues to join me in supporting this important legislation.

Mr. DAN DANIEL. Mr. Chairman, I hesitate to question any group's motives for action or inaction, but the complicity of big steel in the repeal of the Byrd amendment, is too obvious to be ignored. By supporting imposition of the ban on chrome from Rhodesia, the industry has further imperiled this Nation's sources of a vital mineral for its own narrow interests. Having supported the Byrd amendment in the past, the industry has done an about-face, declaring there will be no damage to it by imposing the ban. I am disturbed that any industry in this country would put its own interests ahead of national security and economic health.

The excuse in the Congress for this action was human rights. Now we find our purchases of chrome ore and ferrochrome must be made from such countries as the Soviet Union, Albania, and India, none of which has shown any concern for human rights. How hypocritical can we be?

I intend to monitor closely not only the effect on prices—which may be considerable—but also the availability of supply.

Mr. CLEVELAND. Mr. Chairman, the legislation now under debate by the House would restore the embargo by the United States on Rhodesian goods, particularly chrome, that was imposed in 1966 in compliance with the United Nations sanction but then lifted in 1971 by the so-called Byrd amendment.

Although it appears from all accounts that the Congress, with the strong backing of the Carter administration, will vote to pass the legislation repealing the Byrd amendment. I intend to vote against it, although somewhat reluctantly. My reasons for doing so are grounded in my belief that while the expressed aims are noteworthy, repealing the Byrd amendment would not be in the best practical interests of the United States. Nor is it clear that this leigslation will help attain our objective of obtaining majority rule in Rhodesia by peaceful means.

In the questionnaire that I sent my constituents in 1967, I asked whether they approved of the economic sanctions imposed by the U.N. on Rhodesia, which only 2 years previously had unilaterally declared its independence from Great Britain. Britain had requested the sanctions, and I told my constituents, in answering my own questionnaire, that out of deference to our oldest ally I "reluctantly supported" the sanctions.

However, Mr. Chairman, events since 1967 have convinced me that our embargo of Rhodesian chrome was not a wise course of action. The Soviet Union became our principal source of chrome, and quickly took advantage of our dependence by reducing the quality of the ore exported to the United States while at the same time increasing its price by nearly 100 percent. Moreover, the Soviet Union has reportedly been one of the most flagrant violators of the U.N. sanctions against Rhodesia. Consequently, Congress in 1971 passed the Byrd amendment to the military procurement bill, lifting the embargo on Rhodesian chrome. I supported the Byrd amendment at that time, and have voted against legislative attempts since then to repeal it, in 1972 and 1975. I remain convinced that Rhodesian chrome, which accounts for a very substantial portion of our imported ore, is vital to our security interests, and my position on the Byrd amendment has not changed.

Chrome ore, a resource conceded by all as critical to American interests, is coincidentally found mainly in countries also guilty in varying degrees of repressing human rights—Rhodesia, South Africa, the Soviet Union, Brazil, and Turkey. If we are to follow the arguments of those favoring repeal of the Byrd amendment, that the United States ought not to trade with a country whose government is morally repugnant, then the logical conclusion is that we should be consistent and cease importing chrome from those other countries as well, a conclusion whose absurdity is self-evident. The irony—indeed hypocrisy—of thus singling out Rhodesia for embargo, Mr. Chairman, is compounded by the result, which will be to increase our dependence for chrome on countries whose internal policies are also offensive. This is what disturbs me most about this legislation and is why I cannot support it.

Mr. BURKE of Florida. Mr. Chairman, I would like to call the attention of all my colleagues to an editorial appearing in the Miami Herald on February 25, 1977, entitled "Boycott on Chrome Is Unrealistic." The editor rightly states that economic sanctions such as those imposed on Rhodesia do not prevent the flow of subject goods in world commerce. Their main economic impact is to increase the costs to American businesses and in turn to the American consumer.

It is further noted that Rhodesian chrome is vital to U.S. security. In repealing the Byrd amendment, the United States will be forced to rely more heavily on the Soviet Union for its supply of high chromite—a move the Soviets have already anticipated by raising metallurgical grade ore prices from $51.73 per ton in 1973 to the present price of $160 per ton.

Mr. Chairman, I urge you and my colleagues in the U.S. House of Representatives to defeat H.R. 1746 which would reimpose the U.N. embargo on Rhodesian chrome ore. This is a course of action consistent with both practical economics and the interests of our national security.

The article is as follows:

BOYCOTT ON CHROME IS UNREALISTIC

The Senate Foreign Relations Committee at the behest of the State Department has voted 15 to 1 to restore the embargo on imports of Rhodesian chrome which was cancelled in 1972 by the so-called Byrd amendment.

The amendment ran counter to the United Nations embargo on 72 strategic materials produced by Rhodesia. The U.N. effort was aimed at the racial policies of Rhodesia as well as its rebellion against British rule. Sen. Harry Byrd of Virginia argued successfully that cutting off Rhodesian chrome would deprive this country of a vital ore needed to manufacture steel and make us dependent on the Soviet Union, the second largest chrome producer after South Africa.

The facts of the matter are clouded not only by emotion but also by contradictory statistics and a recent invention which provides a larger yield of chromium from lower grade of chrome ore available outside Rhodesia. Too, while Sen. Dick Clark of Iowa argues that "only 5 per cent of our chrome last year came from Rhodesia," imports of ferrochrome from all sources have increased six times in seven years.

Chrome from Rhodesia is important to U.S. security. The U.N. embargo which we appear to support is a sieve through which chrome ores pour at much higher prices. Boycotts are a form of economic war with dangerous implications. The full Senate ought to defeat the Byrd repealer in the name of common sense.

Mr. STOKES. Mr. Chairman, I rise in support of H.R. 1746 of which I am a cosponsor. Mr. Chairman, as you know, the purpose of H.R. 1746 is to allow the reimposition of embargo on imports of chrome ore, ferrochrome and nickel from apartheid-ridden Rhodesia. Mechanically, H.R. 1746 would amend the United Nations Participation Act and thus repeal the Byrd amendment by allowing the President of the United States to issue an executive order requiring the United States to comply with U.S. economic sanctions against Rhodesia. Mr. Chairman, since the Byrd amendment was first proposed in 1971 it has been opposed by every U.S. Ambassador to the United Nations, every U.S. Secretary of State, the Foreign Relations Committee of the Senate and the International Relations Committee of the House. Despite this opposition the U.S. Congress, has seen fit to support the odious Byrd amendment.

Mr. Chairman, by repeatedly upholding the Byrd amendment the United States has gone on record as supporting apartheid and the myriad of human suffering and misery which accompanies this condition. Mr. Chairman, the time is long overdue for the Congress to serve notice on the world that America is unequivocally opposed to racism and resolutely on the side of majority rule in Rhodesia. Mr. Chairman, apologists for the racist conditions within Rhodesia have made three major arguments in support of the retention of the Byrd amendment. According to these apologists, opposition to the Byrd amendment is inconsistent with the U.S. approach to human rights, will result in a loss of jobs and a major supply of chrome, and will be ineffective in altering Rhodesia's racist policy.

Mr. Chairman, I reject these three arguments as specious for several reasons. First, to imply that America's opposition to apartheid in Rhodesia is "inconsistent" begs the issue. The stark fact of the matter is that 95 percent of Rhodesia is black African yet it is subjected to domination by a minority of European whites. The sole basis for this domination is racism. Opposing these circumstances does not imply that the United States condones human rights violations in the Soviet Union or racism in the ghettos of America, for America recognizes that human rights must be supported in all nations. The problem with Rhodesia is that it represents not only a blatant affront to the international community and a clear threat to international peace, but one of the last vestiges of the European colonialism of Africa.

Second, to suggest that Americans would lose jobs and a major source of chrome by repealing the Byrd amendment is simply not true. According to a spokesman for the United Steelworkers of America:

Steelworker jobs are not threatened by a reimposition of the full embargo on Rhodesian trade, and they never have been.

Concerning American dependence on Rhodesian chrome the United States has not only stockpiled chrome in excess of its need but the domestic ferrochrome industry has developed a procedure which makes it possible for the United States to utilize low-grade chrome ore which need not be imported from Rhodesia. And finally to suggest that it would be difficult to enforce sanctions against Rhodesia thus we should not even try is a position which is clearly without merit. It ignores the tremendous and far-reaching symbolic impact of the repeal of the Byrd amendment. Mr. Chairman, the repeal of the Byrd amendment tells the world that America no longer supports racism and apartheid in Africa and no longer upholds minority rule. Mr. Chairman, the repeal of the Byrd amendment tells the world that America will no longer violate its own obligations under the United Nations Charter.

Mr. Chairman, I urge you to vote today to repeal the Byrd amendment.

The CHAIRMAN. All time has expired.

The Clerk will read.

Mr. SYMMS. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk will read.

The Clerk read as follows:

Be it amended by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the United Nations Participation Act of 1945 (22 U.S.C. 287c) is amended—

(1) by adding at the end of subsection (a) the following new sentence: "Any Executive order which is issued under this subsection and which applies measures against Southern Rhodesia pursuant to any United Nations Security Council Resolution may be enforced, notwithstanding the provisions of any other law; and

(2) by adding at the end thereof the following new subsection:

"(c)(1) During the period in which measures are applied against Southern Rhodesia under subsection (a) pursuant to any United Nations Security Council Resolution, a shipment of any steel mill product (as such product may be defined by the Secretary) containing chromium in any form may not be released from customs custody for entry into the United States if—

"(A) a certificate of origin with respect to such shipment has not been filed with the Secretary; or

"(B) in the case of a shipment with respect to which a certificate of origin has been filed with the Secretary, the Secretary determines that the information contained in such certificate does not adequately establish that the steel mill product in such shipment does not contain chromium in any form which is of Southern Rhodesian origin;

unless such release is authorized by the Secretary under paragraph (3) (B) or (C).

"(2) The Secretary shall prescribe regulations for carrying out this subsection.

"(3)(A) In carrying out this subsection, the Secretary may issue subpenas requiring the attendance and testimony of witnesses and the production of evidence. Any such subpena may, upon application by the Secretary, be enforced in a civil action in an appropriate United States district court.

"(B) The Secretary may exempt from the certification requirements of this subsection any shipment of a steel mill product containing chromium in any form which is in transit to the United States on the date of enactment of this subsection.

"(C) Under such circumstances as he deems appropriate, the Secretary may release from customs custody for entry into the United States, under such bond as he may require, any shipment of a steel mill product containing chromium in any form.

"(4) As used in this subsection—

"(A) the term 'certificate of origin' means such certificate as the Secretary may require, with respect to a shipment of any steel mill product containing chromium in any form, issued by the government (or by a designee of such government if the Secretary is satisfied that such designee is the highest available certifying authority) of the country in which such steel mill product was produced certifying that the steel mill product in such shipment contains no chromium in any form which is of Southern Rhodesian origin; and

"(B) the term 'Secretary' means the Secretary of the Treasury.".

Mr. FRASER (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk concluded the reading of the bill.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 6, strike out "sentence" and insert in lieu thereof "sentences"; and in line 10, immediately before the closing quotation mark insert the following new sentence: "The President may exempt from such Executive order any shipment of chromium in any

form which is in transit to the United States on the date of enactment of this sentence."

AMENDMENT OFFERED BY MR. BAUMAN TO THE COMMITTEE AMENDMENT

Mr. BAUMAN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN to the committee amendment: On page 2, line 4, after the word "sentence." strike the period and quotation marks and insert the following: ", *Provided however*, That no imports into the United States of chrome ore, ferrochrome or nickel shall be allowed unless the President first certifies in writing to the Congress that the country or origin of such imports is in compliance with the human rights provisions of the United Nations Charter."

Mr. BAUMAN. Mr. Chairman, this amendment is simply an effort to apply evenly the principle which the backers of this bill say they support, and that is true concern for the condition of the human rights of the people in any country from which chrome is imported into the United States.

Of course, the bill before us, in fact, limits itself specifically to Rhodesia. But as I indicated in my previous remarks, the state of civil and human rights in other nations, which also produce a significant amount of chrome, including the Soviet Union, to which we will have to turn for these imports, also certainly should be a matter of serious concern.

If we are to have a consistent application of the Carter principle of foreign policy, that is, concern with human rights, it should be applied evenly across the board to each and every country.

For that reason, I have offered an amendment which simply says that the President, who has certain other duties under the existing United Nations Participation Act, must certify to the Congress that every one of these countries seeking to import chrome, ferrochrome or nickel to the United States shall have to be the subject of a statement to the Congress, in writing, demonstrating that such nation is, in fact, in compliance with the human rights provisions of the United Nations Charter.

This amendment is not in any sense frivolous, unless its opponents consider human rights to be frivolous; unless its opponents consider the plight of Soviet Jews and dissidents to be frivolous. No; this is deadly serious and if one is truly for human rights for everyone, this amendment should be supported.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. I thank the gentleman for yielding.

Mr. Chairman, is the gentleman offering his amendment as an amendment to the committee amendment?

Mr. BAUMAN. I am, indeed.

Mr. ICHORD. If the gentleman will yield further, the gentleman realizes, of course, that the country of South Africa, has, I believe, around 23 percent of the world's reserve of chrome. Southern Rhodesia, or Rhodesia, has about 67 percent. The country of South Africa practices apartheid, while the country of South Rhodesia, or Rhodesia, or Zimbabwe, whatever they want to call it, does not practice apartheid, and this means that we would have no chrome that we could import from South Africa. Is that right?

Mr. BAUMAN. The gentleman is a very astute Member of the Congress. I am sure he understands the meaning of this amendment. The United States would not be able to import chrome from any country which continues to act in violation of the United Nations Charter and its guarantees of human rights.

The amendment offered by the gentleman from Maryland seeks to do nothing more than to apply that charter and those human rights provisions to all countries.

Mr. ICHORD. Certainly that would be true of Russia because the former Secretary of State has testified that Russia is less democratic than Rhodesia.

Mr. BAUMAN. Exactly.

Mr. ICHORD. Would it also apply to Turkey? Turkey has considerable chrome.

Mr. BAUMAN. Mr. Chairman, as the gentleman from Missouri knows, we agreed here to the Harkin amendment to the Foreign Assistance Act last year which directed the State Department to produce an assessment of human rights in every country that receives our assistance. We now have a catalog of those rights violations. These reports have been coming down to us in the form of reports to the Committee on International Relations, and we need only to look at them.

Under my amendment, the President can simply make a determination, and if he thinks that human rights in Russia, which has produced and exported chrome ore to the United States, are in such good order that we ought to import chrome from them in preference to Rhodesia, then he can simply say that to us in writing. He can state that Russia is in compliance with the U.N. Charter, which I think he would be reluctant to do.

Mr. ICHORD. There is another country, one in South America, from which we import some chrome, and that is Brazil. Would these provisions apply also to Brazil?

Mr. BAUMAN. I think that Brazil, in deference to the statements which have been made about human rights, would also be prohibited. This probably would apply to Brazil.

Mr. ICHORD. The nation of the Philippines mines a little chromium. I suppose we could import chrome from the Philippines; could we not?

Mr. BAUMAN. Once that country or any country, as Rhodesia, is shown to have complied with the U.N. Charter's human rights provisions, that Nation could be brought back into the sisterhood of nations.

Mr. Chairman, I urge all those Members who are sincere in what they say about human rights, to accept the principle of human rights in every nation and not to engage in the crass hypocrisy the gentleman from Missouri (Mr. ICHORD) has referred to previously.

I would hope that we can obtain enough Members to stand and get a rollcall vote on this amendment so that we can renew our commitment to human rights in every country all across the world. To do otherwise would indeed show the hypocrisy of this legislation.

Mr. WHALEN. Mr. Chairman, I rise in opposition to the amendment to the committee amendment.

Mr. Chairman, throughout the debate this afternoon there perhaps has been a misunderstanding with respect to the origin and nature of the embargo against Southern Rhodesia. The Harkin amendment was referred to just a few moments ago. The Harkin amendment deals with governmental policy in terms of foreign assistance, and it was decided by this body that we would deny aid to those countries which are determined to be engaged in gross denial of basic human rights. But today we are talking about private contracts and private enterprise.

The history of the Rhodesian sanctions began in 1965 when a handful of of whites in Southern Rhodesia, representing less than 10 percent of the population, declared themselves independent of Great Britain. Great Britain went to the Security Council of the U.N. and indicated that it was opposed to this unilateral declaration of independence, particularly on the grounds that the human and individual rights were not protected by this declaration of independence. The Security Council took this case under consideration and in 1966 agreed unanimously, the United States concurring, that indeed, the unilateral declaration of independence, UDI, should not be recognized. In other words, the Security Council of the United Nations unanimously ruled that Southern Rhodesia should be denied the right of nationhood.

Furthermore, in this decision of the U.N., it was determined and agreed by all parties in the Security Council that certain items would be embargoed.

So we are not talking here about a unilateral decision by the United States; we are not talking here about consistency of United States foreign policy. The Rhodesian policy is a world policy.

Certainly there are many private concerns in the United States that deal with countries which have a record of human rights that are as poor as that of Rhodesia's. We have not cut those countries off from commercial relations with private firms. What we are talking about here is a resolution passed in 1966 by the Security Council of the United Nations which does two things: It denies the right of nationhood to this group of people that declared itself independent, and, second, it imposes an embargo.

This was unanimously agreed to by the members of the Security Council, including the United States. Therefore, we are not talking—I repeat—about consistency or inconsistency in U.S. foreign policy.

For these reasons, Mr. Chairman, I certainly urge that we defeat this amendment because it has no relevance to the issue before us.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the gentleman from Ohio (Mr. WHALEN) has made a very important point in regard to human rights.

He said that the U.N. sanction that was imposed in 1966 was based upon the denial of human rights in Rhodesia.

Does the gentleman feel that the U.N. has that power? It was my understanding that the U.N. Charter specifically states that the only time it shall have the right to impose economic sanctions against any nation is when they think that nation is a threat to world peace.

Mr. WHALEN. To answer the gentleman, Mr. Chairman, undoubtedly this was done under those circumstances because the unilateral declaration of independence, not recognized by the mother country—in this case, Great Britain—was unanimously determined by the members of the Security Council that this would not be recognized as an independent nation or state, and that, furthermore, embargoes should be applied on certain key commodities.

Mr. ICHORD. Then the gentleman disagrees with former Secretary Kissinger when he stated that he did not think that Rhodesia was a threat to world peace; is that correct?

Mr. WHALEN. This was a decision of the United Nations taken, as the gentleman suggests, in 1966, which at the time was undoubedly the view of the members of the Security Council.

Mr. KETCHUM. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I have listened with interest to the argument immediately preceding as to whether the United Nations recognized the validity of the Government of Rhodesia.

I would submit that had a United Nations existed 200 years ago, the mother country, of course, would not have recognized the independence of the United States. That, however, has no great bearing on this particular argument before us.

Mr. Chairman, we have listened today to some very high-flown arguments on human rights. We seem to say to this small country that where human rights are concerned in Rhodesia, we can embargo a particular product and maybe bring that country to the bargaining table for majority rule.

At the same time, the argument is made that in relation to other nations such as the Soviet Union, in which human rights do not exist, we must deal with them a different way.

I would submit that the apparent different way is that we embargo Rhodesia because it is a little country and they cannot do much about it, but in the case of the Soviet Union, I suppose the only argument there is to drop the bomb and then maybe they will understand that.

Mr. Chairman, I do not think that that is a very good way of doing things, and I think the gentleman from Maryland (Mr. BAUMAN) does the body a real service by addressing what we claim to be addressing in this bill, and that is human rights.

If we feel as strongly about human rights as we claim to feel, certainly there is no reason not to pass the amendment of the gentleman from Maryland (Mr. BAUMAN). He simply says, in relation to chrome, that we will not import it from South Africa; we will not import it from the Soviet Union; obviously, not from Brazil; obviously, not from Turkey.

Mr. Chairman, I would submit that if we went a little further and dealt with all of our foreign trade relations in this manner, we would probably not deal with anybody, including the United States.

Mr. Chairman, this bill is a bad bill at a bad time and for all of the wrong reasons. I would submit that if we want to make the bill a little bit more palatable, we ought to be honest about human rights and pass the gentleman's amendment.

Mr. BADHAM. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, it has been said here today that we only import 5 percent of our chromium needs from Rhodesia and only 14 percent of our ferrochrome needs from Rhodesia.

It has also been said that all of a sudden labor and management now say that we really do not need Rhodesian chrome.

Mr. Chairman, this is surely a swell time to get moral when we do not need any more of what it is that we say we should not have from this immoral nation of Rhodesia.

That question and that action, if taken, is really hypocrisy at its best—if the Members will pardon my use of the word "best."

What, on the other hand, Mr. Chairman, I would ask my colleagues of this body, would be the case if we really needed Rhodesian chrome?

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. BADHAM. I will be glad to yield to my friend, the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to make a point in relation to the gentleman's point that I believe he is making so well, and that is about the argon oxidation process which is such an expensive process that some of the big steel companies have said that they would try to get by without chrome because it is so expensive that no one can use it but the big huge companies. The fact of the matter is, Mr. Chairman, that 80 percent of the foundries in America employ less than 50 people and they are not going to be able to afford this argon oxidation process because it is too expensive.

So there again we are only for the biggies and letting the little ones all fall by the wayside without chrome, not to mention the $100 million per year the consumers of steel will pay in the United States thanks to this action.

Mr. BADHAM. Mr. Chairman, I thank the gentleman from Idaho for the comments he has made, and to thank him for pointing out the difference between "big" and "little."

That is exactly as my distinguished colleague the gentleman from California (Mr. KETCHUM) has said, that we could not do it if it were Russia but we can do it with poor little Rhodesia. And we are again, in some small sense, being hypocritical, because we can do it to the little man in the United States but not to the big steel companies who can afford, as my colleague the gentleman from Idaho (Mr. SYMMS) says, the argon oxidation process.

But, Mr. Chairman, I would again ask what would happen if we really needed Rhodesian chrome in this country? You can bet your bottom buck that all of the sanctionious statements concerning human rights in Rhodesia would fall on deaf ears for those who would want the chromium to come from somewhere else.

Mr. Chairman, I would like to finish up simply by saying that the United Nations—and we have heard nothing but the United Nations and its great concern for human rights today when it comes to chromium and Rhodesia. But does the United Nations govern the United States of America? Not yet, by golly, and there are a lot of us around here who do not think that day is going to come, hopefully. But the United Nations has called Israel "racist." It is the U.N. who fights the "peacekeeping operations" against our friends. It is the U.N. who tell us that we cannot judge between big or little in the United States so far as organized labor, and the like, by putting sanctions upon us—that are meaningless in the first place—and on our relationships with foreign friends in the community of nations. We find now that about 20 percent of the world's population, global land mass, or whatever, remains in the free camp, 20 percent. But if these kinds of proposals are passed then we are telling the rest of the 20 percent that we are going to go it alone, and, as my distinguished colleague, the gentleman from California (Mr. KETCHUM) said we probably could not even abide by our own rules if we really had to.

I agree with the gentleman from Maryland (Mr. BAUMAN), the author of the amendment, the gentleman is correct: if we are going to use chromium on this planet as a vehicle for human rights, then let us use chromium as the essence of human rights; let us not get it from anyone who does not have the same kind, whatever that is, of human rights that we enjoy in this country.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it seems to me that the major point has been omitted from much of the discussion of this issue. Yes, we are talking about human rights. Yes we are talking about the United Nations. But, in this particular case, we are talking about much more. We are talking about the Security Council of the United Nations, of which we were a member, at the time when President Johnson was the Chief Executive of this country, and pursuant to his instructions and the Secretary of State at that time, this

country joined other members of the Security Council in making a firm commitment.

We have since reneged on a commitment which this country made. It is well enough to talk about why do we not cut out Russia, and why do we not cut out other nations, which do not respect human rights. This is really an evasion of the point. The question is whether or not we shall measure up to our responsibilities, our firm commitment, which we joined with other nations of the Security Council in making. They were not imposed on us by other members of the United Nations. These are commitments in which we participated, and in which we, indeed, were one of the leaders in bringing about this projected embargo of chrome and other imports from Rhodesia.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

The gentleman brought into this discussion the previous President, President Johnson, and his intent to improve human rights around the world. We have heard from President Carter recently about his intention to apply the concept of human rights everyplace. That is all that my colleague, the gentleman from Maryland (Mr. BAUMAN) was trying to encourage, as my colleague, the gentleman from Tennessee, knows. The gentleman from Tennessee is not opposed to human rights everyplace, is he?

Mr. ALLEN. I am not opposed if the gentleman will yield back my time to human rights anywhere. I am in favor of human rights.

Mr. ROUSSELOT. That is all the Bauman amendment suggests.

Mr. ALLEN. We cannot unilaterally boycott Russia and unilaterally boycott other nations with whose domestic policies we do not agree. But in this case we voted. We made the commitment ourselves as a member of the United Nation's Security Council.

Mr. ROUSSELOT. The gentleman is for human rights; then he can support the amendment offered by the gentleman from Maryland, because that is all it seeks.

Mr. ALLEN. No. The thrust of this amendment is to deny this country any access at all.

Mr. ROUSSELOT. Oh, no, no, that is not the intent of the amendment. Only if human rights are abridged in the other countries that export chrome to the United States—the same mandate we give to Rhodesia.

Mr. ALLEN. The distinguished gentleman from Maryland said that if his amendment is adopted, it would effectively preclude our buying chrome from any nation.

Mr. ROUSSELOT. Oh, no, only if those countries denied human rights.

Mr. ALLEN. But in effect he said they all deny human rights.

Mr. ROUSSELOT. What is the difference?

Mr. ALLEN. There is a great difference.

Mr. ROUSSELOT. Will the gentleman from Tennessee explain the difference to me? That is what I want to understand. What is the difference between Russia and Rhodesia for instance?

Mr. ALLEN. The difference is that we committed in the United Nations Security Council ourselves to this course of action. We participated in the decision.

Mr. ROUSSELOT. No. The gentleman is not speaking to the issue of human rights. Tell me the difference in the denial of human rights—which many of my colleagues from New York and other places address themselves all of the time, and I agree with them—between Russia and Rhodesia? Does the gentleman want to speak to that issue?

Mr. ALLEN. This is not just a matter of human rights.

Mr. ROUSSELOT. I see. We are not in agreement on that point.

Mr. ALLEN. It also has to do with whether or not our President, when he goes before the United Nations later this week, can say that our Congress has now authorized him to carry out our firm commitment which we made as a member of the Security Council, some 5 or 6 years ago. That is the issue.

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. ALLEN) has expired.

Mr. KETCHUM. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee (Mr. ALLEN) be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. MITCHELL of Maryland. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DENT. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I think we ought to get back and talk about some of the real issues, the issue of economics and what is in the best interests of the United States. The gentleman's amendment neither makes economic sense, nor is it in the best strategic interests of the United States.

It is true that we are now able to free ourselves from being tied to Rhodesian chrome. That is absolutely true—so long as other chromes supplies are available. It is the one product that we do not produce in the United States of America and it is the one product that is most essential to this country in peace and in war. We have been assured by our Government that at no time would this Nation get into a position of being subjected to what we were subjected to during the time of the embargo.

The Byrd amendment was enacted by the Congress of the United States, knowing exactly what it meant to the rest of the world and what it meant to us. It was meant that we would survive as a specialty steel producing nation. We cannot produce anything we can see, we cannot produce anything we can play with and we cannot produce anything for our Defense without ferrochrome. Every tool man has made since he learned to harden tools has been made from mixtures of chrome and ferrochrome which has enabled us to produce the age in which we live. We would have never been able to build a plane or produce a plow for our fields without chrome.

We have done that because we had access to supplies of chrome. The secret of the matter is if we are pushed either by Russia or by anybody else, we can use the lower grade chrome ore we have in this country.

But we should want to get away from this business of being dependent every time somebody gets an exclusive throttle on our economic throats. Other countries are squeezing us on coffee and tea and on oil. Next winter we will probably be squeezed on meat and the American people will have to pay a tremendous price for their foods.

In helping other nations become independent, we ourselves are becoming more dependent.

To me it is a simple thing we have to do for this country. We have to use the inventiveness and the ingenuity of the American people to be independent of all nations in all things.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the gentleman in the well who is speaking knows ferrochrome and he knows chrome and he knows the stainless steel industry.

There is one thing that bothers me about this new process that we developed, the AOD process, where we can use low-grade chrome in the making of stainless steel. Our good friend Andy Andrews from Allegheny Ludlum talked about this.

Mr. DENT. He is from my district. Go ahead.

Mr. ICHORD. He is from the gentleman's district. He has advised me we can tell when Rhodesian chrome ore is coming into the United States. We can even tell when ferrochrome is coming into the United States. But no one can tell the ferrochrome or the chrome that is in a stainless steel product. The thing that bothers me is that if we go ahead and pass this amendment, we know Japan buys a lot of ferrochrome and chrome ore from the nation of Turkey. It will be all Turkish ore and the gentleman knows as well as I do that every major country in the world has been buying ferrochrome from Rhodesia, and they have been trading many other items from Rhodesia.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. DENT was allowed to proceed for 1 additional minute.)

Mr. DENT. Those of us who went through the certificate of fraud during the days when we embargoed Red China know what happened then, but certification can be done if we are serious.

Let me tell the gentleman what we have to do. We have to pass this bill and pass it today, and if we do it right we will pass it overwhelmingly, with the understanding that no country who buys

1 pound of Rhodesian chrome or ferrochrome will be permitted to ship into the United States one product made with Rhodesian ferrochrome or chrome.

Let me just say how it can be done.

Mr. ICHORD. That is my question, how to enforce it.

Mr. DENT. I will do it, if the gentleman will give me an open hand to do it. There will not be a pound of Rhodesian chrome sold, not 1 pound of it. Let me explain why, because we can tell the productivity and the use of Rhodesian chrome in every country that makes specialty steel and stainless steel. Japan cannot send us stainless steel. Japan cannot send us specialty steel, unless they have Rhodesian chrome. I know where they are getting it. Everybody in the field knows where they are getting it. They get it from Rhodesia. They are beating us over the head in this regard.

The only thing I am asking here now is that any chrome or ferrochrome already purchased before the passage of this act by American companies be delivered to them. Do not do what they did during the embargo when ships were two-thirds of the way home and they turned them back. These were shipments that had been bought and paid for. What they did last time, they turned them back, and we know where the shipments ended up. They ended up in the hands of Soviet Russia and they sold it to the United States.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to H.R. 1746 and urge its rejection by the House. The bill, as reported by the Committee on International Relations, has no other purpose than to interfere in the internal affairs of Rhodesia.

Every Member of this body is aware that the dispute involves the United Nations embargo placed on Rhodesia. Ostensibly, the embargo and sanctions were adopted because of the threat to world peace resulting from the decision of the Government of Rhodesia to declare its independence from the United Kingdom. However, as we are all aware, there has been no threat to world peace and the sanctions imposed by the United Nations are motivated by the desire of those who disagree with the internal policies of the Government of Rhodesia.

I, too, find myself in disagreement with many of the policies of that Government. But I find myself similarly opposed to the policies of dozens of other nations throughout the world. However, my disagreement with those internal policies cannot and should not justify economic sanctions by this Nation.

Mr. Chairman, I stood on this floor approximately 18 months ago arguing against a bill almost identical to the one we are debating today. The Congress, in its wisdom, rejected that bill. There has been no new evidence brought to my attention, in the past 18 months, which would cause me to change my mind. The basic fault with the embargo sought to be imposed here is that there is no power in the U.N. to impose such an embargo absent a threat to world peace, as distinguished from internal civil war.

The Byrd amendment is sound even if it were predicated on this fact alone. Moreover, the Byrd amendment is in the interest of the defense of our own country. The Byrd amendment seems to me to be right, fair and just, because it is in our own defense interests and merely exerts the option not to intervene in the internal affairs of other nations.

Chrome, is of course, a critical defense material, the first such item to be entered in the list when the Congress passed the Strategic and Critical Materials Stock Piling Act of 1939. The Byrd amendment said, in substance, that if we can import any strategic or critical material from a Communist country, we can import it from a non-Communist country. What is so reprehensible about this? There must be some substance to the language since the Congress has rejected, on several occasions in the past, efforts to repeal the Byrd amendment.

Keep in mind four salient facts:

First. Chrome is essential in the making of stainless steel. Despite what you hear, there is no substitute for chrome, and stainless steel is the backbone of defense production.

Second. There is no domestic source of supply for chrome. The United States is completely dependent on foreign countries for metallurgical grade chrome.

Third. Rhodesia has 67 percent of the world's known reserves of metallurgical grade chrome. Rhodesia and South Africa, together, have 89 percent of the world's known reserves.

Fourth. Soviet Russia, presently our major supplier of chrome ores, has only about 6 percent of the world's known resources of metallurgical grade chrome.

Reinstituting the embargo on chrome will increase our dependence on Soviet Russia as a source of supply. Commonsense and simple arithmetic should tell us that it is not wise for the United States to shut off the greatest single source of chrome in the world. It is foolish, from the standpoint of our national defense, to increase our dependence on Soviet Russia for supply of this vital material.

Need I add that the Soviet Union is not the most reliable supplier in the world. During the Korean war, chrome shipments to the United States were cut off and the U.S.S.R. did not resume their shipments until 1959. And during the period 1967–71, when the U.S. embargo on Rhodesian chrome was in effect, there was a marked increase in the price of Russian chrome.

Statements have been made in the past that we should "forget about Rhodesia since we have a cushion in our national stockpile—a supply sufficient for several decades of war." Let me put that assertion to rest. It is based on confusion, on misunderstanding of the facts, and on dubious assumptions.

On October 1, 1976, the Federal Preparedness Agency established new Government stockpile goals for strategic and critical materials. The new goal for metallurgical grade chromite was set at 2,550,000 tons. This is an increase of more than 2 million tons since the last objective of 444,000 tons was established in 1973. Had the Congress accepted that objective, where would we be today? In fact, the stockpile policy guidance, under which the requirement for metallurgical grade chrome was reduced, concerned me so much that I insisted that the entire stockpile policy be reviewed. That study has now been completed and as a result, many of the objectives were increased by the Ford administration, including metallurgical grade chrome ore; and just this morning I have been advised by the Carter administration that it "has imposed a moratorium on all stockpile disposals requiring new legislation until a new stockpile policy review can be completed."

In summary, the enactment of this bill would be very harmful to the national security of this country, and it is not required by international law. We cannot afford to reduce our sources of supply and become even more dependent upon the Soviet Union for one of the most vital minerals required in our national defense. I urge the House to reject this bill.

Mr. SANTINI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in emphatic ambivalance about the proposed ban on the importation of Rhodesian chrome.

The principal sponsor of the resolution has occupied the forefront of human rights advocacy during his years of dedicated service in this body. But as we catapult ourselves into the adoption of this resolution, I believe there are two fundamental considerations that bear on the legislative precedent that we are setting on this date.

We are leaping to this courageous and momentous denunciation in a total vacuum of overall direction and policy. We pursue this legislative course in the sincere commitment, or the guise, of making a substantive advancement in the cause of human rights. Should we rush to legislative particulars when we, as a Nation and legislative body, are doing so upon the tangential impulse of righteous indignation rather than as part of a national policy and determination?

There is a substantive deficiency in our legislation foundation. First, the piecemeal mollifier is not part of an in-place national policy. We have no policy or consistent philosophy in the international arena of human rights. It is at best hit and miss and at worst expedient hypocrisy. How in the name of "human rights" and "basic democratic principles" can we legislate against importation of Rhodesian chrome while we accelerate our importation of OPEC oil? There is a logical impairment in this approach. And to what ultimate end? We will increase our present 31 percent reliance—1972–75—upon importation of chrome from Communist Russia. Now there is a nation that reveres "human rights" and embodies the "democratic principles" that underline the resolution. Yet, will this body ever be asked to impose a similar legislative sanction upon the U.S.S.R?

Even with our expanded lung capacities none of us would be well advised to hold our breath in anticipation of this legislative sanction against U.S.S.R.

There is a second foundational deficiency with this kind of legislative approach. An important legislative decision is being requested about a vital mineral resource without any inplace mineral policy to guage the long- and short-term consequences to this Nation. Do we know where we are going as a nation with our significant dependence upon Russian's importation of chrome? Emphatically, we do not. We are in a state of national oblivion about our future dependence on chrome and 23 other minerals that support the industrial base of this Nation. This indifference to import dependency cost us dearly in 1973 with oil. We are walking down the same dead-end street with nonfuel minerals. A national mineral policy could direct a way out and provide some logical context in which to legislate this Nation's mineral future. We do not have that rational framework at this time.

There are blatant democratic deficiencies in Rhodesia. A similar condemnation could be laid at the doorstep of many rightest or leftest totalitarian regimes in our world. This Nation desperately needs some coherent and consistant and national policy. We have none on either foreign policy front or the mineral dependence front.

Any legislature foray in such a vacuum is subject to inherent infirmities.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield.

Mr. EDWARDS of Oklahoma. I want to say to the gentleman, my distinguished colleague, that I think he has hit on the key to this whole debate here. I, for one, am fully willing to cast my vote for H.R. 1746 if this House consistently—which is the point the gentleman is making—adopts also the Bauman amendment.

The reason I say that is that I think it is essential that we have a consistent policy in defense of human rights everywhere. I have been active in trying to help secure the rights of Soviet Jews who have had their rights denied them, and I am concerned that what the House is saying if the House votes against the Bauman amendment is that the rights of the black majority in Rhodesia are more important to us than the rights of the Jewish people in Russia, who are having their rights denied also. I thank the gentleman for yielding to me.

Mr. SANTINI. I thank the gentleman for his support, and would only invite the author of the amendment to respond to one additional query.

Do we not compound our lack of foundational basis for this legislative judgment with this amendment, rather than enhance it, having no national policy either in the arena of human rights or mineral policy?

Mr. BAUMAN. I would say to the gentleman, who has been in the forefront of the fight for a consistent national policy on minerals—in fact, I was pleased to join him in his letter to President Carter on that subject—that the amendment certainly is not inconsistent with the concerns he has expressed. If this amendment is adopted, as indeed it should be, we may put an end to violations of human rights, and then we will be able to rationally address the issues the gentleman has raised. But, there is nothing inconsistent with bringing about the rational mineral policies the gentleman seeks.

Mr. SANTINI. But we do foreclose the import of chrome, realistically, from the principal supplier.

Mr. BAUMAN. No, we do not necessarily do that. I would say, if the gentleman will read the amendment again, that it makes clear that if these countries will follow the pattern of concern for human rights we have laid down for Rhodesia, they can change their form of repressive government and adopt a policy on human rights consistent with the United Nations Charter, we will be glad to import anything and everything they have to sell.

Mr. SANTINI. I can see Russia adopting that.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

(On request of Mr. SYMMS and by unanimous consent, Mr. SANTINI was allowed to proceed for 2 additional minutes.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I too would like to compliment the gentleman on his letter to President Carter, which I also signed, with respect to the national minerals policy. I think the gentleman, who is gaining a reputation in this Congress of being one who is very aware of what we are doing in the United States of America with respect to withdrawals of lands in relation to minerals, has brought up a very important point.

I would like to point out to the Members of this body that last year we voted away another potential substitute for chrome in Glacier National Bay in Alaska. Am I not correct?

Mr. SANTINI. The gentleman is correct.

Mr. SYMMS. The gentleman and I did not vote it away, but the wisdom of the House did.

Mr. SANTINI. I think all 19 of us stood firm.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I was very interested in the question the gentleman proposed to the sponsor of the amendment, the gentleman from Maryland. Turning it around, would not it be a little bit better for us to have some American, say the President of the United States, determining these human rights, as against the United Nations? If we do not, it is going to be the United Nations determining, whereas in this case the President of the United States is a little bit closer to home and, I suggest, a much better person, a much better instrument, for determining these situations.

I would rather have the President of the United States passing judgment than the United Nations, because they have already indicated that they are going to be one-sided on this issue, and certainly will not be as objective as our own President.

Mr. SANTINI. The gentleman poses a fair question. I would like to see it ultimately resolved, not by spontaneous response of our distinguished aggregation with all our assembled enlightenment but rather as a process of national policy and determination. I feel we aggravate, perhaps, the situation rather than enhance it.

Mr. ASHBROOK. Except that the President would come closer to expressing national policy than the United Nations, I would think.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. I thank the gentleman for yielding.

Mr. Chairman, the gentleman is aware that the last three Presidents of the United States have specifically asked us to take this action, and the President is now asking us to do so.

Mr. SANTINI. I am aware of that. I am also aware that the last three administrations failed to develop a fundamental policy of mineral resources to guide our Nation on these issues.

Mr. FRASER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have had extensive debate on this amendment. I think it is quite clear that the adoption of this amendment would frustrate the purpose of the bill totally. This amendment could never become law because the bill with that amendment obviously could not be signed by the President. It would deprive the United States of important access to chrome ore and ferrochrome which our industries need. It makes no sense. It is clearly one of those frivilous amendments designed to defeat the entire legislation. I would hope we can have a vote on this amendment and then move on.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has made the statement that if this amendment is adopted, the President would not sign the bill.

I know the President is for human rights. Is the gentleman privy to something which tells us that the President would not sign a bill guaranteeing human rights?

Mr. FRASER. Mr. Chairman, I think the gentleman knows, as well as I do, that while the President has spoken out, as I think the gentleman welcomes, on human rights issues, to make clear where we stand as a nation, this question of how we bring to bear our economic or military power remains quite a separate question. And to arbitrarily deprive the United States of important access to chrome ore and ferrochrome would not

make economic sense, nor do I believe that it would help the question of human rights, which I know the gentleman is interested in.

Here we are dealing with a specific problem. There is now going on in Rhodesia a major conflict which does involve other nations. It does threaten to become an ever wider war. President Carter is going up to the U.N. this week. Both President Ford and Secretary Kissinger, and also Secretary Vance, have gone on record in support of these sanctions. That is the issue. This amendment would totally frustrate the bill.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I feel a sense of sorrow, as well as impatience. We are making a mockery here. Frivolous amendments have been entered purportedly in the cause of human rights. We know we are not discussing human rights. We do not question the motives of those who introduced them. Certainly they feel they are defending the interest of the United States. But we all are here defending the interest of the United States.

I never in my earlier statement made any mention of human rights. We are here involved, it seems to me, with the honor of our country. Our delegate in the U.N. voted not to buy from Rhodesia. We then passed an amendment in Congress to buy. I feel we made a grave mistake when we did so. We now have come to a stage in human affairs where we cannot fool with issues of such importance. And that is what we are doing. We are fooling around in this House. I think the time has come to vote and to stand up against this amendment.

Mr. WHALEN. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, will the gentleman agree that the President's concern in the field of human rights has been directed to our U.S. military and economic assistance, whereas here we are talking about commercial relations in the private sector?

Mr. FRASER. The gentleman is quite right.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Idaho (Mr. SYMMS.)

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, I know the gentleman is sincerely trying to expedite this legislation. In an effort to help him save time, I have an amendment at the desk. I would like to get an opinion from the gentleman, as the floor leader of this bill.

My amendment would halt the importation of chrome and chrome ore from the Soviet Union effective 30 days after this bill becomes effective, as the Soviet Union also has minority government and is guilty of human rights violations.

Would the gentleman give an opinion as to whether he thinks that amendment would be covered in the Bauman amendment?

Mr. FRASER. Mr. Chairman, clearly the Soviet Union violates human rights, so that this provision would deny access by the United States to chrome ore from the Soviet Union.

Mr. SYMMS. Mr. Chairman, if the gentleman will yield further, I thank the gentleman for yielding, and I also thank the gentleman for his opinion.

I understand the gentleman is saying that he would agree that the Soviet Union is also in violation of human rights. We will not get into a debate as to whether its violation is worse than Rhodesia's or not, but I think if that is the case, then I will not have to offer an amendment and we can vote on this amendment and settle the issue. I appreciate the gentleman's opinion on that, and I urge support of the Bauman amendment.

Mr. Chairman, the Soviet Union is the No. 1 enemy of human rights in the world today. Most recently President Carter has spoken out against the denial of human rights in Russia and has offered support for Soviet dissidents. So why should this proposed boycott of chromium apply only to Rhodesia? In 1975 we imported 49 percent of our chromium from the Soviet Union. If we are going to base our chrome import policy on whether or not exporting countries deny their citizens basic human rights, then at least, let us be consistent. If denial of human rights is the driving factor in these import-export decisions, then this embargo of chrome absolutely must extend to the Soviet Union. How can any Member of this Congress vote to embargo chrome from Rhodesia but not the Soviet Union? How can any Member of this Congress not admit that the Soviet Union is a far more oppressive regime than the one in Rhodesia? Mere consistency and intellectual honesty requires that the Soviet Union be included in the provisions in this bill.

As long as the economic embargoes against Rhodesia have been in effect the United States has been the only U.N. member nation to abide by them. Many questions have been raised as to whether or not Soviet chromium products exported to the United States have, in actuality, been Rhodesian in origin. We should make certain that all U.N. member nations abide by the embargo.

Mr. McDONALD. Mr. Chairman, this is a very simple amendment that will prevent this body from becoming the world's greatest hypocrite today. If we are so concerned about human rights in Rhodesia, why are we not prohibiting the importation of chrome from the world's greatest alltime violator of human rights—the Soviet Union. The record of the Soviet Union is the longest and most consistent in modern history in this regard. The Soviet Government has suppressed the church, it has prevented free elections, it systematically terrorizes its Jews, Christians and Moslems, its Tartars, its Baltic citizens, and suppresses the identity of its Ukrainians to name just a few. The means of accomplishing this suppression has ranged from simple incarceration in a psychiatric hospital, to long years and repeated sentences in forced labor camps and including execution. Mass resettlement has been used, quotas on admission to higher educational institutions has also been utilized. Whole areas of the U.S.S.R. have been depopulated in order to stifle resistance or nationalist tendencies on the part of minorities in the Soviet Union.

Now some Members may say that if we reimpose the ban today, and we also ban imports from the Soviet Union, then we have only South Africa left as a major importer and that is true. But these Members should also recall that the Soviet Union cut off imports of their chrome during the Berlin Blockade of 1948–49 as well as during the Korean war, so if we cut off Rhodesian chrome today, we are essentially down to one supplier anyway, except for minuscule quantities available from places such as Turkey, the Philippines, and Brazil.

We have testimony from Soviet refugees that chrome ore in the U.S.S.R. is mined by slave labor. Rejection of this amendment is total hypocrisy.

I move for the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN) to the committee amendment.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 153, noes 246, not voting 33, as follows:

[Roll No. 68]

AYES—153

Abdnor	Edwards, Ala.	Lloyd, Tenn.
Andrews, N. Dak.	Edwards, Okla.	Lott
Archer	English	Lujan
Armstrong	Evans, Del.	McCory
Ashbrook	Evans, Ga.	McCloskey
Badham	Flippo	McCormack
Bafalis	Flowers	McDonald
Barnard	Flynt	Madigan
Bauman	Fuqua	Marriott
Beard, Tenn.	Gammage	Martin
Bevill	Gephardt	Mathis
Biaggi	Gibbons	Michel
Bowen	Ginn	Milford
Breaux	Glickman	Miller, Ohio
Brinkley	Goodling	Mitchell, N.Y.
Brown, Ohio	Gradison	Mollohan
Broyhill	Grassley	Moore
Burgener	Hagedorn	Moorhead, Calif.
Burke, Fla.	Hall	Mottl
Burke, Mass.	Hammer-schmidt	Murtha
Burleson, Tex.	Hansen	Myers, Gary
Butler	Harkin	O'Brien
Byron	Harrington	Pettis
Carter	Heckler	Pickle
Cavanaugh	Holt	Poage
Clausen, Don H.	Hubbard	Pressler
Clawson, Del	Huckaby	Quayle
Cleveland	Hyde	Quillen
Cochran	Ichord	Regula
Coleman	Jenkins	Rhodes
Collins, Tex.	Johnson, Colo.	Rinaldo
Coughlin	Jones, N.C.	Roberts
Crane	Kasten	Robinson
D'Amours	Kazen	Rousselot
Daniel, Dan	Kelly	Rudd
Daniel, R. W.	Kemp	Runnels
de la Garza	Ketchum	Sarasin
Derwinski	Kindness	Satterfield
Devine	Lagomarsino	Schulze
Dornan	Latta	Sebelius
Duncan, Tenn.	Lent	Shipley
Early	Levitas	Shuster
		Sikes

Skubitz	Thone	White
Smith, Nebr.	Treen	Whitehurst
Snyder	Trible	Wilson, Bob
Spence	Volkmer	Winn
Stangeland	Waggonner	Wydler
Stanton	Walker	Young, Alaska
Stratton	Walsh	Young, Fla.
Symms	Wampler	
Taylor	Watkins	

NOES—246

Addabbo	Foley	Nedzi
Akaka	Ford, Mich.	Nix
Alexander	Ford, Tenn.	Nolan
Allen	Forsythe	Nowak
Ambro	Fountain	Oakar
Ammerman	Fraser	Oberstar
Anderson, Calif.	Frenzel	Obey
	Gaydos	Ottinger
Anderson, Ill.	Giaimo	Panetta
Andrews, N.C.	Gore	Patten
Annunzio	Gudger	Pattison
Ashley	Hamilton	Pease
Aspin	Hanley	Pepper
AuCoin	Hannaford	Perkins
Badillo	Harris	Pike
Baldus	Harsha	Preyer
Baucus	Hawkins	Price
Beard, R.I.	Hefner	Pritchard
Bedell	Heftel	Quie
Bellenson	Hightower	Railsback
Benjamin	Hillis	Rangel
Bennett	Hollenbeck	Risenhoover
Bingham	Holtzman	Rodino
Blanchard	Horton	Roe
Blouin	Howard	Rogers
Boggs	Hughes	Roncalio
Boland	Ireland	Rooney
Bolling	Jacobs	Rosenthal
Bonior	Jeffords	Rostenkowski
Bonker	Jenrette	Roybal
Brademas	Johnson, Calif.	Russo
Breckinridge	Jones, Ok'a.	Ryan
Brodhead	Jones, Tenn.	Santini
Brooks	Jordan	Sawyer
Broomfield	Kastenmeier	Scheuer
Brown, Mich.	Keys	Schroeder
Buchanan	Kildee	Seiberling
Burke, Calif.	Koch	Sharp
Burlison, Mo.	Kostmayer	Sisk
Burton, John	Krebs	Skelton
Burton, Phillip	Krueger	Slack
Caputo	Le Fante	Smith, Iowa
Carney	Leach	Solarz
Carr	Lederer	Spellman
Cederberg	Leggett	St Germain
Chisholm	Lehman	Staggers
Cohen	Lloyd, Calif.	Stark
Conable	Long, La.	Steed
Conte	Long, Md.	Steers
Conyers	Luken	Steiger
Corcoran	Lundine	Stockman
Corman	McDade	Stokes
Cornell	McFall	Studds
Cornwell	McHugh	Thompson
Cotter	McKay	Thornton
Danielson	McKinney	Traxler
Davis	Maguire	Tsongas
Delaney	Mahon	Tucker
Dellums	Mann	Udall
Dent	Markey	Ullman
Derrick	Marks	Van Deerlin
Dicks	Marlenee	Vento
Diggs	Mattox	Walgren
Dingell	Mazzoli	Waxman
Dodd	Meeds	Weaver
Downey	Metcalfe	Weiss
Drinan	Meyner	Whalen
Duncan, Oreg.	Mikulski	Whitley
Eckhardt	Mikva	Whitten
Edgar	Miller, Calif.	Wiggins
Edwards, Calif.	Mineta	Wilson, Tex.
Eilberg	Minish	Wirth
Emery	Mitchell, Md.	Wolff
Erlenborn	Moakley	Wright
Ertel	Moffett	Wylie
Evans, Colo.	Moorhead, Pa.	Yates
Fary	Moss	Yatron
Fascell	Murphy, Ill.	Young, Mo.
Fenwick	Murphy, N.Y.	Young, Tex.
Fish	Murphy, Pa.	Zablocki
Fisher	Myers, Ind.	Zeferetti
Fithian	Myers, Michael	
Flood	Natcher	

NOT VOTING—33

Applegate	Florio	Montgomery
Brown, Calif.	Frey	Neal
Chappell	Goldwater	Nichols
Clay	Gonzalez	Patterson
Collins, Ill.	Guyer	Pursell
Dickinson	Holland	Rahall
Evans, Ind.	LaFalce	Reuss
Findley	McEwen	Richmond
Rose	Stump	Vander Jagt
Ruppe	Teague	Vanik
Simon	Tonry	Wilson, C. H.

The Clerk announced the following pairs:

Mr. Teague for, with Mr. Florio against.

Mr. Montgomery for, with Mr. Simon against.

Mr. Chappell for, with Mr. Reuss against.

Mr. Nichols for, with Mr. Patterson of California against.

Mr. Rahall for, with Mr. Clay against.

Mr. Stump for, with Mr. Holland against.

Mr. MILFORD changed his vote from "no" to "aye."

Mr. JONES of Tennessee changed his vote from "aye" to "no."

So the amendment to the committee amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. MIKVA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would ask for the attention of the distinguished chairman of the Committee on International Relations. I refer to a letter of March 7, 1977, from the distinguished gentleman from Wisconsin (Mr. ZABLOCKI), chairman, to the distinguished gentleman from Oregon (Mr. ULLMAN), chairman of the Committee on Ways and Means. In this letter Chairman ZABLOCKI notes that paragraph 2 of H.R. 1746, the bill under consideration, establishes procedures for the Department of the Treasury with respect to certificates of origin as the means to determine that steel mill product shipments do not contain Southern Rhodesian chromium. Further the chairman concedes that such matters are technically within the jurisdiction of the Committee on Ways and Means and, therefore, H.R. 1746 is subject to sequential referral to the Committee on Ways and Means.

Although we on the Committee on Ways and Means did not request sequential referral, I should like to confirm for the record that the distinguished chairman of the Committee on International Relations recognizes the jurisdiction of the Committee on Ways and Means in this matter.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Wisconsin, the chairman of the International Relations Committee.

Mr. ZABLOCKI. Mr. Chairman, the gentleman from Illinois is absolutely correct. Paragraph 2 of the bill establishes procedures for the Treasury Department with respect to certificates of origin. As such the provision is a matter which is under the jurisdiction of the Committee on Ways and Means, and therefore, is subject to sequential referral. But I want to assure the gentleman that the Committee on International Relations recognizes the jurisdiction of the Committee on Ways and Means in this matter and it does not intend nor is there any desire to establish a precedent in this regard. We fully recognize that this particular matter is within their jurisdiction, but for the purpose of expediting consideration of the bill we thank the chairman and the chairman of the Committee on Ways and Means for permitting the Committee on International Relations to act on H.R. 1746 even though the chairman of Ways and Means could have requested sequential referral.

Mr. MIKVA. I thank the gentleman for his references.

Mr. Chairman, I would like to take this opportunity to offer a further observation regarding administration of H.R. 1746 by the Customs Service and possible effects on importers of steel mill products containing chromium. To my knowledge, there exists no physical test that can determine the origin of chromium in a steel mill product. Therefore, the importer must accept at face value the exporter's certificate of origin regarding chromium content. Should the Secretary of the Treasury subsequently determine that the certificate is false or does not adequately establish that the imported product does not contain chromium of Southern Rhodesian origin, the importer of record would be subject to the very stringent fraud and penalty provisions of the customs law.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it should not be necessary but because of the halo of the U.N. that is placed upon this issue let me first remind the Members of the House that I stand before them as a strong advocate and supporter of the United Nations. Also in self-defense I must emphasize that I am not a supporter of the Government of Rhodesia.

Now having stated those points for the record, let me point out I think this bill before us is ill-advised and ill-timed, and I would like to address myself to one or two points that are still fuzzy after these hours of debate. At the risk of sounding overly partisan and at the risk of interjecting humor into a serious situation, the argument of passing this bill so that the President could wave it at the U.N. General Assembly when he addresses that body Thursday, amuses me. It reminds me of the evening—and some of the older Members will remember it—when we were held here until past midnight to pass the Highway Beautification bill as a tribute to Lady Bird Johnson, and our wives, all dressed in evening wear were in the gallery waiting for us to pass that bill and proceed to the White House for a victory party. We were delayed so long that it ruined the social evening for the Johnson family. I hope the President will make a suitable impression on the U.N. members with or without this bill.

I saw our former colleague and dear friend Andy Young on the floor earlier. Andy was not lobbying, he was just visiting old friends. I would like to make that clear. But one of the reasons we are given to pass this bill is because Andy is presiding over the Security Council in the month of March, and by the passage of this bill we give Andy tremendous evidence of congressional support and the ability to wave this bill

at the Security Council members and say: "Look, I have achieved this passage."

They generally move in alphabetical order in presiding over the U.N. Security Council, so that means in the month of April the ambassador from the U.S.S.R. will preside. What do we do to give him a gift to wave at his fellow diplomats? Do we repeal the Jackson-Vanik amendment? That would be the thing to do if consistency is the order of the day.

I will be very serious about this point. There has been talk about bloodshed and who would be responsible for what lives would be lost if the guerrilla war in Rhodesia elevates into a full scale conflict.

The only official mention, however, of possible U.S. troop activity in Rhodesia came when Ambassador Young suggested that U.S. troops may participate in a U.N. peacekeeping force there. This suggestion was shot down by the Department of State, by the Administration, and as far as I know there is no commitment of any kind for U.S. troops to be involved in any peacekeeping operation in Rhodesia.

The sad fact of the matter is that we will probably find Cuban troops in Rhodesia long before troops from any other country.

Last, but not least, Mr. Chairman, I would like to make the point that this Byrd amendment has not been the major reason for Rhodesia staying afloat. The Rhodesians declared their independence in 1965. U.N. sanctions were imposed in 1966. Most of the countries of Western Europe, most of the countries of Eastern Europe and Japan have consistently ignored the sanctions. We violate the sanctions only as a result of the Byrd amendment. We abide by the remainder of the sanctions. I think our record legally, morally and diplomatically, is far superior to that of most of the countries of the U.N.

Mr. Chairman, I would just refer to the recent report to the U.N. of violations of Rhodesian trade. It includes the Soviet Union, East Germany, Bulgaria, Hungary, Yugoslavia; it also includes West Germany, Belgium, Italy, Japan, Switzerland, a number of African countries in addition to South Africa. Also Turkey, Iran, and a number of other countries; so I submit that the issue is not the record of the United States. The issue is the economic action that we take in cutting ourselves off from needed chrome.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, at the request of Mr. SYMMS, Mr. DERWINSKI was allowed to proceed for an additional 2 minutes.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, what the gentleman is saying, in other words that the United States says it will not be enforced by other members of the Security Council of the United Nations?

Mr. DERWINSKI. What I am saying is that other countries have consistently violated these sanctions for over 11 years. These are countries of all political colorations and in all geographical areas.

Mr. SYMMS. Mr. Chairman, if the gentleman will yield further, would it be in order to amend this bill to say that all these countries obey this also, if the United States is going to do it?

Mr. DERWINSKI. Any way the gentleman could amend the bill to produce more compliance with the United Nations sanctions, I suppose would be greeted with enthusiasm by the proponents; although, I cannot speak for them.

Mr. SYMMS. Mr. Chairman, if the gentleman will yield further, is the gentleman accepting this for the Committee on International Relations?

Mr. DERWINSKI. I am accepting this for all those who worship at the altar of diplomatic consistency.

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of H.R. 1746. In so doing, I would like to make one specific point apropos of the discussion today of human rights. As has been stated on the floor, there is a symbolic issue here. Passage of H.R. 1746 will clearly commit the United States to the support of majority rule in Rhodesia. It will be a signal to the Smith government in Rhodesia. It will be a signal to black African leaders, including the five frontline African presidents who have been seeking American support for black majority rule in Rhodesia; but I hope that today's vote will also be a signal to one and all of what the United States believes about majority rule; that majority rule means they must respect basic human rights and policies.

That conventions of civilized society must be provided for; that this is as true for black majority rule in Africa as it is anywhere else. Accordingly, I think it would be appropriate for the U.S. Government to call upon the frontline presidents and other black leaders of Africa to restrain Idi Amin in his pursuit of genocide policies within Uganda. Accordingly, it would be appropriate for the United States to ask the frontline presidents of Africa, in their support of black majority rule in Rhodesia, to include as part of the policy strong support for basic human rights.

For, as black majority rule comes to Rhodesia, the dangers of violence and repression will be great. In both of these instances, in Uganda and in the coming black rule in Rhodesia, the most effective pressure that can be brought to bear for observance of human rights will come from the black African leaders themselves. The United States must ask African leaders to exercise that influence for human rights, and our ability to do so will be strengthened by the passage of H.R. 1746.

Mr. McDONALD. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from Georgia.

Mr. McDONALD. How many of the elected, so-called presidents of the five front line nations were elected in open, free elections in their respective countries?

Mr. PEASE. As the gentleman knows, that is not the only criterion of human rights. It is important, wherever we have a human rights problem, to use the tools that are available to us to bring about greater adherence to human rights. I think that these five presidents and other black African leaders are in a better position than any of us to exercise an influence over Idi Amin and other African leaders to restrain themselves within their nations.

Mr. McDONALD. If the gentleman will yield further for a question, how does he define the area of majority rule? Is that synonymous with black rule, or does that mean in open, free elections of all individuals of that country, or does that mean election guided by revolutionary groups from the five front line countries?

Mr. PEASE. Well, it can mean the first two. I would hope that it would not mean the third. Certainly in Africa, an open definition of majority rule is that the majority of the blacks in a nation such as Rhodesia, where blacks far outnumber the whites, are in effective control of the country. Beyond that, I would hope that it would mean a majority of the people within that country voting for the government. That is my hope for Rhodesia, and I think that our support of this bill will help to bring that about.

Mr. McDONALD. If we are going to use the term "majority rule" as a very necessary earmark of human rights, then are we to say therefore that the various five front line African states are complying with human rights, and indeed their governments represent majority elected representatives or presidents or various other officials?

AMENDMENT OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ICHORD: Page 4, immediately after line 6, insert the following new section:

SEC. 2. (a) Upon the enactment of this act, the President may suspend the operation of the amendments contained in this act if he determines that such suspension would encourage meaningful negotiations and further the peaceful transfer of governing power from minority rule to majority rule in Southern Rhodesia. Such suspension shall remain in effect for such duration as deemed necessary by the President.

(b) If the President suspends the operation of the amendments contained in this act, he shall so report to the Congress. In addition, the President shall report to the Congress when he terminates such suspension.

(c) If the President suspends the operation of the amendments contained in this act, any reference in those amendments to date of enactment shall be deemed to be a reference to the date on which such suspension is terminated by the President.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. Mr. Chairman, I am not so much opposed to the repeal of the Byrd amendment at this time as I am to the timing of the amendment.

I appeared before the committee of the distinguished gentleman from New York (Mr. DELANEY), and I expressed the hope that the committee in its wisdom could see fit to set this bill over for a couple of weeks, past the Easter recess, and that the committee go to Rhodesia and take a look at the situation existing in Rhodesia, much the same as the gentleman from Pennsylvania (Mr. DENT), and the gentleman from New Mexico (Mr. RUNNELS), and I did a year ago last April.

I made the charge, Mr. Chairman, that the American State Department was really not very well informed as to what was going on in Rhodesia. I expressed the thought that in proceeding with this mad rush in the repeal of the Byrd amendment, we might be bringing about in Rhodesia another minority government which even the most ardent supporters of this repealer do not want.

Why do I say so, Mr. Chairman? When we arrived in South Africa we were warned by the State Department that it would be unsafe to take our wives into Salisbury and throughout Rhodesia. To my surprise, we found it more safe in the wee hours of the morning on the streets of Salisbury than two blocks from where I am standing and speaking today in broad daylight. To my utter amazement, Mr. Chairman, I met several black millionaires in Salisbury. I got the impression from the State Department that Rhodesia practices apartheid, or something worse; but I not only met several black millionaires, I attended the University of Salisbury and I found that the student population was about 50 percent black and about 50 percent white. In fact, Mr. Chairman, I found conditions in Rhodesia much better than existed in the United States of America, as far as black and white is concerned, in several sections of this country only about 10 or 12 years ago. To my utter amazement, as the gentleman from Pennsylvania (Mr. DENT) will verify. I saw black crane operators in Rhodesia being taught to replace white crane operators, and at the same salary. I also learned, to my astonishment, Mr. Chairman, that the black man in Rhodesia—and I ask the Members to listen to this, since very few of them have been to Rhodesia—has the highest wage throughout all of Africa, including the nation of Egypt.

For this reason, Mr. Chairman, I think that the President of the United States, and I charge that this body, is getting erroneous information as to what is going on in Rhodesia.

Perhaps, Mr. Chairman, I am being very arrogant, but I think I know more about what is going on in Rhodesia than any other Member of this body, including the members of the Committee on International Relations. The reason why I think that is true is that I have taken a long and personal interest in the people of Rhodesia.

It so happens that the great moral force of Rhodesia, Bishop Muzorewa, went to school at Central Methodist College in Missouri, which used to be in my district. I visited with Bishop Muzorewa when I was in Rhodesia a year ago, and in fact only Firday of this week I talked to Bishop Muzorewa's right-hand man, Dr. Chavunduku, who is a professor of philosophy at the University of Salisbury. He said to me at that time, "For God's sake, give the President some discretion. Don't turn Rhodesia over to the bad guys. Yes, we would have a black government, but it would be a minority black government."

I submit, Mr. Chairman, that if the Members would only take the time to go to Rhodesia and see what the situation is, they would come to the conclusion that the only possible party that will be able to rule Rhodesia is the party of Bishop Muzorewa. I have read reports in some newspapers that the front line nation's would like to turn the government over to parties which most certainly will result in civil war between blacks as well as between black and white. As I read the situation, and I hope and pray that I am wrong, this is certain to be the end result if the President does not firmly take charge of the situation.

I read a good bit in the paper concerning what these front-line nations are going to do. My distinguished colleague states that he is going to go along with the front-line nations. Why should we not let the blacks and the whites work things out among themselves in Rhodesia, just as we did in the past when we solved some of our own very serious racial problems here in America?

If we are going to impose an external solution, I charge that the Members of this House and the American Government will have on their hands not only the blood of several thousand whites but the blood of several thousand blacks. If we insist upon imposing an external peace, I hope that I am not in a position to say "I told you so."

The gentleman from Minnesota (Mr. FRASER) has stated that he would accept this amendment. Let me explain my purpose in offering it. This is what I would like to see the President do: I would like to see the President send a commission consisting of Members of this body as well as our highly esteemed former colleague, Andy Young, now ambassador to the United Nations, to Rhodesia and learn just what the situation is.

We have no relations with Rhodesia. The only information we have as to what is going on in Rhodesia is from British intelligence.

We are the only nation, I would point out to my friends, the only major nation in the world which has lived up to most of the sanctions of the United Nations. We live up to all the sanctions of the United Nations that have been imposed against Rhodesia except those involving chrome and nickel. But do the Members think that the other major nations have lived up to those sanctions? We all talk about the idea that we have to go along with the United Nations. Do the Members think that other nations are living up to the U.N. sanctions? You should have seen the new Fiats, Volvos, Volkswagons, and Toyotas lining the streets of Salisbury that I saw in Rhodesia.

Do the Members know how much ferrochrome Rhodesia produced last year? Let me ask that question of my colleagues. How much did they produce? They produced 250,000 tons of ferrochrome. Do we know how much the United States bought from Rhodesia under the Byrd amendment? Only 47,000 tons. Who bought the other 203,000 tons of ferrochrome produced by Rhodesia? Do not tell me the Rhodesians dumped the ferrochrome in the Indian Ocean.

That is why I say that this repeal of the Byrd amendment is nothing but a symbolic maneuver, a symbolic action, a psychological action. It is not going to hurt Rhodesia. Every major country in the world is already trading with Rhodesia.

So why does the President of the United States not send Andy Young to Rhodesia to see what is going on? Why does he not send my good friend, the gentlewoman from New York, SHIRLEY CHISHOLM, who presented this rule, to Rhodesia and let her take a look for herself?

But for God's sake, let us not bring another Idi Amin into power in Rhodesia. I fear that is what we are going to do if we do not adopt this amendment and permit the President to have leverage over the negotiations and to influence sincere negotiations in Rhodesia.

Mr. Chairman, I urge the adoption of my amendment.

Mr. FRASER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have discussed this amendment of the gentleman from Missouri (Mr. ICHORD). Those of us on the committee have reviewed it carefully, and we have submitted it to the Department for its comments.

My understanding is that this amendment would give the President authority to suspend the operations of the provisions of the act if he determines that such suspension would encourage meaningful negotiations and further the peaceful transfer of governing power from minority rule to majority rule in Southern Rhodesia.

The rest of it goes on to say that he shall report to Congress and so on.

Mr. Chairman, the way in which the act is currently worded causes me to believe—and I think that members of the committee with whom I have consulted agree with me—that there is already discretion on the part of the President to do this. However, since this amendment spells out at least one set of considerations that might influence the President in the exercise of the discretion, I do not have any objection to the amendment and am prepared to accept it. Nevertheless, I want to make clear that we accept it as it is written; and I make that point because I understand that there may be an amendment on it or proposed to it which would defer the effective date and would change the word "may" to "shall" and would change it in other respects which would create uncertainty and confusion.

Therefore, Mr. Chairman, if the

amendment offered by the gentleman from Missouri (Mr. ICHORD) goes to a vote unamended, I will support it; but I just wanted to make my position clear.

Mr. WHALEN. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Ohio.

Mr. WHALEN. Mr. Chairman, I thank the gentleman from Minnesota (Mr. FRASER) for yielding.

We must remember that this bill before us does not repeal the Byrd amendment. Rather, what it does, if it should pass, is to give discretion to the President either to enforce the Byrd amendment or to waive the Byrd amendment.

Consequently, Mr. Chairman, I really do not feel that the amendment offered by the gentleman from Missouri (Mr. ICHORD) would add anything because the President does have the authority to enforce the Byrd amendment for the next 30, 60, or 90 days, or ad infinitum.

However, Mr. Chairman, I would certainly agree with the gentleman from Minnesota (Mr. FRASER) that putting this language in the bill will certainly do no harm and perhaps will clarify it.

Therefore, I accept this amendment on behalf of the minority, Mr. Chairman, and I would urge its adoption.

Mr. DIGGS. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Michigan.

Mr. DIGGS. Mr. Chairman, I wonder whether the gentleman has heard from the author of this amendment as to whether or not he will support the bill if this amendment prevails?

Mr. ICHORD. If the gentleman will yield, Mr. Chairman, the gentleman from Michigan obviously was not on the floor at the time the gentleman from Minnesota (Mr. FRASER) did ask me that question. I did say that I would. However, I would state this, and I want to be sure that I understand the gentleman from Minnesota (Mr. FRASER): I would like to have it a matter of legislative history that the President of the United States study this amendment carefully and that he use the authority that he has to make certain that we do not inadvertently turn over Rhodesia to the wrong kind of people.

My fear is that, in proceeding as we are, we may well incite extremists on each side of the question; that is, harden some of the ultra-conservatives in Ian Smith's government and also harden the position of some of the black leaders.

Mr. FRASER. I think the gentleman and I would share the view that the President should use his very best judgment in carrying out the authority in this act and the authority that is made explicit by the gentleman's amendment so as to further the interests of the United States. I think we would both agree with that.

AMENDMENT OFFERED BY MR. STRATTON TO THE AMENDMENT OFFERED BY MR. ICHORD

Mr. STRATTON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON to the amendment offered by Mr. ICHORD: In section 2(a), line 1:

Strike out the words "Upon the enactment of this Act"

Strike out the word "may" and insert the word "shall"; after line 6;

Insert a new subsection (b) as follows:

(b) To enable the President to examine in full detail the current status of such negotiations and to report to the Congress his findings thereon, this Act shall not become effective until 30 days after the date of its enactment."

Strike out the present subsection (b), and insert the following:

(c) The President shall report promptly to the Congress at the end of the 30-day period provided for in subsection (b). He shall also report to the Congress if he suspends the operation of the amendments contained in this Act, and he shall report further to the Congress if and when he terminates such suspension."

Renumber subsection (c) as subsection (d).

Mr. STRATTON. Mr. Chairman, this amendment is a perfecting amendment to the amendment offered by the gentleman from Missouri (Mr. ICHORD). I believe the gentleman from Missouri is in accord with it.

As has already been indicated, there is a belief on the part of the committee itself that the President has this discretion. But whether he does or does not have it, I think it is no secret that the President wants this legislation. He plans to go to the U.N., as I understand it, on Thursday, to announce that the Byrd amendment is being repealed.

I must say that I share many of the apprehensions of the gentleman from Missouri. It seems to me that we need to pause just a little bit to have this kind of factfinding undertaking that he has referred to. All my amendment does is to delay for 30 days the enactment of these amendments giving this power to repeal the Byrd amendment, so that we can have some consideration, and particularly some report to this House, as to what the policy of our Government really is with respect to Africa.

I have some very serious doubts as to where we are heading in Africa today. I do not think anybody in this Chamber really knows what the policy of the U.S. Government is now with respect to Africa. But I am afraid on the basis of what I have been seeing in the papers and reading about these various commitments that are being made, that what we are doing in this legislation may not be taking us down the road to a peaceful negotiated solution, but may instead be taking us down the road to war in Africa, and even choosing up sides in advance in that war. If what we did in Vietnam was wrong, then I think what we may be doing here in Africa is twice as bad. I think we ought to pause for a few moments to find out exactly where we are going.

In the last administration, the Secretary of State, Dr. Kissinger, went to Rhodesia. He had a formula which he offered to the Rhodesian Government. I am not sure of all that happened in those negotiations, but it seems to me the thrust of it was to try to bring about a peaceful change in Rhodesia and to prevent the Soviet Union and Cuba from taking over further control in Africa and perhaps even taking control in Rhodesia.

Secretary Kissinger had as part of his proposal that if Rhodesia would cooperate in these negotiations we would not impose any sanctions on the purchase of chrome or anything else from Rhodesia. We would remove the sanctions.

Now I do not know whether Ian Smith is responsible for the breakdown in negotiations or whether the frontline presidents are responsible for it, but it seems to me that it is clear that Rhodesia is at least not entirely at fault. So if we are really interested in a negotiated, peaceful solution in Rhodesia instead of getting into war, we ought not to impose the penalty until we know where we stand.

That is all that this perfecting amendment would do. It would give us a chance here in this House to find out whether we know where we are going, whether there is any clear African policy, and to assure us that that policy is directed toward a peaceable solution.

It seems to me that we make a mistake by trying to alienate one of the participants in the negotiations before we know where the negotiations are going.

I do not see how we lose anything by pausing for 30 days to try to inform the American people and to try to inform the Congress what our policy is so that we do not have to read it in the newspapers.

Here is yesterday's New York Times: Zaire is being invaded by Angola. And on the opposite page: The Russians and the Cubans are cooperating to push the United States and China out of Africa. I do not think the situation over there looks good. Before we take the advice of some of these experts on the Committee on International Relations, we ought to learn the facts, as the gentleman from Missouri suggests.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

I suppose I am between the so-called devil and the deep blue sea on the amendment offered by the gentleman from New York. The gentleman from Minnesota has stated that he would accept my amendment as I propose it. But I rather gather—and particularly do I gather when the gentleman from Ohio started to move the previous question, against the amendment of the gentleman from New York—that they will not accept my amendment if the amendment of the gentleman from New York is adopted.

Mr. STRATTON. I will say to the gentleman in all candor that I assume the reason the gentleman from Minnesota (Mr. FRASER) accepted his amendment is he knows perfectly well the President has no intention of exercising this restraint and in fact intends to make the statement in New York on Thursday that the Byrd amendment will be rescinded. I think we in the Congress ought to ask him to pause for 30 days, at least until we find out what the policy is.

Mr. ICHORD. If the gentleman would yield further, this is the thing that worries me. The gentleman from Minnesota

and the gentleman from Ohio gave their interpretation of my amendment and said that it really does not add anything; the President still has the discretion; but I would like to have the President of the United States, at least, become informed as to what is going on in Rhodesia.

Let me understand the gentleman. All he is saying is we are going to repeal the Byrd amendment, but let us wait for 30 days until the President studies this situation, and if he believes that a suspension of the repeal of the Byrd amendment, would promote successful negotiations, or if it would promote a peaceful transition of power from a minority government to a majority government, he can so suspend.

Mr. STRATTON. The gentleman is absolutely correct. All we have now are a lot of offhand opinions that this repeal is going to contribute to something or other, but I think we ought to have the kind of examination the gentleman has referred to and a mission, perhaps, to Rhodesia similar to the one now going to Hanoi.

Mr. ICHORD. With that explanation of the gentleman from New York, I am going to take my chance and accept the amendment of the gentleman from New York.

Mr. STRATTON. I thank the gentleman.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield for a question?

Mr. STRATTON. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

Is the gentleman in the well suggesting that the President of the United States, the Secretary of State, and all of his advisers on foreign policy would have taken the position to repeal the Byrd amendment without having studied what the situation is in Rhodesia? It seems incredible to me to assume that.

Mr. STRATTON. I do not know whether they have studied it or not. I assume that they have. What I am saying is that their conclusions have unfortunately not been expounded to the Congress or to the American people. Nobody has explained how this repeal action is going to contribute to a peaceful solution, and I can see some grave indications from the press reports that it may well contribute to war.

Mr. FRASER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have been in discussion with the gentleman from Missouri for the last 2 days. We have tried to check his amendment out carefully and to ascertain its effect. On the basis of that check and review we agreed to accept his amendment.

The amendment that is being offered by the gentleman from New York does more than delay the effect of the whole bill. In the very key word, it changes "may" to "shall." I am not sure what the conequences of that are, but everything in the bill up until now has been discretionary. It has been discretionary for the President in effect to override the Byrd amendment. It has been discretionary to permit the continuation of shipments in order to have them completed.

But the gentleman from New York not only seeks to delay the effective date but to change the word "may" to "shall," changing the amendment offered by the gentleman from Missouri.

I think it would be a mistake to take this amendment. The gentleman from New York apparently does not have much trust in the President's judgment. That is his right. But the people in the Department of State have been involved in this for many years. The present Assistant Secretary of State for African Affairs was the gentleman who accompanied Secretary Kissinger on his African trip. One of the reasons he has been retained in office was because of his familiarity with the negotiations and with the British.

Mr. STRATTON. Mr. Chairman, will the gentleman yield? The gentleman has asked about "shall" and "may." Will the gentleman let me respond?

Mr. FRASER. When I am through, I will.

The point is there is nothing in the bill that is before us to compel the President to do anything. If he needs time to study before any Executive order is issued, all the time needed is afforded here.

The amendment offered by the gentleman from Missouri lays out some of the considerations the President should have in mind. I believe the amendment offered by the gentleman from Missouri offers discretion for the President. But this amendment offered by the gentleman from New York is something quite different. It changes the word "may" to "shall." We have not had the opportunity to ascertain the legal effect of this amendment. It may be useless. I hope it will be voted down.

I yield now to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

If the gentleman will look at the wording of the amendment, it says in the Ichord amendment:

> . . . the President may suspend the operation of the amendments contained in this Act if he determines that such suspension would encourage meaningful negotiations and further the peaceful transfer of governing power . . .

My amendment says:

> . . . the President shall suspend the operation of the amendments contained in this Act if he determines that such suspension would encourage meaningful negotiations and further the peaceful transfer of governing power . . .

If the President finds out that suspension would contribute to the peaceful negotiations, he would be crazy to do anything except to suspend.

Mr. FRASER. If the gentleman is saying his amendment is meaningless, I do not know why he has offered it. But I say it changes the meaning of an amendment which we have carefully reviewed and checked. He changes "may" to "shall" and he says it does not mean anything.

Mr. STRATTON. It changes "may" to "shall" and all it does is it delays it for 30 days.

Mr. FRASER. We agreed to take the Ichord amendment, but now the gentleman from New York proposes to come and change its timing and effect and meaning. My point of view is his is really not a helpful amendment.

Mr. STRATTON. It really makes the Ichord amendment effective and meaningful. Otherwise it would be meaningless.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I appreciate the gentleman yielding.

I think the gentleman in the well, the gentleman from New York (Mr. STRATTON), for whom I have the greatest respect, does our committee an injustice when he suggests we are not aware of the status of the negotiations. In the course of the last few weeks our committee has heard from Under Secretary Habib, from Ambassador Young, from Ambassador Richards, and from the new Foreign Minister of the United Kingdom. Mr. Owen, about the status of the effort to bring about a peaceful transition to majority rule.

Mr. STRATTON. It has not gotten into the papers, I can say that.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Minnesota is correct when he states that I did submit this amendment to him last Thursday, when we appeared before the Rules Committee, and I might state to the members of the Committee that I have talked to the Secretary of State, Cyrus Vance, about this amendment because of my great concern about what we might be doing here—bringing about both black and white genocide in Rhodesia.

The Secretary of State never agreed to accept my amendment and the gentleman from Minnesota never agreed to accept my amendment until about 1:30 this afternoon. After the explanation, I feel that the amendment of the gentleman from New York does add a great deal to my amendment.

My fear, and I will speak with candor to the Members of the House, my fear is that the American State Department has opted for an external settlement of the problem in Rhodesia, rather than an internal settlement. This is what I am trying to get the President to look at, a possible internal settlement between blacks and whites in Rhodesia. I submit to the Members of the Committee that this is the only way, the only possible way, and there may be great bloodshed in Rhodesia, anyway, regardless of the passage of this amendment; but this is the only way that we are going to be able to permanently settle the problems between blacks and whites in Rhodesia.

Mr. Chairman, as I understand the amendment of the gentleman from New York, it still gives the President discretion. The gentleman says the President shall suspend the repeal if he determines that such suspension would encourage

meaningful negotiations and further the peaceful transfer of governing power from minority rule to majority rule in Southern Rhodesia. How can we vote against that?

The only difference between the amendment of the gentleman from New York and my amendment is that the gentleman is going to postpone it for 30 days. Why are 30 days so important? At least it will give the gentleman from New York (Mr. SOLARZ), who is now standing, a chance to go over to Rhodesia. To CHARLIE DIGGS, they will not run him out of Rhodesia. Why not go and look at the situation?

The gentleman from Minnesota (Mr. FRASER), why not look at the situation?

The gentleman from Ohio and all of us go over and take a look at it, make up our minds as to what should be done.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, actually, the question of "may" or "shall" is minor. I had no particular purpose in mind changing it from "may" to "shall." I would be very happy to go back to "may" and if that is the only problem affecting the gentleman from Minnesota, I would ask unanimous consent to withdraw that portion of my amendment.

Mr. Chairman, I ask unanimous consent to modify the amendment insofar as it relates to the substitution of "shall" for "may."

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FRASER. Mr. Chairman, reserving the right to object, and I am not going to object, I would have to say this is an added reason for objection to the change and it will leave the issue at 30 days. I am opposed to that equally.

The CHAIRMAN. Is there objection to the request of the gentleman from New York for modification of the amendment?

Mr. FRASER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. STRATTON)?

There was no objection.

Mr. WHALEN. Mr. Chairman, I move to strike the requisite number of words.

I rise to propose a question to the author of the amendment to the amendment, the gentleman from New York (Mr. STRATTON).

If the gentleman would respond to my question, I am concerned about the reporting provisions. In the original amendment submitted by the gentleman from Missouri (Mr. ICHORD), section (b) requires a report only if the Preisdent suspends the operation of the amendments. Now, am I correct in my understanding that in the gentleman's new section (c) that the President must report to the Congress his findings one way or the other?

Mr. STRATTON. Mr. Chairman, if the gentleman will yield, what I do is add a section which suspends the effective date for 30 days, to enable the President to examine in full detail the current status of such negotiations and to report to the Congress his findings thereon.

Mr. WHALEN. I realize that.

Mr. STRATTON. Mr. Chairman, if the gentleman will yield further, in the following section, which deals with reports, my amendment also provides that the President shall report to the Congress his findings after he has spent 30 days to see where the negotiations are going. And then my amendment simply continues the other reporting requirements that the gentleman from Missouri (Mr. ICHORD) had in his amendment. I do not think there is anything burdensome here. The idea is just to find out what is going on over there in Africa today. I think it would be reasonable for the President to let us know what he found out.

Mr. WHALEN. I would point out that the distinction between this and the Ichord amendment is that there is no report necessary if the President decides not to suspend the provisions in this act, whereas if the gentleman's amendment to the amendment is adopted, a report is required regardless of the President's decision.

Mr. STRATTON. The gentleman is absolutely correct, but I think if we are going to go into this morass, we ought to know where we are going. That would seem to me to be a very reasonable requirement.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from New York.

Mr. SOLARZ. I want to thank my distinguished colleague from Ohio for yielding to me.

Mr. Chairman, I think it is important for the members of the committee to understand that if the amendment offered by the gentleman from New York is adopted, this legislation cannot take effect until 30 days after its enactment on the—I might add, the mistaken—assumption that the Congress of the United States is not aware of the status of the negotiations with respect to the establishment of majority rule in Rhodesia at the present time. Now, in the course of the last several weeks, the members of the Committee on International Relations have been briefed in public and in private by our Ambassador to the United Nations, Andrew Young, who recently returned from a trip to southern Africa; by Undersecretary Habib; by Ambassador Richards, who is chairman of the Geneva Conference; and by the new British Foreign Minister, Mr. Owens, who has been on top of this situation.

We know what the status is. It is that the negotiations have been suspended. We know that Mr. Smith has said that he will refuse to go back to Geneva if, by going back, he has to negotiate with the patriotic front. We know why the negotiations broke up originally, because of disagreement over the composition of the interim government and of who would control the Ministries of Defense and Law and Order.

There is nothing we can learn in the next 30 days that we do not know already with respect to the status of these negotiations. Consequently, I think it does a disservice to the briefings we have already been given and to our knowledge of the situation to adopt this amendment, which would prevent this law from becoming effective for 30 days while we try to find out information which we are already aware of.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from New York.

Mr. STRATTON. The gentleman's committee may have been informed, I will say to the gentleman from New York (Mr. SOLARZ) and I am sure that the gentleman is one of the most well informed members of that committee. But the point is that the rest of us have not been informed, and the public has not been informed. I probably read the New York Times more carefully than almost any other Member of this body—I carry it around with me all day. I have not found a single thing in it so far that indicates how this legislation is expected to contribute to a peaceful solution in Rhodesia. I would like to know. I do not think 99 and 44/100 of the American people know how it is going to contribute either.

Mr. WHALEN. Mr. Chairman, I do not know how much time I have left, but I think for the sake of simplicity I will yield the balance of my time.

Mr. DENT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think this Stratton amendment to the Ichord amendment will make the Ichord amendment absolutely useless. Predicated upon my own feelings, at least, in support of the gentleman's amendment is the fact that we had some time under this legislation, both in the original copy earlier and in the Ichord amendment, which assured us that there would be a transition period, during which time we would be able to ship back to the United States all of the ore and all of the ferrochrome Americans had purchased on previous orders.

To put a 30-day limit of any kind under this amendment means that we have taken from the President the sole right to say whether the embargo shall be lifted, whether it shall not be lifted, depending upon his judgment.

Mr. ICHORD. The gentleman from Minnesota explained his interpretation of my amendment, as did the gentleman from Ohio. I did not get any promise of any delay in actually putting the repeal into effect.

Mr. DENT. Will the gentleman let me answer that, please?

The gentleman told me that is what it would do. He wrote the amendment and he convinced me it would give the President more leverage in what he is attempting to do. And the basic reason for setting the period of time was spelled out in the gentleman's amendment, because it had to be based upon what the President's decision would do to the negotiations. That is what I was voting for, and that is what I am going to vote for now.

Mr. ICHORD. If the gentleman will yield further, when the gentleman from Pennsylvania talked to me, I thought that the President did not have any discretionary power whatsoever. But I have talked to the Secretary of State. I have also talked to many other people. I have not received any promise from anyone as to any delay which the gentleman from

Pennsylvania wants. That is the reason why I am accepting the amendment offered by the gentleman from New York. If I cannot get the promise, then if the gentleman from Minnesota wishes to defeat my amendment, so be it.

Mr. DENT. Mr. Chairman, I am going to support the amendment offered by the gentleman from Missouri (Mr. ICHORD). I gave him my word I would support it. But I will not support the Stratton amendment.

Mr. ICHORD. The gentleman from Pennsylvania is in no way inferring that I have gone back on any of my word?

Mr. DENT. Oh, no.

Mr. ICHORD. Very well.

Mr. DENT. I do not speak for the gentleman. I have a heck of a time speaking for myself.

I know the Members are anxious to vote. But, very seriously, this is one of the most serious pieces of legislation we are going to have in this entire term. What we have to do is speak and talk honestly. If there are any misunderstandings, let us get them out of the way.

I will ask the gentleman from Minnesota if he misunderstood what I talked to him about?

Mr. FRASER. No. If the gentleman will yield further, if the Stratton amendment is rejected, despite any unhappiness of the change of the position of the gentleman from Missouri, I still will support his amendment. But I think we should take the amendment as the gentleman and I first understood it.

Mr. DENT. We are saying, first and foremost, what this means in all categories of need. Defeat the Stratton amendment, accept the Ichord amendment, and pass the legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. STRATTON) to the amendment offered by the gentleman from Missouri (Mr. ICHORD).

The question was taken; and on a division (demanded by Mr. STRATTON) there were—ayes 55, noes 59.

RECORDED VOTE

Mr. STRATTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 236, not voting 36, as follows:

[Roll No. 69]

AYES—160

Abdnor	Byron	Evans, Ga.
Andrews, N. Dak.	Carter	Flowers
Archer	Cederberg	Flynt
Armstrong	Clausen, Don H.	Fountain
Ashbrook	Clawson, Del	Fuqua
Badham	Cleveland	Gammage
Bafalis	Cochran	Gephardt
Barnard	Coleman	Gilman
Bauman	Collins, Tex.	Ginn
Beard, Tenn.	Corcoran	Goodling
Bennett	Crane	Gradison
Bevill	Daniel, Dan	Grassley
Bowen	Daniel, R. W.	Gudger
Breaux	Davis	Hagedorn
Breckinridge	de la Garza	Hall
Brinkley	Derrick	Hammer-schmidt
Brooks	Derwinski	Hansen
Brown, Mich.	Devine	Harsha
Brown, Ohio	Dornan	Hightower
Burgener	Duncan, Tenn.	Holt
Burke, Fla.	Edwards, Ala.	Huckaby
Burke, Mass.	Edwards, Okla.	Hyde
Burleson, Tex.	English	Ichord
Butler	Evans, Del.	Jenkins
Johnson, Colo.	Moore	Slack
Jones, Okla.	Moorhead, Calif.	Smith, Nebr.
Kasten	Mottl	Snyder
Kazen	Murphy, Pa.	Spence
Kelly	Murtha	Stangeland
Kemp	Myers, Gary	Stanton
Ketchum	Myers, Ind.	Steiger
Kindness	O'Brien	Stockman
Lagomarsino	Pettis	Stratton
Latta	Poage	Symms
Lent	Pressler	Taylor
Levitas	Quayle	Thone
Lloyd, Tenn.	Quillen	Treen
Lott	Regula	Trible
Lujan	Rhodes	Waggonner
McDonald	Roberts	Walsh
Madigan	Robinson	Wampler
Mahon	Rogers	Watkins
Mann	Rousselot	White
Marks	Rudd	Whitehurst
Marlenee	Runnels	Whitten
Marriott	Sarasin	Wiggins
Martin	Satterfield	Wilson, Bob
Mathis	Schulze	Winn
Mazzoli	Sebelius	Wydler
Michel	Shuster	Wylie
Milford	Sikes	Young, Alaska
Miller, Ohio	Skelton	Young, Fla.
Mitchell, N.Y.	Skubitz	Young, Mo.
Mollohan		

NOES—236

Addabbo	Evans, Colo.	Metcalfe
Akaka	Fary	Meyner
Alexander	Fascell	Mikulski
Allen	Fenwick	Mikva
Ambro	Fish	Miller, Calif.
Ammerman	Fisher	Mineta
Anderson, Calif.	Fithian	Minish
Anderson, Ill.	Flippo	Mitchell, Md.
Andrews, N.C.	Flood	Moakley
Annunzio	Foley	Moffett
Applegate	Ford, Mich.	Moorhead, Pa.
Ashley	Ford, Tenn.	Moss
Aspin	Forsythe	Murphy, Ill.
AuCoin	Fraser	Murphy, N.Y.
Badillo	Frenzel	Myers, Michael
Baldus	Gaydos	Natcher
Baucus	Giaimo	Nedzi
Beard, R.I.	Gibbons	Nix
Bedell	Glickman	Nolan
Beilenson	Gore	Nowak
Benjamin	Hamilton	Oakar
Biaggi	Hanley	Oberstar
Bingham	Hannaford	Obey
Blanchard	Harkin	Ottinger
Blouin	Harrington	Panetta
Boggs	Harris	Patten
Boland	Hawkins	Pattison
Bolling	Heckler	Pease
Bonior	Hefner	Perkins
Bonker	Heftel	Pickle
Brademas	Hillis	Pike
Brodhead	Hollenbeck	Preyer
Broomfield	Holtzman	Price
Brown, Calif.	Horton	Pritchard
Broyhill	Howard	Quie
Buchanan	Hubbard	Railsback
Burke, Calif.	Hughes	Rangel
Burlison, Mo.	Ireland	Rinaldo
Burton, John	Jacobs	Risenhoover
Burton, Phillip	Jeffords	Rodino
Caputo	Jenrette	Roncalio
Carney	Johnson, Calif.	Rooney
Carr	Jones, Tenn.	Rose
Cavanaugh	Jordan	Rosenthal
Chisholm	Kastenmeier	Rostenkowski
Cohen	Keys	Roybal
Conable	Kildee	Russo
Conte	Koch	Ryan
Conyers	Kostmayer	Santini
Corman	Krebs	Sawyer
Cornell	Krueger	Scheuer
Cornwell	Le Fante	Schroeder
Cotter	Leach	Seiberling
Coughlin	Lederer	Sharp
D'Amours	Leggett	Shipley
Danielson	Lehman	Sisk
Delaney	Lloyd, Calif.	Smith, Iowa
Dellums	Long, La.	Solarz
Dent	Long, Md.	Spellman
Dicks	Luken	St Germain
Diggs	Lundine	Staggers
Dingell	McClory	Stark
Dodd	McCloskey	Steed
Downey	McCormack	Steers
Drinan	McDade	Stokes
Duncan, Oreg.	McFall	Studds
Early	McHugh	Thompson
Eckhardt	McKay	Thornton
Edgar	McKinney	Traxler
Edwards, Calif.	Maguire	Tsongas
Eilberg	Markey	Tucker
Emery	Mattox	Udall
Erlenborn	Meeds	Ullman
Van Deerlin	Weiss	Wright
Vento	Whalen	Yates
Volkmer	Whitley	Yatron
Walgren	Wilson, Tex.	Young, Tex.
Waxman	Wirth	Zablocki
Weaver	Wolff	Zeferetti

NOT VOTING—36

Brown, Calif.	Guyer	Reuss
Chappell	Holland	Richmond
Clay	Jones, N.C.	Roe
Collins, Ill.	LaFalce	Ruppe
Dickinson	McEwen	Simon
Ertel	Montgomery	Stump
Evans, Ind.	Neal	Teague
Findley	Nichols	Tonry
Fiorio	Patterson	Vander Jagt
Frey	Pepper	Vanik
Goldwater	Pursell	Walker
Gonzalez	Rahall	Wilson, C. H.

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. ICHORD).

The amendment was agreed to.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this bill must be considered as great a farce as the House has had perpetrated upon it in recent history. The arguments for the bill have defied the imagination. Even the term human rights has been so twisted that it applies only to little Rhodesia. By refusing to accept an amendment which would apply human rights criteria to all nations, the House has exempted Russia, which controls a major area of the world and its people and which has trampled human rights in the dust for decades. How blind can we be? Talk about international hypocrisy—this is it.

Mr. Chairman, historians some day may say that the House is on a lost weekend binge, that we are drunk on morality. Earlier in this session, this body chose the moral path of approving a pay raise for themselves without giving the people who pay for Federal pay raises an opportunity to see who was for it and who was against it. Then the House approved a code of new morality which provides that unearned income from inherited wealth is ethical but a dollar earned over an arbitrary morality limit by honest toil is unethical.

This week we are back at the winepress of morality working toward the goal of goodness and mercy squeezing the rule of minority out and majority in. Is that all that is really involved? Have we no concern for what we may be doing to our own country and to the free world?

Let us look ahead a few years. Assuming that world communism will be sufficiently encouraged by the passage of this bill, is it not reasonable to anticipate that Cuban troops will move from Angola to Rhodesia to assist the terrorists to kill off or drive out the white populace of Rhodesia and establish a Communist-type government controlled by Russia? Will we then reverse the embargo and, with our sense of morality satisfied, resume the purchase of Rhodesian chrome?

With this background, placing an embargo on Rhodesian chrome should be easy. Some among us say that the de-

cisions of the U.S. Security Council should be binding on all members of the U.N. Presumably it matters not that hardly anyone else lives up to the U.N. sanctions or directives when these run contrary to national interests.

Due to a new technology in the steel industry, we are also told Rhodesian chrome can now be embargoed without placing us in position of almost exclusive reliance on the Soviet Union for chrome, until of course, U.N. sanctions and the wrath of our new morality are turned against South Africa which has limited amounts of inferior chrome but which also buys chrome from Rhodesia. They say, only in the event that South Africa chrome is denied would we be forced into a situation of relying almost exclusively on men of reason and morality in the Soviet Union. How many among us doubt that it will be only a few short years before the Soviet guns of conquest are turned also against South Africa?

But, can we be sure that we would not get any Rhodesian chrome in some processed steel imports? Not unless we can be assured no U.N. member countries would never buy raw chrome from Rhodesia—certainly not mother Russia or any of her children. You say even if they did, the bill today strictly prohibits indirect importation by requiring an ethical declaration on a certificate of origin to be administered by the Customs Bureau, the same good people who handle our illegal alien situation so admirably. How many, yes, how many of the Eastern European Communist bloc would hesitate to provide whatever certificate is needed for their purpose?

Would not the embargo of Rhodesian chrome add to our inflation and unemployment of course it would. Most estimates have it that after embargo is enacted the price of chrome will go up no more than 40 percent in the first year. It is such a small price to pay for morality; surely only immoral United States consumers will have trouble understanding. Besides, it will be disguised in the increased prices of finished products and no one will recognize chrome as the culprit. Unemployment should not pose a problem. We pay for unemployment with public works projects and unemployment compensation. If our small foundries say they lack the capital or floor space to install the new technology to use low grade South African chrome, it just goes to show how our small businesses have become; and if they are small, it's likely they don't employ all that many people anyway. After all, what are the jobs of a few thousand Americans when weighed against the greater good of the new "morality"?

Mr. Chairman, today the American people are caught in a moral winepress and they will be squeezed. Chrome is a key ingredient in stainless and speciality steels having crucial application in power generators, refining, transportation, food production and processing and defense, plus a host of other important items. Hardly items we can afford to gamble with. There are far too many gambles in turning off a presently reliable source of chrome and potentially placing ourselves at the mercy of the Soviet Union. The only people who will ultimately suffer are the American people; they will get one more straw of inflation and unemployment to carry, courtesy of the U.S. Congress. Rhodesia will find other buyers for its chrome who will process it and sell it to our country at a profit.

And to what end? What purpose will be served? We show our allegiance to the U.N. and we help to require majority rule in Rhodesia but at what cost to the United States? Rhodesia is moving toward majority rule, not rapidly but surely. There are better ways to help move that process forward than by harming U.S. consumers and promoting world communism.

I wish someone would explain to me why the Soviet Union is exempt from the morality we are applying to Rhodesia. Tell me how the Soviet Union can trade with Rhodesia and go unscathed in the U.N.? Tell me how for so many years they can play with the lives of Soviet Jews and their families for political blackmail. Tell me why suppression of the majority and of political dissent in Russia is so different from the suppression in Rhodesia.

Mr. Chairman, this should be called the "buy Russia" bill. The House will remember when we stressed "buy America." That is now old fashioned. This is a new age when we are told to be kind to our enemies. Help them to be modern. Help them to be strong. The more we give them, the more they can spend for their own development for defense. Maybe the taxpayers will understand.

The "buy Russia" bill will create unemployment in America, increase inflation and cause American industry to be dependent in large extent on chrome from Russia. Russia is principal beneficiary of the bill, the United States is the loser. Jobs for American employees and price restraints on steel products depend upon defeat of this "buy Russia" bill.

We are told the U.N. may enforce measures against a country if the Security Council finds that country poses a threat to international peace and security. I do not know by what possible stretch of the imagination Rhodesia is posing a threat to peace and security. It is the nations around Rhodesia—nations which are more and more Communist-controlled—who are training terrorists to infiltrate Rhodesia and who destroy that country's peace and security and who open the door to threats to world peace and security.

I urge defeat of H.R. 1746 first for the economic prosperity and well being of our people, but I also argue for its defeat because it is unworkable and self-defeating and because it arbitrarily applies an unforgivable double standard of morality which blasts a signal loud and clear to our friends and enemies alike that political expediency has became the standard of the United States.

AMENDMENT OFFERED BY MR. LEVITAS

Mr. LEVITAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEVITAS: Strike out all after the enacting clause and insert in lieu thereof the following:

That section 5(a) of the United Nations Participation Act of 1945 is amended—

(1) by inserting "(1)" immediately after "(a)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Subject to the conditions prescribed in subparagraph (B), if the President determines that the government of a foreign country is engaged in a consistent pattern of gross violations of internationally recognized human rights (including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person), the President may, through any agency which he may designate and under such orders, rules, and regulations as may be prescribed by him, suspend (in whole or in part) economic relations or rail, sea, air, postal, telegraphic, radio, and other means of communication betwen that foreign country or any national thereof or any person therein and the United States or any person subject to the jurisdiction thereof, or involving any property subject to the jurisdiction of the United States.

"(B) A suspension under subparagraph (A) shall become effective only if—

"(i) the President submits to the Congress a report describing the proposed suspension;

"(ii) a period of 60 days has elapsed since such report was submitted to the Congress; and

"(iii) during such 60-day period, neither House of the Congress has adopted a resolution disapproving the proposed suspension.".

Mr. LEVITAS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

Mr. FRASER. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LEVITAS. Mr. Chairman, I must confess that in the past I have had and continue to have certain doubts about this bill that is now before us. These are not doubts that are in any way based upon my condemnation of and the opprobrium that I hold for the manner in which the Separatist regime of Prime Minister Ian Smith of Rhodesia has denied to a majority of its citizens their basic human rights.

In the past I have had certain economic concerns about the national security interests of the United States, but as a result of intervening developments, some of which have been described by prior speakers, in particular the gentleman from Pennsylvania (Mr. DENT) reasons no longer exist to oppose the repeal of the Byrd amendment. Indeed, the national security interests of the United States may very well be furthered by the repeal of the Byrd amendment.

But the purpose of the amendment which I place before the body is simply to recognize that Rhodesia is not alone

in its denial of human rights to its citizens. It is unfortunate that such a state of affairs exists in Rhodesia, but it is also true that there are other nations in the world which deny certain of their citizens basic human rights to a greater or lesser extent: for example, the Soviet Union, the Peoples Republic of China, South Korea, Chile, and India, and not the least of which should be mentioned is Uganda. Who in this body can stand to look at the horrors and atrocities of minority rule in Uganda and the slaughter of innocent persons simply because they are not of the same faith as the ruling party in that country?

However, the United States has not seen fit to prohibit economic relations with nations other than Rhodesia when we disagree with their treatment of their citizens. Why then do we single out Rhodesia? Why do we import copper from Chile? Why do we import coffee from Uganda?

My amendment is very similar to the one offered by the gentleman from Maryland (Mr. BAUMAN) with one exception. His amendment made it mandatory. My amendment gives the flexibility of discretion, discretion such as was suggested by the gentleman from New York (Mr. SOLARZ) as being necessary.

I also must say if we were voting in favor of the repeal of the Byrd amendment simply because the United Nations has asked us to, I could not agree. I would have to oppose it because, as our former Ambassador to the United Nations and now our colleague in the other body has pointed out, the United Nations has indeed become a theater of the absurd, and we must not let our foreign policy be dictated by the United Nations. We must formulate our own foreign policy consonant with our own national interest.

Accordingly, I offer the amendment which lets us speak up forthrightly on the issue of human rights and lets us make our own foreign policy rather than require us to acquiesce to the demands of the United Nations and lets us stand up for the principles we agree on as being fundamental rather than single out one nation as being the malefactor in the world when we know other nations of the world are equally if not more guilty of depriving their citizens of human rights.

The CHAIRMAN. Does the gentleman from Minnesota insist on his point of order?

Mr. FRASER. Mr. Chairman, I make the point of order the amendment is not germane.

The CHAIRMAN (Mr. SMITH of Iowa). The Chair is prepared to rule.

The bill deals only with United Nations sanctions against importation of chrome, while the amendment offered by the gentleman from Georgia deals with embargoes and other economic sanctions on any material or commercial transaction. Also, the bill deals only with sanctions against Rhodesia, both in the title and in the body of the bill. The amendment offered by the gentleman from Georgia permits U.S. rather than U.N. sanctions to be imposed on products or communications from any foreign country. It is the opinion of the Chair that the amendment is not germane, and the Chair sustains the point of order.

There being no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 1746) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome, pursuant to House Resolution 397, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DERWINSKI. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DERWINSKI moves to recommit the bill, H.R. 1746, to the Committee on International Relations with instructions to report the same back forthwith with the following amendment:

Immediately after section 2, add the following new section:

"SEC. 3. On the first day of the first calendar quarter beginning after the date of enactment of this Act, and on the first day of each quarter thereafter, the President shall report to Congress the degree of compliance with the United Nations' sanctions against Southern Rhodesia by all other members of the United Nations."

Mr. DERWINSKI. Mr. Speaker, one of the issues that has arisen again and again in the debate this afternoon and a year ago when this bill was on the floor was whether or not the United States being in compliance, except for the Byrd amendment, was in a better or worse moral and legal position than the countries who give lip service to the U.N. sanctions, but are known to violate them. All this motion to recommit provides is that the President shall give a quarterly report to the Congress on the compliance of member nations with the U.N. sanctions.

Now, there are no teeth in it. There is no action other than that requested of the President. There is no action requested of the Congress. All we would do is to place in the RECORD quarterly the compliance or lack of it by other countries with the U.N. sanctions. I would think this consistent with the intention of Members of this House that the U.N. sanctions be observed. This quarterly report would provide information so that those who consistently violate the sanctions are publicly and properly reported.

Mr. Speaker, I believe it is a constructive suggestion. It does not in any way interfere with the basic goal of the bill before us. I believe it is worthy of support as a motion to recommit.

Mr. FRASER. Mr. Speaker, I rise in opposition to the motion to recommit with instructions. The instructions which the gentleman proposes would put on the President the responsibility of getting information which is not, frankly, available to him. There is a United Nations sanctions committee with which the gentleman is familiar which seeks to determine what nations are in compliance and which are not in compliance; but despite their best efforts they have not been able to get the information we ought to have. There is no way that the President, without doubling the budget of the Central Intelligence Agency, is going to be able to get this information, since countries will not openly admit to these violations and we will have to engage in a massive international investigation to try to elicit facts which are not normally available to us from any of the countries involved; so it is not a workable provision. I think it would be misleading to put it in the legislation.

I, therefore, oppose the motion to recommit with instructions.

Mr. WHALEN. Mr. Speaker, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Ohio.

Mr. WHALEN. Mr. Speaker, is the gentleman familiar with any official policy of violation by any other governments than the United States?

Mr. FRASER. Mr. Speaker, I think only South Africa officially admits it. I am not even sure they officially admit it.

Mr. WHALEN. Mr. Speaker, if the gentleman will yield further, the issue all along has been the official policy of the Government of our country to permit violations of the United Nations Security Council resolution. Now, if this amendment were adopted in the form of a recommital motion, it would mean we would require the President, as I understand it, to try to ferret out information regarding every illicit private transaction in violations of U.N. sanctions; is that correct?

Mr. FRASER. Yes; not only violations by United States companies, but every single entity around the world.

Mr. WHALEN. That is what I mean, by South Africa or any other country.

Mr. FRASER. I agree with the gentleman. I think it is an unworkable version. It would not function.

Mr. WHALEN. I think it would be imposing an impossible task on the President and I, too, oppose the recommital motion.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DERWINSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 250, nays 146, answered "present" 1, not voting 35, as follows:

[Roll No. 70]

YEAS—250

Addabbo	Ford, Mich.	Murphy, N.Y.
Akaka	Ford, Tenn.	Murphy, Pa.
Alexander	Forsythe	Myers, Michael
Allen	Fraser	Natcher
Ambro	Frenzel	Nedzi
Ammerman	Fuqua	Nix
Anderson, Calif.	Gammage	Nolan
Anderson, Ill.	Gaydos	Nowak
Andrews, N.C.	Giaimo	Oakar
Annunzio	Gibbons	Oberstar
Applegate	Gilman	Obey
Ashley	Glickman	Ottinger
Aspin	Gore	Panetta
Badillo	Gradison	Patten
Baldus	Gudger	Pattison
Baucus	Hamilton	Pease
Beard, R.I.	Hanley	Pepper
Bedell	Hannaford	Perkins
Bellenson	Harkin	Pickle
Benjamin	Harrington	Pike
Biaggi	Hawkins	Preyer
Bingham	Heckler	Price
Blanchard	Hefner	Pritchard
Blouin	Heftel	Quie
Boggs	Hillis	Railsback
Boland	Hollenbeck	Rangel
Bolling	Holtzman	Rinaldo
Bonior	Horton	Risenhoover
Bonker	Howard	Rodino
Brademas	Hughes	Roe
Breckinridge	Ichord	Roncalio
Brodhead	Ireland	Rooney
Broomfield	Jacobs	Rose
Buchanan	Jeffords	Rosenthal
Burke, Calif.	Jenrette	Rostenkowski
Burke, Mass.	Johnson, Calif.	Roybal
Burlison, Mo.	Jones, Tenn.	Russo
Burton, John	Jordan	Ryan
Burton, Phillip	Kastenmeier	Sawyer
Caputo	Keys	Scheuer
Carney	Kildee	Schroeder
Carr	Koch	Seiberling
Cavanaugh	Kostmayer	Sharp
Chisholm	Krebs	Sisk
Cohen	Krueger	Skelton
Conable	Le Fante	Smith, Iowa
Conte	Leach	Solarz
Conyers	Lederer	Spellman
Corman	Leggett	St Germain
Cornell	Lehman	Staggers
Cornwell	Levitas	Stanton
Cotter	Lloyd, Calif.	Stark
Coughlin	Long, La.	Steers
D'Amours	Long, Md.	Steiger
Danielson	Luken	Stockman
Delaney	Lundine	Stokes
Dellums	McClory	Studds
Dent	McCloskey	Thompson
Dicks	McCormack	Traxler
Diggs	McDade	Tsongas
Dingell	McFall	Tucker
Dodd	McHugh	Udall
Downey	McKay	Ullman
Drinan	McKinney	Van Deerlin
Duncan, Oreg.	Maguire	Vento
Early	Markey	Volkmer
Eckhardt	Marks	Walgren
Edgar	Mattox	Waxman
Edwards, Calif.	Mazzoli	Weaver
Eilberg	Meeds	Weiss
Emery	Metcalfe	Whalen
Erlenborn	Meyner	Whitley
Ertel	Mikulski	Wilson, Tex.
Evans, Colo.	Mikva	Winn
Evans, Del.	Miller, Calif.	Wirth
Fary	Mineta	Wolff
Fascell	Minish	Wright
Fenwick	Mitchell, Md.	Yates
Fish	Moakley	Yatron
Fisher	Moffett	Young, Mo.
Fithian	Mollohan	Young, Tex.
Flood	Moorhead, Pa.	Zablocki
Foley	Moss	Zeferetti
	Murphy, Ill.	

NAYS—146

Abdnor	Flynt	Myers, Ind.
Andrews, N. Dak.	Fountain	O'Brien
Archer	Gephardt	Pettis
Armstrong	Ginn	Poage
Ashbrook	Grassley	Pressler
Badham	Hagedorn	Quayle
Bafalis	Hall	Quillen
Barnard	Hammerschmidt	Regula
Bauman	Hansen	Rhodes
Bennett	Harris	Roberts
Bevill	Harsha	Robinson
Bowen	Hightower	Rogers
Breaux	Holt	Rousselot
Brinkley	Hubbard	Rudd
Brooks	Huckaby	Runnels
Brown, Mich.	Hyde	Sarasin
Brown, Ohio	Jenkins	Satterfield
Broyhill	Johnson, Colo.	Schulze
Burgener	Jones, Okla.	Sebelius
Burke, Fla.	Kasten	Shipley
Burleson, Tex.	Kazen	Shuster
Butler	Kelly	Sikes
Byron	Kemp	Skubitz
Carter	Ketchum	Slack
Cederberg	Kindness	Smith, Nebr.
Clausen, Don H.	Lagomarsino	Snyder
Clawson, Del	Latta	Spence
Cleveland	Lent	Stangeland
Cochran	Lloyd, Tenn.	Steed
Coleman	Lott	Stratton
Collins, Tex.	Lujan	Symms
Corcoran	McDonald	Taylor
Crane	Madigan	Thone
Daniel, Dan	Mahon	Thornton
Daniel, R. W.	Mann	Treen
Davis	Marlenee	Trible
de la Garza	Marriott	Waggonner
Derrick	Martin	Walker
Derwinski	Mathis	Walsh
Devine	Michel	Wampler
Dornan	Milford	Watkins
Duncan, Tenn.	Miller, Ohio	White
Edwards, Ala.	Mitchell, N.Y.	Whitehurst
Edwards, Okla.	Moore	Whitten
English	Moorhead, Calif.	Wiggins
Evans, Ga.	Mottl	Wilson, Bob
Flippo	Murtha	Wydler
Flowers	Myers, Gary	Wylie
		Young, Alaska
		Young, Fla.

ANSWERED "PRESENT"—1

Santini

NOT VOTING—35

AuCoin	Gonzalez	Rahall
Beard, Tenn.	Goodling	Reuss
Brown, Calif.	Guyer	Richmond
Chappell	Holland	Ruppe
Clay	Jones, N.C.	Simon
Collins, Ill.	LaFalce	Stump
Dickinson	McEwen	Teague
Evans, Ind.	Montgomery	Tonry
Findley	Neal	Vander Jagt
Florio	Nichols	Vanik
Frey	Patterson	Wilson, C. H.
Goldwater	Pursell	

The Clerk announced the following pairs:

On this vote:

Mr. Florio for, with Mr. Teague against.

Mr. Simon for, with Mr. Montgomery against.

Mr. Patterson of California for, with Mr. Rahall against.

Mr. Brown of California for, with Mr. Nichols against.

Mr. Vanik for, with Mr. Chappell against.

Mr. Clay for, with Mr. Stump against.

Until further notice:

Mr. Holland with Mr. AuCoin.

Mr. Richmond with Mr. Evans of Indiana.

Mr. Reuss with Mr. Gonzalez.

Mr. Tonry with Mr. Jones of North Carolina.

Mr. LaFalce with Mr. Neal.

Mr. Charles H. Wilson of California with Mr. Guyer.

Mrs. Collins of Illinois with Mr. Goodling.

Mr. Findley with Mr. Dickinson.

Mr. Ruppe with Mr. Beard of Tennessee.

Mr. Goldwater with Mr. McEwen.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRASER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

COMMUNICATION FROM SERGEANT AT ARMS—SUBPENA TO TESTIFY BEFORE GRAND JURY

The SPEAKER laid before the House the following communication from the Sergeant at Arms:

OFFICE OF THE SERGEANT ARMS,
Washington, D.C., March 14, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On January 31, 1977 I was served with the attached subpoena duces tecum commanding me to appear in the United States District Court for the Eastern District of Missouri and to bring with me copies of the records attached thereto. Subsequently, on February 18, 1977, the Court issued an order finding that the documents called for in the subpoena are material and relevant to the grand jury's investigation.

Pursuant to the provisions of House Resolution 10, I am hereby transmitting said subpoena and order, and the matter is presented for your consideration.

Sincerely,

KENNETH R. HARDING,
Sergeant-at-Arms, U.S. House of Representatives.

The SPEAKER. Pursuant to the provision of House Resolution 10, the subpena and order will be printed in the RECORD at this point.

The subpena and order follow:

[U.S. District Court, Eastern District of Missouri, Eastern District]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

To: KENNETH R. HARDING, *Sergeant at Arms, U.S. House of Representatives, Washington, D.C.*

You are hereby commanded to appear in the United States District Court for the Eastern District of Missouri at Room 427, U.S. Court and Customs House, 1114 Market Street, in the City of St. Louis on the 3rd day of March, 1977, at 10:00 A.M., to testify before the Grand Jury and bring with you the following records of William L. Clay and/or Carol A. Clay, 633 Whitingham Drive, Silver Spring, Maryland:

(See attached list.)

This subpoena is issued on application of the United States.

Dated this 31st day of January, 1977.

[U.S. District Court, Eastern District of Missouri]

IN RE GRAND JURY SUBPOENA

ORDER

Application having been made to the Court by the United States of America pursuant to House Resolution No. 10, 95th Congress, for a determination of the relevancy and materiality to the Grand Jury's investigation of the relevancy and materiality to the Grand Jury's

investigation of certain documents subpoenaed by the Grand Jury and having considered the facts set forth in the application and having reviewed the Grand Jury subpoena, it is hereby

Determined that the documents called for in the subpoena to Kenneth R. Harding, Sergeant at Arms, House of Representatives are material and relevant to the Grand Jury's investigation of possible violations of 26 U.S.C. §§ 7201 and 7206(1) by William L. Clay.

Furthermore, the Court requests the House of Representatives to make certified copies of said documents available at a place under the order and control of the House of Representatives to a duly authorized Special Agent of the Internal Revenue Service who will take custody of said certified copies on behalf of the Grand Jury.

LEGISLATION TO DENY COST-OF-LIVING INCREASE TO MEMBERS OF CONGRESS, JUDICIARY, AND TOP LEVEL EMPLOYEES OF EXECUTIVE BRANCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 5 minutes.

Mr. SARASIN. Mr. Speaker, I am today introducing a bill to deny the cost-of-living increase which the Members of Congress, Judiciary, and top level employees of the executive branch would have received this October under the provision of H.R. 2559, which was passed by the House of Representatives in August of 1975 without my support.

Mr. Speaker, I believe that it is absolutely necessary for the Congress of the United States to improve its image in the eyes of the people we represent. We cannot do this if the public finds us increasing our salary twice in 1 year, with the second raise based on the very inflation that is caused by the huge Federal deficits approved by the majority of this House. As stated in the report of the Commission on Executive, Legislative, and Judicial Salaries:

> Among the public's frustrations we know of, none ranks higher than inflation. And we know of no problem which the public is more likely to blame on government spending and therefore the Congress and Executive branch. The idea that Congress would be willing to support the notion that the rest of the country suffers the ravages of inflation, but that its Members have a kind of inflation insurance, protected from the very disease that it is believed to have created is *not* one whose time has come.

Without discussing the merits or problems caused by the salary increase which went into effect on February 20, 1977, I feel it is critically important that we not allow the comparability salary adjustment—better known as the cost-of-living adjustment—to take place this year. I think that the cost-of-living and other factors that would ordinarily be taken into account in that respect were fully considered in the recommendations of the Commission on Executive, Legislative, and Judicial Salaries which was accepted by the Congress.

The recent pay increases, after 8 years, were reasonable and adequate. The House coupled the increase with a sound and reasonable code of ethics. I see no reason to provide a second pay increase in the same calendar year. Future cost of living increases can be considered in the context of the economic conditions prevailing at that time.

Mr. Speaker, I have also added my support to legislation which would deny Members of Congress any future increases in salary during their current term. I feel that any and all salary increases should be effective at the inception of the following Congress. In this way, any potential image of the Congress sitting around thinking up new ways to increase their salaries, enhance their perquisites, and generally improve their financial status at the public's expense can be dismissed.

Mr. Speaker, I seek your support for these measures and your assistance in enhancing the potential for early passage. The tarnished image of the Congress cannot be ignored much longer. We must act responsibly if we are to earn the respect of our constituencies.

AGRICULTURAL ENERGY CONSERVATION

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Kansas (Mr. SEBELIUS) is recognized for 10 minutes.

Mr. SEBELIUS. Mr. Speaker, in late January of 1976, the Federal Energy Administration—FEA—formally entered into a cooperative agreement with the States of Kansas and Nebraska for an 18-month, $300,000 pilot project to develop a model voluntary Statewide energy conservation program for on-farm production agriculture. The technical structure of the program has been jointly designed by the Agricultural Engineering Departments at Kansas State University and the University of Nebraska in coordination with their respective State Cooperative Extension Services and Agricultural Experiment Stations, under the purview of their respective Governors.

FEA has estimated that the equivalent of about 100,000 barrels of oil per day could be saved by 1985 through voluntary energy conservation programs on the more than 2½ million U.S. farms. These savings could be made through the establishment of more efficient energy management practices in many farming operations. Consequently this pilot project was established to determine where energy inefficiencies presently exist, develop a suitable program of corrective measures, and establish a workable delivery system for these practices. The major goal was to design and implement a program that would decrease energy inputs per unit of crop production.

This program is presently more than half way through the original contract period. More than 200 cooperating farmers have been selected to participate in the ongoing pilot program. They are presently keeping detailed records of their fuel usage for agricultural operations. To varying degress, these farmers have also actually implemented a number of low cost, low risk, energy conservation practices on their farms. Further program implementation has been achieved through utilization of existing institutional networks such as the Cooperative Extension Service, 4-H, FFA, farm groups, and FEA Region VII.

While project members have found that there is no panacea for reducing agricultural energy consumption, there are a number of small, technically sound practices available using existing technology that can produce a worthwhile energy reduction while maintaining or increasing curent productivity. Most require very little or no capital investment. These include energy efficient practices for both farm and agricultural industry participation in field operations, irrigation, crop drying, transportation, fertilizers and pesticides, and on-farm transportation.

Statewide implementation of the agricultural energy conservation program in Kansas could minimally attain a 10- to 12-percent savings in fuel that would be the equivalent to the income from a 5 to 7 million bushel wheat crop; that is, $11 to $15 million to the Kansas agricultural community. A similar program in Nebraska would equate to an additional 7 to 8 million bushels of corn income—$14 to $21 million—for the Nebraska agricultural community.

Implementing the Kansas-Nebraska agricultural enegry conservation program nationwide would reduce fuel waste in agriculture and still maintain the agricultural production so vital to this Nation's standard of living and international balance of payments.

By 1980, it would result in a realistic savings of almost 441,000 barrels of crude oil per year in a typical agricultural State. The economic value of this 441,000 barrels would be more than $11 million based on current agricultural fuel costs. Implementing this program in 17 agricultural States would yield a projected savings of 1,627,124 barrels per year.

Estimated cost for Statewide implementation of this type program through the end of 1980, including a 5 percent rate of inflation, would be approximately $619,000. Calculation of the cost-benefit ratio yields a payoff of almost 20 to 1. In other words, for every 5 cents invested in this type of energy conservation program $1 in fuel savings will result.

This program is demonstrating that, with a relatively low level of funding, to two agricultural States, an energy conservation program for on-farm production agriculture can be formulated to successfully utilize existing institutional mechanisms and resources to achieve widespread coverage, participation and results. I urge the Appropriations Committee Interior Subcommittee to continue funding this essential project and expand it to additional States as well.

On February 3, a briefing on the progress of the FEA-sponsored Kansas-Nebraska Energy Conservation Program was held here in Washington, D.C. Following are excerpts from the reports:

AGRICULTURAL ENERGY CONSERVATION GOALS

The major goal of this project has been to test and prove (or disprove) four hypotheses: (1) energy conservation on the farm can be both practical and profitable. From the farmer's standpoint, a reduction in fuel consumption can be translated directly into a means of saving money; (2) a model conservation program can be designed and effectively implemented through existing insti-

tutional neworks, many of which originate with the office of the Governor. Since this program is entirely directed toward agriculture, it would be extremely counterproductive to by-pass such workable institutions as the Land Grant Universities and the Cooperative Extension Service in favor of an entirely new organization; (3) significant energy savings on State-wide basis will result. Since there are many known energy inefficiencies in modern agriculture, a program which is wholly directed towards correcting these inefficiencies should be able to realize a substantial energy savings if properly designed and implemented. Based on the presently available technology, a savings of approximately 15 to 20 per cent seems quite feasible; (4) based on the previous statements, it follows that a similar program, when implemented on a national basis, could substantially reduce the energy demands of agriculture, without affecting the present levels of production.

BARRIERS

The barriers to establishing an agricultural energy conservation program are similar to those existing in the establishment of any conservation program. There are also a number of barriers which are somewhat unique to a voluntary, agriculturally oriented energy conservation program. These include (1) an overall resistance to any changes. Farmers are often associated with being quite staunch supporters of the status quo. However, when one considers just how much is at stake for the farmer, the reasons behind this position are more apparent. There also tends to be a good deal of resistance on the farmer's part toward any program that is directly associated with the government; (2) in the past, there has been very little economic incentive for energy conservation. We have lived in an age of very cheap energy supplies. For example, as recently as 1975, a Kansas farmer's fuel costs comprised only about 7 percent of his overall expenses. However, this is rapidly changing. Two years ago, the price of natural gas (which is widely used for irrigation) was $0.18 per 1,000 cubic feet (MCF). This has since risen to $1.48 per MCF, wtih further increases expected; (3) there is a general lack of awareness of energy problems. Many farmers as well as a large percentage of the general public do not realize, or fail to believe, that energy supplies are limited. When shortages do occur, the blame is often placed on the oil companies, rather than the lack of understanding of many conservation practices, especially the ones that have only recently been developed. Even if there is a desire to obtain more information relating to a given practice, there is often a lack of awareness of where this information can be obtained.

This last barrier is where the most progress can be made. Much information relating to conservation practices is currently in print and further research is being done. An awareness of this information needs to be developed, but it is only a first step. Once the farmer knows where his energy is consumed and how much it costs him, he must then be provided with the information he needs to apply suitable conservation measures and techniques.

COMPLETE CONSERVATION PROGRAM REQUIRES 3 TO 5 YEARS

The implementation of a voluntary conservation program must stress energy efficiency or energy management rather than conservation; promote only practices that are economically feasible; utilize personnel that are in close contact with agriculture; gain cooperation of production agriculture related industries; and utilize a wide range of educational methods.

Experience indicates that from three to five years will be needed to implement a full scale conservation program complete with energy savings. As a result of the time needed to develop the program and establish staff credibility within the State, the most significant portion of these savings occurs toward the end of the program.

Behavioral change in production techniques, even in the presence of strong economic incentives, is usually a slow process in the agricultural community, but it can be accelerated.

The more obvious energy conservation practices will be implemented first as farmers become aware of the savings potentials: upgrading of irrigation pump and engine efficiencies; improved water management techniques; the use of dual tires and weights; reduced tillage; more attention to machinery maintenance, cutter sharpness, et cetera; low temperatures grain drying; demands for pickup trucks averaging more than a few miles per gallon; and better interpretation of soil analysis results, and more.

If each farmer persuaded in one year could persuade just one or two of his neighbors the next, the effect of an initial education program in these early years would be considerable by 1985 in terms of both energy savings and dollars retained annually by farmers.

Using figures developed for FEA by the USDA Economic Research Service, these energy savings are possible:

Field machinery, 20 percent of 390 trillion btu=78 trillion btu.

Transportation, 20 percent of 320 trillion btu=64 trillion btu.

Irrigation, 25 percent of 260 trillion btu=65 trillion btu.

Livestock, 15 percent of 160 trillion btu=23 trillion btu.

Crop drying, 20 percent of 110 trillion btu=22 trillion btu.

Fertilizer, 15 percent of 620 trillion btu=93 trillion btu.

Miscellaneous, 10 percent of 150 trillion btu=15 trillion btu.

Total, 18 percent of 2010 trillion btu=360 trillion btu.

This equates to about 170,000 barrels per day, a savings at today's energy prices of more than $1 billion in production costs.

SYNTHETIC FUELS DEMONSTRATION PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. EMERY) is recognized for 5 minutes.

Mr. EMERY. Mr. Speaker, today I am introducing legislation which will effectively demonstrate the practical application for synthetic fuels in our economy. Entitled "The Synthetic Fuels Demonstration Act of 1977," this bill consists of two separate and distinct programs: The first introduces synthetic fuels into daily use in a controlled fleet environment. The second part encourages extensive experimentation with synthetic fuels in high performance peak turbine electric generators.

PART I—MOTOR VEHICLE DEMONSTRATION PROJECT

This program is administered by ERDA in cooperation with the selected agency in which the program is to be conducted. The ERDA Administrator first selects a synthetic fuel to be used, based on blending qualities with gasoline, compatibility to vehicles, availability, and cost. Also, the synthetic fuel must be produced domestically.

Concurrent with the selection of the fuel is the selection of a demonstration agency for the program, based on the agency's facilities for testing and evaluating the effectiveness of the synthetic fuel-gasoline blend. The other criteria requires that the agency under consideration be a large purchaser of motor vehicles and also have common fueling and maintenance facilities.

A demonstration plan is also established under the auspices of the ERDA Administrator, which includes consideration of a variety of motor vehicles to be used in the program, the necessity for modifications, and the system for data collection and evaluation.

The demonstration program runs for 3 years with annual interim reports and a final evaluation being submitted to Congress.

The authorization for the entire program is $15 million.

PART II—ELECTRICAL GENERATION SYNTHETIC FUEL DEMONSTRATION PROJECT

This program is basically designed to demonstrate the feasibility of synthetic fuel substitution for fossil fuel distillates in peak-power turbines.

Under this program, interested utilities submit plans for implementation of synthetic fuels in their turbines to the Energy Research and Development Administration. If accepted, the difference between the cost of the synthetic fuel and the cost of the conventional fuel is paid to the utilities.

Authorized for appropriation for the entire 4-year duration of the program is $6 million. Reports are also annually submitted to Congress with a final evaluation due at the end of fiscal year 1981.

Mr. Speaker, technologies for making and using alcohol fuels are known and solutions to operating problems are solvable by new engineering technologies. Research in modification of engines and fuels, fuel distribution, performance data, and fuel composition is being conducted at universities and research centers around the country.

This bill will provide a fleet test in cars and electric turbines. Users will then have assurance that they can operate as expected without unknown problems and that the fuel is reliable under user conditions.

The natural gas crisis of this winter should be a strong reminder to us that we must proceed with all possible speed in our development of renewable, clean synthetic fuels. A demonstration program, of the nature I am proposing, will hasten the commercialization of gasoline blends and begin to reduce our dependence on high-priced foreign petroleum products.

LEGISLATION MANDATING AGENCY COMPLIANCE WITH CONGRESSIONAL INTENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DEL CLAWSON) is recognized for 5 minutes.

Mr. DEL CLAWSON. Mr. Speaker, after Congress approves legislation any boomerang effect on a large segment of the population manifests itself early in the agency implementation of the law. Opposition organizes and calls are mounted for corrective legislation. On the other hand, it has been observed that "Many a boomerang does not return but chooses freedom instead." It is the free-wheeling legislative-regulatory boomerangs which were the target of legislation which I introduced with broad bipartisan cosponsorship in the last Congress. We refer to the increasing tendency of bureaucrats in the executive agencies to issue rules or regulations contrary to congressional intent or which go beyond the original intent of the law and which frequently are, in effect, new legislation. The fact that the regulations are formulated in arcane bureaucratic reaches far from the Halls of Congress and outside the process by which the people hold duly elected Representatives responsible for legislative acts is at the foundation of our concern.

Individuals—and small businesses—adversely affected often cannot afford to take to the courts for recourse, and these same courts are increasingly clogged by litigation. Meanwhile, the distinction between rules and regulations and new law is increasingly in doubt.

In keeping with our pledge at the close of the last Congress, I am again introducing a bill to provide an orderly method for congressional review and disapproval of those rules and regulations which may be contrary to law or inconsistent with congressional intent. The bill builds on the recommendations of the House Judiciary Committee following hearings on our bill in the last Congress. It is intended as an oversight tool; not a replacement for effective committee oversight. It is hoped that both the Rules and Judiciary Committees will take early opportunities to act on this legislation so that Congress may regain those constitutional legislative functions which have been usurped by some members of the bureaucracy.

IN SUPPORT OF THE HAWAIIAN NATIVES AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. AKAKA) is recognized for 5 minutes.

Mr. AKAKA. Mr. Speaker, I am introducing today, with Congressman HEFTEL, four bills which seek to amend existing welfare and social laws to include Native Hawaiian people under the heading of native Americans. By correcting the definition of native Americans in key statutes the Native Hawaiians will now have the opportunity to receive vital Federal assistance now available to American Indians and other native groups. I believe you will agree that Native Hawaiians are native Americans. The Hawaiian people face many problems in the land now called Hawaii. They face hardships similar to our brothers and sisters of the Indian nations. As a nation, we were self-governing prior to our discovery, and we, like the Indian nation and the Eskimos, are now a part of the United States.

The Congress has been kind in passing key legislation which has assisted the Indians and Eskimos in maintaining their identity and self-respect. Sadly, however, the definition of Hawaiians as native Americans was not mandated at the time of the drafting of these important laws.

I am asking you, my distinguished colleagues to right an inequity in current statutes, assuring the Hawaiian Natives the rights and privileges currently enjoyed by other native Americans.

The Native Hawaiian of today faces a great problem in adjusting to a society that is alien to his native beliefs. He faces the trauma of identity in a world not his own; he searches for his home in his own homeland; he asks for assistance from the Federal Government in recognizing him as a native American so that he, too, can be proud of his heritage and be recognized for what he is—a native American.

The measures that I am introducing will rectify some of these inequities. The first of the measures that I am introducing would include Native Hawaiians for eligibility for aid under the manpower programs of section 302 of the 1973 Comprehensive Employment and Training Act—CETA—which was designed to assist the creation of job training educational and employment programs for unemployed and economically disadvantaged native Americans. I am sure you will agree that this is a reasonable request.

The second measure proposed is entitled the Hawaiian Native Educational Assistance Act of 1977. This measure would amend section 810 of the Elementary and Secondary Education Act of 1965 to include Native Hawaiians with American Indians now covered by the act.

The third measure would extend provisions of the Indian Self-Determination and Education Assistance Act to Native Hawaiians. The fourth would extend to Native Hawaiians provisions of the Indian Financing Act of 1974.

I hope that these measures will meet with the approval of the appropriate House Committees, the full Houses of Congress, and the President. The Native Hawaiians are looking to you for assistance. I feel that these measures will correct some of the inequities. Mr. Speaker, I include in the RECORD the text of each of the four bills that I have introduced this day:

S. 860

A bill to extend the provisions of the Indian Financing Act of 1974 to Native Hawaiians

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(b) of the Indian Financing Act of 1974 is amended by inserting immediately before the period at the end thereof the following: "and any Native Hawaiian as defined in subsection (h) of this section".

(b) Section 3(c) of such Act is amended by inserting immediately before the period at the end thereof a comma and the following: "and further includes any corporation or other legal entity organized by Native Hawaiians as defined in subsection (h) of this section".

(c) Section 3(d) of such Act is amended by inserting immediately before the period at the end thereof a comma and the following: "and further includes lands held by incorporated Native Hawaiian groups".

(d) Section 3 of such Act is amended by adding at the end thereof the following new subsection:

"(h) 'Native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

S. 859

A bill to extend the provisions of the Indian Self-Determination and Education Assistance Act to Native Hawaiians

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4(a) of the Indian Self-Determination and Education Assistance Act is amended by inserting immediately before the semicolon at the end thereof a comma and the following: "or any Native Hawaiian as defined in clause (e) of this section".

(b) Section 4(b) of such Act is amended by inserting immediately before the semicolon at the end thereof a comma and the following: "and further includes any corporation or other legal entity organized by Native Hawaiians as defined in clause (e) of this section".

(c) Section 4 of such Act is amended by inserting immediately after clause (d) thereof the following new clause:

"(e) 'Native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

S. 858

A bill to amend the Comprehensive Employment and Training Act of 1973 to provide manpower programs for Native Hawaiians

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Native Hawaiian Manpower Act of 1977".

SEC. 2. (a) Section 302(a) of the Comprehensive Employment and Training Act of 1973 is amended—

(1) by striking out the word "and" the second time it appears; in clause (1) of such section and inserting in lieu thereof a comma, and

(2) by inserting after "native" in such clause (1) the following: "and Hawaiian native".

(b) Section 302(b) of such Act is amended—

(1) by striking out "and" the fifth time it appears in clause (2) of such section, and

(2) by inserting before the semicolon at the end of such clause a comma and the following: "and Native Hawaiians in Hawaii".

(c) The first sentence in section 302(c) of such Act is amended by inserting before the period a comma and the following: "and such public and nonprofit private agencies as he determines will best serve Native Hawaiians".

(d) Section 302(g) of such Act is amended by striking out "4 percent" and inserting in lieu thereof "5 percent".

(e) The heading of such section 302 is amended to read as follows:

"INDIAN AND NATIVE HAWAIIAN MANPOWER PROGRAMS".

SEC. 3. Section 601(a) of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following:

"(14) 'Native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

S. 857

A bill to amend the Indian Education Act and certain other related education assistance programs to provide Federal financial assistance to Hawaiian Natives, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Hawaiian Native Educational Assistance Act of 1977".

SEC. 2. (a) Section 810 of the Elementary and Secondary Education Act of 1965 is amended by striking out "Indian children" each time the words appear therein and inserting in lieu thereof "Indian and Native Hawaiian children".

(b) Section 810 of such Act is further amended by redesignating subsection (g) of such section, and all references thereto, as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) As used in this Act 'Native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

(c) The heading of such section 810 is amended by striking out "INDIAN" and inserting in lieu there: "INDIAN AND NATIVE HAWAIIAN".

SEC. 3. (a) (1) Section 302(a) of the Indian Elementary and Secondary School Assistance Act is amended by striking out "Indian students" and inserting in lieu thereof "Indian and Native Hawaiian students".

(2) The Indian Elementary and Secondary School Assistance Act is amended by striking out "Indian children" wherever it appears in such Act, except in the second sentence of section 303(a)(2)(B), and inserting in lieu thereof "Indian and Native Hawaiian children".

(b) The Indian Elementary and Secondary School Assistance Act is amended by adding at the end thereof the following new section:

"NATIVE HAWAIIAN DEFINED

"SEC. 308. As used in this Act, the term 'Native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

(c) Section 301 of the Indian Elementary and Secondary School Assistance Act is amended to read as follows:

"SHORT TITLE

"SEC. 301. This title may be cited as the 'Indian and Native Hawaiian Elementary and Secondary School Assistance Act'.".

SEC. 4. (a) (1) Section 422(a) of the Indian Education Act is amended by striking out "Indian organizations" each time the words appear in such section and inserting in lieu thereof "Indian and Native Hawaiian organizations".

(2) Such section 422(a) is further amended by striking out "Indian children" and inserting in lieu thereof "Indian and Native Hawaiian children".

(3) Such section 422(a) is further amended by striking out "Indians" and inserting in lieu thereof "Indians and Native Hawaiians".

(b) Section 423(a) of such Act is amended by striking out "Indian students" and inserting in lieu thereof "Indian and Native Hawaiian students".

(c)(1) The first sentence of section 412(a) of such Act is amended by striking out "Indian Education" and inserting in lieu thereof "Indian and Native Hawaiian Education", and by inserting after "Indians" a comma and the following: "native Hawaiians".

(2) The second sentence of section 442(a) is amended by inserting after "organizations," the following: "and by Native Hawaiian organizations".

(3) Section 442(b)(1) of such Act is amended by striking out "Indian children" and inserting in lieu thereof "Indian and Native Hawaiian children".

(4) Section 442(b)(3) of such Act is amended by striking out "Indian children" and inserting in lieu thereof "Indian and Native Hawaiian children".

(5) Section 442(b)(4) is amended by inserting after "organizations" a comma and the following: "and Native Hawaiian organizations", and by striking out "Indian children" and inserting in lieu thereof "Indian and Native Hawaiian children".

(6) Section 442(b)(6) of such Act is amended by striking out "Indian" and inserting in lieu thereof "Indian and Native Hawaiian".

(7) The heading of such section 442 is amended by striking out "INDIAN" and inserting in lieu thereof "INDIAN AND NATIVE HAWAIIAN".

(d)(1) Section 453 of such Act is amended by inserting "(a)" after the section designation and by inserting at the end thereof the following new subsection:

"(b) For the purpose of this title, the term 'Native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

(2) The heading of such section 453 is amended to read as follows: "DEFINITIONS".

SEC. 5. (a) (1) Section 314(a) of the Adult Education Act is amended in the matter preceding clause (1) by inserting after the word "organization" the following: "and to Native Hawaiian organizations".

(2) Such section 314(a) of such Act is furter amended by striking out the word "Indians" in the matter preceding clause (1) and in clause (1) and inserting in lieu thereof "Indians and Native Hawaiians".

(3) Section 314(a)(2) of such Act is amended by striking out "Indian" each time it appears and inserting in lieu thereof "Indian and Native Hawaiian".

(4) Section 314(a)(5) of such Act is amended by striking out "Indian" and inserting in lieu thereof "Indian and Native Hawaiian".

(5) Section 314(b) of such Act is amended by inserting in the matter preceding clause (1) after the word "organizations" the following: "and Native Hawaiian organization".

(6) Section 314(b) of such Act is further amended by striking out "Indian" each time it appears in clause (1) and clause (2) thereof and inserting in lieu thereof "Indian and Native Hawaiian".

(7) The last sentence of section 314(c) of such Act is amended by inserting before the period a comma and the following: "and Native Hawaiian organizations".

(b) Section 314 of the Adult Education Act is amended by redesignating subsection (d) and all references thereto, as subsection (e) and by inserting immediately after subsection (c) the following new subsection:

"(4) For the purpose of this section, the term 'Native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

(c) The heading of section 314 of such Act is amended by striking out "INDIANS" and inserting in lieu thereof "INDIANS AND NATIVE HAWAIIANS".

VETERANS JUDICIAL REVIEW ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, because of interest in H.R. 200, the Veterans Judicial Review Act, I am today reintroducing that bill, along with the following 28 cosponsors: Mr. BADILLO, Mr. BLANCHARD, Mr. BRODHEAD, Mr. BROWN of California, Mr. PHILLIP BURTON, Mr. CARNEY, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Oklahoma, Mr. EILBERG, Mr. FAUNTROY, Mrs. FENWICK, Mr. GLICKMAN, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. LAGOMARSINO, Mr. MATHIS, Mr. MURPHY of Pennsylvania, Mr. NIX, Mr. OTTINGER, Mr. RICHMOND, Mr. ROYBAL, Mr. RYAN, Mr. ST GERMAIN, Mrs. SPELLMAN, Mr. VENTO, and Mr. WEISS.

This bill would amend title 38, United States Code, to provide for judicial review of VA decisions, rules, and regulations pursuant to title 5, United States Code to make it conform to the Administrative Procedures Act. It would also repeal section 3404(c), title 38, United States Code, to remove the present limitation of $10 which veterans are allowed to spend on attorney's fees when appealing a case before the Veterans' Administration.

The VA, the third largest Government agency, is the only agency whose decisions about such matters as benefit levels and eligibility are exempted from review by the Federal courts. Congress has created the Board of Veterans Appeals, a special review process for administrative actions taken by the VA. It is somewhat unique in that other agencies do not have an appellate review board, although most agencies have appeals processes which end with the Administrator or at the Commission level.

However, the VA internal review process, conducted solely by VA employees even at the Board of Veterans Appeals level, is the only check on the fair and proper application of statutory programs enacted by the Congress. Without judicial review, the VA is free to issue regulations and make rulings which may differ significantly from the intent of the laws it is responsible for administering.

I am certain many Members of Congress are familiar with individual veterans' cases in which the veteran's claim for disability or educational benefits was denied by the VA despite what seems to be an excellent case.

The frustration of having no means of appeal beyond the VA itself for such arbitrary or inconsistent rulings is intolerable. I am confident that the Congress did not foresee what a stumbling block in the way of justice this immunity from judicial review would be, and the time has come to remove it.

I would like to commend my colleague, the Honorable TIMOTHY E. WIRTH, on his bill, H.R. 4395, the Veterans' Administration Judicial Review Act of 1977, which is identical to H.R. 200. I

understand that Mr. WIRTH will be reintroducing his bill on March 21 and I hope that those of you who did not cosponsor H.R. 200 will join Mr. WIRTH in cosponsoring H.R. 4395. We are looking forward to working together to correct the inconsistencies and inequities of the VA review process.

I am including at the end of my remarks an article from the May 20, 1976, edition of the national veterans newspaper, the Stars and Stripes, which makes a persuasive case for enactment of this legislation:

SHOULD THE VA REMAIN FREE FROM JUDICIAL REVIEW?

(By Guest Editor Dean K. Phillips, 101st Airborne Div. Vietnam Veteran, August 1976 Univ. of Denver Law Graduate, Member National Advisory Committee, Senate Veterans Affairs Committee)

An increasing number of Americans have viewed with concern what many have labeled a fourth branch of government, elected by no one, and increasing rapidly in power and responsibility—the federal administrative agencies.

These agencies were given life by the Congress which charges them with specific responsibilities through federal statutes. Some government agencies administer and adjudicate benefits applied for by its citizens such as the Social Security Administration.

When applications for Social Security benefits are denied, applicants then have a right to appeal the decision of that agency within the agency framework—in the later stages via a hearing on the record and the opportunity to cross examine. If the final agency decision is not in their favor, the citizens have the right to appeal it in a court of law—an outside review consistent with the basic "checks and balances" envisioned by the founding fathers.

However, unlike its sister agencies, one agency remains immune from outside judicial review of its adjudicative decisions—the Veterans Administration [VA], third largest government agency. Under Title 38, USC, Section 211[a], the decisions of the VA on any question of law or fact under all laws administered by the VA are ". . . final and conclusive and no other official or any court of the United States shall have power or jurisdiction to review any such decision . . ."

Since no judicial review is permitted, the VA writes rules and regulations which may differ significantly from the original statutes. One example is Public Law 93-508 which permits a student veteran who has exhausted his or her 36 months of educational assistance ". . . an additional number of months, not exceeding nine, as may be utilized in pursuit of a program of education leading to a standard undergraduate college degree".

However, under a subsequent VA regulation:

"The Veteran [who applies for the additional nine months] or in-service student must have been enrolled in a standard undergraduate college or first professional degree program at an institution of higher learning at the time that original [36 month] entitlement was exhausted."

Based upon this untestable [in Court] VA regulation, thousands of Vietnam Era Veterans [who were enrolled in educational programs other than those leading to a standard college degree when their 36 months were exhausted] have been deprived of their additional nine months of G.I. Bill educational assistance which the law on its face clearly does not deny them.

Not only does the VA write its own rules—which may or may not be consistent with Federal statutes but which are not subject to judicial review—but the VA also adjudicates claims for benefits and these decisions are also not subject to judicial review.

The individual veteran's application for benefits might be rejected at one of the 58 VA regional offices. If his appeal with that office is denied, the ultimate appeal would be with the Board of Veterans Appeals in Washington, D.C. which is comprised of 31 permanent members—all of whom are VA employees and under Title 38 "The Board shall be bound in its decisions by the regulations of the Veterans Administration, instructions of the Administrator, and the precedent opinions of the chief law officer".

Furthermore, under VA rules, "Hearings conducted by and for the Board are ex parte in nature and nonadversary, cross-examination by parties to the hearing will not be permitted". Clearly, Title 38, Section 211[a] appears to be a denial of due process of law under the Fifth Amendment to the Constitution, particularly since 73.6% of the VA budget is spent on "Benefit Programs".

Every veteran that has his or her initial claim for benefits denied at the regional office level should not go crashing directly into Federal Court. Veterans should be required to exhaust administrative remedies up through the Board of Veterans Appeals.

If the veteran was then not satisfied with the Board decision, he should have the right to file a civil action in Federal District Court, or file an action with a Court of Veterans Appeals which could be established independent of the VA, much like the Court of Military Appeals is independent of the military.

The VA should be also required to subject its proposed rules and regulations interpreting Federal statutes to outside review under the strict provisions of the Federal Administrative Procedure Act.

Hence, proposed rules inconsistent with Federal statutes could be effectively challenged by interested parties in hearings on the record where the VA would bear the burden of proof and thus resolved before they had the force of law. Presently, VA proposed regulations generally have the force of law 30 days after they are printed in the Federal Register.

VA spokesmen have stated, "The interest of the majority of the veteran population would not best be served by Court review. This is particularly true in the event of an individual decision becoming precedent and then being applied to the veteran population resulting in action not in the best interest of the veteran or claimant concerned". [Official VA response to the National Association of Concerned Veterans, March, 1975.]

Precedent, however, is a double-edged sword and could indeed serve the best interests of many veterans. For example, if the aforementioned nine month extension issue ever got to Court, there is a more than reasonable chance that the questionable VA regulations would be found more restrictive than the original statute and nullified. This would result in thousands of veterans finally becoming eligible for retroactive educational assistance that Congress had originally mandated when it passed Public Law 93-508 in December, 1974.

The knowledge that their decisions might ultimately be subject to outside judicial review would have a definite effect on those VA officials who write rules and regulations that are presently virtually unchallengeable. No less affected would be the adjudicative decisions of VA officials that deal with veterans on a day-to-day basis at the regional office level. No longer would VA adjudication officers be assured that their findings are subject to review only by fellow VA employees.

On the other hand, no longer would the Board of Veterans Appeals decisions, the overwhelming majority of which are just and legally sound, be vulnerable to the present criticism due a closed and endogamous system like any other in the myriad of Federal bureaucracy and certainly inconsistent with the basic principles of a representative democracy.

FEDERAL TANKER SAFETY ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

Mr. DODD. Mr. Speaker, today I am introducing a bill to be known as the Federal Tanker Safety Act of 1977, which addresses the growing national problem of pollution resulting from the unsafe operation of oil tankers off our shores.

During the first 9 months of 1976, over 200,000 tons of oil were spilled by oil tankers around the world. These figures do not include the rash of tankers accidents, including the *Argo Merchant*, which plagued our country during late 1976 and 1977. Clearly, inadequate oil tanker safety is a problem that not only causes the loss of a much-needed energy supply but it also pollutes our waters, destroys our fragile coastal environment, and threatens our already suffering fishing industry.

With this in mind, our goal is not to economically penalize the tanker industry or hinder the transport of this needed energy. Instead, our goal is to provide this energy in the safest possible, most efficient manner, which is what I believe my bill will help to do.

However, before I introduced legislation on this issue, I wanted to see and discuss oil tanker safety with the pilots and captains who guide these giant ships. Today, Mr. Speaker, in New Haven Harbor in Connecticut I took a tour of the tanker the *Gulf Oil* and discussed tanker safety with tanker captains who know the issue.

I found that while many tankers, especially those under American flags already contain most of the safety equipment that my legislation would mandate, there does exist 10 to 15 percent of the world tanker fleet, many times flying under flags of convenience, which have substandard safety equipment and ill-trained crews. For this reason I am today introducing the Federal Tanker Safety Act of 1977. My bill would mandate certain safety requirements and help to insure that all tankers which enter our ports will meet uniform safety guidelines.

The basic components of the bill are as follows:

It would establish an FAA-style traffic control system for our oil tankers operating off our shores;

It would require full disclosure of tanker ownership;

It would establish mandatory navigational equipment requirements and construction requirements.

This bill, known as the Federal Tanker Safety Act of 1977, will provide that all tankers, foreign owned or domestically

owned, which enter our ports will have to meet some of the most stringent antipollution and safety guidelines in the world. These new standards will apply to both U.S.- and foreign-owned and registered tankers; thus flags of convenience can no longer be used as loopholes by shippers seeking to escape safety regulations.

Inspection both on an annual basis and unannounced will take place.

And, perhaps more importantly, the bill will address the problem of tanker personnel. Equipment improvements are not the sole answer. The tragedy of the *Argo Merchant* could have been prevented by a more professional and better trained crew.

My bill would establish stricter licensing and training requirements based on National Adademy of Sciences reports which will apply to the crews of all vessels who enter our ports.

I am hopeful, Mr. Speaker, that through improved legislation and stricter monitoring systems, we can prevent future tanker disasters which spoil our beaches and pollute our water. The Federal Tanker Safety Act of 1977 is legislation whose time has come.

RHODESIAN CHROME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BENJAMIN) is recognized for 5 minutes.

Mr. BENJAMIN. Mr. Speaker, earlier today I had occasion to address myself to the support of the adoption of H.R. 1746 to allow reimposition of the embargo on imports of chrome ore, ferrochrome, and nickel from Rhodesia and thus return the United States to full compliance with United Nations economic sanctions in accordance with the international treaty obligations of our country.

While my remarks concentrated on the economics of the proposal, I did discuss the overall subject of human rights, majority rule and national independence as I did on the Ukraine on January 26 (CONGRESSIONAL RECORD, page H523) and Lithuania (CONGRESSIONAL RECORD, page 1100). It therefore grieves me that many of us were compelled to vote against the Bauman amendment today in order that H.R. 1746 could be adopted to implement our present national policy in regard to human rights.

The Levitas amendment, although ruled to be out of order for lack of germaneness, certainly should be considered for legislative and executive action in the form of a renewal effort to convince our world of nations that we do mean to lend our influence to a new world order of freedom, self-determination and the guarantee of human rights as envisioned in Wilson's Fourteen Points.

On February 20, I appeared before the Lithuanian American Council of Lake County, Ind., on the occasion of its annual dinner which was being held at St. Casimir's Hall in Gary, Ind.

I advised the 350 Lithuanian-Americans and friends gathered at the dinner that I believed that January 20, 1977, Inaugural Day, would be considered by historians as the hallmark of a new commitment and dedication to "human rights" for all people and that the Carter administration would inspire an unparalleled crusade provided the American people supported their President and that we could avoid all possibilities of global confrontation. I indicated that any use of moral and economic persuasion would certainly invoke criticism of internal meddling as it did by the Senate this past weekend. However, I concluded my reasoning that the pilot light had to be kept burning and that more favorable treatment of repressed nations was in the offing.

My remarks were followed by those of a local personality who indicated that I exuded false hope and that the U.S. foreign policy was an instrument of our economic goals rather than the design and employment of economic pursuits to support our foreign policy. I personally believe that the passage of H.R. 1746 by a decisive 250 to 146 vote should serve to dispel that observation and pessimism.

Frankly, there is hope for proposals as these offered by the distinguished gentleman from Maryland and Georgia. If they are as sincere as I believe they are, I hope that they will take counsel and join with others who have kindred beliefs to promote the new era of international goodwill through the medium of the promotion of human rights for all.

Upon conclusion of the program conducted by the Lithuanian-American Council, I was presented with the following resolution which I hope will provide the inspiration and invocation for new hope and aspiration in our international affairs. I would ask that this resolution be included in the RECORD:

RESOLUTION

That February 16, 1977, marks the 59th Anniversary of the restoration of independence to the more than 700 year old Lithuanian States, which was restored by the blood sacrifices of the Lithuanian people during the wars of independence in 1919–1920, and recognized by the international community of States;

That the Republic of Lithuania was forcibly occupied and illegally annexed by the Soviet Union in 1940, in violation of all the existing treaties and the principles of international law;

That so many countries under foreign colonial domination have been given the opportunity to establish their own independent states; while Lithuania is still exposed to the most brutal Russian oppression and is nothing but a colony of the Soviet empire;

That although the Soviet Union, through programs of resettlement of peoples, intensified russification, suppression of religious freedom and political persecutions, continues in its efforts to change the ethnic character of the population of Lithuania, the Soviet invaders are unable to suppress the aspirations of the Lithuanian people for self-government and the exercise of their human rights.

Now, Therefore, be it resolved

That we demand that the Soviet Union withdraw its military forces, administrative apparatus and the imported Russian colonists from Lithuania and allow the Lithuanian people to govern themselves freely;

That we demand immediate release of all Lithuanians who are imprisoned for political and religious reasons and who for years are lingering in various Soviet jails and concentration camps or kept in psychiatric wards;

That, meanwhile, we protest against the degradation of the Lithuanian people by the Soviet rulers in proclaiming that Lithuanians shall be grateful to the Soviet Union for their "liberation"; and that we further protest against subversion and corruption of the minds of the Lithuanian people by the preaching of lies about all kinds of human rights in occupied Lithuania which in fact do not exist.

That we are deeply grateful to the 94th Congress of the United States for passage of new Resolutions expressing the sense of the Congress relating to the status of the Baltic States.

That in expressing our gratitude to the United States Government for its firm position of non-recognition of the Soviet occupation and annexation of Lithuania, we request an activation of the non-recognition principle by stressing at every opportunity in the United Nations and other international forums the denial of freedom and national independence of Lithuania and the other Baltic States.

That copies of this Resolution be forwarded to the President of the United States, to the Secretary of State, to the United States Senators and Congressmen from our State, and to the news media.

CONTESTED ELECTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

Mr. THOMPSON. Mr. Speaker, on January 6, 1977, I advised the Members of the House that seven election contests arising out of the 1976 congressional elections had been filed with the Committee on House Administration.

Again, on January 31, 1977, I advised the Members of the House that by unanimous consent of the Committee on House Administration the Elections Subcommittee was abolished; we then appointed seven ad hoc panels, each comprised of three members of the committee, to deal with each of the seven contested elections. At that time, I indicated that I would request the chairman of each ad hoc contested election panel and committee staff to proceed with the resolution of these contested election matters as expeditiously as possible.

Now, some 6 weeks later, I am pleased to advise the Members of the House that 5 of the 7 contested elections cases have been heard by their respective ad hoc election panels. By hearing these matters promptly consonant with fairness and due process, I would hope to save the House substantial sums of money by way of reducing attorneys' fees, which are provided for in the Contested Election Act (2 U.S.C. 381 et seq.).

I would like to take this opportunity to commend the Members who served on or chaired the respective election panels. As the Members of the House well know, the U.S. Constitution provides the House of Representatives with plenary authority to "be the judges of elections, returns, and qualifications of its Members * * *." (article I, section 5). The Committee on House Administration is executing its responsibility under the U.S. Constitution

and the Rules of the House by dealing with the largest number of serious contested election matters ever filed with the House in an expeditious fashion.

SLAUGHTER OF BABY SEALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. RYAN) is recognized for 5 minutes.

Mr. RYAN. Mr. Speaker, this will be very brief.

On March 15, off the coast of Canada this year, there will be, again, the so-called harvest of young harp seals, just being born on the ice floes as they drift south in the springtime. The Canadian Government has licensed the taking of some 70,000 baby seals this year. I believe this so-called taking of seals is witnessed because of television coverage and because of coverage in the newspapers, by millions of people throughout the world, as a result, there is growing shock and horror at this continued practice.

Aside from the fact that this killing I believe endangers the species there is the act of killing itself which is among the most brutal acts which mankind takes during the year against helpless, immature seals.

Mr. Speaker, I have written a letter which has been cosponsored by Members from both sides of the Capitol, to the Prime Minister of Canada asking him if he will use his good offices to intervene in the slaughter of these baby seals off the coast of Canada in behalf of his Government and in behalf of all mankind.

Mr. Speaker, I ask unanimous consent that I may include a copy of this letter to the Prime Minister of Canada.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 10, 1977.

His Excellency, Prime Minister of Canada
PIERRE TRUDEAU,
Ottawa, Canada.

DEAR MR. PRIME MINISTER: In your speech to the Joint Sesison of Congress on February 22, 1977, you stated that, "The friendship between our two countries is so basic that it has long since been regarded by others as the standard for enlightened international relations." We concur wholeheartedly and hope that the door of friendship and international relations will forever remain open.

In that same spirit the undersigned are writing you this letter to express concern about our planet and its present condition. The slaughter of hundreds of thousands of baby seals off the coast of Canada is about to take place.

We view this slaughter with the same concern we have for other such hunted species as the Asian tiger, the African rhinoceros, and the various species of whale. We recognize that there is a certain slight economic advantage to a few people in the continued harvest of such a species.

But the same might have been said for the buffalo that once wandered over our vast plains, and the passenger pigeon that once darkened our skies with its flocks—and is now gone, forever. The same economic struggle now goes on in California to save the few giant redwoods that are left from timber harvest.

As we work to save these endangered species of life, we urge you to review your present policy regarding conservation of wildlife as part of our international concern for the preservation of the enviornment.

Sincerely yours,

Senators Spark M. Matsunaga, Harrison A. Williams, Jr.

Representatives Leo J. Ryan, Jonathan B. Bingham, David E. Bonior, William M. Brodhead, Bob Carr, Mickey Edwards, Henry J. Hyde, Jack F. Kemp, Paul N. McCloskey, George Miller, Daniel K. Akaka, John Breckinridge, Romano L. Mazzoli, Joseph G. Minish, Joe Moakley, Richard L. Ottinger, Claude Pepper, Peter W. Rodino, Jr., Harold S. Sawyer, Morris K. Udall, Frank Horton, Edward W. Pattison, Jerry M. Patterson, Parren J. Mitchell, Jim Lloyd, Clair W. Burgener, Charles Wilson, Helen S. Meyner, Bruce F. Caputo, Joseph L. Fisher.

RHODESIAN CHROME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. KRUEGER) is recognized for 5 minutes.

Mr. KRUEGER. Mr. Speaker, today I voted with 249 of my colleagues to repeal the so-called Byrd amendment, which since 1971 has permitted the United States to import Rhodesian chrome ore, ferrochrome, and nickel in spite of United Nations sanctions to the contrary. When a similar measure came before the Congress last year, I voted against repealing the Byrd amendment. I believe, however, that there are some reasons for supporting repeal at this time.

Several reasons are usually given for denying the benefits of our trade to Rhodesia. First of all, the member nations of the United Nations, only the United States and South Africa have chosen officially to disregard the economic sanctions imposed upon Rhodesia by that body. Therefore, our position as a proponent of international law and order is eroded somewhat by our refusal to adhere to the international boycott of Rhodesian goods. Second, our continuing trade with Rhodesia in the face of the U.N. sanctions may be viewed by the lesser developed countries in general, and by African nations in particular, as an indication of our unwillingness to stand up for the principle of majority rule and human rights whenever our economic interests make it impractical to do so. This is a highly undesirable consequence at a time when we may be forced to rely increasingly on certain black African nations for vital commodities, as is possible with oil-rich Nigeria. Third, the United States should fashon its foreign relations posture in such a way as to maximize our long-term, rather than short-term supplies of commodities like chromium ore and ferrochrome; although a white minority government may be presently in control of Rhodesian natural resources, the long-range outlook for its survival is not optimistic, and it would do us well to cut off trade with Rhodesia now in order to curry favor—or at least not to incur disfavor—with Rhodesia's black majority and future rulers.

These are all good arguments for joining the United Nations sanctions against Rhodesia, but, in my mind at least, the linchpin in the case against the Byrd amendment was only recently brought to my attention, and it eliminated the major reason for my vote against removing that amendment last year. Representatives of the specialty steel industry appeared before both Houses of Congress to testify that their industry was no longer dependent upon Rhodesia as a source of chromium ore, owing to the development of a new industral process which could make use of lower grade chromium ore. This meant that ore could in the future be imported from several other countries which had better, if not wholly respectable, records on human rights.

I should also point out at this time the reason for singling Rhodesia out among nations as the object of economic sanctions. First, in no other country does such a small minority of the inhabitants deny the basic rights of a vast number of persons to determine their own form of government. Second, Rhodesia is a true bandit among nations in that no other country in the world has officially recognized her existence, and for the purposes of international law Rhodesia is still recognized as a protectorate of Great Britain. I will also point out that it was the protector-country, Great Britain, which requested that economic sanctions against Rhodesia be imposed.

Thus, a danger to American jobs and the welfare of an entire American industry no longer existed as a result of a boycott of Rhodesian chrome, and it made economic sense for the first time for the United States to join in the international sanctions. This may seem overly mercenary reasoning on my part, but, in fact, there are some nations which officially endorse the economic boycott of Rhodesia but which conduct clandestine trade with that nation. Therefore, adherence to the ban made sense only if our industries no longer depended on Rhodesian chrome, and if some effective precautions could be taken whereby American-made steel were not prejudiced in international markets by competition with specialty steel products made with Rhodesian chrome.

I am assured that there is no chance of such discrimination under the terms of H.R. 1746, and thus it makes sense for the United States to join in the international sanctions and to aid in their enforcement against other nations now trading clandestinely with Rhodesia. Although some proponents of the Byrd amendment claimed that passage of H.R. 1746 would make the United States reliant upon the Soviet Union for a strategic defense material, my investigations showed this contention to be false. Actually, the United States has enough chrome ore stockpiled today to last this Nation through several decades of war. In short, the economic and national defense arguments which previously underlay the Byrd amendment simply collapsed under the weight of technological innovation and national defense policy.

Even more important, however, is the fact that this year we have a new administration in the White House, one which is dedicated to the use of interna-

tional trade as a weapon for achieving basic human rights the world over. I highly approve of President Carter's admonitions to the Soviet Government regarding its treatment of dissidents, and hope that the legislation we pass today will serve as another effective instrument in our crusade for human freedom. What better place to concentrate our efforts than in Africa, where the yoke of colonialism and racial segregation are only now yielding to the goals of self-determination and personal rights, for which our own ancestors fought so hard a short 200 years ago? Repeal of the Byrd amendment is one simple, nonviolent step among many which this country can take to assist the African people in their quest for our mutual goals; I hope that all nations will cooperate to insure a nonviolent transition to majority rule in all the African nations not currently enjoying this right.

THE NATION MAGAZINE REPORTS TO THE NATION ON URUGUAY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, as the author of the Koch amendment to the fiscal 1977 Foreign Operations Appropriations Act, which ended U.S. military assistance to Uruguay, I was pleased to see a fine summary of some of the events that surrounded the effort to stop military aid to that country. As my colleagues will remember, Uruguay is the South American country located between Brazil and Argentina, which, until a few years ago, was a model democracy. Then, unhappily, the suppression of disorders in Uruguay led to the assumption of power by the Uruguayan military.

This military dictatorship—like so many others—could not tolerate even the vaguest hint of opposition and began to round up thousands of Uruguayans, ostensibly to restore order, but actually as a form of political intimidation and repression.

All those with political views, even those with moderate views, were forced to flee or be subject to arrest and probable torture by the military. Uruguay, whose population numbers 2.7 million, last year had the highest per capita population of political prisoners with nearly 5,000. Furthermore, 300,000 Uruguayans have left their native country to escape the rampant repression and torture that had been unleashed by the military government. Amnesty International and the International Commission of Jurists both issued reports last year documenting the abuses of human rights that had occurred in Uruguay, including 22 deaths under torture in the military prisons.

The current issue of Nation contains a description of the role of the U.S. State Department and our Ambassador in Uruguay. The article accuses the Ambassador of having taken the side of a brutal military regime, rather than objectively carrying out the will of his Government, as expressed in the congressional cutoff of military assistance for the country to which he was assigned. In this case, I am not sure that the Ambassador can be held accountable for all the recalcitrance and dissimulation practiced by the U.S. State Department, as it attempted unsuccessfully to convince the Congress to reject my amendment cutting military aid. However, the article makes clear that our Ambassador was less than enthusiastic about the course of American policy.

I am appending a copy of the article:

SIRACUSA, OUR MAN IN URUGUAY

(By Max Holland and Kai Bird)

(President Carter's repeated assurance that a concern for human rights will color his relationships with other countries must, if that concern is to bear fruit, be reflected in the embassies the United States maintains abroad. As evidence that this is an urgent matter, the authors of the following piece review the career of Ernest Siracusa, a career foreign service officer, who is now our Ambassador to Uruguay.)

WASHINGTON, D.C.—Since ambassadors serve at the pleasure of the President, it is customary, each time a new administration takes office, for all the heads of missions to send in form letters of resignation. That makes it easier for a new President to put his imprint on the foreign service. Ambassadorships are useful for paying political debts, but not all posts are suitable for that purpose: the Soviet Union, for example, is still regarded as no place for a political crony to practice diplomacy, and Afghanistan is simply not thought an ample reward for political favors.

Thus, the majority of ambassadorships remain in the hands of career foreign service officers. Even a career officer who has compiled a controversial record during his ambassadorial tours of duty is in little danger of being retired; the more likely recourse is quietly to transfer him. Such a transfer need not be regarded as a rebuff, because ambassadors rarely serve more than four years in a given country.

A case in point is the American Ambassador to Uruguay, Ernest Siracusa. A career officer for thirty years. Siracusa has been posted to Mexico, Honduras, Guatemala, Peru, Argentina and Italy. In 1969 he was appointed Ambassador to Bolivia, and after four years was transferred to Uruguay.

Siracusa is a classic example of that State Department malady known as "clientism," in which the career officer forgets which country he actually represents. He has served conspicuously as an "apologist" for the present regime in Uruguay. He caters to the sensitivities of Uruguayan officialdom at the expense of human rights. And he is still entrusted with carrying out American foreign policy there—even though that policy is officially changed.

Uruguay, once an island of tolerance and democracy in South America, has gradually become a complete military dictatorship. The situation began to deteriorate well before Siracusa arrived in December 1973, but it has become much worse during his tenure. The parliament remains closed; the constitution ignored. Newspapers and other media are censored, and a once-powerful trade union movement has been destroyed. All political activity is banned. The definition of "subversive" in Uruguay has been expanded to include any person who holds, or is alleged to hold, democratic or leftist opinions. Hundreds of these so-called "subversives" are imprisoned and subjected to psychological and physical torture. Almost 300,000 Uruguayans have voted with their feet against the dictatorship by emigrating during the past three years.

The first public indication of Siracusa's attitude toward human rights came on April 21, 1976 in *The Washington Post*. The story said that on February 13, the Ambassador had written a confidential complaint to the State Department about a radio program broadcast by the Voice of America. One day earlier, VOA had carried a story out of Geneva about charges of human rights violations in Uruguay that had been made by the International Commission of Jurists (ICJ), an impartial group of about forty respected jurists who promote the rule of law and investigate the status of human rights in countries throughout the world.

The two-minute VOA broadcast was a summary of an ICJ report which found that massive arrests of political suspects had occurred; that many of these suspects had been tortured, some until they died; and that both press and church were censored.

Siracusa's letter, quoted by the *Post*, said the VOA story contained "exaggerations and distortions" of the Uruguayan situation, which "can only be injurious to our friends, to our relations and to our efforts to develop useful influence on the very situation commented upon." Specifically, the Ambassador complained that the word "massive"—used both in the ICJ report and the VOA story—"grossly exaggerated the situation." To say that few of those arrested survived was not true and "can only be considered" by the Uruguayan Government as a "calumny and a provocation." And the question of press freedom was "a relative one," Siracusa said, while the alleged church censorship was "a minor problem . . . worked out between the government and the [church] hierarchy.

At three places in his letter, Siracusa supported VOA's policy of broadcasting such news, but he said the story should have been handled with more discretion so as not to endanger his attempts to improve the human rights situation "to the extent that there are violations."

The director of the U.S. Information Agency—former Nixon speechwriter James Keogh—defended the accuracy of the VOA story in a reply to Siracusa's complaint. But Keogh did concede that the phrasing "showed insufficient appreciation for the sensitivities involved," and he assured Siracusa that future reports would be "subject to closer review and cross-checking prior to use."

This complaint marks the emergence of Siracusa as a public relations agent for a brutal regime. In the future he would excuse the Uruguayan Government's heavy-handedness by repeating the government's own alibi: "the continued threat of subversion" justifies the suppression.

Just one week after Siracusa chastised VOA for its story, Amnesty International embarked on an unprecedented campaign to draw international attention to torture and other violations of human rights in Uruguay. It was the first Amnesty campaign ever directed against a single government. The agency released the names of twenty-two persons who allegedly had died at the hands of torturers, and circulated a petition calling for an international investigation into the repression. Uruguay, Amnesty said, had the highest number of political prisoners per capita in the world—nearly 5,000 in a population of 2.7 million.

This campaign produced another campaign, this one inside the U.S. Congress. In the spring of 1976, Rep. Edward Koch (D.-N.Y.) introduced an amendment to the foreign aid appropriations bill to cut off all military aid (worth $3 million) to Uruguay. Koch chose Uruguay, from among all the repressive regimes given aid by the United States, for two reasons: it was as repressive as Chile (whose aid had been cut off earlier), and it was of no real strategic importance to the United States. "Uruguay was a natural to illustrate, to make the point with other Latin American countries, that we were no longer going to sit back and support repression," Koch said later.

One month after Koch started his campaign, Rep. Andrew Maguire (D., N.J.) received a letter from Don Guerriero, the political/labor attaché at the U.S. Embassy in Montevideo. Guerriero is also one of the embassy officers who report on human rights to Siracusa. The attaché told his home-town Congressman that "much of what Congressman Koch said is unture and the AI report is demonstrably false." As an example, Guerriero cited Koch's reference to thousands of political prisoners. "There may be a few political prisoners around here," Guerriero wrote, "but most people in jail here are in for crimes like murder, rape, bank robbery, kidnapping and the like." (But the State Department publicly recognizes there are at least 2,000 political prisoners in Uruguay.) Along with his letter, Guerriero included an article from a journal called *The Review of the River Plate*, explaining that it said what he wanted to say only "much better." The article called Amnesty International a "Communist front organization."

As Koch said when he later inserted Guerriero's letter into the *Congressional Record:*

"Certainly the man is entitled to have and speak his opinions. . . . On the other hand, his line of argument is so close to that of the Uruguayan Government and is in such contradiction to the accepted facts that one must wonder how valid his judgments, as reflected in this letter are in his regular reports to the State Department."

The human rights reports sent to Washington by Siracusa and his staff were of the utmost help to Koch's campaign, for they led the State Department to defend the indefensible—the military regime in Montevideo. That effort turned into a fiasco last summer, when the International Organizations Subcommittee of the House International Relations Committee held two days of hearings on the status of human rights in Uruguay. The subcommittee chairman, Rep. Donald Fraser (D., Minn.), is the acknowledged Congressional expert on human rights. His subcommittee has held seventy-six separate hearings on a variety of countries during the past four years.

In contrast to the testimony offered by Amnesty International representatives and a Uruguayan Senator now in political exile, the State Department testimony seemed ludicrous. Fraser questioned Deputy Assistant Secretary of State Hewson Ryan about torture in Uruguay. Ryan replied that there had been "occasional" cases, but that steps had been taken to prevent it. "Do you believe it?" asked Fraser. "It is what the [Uruguayan] Government tells us," said Ryan. "We have no reason to doubt them at this moment. I cannot prove that they have not taken the steps." Ryan found his position so untenable that at one point he claimed U.S. military aid to Uruguay "is seen as a treaty-like obligation." No such treaty or treaty-like obligation exists, as Fraser was quick to point out.

Koch said of the hearings:

"I cannot determine where the fault lies: whether the U.S. Embassy in Uruguay is not providing all the facts to the State Department or whether the State Department is intentionally excluding information which is not supportive of its position. . . . I must say that the State Department is proficient at stopping just short of lying in its statements."

But if Koch did not know then how much fault lay with Siracusa's embassy, he soon found out. After the Koch amendment became law in September, Siracusa paid a visit to Koch in New York. Koch recalls: "When he came to my office, he took the position that much of what was said against Uruguay was false. He said that it was overstated. He didn't have evidence to prove that, but was basing it simply on his own observations."

More startling than Siracusa's defense of the Uruguayan regime was that he regarded the aid cutoff as a personal rebuke. Koch said: "He was very upset. He was personally embarrassed that this had occurred. It made him look bad. . . . He had become so identified with Uruguay that it was a personal affront to him. That's the way he viewed it."

When Siracusa returned to Uruguay, the local press was as eager to find out about his meeting with Koch and Amnesty International officials. Would aid be resumed? Rather than represent the suspension of aid as U.S. Government policy, Siracusa took pains to remind the regime publicly that he had opposed the Koch amendment. He allied himself with the Uruguayan Government against the U.S. Congress. If there was at least a slim possibility that Koch's legislation might have induced the Uruguayan military to mend its ways, Siracusa's remarks only encouraged it to persevere in them.

On October 19, *El Dia* (Montevideo) quoted Siracusa as saying "The U.S. Embassy in Montevideo and the State Department did not support the cutoff of military aid to Uruguay. However, I still believe something can be arranged, but I will not venture an opinion on how long it will take. From here, I will do everything possible to resolve this problem."

The Ambassador's remarks caused him some anguish once they had filtered back to the United States. The Council on Hemispheric Affairs, which monitors U.S.-Latin American relations, issued a press release that characterized Siracusa as a "major apologist for one of the most dreary and brutalizing states in the region," and asked the incoming Carter administration to remove him.

In a series of cables to Washington, Siracusa said his remarks had been "embroidered or distorted" by Uruguayan reporters not present at the news conference. He said the subject of military aid was not even mentioned during the interview, and he implored the State Department to exonerate him by releasing the "true facts." But the department refused. Charles W. Robinson, the Deputy Secretary of State at that time, reportedly told Siracusa that an official response would only earn the accusations a prominence they had failed to get in the American press. All that Siracusa could do was attempt to rebut the charges to his superiors. In a final cable on the subject he wrote:

"As any review of this embassy's reporting would show, the embassy has done everything possible to give the department a fair, factual and unbiased picture of the human rights situation in Uruguay. While we have not agreed with many of the accusations made against Uruguay, especially regarding torture of prisoners and the number of prisoners, we had nonetheless frankly reported those practices which we considered inconsistent with accepted standards for humane treatment of prisoners. . . . We might add that, at the Ambassador's direction, the embassy has adopted a policy of the strictest possible compliance with both the letter and spirit of the Koch amendment."

Siracusa's unqualified defense of the embassy might lead one to wonder whether his position was misinterpreted or obscured by State Department bureaucracy. But a cable he sent on October 26, 1976 indicates that nothing of the sort occurred. In that message he hailed Uruguay's new "Law on the State of Dangerousness" as demonstrating the military government's "growing consciousness with respect to human rights" and providing "greater due process of law for those only tending toward subversion, thus easing application of the stringent emergency security measures."

According to Amnesty International, however, the law places a facade of legality on the indefinite detention of thousands of citizens. It rescinds certain legal rights and incorporates practices of martial law into the civilian legal system. Special civilian courts will be empowered to punish those "in or outside the country" who may subvert the efforts of the government to restore "national values." The new law penalizes those with an "inclination to commit crimes"; an individual who has committed no crime may be imprisoned for up to six years at hard labor.

The right of a convicted political prisoner to exile—previously a constitutional right—is revoked under the new law. Judges now have the power to refuse any request for exile. Political dissidents may have to live in a particular town, report regularly to the authorities and submit to official surveillance of their homes. Ambassador Siracusa did not mention these facts in his cable.

Siracusa's clientism and attitude toward human rights are all too common among American envoys. It poses a problem for a new President whose spoken commitment to human rights far exceeds campaign rhetoric. Because Siracusa is a visible symbol of a discredited policy, it will be relatively easy to pick up his resignation, especially since his tour of duty is nearly complete. The problem may only be where to post him next. Carter's difficult problem is how to find ambassadors who believe that an active concern for human rights is part of their job.

A THOUGHTFUL LETTER ON THE NATURAL GAS SITUATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, one of the most pressing tasks facing this Congress is the formulation, in cooperation with the new administration, of a comprehensive national energy policy.

With the thought that it will be of interest to my colleagues, I am inserting into the RECORD a letter I received concerning the recent natural gas shortage from Irwin M. Stelzer, president of National Economics Research Associates, Inc. It is a thoughtful discussion of the economics of natural gas by a person whom I consider to be very knowledgeable about the energy choices facing this country; and I believe it is worthy of every Member's consideration, regardless of one's conclusions to date on the subject.

The letter follows:

NATIONAL ECONOMIC RESEARCH ASSOCIATES, INC.,
New York, N.Y., January 26, 1977

Congressman EDWARD I. KOCH,
New York, N.Y.

DEAR ED: With things getting active on the natural gas scene, I thought I might take the liberty of passing along a few thoughts.

With the near-record cold winter we are experiencing, and with horror tales of natural gas shortages dominating the headlines, I am sure you will be pressed to pass sundry emergency measures. These appear to be of two types—those aiming at short-term allocation of existing supplies, from "have" to "have not" regions, and those aimed at longer-term solutions. While efforts will undoubtedly be made to have deregulation of field prices passed as an emergency measure, it should be clear that—even if the premises of its sponsors are correct—such a move should be considered only in the context of long-term incentives to supply.

Let me attempt to sort out the various relevant topics.

The Shortage. This is principally a phenomenon stemming from two forces: an upward surge in gas value, and therefore de-

mand, vis-a-vis other fuels, contrasted with a running down of available gas supply. A combination of the greater concern for the environment, calling for more clean fuel, and the OPEC cartel raised the competitive value of gas many-fold, so that its regulated price, at the consumer level, was far below the new, three times higher price of other fuels. At the same time, the gas resource base, both proven reserves and potential, was being pulled down at a rapid rate. As other areas of the world became relatively much more promising for oil (and gas) exploration, oil company interest in U.S. exploration (and it is of course the oil companies which are the prime movers in the discovery field) turned down; it is reviving now, with current higher prices, but results of the stepped-up effort are disappointing. (Laggardly FPC field price regulation did not help during the dulling downturn.) It seems clear that a demand-supply balance can only be achieved by pricing gas so as to limit demand to those willing to pay current costs; and by encouraging supply from both the traditional sources of U.S. natural gas supply and the various supplemental sources which will be required to meet a demand even restricted to high value uses.

You will be interested in some findings reached in a study recently made on the New York outlook to illustrate the force of these conclusions.

First, even at the likely much higher prices, gas demand in the state will continue to grow, though very modestly.

Second, this growth can be met, even with the expected continued gradual slide in gas supply from traditional sources, by a vigorous program to attach supplemental supplies such as LNG, synthetic gas from petroleum products, gas from the Arctic, and, most important for the 1980s, gas from the Atlantic offshore.

Third, this demand is there (though of course somewhat lower) even though all gas were priced at the level of high-priced supplements—which the economist would say is the direction to go.

Fourth, if the demand is not met because governmental policy makes these supplements unavailable, the cost to the consumers of being forced to use higher-priced substitutes (even with likely higher gas prices) and the cost of conversion will be in the order of several hundred million dollars a year for New York consumers.

There seem to be a number of policy lessons in all this. First, to existing federal agencies (or their successors): stop impeding, as they do now, the bringing on of LNG and SNG supplies. The FPC has made an LNG application a practically "unwinnable" obstacle race, and you have to go to court, essentially, to have the FEA look with favor on new SNG plants (existing plants have saved New York's consumers this winter).

Second, to Interior: abandon the costly bonus bidding for federal leases and open up the competition to others than the few giants—and most important, for the near term, the next five years say, use their already substantial powers to expedite the development of Gulf Coast leases already granted. This is where the gas is.

A word as to these leases. During the 1960s, it took seven to ten years to bring a lease up to full production (in contrast to three for oil), often because of the complications of bringing the gas ashore. Now a network of mains is laid in the Gulf—but it still takes seven to eight years, apparently. Leases of the late 1960s and the 1970–1972 period where gas is already discovered are still awaiting development work, and their gas is not being used to ease the current pinch. The Gulf is dotted with "producible shut-in" leases, to use Interior's jargon. Sometimes the gas has not yet even been committed.

Please note: We do not say that these resources would cure the shortage in any permanent sense—they would not, for the fundamental problem I alluded to at the outset still remains. But it would enormously improve the shortrun outlook, and ameliorate the current crisis if development work were speeded. We cannot criticize the lease owners (who were forced to put up many millions for a lease by the bonus bidding system) for waiting for the best gas prices, as they leap upward; but the lease form requires expeditious development, and it is this requirement which Interior appears to have chosen to ignore.

So far I have addressed only supply problems. The FPC tackles demand by a complex series of curtailment (rationing) orders. How much more efficient if it and the state commissions made the same advances on the gas front that are being made in the electric rate area, toward marginal cost pricing—the only durable solution on the demand side.

What to conclude from this already overly long analysis. First, "crisis" bills, covering emergency gas-shifting powers for the FPC, should be approached cautiously. The pressure is to take from the "have" pipelines (in middle America) and give (or loan) to the "have-nots," generally east of the Mississippi (including New York). This may have an attractive sound, but beware of the effect on the long-term solution. What distributor (or pipeline) is going to make expensive investments in supplemental supplies if, as the FPC is already planning, they can be taken away because someone in Washington thinks someone else "needs it more"? The least to watch out for here is the need to restrict the powers to the current crisis and to provide that the compensation is on a full marginal cost basis. This will minimize the negative impact on incentives of such progressive companies as Brooklyn Union to invest in their own supplies.

Second, the cost to New York consumers of "new" gas deregulation bills which will be pressed on you will importantly depend on their definition of "new gas." If the definition of "new gas" is strict (as it was not in most of the 1976 bills) and we do not wake up and find ourselves paying new gas prices for already-discovered gas, the cost of improved gas supply in the state will be more tolerable. But if the definition is loose, consumers will pay unnecessary sums for already-discovered supplies. Furthermore, a careful distinction between offshore and onshore should be kept in mind: cost circumstances are different and gas from offshore must be committed to interstate sale, regardless of intrastate prices.

Sincerely,

IRWIN M. STELZER,
President.

THE PIPEDREAM OF ENERGY INDEPENDENCE

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, I want to invite the attention of my colleagues to some statements made by an engineer concerning our energy dilemma. For that purpose, I am asking that his statements which were printed on the front page of February 24 Washington Star be printed following my remarks.

The engineer, Dr. John McKetta, specializes in the energy field and has served as an advisor to the Government many times in dealing with energy problems. You will see his points are very clear: We cannot for the foreseeable future gain energy independence and we must develop every practical source to stave off catastrophic consequences. I cannot help but comment that it appears our official actions all seem to ignore his advice—for example, conservation is being touted as the complete solution, utilities are cutting back on plans to build more coal and nuclear plants, drilling for additional oil is being held up, and so forth. We must start taking actions which will add to our energy supplies from our own domestic sources.

In my statement of February 23, 1977, printed on page H1386 of the February 23 RECORD, I point out the confusion which is being injected in the planning of electrical utilities by the many statements being made by Government officials that we can take care of all of our problems by conservation. I certainly hope that this misconception is removed in the energy plan the administration has scheduled to release in April.

The interview of Dr. John McKetta from the February 24, 1977, Star follows:

HE ENDORSES USING EVERY ENERGY FORM

Dr. John J. McKetta, a University of Texas professor of chemical engineering, has served as chairman of the Interior Department's Advisory Committee on Energy and on a variety of other energy panels. He was interviewed by Washington Star Staff Writer Stephen M. Aug.

Question: Where would you say we are today in terms of energy independence?

McKetta: We are at the point of no return. There's no way in our lifetime and our children's lifetime that there's anything we could do in the United States to have energy self-sufficiency.

Q: So the old idea of energy independence by 1980 . . .

A: It's out. It's a pipe dream. It's a shuck.

Q: Why couldn't we be energy independent by, say, the turn of the century?

A: First of all, in order to continue a positive gross national product would mean that you are going to have to have an increase of energy of approximately 2 or 3 percent a year. And this will continue between now and the year 2000. From the supply standpoint there is nothing you can do today that would bring you more energy by the next seven or eight years. You can't open enough coal mines or increase the transportation and so forth in the next five or seven or eight years. In the United States it takes about 10 or 11 years to build a nuclear plant. You've got to find four more Alaskas. You've got to triple the amount of coal, you've got to build a new reactor each week—a new nuclear reactor—starting today. You've got to get approximately a million to 2 million barrels of oil from shale by the year 2000. All these things together you've got to do in order to have self-sufficiency by the year 2000 or 2010.

Q: Would you put more emphasis on developing coal miners or building nuclear plants or perhaps solar energy which takes no fuel to run?

A: Right now I'd put effort in every direction. First of all I would start a very strong program into tripling the amount of coal in the next 15 years. This evening I would start opening up trying to have as many nuclear plants started as we could get. I would try to encourage people to find more oil and gas opening up the outer continental shelf and free the people from the shackles.

Right now as you know the new outer continental shelf bill is going to hold back the producing companies up until 1987 before you really develop the fields. This is really senseless. It sounds like Soviet Russia is making the rules for us rather than our own people. I would remove those shackles and go out in the outer continental shelf and start bringing in oil next year. It can be done. The reason I say oil and gas is because the present dependence is about 80 percent on oil and gas. If you and I increase this only 10 percent that helps us as much as doubling the amount of coal. But we've got to do all this at one time.

Q: The coal industry advertises that there's enough coal to last 500 years. If more of our energy demand was to come from coal how long would the coal last?

A: If coal were to supply all the energy that oil and gas is supplying today it would only last 100 years. But on the other hand you have vast amounts of shale as well as shale oil and coal and lignite. What we're looking for is by the year 2010 we will be receiving possibly 8 to 10 percent of our energy from solar and maybe by 2020 this may increase to 25 percent. By the year 2030 we will be in the fusion energy era where we will be making energy from deuterium in the sea water. These are inexhaustible sources. You and I want to do something over the next 30 years. In the meantime we've got to be frugal. We're going to have to make many sacrifices and we ought to have voluntary sacrifices right now to try not only to conserve but to do without the luxurious use of energies.

Q: Would you just go ahead and build nuclear plants and not worry about how to dispose of the waste products?

A: Well, there are two things we want to look at. First, the nuclear reactive waste is dangerous. Radiation is dangerous. But remember gasoline is extremely dangerous. You and I keep it in our cars every night; 10, 15 or 20 gallons in our car each night of this highly dangerous gasoline. Automobile driving is dangerous. So there are dangers in every area. But reasonable people will take moderate risks if the benefits are great, or they'll take small risks if the benefits are moderate or they won't take any risks if the benefits are small. Fortunately there have been no accidents in the nuclear field. There have been no deaths in any nuclear reactor, power reactor facility, no over-radiation cases, and remember we've been in business for over 20 years. So from the standpoint of accidents I think that we've learned how to handle plants and so forth.

Q: Is one way to encourage frugality to simply make energy so expensive that people can no longer afford to use it?

A: I don't think that you should intentionally make energy more expensive. I think that what happens is that you have to encourage people to go out and look for energies. And one way that you are going to encourage them is by making sure that they get a good return on their investment. And if they don't, then they aren't going to look. You understand that in 1954 we had as high as 38,000 independent drillers for oil and gas. In 1974 we had less than 3,800. The people left the business because the risks were too great for the return of their money. Now we're back up to about 10,000 people in the business. And the risks are still great. But the return is a little better. And a lot of it on the basis that we do have intrastate gas whose price is maybe as high as $1.75 or $2.

CHRISTOPHER BACUS, WINNER OF THE VETERANS OF FOREIGN WARS "VOICE OF DEMOCRACY" CONTEST

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, it is a real pleasure today for me to tell my colleagues about the achievements of Christopher Bacus, winner of the Veterans of Foreign Wars "Voice of Democracy" contest in the State of Illinois.

Chris is from East Alton, Ill., and he lives in my congressional district. He is the son of Mr. and Mrs. Jack Bacus, and is one of the student leaders of Roxana, Ill., Community High School, having held such offices as President of his National Honor Society chapter and parliamentarian of the student council.

For his effort as 1 of 50 State first-place winners out of more than 500,000 entrants from throughout the country, Chris has won an all-expense-paid trip here to Washington. It is a well-deserved reward.

At this time, I would like to insert into the RECORD the text of Chris' winning speech, on the topic of "What America Means to Me":

WHAT AMERICA MEANS TO ME

"Breathes there the man with soul so dead
Who never to himself hath said
This is my own, my native land!
. . . The wretch . . . will go down
to vile dust from which he sprung,
Unwept, unhonored, and unsung."

In this excerpt from a poem by Sir Walter Scott, the man without a soul is described as the man without love for his country. Unfortunately, this man seems to abound today in our selfish society, but still there *are* those who are not afraid to stand up for our country. As for *me*, I am proud to say that I am an American, and *that* this is my native land. You ask me, "What America means to me?" This question is very difficult to answer. Not because America means nothing to me, but because the emotion this land of ours arouses in me escapes description. Why ask me? Ask the land itself.

First, ask the mighty Mississippi River. Ask it of the Force with which it moves thousands upon thousands of tons of water without effort. Ask it of the Power which allows nothing to stand in its way. Ask the River, and it will tell you that this is the Force of America. This Force causes Americans to defeat obstacles with ease. This Force moves our country forward, without hesitation, but with cautious confidence. It is this Power which will not allow our country to be second best, but which makes it the leader of the world. And it is this Force which made this nation grow from a settlement, to several colonies, to a few states, and, finally, to the great nation it is today. Ask the mighty Mississippi of the Force of America.

Then, ask the great Redwood tree. Ask it of the Spirit which caused it to strain from its seed through the firm soil and force itself upward to the sky. Ask it of the Spirit with which it stretches its limbs outward to God. Ask the Redwood, and it will tell you that this is the Spirit of America. It is this Spirit which urged the pioneers to set out toward the West in covered wagons, against all odds, and it is this Spirit which urged us to send the first man to the Moon; an American. It is this Spirit which drives men to the battlefront to give their lives if necessary. And it is this Spirit which encourages a poor farm boy to become the President of the United States. Ask the great Redwood of the Spirit of America.

Finally, ask the wide, spacious sky. Ask it of the Freedom with which an eagle soars through the clouds. Ask it of the Freedom it gives to a man at the sight of a golden sunset or the silvery stars. Ask the sky, and it will tell you that this is the Freedom of America, the Freedom for which men have died. It is this Freedom which allows us to say what we feel, to act as we see fit, and to worship as we wish. This Freedom causes excitement at election time because we know the People will speak through their Freedom. It is this Freedom which makes us proud to see the Star-Spangled Banner fly freely. And it is this Freedom which makes the United States the envy of the world. Ask the sky of the Freedom of America.

What does America mean to me? America means a Force, a Spirit, and a Freedom. In other words, America is life, for what is life without a force to give us strength? What is life without a spirit to encourage us? And what is life without a freedom to make us independent? Yes, to me, America is life. I now challenge you to move this Force along, to keep this Spirit alive, and to forward this Freedom, because our lives without America's attributes would not be *life*, but only existence. I agree with one of our early patriots, Daniel Webster, who said, "Thank God! I—I also—am an American!"

ACTION TAKEN TO IMPROVE EDUCATION OF U.S. CONSULAR OFFICIALS

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FASCELL. Mr. Speaker, today there are approximately 2.3 million Americans traveling or residing abroad for commercial, educational and official reasons; a vast increase over the number 10 years ago. There are an ever-increasing number of foreigners requesting visas to travel in the U.S. and a seemingly endless number of foreigners desiring to immigrate to the United States. In addition, our citizens living abroad find themselves facing changing and often complex legal and political situations which affect their well being. All of these factors have created increasing demands upon our embassies and consulates abroad. These increased demands fall on the Department of State and its consular officers.

The depth of consular officers' knowledge and experience is a matter of considerable concern to the Department of State, as is the question of better service. Recently the Department inaugurated a new training program for consular officers under the rubric of "The Consulate General Rosslyn" at the Foreign Service Institute.

This novel facility, patterned after an overseas post in its layout and operation, is being used to provide beginning consular officers with as much practical experience in consular work as possible under realistic conditions. Role-play interviews, actual case work, and critiques from experienced officers provide an opportunity for trainees to utilize basic knowledge gained through self-study throughout the program. In this simulatated American consulate, officers actually issue passports, visit prisoners, and refuse visas, as they will once they are abroad. Unlike earlier programs primarily based on lecture formats, Consulate General Rosslyn promises to graduate better qualified and capable consular officers for the Department of State.

At this time when we are all concerned about the welfare of our citizens abroad, I believe it important to point out this initiative of the Department of State to give, through improved training, the best, most efficient service to our citizens and support to American interests.

SECRETARY OF STATE REPORTS TO CONGRESS ON U.S. PRISONERS IN MEXICO

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, on March 4, 1977, Secretary of State Cyrus Vance submitted to Congress a periodic report on progress toward achieving full respect for the human and legal rights of U.S. citizens detained in Mexico. The report makes note of some progress, including a treaty to allow an exchange of prisoners between our two countries, but details continuing problems relating to the physical abuse of our citizens at the time of arrest, failure to promptly notify our Government of an arrest, and failure to respond to our diplomatic notes protesting certain cases.

Because of the great concern in Congress about this issue, I wish to bring the full text of the Secretary's report to the attention of the House:

THE SECRETARY OF STATE,
Washington, D.C., March 4, 1977.

Hon. THOMAS P. O'NEILL,
Speaker House of Representatives.

DEAR MR. SPEAKER: In accordance with Section 408(b)(2) of the International Security Assistance and Arms Export Control Act of 1976 (P. L. 94–329), I am writing to report on the progress which has been made toward achieving full respect for the human and legal rights of United States citizens detained in Mexico.

In the last report, submitted to you by my predecessor on November 10, 1976, it was reported that the problem of obtaining full respect for the human and legal rights, under Mexican law, of all United States citizens detained in that country had not been solved and that the Department was not fully satisfied with the progress that had been made at that time toward its solution.

During hearings before the House International Relations Committee from July, 1975 through January, 1976, the Department reported on its findings in some 475 cases of United States citizens who were detained in Mexico as of July 1, 1975. The Department indicated during those hearings that prisoners' allegations of physical abuse and denial of human and legal rights were substantiated in a disturbing number of cases in which U.S. citizens are not receiving the full rights guaranteed to them under Mexican law.

During the period from July 1, 1975 through January 15, 1977, over 1500 Americans were arrested in Mexico. A vast majority of that number were involved in minor offenses and the arrestees were released after only one or two days in jail and/or the payment of a fine. During this period, there were 58 cases of substantiated physical abuse at the time of arrest. In another 47 cases the evidence was not sufficient to reach a clear conclusion. There were also 17 cases wherein Americans were subjected to unscrupulous financial practices by attorneys who extracted large fees from the prisoner and/or his family for services which they then failed to provide and another 61 cases where the evidence of malpractice was not sufficient to reach a conclusion. In cases of substantiated abuse the Embassy at Mexico City and our consular posts throughout Mexico have made and continue to make protests to the Mexican authorities at both the local and federal levels. I should point out, however, that protests have not been made in those cases where the arrested American citizens specifically requested that no protest be made. The protests are normally made both orally and in writing to the appropriate local officials. In many instances, the cases are documented by constituent posts and forwarded to the Embassy at Mexico City so that protests can be lodged with the Mexican Foreign Ministry. In such cases, the Embassy sends a formal note of protest to the Ministry with a copy to the Mexican Attorney General. These notes include a description of the case, a sworn statement by both the prisoner and the consular officer where appropriate, and a request that a full investigation be made into the allegation of abuse. To date, the Embassy has not received satisfactory replies to the vast majority of such notes.

While it is true that the total number of cases of substantiated abuse represents a small percentage of the total number of arrests, we cannot be complacent. As was noted in our previous report, as long as one American citizen is not being accorded his human and legal rights under Mexican law, we will not be satisfied.

Timely notification to our consular officers of the arrest of an American in Mexico and subsequent early access to the arrestee continue to be major problems, which we have discussed repeatedly with officials of the Mexican Government at the highest levels. We have stressed in these discussions the importance the United States Government places on obtaining early notification of an arrest and subsequent prompt access to the detainee in accordance with the Vienna Convention on Consular Relations to which both of our countries are signatories. While we have succeeded in convincing the Mexican Federal Government of our position, practical results on the local level remain spotty and uneven. During the last eighteen months, there were some 269 cases where we did not consider notification of an arrest by police authorities as adequate.

In many cases the initial information on the arrest case came from outside sources such as friends or relatives rather than from local authorities. Once notification has been received, however, the gaining of consular access to the arrested American is usually no longer a problem. Conditions of communication and or transportation, however, can be an obstacle, particularly in the many cases where the arrest takes place several hundred miles from the nearest consular office. In these instances initial contact with the arrested citizen is made by telephone and a consular officer visits as soon thereafter as practical.

In our last report, the Department also noted that the Mexican Government was understood to be in the process of revising its law to extend parole to drug offenders on the same basis as other convicts. The parole bill, however, was not reported out of committee prior to the adjournment of the Mexican Congress on December 31. We understand that the parole legislation may be reconsidered when the Mexican Congress reconvenes in September.

On the more positive side, the United States and Mexico have concluded successful negotiations on a treaty which will permit a national of the United States or Mexico convicted of a crime in the other country to serve his sentence in a penal facility located in his own country. The Treaty on the Execution of Penal Sentences was formally signed in Mexico City on November 25, 1976 and ratified by the Mexican Senate on December 31, 1976. The Treaty was transmitted to the United States Senate for its advice and consent to ratification on February 15. Implementing legislation which is currently being drafted by the Department of Justice must also be enacted before the Treaty can go into force. We are hopeful that, when ratified, the Treaty will help to alleviate the long range problem of large numbers of Americans serving extended sentences in Mexico.

During the period covered by this report a new Mexican administration has assumed office and we have discussed the problem with newly installed officials. President Lopez Portillo is, of course, aware of the problem and, as you know, alluded to it in his address to the House of Representatives during his recent State Visit to Washington. We are hopeful that our continuing discussion of the plight of U.S. citizens arrested in Mexico with the new Mexican Government officials will lead to rapid improvement.

Sincerely,

CYRUS VANCE.

THE DOUBLE STANDARD OF ENERGY PRODUCTION

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, a recent editorial in the Washington Post attracted my attention, and, I might add, my agreement. I would like to recommend it as sound reading material to my colleagues who exhibit what the Post editors refer to as "the Atlantic state of mind."

The editorial characterizes "the Atlantic state of mind," which we often see in this area and points North and East, as:

> . . . an attitude that vehemently opposes offshore drilling, or the construction of new refineries, or the development of oil ports. It is also an atttiude that bitterly resents rising fuel costs and utility bills. This attitude concedes that the disruptive and sometimes dirty process of producing and refining oil is necessary, but it wants it to take place somewhere else. At the same time, it does not see why the northeastern states should pay more for their fuel than, say the Southwest.

Mr. Speaker, we have all seen this double standard attitude expressed. As a representative of an oil and natural gas producing State, I can assure our colleagues, the people of Louisiana resent this hypocrisy. While the environmental "guerrilla warfare," which has dragged out opportunities for exploration and development of oil and gas deposits along the Atlantic coast continues, our consumers are subsidizing the importation of oil into the Northeast.

Our people are as concerned about the environment of our coastline as the people of the Atlantic seaboard are about theirs. We have not deliberately plundered and ruined our beautiful bayous and rich marshlands in the wild pursuit of oil and natural gas. We have been careful to conserve and protect our abundant natural inheritance. We have learned that producing the energy our country needs and protecting the environment are compatible. We can have both, if we are willing to try. But the un-

realistic and selfish attitude of "give us your oil, but keep your refineries" can only lead to more shortages and national divisiveness.

I hope that this editorial will signal a new awakening of reasonable attitudes about offshore drilling and refining in the Northeast. I am only sorry it has taken so long.

I include the full text of "Oil Wells and Beaches," from the Washington Post following my remarks:

OIL WELLS AND BEACHES

The guerrilla warfare over energy and the environment goes on and on—expensively, wastefully and, worst of all, inconclusively. It's being fought mostly through the tangled jungles of the regulatory agencies and various court systems. Now a federal judge in New York has delivered an opinion that holds up indefinitely any oil and gas drilling operations off the East Coast. The environmental planning was, in the judge's view, inadequate under the standards of the Natural Environmental Policy Act.

By itself, this delay in offshore drilling will probably turn out to be less than crucial. Mother Nature has lately been offering broad hints that the Atlantic Coast is not going to be sufficiently rich in oil and gas to change significantly the dimensions of the national shortage. For one thing, the Canadians have been doing a lot of drilling in their segment of the continental shelf, to the north, and the results have been disappointing so far. The more distressing thing about the court's decision is this further demonstration that the country still isn't coming to terms with the limits on its oil and gas resources.

A certain set of attitudes has emerged that can be called the Atlantic state of mind. It is characteristically American, and widespread, but it is most explicit in the region that runs from Washington to the north and east. It is an attitude that vehemently opposes offshore drilling, or the construction of new refineries, or the development of oil ports. But it is also an attitude that bitterly resents rising fuel costs and utility bills. This attitude concedes that the disruptive and sometimes dirty process of producing and refining oil is necessary, but wants it to take place somewhere else. At the same time, it does not see why the northeastern states should pay any more for their fuel than, say, the Southwest.

The rest of the country is now, in fact, subsidizing the imports of home heating oil into this country—most of it into the Atlantic states. It isn't a government subsidy; it's paid by one consumer to another through the refiners and distributors, to equalize fuel costs nationwide. It's permissible as a temporary measure in a very cold winter. But the sections of the country that produce and refine oil have a right to ask how much they are to pay, and for how long, while the fight over environmental standards goes on in the Atlantic states.

The offshore leasing decision was "a stinging victory for our 1,000 miles of shoreline," declared John V. N. Klein, Suffolk County (N.Y.) Executive. ". . . it is obvious that the 'inevitability' of offshore drilling may not be as 'inevitable' as some have suggested." Quite true. But there are choices to be made here. Somewhere, some time, this country is going to have to work out a reliable and rational way of reconciling the benefits of stable fuel prices with the different but even more important benefits of environmental protection. Perhaps it is reasonable for the Atlantic states to demand a higher standard of protection for their coasts and beaches than those now in effect for the Gulf Coast and California, where drilling has been going on for years. But is it fair for the Atlantic states, at the same time, to ask the rest of the country to help pay the high costs of its imported heating oil?

LEGISLATION INTRODUCED TO EXEMPT CERTAIN AGRICULTURAL AIRCRAFT FROM THE AIRCRAFT USE TAX

(Mr. HAMMERSCHMIDT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HAMMERSCHMIDT Mr. Speaker, I am introducing legislation today to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax and to provide for the refund of the gasoline tax to the agricultural aircraft operator.

The law recognized an exemption for gasoline used on a farm for farming purposes, but the method of collection of the taxes and ruling by the Internal Revenue Service have caused agricultural aircraft operators to pay the entire tax with only a small amount of it being refunded to individual farmers.

The Airport and Airways Development Act of 1970, Public Law 91–259, imposes a yearly excise tax of 2 cents a pound on gross weight over 2,500 pounds and a total fuel tax of 7 cents a gallon on aviation fuel. The average taxable weight per aircraft is 1,500 pounds. On 8,000 aircraft, that is a total of $240,000.

In 1975, agricultural aviators flew over 2,000,000 hours, treating, seeding, and fertilizing more than 250,000,000 acres. Over 65 million gallons of aviation fuel is used for agricultural purposes each year. Fuel tax at 7 cents a gallon on 65 million gallons total $4.5 million and the total tax burden on the agricultural aviation industries is $4,740,000.

This "user" tax is placed into a trust fund for development, research, and improvement of public airports. The trust fund currently has an excess of over $2 million and it is projected that the trust fund could have a surplus of $3.6 million by 1980.

Figures developed by the Cost Allocation Study Group of the Department of Transportation during the preparation of working paper No. 5, "Measures of Use," show agricultural aircraft use the Federal system less than one-half of 1 percent of the time.

Basically, the bill that I have introduced today provides that no tax shall be imposed on the use of any aircraft by a person who holds a certificate as an agricultural aircraft operator, if such aircraft is equipped for farming operation.

Mr. Speaker, enactment of this legislation will relieve the heavy tax burden now imposed on aircraft operators who conduct agricultural activities. I urge the support of this bill by the House.

A WAY TO PREVENT THE SACCHARIN BAN

(Mr. RUDD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RUDD. Mr. Speaker, I am today introducing a bill to amend the Federal Food, Drug and Cosmetic Act of 1938, so that we can prevent the kind of senseless action represented by the plan of the U.S. Food and Drug Administration to ban saccharin.

The current law requires FDA to refuse a safety rating for any food additive that has been tested and, in the words of the law, "is found to induce cancer in man or animal."

This is an unreasonable requirement, because it says nothing about the dosage of the additive to be consumed or the kind of test to be conducted.

You could induce cancer in just about any animal if you force-fed it a sufficient quantity of almost any additive—just as you could burn a hole in a car radiator by filling it with a full-strength portion of some antifreeze or antirust additive, which in its proper proportion would only constitute one part per thousand of the total solution.

In the Canadian Government's saccharin test on rats, the animals were given a daily dosage of the sugar substitute that a human being would only get by drinking 1,250 cans of diet soda every day.

That dosage of salt, pepper, Tabasco—just about anything—would also probably cause cancer. And if tested in the same way as the Canadian saccharin test on rats, these foodstuffs would also be banned by FDA under a strict interpretation of the current law.

Obviously no thought has been given to the enormous suffering that this saccharin ban will impose upon millions of Americans with heart ailments, weight problems, diabetes, and other health problems. What is the trade-off here? We prevent cancer for people who drink 1,250 cans of diet soda a day. But we cause tens of thousands of other possible deaths by banning a sugar substitute that many people must use for life itself. This is absolute stupidity.

The bill I am introducing today will hopefully provide a reasonable solution. It proposes a change in the current law to require that no food additive will be declared unsafe by the Federal Government, unless tests have proved the additive to be cancer-causing when consumed in normal quantities.

GAS INDUSTRY PROVING NEED FOR REGULATIONS

(Mr. ALLEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ALLEN. Mr. Speaker, I should like to insert in the CONGRESSIONAL RECORD the following editorial from the Tennessean:

GAS INDUSTRY PROVING NEED FOR REGULATIONS

The actions of Tenneco Inc. in diverting natural gas from interstate delivery to the higher-priced intrastate market is an example of how the monopolistic fuel industry is able to manipulate supplies to American consumers to increase its profits.

Tenneco has long contracted to sell natural gas to Tennessee Gas Pipeline Co., which supplies Nashville Gas Co. and most other areas of Tennessee. Gas sold in this manner moves between states and the price of it is regulated by the Federal Power Commission. The maximum price ceiling on this gas is currently $1.44 per thousand cubic feet.

Tenneco admitted to the Securities and Exchange Commission last week that as far back as 1965 it had been diverting gas pledged to Tennessee Gas Pipeline Co. into the intrastate market, where rates are currently as high as $2.25 per thousand cubic feet.

Tenneco said it did this by selling gas intended for Tennessee Gas Pipeline to one of Tenneco's own subsidiaries, Channel Industries Gas Co., of Texas.

The subsidiary is aptly named, because since 1965 Tenneco has used it to channel 350 billion cubic feet of gas into the unregulated intrastate market, according to a preliminary investigation by a House subcommittee. An FPC spokesman said Tenneco had been selling approximately 30 million cubic feet of gas a day to Channel.

The gas and oil industry frequently complains that it should not be called a monopoly. But what can you call it when a major gas company, free from the pressures of any genuine competition, is able to set up a subsidiary through which it can escape federal regulation, ignore binding agreements, and sell its gas for the highest price it can get.

When an industry is so powerful and so sure of its market that it can withhold its product from a large body of consumers during an emergency to profit by selling it to another group of consumers, it deserves to be called a monopoly.

One thing is clear: The FPC has not been doing its job when a major gas company, over a period of 12 years, can set up a subsidiary through which it can escape price regulation and sell its gas to whoever is able to pay the highest price for it.

Tenneco maintains its transactions "had nothing to do with the current shortage nor with the recent contention that companies were withholding from the interstate market."

However, it is doubtful if the public would ever have known about Tenneco's diversions if the fuel crisis had not developed. And Nashville consumers, at least, will disagree that the transactions "had nothing to do" with the so-called shortage.

At the height of the crisis—when Metro schools and some businesses were shut down and homes were threatened with interruption of supply—the FPC authorized Tennessee Gas Pipeline to buy some 32 million cubic feet of gas per day from Channel Industries at "emergency" unregulated prices up to 60% greater than the regulated prices.

It is not known how much this has cost Tennessee gas consumers. But the consumers should be concerned about it and perhaps should consider trying to recover any overcharges they may have suffered.

The Tenneco practices are one more reason why Congress should move to reverse the concentration of fuel reserves into fewer hands.

In view of the industry's tendency to use whatever means available to increase profits, it is absurd for the government to be thinking about deregulating the price of natural gas. It is clear that what is needed is more regulation, not less, and stricter enforcement of the regulations.

INTRODUCTION OF THE FRANCHISING TERMINATION PRACTICES REFORM ACT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, today 29 of our colleagues have joined me in introducing the Franchising Termination Practices Reform Act. This bill is intended to correct inequities in certain franchise practices, to provide franchisors and franchisees with protection from unfair practices, and to provide consumers with the benefits which accrue from competition and a free market economy.

The bill is similar to one which I introduced last year and which eventually attracted over 110 cosponsors. The widespread support for last year's bill indicated the need for legislation to equalize the relationship between franchisors and franchisees. I am also very appreciative of the suggestions which last year's cosponsors have offered on ways to improve the bill.

The new bill retains the most significant provisions included in the version introduced in the 94th Congress. As in last year's bill, franchisors must give notice to franchisees of decisions to cancel or terminate the arrangement except in certain carefully prescribed situations; franchisors must have good cause for canceling or terminating a franchisee; and Federal courts may grant legal and equitable relief to remedy the effects of prohibited conduct under the act. The bill also encourages the arbitration of disputes, a process which is quite often quicker and far less expensive than court litigation.

However, the bill also contains some important changes which I think represent significant improvements. Because it is often difficult to agree upon new terms after the conclusion of a franchise arrangement, the bill permits franchisees to sell their interest in the franchise to a new franchisee subject to the approval of the franchisor. Should the franchisor fail to approve the sale, reasonable compensation must be paid the franchisee. This provision recognizes that a successful franchise operation depends upon the individual operating the franchise as well as the corporate efforts of the franchisor.

Finally, the bill includes an important new protection for franchisees. Upon passage of this bill, franchisors will be required to treat all their franchisees equally unless there are substantial geographic differences between the franchisees justifying different treatment.

Last Congress, the House Interstate and Foreign Commerce Subcommittee on Consumer Protection and Finance held 3 days of hearings on the matter of franchisees. During that hearing, it became clear that the value of the franchising form of business was becoming more important in American commercial life. However, it was also clear that too often franchisors took advantage of superior bargaining power to force franchisees to accept arbitrary and unfair treatment. Of course, immediate termination is a powerful tool to insure compliance.

Mr. Speaker, this bill will not correct all the abuses in the franchise system. Nor will it put franchisees in a dominant position vis-a-vis franchisors. It is simply designed to put both partners in the economic relationship on a more equal footing. It is intended to provide both franchisors and franchisees with evenhanded protection from unfair and unjustifiable practices.

Mr. Speaker, I join with Mr. HAMILTON, Mr. PEPPER, Mr. MCHUGH, Mr. SIMON, Mr. EDGAR, Mr. FAUNTROY, Mr. CORNELL, Mr. MOAKLEY, Mr. MEEDS, Mr. JACOBS, Mr. CORMAN, Mr. LEHMAN, Mr. MITCHELL of Maryland, Mr. BADILLO, Mr. MILLER of California, Mr. RUSSO, Mr. FITHIAN, Mr. MOFFETT, Mr. HUGHES, Mr. HANNAFORD, Mr. JOHN T. MYERS, Mr. YATRON, Mrs. SPELLMAN, Mr. VENTO, Mr. JENRETTE, Mr. DELLUMS, Mr. WEISS, Mr. FRASER, and Mr. ROYBAL in including the text of the Franchising Termination Practices Reform Act in the RECORD:

H.R. 5016

A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhanded protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Franchising Termination Practices Reform Act".

DECLARATION OF POLICY

SEC. 2. (a) The Congress makes the following findings:

(1) A substantial amount of useful business activity in and affecting interstate commerce is today carried on and conducted under franchise agreements or relationships between franchisors and franchisees.

(2) Such agreements and relationships benefit the economy, enhance commerce, and promote competition by providing a means for combining centralized planning, direction, and standard-setting by the franchisor with local decisionmaking, initiative, and capital formation by the franchisee in a way which appears to be at least as effective as commercial arrangements based on principal and agent relationships.

(3) Because the franchise relationship in its present form is a relatively new one, existing law has not evolved sufficiently to protect adequately the parties to the franchise relationship and to insure against overreaching, unjust enrichment, and unjustifiable termination. Traditional antitrust, agency, and contract law doctrines fail to provide sufficient remedies for conduct that should, in this context, be characterized as wrongdoing.

(b) It is the purpose of this Act to provide certain remedies to franchisors and franchisees to assure fair dealing, to protect franchisees from inequitable practices, and to guarantee to consumers the greater benefits which would flow from more equitable franchise agreements and relationships.

DEFINITIONS

SEC. 3. For purposes of this Act:

(1) The term "antitrust laws" includes—

(A) the Sherman Act (15 U.S.C. 1 et seq.);

(B) the Clayton Act (15 U.S.C. 12 et seq.);

(C) the Federal Trade Commission Act (15 U.S.C. 41, et seq.);

(D) sections 73 and 74 of the Wilson Tariff Act (15 U.S.C. 8 and 9); and

(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21A).

(2)(A) Except as provided in subparagraph (B), the term "franchise" means any commercial relationship which affects commerce and which is created by agreement, contract, lease, or other understanding, whether written or oral, express or implied, in which—

(i) a person (hereinafter in this Act referred to as the "franchisor") grants to another person (hereinafter in this Act referred to as the "franchisee") the right to, or permits such person to, offer, sell, or distribute—

(I) goods or commodities manufactured, processed, or distributed by such franchisor; or

(II) services established, organized, or directed by such franchisor;

(ii) (I) the franchisor represents that it will lend more than nominal assistance to the franchisee in the franchisee's organization, promotional activities, management, marketing plan, method of operation, or other business affairs; or

(II) the operation of the franchisee's business is substantially associated with the franchisor's trademark, service mark, trade name, or other identifying symbol or name owned or controlled by the fanchisor; and

(iii) not less than $25,000 in annual gross revenues of the goods, commodities, or services sold by the franchisee each year is derived from the franchise business.

Such term includes any franchise described in the preceding sentence under which a franchisee is granted the right, or is permitted, to offer, sell, or negotiate the sale of such franchises in the name of or on behalf of the franchisor.

(B) The term "franchise" does not include any commercial relationship under which a person is granted the right or is permitted to offer, sell, or distribute, on a commission or consignment basis, goods or commodities manufactured, processed, or distributed by another person and bearing the trademark, service mark, trade name, or other identifying symbol or name owned or controlled by such other person.

(3) The term "good cause", when used with respect to the cancellation of, termination of, or failure to renew a franchise, means—

(A) continued failure by the franchisee, without reasonable excuse or justification, to comply substantially with an essential and reasonable requirement imposed by the franchisor under the terms of the franchise; or

(B) continued bad-faith conduct or unjustified and unreasonable failure to act by the franchisee with respect to the carrying out of the terms of such franchise.

(4) The term "marketing area withdrawal" means the cancellation of, termination of, or failure to renew a franchise by a franchisor for the purpose of enabling such franchisor to withdraw from the business of granting, organizing supplying, or directing franchises within a particular marketing area of the United States—

(A) which is not a violation of the antitrust laws;

(B) with respect to which such franchisor does not sell or provide, directly or indirectly, in such marketing area the same goods and services covered by such franchise during the five-year period beginning on the date of such cancellation, termination, or failure to renew; and

(C) with respect to which such franchisor pays the franchisee involved reasonable compensation for the value of such franchisee's business, including goodwill, or, if agreed to by such franchisee, provides for the replacement of the franchise with a new franchise of equivalent value.

(5) The term "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof, or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A).

(6) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

NOTICE TO FRANCHISEES

SEC. 4. (a) (1) Except as provided in subsection (b), no franchisor may cancel, fail to renew, or otherwise terminate a franchise unless such franchisor furnishes prior notification in accordance with paragraph (2) to the franchisee affected.

(2) The notification required under paragraph (1) shall be in writing and shall be sent to the franchisee by certified mail not less than ninety days before the date on which such franchise will be canceled, not renewed, or otherwise terminated. Such notification shall contain a statement of intention to cancel, not renew, or otherwise terminate, together with the reasons therefor, the date on which such action shall take effect, and a statement of the remedy or remedies available to such franchisee under this Act, including a summary of the applicable provisions of this Act.

(b) A franchisor may cancel, fail to renew, or otherwise terminate a franchise without furnishing the notification required under subsection (a)—

(1) in order to protect against an imminent danger to public health or safety caused by the franchisee;

(2) in the event of insolvency or bankruptcy of the franchisee; or

(3) in the event of voluntary abandonment by the franchisee of the franchise business.

TERMINATION OF FRANCHISES

SEC. 5. No franchisor may cancel, fail to renew, or otherwise terminate a franchise unless—

(1) the franchisor is effecting a marketing area withdrawal; or

(2) the franchisor has good cause for such cancellation, failure to renew, or termination and, in any case in which prior notification is required under section 4, the franchisor has furnished such notification and the franchisee has not corrected the conduct specified in such notification as the reason for such cancellation, failure to renew, or termination within 60 days after the date of receipt of such notification.

COMPENSATION FOR FAILURE TO RENEW A FRANCHISE

SEC. 6. A franchisor who fails to renew a franchise for other than good cause shall—

(1) permit the franchisee, for a period of not less than 90 days beginning on the date of expiration of the franchise, to sell the franchise subject to the approval of the franchisor; or

(2) if no sale is made under paragraph (1), pay the franchisee reasonable compensation for the loss of the value (including goodwill) of the franchisee's business attributable to the franchisor's failure to renew the franchise.

If the franchisee and franchisor do not agree on the amount of the reasonable compensation described in paragraph (2), they shall submit the determination of such amount to binding arbitration in accordance with section 9(b).

RELATIONSHIP BETWEEN PARTIES

SEC. 7. A franchisor may not discriminate between franchisees in the charges offered or made for royalties, goods, services, equipment, rentals, advertising services, or in any other business dealing, unless, and then only to the extent that, any classification of, or discrimination between, franchisees is reasonable, is based on franchises granted at materially different times, and is reasonably related to such difference in time or is based on other proper and justifiable distinctions considering the purposes of this Act, and is not arbitrary.

JUDICIAL REMEDIES AND BURDEN OF PROOF

SEC. 8. (a) If a franchisor engages in conduct prohibited under this Act, a franchisee may maintain a suit against such franchisor.

(b) The court shall grant such equitable relief as is necessary to remedy the effects of conduct which it finds to exist and which is prohibited under this Act, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief. The court may, unless required by this Act, award damages, including the value of goodwill. The court may, if such suit is successful, direct that costs, including reasonable attorney and expert witness fees, be paid by the franchisor. If the court finds that the franchisor has acted in bad faith in invoking the provisions of section 4(b) as justification for cancellation, failure to renew, or termination of a franchise, it shall award actual damages, as well as costs, as provided for in this subsection.

(c) A suit under this section may be brought, without regard to the amount in controversy, in the district court of the United States for any judicial district in which the franchisor against whom such suit is maintained resides, is found, or is doing business. No such suit shall be maintained unless commenced within two years after the cancellation, failure to renew, or other termination of the franchise, unless the franchisor has allegedly re-entered the marketing area after having effected a marketing area withdrawal, in which case no such suit shall be maintained unless commenced within two years after the date of such alleged re-entry.

(d) In any suit brought under this section, a franchisor availing himself of any of the justifications specified in section 4(b), 5(1), 5(2), or 7 as a defense to such action shall have the burden of establishing and proving such defense.

PROHIBITION ON WAIVER OF RIGHTS AND ARBITRATION

SEC. 9. (a) Except as provided in subsection (b) of this section, any condition, stipulation, provision, or term of any franchise agreement waiving any right granted under this Act, or relieving any person from liability imposed by this Act, shall be void and unenforceable.

(b) Nothing contained in this Act shall limit the right of a franchisor and a franchisee to agree to binding arbitration of disputes, if—

(1) the standards applied in such arbitration are not less than the requirements specified in this Act, and

(2) any arbitrator employed in such arbitration is chosen by the parties from a list of impartial arbitrators supplied by the American Arbitration Association or by any other impartial third party agreed to by the parties.

ANTITRUST LAWS

SEC. 10. No provision of this Act shall repeal, modify, or supersede, directly or indirectly, any provision of the antitrust laws of the United States. This Act is and shall be deemed to be supplementary to, but not a part of, the antitrust laws of the United States.

EFFECTS ON STATE LAW

SEC. 11. Nothing in this Act shall invalidate or restrict any right or remedy of any franchisee under the law of any State.

SEVERABILITY CLAUSE

SEC. 12. If any provision of this Act, or the application of any provision of this Act to any person or circumstances, is held invalid, the remainder of this Act, or the application of such provision to persons and circumstances other than those to which it is held invalid, shall not be affected thereby.

EFFECTIVE DATE

SEC. 13. This Act shall apply to any cancellation of, failure to renew, or other termination of any franchise occurring after the date of enactment of this Act.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Ms. COLLINS of Illinois (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. GUYER (at the request of Mr. RHODES), for today and tomorrow, on account of a death in the family.

Mr. NEAL (at the request of Mr. WRIGHT), for March 14, 15, and 16, on account of official business.

Mr. VANDER JAGT (at the request of Mr. RHODES), for the week of March 14, on account of official business.

Mr. YOUNG of Florida (at the request of Mr. RHODES), until 3 p.m. today, on account of attendance at a funeral.

Mr. BOB STUMP, for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LEACH) to revise and extend their remarks and include extraneous material:)

Mr. SARASIN, for 5 minutes, today.
Mr. KEMP, for 10 minutes, today.
Mr. SEBELIUS, for 10 minutes, today.
Mr. EMERY, for 5 minutes, today.
Mr. DEL CLAWSON, for 5 minutes, today.
Mr. CONABLE, for 60 minutes, March 17.

(The following Members (at the request of Mr. ERTEL) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. AKAKA, for 5 minutes, today.
Mr. DIGGS, for 5 minutes, today.
Mr. BINGHAM, for 10 minutes, today.
Mr. ASPIN, for 15 minutes, today.
Mr. DODD, for 5 minutes, today.
Mr. BENJAMIN, for 5 minutes, today.
Mr. THOMPSON, for 5 minutes, today.
Mr. RYAN, for 5 minutes, today.
Mr. KRUEGER, for 5 minutes, today.
Mr. LAFALCE, for 5 minutes, on March 16.
Mr. BENJAMIN, for 10 minutes, on April 14.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MCDONALD, immediately prior to the vote on the Bauman amendment.

(The following Members (at the request of Mr. LEACH) and to include extraneous matter:)

Mr. JEFFORDS in two instances.
Mr. ARMSTRONG.
Mr. BOB WILSON.
Mr. DEL CLAWSON.
Mr. O'BRIEN.
Mr. KASTEN.
Mr. CONABLE.
Mr. SCHULZE.
Mr. GRADISON.
Mr. SNYDER in two instances.
Mr. STANTON.
Mr. RHODES in three instances.
Mr. LAGOMARSINO.
Mr. GRASSLEY.
Mr. HYDE.
Mr. ANDERSON of Illinois in two instances.
Mr. CORCORAN of Illinois.
Mr. PRESSLER in two instances.
Mr. WHITEHURST.
Mr. MADIGAN.
Mr. BROWN of Ohio.
Mr. BURKE of Florida.
Mr. ROUSSELOT.
Mr. EVANS of Delaware in two instances.
Mr. MICHEL.

(The following Members (at the request of Mr. ERTEL), and to include extraneous matter:)

Mr. WEAVER.
Mr. HEFTEL.
Mr. BAUCUS.
Mr. DENT.
Mrs. COLLINS of Illinois.
Mr. FRASER in two instances.
Mr. ZABLOCKI.
Mr. HANNAFORD.
Mr. FISHER.
Mr. SANTINI in two instances.
Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. BOLLING.
Mr. EILBERG in two instances.
Mr. CORMAN.
Mr. HARRINGTON.
Mr. RANGEL.
Mr. WEISS in two instances.
Mr. MAZZOLI.
Mr. EDWARDS of California.
Mr. LEHMAN in 10 instances.
Mr. KILDEE.
Mr. EDGAR in three instances.
Mr. OTTINGER in three instances.
Mr. BRECKINRIDGE.
Mr. BONKER.
Mr. MCDONALD.
Mr. HOWARD.
Mr. TEAGUE.
Mr. PERKINS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 213. An act to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Internal Revenue Service and of the Bureau of Alcohol, Tobacco, and Firearms; to the Committee on Government Operations.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 269. Joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1977, for disaster relief.

ADJOURNMENT

Mr. ERTEL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 44 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 15, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

998. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1977 and amendments to the budget for fiscal year 1978 (H. Doc. No. 95–97); to the Committee on Appropriations and ordered to be printed.

999. A letter from the President of the United States, transmitting a draft of proposed legislation to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes (H. Doc. No. 95–98); to the Committee on International Relations and ordered to be printed.

1000. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of March 1, 1977, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 95–99); to the Committee on Appropriations and ordered to be printed.

1001. A letter from the Director, Office of Legislative Affairs, Department of the Navy, transmitting notice of the intention of the Department of the Navy to sell the destroyer *Bordelon* (DD–881) to the Government of Iran, pursuant to 10 U.S.C. 7307(b)(2); to the Committee on Armed Services.

1002. A letter from the Acting U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting a review by the National Advisory Committee on the Handicapped of a GAO report on Federal programs for training educators for the handicapped; to the Committee on Education and Labor.

1003. A letter from the Staff Director, U.S. Commission on Civil Rights, transmitting a draft of proposed legislation to amend the Age Discrimination Act of 1975 to extend for 6 months the deadline for transmittal of the Commission's report on unreasonable age discrimination, and to authorize the Commission to provide information and technical assistance to the Government officials responsible for implementing the prohibition against unreasonable age discrimination in federally assisted programs and activities; to the Committee on Education and Labor.

1004. A letter from the Secretary of Housing and Urban Development, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1005. A letter from the Acting President, Inter-American Foundation, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1006. A letter from the General Counsel, Securities and Exchange Commission, transmitting notice of a proposed change in a system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1007. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to amend Public Law 92–287 to provide certain additional authorities for the re-

placement of a metallurgy research center now located on the campus of the University of Utah; to the Committee on Interior and Insular Affairs.

1008. A letter from the Chairman, Indian Claims Commission, transmitting a draft of proposed legislation to authorize appropriations for the Indian Claims Commission for fiscal year 1978; to the Committee on Interior and Insular Affairs.

1009. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

1010. A letter from the Administrator, Federal Administration, transmitting a report covering the months of October and November 1976 on changes in market shares of the statutory categories of retail gasoline marketers, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1011. A letter from the Administrator, Federal Energy Administration, transmitting a report covering the month of November 1976, on changes in the refiner distribution and market shares of the statutory categories of refined petroleum products, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1012. A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation to amend section 1114 of title 18 of the United States Code to make the killing, assaulting, or intimidating of any officer or employee of the Federal Communications Commission performing investigative, inspection, or law-enforcement functions a Federal criminal offense; to the Committee on the Judiciary.

1013. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1978 and 1979 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1014. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing alterations at the South Bend, Ind., Federal Building-U.S. Courthouse, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1015. A letter from the Acting Comptroller General of the United States, transmitting a report on Indian education in the public school system (HRD-76-172, March 14, 1977); jointly, to the Committees on Government Operations, and Education and Labor.

1016. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a revised draft of proposed legislation to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, International Relations, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on Mar. 10, 1977 the following reports were filed Mar. 11, 1977]

Mr. MAHON: Committee on Appropriations. Supplemental report on H.R. 4876. A bill making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes (Rept. No. 95-66, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. H.R. 4877. A bill making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes. (Rept. No. 95-68). Referred to the Committee of the Whole House on the State of the Union.

[Submitted March 14, 1977]

Mr. ZABLOCKI: Committee on International Relations. Report on allocation of budget totals under the third concurrent resolution on the budget for fiscal year 1977 (Rept. No. 95-69). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. Report of the Committee on Education and Labor pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 95-70). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportaion. Report on suballocation of spending authority from the third concurrent resolution for fiscal year 1977 in accordance with section 302(b)(2) of the Congressional Budget Act of 1974 (Rept. No. 95-71). Referred to the Committee of the Whole House on the State of the Union.

Mr. STRATTON: Committee on Armed Services. H.R. 3702. A bill to amend title 10, United States Code, to make certain changes in the Retired Serviceman's Family Protection Plan and the Survivor Benefit Plan as authorized by chapter 73 of that title, and for other purposes (Rept. No. 95-72). Referred to the Committee of the Whole House on the State of the Union.

Mr. DODD: Committee on Rules. House Resolution 402. Resolution providing consideration of waiving certain points of order against H.R. 4876. A bill making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes (Rept. No. 95-73). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 403. Resolution providing consideration of waiving certain points of order against H.R. 4877. A bill making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes (Rept. No. 95-74). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AKAKA (for himself and Mr. HEFTEL):

H.R. 4878. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide manpower programs for Native Hawaiians; to the Committee on Education and Labor.

H.R. 4879. A bill to amend the Indian Education Act and certain other related education assistance programs to provide Federal financial assistance to Hawaiian Natives, and for other purposes; to the Committee on Education and Labor.

H.R. 4880. A bill to extend the provisions of the Indian Financing Act of 1974 to Native Hawaiians; to the Committee on Interior and Insular Affairs.

H.R. 4881. A bill to extend the provisions of the Indian Self-Determination and Education Assistance Act to Native Hawaiians; jointly, to the Committees or Interior and Insular Affairs, and Education and Labor.

By Mr. ANDERSON of California (for himself, Mr. BARNARD, Mr. BURGENER, Mr. BAUCUS, Mr. BURKE of Florida, Mr. ROBERT W. DANIEL JR., Mr. DAVIS, Mr. DEVINE, Mr. ERTEL, Mr. FLOWERS, Mr. FITHIAN, Mr. ICHORD, Mr. KETCHUM, Mr. MADIGAN, Ms. KEYS, Mr. MARTIN, Mr. PANETTA, Mr. SISK, Mr. CHARLES WILSON of Texas, Mr. BOB WILSON, and Mr. YOUNG of Florida):

H.R. 4882. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain relating existing provisions; to the Committee on the Judiciary.

By Mr. ANDERSON of California (for himself, Mr. BADILLO, Mr. CARR, Mr. AKAKA, Mr. COHEN, Mr. D'AMOURS, Mr. BAUCUS, Mr. FISH, Mr. FITHIAN, Mr. ERTEL, Mr. HOLLENBECK, Mr. KILDEE, Mr. PEPPER, Mr. MARTIN, Mr. MINETA, Mr. MARLENEE, Mr. PATTERSON of California, Ms. OAKAR, Mr. TAYLOR, Mr. SCHULZE, and Mr. VOLKMER):

H.R. 4883. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

By Mr. BAUCUS (for himself, Mr. AMMERMAN, Mr. AUCOIN, Mr. BADHAM, Mr. BALDUS, Mr. BEDELL, Mr. BLOUIN, Mr. BOLAND, Mr. BRODHEAD, Mr. BROWN of California, Mr. BROWN of Ohio, Mr. BURGENER, Mr. CARNEY, Mr. CARR, Mr. DODD, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. EMERY, Mr. ERTEL, Mrs. FENWICK, Mr. FLIPPO, Mr. FRASER, and Mr. FUQUA):

H.R. 4884. A bill to authorize Federal assistance under the Consolidated Farm and Rural Development Act with respect to using solar energy in residential structures on family farms; to the Committee on Agriculture.

By Mr. BAUCUS (for himself, Mr. GEPHARDT, Mr. GIBBONS, Mr. GLICKMAN, Mr. HARRINGTON, Mrs. HOLT, Ms. HOLTZMAN, Mr. HOWARD, Mr. HUGHES, Mr. JEFFORDS, Mr. KINDNESS, Mr. KOSTMAYER, Mr. KREBS, Mr. LEHMAN, Mr. LENT, Mr. MANN, Mr. MILLER of California, Mr. MOAKLEY, Mr. MOORHEAD of California, Mr. MURPHY of New York, Mr. NEAL, Mr. NOLAN, Mr. OTTINGER, Mr. PANETTA, and Mr. PATTISON of New York):

H.R. 4885. A bill to authorize Federal assistance under the Consolidated Farm and Rural Development Act with respect to using solar energy in residential structures on family farms; to the Committee on Agriculture.

By Mr. BAUCUS (for himself, Mr. PEASE, Mr. PEPPER, Mrs. PETTIS, Mr. PRITCHARD, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROSE, Mr. ROYBAL, Mr. RUNNELS, Mr. SANTINI, Mrs. SCHROEDER, Mr. SHIPLEY, Mr. SIMON, Mr. SISK, Mrs. SPELLMAN, Mr. SPENCE, Mr. THONE, Mr. THOMPSON, Mr. VOLKMER, Mr. WEAVER, Mr. WHITEHURST, Mr. CHARLES WILSON of Texas, and Mr. WOLFF):

H.R. 4886. A bill to authorize Federal assistance under the Consolidated Farm and Rural Development Act with respect to using solar energy in residential structures on family farms; to the Committee on Agriculture.

By Mr. BAUCUS (for himself, Mr. AMMERMAN, Mr. AUCOIN, Mr. BADHAM, Mr. BALDUS, Mr. BEDELL, Mr. BLOUIN, Mr. BOLAND, Mr. BRODHEAD, Mr. BROWN of California, Mr. BROWN of Ohio, Mr. BURGENER, Mr. CARNEY, Mr. CARR, Mr. DODD, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. EMERY, Mr. ERTEL, Mrs. FENWICK, Mr. FLIPPO, Mr. FRASER, and Mr. FUQUA):

H.R. 4887. A bill to provide more Federal assistance under certain housing programs for dwelling units which utilize solar energy; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BAUCUS (for himself, Mr. GEPHARDT, Mr. GIBBONS, Mr. GLICKMAN, Mr. HARRINGTON, Mrs. HOLT, Ms. HOLTZMAN, Mr. HOWARD, Mr. HUGHES, Mr. JEFFORDS, Mr. KINDNESS, Mr. KOSTMAYER, Mr. KREBS, Mr. LEHMAN, Mr. LENT, Mr. MANN, Mr. MILLER of California, Mr. MOAKLEY, Mr. MOORHEAD of California, Mr. MURPHY of New York, Mr. NEAL, Mr. NOLAN, Mr. OTTINGER, Mr. PANETTA, and Mr. PATTISON of New York):

H.R. 4888. A bill to provide more Federal assistance under certain housing programs for dwelling units which utilize solar energy; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BAUCUS (for himself, Mr. PEASE, Mr. PEPPER, Mrs. PETTIS, Mr. PRITCHARD, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROSE, Mr. ROYBAL, Mr. RUNNELS, Mr. SANTINI, Mrs. SCHROEDER, Mr. SHIPLEY, Mr. SIMON, Mr. SISK, Mrs. SPELLMAN, Mr. SPENCE, Mr. THONE, Mr. THOMPSON, Mr. VOLKMER, Mr. WEAVER, Mr. WHITEHURST, Mr. CHARLES WILSON of Texas, and Mr. WOLFF):

H.R. 4889. A bill to provide more Federal assistance under certain housing programs for dwelling units which utilize solar energy; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BAUCUS (for himself, Mr. AMMERMAN, Mr. AUCOIN, Mr. BADHAM, Mr. BALDUS, Mr. BEDELL, Mr. BLOUIN, Mr. BOLAND, Mr. BRODHEAD, Mr. BROWN of California, Mr. BROWN of Ohio, Mr. BURGENER, Mr. CARNEY, Mr. CARR, Mr. DODD, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. EMERY, Mr. ERTEL, Mrs. FENWICK, Mr. FLIPPO, Mr. FRASER, and Mr. FUQUA):

H.R. 4890. A bill to amend title 38, United States Code, to provide Federal loans and loan guarantees to veterans for the purchase and installation of heating and cooling systems which utilize solar energy; to the Committee on Veterans' Affairs.

By Mr. BAUCUS (for himself, Mr. GEPHARDT, Mr. GIBBONS, Mr. GLICKMAN, Mr. HARRINGTON, Mrs. HOLT, Ms. HOLTZMAN, Mr. HOWARD, Mr. HUGHES, Mr. JEFFORDS, Mr. KINDNESS, Mr. KOSTMAYER, Mr. KREBS, Mr. LEHMAN, Mr. LENT, Mr. MANN, Mr. MILLER of California, Mr. MOAKLEY, Mr. MOORHEAD of California, Mr. MURPHY of New York, Mr. NEAL, Mr. NOLAN, Mr. OTTINGER, Mr. PANETTA, and Mr. PATTISON of New York):

H.R. 4891. A bill to amend title 38, United States Code, to provide Federal loans and loan guarantees to veterans for the purchase and installation of heating and cooling systems which utilize solar energy; to the Committee on Veterans' Affairs.

By Mr. BAUCUS (for himself, Mr. PEASE, Mr. PEPPER, Mrs. PETTIS, Mr. PRITCHARD, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROSE, Mr. ROYBAL, Mr. RUNNELS, Mr. SANTINI, Mrs. SCHROEDER, Mr. SHIPLEY, Mr. SIMON, Mr. SISK, Mrs. SPELLMAN, Mr. SPENCE, Mr. THONE, Mr. THOMPSON, Mr. VOLKMER, Mr. WEAVER, Mr. WHITEHURST, Mr. CHARLES WILSON of Texas, and Mr. WOLFE):

H.R. 4892. A bill to amend title 38, United States Code, to provide Federal loans and loan guarantees to veterans for the purchase and installation of heating and cooling systems which utilize solar energy; to the Committee on Veterans' Affairs.

By Mr. BENNETT:

H.R. 4893. A bill to abolish the National Security Council, and for other purposes; to the Committee on Armed Services.

H.R. 4894. A bill to provide that payments for military retired pay shall be made by the Civil Service Commission and that appropriations for such purpose shall be made to the Civil Service Commission; jointly, to the Committees on Armed Services, and Post Office and Civil Service.

By Mr. BENNETT (for himself, Mr. SPENCE, Mr. BOB WILSON, Mr. MOLLOHAN, Mrs. SCHROEDER, Mr. CARR, and Mr. TRIBLE):

H.R. 4895. A bill to amend the Strategic and Critical Materials Stock Piling Act, and for other purposes; to the Committee on Armed Services.

By Mr. BIAGGI:

H.R. 4896. A bill to amend title 5, United States Code, with respect to the retirement of customs and immigration inspectors, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DELLUMS (for himself, Mr. BROWN of California, Mr. JOHN L. BURTON, Mr. CARR, Mr. CONYERS, Mr. DIGGS, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. GLICKMAN, Mr. HARRINGTON, Mr. KASTENMEIER, Mr. MCCLOSKEY, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. MOAKLEY, and Mr. NIX):

H.R. 4897. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Ways and Means.

By Mr. BINGHAM (for himself, Mr. BADILLO, Mr. BLANCHARD, Mr. BRODHEAD, Mr. BROWN of California, Mr. PHILLIP BURTON, Mr. CARNEY, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Oklahoma, Mr. FAUNTROY, Mrs. FENWICK, Mr. GLICKMAN, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. LAGOMARSINO, Mr. MATHIS, Mr. MURPHY of Pennsylvania, Mr. NIX, Mr. OTTINGER, Mr. RICHMOND, Mr. ROYBAL, Mr. RYAN, and Mr. ST GERMAIN):

H.R. 4898. A bill to provide for judicial review of administrative determinations made by the Board of Veterans Appeals; to the Committee on Veterans' Affairs.

By Mr. BINGHAM (for himself, Mrs. SPELLMAN, Mr. VENTO, Mr. WEISS, and Mr. EILBERG):

H.R. 4899. A bill to provide for judicial review of administrative determinations made by the Board of Veterans Appeals; to the Committee on Veterans' Affairs.

By Mr. CORMAN (for himself, Mr. BADILLO, Mr. JOHN L. BURTON, Mrs. COLLINS of Illinois, Mr. CORRADA, Mr. FARY, Mr. FAUNTROY, Ms. MIKULSKI, Mr. NEDZI, Mr. VENTO, and Mr. WON PAT):

H.R. 4900. A bill to create a national system of health security; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DEL CLAWSON:

H.R. 4901. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rule making and for other purposes; jointly to the Committees on the Judiciary and Rules.

By Mr. DERRICK:

H.R. 4902. A bill to prohibit the appropriation and expenditure of unvouchered funds (except in the case of intelligence agencies) unless specifically authorized by law, and to provide for reports on and audits of authorized expenditures of unvouchered funds: jointly to the Committee on Government Operations and Rules

By Mr. DEVINE:

H.R. 4903. A bill to provide for the recovery by the prevailing party of attorney's fees from the United States in civil actions where the United States is a party which does not prevail; to the Committee on the Judiciary.

By Mr. DOWNEY:

H.R. 4904. A bill to amend the National Flood Insurance Act of 1968 for the purpose of providing insurance against damage caused by the movement of frozen water into property located along shorelines; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 4905. A bill to provide that certain cost-of-living and other increased benefits received under title II of the Social Security Act will not be considered as income for purposes of determining eligibility and the amount of benefits of participants in the food stamp program and for purposes of determining eligibility and the amount of benefits of participants in certain programs concerning surplus agricultural commodities; to the Committee on Agriculture.

H.R. 4906. A bill to provide that social security benefit increases occurring after May 1977 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4907. A bill to amend title XIX of the Social Security Act to make certain that individuals otherwise eligible for medicaid benefits do not lose such eligibility, or have the amount of such benefits reduced, because of increases in monthly social security benefits; to the Committee on Interstate and Foreign Commerce.

H.R. 4908. A bill to establish certain rules for the appearance of witnesses before grand juries in order to better protect the rights of such witnesses, to provide for independent inquiries by grand juries, to require periodic reports to Congress, and for other purposes; to the Committee on the Judiciary.

H.R. 4909. A bill to amend title 38 of the United States Code to make certain recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of certain increases in monthly benefits under the Social Security Act and other Federal retirement programs; to the Committee on Veterans' Affairs.

H.R. 4910. A bill to amend the Social Security Act to make certain that recipients of aid to families with dependent children and recipients of supplemental security income benefits will not have the amount of such aid or benefits reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 4911. A bill to reaffirm the intent of the Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm tne authority of the States to regulate terminal and station equipment used for telephone exchange service in certain instances; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 4912. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

H.R. 4913. A bill to amend the Internal Revenue Code of 1954 to provide a credit against the individual income tax for certain expenses of higher education; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 4914. A bill to establish in the Department of Housing and Urban Development a direct low-interest loan program to assist homeowners, builders, and small business concerns in purchasing and installing solar heating (or combined solar heating and cooling) equipment; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FASCELL (for himself and Mr. BUCHANAN) (by request):

H.R. 4915. A bill to amend title II of the Foreign Relations Authorization Act, Fiscal Year 1977 (Public Law 94-350; 90 Stat 829), to authorize appropriations for the fiscal years 1978 and 1979, and for other purposes; to the Committee on International Relations.

H.R. 4916. A bill to amend title I of the Foreign Relations Authorization Act, Fiscal Year 1977, (Public Law 94-350; 90 Stat. 823) to authorize appropriations for fiscal years 1978 and 1979 and for other purposes; to the Committee on International Relations.

H.R. 4917. A bill to amend the Board for International Broadcasting Act of 1973 and to authorize appropriations for fiscal years 1978 and 1979 for carrying out that act; to the Committee on International Relations.

By Mr. FLOOD:

H.R. 4918. A bill relating to the appointment of district judges; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 4919. A bill to name the lake located behind Lower Monumental Lock and Dam, Washington, Lake Herbert G. West, Sr.; to the Committee on Public Works and Transportation.

H.R. 4920. A bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator, and other purposes; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. BENJAMIN, Mrs. BURKE of California, Mr. DRINAN, Mr. FISHER, Mr. SHARP, and Mr. VANDER JAGT):

H.R. 4921. A bill to add certain lands to the Boundary Waters Canoe Area, to redesignate such area as the Boundary Waters Wilderness Area, to withdraw certain authorities for timber harvesting and vehicle use within such area, to increase the payments made to counties respecting such area, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FRASER (for himself, Mr. BEDELL, Mr. BINGHAM, Mr. DODD, Mr. DRINAN, Mr. EDGAR, Mr. EILBERG, Mr. EMERY, Mr. HARRINGTON, Mr. KASTENMEIER, Mr. MOAKLEY, Mrs. MEYNER, Mr. NOLAN, Mr. SEIBERLING, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, Mr. STEERS, and Mr. CHARLES WILSON of Texas):

H.R. 4922. A bill to insure the development of U.S. ocean mining capabilities and to support the continuation of the Law of the Sea Conference negotiations; jointly to the Committees on Interior and Insular Affairs, International Relations, and Merchant Marine and Fisheries.

By Mr. GLICKMAN:

H.R. 4923. A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that bonds issued to finance facilities for production and purification of synthetic natural gas by coal gasification not be considered industrial development bonds, and for other purposes; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 4924. A bill to amend section 8 of the United States Housing Act of 1937 for the purpose of changing the criterion used for determining eligibility of families assisted under such section; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. HAMMERSCHMIDT:

H.R. 4925. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

H.R. 4926. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 4927. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the Armed Forces, and for other purposes; to the Committee on Armed Services.

H.R. 4928. A bill to authorize a career education program for elementary and secondary schools, and for other purposes; to the Committee on Education and Labor.

H.R. 4929. A bill to authorize a career education program for elementary and secondary schools, and for other purposes; to the Committee on Education and Labor.

H.R. 4930. A bill to provide for loans for the establishment and/or construction of municipal, low-cost, nonprofit clinics for the spaying and neutering of dogs and cats, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 4931. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 4932. A bill to provide an opportunity to individuals to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; to the Committee on Ways and Means.

H.R. 4933. A bill to provide that the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay shall only apply to taxable years beginning after December 31, 1976; to the Committee on Ways and Means.

H.R. 4934. A bill to provide for the monthly publication of a consumer price index for the aged and other social security beneficiaries, which shall be used in the provision of the cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 4935. A bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes; to the Committee on Ways and Means.

H.R. 4936. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

H.R. 4937. A bill to amend the Internal Revenue Code of 1954 to encourage the employment of handicapped individuals by providing a tax credit for a certain portion of the wages paid to such individuals; to the Committee on Ways and Means.

H.R. 4938. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 4939. A bill to provide for quality assurance and utilization control in home health care under the medicare, medicaid, and social services programs in accordance with a plan to be developed by a commission specifically established for that purpose; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 4940. A bill to amend titles II and XVIII of the Social Security Act to include eligible drugs, requiring a physician's prescription or certification and approved by a Formulary Committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 4941. A bill to provide for congressional review of all regulations relating to costs and expenditures for health care, reimbursements to individuals or providers of health care, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, and Rules.

By Ms. HOLTZMAN (for herself, Ms. MIKULSKI, and Mr. STEERS):

H.R. 4942. A bill to amend the Immigration and Nationality Act to exclude from admission into and to deport from the United States all aliens who persecuted others on the basis of religion, race, or national origin under the direction of the Nazi government of Germany; to the Committee on the Judiciary.

By Mr. JACOBS (for himself and Mrs. KEYS):

H.R. 4943. A bill to amend title 21 of the United States Code, the Federal Food and Drugs Act of 1906; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Colorado (for himself and Mr. ARMSTRONG):

H.R. 4944. A bill to require the Administrator of the Environmental Protection Agency to exercise his authority under the Safe Drinking Water Act to make grants for certain demonstration projects; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTEN:

H.R. 4945. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, and anticompetitive regulation; jointly, to the Committees on Government Operations and Rules.

H.R. 4946. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 4947. A bill relating to the promulgation of rules and regulations by agencies of

the United States; to the Committee on the Judiciary.

H.R. 4948. A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every 6 years; to the Committee on Rules.

By Mr. KASTENMEIER (for himself, Mr. RAILSBACK, Mr. ANDREWS of North Dakota, Mr. BEILENSON, Mr. COLEMAN, Mr. DICKS, Mr ENGLISH, Mr. FAUNTROY, Mr. FITHIAN, Mr. FUQUA, Mr. GEPHARDT, Mr. GIAIMO, Mr. GIBBONS, Mr. GLICKMAN, Mr. HAMILTON, Mr. IRELAND, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LONG of Maryland, Mr. LOTT, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MURPHY of New York, Mr. O'BRIEN, and Mr. PATTERSON of California):

H.R. 4949. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income tax and financial transactions; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RAILSBACK, Mr. PEPPER, Mrs. PETTIS, Mr. PICKLE, Mr. ROSE, Mr. RUSSO, Mr. SAWYER, Mr. STEERS, Mr. TSONGAS, Mr. VENTO, and Mr. YOUNG of Missouri):

H.R. 4950. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. BONIOR, Mr. CARNEY, Mr. DOWNEY, Mr. HARRINGTON, Mr. MAZZOLI, Mr. MINETA, Mr. MITCHELL of New York, Mr. NOLAN, Mr. PATTISON of New York, Mr. SCHEUER, and Mr. STOKES):

H.R. 4951. A bill to amend the Social Security Act to replace existing Federal public assistance and welfare programs with a single program under which all residents of the United States are guaranteed an adequate minimum income, with incentives to work for those who are able to do so, and for other purposes; to the Committee on Ways and Means.

By Mr. LEGGETT:

H.R. 4952. A bill to amend chapter 55 of title 10 to provide additional dental care for dependents of active duty members of the uniformed services; to the Committee on Armed Services.

H.R. 4953. A bill to amend the Internal Revenue Code of 1954 to provide that for purposes of determining the amount of tax to be withheld, payments paid to Federal employees and members of the uniformed services for accumulated leave shall be considered to be paid on the basis of an annual payroll period; to the Committee on Ways and Means.

By Mr. LEGGETT (for himself, Mr. FORSYTHE, Mr. OBERSTAR, Mr. AKAKA, and Mr. HUGHES):

H.R. 4954. A bill to amend the Fishery Conservation Zone Transition Act in order to give effect during 1977 to the Reciprocal Fisheries Agreement between the United States and Canada; to the Committee on Merchant Marine and Fisheries.

By Mrs. LLOYD of Tennessee:

H.R. 4955. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

By Mr. MARKS:

H.R. 4956. A bill to amend the Disaster Relief Act of 1974; jointly, to the Committees on Agriculture, and Small Business.

By Mr. MICHEL:

H.R. 4957. A bill to amend title 18 of the United States Code to increase the penalty for committing certain crimes with a firearm or while unlawfully carrying a firearm; to the Committee on the Judiciary.

H.R. 4958. A bill to amend section 1372 of the Internal Revenue Code of 1954, relating to passive investment income; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 4959. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL of Maryland:

H.R. 4960. A bill to amend the Small Business Investment Act of 1958, to change the title and duties of the Associate Administrator for Finance and Investment of the Small Business Administration, and for other purposes; to the Committee on Small Business.

By Mr. MITCHELL of Maryland (for himself, Mr. AMMERMAN, Mr. JOHN L. BURTON, Mr. DENT, Mrs. KEYS, Mr. REUSS, and Mr. WALGREN):

H.R. 4961. A bill to amend the Small Business Act to expand assistance under such act to minority small business concerns, to provide statutory standards for contracting and subcontracting by the United States with respect to such concerns, and to create a Commission on Federal Assistance to Minority Enterprise, and for other purposes; jointly, to the Committees on Small Business, Government Operations, and Banking, Finance, and Urban Affairs.

By Mr. MOORHEAD of Pennsylvania:

H.R. 4962. A bill to extend the Defense Production Act of 1950; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. MURPHY of New York:

H.R. 4963. A bill to authorize appropriations for the fiscal year 1978 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. O'BRIEN:

H.R. 4964. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 4965. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4966. A bill to amend title II of the Social Security Act to provide that a beneficiary who dies shall (if he is otherwise qualified and it would not reduce total family benefits) be entitled to a prorated benefit for the month of his death; to the Committee on Ways and Means.

H.R. 4967. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PATTEN:

H.R. 4968. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. QUIE:

H.R. 4969. A bill to provide for common situs picketing on construction sites; to the Committee on Education and Labor.

By Mr. RICHMOND (for himself, Mr. SCHEUER, and Mrs. SCHROEDER):

H.R. 4970. A bill to amend title 13, United States Code, to provide for the annual collection and publication of world population statistics and data; to the Committee on Post Office and Civil Service.

By Mr. RODINO (for himself, Mr. KOCH, Mr. BADILLO, Mr. BEDELL, Mr. BEILENSON, Mr. BONIOR, Mr. BRODHEAD, Mr. BROWN of California, Mr. CARNEY, Mrs. CHISHOLM, Mr. CONYERS, Mr. CORMAN, Mr. CORRADA, Mr. COTTER, Mr. EDGAR, Mr. FASCELL, Mr. HARKIN, Mr. HARRINGTON, and Mr. HAWKINS):

H.R. 4971. A bill to amend chapter 5 of title 5, United States Code (commonly known as the Administrative Procedure Act), to permit awards of reasonable attorneys' fees and other expenses for public participation in Federal agency proceedings, and for other purposes; to the Committee on the Judiciary.

By Mr. RODINO (for himself, Mr. KOCH, Mr. HOLLENBECK, Mr. JEFFORDS, Mr. JENRETTE, Mrs. KEYS, Mr. LAFALCE, Mr. LEVITAS, Mrs. MEYNER, Ms. MIKULSKI, Mr. NIX, Mr. PANETTA, Mr. PATTISON of New York, Mr. PEPPER, Mr. TRAXLER, Mr. VENTO, Mr. WEISS, Mr. WIRTH, and Mr. ZEFERETTI):

H.R. 4972. A bill to amend chapter 5 of title 5, United States Code (commonly known as the Administrative Procedure Act), to permit awards of reasonable attorneys' fees and other expenses for public participation in Federal agency proceedings, and for other purposes; to the Committee on the Judiciary.

By Mr. ROE:

H.R. 4973. A bill to provide that the Federal Government shall assume 100 percent of all Federal, State, and local welfare costs; to the Committee on Ways and Means.

By Mr. ROGERS (for himself, Mr. PREYER, Mr. SCHEUER, Mr. WAXMAN, Mr. FLORIO, Mr. MAGUIRE, Mr. OTTINGER, Mr. MARKEY, Mr. WALGREN, Mr. CARTER, and Mr. MADIGAN):

H.R. 4974. A bill to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for health planning and related programs; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. SATTERFIELD, Mr. PREYER, Mr. SCHEUER, Mr. WAXMAN, Mr. FLORIO, Mr. MAGUIRE, Mr. OTTINGER, Mr. MARKEY, Mr. WALGREN, Mr. CARTER, and Mr. MADIGAN):

H.R. 4975. A bill to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for biomedical research and related programs; to the Committee on Interstate and Foreign Commerce.

H.R. 4976. A bill to amend the Public Health Service Act, the Community Mental Health Centers Act, title V of the Social Security Act, and the program of assistance for home health services to authorize appropriations for fiscal year 1978 for health services programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RUDD (for himself and Mr. DEVINE):

H.R. 4977. A bill to amend the Federal Food,

Drug, and Cosmetic Act with respect to the safety of food additives; to the Committee on Interstate and Foreign Commerce.

By Mr. RUSSO (for himself, Mr. MURPHY of Illinois, and Mr. HUGHES):

H.R. 4978. A bill to authorize the Comptroller General to audit the programs, activities, and financial operations of the Federal National Mortgage Association, and to amend certain housing laws for the purpose of improving Federal programs which insure home mortgages; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SANTINI:

H.R. 4979. A bill to direct the Secretary of the Interior and the Administrator of General Services to convey certain public and acquired lands in the State of Nevada to the County of Mineral, Nev.; to the Committee on Interior and Insular Affairs.

H.R. 4980. A bill to declare that all right, title, and interest of the United States in 2,640 acres, more or less, are hereby held by the United States in trust for the Paiute and Shoshone Tribes of the Fallon Indian Reservation, Nevada to promote the economic self-sufficiency of the Paiute and Shoshone Tribes, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 4981. A bill to provide for the construction of a Veterans' Administration hospital in the State of Nevada; to the Committee on Veterans' Affairs.

H.R. 4982. A bill to provide for the establishment of a national cemetery in the State of Nevada; to the Committee on Veterans' Affairs.

By Mr. SARASIN (for himself, Mr. STEIGER, Mr. ANDERSON of Illinois, Mr. BADILLO, Mr. BEDELL, Mr. BOWEN, Mr. BROOMFIELD, Mr. BROWN of Ohio, Mr. CARTER, Mr. EDGAR, Mr. FRENZEL, Mr. GLICKMAN, Mr. GRADISON, Mr. HORTON, Mrs. KEYS, Mr. LEACH, Mr. LEHMAN, Mr. MCCLORY, Mr. MANN, Mr. MARKS, and Mr. MIKVA):

H.R. 4983. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional consultation and education to employers, and for other purposes; to the Committee on Education and Labor.

By Mr. SARASIN (for himself, Mr. STEIGER, Mr. MOLLOHAN, Mr. MOORHEAD of California, Mr. GARY A. MYERS, Mr. NOLAN, Mr. O'BRIEN, Mr. PATTISON of New York, Mr. ROSTENKOWSKI, Mr. SIMON, Mr. STEERS, Mr. TREEN, Mr. VAN DEERLIN, Mr. VANDER JAGT, Mr. WHALEN, Mr. WHITE, Mr. CHARLES WILSON of Texas, Mr. WOLFF, and Mr. YOUNG of Florida):

H.R. 4984. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional consultation and education to employers, and for other purposes; to the Committee on Education and Labor.

By Mr. SEIBERLING:

H.R. 4985. A bill to amend the Internal Revenue Code of 1954 to provide that the tax-exempt treatment allowed to certain industrial development bonds be restricted to bonds the proceeds of which are to be used within economic development areas, and to allow national banks to underwrite these bonds; to the Committee on Ways and Means.

H.R. 4986. A bill to amend title II of the Social Security Act to provide special cost-of-living increases in benefits thereunder based on local differentials in the cost of food and other necessities (over and above the regular annual cost-of-living increases in such benefits which are provided under present law on a national basis) for individuals residing in high cost cities and other high cost areas; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. THOMPSON, Mr. STANTON, Mr. APPLEGATE, Mr. BADILLO, Mr. CEDERBERG, Mr. CLEVELAND, Mr. DENT, Mr. DODD, Mr. FINDLEY, Mr. FLORIO, Mr. LATTA, Mr. MCHUGH, Mr. MCKINNEY, Mr. MARKS, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MICHAEL O. MYERS, Mr. NEDZI, Mr. NIX, Mr. NOVAK, Ms. OAKAR, Mr. OTTINGER, Mr. PATTISON of New York, and Mrs. SPELLMAN):

H.R. 4987. A bill to amend the Internal Revenue Code of 1954 to encourage the modernization of manufacturing plants by providing an additional investment credit for machinery placed in service in existing manufacturing plants or in nearby plants; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. THOMPSON, Mr. STANTON, Mr. WALGREN, Mr. WOLFF, Mr. YATRON, Mr. ZABLOCKI, Mr. ZEFERETTI, Mr. CARR, Mrs. MEYNER, and Mrs. FENWICK):

H.R. 4988. A bill to amend the Internal Revenue Code of 1954 to encourage the modernization of manufacturing plants by providing an additional investment credit for machinery placed in service in existing manufacturing plants or in nearby plants; to the Committee on Ways and Means.

By Mr. SISK (for himself, Mr. JOHNSON of California, Mr. KREBS, Mr. LEGGETT, Mr. MCFALL, Mr. MINETA, Mr. MOSS, and Mr. PANETTA):

H.R. 4989. A bill to provide price support for milk at not less than 80 percent of the parity price therefor; to the Committe on Agriculture.

By Mr. STARK (for himself, Mr. MIKVA, Mr. RYAN, Mr. ROE, and Mr. CARR):

H.R. 4990. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States, and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. TEAGUE (for himself, Mr. THORNTON, and Mr. HOLLENBECK):

H.R. 4991. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes; to the Committee on Science and Technology.

By Mr. UDALL (for himself, Mr. RONCALIO, Mr. JOHNSON of Colorado, and Mr. YOUNG of Alaska):

H.R. 4992. A bill to amend the Indian Financing Act of 1974 by revising the appropriations authorization for the Indian Business Development Program; to the Committee on Interior and Insular Affairs.

By Mr. VANDER JAGT:

H.R. 4993. A bill to direct the Food and Drug Administration to withhold its announced prohibition of the use of saccharin in foods and beverages pending further study by the National Academy of Sciences; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST:

H.R. 4994. A bill to give the Food and Drug Administration greater discretion in the control of food additives; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST (for himself, Mr. BLANCHARD, Mr. BONIOR, Mr. BRODHEAD, Mr. COHEN, Mr. DELLUMS, Mr. FRENZEL, Mr. HORTON, Mr. KEMP, Mr. KOSTMAYER, Mr. LLOYD of California, Mr. MIKVA, Mr. MOAKLEY, Mr. ROE, Mr. SAWYER, Mr. STEERS, Mr. WALGREN, Mr. WALKER, and Mr. WEISS):

H.R. 4995. A bill to require the Secretary of the Interior to make a comprehensive study of the wolf for the purpose of developing adequate conservation measures, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WHITEHURST (for himself, Mr. BLANCHARD, Mr. BONIOR, Mr. BRODHEAD, Mr. COHEN, Mr. DELLUMS, Mr. FRENZEL, Mr. KEMP, Mr. KOSTMAYER, Mr. MOAKLEY, Mr. ROE, Mr. STEERS, Mr. WALGREN, Mr. WALKER, and Mr. WEISS):

H.R. 4996. A bill to prevent the unnecessary large-scale killing of birds or mammals; to the Committee on Merchant Marine and Fisheries.

By Mr. WON PAT

H.R. 4997. A bill to amend section 216(b) of the Merchant Marine Act, 1936, to entitle the Delegates in Congress from Guam and the Virgin Islands to make nominations for appointments to the Merchant Marine Academy; to the Committee on Merchant Marine and Fisheries.

H.R. 4998. A bill to amend title XVI of the Social Security Act and related provisions of law to make the supplemental security income benefit program applicable in Puerto Rico, the Virgin Islands, and Guam on the same basis as in the States; to the Committee on Ways and Means.

H.R. 4999. A bill to amend the public assistance provisions of the Social Security Act to provide that benefits thereunder (including supplemental security income benefits) shall be made available and financed in the case of Guam and the Virgin Islands on the basis as in the case of other States; jointly to the Committees on Ways and Means, Interstate and Foreign Commerce.

By Mr. YATRON:

H.R. 5000. A bill to amend the Railroad Retirement Act of 1974 with respect to the annuities payable under such act to the widows of retired railroad employees; to the Committee on Interstate and Foreign Commerce.

H.R. 5001. A bill to amend title 5, United States Code, to provide for annuities for surviving spouses under the civil service retirement system without reduction in principal annuities, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BEARD of Tennessee (for himself and Mrs. LLOYD of Tennessee):

H.R. 5002. A bill to amend the Endangered Species Act of 1973 in order to clarify the provisions of the act regarding Federal agency cooperation; to the Committee on Merchant Marine and Fisheries.

By Mr. BIAGGI:

H.R. 5003. A bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON:

H.R. 5004. A bill to amend the Disaster Relief Act of 1974, and for other purposes; jointly, to the Committees on Public Works and Transportation, Banking, Finance, and Urban Affairs, Education and Labor, and Small Business.

By Mr. COLLINS of Texas:

H.R. 5005. A bill to provide that Federal Taxes may not be increased during a 4-year period; to the Committee on Ways and Means.

By Mr. DODD:

H.R. 5006. A bill to establish comprehensive requirements governing the operation of tankers within the 200-mile fishery conservation zone of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. EMERY (for himself, Mr. D'AMOURS, Mr. WHITEHURST, Mr. FORSYTHE, Mr. ROE, Mr. JEFFORDS, Mr. WINN, Mr. ERTEL, Mr. HUGHES, Mr. RICHMOND, Mr. EDWARDS of California, Mr. BADHAM, Mr. BAUCUS, Mr. MOAKLEY, Mr. KINDNESS, Mr. PATTERSON of California, Mr. YOUNG of Alas-

ka, Mr. ANDREWS of North Dakota, Mr. PRITCHARD, Mr. HILLIS, and Mr. MAZZOLI):

H.R. 5007. A bill to promote, consistent with the Energy Reorganization Act of 1974 and the Federal Nonnuclear Energy Research and Development Act of 1974, research and development into expanding the use of alternative energy resources in transportation and power generation, through the establishment of experimental research and demonstration projects utilizing domestic synthetic fuels in the operation of certain Government-owned and maintained passenger vehicles and in the generation of peak electrical power from combustion turbines by public utilities, to report the scientific and environmental implications of such projects to Congress for use in developing energy and environmental policies, and for other purposes; to the Committee on Science and Technology.

By Mr. FRENZEL:

H.R. 5008. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. GAYDOS:

H.R. 5009. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. HOWARD:

H.R. 5010. A bill to amend the Urban Mass Transportation Act of 1964 to provide operating assistance for projects located in areas other than urbanized areas, to provide for mass transportation assistance to meet the needs of elderly and handicapped persons, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MADIGAN (for himself, Mr. WAMPLER, Mr. HIGHTOWER, Mr. THONE, Mr. JOHNSON of Colorado, Mr. FITHIAN, Mr. JEFFORDS, Mr. HAGEDORN, Mr. JENRETTE, Mr. SKUBITZ, and Mr. STANGELAND):

H.R. 5011. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. MARKEY (for himself, Mr. CORNWELL, Mr. COUGHLIN, and Mr. PATTISON of New York):

H.R. 5012. A bill to amend section 601(a)(2) of the Legislative Reorganization Act of 1946 to provide that the salaries of Senators and Representatives may not be subject to any cost-of-living adjustment under such section before October 1, 1978; to the Committee on Post Office and Civil Service.

By Mr. MARLENEE:

H.R. 5013. A bill to repeal section 154 of title 23 of the United States Code relating to the national maximum speed limit; to the Committee on Public Works and Transportation.

H.R. 5014. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

By Ms. MIKULSKI (for herself, Mr. BADILLO, Mr. BLOUIN, Mr. DAVIS, Mr. DOWNEY, Mr. FLORIO, Mr. GINN, Mr. HALL, Mr. HAWKINS, Mr. KILDEE, Mr. LEVITAS, Mrs. LLOYD of Tennessee, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. PATTERSON of California, Mr. RAHALL, Mr. ROSE, Mr. SCHEUER, Mrs. SPELLMAN, Mr. VENTO, Mr. WALGREN, Mr. WALSH, Mr. WEISS, and Mr. CHARLES WILSON of Texas):

H.R. 5015. A bill to repeal the changes made by the Tax Reform Act of 1976 in the exclusion of sick pay; to the Committee on Ways and Means.

By Mr. MIKVA (for himself, Mr. BADILLO, Mr. CORMAN, Mr. CORNELL, Mr. EDGAR, Mr. FAUNTROY, Mr. HAMILTON, Mr. JACOBS, Mr. LEHMAN, Mr. MCHUGH, Mr. MEEDS, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. PEPPER, and Mr. SIMON):

H.R. 5016. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhanded protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MIKVA (for himself, Mr. DELLUMS, Mr. FITHIAN, Mr. FRASER, Mr. HANNAFORD, Mr. HUGHES, Mr. JENRETTE, Mr. MOFFETT, Mr. JOHN T. MYERS, Mr. ROYBAL, Mr. RUSSO, Mrs. SPELLMAN, Mr. VENTO, Mr. WEISS, and Mr. YATRON):

H.R. 5017. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhand protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. NOWAK:

H.R. 5018. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. OBERSTAR:

H.R. 5019. A bill to amend part A of title IV of the Social Security Act to provide that the aid to families with dependent children shall be payable with respect to unborn children; to the Committee on Ways and Means.

By Mr. OTTINGER (for himself, Mr. EDGAR, Mr. GEPHARDT, Mr. HANNAFORD, Mr. HARKIN, Mr. MARTIN, Mr. RODINO, Mr. SEIBERLING, Mr. TRAXLER, and Mr. TSONGAS):

H.R. 5020. A bill to provide guidelines and strict liability in the development of research related to recombinant DNA; to the Committee on Interstate and Foreign Commerce.

By Mr. OTTINGER (for himself, Mr. BAUCUS, Mr. BEDELL, Mr. BROWN of California, Mr. DRINAN, Mr. HARRINGTON, Mr. JEFFORDS, Mr. LONG of Maryland, Mr. MCCORMACK, Mr. MCKINNEY, Mr. MOAKLEY, Mr. MOTTL, Mr. OBERSTAR, Mr. PICKLE, and Mr. RICHMOND):

H.R. 5021. A bill to promote the use of energy conservation, solar energy, and total energy systems in Federal buildings; to the Committee on Public Works and Transportation.

By Mr. QUIE:

H.R. 5022. A bill to provide a comprehensive approach to meeting the employment and training needs of youth, and for other purposes; to the Committee on Education and Labor.

By Mr. RISENHOOVER:

H.R. 5023. A bill to amend the statute of limitations provisions in section 2415 title 28, United States Code, relating to claims by the United States on behalf of Indians; to the Committee on the Judiciary.

By Mr. SARASIN:

H.R. 5024. A bill to provide that salaries at levels of Vice President of the United States down to and including positions in the Executive Schedule not be increased by the next comparability pay adjustment; to the Committee on Post Office and Civil Service.

By Mr. SATTERFIELD (for himself, Mr. HAMMERSCHMIDT, Mr. ROBERTS, Mr. EDWARDS of California, Mr. MONTGOMERY, Mr. CARNEY, Mr. DANIELSON, Mr. HEFNER, Mr. HANNAFORD, Mr. MOTTL, Mr. ALLEN, Mr. HALL, Mr. APPLEGATE, Mr. BARNARD, Mr. EDGAR, Mrs. HECKLER, Mr. HILLIS, Mr. ABDNOR, Mr. GUYER, Mr. HANSEN, Mr. SAWYER, Mr. TEAGUE, Mr. BRINKLEY, Mr. CORNELL, and Mr. BEARD of Rhode Island):

H.R 5025. A bill to amend title 38 of the United States Code in order to revise the provisions therein relating to the construction, alteration, and acquisition of Veterans' Administration medical facilities; to the Committee on Veterans' Affairs.

By Mr. SATTERFIELD (for himself, Mr. WOLFF, Mr. WYLIE, and Mr. WALSH):

H.R. 5026. A bill to amend title 38 of the United States Code in order to revise the provisions therein relating to the construction, alteration, and acquisition of Veterans' Administration medical facilities; to the Committee on Veterans' Affairs.

By Mr. SATTERFIELD (for himself, Mr. HAMMERSCHMIDT, Mr. ROBERTS, Mr. EDWARDS of California, Mr. MONTGOMERY, Mr. CARNEY, Mr. DANIELSON, Mr. HEFNER, Mr. HANNAFORD, Mr. ALLEN, Mr. HALL, Mr. APPLEGATE, Mr. BARNARD, Mr. EDGAR, Mrs. HECKLER, Mr. HILLIS, Mr. ABDNOR, Mr. GUYER, Mr. HANSEN, Mr. SAWYER, Mr. TEAGUE, Mr. BRINKLEY, Mr. CORNELL, Mr. BEARD of Rhode Island, and Mr. WYLIE):

H.R. 5027. A bill to amend title 38 of the United States Code to clarify the requirement that medical services be provided by the Veterans' Administration in certain cases; to the Committee on Veterans' Affairs.

By Mr. SATTERFIELD (for himself, Mr. WOLFF, Mr. WALSH and Mr. ULLMAN):

H.R. 5028. A bill to amend title 38 of the United States Code to clarify the requirement that medical services be provided by the Veterans' Administration in certain cases; to the Committee on Veterans' Affairs.

By Mr. SATTERFIELD (for himself, Mr. HAMMERSCHMIDT, Mr. ROBERTS, Mr. EDWARDS of California, Mr. MONTGOMERY, Mr. CARNEY, Mr. DANIELSON, Mr. HEFNER, Mr. HANNAFORD, Mr. HALL, Mr. APPLEGATE, Mr. BARNARD, Mr. EDGAR, Mrs. HECKLER, Mr. HILLIS, Mr. ABDNOR, Mr. GUYER, Mr. HANSEN, Mr. SAWYER, Mr. TEAGUE, Mr. BRINKLEY, Mr. CORNELL, Mr. BEARD of Rhode Island, Mr. WYLIE, and Mr. WALSH):

H.R. 5029. A bill to amend title 38 of the United States Code in order to authorize contracts with the Republic of the Philippines for the provision of hospital care and medical services to Commonwealth Army veterans and new Philippine Scouts for service-connected disabilities; to authorize the continued maintenance of a Veterans' Administration office in the Republic of the Philippines; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SATTERFIELD (for himself and Mr. WOLFF):

H.R. 5030. A bill to amend title 38 of the United States Code in order to authorize contracts with the Republic of the Philippines for the provision of hospital care and medical services to Commonwealth Army veterans and new Philippine Scouts for service-connected disabilities; to authorize the continued maintenance of a Veterans' Administration office in the Republic of the Philippines; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SISK (for himself, Mr. HANNAFORD, Mr. MOORHEAD of California, Mr. RICHMOND, and Mr. SOLARZ):

H.R. 5031. A bill to amend the Public Health Service Act to provide financial assistance to medical facilities for treatment of certain aliens; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE (for himself, Mr. FUQUA, Mr. MILFORD, Mr. BROWN of California, Mr. WIRTH, Mr. FLIPPO, Mr. TONRY, Mr. WINN, Mr. FREY, Mr. GARY A. MYERS, Mr. HOLLENBECK, and Mr. WALKER):

H.R. 5032. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

By Mr. THONE:

H.R. 5033. A bill to amend title 38 of the United States Code in order to revise and improve the program of making grants to the States for the construction, remodeling, or renovation of State home facilities for furnishing hospital, domiciliary, and nursing home care for eligible veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. VANDER JAGT:

H.R. 5034. A bill to authorize the Secretary of Agriculture to make financial assistance available to agricultural producers who suffer losses as the result of having their agricultural commodities or livestock contaminated by toxic chemicals dangerous to the public health, or whose agricultural commodities or livestock have been contaminated so as to adversely affect the economic viability of the farming operation; to the Committee on Agriculture.

H.R. 5035. A bill to amend the Toxic Substances Control Act to establish a program for assistance to States which establish programs of assistance for the protection and indemnification of individuals injured in their business or person by chemical substances, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5036. A bill to amend section 1951 of title 18, United States Code, to make it a Federal criminal offense to engage in violence or destruction at or near a construction site or any other place where work or business is carried on; to the Committee on the Judiciary.

By Mr. ADDABBO (for himself, Mr. ABDNOR, Mr. BALDUS, Mr. BOLAND, Mr. BEARD of Rhode Island, Mr. BADILLO, Mrs. BURKE of California, Mr. BUCHANAN, Mrs. COLLINS of Illinois, Mr. CARTER, Mr. CARNEY, Mrs. CHISHOLM, Mr. CORMAN, Mr. CORRADA, Mr. ROBERT W. DANIEL, JR., Mr. D'AMOURS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. DELLUMS, Mr. DUNCAN of OREGON, Mr. DE LA GARZA, Mr. ENGLISH, Mr. ERTEL, Mr. FARY, and Mr. FLORIO):

H.J. Res. 317. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Prevention Day; to the Committee on Post Office and Civil Service.

By Mr. ADDABBO (for himself, Mr. FORSYTHE, Mrs. FENWICK, Mr. GEPHART, Mr. GILMAN, Mr. GORE, Mr. HOLLENBECK, Mr. HAWKINS, Mr. HANNAFORD, Mr. HOWARD, Mr. HEFTEL, Mr. HOLLAND, Mr. HUGHES, Mr. JONES of North Carolina, Mrs. KEYS, Mr. KETCHUM, Mr. LENT, Mr. LAGOMARSINO, Mrs. LLOYD of Tennessee, Mr. LUKEN, Mr. MAZZOLI, Mr. MANN, and Mr. MCHUGH):

H.J. Res. 318. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Prevention Day; to the Committee on Post Office and Civil Service.

By Mr. ADDABBO (for himself, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. MOORHEAD of California, Mr. MOAKLEY, Ms. MIKULSKI, Mr. MURPHY of New York, Mr. NOLAN, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PERKINS, Mr. PEPPER, Mr. RAHALL, Mr. RODINO, Mr. RANGEL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SARASIN, Mr. SKELTON, Mr. STUMP, Mrs. SPELLMAN, Mr. SCHEUER, Mr. TUCKER, Mr. VENTO, and Mr. VANDER JAGT):

H.J. Res. 319. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Prevention Day; to the Committee on Post Office and Civil Service.

By Mr. ADDABBO (for himself, Mr. WHITEHURST, Mr. WON PAT, Mr. WAGGONNER, Mr. CHARLES H. WILSON of California, Mr. WAXMAN, Mr. WOLFF, Mr. YOUNG of Florida, and Mr. ZEFERETTI):

H.J. Res. 320. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Prevention Day; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself, Mr. BURKE of Florida, Mr. BEARD of Tennessee, Mr. CLEVELAND, Mr. COUGHLIN, Mr. EDGAR, Mr. HANLEY, Mr. GORE, Mr. KOSTMAYER, Mr. LE FANTE, Mr. LEVITAS, Mr. MURPHY of New York, Mr. O'BRIEN, Mr. PATTISON of New York, Mr. QUILLEN, Mr. YOUNG of Alaska, Mr. YOUNG of Missouri, and Mr. RINALDO):

H.J. Res. 321. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. BIAGGI:

H.J. Res. 322. Joint resolution providing for the designation of a week in May of each year as National Burglary and Theft Prevention Week; to the Committee on Post Office and Civil Service.

By Mr. BUTLER (for himself, Mr. BENNETT, and Mr. HYDE):

H.J. Res. 323. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriations; to the Committee on the Judiciary.

By Mr. MOTTL:

H.J. Res. 324. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of judges of the district courts of the United States; to the Committee on the Judiciary.

By Mr. WHALEN:

H.J. Res. 325. Joint resolution authorizing the President to proclaim the week beginning November 6, 1977, and ending November 12, 1977, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST (for himself, Mr. BADILLO, Mr. BRODHEAD, Mr. CAPUTO, Mr. DORNAN, Mr. EDWARDS of Oklahoma, Mr. EMERY, Mr. FASCELL, Mrs. FENWICK, Mr. JEFFORDS, Mr. KEMP, Mr. KOSTMAYER, Mr. LLOYD of California, Mr. MAZZOLI, Mr. MOAKLEY, Mr. PURSELL, Mr. ROSE, Mr. SIMON, Mrs. SPELLMAN, Mr. STEERS, Mr. VENTO, Mr. WINN, and Mr. YOUNG of Florida):

H.J. Res. 326. Joint resolution calling for a wildlife preserve for humpback whales in the West Indies; to the Committee on International Relations.

By Mr. WHITEHURST (for himself, Mr. BRODHEAD, Mr. COHEN, Mr. DELLUMS, Mr. KEMP, Mr. KOSTMAYER, Mr. MIKVA, Mr. MOAKLEY, Mr. ROE, Mr. STEERS, Mr. WALGREN, and Mr. WEISS):

H.J. Res. 327. Joint resolution calling for an immediate moratorium on the killing of the eastern timber wolf; to the Committee on International Relations.

By Mr. DEL CLAWSON:

H. Con. Res. 153. Concurrent resolution expressing the sense of Congress with respect to income tax returns by Members of Congress; to the Committee on Ways and Means.

By Mr. MCCLORY:

H. Con. Res. 154. Concurrent resolution to express support of the Congress for a coordinated program to convert to the metric system; to the Committee on Science and Technology.

By Mr. RYAN (for himself, Mr. UDALL, Mr. RODINO, Mr. MAZZOLI, Mr. MINISH, Mr. BONIOR, Mr. PEPPER, Mr. BRODHEAD, Mr. BINGHAM, Mr. MCCLOSKEY, Mr. HYDE, Mr. SAWYER, Mr. CARR, Mr. MOAKLEY, Mr. HORTON, Mr. MILLER of California, Mr. BRECKINRIDGE, Mr. AKAKA, Mr. FREY, Mr. PATTISON of New York, Mr. PATTERSON of California, Mr. LLOYD of California, Mr. EDWARDS of Oklahoma, and Mr. CHARLES WILSON of Texas):

H. Con. Res. 155. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the killing of newborn harp seals; to the Committe on International Relations.

By Mr. WHITEHURST (for himself, Mr. BADILLO, Mr. BRODHEAD, Mr. CAPUTO, Mr. CORCORAN of Illinois, Mr. DORNAN, Mr. EDWARDS of Oklahoma, Mr. EMERY, Mr. FASCELL, Mrs. FENWICK, Mr. GOLDWATER, Mr. JEFFORDS, Mr. KEMP, Mr. KOSTMAYER, Mr. KREBS, Mr. LLOYD of California, Mr. MCDADE, Mr. MAZZOLI, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOLLOHAN, Mr. PURSELL, Mr. ROSE, Mr. SIMON, and Mrs. SPELLMAN):

H. Con. Res. 156. Concurrent resolution calling for a regional conservation treaty to protect northern hemisphere pinnipeds; to the Committee on International Relations.

By Mr. HAMMERSCHMIDT:

H. Res. 398. Resolution expressing the sense of the House of Representatives that the effect on our society of the level of violence depicted on television requires more consideration and study; to the Committee on Interstate and Foreign Commerce.

By Mr. MADIGAN:

H. Res. 399. Resolution expressing the sense of the House of Representatives concerning the development of pay television; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN (for himself, Mr. BROYHILL, Mr. SYMMS, Mr. SIMON, Mr. HYDE, Mr. LOTT, Mr. GOLDWATER, Mr. LEDERER, Mr. POAGE, Mr. QUIE, Mr. KRUEGER, Mr. WALKER, Mr. STANGELAND, Mr. SATTERFIELD, Mr. Mr. MAZZOLI, Mr. WHITEHURST, Mr. FLYNT, Mr. LAGOMARSINO, Mrs. MEYNER, Mr. DAN DANIEL, Mr. WHITLEY, Mr. ROUSSELOT, Mr. HEFNER, Mr. FRENZEL, and Mr. SARASIN):

H. Res. 400. Resolution expressing the sense of the House that no ban on saccharin should take effect without prior congressional approval; to the Committee on Interstate and Foreign Commerce.

By Mr. RAILSBACK (for himself, Mr. AUCOIN, Mr. BINGHAM, Mrs. BOGGS, Mr. BOLAND, Mr. CLEVELAND, Mr. COLLINS of Texas, Mr. COUGHLIN, Mr. HANNAFORD, Mr. HARKIN, Mr. LUKEN, Mr. MANN, Ms. MIKULSKI, Mr. NOLAN, Mr. PRITCHARD, and Mr. SCHEUER):

H. Res. 401. Resolution expressing the sense of the House of Representatives that the ef-

fect on our society of the level of violence depicted on television requires more consideration and study; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

38. By the SPEAKER: Memorial of the Legislature of the State of Arkansas, relative to allowing totally disabled veterans to fly free of charge on commercial airlines on a space-available basis; to the Committee on Public Works and Transportation.

39. Also, memorial of the Legislature of the Commonwealth of Massachusetts, relative to preventing changes in social security benefits from affecting veterans' pensions; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KEMP:

H.R. 5037. A bill for the relief of Jack R. Misner; to the Committee on Ways and Means.

By Ms. MIKULSKI:

H.R. 5038. A bill for the relief of Dr. John C. Hume; to the Committee on the Judiciary.

By Mr. SARASIN:

H.R. 5039. A bill for the relief of David D. Bulkley; to the Committee on Merchant Marine and Fisheries.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

56. By the SPEAKER: Petition of Max Hirsch, Philadelphia, Pa., relative to technical analysis of Government programs; to the Committee on Government Operations.

57. Also, petition of the city council, New York, N.Y., relative to declaring New York City a disaster area due to damages caused by weather conditions; to the Committee on Public Works and Transportation.

58. Also, petition of Bernardo P. Villas, Dumaguete City, Philippines, and others, relative to veterans' benefits for certain Filipino guerillas; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

ARMS NEGOTIATIONS

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, March 14, 1977

Mr. ROBERT C. BYRD. Mr. President, three very interesting and informative articles appeared in the New York Times magazine of February 27, 1977, the first of which was titled "Perils of Détente," the second of which was titled "Promise of Disarmament" and the third of which was titled, "Negotiating With the Soviets." I ask unanimous consent that these three articles may be printed in the Extension of Remarks of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

PERILS OF DÉTENTE

(By Walter Laqueur)

Some 18 months ago, the C.I.A. announced that it had revised its estimates on Russian military spending. The Soviet Union was not spending 6 to 8 percent of its gross national product on defense, but double that amount. Which meant, the agency pointed out, that Russia was outspending the United States by 50 percent, if one stripped away pensions and similar items from the U.S. defense budget.

For many experts, this announcement did not come as a great surprise. They had long thought that the C.I.A. estimates were too low. However, Representative Les Aspin, one of the Pentagon's best-informed critics, was quick to point out that the new estimates were no more than an exercise in bookkeeping. They did not mean that the Russians had one more tank or plane than before. Indeed, in some ways, he observed, the news was good. Greater spending meant the Russian defense industries were less efficient than we believed, and it would be difficult to expand them.

Perhaps Aspin's points are well-taken, but he tends to ignore other conditions. First, there might well be even more tanks and guns and planes than previously believed, since the "means of national verification" (to use the official term) are so far from foolproof. And it certainly is not immaterial whether a nation allocates 6 to 8 percent of its G.N.P. to military spending, or twice as much.

More recently, Maj. General George J. Keegan Jr., former Air Force chief of intelligence, has argued that the U.S.S.R. was not only aiming at superiority but had already won it and there was hard evidence to suggest that the Soviet Union was actually preparing for war. He referred specifically to the Soviet concentration of offensive weapons, and the construction of giant military and civilian underground silos. Similar warnings, perhaps slightly less emphatic, have emanated from other quarters. Against this it has been argued that the Russians were pursuing a chimera if indeed they aimed at superiority. For given the ability of the two superpowers to destroy each other several times over, superiority in any meaningful sense no longer exists. This argument is not however as strong as it appears at first sight, for if there is rough strategic equality between the two superpowers, nuclear weapons are not likely to go to the side with the greater conventional strength. Whether the Soviet leaders will risk a major conflict with the danger of escalation, is a different question; in the foreseeable future, they are unlikely to do so, unless, of course the disparity between the military strength of the two sides grows to such an extent that the risk will be negligible.

The pessimistic appraisal of Soviet capacities and intentions is relatively simple and straightforward, whereas the reasoning of those opposing military spending is more complicated and proceeds on various levels. They do not on the whole dispute the facts and figures about Soviet armaments. But some of them claim that the facts are wrongly interpreted, either intentionally by vested interests, such as the military-industrial complex, or unintentionally, by cold warriors who suffer from paranoiac suspicions and always attribute to the Russians the worst possible motives. This is the Russians-are-not-10-feet-tall argument. Another school of thought concedes that the Russians have indeed made considerable progress, but claims that their technology is inferior to that of the West, that some of their weapons are quite outdated, that they have no combat experience. The Russians, in short, may be 10 feet tall, but they have a soft underbelly.

Yet others admit both Soviet numerical superiority and growing technological sophistication, but maintain that military superiority cannot be translated into political power in our day and age. A further argument is based on geographical considerations. In contrast to the United States, which does not have to defend its borders, the Russians have to defend themselves on their western and eastern frontiers. Others refer to historical-cultural-psychological factors. The Russians act out of fear, having suffered invasions more than once in their history; allowance has to be made for their apprehensions. Furthermore, Russians have always been great believers in numbers. It is also maintained that in a realistic comparison of the military strength of allies, Russia's allies are thought to be both weaker and less reliable than America's partners in NATO.

Until fairly recently these arguments had a great deal of public support. In democratic societies there is always great reluctance to increase defense spending. As President Eisenhower once said, "Every gun that is made, every warship launched, every rocket signifies a theft from those who hunger and are not fed, those who are cold and are not clothed." Of late, however, the critics of the defense establishment have been very much on the defensive, facing the growing evidence about Soviet rearmament on one hand and Soviet secrecy on the other. The Soviet Union, unlike Western countries, is not in the habit of making details of its military efforts known. The only figure annually released is the budget total of the Ministry of Defense, which happens to be about 17 billion rubles. It has remained static with the slightest variations for many years and become something of a ritual. No one believes it, nor can anyone dispute it, for what it supposedly entails is unknown. It is one of the ironies of world politics that Soviet secrecy, deeply rooted in Russian history as well as the present political system, is politically counterproductive. For it defeats, of course, another aim of Soviet policy, to persuade the rest of the world of its peaceful intentions and above all not to arouse America.

It is not widely known that all the basic figures about the American and the Soviet military buildups, whether emanating from NATO or from strategic research institutes in London, Stockholm or elsewhere, actually originate in Washington. For only America has the facilities for large-scale satellite reconnaissance and communications analysis, which have almost entirely superseded traditional methods of intelligence gathering.

The general picture that emerges is, briefly, that the United States has 1,054 intercontinental ballistic missiles; the U.S.S.R., 1,618. The United States has 656 ballistic missiles on submarines; the U.S.S.R., 885; the U.S. has about a thousand bombers capable of delivering nuclear bombs; the Soviet Union about 550.

But these figures have given rise to endless disputes because they do not by themselves present an accurate picture of strategic balance, and they can be used to prove almost anything. If other things were equal, the side with the greater number of vehicles would have a distinct advantage. But, as Edward Luttwak has recently shown in his illuminating study, "Strategic Power: Military Capabilities and Political Unity," things are not equal. It is not warheads that count, he points out, but surviving warheads. The United States has more warheads (9,000 in comparison with Russia's 3,500); the Soviet Union has the bigger megatonnage; America is ahead with MIRV and accuracy, but the

Soviet Union is rapidly catching up. The U.S. has an advantage in bombers and these are more flexible than the ICBM's, but they are also unprotected on the ground and they may not be able to penetrate Soviet air defense. The Soviet Union has more modern, and therefore presumably more effective, silos and a far more developed civil-defense scheme than the United States.

The Soviet Union presently maintains rough parity with the United States in strategic nuclear delivery systems. By 1980, when their five or more new missiles with multiple warheads will be developed, it may have superiority in deliverable warheads. The missile program of the United States is far more modest; among the few weapons that could counterbalance the increasing Soviet lead is the cruise missile. But some proponents of disarmament regard the cruise, and similar arms, as a "destabilizing factor" in the balance of power, and are therefore reluctant to develop it. On this issue the difference in attitude between the two sides is quite striking, for the very term "destabilizing factor," which causes sleepless nights to some people in the West, is not to be found in Soviet mentality. To prevent or delay further United States development of the cruise missile (which they, too, have in a more primitive model), the Soviet leaders now suggest a new SALT treaty which would freeze development and deployment of the cruise.

Agreements reducing the danger of war are always welcome, but only if they constitute a real advance. In recent years, unfortunately, treaty making à la Helsinki has become something of a fetish and there is the danger that it may become a joke. An agreement that cannot be verified, which is based on Soviet assurances of good will and peaceful intentions is worth nothing. It can be taken for granted for instance, that the Soviet Union will make an all-out effort to catch up with the present United States lead in cruise technology quite irrespective of SALT II. Whatever the state of Soviet technology, its facilities for concealment are light years ahead of those in the West. American military leaders would presumably also try to cheat, in the national interest, if they had the chance to do so with impunity. But again, conditions are not equal. In a democratic country, secrets cannot be kept for any length of time. In a closed society it is possible to hide almost anything short of a battleship.

In conventional military strength, there is no "rough equality." The Soviet Union has 168 divisions; the United States, 19. Even if all allowances are made for the fact that a U.S. division is bigger than a Soviet one and has more firepower, that the United States employs a certain number of civilians, whereas the Russians employ conscripts, it still remains that the Soviet Union has between 35,000 and 40,000 tanks, whereas the United States has fewer than 10,000.

Soviet conventional strength is superior to American in every respect except helicopters and strategic airlift. But whether the helicopter, which had its uses in Vietnam where there were few anti-aircraft weapons, would be effective in another war is doubtful. A comparison of new arms under construction is not more encouraging. The Russians build 1.5 planes for every American plane, five artillery pieces for every American cannon, and 7.3 tanks for every American tank.

Global comparisons, it may be argued, are misleading. It is area balance that counts. Robert Close, a Belgian general serving in NATO, has argued in a new book, "Defenseless Europe," that the Soviet Union is preparing for a short war and, in a surprise attack could reach the Rhine in 48 hours. Such pessimism may be excessive, but it would still be small comfort if it took them two or three weeks. In Norway and Denmark, local forces are vastly outnumbered by the many Soviet divisions from the Kola peninsula, the Leningrad military district and the Baltic republics, as well as the massive naval buildup, with amphibious capacity, in the Baltic Sea.

On the northern and the central sectors in Europe, NATO's 29 active combat units (11 armored) face the Warsaw Pact's 55 (31 armored). The difference in actual manpower is not as great as these figures suggest (815,000) compared with 900,000). But it is, of course divisions that win wars, especially a war of short duration, not the support personel.

Allowing for uncertainties, it still seems doubtful that the Soviet Union already possesses overall military superiority. But there is no doubt that the Russians believe in such superiority, that they seek to attain it and that, if present trends continue, they will do so in the early 1980's.

Sometimes it is argued that it is not the military buildup of the other side that matters but its intentions. This is, of course, true within limits. Unfortunately, this argument is used mostly by people who have no desire whatsoever to find out what Soviet intentions are. They have simply persuaded themselves that Soviet policy, while basically pacifist, is also quite stupid, for it devotes a very substantial part of its G.N.P. to something it does not really want or need. But if this should be so, why limit our cuts in military spending to a mere 10 percent and not go for 90 percent instead? One looks in vain for logic and consistency in such attempt to rationalize a policy of weakness in the West.

Of America's NATO allies, a few have effectively opted out for the time being, while others, such as the British, have drastically cut their forces. The opponents of military strength have one strong argument, but they are usually a little coy when it comes to spelling it out in detail. If the United States gave up its foreign commitments, if it retreated to "fortress America," it would not need a defense budget of $120 billion; one-third or one-quarter that sum would be sufficient. Such radical isolationism at least has the advantages of consistency. To argue, on the other hand, that America can live up to its commitments abroad and yet afford a growing discrepancy between its military power and that of the Warsaw Pact is both illogical and dangerous. Such a course of action is likely to lead sooner or later to surrender, or to a disastrous war.

What follows from all this is not that the United States should try to match every weapon system produced and deployed by the other side. While in the years to come there cannot be any major cutbacks in defense without inviting grave dangers, it is perfectly true that more money will not necessarily result in greater security. A great deal of strategic rethinking will be needed. It will have to be reconsidered, for instance, whether in an age of astronomically increasing costs, it is still practical to go for bigness, be it in nuclear submarines or in strategic bombers. It is equally obvious that in present conditions it is even more urgent to strengthen conventional forces; the kind of conflict the United States is likely to face in the years to come will be, in all probability, local in character.

That the overall aim is not a ruinous arms race but agreement to limit it, goes without saying. The world would no doubt be a safer place if the Soviet leaders were Western-style liberals; unfortunately they are not, and, to be fair, they have never pretended to be. They believe, as Mr. Dulles did, in positions of strength. Unlike Mr. Dulles, they are not hamstrung by the checks and balances of a democratic society. Their Marxist-Leninist training has taught them the importance of political and military power, something many Westerners have enormous difficulty in grasping. There is a good chance that the Soviet leaders will indeed negotiate, but only when they have been convinced that there is a firm resolve on the part of the West not to allow them to establish military superiority in nuclear or conventional arms. If they scan the Western scene today, if they listen to the voices counseling unilateral disarmament, they must be forgiven for reaching the conclusion that this resolve is lacking. And they will go on rearming, while stressing their fervent belief in peaceful coexistence, and they will go on signing disarmament treaties that are largely meaningless.

President Carter's new initiatives toward the reduction of nuclear arsenals are most welcome. But the danger of war will recede only if any such scheme is combined with mutually balanced arms cuts. Above all, there will have to be effective means of control. Soviet leaders have an altogether admirable record of making sweeping disarmament proposals. But they have consistently opposed effective inspection schemes. Unless they modify their attitude in this respect, the United States will have to rely on Soviet professions of good faith. In this case, it would be far more logical to opt for unilateral disarmament. Why waste time and effort just to create the impression of having reached a mutually binding agreement?

Until swords are beaten into plowshares, military might will have political effect. To someone who makes his home in Boston, Mass., or Bethesda, Md., the political impact of military superiority may appear obscure at least for the time being. To residents of Helsinki, Stockholm, Berlin and Vienna, of Bucharest, Ankara, Teheran, Tokyo and a great many other places, the connection is far more obvious. To paraphrase Marx, the geographical location of the questioner decisively shapes his perception, and this is true even in the nuclear age.

What would be the political consequences if the Soviet Union emerged as the pre-eminent military power in Europe? There are a great many synonyms for hegemony in the political dictionary: control, dominance, ascendancy. Whatever the term, the consequences will not be pleasant for those at the receiving end. Hegemony does not necessarily mean physical control; it does not even mean exercising power by means of direct threats. If the Iranian Government returns a Soviet officer who has escaped to Persia, if the Turks no longer protest against Soviet military aircraft overflying their territory or Soviet warships crossing the straits in contravention of the Montreux Treaty, if the small Austrian Army decides not to modernize itself, if the Finnish press exercises strict self-censorship, if the Rumanians no longer emphasize so loudly their independent foreign policy, if various West European radio stations have discontinued or cut their broadcasts to Eastern Europe, the reason is not that they were faced with an ultimatum. None of these events is of world-shaking importance—they are just straws in the wind—but there are hundreds of them, and their number is growing.

The history of mankind offers endless illustrations in every age of small countries adjusting themselves to their powerful neighbors. What applies to big powers in general is true, a fortiori, with regard to a big power which still believes in a political mission. Sometimes this is stated openly, as happened in a recent debate in the British House of Commons when the leader of the left wing of the Labor Party, in an unguarded moment, said that if the Soviet Union is as strong militarily as maintained, appeasement would be the only sensible policy. But usually the process of adaptation is far more subtle.

Much has been written about the Fin-

landization of Europe, which is, of course, in some ways quite unfair to the Finns, who have shown fortitude and strong nerves in adverse conditions. Would the French Government or the Italian show similar steadfastness in the face of outside pressure? Their recent record does not inspire confidence. If there should be a decisive shift in the balance of military power in Europe, Finlandization in a lower key will be the probable consequence. The emergence of popular-front governments will become more likely in some countries and the Communists will not play second fiddle for long.

The situation in 1977 differs from that in 1947, inasmuch as Western European Communist parties are no longer greatly attracted by the Soviet Union and they would try to pursue a neutralist policy. But with the balance of power in Europe gone, it is questionable what neutralism would mean.

At present, there still exists a balance of sorts in Europe. There have been no Soviet threats; on the contrary, only professions of good neighborly relations and promises of noninterference. And yet, the first indications of adjustment, of adaptation—to eschew that ugly term "appeasment"—can already be felt. But this could be only the beginning, and not much imagination is needed to foresee the next stages, if this process should continue. Nothing dramatic will happen: At best they will remain half free, at worst they will gradually lose their independence.

Strengthening United States defense so as to prevent a further deterioration in its position and that of its allies is, admittedly, just one of the challenges facing America in the years to come. Such an effort will not solve economic and social problems, nor will it have much effect on domestic political crises in various parts of the world. Restoring the overall military balance will have, in fact, one effect only: creation of the preconditions for the survival of free societies.

PROMISE OF DISARMAMENT

(By Richard Barnet)

In the tradition of the "bomber gap" of the 1950's and the "missile gap" of the 1960's, the professional alarmists of the Pentagon are once again demanding bigger military budgets to keep the United States from "falling behind" the Soviet Union. Yet even most pessimistic strategists agree with the Chairman of the Joint Chiefs of Staff that the United States is now "ahead." The United States still has three times as many nuclear weapons as the Soviet Union, and more varied, more accurate and more sophisticated means to deliver them on Soviet territory. The United States Navy is far larger, is more flexible, has far greater fire power, and dominates distant oceans through a network of bases the Soviets cannot even approximate. In Europe, the numbers of NATO and Warsaw Pact combat troops are roughly equal. Soviet advantages in numbers of tanks are countered by U.S. advantages in quality and antitank weapons.

The alarmists warn, however, that the Russians are striving for future "superiority" and that if they attain it, the consequences will be dire. Unlike the fictitious "gaps" of the Eisenhower and Kennedy years, there has been a real Soviet buildup. But the meaning is ambiguous. The language of military power is hard to interpret in a world of thousands of nuclear weapons, each of which is many times the destructive force of the bomb that incinerated Hiroshima. A nation can add to its arsenal because it is planning to attack, because it hopes thereby to deter an attack, because it seeks to enhance political influence, or for purely domestic reasons. (Anyone who does not understand that Russia has always maintained a huge army and uses soldiers extensively in the civilian economy will perceive a distorted meaning in the size of the Soviet Army.)

The Soviet buildup raises two issues: What does the Soviet program to modernize and expand its military forces mean? What should the United States do about it? Kissinger argues that to talk about "superiority" is a false issue. "What in God's name do you do with military superiority?" he once asked. Very little, it seems, judging by the history of the cold war. The United States started the post-war era with a monopoly of nuclear weapons (in addition to having the only economy unravaged by war). But American "superiority" could not be harnessed to political ends. "The period of American monopoly of the bomb," Prof. Adam Ulam of Harvard writes in his book "Expansion and Coexistence," "was the period of greatest Soviet pushfulness in foreign policy, of the rapid satellization of Eastern Europe and of the Communist conquest of China." Nuclear superiority of the United States did not deter the Korean War or the Berlin blockage. In short, "nuclear superiority" was irrelevant to the political and military struggles of the immediate postwar world. Its primary effect was to spur the Soviets to catch up.

The alarmists point out that, of course, the United States and the Soviet Union are different. We could be trusted with a monopoly, but the Russians would strike if they could get away with it. In the spring of 1950, Paul Nitze wrote a top-secret planning document for the National Security Council, NSC–68, predicting that 1954 would be "the critical date for the United States" because the Soviets would then have 200 atomic bombs. The critical date passed and the Soviets now have 3,500 nuclear weapons and the United States has about 9,000. (Mr. Nitze is at least consistent: He was recently part of a C.I.A. study group which warned of the Soviet quest for "superiority" and "war-winning capability.") Whether the Soviets would have exploited their monopoly of nuclear weapons more ruthlessly than did the United States, we will never know. Today there are enough nuclear weapons on both sides to make the notion of "war-winning" absurd.

According to calculations of the Department of Defense published 10 years ago, 100 nuclear weapons landing on the Soviet Union would kill 37 million people—15 percent of the population—and destroy 59 percent of the industrial capacity. The United States now has 9,000 such weapons that can be delivered by missiles or bombers and many thousands more that could strike Soviet territory from forward bases. A high proportion of these might be destroyed in a surprise attack, it is true, but many times one hundred nuclear weapons would survive to land on their targets. Representative Les Aspin, a former Pentagon analyst, calculated that after a far more devastating Soviet first strike than would ever be likely to happen, in which 50 percent of the submarine-based missiles, 80 percent of the B–52's, and 90 percent of the ICBM's were destroyed, the United States would have 3,100 warheads left for retaliation—a little less than the entire present Soviet stockpile. One submarine alone can destroy as many as 224 separate targets, each as large as a Soviet city, and the United States, which is about to build more of them, has 41 such submarines. No planner of a surprise attack could hope to neutralize this force completely because submerged submarines are difficult to detect and to destroy.

I once had the grisly assignment in the Department of Defense of working on one of the periodic estimates the military likes to make about how many will die in the event that various "nuclear options" are employed. These analyses are intended to inform major decisions—e.g., whether to strike first, whether to target civilian as well as military targets. So many uncertainties about the effects of a retaliatory attack, such as fallout, disease and panic, are implicit in such estimates that no one, except perhaps the statisticians of death who prepare them, can have much confidence in them. Political leaders with the destiny of entire societies in their hands are not going to start World War III on the basis of a computer printout.

Ultimately, the barrage of facts and figures nuclear strategists hurl at our political leaders can be reduced to two questions: Is there reason to believe that a rational Soviet leader, however depraved, could fail to realize that in a nuclear war millions of his countrymen would surely die and his industrial capacity would be wrecked? Would he start a war even if he did realize it? McGeorge Bundy, a former national security adviser to Presidents Kennedy and Johnson, is right when he says that no sane leader of any country, whatever his ideology, would deliberately risk the loss of 10 of his major cities—and that risk can never be eliminated. Inflicting 40 million casualties on an enemy and suffering 20 million yourself is not a political definition of "winning." But if Bundy is wrong, building more missiles is not going to help. If Soviet leaders are too depraved or too crazy to be aware of the effects of the 3,000 bombs that would survive a first strike, or to be deterred by that prospect, then it is unlikely that adding 9,000 or 90,000 more will bring them to their senses.

"Superiority" is not only meaningless, it is unattainable. The Soviets have served notice on the United States that they do not intend to accept anything less than a position of "parity." Détente is built on the idea that the two giants accept each other as symbolic equals in military power. The Soviets are prepared to devote whatever resources are needed to keep up with the United States. The next 9,000 United States nuclear weapons will be matched one way or another by new Soviet buildups. This is what Robert McNamara long ago called the "mad momentum" of the arms race.

We cannot expect the Russians to be any more intelligent about the arms race than we have been. We are still the fat boy in the canoe, as Dean Rusk used to say, and we have great influence to set the terms of coexistence. If we continue to believe that rings of foreign bases, aircraft carriers prowling exotic waters, and a steady stream of advanced weapons will help us sleep better at night—three major new U.S. strategic weapons systems are in an advanced planning stage—then we must assume that the Russians will seek to project their power in similar ways and, as they develop more bureaucratic momentum, at an ever faster rate.

At every crucial stage of the arms race, the United States has acted first and the Soviets have imitated our actions. The atomic bomb, the long-range bomber, the nuclear submarine, the intercontinental missile, MIRV, and now the cruise missile, were all developed first by the United States and then introduced in to the Soviet forces. Khrushchev tried to substitute bluster for military buildup, the expense of which he hoped to avoid. He unilaterally cut his army and hoped to pressure the United States into accepting parity in nuclear weapons. His policy of confrontation by bluff failed spectacularly in the Cuban missile crisis of 1962. And indeed it contributed to his own collapse. He was forced from office, and the big buildup began. Soviet leaders discovered that when they had matched the United States in missiles, Nixon and Kissinger were ready to make some agreements on matters that had been at an impasse for years—the German borders, arms control, the recognition of East Germany. Soviet politicians may well conclude that a few more missiles may elicit more respect from the United States and perhaps lead to a few new agreements. In any event, they believe that ef-

forts by the United States to "catch up" with Soviet weapons developments, when the United States is so far ahead, must be countered.

Explaining the behavior of governments, even our own, is not easy. Long-term intentions of leaders are hard to fathom, since most politicians don't have any. But the bureaucratic momentum of a growing Soviet military-industrial complex, the fear of falling further behind the United States, the fear of China, the temptation to sport the trappings of great-power status, or the accumulation of bargaining chips for future SALT talks are all plausible explanations of the Soviet buildup—far more plausible than the notion that the Kremlin has a demented plan to convince the world that it can win (or that it thinks it can win) a nuclear war.

Not even the Pentagon Cassandras say that the Soviet Union intends to start a nuclear war. In recent briefings before the House Armed Services Committee, Department of Defense spokesmen stated the opposite. The Soviet Union does not intend to attack West Europe.

The advocates of bigger budgets say, however, that intentions do not matter. It is "capabilities" that count because the arms race is fundamentally a struggle of nerve, not hardware. If the Soviets can project even a theoretical "war-winning capability" they will be able to use it to extract political concessions from the weak and the timid. "Finlandization" will break out all over Europe. (The term, which is understandably offensive to the Finns, is code for accommodation to the Soviet Union.) It is the political costs of "losing" the terms race to which our attention is increasinlgy called.

This debate raises the most basic questions about the sources of power in the contemporary world. For nations the size of the United States, there are diminishing returns to military might. The first 100 nuclear weapons, perhaps the first 1,000, are a source of immense power. But not the next 9,000, nor redundant systems for delivering them.

Military forces add strength only if they can be used to achieve specific national objectives. To be sure, threat is a form of use. If the purpose of our nuclear force is to frighten other countries into adopting policies compatible with American interests, as the White House or the Pentagon may conceive those interests at a given moment—"projecting influence" it is called in the polite parlance of military diplomacy—then we can never have a big enough stockpile. One man's guess is as good as another's as to how much is enough to scare Fidel Castro or Idi Amim; 9,000 don't seem to be enough.

But if the United States were to accept the reality that nuclear weapons are not instruments of diplomacy, that reserving the option to threaten the first use of nuclear weapons—we call such diplomacy "nuclear blackmail" when someone else adopts it—makes an escalating arms race inevitable, we could achieve greater security. Nuclear blackmail is a credible strategy for a weak, desperate nation with little to lose, not for a great industrial nation. The more the United States by its example legitimates the use of nuclear weapons in international bargaining, the more vulnerable we become to the "monkey wrench politics" of nuclear terrorism. If we were to say that nuclear weapons were good for one thing only, to pose a threat of retaliation against a nuclear attack, we would establish the only firm base possible for serious arms limitation. For that purpose, it is possible to calculate how much is enough, and it is a lot less than we have. Without a strong move by the superpowers to delegitimize the atomic bomb as an instrument of politics, a stable arms control agreement is an illusion, and President Carter's commendable goal of eliminating all nuclear weapons from the earth a piety.

We should be debating what we need nuclear weapons for, and what we think we can do with them, instead of playing the numbers game. The same is true with respect to the conventional forces which take most of the military budget. The issue is not how big an army the Soviets have, but how big an army the United States needs. That need depends upon what we think we can do with the forces. We don't need capabilities for intervening into future Vietnams if, as appears to be the case, such adventures turn out to undermine American power rather than to enhance it. The political conditions for using U.S. ground forces around the world the way we have for 30 years no longer exist.

To maintain them anyway at enormous cost does not add to national power. For great industrial nations like the United States and the U.S.S.R., power is developed by creating the conditions of social strength—sensible use of resources to keep industrial civilization going, ecological balance, a food policy to sustain the population, a set of incentives for people to produce and to contribute to society, a legitimate government that can elicit allegiance without repression, an economic policy to control inflation, unemployment and the maldistribution of wealth. The society which can demonstrate the greater success in achieving such social, political, economic and psychological goals will have the greater influence in shaping the contours of the coming civilization.

The United States started the postwar era with colossal advantages in its economy, its tradition of political liberty, and in its worldwide reputation. Much of that lead has been squandered. To fight the cold war, the United States completely restructured the Federal Government, concentrating power in the executive, promoting secrecy and clandestine operations, cutting away Congress's constitutional role in making foreign policy, instituting loyalty procedures and authorizing the widespread violation of civil liberties once held to be the essence of American citizenship. Each of these reforms mirrored a Soviet institution, and each was designed to put the United States in a better position to oppose Soviet power. The military competition in which we are still ahead is the arena in which the United States has the least chance to succeed over the long run, and runs the greatest risk of undermining the purposes for which this society exists. It is the one arena in which the Soviets have achieved spectacular gains in recent years. If we wish to create the conditions of social strength and to place the competition with the Soviets on a plane where we have the advantage, we should seek to demilitarize the competition as quickly as possible.

The best way to test Soviet intentions about whether they are planning war or atomic blackmail is to take them up on their numerous arms-control and disarmament proposals. They are on record as favoring the cessation of future weapons production, a complete test ban, limiting the use of nuclear weapons to retaliation only and banning bases in the Indian Ocean, among other measures. Chairman Brezhnev has sent word to President Carter that there is nothing in the military area that cannot be discussed.

If history is any guide, the negotiations will be difficult. American and Soviet generals differ as to what the adversary needs for legitimate defense. But history also offers hope that restraint on the U.S. side will be reciprocated. There is a little-known record of U.S. unilateral initiatives on such matters as nuclear testing, rate of missile deployment, military spending and manpower levels which elicited similar initiatives on the Soviet side. Given the huge stockpiles, symbolic acts of restraint to create a favorable climate for negotiations involve negligible risks.

Arms control negotiations can be sabotaged by the sort of alarmist talk the Pentagon and its friends have orchestrated over the last 30 years whenever the defense budget has been cut or has been about to be cut. Such talk has always turned out to be exaggerated or misleading. It obviously serves the interests of military bureaucracies, military contractors, and labor unions who fear, not without reason, that there are no alternatives to military make-work programs. It does not serve the American people.

Whether this nation can be intimidated by the Soviet Union depends upon our inner strength. A United States dedicated to strengthening its economy, extending its democracy, and facing its real security problems—world starvation, nuclear proliferation, exhaustion of energy sources, and the contamination of basic life-support systems—has no reason to fear the Soviet stockpile, even if it were as large as our own. The hawks are right that the arms race is really a psychological exercise having more to do with perceptions than with hardware. But we have it within our power to build the psychological defenses that come from creating a successful society or to capitulate to the fears that will kill us.

Negotiating With the Soviets

(By Gerard C. Smith)

Washington.—President Carter begins his Administration at a time when the process for placing limits on nuclear competition is approaching an important turning point. The 1972 interim freeze on intercontinental and submarine missile launchers runs out in less than nine months. Replacing the freeze with a more comprehensive and longer-lasting agreement is apparently one of Carter's top-priority goals. Setting his sights even higher than President Nixon and President Ford, he even speaks of an end to all nuclear tests, of early reduction in strategic forces, and of the long-range goal of banning nuclear weapons altogether.

His prospects of success will, I believe, depend to a large degree on his negotiating procedures. Yet although much has been written about the SALT agreements to date, little is known about the process. It may be timely, therefore, to expose some of its difficulties. The seven years we have spent on arms talks with the Soviets should have taught us some lessons. If an American negotiator who participated in those talks, as I did, were to try to come up with a set of do's and don't to guide the new President in the next round, he might come up with something like the following general principles:

1. Don't lust for the summit. A desire to link arms-control negotiations with a meeting with the Soviet leaders in Moscow affected the timing and perhaps the substance of SALT I, the first phase of the Strategic Arms Limitations Talks. From the start of his Administration, President Nixon aimed at such a summit, with a SALT accord as its centerpiece. When plans for a 1971 summit did not pan out, the Soviets had little incentive to reach early agreement. Time was working in their favor. They were adding launchers to their strategic forces—launchers that were the objects to be limited. The agreement finally reached in 1972 could have been reached the previous year.

Moreover, negotiating complex technical matters in Moscow can be a hairy business. During the 1972 summit, Henry Kissinger telegraphed me from Moscow that he never knew from hour to hour with whom he was to meet or what the topic would be. The Soviets have a way of bending local arrangements to their advantage. Some wry observations on that score were jotted down by an American delegate returning from the SALT signing ceremony in Moscow. Under the heading, "The Last 20 Minutes of the Negotiations Are the Most Important," he spelled out some ironic guidelines:

"First, arrange for the negotiations to be conducted at several levels. Try to pocket the optimum for your side arising at any one

of the levels. Sub-techniques include (a) general statements at top subsequently withdrawn at a lower level, (b) introduction without prior notice of added starters at an intermediate level to swing the situation to your favor. At political meeting, introduce 'expert' prepared to use his special knowledge to your advantage under circumstances where those on the other side are not in a position to contradict him. . . . Use your interpreters for both. Have no typewriters or Xerox machines available when needed. Give other side as minimum secure communications facilities as possible."

I don't mean to suggest that President Carter should follow this advice when I say that if any part of the next round of negotiations does take place in the capital of either country, it should be in Washington.

2. Don't conduct the talks on two channels, one involving the Soviet and American delegates at the negotiating table, the other involving White House and Kremlin officials in the two capitals. In 1972, the agreement to limit antiballistic missile systems (ABM's) to a very low level was the product of the first channel; the moratorium on new construction of launchers for offensive missiles—the interim freeze—was in large part a product of the second. The first was a careful process, much of which involved making a comprehensive record of exchanges through formal communications. The second channel involved President Nixon, Kissinger, Soviet Ambassador Anatoly Dobrynin and the Kremlin leadership. It was informal, usually with no records made available to the SALT delegates (at least not to the Americans). As a result, our delegates were sometimes left in the dark as to what was going on.

As a general matter, best results will be obtained if, under the President's direction, only one negotiating channel is used. As Lloyd George has said, it is not that one general is better than another but that one general is better than two (especially if one is trying to outmaneuver the other). And there is a kind of Gresham's law in a plural approach to negotiations. It becomes increasingly difficult to resolve issues at a lower level.

3. Don't expect quick results. SALT is a slow and painstaking process. One reason for that during the SALT I negotiations was that the Soviet delegates (at least the civilians) did not seem to have full information about their own weapons systems. It was reported that, short of the Politburo, there was no machinery for coordination of policy among their agencies. Not surprisingly, the Soviets seemed better at reacting to American initiatives than to taking their own.

The American delegation was kept on a very short rein—properly so, since we were dealing with issues central to the security of the nation—and I had the impression that the chief Soviet delegate, Vladimir Semyonov, was under restrictions at least as severe as ours. Even the physical arrangements tended to slow things up. The delegations met at the two countries' embassies (Vienna was the only American Embassy I know of with a men's-room sign in Russian). It required hundreds of man-hours to prepare statements for plenary meetings. More than 20 high-level officials worked on each statement, which was usually the product of five or six drafts. After Semyonov and I orally delivered these statements in plenary meetings, they were exchanged in order to insure accurate translation of the English and Russian texts. It took American interpreters four to eight hours to produce a final translation that, we were confident, reflected all important shades of meaning. In addition to the formal statements, full reports of all informal exchanges, usually involving about 12 people on each side, were forwarded to Washington.

But this is the process best designed to produce solid arms controls. The ABM treaty has worked well. Instead of building up to permitted levels, the two nations agreed in 1974 to hold their ABM's to one system apiece. We have gone further and put our one system in mothballs. The Soviet Union has not deployed all of the 100 launchers permitted for the defense of Moscow. As for the interim freeze, the number of missile launchers deployed by both sides at the end of its five-year term will be at or below the permitted levels, and an arrangement to broaden this agreement was foreshadowed by the 1974 Vladivostok accord.

4. Don't waste time on obviously inequitable propositions. For many months, the United States pressed for an ABM agreement based on inequality—in our favor—only in the end to agree on two sites for each side. The time expended on this was better used by the other side.

Nor does it seem wise to table positions we are not sure of. At the preliminary SALT round at Helsinki in 1969, we tabled a set of "illustrative elements" to stimulate a dialogue. They were examples, not offers; this was a useful technique. But after the negotiation started, we tabled a number of what appeared to be proposals but were actually "approaches" intended to keep the President free to repudiate them if that appeared prudent. A number of alternate ABM limitations were tabled, thus giving the Soviets a plausible claim that a choice had been offered. When their pick did not suit our policy, confusion and delay resulted. We should avoid giving the other side a chance to pick and choose. Negotiations are not seminars; we should table only those positions we have decided to support.

Much of the time-consuming routine I have described above is necessary, but little is gained by oral presentation of statements in plenary sessions. The negotiating process could be speeded up if this step were eliminated.

5. Remember, that what may seem like a polemical attitude on the part of the Soviets may reflect the difference in the negotiating styles of the two sides. During SALT I, we tended to make specific proposals, while the Soviets for the most part made general proposals, assuring us that once they were accepted, the "fine print" would offer no problem. The Soviets seem to consider arms control as primarily a matter of international policies having, technical aspects. For them, a major arms-control agreement would be so significant politically that it would not require detailed provisions. American officials, while appreciating its high political significance, tend to see arms control more as a search for solutions to the complex technical problems of establishing force levels and weapons characteristics by international agreement.

I certainly do not favor loosely drafted agreements. There is no denying that while Soviet estimates of verification needs start with an assumption that American commitments will be honored, the United States cannot be so sure. Soviet weapons programs may be observed by national means of verification, including satellite photography, only when well along in development. This fact of life, together with some poor experience with Soviet implementation of postwar agreements, has in the past made for an American negotiating approach that emphasizes loophole closing.

But even the most skillful negotiator cannot persuade another nation to make commitments against its will. Even the most tightly drawn agreement cannot make a sovereign power act in ways that it judges prejudicial. The most ingenuous lawyer cannot anticipate all developments under such unprecedented arrangements as SALT. Continually emphasizing the risk that the nation you are bargaining with may well violate the agreement does not provide the best background for improved political relations, which in the last analysis, is the aim of SALT or any other international agreement. The first SALT agreements were carefully tailored so as to be simple to verify. In future negotiations, we may face choices between leaving some conceivable loopholes open or abandoning the whole negotiation. Future agreements may be harder to verify infallibly. That does not necessarily mean that they would be prejudicial to our interests.

6. Realize that the Soviets enjoy a tactical negotitiong advantage because of the closed nature of their society. The Soviets know from American publications the number of strategic weapons we have or plan to deploy, and they know a good deal about their designs. We have to rely on far from infallible intelligence findings that do not reveal full information about their future deployment plans. They know preciscly how many American missiles are to have multiple warheads; we can only estimate the scope of their MIRV programs.

But the SALT agreements that have been reached so far have compensated in part for this asymmetry. Because of the interim freeze, our knowledge of what their aggregate missile force numbers would be in 1977 approached their knowledge of ours. This was no small accomplishment. In appraising possible agreements in the future, it should be kept in mind that Moscow's superior command of information tends to be neutralized by arms-control agreements as they are carried out. And commitments made by the Soviets not to interfere with—or conceal weapons systems from—national means of verification increase the reliability of the information obtained by these means.

7. Don't overreact to the inevitable leaks. During the SALT I talks, rather accurate projections of American negotiating moves were at times available to the Soviets through press stories; Pravda never helped us in that way. The inability of Washington agency officials to keep their mouths shut was one reason for White House exclusion of SALT officials from information they should have had, and the cost of that exclusion is still hard to assess. In retrospect, I think the importance of the leaks was exaggerated, and the leakers had nothing more sinister in mind than to manipulate the press to advance negotiating positions they favored or to retard those they opposed.

A more serious negotiating advantage was given to the Soviets, I felt, whenever the White House put out optimistic predictions about SALT prospects. Generating expectations of agreements does not add to bargaining power for your side.

On the other hand, it would help if the Carter Administration discouraged the practice of underrating our military posture vis-a-vis the Soviets' as a means of getting Congressional appropriations for the Defense Department. The strength, variety and flexibility of our forces gave us ample bargaining power at the SALT I talks, and in the next round the United States still holds the high card—technological superiority. The Soviets cannot match American scientific, engineering and industrial power. Yet consider what readers and listeners around the world have been told.

From the Soviet side, when the silence is broken, come self-assured statements that the Soviet strategic forces have what they need. From our side come expressions of concern about the growth of Soviet forces; worries about the vulnerability of American ICBM's; charges that SALT has endowed us with inferiority; new targeting doctrine and strategic initiatives that resemble efforts to

imitate Soviet force structures and their presumed capabilities. It would be ironic if the pattern of poor-mouthing our position at home should lead to a second-best image abroad. The Soviets have done better than we in manipulating the psychological aspect of the strategic balance.

8. Don't interfere with the negotiating process once it has begun. Intervention by top officials should be resorted to only in extremes, when the clear alternative is collapse of the whole negotiation. Even then, the negotiating process should be much more carefully handled than was the case during the high-level phases of SALT I. Deadlines are useful in some international negotiations but seem to be out of place in SALT. The overt role of heads of government should be limited to public ratification of what, under their direction, has already been done by their agents.

9. Don't worry if, at first, results seem to elude you. Prolonged SALT negotiations are not necessarily a bad thing. The process of preparing for and conducting negotiations has a constructive effect on United States policies and the attitudes of American decision makers, and the same doubtless holds true of its effect within the Soviet Union.

During the SALT I negotiation, leaders of both countries were required to educate themselves about strategic matters. Because of SALT, certain Soviet civilians for the first time entered deeply into the complexities of nuclear-arms doctrine and planning. American and Soviet officials spent years exchanging views about strategic arms and their control. The U.S. National Security Council and the Soviet Politburo have been deeply engaged in trying to understand arcane aspects of ballistic missilry. The United States Congress and the North Atlantic Council, the press and the people of the United States and its allies have for years had an opportunity to go as deeply as they chose into the complexities of the unique strategic relationship of the two superpowers.

Behind the specific value of SALT agreements is the great worth of the process itself. The strategic relationship has already been altered for the better as a result of the negotiations thus far, and more negotiations can only be of further benefit.

10. Above all, do everything possible to turn the beginning made in SALT I into an irreversible process. Already, in a period of only seven years, arms control has become a respectable part of national-security policy. The Secretary of Defense and the Joint Chiefs of Staff recognize it as a fact of military life. Pentagon planning and programming are done on the assumption that they are here to stay. Machinery has been set up at a high level in the executive branch to monitor fulfillment of SALT commitments. Although grumbling was heard from not unexpected quarters that the spirit of the SALT agreements was not being respected, President Ford publicly stated that the terms of the agreements were being fulfilled. The prospect seems good that, gradually, strategic arms can be brought under control. Both the cost of deterring war and the risk of its occurring can be substantially reduced. These are great prizes worth the investment of immense energy and ingenuity.

As the Arab saying goes, "It takes two hands to clap." Both the United States and the Soviet Union must see it in their security interest to keep the first agreements and build on them. Having proved that they can agree to some constraints they must push on lest they slide back into hostility. They will be still at it after we are all dead, if world civilization is to survive.

REPORT ON RIDE-SHARING INSURANCE SUMMARIZES FINDINGS OF JANUARY MEETING

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. EDGAR. Mr. Speaker, within the last 2 months, great advances have been made in the area of providing insurance opportunities for vanpoolers. Vanpooling is an innovative form of commuter transportation which has a high potential for saving energy, reducing pollution, relieving traffic congestion, and saving money for participants. It is more flexible and cost-effective than public mass transit. Yet the insurance barrier has been a major hurdle to the promotion of this transportation mode.

On January 27, 1977, I cosponsored a vanpool insurance conference here in Washington which brought together representatives from Government, vanpool organizations, and the insurance industry to work out fair solutions to the insurance problems of vanpoolers. This meeting was very constructive, and commitments were made which will make it easier to obtain insurance which fulfills the unique needs of vanpoolers at reasonable rates.

I received today a long-awaited, definitive report on vanpooling insurance which incorporates the results of the January 27 meeting. For the benefit of the cosponsors of H.R. 869, the "Federal-Aid to Ridesharing Act of 1977," which I introduced on January 4, and others interested in vanpooling and carpooling, I am inserting this report in the RECORD. The report is authored by Dr. Frank Davis, Jr., Dr. William W. Dotterweich, and Mr. David A. Burkhalter III, all from the Transportation Center of the University of Tennessee. I have met Dr. Davis, and he deserves special recognition as the catalyst for solving the very complicated insurance problems associated with ridesharing. I am very grateful for his assistance, and I anticipate that solutions to other problems can be worked out informally without the requirement of legislative remedies.

The report follows:

EXCERPT FROM INSURANCE FOR VANPOOLS: AN ANALYSIS OF CURRENT INSURERS AND PROGRESS

(By Dr. Frank W. Davis, Jr., Dr. William W. Dotterweich, David A. Burkhalter III)

THE INSURANCE SERVICES OFFICE SOLUTION

The Insurance Services Office (ISO) has issued a general revision of its commercial automobile classification manual. This revision will be complete and filed with the state insurance commissioners in each of the states plus Washington, D.C. and Puerto Rico by March 4, 1977. In four states: Massachusetts, North Carolina, Texas, and Hawaii, the filing will be for information purposes only since these states still have local rate bureaus which have the filing responsibility. In addition, the ISO private automobile committee has agreed to continue to ignore the additional passenger exposure which exists when a privately-owned automobile is used as a pool vehicle. This policy will continue to extend to all privately-owned vehicles including sedans, stationwagons, pickup trucks and vans.

As a result of the new commercial filing and the retention of the private passenger classification, there are now four categories of vanpooling for insurance purposes:

1. Shared driving pools—a group of individuals alternate driving the pool and the insured vehicle is not driven more than twice a week nor two weeks per month for commuting purposes.

2. Privately-owned, shared expense pools—the pool members ride in the same vehicle every day and contribute to the expense incurred by the driver.

3. Employer-provided pools—the pool riders are employees of the same firm where ridership in the pool is a condition of employment, an inducement to employment, or incidental to employment of the riders.

4. All other pools—all other pooling arrangements whether third party operators, multiple employment center pools or employer pools where workmen's compensation probably will not apply.

Under this approach, the shared driving pools and the privately-owned shared expense pools would continue to be included in the private passenger manual, and the fact that they are used as pool vehicles would not be a factor in their rating. If the vehicle is owned by an individual and not used for "business purposes," then it will be rated from the private automobile manual. The employer-provided pools and all other pools will be listed in the commercial manual as "vanpools." Commuting and commuter pooling are not considered a business purpose, but if the vehicle is to be used to haul tools between work sites, used for messenger or delivery service, and/or used in other activities in the normal course of employment, then this use would place the vehicle in the commercial manual. If the vehicle is owned by a company, corporation or governmental agency, then it is considered a commercial vehicle.

The employer-sponsored pools are based on the premise that in many cases the workers will be covered by workmen's compensation and not by the vehicle liability policy. Since the legislation is not specific on this in most states and case law is not well developed, it is still uncertain as to how injuries will be covered. The insurance industry, however, has been willing to insure employer pools at a lower rate and assume the risk until such time as case law and vanpool statistics establish a more reliable base.

RATES

Thus, ISO's action will set the following policies and rates in the private passenger manual:

1. Shared driving pools—continue the discount classification for standard private passenger cars (including vans) regularly used for commuting to work. The van is then referred to as a "pleasure use only" vehicle and the specific rate will depend upon the mileage driven each year.

2. Privately-owned, shared expense pool—continue writing coverage as for standard private passenger cars (including vans) regularly used for commuting to work. The rate will vary with factors such as aggregate yearly mileage, distance to work, geographical areas and demographics of the principal driver.

The new ISO commercial classifications in the commercial passenger manual are as follows:

Classification	Seating capacity			
	1 to 8	9 to 20	21 to 60	Over 60
Employer furnished	1.00	1.05	1.40	1.90
All other	1.10	1.25	1.80	2.30

These factors are based on the lowest commercial rate, i.e., small pickup truck used in business. Thus a vanpool carrying employees to work in an employer furnished pool would pay 1.05 x the lowest commercial rate for the area and coverage desired. It should be noted, however, that these rates do not allow a "holding out to the public" where the pool vehicle is soliciting passengers on a nondiscriminatory basis and does not include use of the van to haul social service clients on a regular basis during the day.

AVAILABILITY

Once the classification and rates have been filed with the respective states, it is up to the commissioners in each state to approve or reject the filing. It would probably be helpful for various vanpool promoters to contact their state insurance commissioners and inform them of the reasons behind the changes and encourage their prompt acceptance.

Once the classes and rates have been approved by the respective states, it is up to the individual insurance underwriters and their companies to decide if they will voluntarily write insurance at these rates. At the January 27 meeting, the attendees (see Appendix I for the list of attendees) publicly committed to take the following steps:

1. Allstate and State Farm indicated that they would continue to underwrite individually-owned vans used for commuter pooling provided that the individuals meet their normal eligibility criteria and provided the pool is strictly on a shared-driving or shared-expense basis. They further agreed to help clear up any misunderstandings that might arise in this regard between prospective insureds and the company agents and employees.

2. The ISO would include information for assigned risk programs with their filings.

3. The insurance trade groups would educate their members on the role of vanpooling and the new rate schedules.

4. The state insurance commissioners would expedite consideration of the new rates.

In addition, those attending voiced a strong need for the insurance companies to develop special merchandising packages to inform the local agents about pooling activities and to suggest appropriate insurance packages. The target date for completion of these tasks is June 30, 1977.

FELLOW EMPLOYEE EXCLUSION

Some concern was voiced over the fellow employee exclusion clause which is presented in the standard commercial policy. In general, workmen's compensation covers employees who are injured "in the course of their employment." The commercial policy, then, has a clause that indicates that employees who are injured "in the course of their employment" will not be covered under the commercial auto policy since workmen's compensation (which costs less than third party liability insurance) would have first responsibility.

A problem arises when an employer who does not carry workmen's compensation starts a vanpool. For example, consider if a state did not require a business with fewer than five employees to have workmen's compensation. If such a company started a vanpool program with four employees and the three owners of the business riding each day, then there may be no workmen's compensation, and the commercial liability policy would not apply. In cases where workmen's compensation may not apply, the vanpool operator should have the clause removed or obtain workmen's compensation insurance.

HIGHER LIMITS OF COVERAGE

Many operators were convinced about higher limits of liability in order to offer greater protection to the riders. These rates generally are available. Table 1 is a higher limit matrix for private automobile policies in the state of Tennessee. According to this table, 100/300 coverage would cost 189 percent of the base 10/20 coverage. Such tables are available in virtually every state. There may be limitations, however, on assigned risk coverages. Currently, ISO is considering adding bodily injury limits of 50/250, 100/500 and 250/1,000 with $5,000 and $10,000 medical limits.

There was a caution about the use of well publicized high limit policies since this becomes an invitation to sue for the maximum. There is some indication that the recent medical malpractice dilemma may have been greatly aggravated by insurance companies encouraging higher limits on malpractice insurance. Once several large judgments establish a precedent, there was a snowballing effect of physicians wanting higher limits and attorneys pressing for higher judgments until insurance cost became prohibitive. It would be self defeating for this to happen to vanpooling.

ALTERNATIVE VANPOOLING INSURANCE APPROACHES

There are now four approaches to insuring vanpools which deserve careful consideration.

1. Obtain higher per accident limits as given in Table 1. Under this approach the bodily injury liability coverage would be expected to cover not only anyone in another vehicle injured by the pool vehicle but also all of the riders in the pool vehicle. This coverage would not, however, provide rider protection where another vehicle was at fault. This protection would have to be provided by an underinsured motorist policy or in some other manner.

2. Obtain traditional bodily injury liability insurance to protect the other vehicle and provide protection to the riders through a high limit first party insurance such as medical coverage. This coverage typically costs ⅓ to ½ as much as bodily injury coverage. If $50,000 excess medical coverage were available, this would provide as much rider protection as a $100,000/$1,350,000 bodily injury policy since court and legal costs generally would not be deducted from first party insurance payments, and the medical limits are on a per occupant basis. Although the official position of the insurance companies is that medical coverage will not cover nonmedical items such as loss of wages, in general practice it is less expensive for the company to do so when it can settle a claim and avoid costly litigation. This approach would cover the rider no matter who is at fault. It also has the advantage of removing the invitation to sue which is inherent in the high liability coverage approach.

TABLE 10/20.—SUPPLEMENTARY INCREASED LIMITS, AUTOMOBILE BODILY INJURY LIABILITY—LIMIT PER PERSON

[In percent]

Limit per accident	10	15	20	25	30	40	50	100	150	200	250	300
20	100	112	120									
25	108	116	124	130								
30	111	118	126	133	136							
35	113	121	129	136	138							
40	114	122	130	137	141	145						
45	117	124	132	138	142	146						
50	118	126	133	139	145	149	154					
70	129	136	141	145	147	153	158					
100	141	147	153	157	158	160	163	170				
150	146	153	158	162	164	167	172	178	184			
200	151	158	163	167	168	174	178	182	187	189		
250	155	162	167	171	174	178	183	187	189	193	195	
300	160	166	171	175	178	183	187	189	193	196	197	199

Limit per accident	50	100	150	200	250	300	400	500	600	700	800	900	1,000	1,250	1,500	1,750	2,000
350	188	192	195	197	199	200											
400	189	193	196	199	200	201	205										
500	193	196	199	201	204	205	208	212									
600	195	197	200	204	207	208	210	213	216								
700	196	199	201	205	208	209	213	216	218	221							
800	197	200	204	208	209	210	214	217	220	222	225						
900	199	201	205	209	210	212	216	218	221	224	228	232					
1,000	200	204	208	210	212	213	217	220	222	225	229	233	235				
1,250	204	208	210	213	216	217	220	222	225	229	233	235	239	245			
1,500	207	209	212	216	217	218	221	224	228	232	234	238	241	246	251		
1,750	208	210	213	217	218	220	222	225	229	233	235	239	242	247	253	256	
2,000	209	212	216	218	220	221	224	228	232	234	238	241	243	249	254	259	264

Limit per accident	100	150	200	250	300	400	500	600	700	800	900	1,000	1,250	1,500	1,750	2,000	2,500	3,000	4,000	5,000	7,500	10,000
2,500	216	218	221	222	224	228	232	234	238	241	243	246	253	258	263	267	274					
3,000	218	221	224	225	228	232	234	238	241	243	246	250	256	262	266	270	276	281				
4,000	224	228	230	232	234	238	241	243	246	250	253	256	263	267	272	276	283	288	297			
5,000	229	233	235	238	239	242	245	247	251	254	256	262	267	272	276	281	288	293	301	308		
7,500	234	238	241	242	243	246	250	253	255	259	263	266	272	276	281	287	292	299	306	312	327	
10,000	238	241	243	245	246	250	253	255	259	263	266	268	275	279	284	289	296	301	309	316	331	346

3. In states where underinsured motorist protection is available, rider protection may be obtained by having each rider obtain high limit underinsured motorist protection. In case of accident, this underinsured motorist protection would provide coverage above the van insurance limits to the limits of the underinsured motorist coverage. Although the insurance company would have the right of subrogation against the party that was at fault, in general practice the insurance company would not exercise the right to the extent of the defendant's insurance coverage.

4. In the case of company-owned vehicles, the workmen's compensation coverage approach will probably be followed first.

CONCLUSION

In general the marketability of vanpool insurance appears to be resolved at least after June 30, 1977. Until then, vanpool promoters will have to take the initiative in disseminating information about the ISO proposals until all levels of the insurance industry are familiarized with vanpooling. Over the next two to three years, data will be collected on various classes of vanpools, and then new rates can be made based primarily on experience rather than relying solely on judgment. It is important, however, that every effort be made to separate the various classes of vans. The first class of vans, when owned by the young male driver with water bed, portholes, mag wheels, wide tires and painted scenes on the sides, have very high accident rates. The second class of van, operated by the mature driver with an unblemished driving, employment and punctuality record, who has completed a defensive driving class, has a chauffeur's license, drives a familiar route and is very conscious of the responsibility he has, is an entirely different class of risk.

It is therefore imperative that government, employers and the insurance industry collectively develop a program to train and screen capable vanpool drivers who can operate in the urban areas to provide efficient, low cost commuter transportation. The public sector can do the screening and training, the insuranec industry can offer special vanpool packages with lower rates to the well qualified driver, and the employers can offer their best employees as drivers.

There will be a place for all types of ridesharing. Some areas will prefer to have employers own the vehicles. Others will prefer to promote employee-owned pools or third party pools where the credit union, an auto dealer or some other group owns the vehicle and promotes the pools. Still, the selection and training of drivers, the maintenance of vehicles and the protection of riders by insurance are vital parts to the program, and a joint effort and new ridesharing insurance packages need to be developed.

Unfortunately, the industry still views vanpools as a new idea and is one with which they are not familiar. Each company wants to be helpful, but companies do not want to actively solicit vanpooling for fear of capturing the entire market only to find out later that the actual passenger exposure was greater than expected. Therefore, each company wants to accept only as many as the other companies accept so that the risk can be spread between companies. This is one of the reasons for the massive education program necessary to sell all insurance companies on the vanpooling concept.

APPENDIX: ATTENDEES OF JANUARY 27TH INSURANCE MEETING

Insurance industry

Mr. John Nangle, Washington Counsel, National Association of Independent Insurers.

Mr. Tom O'Day, Director of Public Affairs, American Mutual Insurance Alliance.

Mr. Les Cheek, V.P. for Federal Affairs, American Insurance Association.

Mr. Robert L. Brusaw, Insurance Services Office.

Ms. Mavis A. Walters, Vice President, Insurance Services Office.

Mr. Dale Nelson, State Farm Insurance.

Mr. Herman Brandau, State Farm Insurance.

Mr. John McGonack, Insurance Co. of North America.

Mr. Dave Murphy, Vice President, Allstate Insurance Companies.

State insurance offices

The Honorable Wesley J. Kinder, Commissioner of Insurance, State of California.

The Honorable Maximillian Wallach, Superintendent of Insurance, District of Columbia.

Mr. James R. Montgomery III, 1st Deupty Supt. of Insurance.

Mr. Philipp K. Stern, Chief Actuary, N.J. Dept. of Insurance.

Mr. Elmer Michael, Corporation Commission, Insurance Bureau.

Mr. Ernest A. Goodman, Deputy Commissioner, Insurance Division, State of Maryland.

Mr. Stanley Vinton, Chief, Rating and Forms Review Section, Insurance Division, State of Maryland.

The Honorable John R. Ingram, Commissioner of Insurance, State of North Carolina.

Mr. Byron Tatum, North Carolina Department of Insurance.

Mr. Mel Boynton, Special Assistant to Commisisoner, Pennsylvania Insurance Dept.

Mr. Dale Broadwater, Actuary, Pennsylvania Insurance Department, Commonwealth of Pennsylvania.

Mr. John J. Reynolds, Dept. of Insurance, 80th Fl., State of New York.

Federal agencies

Mr. Donald A. Morin, Federal Highway Administration, Urban Planning Division.

Mr. Stephen J. Baluch, Federal Highway Administration, Urban Planning Division.

Mr. J. Robert Hunter, Federal Insurance Administrator, Dept. of Housing and Urban Development.

Mr. Howard Clark, Federal Insurance Administration, Dept. of Housing and Urban Development.

Mr. Frank Reilly, Federal Insurance Administration, Dept. of Housing and Urban Development.

Mr. Rick Fenton, Senate Public Works Committee.

Mr. Robert Grey, Environmental Protection Agency, Office of Land Use and Transportation Policy.

Ms. Carla Heaton, Transportation Systems Center, U.S. DOT.

Mr. Lew Pratsch, Federal Energy Administration.

Mr. Gary Grobman, Representative Robert W. Edgar.

Mr. Clyde Woodle, House Public Works and Transportation Committee.

Mr. Ron Fisher, Urban Mass Transportation Admin., Office of Service and Methods Demonstration.

Mr. James Bautz, Urban Mass Transportation Admin., Office of Service and Methods Demonstration.

Mr. Paul Fish, Urban Mass Transportation Admin., Office of Service and Methods Demonstration.

Mr. Larry A. Bruno, Urban Mass Transportation Admin., Office of Service and Methods Demonstration.

National Association of Vanpool Operators

Mr. David J. Lester, Atlantic Richfield Company.

Mr. William R. Fortune, Continental Oil Company.

Ms. Kay Deshler, Tennessee Valley Authority.

Mr. Roy Coughlin, Southern New England Telephone Company.

Mr. Robert D. Owens, 3M Company.

Mr. E. A. Melendez, Commuter Computer.

Mr. John Mahony, Smith Kline Corp.

Dr. Frank W. Davis, Jr., The University of Tennessee, Transportation Center.

Mr. Jay Russell, Environmental Law Institute.

Mr. Timothy Letzus, Highway Users Federation.

Mr. Craig Bryars, Highway Users Federation.

Mr. Steve O'Toole, Highway Users Federation.

Mr. Mitch Fanaroff, Senate Motors Inc.

Mr. Don Maxwell, Vanpool Programs Manager, Alan M. Voorhees and Assoc.

Ms. Romi Slowiak, Planner, Alan M. Voorhees & Assoc.

Mr. Samuel Seskin, Institute of Public Admin.

Mr. David Grayson, Commuter Computer.

Mr. John Schmidt, Johnson and Higgins.

Mr. Frank B. Harris, Skidmore, Owings, and Merrill.

Mr. Morrison Bump, Skidmore, Owings, and Merrill.

Mr. Richard Juster, Multisystems, Inc.

THE NATIONAL DEBT IN THE 20TH CENTURY

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, March 14, 1977

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent to have printed in Extensions of Remarks a table I had prepared which shows the national debt, by years, during the 78 years of the 20th century.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

THE NATIONAL DEBT IN THE 20TH CENTURY

Totals at the end of fiscal years

(Rounded to the nearest billion dollars)

1900	1
1901	1
1902	1
1903	1
1904	1
1905	1
1906	1
1907	1
1908	1
1909	1
1910	1
1911	1
1912	1
1913	1
1914	1
1915	1
1916	1
1917	3
1918	12
1919	25
1920	24
1921	24
1922	23
1923	22
1924	21
1925	21
1926	20
1927	19
1928	18
1929	17
1930	16
1931	17
1932	20
1933	23
1934	27
1935	29
1936	34
1937	36
1938	37
1939	40
1940	43
1941	49

THE NATIONAL DEBT IN THE 20TH CENTURY—Continued

Totals at the end of fiscal years

(Rounded to the nearest billion dollars)

1942	72
1943	137
1944	201
1945	259
1946	269
1947	256
1948	251
1949	252
1950	256
1951	254
1952	258
1953	265
1954	271
1955	274
1956	273
1957	272
1958	280
1959	288
1960	291
1961	293
1962	303
1963	311
1964	317
1965	323
1966	329
1967	341
1968	370
1969	367
1970	383
1971	409
1972	437
1973	468
1974	486
1975	544
1976	631
1977[1]	727
1978[1]	802

[1] Estimated Figures, March, 1977.

Source: U.S. Treasury Department.

THE HIGH PRICE OF COFFEE

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, March 14, 1977

Mr. HARRY F. BYRD, JR. Mr. President, the Laurel, Miss., Leader-Call published an interesting editorial on February 25, dealing with the high price of coffee. I ask unanimous consent it be printed in Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATE DEPARTMENT BLAMED

Some coffee-drinkers in America blame the State Department for the soaring cost of prices.

A St. Louis coffee distributor blames the complete loss of raw coffee beans from Angola, the fourth largest coffee producer in the world, on the recent Communist takeover of this former Portuguese Colony in southern Africa.

Many Congressmen have called for a "top to bottom" investigation of world coffee prices which continue upward week to week.

According to Dana Brown of St. Louis, who warned customers back in December that coffee prices would go beyond $3 a pound, if it were not for "pro-communist sanctions" which the United States has imposed against Rhodesia, U.S. coffee importers would be able to buy fine quality Rhodesian coffee beans at a savings of $1 per pound.

The United States imposes both the military and economic sanctions against Rhodesia in compliance with a United Nations resolution which refuses to recognize the Declaration of Independence proclaimed by this white-ruled country in 1965. The UN maintains that Rhodesia simply is in a state of "rebellion" against Great Britain and the United States, like a puppet on a string, has gone along with this reasoning, despite the fact that it was through just such a Declaration of Independence that the American colonies achieved their independence from England more than 200 years ago.

According to Brown, who made a trip through Rhodesia, the country produces some of the rarest coffee in the world and he can buy it for $1 per pound less than he pays for a much inferior Brazilian quality. But it is not allowed to buy the Rhodesian coffee.

Brown claims Americans have been misled by the talk of a frost in Brazil. Meanwhile he has this advice for coffee drinkers:

"When you go to your food store don't blame your grocer for high coffee prices. The responsibility is pro-communist sanctions by our own U.S. State Department. Let's put the bee on the right bonnet! Your food dealer is just an innocent victim of these sanctions."

Maybe U.S. Senator Harry Byrd, whose famed Byrd Amendment exempted Rhodesian chrome from the trade ban, can do something about the coffee situation.

CHOOSING CANDIDATES FOR MILITARY ACADEMIES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. EILBERG. Mr. Speaker, the merits of Congress continuing its role in nominating constituents for the Army, Navy, and Air Force Academies is being questioned. Some believe that it is far better to defer the selection process to the military academies in an attempt to standardize the admission process and remove any political decisions which may cause a qualified candidate from being denied admission.

To hand over this decisionmaking process would again give another segment of control maintained by Congress to the military. In no way should this absolute power over the election process be yielded to the military, leaving Members of Congress with the duty of announcing a decision of admission or denial—a decision over which they have no control.

Further, I cannot agree that the military is in a better position to determine those most qualified for admission to their programs. Basically, the main criteria used for admission is the scholastic aptitude test scores. The national standard at the present time is 1,100, although a score of 900 will qualify an individual for admission. I cannot see the difficulty in any one Member of Congress being able to obtain a copy of the SAT scores and make a decision based on this data.

As for the argument that the only way to get nominated is to personally know the Member of Congress, this statement could not be further from the truth. I, for one, have known very few of the individuals I have nominated for the academies in the more than 10 years I have been in Congress. We, as elected representatives of our districts, are here to serve our constituencies—whether it is making inquiries about lost social security checks or the eligibility of obtaining veterans benefits.

Thus, the nomination of qualified individuals for academies is still another way in which we can serve our constituency. As elected officials, it is both mutually beneficial and advantageous to allow applicants and their families to make direct contact with their representatives. In addition, we need to insure that nominations to academies continue to be geographically represented.

The present system of nominating one principal and nine alternatives for each of the academies affords the opportunity of 40 people having the chance to be selected for admission. Due to this process, I find that there is a small percentage of constituents who are disqualified, and thus, I do not find myself in a precarious position of having to inform constituents that they were not chosen.

Thus, Mr. Speaker, although the process of nominating candidates for military academies entails quite a bit of work for congressional offices with limited staffs, I believe that the mutual satisfaction and increased opportunity to directly assist constituents derived from the present program far outweighs the workload.

LOWER INCOME HOUSING AMENDMENTS FOR 1977

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. GRADISON. Mr. Speaker, the lower income Housing Amendments of 1977, which I am introducing today, would revise the structure for eligibility under the section 8 housing assistance program.

Presently, the income limitations for eligibility are tied to the median income for a metropolitan area. This is an unrealistic measure of poverty, since the median income reflects only the income, but not the cost of living in an area. In other words, a community with a large number of very wealthy persons would have a higher median income than an average city, yet the cost of living in that city might be relatively low. My proposal would correct that problem by tying the eligibility levels to the national poverty income level for the appropriate size of family, and by further adjusting this figure to reflect the cost of living in each locality across the country. This, I feel, would provide a more realistic measure of eligibility for section 8 funds.

A second feature of my bill would retarget available section 8 funds to a lower-incime group. Presently, on the average, a family of four with an income of up to $10,975 could receive section 8 assistance—according to 1975 figures. It has been estimated that one-third of the Nation's families could qualify for assistance under the current law. My plan would establish a rate of 120 percent of the poverty-income level as a guide in determining section 8 eligibility.

Below is a table of proposed new eligibility limits. The eligible applicants would amount to less than 20 percent of America's families. The funding level for section 8 would not be affected by this bill, meaning that a considerable amount

of money would be made available to those families who are among the poorest in our country. The objective of section 8 would change; instead of providing financial assistance to vast groups of families, section 8 would represent a concentrated effort to improve housing conditions for the poor.

I urge my colleagues to support this legislation, which would make section 8 a more realistic and efficacious program:

AVERAGE ELIGIBILITY LIMITS FOR SECTION 8 HOUSING ASSISTANCE BY SIZE OF FAMILY UNDER LOWER-INCOME HOUSING AMENDMENTS OF 1977—BASED ON THE ESTIMATED 1976 POVERTY LEVEL

Size of family and maximum income for	
1 person (unrelated individual)	$3,456
2 persons	4,452
3 persons	5,448
4 persons	6,984
5 persons	8,244
6 persons	9,288
7 persons or more	11,448

IN SUPPORT OF A PRESIDENTIAL LINE ITEM VETO

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. HYDE. Mr. Speaker, today Congressman CALDWELL BUTLER, Republican of Virginia, Congressman CHARLES BENNETT, Democrat of Florida, and myself, have introduced a constitutional amendment that would create a Presidential line item veto. I am urging my colleagues to join us as cosponsors in making the appropriations process more effective and responsible.

Under present law, the President may either sign or veto a bill, but he cannot pick and choose the good parts from the bad. He must take the whole thing or leave it. With the item veto, the President could eliminate wasteful and low-priority programs without totally sacrificing vital legislation.

A constitutional amendment is required to implement the item veto because the Constitution now allows for only the all-or-nothing procedure. Article I of the Constitution reads:

Every bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a law, be presented to the President of the United States; if he approves he shall sign it, but if not he shall return it, with his objections to the House in which it shall have originated . . .

State governments are way ahead of the Federal Government when it comes to the item veto. Forty-four States have provided their governors with the item veto, and all indications are that it works well in those States by permitting the Governors to approve bills while deleting those sections which they find unacceptable. Surely, the item veto would work just as well on the Federal level.

A Gallup poll on the Presidential item veto clearly shows that support for the item veto transcends regional and party lines. Nationwide, 69 percent of those polled favored the item veto while only 20 percent expressed opposition and 11 percent voiced no opinion. Sixty-seven percent of the Democrats, 77 percent of the Republicans, and 71 percent of the Independents said they favored the item veto. Clearly it is time for Congress to take action.

Since Congress always retains the power to override an item veto. we are not adding to the "Imperial Presidency," but permitting a process of legislative fine-tuning that can only serve the taxpayers. In addition, it imposes one more important measure of responsibility on the entire appropriation process.

We will be reintroducing our constitutional amendment on March 28, and urge our colleagues to join us as cosponsors.

FRANCES P. BOLTON

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. STANTON. Mr. Speaker, it was with deep regret that I learned of the passing of the Honorable Frances P. Bolton. I may truthfully say that it was not only with regret, but also somewhat astonishment that I received this sad news.

My astonishment comes from the fact that having known someone of Mrs. Bolton's great strength and character all my life, I could easily accept that Mrs. Bolton would be with us forever.

From my earliest childhood the name Bolton in my hometown and later in my congressional district has always stood for what is good and great and just about our American system of government. For over a 40-year period either Mrs. Bolton, her husband, or her late son, Oliver, represented parts of what is now known as the 11th Congressional District of Ohio with great distinction.

Mrs. Bolton's career here in Congress was filled with too many accomplishments to enumerate. I think I could say in all honesty, though, that while she served, she provided a degree of motherhood and was without a doubt the conscience of the Congress.

Recently, in conversation with several of my colleagues who remembered Mrs. Bolton so well, the subject of Africa came up. We all remembered vividly how Mrs. Bolton was the first champion of this Continent in Congress and indeed was decades ahead of all of us in recognizing the future problems of Africa and the future possibilities for all mankind existing in this Continent. She was a true friend of Africa.

On a more personal note, I remember 1 day in 1966 when Mrs. Bolton met my future wife for the first time. She came right out afterward and warned me that if I did not marry that girl, she would be deeply disappointed. I assured Mrs. Bolton that I had every intention of trying to do this and was very encouraged that her excellent taste coincided with my own.

Although Mrs. Bolton's life has drawn to a close, I know she would hope that her great family tradition of public service will not end. I have every confidence that this great family tradition will be carried on and that while Mrs. Bolton will not be among us, she will never be forgotten.

PHILADELPHIA JURISTS PROTEST SOVIET DENIAL OF HUMAN RIGHTS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. EILBERG. Mr. Speaker, in a few months, representatives of the 35 nations that signed the Helsinki Declaration will again meet in Belgrade, Yugoslavia, to evaluate the effect and each country's compliance with that now famous document. The Soviet Union, one of the signatory nations, has continually abridged the rights of her citizens granted to them according to the aforementioned document. It has ignored such provisions as respecting human rights, reunifying families, as well as allowing for freer contacts among citizens of the participating nations. Several such infractions of the Helsinki Declaration are those of prisoners Nadia Svitlychna-Shumuk, Iryna Stasiv-Kalynets, Nina Strokata-Karavanska, Stafania Shabatura, Iryna Senyk, and Valentyn Moroz.

Fortunately, these brave and courageous people have not been abandoned by the American people in their hour of need. I have recently received two petitions from Philadephia jurists protesting the treatment of these six people.

The first petition that I will enter into the RECORD was signed by Philadephia Common Pleas Court judge, James Cavanaugh, as well as 11 other members of the city's legal community, and protests the "denial of freedom and undue harsh treatment administered to Valentyn Moroz by the Soviet Government." It further called upon the Soviet procurator general Roman Rudenko to "immediately take steps to procure freedom for Moroz under the obligations of the United Nations Charter."

The second petition that I will enter into the RECORD was signed by four judges from the common pleas court, a municipal court judge three members of the Philadelphia City Council and a city commissioner. After the signing of the document it was read by Judge Richette to the Ukrainian representatives seated in her courtroom. She has mailed copies of the petition to Secretary General of the Communist Party Leonid I. Brezhnev and Volodimir Shcherbitsky and hopes that the harsh conditions that these six people are forced to face every day will be alleviated.

At this time I enter into the RECORD these two petitions:

DECLARATION

Whereas, the dignity and individuality of man finds its best expression in his personal freedom of belief and speech and the denial of the right of free expression to even one man diminishes the freedom of all men, we the undersigned, do hereby protest the denial of freedom and undue harsh treatment administered to Valentyn Moroz by the Soviet government.

We believe that the arrest, trial and convic-

tion of Valentyn Moroz has been conducted in contravention of the United Nations Charter and the Universal Declaration of Human Rights to which the governments of the Soviet Union and the Ukrainian SSR are signatories.

We believe that the continued inhumane incarceration of Valentyn Moroz and others similarly situated represents a grave social indignity which deserves the concern of all who believe in and strive for a universal respect for the worth of every man in every place.

We reaffirm our dedication to the preservation of man's eternal right to think, act and speak with freedom in his social order.

Now, therefore, we who are engaged in the pursuit of justice and the preservation of freedom as lawyers and judges, call upon Roman Rudenko—procurator general of the Soviet Union to immediately take steps to procure freedom for Valentyn Moroz under the obligation of the United Nations Charter.

Those who signed the declaration are Common Pleas Court Judges James R. Cavanaugh, Robert W. Williams, Jr., Samuel Smith, James T. McDermott, Charles A. Lord, President Judge of Orphans Court Edmund S. Pawelec, Philadelphia Councilman Alvin Pearlman, Pennsylvania State Senator Charles F. Dougherty, President of Justinian Society "American Lawyers Association of Philadelphia" Julius E. Fiorvanti, Esq., Exec. of B'nai B'rith Society "Representative Jewish Community" Meyer A. Bushman, Esq., President of the Barristers Association "Representative Black Lawyers of Philadelphia" J. St. Girard Jordan, Esq., and Thomas A. White, Esq., President of Brehon Law Society "Rep. Irish American Law Association in Philadelphia".

DECLARATION AND PETITION

Whereas, a true regard for the civilized rights, responsibilities, humanity and dignity of all individuals as embodied in the United Nations Charter and the Universal Declaration of Human Rights Article 19 asserts: "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinion without interference and to seek, receive, and impart information and ideas through any media and regardless of frontiers."

We, the undersigned, do hereby protest the denial of freedom and harsh conditions of incarceration imposed upon the following persons of Ukranian extraction by the Soviet government:

Nadia Svitlychna-Shumuk, librarian and employee at the Kiev radio station, who was arrested in 1972 and, after a trial in camera, was sentenced to 4 years at hard labour; she has been threatened with psychiatric internment for protesting camp conditions:

Iryna Stasiv-Kalynets, writer and lecturer at Lviv Polytechnic Institute, who was sentenced to 6 years at hard labour:

Nina Strokata-Karavanska, microbiologist at Odess Medical Institute, who was tried in camera and sentenced to 4 years at hard labour for disseminating anti-soviet literature:

Stafania Shabatura, tapestry designer, who was tried on an undisclosed charge and sentenced to 5 years at hard labour, and who is reported to be extremely ill from gynecological disorders:

Iryna Senyk, an artist, who was charged with writing offensive poems and sentenced to 6 years at hard labour, and who is suffering from tuberculosis of the spine:

Valentyn Moroz, historian, who has been imprisoned twice since 1965, and was tried in camera and sentenced to 9 years at hard labour; Moroz, according to Amnesty International, has been beaten by criminal inmates and hospitalized:

We believe that the arrests, in camera trial, and convictions for so-called political crimes under Act 62 of the Criminal Code of the Ukranian SSR of these creative writers, artists, and intellectuals—Svitlychna-Shumuk, Stasiv-Kalynets, Strokata-Karavanska, Shabatura, Senyk, and Moroz—contravene both the letter and the spirit of the United Nations Charter and especially the Universal Declaration of Human Rights cited above, to which the governments of the Soviet Union and the Ukrainian SSR are signatories.

We believe that the continued inhumane incarceration of these persons, many of whom are outstanding women (and others similarly situated), represents a grave onslaught on the freedom to transmit new ideas in the modern world and deserves the concern of all who believe in and strive for a universal respect for the worth of every individual in every place.

We reaffirm our dedication to the preservation of every person's eternal right to think, act, and speak with freedom in his social order, and we declare our solidarity with these valiant women who are our sisters.

SIGNERS OF DECLARATION AND PETITION

Judges of Common Pleas Court: Honorable Myrna Marshall, Honorable Lisa Richette, Honorable Doris Harris, Honorable Judith Jamison.

Municipal Court Judge: Honorable Lynn Abraham.

Philadelphia City Council Women: Dr. Ethel Allen, Ann Verna, Beatrice Chernock.

City Commissioner: Margaret Tartaglione, Faith Angell, Esq.

THE TRUTH ABOUT CHINA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. LAGOMARSINO. Mr. Speaker, chaos seems to be the order of the day in Communist China. Reports of leadership changes in the provinces, purges, and riots dominate the sketchy news reports by the mainland.

It is clear that the personality cult of Mao was not wholly transferable to any other leader or group of leaders.

But perhaps more important than the simple question, "Who is leading?", is the question, "What is there to lead?" Or in essence, What is the legacy of Mao?

Although firsthand evidence is difficult to find, a recent report by Professor Luttwak of Johns Hopkins University, who accompanied James Schlesinger to mainland China last September, is revealing to China watchers.

Professor Luttwak's experience is different from that gained by most other mainland "tourists" in that he and his party were allowed to roam unfettered in Peking for 3 days because of cancellations in the schedule due to the death of Mao. They also visited the perimeter of Sinkiang and Tibet.

The real China seen, thanks to the unplanned travels in Peking, shows Mao's legacy to be a sad one. Mao's rule exercised complete control over and domination of the Chines people. The result has been a denial of freedom, poverty and hunger for the people. Failure to bring a better life to the Chinese people will be Mao's lasting heritage.

Dr. Luttwak's recollections, published originally in the December 1976 issue of Commentary magazine, were recently synopsized by Reed Irvine, the chairman of Accuracy in Media. This brief article will fill some of the information gaps, and hopefully will interest some of my colleagues enough to encourage them to take time out of their busy schedules to read all of Professor Luttwak's article.

The article follows:

RED CHINA POVERTY GLOSSED OVER

(By Reed J. Irvinge)

Prof. Edward Luttwak of Johns Hopkins University has charged that reporting on Communist China by American journalists and scholars has "acquired the full dimensions of a scandal." "In the press that investigated Watergate is there no one ready to investigate?" he asks.

Prof. Luttwak visited Mainland China last year, accompanying James Schlesinger, former secretary of defense and now energy adviser to President Carter. As a member of the Schlesinger party, Luttwak had the opportunity to visit such out-of-the-way places as Tibet and Sinkiang. In addition, they had an unusual opportunity to explore Peking for three whole days on their own, because the death of Mao Tsetung forced the cancellation of planned appointments.

Luttwak was struck by the contrast between what he saw and what numerous reporters and scholars had been writing about conditions in Communist China. He observed miserable poverty everywhere, noting that no country in the temperate zone in the world has poverty that compares with that of Mainland China.

Writing in the December issue of Commentary, Prof. Luttwak said: "Instead of asphalt and concrete, the real Peking was made of beaten earth, mud, and sun-dried brick, its people living and working in narrow unpaved alleys lined with low buildings grouped around small courtyards. . . .

"Instead of the neat factories of the tour circuit, we saw how much of urban China really works, in miserably equipped shanties. In one, dozens of women crowded the narrow doorway as they sorted out the single twigs of medicinal herbs by hand; another was in classic sweatshops out of New York in the 1890s, with a roomful of women working elbow to elbow on sewing machines of ancient design; in still another we saw men making wooden cotton looms with small hand tools—no electricity seemed to be connected at all."

Housing was bad. Even in the new housing, a three-room apartment had to shelter three separate families. Lighting was limited to a single naked 30-watt bulb per room. Much has been said about the abundance of food in China, but Luttwak noted long lines of people waiting to buy vegetables. In lovely Kweilin he saw thousands of women and old men harnessed like animals pulling heavy carts.

While some observers have made much of the appearance of equality in China, Luttwak pronounced this a fraud. The fact that everyone wears the Mao uniform is part of the fraud. Luttwak wrote: "Senior party men would wear their equality in carefully tailored worsted wool, and their Mao suits had much more in common with Pierre Cardin than with the blue coton outfits of the ordinary people."

Luttwak questioned whether the Chinese needed a prison-camp system for political deviationists, saying: "To be removed from one's post, to lose one's apartment and be forced to live among the ordinary folk, should be punishment enough for any deviationist in the party."

Luttwak wondered out loud how so many reporters and scholars had missed the grinding poverty, why they had failed to criticize the blatant militarism, and why they had not been revolted by the regimentation in the schools. He was also struck by the exist-

ence of pronounced racial and cultural discrimination, especially in Tibet.

The Tibetan culture is being wiped out, and even the written language has virtually been obliterated. In the capital of Tibet there was only one book in the Tibetan language in the city's large bookstore. That was the little red book, the quotations from Chairman Mao. Luttwak found that a Chinese official who had lived in Tibet for 15 years did not know how to say "thank you" in Tibetan, but he did know how to say "move" and "faster."

Prof. Luttwak found China to be even more totalitarian than Russia. In the Soviet Union, he said, you can do anything except what is forbidden, but in China all activity is forbidden except for those things specifically permitted and encouraged by the party. He found that even the potential for freedom was absent. But the journalists and scholars who want visas to enter China won't write about these ugly matters.

DISASTER RELIEF ACT OF 1974

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. JOHN L. BURTON. Mr. Speaker, I am today introducing legislation that would enable drought-stricken areas to be eligible for additional emergency Federal relief under the provisions of the Disaster Relief Act of 1974.

Droughts may cause the same kind of loss and disruption as other types of disasters, but occur over extended periods of time, and therefore require special Federal attentions and assistance.

Mr. Speaker, I have introduced this bill because the drought in California, and across the country, shows no signs of lessening.

In Marin County, the use of available water supplies have been cut back by nearly 60 percent; the use of water for everyday purposes has been drastically curtailed for drinking, bathing, and cooking, while the threat of personal health and sanitary problems continue to grow; people are putting bricks and bottles in toilets to flush tanks to conserve water, and recycling their dish water time after time; lawns and gardens are dying for lack of moisture.

Across the Nation, the choice of food in markets will soon diminish because of crop failures; and more people are losing their jobs every day as water dependent and water related-industries are forced to shut down.

Although drought is included in the definition of disaster under the existing law, there appears to be a lack of understanding as to the severity of the effects of this particular natural disaster. Because of the hardships incumbent in a drought, it is obvious that the Federal Government must take steps to enable people to benefit from the same funds to which victims of floods, earthquakes, and hurricanes are now entitled, and to provide both immediate and long-term assistance to these drought areas.

To highlight the economic effect that the drought may have, I would like to call the attention of my colleagues to the estimates recently issued by the California Department of Water Resources. They estimate that the drought could cost the State between $2.9 billion and $6.3 billion in its 1977 gross product, and that up to 259,000 people may lose their jobs if the dry spell continues.

State economists agree that the local impact of the drought will be very severe, especially in Marin County which I represent. Farmers, who depend heavily on water, will suffer quite markedly. And when they suffer, we all will feel the impact.

By multiplying the economic danger facing California by the numerous other States suffering through droughts, the national impact of this disaster becomes readily apparent. Failure by the Government to provide immediate aid could mean a slide back into the economic recession from which we are just now recovering.

This legislation contains other important provisions, and its passage will provide a variety of relief services for those in drought areas.

Among these provisions are the following:

Providing assistance from Federal agencies including emergency work or service essential to avoid the loss of lives and to protect and preserve property.

Providing for water and other essential needs.

The movement of supplies or persons and the drilling for or expansion of water sources.

Comprehensive employment and manpower training programs.

Federally funded State grants to individuals or families.

Mortgage and rental assistance payments on behalf of those suffering financial hardship.

The appointment by the President of a Federal coordinator to work with the Governor of the affected State, if requested.

Mr. Speaker, because of the dangers posed by the continued national drought, and the personal and economic hardships faced by those living in these drought areas, I hope that the Congress will act immediately and positively in approving this legislation.

OSHA MORE PAPERWORK

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. COLLINS of Texas. Mr. Speaker, a small businessman from Fort Worth, Tex. who runs a little furniture store sent me a copy of his OSHA No. 103 form. I think we should pass a law that all Congressmen should be required to fill out all of the forms that are required of constituents.

Here is a fellow with a little store that has a seven section report to complete. This report asks him for the total number of hours worked by any and all employees. Under this section it says, "do not include any nonworked time even though paid." This fellow is going to have to go back and add all of the hours, deduct vacation time, sick leave or if there were strikes or fires that also must be figured on a hourly basis.

Then he is required to keep a record of all injuries or illness during the entire year. On this subject he must go into considerable detail. He must state whether it is occupational skin diseases, dust diseases of the lungs, respiratory conditions due to toxic agents, poisoning, disorders due to physical agents, disorders associated with repeated trauma, or all other occupational illnesses. He takes and lists the number of lost work day cases and then also lists the cases involving days away from work plus days of restricted work activities. Then OSHA requires a column to provide for the nonfatal cases without lost work days. The final column shows terminations or permanent transfers.

The explanations are to clarify things. At the top of the page it says, "code 30-add all occupational illnesses—code 21 plus 22 plus 23 plus 24 plus 25 plus 26 plus 29) and enter on this line for each column (1) through (8).

It is easy for OSHA to issue these paperwork requirements. These OSHA guys in Washington leave the office at 4:45 p.m. They have 9 official holidays, 13 days sick leave and a veteran gets up to 26 days of added leave. OSHA gives 48 days off work, and here is the poor store owner that works all week, Saturdays, and never closes the store except on five holidays.

Now here is a little guy running a furniture store and he has to go back at night or on Sunday and look at the past year to figure out by hours when any employee was off the job. In addition, he needs to know about employees who were on the job but had some kind of restricted activity.

At the top of the page, it states this report is mandatory under Public Law 91–596. I do not think this form is necessary. I do not think Congress should require it. This country has too much government. We can facilitate the normal management of private enterprise by taking this burden off of their shoulders. We could also relieve the bureaucracy who process this paper and put them on a useful function.

Many times I have asked myself the question, does this country really need the Occupational Safety and Health Act?

BANKRUPTCY MARKUP

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. EDWARDS of California. Mr. Speaker, I am pleased to announce that the Subcommittee on Civil and Constitutional Rights has scheduled markup sessions for H.R. 6, a bill to establish a uniform law on the subject of bankruptcies. They will begin on Monday, March 21, 1977, and continue on Wednesday and Thursday, March 23 and 24, 1977, and thereafter for as many days as are needed. The markup sessions will be public.

The subcommittee has done extensive work in the area of bankruptcy law revision over the past several years. The bill, H.R. 6, is the product of those years of effort. In the 94th Congress, we held 35 days of hearings on bankruptcy law revision, and compiled over 2,700 pages of testimony from experts in all aspects of bankruptcy. The education the hearings provided was very helpful in framing a new bankruptcy bill. H.R. 6 is a different bill from the bills on which hearings were held, H.R. 31 and H.R. 32 in the 94th Congress, but that does not detract from that education. Virtually every substantive point of any importance in H.R. 6 was discussed, often at great length and in great depth, during the hearings on H.R. 31 and H.R. 32.

The comments received during those hearings were so extensive and covered so many areas in such great depth, that the subcommittee feels that it is unnecessary to review the testimony again in a new series of hearings. The differences between H.R. 6 and H.R. 31 and H.R. 32 are mainly in style and drafting. All of the ideas in H.R. 6 were contained in one form or another in those two other bills, or were discussed at the hearings. New hearings are simply unnecessary to discuss the stylistic and drafting changes contained in H.R. 6.

The time to move ahead to markup and report out a bankruptcy bill is now. We intend to move as quickly as possible through subcommittee markup, for as many days as are needed, until a bill is reported.

We continue to welcome comments on this legislation. The time is short, however, and I would urge all those who wish to comment to write to the subcommittee soon, in order that we may consider these ideas during our markup.

TIME TO RECOGNIZE ALL NATIVE AMERICANS

HON. CECIL "CEC" HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. HEFTEL. Mr. Speaker, I have joined today with Representative AKAKA in introducing four bills to correct the unfortunate exclusion of the Native Hawaiian people from social welfare assistance provided to other "native Americans" under existing laws.

Congress has rightfully provided special educational, job training and employment programs to native Americans who are disadvantaged by a lack of opportunity in their own land. The imposition of a dominant, foreign culture on the first Americans has left too many of them caught in a conflict between their own values and preferred life-styles and economic circumstances that have resulted in grinding poverty, high rates of unemployment, and low expectations of "success" in the American tradition.

Persons of Native Hawaiian descent, who indisputedly qualify as native Americans, were excluded inadvertently from these special programs at the time the laws were drafted. The legislation Mr. AKAKA and I have introduced today will extend these opportunities to the descendants of Hawaii's first people.

The first measure, called the Native Hawaiian Manpower Act of 1977, would extend to Native Hawaiians the employment programs, job training and educational opportunities contained in the 1973 Comprehensive Employment and Training Act—CETA. This will be accomplished by amending section 302 of the act.

A second bill is the Hawaiian Native Educational Assistance Act of 1977, which would include the Native Hawaiians with the native Indians who are now covered under section 810 of the Elementary and Secondary Education Act of 1965.

The third bill would include Native Hawaiians under the provisions of the Indian Self-Determination and Education Act. The fourth measure would extend to Native Hawaiians the provisions of the Indian Financing Act of 1974.

Mr. Speaker, I am confident my colleagues will recognize the inherent justice involved in including Native Hawaiians within the provisions of legislation designed to improve the lives of our nation's first citizens.

DESEGREGATION AND BUSING

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mrs. COLLINS of Illinois. Mr. Speaker, the issue of desegregation and busing is one that has torn certain sections of this country apart in recent years. Both supporters and proponents seem to be unalterably opposed to any softening or wavering of their position.

As the representative of a congressional district located in Chicago's inner-city area, I am well acquainted with the problems incurred by desegregation and busing. Although I do not regard busing as the ideal solution to improving educational opportunities for many disadvantaged children, it is at the moment the only equitable answer that we have.

Therefore, it is of paramount importance that we stand firmly behind the judgments of the Nation's courts as they try to maintain their constitutional obligations to see that all children receive an equal education. Agreement on this point is especially important for black parents—quality education remains the key to the future for black children.

I would like to share with my colleagues the following editorial on this issue that originally appeared on February 22 in the Chicago Defender, the city's legendary black newspaper:

BUSING AND THE BLACK MOTHERS

It is sad, bewildering, painful to hear black mothers in Chicago argue against desegregation and busing. They use the same fallacious, jaded argument that Boston and Louisville racists put forth. "What we want is quality education—not busing."

This argument gives black parents' blessings on ghetto schools. That is a fatal error. Competent and experienced teachers regardless of their racial identity do not want to be assigned to schools in the black ghetto. The Teachers' Union backs their stand.

The Civil Rights Commission, federal apparatus and District courts are doing their utmost to honor their constitutional obligations and tear down the wall of school segregation and to do away with ghetto schools that turn out students who can neither read nor write. Black parents' arguments against busing are stupid and sickening.

It has been established beyond the shadow of a doubt that the main thrust of school integration is a leveling of educational opportunity on a principle that gives vitality to the democratic concept.

These mothers know darn well they are not going to get quality education with poorly trained teachers in the ghetto schools that turn out imbeciles who don't know a verb from an adverb.

Such parents are just as much an impediment to desegregation as was Alabama Governor George C. Wallace who stuck his foot at a school door to keep blacks from entering the University of Alabama.

INVESTIGATING THE KOREAN PAYMENTS

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. CONABLE. Mr. Speaker, I assume many Members read the article by William Safire which appeared in the New York Times last Thursday. To this Member it is upsetting to learn more about the apparent extent of the Korean payments scandal from that newspaper than from the institution directly involved. I hope this information will be vigorously followed by the House to ascertain its accuracy. Whatever the embarrassment, our standard for pursuing this matter should be to let the chips fall where they may. I submit a copy of the article for the attention of all my colleagues:

THE BACK CHANNEL

(By William Safire)

SAN FRANCISCO.—Let us now consider the strange origin of the investigation into corruption in the House of Representatives, which—if properly pursued—will lead to the slamming of cell doors behind one out of every ten Congressmen.

In the White House, there was and is more than one channel of intelligence information to the President. The obvious channel is through the Director of Central Intelligence. The other—the back channel—is usually through a member of the National Security Council staff designated by the President to handle the "bureaucratic byproduct" of the collection of foreign intelligence.

This byproduct is usually generated by ELINT, the electronic intelligence operations of the National Security Agency, that part of the Department of Defense that tunes in on all overseas communications, and—we hope—can even detect a computer's order to launch a missile.

The political byproduct is of interest to a President. For example, it enables him to know how foreign governments are evaluating a visit of his Vice President. ELINT tells him what foreign finance ministers are telling their home offices about the negotiating position of our Secretary of the Treasury, enabling the President to give good advice to his representative.

Closer to home, suppose a top White House staffer and a member of the Cabinet attend a dinner, seated at different tables, at an embassy in Washington. After the dinner, the

foreign ambassador and his staff often compare notes about the different answers to the same question, giving them a good fix on the political tension within an American administration.

The President is interested in that political assessment, but does not think it is necessary—or thinks it would be an abuse of power—for the Director of Central Intelligence or Secretary of Defense to have it. A close staff aides, beholden to nobody but the President and his National Security adviser, looks over the political byproduct and decides what goes into the Oval Office.

The man who has had more experience than even Laurence Eagleburger in doing that job is William G. Hyland, a highly regarded old pro who was on the N.S.C. staff in the Nixon years, headed State Department intelligence and was Deputy National Security Adviser in the Ford years, and now runs the European "cluster" in Mr. Carter's N.S.C.

In 1974 and early 1975, the byproduct became loaded with information about million-dollar-a-year payoffs to United States Congressmen by the South Korean C.I.A., and was reviewed by the National Security Adviser, then Mr. Kissinger. Control of that kind of information was the reason he fought so hard to retain his N.S.C. "second hat" while Secretary of State. He decided not to transmit most of that information at that time to President Ford.

By mid-1975, however, reporter Seymour Hersh of The New York Times had broken the story of the extensive listening in on overseas calls, and Otis Pike's House Committee on Intelligence took public testimony from the head of the ELINT operation on Aug. 8, 1975. The Pike committee issued subpoenas for embarrassing information; contempt and perjury were talked about, and Secretary Kissinger (along with Amabassador Richard Helms in Iran) became worried.

In the last week of October 1975 some Congressmen were warned about Administration knowledge of illegal payments handled through the Speaker of the House's office, involving members of the "Board of Education" who ran the House. The implication of the warning was clear. If the Pike committee pushed its investigation or contempt charges further, the targets of that investigation had plenty of ammunition with which to riddle the House.

The Pike committee lost its House leadership support in a hurry, but Mr. Kissinger's "second hat" was taken away on Nov. 3, 1975, and with it his control of the back channel and the byproduct in it.

Those then operating the back channel did their duty and ELINT's byproduct was shown to the President after his Vail vacation. Mr. Ford expressed amazement at the extent of greed and corruption rampant among his old House colleagues and in early 1976 directed that the information be turned over to the Justice Department.

In a few months, a grand jury was impaneled and has been trying to puzzle out the paper trail ever since. In 1977, however, the Democrats took over the Justice Department. Charged last week with trying to deadline the grand jury to death, Attorney General Griffin Bell promised more speed—exactly the opposite of what justice in this complicated case requires.

On Jan. 24, 1977, House Ethics Committee chairman John Flynt wrote Senator Howard Baker asking for more information about the Congressional bribe-taking he spoke about on television. The Senator replied the next day that the Senate Select Committee on Intelligence had begun a staff inquiry into the K.C.I.A.-U.S.C.I.A. connection, and would pass along "information collaterally developed."

If Senate Intelligence or House Ethics wants the facts, let them talk to Billy Hyland, or better still, the N.S.A.'s Juanita Moody. "If tough ol' Mrs. Moody starts to spill," one very good source told me, "forty Congressmen go right up the flue."

I'D RATHER NOT GO GENTLE INTO THAT GOOD NIGHT

HON. THEODORE S. WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. WEISS. Mr. Speaker, an issue that is moving to the forefront of our minds is that of mandatory retirement. The following article from the New York Times, "A Refusal To Be Welked," by Harold Queen, is a vivid example of what he describes as being pushed out of the system while feeling energetic and productive:

[From the New York Times, Mar. 9, 1977]

A REFUSAL TO BE WELKED ("WELK" IN THE DICTIONARY: "TO FADE; DRY UP")

(By Harold Queen)

SCARBOROUGH, N.Y.—I am 61, going—I prefer to think—on 52.

Periodically, I test this proposition, bounding two at a time up the steps at Grand Central, and the puffing doesn't bother me a bit. I could make it down in a third the time if the bifocals didn't blur the landings. A ruddy complexion, my doctor assures me, doesn't necessarily mean high blood pressure. I split wood, eat heartily, sleep through the night, and never read the obituaries.

Two months ago, I received a notification that shortly I would begin receiving—gratis—a monthly magazine for retirees.

Through a computer error that has slotted my name in the memory bank assigned to oil sheiks and lottery winners, I receive a steady stream of mail solicitations—investment offers, land-development deals, insurance programs, memberships in cheese and pear clubs. But never until now a free subscription for a retirement magazine.

A month later the answer came in a letter from the organization that feeds and shelters me. It began "Dear Hal," and I grew wary. Twenty-two years of corporatese had not prepared me for this burst of chumminess. I read on.

"The enjoyment you derive from retired life may be largely dependent on how well you plan in advance," the letter said. To stimulate my thinking, it continued, a subscription in a retirement magazine had been taken out in my name.

"'You will receive your first issue within the next several weeks and will continue to receive this monthly magazine during the next five (5) years—four (4) years prior to retirement, and one (1) year after retirement."

It took a while to consider this. After a lifetime of what probably was an illusion of free will, I was being waltzed ever so gently to the nearest exit.

In due time, the magazine came. It was happenstance, but the first page I turned to featured an ad that began: "Afraid you're going deaf?" Turning further, I read another. "No wonder you're constipated," it said. I considered that briefly and went on. "Enjoy our fine magnifying glasses," read a third. An announcement of "14 important health discoveries," listed among them "relief for kidney stones," "help for painful knees," "new hope for emphysema victims."

Scattered throughout the pages were ads for mobile homes in what were generally described as "congenial adult surroundings." At this point, I needed cheering up, and ran into a full pager promoting "The Lawrence Welk Golden Anniversary Collection."

My first encounter with retirement has left me a bit shaken. Until now, when I had thought of it, it was with a sense of floating free of burdens and woes: a beginning and not an end.

I know better now. I know that retirement means sitting in a Whirlpool tending the sacroiliac; straining to catch the sound of Lawrence Welk from a nearby mobile home; gauging the best reading distance between the magnifying glass and the pages of the retirement magazine.

The people who sent it to me had my interests at heart, and I thank them. But my God, is this what they think of us—these people who could be our children—when they send us on our way?

If it's all the same, I'd rather not go gentle into that good night. There are too many things to do between now and forever. Just show me the door; no need to help me on with the coat.

NO APPLICANTS FOR AVAILABLE JOBS

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. GRASSLEY. Mr. Speaker, later this week, the House will take up the Economic Stimulus Appropriations Act, which will fund the public works jobs bill passed back in February. I voted against that bill because I believe policies of the United States advocated by previous Congresses, and likely to be continued by this Congress, are a major cause of our current high rate of unemployment. The Nation's liberal unemployment laws, which encourage people not to work and pay them more for not working than they might earn in some meaningful jobs, are an example. To bear me out, you will find below a copy of a letter I have received from a constituent who has found our unemployment laws to be one of his greatest hindrances toward finding qualified workers.

The letter follows:

DUNLAP INDUSTRIES, INC.,
Eldora, Iowa.

Hon. CHARLES E. GRASSLEY,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN GRASSLEY: Enclosed are 8 copies of an article written in the Hardin County Index.

In 1974, we moved Dunlap Industries to Eldora, Iowa. Since then, the lack of applicants for employment has been our largest deterrent to expansion. I have contacted several of the other manufacturers and found out that they, too, are plagued with a shortage of available people. One firm, a little over a year ago, told me that they wanted to put an addition on to their plant, but had to scrap the idea, due to a lack of available people for employment. During this past election, candidates for public office discussed the 7-8% unemployment rate. Yet, when I contact the employment service of Hardin County and the state of Iowa, I find that they cannot furnish me with applicants to fill my openings.

Kansas City has finally allowed me to bring in applicants from other counties to fill my needs.

Today in the mail, I received a letter from the state of Iowa, stating that they ran out of funds to pay the unemployment insurance. Even though the unemployment in-

surance rate for companies has gone up three fold in the past year.

Please distribute the enclosed copies of this article so that others may read of the hardship to manufacturers caused by the lax of unemployment insurance regulations.

Our country was built by it's hardworking people and grew to be the strongest nation in the world.

Please don't let the downfall of our country be caused by making it beneficial for people to stay at home, rather than to work for a living as our predecessors did.

With best regards,

GRANT MATHISON,
Secretary-Treasurer.

FOCUS ON THE CITIES

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. HARRINGTON. Mr. Speaker, the election of Jimmy Carter has stimulated new hopes for the revitalization of the cities. With urban unemployment well above the national average, and the related burdens of soaring welfare costs, tax base disintegration, and general decay, the problem must be faced with determination and vigor if it is to be solved.

In a recent speech before the National League of Cities' Congressional City Conference in Washington, Secretary of Commerce Juanita Kreps reaffirmed the Carter administration's commitment to the cities. In outlining a series of Commerce Department development programs, Secretary Kreps gave cause for cautious optimism. Clearly she perceives the essential elements of the crisis and possesses the analytical skill and energy required to begin to meet the challenge. I recommend her speech, inserted below, to the attention of my colleagues:

ADDRESS BY SECRETARY OF COMMERCE JUANITA M. KREPS

Thank you for the invitation to discuss some of the important issues before the New Administration. It is my goal to make the Department of Commerce a more effective instrument of national economic policy and in doing so, to bring the Commerce Department's resources to deal with what the President has referred to as the Nation's number one economic problem: our cities.

As an economist, I am particularly sensitive to the underlying causes of urban prosperity and urban decline. Moreover, it is clear that the Federal Government does not have the resources to solve these problems by fiscal transfusion. Unless we are simultaneously working to make our declining cities economically well again, there can be no solution.

Every declining neighborhood; all of the shut-down or marginal stores; all of the underused, cleared or abandoned urban land and structures; all of the layoffs of municipal workers and cutback in services; and all of the pressures of higher taxes which drive stores, employees and taxpayers elsewhere, result from economic reversals. Where attractive cities and towns thrived, decay threatens.

Urban economic policy cannot be confined to mailing revenue sharing checks on time, nor to helping house and feed the poor, combat crime, or support the schools. Each of these is essential, and in many cases the need is critical. Now is the time, however, when we must decide how to make our cities economically viable once again. Failure to rectify the underlying economic distress of thousands of America's older towns and cities has in recent decades encouraged the view that much of what has been invested by the government has been wasted.

These underlying problems will be considered in the coming months. One forum for that analysis will be the White House Conference on Balanced Growth and Economic Development, which is now in the planning stage. In the course of the preparatory work, local and state officials will have an opportunity to share their analyses and prescriptions with our Department and others concerned with domestic economic problems. In planning the conference, Commerce will work closely with the Department of Housing and Urban Development. Whereas some of the issues to be considered before and during the White House Conference will transcend those we traditionally think of as "urban," I can assure you that many questions will be concerned with the present and future needs of our cities and towns.

In the meantime, the Nation's economy is perhaps the most important consideration for the cities, as well as the Nation. Some of our cities and towns have long had difficulties. But the disastrous and prolonged recession, combined with the inflation of the past eight years, has weakened their capacity to maintain their earlier levels of service and the quality of life of their citizens. We cannot have true recovery while some groups of Americans remain in a condition of poverty. No trick of statistical medians can hide the fact that structural unemployment, low incomes and small business failures have been heavily concentrated in the older cities and towns.

To combat these urban problems there are skills and resources at all levels of government. Let me list some of the resources that the Department of Commerce brings to urban economic redevelopment and balanced growth.

Our Office of Minority Business Enterprise is active in the area for which concentrations of minority group members live and work—in the cities. In cooperation with the National Center for Urban Ethnic Affairs, SBA, and scores of minority-staffed local business development corporations, OMBE is working.

First to improve neighborhood commercial strips by upgrading existing businesses and creating new ones.

Second, to identify, acquire and start up businesses with assets of $250,000 or more, primarily in the areas of light manufacturing and assembly. This is intended to strengthen the local economic base and allow disadvantaged men and women to become owner-operators.

Third, to find business opportunities in housing, real estate and construction.

And fourth, to provide technical and managerial assistance for individual businesses and community-wide business development planning.

Other departmental functions need to be kept in mind. The National Fire Prevention and Control Administration—through its National Fire Academy, state and local data system, and public education programs—provides grants and technical assistance to local fire departments, allowing them to implement model programs. The research programs of the Fire Administration and Fire Research Center at the National Bureau of Standards provide new and improved standards for fire safety.

The U.S. Travel Service encourages states and cities as well as industry to promote travel to the United States by providing matching grants and essential market information. When so many of our cities are restoring residential neighborhoods, public and commercial buildings, and new downtown areas, this Commerce Department program can help cities recapture some of their redevelopment investment.

The Department also provides economic adjustment tools to communities facing dislocations due to rapid growth associated with energy development projects. In the next ten years, between 200 and 400 counties outside the coastal zone will be affected by significant energy development activities ranging from power plant construction to coal and uranium mining. Through the state-federal partnership provisions of the Title V Commissions, these communities are receiving financial assistance for essential infrastructure and the planning required to balance their growth.

Similarly, our Coastal Zone legislation is helping communities prepare for the rapid growth that will accompany off-shore oil development. Here, the problem is to protect fragile environmental resources from poorly planned development.

Congress recently added a major new $1.2 billion state and community assistance program to coastal zone management, in order to assure orderly development of onshore facilities and to reduce the adverse economic and environmental impacts on coastal communities.

Our 64 Domestic and International Business Assistance field offices are frequently called upon to help municipal planning projects involving use of economic and other data from our Bureau of Economic Analysis. Seminars and conferences co-sponsored with local officials deal with such urban-relevant subjects as crimes against businesses and consumer issues.

The Census is an obvious and essential resource in all aspects of local planning. In addition to the decennial enumerations, special studies such as the Annual Housing Survey are produced in cooperation with other Departments. And soon, largely to meet your needs, we are preparing for the first mid-Census enumeration.

Finally, the Economic Development Administration is the focal point of our Nation's urban and regional economic development policies. It provides the tools—public works assistance, loans for land assembly and site preparation, business loans, economic planning grants, and technical assistance—to encourage private investment in depressed areas.

Recent amendments to EDA's legislation strengthened our urban programs, making flexible EDA assistance available to most major urban centers. The effect of these amendments is clear: a greater share of EDA's funds will be available to needy cities, and we will have some flexibility in providing assistance in ways that are useful to you. The changes provide a find opportunity for Federal, State, and local governments to build the partnership necessary for revitalizing the Nation's cities.

Urban economic development is not a recent discovery of EDA. As far back as 1966, EDA public works loans and grants, business loans and technical assistance helped Oakland create its marine terminal with the first containerization facilities on the West Coast, resulting in 1000 new permanent jobs. Today, EDA's urban program is expanding: 250 cities with populations of more than 50,000 persons have been designated and are now qualified for EDA assistance. Recent amendments now allow cities as small as 25,000 in population to become eligible.

These are some of the resources the Commerce Department has available to aid cities and towns of all kinds. Let us now consider how these resources may be deployed, and on which urban problems.

1. Cities are great generators of new businesses. Here the mixes of skills, markets, and capital combine to enable men and women to make the big jump—to undertake the struggles and satisfactions of being one's own boss. Such undertakings are important to

the neighborhoods or larger communities they serve because they add to the choice of goods and services and thus enhance the quality of our lives.

They are necessary to local governments because of the revenues they generate and the jobs they supply. And they are good for the economy because they increase efficiency and add to our gross national product.

In short, fostering new business is good for America as well as for cities. In cooperation with other agencies, we intend to draw on the Department's resources to help enterprising men and women, black Americans, the Spanish speaking, the young and the old—those who want to revitalize an obsolete enterprise as well as those who would begin an entirely new one. Our field offices will be fully supportive of municipal and state business efforts.

2. More than forty percent of black American teenagers are out of work. You more than any other group are painfully aware of the implications of this statistic. It might be worthwhile, however, to recall that prolonged unemployment at any age is a burden that the individual, the family and the community will long bear. Unemployment is income not earned. It is job skills lost. It is investments deferred. It means educational opportunities delayed or forever lost. In short, it is a major barrier to economic and social mobility.

Congress has enacted major job creation public works programs, which we will put into place swiftly. You and the employers and unions involved are in the best position to assure that those whose high rates of unemployment earned that project for your community will have full opportunity to enjoy the employment generated. I do not minimize the difficulties. Training and employment programs which enroll minority teenagers will need to be directed in such a way as to make available those workers who can perform some of the necessary tasks. It is important that you and we in the federal government make that extra effort to meet the full intent of the statute, for there are many who claim that public works cannot be targeted adequately to combat structural unemployment.

We need also to give due consideration to the lasting nature of the public works we create. The projects we are to build ought to serve the public well, to be attractive and well integrated into the social and economic life of each community. As Mayors and councilmen, you will want to have the same sense of satisfaction that came to people who during the Great Depression built the trails and picnic tables, the schools and parks that continue ta serve us today.

4. Finally, you would agree, I am sure, that we are investing far too little in the so-called "software" side of economic development. It is not enough that we locate public works wisely or that we arrange for adequate business financing to complete industrial or commercial projects. As important as these are, there is a greater need to b uild, strengthen and expand the institutional infrastructure of urban economic development to include state as well as private investments. The President has made clear his intent to include the states in our plans, recognizing that they, too, represent the urban constituency.

In meeting these problems, I am not satisfied with the Department's record. We need to streamline some programs and to bring more of our resources directly to the assistance of cities. We are committed to expanding employment, revenues, and sales so that cities can take care of their own problems. The tools we are presently applying may not be the best we can devise, however, and I look to you to help us consider whether we need new ones.

Two years ago, an official of the previous administration who should have known better told the press that the urban crisis was over. You will hear no such nonsense from this administration.

BRITAIN'S VIEW OF DÉTENTE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. ZABLOCKI. Mr. Speaker, on Thrusday of last week the House Committee on International Relations and the Senate Committee on Foreign Relations had the honor of hosting a luncheon for Mr. David Owen, the recently appointed British Foreign Secretary and the youngest person to hold that position since Anthony Eden.

We had a frank discussion with Mr. Owen about numerous foreign policy issues and were impressed with the depth and scope of his knowledge. In that regard, the Washington Post ran an excerpt from his maiden speech as Foreign Secretary. That speech shows an enlightened perspective of détente.

Mr. Owen makes the important point that one reason there is such widespread disillusionment with détente is that we expected too much from détente. He argues that we should step back and take a look at the real accomplishments rather than the unachieved ideals.

I commend this brief article to the Members for their consideration:

BRITAIN'S VIEW OF DETENTE: NOW FOR THE HARD PART

(By David Owen)

No one with a grain of sense would deny the basic proposition that as a result of the detente process—a process that began almost 25 years ago and to which successive American Presidents and leading statesmen in all parts of Europe have contributed—East-West relations are more stable and the world safer. The quantity of nuclear weapons on both sides has regrettably increased in this period. But there has been a qualitative improvement in the way in which East and West seek to manage the mutual threat presented by each other's nuclear arsenals . . .

It is most crucially reflected in the relationship between the U.S. and the Soviet Union. I suspect that few people realize that between 1971 and 1974 something like 25 bilateral agreements were signed between the United States and the Soviet Union, all contributing in a variety of ways to the development of a more stable relationship. The central achievement has been the willingness of the U.S. and the Soviet Union to engage in talks on strategic arms limitation—to exchange views and data, and to try and reach agreement, in areas of the most advanced military technology. As a result there is today less risk of misunderstanding, less risk of military confrontation and therefore less risk of nuclear catastrophe.

Britain's commitment to detente and the search for a more constructive relationship with the Soviet Union and Eastern Europe is as firm today as it was on the eve of the Helsinki Conference in 1975. But over the past 18 months a widespread feeling has developed in the West that too little has changed for the better and that some important things may even have changed for the worse.

No objective observer can deny that the Warsaw Pact continues to increase the effectiveness of its armed forces—on land, sea and air—and that this process has gathered momentum in the period of detente. Many rightly ask what all this military effort is for. Many also rightly ask whatever happened to the seventh principle of the Helsinki final act, pledging signatory states to uphold human rights and fundamental freedoms. What has happened to the commitment to the free exchange of peoples and ideas, into which the 35 states who signed the final act have entered, and which remains more an aspiration than a reality?

As a result public opinion in the West has tended to display an increasing skepticism both toward the final act and by extension toward the process of detente itself. But it is equally true that some of this skepticism and disappointment has been misconceived, and that expectations have outstripped by far the limits of what detente could have reasonably delivered.

For while detente has substantial achievements to its credit, the process started from a low threshold and represents to date only a limited, though vitally important, accommodation in Europe and between the superpowers. We are witnessing the early stages of this process, not its culmination. Detente has solved some of the most urgent and obvious problems in East-West relations and it has established a basic framework for the solution of those that remain. But there is still a long way to go.

The blunt truth is that the first and easier stage of detente is over. The issues that are today on the agenda of East-West relations are more complex, more contentious and far more intractable. We are beginning to encroach on fundamental attitudes, on human behavior, and the issues go to the heart of each side's perception of itself and its interests. Inevitably we cannot expect to maintain the momentum of the early 1970s.

This makes it all the more important that we should be realistic. Detente on its own could not, and was never intended to, stop the Soviet Union from being a world power, still less to convert the Russians and their allies from communism. Already in the last century it was clear that it was only a matter of time before a country of the size, population and resources of Russia emerged as a global power. Any idea that detente could or should have reversed this process is absurd. The basic premise from which we in the West must start is that the Soviet Union is a world power with national interests and ambitions to match, which inevitably bring it into competition, and sometimes confrontation, with the West. To this we must add that Communist ideology invests the natural rivalry between East and West with a dynamic of inceasing struggle.

Increasingly, as we have devised mechanisms for reducing military tension, this struggle has become one for the minds of men. As Prime Minister Callaghan has said, there is no armistice in the war of ideas. But this is a struggle from which we have no reason to shrink. Why else do we permit a free flow of information and ideas in both directions? We are confident that our model of society is better adapted to satisfy human aspirations, both intellectual and material. True, we in the West have our problems. But they are of a complexity and sophistication that Communist societies are only just beginning to encounter. Above all, Western society thrives on the intellectual ferment and the unfettered expression of human creativity in all its forms.

So, sweeping away the unreal expectations and delusions of recent years, we see that detente so far has to be placed in the context of a relationship in which competition between the two systems exists side-by-side with the search for common ground. The scope for accommodation between East and West is limited by the competition. Some ask whether it is worth our while to try to expand the limits.

The answer must be emphatically "yes"

. . . the present relationship is essentially unstable. It still carries the risk of miscalculation and disaster. We have to reduce this risk even further.

But, as we try to open up the frontiers of East-West understanding, the Jekyll and Hyde nature of detente—competition on the one hand, cooperation on the other—will constantly assert itself. This is not something which we should try to sweep under the carpet. Both sides have everything to gain from frankly and openly facing up to the consequences of their differing perceptions of detente. In the last analysis this offers East and West the best long term hope of progressively reducing the area of confrontation between them, and of progressively increasing the area of common ground. It would be folly indeed for one side to make the process of detente so distasteful to the other that it would prefer to opt out altogether. The golden rule must be that neither side should pursue policies that so raise the level of confrontation that the structure of detente is itself threatened.

This is, of course, easier said than done. Detente is an immensely complex process, comprising innumerable strands and relationships on different levels: political dialogue, commercial and technological exchange, cultural contacts, ideological debate and military vigilance. There is no magic formula that will enable us, East or West, to strike the right balance in our relations at all times. Both sides are still feeling their way. All we can say is that balance there must be between the elements of confrontation and cooperation, whether we are talking of the detente process as a whole or of its constituent parts.

CONGRATULATIONS TO CONGRESS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. BROWN of Ohio. Mr. Speaker, I would like to insert in the RECORD a message of congratulations from one of my constituents to my colleagues in Congress. This concerned American feels that heartiest congratulations are in order for all of my misguided fellow Representatives who have worked so diligently and so long to insure Government regulation of the price of natural gas. So dedicated have my colleagues been to this end that not even the misery of this cold winter, with its school and plant closings, was enough to persuade them to adopt the more rational policy of permanent deregulation.

The congratulatory message which follows is fitting praise for a misdirected Congress who, like a negligent doctor, has prescribed a temporary cure for a long-term ailment. We ease the pain today while the condition continues to worsen:

MESSAGE OF CONGRATULATIONS

First the good news! This letter is intended to be one of a congratulatory nature. Now the bad news! This congratulation is not meant for you, in that I am aware of your position as to the regulation of natural gas.

These congratulations are intended for your colleagues, who have, over the years, so diligently supported the regulation of the price of natural gas. Their diligence in this matter has finally resulted in their fondest dream, to-wit: government take over of the distribution and sale of said commodity. [Enclosed herewith is a copy of our local Newspaper announcing our City's intention to enter the field of distribution and sale of natural gas.]

While this is a "giant step forward for mankind," it has been almost twenty-three years since the Phillips decision. Might I humbly suggest that the Government take over of the natural gas industry could be accelerated by the exercise of further regulatory powers reducing the retail price of gas 21% below the actual production costs. I estimate that complete Government take over of the industry would result within eighteen months.

Upon reaching this point, I suspect the formation of a giant Government conglomerate, incorporating the gas industry with such successful ventures as the Post Office, Amtrak, ConRail and the HUD Housing Projects, would be in order.

Again, I regret that I am unable to bestow my congratulations on you for the accomplishments thus far, but I trust you will pass my congratulations on to your colleagues for their accomplishments to date.

THE OPEN WINDOWS ACT OF 1977

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. LEHMAN. Mr. Speaker, I recently introduced a companion bill to a very practical piece of legislation introduced by Senator PELL in the Senate. My bill, H.R. 4035, would require that buildings built with Federal funds have windows which can be opened and shut manually.

I am sure that many of my colleagues in the Rayburn Building has gazed outside on the lovely spring days we have enjoyed recently in Washington, wishing they could open a window and benefit from the fresh air and sunshine. Of course this is impossible for them to do without the aid of the superintendent's office.

Aside from the esthetic benefits of my bill, there are some very important energy-saving aspects of this legislation. On certain days, the simple ability to open a window would eliminate the need for air-conditioning. With the cost of electricity becoming increasingly higher, the savings, in terms of both fuel and money, would be considerable.

I might also add that in the event of a breakdown in an air-conditioning system, the inhabitants of the afflicted systure would not have to suffer unnecessarily because they could no open a window. I have heard of cases where classes have ben canceled or interrupted because of air-conditioning failures in school buildings.

Finally, I should like to point out that ventilation in even the newest of buildings is not without flaws. An open window would be a welcome sight to many a nonsmoker who must work with colleagues who smoke.

Mr. Speaker, this legislation would be simple to implement and would bring forth countless benefits if enacted. The living and working conditions of millions of Americans would eventually be improved. Let us not hesitate to take this step toward the betterment of our immediate environment.

MR. LEONARD WOODCOCK'S STATEMENT ON THE HEALTH SECURITY ACT OF 1977

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. CORMAN. Mr. Speaker, it is my pleasure to report that as of today there are 89 House sponsors of the Health Security Act, H.R. 21.

On March 1, Senator EDWARD KENNEDY, who has introduced the companion bill, and I held a breakfast briefing on the Health Security Act. Mr. Leonard Woodcock, chairman of the Committee for National Health Insurance, was the guest speaker.

New House and Senate Members and their staffs were invited to attend, as well as new members of the four committees which have the jurisdiction over national health legislation.

For those new Members who were unable to attend and my more senior colleagues, I recommend Mr. Woodcock's remarks as a lucid case for health security, and insert them at this point into the RECORD:

REMARKS BY LEONARD WOODCOCK

In his campaign, President Carter made national health insurance an exception to his pledge not to increase total Federal expenditures as a percentage of Gross National Product. He said he might be willing to add one to two percent of GNP to Federal spending to pay for a national health insurance program. This would mean approximately $18–$36 billion at the outset of a program beginning, say, in 1980.

The President set specific standards for the plan in a speech to the Student National Medical Association on April 16, 1976. He suggested in his recent visit to HEW that the staff read that statement. In it, Mr. Carter said:

"An efficient, cost effective health care system will deliver and not just promise national health care. We must follow the basic principle that the amount of personal wealth should not limit the state of a person's health.

"National health insurance alone cannot redistribute doctors or raise the quality of care. So we must plan, and decisively phase in, simultaneous reform of services and refinancing of costs. Reform will enable us to set and secure the following principles of a national health insurance program:

"Coverage must be universal and mandatory. Every citizen must be entitled to the same level of comprehensive benefits.

"We must reduce barriers to early and preventive care in order to lower the need for hospitalization.

"Benefits should be insured by a combination of resources: employer and employee shared payroll taxes, and general tax revenues. As President, I would want to give our people the most rapid improvement in individual health care the nation can afford, accommodating first those who need it most, with the understanding that it will be a comprehensive program in the end."

Mr. Carter in subsequent statements during the campaign and as President has reaffirmed his determination to enact a national health insurance program based on these principles.

We on the Committee for National Health Insurance have been working for eight years to develop a program containing the essential principles of reform of services and refinancing of costs, and to educate the public to the need for such a program. Spade-

work for the Health Security program introduced by Senator Kennedy and Congressman Corman was carried out by our Technical Committee. It has been introduced in every Congress since the 91st. We intend to do our utmost to help the members of the 95th Congrses enact a national health insurance bill based on principles endorsed by President Carter and contained in the Health Security program.

A great problem in our educational efforts has been the myth created by former President Nixon and carried forth by former President Ford that we can't afford national health insurance—that it costs too much. When you consider the fact that in FY 1976, we Americans spent an average of $638 for every man, woman and child for health care, you can begin to understand that we are already over-spending without any national health insurance.

As a nation, we spent $139 billion in FY 1976 for health services without any national health insurance program. This is more than the total for national defense and it is rising much faster than defense costs, even with the B–1 bomber included.

By FY 1981, you in the Congress, will, according to the Congressional Budget Office, have to vote $49 billion for Medicare and Medicaid alone, which cost "only" $26 billion in FY 1976. This is with no National Health Plan.

We spend more of our GNP for health than any European country, and they all have national health programs.

So I am sure it was perfectly clear to Mr. Nixon when he appeared before the AMA and criticized the Health Security bill as being too costly that he was playing to a hip audience. He knew and Mr. Ford knew that the national health insurance costs they referred to were Federal costs representing transfers from private premiums, State and Local taxes and direct patient payments, and were not new costs.

It is possible to reduce Federal health costs and not increase them, as Mr. Ford proposed in his 1977 budget with respect to Medicare. All you have to do, as he did in the budget, is grant the elderly people the privilege of paying part of their hospital bills now covered by Medicare. This will save costs for everyone but the elderly people and their families, at least initially. But since no reforms of services or strong cost controls on providers are proposed, all the rest of us would soon pay highly inflated costs for medical services, whether or not we are elderly or have elderly parents. It is this kind of piecemeal program and patchwork approach that has caused hospital costs to increase each year at a 15 percent rate and physicians' fees by over 12 percent annually under the current system.

Other methods of limiting Federal costs also have been tried, and are being tried, without great success. When Medicare and Medicaid were first enacted, it was the intent of the Congress that they should be neutral with respect to the delivery system. Costs escalated rapidly, and amendments included in P.L. 92–603 were described by the Administration as a partial repeal of this neutral intent.

The 1972 Medicare-Medicaid amendments established Professional Standards Review Organizations limitations on reasonable cost reimbursements and on capital expenditures, and other conditions tied to the government programs alone. A logical step seemed to be to try to prevent Federal funding of unnecessary hospital admissions and inappropriate medical procedures. Regulations proposed by HEW following the 1972 amendments would have required hospitals to review all nonemergency admissions of Medicare and Medicaid patients within 24 hours to determine whether hospitalization was necessary. But the regulations prompted the AMA to file its first suit against the Federal government and the regulations were withdrawn.

Thus, under the Nixon and Ford Administrations, national health expenditures doubled from $69 billion in FY 1969 to $139 billion in FY 1976 while we tinkered with the costly and defective system but declined to institute meaningful controls and reforms.

When the Health Security bill was first introduced, it was called too costly at $40 billion. Its opponents today call it too costly at $100 billion. Remember: it is the same basic program, but it takes over existing costs seven years later. The longer we delay, the more it will cost.

Health services will continue to absorb an increasing share of our nation's resources until such time as we have a national health insurance program which deals concurrently with reform of services and refinancing of costs.

There are two basic approaches in the national health insurance bills now before the Congress. The first is contained in the AMA's bill—introduced by Congressman Duncan and Senator Hansen, and others like it. It asks the Congress to pass a law requiring employers to offer private health insurance plans to employees. In this respect, at least, the AMA has risen above principle and departed from its long-standing insistence on voluntarism. In other respects, the AMA remains consistent. There are no cost controls in the program. No quality safeguards. No incentives for reforms of the health care delivery system. And for the poor and near-poor, there are degrading and costly means tests based on sharing of premium costs according to tax liability. As a matter of fact, there are 91 different pigeonholes that poor individuals or families might fit into to decide how much of the health insurance premiums they must pay and how much the Federal Treasury will pay. The AMA challenges the charge that we have one health care system for the rich and another for the poor. To the AMA, there are no poor, and their bill would require all but the most destitute to make coinsurance payments on their medical bills in order to make them cost-consicous.

The other basic approach to national health insurance involves a tax-financed program with budgeting of health expenditures. The fact that most hospital bills are now paid on a cost-plus basis has generated a blank check environment for the financing of hospital care. The fact that most doctors negotiate only with themselves what their fees should be and how often their services the medical marketplace even more advantageous for suppliers than the oil or coffee markets.

Under the Health Security bill's budgeting procedures, hospitals and doctors would both be paid negotiated amounts based on annual budgets determined in advance. Participating providers would be required to accept payment from the program as payment in full; they could not charge patients additional amounts. Doctors would be entitled to reasonable fees or other methods of payment; but the amounts would be negotiated by the insurance program personnel on the local level and representatives of the doctors. Hospitals would present prospective budgets relating both to their own internal and external services, and to other hospitals in the same area so that duplication of expensive and under-utilized services could be controlled, and needed but presently unavailable services, such as hospital-based home care, could be rapidly developed.

The Health Security bill would be financed by a combination of payroll and general revenue taxes. The Medicare tax would be shifted into this program as everyone, including the elderly, would be covered. Employers would pay three-and-one-half percent of payroll. This is well within the percentage of payroll which large employers are now paying for comparable coverage under private group plans, and even small employers' contributions are approaching this figure. Self-employed would pay 2.5 percent up to $24,000 income—or a maximum of about $600 for comprehensive coverage. The individual and payroll taxes would be matched by Federal general revenues.

The last Administration estimated that Health Security would induce new costs or transfer $100 billion from other financing sources to the Federal budget. We have challenged their assumptions about induced costs, since such costs could not possibly occur in the first year of operation and they would be offset by savings resulting from preventive medicine encouraged by Health Security in later years. Of the $100 billion, an estimated $16 billion is the amount that State and local governments would otherwise be paying and ought to be charged to fiscal relief to the States. The rest would be raised by tax revenues from an improved economy or from new taxes. There could even be circuit breakers as the program is phased in.

We have stated repeatedly in congressional testimony over the years that, while the Health Security bill provides equal financing by payroll and general revenue taxes, we are prepared to consider other divisions of financing. For example, our Technical Committee considers there might be merit in partially financing a national health insurance plan through a Federal cigarette tax and a surcharge on alcohol taxes, on the theory that people who use cigaretttes and alcohol should specifically contribute toward the greater health costs that are likely to occur because of such use.

The division of the sources of financing of national health insurance may be endlessly arguable, but I hope members of the Congress will understand that costs have been a distorted issue. The Congressional Budget Office has stated that a comprehensive national health insurance program can actually conserve billions of dollars within a few years if it contains workable and across-the-board cost controls, although, of course, more costs would flow through the Federal budget and less through other sources of financing.

As Professor Rashi Fein of Harvard Medical School put the cost picture:

"The issue is a non-issue. The question can we, as a people, afford national health insurance really means can we afford to spend what we are already spending—and surely the answer is "yes". The issue is not whether we are spending more than we can. The issues are whether we are getting what we should for our money and whether the present arrangements which make health expenditures depend on a family's income are fair, just and humane."

Under a Health Security bill, we would substitute new and earmarked taxes for what people are now spending, and the country will save money. At the same time, access to quality care for all would be provided in a way consistent with the self-respect and dignity of the individual.

EXPLANATION OF MISSED VOTE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. OTTINGER. Mr. Speaker, earlier this afternoon I missed the vote on final passage of the conference report to accompany H.R. 2647, Small Business Act amendments. The late arrival of my flight from New York prevented my participation when the vote was taken.

Had I been present I would have voted "aye."

FDR MOVES HOLD LESSON FOR CARTER

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. BOLLING. Mr. Speaker, there are not enough wise people in the world. And surely the United States and particularly Washington, D.C., could use some more. But Ben Cohen is a wise man, and Eliot Janeway's report of his recent speech is well worth the reading. It appeared in the Washington Star on Sunday, Mar. 13, 1977, and it follows:

FDR MOVES HOLD LESSON FOR CARTER

(By Eliot Janeway)

Ben Cohen is the very personification of the elder statesman. For over a generation he has been recognized as the "shadow" member of the U.S. Supreme Court. As a young man, he was in on the drafting of the Balfour Declaration which served as Israel's Magna Charta. In his prime, he drafted the United Nations' Charter. In between, he was the author of the pattern-making New Deal legislation which set the pace for Franklin Roosevelt's electrifying First Hundred Days.

Washington has learned to listen on the rare occasions when Ben Cohen decides to speak. He did so last Friday at the dinner commemorating the 44th anniversary of Roosevelt's first year in office. Cohen's address that night stands as a notable historical document. It struck a balance between Roosevelt's accomplishments and the wrong turns he made; and focused squarely on the central problem Carter has inherited from his great predecessor.

Congress, Cohen said, is either the problem or part of the solution for any new President. The confrontation Carter is moving towards with Congress proves the point. If Carter invites—or even tolerates—a showdown over powers or prerogatives with Congress, Cohen warned, he will risk his mandate.

To sharpen his warning, Cohen recalled three relevant experiments in FDR's presidential career, two of which worked, and one that didn't. The first related to an historic accomplishment of the New Deal: Federal insurance on bank deposits. No single accomplishment of the Roosevelt administration won more nonpartisan support than the FDIC. It cost the Treasury no money at all to implement; on the contrary, the FDIC has been a consistent revenue-producer for the Treasury. Roosevelt, champion that he was, lost no opportunity to claim credit for this progressive reform once it proved itself.

He neglected, however, to remind his supporters that he himself had been bitterly opposed to the notion when it was first recommended. The narrow-mindedness he installed at the Treasury bristled at the suggestion of federal deposit insurance as profligate, echoing angry mutterings of the American Banker's Association. In fact, the initiative for federal deposit insurance came from that unforgettable pillar of conservatism, Sen. Arthur Vandenberg of Michigan. His proposal stirred up a storm of criticism on the grounds that it was "fiscally irresponsible."

As Cohen recalled, however, ". . . when Vice President Garner and RFC Chief Jesse Jones told Roosevelt there was support for Vandenberg in the Congress, Roosevelt accepted the Vandenberg idea and the federal guarantee of bank deposits became a jewel in the crown of the New Deal banking legislation." Neither Garner nor Jones were exactly Oval Office intimates; and FDR was hardly a shrinking violet. Roosevelt established himself as a survivor from his first encounter with power because he demonstrated his willingness to accept advice from unsympathetic members of the coalition he led; and to discard the dogmas of his devotees in favor of recommendations from ambitious congressional opponents like Vandenberg.

The second experiment Cohen recalled did not work out. It was Roosevelt's ill-considered effort to pack the Supreme Court. Cohen noted that Roosevelt was mousetrapped into the attempt after his 1936 re-election sweep. He was drinking wine headier than that Carter uncorked between his march down Pennsylvania Avenue and his telephone talkin.

Roosevelt's court-packing plan was foredoomed. But even if it had succeeded, it would not have helped him. The first victims of the purge would have been the very members of the Supreme Court whom he had reason to regard as allies and whom his supporters had learned to trust: Holmes, Brandeis and Cardoza. They were on the wrong side of the self-defeating mandatory retirement age limit prescribed by the court-packing bill.

When the time came for the critical votes to be counted in the Senate, Roosevelt sent for the man whom he identified as controlling the swing vote: Sen. Francis Maloney of Connecticut. Roosevelt had an unerring instinct for his target; and he recognized that Maloney, and Sen. Joseph O'Mahoney of Wyoming, normally an administration stalwart, had an agreement to act together against his bill. To keep O'Mahoney he needed to recapture Maloney. In this occasion, he used his famous charm too late.

Maloney told me how difficult it was to sit at Roosevelt's desk, share a lunch tray with him, and stand up to him. "Don't you trust me, Frank?" he recalled Roosevelt asking him, "After all we've been through together?" (Maloney had been one of the original up-and-coming New England Irish powers whom Joe Kennedy had weaned away from Al Smith.) "I'd trust you with any powers you felt you needed," Maloney replied, "What worries me is how far my children could trust anyone who might sit in that chair after you."

Roosevelt lost the court fight by a hair and the defeat he suffered taught him not to rush into confrontations with Congress without prior clearance.

Cohen's third point centered around Roosevelt's reliance on bipartisan cooperation; he asked for it and he got it on two memorable occasions. The first occurred at the outset of his administration when Ben Cohen and Tom Corcoran, the Gold Dust Twins, first began their partnership. Sam Rayburn, then chairman of the House Interstate Commerce Committee, developed considerable doubts about the first White House proposal to regulate Wall Street. He asked for the help of independent counsel, which turned out to be Corcoran and Cohen. Rayburn, however, also took the precaution of involving the ranking Republican congressman on his committee, Carl Mapes, Gerald Ford's predecessor. By the time Rayburn, Mapes, and the Gold Dust Twins were finished with their collaboration, the White House had more than a bill; it had a mandate with neither scars to heal nor wounds to lick.

Rayburn figured prominently in Roosevelt's other use of the same bipartisan technique. The division in the country over Roosevelt's response to the war danger forced him to seek support across party lines. When the time came for Rayburn to pass the initial legislation in support of Britain through the House, the nonpartisan, issue-minded Republicans like James Wadsworth of New York titled the balance. Prior consultation made the difference; and White House trust in the congressional leadership provided the forum for this therapeutic procedure.

As Cohen said, "Roosevelt well understood that members of Congress like to be a part of the action, and he was quick to accept suggestions growing out of congressional hearings. He knew he would need support from both parties, for rarely without some support from both parties can an important measure get through Congress intact. In a country as large and diverse as ours," Cohen added, "congressional leaders cannot impose party discipline which would oblige members of both Houses to vote against the wishes and interests of their constituents."

Wall Street had been slow to learn the central lesson of our time during the Vietnam crisis: That when the President and the Congress fall out, the market gets caught in the middle. Ironically, it was the protege of the Corcoran-Cohen team, President Lyndon Johnson, who transmitted this message to the market. To its astonishment and dismay, the breach he provoked with Congress over his strategy of escalating the Vietnam War, without prior clearance of his commitments with Congress, first broke the market, and then revoked his mandate.

Cohen concluded with the forward-looking warning: "We are now in a time of national crisis—indeed in a time of international crisis, possibly deeper than the public has yet realized. But better than any other country in the world, we are equipped with human resources and material resources to meet our problems. We know both as individuals and as members of groups we must cooperate with one another, as Roosevelt taught us in the New Deal days."

Like Brandeis before him, Cohen is as shrewd a judge of practical marketplace pressures as he is of the processes of power. The state paper he delivered to his fellow survivors of the New Deal is to be read as a market letter for 1977. The stock market is sending ominous signals to Washington that it has Cohen's message. It is brainwashed with reports and guesstimates of statistics of every sort, but it as clear-sighted as Ben Franklin was when he told the Continental Congress "We must all hang together or assuredly we will hang separately."

If Congress sees the Carter White House curbing its propensity for feuding, and opting for consultation and compromise with Congress, the market will boom. This is what it wants to do. But a market that wants to boom, and fails to do so, sets a fatal trap for its followers. Carter has a chance to avoid Johnson's fate and pull off another Roosevelt ian miracle, but if the Carter White House gets involved in a war with Congress, it will spring the bear trap now being baited.

MANDATORY SENTENCES

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. O'BRIEN. Mr. Speaker, mandatory sentences for crimes where a firearm is in the possession of the criminal is an idea whose time is coming.

I commend to the attention of my colleagues the following item from the February 23, 1977, edition of Illinois Wildlife, the official publication of the Illinois Wildlife Federation:

MANDATORY SENTENCES

The Illinois Wildlife Federation has been a proponent of legislation to create mandatory sentences for any person convicted of a crime where a firearm is used. They have been unsuccessful in the past of getting such legislation passed. It seems that some of the

legislators believe the power to sentence should lie only with the judge and if such bills were passed judges would not convict.

While it is true that mandatory sentences such as this have been passed in some states and they just have not worked out. This has not been the case in Florida, however.

Florida's year-old mandatory sentencing law which mandates a three-year minimum jail term for robberies committed with a firearm is proving quite a crime stopper and it is being enforced.

During the first six months of 1976 armed robberies dropped 39 percent. Small business saw a 23.6 percent decrease while the state's chain stores witnessed a 30.4 percent decrease. Florida's overall robbery rate has dropped 12.5 percent.

The state of Arizona's five-year mandatory sentencing law for firearms-related robberies has been credited with cutting the state's gun robberies by 14 percent.

These figures are available to any of our legislators and hopefully they will provide the citizens of Illinois with a three-to-five-year, non-parollable, non-plea bargaining law during this session of the legislature.

REGINA HALL: LENDING A HAND

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. SANTINI. Mr. Speaker, in the nearly 6 years since the Regina Hall home for girls opened in Henderson, Nev., it has provided guidance for the lives of almost 100 troubled young women. The unique success of the hall and the dedication of its founders are a source of pride to the State of Nevada and I would like to call this institution to your attention.

The low return rate of runaway girls to "reform schools" from Regina Hall is a tribute to Sister Riccarda Moseley, executive director, and Mr. and Mrs. Elmer Harrington, houseparents. Of the 93 young women aged 14 to 17, who have spent time at the hall, 72 have returned to family and friends without further commitments to an institutional setting.

The hall, under the authority of the Nevada Catholic Welfare Bureau, can boast of a success rate much higher than that of similar programs around the country. Perhaps the best witness to this is the three weddings of former residents that have taken place at Regina Hall over the past few years. The girls obviously consider the hall their home and the houseparents their best friends.

Many awards have befallen the hall and its personnel, including a new book and invitations to open other halls around the country. And the hall's reputation has attracted the friendship and beneficence of many celebrities due to its close proximity to Las Vegas.

But all these honors cannot compare to the deeply personal joy of those who work at the hall when a lost and frightened child grows into a mature, responsible woman.

The spiritual guidance and moral support given by those at Regina Hall are something we can all learn to share with those less fortunate than ourselves.

THE RED ADVANCE ON THAILAND

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. McDONALD. Mr. Speaker, those persons who still do not believe in the "domino" theory just do not understand long range Communist objectives. Mr. Ian Ward of the Daily Telegraph of London recently presented a very cogent analysis of the Thai situation in the March 3, 1977 issue. As he points out the North Vietnamese infiltration patterns are very similar to those followed in the conquest of South Vietnam. The item follows:

THE RED ADVANCE ON THAILAND

(By Ian Ward)

Indo-China's fall to Communism in April 1975 revived debate on the efficacy of the Domino Theory, which maintained that once Communism took hold in South-East Asia, States in the region would succumb to its influence like a toppling line of domino pieces.

Pessimists speculated on which would be the next State to collapse and in what order the others might follow. Alarmed by the demoralising effects such discussions were having, regional leaders in mid-1975 began issuing pronouncements roundly rejecting the domino prognosis.

Nearly two years have elapsed without any further dominoes dropping. Indeed, the theory is less openly discussed these days, and within the Association of South-East Asian Nations, the five member States, Malaysia, Indonesia, Singapore, the Philippines and Thailand, have adopted staunchl anti-Communist postures as the tackle the problems of mutual assistance in development.

Optimists take the view that power-centres for ideological expansion like Moscow, Peking and Hanoi are content with the apparent status quo or, for some reason are unable to make commitments.

Insurgency experts, particularly those in Thailand, take strong issue with the view that the Communists have lost interest in the idea of furthering wars of national liberation. They feel that 22 months, given the type of time-scales the Communists use, is far too short a period to start taking credit for stemming the tide. Rather, they feel that those 22 months show more than enough evidence that all the forces which, if unchecked, would produce the domino effect, remain ready.

The American Central Intelligence Agency (CIA) has completed within the past six weeks a thorough re-appraisal of the security situation in Thailand. The findings all point to the Kingdom being—from the Communist strategists' viewpoint at least—the next primary target.

The CIA report is not alone. Other Western countries have conducted similar studies.

That several Western countries should have independently ordered re-assessments of the Thai situation at this time can scarcely be regarded as co-incidental. Rapidly deteriorating conditions during the Kingdom's three years of experimentation with civilian-led democracy from 1973–1976 prompted some alarming diplomatic dispatches from Bangkok. Since the October coup last year which re-instated military control, Thailand has been beset by a vast range of political problems which would probably have flattened a less adaptive society.

During the past few months Communist insurgents operating in the north, north-east and southern areas have stepped up their separate military campaigns, expanded their recruitment drives and sought to re-adjust their strategy in line with the changing political scene in the national capital.

In answer to this increased threat has come more intensive Government operations in the north and north-east together with the launching in late January of a joint operation with neighbouring Malaysia in the southern border region.

The military effectiveness of these efforts has been much criticised and the suggestion has been that the Thais together with the Malaysians are guilty of overdependence on heavy stand-off firepower—a charge repeatedly directed at the Americans during the Vietnam conflict.

And what of external assistance for the Thai Communists? Thai authorities now claim to have identified five separate guerrilla training camps in southern Laos where Thai instructors work with Vietnamese advisers.

Furthermore Thai intelligence agents are reporting on Communist efforts in the north and north-east to expand battlefield arsenals with heavier firepower weapons. The pattern closely follows the one established in the early 1960s in Vietnam. There the North Vietnamese were careful not to introduce weapons ahead of training schedules and only when proficiency was achieved at one level of warfare were steps taken to move up to the next.

ALL-WEATHER ROADS

At the same time Communist long-range planning is underway and the Thais are closely watching the development of two all-weather roads which will link Mekong River crossing points in Laos with sea ports in Vietnam. In addition the Vietnamese are constructing an oil pipeline into Laos and have recently increased the number of troops there by some 10,000. One unit of the new forces comes from the ninth division which was brought into South Vietnam for the final push on Saigon in 1975.

Meanwhile Thailand's running border feud with Laos has intensified. To the east the massacre on Jan. 28 has created even greater fear than normal along the ill-defined border with Cambodia, a nation in the throes of a grisly policy of population control by slaughter.

Thai policy is to withdraw people from isolated villages along the frontier. The reasoning is that this will reduce the number of possible targets for attack. Hand in hand with this go strict instructions to security officers in frontier regions to be non-belligerent. In short the military must avoid any action that the Cambodian Communist leaders might construe as antagonistic. Not surprisingly there is substantial discontent over directives among middle and upper-ranking Thai Army officers.

Complicating and at the same time exacerbating the Laos and Cambodian border crises are the refugees. Still they come, sometimes in large batches, sometimes in trickles, but always desperate to escape the indignities of Communist domination. The Thais, essentially humanitarians, tried last year to block the flow by sending a token batch back to Cambodia. All those returned were summarily executed within minutes. Bangkok is now resigned to a continuing stream of refugees.

Already saddled with tens of thousands from the old Indo-China war era, Thai authorities find the influx since 1975 has so far added a further 75,000 to the refugee list.

Thailand has appealed to the United States, France, Germany, Australia, Canada and other Western nations to provide havens for the inmates who crowd the country's camps. The response has been paltry. But in effect, whatever approach the Thai's adopt, the di-

lemma remains. Even a major response by the Western world in offering large numbers of openings to refugees would immediately result in enhanced escape bids across frontiers from Laos and Cambodia and from the shores of Vietnam. Within months the number of refugees would have soared and the camps filled again.

From the fall of Indo-China onwards, Thailand's civilian leaders rather concentrated on forging a political understanding with Hanoi.

Whether by design or pure inefficiency, it was an approach that was accompanied by a general running down in internal security measures. For Communist interests it was a period of unrivalled opportunity and indications are that they made full use of it.

When the military finally reinstated its authority in October last year and subsequently appointed London-educated Thanin Krai Vichien as Prime Minister, it was to promises of a far more positive anti-Communist direction for the nation. But less than two months after he had taken office, there were rumbles from senior military factions.

Early this year Thailand's former military strong man, Field-Marshal Prapas Charusathiara, returned to Bangkok from three years in exile in Taiwan. There was much rumour and intrigue.

That Prime Minister Thanin should have ridden out this particular crisis up to now says much for his tenacity. Overburdened with staggering political problems on all fronts and struggling to produce new economic proposals with which to entice much-needed foreign capital investment, he has hung grimly to power

Among Western observers, Prime Minister Thanin has earned some degree of admiration. His coolness under pressure and his attention to economic matters have been well noted. They feel that, given the chance, he might well be the man to steer Thailand through this critical period.

Whether he is given the chance is a matter that only the generals, and perhaps the nation's highly-respected King, can ultimately decide.

COMMISSIONER VERNON D. ACREE AND THE WAR AGAINST REDTAPE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. MICHEL. Mr. Speaker, occasionally one comes across a report of a victory won over the Federal paperwork monster. The Paterson, N.J., News on Friday, March 4, 1977, carried an editorial telling of one such victory. "Washington Man of the Week" tells of a revision of a U.S. Customs Service form used by foreign firms exporting commercial shipments to this country and by American importers. This revision and simplification will save "millions of dollars" according to Commissioner Vernon D. Acree. Commissioner Acree has my congratulations on being named man of the week and for his victory in the fight against redtape.

As the News points out, let us hope that the Internal Revenue Service takes a tip from Mike Acree and simplifies its forms, some of which can be understood only by those with post-graduate degrees in nuclear physics or by masters of the occult arts. At this point I would like to place in the RECORD the editorial in question:

WASHINGTON MAN OF THE WEEK

One of the first government agencies to answer President Carter's call for a reduction of the federal reporting workload imposed upon the nation's business community is the U.S. Customs Service.

Commissioner Vernon D. Acree reported that the form used by foreign firms exporting commercial shipments to this country and by the American importers has been so revised and simplified that it will "save millions of dollars" through the reduction of required paperwork.

Presently paperwork dreamed up by the Washington bureaucracy necessitates special staffs in business and industry that adds millions of dollars to payrolls, a burden which is shared by the consumer.

Commissioner Acre, whose agents seized smuggled property valued at $36 million in fiscal year 1970 and recorded $23.5 million in fines, penalties and forfeitures, is a man of action.

Let's hope those regulatory agencies take the hint and ease the burden on business and industry. And that goes for the Internal Revenue Service whose forms defy interpretation.

THE CARTER ADMINISTRATION AND THE BYRD AMENDMENT

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. CORCORAN of Illinois. Mr. Speaker, last Wednesday, March 9, 1977, my distinguished colleague from Illinois, Mr. MICHEL, took the floor of this body to criticize the Carter administration's peculiar form of do-it-yourself diplomacy. I want to use this occasion to associate myself with his timely and provocative comments on the disturbing lack of coordination in the statements of certain high-level foreign policymakers in the Carter administration.

Successful diplomacy is an art which contains many elements, but confusion is not one of them. This confusion in the early days of the new administration is troubling to many Americans. Moreover, as Mr. MICHEL points out, it is confusing to other nations as well. And in today's papers, we learn that this uncertainty extends to our friends and enemies alike. Mr. Speaker, I do not see how this is helpful to keeping peace in the world, and that is why I am raising my voice in protest.

Furthermore, Mr. Speaker, my vote against H.R. 1746, legislation to halt the importation of Rhodesian chrome, was a vote of protest, too. We all know the history of the so-called Byrd amendment, which since 1971 has had the effect of permitting U.S. importation of Rhodesian chrome without affecting our embargo on other Rhodesian products. Today in floor debate we heard the arguments for and against repealing the Byrd amendment.

However, in today's international climate, the issue is not whether we should allow Rhodesian chrome into this country. It is more than that. The real issue is whether or not congressional repeal of the Byrd amendment would serve to clarify or further confuse American foreign policy at this time. Mr. Speaker, while repealing the Byrd amendment may serve the best interests of this country at some point down the road, amid today's uncertainty it could cause more harm than good.

THE PREGNANCY EPIDEMIC

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. BONKER. Mr. Speaker, there has been a great deal of publicity in recent weeks concerning the effects of television violence on the children of America. However, little has been said concerning the equally harmful influences that overly suggestive music has on our younger generation.

I was impressed and pleased with Rev. Jesse Jackson's thoughts on the subject which appeared in the "Outlook" section of Sunday's Washington Post. Reverend Jackson touched on a related problem when he commented that—

Many of abortion's enlightened proponents only focus on the consequences of decadence, not on causes. This concern is panicked reaction to immediate impact, not with the roots of a problem for which their panacea is abortion.

Rev. Jesse Jackson is a respected and influential leader among today's black teenagers, but his message is an urgent warning to all of us. Commercial exploitation coupled with young and impressionable youth, largely ignored by a passive public, can lead to grave consequences.

I applaud Reverend Jackson's foresight and courage in speaking out on this subject and commend it to my colleagues.

The article follows:

[From The Washington Post, Mar. 13, 1977]

THE PREGNANCY EPIDEMIC

(By Rev. Jesse Jackson)

The deadliest poisons are colorless, odorless and tasteless toxins with the power to penetrate anywhere, undetected. No effective way exists to develop resistance against such invisible poisons. Traditional safeguards are ineffective, and to rely on them blindly can be a fatal mistake.

And so it is today, when parents look to traditional institutions either as sources of help or as scapegoats in their frustrating battles to reach or save the minds of their children. Home, school, church and synagogue are no longer strong enough to save children, because their combined power cannot match or overcome the other forces that also shape children's lives and attitudes. Foremost among these is the power of the media.

Consider only one potent media influence on children that parents generally are insensitive or deaf to: the radio. Those parents who do become aware of their children's addiction to radio and the music it broadcasts deal with it by ordering the volume turned down. But loud or soft, the beat goes on and its message comes through.

In the days when popular music first began flirting with sexually suggestive lyrics, program directors dropped the offending songs once they realized what was going on; some even bleeped or muddled the suggestions. But now the songs are sexually directive, with explicit instructions, and with radios amplifying their messages.

Do you know what songs radios are beaming into the ears of 14-, 15-, and 16-year-olds, and their 4-, 5-, and 6-year-old brothers

and sisters? There have been "Shake Your Booty," "Ain't That a Bitch," "I Want to Do It to You All Night Long," "Let's Spend the Night Together," "It's Alright to Make Love on the First Night," "Squeeze Box," and "Love to Love You, Baby," the short version of which, Time magazine said, features the singer, Donna Summer, having 22 orgasms.

These present-day heroines and heroes of the young use their art, through the medium of radio, to transmit a moral tone and an ethical content that, at the least, encourages their listeners, our children, into premature heat. The pervasiveness of radio and pop music is undeniable. Wherever young people go, their radios are with them, from waking to sleeping, playing through the hours. Are our children its audience or its victims?

This year, our nation is in the midst of a teenage pregnancy epidemic: babies having babies. This year, more than one of every 10 of this country's 15- to 19-year-old girls will be pregnant—and so will 30,000 more 10- to 14-year-old girls. Only a third—or less—of these million-plus child-mothers will conceive in wedlock. Where do you suppose they have been tuned while developing their attitudes about love and love-making?

The victims of the pregnancy epidemic aren't just our children, but their children, too. Children they really don't want, children they don't know how to care for, children they lack the maturity to care for—or love—intelligently. Because they may foresee this, more than a fourth of the teenage girls who will get pregnant this year will have abortions. That's a step we should see as another horrifying symptom, rather than as a cure.

Of those teenagers who will bear their children, nine of 10 will take their babies home. They will take them to homes where, because their mothers are immature, unprepared, too poorly educated to find meaningful employment, these children of children will experience enormous family insecurity and, all too often, be condemned to lives of material and mental poverty, physical and psychic deprivation.

All this defies other trends in American life. For more than a decade, the overall birthrate has been dropping—but not among 15- to 17-year-olds. Not only is pregnancy increasing among younger girls, so is the proportion of them who conceive their children out of wedlock. The birthrate for unmarried 18- and 19-year-olds is now higher than that of unmarried women 20 to 24 years old—a reversal of traditional patterns.

What ideals of love and attitudes about love-making are these young women and their lovers tuning into?

Can anyone doubt that the teenager's constant, transistorized companion doesn't influence him? Does anyone doubt that music heard on the radio doesn't motivate millions of teenagers to spend millions to buy the records the radio stations play—and some they don't, like the 16-minute version of Donna Summers' "Love To Love You, Baby"? Can anyone doubt that radio and other media exercise very real power in directing our children's lives?

If the media are to have power over the minds of children, then they must accept responsibility for the directions they provide. The public has a responsibility to see it's done. Educators have a responsibility, too. And so, too, do the heroes and heroines of the young. It may be too late to save some of our children, but it's not too late to save the children of the children.

It still amazes me that so many of abortion's enlightened proponents only focus on the consequences of decadence, not on causes. Their concern is panicked reaction to immediate impact, not with the roots of a problem for which their panacea is abortion.

Isn't it logical that teaching too little, too late, about sex and failing to teach anything about moral responsibilities has produced too many ignorant and irresponsible young men and women?

We can't wait to see who might be willing to take responsibility. Abortion might prevent the arrival of our children's children, but it won't save our children. We—all of us—need to realize and communicate that we cannot and will not allow our public airwaves to transmit society's lowest and most debased values to our youngest and most impressionable citizens.

FEDERAL CROP INSURANCE EXPANSION ACT

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. MADIGAN. Mr. Speaker, I am pleased to introduce the Federal Crop Insurance Expansion Act, which is cosponsored by a number of my colleagues on the Committee on Agriculture as well as other Members of the House of Representatives.

The bill is similar to a bill (S. 497) introduced by Senator DOLE of Kansas, the ranking minority members of the Committee on Agriculture, Nutrition and Forestry. However, it does differ somewhat from that bill as illustrated later in these remarks.

Several complaints have been aimed at the disaster payments program administered by the Agricultural Stabilization and Conservation Service under the 1973 Farm Act, such as—it is limited to certain crops planted on allocated acres; and there are numerous inconsistencies in payment computations, eligibility requirements, and program coverage. On the other hand, the existing Federal crop insurance is limited to certain commodities; participation is very low; coverage is limited or denied in many counties; and in many cases the premiums in certain areas are prohibitively high.

I, therefore, am introducing this bill as a possible alternative to the disaster payments program, which may or may not become a permanent part of the 1977 farm bill when it is reported by the House Committee on Agriculture. Once a decision is made on what to do with the disaster payments program—at least for the 1978 crop year—I would hope that hearings would be held on the issue of Federal crop insurance. If in marking up the 1977 farm bill the disaster payments program is phased out, this bill will be available as a viable alternative to the disaster payments program.

This bill would among other things:

First. Increase participation in the crop insurance program by giving more comprehensive coverage and by increasing the number of commodities insured.

Second. Offer insurance at reasonable premiums by providing 25 percent of the cost to be funded by appropriations—at a level believed to be about equal to the existing cost of the disaster payments program.

Third. Permit the corporation to provide reinsurance whenever feasible.

Four. Offer an "open" program for 3 years before the corporation may place limitations on the program for those who have not availed themselves of coverage.

This bill is not intended to be the last word on Federal crop insurance proposals. It is not cast in concrete; and if during hearings and/or markup anyone offers amendments that would improve upon this proposal, I would welcome such proposals. On the other hand, it is intentionally drafted for principal implementation for the 1979 crop year with authority to implement it on a pilot program or limited basis for the 1978 crop year. I believe it is too late in this session to pass and implement such a comprehensive program so that it would be in place for the 1978 crop year—except on a pilot program basis.

In addition, the date of principal implementation is set for the 1979 crop year so as to await a determination by the Congress as to what they plan to do with the disaster payments program. Obviously, the issue will be addressed when the 1977 farm bill is considered by the Congress in the next few weeks. If it is decided in the course of the markup of the 1977 farm bill that a Federal crop insurance program need be enacted, I submit this proposal merits strong consideration. I believe this bill is an improvement on the bill which Senator DOLE and I introduced in our respective bodies in the 94th Congress. The administration has not yet—and may not—offer such a program. I believe there is a need to explore such a proposal, and I urge my colleagues to examine it as a reasonable approach to a complex problem.

For purposes of comparison, the following is a section-by-section analysis of S. 497 introduced by Senator DOLE and upon which my bill is tailored:

S. 497—SECTION-BY-SECTION SUMMARY

Section 1: Raises the amount of capital stock authorized from $100 million to $300 million. By industry standards, capital available for loss should approximate 15% of total viability. The Corporation, therefore, requires a capital stock authorization of $300 million, the entire addition amount to be issued in fiscal year 1978 to provide necessary working capital.

Section 2: Raises the maximum compensation of members of the Board of Directors who are not otherwise employed by the Government to no greater than the daily rate for G.S.–18. Their present salary equates to about a G.S.–7. The estimated additional cost is less than $1,000.

Section 3: Deletes references to county crop insurance committeemen and associations of producers. The Corporation has never established or utilized committees of associations of producers, and foresees no such occasion in the future.

Section 4: Make insurance available to producers of wheat, cotton, grain sorghum, rice, corn, and barley wherever they are grown commercially.

Deletes limitation on the number of additional counties where the Corporation may offer insurance.

Provides for a three-year period during which the Corporation must accept all eligible producers who want insurance. Thereafter, the Corporation may limit or refuse insurance under adverse circumstances to producers who have not availed themselves of the opportunity to enter the program.

Authorizes insurance against prevented planting losses caused by floods.

Provides for a 25% Federal subsidy of each participant's premium.

Section 5: Does for FCIC Advisory Committee members what Section 2 does for Board members.

Section 6: Specifies financial arrangements for an expanded nationwide program, including the removal of $12 million limitation on funds that may be made available by direct appropriations. Would also grant the Corporation discretionary borrowing authority. This may be needed on occasion to pay for unexpectedly high indemnity claims pending later premium collections.

Section 7: Authorizes the Government to reimburse Corporation for the cumulative amount of premium income used for administrative and operating expenses. Although utilization of these funds has been authorized in annual appropriations acts, the Federal Crop Insurance Act does not permit providing for their recovery in premium rates charged to farmers. As a result, the Corporation's Capital has been depleted to the extent of about $88 million. Therefore, this provision is intended to authorize the restoration of the premium reserves paid in by farmers.

The principal differences between my bill and Senator DOLE's bill are as follows:

1. I have increased the capitalization of the Corporation from $300 million to $400 million. It is conservatively estimated that a program with 25% financed through appropriations would increase the liabilities of the Crop Insurance Program to $4 billion. With a capital to liabilities ratio of 1 to 10, the ratio is adequate and reasonable in my view and that of others knowledgeable about the Program. Moreover, USDA has recently asked for $50 million in additional capital to cover liabilities for a much reduced program from that which was in effect for 1976, (many counties have stopped writing policies), thus $400 million capital does not appear excessive.

2. I have provided in the attached bill that the "expanded" insurance program not be implemented nationwide until the 1979 crop year (rather than 1978 in the Dole Bill) and that the Corporation not be permitted to limit or refuse insurance in a county until the 1982 crop year. (The Dole Bill also provides three years, but it would take effect in 1981.)

Knowledgeable insurance officials have been contacted, and it is their opinion that it would take nearly one (1) year from the enactment of an expanded insurance law to implement all of its provisions. Compiling actuarial tables, setting rates and generally establishing a crop insurance program that could apply nationwide is a task of mammoth proportions.

3. The proposed bill would also permit the Corporation to implement the new program for crops planted for harvest in 1978 if it is feasible to do so. Inasmuch as the program in this bill would not take effect until 1979 crops, this feature for 1978 crops was added.

4. This bill also would permit the Board of Directors to provide for reinsurance of private insurance companies or groups under contracts acceptable to the Corporation. The Dole bill limits this to 20 counties, as it does in existing law.

5. The authority to restore by appropriation those amounts of premium income used for administrative, operating and other expenses is extended through the end of fiscal year 1978 (rather than 1977 in the Dole Bill).

The losses incurred by the Corporation in recent years have been using up its capital without any reimbursement, and a draft legislative proposal was received on February 18, 1977, from USDA would add to the capital of the Corporation (from $100 million to $150 million). However, USDA's proposal merely adds to capital which will soon be dissipated by expenses and crop losses. Therefore, this provision would increase the amount of reimbursement of capital through fiscal year 1978, inasmuch as this bill contemplates an effective date of implementation for crop year 1979.

EDWARD T. HOAK DAY

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. DENT. Mr. Speaker, I rise today to pay tribute to an outstanding American, Edward T. Hoak, the American Legion State Adjutant—Department of Pennsylvania. Such a tribute is both fitting and proper for the man who is credited with first recognizing and alerting the Nation to the strange respiratory disease that swept through the ranks of those who attended the American Legion Convention in Philadelphia during July 21–24, 1976. It was Ed Hoak's alertness and devotion to the American Legion that probably saved the lives of many who were exposed to the so-called Legionnaires' Disease which tragically claimed the lives of 29 people.

Mr. Speaker, Ed Hoak's life is the American Legion, an outstanding organization which he has served with distinction since 1946. Over the years he has served as a post commander and adjutant of American Legion Post 472 in Manor, Pa.; a deputy district commander, a commander of the 31st district, a western vice-commander, a State commander, a national vice-commander; and, since 1963, the Pennsylvania State Adjutant, which is the chief administrative officer for the State American Legion.

As the State Adjutant for Pennsylvania, Ed Hoak undertook to alert health officials, the media, and his fellow legionnaires to the strange disease. As the chief administrative officer he made an effective and heroic effort to coordinate and funnel the necessary information concerning the disease. It was Ed Hoak's intimate and detailed knowledge of the American Legion and its members that provided critical information in detecting and defining the scope of the disease. Doctors and health officials have credited Ed Hoak's efforts as a major factor in containing the disease and thereby probably saving countless lives.

Mr. Speaker, Ed Hoak, my close personal friend, is a hero by any definition. As a young man he served his country with honor in war time. Throughout his life he has been in the forefront of worthy community causes and has contributed his time and considerable talents to helping those less fortunate than he. Ed Hoak is a humanitarian and an unabashed patriot whose devotion and compassion have been recognized by all who have known the pleasure of his company.

On Sunday, March 20, 1977, Edward T. Hoak will be honored for his civic contributions and service to the American Legion by his home post—the Carl Leroy McKelvy American Legion Post 472 of Manor, Pa. In recognition of his humanitarian work and his heroic efforts associated with the "Legionnaires' Disease" the Westmoreland County Board of County Commissioners and the Manor Pennsylvania Boro Council have declared March 20 "Edward T. Hoak Day." As the Member of Congress representing Westmoreland County, Pa., and as a fellow Legionnaire, I am proud and honored to pay tribute to Ed Hoak. Thus, on behalf of the U.S. House of Representatives and the citizens of the Pennsylvania 21st Congressional District, I salute you, Edward T. Hoak, for a job well done.

GUN CONTROL'S TIME IS OVERDUE

HON. THEODORE S. WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. WEISS. Mr. Speaker, the effort to pass effective gun control legislation has probably been met with the largest stumbling block that the Congress of the United States has experienced. Pete Hamill's article, "Take Away Guns and Whataya Got? Harmless Nuts," from the New York News, provides a useful review of the recent violence, media reaction, and most importantly some hard solutions:

TAKE AWAY GUNS AND WHATAYA GOT? HARMLESS NUTS

(By Pete Hamill)

There they go, Hamaas Abdul Khaalis and the Hanafi Muslims, joining the American Nut Parade. All you need to join the march is a gun. So take a look and you'll find Fred Cowan, on his way to New Rochelle, with his rifles and his Nazi sickness and his pair of .45-caliber automatics. There is Cory Moore, from Ohio, pushed off the front pages by the Hanafi Muslims, pressing a .45-caliber automatic to the head of a police captain, demanding to speak to Jimmy Carter, and asking all whites to leave the planet by the end of the week.

Put them all in the line of march, and leave rooms for Lee Harvey Oswald, with his Mannlicher-Carcano, and give a place to Sirhan Sirhan with his .25-caliber Saturday Night Special. Don't forget Jack Ruby, and leave some room for the men who walked into the Audubon Ballroom and shot Malcom X into eternity.

Just step right up, folks; all you need is a gun. And you can get into the parade that includes James Earl Ray, waving his rifle and his brand-new passport, heading for history. And meet Sara Moore, with the .38-caliber pistol she was holding when she tried to kill Gerald Ford, and Squeaky Fromme, holding the .45 semi-automatic that she used when she tried the same thing.

They're all there in the Nut Parade: the instant celebrities, the people who use guns to make the front pages and the network news. Look: down near the end of the march, there is Anthony Kiritsis, holding a press conference, with a shotgun taped to the skull of a man from a mortgage company. And who is that pale blond-haired young man with the thick glasses? Why, of course: it's Arthur Bremer, fresh from pumping bullets into George Wallace in a Maryland shopping cen-

ter. Hi, Arthur. Come on over, Arthur. Bring your piece.

Some people, of course, will try to isolate the Hanafi Muslims write them off as a strange psychotic sect; but they are really part of the current American tradition. That says: If you have a grievance, get a gun. And getting a gun is never a problem.

Consider some of the numbers: there are more than 90 million handguns now in circulation in this country; according to the Wall Street Journal, new guns are sold at the rate of one every 24 seconds, and old ones change hands at the rate of one every two minutes. More than 20,000 Americans are killed every year with guns, and another 800,000 are wounded. Here in New York the toll is particularly ferocious. Police Commissioner Michael Codd, pleading for federal controls, said once:

"Before this day is out, we may anticipate that two citizens will be murdered by firearms, that 60 robberies will occur in which firearms were used, that 22 citizens will be assaulted by gunmen, and that at least one police officer will either be fired upon or threatened by a gun."

But no fresh outrages with guns, no pleading words for reform from a cop like Codd, seem able to persuade the Congress that this country needs an arms limitation treaty for itself. The reason is simple: Congress has no guts. Its members fold up every time to the people from the National Rifle Association, an organization whose prime task, under the banner of sportsmanship, is to keep the national massacre going.

That lobby is rich, resourceful and clever. They point to the failure of New York's Sullivan Law, but do not explain that the Sullivan Law, and any other state law, is useless as long as guns are freely available at the end of a car ride over a state line. They tell you that guns don't kill people, people kill people. But it is hard to imagine any of the above-mentioned killers doing their killing with their bare hands, with ropes or arsenic or knives (statistics show, for example, that guns kill five times as many people every year as knives do). If the Hanafi Muslims had invaded three buildings in Washington, threatening to beat everybody up, they would have been overpowered. But they had guns.

They had those guns in the city of Washington, which last year passed one of the toughest local gun-control laws in the United States. Nobody is certain yet about where the Hanafi Muslims got their guns. But they got them. And easily. And they used them a block away from the headquarters of the National Rifle Association. And one person is dead. And people with guns killed him.

Now, perhaps, one last attempt should be made to pass tough federal legislation that will lead to the domestic disarming of the United States. This will be no simple task. It will take several years. But some basic steps can be swiftly taken. Some suggestions:

1. A national moratorium on the manufacture of all guns made for private use, such moratorium to last no less than five years.

2. A similar moratorium on the manufacture and/or sale of ammunition, except to law enforcement officers; the average citizen, including such endangered people as shopkeepers or rent collectors, cannot need more than 12 rounds of ammo a year for self-protection; if they expend more, they can apply to a local police station for a replenished supply.

3. A bounty of $50 for each old rifle or gun turned in to law-enforcement authorities. This would help dry up the supply of existing guns.

4. The closing of all pistol clubs for a period of five years; these clubs frequently lead to the proliferation of guns and ammunition, and help glorify the gun culture.

5. The requirement that hunters store their weapons in police stations, where each weapon would be registered, to be released only during the hunting season.

6. Mandatory long-term sentences for all criminals who use guns in the commission of a crime. There could be no exceptions to the length of such prison sentences; crimes with guns would automatically become federal crimes, the sentences mandated by federal law.

Such a program would infuriate the pro-gun people, the criminals and probably some civil libertarians. But the gun sickness in this country has reached epidemic stages. And if the current outbreak of armed lunacy in Washington is to become more than just another TV show, filled with blood and rhetoric, Congress must use the moment to change the laws about guns. Not next year. Not after the next election. Now.

NEAR-TERM ECONOMICS OF RESIDENTIAL SOLAR HEATING SYSTEMS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. FRASER. Mr. Speaker, the comprehensive energy program submitted to the Congress will undoubtedly stimulate public debate about this important policy issue. This debate will occur at a time when our energy outlook is rapidly changing.

Underlying these changes are previously unexpected and substantially reduced long-term demand projections. Moreover, in recent years many policymakers have assumed that a vastly expanded use of nuclear energy could compensate to a considerable degree for the decreasing availability of conventional fossil fuels. We are beginning to realize, however, that the nuclear option is a very capital-intensive one with potentially disruptive consequences for other sectors of the economy. Furthermore, increasing attention is being paid to concerns about this alternative energy source and its relation to health, safety, and nuclear proliferation issues.

As a result of changing perspectives about our energy future, it is clear that any new energy policy at the Federal level will need to focus on a broad range of resources and technologies, including energy conservation.

I would at this point like to insert an excerpt from an address to Barry Commoner, together with some comments by HUD, the National Bureau of Standards and ERDA, regarding one alternative technological system, the residential solar hot water heater. In this section of his speech, Dr. Commoner argues that solar hot water heating, complemented with proper insulation, is cost effective when compared to electric heating.

The excerpt follows:

[From Dr. Commoner's November 1976 Keynote address before the Congress of Cities National League of Cities annual meeting.]

A recent Washington University study by Bernard Yudow showed that a St. Louis Homeowner could cut his hot water bill, right now, by installing a solar collector to meet about 46 percent of the need, the rest being provided by electricity. Although the collector would cost $660 installed, amortized at eight percent bank financing it would still reduce the overall annual total hot water bill by 10 percent.

Nationwide, 24 percent of all homes now use electric water heaters, which consume 16 percent of all residential electricity, second in demand only to refrigeration. Based on the St. Louis data, these homes could be equipped for about one-half solar hot water at a total cost of about $10.5 billion. This investment would save about 30 billion kilowatt-hours of electricity, worth about $1 billion (at $.03/kwh), annually. This energy saving could eliminate the need for about seven million-kilowatt nuclear power plants, costing about $1.3 billion each. So, as a rough estimate, the nation could produce the same amount of hot water by investing $10 billion in solar collectors or in nuclear power plants. But the solar collectors are likely to be much more reliable and certainly much less risky than the nuclear power plants; and besides, you don't need to be a multibillion dollar corporation to buy one.

These examples show that insulation and solar heating can be used to counteract rising utility costs, with future, and in some cases present, savings to the householder—if suitable financing can be arranged.

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., January 11, 1977.

Hon. DONALD M. FRASER,
Longworth House Office Building,
Washington, D.C.

DEAR MR. FRASER: I am sorry for the delay in replying to your letter of December 22, 1976, asking for my comments on a portion of Dr. Barry Commoner's keynote address to the National League of Cities meeting last November.

Dr. Commoner's statement that solar domestic water heating systems are already economically competitive with conventional systems in some applications and parts of the country is quite correct. The equation, however, is dependent upon several variables—the price of the system as installed, the size and efficiency of the system (that is, what percent of the total annual energy demand can it replace), the type and cost of financing, and the price (and rate of change in price) of competing fuels.

Dr. Commoner used an example from a recent Master's Thesis at the Washington University which showed that a $660 investment, financed at 8%, could buy a domestic water system to carry 46% of the load and reduce the total hot water bill by 10%. We could quibble with the individual numbers used in the study: for example, solar systems providing domestic hot water for single family residences in our current residential demonstration program are averaging about $1,500 each installed, with estimated efficiencies of 65%–75%. But there is no "industry price" as yet, and the prices for individual systems vary widely. For instance, solar domestic hot water systems in larger multifamily buildings are coming in at about $700 per dwelling unit.

We and ERDA have noted that solar domestic water systems can be competitive in areas of high electric rates, say over 5¢/KWH, and may be competitive elsewhere based on the other factors. In general, at current controlled gas rates and with current system prices, such systems are not competitive with gas in areas where gas is still available.

HUD's portion of the national solar program . . . includes collecting data on actual operating costs and experience, as well as the development of techniques to permit homeowners, lenders, and builders to estimate just what the cost and cost tradeoffs are for various approaches.

I trust that these comments answer your question. If you have any other questions, please call.

Sincerely,

DAVID C. MOORE,
Program Manager, Solar Heating and Cooling Demonstration Program.

U.S. DEPARTMENT OF COMMERCE,
NATIONAL BUREAU OF STANDARDS,
Washington, D.C., January 10, 1977.

Hon. DONALD M. FRASER,
House of Representatives.
Washington, D.C.

DEAR MR. FRASER: This is in response to your recent request of December 22, 1976, for an evaluation of Barry Commoner's cost comparison of residential electric water heaters with combined electric-solar water heaters and an evaluation of combined gas-solar hot water heaters.

We have made the cost evaluations which you requested based on the information given in the excerpts from Commoner's address, plus our own assumptions for key values which were not given in Commoner's address. Because results of the cost evaluations are sensitive to these assumptions, we feel that our response should at least indicate the range of outcomes which are possible depending on the particular values assumed.

Enclosed is a table which gives the net annual savings (or losses, where a minus sign precedes the number) expected to result from investing $660 in a solar hot water system which saves 48 percent of the energy which would otherwise be provided by either an electric resistance system or by a natural gas system. Row 1, column 1 of the table shows that the system described would about break even over 15 years if used in combination with an electric resistance heater (and in place of the electric resistance heater used alone), provided the initial fuel price of $.03/KWH increases only about as rapidly as other prices in the economy. However, if the initial $.03/KWH price increases at an annual rate 10 percent greater than most other prices, the solar energy system is estimated to be quite profitable, with a net annual savings equivalent to $140 over the assumed 15 years life of the system. Looking at the third and fourth columns of the first row of the enclosed table, we find that when substituted for natural gas at $.24/therm, the solar energy system loses money if future gas prices do not increase rapidly; and yields modest savings if gas prices rise at a rate of 10 percent per year faster than most other prices.

The remaining rows 2 through 6 show the impact of changing certain of the other assumptions. Row 2 shows that estimated savings would be somewhat higher if the effects of taxes were not included in the analysis. Row 3 shows that the use of a higher interest rate to discount future energy savings would reduce estimated savings. Rows 4 and 5 show the beneficial effect on savings of two government incentive programs: a grant of 25 percent of the solar energy system cost and an exemption of the assumed 4 percent property tax on the solar energy system. The last row shows the negative impact on net savings of increasing the cost of the solar energy system from $660 to $1,000. This comparison is useful in light of the fact that the $660 system cost appears somewhat optimistic.

From this analysis, it appears that given the stated cost and performance of the system, solar energy would reduce the cost of hot water heating when substituted for electric resistance heating; the amount depending strongly on future energy price escalation. The value of solar energy is much less clear when used in place of a less expensive natural gas system. It may increase the cost of providing hot water unless gas prices escalate sharply. Based on the estimates shown in the table, it would appear that Commoner's estimate of a 10% overall reduction in the annual hot water bill is somewhat high.

The estimates presented in the table were developed using the basic evaluation method, with several moifications, that is described in the enclosed report, NBSIR 76-1127. . . .

Sincerely,

ROBERT D. DIKKERS,
Program Manager, Solar Energy Program, Office of Housing and Building Technology.

NET ANNUAL SAVINGS OVER A 15-YEAR LIFE FOR A COMBINED SOLAR HOT WATER HEATER WHICH COSTS $660 AND SUPPLIES 48 PERCENT OF A 90-GAL/DAY LOAD[1]

Other assumptions	In combination with electric at $0.03/kWh		In combination with gas at $0.24/therm.	
	Future electric price escalation equal to general price inflation	Future electric price escalation 10 percent greater than general price inflation	Future gas price escalation equal to general price inflation	Future gas price escalation 10 percent greater than general price inflation
	(1)	(2)	(3)	(4)
(1) Residential use, assuming a 32 percent composite tax bracket, 4 percent property and sales tax, 4.5 percent after-inflation loan interest rate, and a 3 percent after inflation discount rate	$8	$140	−$48	$15
(2) Without consideration of income and property taxes[2]		148		
(3) With a 10 percent after-inflation discount rate[2]		105		
(4) With a grant: 25 percent of system cost[2]	29			
(5) With exemption of property taxes[2]	26			
(6) With system cost raised from $660 to $1,000[2]		101		

[1] These calculations are based on the use of a $660 solar energy system in conjunction with a conventional electric resistance hot water heater or a natural gas hot water heater with thermal efficiencies of 80 percent and 45 percent, respectively. The capital costs of the conventional hot water heaters are assumed to remain constant with or without the solar energy system. Net annual savings would be raised slightly if it were assumed that the purchase price of the conventional system in combination with solar is less than the purchase price of the conventional system used alone.

[2] Note that the set of assumptions given in row 1, hold for the subsequent rows, except for those assumption(s) which are explicit.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION,
Washington, D.C., February 22, 1977.

Hon. DONALD M. FRASER,
House of Representativese.

DEAR MR. FRASER: I have read, with interest, the section of Dr. Barry Commoner's speech which was enclosed with your letter of December 22, 1976. Dr. Commoner's calculations of the cost effectiveness of solar energy are generally correct. Such comparisions depend upon the region of the country, the price of alternative fuels, and other variables. For example, with the present 1¢ per kilowatt hour electric rates paid by residents in the Seattle, Washington area, solar water heating cannot compete against electric water heating. On the other hand, in areas in the northeast where electric rates range from 5¢ to 8¢ per kilowatt hour, solar water heating may indeed be cost competitive.

Enclosed is a study of the economics of solar water and space heating. This study examined the cost competitiveness of solar water heating and combined water and space heating under a variety of different assumptions of 13 regions of the country.

Dr. Commoner's analysis of the potential of solar water heating to displace nuclear power plants is more complex. Solar water heating does not provide 100% of the demand, i.e., some sort of backup (electricity capacity) to the solar system will be required for periods of successive cloudy days. When inadequate provision is made for energy storage, installation of solar water heaters can have relatively little impact upon displacement of baseload nuclear or coal power plants. A major study of the problems involved in interfacing solar energy systems with public utilities will be available next month, and I will send you a copy.

Thank you for your interest in ERDA's solar energy program.

Sincerely,

H. H. MARVIN,
Director Division of Solar Energy.

Mr. Speaker, it is clear from the above comments that there is a general consensus among these agencies that—on the whole—Dr. Commoner's presentation of calculations of the cost-effectiveness of residential solar heating is indeed correct. Furthermore, a number of economic and political forces are gradually converging to make solar heating also increasingly economical when compared to heating systems using conventional fuels such as oil and natural gas. For instance, it is expected that the present trend of increasing prices at a rate higher than the rate of inflation will make solar systems more and more attractive to prospective buyers. In addition, there is a widespread momentum toward the development of State and Federal policies facilitating the application of solar energy. These include proposals for revising building codes and providing economic incentives to purchasers of solar equipment.

These various expectations about trends regarding the viability of solar energy have been buttressed by a recent Mitre Corp. study analyzing the immediate and near-term economic viability of residential solar heat in comparison to a variety of conventional heating systems. One of the main conclusions of the Mitre study is that solar hot-water-heating systems can reasonably be expected to be economically competitive with oil heaters in several parts of the country in the not to distant future.

Table III follows:

TABLE III.—ECONOMICS OF SOLAR HOT WATER AND HEAT SOLAR ECONOMICS FOR 15 DOLLAR/FT² INSTALLED COST

[Definition: A system is economic if positive savings occur in 5 yr or less or payback occurs in 15 yr or less. Y=yes]

	Hot water			Hot water and heat			
	Electric	Oil	Gas	Electric	H.P.	Oil	Gas
Atlanta	Y			Y		Y	
Bismarck	Y	Y		Y	Y	Y	
Boston	Y			Y			
Charleston	Y	Y		Y		Y	
Columbia	Y			Y			
Dallas/Fort Worth	Y			Y			
Grand Junction	Y	Y		Y	Y	Y	
Los Angeles	Y	Y		Y	Y	Y	
Madison	Y			Y	Y		
Miami	Y	Y		Y		Y	
New York City	Y			Y	Y		
Seattle							
Washington, D.C.	Y			Y			

Note: From An Economic Analysis of Solar Water and Space Heating, The Mitre Corp., 1976.

These studies clearly indicate that solar heating system are increasingly feasible from an economic standpoint. One major challenge remains, however: the need for adequate storage systems.

When solar systems have the capability to function independently of conventional systems, we should be able to plan for an energy future involving a mix of resources that are reliable, economical, safe and environmentally sound. Solar energy should be an integral part of such an energy mix.

ENVIRONMENTAL ACTION, INC.

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. RHODES. Mr. Speaker, the vast majority of groups and organizations which monitor congressional votes and publish ratings of Members are both responsible and conscientious.

That this is so was demonstrated earlier this year when many such groups participated voluntarily in a conference sponsored by the nonpartisan Fair Campaign Practices Committee. The conference was scheduled for the purpose of discussing how ratings of public officials can be made in a more accurate manner.

Unfortunately, one organization that did not attend the conference is the one against which more complaints have been made than probably any other. Environmental Action, Inc., which since 1970 has put out the so-called Dirty Dozen list, utilizes a vote selection criteria that in the opinion of many makes very little sense.

If any organization is in need of some intensive self-examination, it is certainly Environmental Action, Inc.

Mr. Speaker, one Member who appeared on the 1976 Dirty Dozen list, the Honorable JAMES CLEVELAND of New Hampshire, has written a highly incisive article which was published recently by the New York Times. Congressman CLEVELAND makes an excellent rebuttal to the selection of 1 of the only 14 votes used in the creation of the Dirty Dozen. Similar cases can be made against other votes chosen by the group.

Despite his presence on the Dirty Dozen list, Congressman CLEVELAND was reelected with 61 percent of the vote. My own experience was similar. For my percentage of the vote improved by seven points over 1974. In fact, only 3 of the 12 Members targeted by Environmental Action, Inc., were defeated.

On this basis alone, Environmental Action, Inc., ought to be realizing that something is awry in its operations:

WESTWAY AND THE "DIRTY DOZEN"

(By James C. Cleveland)

WASHINGTON.—In each Congressional campaign since 1970, 12 House members have been labeled the "Dirty Dozen" and targeted for defeat as the most consistent opponents of strong environmental legislation. The selection is made by the Environmental Action lobbying group, which claims to use stringent rating criteria, including floor votes on what are portrayed as key environmental issues.

In response, Congressmen so named label the rating practice unfair and misleading, an exercise in distortion and misrepresentation. Where does the truth lie? A revealing answer lies in Environmental Action's treatment of one of 14 votes it used in the 1976 campaign, involving the $1.2 billion Westway interstate highway project in New York City.

I believe a project like Westway can enhance the urban environment if well-designed and coordinated with adjacent redevelopment. If some disagree on environmental grounds, I would question their judgment but not necessarily their motives.

But one may indeed question Environmental Action's use of a Westway vote as an environmental "saliva" test, and particularly its distortion of the issue to portray Westway supporters as environmental thugs. The environmental case against Westway is far from clear-cut, much less overwhelming, and failed to persuade Mayor Beame, Governor Carey and former Transportation Secretary William T. Coleman Jr.

The project's benefits include improved mass transportation (express buses), removal of commuter and truck traffic from local streets, reduced air pollution and fuel consumption, land made available for parks, recreation and other river-front amenities.

In its attack, Environmental Action asserts that I and others tried to gut a provision of law, known as "interstate transfer," which permits cities to abandon planned interstate-highway projects and substitute mass transit with equivalent Federal funding. It charged that a key highway-bill amendment we supported would have attached "severe financial penalties to those localities attempting to use the interstate transfer mechanism to fund local mass transit."

In reality, we sought to prevent a city from deliberately obtaining approval of an interstate-highway project newly redesigned to higher construction costs—roughly doubled now in the case of Westway—and then scrapping it for a transit substitute.

The background: Bella Abzug, then in Congress, was determined to see the cost of Westway increased on paper, followed by its abandonment and substitution of mass-transit funding at an artificially inflated level. But the law based the amount of Federal funding for a transit substitute on the cost of the interstate segment being abandoned, as that segment was designed before 1973 when the interstate transfer provision was enacted. (Cost updating was permitted to adjust for inflation, but not redesign solely to fatten up the turkey for the kill.)

Therefore, Mrs. Abzug sponsored an amendment to base an interstate project's "transfer value" on the cost of the latest design, in effect doubling the amount of transit funding the city would obtain by scrubbing Westway as most recently designed. It also prohibited the Government from requiring any payback of Federal highway funds spent on projects later abandoned. Cities thus could convert land acquired for right-of-way to other uses or sell it and pocket the proceeds without jeopardizing their substitute transit funding.

I opposed this as a fiscally irresponsible subversion of the interstate-transfer provision, and supported a counter-amendment to keep the law as is (rather than abrogate anything or penalize anyone, as Environmental Action charged). We lost.

Interestingly, "environmentalists" argued throughout that continuation of the Highway Trust Fund (not the Abzug amendment) was the key environmental issue in the highway bill. They supported Mrs. Abzug on grounds of "flexibility," ignoring the amendment's cost-ballooning gimmickry and anti-Westway origins; they opposed "payback" requirements, but only on the false grounds that funds to be paid back otherwise would be earmarked for transportation.

Though named to the Dirty Dozen in 1976, on these and other equally spurious grounds, I won re-election with 61 percent of the vote. Thus, these observations are not to mitigate personal political damage but to question the credibility of Environmental Action and its Dirty Dozen campaign committee. In the absence of responsible challenge, such groups distort the political and leigslative processes, fostering legislation like the Abzug shuffle and endangering worthwhile projects like Westway.

URBAN MASS TRANSPORTATION ACT OF 1964

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. HOWARD. Mr. Speaker, I am today introducing a bill to place before the 95th Congress the same issues as H.R. 3155 did in the 94th Congress. This is a bill amending the Urban Mass Transportation Act of 1964 with particular emphasis on mass transit aid in areas other than urban areas and in dealing with accessibility for the elderly and the handicapped.

The major problem area in this bill has

to do with the elderly and handicapped provision.

The bill as introduced offers a different approach in this area. I am not wedded to any particular approach to solve this problem, but it has become apparent that there will have to be some give and take by the various interests involved.

As the committee proceeds to sort out the various aspects of accessibility, including new regulations under development by the administration, new developments which have arisen since the bill was considered last year will be brought into the picture. I want to make it clear that the bill in no way is intended to prejudice the Secretary's transbus decision, which he has promised to deliver by May 27 of this year.

I would hope that this bill could be acted upon expeditiously so that the committee can proceed to consider in detail the total transportation problem during this 95th Congress.

THE U.N. AMBASSADOR

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. RANGEL. Mr. Speaker, I would like to share with my colleagues an editorial from the January issue of Crisis magazine which offers some insights into the man who is our new U.N. Ambassador, the Honorable Andrew Young. The editorial suggests that the indepth experience that Ambassador Young has had as a black in America might possibly serve as an asset as he embarks upon his mission at the United Nations. Herewith, I submit "Mr. Ambassador":

MR. AMBASSADOR

Andrew Jackson Young, Jr., is now the United States Permanent Representative to the United Nations. The post is one which carries immense prestige, and Mr. Young is the first black man to fill it. He comes well qualified in terms of both experience and temperament.

Mr. Young has represented Georgia's Fifth Congressional District in Atlanta since 1972, having been elected by a constituency which is sixty per cent white. He has been to Africa six times, most recently to a week-long conference in Lesotho sponsored by the African-American Institute. He has a personal familiarity with many leaders on that continent which represents the numerical majority of nation-states at the United Nations. Mr. Young was a strong and effective civil rights leader during the turbulent sixties, serving as chief lieutenant to Dr. Martin Luther King and as executive director of the Southern Christian Leadership Conference.

In those hectic, brutal days, Mr. Young was in the front lines. He faced snarling police dogs and powerful firehoses. He led the march from Selma to Montgomery. He was threatened, harassed, beaten and jailed. Out of it all came a toughness of character. Mr. Young later developed a reputation as a conciliator.

As Ambassador to the United Nations, those two qualities will have considerable value to Mr. Young, for he will have to relate to both developed and underdeveloped nations, each pressing its own selfish interests and, at the same time, accomplish the unprecedented feat of maintaining top-level contact with the Secretary of State and the President. Previous U.N. Ambassadors have had the handicap of receiving instructions not from the Secretary of State but from second- and third-string State Department functionaries.

Mr. Young is reported to have held an in-depth conversation with Cyrus R. Vance in advance of acceptance of the Ambassadorship to clarify their relationship. It is a known fact that Mr. Young has a close relationship to Jimmy Carter. Let us hope that these facts will give him the power which belongs in his post, but which previous ambassadors found elusive.

If the new administration is wise, it will ensure that Mr. Young work in conjunction and parallel with Mr. Vance, for the new ambassador may be able to employ an asset previous American ambassadors have not possessed—his skin color.

How is that an asset? Firstly, it suggests to the world that the United States is at long last, attempting to treat its black citizens as full citizens. That alone will be significant to the image of this country as held by the Third World. Secondly, the non-European countries, the non-white countries—the Third World—are likely to find at least an initial affinity for the non-whiteness of Mr. Young's skin. Whether the Ambassador will find this an aid in developing any kind of effective long-term negotiating ability will depend entirely upon the fairness and realism in the developing foreign policy of the new administration, plus the support Mr. Young receives from Mr. Vance and Mr. Carter.

The United Nations should be color-blind, and in interpersonal relationships it does succeed remarkably well. At a nation-to-nation level, however, as long as there remains even a hint of European-American alliance against the Third World, skin color will affect world politics.

Mr. Young was born in New Orleans on March 12, 1932. He attended Dillard University, Howard University and Hartford Theological Seminary. He worked for the passage of the Civil Rights Act of 1964 and Voting Rights of 1965. He has received a number of honorary degrees. He is a fully-paid Life Member of the NAACP. He is married to the former Jean Childs. The couple has four children.

* * * AND SOME OF HIS CONCERNS

Frequently, the NAACP has taken positions on foreign affairs. Particularly regarding Africa, the Association has been consistently outspoken. Although all resolutions which were adopted at the Sixty-seventh Annual Convention, held in Memphis, were published in the December issue of THE CRISIS, it seems appropriate to reproduce here those dealing with Africa.

SOUTH AFRICA

Whereas, the National Association for the Advancement of Colored People is greatly disturbed by, and strongly condemns, the mass killings by South African authorities of blacks protesting mandatory use of Afrikaan Language in township schools; the repressive measures in South Africa point up the urgency of eliminating apartheid and white minority rule in that country, and

Whereas, it is time for the United States to urge and support the imposition of unilateral and more effective sanctions against the South African Government until such time as minority rule is disestablished,

Be it resolved, that we call on our government to demonstrate its sympathy and support of the protest of South African students against morally indefensible and democratically incompatible educational policies.

Be it further resolved, that we urge the United States Government to continue to take all public and diplomatic action to make evident its firm commitment in opposition to the racist policies of the South African regime and the barbaric treatment of its non-white citizens.

Be it finally resolved, that recognizing that the actions of South Africa are incompatible with the American ideal being celebrated in the Bicentennial of this nation's founding, we urge our government to rescind the invitation to the South African Navy which is sending a frigate, SAS President Kruger, to the United States to participate in the July 4 Naval Review.

SOUTHERN AFRICA

Through the years the NAACP has opposed colonialism and all forms of oppression in Africa. Historically, the Association has instituted and participated in Pan-African conferences under the leadership of Dr. W. E. B. Du Bois, Walter White and Roy Wilkins, and supported the development of the emerging nations of that continent.

We have vigorously opposed apartheid practices in South Africa and opposed white minority rule in Namibia, Rhodesia and South Africa. We note with approval the recent statements of Secretary of State Henry Kissinger on African setting forth, at long last, a U.S. policy seeking majority rule in those African states still dominated by white minority governments. We shall expect this policy to be speedily and vigorously implemented.

We urge NAACP units to sponsor programs to further enlighten the general community on living conditions of blacks in Southern African countries.

REPUBLIC OF SOUTH AFRICA

We reaffirm our 1975 resolution on Southern Africa and the Republic of South Africa. While there has been some publicized relaxations of apartheid policies in South Africa with respect to visitations of selective blacks from abroad, the South African regime is still implementing its racist policies and practices, enforcing repressive laws of detention, employment discrimination, and denying suffrage and representation to the black, colored and Indian populations.

In a reaffirmation of our 1975 resolution, we urge the U.S. Government to call on American business firms, individuals, religious and secular institutions to cease their investing in South Africa until apartheid is ended and majority rule becomes a reality.

NAMIBIA

We reaffirm our policy statement of 1975 on the illegal occupation of Namibia by the Republic of South Africa.

We call upon the U.S. Government to prevent American companies from operating in Namibia and aiding the South African economy; to support the World Court decision and the mandate of the United Nations calling on South Africa to withdraw from Namibia.

RHODESIA—ZIMBABWE

We note the crucial state of the freedom fight in Zimbabwe bordering on revolution, and the continued implacable posture of the government of Ian Smith with respect to recognizing majority rule and representation in the government. We call on the U.S. Congress to reimpose the boycott of Rhodesian chrome by rescinding the Byrd Amendment which permits the importation of chrome into this nation.

Further, we call for vigorous support, by our government, of the efforts of Rhodesian (Zimbabwian) blacks to attain majority rule in their country through peaceful struggle.

PHOENIXVILLE PHANTOMS

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. SCHULZE. Mr. Speaker, I am proud to share with my colleagues the accomplishments of a group of young

men from my congressional district. For the second successive year the wrestling team from Phoenixville High School has won the Ches-Mont League championship. Under the able guidance of Coach Lonny Moore, Assistant Coach William Jackson, and Athletic Director Edward Aurand this team of fine young athletes has brought honor to their school, themselves, and the community in which they live. These young men, some of whom will now advance to district and regional competition, epitomize what I believe is the good that is too often ignored in the youth of America today. If the schools of this great country can produce young men of this caliber then the community and the Nation will be the eventual benefactors.

The names of the members of this championship team are Joseph Holland, Peter Famulari, Peter Giannopoulous, Donald Harrop, Gary Szydlowski, Mark Kagle, Steve McGovern, John Leo, Joseph Tornetta, Neil Pufko, Joseph Parry, and John Giannopoulous.

I congratulate them, their coaches, and their school for this outstanding achievement.

HOW SWEET IT WAS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. WHITEHURST. Mr. Speaker, in the Wall Street Journal for March 14, 1977, there is an excellent editorial outlining some of the problems surrounding the FDA's action in proposing a ban on saccharin.

The Journal's points are well taken, and I am today introducing legislation which would do just what the editors suggest; namely, change the Delaney clause. I am pleased to share this editorial with my colleagues, and I hope that many of them will join me in cosponsoring my bill when I reintroduce it early next week.

[From the Wall Street Journal, Mar. 14, 1977]

HOW SWEET IT WAS

The Food and Drug Administration announcement that it intends to ban the production and distribution of saccharin has stirred up a small firestorm of protest. The president of the Calorie Control Council called the FDA action "an example of colossal government overregulation in disregard of science and the needs and wants of consumers." And the agency has been assailed by phone calls from ordinary people as well—"some of them in tears," an FDA official reported, "demanding that we leave saccharin alone."

Now in one sense these complaints to the FDA are misdirected: In banning saccharin, the agency is only doing what the law very clearly requires it to do. In 1958 an amendment to the Food, Drug and Cosmetic Act directed the FDA to deem any food additive unsafe "if it is found," after "appropriate" testing, "to induce cancer in man or animals." This "Delaney clause"—immortalizing Representative James J. Delaney—does not allow the agency to judge how much of the additive may produce the cancer, how much benefit it brings to consumers or any other such consideration.

In the 80 years that saccharin has been in use in America, there's no evidence that anyone has gotten cancer from eating it. And until recently, laboratory tests also failed to show any harm from the substance. But now research sponsored by the Canadian government has found that saccharin can indeed be made to cause cancer in rats—when you feed the poor things as much of the stuff as a human would get if he drank 800 diet sodas a day for a lifetime. Nevertheless, the law is clear about what must be done with such a finding: Saccharin has to go.

It seems to us that our colleagues at The New York Times were just about right in proposing what to do about this matter. We should, very simply, change the Delaney clause—and change it because it now forbids us to balance costs against benefits in the way that is necessary if we are to make reasonable decisions in this or any other policy area. But we might also consider the more general lesson that the saccharin ban teaches, because it came to pass through a process and an attitude that are encroaching on more and more of our health and safety legislation.

The legislation of the past 10 years rarely goes so far as to prohibit outright a systematic analysis of the costs and benefits of various regulations, but it does systematically derogate the idea of considering costs and complexities. In the field of air pollution, the Environmental Protection Agency does not have costs included among the factors it should take into consideration when drawing up its health-related air quality standards. In the field of consumer product safety, the regulators are told to make assessments of the economic impact of their acts but not to use those assessments in actually making their decisions.

In short, the saccharin ban is not some freak accident. Our elected representatives have proved willing to tolerate a good deal of harm to the rest of us rather than permit our regulatory decisions to take the world's complications into account.

This kind of thoughtless intervention in people's lives is simply a little bit crazy—and yet it has been urged upon us in recent years with such righteous fervor that its opponents have had to spend their time defending themselves against charges of outright moral turpitude. Maybe now the very visible example of saccharin will make it a little easier to point out that even in health policy, the most uncompromising position is not necessarily the one that reveals the best motives or deserves the readiest approval.

SAVE YOUR VISION WEEK

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. RHODES. Mr. Speaker, last week was Save Your Vision Week.

This is one observance Americans should pay special heed. Sight is a most precious gift. It should be guarded with care.

The 1977 occasion of Save Your Vision Week is the 50th anniversary of this event. A farsighted group of optometrists began it in 1927 as a means of focusing attention on the value of good vision and the need for all Americans to take care of their eyes.

Congress saw the significance of this week in 1963, and by joint resolution, called upon the President to make it official by annual proclamation.

We in the United States are blessed with excellent vision care. Great advances have been made over the past half century in preventive and restorative procedures. Researchers today are working diligently to seek out the causes of vision problems, find new ways to prevent vision damage and to develop new methods to treat and cure common vision ailments.

The American Optometric Association notes that the best way to give this week meaning is to participate in an eye care program of periodic examination to detect vision changes.

The American people today are reaping the gains of five decades of vision care progress, and can look ahead toward even better vision protection in the years ahead.

A PILGRIMAGE TO DACHAU

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. HANNAFORD. Mr. Speaker, with permission I would like to present to you and to my distinguished colleagues the recollections of a talented and sensitive constituent, Mr. Roy Fenstermaker of 4223 Hackett Avenue, Lakewood, Calif.

Mr. Fenstermaker recently received the George Washington Honor Medal Award from the Freedoms Foundation at Valley Forge for his address entitled, "A Pilgrimage to Dachau." It is an honor well-deserved.

I am sorry that the publication of these remarks cannot truly capture the depth of the meaning and feeling which undoubtedly can be found in Mr. Fenstermaker's oral rendering, but the words by themselves are moving nonetheless and certainly worthy of your attention.

The article follows:

Buchenwald . . . Auschwitz . . . Bergen Belsen . . . Nordhausen . . . Dachau. . . .

My friends: I'm sure most of you recognize these places, if only from what you've read in your history books. They were, of course, five of the most notorious of Hitler's hundreds of concentration camps.

I was reminded of one of them, Dachau, the other night when I read in the paper about the revival of cross-burning and swastikas in the United States.

My thoughts went back to a visit I made to Dachau in 1972. Tonight I want to recreate that visit. I want you all to come with me, if you will, on a Pilgrimage to Dachau.

See for yourslf what cross-burning, racial and religious intolerance can lead to. Then ask yourself whether there is any place for racial and religious intolerance in these United States—especially in this the 200th anniversary of the birth of a nation founded on the principles of Freedom of Speech, Freedom of Assembly, Freedom of the Press, Freedom of Religion.

Come my friends. Tread with me the stones of Dachau . . .

Our pilgrimage begins in a little town about ten miles northwest of Munich, Bavaria. Here in 1933, Heinrich Himmler, the Gestapo Chief, established the first Nazi concentration camp.

There is only one entrance and, as you go through the gates, you look up and see written in letters of wrought iron the words: "Arbeit Macht Frei",—"Work shall make you Free!"

These were the same words seen by 300,000 German, French, Dutch, Polish, Russian, and Austrian prisoners.

They were words of Hope. and *Betrayal* to these 300,000, to the 32,000 named individuals who died in this camp, as well as the countless thousands of other, unnamed, shipped off in box-cars to die in the gas chambers of other camps.

As you enter the compound, the first thing that meets your eye is a ditch, on one side a wall, the other a barbed wire fence and, at intervals, guard towers.

As the late afternoon shadows are falling, you almost imagine to yourself that you see the silhouette of a helmet in the tower. You ask yourself if that long shadow is the muzzle of a machine gun poking out, pointing at you, ready in another instant perhaps to belch fire, ending forever this little interval of life that you treasured so much.

Do you feel the chill winds of Dachau come over you?

You turn away. And there in the center of the compound you see two rows of concrete slab foundations.

These are all that remain now of the 34 barracks built here in 1933, each of them hardly larger than this room, designed to hold precisely 208 prisoners. And yet by the end of the war, each of them contained 1600 prisoners apiece.

Day and night, summer and winter, there was no escaping the heat, the cold, the filth, the stench, the dysentery, the disease seeping through the very cracks in the floors of the barracks, until at the liberation, when the American Third Army marched in, our troops were forced to burn these charnel houses to the very ground.

You stoop over and pick up a few peebles. Yes, these *are* the very stones of Dachau, a memento of your Pilgrimage. As you hold them in your hands, you look at them and ask yourself: "What crimes did they witness? What bloody feet trampled them? What cries of despair did they hear?"

Oh, if these stones only had tongues to tell the real story of Dachau. . . .

Would they tell perhaps of 40,000 prisoners jamming this great compound at one time, wandering aimlessly about, clutching their pitiable striped rags, gaunt, glassy-eyed, begging for a scrap of bread, a word of pity—hoping against hope to hold off for just one more day the beatings, the experiments, the gas chambers, the furnaces. . . .

Are these the creatures of whom the divine poet wrote "God made a little less than the angels"?

Do you see in one of them the figure of your own father or mother, a son, a daughter, a husband, a wife?

Does a lump catch in your throat, pilgrim? Does a mist cover your eyes?

Look! There at the end of the compound, beyond the crematory, is a symbol of hope . . . three memorials built here since the war.

The one on the right bears the Star of David, a memorial temple to all the Jews of Dachau.

In the center is a Catholic chapel to the memory of 100,000 Catholics imprisoned here.

You enter the Protestant chapel on the left. You go in just as the chaplain is speaking. Listen:

"I am Pastor Christian Reger. My name is "Christian" and I am a Christian. I spent four years here in Dachau, 1941–1945. I was prisoner Number 26661. I was arrested in my little church in Pomerania one Sunday morning for talking against the Nazi doctrine of euthanasia, the murder of the old and the weak. My organist testified against me. Unknown to me, he was a Gestapo agent. . . ."

But Pastor Reger does not talk hatred or vengeance. He talks only of tolerance.

He tells of the Catholic priest, a prisoner—one of 1,200 in the camp, by the way—who gave up his last rations of bread to a Communist, and himself died of starvation, weighing eighty-five pounds.

He tells how all the prisoners in his own barrack gave up their rations one day in order to bribe a guard to save the life of an old Jewish rabbi, who despite this was taken out and shot the next day.

And so he goes on with story after story of evil, cruelty, courage, heroism, and self sacrifice—but especially tolerance, that bond of humanity that, for some reason or other, could endure even beyond the very gates of Hell, itself.

When Pastor Reger finishes his talk, you walk slowly, so slowly, up the ramp and into the twilight. Darkness is settling once more over Dachau as you retrace your steps to the gate.

Then you turn about, look over this great compound and ask yourself:

What was the meaning of all this? How did it begin?

Did it begin with the smashing of a synagogue window? The howling down of an opposing political candidate? The burning of a cross on a dark night?

Did it all begin in a human heart?

What lesson does Dachau have for an American in this 200th anniversary of the birth of Freedom? The answer comes back to you out of the ditches, out of the furnaces, out of the very stones of Dachau:

Tolerance! Tolerance! Tolerance!

My friends and Fellow Americans, Pilgrims, your pilgrimage is over. Or is it? Perhaps, just perhaps, it has only really begun. . .

A GOOD SAMARITAN FOR NALA

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. SANTINI. Mr. Speaker, occasionally one comes upon an act of unsolicited generosity that calls for some form of recognition. Recently such an act took place within my district and I feel it only proper to call it to your attention.

Dr. Ronald M. Melmed, of Greenwich, Conn., was recently vacationing in Las Vegas when he heard news accounts of a Lain-American day care center which was floundering financially. The center had been denied a Federal grant due to qualification complications and had been forced to close after local support ran out.

Dr. Melmed took time out from his vacation to meet with Mrs. Aida Brents of the Nevada Association of Latin Americans and hear the story of the troubled center. His heart went out to the working parents who used the center to care for their children during the day in order to hold down their jobs.

The doctor became the Good Samaritan of the Biblical story by providing the remedy the center so badly needed—a generous $3,000 donation from his own pocket. Today the center is back on its feet, receiving more local donations. Its future looks a little brighter, thanks to the initial beneficence of Dr. Melmed.

Mr. Speaker and fellow colleagues, the acts of this fine gentleman are truly worthy of this small tribute. His personal sacrifice has truly enriched the lives of many in Southern Nevada and can serve as an inspiration to all Americans.

STATEMENT ON REINTRODUCTION OF SOLAR ENERGY FOR HOMES ACTS

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. BAUCUS. Mr. Speaker, on February 7, 1977, I introduced a package of three bills (H.R. 3127, 3128, and 3129), known collectively as the "Solar Energy for Homes Acts." The basic purpose of the bills is to insure that solar heating and cooling equipment is treated the same as conventional equipment for the purposes of Federal housing loan programs. Structural features of the current programs tend to discriminate against solar equipment; these bills would remove those features and include solar equipment on an equal basis.

In the past month, 72 Members have asked that their names be added as cosponsors of these bills. I have today reintroduced the bills with their names on them. These cosponsors represent 29 States and both parties. Among them are several members of the subcommittees to which the bills were sent.

The advantages of solar power have been discussed so often that I feel no need to review them here. Instead, I want to briefly describe exactly what each of my three bills do.

H.R. 3127 deals with housing programs of the Farmers Home Administration. The bill amends the Consolidated Farm and Rural Development Act to explicitly include solar equipment among the items for which farm improvement loans may be made or guaranteed.

H.R. 3128 allows the limits on HUD housing loan programs to rise by up to 20 percent to cover the extra cost of solar equipment. For example, under the program of mortgage insurance for homes for low- and moderate-income families, there is currently a limit of $21,600 on the size of a guaranteed loan for a single family home. This bill would allow the limit to rise by up to $4,320 if needed for the extra cost of a solar system. A low-income family might purchase a solar unit if it could get this extension; without the increase, a gas or electric furnace might be purchased instead. This bill also insures that solar equipment can be purchased with Community Development Block Grant Funds.

H.R. 3129 is designed to include solar equipment among the items for which VA guaranteed loans to veterans can be made. This bill stipulates that said equipment cannot exceed 20 percent of the value of the home in which it is installed. This provision is similar to the 20 percent section of the HUD bill.

Collectively, the bills have the advantage of creating no new bureaucracies or spending programs. I feel that it is important to avoid increasing the size of the bureaucracy every time a new need is perceived. We can provide Government loans for solar equipment within the current structure of housing loan programs.

Like many other offices, my office has received numerous requests for information on how people can get Government

loans or grants for solar equipment. Unfortunately, there are no currently funded programs of loans or grants set up specifically for solar equipment. However, an immediate solution to this probleb would be to direct people to the current VA, FmHA, and HUD loan programs. With the modifications contained in these bills, we will be able to do just that.

Several people have asked me how these bills relate to the solar energy package which I cosponsored along with several other Members on February 23. This second package has a much broader scope than my bills, dealing with international assistance, Federal buildings, agricultural applications, tax credits, and a special grants program. I view my three bills as a first step which can be quickly implemented and should precede consideration of more broad programs.

I am listing below the names of the cosponsors of this package, as well as copies of each bill in it. Any Members who wish to join the current cosponsors of this package or desire further information about it should contact Jerry Tinianow in my office at 53211:

COSPONSORS OF THE SOLAR ENERGY FOR HOMES ACTS

Mr. Ammerman, Mr. AuCoin, Mr. Badham, Mr. Baldus, Mr. Bedell, Mr. Blouin, Mr. Boland, Mr. Brodhead.

Mr. Brown of California, Mr. Brown of Ohio, Mr. Burgener, Mr. Carney, Mr. Carr, Mr. Dodd, Mr. Downey, Mr. Drinan.

Mr. Edgar, Mr. Edwards of California, Mr. Emery, Mr. Ertel, Mrs. Fenwick, Mr. Flippo, Mr. Fraser, Mr. Fuqua.

Mr Gephardt, Mr. Gibbons, Mr. Glickman, Mr. Harrington, Mrs. Holt, Ms. Holtzman, Mr. Howard, Mr. Hughes.

Mr. Jeffords, Mr. Kindness, Mr. Kostmayer, Mr. Krebs, Mr. Lehman, Mr. Lent, Mr. Mann, Mr. Miller of California.

Mr. Moakley, Mr. Moorhead of California, Mr. Murphy of New York, Mr. Neal, Mr. Nolan, Mr. Ottinger, Mr. Panetta, Mr. Pattison of New York.

Mr. Pease, Mr. Pepper, Mrs. Pettis, Mr. Pritchard, Mr. Rangel, Mr. Richmond, Mr. Rodino, Mr. Rose.

Mr. Roybal, Mr. Runnels, Mr. Santini, Mrs. Schroeder, Mr. Shipley, Mr. Simon, Mr. Sisk, Ms. Spellman.

Mr. Spence, Mr. Thone, Mr. Thompson, Mr. Volkmer, Mr. Weaver, Mr. Whitehurst, Mr. Charles Wilson of Texas, Mr. Wolff.

H.R. 3127

A bill to authorize Federal assistance under the Consolidated Farm and Rural Development Act with respect to using solar energy in residential structures on family farms.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 303 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923) is amended by inserting "(a)" immediately before the first sentence and by adding the following new subsection at the end thereof:

"(b) For purposes of this subtitle—

"(1) the term 'improving farms' includes the acquisition and installation of any solar heating, solar heating and cooling, or combined solar heating and cooling system in a residential structure located on a family farm;

"(2) the term 'solar heating' has the same meaning given such term in section 3(1) of the Solar Heating and Cooling Demonstration Act of 1974; and

"(3) the terms 'solar heating and cooling' and 'combined solar heating and cooling' have the same meaning given such terms in section 3(2) of the Solar Heating and Cooling Demonstration Act of 1974.".

H.R. 3128

A bill to provide more Federal assistance under certain housing programs for dwelling units which ultilize solar energy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Solar Energy for Homes Act of 1976".

INCREASE IN AMOUNT OF LOAN WHICH MAY BE MADE, INSURED, OR PURCHASED BY FARMERS HOME ADMINISTRATION, FEDERAL HOUSING ADMINISTRATION, AND GOVERNMENT NATIONAL MORTGAGE ASSOCIATION IF SUCH LOAN CONCERNS A DWELLING UNIT UTILIZING SOLAR ENERGY

SEC. 2. The administrator of any Federal program which is established by title II or III of the National Housing Act or title V of the Housing Act of 1949 shall increase by not more than 20 per centum any amount which represents a limitation on the amount of a loan that may be made on a single- or multi-family dwelling unit or a limitation on the amount of the principal obligation of a mortgage on such unit which may be insured or purchased under any such program, if such increase represents the increase in the cost of the dwelling unit which may be attributed to the unit's being heated or cooled (or both) by solar heating, solar heating and cooling, or combined solar heating and cooling, as defined in paragraphs (1) and (2) of section 3 of the Solar Heating and Cooling Demonstration Act of 1974.

INCREASE IN AMOUNT OF HOME IMPROVEMENT LOAN WHICH MAY BE INSURED IF THE LOAN IS USED TO ACQUIRE A SOLAR ENERGY SYSTEM

SEC. 3. Section 2(b) of the National Housing Act is amended by adding at the end thereof the following new undesignated paragraph:

"Notwithstanding any limitation in this section or in any other provision of law, the principal obligation of any loan or advance insured under this section and used for the acquisition and installation of any solar energy system may be equal to the reasonable, total cost of such acquisition and installation.".

AUTHORITY TO USE COMMUNITY DEVELOPMENT BLOCK GRANTS TO ENCOURAGE COMMUNITY DEVELOPMENT ACTIVITIES RELATED TO THE USE OF SOLAR ENERGY IN RESIDENTIAL HOUSING

SEC. 4. Section 105(a) of the Housing and Community Development Act of 1974 is amended by striking out "and" at the end of paragraph (12), by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; and", and by adding the following new paragraph at the end thereof:

"(14) payments to assist residential housing owners to acquire and install any solar heating, solar heating and cooling, or combined solar heating and cooling system, as defined in paragraphs (1) and (2) of section 3 of the Solar Heating and Cooling Demonstration Act of 1974, if such acquisition and installation is part of community development activities designed to utilize new energy resources.".

H.R. 3129

A bill to amend title 38, United States Code, to provide Federal loans and loan guarantees to veterans for the purchase and installation of heating and cooling systems which utilize solar energy.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1810(a) of title 38, United States Code, is amended by adding at the end thereof the following new paragraph:

"(7) To purchase and install solar heating, solar heating and cooling, or combined solar heating and cooling, as defined in paragraphs (1) and (2) of section 3 of the Solar Heating and Cooling Demonstration Act of 1974 (42 U.S.C. 5502), in any dwelling, farm residence, or residential unit described in paragraph (6), owned and occupied or to be owned and occupied by him as his home.".

SEC. 2. Section 1810(c) of title 38, United States Code, is amended—

(1) by inserting "(1)" immediately after "(c)";

(2) by inserting ", other than for the purposes of paragraph (7) of subsection (a)," immediately before "shall not be";

(3) by inserting ", other than paragraph (2) of this subsection," immediately before "and other"; and

(4) by adding at the end thereof the following new paragraph:

"(2) An amount of guaranty entitlement shall be available to a veteran for the purchase and installation of a solar energy system described in paragraph (7) of subsection (a) in an amount equal to the lesser of—

"(A) the reasonable, total cost of such purchase and installation; or

"(B) 20 per centum of the value, as determined by the Administrator, of the structure in which such system is to be installed.".

SEC. 3. Section 1811(d)(2) of title 38, United States Code, is amended—

(1) by striking out "in section" and inserting in lieu thereof "in sections 1810(a)(7) and" in subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting immediately after subparagraph (A) the following new subparagraph:

"(B) The original principal amount of any loan made under this section for purposes described in section 1810(a)(7) of this title shall not exceed the amount of guaranty entitlement available to a veteran under section 1810(c)(2) of this title.".

SEC. 4. The amendments made by this Act shall take effect on the one hundred and twentieth day beginning after the date of the enactment of this Act.

PRESIDENT CARTER AND HIS ILL-CONCEIVED ACTION ON 19 WATER DEVELOPMENT PROJECTS

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. RHODES. Mr. Speaker, President Carter has made an unfortunate, and I fear a hasty decision to cut some 19 water development projects out of the budget. I submit that this is not in the national interest. We cannot afford to sacrifice adequate future water supply to hasty and ill-conceived actions.

Since 1902—three-quarters of a century—the Federal Government and the people of the West have worked in tandem to promote an orderly program to provide water for a growing population. Now—after being in office only 50 days—the Carter administration proposes to jettison this policy and jeopardize water supplies.

I call to the attention of my colleagues

a series of editorials which appeared in the Phoenix Gazette, edited by Loyal Meek. I urge that my colleagues take time to read them. They provide a wealth of information on the history of water and the West and the need for a continuity in development of those resources.

Text of the editorials are as follows:

[From the Phoenix Gazette, Feb. 21, 1977]

CARTER VERSUS THE CAP

President Carter's decision to terminate funding for the Central Arizona Project because it is "unjustified on economic, environmental and safety grounds" must have been made on the basis of woefully faulty and incomplete information. The fact is that the project is a matter of life and death for the people of Arizona.

Although new residents here usually take a dependable water supply for granted and even some of the oldtimers have lost sight of the importance of water resources development, the hard truth remains that much of Arizona is only marginally habitable in its natural state.

The cities of central Arizona, the green fields that surround them and the Arizona industries so important to the national economy stand on what once was wasteland and without water would become wasteland again. The Salt River Valley, where more than a million people live, is a throbbing metropolitan area only because hardy pioneers and the federal government formed a partnership in 1902 to provide a more dependable water supply by means of the Salt River Project.

Interestingly enough, that project involved a federal investment of slightly more than $10 million, an amount totally repaid in 1955. In the 20 years preceding the last payment, Valley residents had paid to the federal government various taxes totaling more than $600 million—a 600 per cent return on Washington's investment. The prosperity that water has made possible here still enriches the federal treasury by enormous sums every year.

All of those statistics are offered by way of argument that, contrary to President Carter's statement, the Central Arizona Project is indeed economically sound. While it does not promise to make more acres of desert bloom or to provide water for whole new cities, it is essential to protect at least partially the booming economy found here. Arizona, alas, is pumping groundwater faster than nature can replenish it, and CAP would reduce that overdraft significantly.

Ironically enough, President Carter's decision comes as the Arizona Legislature is trying to devise a formula to share water in the Tucson area, where the demands from agriculture, urban users and the mining industry exceed the supply. The Central Arizona Project offers the only hope of reducing that shortage anytime soon.

The President's concern for the environment is puzzling. The CAP alters the environment, to be sure, but man and his works surely must be considered a part of the environment, too. As far as a habitable desert environment for people is concerned, water makes the difference. The CAP certainly is justified from the perspective of a human environment.

As to safety, the President must be referring to questions that have developed about the safety of the proposed Orme Dam and the existing Stewart Mountain Dam. No clear dangers are posed by CAP, however, and if any develop, alternatives are available to continue the project with only slightly reduced benefits to this area.

By continuing the Central Arizona Project, the federal government would provide jobs not only directly on an essential reclamation project, but also indirectly with the Arizona industries dependent on an adequate water supply. And jobs are properly an important goal of the Carter administration.

If the President cannot be persuaded to change his mind, it is to be hoped that Congress can summon the wisdom to reverse what could be a potentially disastrous decision. And if the federal government decides to back out of its partnership on the Central Arizona Project, Arizona has little choice but to try to finish the project on its own. Without additional water, Arizona is headed for the worst kind of trouble—the sort that comes when people are confronted with that ancient enemy of mankind, drought.

[From the Phoenix Gazette, Feb. 23, 1977]

CARTER REUNITES US

Arizona is displaying commendable unity as the state mobilizes to keep the Central Arizona Project alive. If only that unity lasts beyond the initial shock into what may be a prolonged period of difficulty, water from the Colorado River still will flow into central Arizona.

The important consideration ever since CAP was a dream among such visionaries as Arizona Sen. Carl Hayden has been to get the first drop of water through a completed delivery system from the river into central Arizona.

That approach is probably more important than ever because the Central Arizona Project was far enough along—even before President Carter suddenly put it in jeopardy—for factional disagreements to begin to surface here. Differences over any water supply in arid Arizona are inevitable, of course, but it hardly makes sense to squabble about water that isn't here, ready to use. That's like arguing over who owns a rain cloud.

During all the years that Arizona was fighting for a start on the CAP, the water project was put above politics, regional considerations, and the conflicting interests of potential users. Democrats, Republicans, agriculture, industry, municipalities and other interests stuck together for the purpose of getting the water here.

So it must be again. Unfortunately, the CAP has developed some new opposiiton from a short-sighted element of no-growth advocates and self-proclaimed experts who see water as nothing more than another commodity, like steel or concrete.

The difference, of course, is that life on the desert depends upon the right amount of water being available at the right place at the right time. To the thirsty desert wanderer, the value of water is not measured in acre feet or miner's inches or in terms of crops or monthly water bills or money. Water is life.

So it is, in a collective perspective, with the CAP. Unless Arizonans who realize the importance of water, brought together by the current threat, stick together until Colorado River water starts flowing here, the consequences could be dire indeed.

[From the Phoenix Gazette, Feb. 24, 1977]

WATER, ECONOMICS, AND CAP

President Carter says he is cutting off funds for the Central Arizona Project because the project is uneconomical, among other things. The trouble with that argument is that on the desert, water is priceless and its value can't always—or even usually—be measured in dollars.

Put a man on the desert, say, around Gila Bend, on a summer day without water, and unless he knows a great deal about survival in one of the world's most hostile environments he probably will be dead in 48 hours. Toward the end, he surely would trade everything for a full canteen.

Arizona has whole cities of people living in such a hostile environment. Phoenix and Tucson, the state's largest communities, and several smaller towns as well, exist only because the water supply is adequate—for now. Tucson, the largest city in the United States without a surface water supply, is already in trouble because the town wells are going dry. Slowly perhaps; but surely. There is even now not enough water to meet domestic needs, to supply mining operations important to the city's economy and to support agriculture, an industry steadily dwindling as more water is put to domestic and industrial use.

So it is in the perspective of the empty canteen for entire cities that the $1.6 billion cost of the CAP must be considered. In other places where it is possible to dig a well with a shovel, the CAP would be an outrageous boondoggle. On the desert it could make the difference between thriving cities and ghost towns.

In any event, the economics of water on the desert should be of little concern to Washington because Arizona will repay 75 per cent of the cost of CAP by the sale of water and from other revenues. The remaining cost is nonreimbursable because it involves expenditures for flood control, wildlife, recreation and other functions more properly charged to the federal government than to water users.

As a practical matter, of course, the federal treasury will recover the entire cost of the project many times over in federal income taxes and other revenues that will be generated if Arizona gets enough water to maintain a healthy economy. Moreover, Washington reduces the risk of heavy disaster relief in event of drought here.

By straight mathematics, then, CAP is economical, especially so as Washington ordinarily figures things. More important, however, the water it would bring to the Arizona desert could make the same difference water has made on the desert since Genesis—the difference between good land and wasteland.

[From the Phoenix Gazette, Feb. 25, 1977]

CAP AND ENVIRONMENT

Although the Central Arizona Project would alter the environment, it would do no major violence to nature, and considering the enormous benefits it promises to the people of a parched land, it is difficult to figure how President Carter could conclude that the project is environmentally unsound.

The environmental consideration was one reason offered by the President for terminating federal funds for the project. To the ecoextremists inclined to protest the movement on a single rock or bush except by the forces of nature, the project is, of course, disaster in the making. Reasonable conservationists who recognize that people are also part of the environment do not find CAP so objectionable.

The worst features of the project as it was once envisioned—the hydroelectric "cash register" dams at Bridge Canyon and Marble Gorge in the Grand Canyon area—were canceled long ago and new arrangements made to repay the cost of the project to the federal government from the sale of water and from other power generating resources.

That leaves Orme Dam, proposed for construction at the confluence of the Salt and Verde rivers east of Phoenix, as the single feature of the Central Arizona Project that is drawing heavy protest, because the impounded waters would force the relocation of Indians at Fort McDowell and would endanger the two eagle nests. The safety of the dam is also being questioned.

Orme Dam is not essential to CAP, however; the water project could be completed using alternative storage facilities. Orme Dam provides flood protection for Phoenix not found in the other options but, again, it is not needed for CAP water delivery. The adverse environmental and social impact of the proposed Orme Dam and the concerns about possible risky geological features at

the site offer no reason to abandon CAP entirely.

[From the Phoenix Gazette, Feb. 28, 1977]

THE LESSON OF HISTORY

To appreciate the importance of the Central Arizona Project to this area, it is necessary only to review a lesson of history. It starts in a dry year for the Valley—1897. By that time the Valley was a prosperous agricultural area, with perhaps 100,000 acres in crops irrigated by water from canals branching off the Salt River.

The primitive but effective canal systems, operated by various companies, depended upon the flow of the river. In 1897, it didn't rain in the mountains. Nor in 1898. Nor in 1899. Drought held the Valley in its grip.

At least 75,000 acres of farmland developed by pioneers over a 20-year period were left to revert to desert. Houses were abandoned. Trees died by the hundreds of acres in the Glendale area. Animals were turned loose to fend for themselves. What little water remained in the river was guarded by armed patrols. Dust boiled in great clouds over what had been an oasis.

A rain in February of 1900 proved more curse than blessing. It triggered a flash flood that wiped out the diversion dams on the river, dashing hopes for a spring crop that year. Then it was dry again. After a brief period of too much water, once again there was not enough.

That period of near disaster inspired the people here to try for a water storage system, an effort that culminated in the Salt River Project. With the project, the Valley has enjoyed a more dependable water supply, first for an essentially agricultural endeavor and later on for increasing urban and industrial use. Drought has threatened, however; in 1940 and again in 1951 the project's storage facilities held a water supply measured in days when the rains finally came.

This year, the runoff from the mountains is about 48 per cent of normal. The Salt River Project figures the 800,000 acre feet it has in storage is enough to stretch into a two-year supply, with supplemental pumping.

So central Arizona is not entirely safe from water shortage, and that is why the Central Arizona Project is so important.

THEY ARE A LOST GENERATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. OTTINGER. Mr. Speaker, I would like to call to the attention of my colleagues the following article written by Horace Morris, executive director of the New York Urban League; it recently appeared in the New York Times.

Because of the gravity of this problem facing our country, I have written Secretary Marshall urging that priority be given these youngsters. I would like to share this, too, with distinguished colleagues.

I am gratified that the President has just proposed a $1.5 billion Youth Conservation Corps program that will address itself to this critical situation. I hope it is overwhelmingly supported by Congress.

The Morris article and letter follow:

THEY ARE A LOST GENERATION

(By Horace W. Morris)

Their eyes are bleak. Some strutting down the street, speak with false bravado. Others stand listlessly on street corners speaking in monotones of what they think being an adult is like. Most can barely read or write. They lack good work habits that should have been built into their educational experience. They are 17 to 22 years old. The majority of them are minority youngsters. They are a lost generation.

They are victims of an era in which some took "benign neglect" literally. They will probably never be able to get a job. Their lives have been programmed for emptiness.

During an earlier era, efforts, though limited, were made to help some of them. Community action organizations with training components were established and funded with Federal money. Most of these organizations are now extinct, or funding has been so drastically cut that the programs are ineffective. In 1977 there are no jobs, and the programs, during their existence, met with minimal success. Why?

First, no consideration was given to the possibilities of a recession or, in minority communities, a depression. Present data show that the programs helped only a small number of needy youngsters. In addition, the programs attempted to treat the symptoms—unemployed, uneducated youngsters—not the illness, the illness being one of years of neglect and lack of concern.

Trying to encourage minority youngsters to get an education, learn good work habits and seek employment that holds little for the future, while bombarding them every day with television and film images of success, mostly illegal, some legal, without telling them "how to" become legally successful, is almost, if not, impossible to do.

The situation becomes even more complex when one recalls the words of Dr. Harold Hodgkins of the National Institute of Education during a recent television panel discussion about the pros and cons of a college education. Dr. Hodgkins recommended strongly that blacks and other minority youngsters 18 to 22 go to college, or, he said, "They will never—or may never—get a job."

He went on to say that even with an advanced education most minority youngsters will probably find themselves underemployed.

The entire problem will have to be dealt with. But, meanwhile, what can be done to relieve some of the suffering that the unemployed minority youngsters are enduring? There are no clear-cut answers.

Some claim that the Civilian Conservation Corps programs of the 1930's won't work today. Are those who make this claim fully aware of the kinds of useless lives these unemployed youngsters lead? Are they taking into consideration that not only are the youngsters unemployed, but in most cases so are their parents. Can there not be a combining of the concept of past-corps programs and the rebuilding of urban centers? Why can't there be programs that take youngsters away from an intimidating environment and, at the same time, employ their parents in urban-rehabilitation programs?

Then there are those who advocate the revitalization of the Job Corps programs of the 1960's. This would help approximately 45,000 hard-care unemployed youths. Estimates set the number of youngsters in this category at anywhere from 400,000 to 500,000. Subtracting 45,000 from 500,000 and having it mean something would be like trying to find a drop of rain in a bucket of water.

Thus it can be seen that establishing systems to effectively deal with the crisis situation of unemployed minority youth in America is not going to be an easy task. Nor is it going to be cheap.

Current estimates start at $3 billion and go as high as $8 billion. On the conservative side, $1 billion would be added to the $2 billion that is now being spent to train youngsters in such programs as the Job Corps. On the liberal side, it would involve setting up a variety of training and educational programs that take into consideration the needs of unemployed, uneducated urban and rural-area youths. The cost of employing their unployed parents has yet to be estimated.

We cannot afford to ignore the crying need of these youngsters and their parents. Especially with the realization that too many years have already been lost.

Soon the suffering youngsters of today will marry and have children who in a few years will inherit the problems of their parents, and the vicious circle will go on: poor education, lack of training, jobless youngsters, continuing welfare drain, chaos.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 2, 1977.

Hon. RAY MARSHALL,
Office of the Secretary, Department of Labor, Washington, D.C.

DEAR MR. SECRETARY: I would like to commend the enclosed "Op-ed" article by Horace Morris of the New York Urban League to you. The problem he describes, that of the thousands of jobless minority youngsters condemned to the streets of our major cities, is the number one social problem with which the country has to deal, in my opinion. It is the root cause of the drastic increases in urban crime, narcotics and social unrest. It also is a threat to our future, promising years of expenditures for police, jails, welfare, unemployment and drug rehabilitation programs and continued conditions which make our cities "non-viable" and uninhabitable.

Certainly it is critical that our new jobs program include a massive effort to attack this, the worst, of hard-core problems from every point of view—economic and social.

I hope you will see to it that those who have the job-creation responsibilities in the Carter Administration read this article and address themselves with priority to the problems it describes.

Sincerely,

RICHARD L. OTTINGER.

THE SHELTERBELT ACT OF 1977

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. PRESSLER. Mr. Speaker, I would like to insert into the CONGRESSIONAL RECORD today my statement regarding the Shelterbelt Act of 1977, which I have introduced. I place this statement into the RECORD with the hope that Members of the 95th Congress will realize the importance of tree planting and windbreak development.

THE SHELTERBELT ACT OF 1977

(By Congressman Larry Pressler)

Roaring out of the west in the 1930's came ferocious winds which made history. Several million acres of irreplaceable topsoil were lost during this unforgettable culmination of man's failure to protect his natural resources from nature's periodic fury. Many parts of the United States are once again feeling the environmental and economic hardships of drought and wind erosion. As was done in the 1930's, the American people must renew their commitment to an aggres-

sive conservation effort. A major vehicle of this renewed effort to preserve our invaluable land and water resources lies in legislation providing for the reestablishment, rehabilitation, and cultivation of windbreaks throughout the United States—the Shelterbelt Act of 1977.

Having grown up on a farm in South Dakota, I am intensely aware of both the costs and the tremendous benefits of our shelterbelts and field windbreaks. Most farms on the Great Plains, like my own, still benefit from the massive program of tree development which countered the crisis of the "dirty thirties." Under the Great Plains Shelterbelt Project, which provided incentives and cost-sharing for shelterbelt development, more than 200 million trees and shrubs were planted.

The Great Plains Shelterbelt Project combined with the less comprehensive programs of recent days have made an invaluable contribution to the conservation of our soil and water resources. Unfortunately, the fruits of these labors are far from adequate to meet today's expanding needs. Many of our old shelterbelts are in a state of decay, others have been destroyed due to the overwhelming pressure on farmers for maximum production, and many potential windbreaks have not been developed due to a lack of financial incentives and technical assistance. Before examining a solution to this tragic decline in shelterbelt and windbreak development, one should first answer the question, "Why trees?"

The country's first concentrated program of shelterbelt development—the Great Plains Shelterbelt Project—undisputably demonstrated that barriers of trees and shrubs significantly reduce wind velocity, evaporation, and wind erosion. Properly managed windbreaks have been shown to reduce wind velocity up to 78% with an equally amazing reduction in the erosion of our irreplaceable topsoil. Reduced wind velocity also helps to prevent the uncovering of newly planted seeds and the possibility of firing, wind breakage, or crop blowdown. Fields protected by tree barriers have also shown reductions in evaporation up to 31% and two- to threefold increases in soil moisture from trapped snow and reduced runoff. One should note that such maximization of these valuable resources is especially important in light of the periodic droughts and harsh winters which plague our nation's breadbasket.

In addition to their primary goals, shelterbelts and windbreaks yield many other proven benefits to both man and nature. Offering protection from harsh winter winds, shelterbelts have significantly reduced weight loss in cattle and have reduced home heating costs up to 20–30%. Windbreaks also provide the single most important source of food and cover for many species of wildlife. Aside from their overwhelming environmental and economical benefits, many individuals are most impressed with the great aesthetic value of our trees, shelterbelts, and field windbreaks.

Great strides in shelterbelt and windbreak development followed the 1930's; however, our more recent efforts have been meager in comparison. In South Dakota, for example, three-fourths of our shelterbelts were planted between 1936 and 1965—only 10% were planted in the past decade. Furthermore, the deterioration of our older shelterbelts has accelerated to the point where over 18%—nearly 43,000 acres in South Dakota—will "seriously deteriorate" in the next ten years according to State Forestry estimates.

A number of factors are responsible for this dangerous decline in our tree development. A primary cause is the lack of economic incentive under present programs to meet the growing costs of tree development—approximately $120 per acre. Similarly, present programs fail to provide adequate funds for management and technical assistance. This has resulted in excessive grazing of windbreaks, the spread of destructive bromegrasses, and improper tree selection. A third important factor is the wholesale removal of tree belts by farmers under the pressures of skyrocketing land values and the national goal of peak production. Some officials believe that this factor can be overcome through an aggressive deevlopment program which would convince farmers of the long-term benefits of windbreak development.

Two programs presently provide funds for tree development; however, neither the Agriculture Conservation Program (ACP) nor the Great Plains Conservation Program (GPCP) designate tree development as a priority conservation practice. The ACP, for example, allocates only 7/10ths of one percent of its total expenditures to shelterbacks. The result is a lag in shelterbelt development on the Great Plains due to a shortage of funds for cost-sharing, technical assistance, and the promotion of shelterbelts and windbreaks.

The Shelterbelt Act of 1977 provides a comprehensive cost-sharing program directed specifically at shelterbelt development and management. Through grants to county Agriculture Soil Conservation Service offices, farmers would be fully or partially reimbursed for the cost of purchasing and cultivating seedlings. These grants would also include funds for technical assistance, thus eliminating one of the major barriers outlined above. As an additional incentive, farmers would receive a full tax credit on lands set aside for the development of shelterbelts and field windbreaks. The revenues lost to states and county government from these credits would be reimbursed by the federal government.

I have introduced the Shelterbelt Act of 1977 in the belief that the 95th Congress must act to preserve and perpetuate tree planting in agricultural areas. Without a comprehensive program of shelterbelts and windbreak development, the attendant loss of water and land resources, agricultural productivity, as wildlife habitats and natural beauty will be a loss of truly national proportions.

We must once again affirm the importance of tree planting and windbreak development. In the words of the great Roman statesman Cicero, "He plants trees to benefit another generation."

SMALL FARM ASSISTANCE

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. BAUCUS. Mr. Speaker, I rise today to introduce legislation to help small farms survive.

My bill amends the Rural Development Act of 1972 to provide for small farm research and extension programs. The research includes new approaches to upgrade small farmer operations through management techniques, agricultural production techniques, farm machinery technology, new products, new marketing techniques, and small farm finance. The Extension Service program includes paraprofessional workers teaching these new techniques to small farmers across the country.

LEGISLATIVE HISTORY

This bill is a refinement of legislation I introduced last year. The bill passed the Senate without hearings last year, and here in the House hearings were held late in the second session before the Agriculture Committee's Subcommittee on Family Farms and Rural Development. In those hearings my bill received overwhelming support from a wide variety of farm groups, educational organizations, and Congressmen.

In fact, the only objections to my bill came from USDA. While Department officials freely admitted that existing small farm research and extension programs were extremely successful and cost-effective, USDA had no intention of expanding these programs, because small farms do not provide a major proportion of our national agricultural production. I think that this refusal to expand help to small farmers is dead wrong.

In August of 1975, the General Accounting Office published a report entitled "Some Problems Impeding Economic Improvement of Small Farm Operations: What the Department of Agriculture Could Do." The report contained the following recommendations which USDA has failed to follow:

The Department should:

Identify small farm operators in their productive years who depend on the farm as their primary source of income and categorize them according to their resources, abilities, educational experiences, and willingness to improve their operations by using available technology and efficient management practices.

Examine the potential for research uniquely designed to improve the economic position of small farm operators and, if such potential exists, consider the priority of such research in relation to other federally funded agricultural research.

Establish procedures for (1) evaluating the economic and social impacts of future research that could greatly change the productivity, structure, and/or size of existing farms, and (2) determining the assistance small farm operators would need to plan for and adjust to the resulting changes.

It is possible that our new Secretary of Agriculture will want to reverse the trend of the last few years toward more and more emphasis in the Department on large-scale corporate agribusiness. My bill will give him one of the tools he will need to begin redressing this balance.

There are two basic differences between this bill and last year's version. First, I have deleted the requirement that USDA conduct a large-scale survey to identify small farmers. It became clear in the hearings last year that small farm problems are so widespread that there is no need to spend additional money identifying the farms or the problems. And, second, this year's bill provides a specific dollar authorization to carry out the work needed.

In followup conversations with USDA officials, GAO was told that the Department could probably support specific authorization for small farm programs now that the requirement for a survey has been removed from the bill.

WHY DO WE NEED THIS BILL?

Even in Montana, which ranks 17th among the States in terms of average gross sales per farm and averages over 2,600 acres per farm, over half the farms gross less than $20,000 per year. "Before expenses" profits of under $20,000 are small by any standards. And preliminary

indications from the latest farm census show that small family farms in Montana are disappearing at the same rate as in the rest of the country: At least 10 percent have gone in the last 5 years.

Everywhere I travel in my district, people are concerned about the problems that small farmers are facing. They are worried that the Federal Government is following policies that favor large farm operations and overlook small farmers. America needs full agricultural production. But policies that promote production at the expense of millions of people need to be modified.

Agricultural concentration poses huge problems for both farmers and consumers. Current projections show that fewer than 5 percent of all our farms produce half of the total value of farm products sold. These few big farms receive a disproportionate share of the research and economic development work done by the Department of Agriculture and can exercise increasing control over the agricultural and food consumption patterns of the country. Concentration is increasing in every area of agricultural production and distribution.

For example, about 2,000 feedlots produce over two-thirds of the Nation's beef and many of these lots are under multiple ownership.

At the other end of the farm-size scale, the number of farms with gross annual sales under $20,000 decreased by almost 2 million between 1960 and 1973. About one-third of these got bigger, but the other two-thirds went out of business.

Many small farms are operated by farm families in their productive years who depend primarily on farm income for their livelihood. Many of these families have incomes near or below the poverty level.

Agriculture's emphasis on large farm production and needs clearly harms these people. In addition, it directly harms all of our rural areas. In the last 40 years, over 30 million people have left rural areas for cities. Recent census data shows that this trend may be reversing and people may soon be leaving the cities to return to rural America. If USDA cannot begin to explore ways for farms to use labor productively, these people will be returning to the conditions their parents and grandparents left.

Rural areas may benefit much more directly from several successful small farms than one successful large one. The fewer people spending farm income in smaller communities, the less likely these communities are to provide essential services. And large farms siphon off income from the land and send it to rich individuals and corporations in other parts of the country. In addition, a recent study indicates that small farms, if managed well, give a higher return on cropland than large farms do.

Finally, concentrated farm holdings are not good for the country. Even some of the advantages of size may not be due to efficiency, use of resources, or management advantages, but may be the result of either tax breaks for the big farms or the leverage game from a large share of the control of an industry in one area.

WHAT THIS BILL WILL DO

Hearings on my similar bill last year made it perfectly clear that there are programs in place around the country that do a wonderful job in helping small farmers. Three of the most important programs, those in Missouri, Texas, and the TVA service area, demonstrate clearly that small farmers can greatly improve their productivity with a minimum of help and can make a go of it sticking to the land. The only problem with these programs is that they are few and far between.

My bill establishes specific funding for research aimed at helping the small farmer. New management and production techniques will be refined and a new emphasis can be placed on the development of technology that is appropriate for small farm use. In addition, this bill expands the funding for Extension Service efforts to get this new technology and these new techniques out to small farmers all over America.

We have overlooked the needs of small farmers for too long and have ignored the contribution that small farmers can make to America's agriculture if given the chance. I urge my colleagues to join me in sponsoring this bill to amend title V of the Rural Development Act by providing for small farm research, extension, and development programs in accordance with the recommendations of the General Accounting Office and of my constituents. I insert the bill at this point in the RECORD:

H.R. 4704

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. The section 502 of the Rural Development Act of 1972 is amended by—

(a) amending subsection (c) to read as follows:

"(c) SMALL FARM RESEARCH PROGRAMS.—Small farm research programs shall consist of research programs with respect to new approaches to upgrade small farmer operations through management techniques, agricultural production techniques, farm machinery technology, new products, new marketing techniques, and small farm finance."; and

(b) by adding at the end thereof a new subsection (d) as follows:

"(d) SMALL FARM EXTENSION PROGRAMS.—Small farm extension programs shall consist of extension programs with respect to improving operations of small farmers using, to the maximum extent practicable, para-professional personnel to work with small farmers on an intensive basis to improve management techniques, agricultural production techniques, farm machinery technology, new products, marketing techniques, and small farm finance and to improve capabilities to utilize existing services offered by the United States Department of Agriculture and other public and private agencies and organizations.".

SEC. 2. Section 503 of the Rural Development Act of 1972, as amended, is amended by—

(a) inserting in subsection (a) a comma and the phrase "except subsections (c) and (d) of section 502," following the phrase "this title";

(b) redesignating subsections (c), (d) and (e) as (e), (f) and (g) respectively;

(c) adding the following new subsections (c) and (d) to read as follows:

"(c) There are hereby authorized to be appropriated to carry out the purposes of subsections (c) and (d) of section 502 of this title not to exceed $20,000,000 for each of the fiscal years ending September 30, 1978 and September 30, 1979.

"(d) Such sums as the Congress shall appropriate to carry out the purposes of this title pursuant to subsection (c) of this section shall be distributed by the Secretary as follows:

"(1) 4 per centum to be used by the Secretary for Federal administration;

"(2) 19 per centum to be allocated to each State to carry out the programs authorized in subsection (c) of section 502 of this title, in an amount which bears the same ratio to the amount to be allocated as the number of small farmers located in that State bears to the total number of small farmers in all of the States as determined by the Secretary.

"(3) 77 per centum to be allocated to each State to carry out the programs authorized in subsection (d) of section 502 of this title in an amount which bears the same ratio to the amount to be allocated as the number of small farmers located in the State bears to the total number of small farmers in all of the States as determined by the Secretary."; and

(d) deleting in subsection (f), as redesignated by subsection (b) of this section, the word "and" following "(b)" and inserting a comma and the phrase "and, (d)" following "(c)" in the first sentence.

SEC. 3. Section 507 of the Rural Development Act of 1972 is amended by adding at the end thereof a new subsection (c) to read as follows:

"(c) 'Small farmer' means any farmer with gross sales from farming of under $20,000 per year who depends on farming as his primary source of income.".

SEC. 4. The Rural Development Act of 1972 is amended by adding at the end thereof a new section 509 to read as follows:

"SEC. 509 Reports.—The Secretary shall evaluate the effectiveness of the programs established under subsections (c) and (d) of section 502 of this title and make a report to the Congress no later than April 1 of each year on that evaluation and the operation of the programs during the preceding fiscal year.".

DEPARTMENT OF THE INTERIOR ANNOUNCES CRITERIA FOR WATER PROJECTS REVIEW

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. EDGAR. Mr. Speaker, I would like to share with my colleagues a press release of the Department of the Interior. The release details the criteria to be used in reviewing water resources projects pursuant to the announcement of President Carter on February 21, 1977.

Because this issue is shaping up to be the first major tussle between the Congress and the administration, I anticipate that my colleagues will be closely monitoring this controversy.

The material follows:

CRITERIA ESTABLISHED FOR REVIEWING WATER PROJECTS

Secretary of the Interior Cecil D. Andrus today announced the initial screening criteria and data collection requirements to be used in the review of water resource projects directed by the President on February 21. The criteria and data requirements were established jointly by the Departments of

interior, Army, Agriculture, the Council on Environmental Quality, and the Office of Management and Budget, and the Tennessee Valley Authority.

The initial screening criteria are:

No additional adverse environmental impacts would result from completion;

The ratio of remaining costs to remaining benefits is greater than one to one (using the current discount rate of 6⅜ percent);

No credible questions concerning the safety of the project structures.

For those projects not meeting one or more of the above initial screening criteria, each agency will compile key economic, environmental, safety and institutional data. The list of key data requirements is attached.

Each of the construction agencies—the Bureau of Reclamation, Corps of Engineers, Soil Conservation Service, and the Tennessee Valley Authority—will screen all authorized projects for which construction funds have been requested for Fiscal Year 1978. After the initial screening, those projects satisfying all three initial criteria will be exempted from further evaluation.

A review group in each agency will carry out further evaluation of the remaining projects. To insure uniform application of the criteria, the agency review groups will include members from the Office of Management and Budget, the Council on Environmental Quality, and a member from one other construction agency. A standard format has been developed for reporting the relevant data and information to be assessed.

At an appropriate time in the review process, more detailed information will be compiled on individual projects, including critical benefit assumptions, local conditions, and the impacts of alternatives or modifications.

INFORMATION BASE FOR FURTHER EVALUATION OF WATER RESOURCE PROJECTS

Responsible agencies will compile the following information in a standard format for all water resources projects not exempted from further evaluation by the initial screening.

A. Economic

1. Federal and non-Federal Costs:

a. Total.

b. Sunk through FY 1977.

c. To complete (Tabulate total, land and relocations, and construction for each line.)

2. Benefit/cost Ratios:

a. Current Rate (6⅜%). Remaining Primary.

b. Authorized Rate. Total Primary.

c. Rate applicable for appropriations in fiscal year of initial construction funding. Total Primary.

3. Average annual benefits and costs by project output, including separate identification of any flood control benefits from protection of future development; effective non-Federal cost share by purpose, where available.

4. Amounts already paid and remaining to be paid by non-Federal interests and project beneficiaries; terms of repayment.

5. Status of Definite Plan Report or Design Memorandum and Environmental Impact Statement.

6. Net direct employment impact both on- and off-site.

7. Whether opportunity costs associated with foregone recreation benefits and hydroelectric power generation have been incorporated in benefit/cost analysis. If not, estimate dollar value using market rates.

8. Water use as proposed by project (irrigation: volume of water diverted vs. volume of water consumed; municipal and industrial: average daily per capita water use).

B. Environmental

1. Significant impacts on:

a. Agricultural and/or forest productivity (acreage, type: cropland, grazing land, forest).

b. Upland wildlife habitat (acreage, types of wildlife affected).

c. Wetland habitat (acreage, type).

d. Commercial and/or sport fisheries resources (area, type).

e. Water quality (short-term, long-term; eutrophication, salinity, flow reductions).

f. Inducement for floodplain development (urban & agricultural acreage.).

g. Existing or potential recreational uses (type, magnitude).

h. Threatened or endangered species (specify).

i. Potential induced downstream flooding (magnitude, frequency).

j. Cultural, historic, and archeological resources (type, extent).

k. Parks, wilderness areas, wild, or scenic rivers (specify).

2. Nature and extent of mitigation of or compensation for any adverse impacts listed above and enhancement.

C. Safety

(Data required only for projects where credible questions remain to be resolved concerning safety of structures.)

1. Status of design in relation to stage of project development.

2. Conditions requiring special consideration in design, such as seismic and foundation conditions.

D. Institutional

1. Identification of beneficiaries, including for direct beneficiaries estimated number of individuals, farms where available, and identification of all beneficiaries receiving over 5% of direct project benefits.

2. Any involvement with international obligations.

3. Extent of displacement of area residents.

4. Are costs within project authorization ceiling?

5. Status of local assurances and contractual commitments of non-Federal interests.

6. Extent to which project beneficiaries have made investments whose return is contingent upon completion of the Federal project.

7. Effect on Indians (Federal trust responsibilities, etc.)

8. Litigation.

E. Alternatives

1. Reasonable alternatives where available.

2. What use of project can be made in present scale or what changes are necessary to make it useful short of completion?

TAX REFORM ACT OF 1976

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. ROUSSELOT. Mr. Speaker, every time I, receive a constituent's complaint about the Tax Reform Act of 1976, I am reminded of the reasons that I voted against it. It seems that passing it into law was like opening Pandora's box: The retroactivity of the sick pay provisions; the inequitable treatment of Government retirement income; and, the capital-robbing provisions regarding intangible drilling costs are only a few examples of the new law's "spirits and demons" which have vexed private business and private citizens.

One of the act's most inequitable features deals with the treatment of income earned abroad. Section 911(c) of the law reduced the earned income exclusion from $20,000 to $15,000 and made several other significant changes in our present tax laws which severely affect the employment of U.S. personnel assigned overseas. The net effect of this change in the law has been to make it more costly for U.S. business to function abroad. European or Japanese contractors not required to pay the new tax "premium" will be able to operate with less cost overhead and be more competitive. In short, the change pushes unemployment up and slows our economy down.

In light of these considerations, it is unbelievable that the Ways and Means Committee Task Force on the Treatment of Foreign Income recently recommended that the law permitting the exclusion of foreign income be entirely repealed. Such a change in the tax law would completely ruin U.S. business initiatives overseas. It is constantly amazing to me how congressional committees can be so oblivious to the realities of the free market system by making recommendations and passing laws which sap American business of the capital lifeblood it needs to expand, create jobs, and keep our economy working.

The following article from the March 11 edition of the Wall Street Journal comments on the proposed change in the treatment of foreign source income. It is hoped that my colleagues will become acquainted with the facts and details surrounding the task force recommendation and realize that by accepting their advice and plugging these so-called loopholes of American business, we are denying our system the capital needed to reduce unemployment and boost GNP, and by so doing, are writing the epitaph of our free market system:

GROUP IN HOUSE SUGGESTS ENDING FOREIGN "SHELTER"

WASHINGTON.—U.S. citizens working abroad would get the old one-two punch if a House task force has its way.

A Ways and Means Committee task force recommended repeal of the law that permits Americans abroad to exclude from income—and thus to avoid paying U.S. taxes on—up to $15,000 a year of earnings.

The recommendation for outright repeal comes less than half a year after Congress reduced the exclusion to $15,000 from $20,000 and in some cases $25,000. Last year's big Tax Act made other changes, too, that tightened the tax treatment of U.S. citizens living and working abroad. These changes are expected to bring the Treasury about $40 million a year.

The task force, headed by Rep. Dan Rostenkowski (D., Ill.), recommended retention of another favorite target of liberal tax "reformers:" the provision that allows U.S. companies to defer tax on their overseas earnings until they bring those earnings home. It also proposed tighter treatment of shipping income and repeal of the current tax exclusion for allowances and benefits received by U.S. government employees abroad.

But it's the proposal for outright repeal of the $15,000 exclusion for overseas workers that's likely to generate the most controversy. The recommendation comes when U.S. multinational companies and their employes are trying to persuade Congress to undo last year's changes, or at least delay them a year. The 1976 Act, which then-President Ford signed Oct. 4, tightened the tax treatment of overseas workers retroactive to the beginning of 1976.

LIVING COSTS CITED

Tax "reformers" say the exclusion permits Americans abroad to avoid paying their fair

share of U.S. taxes. Overseas workers say it's needed to offset the higher cost of living abroad.

While recommending repeal, the task force also proposed some tax relief in lieu of the exclusion. It urged that overseas workers be allowed a tax deduction for expenses of educating their children, when these are reimbursed by employers. And it recommended that health and other "municipal-type" services supplied by employers be excluded from workers' income for tax purposes.

The tax force also proposed retention of the current $20,000 exclusion for overseas employes of U.S. charities and retention of the $15,000 exclusion for U.S. construction and engineering workers abroad.

These recommendations are essentially the same as provisions contained in the big tax bill the House approved late in 1975. The Senate later voted much looser restrictions, and the 1976 act represented a compromise between the House and Senate versions.

The Chamber of Commerce of the U.S. and its domestic and foreign affiliates have started a lobbying drive to delay the 1976 changes or to repeal them altogether The chamber would like to hitch its delaying plan to the tax part of President Carter's economic-stimulus package.

But the Carter administration and Al Ullman (D., Ore.), chairman of the Ways and Means Committee, oppose additions that might delay passage of the stimulus package.

HOLDING HEARINGS

Thus, if it comes at all, any move to delay the 1976 changes will start in the Senate. The Senate Finance Committee is holding hearings on the House-passed tax bill and hopes to draft its version next week. Once again, differences between the House and Senate bills will have to be resolved in a conference.

In urging repeal of the current exclusion for a variety of allowances received by overseas employes of the U.S. government, the task force said it was trying to treat private and public employes "more nearly the same." Repeal of the exclusion for government workers should be accompanied by a "review" of their salary levels, the task force said.

It also proposed allowing deductions for certain emergency travel, moving, education, housing and other expenses, when these are reimbursed by the government.

The task force said that Congress "may" want to give U.S. oil companies doing business in Indonesia one more year to renegotiate their production-sharing contracts with the Indonesian government.

RURAL UNEMPLOYMENT

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. PERKINS. Mr. Speaker, on Sunday, March 6, Secretary of Labor Ray Marshall addressed the National Farmers Union about the necessity to create jobs in rural areas as well as urban areas.

Secretary Marshall said:

I think it is time that we had a Secretary of Labor who also paid attention to rural problems. Unemployment feels the same in small towns in Texas and Oklahoma as it does in New York, Chicago or Los Angeles.

I want to echo those sentiments, Mr. Speaker. There are a number of very poor areas within my district, where willing and able-bodied men and women are unable to find work, although they have tried hard to do so. Past administrations have ignored these people, and I am happy and relieved to find that we have a Secretary of Labor who is going to correct that imbalance.

In order that my colleagues can be informed of Secretary Marshall's views on the problems of rural unemployment, I am including at this point in the RECORD some excerpts from Secretary Marshall's speech:

SPEECH BY SECRETARY MARSHALL

It is a rare event, I suspect, for the Secretary of Labor to address a convention of small farmers. We're not supposed to do things like this. We're supposed to spend all our time worrying about unemployment in Detroit, contract negotiations in the steel industry and industrial safety and health in New Jersey.

Obviously, these are vital national problems with far-reaching consequences that affect us all. These are clearly the sort of issues that the Secretary of Labor can't neglect. But I strongly believe that the responsibilities of the Labor do not—and cannot—stop at the outer boundaries of our urban areas.

Traditionally, the Labor Department has had a strong urban bias. The standard image of the primary constituency of the Labor Department has always been men and women toiling in the factories and offices of our largest cities. To the Labor Department, unions meant groups like the miners and the auto workers, not groups like the National Farmers Union.

I think it is time that we had a Secretary of Labor who also paid attention to rural problems. Unemployment feels the same in small towns in Texas and Oklahoma as it does in New York, Chicago or Los Angeles. Jobs are jobs no matter where they are located. In fact, the problem has been that far too few of them have been located on the farms and in the small towns of our rural areas.

I realize that there are some important problems of bureaucratic turf and jurisdiction involved in this new interest by the Labor Department. I have had several good discussions with Bob Bergland about this. He is very receptive to the idea of the Agriculture and Labor Departments working together to battle rural unemployment.

This is an illustration of the need for the kind of government reorganization that is such an important goal for President Carter. In the past, the job problems in rural areas has been one of those issues that has generally fallen through the cracks of the bureaucracy. It was an employment problem so the Agriculture Department didn't spend too much time thinking about it. And it was a rural, not an urban, problem, so it seemed outside the domain of the Labor Department.

What few have recognized is the way that historically urban and rural problems have been closely linked. If there had been enough jobs on the farms during the first half of this century, millions of Americans would not have migrated to the cities looking for work. Today, it is going to be a difficult task to find enough jobs in our urban centers to bring unemployment down from the unacceptable rate of 7.5 percent.

That's why we must explore job creation in rural areas, as vigorously as we search for new meaningful and productive jobs in our great cities. Talking to Bob Bergland, I have come to the happy discovery that we have a Secretary of Agriculture who is sensitive to this problem. Finally, we have a Secretary of Agriculture who *doesn't* believe that the goal of our agricultural policy is to send all the farmers to the cities and leave farming to machine and giant corporations.

This country has been built on freedom. And one of the most important of our freedoms is the freedom to live wherever we choose. But this freedom becomes awfully hollow if all the jobs are in our cities and suburbs. The Census Bureau tells us that millions of Americans—all things being equal—would prefer to live in rural areas where they can see the sky, smell the grass and get to know their neighbors.

That's why I believe that we must mesh our Labor policies and our Agriculture policies so that as many Americans as possible can live the kind of life they want. We're a big country. Americans should be able to find jobs in all parts of it.

REFORM AND REORGANIZATION OF THE REGULATORY PROCESS

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. KASTEN. Mr. Speaker, nearly 50 years ago, Supreme Court Justice Louis Brandeis, noted for his liberal decisions while on the Bench, made a very perceptive statement about an issue that prompts my introduction of a package of legislative reform proposals today.

He said that—

The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding.

Throughout the last election year, we heard much about Government reform. As the administration and Congress begin to replace rhetoric with serious consideration of how best to accomplish such reform, it seems to me that Justice Brandeis' words are most instructive.

FED UP WITH GOVERNMENT

People in the United States are fed up with a government that is ineffective, inefficient, and unresponsive.

Over the past 50 years, elected officials have abdicated much of the operation of Government to a bureaucracy, neither elected by nor accountable to the people. We have witnessed the creation of a fourth branch of Government with vastly greater powers than ever envisioned in the Constitution.

Today, many more rules and regulations are made by the decrees of unelected bureaucrats than by elected Members of Congress.

GROWTH OF BUREAUCRACY

We have given the Federal Government the power to regulate more and more of our economy and our way of life. Federal programs and bureaucracies have grown geometrically. In the last 15 years 236 departments, agencies, bureaus, and commissions have been created while only 21 have been eliminated.

Today we have more than 1,000 different Federal programs, more than 80 regulatory agencies, and more than 100,000 Government workers whose primary responsibility is to regulate some aspect of our lives.

It is estimated that each American family pays $2,000 a year for unnecessary and wasteful regulations—a total cost to the American consumer of $130 billion a year. The cost to the taxpayer of sup-

porting the Federal regulatory bureaucracies is estimated at $4 billion a year.

REORGANIZE GOVERNMENT

As a member of the House Committee on Government Operations, I will study and develop legislation to reorganize the Federal bureaucracy. Such reorganization and consolidation of Federal agencies can definitely help to streamline our Government. However, we need more than just simple reorganization—we need reform.

We must cut down the total size of the Federal bureaucracy rather than just rearrange it, reduce regulations rather than just reword them, and decrease spending rather than just reallocate funds.

I am today introducing four bills aimed at reform of the regulatory process:

SUNSET LEGISLATION

This bill would eliminate excessive, duplicative, inflationary and anticompetitive regulations by forcing the President and the Congress to act on comprehensive reform of the Federal regulatory system over a 5-year period, 1978-82. The President would be required to submit to Congress by March 31, in each of those years a separate reform plan.

The bill specifies the areas and agencies to be covered in each plan as well as the conditions to be met. The committees to which a plan is referred would clear it for floor action by September 15. These committees would be authorized to report a modified or alternative version. If a plan has not been enacted by December 31, and if neither body of the Congress has voted to disapprove the President's plan, it would automatically take effect.

If Congress is to effectively undertake comprehensive regulatory reform, I believe that such a timetable is a necessity. The bill would mandate Congress and the executive branch to review the Government's regulatory structure and practices; it would impose deadlines on both branches to propose and enact specific reforms over a 5-year period.

ADMINISTRATIVE RULEMAKING REFORM ACT

This bill would provide for a congressional veto over all rules and regulations promulgated by Federal agencies. The congressional veto permits Congress to review and reject any actions on the part of Federal agencies.

Frequently, administrative agencies have usurped the authority of Congress through quasi-legislative rulemaking.

My bill, identical to that reported by the House Judiciary Committee in the last Congress, establishes a procedure for timely congressional review and veto of administrative rules.

It includes a retroactive provision which would allow either House of Congress to review regulations previously adopted. If necessary, Congress may return regulations to the appropriate administrative agency for reconsideration.

Since rules and regulations promulgated by Federal agencies have the effect of statutory law, a citizen stands in jeopardy of losing property and sometimes liberty if he violates an administrative rule. My bill would insure that these rules are subject to review by the elected representatives of the people.

REGULATORY REFORM ACT

While we never will, and would never want to, eliminate all Government regulations, we must be sure that any regulation which goes into effect is necessary and justified. For this reason, the third element of my reform package would bring regulatory agencies back under the control of elected representatives by—

First. Making every agency demonstate to the appropriate Senate and House committees that the economic benefits of a proposed regulation exceed its anticipated costs to the consumer;

Second. Requiring the Congress to review every regulation proposed by agencies, except those rules which relate to purely internal housekeeping matters and do not affect persons outside the agencies;

Third. Providing that employers and employees have joint responsibility for compliance with regulations and protect employers from penalties for noncompliance where the violation can be shown to have been caused by the negligence or inaction of others;

Fourth. Relieving persons from liability for breaking agency standards where such violation was necessitated by compliance with other rules promulgated by the same or a different agency;

Fifth. Eliminating unnecessary paperwork, report filing, and recordkeeping requirements; and

Sixth. Doing away with costly redtape delays by requiring an agency to complete findings and make its final determination within six months from the date that a proceeding is initiated.

ZERO-BASED BUDGETING

The final part of my regulatory reform package is a bill to provide for the establishment of zero-based budgeting. Zero-based budgeting is a management tool designed to provide more efficient use of limited resources in the pursuit of specified goals.

Most organizations, including the U.S. Government, utilize, to some extent, an incremental budgeting system. This means that for a given budgeting period, only proposed increases in specific functions or activities are subject to detailed scrutiny and justification. The rest of the budget, the base, is assumed to be justified.

Often, a program that has lost its usefulness or fulfilled its purpose will be perpetuated simply because Government officials do not take the time to carry out a thorough review. This practice has cost the American taxpayer countless dollars. Its continuance is unacceptable because it is incapable of meeting the economic demands of the future.

Under a system of zero-based budgeting, the base as well as the increment must be examined and justified for each budgeting period.

For too long, outmoded programs have continued at the expense of the taxpayer. Zero-based budgeting would force the Administration to thoroughly review all programs in terms of their merit, continued effectiveness and their relationship to the priorities of the present and foreseeable future.

CONCLUSION

Mr. Speaker, I believe the four point program I have outlined can make our Government more efficient, less costly, and more responsive to the American people. It does not offer a magic cure, but rather a systematic approach to reversing a trend that has culminated in Government encroachment on far too many areas of our lives. By reorganizing the structure itself and by placing restrictions on the regulatory activities within that structure, I believe we can accomplish meaningful reform.

In the past, Congress has too often abandoned to the bureaucracy the power to enact administrative laws. Certainly, we have realized some benefits from this delegation of powers. However, we have now reached a point of diminishing returns.

The United States can no longer afford tunnel vision when it pursues major goals. For too long we have devised programs aimed at short-range cures rather than long-range effectiveness.

The American people have become acutely aware of the deficiencies of shortsighted planning. Their elected representatives must now act to provide efficient, economical, and responsive leadership.

THE METRIC CONVERSION ACT OF 1975

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. McCLORY. Mr. Speaker, the decision to convert our American standards of weights and measures to the metric system was made during the 94th Congress through the enactment of Public Law 94-168. This action followed a long study which had been carried on by a commission under the direction of the Secretary of Commerce and the U.S. Bureau of Standards—a study which was completed in 1971. The Metric Conversion Act of 1975 followed the recommendations of that study commission, looking toward a largely voluntary conversion to the metric system of weights and measures.

Mr. Speaker, now, after more than a year has expired since the signing into law of the Metric Conversion Act of 1975, the Metric Conversion Board called for in that legislation has yet to be confirmed. Policy statements and directions for which the Nation is anxiously awaiting have yet to be announced. These will be vital for the guidance of American business and industry, our educational institutions and our individual day to day social contacts and activities.

Mr. Speaker, I am confident that the 17 persons nominated for the Metric Conversion Board by President Ford are being given thoughtful consideration by President Carter, and that the Metric

Conversion Board will soon be confirmed by action of the Senate so that their important coordinating role may be performed.

Mr. Speaker, in order to give continuing emphasis to the need for active, comprehensive, and coordinated conversion to the metric system, I am today introducing a concurrent resolution expressing the sense of the Congress that a conversion to the metric system shall proceed through the adoption of policies and actions by the legislative and executive branches of the Federal Government as well as through the policies of the various State governments.

Mr. Speaker, I am attaching a copy of this resolution to these remarks and trust that the appropriate committee of this House will consider such action at an early date in order to reinforce the determination expressed earlier on this issue, that the Nation may progress toward substantial conversion to the metric system in an orderly, comprehensive, and coordinated way. The concurrent resolution follows:

H. CON. RES. 154

A concurrent resolution to express support of the Congress for a coordinated program to convert to the Metric System.

Resolved by the House of Representatives, the Senate concurring herein, that

Whereas, pursuant to Public Law 94–168, there was adopted a policy for a substantial and coordinated conversion to the metric system of weights and measures throughout the United States, and

Whereas, in fulfillment of the objectives of Public Law 94–168 the Congress adopted a Statement of Policy to provide for the substantial and coordinated conversion to the metric system of weights and measures, largely on a voluntary basis, and

Whereas, there was authorized to be established a United States Metric Board, consisting of seventeen members, whose nomination and confirmation is pending, and

Whereas, there appear currently to be certain delays, uncertainties and misunderstandings regarding our national policy with respect to the attitude of the Legislative and Executive Branches of the Federal Government, as well as the policies of the various state governments toward metric conversion.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring herein, that it is the policy of the United States Government that the Nation shall, in a coordinated manner, and pursuant to comprehensive and coordinated procedures, convert to the metric system of weights and measures, and

Bt it further resolved that the United States Government shall adopt and apply metric standards to the fullest extent possible in its contractual practices and in its internal and external affairs, including standards for machines, equipment and supplies, and in the utilization of terms of measurement for subjects such as highway speeds, distances, and in measurement descriptions of automobile vehicles, watercraft and aircraft, and

Be it further resolved that the various Executive departments shall adopt and promulgate guidlines applicable to the various offices and agencies under their direct authority or control utilizing to the maximum practical extent possible the metric system of weights and measures, and

Be it further resolved that the appropriate committees of the House or Senate shall be authorized to conduct periodic seminars or briefing sessions for the purpose of assisting, facilitating and informing the American people and the various affected segments of American society of the progress toward substantial conversion to the metric system.

DRUMFIRE OF PROPAGANDA

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. SNYDER. Mr. Speaker, proponents of the canal giveaway have a few problems to overcome when they try to make a case for surrendering our sovereignty there. First, they have to refute the testimony of history. In an attempt to overcome this obstacle—history—they have resorted to an unprecedented distortion of historical fact and have tried to rewrite history to suit their own purposes.

Once they hurdle this obstacle to their satisfaction, they run into another—the present value, economic, and strategic, of the canal. To clear this hurdle they have to downplay the importance of the canal.

Next, they run into the doubtful integrity of the Panamanian Government. To overcome doubts on this score they have to paint a new character—a new image—for Mr. Torrijos and his underlings. Another rewrite.

The big problem with this tactic of rewriting what does not suit you, is that once you compare canal giveaway propaganda to truth, the intentional distortion becomes blatantly obvious. A good example is provided by the following article from Sensing the News by Anthony Harrigan.

Mr. Harrigan illustrates the problems this "drumfire of propaganda" runs into when compared with the truth:

THE PANAMA CANAL ISSUE

The American Congress and people should hold President Carter to his campaign promise that he would "never give up complete or practical control over the Panama Canal Zone."

There is need to bring up the matter of Mr. Carter's promise because all the signs point to a major effort by the State Department to seek ratification of a treaty that diminishes or relinquishes America's sovereign control over the strategically vital Panama Canal Zone.

Indeed, a massive campaign is afoot to popularize U.S. relinquishment of authority in the Panama Canal Zone. A drumfire of propaganda is distorting history.

Evidence of this appeared recently in a shocking editorial in The New York Times (Feb. 14, 1977). The Times said of the Panama Canal:

"We stole it and removed the incriminating evidence from our history books. . . . Our people sit in colonial luxury in the Canal Zone, defending this history and mythology more than the canal and driving politicians to demagogic fury against any change in the arrangement."

This is rewriting history with a vengeance. The American record in connection with the Panama Canal is an open book. Lt. Gen. V. K. Krulak, editorial director of the Copley Newspapers, set forth this record in a recent article entitled "Panama: Strategic Pitfall."

He points out that as to the matter of sovereign control, there is no question whatever, adding that "The Canal Zone is not in any sense Panamanian territory." He observes that the 1903 treaty granted the United States "perpetual sovereignty over the Canal Zone to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority."

The Panama Canal is no more Panamanian territory than New Mexico is Mexican territory or Alaska is Russian territory.

In a lengthy proceeding, the U. S. Supreme Court rules: "It is hypocritical to contend that the title of the United States is imperfect, and that the territory described does not belong to this nation. So much for The New York Times contention that the Canal Zone was stolen from the Panamanians.

As a matter of fact, the U. S. paid Panama $160 million for clear title to the Canal Zone. Since then, as Gen. Krulak reports, "The country has flourished and now, largely due to Canal-related employment, the one and one-half million Panamanians have a living standard equaled by few other Latin American nations."

What about the contention of the giveaway advocates that the Panama Canal isn't strategically valuable to the United States? Gen. Krulak writes in Strategic Review that "In the past two and one-half years some 750 U. S. Navy ships transited the waterway bound east or west on affairs related to our national security.

The New York Times insists that the Panamanian regime of President Torrijos "will be fair and flexible." Gen. Krulak points out Panamanian control of the canal would mean Marxist control of the strategic waterway. He says: "The principal government officials in Panama are all Marxists, including the chief of state, Omar Torrijos, a National Guard lieutenant colonel who seized power by force from the elected president, Dr. Arnulfo Arias, in 1968." He adds that "hatred and defamation of the United States are as much a national policy (of Panama) as are close ties with the communist world, most particularly the Soviet Union and Cuba."

U. S. Sen. Strom Thurmond (R-S.C. has led the fight in the Senate against surrender of the Panama Canal. His resolution opposing such a surrender has been supported by approximately one-third of the Senate. It should command the support of all senators concerned about hemispheric security and America's sovereign rights.

A giveaway of the Panama Canal would not be a yielding of some foreign zone of influence. The Panama Canal is U. S. territory, and should be retained in perpetuity as the Panama Canal treaty provides.

Gen. Krulak has capsuled the Panama Canal issue in these words: "If the Congress concludes that the U. S. can risk sharing those 50 vital miles of lifeline with a hostile communist government: even worse, if it agrees to give the Canal away, it will have done this country more harm than a dozen succeeding Congresses could repair."

BALANCE(S) OF POWER SERIES: PART V(i)(B)—U.S. ARMY TOTAL FORCE OVERVIEW

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. BRECKINRIDGE. Mr. Speaker, the strength of the U.S. Army has declined precipitously since the end of the Vietnam war. While there may be no need for men in combat, we have entered an era of the All Volunteer Force in which manpower is an extremely expensive commodity. To at least some extent we have replaced men with machines.

I am privileged to continue my "Balance(s) of Power" series begun in the

last Congress, and continued this 95th Congress. The staff issue paper for the Defense Manpower Commission by John D. Sitterson, Jr., is a continuation of our part V, Conventional Balance(s) of Power between the Soviet Union and the United States. The article presents an overview of the U.S. force structure and manpower of the U.S. Army.

Mr. Speaker, our standing Army has declined to a point where the 775,000 men presently in this branch of service represents the lowest number of Army personnel on active duty since the dark pre-war days of 1940. As the author describes it, an effort is being made to create a more efficient fighting machine by increasing the number of divisions without an increase in military manpower. It is a difficult problem with no certain guarantee of success. Mr. Sitterson's working paper follows:

U.S. ARMY TOTAL FORCE OVERVIEW AND GENERAL PURPOSE FORCE MANPOWER REQUIREMENTS ISSUES

(A staff issue paper for the Defense Manpower Commission)

(By John D. Sitterson, Jr., requirements group, Defense Manpower Commission staff, October 1975)

PART I—OVERVIEW

The purposes of this paper are: (a) to present an informational overview of the force structure and manpower of the U.S. Army, including its Reserve Components, in terms of the Total Force; and (b) to focus on the 16-division plan and other manpower requirements issues concerning the Army force structure, principally Army General Purpose Forces, on which the Defense Manpower Commission should establish a position. (Other staff papers will focus on the support forces and other issues.)

Summary of Army manpower in the total force

U.S. Army Forces consist of the Active Army and its Reserve Components. The Selected Reserve elements of the Army are the Army National Guard and the U.S. Army Reserve. (Individual Reservists outside the Selected Reserve are treated separately in another DMC staff paper.) Selected Army manpower data are summarized as follows (including FY 1964 as a pre-Vietnam baseline year):

ARMY MANPOWER IN THE TOTAL FORCE

[In thousands]

	Fiscal year —				
	1964 actual	1975 authorized	1976 authorized	197T authorized	1977 DOD program
Active military [2]	969.0	785.0	[3] 785.0	[3] 793.0	793.0
Civilians [1 4]	453.2	401.8	[5] 401.8	[5] 406.4	407.7
Direct hire	(360.0)	(337.5)			
Indirect hire [6]	(93.3)	[6] (64.3)			
Army National Guard [7]	[8] 389.1	400.0	400.0	400.0	400.0
Army Reserve [7]	[8] 261.0	225.0	219.0	219.0	212.4

[1] As stated in DOD budget for fiscal year 1976 and fiscal year 197T, January 1975. For updated figures, see DOD appropriation authorization request for fiscal year 1977, when submitted.
[2] End strength.
[3] Less Army part of 9,000 congressional cut (military) to be allocated by Secretary of Defense.
[4] Military functions only (excludes separately funded civil functions).
[5] Programed part of DOD total, subject of Secretary of Defense reallocation of reduced total congressional cut for DOD overall.
[6] Indirect hire not included in manpower authorization controls prior to fiscal year 1976. Indirect hire figures for fiscal year 1975 as well as fiscal year 1964 are actual.
[7] Authorization for ARNG and USAR is minimum average paid drill strength.
[8] National Guard technicians were changed from State to Federal employees in fiscal year 1969. Fiscal year 1964 data have been adjusted to include these technicians as if Federal civilian employees.

Below is a breakdown of the Active military, civilian (direct and indirect hire) and Selected Reserve (paid drill strength) manpower of the Army, according to the main Defense Planning and Programming categories, showing the trends FY74–FY77:*

[End strengths, thousands]

	Fiscal year—			
	1974 actual	1975 authorization	1976 requested	1977 projected
Strategic forces:				
Military	3.0	0.9	0.9	0.8
Civilian	4.5	1.6	.9	.6
Reserves				
General purpose forces:				
Military	417.8	444.6	472.5	475.2
Civilian	45.3	46.5	45.7	47.3
Reserves	563.8	553.8	553.8	553.8
Auxiliary forces:				
Military	40.1	35.2	27.9	27.3
Civilian	31.6	30.8	28.4	28.7
Reserves				
Mission support forces:				
Military	42.9	41.7	40.5	39.7
Civilian	99.6	103.2	105.3	105.9
Reserves	26.0	25.9	21.9	22.2
Central support forces:				
Military	144.9	128.7	121.5	120.6
Civilian	227.6	224.0	221.5	225.2
Reserves	32.5	33.8	32.6	32.6
Individual (active military)	134.2	133.9	121.8	134.8
Cadets, students, trnes	(95.6)	(95.6)	(83.9)	(100.4)
Patients, prison, trans	(38.6)	(38.4)	(37.9)	(34.4)

Organization of the Active Army

The Active Army in the United States is under Headquarters, Department of the Army, in Washington. DA commands Army activities in the United States (except Army elements under unified or specified joint commands). Under the National Security Act of 1947, as amended by the Department of Defense Reorganization Act of 1958, DA also remains responsible for the administration of, and the provision of personnel, equipment and support for, Army forces under the operational command of unified or specified commands overseas (or elsewhere).

The Army command structure in CONUS underwent many changes in 1973. As a result, there are now three major commands under DA, as follows:

Forces Command (FORSCOM), with Headquarters at Fort McPherson, Georgia—Commands the deployable Active Army forces in CONUS, presently including two corps (III and XVIII Abu) and all the divisions and other deployable units, and the forces-oriented installations on which those units are based. Also exercises command over three CONUS "field army" headquarters (dividing geographically the country, plus Puerto Rico), which, in turn, command the Army Reserve units in their areas and supervise USAR and Army National Guard training. The three "field armies" control and are assisted by nine Army Readiness Regions and by Active Army Advisory Groups working with the USAR and ARNG units. Active Army troops under FORSCOM represented about 60% of total Active Army military strength in 1974, with the proportion increasing in 1975–77.

Training and Doctrine Command (TRADOC), with headquarters at Fort Monroe, Virginia—Directs all Army individual training, including the Active training centers and Army schools* and exercises command over some 22 major installations. Manages the Army ROTC, through four recently established regional activities. Also is responsible for the development of organizations, material requirements and doctrine; directs three functional combat development agencies (for administration, logistics, and combined arms operations) co-located and affiliated with key Army educational institutions. (NOTE: Issues of DHC interest in the areas of training and education are addressed in separate DMC staff papers prepared by the Development and Utilization Group.)

Army Materiel Command (AMC), with headquarters in Alexandria, Virginia—responsible for the design, development, procurement, distribution of, and support services for, the Army's combat and support material. Exercises command over a number of subordinate "commodity commands" (Armaments Command, Electronics Command, Troop Support Command, etc.), the Test and Evaluation Command, depots, laboratories, etc., and asssociated installlations.

In addition, there are a number of smaller but highly important other activities directly under DA—notably including the Health Services Command (single manager for Army medical activities in the United States), the Recruiting Command, the Army Intelligence Command, the Army Security Agency, the Strategic Communications Command, the Army War College, and the U.S. Military Academy.

Overseas the Army provides, administers and supports the Army forces which are under the operational command of the Unified Commanders. The principal Army components overseas are U.S. Army, Europe (USAREUR), consisting primarily of the Seventh Army and support elements (4⅓ divisions and other units in Germany in 1974, with two more combat brigades being added in 1975–76 under the Nunn Amendment); and the Eighth Army in Korea, now down to one division plus supporting elements. (The U.S. Army is in the process of eliminating field army headquarters.) Other Army organizations overseas include the U.S. Army, Japan (primarily concerned with logistical activities and installations on Okinawa and in mainland Japan), the Army elements of SOUTHCOM in the Canal Zone,

* Compiled from DOD Manpower Requirements Report for FY 1976 and DOD Reserve Force Manpower Requirements Report for FY 1976. For up-dating, see same reports for FY 77, when published.

* Except the Army War College, which is directly under DA, and the Medical Training Center and Medical Service Schools.

and the Army elements of various U.S. MAAGS, missions and attache activities accredited to foreign countries around the world.

Army force structure

The key combat unit in the Army is the division. The U.S. Army has several different types, which can be tailored in detailed organization and strength, but typically would run in authorized strength (at 100% manning levels with three brigades each) about as follows:

Infantry Division	16,500
Infantry Division (Mechanical)	16,300
Armored Division	16,500
Airborne Diivsion (82nd)	14,900
Airmobile Division (101st)	17,700

The U.S. Army uses a Division Force Equivalent (DFE), sometimes called "division slice, "for figuring and allocating manpower requirements *in an active theater of operations*. For about ten years, this planning figure has been 48,000 for each division and its proportionate share of all the other combat and support troops in the force. (NOTE: An analysis of U.S. Army combat-to-support ratios in comparison to those of the Soviet Army is provided in a separate DMC staff paper and the associated contract research report on that subject.)

As of 1974, there were 13 divisions (actually 12⅔, as one was short a brigade) plus four separate brigades and other units in the Active Army, and 8 National Guard divisions plus 20 separate brigades (general purpose) and other units in the Reserve Components.

A main subject of DMC and Congressional interest concerning the U.S. Army Force structure is the on-going DOD/Army program to increase the number of Active Army divisions from 13 to 16 by end FY 76, initially at least using a Reserve Component brigade to round out each of four "hybrid" divisions, plus using a number of additional "round-out" battalions. At the same time, the Army is forming two additional divisional brigades for deployment to Europe under the Nunn Amendment.[1] The Army has stated that it can do this progressively by internal reorganizations and manpower conversions with no significant increase in authorized personnel (except a small end-strength adjustment for seasonal differences under the new fiscal year system). DOD and Army five-year plans project a leveling off at the Active Army level of 16 divisions and end-year strengths of 793,000 active military personnel, with no increase in civilian employee levels. Some needed reorganization of the Reserve Component force structure is being worked out (as will be discussed separately), but with no increase now programmed in paid drill strength.

In a comparison of periods of hostilities, the Army reached a high of 89 divisions and about 8.3 million in World War II (including about 2.3 million in the Army Air Force); 20 active divisions with 1,668,579 active military personnel (including some mobilized Reserves) as of 31 March 1952 during the Korean War; and 19 active divisions with 1,570,343 active military personnel during the peak of the Vietnam conflict (30 June 1968).[2]

[1] The Nunn Amendment (to the FY 75 Defense Appropriations Authorization Act) required the non-combat component of total U.S. military strength to be reduced by 18,000 by June 30, 1976 (6,000 by June 30, 1975) and authorized equivalent increases in combat strength. The Army's share of the non-combat cut in Europe and of the commensurate increase in combat strength there, as allocated by the Secretary of Defense, is about two thirds of the total.

[2] Source: Selected Manpower Statistics, DOD, OASD (Comptroller), May 1975.

SOME OTHER SELECTED COMPARATIVE DATA FOLLOW[1]

	Fiscal year—			
	1964	1968 (Vietnam)	1977	1977 proposed[2]
Divisions:				
Active	16	19	13(−)	16(−)
Reserve	29	8	8	8
Total	49	28	21	24
Separate brigades:				
Active[3]	5	6	4	4
Reserves	11	20	[4] 20	[4] 20
Total	16	26	[4] 24	[4] 24
Armored cav regts:				
Active	4	5	3	4
Reserve	3	4	4	4
Total	7	9	7	8
Spec forces gps:				
Active	7	7	4	3
Reserve	7	4	4	4
Total	14	11	8	8

[1] Sources: DOD Manpower Requirements Report for Fiscal Year 1976; Report of Hearings before the SASC (94th Cong.) on S.920 (DOD appropriations authorization for fiscal years 1976 and 197T, February–March 1975).

[2] Programed as of spring 1975.

[3] Of the Active Army brigades, 3 are "special purpose" (Berlin, Alaska, Canal Zone). The 4th, in fiscal year 1975–77, is the newly-organized 6th Armored Cavalry Brigade (Air Combat), a new type experimental unit formed in 1975. In 1974 the 4th separate brigade was the 197th, subsequently incorporated in one of the new hybrid divisions.

[4] Of the Reserve (ARNG and USAR) separate brigades in fiscal year 1974–76 and programed for fiscal year 1977, 20 are in the deployable "General Purpose Forces." There is an additional special purpose ARNG brigade, programed for school troop support in the event of mobilization.

The projected 16 divisions in the Active Army at the end of FY 76 will vary from two Active brigades each to four, with varying use of additional "round-out" brigades and separate battalions; there also are 24 separate brigades (as shown in the preceding tables) and many other non-divisional combat units; and various Active/Reserve battalion mixes are involved. Therefore, it is necessary to count the net changes in total numbers of brigades and combat battalions.

In terms of Active Army brigades, there were 42 total in 1974 and there will be 50 at the end of FY 76, a net increase of eight. The Army and DOD programmed two more for FY 77, to replace the round-out Reserve Component brigades in two of the hybrid divisions. (The RC brigades would remain affiliated as augmentation units.) However, the Senate Armed Service Committee, in acting on the 16-division plan in May 1975, stated its approval of the plan to be "conditioned only if the Army . . . continues to maintain an Army National Guard or Reserve brigade as one of the three brigades in each of the three proposed divisions."* The Committee went on to point out that the number of Army divisions is not authorized as a matter of permanent law and will continue to be subject to changes in the annual authorization and appropriation process.

In terms of Reserve Component brigades, the total of 44 (24 divisional and 20 nondivisional) is unchanged from FR 74 in the present programs for FY 76–77 and thereafter.

Maneuver battalions (counting other nondivisional combat units of Armor and Infantry as well as those included in the table above) totaled 378 (172 Active and 206 Reserve) in FY 74 and (as of summer 1975, subject to change) were programmed to increase to about 411 in FY 77 (205 Active and the same 206 Reserve). Thus, the Active Army maneuver battalions, a meaningful measure of strength in combat units, would increase by 27.

Army General Purpose Forces also include other non-divisional units of Rangers, Field Artillery, Air Defense Artillery, Engineers, etc. In all, counting these units as well as the maneuver battalions, the Army states that it has programmed the addition of 48 new Active Army combat battalions by end FY 76 (compared to FY 74), a 17% increase in such units. (Actually, some of these are conversions of previously existing units, i.e., converting three Construction Engineer battalions to Combat Engineer units.) Of these, 28 battalions will go toward making up the Active Army components of the three new "hybrid" divisions. Eight will be used to form the two new Nunn Amendment brigades for Europe (both actually fourth brigades, deployed in Germany, of two divisions in CONUS).

Two are new Ranger battalions. Three are the Engineer unit reorganizations, previously mentioned. The remainder are six field artillery battalions and one HAWK air defense battalion, to beef up non-divisional combat support. (A tabular recapitulation of all the existing and programmed units in the Active Army cannot be provided in this paper because of security classification.)

In addition to the changes in units, some significant manning increases are programmed in the authorized level of actual organization (ALO) of some units previously programmed for manning at less than full TOE strength.[1]

Summing up all the changes, Mr. Paul Phillips, then Acting Assistant Secretary of the Army (M&RA), stated before a Senate Armed Services Subcommittee on February 25, 1975 that the changes will increase the Active Army's combat-to-support manpower ratio to 53:47 by the end of FY 76, compared to a FY 72 ratio of 41:59.[2]

Projected end FY 76 *peacetime* deployments of Active Army divisions and separate brigades are as follows:

CONUS: 10 Divisions (including 3 with one brigade each in Europe and 3 hybrid division short; 1 active brigade each).

Europe: 4 Divisions + 3 Brigades (from CONUS divisions); 1 Brigade (special purpose, Berlin).

Hawaii: 1 Division (hybrid, short one brigade).

Alaska: 1 Brigade (special purpose).

Panama Canal Zone: 1 Brigade (special purpose).

Far East (Korea): 1 Division (rounded out by KATUSAs).

The foregoing information has been furnished in considerable detail because the 24-division (16 active and 8 reserve) structure and manpower levels programmed for FY 76–7T have been projected by DA and

* Report No. 94–146, Senate Armed Services Committee on S.920 (DOD Appropriations Authorization Bill), May 1975, p. 115.

[1] For example, the Army planned to increase the U.S. manning level of the 2nd Infantry Division in Korea (excluding attached Korean KATUSA personnel) from 80% (ALO–3) to 86% in FY 75, hoping to go higher in FY 76 and ultimately to 100% (ALO–1). (Report of Hearings before SASC, 94th Congress, on S. 920, DOD Appropriations Authorization Bill for FY 76 and FY 7T, 1975, Part 3, pp. 1197–98.)

[2] SASC Hearings, op. cit., p. 1155. Apparently Mr. Phillips used the "major combat units" (divisions plus) methodology which counts as "combat" all manpower in divisions and all non-divisional combat units. For further discussion, see the separate DMC staff paper entitled, "U.S. and Soviet Combat-to-Support Ratios" and the associated contract study for the DMC by the General Research Corporation.

DOD to continue, at least in general outline, throughout the five-year planning period—subject to changes in details which may be programmed by DOD/DA and, of course, to Congressional action in the annual authorization and appropriation processes.

Further details concerning the Army National Guard and the Army Reserve and their future manpower requirements are presented in the separate DMC staff papers entitled "Overview of the Reserve Components" and "Selected Reserve Issues."

Issues covering the civilian employee components and contracting for services in the Army (and the other Services) are treated primarily as part of the separate DMC staff paper on "Support Force Issues".

Selected issues concerning the future manpower requirements of the Army, primarily concerning its General Purpose Forces, are treated in Part II.

AVIATION PIONEER HAROLD HODGENS "KIDDY" KARR

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. BOB WILSON. Mr. Speaker, now that we have landed men on the moon and that space flight is considered almost routine, we tend to forget that our experience with flight began just a scant few decades ago.

However, a few pioneers of flying thankfully remain to remind us of those early days. Such a man is Harold Hodgens "Kiddy" Karr, the Navy's first enlisted pilot. Kiddy's flying career spans two world wars, the in-between "barnstorming" and seat of the pants mail route flying to modern days. And the stories he has to tell—of dawn patrols over the German trenches in France, of hitching 40-second rides on pasted-together "flying machines," in 1911, of learning to fly on an automobile-towed glider at age 14—make up a large part of the early history and romance of flying.

Since we take flying so much for granted now, it might do us well to remember, through Kiddy's reminiscences, the dawn of aviation.

TOBOGA ISLAND FLIGHT

(By H. H. Karr)

In the late 1920s I was attached to the battleship Mississippi, home port, San Pedro, Calif. as catapult pilot with two UO observation fighters under the command of Lieut. Charley Hayden. We had been over in the West Indies with the combined Fleets and were back in Panama for "R & R" before returning to Calif.

The men of the aviation detachment came to me and told me their tale of woe. They had planned to stock up on drinkables before they returned to "Volsteadland" but with the return of the Fleet to Panama Bay, liquor prices had gone sky rocketing—the best grade rum had gone up from 60¢ a quart to $2.25 and they wanted me to fly over to Toboga Island and buy their supplies where the prices were unchanged.

The Island was only about a ten minute flight from our anchorage in Panama Bay and there was a luggage compartment back of the rear seat where the bottles could be stowed until we returned to the ship. Then an old "Liberty" engine tool roll, almost as large as a tent, was to be brought up from the aviation storeroom as soon as the plane was hoisted aboard and secured on the catapult since this was to be the last flight of the day.

The chief mech, "Doggy" Fehrman was to be my passenger and our plans had been discussed in minute detail. This was still the "Grapejuice Navy" of Josephus Daniels so what we planned was a General Court Martial offense if we got caught at it. Normally the luggage compartment was empty so ample "wiping rags" were stowed in it on the morning watch, for padding.

In mid afternoon the float type seaplane was tied up at the stern so "Doggy" and I, in flight gear, climbed down the ladder, got aboard the plane and cast off. When we had drifted far enough back "Doggy" started the engine and we took off. We flew up towards the Miraflores Locs and then keeping well away from the Mississippi anchorage I headed for Toboga at about 3,000 feet altitude.

Over Port Toboga I retarded the spark and pulled the mixture control to "Lean" which made the engine backfire and "pop" loudly to indicate to "earthlings" underneath, that I was having engine trouble and explained why I made an immediate landing. Doggy got out on the wing to inspect the engine as soon as I had taxi-ed in to the beach. In a few minutes I asked him what he needed (all prearranged!) and he yelled out "I need some insulated wire". I replied, also in a loud voice, "I'll go up in town and get you some", and with that, I headed up the road to town.

"Covering my tracks" thoroughly, I did stop at the powerhouse and got some insulated wire and then on to the liquor store. I had borrowed a pair of large baggy trousers and a blouse four sizes too large for me so I tied heavy cord round the ankles and put an extra belt around my waist and then started stowing away bottles in each pants leg and around my middle until I could barely walk. I felt like I weighed a ton!!—and must have looked like a Michelin tire adv.

I realized I could never climb up on the wing to walk out to the fuselage so I just waded out to the pontoon and pushed the plane around so that the plane hid me from the crowd that had collected on the beach and got Doggy back the rear cockpit and the luggage compartment open and we certainly stowed away our "cargo", well padded, and in seconds we were ready to batten down hatches and take off!!!

I turned the plane around and gave it a shove out from the beach and by the time I got in the cockpit, Doggy was cranking the engine and, luckily, it started on the first try and we headed for the ship. We were supposed to come alongside and catch the boom hook and hoist in at once but my heart fell when they signalled me to come up astern to disembark and take on new passengers. "Catastrophe".

We climbed the rope ladder at the stern and came up on deck. We found that Lieut. Hayden was going to make an unexpected flight with a ships radioman and he asked me if the plane was O.K. and how much gas there was left and climbed down and got aboard the plane while he waited for the radioman. I was not too greatly concerned about our "cargo" because sometimes a month might go by without ever opening that luggage compartment, in normal operation.

But—the afternoon sun was hot—and the radioman long in coming—and soon Charley Hayden took off his blouse and looked around at the luggage compartment to stow it. I said to myself—"Well, there goes 15 years of Naval service down the drain with likely a Naval prison sentence to go with a "kick out". Doggy couldn't bear to look any longer and flopped flat on the deck but I bravely smiled down at calamity as much as to say "Nice knowin' you folks".

Then the radioman came, got aboard and took off! Our crew asked what we should do now. I said, "Proceed exactly as planned, get the big tool roll up and ready to unload and get it down to the aviation storeroom as fast as you ever can while Doggy and I write out our wills." This they did when the plane came in. Nothing was said about the "cargo" and in minutes it was in its prepared hiding place in the storeroom.

I think that was the most miserable night I ever spent. Every moment I was expecting an order to report to Lt. Hayden—but none came. That was one night I believe I heard the bells struck every half hour all night long. The worst of it was there could be but one verdict of the Court Martial—"Guilty as charged".

The next morning I was up on the quarterdeck with the crew as we checked over the planes when Lt. Hayden walked up to me and said "As long as we are in Panama, stay within gliding distance of the ship unless otherwise ordered"—no more then or ever after but that was the last time I ever "broke the law".

[From Federal Aviation News, March 1976]

"ACID" TRIP

(By Harold "Kiddy" Karr)

I believe it was in the mid-Twenties, when I was attached to Scouting Two, that I had the most dangerous peacetime flight of my life. I was at the naval air station in San Diego, Calif. I was copilot with Lt. Cy Simard (later admiral) of a 1918 F5L flying boat that had two Liberty engines and a crew of three. I had known Cy a long time. We were ensigns together at Pensacola in 1920 and he frequently drove me from our apartment house to the air station in his little red Ford "bug."

That particular morning we were to make an experimental flight using a thick fluid, titanium tetrachloride. This very peculiar fluid made dense white smoke when sprayed near moisture of any sort. We were to lay a smoke screen at 4,000 feet. Then, maintaining our altitude, we were to find out how fast the heavy white vapor would sink. Thus, we would determine how high our smoke-screening planes should fly around an enemy fleet in order to obscure their vision clear up above the masthead and how long it would take.

Our crew had ACCM Bobby Roberts as chief mech. ACOM Frenchy Le Page would control the fluid flow. I have long since forgotten the name of the radioman, but he was surely a hero. When the fluid we were to use was mixed with water it formed acid and required very high pressure (800 psi) for operations.Therefore, dual tubing went to each engine behind the exhaust stacks on one side of the engines. The fluid spray mixed with the moisture of the exhausts and created two streams of heavy smoke behind us.

A gas bottle, about four feet high, was lashed against the forward bulkhead of an open hatch back of the wings. Le Page would handle the valve on this bottle. Roberts would be at another open cockpit inside the wing gap. The radioman's station was right behind Lt. Simard and me in the hull, forward of the gasoline tanks. Lt. Simard and I were in the open pilots' cockpit.

We were well down the Mexican Coast when we reached 4,000 feet. We prepared for our first simulated screening run which was to last about 90 seconds. Then we were to head away from the smoke and time the rate of drop of the screen.

Lt. Simard signaled Le Page that we were ready. Nothing happened and so we assumed he was having trouble with the valve. I was watching the rear in an automobile rear view mirror which I had installed to

view the crew in back without turning around every time. I saw Roberts in position, half out of the middle cockpit. Le Page was moving back and forth behind the gas bottle—but no smoke appeared behind the engines.

Lt. Simard looked questioningly at me and I wrote on a message pad, "Evidently trouble with the valve." He nodded. We had plenty of time and gas, so we kept on course—no worry! Then I turned around to watch Le Page. I saw him throw his arms up around his face. A burst of white smoke enveloped him. I could see a fine spray of fluid escaping from the bottle which instantly turned to white smoke, and I knew the valve was leaking. I quickly wrote to Lt. Simard, "Valve leaking—Le Page face covered with fluid." At that moment the acrid smoke was drawn into the hull and sucked forward. We were enveloped in smoke and blinded.

We had no blind flying instruments in those old planes except a turn and bank indicator, an altimeter, a compass and an airspeed indicator. Lt. Simard made a perfect ball-in-the-center turn back towards the base. In a few minutes he motioned for me to take the controls while he got his handkerchief out to wipe his streaming eyes. Then he took the wheel again. I saw Le Page crawling up on the stub wing by Roberts who was in the mid cockpit. He evidently was crazed by the pain of the fluid and gas leaking into his goggles. He was getting ready to jump overboard to get away from it when Roberts came up out of the cockpit. He threw his arm around Le Page and got a firm grip on the interwing wires.

My eyes were running water. I had my goggles off and was wiping them frequently when Lt. Simard motioned for me to take the wheel again. After wiping his eyes, he kept them closed for a few minutes to keep out the dense smoke. Since we could see through the smoke only at intervals, we were practically flying blind. With the 5" by 12" windshield keeping the airstream away from me. I left my goggles off so I could wipe my eyes. Then Simard took the wheel again. As I looked back. I could now and then see Le Page beating Bobby Roberts over the head to make him let go. Since Le Page's arms and hands were heavily coated with this thick yellow fluid. Roberts was also immediately enveloped in thick white smoke.

I suppose it was then that I realized what the acid was doing to Le Page and Roberts—and, incidentally, all of us. I grabbed the pad and wrote a message to base sick bay. "Crew of 2S4 covered with acid, get wash tubs of baking soda water to VS-2 ramp! Now! Now! Soonest!" Because of the smoke, I couldn't see the radioman behind us. So, I reached over and got a spare message pad. I threw it where he should be and waved the paper I had just written at him. He got it and turned back to his set. From then on we were in direct communication with the base.

I was afraid to look back at Roberts and Le Page for fear they both had gone overboard (none of us had parachutes on). But through a rift in the smoke I saw they were still on the stub wing and still battling. Finally Roberts got Le Page down on the wing, with part of him in the mid cockpit. He was still wildly throwing punches and struggling to get away. Roberts was having a rough time of it. I would have dropped my seat and gone back to give him a hand but I had to be ready to relieve Lt. Simard when the pain in his eyes got so bad he couldn't stand it any longer. Dropping his lids to keep out the smoke seemed to be the only relief. My eyes watered so bad, my handkerchief was almost dripping wet. I knew Simard was in a similar condition. I hated to think about the poor radioman down there in the hull, still at his post with no relief. Now and then he handed up a message from the base.

Sick bay radioed they were leaving for the beach with the soda water, and the tower said the air had been cleared around North Island. We were to come straight in and up to the sand beach. I sent another message to the squadron advising them to keep the beach crew away from us until the props had stopped windmilling. I knew that the moment we stopped the entire plane would be in the center of a cloud of dense smoke and a crewman could easily be killed by a prop.

We were letting down gradually, increasing our speed and reducing the time needed for an approach when we came in to land. Every once in a while I could see the horizon and kept us on the original course Lt. Simard had set. At last, in the dim distance, I could see Point Loma.

By now we were all feeling the action of the acid on our skin. At first I thought it was just the smoke causing it, but then it began to smart. I could think of nothing so grand as putting my head into one of those tubs of soda water, getting my clothes off and sponging off with more of the water. I hated to think of the pain Roberts and Le Page were suffering with the concentrated fluid on their skin and eyes. I could see, now and then that Le Page did not seem to be struggling so violently. He was still half in the cockpit with Roberts' arm and one leg around him. I was confident they could hold out until we hit the beach. The radioman had put his arm up on the back of our seat so I could signal him if I had another message to send, and he could signal me if a message came in. But after the arrangements were made the air was silent.

We came in over the lower end of the bay and bore slightly north, directly towards the squadron. The tension now, when we were so close to the end, seemed even greater. It seemed at least half an hour before we made the last turn and dropped for the landing. The second Lt. Simard felt the hull hit the water, he opened the throttles and kept the plane on the step across the bay. Evidently the denser air near the water improved visibility and we had an almost uninterrupted view ahead.

Of course, the plane was smoking fiercely astern. I suppose anyone who saw us thought we were on fire. When we slid high on the sand beach in front of the hangar, the beach crew forgot all about what they had been told. Thinking the plane was on fire, they started scooping up water with their hands and hats, throwing it all over the plane. This immediately intensified the dense cloud of smoke around us. Lt. Simard and I were yelling at the top of our voices, "keep away from the props." The thick smoke we drew into our lungs started us coughing so hard we couldn't talk.

Quickly, other plane crews waded in from the rear and got Roberts and Le Page off. I dropped the catch on my seat so the radioman could come out forward. We jumped down on the sand and ran away from the smoke cloud. I got up on the ramp just in time to see someone pick up Le Page, flip him over and dunk him in the tub of soda water. When they pulled him up, he was "boiling" all over as the soda neutralized the acid. Then, one by one, the rest of us got the same treatment. What a blessed relief when the stinging pain suddenly stopped. Then and there we all undressed and sponged our bodies with the soda water. We washed our eyes with some liquid from sick bay. However, the stuff remained in our eyes until the next day. Fortunately there was no permanent damage or injury.

Had it not been for the radioman remaining on station, many complications could have resulted. Bobby Roberts surely deserved a medal. Although he was recommended for one he never got it. Aside from the engines, the plane was a total survey job. The acid ate into the plywood hull until you could skive it off with your thumbnail. The control wires looked like squirrel tails with stranded wires sticking out in every direction. The oddest effect was seen in the kapok life preservers that had been in the plane. You could tear the cover away and the interior resembled a mush-like substance. It could be squeezed through the fingers, just like toothpaste.

The engines were removed and the plane was taken to the dump and burned. We could not get reimbursed for the clothing we had on which was absolutely ruined. I went home that night in GI coveralls. By the time I got there my shoes had started coming apart where the acid had eaten into the cotton thread with which they were sewed together!

WISE WORDS ON OAHE

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. PRESSLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following: I am very disturbed by President Carter's recent announcement not to include the Oahe Irrigation Unit in his proposed budget for fiscal year 1978. I have received many letters from South Dakotans who are upset that the Oahe Irrigation Unit will not be funded. After experiencing a severe drought, the subject of water is very important to South Dakotans. They need water if they are to survive through another year. I would like to insert an article that appeared in the Potter County News on February 24, 1977 by Mr. Randy Howell. I feel this article expresses the views of many South Dakotans who want and need the Oahe Irrigation Unit:

SON OF THE MIDDLE BORDER

(By Randy Howell)

Howdy.

Something to stand upon.

That's what an historical site marker near Pierre says the Indian word "Oahe" means.

We wonder if the Indians, speaking that word generations ago, had any idea that Oahe would become a portent, the beginning of a pathway that could lead to solid footing for South Dakota's agriculture-based economy.

It is not, however, unreasonable to believe that the Indian's—something to stand upon—would become a possible dream. A dream that would revolutionize the concept of farming in what at one time was referred to as the Great American Desert.

A possible dream. Something to stand upon. Something real. Dryland farms irrigated by the mighty waters of what was to become Lake Oahe. Oahe is a dream with a future begun by those who knew the lessons of the past and learned from them. Oahe is a dream of courage and action not far removed from the pioneer spirit that brought the Great American Desert into bloom when the world, secure in its sheep pen, said dryland farming could not be done.

Oahe is the possible dream of a new generation, schooled by the wisdom and work experience of an older generation that built America's heartland. Oahe is agricultural man at his best, breaking new ground today for an investment in tomorrow. Oahe is the seed that germinated in dryland and set

root in a soil where rainchecks bounced for insufficient funds. Oahe is water in the First Bank of South Dakota, agriculture.

You and I both know what has been happening to the Oahe project. It is like a dream turned nightmare to most of us who dare to dream that the future of agriculture in our home state could be better. No one said it would be easy, but then it wasn't easy before Oahe came along either. In fact, things that come too easy are often no better.

Let me talk to you about easy things. It is easier to react than to think. It is easier to follow when one should lead. It is easier to watch when one should act. It is easier to destroy than to build. It is easier to fight than to work together. It is easier to shoot from the hip than to put your sights on a worthy goal. It is easier to do what you did yesterday rather than chart a course for tomorrow.

Yes, my middle border friends, all these things are easier for today, for the man or woman unconcerned about a possible dream for tomorrow.

If South Dakota loses the Oahe project it will be the darkest day in the history of this young state. It will represent the shirking of a responsibility you and I have to go out and face tomorrow with courage and wisdom to help shape the future of dryland farming.

Before you get too self satisfied in your quiet approval of the way Oahe has become a ping-pong ball in political backrooms, let me ask you a few questions about yourself and your future.

South Dakotans seem to pride themselves in being independent, conservative, and anti-government people. How in the world are you going to maintain your independence when corporation after corporation buys family farm after family farm "to save you from the drought?"

South Dakotans more often than not pride themselves in being hard workers, people dedicated to free enterprise and education. Some call it the American Dream, others simply "getting ahead."

How do you propose to chase it or even qualify to enter the race if you maintain your present production while the market for food in the world expands? Hungry people are not going to listen to excuses about any drought now or in the future; they will simply buy from a food producer who has learned to exercise some control over the production of foodstuffs.

That's free enterprise at work. And, you know as well as I that that is what happens in the marketplace . . . supply and demand. You may think the country is importing too much beef now. Well, I cannot wait to hear from you when not only that importing increases, but wheat, corn, oats, barley, rye and a host of other crops start coming into this country. They will come at an impossible rate because the South Dakota farmer and other midwestern farmers like him cannot get it together long enough to have an influence on their own future.

And, answer this, how can a South Dakotan scream about federal government intervention out of one side of his mouth and, out of the other side, refuse to embrace a project that would help lead to his own economic strength and independence.

If you think federal government disaster programs help keep the feds off your back, you've got another thing coming. If you can want independence and yet do nothing to work for it, if you pay lip service to being a self-made, self-sufficient man and run down to the local welfare office for another federal, strings-attached crisis grant, you speak with forked tongue.

The time has come to talk of water. The time has come to talk of irrigation. The time has come to talk of tomorrow. The time has come to talk of something to stand upon.

ARE PEOPLE READY FOR TAX REFORM?

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. DEL CLAWSON. Mr. Speaker, the Washington Post of Friday, March 11, contained an article by Bill Gold supporting perfectly a resolution I was preparing to introduce, and which I have introduced today, that its publication seemed almost uncanny. Since the resolution sets a requirement that every Member of Congress complete his own tax return until needed action is taken on tax simplification, I had sought to meet that requirement myself before introducing the resolution. Under leave to extend my remarks in the RECORD the article is included at this point, with a special word to its author. "Thanks, Bill Gold, we needed that."

The article follows:

ARE PEOPLE READY FOR TAX REFORM?

(By Bill Gold)

Ask a congressman why tax reform legislation is so difficult to pass and you're likely to get an explanation that runs something like this:

"People aren't ready for real tax reform yet. The present laws include special benefits for just about everybody, and nobody is willing to give up his own goodies for the sake of simplification for everybody. When a constituent demands tax reform, chances are he means, 'knock out every special benefit except the ones that help me.' And we just can't do that."

There may be a measure of truth to this explanation, but mail reaching my desk this week indicates that most taxpayers are far more sophisticated than their congressmen think. Eleven District Liners have written to me on the subject, and all 11 are clearly aware that the only way to get simplification and lower tax schedules is to give up the numberless boondoggles, exceptions, allowances, deductions and exemptions in the present law. The average taxpayer is not the dumbbell some politicians think he is.

Avery Comarow, who did the "Tax Filing Tips" article that is featured on the cover of the March issue of Money magazine (it's well worth reading), sees the problem as twofold: first, the complicated tax laws themselves, and second, the "incredibly unreadable language of the tax instructions."

Noting that the Joint Committee on Taxation recently found it necesary to issue a 682-page report explaining what Congress meant by the Tax Reform Act of 1976, Comarow suggests that one of the best things the government could do would be to hire some professional journalists to write the laws and instructions. Even the present tax laws might be tolerable if they were put into simple English sentences that an average person could comprehend.

I agree. I think some of the worst writing in America is done by legislatures.

Capt. Brenda D. Smith, USA, suggests: "No income taxes for those making less than $10,000. Thereafter, no personal deductions, no advantages for being married or unmarried, no complicated figuring. Just a flat percentage rate of 10 per cent or 15 per cent or whatever it takes to run the government."

Instructions too long and too complicated to comprehend drew much fire. R. M. Clendenin suggested that IRS be required by law to explain all its rules and instructions on one sheet of letter-sized paper. P. E. Arbo wants all congressmen and tax committee staff members to be required to fill out their own income tax returns without professional help. But M. Wilson of Oxon Hill goes a step further with this suggestion:

"To simplify the tax forms, all we would have to do is make it a law that all congressmen report to the Capital Centre with all their supporting data, a pocket calculator and a supply of pencils and pens. They would be permitted to bring in food supplies for up to two weeks, but would not be permitted to leave until they filed their completed tax returns at the door. Aspirin and tranquilizers would be supplied free at taxpayer expense—but I'll bet we'd get some quick reforms."

Indeed, indeed. It would dawn on the ladies and gentlemen of the Congress in very short order that any time they pass a law that needs 682 pages of explanation to tell a citizen what his government requires of him, the law is absurd. The quicker we get rid of it, the better off we'll all be. And the best time to start is yesterday.

OH, WHOM CARES?

A recent item in The Washington Star's Ear column said:

"The tongue-wagging's about Carter enchilada Jack Watson, whom, they're all whispering, is renting a near-palace for a mere 400 smackers a month."

Really, darlings! What has happened to standards? If you don't stop using the elegant-sounding "whom" where "who" is required, the tongue-wagging is going to be about you.

DELAYS IN DAM INSPECTION PROGRAM EXAMINED IN POST ARTICLE

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. EDGAR. Mr. Speaker, the House Government Operations Subommittee on Conservation, Energy, and Natural Resources will conduct hearings this week on the inadequacies of the Federal Dam Safety Act. I serve on the Public Works and Transportation Committee, which has reserved $30 million in its fiscal year 1978 budget for this program. I share the concern of both committees that enforcement of this act has been deficient, and that dam inspections have never been carried out.

The issue of dam safety is explored in an excellent article which appeared today in the Washington Post by Gaylord Shaw. I believe that this article merits the attention of my colleagues, and I insert it at this point in the RECORD:

NATIONWIDE DANGER FOUND IN OLD, ILL-DESIGNED DAMS

(By Gaylord Shaw)

FALLON, NEV.—Lahontan Dam looks safe. Rising 168 feet above the Carson River, it creates a lake stretching for miles across the quiet expanse of western Nevada. Weekend boaters ply the calm waters. Children fish from the banks. Campers pitch tents in the valley below, where irrigation has turned the desert into an oasis.

But far from this placid scene, documents in the gray filing cabinets of government paint a shockingly different picture: 62-year-old Lahontan Dam is not strong enough to hold back severe flood pressure.

A federal report gives this description of what dam failure at Lahontan would mean:

Almost 100 billion gallons of water would suddenly surge downstream. "Hundreds of

people in mobile homes and trailers, on farms, roads and trails likely would be trapped and overwhelmed by the flood."

The town of Fallon, population 3,500, located 18 miles downstream would be inundated. Homes, businesses, highways, canals, bridges, a power plant would be wrecked. Beyond the human casualties, economic losses would reach $82 million.

And Lahontan is not alone. From North Carolina to California, Arizona to North Dakota, inadequate, aging, and poorly designed dams pose potentially devastating threats to the lives and property of thousands of people. Yet work to make such dams safe is bogged down by politics and lethargy.

Inadequate spillways, unstable embankments, faulty foundations, excessive seepage, severe hydraulic uplift pressures, deteriorating concrete, transverse cracking—technical terms like these are sprinkled throughout internal government documents.

Without exception, officials responsible for federal dams say none of them is in imminent danger of collapse. And there is much evidence that most of the 5,000 federally constructed, owned or licensed dams meet the government's rigid safety standards.

But that is not true of several dozen of the federal dams. And last summer's disastrous collapse of Teton Dam in Idaho—11 deaths, more than $400 million in damage—showed that even the newest, most sophisticated can be fatally flawed.

In the months after the Teton disaster, examinations of government documents and interviews on federal dam safety have uncovered the following:

Of the Bureau of Reclamation's nearly 300 dams, 20 would be unable to cope with floods that updated studies say they need to be able to handle.

Five other bureau dams currently have seepage or leakage problems, some described as severe.

Fifty-four recommendations for emergency remedial work were made by bureau inspectors last year because "the safety or adequate fuctioning of the facilities are involved. . . ."

There is a backlog of 1,333 other recommendations covering "a wide range of important matters . . . to prevent or reduce damage or to preclude eventual operational failure" at bureau dams.

Of the 400 dams operated by the Corps of Engineers, 61 were identified by experts as requiring further study because they "may not perform as well during extreme floods as intended. . . ."

After the Teton collapse, the corps reviewed 64 of its dams built on "difficult foundations" and found cracking and signs of distress in several.

Some officials and engineers within the federal government's multibillion-dollar, 50,000-employee dam-building bureaucracy are so concerned about potential hazards that they have kept up a drumfire of memos urging faster steps toward safer dams, but they find themselves frustrated by the facts of political life.

New dams usually have a built-in constituency of individuals and interests that stand to benefit from the projects. Yet in most cases, no such constituency exists for upgrading the safety of existing projects, because such work rarely increases water supplies.

Of the corps' $1.5 billion general construction program this fiscal year, $27.5 million—or 1.8 percent—was listed for rehabilitation work. Of the Bureau of Reclamation's $723 million construction and rehabilitation budget, $5.6 million—or less than 1 percent—was listed for rehabilitation.

This imbalance translates into slow progress on safety and other modification work. Lahontan Dam offers one example.

A bureau study in 1965 concluded that the original estimates of the floods Lahontan must be able to withstand were understated and that the runoff from a record rainstorm would be much higher than first expected. Yet today, a recommendation that Lahontan Dam be modified so it can meet the updated flood forecast is still creeping through bureaucratic channels—several months away from reaching Congress, which must authorize the $4.7 million project.

Concrete in the dam's thin spillways is so severely deteriorated with age that it would disintegrate if the spillways attempted to pass more than 4,000 cubic feet of water per second—less than 20 percent of the spillways' design capacity, government engineers said last summer.

Even as the spillways' floors crumbled, their sidewalls would be overtopped by the surging water. The dam's right abutment would become saturated and slide away. Water would begin eroding the dam's inner core. Soon the dam would be breached.

To produce the dam-destroying maximum probable flood would require an extraordinary 17-inch rainstorm somewhere within Lahontan's watershed. "Although the occurrence of the maximum probable flood is extremely unlikely," said a bureau memo written last November, "such a flood could possibly occur in any year . . ."

Because of advance in flood forecasting, and because some of its projects were built more than half a century ago, the Bureau of Reclamation began in 1965 to re-examine the ability of its projects to cope with floods. Twenty dams were listed as "known to have inadequate capacity."

Yet work to modify potentially hazardous dams proceeds slowly.

One reason is that the division which recommends safety work must call upon another division to design the modifications.

Officials who set priorities seem unconvinced that immediate action is required. "We don't consider any of these dams in imminent danger," said Assistant Reclamation Commissioner Ed Sullivan. "The probability of failure is quite remote," said Ben Prichard, the safety program's chief.

Another cause for delay is the cumbersome financial arrangement to pay for the modifications. Congress requires the bureau to negotiate a cost-sharing agreement with the irrigators who benefit from the projects, a process that can take years.

SUPPORT FOR MANDATORY SENTENCING BILL CONTINUES TO GROW

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. ANDERSON of California. Mr. Speaker, on March 2, I listed the names of those Members of this Congress who have joined in cosponsorship of H.R. 1559, a bill to provide for a minimum mandatory prison sentence of 5 years for anyone convicted of committing a Federal crime with the use of a firearm. I would like to add the names of four additional Members at this time.

ADDITIONAL CO-SPONSORS OF H.R. 1559

Mr. Fithian of Indiana.
Mr. Panetta of California.
Mr. Sisk of California.
Mr. Bob Wilson of California.
Mr. Burgener of California.

Mr. Speaker, I thank these Members for showing their support and dedication to come to grips with the problem of rising crime with decisive action. I urge anyone who has not yet agreed to cosign this realistic legislative effort to do so.

I include with my remarks, several letters from law enforcement officials from my State of California. All voice support for this bill which has now been coauthored by 103 Representatives. The letters follow:

BELL-CUDAHY POLICE DEPARTMENT,
Bell, Calif., March 7, 1977.

Hon. GLENN M. ANDERSON,
Rayburn House Office Bldg.,
Washington, D.C.

DEAR CONGRESSMAN ANDERSON: In the 29th year of my career in law enforcement, I have finally seen some meaningful sentence legislation introduced to combat crimes involving the use of firearms (HR 1559).

Placing the emphasis on punishment, for crimes committed, has been the only workable deterrent, against the commission of criminal acts, in the history of law enforcement yet, the controversy generated over gun ownership has been a diversionary windfall for criminals, intent on using weapons, for the past decade.

Certainly, we have never considered legislation prohibiting the use of automobiles on public highways, despite the fact that irresponsible motorists kill thousands of innocent victims each year. Nor, has a law been seriously considered which would permanently revoke the driving privilege of a motorist found criminally responsible for a traffic death. Correspondingly, there has never been a national controversy over the right to own, and operate a vehicle.

I congratulate you, Congressman Anderson, for introducing this vital measure (HR 1559), and for your leadership in generating the support necessary to carry it through for final approval.

Very respectfully yours,
GEORGE R. WAGNER,
Chief of Police.

OFFICE OF DISTRICT ATTORNEY,
Modesto, Calif., February 28, 1977.

Hon. GLENN M. ANDERSON,
Congressman, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: I wholeheartedly support H.R. 1559.

It has been my policy as District Attorney to utilize special allegations that a defendant was armed or using a firearm in the commission of a crime in order to obtain greater sanctions. I believe that the federal system would profit from mandatory prison terms for those convicted of committing federal crimes with the use of a firearm. The people, in the final analysis, will profit the most from having armed felons behind bars where they belong.

Your approach is consistent with the view that it is criminals who misuse guns and cause injury to innocent citizens and that it is not the innocent citizen with the gun who is responsible for the growth of violence by firearm.

Thank you for providing me with a copy of your resolution.

Very truly yours,
DONALD N. STAHL,
District Attorney.

OFFICE OF DISTRICT ATTORNEY,
Ukiah, Calif., February 28, 1977.

Hon. GLENN M. ANDERSON,
Congressman, Rayburn House Office Bldg., Washington, D.C.

DEAR CONGRESSMAN ANDERSON: The use of firearms in the commission of crime is becoming more evident daily. Ten years ago those of us living in rural America prosecuted crimes involving firearms; today it

seems to be a rare case that doesn't involve them

Because the use of a firearm has the increased potential of death or great bodily injury I strongly support your proposed legislation. H.R. 2004. I hope that my Congressman, the Honorable Don Clausen, will join in support.

Very truly yours,

DUNCAN M. JAMES,
District Attorney.

CALIFORNIA DISTRICT
ATTORNEYS ASSOCIATION,
Sacramento, Calif., February 22, 1977.

Hon. GLENN M. ANDERSON,
Member of Congress, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: I have received a copy of H.R. 1559 and find it to be similar, in many respects, to California law (see specifically Sections 1203.06, 3024, 12022, and 12022.5 of the Penal Code).

It is my view that such legislation will prove useful in attempting to reduce the outlandish growth of violence which is sweeping the country, particularly violent crimes in which firearms are used.

If we may be of further assistance in this matter, please let us know.

Yours very truly,

BYRON MORTON,
President.

OFFICE OF DISTRICT ATTORNEY,
San Jose Calif., March 1, 1977.

Hon. GLENN M. ANDERSON,
Member of Congress, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: It is high time that our citizens know that an adequate penalty will be imposed on those criminals who prey upon them with guns of any type. It will also give them much satisfaction (and should give them some peace of mind) to know that whether or not this penalty will be imposed is not going to depend upon the mood, whim, or caprice of some prosecutor or judge at a particular moment on sentencing.

I endorse your proposed bill in this regard and feel that it expresses the feeling of the citizens in my community. My only question would be whether or not it shouldn't exclude those cases wherein a good citizen might get caught in a situation where, for example, he mistakenly uses excessive force to protect his person and is, in fact, guilty of a felony. An example of this might be in a situation where the citizen answers a tumultuous knocking at his front door at 2 o'clock in the morning and, out of fear, shoots the person at the door thinking he is a robber, etc. It turns out that the victim's wife is out in the car delivering—the victim just wanted help.

In California the person would be guilty of a felony. Such a law would give him a mandatory five years—I wouldn't want that and I don't believe you would.

Thank you for referring this matter to me and giving me an opportunity to express my views.

Sincerely,

LOUIS P. BERGNA,
District Attorney.

OFFICE OF DISTRICT ATTORNEY,
Martinez, Calif., February 28, 1977.

GLENN M. ANDERSON,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN: I support mandatory prison sentences for anyone convicted of committing a felony crime with the use of a firearm. We must in some way try to slow down the violent crime in this country. It seems to me that anyone who uses a gun has stepped over the line and should be dealt with severely. The only question that I have is the mandatory minimum of five years. I have seen some cases in which the wife has shot the husband in a fight under tragic circumstances and it may be in cases like that there should be some room for stipultion that they do not have to serve the full minimum.

Thank you for contacting me.

Very truly yours,

WILLIAM A. O'MALLEY,
District Attorney.

COUNTY OF SAN MATEO,
Redwood City, Calif., March 3, 1977.

GLENN M. ANDERSON,
Congressman, Rayburn House Office Building, House of Representatives, Washington, D.C.

Re: HR–1559

DEAR CONGRESSMAN ANDERSON: Thank you for your introducing the above bill into Congress. In California, as you know, the legislature has recently taken similar steps, although not in as broad a scope to deter persons from committing crimes involving firearms. Because the possession and use of firearms requires planning and deliberate action, such penalties are appropriate and appear to be necessary in order to make our streets and communities safe.

Good luck!

Sincerely yours,

KEITH C. SORENSON,
District Attorney.

SHERIFF'S DEPARTMENT,
Yuba City, Calif., March 4, 1977.

Hon. GLENN M. ANDERSON,
Member of Congress, House of Representatives, House Office Building, Washington, D.C.

DEAR REPRESENTATIVE ANDERSON: I read with interest your bill H.R. 1559. I wholeheartedly support this bill.

I sincerely believe that the best approach to curbing crimes of violence is strict application of severe punishment. Once the criminal element is educated in this concept, then we can begin to stem the tide of ever increasing violence.

It is legislation such as this, presented and supported by lawmakers such as yourself, which will substantially reduce the present excessive crimes of violence plaguing our nation.

Please accept my sincere appreciation for your efforts and pledge of support in all matters of mutual concern.

Very truly yours,

ROY D. WHITEAKER,,
Sheriff-Coroner.

OFFICE OF DISTRICT ATTORNEY,
Willows, Calif., March 3, 1977.

Hon. GLENN M. ANDERSON,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: Lest we jeopardize the existing right of responsible citizens to own and use firearms and in order to reflect in our federal system of criminal justice an effective means of dealing with the misuse of firearms, I wholeheartedly support your Bill (H.R. 1559) mandating minimum prison sentences for persons convicted of committing federal crimes with the use of a firearm.

Very truly yours,

R. J. MALONEY,
District Attorney.

POLICE DEPARTMENT,
Monterey Park, Calif., March 4, 1977.

Congressman GLENN M. ANDERSON,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN ANDERSON: I have received your letter of February 28 regarding H.R. 1559 and am pleased to inform you that I strongly support this proposed, timely, needed legislation.

If I can be of any help in your efforts to get this bill passed, please do not hesitate to call on me.

Cordially,

JON D. ELDER,
Chief of Police.

DISTRICT ATTORNEY,
Independence, Calif., March 7, 1977.

Hon. GLENN M. ANDERSON,
Rayburn House Office Building,
Washington, D.C.

Re: H.R. 1559

DEAR CONGRESSMAN ANDERSON: As District Attorney of Inyo County, I would like to express my wholehearted support for H.R. 1559. Regrettably, the judiciary of this country has not been sufficiently willing to put violent offenders where they may no longer prey on the public. It appears, therefore, that the effort must come from the legislature and I am pleased that it is forthcoming.

Sincerely yours,

L. H. GIBBONS,
District Attorney.

THE PAY RAISE ISSUE SHOULD BE ADDRESSED ON ITS MERITS BY THE U.S. SUPREME COURT

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. JEFFORDS. Mr. Speaker, I will be submitting a brief as amicus curiae, or friend of the court, in support of a case brought by my colleague, Congressman LARRY PRESSLER before the Supreme Court on the question of the mechanics of approving pay raises for Congressman. I hereby submit the text of the brief, minus footnotes, for the interest of other Members and the public at large:

[The Supreme Court of the United States, October Term, 1976, No. 76–1005]

BRIEF OF JAMES JEFFORDS

Larry Pressler, Member, U.S. House of Representatives, Appellant, v. Warren M. Blumenthal, Secretary of the Treasury; Francis R. Valeo, Secretary of the U.S. Senate; Kenneth R. Harding, Sergeant-at-Arms of the U.S. House of Representatives, Appellees.

On Appeal From The U.S. District Court for the District of Columbia.

As members of Congress, the amici have a threefold interest in the outcome of this appeal. First, the Court's decision in this appeal will have a direct impact on the actions of the amici in discharging their constitutional obligations under Article I, Sections 1 and 6. Second, the disposition of this appeal will substantially affect the ability of the voters represented by the amici to determine the position of their elected representatives with respect to the rates of Congressional pay. Third, the rates of compensation paid to each of the amici as members of Congress may be directly affected by the Court' decision in this appeal.

The amici have filed this brief with the consent of the parties pursuant to Rule 42 (1). The written consent of each party has been filed with the Clerk of the Court simultaneously with the filing of this brief.

ARGUMENT

I. The Statutory Provisions at Issue Substantially Impair the Efficacy of the Vote of Each Member of Congress—

The rate of compensation for each Mem-

ber of Congress is presently computed on the basis of two statutes: The Postal Revenue and Salary Act of 1967 and the Executive Salary Cost-of-Living Adjustment Act of 1975. Under these statutes, Congressional salary rates are adjusted periodically in amounts determined by the President. Congressional involvement in the adjustment of its members' compensation is restricted under both statutes to a limited power of disapproval. To exercise this power of disapproval, one House of Congress must act affirmatively within thirty days to reject the salary adjustments recommended by the President. In the absence of an affirmative resolution of disapproval, the salary rates recommended by the President automatically go into effect.

Amici believes that the statutory procedures for Congressional disapproval of Presidential salary recommendations substantially impair the efficacy of their votes as Members of Congress in ascertaining the rates of Congressional compensation.

The power of Congressional disapproval under the statutes at issue in this appeal must be exercised, if at all, within thirty days of the relevant Presidential salary recommendation. In legislative terms, thirty days is an extremely brief period of time for securing any type of affirmative action. Although Congress has, on occasion, taken affirmative action on a matter in less than thirty days, such expeditious treatment normally is possible only when there is overwhelming support in favor of the measure and there is some extraordinary outside circumstance requiring extremely speedy action. As a consequence to a salary adjustment recommended by the President, the thirty day time limit on the power of disapproval may make it impossible for Members of Congress to have an opportunity to cast their votes.

The reverse nature of the disapproval power, which allows new governmental action to be initiated if no Congressional action is taken, also impair the efficacy of each Member's vote. The parliamentary procedures used in the Senate and House of Representatives have been developed solely to regulate the process by which Congress enacts affirmative legislation. These parliamentary procedures include numerous methods by which a small minority can delay action that is desired by a substantial majority. So long as Congress is acting by affirmative legislation, all of the various procedural devices for delay tend to have the salutary effect of ensuring that Members of Congress will have ample time for deliberation and consultation before some new governmental action is taken. In the case of a thirty day disapproval power, however, all of the devices for delay operate to frustrate, rather than foster, the goal of deliberate Congressional action.

In the final analysis, the decision to bring a salary adjustment disapproval resolution up for floor action depends not upon the will of the majority in either House, instead it depends almost exclusively upon the discretion of the majority leadership and the committees to which the resolution has been referred.

Disapproval resolutions, like all other legislative proposals, are normally referred to committees after introduction. If the House and Senate committees fail to report a disapproval resolution in time for floor action within the statutory thirty day time limit, the pay raise recommendation in question will normally take effect without any opportunity for Members of Congress to vote on the question. This, in fact, has been the fate of virtually all of the salary adjustment disapproval resolutions introduced in the past.

In the House of Representatives there are only two basic ways that a disapproval resolution not reported by committee can be brought to the floor for a vote: By motion to discharge the committee and by motion to suspend the rules. Neither of these devices is of any significant value in forcing a vote on a salary adjustment disapproval resolution.

Motions to discharge a committee cannot be introduced in the House until the measure that is the subject of the motion has been pending before the committee for more than thirty days. Since Congressional power to disapprove a pay raise recommendation is limited to thirty days, the salary adjustment in question will always take effect before a motion to discharge can be introduced. Moreover, the motion to discharge a committee would probably be of little value even if the statutory period for disapproval was longer than thirty days. Motions to discharge are rarely introduced, largely because of traditional deference to the committee system. Furthermore, the relatively few motions to discharge that are introduced frequently fail because such a motion cannot be acted upon until a majority of the full House has formally joined in sponsorship of the motion.

Motions to suspend the rules are of equally little value in forcing floor action in the House or a disapproval resolution stalled in committee. Motions to suspend the rules normally are in order in the House only on the first and third Mondays of each month. Motions to suspend the rules require a two-thirds majority for passage and must, upon demand by any Member, be seconded by a simple majority in a teller vote. Finally, and most importantly, the Speaker of the House has absolute discretion in recognizing any Member who rises to move suspension of the rules.

In the Senate, the procedures for bringing a measure stalled in committee to the floor are somewhat more flexible than those in the House. Motions to discharge a committee may be introduced in the Senate without a waiting period and passage requires only a simple majority. Motions to suspend the rules in the Senate also may be introduced at any time. However, if any Senator objects to either type of motion, the motion must lay over one day, after which it is eligible for floor action in the order of its placement on the calendar. As a practical matter, the leadership of the Senate can avoid floor action on any such motion by recessing each legislative day before the measure comes up on the calendar. This was the fate of one of the Senate efforts to disapprove the most recent Congressional pay raise recommendation.

One final method for forcing floor action is available in the Senate. That method is to offer the disapproval measure as an amendment to some other unrelated legislative business. This alternative is possible because the Senate does not normally require that amendments be germane to the subject matter of the proposal being amended. A disapproval resolution offered in the form of an amendment to some other legislative proposal, however, is still subject to the possibility of a filibuster as well as the possibility that the underlying proposal could be defeated.

In the face of all of these obstacles, the ability of individual Senators and Representatives to record their votes on the "enactment" of a salary adjustment is severely curtailed.

II. The Statutory Procedures at Issue in This Appeal Substantially Impair the Voters' Ability to Ascertain the Position Taken by Their Senators and Representatives—

One of the essential elements of any representative democracy is the ability of the voters to ascertain the position taken by their elected officials. To preserve the representative character of Congress, Article I, Section 5 of the Constitution requires that:

"Each House shall keep a Journal of its Proceedings, and from time to time publish the same . . .; and the Yeas and Nays of the Members of either House on any question shall, at the Desire of one fifth of those Present be entered on the Journal."

Thus, the Constitution contemplates that no new governmental action can be authorized by Congress without: (1) a record being made of the action in the Journal of each House and (2) a record being made of each Member's vote if such a record is requested by one-fifth of the Members present.

The statutory procedures for adjusting Congressional pay at issue in this appeal effectively nullify all of the protections afforded to the public by Article I, Section 5. Under the statutes in question, there is no instance in which either House must vote to enact an increase in the salary rates for its members. Raises recommended by the President under the Salary Act can go into effect without any recorded action by either House, much less any recorded vote. Under the Cost-of-Living Adjustment Act, pay raises normally go into effect without even the possibility of Congressional disapproval.

Although either House of Congress can record its support in favor of a recommended pay raise if it wishes to do so, the actual experience under the statutes clearly shows that Congress is extremely reluctant to voluntarily record its views in support of a pay raise. To date, three Congressional pay raises have been recommended by the President under the Salary Act. Forty-seven Representatives introduced thirty-four resolutions of disapproval with respect to the first pay raise recommendation in 1969. Ninety-five Representatives introduced sixty-three resolutions to disapprove the second pay raise recommendation in 1974. Seventy-one Representatives introduced thirty-three resolutions to disapprove the third pay raise recommendation in 1977. Not a single one of these one hundred thirty disapproval resolutions ever reached the floor of the House or received a vote of any sort by the House membership.

The record in the Senate is only slightly better. A resolution to disapprove the first pay raise recommendation did reach a floor vote in the Senate in which disapproval was defeated by a narrow vote of 34–47. The Senate passed by an overwhelming 71–26 majority a resolution disapproving the second pay raise recommendation. A resolution to disapprove the third pay raise was defeated in the Senate by a vote of 42–56 on a motion to table.

There is probably no coincidence in the fact that the House of Representatives (whose Members must stand for election every two years) has never voted on a Salary Act disapproval resolution while the Senate (whose Members stand for election only every six years) has taken at least some form of recorded vote on each Salary Act recommendation. It is also probably no coincidence that the one Salary Act recommendation actually disapproved was the only one which came before the Congress in a Congressional election year.

In addition to the Salary Act increase, there has been one Cost-of-Living Act adjustment. Under the terms of that act, the cost-of-living adjustment was not subject to Congressional disapproval. However, since the amount of the adjustment exceeded the amounts available under the Legislative Branch Appropriations Act, disbursements could not be increased to the rate ordered under the adjustment.

In short, since 1967 two Congressional pay raises have gone into full effect, one has been defeated, and one has been nullified for lack of appropriations, but the voters have no recorded action by the House of Representatives on any of these pay raise measures and none of the votes recorded in the Senate were required by the statutes for

the pay raises to go into effect. This performance falls far short of satisfying the voters' legitimate need to ascertain the position of their Senators and Representatives with respect to rates of Congressional pay.

III. The Issue Presented by This Appeal is a Timely and Unprecedented One Which Deserves Plenary Consideration in This Court—

As the District Court noted in its opinion, the issue presented by Congressman Pressler in this case is one of first impression. Memorandum Opinion at 5. No prior decision has ever considered the scope of Congress' obligations under Article I, Section 1 and the ascertainment clause of Article I, Section 6. The unprecedented nature of the question presented by Congressman Pressler, by itself, warrants plenary review of the appeal by this Court.

The issue presented is also one of timely and substantial public importance. In the past month, Members of Congress received a very sizeable pay raise under the Salary Act. Although the size of the pay raise was controversial, public concern focused primarily on the statutory procedures that allowed Congress to raise its own salary by doing nothing. Even those who defended the amount of the recent pay raise were almost unanimous in their condemnation of the statutory procedures at issue in this appeal. The prospect of another automatic pay raise in October of this year has heightened public concern over the statutory procedures for adjusting Congressional pay.

The issue presented in this appeal is also important because it is closely related to the broader controversy over the constitutionality of any form of Congressional veto. For years scholars have debated whether the Congressional veto device impermissibly impairs the veto power of the Executive branch. At least four Presidents and three Attorneys General have argued that legislative vetoes of various form are unconstitutional. Congress itself has studied but never resolved the question. The issue was raised but not decided in *Buckley* v. *Valeo*, 424 U.S. 1 (1976). The issue is again before this Court in *Clark* v. *Valeo*, No. 76-1105 (docketed February 9, 1977). Although the *amici* express no opinion on the merits of the arguments in *Clark* v. *Valeo*, they believe that plenary review of that case together with the appeal herein would present the Court with a unique opportunity to examine the effects of the Congressional veto on both the Legislative and the Executive branches of government.

CONCLUSION

For the reasons stated above, the *amici* believe that probable jurisdiction should be noted in this appeal.

AL SHANKER OF THE UNITED FEDERATION OF TEACHERS DISCUSSES PROPOSED CUTS IN IMPACT AID

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. KILDEE. Mr. Speaker, I should like to bring to the attention of my colleagues a column written by Albert Shanker, president of the United Federation of Teachers, which appeared in the New York Times of March 13, 1977. In his article, Mr. Shanker outlines the disastrous effect the proposed cut in Federal impact aid funds would have on school districts across the Nation.

I know that many of my colleagues share my concern about the financial problems facing school districts, and I believe they will find Mr. Shanker's column of great interest.

DISAPPOINTING START ON FUNDS FOR SCHOOLS

(By Albert Shanker)

Since school districts all across the country are facing financial problems, they all waited hopefully for the first budget proposal by President Carter. That proposal has now been made, and it is disappointing.

The headlines which appeared throughout the country correctly reported that Carter had increased the federal money for schools over what President Ford had proposed. That is true. But when we compare the Carter proposal not with the Ford budget but with what the federal government actually spent on schools last year, we get a different picture.

President Carter is proposing a very slight increase in federal aid to education, but an increase so small that it will not even begin to cover the inflationary costs of this year. In real dollars, schools will be getting less money under the Carter budget than they are getting now under a budget which the Congress compelled President Ford to accept.

One of the most unfortunate aspects of the Administration's proposal is that it drastically reduces "impact aid" by $300 million. This cut, if approved by Congress, is not justified and would be disastrous.

Impact aid, which was first enacted in 1950, is an important school aid program which is not generally understood. Under the program, the federal government provides financial assistance to local school districts in order to compensate for the special burdens they confront because the federal government owns property within the school districts, and they must educate the children of those who live or work on such property. The idea behind impact aid is simple. School districts get most of their funds from taxes imposed on both residential and commercial property. In the most common situation, schools receive support through taxes which parents pay on their residence and taxes paid by the businesses for which the parents work. But since school districts cannot impose real estate taxes on federal installations, such districts are hard-hit when they must educate children who live with their families on federal property and/or whose parents work on a federally-owned site.

Just imagine the problems faced by a school district in which a large number of the residents live on a local military base or in public low-income housing and where many of the residents work in federal buildings! The taxpayers in the district who live and work on privately-owned property would have to agree to a very high tax rate to cover the education of all the children.

The impact aid formula defines two categories of federally connected children. Category A are those who live on federal property *and* reside with parents who work on federal property. The federal government now pays roughly 90 percent of the cost of their education. Category B children are those who *either* live on federal property or in low-income housing, *or* reside with parents who work on federal property—so that only one tax source, rather than the usual two, supports their education. Currently the federal government provides about 45 percent of the cost of educating Category B children.

The Carter Administration proposes to eliminate payment for Category B children. Major cities—which were to be targeted for special help by this Administration—will lose a staggering amount of money for education. The Council of Great City Schools has given the following estimate of the dollar loss for 27 such school systems:

School system:	*Impact aid dollar loss*
Atlanta	$1,208,601
Baltimore	771,881
Boston	466,405
Buffalo	306,824
Chicago	5,906,459
Cleveland	870,815
Dade County	909,936
Dallas	766,384
Denver	1,176,242
Detroit	787,974
Long Beach	620,824
Los Angeles	2,510,488
Memphis	829,944
Milwaukee	389,626
Minneapolis	357,571
Nashville	246,790
New Orleans	858,994
New York City	19,819,814
Oakland	963,836
Philadelphia	4,064,721
Pittsburgh	778,898
Portland	236,866
St. Louis	435,874
San Diego	3,625,120
San Francisco	407,939
Toledo	266,608
Washington	3,727,528

Though popular with Congress (impact aid is said to benefit anywhere from 375 to more than 400 congressional districts), impact aid was often opposed by the Executive Branch on the ground, largely, that because some federally-connected children lived in certain wealthy school districts surrounding the capital, where their parents worked, the aid went to districts which did not need it. But in a reform amendment in 1974, such children were gradually phased out and, in their place, children from low-rent public housing were substituted, thus providing assurance that the funds would go to districts with the greatest need. By proposing now to eliminate payments for such Category B children, the Carter Administration is not only undoing the reform but throwing out the baby with the bath water.

It cannot be that the President does not mean to keep his oft-stated commitment to a larger federal support level for education. It must be that the same Nixon-Ford bureaucrats who have opposed impact aid in the past are still around making their irresponsible suggestions. Or perhaps the Carter Administration is not aware of the reforms instituted in 1974 to meet the arguments of the impact aid critics. In either event, the Administration's proposal is unsound and should be re-thought.

A RESPONSIBLE ENERGY PROGRAM

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. ARMSTRONG. Mr. Speaker, we are coming to the end of the coldest winter in many years, a winter when more than 1 million Americans were temporarily unemployed because of energy shortages. Millions of others were inconvenienced or lost wages because of reduced working hours.

In this light, I would like to call the following policy statement to the attention of my colleagues. While I do not endorse all of the findings of the Time panel of economists, I share their concerns, and particularly their conclusion:

[From Time Magazine, Feb. 21, 1977]

PRESCRIPTIONS FOR A DRASTIC PROGRAM

The shortage of natural gas that has closed factories and schools throughout the Northeast and Midwest is only the most visible and urgent symptom of the nation's energy crisis. Oil imports continue to hover at a record 44 percent of the nation's supply—a dangerous dependence on foreign producers that "has got to stop," as President Carter put it at his news conference last week. But domestic oil production is still declining, gasoline may run short during this summer's driving season because refineries will switch from making heating oil to gasoline much later than usual. Construction of nuclear power plants is far behind schedule; only one was licensed last year. That could lead to brownouts and blackouts in five years or so if utilities cannot find greater supplies of gas, oil and coal. Even so, lights blaze wastefully in New York and many other cities.

Carter has pledged to put together a comprehensive energy policy, which is mostly being drafted by his energy coordinator James Schlesinger (*see following story*), for presentation to Congress by April 20. What should it contain? An impressive amount of agreement has been building up among experts, and it is reflected by Time's Board of Economists, who gathered in Manhattan last week for their first day-long meetings of 1977. Though the board contains liberals and conservatives, the nine members present were unanimous in recommending a drastic policy focused on sharply higher energy prices and taxes. Observed Alan Greenspan, who rejoined the board after having been on leave for 28 months while he served as chairman of President Ford's Council of Economic Advisers: "On energy, there is little division among economists. The division is between economists and politicians."

The program the board proposes would require every Congressman to vote to make his constituents pay for more than ever before for energy. There will be many temptations to seek less painful solutions. Harvard Professor Otto Eckstein lists "three cop-outs" that all too many people take on energy policy. The first is to put faith in blue-sky technologies, such as development of solar and geothermal power, to increase energy supplies, which they can do only marginally. Says Eckstein: "When somebody talks about solar as the answer to energy, you know he is dodging the issue." The second cop-out is reliance on "cosmetic symbols," such as investment credits for home insulation, which helps, but not enough. The third: belief that shortages are artificially created by energy companies.

The shortages are real, and must be dealt with boldly. The board's program:

Prices of oil and gas must be set free to find their own levels in the market. Liberals on the board would phase out controls over three or four years to cushion the blow to consumers; conservatives favor more rapid decontrol. But all agree that the Federal Government must eventually remove itself from energy pricing altogether, eliminating the red tape that has engulfed the system.

Decontrol would cause the price of natural gas piped across state lines to jump to $2 or so per 1,000 cu. ft., from levels of 29 cents to $1.44 now set by the Federal Power Commission. U.S. oil prices, now controlled at $8.62 per bbl., would rise to the world level of about $12.50, set by the Organization of Petroleum Exporting Countries. Consumers' fuel bills would soar, and, as Eckstein candidly acknowledges, energy companies and their stockholders would be enriched—a politically unappealing prospect that could be tempered by the elimination of oil-industry tax loopholes. In any case, board members see no other way to encourage heavy investment in domestic energy production than to let prices go.

Taxes should be slapped on energy use. Board members generally feel that people will not stop wasting energy unless they are forced to pay heavily for the privilege; they may turn down thermostats when a President asks them to, but not for long.

Joseph Pechman, director of economic studies for the Brookings Institution, would slap a stiff excise tax on big gas-wasting cars. Says he: "If you want to drive a decked-out Cadillac, you ought to pay, in addition to the $12,000 price, the social cost of driving that Cadillac." He would also levy a tax of 50 cents per gal. on gasoline, raising its price to the motorist an average of 80%, to something over $1 per gal., and, he estimates, thus cutting consumption by one-fourth within five years. Eckstein would broaden the tax to cover oil, gas and coal, and levy it on the amount of use. Much of the energy tax would have to be rebated in some form to the poor to help them meet higher living expenses.

Supply policy should concentrate on boosting production of coal, which is the nation's great hope for avoiding energy squeezes in the near future. The U.S. has enough coal to supply all its energy needs for at least 400 years, but demand and production have risen disappointingly little since the Arab oil embargo. One reason: gas and oil are more efficient fuels. To ask plant managers to shift back to coal is to ask them to use a less effective technology—a kind of engineering sin.

Two Vetoes. The first essential is to pass a strip-mining bill—almost any strip-mining bill. Mining companies have been holding back from tapping vast coal deposits in the West because of uncertainty about what kind of environmental controls might be placed on them—an uncertainty that increased when President Ford vetoed two strip-mining bills passed by Congress. Says Arthur Okun, a senior fellow at Brookings: "We need a strip-mining bill more than we need an ideal strip-mining bill." Robert Nathan, a Washington economic consultant, would also stimulate coal output by making low-interest Government loans to producers and even providing federal subsidies to enable coal companies to buy rail cars for shipping.

One element that should be dropped from a comprehensive energy policy is any attempt to break up the big oil companies, such as a divestiture bill introduced in the House last week with 21 co-sponsors. Such moves only divert attention from the real issues, and they may have prompted some oilmen to buy non-energy companies with money that could have been used to increase oil and gas input. Okun proposes that Carter offer the industry a trade: a pledge not to sign any breakup bill in return for a promise to devote funds to domestic exploration and development rather than diversification or more investment in OPEC countries.

What are the chances of getting something like the board's program enacted? Carter has made some noises in the right direction. He has spoken of decontrolling some gas prices and requiring "substantial sacrifices" from the American people to assure energy supplies. Says Okum optimistically: "If a Republican President can go to Red China, a Democratic President can recommend market pricing for energy." But powerful forces in Congress are sure to scream at anything as tough as the board's program.

On the other hand, the idea that there is much choice is an illusion. Greenspan fears that if gas and oil output continue to dwindle and coal production does not rise, the U.S. in a few more years will suddenly run out of readily usable fuel and have to begin importing nearly all its energy, at catastrophic cost. So the choice comes down to pay now, or pay even more later.

A HISTORY OF AMERICAN ENERGY USE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. TEAGUE. Mr. Speaker, at my request, Ms. Patricia Garfinkel, a member of the staff of the Committee on Science and Technology, prepared a History of American Energy Use. I believe that every Member of Congress will find it both interesting and useful:

HISTORY OF AMERICAN ENERGY USE

America has truly been a land of plenty and its people have used its many and varied resources with both imagination and abandon. Although the Industrial Revolution began in Europe, America, with the enthusiasm of its youth, was open to every new idea, every possibility and even some impossibilities. As a people, we were innovative and always in a hurry. This combination propelled Americans in new conveyances across the nation, across the seas and around the world at ever-increasing speeds. This need to go places and do things with expediency is closely tied to our insatiable demand for energy.

Just nine years after the Declaration of Independence we passed the Land Ordinance of 1785 which establish a policy of reserved mineral lands. And by 1807 we authorized the President to lease lead mines. From the beginning of our history we moved on an eager path of resource exploitation.

Until 1850 however, the new nation ran on renewable energy sources, muscle power from man, horse and mule, plus wind and falling water. In that year approximately two-thirds of all the horse-power hours produced in the United States came from animals and humans. Two-thirds of our mechanical force was driven by windmills and falling water and 90% of the fuel burned was wood.

Although coal had been known and used by the American Indian as early as A.D. 1000, and its use had been highly developed in Europe, Americans were slow to accept coal. It accounted for only 10% of our fuel in 1850.

It was not until the forests in Eastern America were extensively cut and new wood had to be transported from greater distances, that the price of the wood for fuel rose and stimulated an interest in coal.

By the beginning of the Civil War the nation's coal consumption had tripled and by the end of the War, legislation was passed allowing persons in the coal business to enter public lands. By 1885, coal surpassed wood as the dominant fuel and propelled the nation into a fossil fuel economy. Coal ran the railroads, fueled the industries and heated our homes. The end of the nineteenth century saw America make its first major transfer in energy forms—wood to coal.

The new nation drove its roots deeper into the ground. Infant industries that sprang up everywhere needed better illumination; more people were learning to read and there was a general demand for better lighting. At this time an Englishman had devised a method for producing an oil from coal. This new "coal oil" as it became known, caught on quickly in America and before the Civil War there were 50 to 60 "coal oil" production plants along the east coast.

By coincidence, people began to notice a similarity between the new "coal oil" and a "rock oil" that bubbled from springs in parts of Pennsylvania. It did not take long before American ingenuity discovered that "rock oil" furnished as much light as coal oil, burned more economically and held up well in extreme cold. Drilling proved to be more

profitable than digging it from the earth and in 1859, America drilled its first oil well.

A Yale chemistry professor pronounced the oozing new substance as a raw material from which "very valuable products" might be manufactured. He was most accurate. While coal reigned supreme, oil was waiting in the wings for its debut. In the meantime, useful by-products such as lubricants which smoothed industrial snags and fuel oil were produced from the yet immature crude.

Fuel oil was expensive and not yet commercially competitive as a fuel. However, there was soon a surplus of oil pouring from wells in Ohio and Indiana. Because its quality was unsuitable for refining into lamp oil, a solution was required for this rapidly accumulating inventory. Oil companies presented the cheaper priced Ohio-Indiana crude as a new competitor for coal for firing boilers that generated steam.

The emergence of the internal-combustion gasoline engine in 1900 insured a place for oil in American's future for the next 100 years. Henry Ford's assembly line set Americans on the road in increasing numbers. The smoke of that history hangs heavily over us today.

The year 1903 marked not only the founding of Henry Ford's motor company but also the year that the Wright brothers made their historic flight. As the airplane industry matured the demand for fuel escalated dramatically.

Meanwhile, the mechanization of agriculture doubled the number of tractors from 80,000 to 160,000 between 1918 and 1919. America was literally humming with wheels, turbines, conveyor belts and vehicles.

Natural gas, which is frequently found in conjunction with oil deposits, was largely ignored until the early 1930's, when leakproof pipeline technology was developed. By 1960, natural gas had surpassed oil as the residential heating fuel.

Without intense debate America had made another major energy transfer. The 20th century marked the era of oil and natural gas.

In 1905, Albert Einstein published his theory of relativity but it was not until 1942 that a nuclear experiment was successful. The peaceful production of nuclear energy has developed slowly in the United States.

In the past, our energy legislation has been piecemeal, attending to isolated areas, with no overall plan. We have taken for granted an endless supply of energy to meet our ever-increasing needs. But the facts and figures belie this fantasy. Our oil production is down 10 percent since 1973. Oil imports are close to 50% of our oil consumption. Natural gas production is on the decline.

We are now faced with a critical situation. If we want to maintain the economic system and institutions of the 20th century we must plan and act carefully for the future.

With our increased concern of impacts on the environment, we must be able to produce energy to meet demands of the future while assuring the protection of the total environment. We can no longer afford the luxury of indiscriminate use. We can no longer engage in energy production injurious to the health and safety of Americans. And we can no longer legislate haphazardly and after the fact.

If we do not meet the energy crisis with immediate and appropriate action, our jobs, our homes and the very existence of our nation will be threatened. Americans have always faced their crises with determination and imagination. If we begin now, we can insure present and future generations a stable economy, a safe environment and a strong national defense. It is not only time to develop and utilize new technologies but also time to take serious account of our remaining fossil fuel and use them judiciously. There is no longer time to plan leisurely, the time is now—the situation is urgent.

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 15, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MEETINGS SCHEDULED

MARCH 16

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To consider supplemental appropriations for fiscal year 1977 for the District of Columbia.
Room S-146, Capitol

9:00 a.m.

Armed Services
Tactical Air Power Subcommittee
To continue hearings on defense programs, to hear testimony on the enforcer aircraft.
224 Russell Building

9:30 a.m.

Appropriations
Interior Subcommittee
To resume hearings on proposed supplemental appropriations for fiscal year 1977, and on proposed budget estimates for fiscal year 1978 for the administration of the Trust Territory of the Pacific.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To consider supplemental appropriations requests for fiscal year 1977 for the Department of Commerce and related agencies (H.R. 4877).
Room S-146, Capitol

Environment and Public Works
To continue consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear Secretary of Defense Brown.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation, S. 305.
5302 Dirksen Building

Budget
To hold hearings in preparation of reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on causes of deaths and injuries involving cars and tractor trailers.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration, with testimony on nuclear aspects.
3110 Dirksen Building

Finance
To mark up H.R. 3477, to provide for a refund of 1976 individual income taxes; to reduce individual and business income taxes, and to simplify and reform certain other tax provisions.
2221 Dirksen Building

Foreign Relations
Subcommittee on Arms Control
Oceans and International Environment
To hold closed, followed by open, hearings to receive testimony on national security and arms control implications of current United States strategic options with respect to the Soviet Union's capabilities and intentions.
4221 Dirksen Building

Governmental Affairs
To resume hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building

Rules and Administration
To resume consideration of S. Res. 5 through 12 proposing several changes in the Senate rules principally with regard to Rule XXII (cloture), 10 a.m.
301 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

* Commerce, Science, and Transportation
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.

Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs to hear representatives of the Energy Research and Development Administration.
Room S-146, Capitol

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW.
Room S-128, Capitol

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid.
1318 Dirksen Building

Appropriations
Treasury-Postal Service-General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for General Government
1114 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To consider supplemental appropriations for fiscal year 1977 for the Department of HUD.

MARCH 17

1224 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Alcohol, Drug Abuse, and Mental Health Administration, and Saint Elizabeths Hospital.
S-128, Capitol
Armed Services
To receive testimony on the fiscal year 1978 Navy shipbuilding claims cost growth, and other production considerations
212 Russell Building
Banking, Housing and Urban Affairs
To mark up S. 69 and 92 to amend and extend the Export Administration Act and related matters.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building
Commerce, Science, and Transportation
Subcommittee on Science, Technology, and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources.
To hold hearings on proposed authorization for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Finance
To mark up H.R. 3477, to provide for a refund of 1976 individual income taxes; to reduce individual and business income taxes, and to simplify and reform certain other tax provisions.
2221 Dirksen Building
Governmental Affairs
To resume hearings on S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building
Human Resources
Labor Subcommittee
To hold hearings on S. 924, to provide for equal treatment of craft and industrial workers and to establish a national framework for collective bargaining in the construction industry.
Until 6 p.m. 4232 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Health Resources Administration.
S-128, Capitol
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1976 for Public Works programs, to hear testimony on national security programs.
Room to be announced
Commerce, Science, and Transportation
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:30 p.m.
Armed Services
To receive testimony on Naval forces and requirements.
212 Russell Building

MARCH 18

9:00 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Foreign Agricultural Policy
To hold oversight hearings on P.L. 480 programs (food aid).
Human Resources
Labor Subcommittee
To hold hearings on S. 924, to provide for equal treatment of craft and industrial workers, and to establish a national framework for collective bargaining in the construction industry.
Until 1 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Defense
To resume hearings on proposed budget estimates for fiscal year 1978 for research, development, testing and evaluation program of the Army.
1223 Dirksen Building
Banking, Housing and Urban Affairs
To hold hearings on the nominations of Robert Campbell Embry, Jr., of Maryland, and Lawrence B. Simons, of New York, each to be an Assistant Secretary; and Jay Janis, of Florida, to be Under Secretary, all of the Department of Housing and Urban Development.
5302 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building
Foreign Relations
Subcommittee on Foreign Economic Policy
To resume hearings to receive testimony on an overview of American foreign economic policy.
4221 Dirksen Building

10:30 a.m.
* Commerce, Science, and Transportation
To continue hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building
Human Resources
Health and Scientific Resources Subcommittee
To consider S. 754 and 755, extending through fiscal year 1978 all expiring health programs under the Public Health Service Act and the Community Mental Health Centers Act.
Until: 12:30 p.m. 6226 Dirksen Building

2:00 p.m.
Commerce, Science, and Transportation
Subcommittee on Science, Technology and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

MARCH 21

9:00 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Foreign Agricultural Policy
To continue oversight hearings on the P.L. 480 program (overseas food aid)
322 Russell Building

9:30 a.m.
Commerce, Science and Transportation
*Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
1202 Dirksen Building
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To hold oversight hearings on developmental disabilities.
Room to be announced

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Appropriations
*Defense and Military Construction Subcommittees
To hold joint hearings on the administration's proposal to close the Uniformed Services University of the Health Sciences.
1223 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Energy and Natural Resources
To hold hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf, and for other purposes.
3110 Dirksen Building
Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings to release a "Supplemental Staff Study of Severance Pay-Life Insurance Plans Adopted by Union Locals"
3302 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs, to hear represent-

atives of Environmental Research and Development Administration.
Room to be announced

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To told hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To receive testimony on the administration's legislative proposals for programs for the handicapped.
Room to be announced

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearing on proposed budget estimate for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on U.S. Monetary policy.
357 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Judiciary
To hold hearings on the nomination of Peter E. Flaherty, of Pennsylvania, to be Deputy Attorney General.
2228 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
6226 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government, to hear public witnesses.
1224 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act, to hear Secretary of Agriculture Bergland.
Until: noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communication common carrier policies (i.e., telephone, computer, etc.).
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including E. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed reprogramming of funds for fiscal year 1977.
1223 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations.
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset act.
3302 Dirksen Building
Governmental Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol
Select Small Business
To hold hearings on S. 972, authorizing the Small Business Administration to make grants to support the development and operation of small business development centers.
Until: 1 p.m. 424 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federal affected areas and emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until 1 p.m. 457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building
Commerce Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occupational, vocational, and adult education programs.
S-128, Capitol
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1378 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
*Commerce, Science and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 922 authorizing funds for fiscal year 1978 for the U.S. Railway Association and on funds for the Office of Rail Public Council

within the Interstate Commerce Commission.
235 Russell Building

Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center to be located on the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorization for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

Government Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
6226 Dirksen Building

*Government Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
Room to be announced

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education and welfare programs, and for library resources.
S-128, Capitol

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Nutrition
To hold oversight hearings on the food stamp program.
322 Russell Building

9:30 a.m.
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for 1977 from officials of Amvets.
Until: Noon.

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Hud-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Commission.
1224 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings to inquire into domestic communications common carrier policies (i.e., telephones, computer, etc.).
1202 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 29

9:30 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Rural Development
To hold hearings on medicare reimbursements for rural-health care clinics.
322 Russell Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment to hear Congressional witnesses.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northern Corridor).
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Government Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
6226 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
SD-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

MARCH 30

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Agriculture, Nutrition and Forestry
Subcommittee on Agriculture Production, Marketing and Stabilization of Prices
To hold oversight hearings on problems of Flue-cured tobacco farmers.
322 Russell Building

Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1976 authorization for Government intelligence activities.
S. 407, Capitol

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the defense establishments, to hear public witnesses.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the Social Security Administration.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for National Highway Traffic Safety Administration.
1224 Dirksen Building

Energy and Natural Resources
Subcommittee on Public Lands and Resources.
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office for Civil Rights, Inspector General, Policy Research and General Management.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearing on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Committee, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects to hear Members of Congress and public witnesses.
Room to be announced

Commerce, Science, and Transportation
To hold hearings on S. 263, to require Federal agencies having jurisdiction over transportation regulations to review their administrative laws.
235 Russell Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects to hear Members of Congress and public witnesses.
Room to be announced

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Commerce, Science, and Transportation
To hold hearings on S. 263, to require Federal agencies having jurisdiction over transportation regulations to review their administrative laws.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dicksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the

Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
1318 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission; Office of Consumer Affairs and Consumer Information Center.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimated for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and Related Agencies, to hear public witnesses.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

Commerce, Science, and Technology
Science, Technology and Space Subcommittee
To hold hearings on S. 126, the proposed Earthquake Hazards Reduction Act.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building.

Commerce, Science, and Technology
Consumer Subcommittee
To hold oversight hearings on the activities of the Consumer Product Safety Commission.
235 Russell Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Commitee by May 15.
5302 Dirksen Building

Commerce, Science, and Technology
Consumer Subcommittee
To hold oversight hearing on the activities of the Consumer Product Safety Commission.
235 Russell Building

APRIL 21

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Commerce, Science, and Technology
Consumer Subcommittee
To hold oversight hearings on the activities of the Consumer Product Safety Commission.
5110 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
*Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Commerce, Science, and Technology
Consumer Subcommittee
To hold hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

APRIL 28

10:00 am.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

Commerce, Science, and Technology
Consumer Subcommittee
To hold hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

APRIL 29

10:00 a.m.
Commerce, Science, and Technology
Consumer Subcommittee
To hold hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Appropriations
*Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
5302 Dirksen Building

MAY 12

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 14

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 26

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

SENATE—*Tuesday, March 15, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 12 meridian, on the expiration of the recess, and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

We thank Thee, O God, for Thy mercies which are new every morning. We thank Thee for Thy Son sent to save lost men. Judge us by Thy love and lift the burden of our sins. We confess that we are twisted by pride, view ourselves pure when we are stained, and great when we are small. We have failed in love, forgotten to be just, and have turned away from Thy truth. Renew us by Thy grace. Help us in the discharge of our duties with wisdom greater than our own. God bless the United States and make her a blessing. Hear this, our Lenten prayer, through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 15, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN GLENN, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, March 14, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, certain nominations on the Executive Calendar have been cleared on both sides of the aisle, beginning with the Department of State. I ask unanimous consent that the Senate go into executive session to consider those nominations.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nomination of Richard M. Moose, of Arkansas, to be Deputy Under Secretary of State; the nomination of Douglas J. Bennet, Jr., of Connecticut, to be an Assistant Secretary of State; and the nomination of Richard N. Gardner, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

Mr. BAKER. Mr. President, I only wish to say that I have conferred with the majority leader and our Executive Calendar shows that the nominations are clear on this side. We have no objection to their consideration en bloc and their confirmation.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FOREIGN ASSISTANCE ACT AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 38, S. 489, Foreign Assistance Act amendments, on the unanimous-consent calendar.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 489) to amend the Foreign Assistance Act of 1961.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill (S. 489) which had been reported from the Committee on Foreign Relations with an amendment on page 1, line 6, strike "$196,800,000" and insert "$181,800,000" in lieu thereof; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 504 (a)(1) of the Foreign Assistance Act of 1961 is amended—

(a) by striking out in the first sentence "$177,300,000" and inserting in lieu thereof "$181,800,000"; and

(b) by inserting in the second sentence—

(1) "Portugal" at the end of the table of designated countries; and

(2) "$34,500,000" as the fiscal year 1977 amount for Portugal in that table.

Mr. BAKER. Mr. President, this mat-

ter was placed on the unanimous-consent calendar last night, and it is cleared for action on our side. There is no objection.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that appropriate extracts from the committee report be printed in the RECORD in explanation of the bill.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

PURPOSES OF THE BILL

The purposes of the bill are to: (a) make Portugal eligible for military assistance of not more than $34,500,000 in fiscal year 1977, and (b) increase the amount authorized to be appropriated for grant military assistance for fiscal year 1977 from $177,300,000 to $181,800,000 to provide for the program for Portugal.

The legislation amends section 504(a)(1) of the Foreign Assistance Act of 1961, as amended. Passage of S. 489 will necessitate a budget waiver resolution because the bill was reported after May 15, 1976, the deadline established by the Congressional Budget Act for reporting authorization legislation for fiscal year 1977.

BACKGROUND AND COMMITTEE ACTION

Senator Edward Brooke introduced S. 489 on January 28, 1975. As introduced it would have (1) allocated $34,500,000 for military assistance to Portugal in fiscal year 1977, and (2) authorized additional fiscal year 1977 appropriations of $19,500,000 to fund partially this program. The bill was amended to the Subcommittee on Foreign Assistance to reduce the additional authorization of appropriations from $19,500,000 to $4,500,000. Existing authorizations and the availability of funds recouped from prior year programs are sufficient to fund all but $4,500,000 of the recommended $34,500,000 military aid program for Portugal.

On February 17, 1977, the administration transmitted legislation requesting authorization to allocate $30,000,000 in military grant assistance to Portugal in fiscal year 1977. By request, Senator John Sparkman introduced this legislation (S. 844) in the Senate on March 1, 1977. The purposes of S. 844 are similar to S. 489, except that the total program for fiscal year 1977 would be $30,000,000, $4,500,000 less than that authorized in S. 489. S. 844 would not require an additional authorization of appropriations or a waiver of the Congressional Budget Act.

The Subcommittee on Foreign Assistance held a hearing on February 25, 1976, to consider both bills. Testifying on behalf of the Administration's bill (S. 844) were Under Secretary of State for Economic Affairs designate Richard Cooper and the U.S. Ambassador to Portugal, Frank Carlucci. Mr. Cooper presented a prepared statement and Ambassador Carlucci briefed the subcommittee on the current political and economic situation in Portugal. The witnesses stressed the military and political importance of congressional approval of the supplementary request under consideration. Senator Brooke submitted a statement in support of S. 489.

On March 3, 1977, the Subcommittee on Foreign Assistance agreed by voice vote in open session to report S. 489 favorably to the full committee. Present were Senators Humphrey, Case, Javits and Clark.

The full Committee on Foreign Relations considered the bill in open session on March 8, 1977. The committee agreed by voice vote to report S. 489 to the Senate with a favorable recommendation. The committee by voice vote also favorably reported a resolution waiving the prohibition contained in section 402(a) of the Congressional Budget Act on Senate consideration of legislation authorizing appropriations after May 15 of the previous year.

COST ESTIMATE

The Congressional Budget Office on March 4, 1976, provided the following cost estimate on S. 489:

1. Budget impact:

[In millions of dollars]

	Fiscal year—					
	1977	1978	1979	1980	1981	1982
Budget function 050:						
Authorization amounts	4.5	----	----	----	----	----
Estimated costs	3.5	----	----	----	----	----

2. Basis for estimate: This legislation authorizes an additional $4.5 million to be appropriated for the military assistance program for fiscal year 1977. The estimated costs associated with this legislation, assuming a $34.5 million program of military assistance for Portugal in fiscal year 1977, equal $34.5 million in fiscal year 1977. The Portuguese program can be initiated quickly, following the enactment of this legislation, and is estimated to require the disbursement of the full $34.5 million in fiscal year 1977. This estimate assumes the enactment of this legislation on or before June 1, 1977.

The fiscal year 1977 program of military assistance to Portugal would be financed as follows:

[*In millions*]

Funds currently available to the military assistance program	$15.0
Funds authorized for appropriation for fiscal year 1977, but as yet unappropriated	15.0
Funds authorized for appropriation for fiscal year 1977 by this legislation	4.5
Total program	34.5

In the absence of this legislation it is unlikely that the $15 million currently available to the military assistance program or the $15 million authorized but not yet appropriated, if appropriated, would be used to finance other fiscal year 1977 military assistance country programs; rather the funds would be carried forward into fiscal year 1978 to finance military assistance programs in that year. The enactment of this legislation and the initiation of a Portuguese program preclude the carrying forward of any of these funds to finance programs in fiscal year 1978, and therefore potentially increase amounts required to be authorized for appropriation for fiscal year 1978.

3. Estimate comparison: None.

4. Previous CBO estimate: None.

COMMITTEE COMMENTS

S. 489 is intended to assist Portugal in the upgrading of its armed forces which were seriously debilitated as a result of prolonged colonial wars in Africa. During this period the ability of the Portuguese forces to contribute to NATO was negligible. Portugal was separated—philosophically, militarily, and economically—from the rest of Europe.

Portugal is in the process of revolutionary change: (1) democratic government has been re-established; (2) its economy is being reoriented toward Europe, and (3) its armed forces are being reduced in size, modernized and integrated into NATO.

The committee believes strongly that it is in the national interest of the United States to support Portugal in these efforts. This bill will directly contribute to the third objective and indirectly to the other two, all of which are interrelated. In addition, the committee believes that strong congressional endorsement of this bill will have a psychological impact both on Portugal and on other potential contributors. This evidence of U.S. support, and related support from other European states, may strengthen the will of democratic forces in Portugal. The modernization of Portuguese forces to fulfill its professional NATO mission will also help to stabilize and reinforce democratic processes in Portugal.

The $34,500,000 program authorized by S. 489 will contribute to the modernization of Portuguese forces in accordance with a plan approved by NATO force planners. The plan includes the following modernization, in order of priority:

1. Establishment of a partially air-transportable infantry brigade with air support elements capable of quick responses in crisis situations. This brigade is to be integrated in the NATO command structure after proper training and equipment requirements are met It is designed to reinforce NATO forces in Central and Southern Europe. The brigade will constitute Portugal's main ground force unit.

2. Navy modernization, with particular emphasis on upgrading elements of the Portuguese Navy surface ASW (anti-submarine warfare) component to NATO standards.

3. Enhance Air Force ocean surveillance capability by replacement of current nonoperational maritime patrol craft (obsolete PTV aircraft).

The committee recommends Senate approval of the bill proposed by Senator Brooke, S. 489, and a $34,500,000 level of assistance, rather than the $30,000,000 level proposed by the Administration in S. 844, for three reasons:

The recommended level will more rapidly implement the modernization plan by permitting earlier procurement of armored personnel carriers (APC's) and TOW anti-tank missiles.

S. 489 would provide 101 APC's and 216 TOW missiles versus 66 APC's and 100 TOW missiles in S. 844.

The higher level would serve as an indication of the importance that the Senate places on support of Portugal at this critical period of its history.

The following table contains the proposed package of equipment to be provided if S. 489 is enacted into law:

Modernization force package

	In thousands
Already committed:	
Loan fees (5 tanks, 20 APC's)	$233
Loan of six T–38 trainer a/c	680
Five engines for F–86 a/c	112
Subtotal	1,225
C–130 Package:	
One C–130 aircraft	8,200
Spare engines	500
Spare parts	2,400
Ground Spt equipment	4,000
Subtotal	15,000
Recommended ground package:	
101 APC's M113A1	11,295
403 LAW A/T RKTS	54
16 TOW launchers	845
216 TOW missiles	999
Log/Maintenance survey	50
Training ammo	149
One M88 tank recovery vehicle	700
Four M578 light recovery vehicles	1,306
Ten M106A1 w/4.2'' mortars	1,221
Spare parts	856
Supply operations	700
Subtotal	18,175
Grand total	34,500

Mr. HUMPHREY. Mr. President, this bill authorizes the allocation of $34.5 million in fiscal year 1977 grant military assistance to Portugal and authorizes the appropriation of an additional $4.5 million for military assistance to finance partially this important program.

Portugal is a NATO ally who is emerging from a turbulent revolutionary pe-

riod—a rare revolution these days because it has resulted in the restoration, rather than abolition, of a democratic form of government. Following years of authoritarian rule at home, and debilitating colonial wars abroad, Portugal is now concentrating its efforts on reintegrating its economy and its military forces with those of the rest of Western Europe.

S. 489 was introduced by Senator EDWARD BROOKE, who has long been concerned about the well-being of Portugal; this bill is evidence of that concern. S. 489 would directly contribute to the rebuilding of Portuguese military forces to enable them to make a meaningful contribution to the NATO alliance. Portugal is reducing the overall size of its Armed Forces and intends to modernize this leaner force in accordance with a joint United States-West German survey of Portugal's needs that has been submitted to NATO force planners for review in the context of alliance requirements. Given the economic dislocations that have resulted from Portugal's loss of its colonies, and from its attempt to absorb over 500,000 refugees from the colonies plus 100,000 men cut from the Armed Forces since mid-1975, it is understandable that Portugal is looking for and needs outside assistance in modernizing its military force structure.

It is in the U.S. interest and the interest of other NATO countries to strengthen NATO by assisting Portugal in this program. Not only is it in our interest to strengthen NATO militarily by passage of this bill, but it is also in our interest to do what we can to help consolidate the new democratic institutions. Under the new elected government, the Portuguese Armed Forces have relinquished their political role in favor of developing a professional, disciplined force that will operate within the NATO context. This bill encourages and supports these efforts.

A top priority item in the modernization package is the establishment of an air-transportable infantry brigade capable of quick response in crisis situations. It is being designed to reinforce NATO forces in central and southern Europe. The brigade will constitute Portugal's main ground force unit.

It should be noted that the Federal Republic of Germany has already contributed 20 aircraft to Portugal and is actively considering an additional contribution for the air-transportable brigade.

Over the years the United States has contributed military assistance to many countries throughout the world. The Arms Export Control Act of 1976 provided that grant military assistance worldwide would terminate at the end of this fiscal year unless specially authorized by the Congress. Our intent was to authorize such programs only under extraordinary circumstances. This program for Portugal and a followon program in fiscal year 1978, clearly meets that test and is deserving of our support. It is in the U.S. interest, the interest of NATO, and most assuredly that of a democratic Portugal.

Mr. BROOKE. Mr. President, the Senate Foreign Relations Committee is to be commended for the speed with which it has considered S. 489. When I introduced this measure I anticipated that it would be considered by the full Senate sometime in April. That we are now ready to act on it is an indication of the excellent work of the Foreign Relations Committee's staff and the importance members of that committee attach to our relations with Portugal.

I wish to note the following Senators as cosponsors of this bill: Senator HUMPHREY, Senator CASE, Senator JAVITS, Senator STEVENSON, Senator CRANSTON, Senator PELL, Senator MATHIAS, Senator KENNEDY, Senator BARTLETT, and Senator METCALF.

I am also grateful that the administration has now indicated that it has no objection to this bill as recommended by the committee. Congressional-Executive cooperation on providing support for Portugal's adventure in democracy, as evidenced by this bill, is a good example of the type of cooperation necessary to formulate and carry out important foreign policy objectives.

The bill we are considering will permit a $34.5 million military assistance program for Portugal in fiscal year 1977. This program will be funded by $15 million in reflows and recoupments from already appropriated funds and a new appropriation of $19.5 million.

Portugal is struggling to consolidate new democratic institutions. With the inauguration of a freely elected government Portugal's armed forces have voluntarily relinquished a direct role in politics and government. The present moderate military leadership has turned its attention to creating a new, post-colonial mission emphasizing apolitical professionalism, discipline and a significantly enhanced role in the NATO alliance. The military assistance that passage of this measure will permit is aimed at supporting and encouraging this new sense of direction. In strengthening the military forces of a NATO ally, this program will also contribute directly to the defense of Western Europe and the United States.

A high priority aspect of the Portuguese armed forces modernization program, which has been approved by the NATO allies, and to which they are coordinating their contributions, is the establishment of a Portuguese, NATO-committed, partially air transportable Army infantry brigade. This brigade will be integrated into the NATO command structure, and NATO's Supreme Allied Commander, Europe, has designated this brigade for reenforcement of southern Europe.

Portugal has already completed the initial stages of this brigade formation, with the guidance and active encouragement of NATO military authorities and Secretary General Luns. The present leaders of Portugal's armed forces have committed themselves and their careers to this modernization effort. New equipment, which Portugal cannot buy without undermining its economic stabilization program, is essential to its success. A sustained U.S. commitment of support is necessary to ensure that Portugal's NATO oriented force modernization does not flounder at this critical stage. Delay would raise questions, not only by Portugal, but also by our other allies engaged in this cooperative endeavor, as to the strength of our commitment. In a very real sense, this support for Portugal will be tangible evidence of the renewed U.S. emphasis on NATO.

A joint United States-West German survey has been made of Portuguese Army deficiencies and efforts needed to upgrade its capabilities to NATO standards. In addition, the U.S. Air Force and U.S. Navy have conducted surveys of the Portuguese Air Force and Navy and made extensive recommendations which the Portuguese have accepted.

The Portuguese have now submitted their reorganization plans for the next 5 years to NATO, and have indicated that these force commitments can only be met through considerable allied assistance.

The following table outlines U.S. involvement to date in support of this modernization effort and what is anticipated to be funded by the proposed assistance.

Fiscal year 1977 map

[In thousands dollars]

Already committed	*S. 489 program projection*
Loan fees (5 tanks, 20 APCs)	$233
Loan of six T–38 Trainer a/c	880
Five engines for F–86 a/c	112
C–130 Package	
One C–130 Aircraft	8,200
Spare engines	500
Spare parts	2,400
Ground support equipment	4,000
Recommended Ground Package:	
APCs M113A1	11,295
493 Law A/T RKTS	54
16 TOW Launchers	845
Log/Maint. Survey	50
Training Ammo	149
One M88 Tank Recovery Vehs	700
Four M578 Light Recovery Vehs	1,306
Ten M10GA1 w/4.2" Mortars	1,221
Spare parts	856
Supply Operations	700
TOW Missiles	999
Grand total	34,500

The Federal Republic of Germany has already contributed 20 G–91 aircraft and is actively considering contributing additional equipment for the brigade. A NATO ad hoc group on assistance to Portugal has been established and the allies will be using that forum to coordinate the assistance program for Portugal.

The funds requested in this legislation are a modest U.S. investment in a program which is of critical importance to the United States and Europe. Our interests require that we support the efforts to reorient the focus of the Portuguese military, to assist the process of democratization and to maintain the level of stability which has been so painfully gained. If we do not, there will likely be a reduction in internal political and military confidence in the effectiveness of the current government, and we might see its downfall and a return to the chaotic revolutionary climate which reigned in Portugal during 1974 and 1975, threatening radical takeover and a weakening of Western Europe and the Atlantic Alliance.

The U.S. effort is strongly supported by our NATO allies, by our Supreme Commander in Europe, by our Ambassador to Portugal and by our State and Defense Departments.

I had the good fortune of recently visiting Portugal and seeing with my own eyes the great democratic progress that has been made there under the current government. I met with the Portuguese leadership and am thoroughly convinced of their sincere desire to bring democracy to the country, and to dedicate their armed forces to NATO missions in close cooperation with the United States.

The Congress should take the initiative in providing additional MAP funds for Portugal. The attitude of the Portuguese military toward the democratic experiment is still a key factor in Portugal. Assistance from the United States that solidifies support in the military for democracy would be a wise investment.

Some have raised questions as to why a $34.5 million program makes more sense than the original request of $30.0 million. I posed this question to representatives of the Department of Defense who testified before the Foreign Operations Subcommittee of the Senate Committee on Appropriations. The reply, in brief, was that it would accelerate the effort to make the brigade operationally effective. For example, while a $30 million figure would only allow the procurement of 66 armored personnel carriers, among other equipment, the additional $4.5 million would permit the procurement of 101 armored personnel carriers—the minimum requirement for the NATO-committed Portuguese brigade.

Having reviewed the information regarding the brigade, I am convinced that we should accelerate our efforts to make the brigade operationally effective by increasing the number or armored personnel carriers and other priority equipment for the brigade. I urge the Senate to fund military assistance for Portugal in fiscal year 1977 at a $34.5 million program level.

It is well to keep in mind that the initiative contemplated in S. 489 is only one part of a multilateral effort by the world's democracies to support a similar form of Government in Portugal. U.S. representatives are currently holding discussions with counterparts in other countries and with Portuguese officials regarding the most effective way the democratic world can help Portugal surmount the economic difficulties occasioned by years of authoritarian mismanagement of the economy under the pre-1974 governments and, more recently, by the near anarchy in that country as a revolution into democracy was unfolding.

In my talks with Portuguese officials I have been impressed with their strong commitment to putting their country's economic house in order. They are willing to undertake efforts that will not be universally popular in their country. They know their economic stability will ultimately prove to be the key as to whether or not their democracy survives. And the willingness of the United States and others to provide needed external assistance to help achieve this stability will be an important measure of how much of a commitment we, indeed, have to a form of government that is coming under increasing pressure in much of the world.

I am convinced that the vast majority of the Portuguese people and their present political leadership are firmly committed to democracy in close association with the United States and the world's other truly free nations. I am equally convinced that the Congress, and the American people, given a full and candid explanation of the need for U.S. assistance for Portugal, will respond positively, both to the initiative anticipated in S. 489 and to future requests for economic assistance for that country.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

Mr. BAKER. Mr. President, I have no requirement or request under the standing order and I yield back my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

HOUSING

Mr. PROXMIRE. Mr President, we are all aware of the fact that we are now still in a recession, that we have 7½ percent of our work force out of work, and that the economy has been stumbling along, not recovering effectively. We are also aware of the fact that the President proposed a so-called economic stimulus package

Mr. President, what are the ingredients we need in that kind of a package?

No 1, we need something that will provide jobs. No. 2, we need something that will provide jobs with as little inflation or no additional inflation, if possible. No. 3, we need something that will do this in the private sector, if possible, with the discipline of the private sector. And we also need something that will provide a service or a product which is very useful and is needed.

I submit that under the circumstances, with high levels of unemployment and inflation, which is missing from the administration's economic stimulus program is a housing program. A housing program for today's economic problems is almost a marriage made in heaven for the present circumstances. And yet the present administration has completely neglected a housing program. They have overlooked and omitted housing. It ought to be in the President's program but it is not. That is why I have asked for time to speak this morning.

First and foremost, unemployment in the construction industry is over 15 percent. There are great idle housing resources. Putting idle men and women to work on idle resources to produce needed housing is one of the most constructive measures possible to reduce unemployment and provide useful housing. The country needs housing and needs it badly.

Furthermore it can be done for from one-fifth to one-tenth the cost of most other methods of providing jobs through Government programs.

THE NEED FOR A HOUSING STIMULUS

Based on the number of new household formations, the housing lost from inventory, and the units built for second homes and needed for a reasonable vacancy rate, we have a backlog of needed housing from the last 3 years alone of about 2.3 million units. That is the backlog.

Our housing goals are for 2.6 million units a year and our present housing needs are estimated at about 2.45 million units a year.

What have we done to meet those housing goals and how have we progressed?

In the last 3 years, new starts for the country as a whole have been 1.3 million, 1.16 million, and 1.54 million units in the years 1974, 1975, and 1976. Even with fairly large mobile home shipments, the shortfall below our needs has been at least 2.3 million units of housing.

In 1977, provided interest rates do not rise and the weather remains reasonable, we may produce as many as 1.8 million housing units. But this means—even with large mobile home shipments—that 1977 will see a shortfall or new addition to the backlog, of at least 300,000 units below the housing needs and 450,000 units short of the housing goals. That is for housing of all kinds.

Mr. President, I might point out that every housing start is 2 man-years of work. So we can multiply each housing start by two and get the number of jobs that will be created.

ASSISTED HOUSING BACKLOG

If we examine "assisted" housing, that is Government-assisted housing, housing for people with low and moderate income, the situation is even worse. The goal there is 600,000 units a year.

Last year the total new assisted starts provided by HUD was 41,000 units—think of that—only about 7 percent of the goal.

In 1977, no one believes we will achieve more than 100,000 assisted starts.

As a matter of fact, the Secretary of HUD testified before our committee just a few days ago saying she estimated 100,000 starts for the year and in 1978 she said we would be lucky to get 200,000 starts.

Therefore, in the next 2 years when additional economic stimulus is needed, assisted housing starts will fall below the assisted housing goals by 500,000 in 1977 and by 400,000 in 1978, or a total of 900,000 assisted units below the housing goals.

There is, therefore, no danger that an additional modest housing stimulus will provide an excessive number of units or stoke the fires of inflation. Now is precisely the time—when we are far short of our goals—to add a modest housing stimulus to the economic program.

And there is also no fear that in 1977 or 1978 we will achieve full employment. The end of the year 1977 goal for unem-

ployment set by the Carter administration is from 6.7 to 6.9 percent. The administration hopes that next year the average yearly figure for unemployment will be 6.3 percent.

We are not even close to the 3- to 4-percent level that traditionally we have called relatively full employment.

In my view the statement of these simple facts make an overwhelming case for an additional housing stimulus. So we have ample room for this kind of expansion.

There will not be too many jobs. There will still be too few. I am not asking for too much; I am asking for too little.

A SPECIFIC PROPOSAL

We already have in hand one program which can provide the needed housing stimulus without great effort and do it in a hurry. It is the so-called tandem plan, the Brooke-Cranston program, under which the interest rate is reduced from the present 9 percent, which is what prices people out of the housing market, to 7.5 percent.

Some $1.8 billion already is available to buy mortgages under this program by the Government National Mortgage Association at HUD.

Another $2 billion is provided for in the congressional budget ceiling and needs only a request from the administration for it to be appropriated. The funds have already been authorized.

Provided some administrative changes are made to make certain the mortgages go to those with median incomes in the community, that the houses are built in areas of high unemployment, and that they are built in areas where vacancy rates are low, these units can provide for new starts which would not otherwise be made.

About 115,000 units could be built with these funds. That would provide for about 230,000 new jobs because there is usually one direct job and one indirect job associated with each new housing start.

The cost of the program is not the $4 billion. That is the authority.

The cost is the difference between what the mortgages are bought for and sold for by GNMA. In the case of a $35,000 house under the Brooke-Cranston tandem plan in which a 7.5-percent mortgage was held for 10 years and discounted to produce a 9.1-percent yield, the cost to the Government is about $3,500 or 10 discount points.

The cost per new job provided is, therefore, half that amount or about $1,750.

That is $1,750 a job. It costs about $10,000 a job for public service jobs, it costs about $17,000 a job for defense jobs, and it costs about $25,000 a job for space jobs. But here is a job that can be provided for $1,750, and done in the private sector, not with Government public works.

The outlays to the Government, over a long period of time are only $400 million, not $4 billion. It would thus have almost no adverse effect on next year's budget deficit.

CONCLUSION

Because unemployment will remain high over the next 2 years; because we already have a housing backlog of at least 2.3 million units; because we will fall short by at least 300,000 units this year of our housing needs, and from 800,000 to 900,000 units over the next 2 years below our assisted housing goals; because a new housing job can be created for from one-fifth to one-tenth the cost of other jobs; and because housing is badly needed by from 65 to 75 percent of the American families who are now priced outside that market, a housing stimulus should be included in the economic program.

That is not my estimate. That is the estimate of the MIT-Harvard study completed just a couple of weeks ago, which showed that 75 percent of the people of this country now cannot afford to buy a new home and 65 percent cannot afford to buy a used home. That is exactly the situation this program would be intended to meet.

Mr. President, I ask unanimous consent that a statement and letter by the distinguished Senator from Massachusetts (Mr. KENNEDY) relating to this matter be printed in the RECORD.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY

One of the most serious challenges facing this nation is the development of a national housing policy. We have fallen short by a million to a million and a half units in each of the past three years of meeting the housing goal of 2.6 million units a year. It will be far later than 1978 before we can fulfill the 1968 Housing Act promise of a decent house in a decent environment for every American family.

Not only has the failure of federal leadership in recent years destroyed the promise of millions of American families seeking decent homes, it also has meant the unnecessary idling of a vast portion of our construction work force. In the Commonwealth of Massachusetts over the past three years construction jobs have fallen by over 40 percent.

National attention has been focused on this problem recently because of the advanced release of information on a study conducted by the MIT-Harvard Joint Center for Urban Studies. The Center's revised housing forecast contains distressing news for most Americans. Since 1970, the sales price of new housing, homeownership costs and rental housing operating costs have risen sharply.

Secretary Harris emphasized these problems when she testified before the Senate Subcommittee on Housing and Urban Affairs. Five million American homeowners with mortgages have housing costs which require more than 25 percent of their income. Another 10.5 Americans spend 25 percent or more of their income on rent. And in 1975 about 60 percent of American families could not afford to buy a median-priced new home.

These problems touch the lives of virtually every American family; but they are felt most keenly by the poor, the disadvantaged and the elderly.

The Older Americans Act of 1965 states that older persons are entitled to suitable housing, available at costs they can afford. Yet today more than three million elderly or 13 percent of all older Americans are in need of assisted housing. And that number is not going to get smaller. The proportion of people aged 65 and over is continuing to grow. Their percentage of the total population has increased from 4.1 percent in 1900 to 10.5 percent in 1975. That represents an increase from 3 million to over 22 million persons. In the next fifty years, that number will increase to 51 million persons or 17 percent of the total population.

The problem is compounded by the fact that most elderly persons live on fixed incomes. For every year since 1966, a larger percentage of persons aged 65 and over has been below the low income or poverty level. In 1974 about 16 percent of the elderly were living below the low-income level.

Over six million elderly persons live in dilapidated, deteriorating and substandard housing. They already are spending a third or more of their income for housing. Their choice is not between paying more for rent and less for luxury items. It is between rent and bread.

The failure of the past Administration to resolve this problem is an outrage. In 1971 the White House Conference on Aging called for a minimum of 120,000 new federally assisted units for the elderly annually, but this figure has never been reached.

The elderly are in this desperate situation today because of bureaucratic ineptitude and intentional callousness by the past Administration in its determined effort to block the implementation of the Section 202 Housing for the Elderly Program. Unfortunately for our nation's elderly, this popular and desperately needed program has been the victim of administrative intransigence and hostility.

Following the enactment of Section 202 in 1974, HUD refused to issue regulations, effectively impounding those funds. For those of us who were actively involved in the ensuing battle, there was no easy victory. It was only after HUD attempted to make 202 a short-term construction loan program in obvious violation of the intent of the 1974 legislation—and failed because of Congressional action—that those regulations were finally issued.

In August 1976 Congress again made clear that 202 was not a one-shot, stop-gap program by increasing Section 202 authorization to $3.3 billion.

The Section 202 program is very important to me. As a member of the Senate Subcommittee on Aging and the Senate Special Subcommittee on Housing for the Elderly, I was very active in Congressional efforts to revitalize this program. I will continue to be active in legislative battles until we get a viable 202 program which will relieve the burden of housing for the elderly.

However, I am confident that under the Carter Administration, the challenge of providing decent housing for our elderly who so sorely need it will be met. And I am hopeful that Secretary Harris will be able to resolve the current regulatory logjam the Department has created for itself.

HUD received 1,500 applications for 202 FY 1976 funds and approximately 200 projects were granted funds. However these projects are at a virtual processing standstill in HUD Area Offices because of a lack of trained staff. Almost three years have passed and only one Section 202 project is under construction and that one was a pipeline 236 project.

Recent administrative actions by HUD officials concerning the Section 202 elderly housing loan program are inexcusable if they are permitted to halt the program for the balance of this year and result in the loss of FY 1977 Section 202 funds.

The new proposed regulations published on January 31, 1977, would complicate the processing of applications for 202 funds. The February 22 HUD memo would withdraw Section 202 set asides of Section 8 funds. If we are to have a viable housing program for the elderly, the Section 8 fund reservations for Section 202 units must be maintained.

I have written to Secretary Harris urging her to postpone implementation of these new regulations, and to take those steps necessary to insure full utilization of Fiscal Year 1977 Section 202 funds.

I am hopeful that she will respond to the problems generated by the new regulations and make every effort to insure the viability of the 202 program.

I ask that the text of my letter to Secretary Harris be printed in the Record.

MARCH 1, 1977.

Hon. PATRICIA R. HARRIS,
Secretary of Housing and Urban Development, HUD Building, Washington, D.C.

DEAR SECRETARY HARRIS: Recent administrative actions by HUD relative to the Section 202 elderly housing loan program are of a great concern to me as they clearly threaten to bring the program to a complete halt for the balance of this year, and, as a result, Fiscal Year 1977 Section 202 funds will be lost.

As you know, the 202 program was recreated by the Housing and Community Development Act of 1974. Unfortunately for our nation's elderly, this popular and desperately needed program has been the focus of continuing legislative battles and the victim of administrative intransigence and hostility. The new proposed regulations published on January 31, 1977, and the withdrawal of the Section 202 set-aside of Fiscal Year 1977 Section 8 funds, by memo dated February 22, 1977, seem to have the unfortunate effect of continuing the past HUD administration's hostility.

Following enactment of 202 in 1974, HUD refused in Fiscal Year 1975 to issue regulations, thereby impounding those funds by delay. You may be aware that I was heavily involved in the resulting fight with GAO to force issuance of these regulations. Finally, in Fiscal Year 1976, due to renewed congressional action, HUD issued final regulations. However, these final regulations were not issued before additional administrative attempts to hinder the program had failed. The most characteristic of these efforts was HUD's attempt to make 202 a short-term construction loan program in direct contradiction to the 1974 legislation.

In August, 1976, Congress acted again, this time making clear that 202 was not a one-shot, stop-gap program. In the Housing Authorization Act of August, 1976, Congress increased the Section 202 authorization to $3.3 billion for Fiscal Years 1976 through 1979.

When the first round of requests for 202 Fund Reservations was held over, 1,500 applications were received by HUD for Fiscal Year 1976 funds, and awards were granted to approximately 200 projects. However, these projects are at a virtual processing standstill in Area Offices due to a lack of trained staff and leadership from HUD Central. Almost three years have passed and only one Section 202 project is under construction, and that one was a pipeline 236 project. As a member of the Senate Committee on Aging and its Subcommittee on Housing for the Elderly, I was very active in the legislative battles to revitalize this program. Congress has been forced to shepherd the 202 program for the past three years.

The January 31, 1977, proposed regulations appear ill-advised in two respects. First, the timing of the decentralization effort leaves little change for the commitment of Fiscal Year 1977 202 funds. Even assuming, purely for the sake of argument, that Area Offices could process applications in under 60 days, early June would be the absolute latest for Fund Reservation invitation. This timing would make highly questionable the finalizing of regulations, drafting, publishing, and distributing Handbook instructions, and training the existing and requisite new Area Office personnel to administer Fund Reservations in time for invitations to go out. At this late date, HUD has only two choices if Fiscal 1977 202 funds are to be saved. Either Area Offices must select 1977 awards from the over 1,300 1976 applications which have already been analyzed and ranked, and which remain in HUD Central or a new selection round, administered by HUD Central, must be undertaken immediately under the existing regulations.

In addition to being ill-timed, the proposed regulations would compound the problems which currently plague the Section 202 program. Particularly grievous would be the effect of Sections 885.225(1), 885.230 (c) and 885.235(f)(2) upon minority sponsors.

In making HUD Fiscal Year 1977 appropriations for Section 202 and 8 programs, Congress made clear its intent that sufficient Section 8 authority was to be reserved to provide subsidization to all Section 202 units contemplated. The report of the Senate Committee on Appropriations, accompanying the 1977 HUD Appropriations bill stated:

"The Committee recognizes, however, that rent supplementation is vital to the successful operation of these units once constructed. The Committee is concerned that limitations on Section 8 contract authority for new construction may have an adverse effect on the above-mentioned 30,000 unit goal. Therefore, notwithstanding any set-asides or limitations on the use of Section 8 authority for new construction or substantial rehabilitation contained in this act or in HUD regulations, *it is the intention of this Committee that sufficient Section 8 contract authority be made available in Fiscal Year 1977 for 100 percent of the Section 202 units contemplate.* (Italic supplied.)

In order to implement this directive, HUD issued a memorandum to all Regional Administrators instructing them to:

". . . set aside sufficient Section 8 budget and contract authority to permit 100% coverage for all Fiscal Year 1976 and Transition Quarter, as well as Fiscal Year 1977 units which can be supported by the Region's fair share of Section 202 loan authority. . . ." (See Attachment A).

On February 22, 1977, a HUD memorandum was approved cancelling this set-aside and making previously reserved authority available for other use by Field Offices. The attached memorandum clearly flies in the face of expressed Congressional intent to guarantee that sufficient Section 8 subsidies be available for all Fiscal Year 1977, as well as for Fiscal Year 1976 and Transition Quarter projects.

The Section 202 program is sorely needed by this nation's elderly. In 1976, though 202 was a new and poorly publicized program, and in spite of the critically short invitation period, 1,527 applications were received for funding which was sufficient for no more than 200 selections. Given the over 1,300 disappointed applicants and the many others who have heard about the program and are ready to apply an estimated volume of 2,000 applications for Fiscal Year 1977 would be quite conservative. This number of applications must clearly reflect the desperate need for 202 since these non-profit applicants can have no possible motive other than serving the need of their elderly constituents.

In the best interest of the 202 program, and with the concomitant interest of this nation's elderly in mind, I strongly urge you to postpone implementation of these new regulations, and to take those steps necessary to insure full utilization of Fiscal Year 1977 202 funds.

With best wishes,
Sincerely,

EDWARD M. KENNEDY.

Mr. PROXMIRE. Mr. President, I think I have some time remaining, and I yield to the Senator from Pennsylvania (Mr. HEINZ).

Mr. HEINZ. Mr. President, I thank the distinguished Senator from Wisconsin, the chairman of our committee, for yielding, and commend him also for his thoughtful remarks.

As one of the new members of the Committee on Banking, Housing, and Urban Affairs, I look forward to working with my colleagues in fulfilling the promise of decent housing for all Americans. The task we face in this area is an urgent one and the need for effective Federal action is great.

There is no question about the importance of producing new housing stock. In the coming years, we will need to build new homes to replace housing that is dilapidated beyond repair. We will need to make greater efforts to build housing that will enable older Americans to remain a part of their communities. We will need to stimulate new production that will allow low- and middle-income families to share in the promise of a decent living environment. There is a clear need to encourage housing construction that will provide young families with an opportunity to invest and become established in their own homes.

Although the need for new housing is real and apparent, new construction is not the only answer to the problems we face. In addition to investing in new construction, I believe it is absolutely essential for the Federal Government to place greater emphasis on encouraging reinvestment in the over 80 million units of housing already standing.

It seems to me that we have paid too little attention to the demands of conservation and rehabilitation in our past efforts to fulfill our housing needs. We have not fully appreciated the benefits that conservation can bestow on people and the areas where they live. It is time for us now to put the principles of conservation and rehabilitation to work in the housing field, because by doing so we can save resources, enhance living environments, and breathe new life into the older neighborhoods of the Northeast and other parts of the country.

In my own State of Pennsylvania, most of the housing stock was built in the years preceding the Second World War, so in many areas of my State the homes in which families have built their lives are well over 30 years old. These homes have been valuable resources in the past, and with reasonable reinvestment, they can continue to be valuable resources that will allow communities to thrive and grow.

Homeowners, as well as people who seek to become homeowners, should be encouraged to use our existing housing stock. This sort of policy would not only stimulate new jobs, but it would also help engender new confidence in the neighborhoods and homes in which most Americans have already made their largest investment.

I am heartened by recent reports of experimentation and innovation by local governments in the area of housing conservation. Based on my knowledge of communities around my own State, conservation of neighborhood resources is high on the list of local concerns. I also am pleased that the Committee on Banking, Housing, and Urban Affairs has recently acted to encourage neighborhood conservation through a variety of programs. I think it is necessary for us to go further, and I hope that this Congress will take a more comprehensive approach to preserving existing housing stocks and revitalizing our older neighborhoods in cities and small towns across the Nation.

Mr. President, I thank our distinguished colleague from Wisconsin.

Mr. PROXMIRE. Mr. President, before yielding the floor, I wish to commend the distinguished Senator from Pennsylvania. He is certainly a welcome addition to our Banking, Housing, and Urban Affairs Committee. He has had a splendid educational background, and did a fine job in behalf of housing in the House of Representatives. He has been a very effective fighter in the past for better housing, which we need so much for stimulation of the American economy and to meet the goal of providing decent housing for all Americans.

Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Wisconsin (Mr. PROXMIRE) may retain control of his remaining 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. I thank the majority leader. I reserve my remaining time, and yield the floor.

Mr. MATHIAS. I am joining my colleagues, Senators PROXMIRE and BROOKE, in calling the Senate's attention to the housing situation in this country.

There are many facets to the housing crunch which our Nation's families are encountering. Some of the most obvious problems are the housing supply itself, the condition of the existing housing stock, and the high cost of buying or renting a home.

As Senator PROXMIRE has pointed out, the number of housing starts in 1976 was down almost 40 percent from the best production year of 1972. The predictions for this year range from 1.2 million to 1.8 million starts. The severe winter this country has just experienced may well set back a recovery in the housing sector.

We know that the housing sector of our economy historically has led the wave of cyclical ups and downs. Unemployment in the construction industry has been on an upward climb since 1973. It hit an unacceptably high rate of 18.1 percent in 1975. And it has been at a level over 10 percent for over 28 months now.

It is, therefore, indeed puzzling that the administration did not include a housing element in its economic stimulus package.

The track record for HUD-assisted housing starts has, with the exception of a minor improvement in 1976, been on a steady downward trend since 1970.

I attach a table showing this trend.

SUBSIDIZED HOUSING STARTS FOR LOW- AND MODERATE-INCOME HOUSEHOLDS [1]

Calendar year	Total starts	New	Rehabilitated
1970	398,957	369,901	29,056
1971	382,161	351,479	30,682
1972	273,618	237,393	36,225
1973	133,702	116,695	17,077
1974	57,982	45,614	12,368
1975	44,222	37,276	6,946
1976	51,672	46,254	5,418

[1] Excluding units subsidized by the Farmers Home Administration.

Source: HUD-HPMC, Mar. 11, 1977.

This table clearly shows the neglect of our low- and moderate-income housing needs over the past 6 years in both new construction and rehabilitation.

Just look at those figures. In 1976 we had a total of 46,254 low and moderate income new construction starts and only 5,418 rehabilitation starts. The continuing decline in rehabilitation starts is particularly disturbing. For the past year or two we have been mouthing a "born again" enthusiasm for neighborhood revival and yet when we look at one of the principal indicators of that revival it is pitifully small—5,418 homes had rehabilitation started in 1976.

More recently the administration has been pledging its full support to our Nation's cities, particularly the large cities experiencing decline. It is those older, declining cities which have vacant housing and neighborhoods in need of rehabilitation.

But, yet we find little help for those declining cities and their residents in the proposed economic stimulus package.

One would think this is the ideal time and place to put our money where our mouths are. We have aging cities with housing in need of repair and a construction industry experiencing severe unemployment. Two social goals could be achieved at the same time—housing starts and employment.

There is little preliminary planning on leadtime required. The work could get under way, in most cases, in less time than that required to let contracts for the bigger public works employment projects. And, I would venture to guess, the employment generated by a housing stimulus for new construction and rehabilitation would be for local unemployed contractors whereas some of the larger scale public works will probably result in acceptance of work bids from construction companies from outside the town concerned.

We need a balanced mix of subsidized housing starts to accommodate both the growing and declining regions of our country. A quick look at the geographic distribution of housing starts during the past year clearly shows the imbalance of our public policy.

The third quarter statistical survey of the U.S. housing markets by advance Mortgage Corporation, the most recent quarterly data available, reveals the following:

On the west coast and in Texas, this has been the best year ever for single-family building and the best for total starts.

In the Northeast, new housing is at the lowest ebb—except for last year (1975)—since immediately after World War II, and in Florida, it is half the average rate of the past decade.

The report goes on to describe the dismal performance of the apartment sector of the housing construction scene. Multifamily housing starts, according to advance mortgage's third prediction, would total 500,000 units nationwide in 1977 or only about half the level achieved in the boom years of 1971–73.

It is this multifamily sector which supplies the Nation's renters with housing. Those renters remain renters because of income limitations and the skyrocketing costs of homeownership. They cannot afford to buy a home of their own. It is the apartment sector that has been depressed for so long which is particularly disturbing in its performance.

With the growth of new household formation—young people leaving their parents' home to set out on their own and the young couples of the post-war baby boom marrying and having their own children—the demand for housing within their means to pay continues to grow. We must respond to this demand.

Senator PROXMIRE's Emergency Mortgage Credit Act attempts to do this by reducing the financing cost of new construction through the secondary mortgage market operations of the Government National Mortgage Association. The GNMA tandem program was in large part responsible for getting HUD's section 8 program off the ground in the past 2 years by providing 7½ percent mortgages. Many apartment builders took advantage of that program and, I believe, will continue to use the tandem program as the primary financing vehicle for HUD section 8 housing for low- and moderate-income families.

Regional imbalances in housing activity are readily apparent from the third quarter data I have cited.

Advance Mortgage Corporation stated:

It is especially lopsided in the apartment sector.

Two States, California and Texas, are providing 35 percent of U.S. apartment permits. Five local markets—Houston, Los Angeles, Dallas-Fort Worth, San Diego, and Chicago—account for 25 percent of the U.S. total. Houston alone provides 8 percent.

One can pick out any "frostbelt" metropolitan housing market and see the discrepancy in housing activity between it and a "sunbelt" housing market.

For example, in the third quarter of 1976, the Washington, D.C. housing market had total housing permits numbering 5,240 units. In contrast, Houston had 13,250 total units under permit by the same third quarter of 1976.

It seems to me, we have got to begin at the Federal policy level to be aware of these booms and busts and begin to take steps to soften such wide fluctuations in housing construction.

The final point I would like to dwell on for a moment is the high cost of home finance for so many middle-income Americans.

Two recent studies have documented the escalation in home sales and rental prices which is squeezing out an alarmingly high proportion of Americans, many of them young couples of the "baby boom" era.

The Congressional Budget Office in a study released in February found that the costs of buying a new home for the first time have increased twice as fast as the average family's income over the past 5 years.

Concurring in this finding is a report by the Joint Center for Urban Studies by Harvard-M.I.T., which found that by 1976 only 27 percent of Americans could afford the median-priced new home—$44,200—and only 36 percent could af-

ford the median-priced existing home—$38,100.

I have introduced a bill in this session of the Congress to deal with this problem of high financing costs for homeownership.

The Home Buyers' Assistance Act of 1977 would permit Federal banking regulatory agencies to allow lenders to offer new types of mortgages with varying monthly payments, interest rates, and other terms which would better match monthly mortgage costs to the home buyer's income.

One type of mortgage permitted by my bill, the graduated payment mortgage, would have initial low monthly payments which rise over time as the homeowner's income rises. My bill also expands HUD's experimental mortgage program which operates along the same lines as I have just described.

I believe this and other new kinds of mortgages would enable first time home buyers, as well as others, to purchase a home now when they want to buy. In the good old days of their parents, those young people would have been able to purchase a home when they were first setting out in life on their own.

Today, inflation has eaten away at the American dream of homeownership.

We must all, here in the Congress and in the administration, do some serious thinking about regional imbalances in housing construction, and the escalating cost of shelter to both renters and homeowners. And we must quickly set about clearly stating policies and an action program to deal with a growing housing crisis.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alabama (Mr. SPARKMAN) is recognized for not to exceed 15 minutes.

Mr. SPARKMAN. Mr. President, I shall not take that much time, but I should like to say a few words today in support of a stronger housing assistance program for the Nation.

As we all know, the Federal Government has helped families of lower income receive housing since 1937, when the first publicly assisted housing program was enacted. There are at the present time more than 1 million families being assisted under this program. In 1949 another milestone, the National Housing Act, was passed. Under this act, millions of Americans have been assisted to become homeowners, as well as renters, of decent housing. In 1968, after reviewing the progress that had been achieved and the need for shelter that was made evident by surveys of the quality of our existing housing, and of future population growth and movement, the Congress set goals for upgrading the Nation's housing supply.

These goals called for the production of some 26 million units over the 1968–78 decade. Six million of these units were to be for lower-income families, with financial assistance to be made available through the Department of Housing and Urban Development. The Congress said that these goals—and particularly the goal of improving housing for lower income Americans—were required for the Nation's security, as well as its prosperity.

Through the year 1972 the Nation met its goals. Our housing stock was clearly on the upgrade. But in 1973 the administration, without consulting the Congress, ended efforts to upgrade the Nation's housing in accordance with the intent of the Congress. A moratorium on all HUD programs was put into effect.

Mr. President, that moratorium has not yet been effectively and completely lifted. Its legacy is still with us. HUD's assisted housing programs are still far, far short of meeting our national housing goals.

We have a new administration and a new and capable Secretary of HUD. We have a new spirit in the Nation—and a new confidence that our Government can solve the Nation's critical problems, and can help American families achieve the American dream of a decent home, a stable neighborhood, a livable community.

And we have a kit-full of tools to build housing. The Congress has passed a number of different programs to produce and rehabilitate housing for renters and housing for buyers.

All we need is a new commitment to housing—and I believe the Secretary of HUD, supported by the President, has that commitment.

But, I must admit that I am somewhat disappointed by the low profile that has been given to housing in the President's economic stimulus program for 1977, and in his first proposals for 1978. It seems to me that a greater role could be given to housing programs in order to expand employment opportunities, to rejuvenate our cities, and to conserve our Nation's energy supplies. It seems to me that a strengthened housing program for low- and moderate-income families could help, right now, to reduce the inflationary pressures which are driving up rents throughout the country and increasing home purchase prices every month.

An increase in the supply of housing, economists tell us, tends to reduce its cost. Similarly, an increased investment in housing increases employment throughout the economy.

I join my colleagues this morning in urging the President and his advisors to review his program for getting the Nation back to work. I believe that a higher priority for housing can be justified.

Mr. WILLIAMS. Will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS. How much time remains to the Senator from Alabama.

The ACTING PRESIDENT pro tempore. The Senator has 8 minutes remaining.

Mr. SPARKMAN. Mr. President, I yield 9 minutes to the Senator from New Jersey.

The ACTING PRESIDENT pro tempore. The Senator from New Jersey is recognized.

Mr. WILLIAMS. Mr. President, I am delighted to join the distinguished chairman of the Senate Committee on Banking, Housing, and Urban Affairs, and the former chairman of that committee, as well as several of my distinguished colleagues in today's discussion of the state of housing in America.

I am hopeful that this discussion will help us to focus more clearly on the need to revitalize and redirect our national housing effort, and thereby help us to set the tone for our work in this regard over the next several months.

With the passage of the National Housing Act of 1949, Congress firmly committed this Nation to "the goal of a decent home and a suitable living environment for every American family."

Almost 20 years later, in the Housing and Urban Development Act of 1968, Congress reaffirmed this commitment and set forth specific housing production goals to be achieved over the next 10 years.

These goals called for the production of 26 million housing units, of which 6 million were to be designed for persons of low and moderate income.

Since that time, the gap between promise and performance has become a chasm.

I believe that Congress has worked diligently to fashion the array of tools necessary to achieve real progress toward our housing objectives.

But too often the hopes of Congress have been frustrated as these tools have been abused and misused, or not even used at all.

Throughout the 1970's housing in this country has suffered from the combined effects of a prolonged economic crisis and two administrations openly hostile to housing production.

In 1976, multifamily housing starts, both publicly assisted and conventional, were more than 50 percent below their 1972 peak.

That same year, publicly assisted housing starts totalled only 41,000, which is less than 7 percent of the 600,000 prescribed by law.

As of November 30, 1976, more than 2 years after its enactment, barely more than 7,000 units had been constructed under the section 8 leased housing program—a meager achievement indeed for the program which was meant to be our chief response to the housing needs of low- and moderate-income families.

Before the Nixon housing moratorium in 1973 brought housing production to a virtual standstill, the section 202 program produced 44,322 units of excellent low-cost rental housing designed specifically for the elderly and the handicapped.

The program has been an unqualified success, experiencing only one default.

Yet today, more than 2 years after its revival in the 1974 Housing and Community Development Act, the program is dead in the water, beset by a host of unworkable, unreasonable regulations, that threaten to sink it, despite the persistent and insistent efforts of the Congress to get it underway again.

In 1975 single family housing starts were at a 40-year low.

While this sector of housing construction experienced a welcome upturn in 1976, the number of starts was still far short of need.

In addition, the median price of a new home had climbed to more than $40,000.

A recently released study conducted by the Harvard-MIT Joint Center for Urban Studies reveals that the dreams of homeownership have been dashed for all but the wealthiest families.

According to the study, in 1970 one in two American families could afford a median-priced, new home, while last year only 27 percent of our families could do so.

From 1970–76, the median sales price for new homes jumped by almost 90 percent, and monthly homeownership costs rose more than 100 percent.

On the other hand, median income increased by only 47 percent in that same period.

The study predicts that by 1980 an average priced new home will cost an incredible $78,000.

The housing industry can provide us with two of the essentials for a good life—a safe, sanitary place to live, and gainful, productive employment.

Our failure to match our housing production to our housing goals has denied decent housing to millions, and has deprived thousands more of their jobs, thus diminishing our country's quality of life, and contributing to its economic distress.

The Eighth Annual Report on the National Housing Goal, issued last year, found that in 1974 2 million households had bedrooms used by three or more persons, that 2.7 million households lived in units infested by rats or mice, and that 1.2 million households lacked some or all plumbing.

Yet in 1975, 18.1 percent of our construction workers were unemployed, and as late as December 1976, almost 650,000 construction workers—13.9 percent—still could not find jobs. This is an average basis. In many States, it is so far above that, reaching 30 or 35 percent unemployment.

It is nothing short of tragic that our vast productive potential stands idle while basic human needs go unmet.

Clearly, we must bring new strength and vitality to our national housing effort, and a new Congress in conjunction with a new administration presents us with an excellent opportunity to do so.

To borrow a phrase from John F. Kennedy—

Our task now is not to fix the blame for the past, but to fix the course for the future.

The authorizations for a variety of major housing and community development programs come to an end this year, and in the months ahead, Congress will be called upon to face squarely such key issues as:

Additional methods to increase our housing production;

New ways to bring the cost of a home within reach of the average family;

The need to forge a closer link between housing and community development;

The role of the housing industry in the overall economic health of the Nation.

There can be no better measure of a compassionate, progressive society than the efforts it makes to house its people, and to provide them with a healthy environment in which their families can grow and their businesses can prosper.

These objectives have been clear, but for too long the path to their achievement has been filled with obstacles.

Over the course of the spring and summer, Congress will have the chance to sweep these obstacles away, and proceed with the business of moving our commitment to better housing for all our citizens significantly closer to fulfillment.

This is an opportunity we must not neglect.

I think that this coming together today in this colloquy and putting focus on this will be one of the significant steps on our way to those objectives. I am very grateful to the chairman of the committee and the chairman of the subcommittee for this opportunity.

Mr. PROXMIRE. Mr. President, how much time is remaining on Senator SPARKMAN'S 15 minutes?

The ACTING PRESIDENT pro tempore. None. The Senator had just run out of time when he finished. The Senator from Wisconsin has 3 minutes remaining on his time.

Mr. SARBANES addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Maryland is recognized. The Senator has 15 minutes under the previous order.

Mr. SARBANES. Mr. President, I rise to join the distinguished chairman of the Committee on Banking, Housing, and Urban Affairs, and the distinguished chairman of its Housing Subcommittee and other of my colleagues in their view of the emphasis which we believe the new administration should place on the housing sector of our economy as a major way of restoring full employment in this country. I take this position for three essential reasons:

First of all, it is clear that economic activity in the housing sector will produce goods which are in desperate need in this country. We have consistently fallen short with respect to housing starts, both private and public, projected in legislation. We have consistently fallen short of meeting the objectives which have been so eloquently stated repeatedly, both in legislation and by new members of the administration, with respect to our goals in this area. Only recently, the new Secretary of Housing and Urban Development, in a statement to the National Housing Conference, said:

We must affirm as a Nation that a decent home is a right and that adequate shelter is a basic commodity equivalent to food and clothing in the spectrum of human needs.

I do not think it needs elaboration here to appreciate the importance to all Americans of achieving the objective of a decent home in a decent neighborhood. So we are talking about producing goods which are in clear demand, goods which are in clear shortage, goods about which there can be no make-work question of any sort.

Second, when we talk about stimulating the housing sector we refer to an economic area in which unemployment amongst those engaged in producing such goods greatly exceeds the national average. The unemployment rate in the construction trades, as an average across the country, is about double the general unemployment rate. In December of 1976, the national unemployment figure was 7.8 percent. The unemployment figure in the construction trades was 14.4 percent. In January of 1977, when the national rate dropped half a percentage point, from 7.8 percent to 7.3 percent, the unemployment rate in the construction trades went up, by half a percentage point, to 14.9 percent. In February, when the unemployment rate went back up to 7.5 percent, the unemployment rate in the construction trades continued to increase and is now above 15 percent, at 15.2 percent.

We have hundreds of thousands of skilled American labor, with the knowledge in their minds and the skill in their hands to produce housing, who are sitting idle today, not working, not meeting a national demand for a critically needed product.

Third, economic stimulus in the housing area offers a tremendous opportunity for using a limited amount of public money and, through the leverage that works in the housing sector, translating that investment into economic activity multiplied many times over. This is the prime area of our national economy where we can, significantly enhance a small public investment through the levering principle.

These three reasons underscore why the new administration ought to place great emphasis on activity in the housing area. What is needed from the Department is a critical list of priorities of housing moves on which they will act and act now. Let me just mention a few areas in which such activity might go forward.

One is the section 312 housing rehabilitation program for which, unfortunately, the administration has decided to ask for no new budget money from Congress for the next fiscal year, relying, instead, on a carryover of moneys already appropriated. There are a great number of pending applications for rehabilitation money and the Committee on Banking, Housing, and Urban Affairs has already, in its submission to the Committee on the Budget, proposed additional money for fiscal 1978 in the belief and the hope that the money appropriated for the current fiscal year will, in fact, be moved in this fiscal year and not carried over for fiscal 1978.

Second are the section 202 housing projects for the elderly and the handicapped.

This has been an extremely successful program across the country. It was opposed strongly by the previous administration. We thought in the Congress that the problem had been resolved in 1974 with the passage of the Housing and Community Development Act. Unfortunately, the then-existing administration delayed the implementation of the program for nearly 2 years by delaying the development and implementation of the necessary regulations.

HUD has had over 1,500 applications for 202 fund reservations, 200 of which were awarded, the others are still pending. If the new administration chose to move vigorously on this program it could

proceed to process those pending applications.

In most instances, those projects have been very carefully worked out by their nonprofit sponsors. Some of the best housing we have developed recently has been under the section 202 program. It has met with strong and widespread community support. The figures show that 30 percent of our elderly live in substandard housing and many others spend a disproportionate amount of their income on housing. The program therefore clearly meets a compelling need. There is an opportunity now, if the Department would move and move quickly with respect to 202 housing, to meet this need and to stimulate economic activity all across the country.

I have received communications, some from my own State, some from across the country, of projects that are ready to go, submissions that have been made. They are awaiting approval from HUD.

HUD has now proposed to decentralize the approval process and, while in the long run that may be a sensible position to take, at the moment it is serving simply to delay approval of these projects.

I urge the Department to move forward expeditiously with those approvals so that these projects can begin thereby meeting the needs of our elderly for housing and at the same time provide important economic stimulus.

There are many other programs of importance where the Department can act promptly: The modernization and maintenance of public housing so that existing housing stock is kept in proper condition; the urban homesteading program; the section 8 program; the whole range of housing programs offer an opportunity to move in a very sensible way to provide economic stimulus and, at the same time, meet the pressing housing needs of our citizens.

I share the deep concern of my colleagues that the housing area had not been considered an integral part of the economic stimulus package. It ought to be at the very heart of the economic stimulus package. I urge the administration to seize the opportunity to press forward in this area.

Mr. BROOKE. Will the Senator yield?

Mr. SARBANES. I yield to the distinguished Senator from Massachusetts.

Mr. BROOKE. Mr. President, I thank my distinguished colleague for yielding.

Let me add a Republican voice—and there are many others—to what he has said and what other distinguished Members from the other side of the aisle have said on the important, even critical, issue of housing in this country.

First, I must say that I agree with the distinguished chairman of our Banking, Housing, and Urban Affairs Committee, the distinguished Senator from Wisconsin (Mr. PROXMIRE), that we have fallen far short of our goals for new housing construction over the past few years. And the need for new and rehabilitated housing has continued to grow, both in assisted housing for our low- and moderate-income families, and in housing for middle-income families, particularly our young families.

The distinguished Senator from Wisconsin (Mr. PROXMIRE) favors additional authority for the so-called Brooke-Cranston GNMA tandem program. This would provide 7½-percent mortgage money for the purchase of new homes. I would support the use of the $2 billion in unobligated Brooke-Cranston authority for rehabilitation of multifamily housing.

I do not see the need for further Brooke-Cranston stimulus at this time in the single-family housing sector. Single-family starts reached record levels in December. I am not convinced that a shallow interest subsidy is the best way to increase homeownership opportunities for moderate- and middle-income families. And I question whether making 7½-percent mortgage money available for new home purchase is the most cost-effective means of assisting families who have been priced out of the homeownership market.

I, too, am deeply concerned, Mr. President, about restoring the possibility of homeownership for families who have been deprived of the opportunity to own their own homes. To assist these families, I introduced the Young Families' Housing Act last year, and I reintroduced it this year as S. 664, on February 10. My bill has 21 cosponsors, including Senator SPARKMAN, the distinguished chairman of our Housing Subcommittee.

The bill would provide authority for the Federal Housing Administration, FHA, to expand its current experimental graduated payment mortgage program into a permanent program. The graduated payment mortgage would reduce monthly mortgage payments during the early years of a mortgage and increase those payments proportionately during the later years. This new mortgage instrument is tailored to take advantage of the fact that a young family's income and the value of its home is likely to rise over the life of the mortgage.

Even though I call it the Young Families' Housing Act, it is not limited to families. A single person buying a first home would also be eligible under this legislation.

The bill also allows the creation of a new type of tax-exempt savings account—an "individual housing account"—which would allow first-time home buyers to accumulate the equity needed for the downpayment on a home. This savings account, which is similar to an individual retirement account, would permit a potential home buyer to deposit up to $2,500 a year to a maximum of $10,000. This amount would be deductible from income for income tax purposes, and the interest income would be exempt from taxation. The bill provides for a partial recapture of the taxes forgone at the time of sale of the house. This would be accomplished by reducing the basis in the house at the time of sale by the amount of the downpayment which derived from the individual housing account.

It has been said that there has been almost a decade of young people who have been unable to buy their first homes. This is not only unfortunate but it is potentially dangerous to our country.

Recent studies have only underscored the urgent need to assist young families in purchasing a home. A study released just last week by the Harvard-MIT Joint Center for Urban Studies confirmed the fact that sales prices of new homes have increased twice as fast as family incomes and that the proportion of American families who can afford to buy a median-priced new home is barely 25 percent. The study found that the poorest one-third of the population has been completely priced out of the homeownership market and that the only families who can afford a median-priced new home have incomes of $20,000 or more. And those families represent the upper 25 percent of the country in earning power.

A Congressional Budget Office report issued last month observed that downpayments on median-priced new homes rose almost one and two-thirds times as fast as annual income for the first-time home buyer, and more than one and a quarter times as fast as income for existing homes.

If the trends of the last few years continue, many families in our country will be priced out of the homeownership market forever. And if that happens, I believe that we will lose one of the most important stabilizing influences in our society. Homeownership has always been the principal way in which our Nation's families acquire equity and a stake in our society.

I feel very strongly that this bill is needed in order to give today's first-time home buyers the same chance that we in our generation had to buy a home.

I hope that my colleagues will look closely at this problem, which one of the authors of the Harvard-MIT report said could replace the slums as the major problem in housing in this country. And I hope that you will look closely at the remedies which are proposed in the Young Families' Housing Act. I do not think that we have a more urgent priority on our national agenda, and I intend to devote my energies to assure the passage of this bill which will restore the "dream" of homeownerhsip for millions of American families.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

The Senator from Wisconsin has 3 minutes remaining.

Mr. PROXMIRE. Mr. President, this has been a very helpful 45 minutes, in my view.

We have had Senator HEINZ, who spoke eloquently as to the desirability of rehabilitation as well as action by the Federal Government to provide housing in other areas, but he emphasized rehabilitation.

We had Senator SPARKMAN, who has been "Mr. Housing" in this body for a long time and in the other body, when he was there, who gave us an excellent history of housing and spoke in protest against the low priority housing has received under recent administrations.

We had Senator WILLIAMS, who spoke forcefully and well about the problem of unemployment, the need for housing for the elderly, the lack of production under the section 8 program.

We had a remarkable speech by the Senator from Maryland (Mr. SARBANES),

who pointed out how far short we are now of the noble goals which have been written into law and which have been affirmed so well by the administration. But we are not meeting those goals. He pointed out that housing is a commodity that is in demand; that unemployment is very high in the construction trade, the people who will do the job if we will provide the housing; that small Government investment— very small—can achieve a great deal of economic activity, perhaps more than in any other area.

He cited two programs that had been overlooked, one of which is the 312 program, which is a rehabilitation program for which, as he pointed out, the administration is asking nothing and can help especially people with low incomes who live in housing that is inadequate, to fix it up, rehabilitate it, improve it.

The other is probably the most popular housing program in our country, the 202 housing for the elderly. Every community that has had this program—in Wisconsin, Maryland, Ohio, and elsewhere—has found it a very good program, because the elderly need housing, they make very good neighbors, and it is something that helps the economy of the community. It gives the elderly something in their retiring years which they deserve and can use. Of course, it does not cost the Federal Government anything. It is not even on budget. But it is a program we should push ahead.

It was good to hear the Senator from Massachusetts, who has one of the most innovative approaches not only to housing but also to many other things, to come up with a refreshing program, the young families program, a graduated mortgage payment program. We are going to have hearings on that, and we are eager to move it along if we can. Some of us have reservations with respect to the program, but nobody has been more expert on housing for a long while than Senator BROOKE.

Mr. President, I should like to conclude by emphasizing that this is something that has been left out. We need to stimulate our economy. Everybody recognizes that. We need more jobs, we need to do it with as little inflation as possible, and we need to do it in the private sector, with the discipline of the private sector. We are proposing a program to do that.

The administration has missed the boat on this program. We hope they will take another look at it. I talked to the chairman of the Council of Economic Advisers yesterday on this matter. I intend to talk further to other officials in the administration, to try to persuade them to recognize the real opportunity to put people to work at very little cost and in a way which will not be inflationary and will provide something we urgently and desperately need in this country—decent housing.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. PROXMIRE. I yield the floor.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MELCHER). Without objection, it is so ordered.

The Senator from New York.

HOUSING

Mr. MOYNIHAN. I thank the Chair and, not the least, I thank the ever alert majority leader.

Sir, I rise to extend the remarks that have been made by a number of distinguished Senators here this morning, led by the chairman of the Committee on Banking, Housing and Urban Affairs, a national figure of whom no comment of mine would add any measure to his already great stature except, if I might take this first opportunity I have had in this Chamber as a student of urban affairs over the years, to speak of the very great respect with which not only those persons and communities directly concerned have come to regard him but also, if I may say so, those persons who have sought to study the subject and to learn something of the increasingly baffling dynamics of urban society, the dynamics of which the chairman has been very clear in establishing.

The question of housing at once combines an extraordinarily substantive reality with a symbolic significance as well that makes it the single most powerful indicator of the well-being or the declining well-being of an urban area.

In the colloquy we have had today, I believe three large points have been made about the question of housing construction in the United States today. All subsume under a first fact that 8 years ago Congress and the President adopted a national goal, one of the most explicit and forward-looking measures of its kind in the history of social policy in the United States. We said that for a decade the United States would build 2.8 million new units of housing or add, in effect, 2.8 million new units of housing each year to the housing stock. Even as that goal was forward looking and promising, our failure to achieve it has been as dramatic and as distressing.

As the chairman will have pointed out, we are not now achieving more than half that goal, and the costs of doing it become increasingly clear not just to the industry but to the Nation that must look to such measures as a warrant of commitment kept or commitment abandoned.

I would like to speak to the particular condition in the State of New York, which I have the honor to represent, and to a particular aspect of the chairman's discussion which has to do with the noninflationary aspect of investment in areas of high levels of unutilized capacity and low levels of utilized capacity.

One of the large questions which baffles economists at this time in our country and in the Western World is the phenomenon of stagflation, the phenomenon of high levels of unemployment being associated with high levels of inflation, a phenomenon which, in Keynesian economics no less than in classical Marxian economics, is not everywhere possible to be observed, which tells us something about economics which we have got to learn.

But, in the meantime, if there is any sort of near-term understanding of this phenomenon it is that in the United States we have tended of late to reach levels of full utilized capacity in our Nation before we tend to full employment, and the effort to go beyond induces inflationary pressures. If there is any clear counterstrategy it is to concentrate simulative activities in areas of low-utilized capacity, and if there is any one such, it is in the area of housing in this country today.

Our levels of investment in housing—and they ought to be understood to be levels of investment—are astonishingly low, and I think I can say, Mr. President, that there is no State in which this is more the case than in the State of New York, the second most populous State in the Nation.

I can give some measure of our situation by noting that in 1975, at a time when we had, as we have, 8½ percent of the population of the Nation, New York accounted for only 2.7 percent of the housing starts. In other words, if we were just to maintain our proportion of the population, we should have been building three times as much housing as we were. In 1976 that ratio actually dropped to 2 percent of the housing starts of the Nation, where to maintain our level of population we would have had to build more than 4½ times as much as we were doing.

And this is happening in the State of New York at a time when in our largest urban area most conspicuously, and in all urban areas in some degree, we are seeing a massive destruction of housing. Not only are we not building, we are through the processes of urban decay actually disinvesting, actually destroying housing units at a rate for which the word "alarming" seems insufficient.

Mr. President, last year, in New York City the assessed evaluation of property in the city dropped by $4 billion.

The complex of issue forces which bring about such decline are beyond the immediate focus of this debate. It seems to me, however, that nothing is more clear than the correctness of the chairman's call, first, for Congress to keep its commitment to the American people. What has to be the value of pronouncements of the Housing Act of 1968 if we do not constantly review our performance and renew our commitment?

Second, I say that the chairman speaks to the phenomenon which is on the edge of emergency in this Nation.

Thursday in the Public Works Employment Act we were debating the matter. The chairman of the House Committee on Environment and Public Works stood up and said, not wishing to exag-

gerate it was his recollection that in Rochester, N.Y., for example, the construction industry was running at levels of 35 percent unemployment. We made a quick call to the Bureau of Labor Statistics and established that the rate was indeed 41 percent. Forty-one percent levels of unemployment.

We have begun to lose the meaning of language and the import of statistics if we can hear such a number and not be astounded.

The depression of the 1930's, the great trauma of the Western economy and its history did not attain to such levels of unemployment. They are the levels that exist today in a correlatively prosperous, successful, and well-run city, the standard statistical metropolitan area of the Northwestern United States.

Nothing could larger command our concern.

In sum, Mr. President, three points:

One, this Congress has made a commitment to the American people. If it will not keep it it ought to so state. And the chairman is absolutely correct in saying that.

Two, there is an extraordinary absence of activity in one of the most fundamental of all the economic sectors of our economy, to wit, the housing sector.

Three, this is most conspicuous in Northeastern urban areas of the country where combined with a failure to create new housing is an unprecedented destruction of old housing, the combination of which is making for a depth of urban disorder, crisis, malfunctioning, and pathological decline more pronounced, perhaps, than anything we ever witnessed during periods when attention to such matters was much greater than it is today.

The fact that there will be more attention certainly seems to me to be in considerable measure owing to the thoughtfulness, diligence, and indomitable conviction of the chairman of the Committee on Banking, Housing, and Urban Affairs, that when Congress makes a commitment to the American people that commitment ought to be kept.

I thank the Chair.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I rise to commend the distinguished Senator from New York on an excellent, most timely speech.

I particularly appreciate the fact that he put housing in perspective, something we missed in the previous colloquy. He pointed out how very important housing is, not only as a symbol but a fact of life.

This is the single most important element of wealth in virtually every family in America. It is the biggest investment that almost every family makes.

The status of our housing is an indication of the status of our country in a very real fundamental way.

The Senator from New York pointed out the cost of not achieving our housing goals and how very far we have fallen below those housing goals of 26 million housing starts in 10 years beginning with the act of 1968 that we passed and, as the Senator pointed out, we have achieved about half those goals in recent years.

But I think it was particularly useful for the distinguished Senator from New York to point to the dilemma in his own State. Here we have a State which has been the preeminent State in this country for many years. It is now second in population, but it is the leading State as a financial center; it is a leading State in many other ways. It has been a highly progressive State. And yet it is a State, as he pointed out, which has fallen far below the housing needs that they should have. As the Senator from New York pointed out, if they had a pro rata proportion of housing starts in New York as they have in the rest of the country, they would have four times the number of housing starts than they have today.

I might point out that would probably reduce unemployment in New York. I would estimate just off the top of my head it would at least cut it in half. For each housing start there are 2 man-years of work and, as the Senator pointed out, they have a situation where they have, as I understood him to say, in Rochester 41 percent unemployment in construction, and these are the people who would be put to work if we provided housing.

Mr. President, I conclude by thanking the distinguished Senator from New York. I think his speech is a fitting and appropriate windup for our attempt to call to the attention of the administration the necessity of moving ahead on housing, which is the best way, the most economical way, and the most efficient way that we can stimulate this economy and do it promptly. We have the programs available. The money is available. Congress is willing, I am sure, to support the President if he will take the initiative. We have set the goals into the statutes, and I do hope that the administration will listen to the distinguished words of Senator MOYNIHAN and the other Senators who have spoken and give us some action.

Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

At 12:33 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2647) to amend the Small Business Act and the Small Business Investment Act of 1958 to increase loan limitations and to increase surety bond authorizations; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

The message also announced that the House has passed the bill (H.R. 1746) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC 902. A letter from the Secretary of the Interior transmitting a draft of proposed legislation to authorize a program of grants to the Government of Guam for capital improvement of public facilities, and for other purposes (with accompanying papers); jointly, by unanimous consent, to the Committees on Energy and Natural Resources and Finance.

EC 903. A letter from the Chairman of the Board of Governors of the Federal Reserve System transmitting, pursuant to law, the second annual report of the Board of Governors of the Federal Reserve System for the year 1976 (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC 904. A letter from the Chairman of the Interstate Commerce Commission transmitting, pursuant to law, a report of the Commission's determination to extend the time period for acting upon the appeal pending before the agency in No. 35956, Morelli Overseas Export Service of Wisconsin, Inc. versus Chicago and Northwestern Transportation Co. (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC 905. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law a report on the continuation of the adjustment as a production incentive to the maximum weighted average first sale price for domestic crude oil (Energy Action No. 11) (with an accompanying report); to the Committee on Energy and Natural Resources.

EC 906. A letter from the Acting Assistant General Counsel for International, Conservation, and Resource Development Programs of the Federal Energy Administration transmitting, pursuant to law, notice of three meetings concerning the voluntary agreement and plan of action to implement the international energy program (with accompanying papers); to the Committee on Energy and Natural Resources.

EC 907. A letter from the Chairman of the U.S. Nuclear Regulatory Commission transmitting, pursuant to law, the sixth report on abnormal occurrences at licensed nuclear facilities (with an accompanying report); to the Committee on Environment and Public Works.

EC 908. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a prospectus for alterations at the South Bend, Ind., Federal Building, U.S. Courthouse, in the amount of $2,722,300 (with an accompanying report); to the Committee on Environment and Public Works.

EC 909. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Indian Education in the Public School System Needs More Direction from the Congress" (with an accompanying report); to the Committee on Governmental Affairs.

EC 910. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Problems Found With Government Acquisition and Use of Computers From November 1965 to December 1976" (with an accompanying report); to the Committee on Governmental Affairs.

EC 911. A letter from the Director of the National Center for Health Services Research transmitting, pursuant to law, a document which provides a summary of research

studies supported by the National Center that were completed within the past 2 fiscal years (with an accompanying report); to the Committee on Human Resources.

EC 912. A letter from the Staff Director of the U.S. Commission on Civil Rights transmitting a draft of proposed legislation to extend the deadline for transmittal of the U.S. Commission on Civil Rights report on unreasonable discrimination based on age in programs and activities receiving Federal financial assistance, and for other purposes (with accompanying papers); to the Committee on Human Resources.

EC 913. A letter from Director of the National Center for Health Services Research transmitting, pursuant to law, a discussion on controlling the cost of health care (with an accompanying report); to the Committee on Human Resources.

EC 914. A letter from the National Adjutant of the Veterans of World War I transmitting, pursuant to law, the financial report of the veterans of World War I as of September 30, 1976 (with an accompanying report); to the Committee on the Judiciary.

EC 915. A letter from the Secretary of the Foundation of the Federal Bar Association transmitting, pursuant to law, the audit report of the foundation for the fiscal year ending September 30, 1976 (with an accompanying report); to the Committee on the Judiciary.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Secretary of the Interior, relative to authorizing a program of grants to the government of Guam for capital improvement of public facilities, be referred jointly to the Committees on Energy and Natural Resources, and Finance.

I understand this has been cleared by Mr. LONG and Mr. JACKSON, the chairmen of those committees, respectively, and by the minority.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BELLMON, from the Committee on Agriculture, Nutrition, and Forestry:

S. Res. 115. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of an amendment intended to be proposed to S. 650. Referred to the Committee the Budget:

By Mr. MUSKIE, from the Committee on the Budget:

Without amendment:

S. Res. 107. A resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 650 (Rept. No. 95–52).

By Mr. McCLELLAN, from the Committee on Appropriations:

S. Res. 113. An original resolution authorizing additional expenditures by the Committee on Appropriations for routine purposes. Referred to the Committee on Rules and Administration.

By Mr. MUSKIE, from the Committee on the Budget:

Without amendment:

S. Res. 111. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 925 (Rept. No. 95–53).

By Mr. McCLELLAN, from the Committee on Appropriations:

A special report entitled "Allocation to Subcommittee of Budget Totals" from the third concurrent resolution, fiscal year 1977 (Rept. No. 95–54).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following reports of committees were submitted:

By Mr. ALLEN, from the Committee on Agriculture, Nutrition, and Forestry:

John C. White, of Texas, to be Deputy Secretary of Agriculture.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee on the Senate.)

JOINT REFERRAL OF A BILL—S. 923

Mr. DOMENICI. Mr. President, on March 8, I had a colloquy with the distinguished majority leader concerning the need to refer S. 923 jointly to the Committees on Commerce and Environment. I pointed out that the executive communication forwarding this bill to the Congress had been referred jointly.

Since our colloquy, I understand that the appropriate chairmen have informed the majority leader that my unanimous-consent request was in harmony with their intent.

Therefore, Mr. President, I renew my request and ask unanimous consent that S. 923 be referred jointly to the Committees on Commerce, Science, and Transportation and the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. ABOUREZK:

S. 994. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and borrowings from the U.S. Treasury to complete implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House; to the Committee on Energy and Natural Resources.

By Mr. WILLIAMS (for himself, Mr. BAYH, Mr. BROOKE, Mr. PELL, Mr. CLARK, Mr. HEINZ, Mr. JAVITS, Mr. KENNEDY, Mr. MATHIAS, Mr. McINTYRE, and Mr. RIEGLE):

S. 995. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy; to the Committee on Human Resources.

By Mr. ABOUREZK:

S. 996. A bill for the relief of Vera Polgar Steiner; to the Committee on the Judiciary.

By Mr. STENNIS:

S. 997. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization and membership in the Armed Forces, and for other related purposes; to the Committee on Armed Services.

By Mr. WILLIAMS:

S. 998. A bill to amend section 1114 of title 18 of the United States Code to make killing, assaulting, or intimidating of any officer or employee of the Federal Communications Commission performing investigative, inspection, or law enforcement functions a Federal criminal offense; to the Committee on the Judiciary.

By Mr. BARTLETT:

S. 999. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act of 1972; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HANSEN:

S. 1000. A bill to authorize the granting of mineral rights to certain homestead patentees who were wrongfully deprived of such rights; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI (for himself, Mr. THURMOND, Mr. BELLMON, Mr. HELMS, Mr. SCHMITT, Mr. McCLURE, Mr. LUGAR, Mr. DOLE, Mr. GOLDWATER, Mr. STEVENS, Mr. YOUNG, and Mr. GARN):

S. 1001. A bill to provide for equal access to courts in civil actions involving the Federal Government, and for other purposes; to the Committee on the Judiciary.

By Mr. HANSEN:

S. 1002. A bill to amend section 1902 of title 38, United States Code, to extend eligibility for automobile adaptive equipment to certain additional veterans; to the Committee on Veterans' Affairs.

By Mr. ANDERSON:

S. 1003. A bill for the relief of Me Young Lee;

S. 1004. A bill for the relief of Hee Kyung Yoo; and

S. 1005. A bill for the relief of Young Shin Joo; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 1006. A bill for the relief of Concrete Industries (Monier), Limited; to the Committee on the Judiciary.

By Mr. RANDOLPH:

S. 1007. A bill to establish a National Commission on Energy Policy to recommend policies and programs to reconcile national energy and environmental requirements to insure that the U.S. requirements for energy will be met consistent with environmental quality requirements, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. RIEGLE:

S. 1008. A bill to amend section 107 of the Energy Reorganization Act of 1974 (42 U.S.C. 5817) to delegate power to State legislatures to veto Energy Research and Development Administration site selection for radioactive waste storage; to the Committee on Energy and Natural Resources.

By Mr. SASSER:

S. 1009. A bill for the relief of Dr. Jesus Fernandez Tirao and his wife, Benylin-Lynda Obiena Tirao; to the Committee on the Judiciary.

By Mr. McINTYRE (for himself, Mr. ABOUREZK, Mr. ANDERSON, Mr. BAYH, Mr. BROOKE, Mr. BURDICK, Mr. CASE, Mr. CHURCH, Mr. CRANSTON, Mr. DURKIN, Mr. EAGLETON, Mr. GRAVEL, Mr. HART, Mr. HATFIELD, Mr. HASKELL, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON, Mr. LEAHY, Mr. McGOVERN, Mr. MATHIAS, Mr. METCALF, Mr. MELCHER, Mr. NELSON, Mr. PELL, Mr. RIEGLE, Mr. SARBANES, Mr. SPARKMAN, Mr. STAFFORD, Mr. STEVENSON, and Mr. WILLIAMS):

S. 1010. a bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ABOUREZK:

S. 994. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and borrowings from the U.S. Treasury to complete implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House; to the Committee on Energy and Natural Resources.

Mr. ABOUREZK. Mr. President, I send to the desk, for appropriate reference, legislation to amend the Pennsylvania Avenue Development Corporation Act of 1972.

The Pennsylvania Avenue Development Corporation was created by Congress in 1972 to develop and implement a plan for the redevelopment of Pennsylvania Avenue between the Capitol and the White House. The Corporation transmitted its plan to the Congress in November 1974, and the plan became effective at the end of the 60-day review period in May 1975.

The plan calls for an investment of $130 million by the Federal Government as well as $200 million in loans. Impementation of the plan is expected to generate over $350 million in private investment.

The legislation which I am introducing today will provide the necessary authorization for the Corporation to proceed with the implementation of its plan.

By Mr. WILLIAMS (for himself, Mr. BAYH, Mr. BROOKE, Mr. PELL, Mr. CLARK, Mr. HEINZ, Mr. JAVITS, Mr. KENNEDY, Mr. MATHIAS, Mr. MCINTYRE, and Mr. RIEGLE):

S. 995. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy; to the Committee on Human Resources.

PREGNANCY DISCRIMINATION IS SEX DISCRIMINATION

Mr. WILLIAMS. Mr. President, the Supreme Court's decision on December 7, 1976, in the case of Gilbert against General Electric Co. came as a deep disappointment to working women across the Nation. It constituted a serious setback to women's rights and to the development of antidiscrimination law under title VII of the Civil Rights Act of 1964. But far more important, this decision poses a serious threat to the security of the family unit.

The 6-3 majority in the Gilbert case concluded that women who must take time off from work because of pregnancy or related disabilities are not entitled by law to the same benefits that their employers provide for workers who have contracted other disabilities. The court held that General Electric's exclusion of pregnancy and pregnancy-related disabilities from the protection of the company's otherwise comprehensive disability insurance program does not constitute sex-based discrimination under title VII.

Under G.E.'s program, an employee who becomes disabled as a result of any nonoccupational sickness or accident—other than pregnancy or related disabilities—can receive 60 percent of his or her weekly earnings, up to $150 a week, for a maximum period of 26 weeks.

The company plan provides protection for virtually every conceivable type of disability, from venereal disease, to athletic injuries, to cosmetic surgery including hair transplants—but not for pregnancy.

The majority of the Court states the G.E.'s plan was "nothing more than an insurance package which covers some risks, but excludes others." The Supreme Court thus concluded that it was "impossible to find any gender-based discriminatory effect in this scheme simply because women disabled as a result of pregnancy do not receive benefits." Mr. President, when an employer's plan provides protection in the event of virtually every conceivable disability but one, and that one can affect only women, it is an inescapable conclusion that such a plan by definition discriminates on the basis of sex.

One of the considerations offered by the Court to justify the singling out of pregnancy for noncoverage was that pregnancy is "often a voluntarily undertaken or desired condition." The fact of the matter is, however, that medical science knows of no perfect contraceptive, and in a large percentage of cases pregnancy is not a planned or "voluntarily undertaken condition" at all.

The failure to pay in this case was discriminatory even if a particular pregnancy involved was voluntary, because the G.E. plan provided income mainteance for every conceivable disability that could be incurred by a man, voluntary as well as involuntary. A male employee can be secure in the knowledge that no matter how he becomes disabled, he will receive income maintenance benefits to get him through the rough period and back on the job. But a female employee and her family must live with the insecurity of knowing that if she becomes disabled from pregnancy or a related condition, she will be left to fend for herself. Such a scheme of risk allocation is obviously discriminatory and not "gender neutral" as the Supreme Court concluded. In so concluding, the Court has ignored the congressional intent in enacting title VII of the Civil Rights Act—that intent was to protect all individuals from unjust employment discrimination, including pregnant workers.

In arriving at its conclusion, the Supreme Court rejected the unanimous opinions of 6 Federal appellate courts and 18 Federal trial courts that had previously considered the issue and had held that discrimination on the basis of pregnancy is sex discrimination in violation of title VII. Furthermore, the Court overruled the EEOC's guidelines on employment policies relating to pregnancy and childbirth. The guidelines required that any pregnancy related disability be treated the same as any other temporary disability with respect to the provision of disability or sick leave benefits and for all other job related purposes.

These guidelines were promulgated by the agency which the Congress, in passing title VII, vested with primary responsibility for implementing the law. The underlying theory upon which the guidelines were predicated is a simple and just one—a disabled pregnant worker should be treated like any other disabled worker. The Court's repudiation of these guidelines constitutes a dramatic departure from its previous policy. In the past the Court consistently treated the agency's views on various issues "with great deference."

The Court's conclusion that such a disability plan does not treat women unfairly or unequally disregards the reality of what a loss of income means to women who must work to support themselves and their families. I am afraid that lurking between the lines of the Gilbert opinion is the outdated notion that women are only supplemental or temporary workers—earning "pin money" or waiting to return home to raise children full-time.

In recent years, the family unit has undergone many changes. There are more women in the workforce now than ever before, both married and unmarried. Approximately 46 percent of all women over the age of 16 are in the labor force today. There are now 39 million women who are working or seeking work. Twenty-five million of these women are doing so because of the basic need to support their families—because they have husbands who earn less than $7,000 a year or because they are single, divorced, or widowed.

The law must be changed to expressly prohibit pregnancy discrimination. If it is not changed, countless women and their families will be forced to suffer unjust and severe economic, social and psychological consequences. Many women disabled by pregnancy and childbirth will be forced to take leave without pay. The resulting loss of income will have a devastating effect on the family unit. The loss of a mother's salary will make it difficult for families to provide their children with proper nutrition and health care. For some women and their families it will mean dissipating family savings and security and being forced to go on welfare. For others—especially low-income women—the loss of income will discourage them from carrying their pregnancy to term.

Mr. President, today in 14 States, as the result of various types of statutes, administrative rulings, and court decisions, private employers are required to pay disability benefits to women disabled by pregnancy in the same amounts and for the same length of time as they pay for any other type of disability. I am proud to say that my own State of New Jersey is one which guarantees disability payments to all women whose employers are covered by the State's temporary disability insurance law. But, the Supreme Court has made it clear that the only way to make sure that women in all States will not continue to be subjected to pregnancy discrimination and its potentially tragic effects is for Congress to act.

Mr. President, this bill which I am introducing today is intended to make it clear that the prohibitions against sex discrimination in employment set forth in title VII of the Civil Rights Act of 1964 also encompass and forbid discrimi-

nation based on pregnancy, childbirth, or related medical conditions.

My proposal is simple and to the point. It is aimed at getting the job done without further ado by adding a new subsection to title VII's definitions. Proposed section 701(k) would explicitly provide that the term "sex discrimination" 701 (k) would explicitly provide that the term "sex discrimination" within the meaning of the act includes discrimination based on "pregnancy, childbirth or related medical conditions." The amendment would furthermore clarify that employers are required to treat "women affected by pregnancy, childbirth, or related medical conditions—the same for all employment-related purposes, including fringe benefit programs, as other persons not so affected but similar in their ability or inability to work."

The Congress has consistently recognized that there cannot be a place for unequal treatment of men and women in a country that takes pride in its heritage of freedom and democracy. In 1963, we enacted the Equal Pay Act to insure that women receive equal pay for equal work. In 1964, title VII of the milestone Civil Rights Act was enacted to ban discrimination based on race, sex, religion, and national origin, from every aspect of employment. This was followed by the Equal Employment Opportunity Act of 1972 which added significant strengthening amendments to title VII. And, ultimately, the Congress voted in 1972 to amend our Constitution in order to make it clear, once and for all, that women and men must be viewed as equals in the eyes of the law.

Now, once again it has become incumbent upon the Congress to act. Working women throughout our Nation from varied walks of life are in need of relief. They are hopeful that the Congress will take prompt action to restore the basic rights which the Supreme Court has infringed upon.

Mr. President, I now ask unanimous consent to have the text of the bill printed in the RECORD, together with two editorial commentaries on the Court's decision in the Gilbert case. The first is an article which appeared in the New York Journal of Commerce on December 14, 1976. The second is an editorial published in the New York Times on January 25, 1977.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 995

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701 of the Civil Rights Act of 1964 is amended by adding at the end thereof the following new subsection:

"(k) The terms 'because of sex' or 'on the basis of sex' include, but are not limited to, because of or on the basis of pregnancy, childbirth or related medical conditions; and women affected by pregnancy, childbirth or related medical conditions shall be treated the same for all employment-related purposes, including receipt of benefits under fringe benefit programs, as other persons not so affected but similar in their ability or inability to work, and nothing in section 703 (h) of this title shall be interpreted to permit otherwise."

[From the New York Journal of Commerce, Dec. 14, 1976]

SICK PAY-PREGNANCY RULING HIT

(By Bernice Malamud)

The U.S. Supreme Court's 6–3 decision that private employers may refuse sick pay for pregnancy-related disabilities has been called a "major setback" to the women's movement. That's half right. It's also a major setback for human rights.

The case involved 43 female employes of the General Electric Co., who contended they were discriminated against by a company benefit plan that excluded pregnancy-related disabilities, while paying up to $150 a week for virtually all other disabilities, including elective procedures such as cosmetic surgery and hair transplants.

It may go down as the most cost-conscious decision the Supreme Court has made since Dred Scott was forcibly returned to his masters after escaping to free territory.

The Supreme Court ruled then that Scott was somebody's property no matter where he was located. So much for the interpretation of human rights when big money and economic systems are at stake.

INTERESTING PARALLEL

Had the court ruled otherwise in those times, it would have been an invitation for every slave to dare the borders between slave and free states—placing the economic value of all that black work force in jeopardy. It's an interesting parallel.

Had the court ruled otherwise in the General Electric case, the company argued, it would have cost American business as much as $1.3 billion in additional insurance costs.

The attorneys for the GE employes challenged that cost estimate forcibly. They knew how potent the money argument was.

It leaves one to wonder just what the courts would have decided about the rights of these women if the price had been right.

Dissenting Justices William J. Brennan and Thurgood Marshall pointed out that the GE plan included coverage of things peculiar to males—vasectomies, prostatectomies, circumcisions, even hair transplants.

In the face of this, the majority opinion stated that exclusion of pregnancy was not discriminatory, because it didn't exclude from one sex what it provided for another.

In other words, neither sex could collect for disability if they got pregnant, but both could if they needed a circumcision.

"It's amazing that the Supreme Court could promulgate any proposition so easily reduced to absurdity.

As Justice John Paul Stevens commented in his separate dissent, the exclusion places the risk of pregnancy-caused absence from work in a class by itself, since, as he observed males do not get pregnant—ever.

MORE PREDICTABLE

GE's lawyers also argued that pregnancy is voluntary, unlike other disabilities, Richard D. Godown, general counsel of the National Association of Manufacturers, which applauded the court's decision, was quoted last week saying, "Pregnancy in this day and age is voluntary. It's a little more predictable than a broken arm."

The GE plan does cover hair transplants, cosmetic surgery and vasectomies—all of them presumably also more predictable than a broken arm.

And when one thinks about it, the court decision on just what does and what doesn't constitute unfair discrimination is dangerous to other rights.

Let's assume, for example, that a plan excluded sickle cell anemia from its coverage. The fact that only black males contract this condition would not, under the majority interpretation, constitute unfair discrimination. After all, nobody else was covered for it either.

Cooley's anemia, peculiar to whites of the Mediterranean area could be similarly excluded. So could Tay-Sachs syndrome, which only Jews contract.

Oh, it would be argued, that's absurd. These diseases don't occur that frequently. They wouldn't logically be excluded, because it doesn't cost that much to include them.

Precisely so.

But what's the Supreme Court supposed to be doing? Deciding human rights in the context of the law? Or is it still keeping a weather eye on the system's bank account—as it did more than a century ago in Dred Scott's case?

The law of the land, as many have commented, is what a majority of nine men decide it is, at any given time. Not until this decision did it become apparent that they are men only.

The ruling is devastating to the hard-won and precariously held foothold women have gained in the economic system.

To working women of childbearing age, and to the four out of 10 families that depend on their wages, it's a serious economic blow. It means that they are back to square one. Now they must go about the parlous business of getting the legislation on which the court ruled so narrowly—Title VII of the 1964 Civil Rights Act—changed so that it spells out incontestably what they thought it meant already.

ABOUT THE AUTHOR

A recognized authority on women's insurance problems, Ms. Malamud is a consultant to the insurance industry, a lecturer and a columnist. She is a member of N.Y. State's Insurance Advisory Board, and of the National Task Force on Discrimination in Insurance, which has adviser President-elect Carter on insurance matters.

[From the New York Times, Jan. 25, 1977]

PREGNANCY AND DISCRIMINATION

(By Ruth Bader Ginsburg and Susan Deller Ross)

A company provides income-replacement payments to temporarily disabled employees for all disabilities that both men and women incur, such as lung cancer, alcoholism and skiing injuries, and all disabilities that only men incur, such as prostatectomies. There is one exception: disabilities arising from pregnancy or childbirth.

Is that exclusion sex discrimination? Not at all, ruled the Supreme Court on Dec. 7, 1976, interpreting the Federal law prohibiting job discrimination.

Yes, indeed, held the New York State Court of Appeals, the state's highest court, on Dec. 20, 1976, interpreting the substantially identical state law.

The New York decision fosters eradication of sex discrimination in the labor market, root and branch. The Supreme Court decision leaves a gaping hole in the protection guaranteed women.

The Supreme Court decision was a stunning rejection of the position that had been taken by the Federal Equal Employment Opportunity Commission and six Federal courts of appeals. These authorities had identified discrimination against the pregnant worker as the essence of sex discrimination. But no pregnant man receives disability benefits, the Supreme Court majority said, hence it is not sex discrimination to deny such benefits to pregnant women.

The dissenting Justices responded that the pregnancy classification was necessarily sex-based, both because it is the capacity to become pregnant that differentiates men from women and because all disabilities specific to males were covered by the plan.

What are the consequences of the rulings on this pregnant issue? Millions of gainfully employed women have husbands earning less than $7,000 per year. Families dependent on the income of these women will suffer the

harshest impact when no wage replacement attends childbirth.

But far graver implications attend refusal to recognize disadvantageous treatment of the pregnant worker as sex discrimination. If it is not sex discrimination to exclude pregnant women from standard fringe-benefit programs, is it sex discrimination to fire pregnant women, refuse to hire them, force them to take long, unpaid leaves, or strip them of seniority rights when they return to work?

Until very recently such practices were the common pattern. They had been fought successfully in litigation under Federal and state human rights laws. Women outside states with secure state-law rulings now fear industry's return to old ways.

It is not accidental that disadvantageous treatment of pregnant workers has been a constant target of employment-discrimination cases. Women's child-bearing function has always played a central role in supporting sex discrimination. Anticipating the woman's withdrawal from the paid labor force when she becomes pregnant, the economy-minded employer keeps her till then, at the lowest cost, and at the lowest rung of the job ladder.

The reality is that many women become labor-force outcasts upon pregnancy, not by choice but because of their employers' preconceptions or prejudices.

Even pregnant workers who manage to retain their jobs—albeit without the fringe-benefit package given other workers—find their opportunities limited because of the image of the "typical" woman generated and perpetuated by employers' own discriminatory practices.

Without confronting head-on this source of differential treatment of the female worker, basic improvement in the status of gainfully employed women is not likely to occur.

Employers will continue to regard women as people who neither need nor want to remain in the labor market for more than a temporary sojourn. Traditional states of mind about women's proper work once the baby comes are difficult to abandon, even for gray-haired jurists. The New York State Court of Appeals judges surmounted this difficulty; the Supreme Court Justices did not.

A further ominous signal marks the Supreme Court's opinion. The New York State Court of Appeals has sharply distinguished the muted protection against discrimination that women have gained under the Constitution's 19th-century equal-protection principle from the vital safeguard afforded by the state's modern human-rights law.

By contrast, the Supreme Court twice identified as a source for determining Congressional intent in banning "discrimination" the "long history of judicial construction" of the 14th Amendment's equal-protection clause.

But until 1971, the Supreme Court consistently interpreted the 14th Amendment to allow wholly arbitrary forms of sex discrimination, including state restrictions on women's working as bartenders or serving on juries.

In fact, the "long history" of the Supreme Court's refusal to relate sex discrimination to equal-protection analysis continues to provide strong impetus for the insistence of the contemporary women's movement on the Equal Rights Amendment.

On the issue of statutory construction involved in the Supreme Court's Dec. 7 decision, the high court is not the final arbiter. Legislative overruling is available when the Court misconceives Congressional purpose. The response of the new Congress and Administration will provide an early measure of the nation's current commitment to achievement of genuinely equal opportunity for women.

Mr. BROOKE. Mr. President, on December 7, 1976, the Supreme Court ruled in General Electric versus Gilbert that it is not sex discrimination, within the meaning of title VII of the Civil Rights Act of 1964, to exclude pregnancy and related disabilities from otherwise comprehensive insurance plans.

This Supreme Court decision thus overruled not only 24 lower Federal courts but also the pregnancy guidelines of the Equal Employment Opportunity Commission which had ruled that pregnancy-related disabilities had to be treated the same as any other temporary disability for all job-related purposes.

The Gilbert decision could have a widespread effect upon our society and our economy, for 46 percent of all women of working age are now in the labor force. Thirty-five million women are working or seeking work. And 25 million of these women are working because they must, either because they are the sole support of their families or because their husbands earn less than $7,000 a year.

And the effect of the Gilbert decision on these working women and their families could be devastating. Many women temporarily disabled by pregnancy will be forced to take leave without pay. In so doing, they must forfeit the income which holds their family together, which helps assure their children adequate nutrition and health care, and which helps keep their family off welfare. And faced with the dual cost of being forced to pay their medical costs plus losing their wages, many low-income women may come to feel that their only alternative is an abortion.

The costs of providing women with pregnancy benefits is far from prohibitive. The disability period is defined as only that time when a woman is medically certified as unable to work. For 95 percent of the women the disability period as defined lasts only 6 weeks or less. Calculations based on actuarial evidence supplied as part of the Gilbert case indicate that pregnancy benefits will cost U.S. industry less than $150 million more a year, taking into account the fact that 60 percent of all women employees who are covered by a temporary disability plan may already receive benefits in the event of disability due to pregnancy.

There are two points which must be stressed. The first is that G.E. versus Gilbert upheld a plan which paid benefits for all disabilities incurred by males, voluntary and involuntary, but yet would deny benefits for pregnancy which is not always voluntary as claimed.

The second point is that the bill being introduced would not mandate compulsory disability coverage. It will simply mean that employers who do provide a disability plan must treat disability due to pregnancy or any related medical condition the same as all other nonwork-related disability with respect to the payment of benefits and to the provision of leave policies.

Mr. President, in G.E. versus Gilbert the Supreme Court made it clear that Congress could indicate through legislation that such discrimination as perpetuated in G.E. versus Gilbert is illegal. The legislation which we are introducing prohibits this unbelievable and unjustifiable discrimination. I urge all my colleagues to support it.

Mr. MATHIAS. Mr. President, I am pleased to join today with several of my distinguished colleagues in both Houses in introducing legislation to counteract the Supreme Court's decision in General Electric versus Gilbert. In Gilbert, the Court held that an employer's exclusion of pregnancy-related disabilities from coverage of an otherwise comprehensive employee disability income protection plan does not constitute sex discrimination in violation of title VII of the 1964 Civil Rights Act.

The Gilbert decision was a major setback to women's efforts for equity in the job-market, not only in its specific application that denies disability benefits to pregnant women, but also in its potential for erosion of title VII protection against sex discrimination generally. Unless remedial legislation is enacted, employers may well consider that they have a green light for additional classifications based on pregnancy and other sex-related discriminations as well, without fear of violating title VII. This would have grave consequences for the female work force in America.

The Court's decision in Gilbert, rejecting the unanimous conclusion of all six Federal courts of appeals that had previously considered the issue, repudiated guidelines promulgated by the EEOC after extensive and thorough evaluation of the issues involved. Both the lower courts and the EEOC considered that Congress, in enacting title VII, clearly intended to eliminate employment discrimination based on sex, and, that exclusion of pregnancy-related disabilities from otherwise comprehensive disability plans constituted unlawful discrimination on the basis of sex. This was my interpretation of title VII when, as a Member of the House of Representatives, I voted in favor of the 1964 Civil Rights Act.

But, the Supreme Court has seen things differently. I must admit surprise at the Court's conclusion. I thought that this was one battle in the fight for equality between the sexes that had been fought and won. Now the ball is back in the Congress' court. And, we have an opportunity within our constitutional authority to amend title VII to make clear that sex discrimination includes classifications based on pregnancy. The legislation which we now introduce, will achieve that goal.

The Gilbert decision evoked an outpouring of concern among many Americans, including civil rights and women's rights groups. These groups have banded together and protested to their elected officials. Their success in focusing national attention on this important issue was poignantly demonstrated at the press conference held this morning to announce the introduction of this remedial legislation. This morning's gathering typified the support that exists for this proposal both on and off Capitol Hill.

I am certain that a majority of the Congress supports those Members of the Senate and House with whom I join to-

day in introducing this correcting amendment to title VII, and thus bringing the United States in line with the policies of all other industrialized Western countries.

In recent years, we have seen a healthy growth of civil rights and women's rights throughout our society. I intend to encourage that growth. Justice demands it.

By Mr. STENNIS:

S. 997. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization and membership in the Armed Forces, and for other related purposes; to the Committee on Armed Services.

Mr. STENNIS. Mr. President, I introduce for appropriate reference, a bill which, if enacted, will ban and prohibit union organization and membership among personnel of the Armed Forces. I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Let me emphasize, Mr. President, that in introducing this bill I am not taking an antilabor position. This is not an antiunion bill. It is instead a bill which would insure the preservation of the historic and time-honored traditions, functions, and principles of our military establishment. It recognizes that, in the armed services field, a man cannot serve two masters and that, therefore, there is no place for labor unions or similar organizations in our military units. To me this basic propositon is self-evident.

Let me also make it clear that this proposed bill is designed only to outlaw and prohibit mebership in labor organizations which have as their purpose collective bargaining or other negotiations with the Government of the United States concerning the terms and conditions of work, service, or pay of members of the Armed Forces, or which assert the right of members of the Armed Forces to engage in strikes, work stoppages, slowdowns, and similar job actions.

The bill would not prohibit membership in conventional private sector labor organizations either by reservists or by active-duty members of the Armed Forces who are engaged in "moonlighting." Similarly, it would not affect the right of members of the military to join professional, fraternal, patriotic, military, or veterans organizations and associations.

Mr. President, I believe that the threat of union or labor organization presents a real and distinct danger to our military establishment and to military discipline. As I have said, there is no place for labor unions or similar organizations in our Armed Forces. The processes of conventional collective bargaining and labor negotiations about the terms of pay, service, and working conditions of military men just do not fit in with our military establishment or its desired and necessary method of functioning and operating.

Unionization, in my opinion, is wholly incompatible with the operation of the military chain of command, would undermine the role, authority, and position of the commander, would raise the very real possibility of divided loyalties, and might very well make it impossible for our military organization to carry out the purposes for which it was created. In short, I strongly believe that the vital and unique role and position of our Armed Forces, and the fact that the military is the very linchpin of our national security, justifies and requires this legislation. Unionism, if introduced into our Armed Forces, could very easily destroy those fine and honorable principles and traditions which have characterized our military forces since the beginning of the Republic.

This question is particularly serious now because we are already faced with a troubled and unsettled situation in the military. This results from the serious difficulties and problems which the armed services are encountering as a result of our effort to go to and maintain an all-volunteer military force. This has not been fully successful. We have fallen short of our military manpower goals both in quantity and quality. We are faced with many problems in this area and I believe it would be a serious—and perhaps fatal—mistake to further aggravate and agitate this troubled situation by permitting military personnel to be organized by labor unions.

I am not jumping at shadows. I am not tilting at a straw man. The danger is real, clear, and imminent. Last September the American Federation of Government Employees specifically authorized military memberships. Only this week the leaders of this same organization, and it is the largest Government workers' union in this country, specifically backed and approved a proposal to begin organizing the Armed Forces, calling unionization of the military inevitable. The vote of the union's executive council to endorse the plan was 15 to 2. The question will now be put to the union's 280,000 civilian members who will be polled over the next several months. The outcome is entirely predictable.

The basic fallacy of labor organization in the armed services lies in the concept that military service is on the same plane as employment in the private sector. Nothing could be further from the truth. The Armed Forces have different obligations, higher loyalties, and, of necessity, operate under different laws, rules, and regulations. It is for this reason that I believe that passage of a law prohibiting the organization of the military by labor unions is an imperative.

A number of bills have been introduced on this subject which are certainly worthy of serious consideration. Notable among these is a bill sponsored by the distinguished Senator from South Carolina (Mr. THURMOND) and others. The Armed Services Committee will hold comprehensive hearings on all these bills and the entire problem of union organization and membership in the armed services. All parties having a proper and legitimate interest will be given the opportunity to appear and express their views on this very important subject. The entire issue will be completely explored and all viewpoints will be thoroughly considered.

I believe that we can and will develop and pass a bill which will protect our military security by guarding against divided loyalties and by insuring that our military forces, both as individuals and as units, are at all times and in all situations fully responsive to their duty and to the military chain of command. I believe that we can and will do this without infringing upon any basic, inherent, or constitutional rights of any individual.

S. 997

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Congress hereby determines that—

(a) Members of the armed forces of the United States must be prepared to fight, and, if necessary, to die, to preserve and insure the welfare, security, survival, and liberty of this country and its people;

(b) Control, discipline, and prompt and unquestioning obedience to lawful orders of superior officers are essential, necessary, and time-honored elements of the American military tradition, and, from the earliest Articles of War, military laws and regulations have proscribed conduct which would undermine the military chain of command;

(c) The processes of conventional collective bargaining and labor negotiation cannot and should not be applied to the United States military organization, and strikes, slowdowns and similar job actions have no place in the armed services;

(d) Unionization of the armed forces is incompatible with the military chain of command, undermines the role, authority, and position of the commander, and could have the unfavorable and divisive effect of creating adversary relationships between the members of the armed forces or between such members and the Congress;

(e) Under Article I, Section 8, clauses 12, 13, 14, and 16 of the Constitution of the United States, the Congress has the undisputed power to enact legislation for the government and regulation of the military forces, and the vital and unique duties and position of the armed forces justify and require the enactment of this legislation to assure a disciplined, effective, and responsive national defense force.

SEC. 2. That Chapter 49 of Title 10, United States Code, is amended by adding, at the end thereof, a new section as follows:

"(a) As used in this section—

"(1) 'Member of the armed forces' means a member of the armed forces who is (A) serving on active duty, (B) a member of a Reserve component, and (C) a member of the Coast Guard when the Coast Guard is operating as a service in the United States Navy.

"(2) 'Labor organization' means any labor union or other organization of any kind in which employees (including members of the armed forces) participate or belong to, and which exist, in whole or in part, for the purpose of collective bargaining, dealing or negotiating with employees concerning the terms and conditions of work, service, or pay. Such terms shall not include any professional, fraternal, patriotic, military or veterans organizations or association unless such organization or association supports, advocates, or asserts the right of members of the armed forces to strike against the Government of the United States or asserts that it has the right to bargain collectively or negotiate with the Government of the Unied States concerning the terms and conditions of work, service or pay of members of the armed forces.

"(3) 'Employer' shall mean the Government of the United States specifically including the Department of Defense.

"(b)(1) It shall be unlawful for any labor organization, or any other group, association, organization, individual, or other entity to enroll any member of the armed forces in, or to solicit or otherwise encourage any member of the armed forces to join any labor organization, or to receive or accept any labor organization dues from any member of the armed forces.

"(2) It shall be unlawful for any organization or person to use, or permit or authorize the use of, any military reservations, properties, or other defense facilities for labor organization recruiting or unionizing activities, or for meetings, demonstrations or other activities in support of labor organizations or membership in labor organizations by members of the armed forces.

"(c)(1) It shall be unlawful for any member of the armed forces to join any labor organization or to be or remain a member thereof. It shall also be unlawful for any member of the armed forces to solicit or otherwise encourage any other member of the armed forces to join, become or remain a member of any labor organization.

"(2) It shall be unlawful for any member of the armed forces to actively support any activity of any labor organization which (1) is a protest against, is intended to focus on or is for the purpose of bringing about changes in the pay, working conditions, or military service of members of the armed forces, (2) supports, advocates, or asserts the right of members of the armed forces to join or be represented by a labor organization, or (3) supports, advocates or asserts the right of members of the armed forces to engage in strikes, work stoppages, slowdowns, and similar job actions.

"(3) It shall be unlawful for any member of the armed forces, or any civilian official or employee of the Department of Defense, to negotiate or bargain collectively, or attempt to negotiate or bargain collectively, on behalf of the United States, with respect to the terms and conditions of the pay, work, or military service of members of the armed forces, with any individual, organization, or association which represents or purports to represent members of the armed forces. It shall likewise be unlawful for any member of the armed services, or any civilian official or employee of the Department of Defense to recognize any individual, organization, or association for any such purpose.

"(d) None of the prohibitions of subsections (b)(1), (b)(2), (c)(1), and (c)(2) of this section shall apply in cases where the labor organization involved does not represent, or purport or attempt to represent, the interests of members of the armed forces in any dealings or negotiations, or in any attempt to deal or negotiate with the Government of the United States and does not support, advocate or assert the right of members of the armed forces to engage in strikes, work stoppages, slowdowns, or other job actions against the Government of the United States.

"(e)(1) Any individual violating the provisions of subsections (b) or (c) of this section shall be punished by a fine of not less than $1000 nor more than $10,000 or by imprisonment for a term of not more than five (5) years, or by both such fine and imprisonment.

"(2) Any labor organization violating subsection (b) of this section shall be punished by a fine of not less than $25,000 nor more than $250,000.

(b) The table of sections at the beginning of Chapter 49 of Title 10, United States Code, is amended by adding at the end thereof the following:

"975. Union organizing and membership prohibited."

By Mr. WILLIAMS:

S. 998. A bill to amend section 1114 of title 18 of the United States Code to make killing, assaulting, or intimidating of any officer or employee of the Federal Communications Commission performing investigative, inspection, or law enforcement functions a Federal criminal offense; to the Committee on the Judiciary.

Mr. WILLIAMS. Mr. President, today I am introducing a bill to make it a Federal crime to kill, assault, or intimidate an officer or employee of the Federal Communications Commission.

In fiscal year 1976, the FCC's Field Operations Bureau conducted 3,400 investigations, and 12,045 inspections. The inspectors have no choice as to where inspections are made, and much of their work must be done at night when suspected illegal signals are being transmitted.

The nature of their work has subjected FCC inspectors to a growing number of attacks each year. A few recent examples are illustrative.

In August 1976, an FCC engineer was threatened with a revolver when he attempted to make an inspection.

In September 1975, two engineers were threatened by a man wielding a two-by-four during an inspection.

In June 1974, two FCC engineers were attacked while attempting to inspect a station. One of them required hospitalization.

I could cite many more cases in which FCC employees have been harassed, threatened, and physically harmed. These Federal employees have been increasingly exposed to violence in the performance of their official duties. They need the full protection of Federal law.

Most Federal employees who perform investigative or law-enforcement functions are already protected by Federal criminal laws. But FCC employees are not. Thus, if an FCC officer accompanies an FBI agent during an investigation and both are attacked, only the attack on the FBI agent would be a violation of Federal law. The assault on the FCC officer would subject the offender to State or local prosecution only. Unfortunately, the Commission has experienced considerable difficulty in obtaining criminal prosecution of such offenders through State and local authorities.

The FCC has sought legislation to correct this inequity since 1967. While there is little or no opposition to giving FCC employees the protection of Federal criminal laws, there has been some disagreement as to the appropriate form of corrective legislation.

Mr. President, I believe we should act on this matter without further delay. The legislation I am introducing today will help FCC employees to enforce our communications laws and regulations more effectively and safely.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 998

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1114 of title 18 of the United States Code, as amended, is amended by inserting immediately before "while engaged in the performance of his official duties" the following: "or any officer or employee of the Federal Communications Commission performing investigative, inspection, or law enforcement functions".

By Mr. BARTLETT:

S. 999. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act of 1972; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. BARTLETT. Mr. President, today I am introducing a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act of 1972, FIFRA, to place the responsibility for reviewing pest control technology back in the Department of Agriculture.

The agricultural community has continued to implement new and changing pest control technology as it becomes available and proven. Farmers are increasingly using various nonchemical methods; however, for the foreseeable future the primary method will continue to be chemical.

However, since 1972 when the Environmental Protection Agency was given the authority over this area, there have been growing concerns and evidence that EPA cannot handle expeditiously the responsibility and that increasingly large amounts of tax dollars are going to be spent to give them the capability in the agricultural area. This is a capability that already exists in the U.S. Department of Agriculture.

The EPA is presently spending more than 10 times what the USDA spent and has asked for one-half again as much money in order to proceed.

These funds are being spent in a situation that finds neither registration nor classification completed. The EPA was specifically authorized to act in these two areas, but registration will not be completed for several more years, and a tentative list of restricted pesticides is only now going to be published.

In the meantime, EPA is removing existing chemicals from the market without complete scientific testing. This has resulted in the loss of food, wood, and fiber to both domestic and foreign markets.

EPA is not the only agency that has gotten itself twisted in its own regulatory language, but an example will serve to elucidate the problems that confront farmers in trying to deal with the implementation of FIFRA.

The congressional intent of FIFRA is that of implementation in a "commonsense" fashion. On September 21, 1976, the EPA published the following material in the Federal Register:

The use of a registered pesticide to control a pest not named on the EPA accepted label would not generally pose different risks to man or the environment than would the use of such pesticide to control pests which are named on the label when used in a manner consistent with all other labeling instructions.

Certainly this is a very reasonable statement; however, the following additional statement was included:

The use of a registered pesticide to control pests not named on the label or labelling constitutes a violation of FIFRA Section 12 (a)(2)(G) in that it is a use of a registered pesticide in a manner inconsistent with its labelling.

With this statement, the Environmental Protection Agency completely clouded the area, and they went on further to confuse the farmer by stating:

In the exercise of its prosecutorial discretions, however, the agency will not initiate enforcement action . . .

The explanation by EPA is that a pesticide registered for control of certain pests on a specific crop may be used against other pests if the pest is improbably, unanticipated, or infrequent in its occurrence. The use must be recommended in writing by an individual who is a knowledgeable expert. The recommendation must be submitted to the State control agency, and there must not be any other pesticide registered for use against the pest that is reasonably available in the area.

This is only one confusing example, but it is an excellent reason to place the authority back in the U.S. Department of Agriculture, the Department with the expertise in this field.

Based on the inability displayed, and the lack of expeditious action, it is my hope that this authority will be returned to USDA. I do not amend any substantive review provision of the 1972 act, but I feel that our beleaguered farmers deserve better treatment than they are now receiving.

Mr. President, I hope that my fellow Senators will see this in its proper perspective and not as an attempt to dilute the effectiveness of the protective provisions of the 1972 act. Immediate action is necessary.

By Mr. HANSEN:

S. 1000. A bill to authorize the granting of mineral rights to certain homestead patentees who were wrongfully deprived of such rights; to the Committee on Energy and Natural Resources.

Mr. HANSEN. Mr. President, I send to the desk for appropriate reference a bill which would enable certain homesteaders or their successors in interest to obtain equity from their Government.

The measure would accomplish this purpose by authorizing a homestead title holder who has been wrongfully deprived by the Government of the minerals in his land, to apply to the Secretary of the Interior for conveyance to him of those minerals. The homesteader must submit proof to the Secretary that by the law under which he perfected his homestead rights, he was entitled to the minerals in the land; that the withholding of those minerals was the result of error, whether intentional or not; and that there was some mistaken act as a result of which his homestead title did not carry with it the rights to the minerals.

If the Secretary accepts the homestead title holder's proof, then he shall convey the minerals to the surface owner as of the time of the acceptance of such proof. The homesteader shall receive no payments for extraction of minerals prior to the acceptance of such proof. All existing rights are protected.

Mr. President, the bill I am introducing today—a bill to permit American homesteaders to obtain equity—is substantially similar to S. 154 which I introduced in the 94th Congress. Although a hearing was scheduled on this measure, in the closing rush of business that hearing had to be canceled. No public hearings ever have been held on the substance of this bill, with opportunity accorded homesteaders to present their case.

It is my earnest hope that opportunity to be heard, a right so basic to our American democracy, can and will be accorded early in the 95th Congress. That is basically what this bill is all about: to accord American citizens who have reasons to believe they were wrongfully deprived of property rights by their government to be heard on the facts and the law. The bill does not take away or give away anything to anybody.

As was pointed out in the report of the Public Land Law Review Commission, a great many laws were enacted in years gone by under which a citizen could go out on vacant, unappropriated public lands, make an "entry," and by performing certain work and complying with specified procedures, he could get title to a given tract, the size of which might vary from 160 acres to 640 acres.

Under certain of these homestead laws, title to the minerals passed with the surface to the homesteader, provided the land had not been classified as having known mineral values. Under other laws, the Government was required to reserve coal, oil, and gas deposits whether or not there was any reason to believe such deposits did in fact exist.

The variety of laws, procedures, and situations led to a great deal of confusion and there were instances in which a homesteader did not get the minerals in his land to which he was rightfully entitled under the law and facts as known at the time he acquired title to the surface. On occasion, Congress has passed and the President has signed private laws for the relief of individual homesteaders or for specified groups, such as the Kenai homesteaders in Alaska.

The bill I am introducing today is for a general law to provide for rectification of this situation and enable homestead titleholders to obtain equity if they were mistakenly deprived of the minerals in their lands. Again, I point out that no existing rights acquired by others, such as those of a Federal lessee on the land, would in any way be interfered with or invalidated.

By Mr. DOMENICI (for himself, Mr. THURMOND, Mr. BELLMON, Mr. HELMS, Mr. SCHMITT, Mr. MCCLURE, Mr. LUGAR, Mr. DOLE, Mr. GOLDWATER, Mr. STEVENS, Mr. YOUNG, and Mr. GARN):

S. 1001. A bill to provide for equal access to courts in civil actions involving the Federal Government, and for other purposes; to the Committee on the Judiciary.

Mr. DOMENICI. Mr. President, today I am introducing a bill which will grant to successful litigants in civil cases and certain agency proceedings against the Federal Government the right to an award of legal fees and other related expenses.

With several important changes, the bill is similar in concept to S. 2871 which was introduced in the last session. Subsequent to the introduction of S. 2871 last year, I solicited the views of the attorneys and others in New Mexico as to the need for this type of legislation. The response to my survey far exceeded my expectations in both the quality and quantity of the replies. Greater than 90 percent of those responding supported the concept of providing attorney's fees and related costs to private parties prevailing against the Federal Government.

Many of the reasons given for supporting this concept were based on the personal experience of attorneys whose clients have endured the unfortunate experience of having been "worn out" by inexhaustible Government resources in both administrative and judicial proceedings. Other responses reflected concern that the judicial system is losing its capacity to act as a balancing factor against arbitrary or capricious Government action because many private parties view litigation and other proceedings against the Government as being prohibitively expensive even though these proceedings have a direct and substantial impact on the economic interest of the parties.

A small percentage of those responding expressed opposition to several of the provisions of S. 2871. One major criticism was the inclusion in the bill of criminal proceedings. A number of those responding expressed the view that existing procedures more than adequately safeguard the rights of a criminal defendant unable to provide for his own defense. Irrespective of whether the facts completely support this view, it is my view that the civil and criminal provisions represent a logical distinction and can be separated. Accordingly, I have not included coverage of criminal cases in the bill I introduce today.

Another criticism was that S. 2781 did not distinguish between private parties who are put at a clear financial or resource disadvantage in a judicial or administrative dispute with the Federal Government and those private parties who are not. Clearly some parties such as giant corporations and the very wealthy are capable of adequately protecting their interests and are not, therefore, put in a position of "caving in" when faced with litigating against the Government.

For this reason I have added a limitation on those parties who would be permitted to recover under this proposed legislation. No party other than a party qualifying as a small business or with assets valued at less than $1 million and annual receipts or income of less than $100,000 in each of the 5 years preceding the initiation of the litigation or proceeding would be permitted to recover. I would ask that the hearings on this bill particularly focus on these specific provisions.

Further, I have added specific limitations on the rates of the attorneys' fees that would be recoverable under the bill.

Lastly, I propose to initiate this compensation program for a 3-year trial period.

Mr. President, I am convinced that this

legislation is necessary in order to combat the growing tendency of escalating legal and related costs deterring Americans from enforcing and defending their legal rights against the Federal Government. The basic problem this bill seeks to overcome is the inability of many Americans to combat the vast resources of the Government. The Government employs thousands of lawyers assigned to enforce and defend the often lengthy and sometimes arbitrary regulations and rulings of the hundreds of Federal departments and agencies. The volumes of the annotated laws of the United States take up dozens of shelves and the rules and regulations promulgated pursuant thereto number in the hundreds of thousands. Unfortunately, these vast numbers of rules and regulations are too often subject to arbitrary interpretation and application by the Federal functionaries who are now vested with very broad discretionary powers.

As a result, there are a few elements of life, commercial or otherwise, where the Federal Government does not—at least potentially—have some role to play, a role which often leads the regulator to take the regulated to the court on issues whose merits are highly questionable.

Concurrent with the growth of Government, there has grown up a feeling of helplessness among a large portion of the population. Many people, particularly those small businesses and organizations and individuals who are not particularly wealthy, do not know how to cope with an institution such as the U.S. Government, the size and complexity of which is so great that, literally, no one can come to terms with it.

The consequences of such a dilemma are that in the usual case, an aggrieved party has to weigh the high cost of litigation or agency proceeding against the value of the rights to be protected. In far too many cases, a party will knuckle under to a Federal order he knows to be wrong because he cannot afford the cost of taking the matter to court, or challenging an administrative action. In the case of these private parties, it is often only the most wealthy who can afford to challenge the Government.

This problem is exacerbated by the fact that the income and assets of the private litigant or defendant are generaly extremely limited and, therefore, can be subject to a war of attrition on the part of a determined Federal bureaucracy. Justice for the citizen requires that the cost of securing justice not outweigh the value of the right asserted by the citizen against the Government. It is important, also, that the expense of correcting error on the part of the Government—a task which could have wide-ranging beneficial implications for other Americans—not rest wholly on the party whose willingness to go to court has helped define the limits of Federal authority.

Because of the cost of court litigation and agency proceedings, many issues of great importance—of importance in defining the relative rights of government and governed in a free society—are never tested. Surely, if society has a sufficient interest in an issue to channel thousands of dollars into the Government's case, it has an equal interest in insuring that the case is decided pursuant to a fair presentation of the issues to the court or to the administrative agency responsible for the interpretation of the regulation.

Subject to the restrictions mentioned earlier, my proposal for awarding legal fees and costs in civil actions applies to all actions in which the United States or an agency or official is a party, including tort claims and judicial reviews of agency actions. Awards of fees and costs are required to be made by courts in favor of parties prevailing over the Government in actions instituted or defended by the Government. If the private party prevails partially, he must be awarded an amount for fees and costs incurred by him in the action commensurate with his success. In cases in which the private party fails, he may be awarded fees and costs when it is in the interest of justice.

What I propose is hardly a radical concept. Today we find over 50 Federal statutes which provide for the awards of attorney's fees and related costs in specific situations. As recently as in the closing days of the last session, the Congress passed and the President subsequently signed into law the Civil Rights Attorney's Fees Award Act, which permits compensation in civil actions against the United States in certain civil rights and internal revenue cases. What I propose is to eliminate the distinction between those cases which now have the benefit of specific legislation and those which do not by providing general legislative coverage for all civil cases against the Government.

The awarding of legal fees to successful private litigants should not in any way deter Government attorneys from pursuing meritorious claims. Similiarly, it can hardly be regarded as an incentive to spurious litigation, as the nonprevailing party will be awarded legal fees only when the interests of justice manifestly dictate.

What it will do is to deter the governmental tendency to dispute meritorious claims in the expectation of outlasting an adversary. This is a practice which must be discouraged.

Hearings on this bill may show that improvements may be made in the details and limitations of my bill; however, I am without a doubt that they will find that this bill represents badly needed legislation and deserves prompt attention of the new Congress. I believe it is bipartisan in nature and I find that it should receive enthusiastic support of those of widely varying political philosophies.

Therefore, I together with my colleagues, Senators THURMOND, BELLMON, SCHMITT, MCCLURE, LUGAR, DOLE, GOLDWATER, STEVENS, YOUNG, and GARN, introduce this bill to provide equal access to the courts in civil actions against the Federal Government.

I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1001

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Access to Courts Act of 1977".

SEC. 2. (a) The Congress finds that serious inequities and inequalities exist between the Federal Government and certain individuals, partnerships, corporations, and labor and other organizations in terms of the relative ease with which each is able, without suffering extreme economic hardship, to prevail or to secure the vindication of its rights in civil actions and in administrative proceedings.

(b) It is the purpose of this Act to diminish such inequities and inequalities by providing for the payment by the United States of attorney fees, expert witness fees, and other costs in specified situations.

SEC. 3. (a) Section 2412 of title 28, United States Code, is amended to read as follows:

"§ 2412. Attorney and witness fees and costs

"(a) Except as otherwise provided in subsections (b) and (c) of this section and in section 2678 of this title, a judgment for costs, as provided in section 1920 of this title (but not including the fees and expenses of attorneys), may be awarded to the prevailing party in any civil action brought by or against the United States in any court having jurisdiction of such action.

"(b) (1) A judgment for costs, as provided in section 1920 of this title, for the reasonable expenses of any witness or expert witness, for the reasonable cost of any study, analysis, engineering report, test or project which the court finds necessary to the litigation of the action, and for reasonable attorney fees, based upon the actual time expended by any attorney of a party and his staff in advising and representing such party, such fees to be determined at the recipient's usual rate of compensation, but not to exceed the lower of the prevailing market rate or $90 per hour, shall be awarded to any party, other than the United States or any agency or official thereof, who prevails in any civil action, including an action for judicial review of agency action brought by or against the United States, or any agency or official thereof, in any court having jurisdiction of such action.

"(2) For purposes of this section, the term 'party' means (1) a small-business concern as defined in section 2 of the Small Business Act (15 U.S.C. 632), or (2) an individual, partnership, corporation, or labor or any other private organization having assets valued at less than $1,000,000 and annual receipts or income of less than $100,000 in each of the five years immediately preceding the filing of the civil action in question.

"(c) In any civil action, including an action for judicial review of agency action, instituted by or against the United States, or any agency or official thereof, in which a party other than the United States or any agency or official thereof—

"(1) prevails partially, such party shall be awarded a judgment for costs and fees, as provided in subsections (a) and (b), to the extent to which he prevails; or

"(2) does not prevail, such party may be awarded a judgment for costs and fees, as provided in subsections (a) and (b), in any case in which the court finds that such an award would be in the interests of justice.

"(d) Any amount awarded for costs or fees shall be in addition to the compensation, if any, awarded in any judgment.

"(e) Any judgment against the United States for costs or fees shall be paid as provided in sections 2414 and 2517 of this title".

(b) The table of sections of chapter 161 of title 28, United States Code, is amended by striking out the item relating to section 2412 and inserting in lieu thereof the following:

"2412. Attorney and witness fees and costs.".

SEC. 4. Subsection (a) of section 2517 of title 28, United States Code, is amended to read as follows:

"(a) Any final judgment, including any final judgment for costs and fees, which is rendered by the Court of Claims against the United States shall be paid out of any general appropriation therefor, on presentation to the General Accounting Office of a certification of such judgment, by the clerk and the chief judge of such court.".

SEC. 5. Section 2678 of title 28, United States Code, is amended to read as follows:

"(a) If any judgment is rendered, or if any settlement, award, compromise, or recommendation is made in favor of any party other than the United States, after the United States or a Federal agency has received notice that such party has retained an attorney, including the name of such attorney, such party shall be awarded reasonable attorney fees, based upon the actual time expended by such attorney and his staff in advising and representing such party, such fees to be determined at the recipient's usual rate of compensation, but not to exceed the lower of the prevailing market rate or $90 per hour, and all costs (including witness fees, studies, analyses, engineering reports, tests, and projects) necessary to the litigation. In any case in which such party does not prevail or only prevails partially, the court may award such costs and fees as it finds, in its discretion, would be in the interests of justice.

"(b) Any amount awarded under this section for costs and fees shall be in addition to the compensation awarded in any judgment, settlement, award, compromise, or recommendation.

"(c) For purposes of this section, the term 'party' means (1) a small-business concern as defined in section 2 of the Small Business Act (15 U.S.C. 632), or (2) an individual, partnership, corporation, labor or any other private organization having assets valued at less than $1,000,000 and having annual receipts or income of less than $100,000 in each of the five years immediately preceding the filing of the civil action in question.".

SEC. 6. (a) Subchapter I of chapter 5 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 504. Costs and fees of parties

"(a) A party (other than the United States or any agency or official thereof) shall be paid by any agency conducting an agency proceeding an award for costs and fees incurred by such party in order to participate in such proceeding, if such party—

"(1) is successful in defending against the imposition by such agency of any sanction; or

"(2) is successful, in any agency proceeding in which such agency is the moving party, in opposing the issuance of, or in proposing an amendment to, any agency order which would—

"(A) affect the freedom of such party;

"(B) withhold relief from such party;

"(C) impose a penalty or fine on such party;

"(D) require the destruction, taking, seizure or withholding of property of such party;

"(E) assess damages, reimbursement, restitution, compensation, costs, charges, or fees against such party;

"(F) require, revoke, or suspend a license of such party; or

"(G) otherwise compel or restrict such party; or

"(3) appeals or seeks judicial review of any agency action and substantially prevails, or is subject to the agency action appealed or reviewed.

"(b) For the purpose of this section—

"(1) the definitions in section 551 of the title shall apply except as otherwise provided in paragraph (3);

"(2) 'award for costs and fees' shall include the reasonable expenses of any witness or expert witness, the reasonable cost of any study, analysis, engineering report, test, or project which the agency conducting any agency proceeding finds necessary to the resolution of such proceeding, and reasonable attorney or agent fees based upon the actual time expended by such attorney or agent and his staff in advising or representing any party, such fees to be determined at the recipient's usual rate of compensation, but not to exceed the lower of the prevailing market rate or $90 per hour; and

"(3) 'party' means a party as defined in section 551 of this title who is also (A) a small-business concern as defined in section 2 of the Small Business Act (15 U.S.C. 632), or (B) an individual, partnership, corporation, labor or any other private organization having assets valued at less than $1,000,000 and annual receipts or income of less than $100,000 in each of the five years immediately preceding the initiation of the agency proceeding in question.". (b) The table of sections of subchapter I of chapter 5 of title 5, United States Code, is amended by adding at the end thereof the following:

"504 Costs and fees of parties.".

SEC. 7. The amendments made by this Act shall have no effect on or after the day which is three years after the date of enactment of this Act.

By Mr. HANSEN:

S. 1002. A bill to amend section 1902 of title 38, United States Code, to extend eligibility for automobile adaptive equipment to certain additional veterans; to the Committee on Veterans' Affairs.

Mr. HANSEN. Mr. President, today I introduce a bill extending eligibility for automobile adaptive equipment to certain veterans who have a service-connected disability resulting in ankylosis of the knee or hip.

As the law reads now, only the veterans who meet the requirements for the loss of use of a limb are entitled to specially adaptive automobile equipment. Veterans with an ankylosed knee or hip, that is considered at a favorable angle for compensation rating purposes, do not meet the requirements and, therefore, are not entitled to the benefit of special adaptive automobile equipment.

However, Mr. President, many States' drivers license laws require veterans with ankylosed knees or hips to have this special equipment on their automobiles prior to the veteran being issued a driver's license in that State.

Recognizing this injustice toward this group of veterans, the Disabled American Veterans oragnization adopted a resolution during their 55th national convention recommending that necessary legislation be introduced and passed by Congress in order for this inequity to be rectified.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD, together with a resolution of the DAV.

There being no objection, the bill and resolution were ordered to be printed in the RECORD, as follows:

S. 1002

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1902 of title 38, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(e) In the case of any veteran receiving compensation under chapter 11 of this title for ankylosis of one or both knees, or one or both hips, which resulted from an injury incurred or disease contracted in or aggravated by active military, naval, or air service on or after September 16, 1940, the Administrator, under regulations which he shall prescribe, shall provide such adaptive equipment as is necessary to comply with driver's license requirements prescribed by the jurisdiction in which the veteran is a bona fide resident.".

LIBERALIZATION OF AUTOMOTIVE ADAPTIVE EQUIPMENT FOR CERTAIN VETERANS

Whereas, under present laws and regulations only those veterans who meet the requirements for the loss of use of a limb are entitled to specially adaptive automobile equipment; and

Whereas, veterans with an ankylosed knee or hip that is considered at a favorable angle for compensation rating purposes do not meet the requirements for loss of use of a limb required for the automobile equipment; and

Whereas, many state driver's license laws require veterans with ankylosed knees or hips to have specially adaptive equipment on their automobiles in order to be issued a driver's license to safely operate a motor vehicle; NOW

Therefore, be it resolved that the Disabled American Veterans in National Convention assembled at Miami Beach, Florida, August 1–5, 1976, go on record recommending that necessary action be taken to provide that in cases wherein a veteran has an ankylosed knee or hip that in the opinion of the Chief Medical Director and Driver's License laws require specially adaptive equipment, be issued the necessary equipment, the same as those who meet the Schedular requirements for loss or loss of use of a limb.

By Mr. RANDOLPH:

S. 1007. A bill to establish a National Commission on Energy Policy to recommend policies and programs to reconcile national energy and environmental requirements to insure that the U.S. requirements for energy will be met consistent with environmental quality requirements, and for other purposes; to the Committee on Energy and Natural Resources.

NATIONAL COMMISSION ON ENERGY POLICY

Mr. RANDOLPH. Mr. President, since 1943 I have urged acceptance and commitment to meeting our country's energy needs from domestic resources. As a Member of the House I sponsored, with Senator Joseph O'Mahoney, the Synthetic Liquids Fuels Act of 1944.

In support of a congressional national energy policy, I introduced on August 18, 1959, Senate Concurrent Resolution 73, to create a Joint Committee on a National Fuels Policy. The resolution was cosponsored by 43 Senators. There was introduction in the House of Representatives of 24 identical resolutions to the Senate measure.

During the 86th Congress, on September 2, 1959, the Committee on Interior and Insular Affairs reported favorably our resolution to create a Joint Committee on a National Fuels Policy. The committee noted—

The widespread and growing concern, both within and without the Halls of Congress, in respect to the adequacy of the Nation's fuel and energy resources . . . and the lack of a national policy for the most effective

utilization of these resources, in the best public interest.

However, the resolution died. There was insufficient sentiment for the joint committee concept, particularly in the House of Representatives, to assure its eventual establishment.

On January 19, 1961, my proposal for a Joint Committee on a National Fuels Study was reintroduced in the 87th Congress as Senate Concurrent Resolution 4. There were 55 cosponsoring Senators. By March 1961, however, it was apparent that the joint committee proposal had little chance for success.

On March 2, 1961, I introduced Senate Resolution 105 providing for creation of a Senate Special Committee on a National Fuels Study. The resolution was one of the most widely sponsored legislative proposals of the 87th Congress or any other Congress. It was a bipartisan effort with 63 cosponsors. The resolution authorized a Special Committee on a National Fuels Study, to consist of nine Senators to be appointed by the President of the Senate.

Testifying before the Senate Interior Committee on June 12, 1961, I said:

The world, the United States included, has available more energy fuels in the form of coal, oil, and natural gas than currently we can use. In reference to oil, the word is "glut." From recent oil discoveries in North Africa, it would appear that there are still vast sources of supply that have not yet been discovered. Who knows what the continent of Africa may hold in the way of energy?

This is fine, but it is a small source of comfort and security to Americans living in Maine, Minnesota, or Montana that what might become an anti-American land has in her earth unlimited quantities of the same kind of energy fuels that are the very lifeblood of America. What guarantee do we Americans have that the African continent, or Venezuela, or Kuwait, or any of the other prolific oil areas of the world will constantly make their riches available to us?

What good will Venezuelan oil be to the United States if Latin America embraces communism, or if Africa turns against us, or if the Soviet Union decides to effect a coup d'etat in the Middle East?

Every year that passes, in which we become more and more dependent on foreign oil to buttress our national economy and security perhaps is 1 year nearer disaster. What makes this all the more tragic is that it is unnecessary. The United States of America, the richest country the world has ever known, is, by its own complacency, gradually placing at the mercy of those it should most diligently guard against. By neglecting to apprise ourselves of the true, unbiased, realistic picture of our own energy wealth and stability, we are gambling with our country's future.

This Nation has a foreign policy—a defense policy—a farm policy and the beginning of a transportation policy. All are necessary and of first importance. But not one of them is so basic to our national security and economy as would be a national policy in respect of those energy fuels that make all of them possible and without which, or lacking an abundant available supply of which, would render all other national policies impotent and would disarrange our country industrially, economically, and militarily.

The Senate on September 11, 1961, passed the resolution and instructed the Senate Committee on Interior and Insular Affairs to undertake a study as a basis for possible revision of national fuels and energy policies, including the possibility of new legislation.

Subsequently, on September 21, 1962, the Senate's National Fuels and Energy Study Group completed its assessment of available information on energy in the United States. The final report—Senate Document No. 87–159—identified 12 major policy issues:

The sale of natural gas to industrial consumers under interruptible rate schedules;

Importation of residual fuel oil;

Importation of crude oil and products other than residual fuel oil;

Importation of natural gas from Canada;

Development of a domestic shale oil industry;

The role of Government-sponsored energy research;

Domestic self-sufficiency;

Emergency needs;

End-use controls;

Government encouragement of electric transmission interties;

How to handle unemployed coal miners; and

Granting of rights of eminent domain to coal pipelines.

Many of these issues were recently addressed by the Senate's national fuels and energy policy study. On July 16, 1970, I introduced legislation cosponsored by 60 Senators of both parties to establish a National Commission on Fuels and Energy. This was to be a joint executive-legislative body to make a comprehensive study of the Nation's energy needs and how best to meet them. However, the Nixon administration opposed creation of this Commission on the ground that its work would overlap with studies by the Domestic Council.

A serious study was needed and a unique cooperative effort was initiated in the Senate on February 4, 1971. I introduced Senate Resolution 45, cosponsored by 50 Senators. It authorized the national fuels and energy policy study by the Senate Interior Committee, with participation by the Committees on Commerce and Public Works and the Joint Committee on Atomic Energy. The Senate later approved the addition of ex officio members from the Committees on Aeronautical and Space Sciences, on Finance, on Foreign Relations, on Government Operations, and on Labor and Public Welfare.

Beginning in late 1971 and continuing through 1976, the Senate's National Fuels and Energy Policy Study held extensive hearings on a wide range of issues including deep water port policy, energy conservation, oil import policy, Federal leasing programs, fuel shortages, and energy research programs. These hearings and their associated committee prints laid the groundwork for the extensive legislative program on energy considered by the 92d, 93d, and 94th Congresses.

In summary, the 92d Congress enacted three public laws related to energy and fuels; the 93d Congress, 43 public laws; and the 94th Congress, 25 public laws. Over the last 5 years some 71 measures affecting a national energy policy have been enacted into a substantial body of law.

Mr. President, I ask unanimous consent that a list of these laws be printed in the RECORD at this point in our remarks:

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SUMMARY OF ENERGY LAWS

92D CONGRESS

92–307, To amend the Atomic Energy Act of 1954 to authorize temporary licenses to operate nuclear power reactors, H.R. 14655.

92–322, Extension of the Interstate Compact to Conserve Oil and Gas, S.J. Res. 72.

92–401, To amend the Natural Gas Pipeline Safety Actm of 1968, H.R. 5065.

93D CONGRESS

92–28, Economic Stabilization Act Amendments of 1973, S. 398.

93–32, Rural Electrification Act Amendments, S.394.

93–55, Water Resources Planning Appropriations Act, S.1501.

93–87, Federal-Aid Highway Act, S. 502.

92–88, To amend the Euratom Corporation Act of 1958, as amended, S.1993.

93–119, Oil Pollution Act Amendments, H.R. 5451.

93–146, Rail Passenger Corporation, S. 2016.

93–153, Mineral Leasing Act of 1920, amendments and trans-Alaska oil pipeline authorization, S. 1081.

93–159, Emergency Petroleum Allocation Act of 1973, S. 1570.

93–182, Emergency Daylight Saving Time Energy Conservation Act of 1973, H.R. 11324.

93–236, Northeast Rail Service Act, H.R. 9142.

93–239, Emergency Highway Energy Conservation Act, H.R. 11372.

93–245, Supplemental Appropriations Act to Explore and Develop Naval Petroleum Reserves, H.R. 11576.

93–248, Intervention on the High Seas Act, S. 1070.

93–249, Fuel Cost Pass-Through for Truckers, S.J. Res. 185.

93–275, Federal Energy Administration, S. 2776.

93–276, AEC Authorization Act, S. 3292.

93–316, NASA Authorization Act, H.R. 13998.

93–319, Energy Supply and Environmental Coordination Act of 1974, H.R. 14368.

93–322, Special Energy Research and Development Appropriations for 1975, H.R. 14434.

93–377, AEC Omnibus Legislation of 1974, S. 3669.

93–383, Housing and Community Development Act,

93–386, Aid Energy Affected Small Business, S. 3331.

93–403, Natural Gas Pipeline Safety Act, as amended, additional appropriations, H.R. 15205.

93–409, The Solar Heating and Cooling Demonstration Act of 1974, H.R. 11864.

93–410, Geothermal Energy Research, Development, and Demonstration Act, H.R. 14920.

93–423, Public Works and Economic Development Act, H.R. 14883.

93–426, Defense Production Act of 1950, extended for 2 years, S. 3270.

93–434, Emergency Daylight Saving Time Energy Conservation Act of 1973, amendments H.R. 16102, H.R. 16102.

93–438, Energy Reorganization Act of 1974, H.R. 11510.

93–454, Federal Columbia River Transmission System, S. 3362.

93–473, Solar Energy Research, Development and Demonstration Act of 1974, S. 3234.

93–479, Foreign Investment Study Act, S. 2840.

93–482, To amend the tariff schedule of the United States to provide for the duty

free entry of methanol imported for the use as fuel, H.R. 11251.

93-485, International Nuclear Cooperation Act, S. 3698.

93-496, National Railroad Passenger Corporation, H.R. 15427.

93-500. Export administration amendments, S. 3792.

93-593, Urban Mass Transportation Act, S. 386.

93-511, To extend the Emergency Petroleum Allocation Act of 1973, H.R.16757.

93-577, Federal Nonnuclear Energy Research and Development Act of 1974, S. 1283.

93-627, Deep Water Port Act, H.R. 10701.

93-643, Federal-Aid Highway Act Amendments of 1975, S. 3934.

93-646, Export-Import Bank Act amendments, H.R. 15977.

94-12, Tax Reduction Act of 1975, H.R. 2166.

94-18, Nuclear Regulatory Commission appropriation authorization.

94-25, Amtrak Improvement Act, H.R. 4075/S. 852.

94-79, Nuclear Regulatory Commission appropriation authorization.

94-107. Military construction authorization acts.

94-116, HUD and Independent Agencies appropriations, 1976.

94-163, Energy Policy and Conservation Act, H.R. 7014/S. 622.

94-165, Interior Department Appropriations 1973, H.R. 8773.

94-180, Public Works Appropriations 1976, including ERDA, H.R. 8122.

94-187, ERDA Authorization 1976, H.R. 3474/S. 598.

94-197, Public remuneration in the event of a nuclear incident, H.R. 8631.

94-210, Rail Services Act, comprehensive aid to improve services, including regulatory reform, H.R. 0979/S. 2718.

94-258, Naval Petroleum Reserves Production Act of 1976, H.R. 49/S. 2173.

94-269, ERDA appropriation authorization fiscal year 1976, H.R. 123881/S. 3108.

94-291. Nuclear Regulatory Commission appropriation authorization, H.R. 12387/S. 3107.

94-335, Energy Conservation and Production Act, H.R. 12169/S. 2872.

94-355, Public Works Appropriations, fiscal year 1977, including ERDA, H.R. 14136.

94-364, Motor Vehicle Information and Cost Savings Act, H.R. 10807/S. 1518.

94-370, Coastal Zone Management Act amendments, State grants, H.R. 3981/S. 586.

94-373, Interior Department appropriations, fiscal year 1977, H.R. 14231.

94-377, Federal Coal Leasing Amendments Act, H.R. 6721/S. 391.

94-413, Electric and Hybrid Vehicle Research, Development and Demonstration Act of 1976, H.R. 8800/S. 1632.

94-422, Land and Water Conservation Fund Act, H.R. 12234/S. 327.

94-431, Military Construction Authorization acts, fiscal year 1977, H.R. 14846.

94-473, Continuing certain appropriations, including ERDA through March 31, 1977, H.J. Res. 1105.

Mr. RANDOLPH. Mr. President, because of this extensive legislation enacted during the last 5 years and the national importance of a joint effort by the Congress and the executive branch to formulate a national energy policy, I am introducing today legislation to establish a National Commission on Energy Policy. The Commission would be directed to make a full and complete investigation and study of the alternative national energy and fuels policies available to the United States to meet the Nation's energy requirements consistent with national policies for the protection and enhancement of the quality of the environment and for economic recovery and full employment. Within 1 year of its creation the Commission would be required to report to the President and the Congress on:

First, current and prospective energy requirements of the United States;

Second, current and prospective voluntary and energy conservation measures and their potential for reduction of the U.S. energy requirements;

Third, current and prospective energy resource production, transportation, conversion, and utilization requirements, including coal, petroleum, natural gas, nuclear and renewable resources—including, but not liimted to, solar and geothermal energy;

Fourth, the adequacy of energy research, development, and demonstration programs being carried out by Federal, State, local and nongovernmental entities, including the ability—including financial resources, manpower, and statutory authority—of such Federal, State, local, and nongovernmental entities to implement such programs;

Fifth, alternative strategies for meeting anticipated U.S. energy requirements, consistent with achieving other national goals, including national security and environmental protection; and

Sixth, existing and prospective governmental policies and laws affecting the fuels and energy industries with the view of determining what, if any, changes in and implementation of such policies and laws may be advisable in order to consolidate, coordinate, and provide an effective and equitable national energy policy.

The Commission membership would consist of 18 members: 3 appointed from the Senate, 3 appointed from the House, and 12 members of the public appointed by the President, including four State Governors.

Mr. President, such a Commission is urgently needed at this time to expedite the formulation of a coordinated national energy policy consistent with national economic and environmental policies. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1007

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 101. (a) There is hereby established a National Commission on Energy Policy (hereinafter referred to as the "Commission") which shall, pursuant to section 103, make a full and complete analysis of national policies affecting energy resources, including the conservation, production, transportation, and utilization of such resources, in the United States.

(b) Such Commission shall be appointed within sixty days after enactment of this Act and shall be composed of eighteen members appointed as follows:

(1) three appointed from the membership of the United States Senate by the President of the Senate, two from the majority party, and one from the minority party; who shall serve on such Commission ex officio and without vote;

(2) three appointed from the membership of the House of Representatives by the Speaker of the House, two from the majority party, and one from the minority party, who shall serve on such Commission ex officio and without vote;

(3) twelve members of the public appointed by the President. Such Commission shall include four State Governors, who may designate the chief administrative officer of the State's air pollution control agency.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) The Commission shall elect a Chairman and Vice Chairman from among its members.

(e) Eleven members of the Commission shall constitute a forum.

(f) The heads of the departments, agencies, and instrumentalities of the executive branch of the Federal Government shall cooperate with the Commission in carrying out the requirements of this Act, and shall furnish to the Commission such information as the Commission deems necessary to carry out this Act.

DUTIES OF THE COMMISSION

SEC. 102. (a) The Commission shall make a full and complete investigation and study of the alternative national energy and fuels policies available to the United States to meet the Nation's energy requirements consistent with national policies for the protection and enhancement of the quality of the environment and for economic recovery and full employment. In particular the Commission shall evaluate—

(1) current and prospective energy requirements of the United States;

(2) current and prospective voluntary and energy conservation measures and their potential for reduction of the United States energy requirements;

(3) current and prospective energy resource production, transportation, conversion, and utilization requirements, including coal, petroleum, natural gas, nuclear and renewable resources (including, but not limited to, solar and geothermal energy);

(4) the adequacy of energy research, development, and demonstration programs being carried out by Federal, State, local, and nongovernmental entities, including the ability (including financial resources, manpower, and statutory authority) of such Federal, State, local, and nongovernmental entities to implement such programs;

(5) alternative strategies for meeting anticipated United States energy requirements, consistent with achieving other national goals, including national security and environmental protection; and

(6) existing and prospective governmental policies and laws affecting the fuels and energy industries with the view of determining what, if any, changes in and implementation of such policies and laws may be advisable in order to consolidate, coordinate, and provide an effective and equitable national energy policy.

(b) Within one year of its organization, the Commission shall submit to the President and to the Congress a report with respect to its studies and investigations, together with its findings and recommendations in order that the Congress may have such information in a timely fashion. Such report shall include the Commission's determinations with respect to—

(1) the Nation's projected energy needs, broken down into regional areas, for the next two decades with particular reference to electric power;

(2) the fuel resources available or which must be developed to meet those needs, including, as applicable, the programs for research, development, and demonstration necessary to provide those major technological advances which may greatly enhance the Nation's ability to efficiently and economically utilize its fuel resources;

(3) the air, water, and other pollution created by energy requirements, including any

programs to overcome promptly and efficiently any technological or economic barriers to the elimination of such pollution; and

(4) the existing policies and programs of the Federal Government and of State and local governments, which have any significant impact on the availability or economic utilization of such fuel resources and on the ability to meet the Nation's energy needs and environmental requirements, including proposals, policies, and programs for reconciling the Nation's environmental quality requirements with energy needs.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 103. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of this Act, hold public hearings to take testimony forums, and workshops to enable full public participation and to sit and act at such times and places as the Commission, subcommittee, or member deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission, or any subcommittee or member thereof.

(b)(1) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this Act.

(2) In the conduct of its investigation and the preparation of its report, the Commission shall seek the participation and consultation of the—

(A) Chairman of the Energy Resources Council;

(B) Chairman of the Council on Environmental Quality;

(C) Administrator of the Federal Energy Administration;

(D) Administrator of the Energy Research and Development Administration;

(E) Administrator of the Environmental Protection Agency; and

(F) Governors of energy producing and consuming States.

(c) The Commission may contract with nonprofit and scientific organizations, including the National Academy of Sciences, for the purpose of developing information necessary for the Commission to carry out the purposes of this Act.

(d) Subject to such rules and regulations as may be adopted by the Commission, the Chairman, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, shall have the power—

(1) to appoint and fix the compensation of such staff personnel as he deems necessary, and

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

COMPENSATION OF MEMBERS

SEC. 104. (a) Any member of the Commission who is appointed from the executive or legislative branch of the Government shall serve without compensation in addition to that received in his regular employment, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(b) Members of the Commission, other than those referred to in subsection (a), while attending conferences or meetings of the Commission or while otherwise serving at the request of the Chairman shall be entitled to receive compensation at a rate not in excess of the maximum rate of pay for grade GS-18, as provided in the General Schedule under section 5332 of title V of the United States Code, and shall be entitled to reimbursement for travel, subsistence, as authorized by law (5 U.S.C. 73b-2) for persons employed intermittently in Government service, and other necessary expenses incurred by such persons in the performance of their duties as members of the Commission, while away from their homes or regular places of business.

EXPENSES OF THE COMMISSION

SEC. 105. There are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this Act.

EXPIRATION OF THE COMMISSION

SEC. 106. The Commission shall cease to exist ninety days after the submission of its report.

AUTHORIZATION

SEC. 107. There is hereby authorized to be appropriated for use by the Commission in carrying out the purpose of this Act not to exceed $17,000,000.

By Mr. McINTYRE (for himself, Mr. ABOUREZK, Mr. ANDERSON, Mr. BAYH, Mr. BROOKE, Mr. BURDICK, Mr. CASE, Mr. CHURCH, Mr. CRANSTON, Mr. DURKIN, Mr. EAGLETON, Mr. GRAVEL, Mr. HART, Mr. HATFIELD, Mr. HASKELL, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON, Mr. LEAHY, Mr. McGOVERN, Mr. MATHIAS, Mr. METCALF, Mr. MELCHER, Mr. NELSON, Mr. PELL, Mr. RIEGLE, Mr. SARBANES, Mr. SPARKMAN, Mr. STAFFORD, Mr. STEVENSON, and Mr. WILLIAMS):

S. 1010. A bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

NATIONAL CONSUMER COOPERATIVE BANK

Mr. McINTYRE. Mr. President, I introduce, for appropriate reference, a bill to establish the National Consumer Cooperative Bank. The following Senators join in cosponsoring this legislation: Mr. ABOUREZK, Mr. ANDERSON, Mr. BAYH, Mr. BROOKE, Mr. BURDICK, Mr. CASE, Mr. CHURCH, Mr. CRANSTON, Mr. DURKIN, Mr. EAGLETON, Mr. GRAVEL, Mr. HASKELL, Mr. HATFIELD, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON, Mr. LEAHY, Mr. McGOVERN, Mr. MATHIAS, Mr. METCALF, Mr. MELCHER, Mr. NELSON, Mr. PELL, Mr. RIEGLE, Mr. SARBANES, Mr. SPARKMAN, Mr. STAFFORD, Mr. STEVENSON and Mr. WILLIAMS.

The idea of people joining together in business ventures for their mutual benefit is hardly a new one. Even before our country came into being Benjamin Franklin, in 1754, organized a mutual fire insurance company in Philadelphia that is still operating: "Cooperatives are as American as apple pie," said a distinguished former Member of this body, the late Senator Robert Taft.

I am sure every Member of this body is familiar with the unqualified successes we have had in electrifying rural America through cooperatives supported by a Federal loan program. The highly successful Cooperative Farm Credit System clearly deserves much of the credit for the tremendous increases in productivity and development of American agriculture—the envy of the world—by providing the sound financing to farmers and their co-ops that made it possible.

In recent years there has been a renaissance of interest in the cooperative approach to private enterprise. The economic difficulties encountered by many citizens during the recent periods of runaway inflation and recession have caused thousands of individuals and hundreds of urban, suburban and rural nonfarm groups around the country to renew their interest in developing their own food cooperatives, their own health cooperatives, their own housing organizations, their own auto repair service and many other types of cooperatives.

Consumer owners cooperatives may have the initiative to develop new sources of energy.

Capital is one of the key requirements for those who are trying to organize new cooperatives as well as for those who have existing cooperatives in need of enlargement, modification or expansion. These organizations, whether in New England, Wisconsin, California, or New York City are encountering great difficulty in finding lenders to provide the much needed start-up capital. In short, there exists a great need to find a method of filling the gaps in existing cooperative financing.

The Cooperative League of the U.S.A., a 60-year-old national federation of cooperatives, has been working with a broad spectrum of existing cooperative groups to find the most practical way of meeting the needs of cooperatives not now adequately financed. With the input of farm cooperatives, consumer groups, cooperatives in the fields of consumer goods, housing, health, insurance, credit, and with input from national and State civic leaders, the concept of a National Consumer Cooperative Bank has emerged.

This bank would be started initially with seed capital invested in the form of preferred stock by the U.S. Government. But like the Cooperative Farm Credit System, this capital would be replaced gradually by private capital from borrowers as the organization gets its feet on the ground and moves ahead. Its loans would be on a sound basis. It would obtain the bulk of its loan funds from private investors, not from the Treasury.

The bank would be supervised by a small independent government agency which would report to the Congress and to the public on the bank's operations and on how it meets the policy guidelines Congress establishes. This agency would also be responsible for a self-help development fund to be invested largely for the purpose of providing equity capital in newly formed cooperatives to serve low-income people. It also would provide the very necessary technical assistance to cooperatives such as feasibility studies, board orientation, management and financial training—espe-

cially to the new and small organizations.

This type of service has been an important factor in the development of sound, effective farm cooperatives. It has been available to farm groups for the past 40 years through the Farmer Cooperative Service, the Extension Service, and the Rural Electrification Administration in USDA.

Here is an opportunity for the Government to save billions of dollars in the future by investing, for a few years, a relatively small amount of capital in a mechanism that will enable people to help themselves rather than having them dependent on costly annual appropriations from taxpayers' hard-earned dollars in order to provide expensive, bureaucratic solutions to help solve many of their problems.

This bill would provide the opportunity for individuals acting through their local cooperative to influence their own destinies. Not only would it energize local citizens into leadership roles in their cooperatives, but it would also provide the opportunity for recycling local dollars. Dollars spent in local cooperatives for consumer goods, health, housing, credit, and so forth, would stay in the local community thereby multiplying the benefits manyfold.

By giving millions of Americans a chance to be involved in small businesses, it can be an important factor in building stronger local neighborhoods, communities in cities and suburbs and be a shot in the arm to dying rural towns.

Mr. President, I heartily endorse the concept of a bank for consumer cooperatives. I am convinced that it is needed in order to strengthen the competitive forces in our society through this proven form of private enterprise. I am convinced the bank will help people to help themselves and thus become less dependent on Government to solve all their problems. Its benefits will return manyfold to our society and its people.

Mr. President, to further explain the purpose, needs, and concept of the National Consumer Cooperative Bank, I ask unanimous consent that a section-by-section analysis of the key provisions of this bill and the text of the bill be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1010

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Consumer Cooperative Bank Act".

TABLE OF CONTENTS

Sec. 2. Declaration of purpose.
TITLE I—NATIONAL CONSUMER COOPERATIVE BANK
Sec. 102. Creation and charter of bank.
Sec. 103. Regional banks.
Sec. 104. General corporate powers.
Sec. 105. Board of directors.
Sec. 106. Capitalization.
Sec. 107. Eligibility.
Sec. 108. Advisory committees.
Sec. 109. Annual meetings.
Sec. 110. Borrowing authority.
Sec. 111. Lending powers.
TITLE II—SELF-HELP DEVELOPMENT FUND
Sec. 201. Creation and operation of self-help development fund.
Sec. 202. Capital investments and interest supplements.
Sec. 203. Separate operations and reports.
TITLE III—COOPERATIVE TECHNICAL ASSISTANCE
Sec. 301. Organizational assistance.
Sec. 302. Investigations and surveys.
Sec. 303. Financial analysis and market surveys.
Sec. 304. Director and management training and assistance.
Sec. 305. Appropriations.
Sec. 306. Fees for services.
TITLE IV—COOPERATIVE BANK AND ASSISTANCE ADMINISTRATION AND GENERAL PROVISIONS
Sec. 401. Creation, functions and powers of the administration.
Sec. 402. Examination and audit.
Sec. 403. Expenditures.
Sec. 404. Taxation.
Sec. 405. Quarters and space.
Sec. 406. Reports to Congress.
Sec. 407. Appropriations.
Sec. 408. Appeals.
Sec. 409. Conflict of interest.
Sec. 410. Amendments to existing law.
Sec. 411. Separability.

FINDINGS AND DECLARATION OF CONGRESS

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. The economic and financial structure of this country in combination with the Nation's natural resources and the productivity of the American people has produced one of the highest average standards of living in the world. However, declining competition has contributed to recurring periods of inflation and unemployment together with an increasing gap between producers' prices and consumers' purchasing power. This has resulted in a growing proportion of our citizens being unable to share in the fruits of our Nation's highly efficient economic system. Congress finds that user-owned cooperatives are a proven method for broadening ownership and control of the economic organizations, increasing competition, narrowing price spreads, raising the quality of goods and services, and thereby contributing to an improved standard of living for their members and patrons. Congress also finds that consumer and other types of self-help cooperatives have been hampered in their formation and growth by lack of access to adequate cooperative credit facilities and lack of technical assistance. Therefore, Congress finds a need for the establishment of a National Consumer Cooperative Bank and a Cooperative Bank and Assistance Administration which will make available necessary financial and technical assistance to cooperative self-help endeavors as a means of strengthening the Nation's economy.

TITLE I—NATIONAL CONSUMER COOPERATIVE BANK

CREATION AND CHARTER OF BANK

SEC. 102. There is hereby created and chartered a body corporate, the National Consumer Cooperative Bank, hereinafter called the Bank, as an instrumentality of the United States, and until otherwise provided shall be a mixed ownership Government corporation. The Bank shall have perpetual existence unless and until its charter is revoked or modified by act of Congress. The right to revise, amend, or modify the charter of the Bank is specifically and exclusively reserved to the Congress. The principal office of the Bank shall be in Washington, D.C., and, for the purpose of venue, shall be considered a resident thereof. It shall make loans and offer its services throughout the United States, its territories and possessions, and in the Commonwealth of Puerto Rico, and, to that end, may carry on its business through such additional offices, agents, and public or private agencies as it determines to be necessary, wherever located. The Bank shall—

(1) encourage the development of new and existing cooperatives eligible for its assistance by providing specialized credit and technical assistance;

(2) maintain broad-based control of the Bank by its voting stockholders;

(3) encourage broad-based ownership, control and active participation by members in eligible cooperatives;

(4) assure that the net savings, as defined in section 108(c) of this Act, from its operations and the operations of borrowers from the Bank, are made available or accounted for to the stockholders or members of the cooperative organization; and

(5) assist in improving the quality and availability of goods and services to consumers.

REGIONAL BANKS

SEC. 103. (a) In the event it appears to eligible borrowers or the Board of Directors of the Bank, at the end of seven years after the bank begins operations, that the objectives of the Act and the discharge of the functions, obligations, powers, and duties of the Bank can best be accomplished through the creation and operation of no less than four or more than twelve corporate regional banks, with power to perform all or part of its functions, to serve a specific geographical area, or to serve a particular specified class or group of eligible borrowers, the cooperatives or the Bank shall recommend to the Cooperative Bank and Assistance Administration that regional banks be created. Unless that Administration finds that the creation of such regional banks is not financially feasible, it shall approve the area of services or the class of cooperatives as defined by the Bank to be served and, notwithstanding anything to the contrary in the Government Corporations Control Act (31 U.S.C. 869), shall charter such regional Banks under charter provisions not inconsistent with this Act and the charter of the central Bank. The term "bank" used herein, unless the context indicates the contrary, shall include a regional bank to the extent authorized by its charter or delegated authority.

(b) Regional banks shall be governed by a Board of Directors of seven members. The original Board of each such regional bank shall be appointed by the Chairman of the Cooperative Bank and Assistance Administration, taking into consideration a list of nominees submitted by eligible cooperatives in the area to be served by that bank who are residents of that area, no less than one each who has had experience in the last three years as Board member or senior officer, respectively, of a housing cooperative, a consumer goods cooperative, a service cooperative, a low-income cooperative, other eligible cooperatives, or have been engaged in financing cooperatives. The terms of the original board shall be for two years.

(c) Regional banks shall be capitalized to the extent determined by the central Bank and the Administration, by the subscription to regional bank class A preferred stock by the central Bank and by the subscription to class B stock by borrowers or cooperatives and other organizations eligible to borrow from the Bank. Class C stock may be issued only subject to charter provisions, if any, relating thereto.

(d) A regional bank shall have the same powers, duties, functions as the central Bank except as restricted by its charter provisions and except as follows:

(1) A regional bank shall serve only those eligible cooperatives whose headquarters and predominant operations are located in the geographical area served by the Bank. After a regional bank is ready for operations the central Bank shall no longer make loans to

such cooperatives in the region except in participation with or at the request of the regional bank, unless the applicant has first applied for and been denied a loan by the regional bank.

(2) In lieu of marketing its notes, bonds, and obligations to obtain lending funds, a regional bank shall offer its loans, participations, and guarantees to the central Bank for discount until the central Bank and the Administration determine that the paid in capital of the regional Bank is sufficient to support its sale of its own obligations at reasonable costs without disturbing the marketing of obligations of the central Bank.

(3) A regional bank may agree to service part or all of any loan, participation, or guarantee held by the central Bank or to process a loan for the central Bank. Any loan, participation, or guarantee held by the central Bank which the regional bank could have made may be purchased by the regional bank and borrower held stock in the central Bank in connection therewith shall be exchanged for stock in the regional bank.

(4) A regional bank may agree with any organization of eligible cooperatives whose members agree to obtain their financial assistance under this Act, to process and service loans, participations, and guarantees to be made by the bank originating within an area of the region which such organization will serve.

GENERAL CORPORATE POWERS

SEC. 104. The Bank shall have the power to make and service loans, commitments for credit, guarantees, furnish financially related services, technical assistance and the results of research, issue its obligations within the limitations imposed by section 110 hereof in such amounts, at such times, and on such terms as the bank may determine, and to exercise the other powers and duties prescribed in this Act, and shall have the power to—

(1) Operate under the direction of its Board of Directors.

(2) Adopt, alter, and use a corporate seal, which shall be judicially noted.

(3) Elect by its Board of Directors a president, one or more vice presidents, a secretary, a treasurer, and provide for such other officers, employees, and agents as may be necessary, and define their duties in accordance with regulations and standards adopted by the Board, and require surety bonds or make other provisions against losses occasioned by acts of employees.

(4) Prescribe by its Board of Directors its bylaws not inconsistent with law, which shall establish the terms of office and the procedure for election of elective members; provide for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired; and prescribe the manner in which its officers, employees, and agents are elected or selected, its property acquired, held and transferred, its loans, commitments, other financial assistance, guarantees and appraisals may be made, its general business conducted, and the privilege granted it by law exercised and enjoyed.

(5) Enter into contracts and make advance, progress, or other payments with respect to such contracts, without regard to the provisions of section 3648 of the Revised Statutes.

(6) Sue and be sued in its corporate name and complain and defend, in any court of competent jurisdiction, State or Federal, but no attachment, injunction, or similar process shall be issued against the property of the Bank or against the Bank with respect to its property.

(7) Acquire, hold, lease, mortgage, or dispose of, at public or private sale, real and personal property and sell or exchange any securities or obligations, and otherwise exercise all the usual incidents of ownership of property necessary or convenient to its business: *Provided*, That any such acquisition or ownership of real property shall not deprive a State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights of the inhabitants of such property under Federal, State, or local laws.

(8) Obtain insurance against loss in connection with property and other assets.

(9) Modify or consent to the modification with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any other term of any contract or agreement to which it is a party or has an interest pursuant to this Act.

(10) Utilize and act through any Federal, State, or local public agency or instrumentality, or private agency or organization, with the consent of the agency or organization concerned, and contract with such agency, instrumentality or organization for furnishing or receiving technical services and benefits of research, services, funds or facilities; and make advance, progress, or other payments with respect to such contracts without regard to section 3648 of the Revised Statutes.

(11) Borrow money and issue notes, bonds and debentures or other obligations individually or in concert with other financial institutions, agencies or instrumentalities, of such character and such terms and conditions and at rates of interest as may be determined.

(12) Issue certificates of indebtedness to its stockholders or members and pay interest on funds left with the Bank, and accept grants or interest free temporary use of funds made available to it.

(13) Participate with one or more other financial institutions, agencies, instrumentalities, or foundations in loans or guarantees under this Act on terms as may be agreed upon, and accept guarantees from other agencies for which its loans may be eligible.

(14) Approve the salary scale of officers and employees of the Bank and of any regional bank, in accordance with regulations and standards adopted by the Board of Directors, without regard to the Classification Act of 1949, as amended.

(15) Deposit its securities and its current funds with any member banks of the Federal Reserve System and pay fees therefor and receive interest thereon.

(16) Deal in "commercial paper" and "Federal funds".

(17) Buy and sell obligations of, or insured by, the United States or any agency or instrumentalities thereof, or securities backed by the full faith and credit of any such agency or instrumentality and make such other investments as may be authorized by the Board of Directors.

(18) The stock or other securities or instruments issued by the Bank shall, to the same extent as securities which are the direct obligations of the United States, be "exempt securities" within the meaning of the laws administered by the Securities and Exchange Commission.

(19) Shall have such other powers as may be necessary and incident to carry out its power and duties under this Act.

BOARD OF DIRECTORS

SEC. 105. (a) The Bank shall be governed by a Board of Directors (hereinafter called the Board) which shall consist of thirteen members. All of the original members shall be appointed by the President with the advice and consent of the Senate. The President shall appoint six members (no more than one from any agency) from among officers of the consumer protection office or agency; the Departments of Housing and Urban Development; Health, Education, and Welfare; Agriculture; Labor; National Credit Union Administration; Treasury, and the Farm Credit Administration, whose functions and experience involve cooperative organizations. In addition, the President shall appoint the Chairman of the Cooperative Bank and Assistance Administration as a Federal member of the Board. The six other original members shall not be Federal employees but should have extensive experience in the cooperative field and for these appointments the President shall consider nominees submitted by national associations of cooperatives. The list of nominees presented shall include the names of at least two candidates from each of the following categories of consumer cooperatives; housing, consumer goods, services, financial, and cooperatives whose members are predominately low-income persons.

(b) The term of a member who holds Federal office shall continue at the pleasure of the President so long as the member holds that office or until he is replaced by a director elected pursuant to subsection (d) of this section. The term of the initial appointed director shall be for two years. Replacements for unexpired terms of the initial appointed directors shall be for the balance of the term, with the same qualifications and appointed in the same manner as the initial appointed director.

(c) At the end of two years each of the non-Federal directors shall be elected by voting stockholders other than the Secretary of the Treasury in accordance with the applicable provisions of subsection (e) of this section and procedures established by the Bank.

(d) When 51 per centum of the voting stock of the Bank is held by others than the Secretary of the Treasury, the six remaining appointed directors, excluding the Chairman of the Cooperative Bank and Assistance Administration, shall be replaced by elected directors in accordance with the applicable provisions of subsection (e) of this section and procedures established by the Bank.

(e) When elections are first held pursuant to subsections (c) and (d) of this section or subsection (b) of section 103, the Bank shall classify its voting stockholders into the following classes: housing consumer goods, services, financial, those whose membership is predominantly composed of low-income persons, and all others. Each of these classes shall nominate one or more candidates who has had at least three years of experience as director or senior officer in that class of cooperatives. Each class of stockholders shall vote for and elect at least one director from nominees of that class. In the case of elections for regional bank directors, all classes of cooperatives may nominate and vote for one director-at-large. Under subsection (c) of this section, the terms of the first directors elected to a board shall be staggered, two for one year, two for two years, and two for three years, divided by lot among the classes of stockholders. The terms of the director at large of a regional Bank and directors elected at succeeding elections under subsection (c) of this section shall be three years. The terms of directors first elected under subsection (d) of this section shall be arranged so that the terms of the two directors elected by each class of stockholders * * * shall be for three years. No director shall be eligible to be elected for more than two consecutive full three-year terms. The Bank shall give adequate advance notice to all voting stockholders of the nominating procedure, the time for nominations, the qualifications of nominees, the voting strength, the time and manner of casting ballots by mail, if elections are not held at annual meetings. There shall be no proxy voting. Each voting stockholder shall make the information required in this paragraph available to its members.

(f) The Board shall annually elect from among its members a chairman and vice chairman and select a secretary who need not be a member. The Board shall establish the policies of the Bank governing its funding,

lending, and other financial and technical assistance, and shall direct, but not engage in the management of the Bank.

(g) The Board shall meet at least quarterly. Its meeting shall be open to members or representatives of all eligible cooperatives and other eligible organizations, as observers only, and to persons or representatives of groups who identify their interest in the Bank and who are invited to attend a meeting, subject to such rules as the Board may establish for the conduct of such meetings. Those rules shall include the manner of giving notice of meetings, the procedure for the conduct of meetings, the manner of submitting topics for the agenda, the allocation of time of presentations, and debate. The chairman, when sustained by the majority of the Board present, may adjourn the open meeting into an executive session on motion of the chairman, any Board member, or at the request of any applicant, borrower, officer, or employee when the matter under discussion involves an application, a loan, a personnel action, or other matter which might tend to impinge on the right of privacy of any person.

(h) The members of the Board shall be entitled to reimbursement for actual expenses and subsistence, and the non-Federal officer members shall be entitled to a per diem while on business on the Board of not to exceed the maximum scheduled rate of the general schedule, as adjusted from time to time, pursuant to the Classification Act of 1949, as amended.

CAPITALIZATION

SEC. 106. (a) The capital of the Bank shall consist of capital subscribed by borrowers from the Bank, by cooperatives eligible to become borrowers, by organizations owned and controlled by such borrowers, by foundations, trusts or charitable funds, by public bodies, and by the United States. Beginning with the fiscal year 1978, the United States shall purchase class A preferred stock and for that fiscal year and the next three succeeding fiscal years there is authorized to be appropriated $250,000,000 per annum for such purchases. Any amounts so authorized but not appropriated or not utilized to purchase such stock of the Bank in any such fiscal year is authorized to be appropriated or reappropriated and so used in subsequent fiscal years.

(b) The capital stock of the Bank shall include class A, class B, and class C stock and such other classes with such rights, powers, privileges, and preferences of the separate classes as may be specified, not inconsistent with law, in the bylaws of the Bank. Class A preferred stock held by the United States shall have first preference with respect to assets and dividends over all other classes of stock issued by the Bank. So long as the United States holds any class A preferred stock, the Bank shall not pay any dividend on any other class of stock at a rate greater than the statutory dividend payable on the class A preferred stock. Class B and class C stock shall be voting stock and shall be issued only to eligible borrowers and organizations controlled by such borrowers or organizations eligible to borrow, and shall be entitled to more than one vote regardless of the number of shares of stock of other classes held, except as provided in subsection (g) of this section.

(c) Class A stock shall be issued by the Bank to the Secretary of the Treasury on behalf of the United States in exchange for capital furnished pursuant to subsection (a) of this section. Such stock shall be redeemed and retired by the Bank as soon as practicable consistent with the purposes of this Act: Provided, That beginning on June 30, 1990, the minimum amount of class A stock retired shall equal the amount of class B stock issued by the Bank during such year. Outstanding class A stock shall be entitled to a return, payable from income, at a rate equal to the lesser of (1) 25 per centum of gross revenue of the Bank for the year less necessary operating expenses including reserves for possible losses, or (2) as determined by the Secretary of the Treasury, taking into account the average annual interest rate on all issues of debt obligations of the United States outstanding at the end of the previous fiscal year and the objectives of the Act to attain full borrower ownership as soon as possible. Such return shall be cumulative and shall be payable annually into miscellaneous receipts of the Treasury.

(d) Class B stock shall be held only by recipients of loans under section 111 of this Act, and such borrowers shall be required to own class B stock in an amount not less than 1 per centum of the face amount of the loan at the time the loan is made. Such borrowers may be required by the Bank to own additional class B or class C stock at the time the loan is made, but not to exceed an amount equal to 10 per centum of the face amount of the loan, or from time to time, as the Bank may determine. Such additional stock ownership requirements may be on the basis of the face amount of the loan, the outstanding balances, or on a percentage of interest payable during any year or any quarter thereof, as the Bank may determine will provide adequate capital for the operation of the Bank and equitable ownership thereof among borrowers.

(e) Class C stock shall be available for purchase and shall be held only by borrowers or by organizations eligible to borrow under section 111 of this Act or by organizations controlled by such borrowers, and shall be entitled to dividends in the manner specified in the bylaws of the Bank. Such dividends shall be payable only from income, and, until all class A stock has been retired, shall not exceed the current average annual rate payable on bonds, debtenures, and similar obligations of the Bank.

(f) Nonvoting stock of other classifications and other priorities may be issued at the discretion of the Board, to other investors.

(g) The bylaws of the Bank may provide for more than one vote on the basis of—

(1) the amount of class B stock, class C stock, or both classes held, with such limitations as will encourage investments in class C stock;

(2) the amount of patronage of the Bank; and

(3) number of members in the cooperative.

Such bylaws shall avoid—

(A) voting control of the Bank from becoming concentrated with the larger affluent or smaller less affluent organizations;

(B) a disproportionately larger vote in one or more classes of eligible borrowers described in section 105(e) of this Act; and

(C) the concentration of more than 5 per centum of the total voting control in any one class B or class C stockholder.

(h) The Bank may accept nonreturnable capital contributions on which no interest, dividend, or patronage refund shall be payable, from associations, foundations, or funds or public bodies or agencies at the discretion of the Board. For the purpose of accepting such contributions the Bank will be a governmental unit within the meaning of section 170(b)(c)(A)(V) of the Internal Revenue Code of 1954.

(i) After payment of all operating expenses of the Bank, including interest on its obligations, and after setting aside appropriate funds for reserves for losses, returns on class A stock and dividends on class C stock, the Bank shall annually set aside the remaining earnings of the Bank for patronage refunds in the form of class B or C stock or allocated surplus in accordance with the bylaws of the Bank. After ten years from the date of issue of any such stock, or at such earlier time as all the Government-held stock is retired, patronage refunds may be made in cash, or partly in stock and partly in cash.

ELIGIBILITY

SEC. 107. For the purpose of all titles of this Act, subject to the limitations of subsection (d) of this section, an eligible cooperative is—

(a) An organization chartered or operated on a cooperative, not-for-profit basis for producing or furnishing goods, services, facilities, or financing, primarily for the benefit of its members or voting stockholders who are ultimate consumers, or a legally chartered entity entirely owned and controlled by such organization or organizations, if it—

(1) makes such goods, financing, services, or facilities directly or indirectly available to its members or voting stockholders on a not-for-profit basis;

(2) does not pay dividends on voting stock or membership capital in excess of such percentage per annum as may be approved under the bylaws of the Bank;

(3) provides that its net savings shall be allocated or distributed to member patrons, or to all patrons in proportion to their patronage; or shall be retained for the actual or potential expansion of its services or the reduction of its charges to the patrons, or for such other purposes as may be authorized by its membership not inconsistent with its not-for-profit character;

(4) makes membership available on a vountary basis, without any social, political, racial, or religious discrimination and without any discrimination on the basis of age, sex, or marital status, to all persons who can make use of its services and are willing to accept the responsibilities of membership, subject only to limitations under applicable Federal or State laws or regulations; and

(5) restricts its voting control to members or voting stockholders on a one vote per person basis in the case of primary organizations or with other protections to insure economic democracy in the case of organizations owned by groups of cooperatives.

No such organization shall be ineligible because it also produces, markets, or furnishes goods, services, facilities, or financing for its members as primary producers; or

(b) Any other institution chartered or operated in such a way as to enhance competitive market forces or to reduce the price spread between producers and the ultimate consumers of products or services, if:

(1) its net savings accrue to the benefit of either the ultimate consumers or of the primary producers of goods, facilities, and services, rather than to those whose primary interest is in making a profit from the marketing, processing, handling, or transportation of goods or in making a profit from providing services to ultimate consumers or primary producers; and

(2) Restricts its voting control to members or voting stockholders on a one vote per person basis in the case of primary organizations or with other protections to insure economic democracy in the case of organizations owned directly or indirectly by groups of self-help organizations.

The dollar volume of loans made by the Bank under this subsection shall not exceed 10 per centum of the total lending capacity of the Bank.

(c) Net savings as used in this section is the remainder of gross receipts after payment of operating costs and other obligations, contributions to allowable reserves, payment of any dividends permitted under (a)(2) of this section, and after making provision for such separate funds as may be required or specifically permitted by statute or by the articles of incorporation or by the bylaws of the organization.

(d) An eligible cooperative which also has been determined to be eligible for financial assistance from the Rural Electrification Administration, the National Rural Utilities

Cooperative Finance Corporation, Rural Telephone Bank, the Banks for Cooperatives or other institutions of the Farm Credit System, or the National Credit Union Administration may receive the assistance authorized by this Act only if its requests for assistance from any such source or sources has been rejected or denied. However, pursuant to agreements with such sources, the services of the Bank may be made available to such organizations with such prior rejections or denial.

ADVISORY COMMITTEES

SEC. 180. The Board may establish and appoint, or authorize stockholders or groups of stockholders to elect, advisory committees in such number, with such membership, representing such areas of the country or such classes of eligible organizations, selected in such manner and for such terms as may be determined by the Board from time to time or as specified in the bylaws of the Bank.

ANNUAL MEETINGS

SEC. 109. The Bank shall hold an annual meeting of its stockholders. The Board may invite other eligible organizations to attend part or all of that meeting. Adequate advance notice of the time and place of the annual meeting shall be given to all stockholders. Borrowers from the Bank shall also give notice of the meeting to their members, who shall be entitled to attend. At such meeting the Bank shall give a full report of its activities during the year, its financial condition and may present proposals for future action and other matters of general concern to borrowers and organizations eligible to borrow from the Bank. Members and representatives of borrowers may present motions or resolutions relating to matters within the scope of this Act and may participate in the discussion thereof and other matters on the agenda.

BORROWING AUTHORITY

SEC. 110. (a) The Bank is authorized to obtain funds through the public or private sale of its bonds, debentures, notes, and other evidences of indebtedness. Such obligations shall be issued at such times, bear interest at such rates, and contain such terms and conditions as the Board shall determine. Unless otherwise provided in the charter of any regional bank authorized under section 103 of this Act, the bank may in like manner, join with or act for any such regional bank in obtaining funds needed by such bank: *Provided, however*, That the amount of such obligations which may be outstanding at any one time pursuant to this section shall not exceed twenty times the paid-in capital and surplus of the Bank, or in the case of a joint obligation with a regional bank or banks the combined paid-in capital and surplus of the banks primarily liable on such obligations. Obligations of the Bank or banks shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds.

(b) Any federally or State chartered savings and loan association, mutual savings bank or credit union, subject to regulations otherwise applicable thereto, any Federal Home Loan Bank, any member of the Federal Reserve System, or any institution of the Farm Credit System may buy and sell obligations of the Bank or banks issued under the authority of this Act and any Federal Reserve bank may buy and sell such obligations to the same extent and subject to the same limitations placed upon the purchase and sale by said banks of State, county, district, and municipal bonds under section 355 of title 12 of the United States Code, and by the Federal Reserve Bank Open Market Committee.

(c) The Bank is also authorized, but not required, and only so long as any of its class A stock is held by the Secretary of the Treasury, to issue its obligations to the Secretary of the Treasury, in amounts not to exceed in the aggregate such amounts as are provided in appropriations Acts and the Secretary of the Treasury may in his discretion purchase any such obligations. Each purchase of obligations of the Bank under this subsection shall be upon such terms and conditions as to yield a rate of return not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. The Secretary of the Treasury may sell, upon such terms and conditions and at such price or prices as he shall determine any of the obligations of the Bank acquired by him under this subsection.

(d) The Bank may purchase its own obligations and obligations of any regional bank, and may provide for the sale of any such obligations through a fiscal agent or agents, by negotiation, offer, bid, syndicate sale, or otherwise, and may deliver such obligations by book entry, wire transfer, or such other means as may be appropriate.

LENDING POWERS

SEC. 111. (a) The Bank may make loans and commitments for loans under this subsection (a) to any organization determined by the Bank to be eligible under the provisions of section 107 of this Act, and may purchase or discount obligations of its members from such organizations if the Bank, to the exclusion of all other persons, entities, agencies, or jurisdictions, also determines that the applicant has or will have a sound organizational and financial structure, income in excess of its operating costs and assets in excess of its obligations, and a reasonable expectation of a continuing demand for its production, goods, commodities, or services, or the use of its facilities, so that the loan will be fully repayable in accordance with its terms and conditions. The criteria to be applied, and the factors to be considered, by the Bank in making loans, loan commitments, purchases, discounts, and guarantees shall be stated in rules of the Bank which shall be published and made available to applicants and, upon request, to any other person or organization.

(b) Loans under this section shall be repayable in not more than forty years and, except for loans with final due date not longer than five years from the date of the loan, shall be amortized as to principal and interest. In setting the terms, rates, and charges, it shall be the objective of the Bank to provide the type of credit needed by eligible borrowers, at the lowest reasonable cost on a sound business basis, taking into account the cost of money to the Bank, necessary reserves and expenses of the Bank and the technical and other assistance attributable to loans under this section made available by the Bank, but so long as the Bank makes loans from the proceeds of the sale of class A stock, the interest rate shall not be less than the rates generally prevailing in the area from other sources for loans for similar purposes and maturities, taking into consideration the cost to the borrower of required purchase of class B stock in the Bank. The loan terms may provide for interest rates to vary from time to time during the repayment period of the loan in accordance with the rates being charged by the Bank for new loans at such times. Loans under this subsection (b) may include funds for advance by the borrower to its members or stockholders under circumstances described in the bylaws or rules of the Bank.

(c) The Bank may provide for the guarantee of loans by any lending agency, up to the full amount thereof, which the Bank might otherwise make to an eligible applicant, and charge fees therefor. The interest rate on such loans shall be the amount agreed upon between the borrower and lender but not to exceed any maximum rate which the Board of the Bank may establish from time to time.

(d) As used in this title, a guaranteed loan is one which is made, held, and serviced by a State or federally chartered lending agency and which is guaranteed by the Bank. A guaranteed loan and the contract of guarantee thereof shall be assignable to the extent provided in the contract of guarantee as may be determined by the Bank. The guarantee shall be uncontestable, except for fraud or misrepresentation of which the holder had knowledge at the time he acquired the loan. The Bank in lieu of requiring such lender to service such guaranteed loan until final maturity or liquidation, may purchase the loan for the balance of the principal and accrued interest thereon without penalty, if it determines that (1) the liquidation loan would result in the insolvency of the borrower or deprive the borrower of assets essential to its continued operation and (2) that the loan will be repayable with revision of the loan rates, terms, or payment periods or other conditions not inconsistent with loans made by the Bank under subsection (a) of this section, which revisions the lender or other holder of such guaranteed loan is unwilling to make.

(e) When the proceeds of the sale of class A stock are no longer used to make or guarantee loans, the loans made or guaranteed under this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitations imposed by statute on expenditures and net lending (budget outlays) of the United States.

TITLE II—SELF-HELP DEVELOPMENT FUND

CREATION AND OPERATION OF SELF-HELP DEVELOPMENT FUND

SEC. 201. There is hereby established in the Treasury a fund known as the Consumer Cooperative Self-Help Development Fund, hereinafter called the Fund. Beginning October 1, 1977, there is authorized to be appropriated out of funds not otherwise appropriated the sum of $250,000,000 which shall be deposited in the Fund. The Fund shall be used by the Cooperative Bank and Assistance Administration as authorized in section 202 of this Act. Any collections under agreements pursuant to section 202 and any grants which may be received for the purposes of that section shall be separately accounted for and shall be available for appropriation to the Fund. To be effective such appropriations should provide a working margin of not less than $50,000,000. Any moneys in the Fund not immediately needed by the Administration may be invested by the Administration in obligations of the United States or of any agency thereof or in liquid obligations insured by such agency and the earnings from such investments shall be deposited in the Fund.

CAPITAL INVESTMENTS AND INTEREST SUPPLEMENTS

SEC. 202. (a) The Administration may make a capital investment advance out of the Fund to any eligible cooperative, in conjunction with or without a loan if the Administration determines that—

(1) the applicant's initial or supplemental capital requirements exceed its ability to obtain such capital through a loan under section 111 or from other sources;

(2) the membership of the applicant is, or will consist, substantially of low-income persons, as determined by the Board, or the applicant proposes to undertake to provide specialized goods, services, or facilities to serve the needs; or

(3) if, under either items (1) or (2) above, the criteria for a loan under section 111 cannot be met because of the lack of sufficient capital to initiate the proposed undertaking, and the applicant presents a plan which the

Administration determines will permit the replacement of a capital investment advance out of member equities within a period not to exceed thirty years.

(b) The Administration may make advances out of the Fund in the nature of interest supplements or credits to an eligible cooperative applicant which the Administration determines cannot meet the criteria for a loan under section 111 of this Act by reason of deficiency of income from the sale of goods or services to or the use of facilities by its members or groups of persons of low income: *Provided,* That such advances will not exceed that part of the interest rate on indebtedness of such applicant to the Administration, Bank, or other creditors which exceeds 5 per centum per annum for any year in which the net income of the organization is insufficient to meet scheduled interest payments.

(c) The Administration may provide a special interest rate to any eligible cooperative which meets the requirements of subsections (a) and (b) of this section 202. Such special interest rate shall be calculated without including the cost to the Fund of assistance provided to the applicant under title III of this Act.

(d) The Administration may transfer from the Fund to its operating funds account sums equal to the interest supplements or credits under subsection (b) and the estimated cost of assistance furnished or provided under subsection (c) of this section.

SEPARATE OPERATIONS AND REPORTS

SEC. 203. The operations of the Administration and the Bank and the condition of the Fund under title II shall be accounted for and reported separately from the operations and funding of assistance under title I and assistance under title III of this Act.

TITLE III—COOPERATIVE TECHNICAL ASSISTANCE

ORGANIZATIONAL ASSISTANCE

SEC. 301. The Cooperative Bank and Assistance Administration, or, if authorized by that Administration, the Bank, through such organizational division as the Board determines, shall make available information and services concerning the organization or reorganization of cooperatives to best achieve the objectives of this Act and to best provide the means through which various types of goods, services, and facilities can be made available to members and patrons. The Administration or the Bank may enter into cooperative agreements with other agencies of Federal, State, and local governments, colleges and universities, or other cooperative, nonprofit organizations or foundations for the development and dissemination of such information, and services described in this title. The Administration may make or accept grants or transfer of funds for such purposes.

INVESTIGATION AND REVENUES

SEC. 302. The Administration or the Bank may undertake investigations of new types of services which can more effectively be provided through cooperative not-for-profit organizations and make surveys of areas where the increased use of such organizations will contribute to the economic well-being of the community.

FINANCIAL ANALYSIS AND MARKET SURVEYS

SEC. 303. The Administration or the Bank may, at the request of any eligible cooperative, provide a financial analysis of the applicant's capital structure and needs and its cost of operations, survey the market for the goods or services the cooperative makes or desires to make available to its members or patrons or the users of its facilities.

DIRECTOR AND MANAGEMENT TRAINING AND ASSISTANCE

SEC. 304. The Administration or the Bank shall develop and make available alone or in concert with other organizations, a program for training directors and staff of eligible cooperatives to improve their understanding of their responsibilities; the problems of and solutions for effective and efficient operation of their organizations or of cooperatives in general; and may by any means it deems appropriate, conduct membership studies, provide membership education programs, and programs for informing consumers and the general public of the advantages of cooperative action. Management supervision, review, and consultations shall be available from the Administration or Bank to any eligible cooperative.

APPROPRIATIONS

SEC. 305. Beginning October 1, 1977, there are authorized to be appropriated to the Administration such sums as may be necessary for the administration of this title III.

FEES FOR SERVICE

SEC. 306. The Administration or the Bank may make the services under this title III available for such fees as it may establish, not exceeding the cost thereof: *Provided, however,* That such services as the Administration or Bank may determine may be made available without charge to eligible cooperatives depending on the nature of the services or on ability to pay. Any fees collected shall be accounted for separately and be available for expenses of the Bank or Administration that provided the services.

TITLE IV—THE COOPERATIVE BANK AND ASSISTANCE ADMINISTRATION AND GENERAL PROVISIONS

CREATION, FUNCTIONS, AND POWERS OF THE ADMINISTRATION

SEC. 401. There is hereby created, as an independent agency of the United States in the executive branch, the Cooperative Bank and Assistance Administration, herein called the Administration, which shall consist of a Board of five members to be appointed by the President with the advice and consent of the Senate. The Chairman, as designated by the President, shall not hold any Federal office except as provided in this Act, and shall act as the chief executive of the Administration. The other four members shall be chosen, one for his experience in finance, one for his experience in cooperative organizations and activities, one for his experience with cooperatives having a predominance of low-income members, and one representative of the general public. The terms of the members of the Board shall be for periods not to exceed five years on a staggered basis. Appointments for successive terms shall be made only with the advice and consent of the Senate. Except for the Chairman, no member shall serve more than two consecutive terms. No more than three members of the Board may be of any one major political party. The Chairman shall receive compensation at an annual rate at level III of the Executive Pay Act, as amended (5 U.S.C. 5311), and the other four members shall receive compensation at a per diem rate not to exceed the maximum scheduled rate of the general schedule, as adjusted from time to time, pursuant to the Classification Act of 1949, as amended, and to actual expenses and subsistence while on business of the Administration.

(b) FUNCTIONS AND RESPONSIBILITIES.—The Administration shall, by policy guidelines, directives, determinations (promulgated in accordance with the requirements of 5 U.S.C. 553), audits, and examinations, assure that the objectives of this Act are carried out and that a proper balance is maintained between assistance made available to the several classes of cooperatives described in section 105 and the assistance under title I and under title II of this Act. The Administration shall be primarily responsible for audits and examinations and for the activities authorized in titles II and III of this Act, but may delegate to the Bank such responsibility or functions as the Board of the Administration determines can effectively be carried out by the Bank. It shall be responsible for coordinating operations of the Bank with all agencies and instrumentalities of the Federal Government whose responsibilities include matters within the objectives and authorizations of this Act. The bylaws of the Bank and the general policies of the Bank Board shall be subject to review and comment to the Congress by the Board of the Administration. With the consent of that Administration, the officers and employees thereof may be utilized by the Bank on a reimbursable basis.

(c) BOARD MEETINGS.—The Board shall meet at the call of the Chairman or upon joint request of the other four members or on vote of a majority of the Board of the Bank, but not less frequently than quarterly.

(d) POWERS OF THE CHAIRMAN.—The Chairman shall be the chief executive officer of the Administration and shall carry out the policies established by the Board.

The Chairman is authorized to appoint deputies not to exceed five, the functions and responsibilities of which shall respectively, concern the operations of the Bank, operations under titles II and III of this Act, administration of the agency, and examination and audit. The deputies shall receive compensation at not to exceed the maximum schedule rate of the General Schedule, as adjusted from time to time, pursuant to the Classification Act of 1949, as amended.

The Chairman is authorized to establish and fix the powers and duties of such divisions, appoint such other personnel as may be necessary for the efficient functioning of the Administration and adopt a seal for the Administration, which shall be judicially noted.

EXAMINATION AND AUDIT

SEC. 402. Until the stock of the Bank held by the United States has been fully retired, the operations of the Bank shall be examined under the direction of a chief Administration examiner. Thereafter with the approval of the Administration the Bank shall be audited by independent certified public accountants certified by a regulatory authority of a State, in accordance with generally accepted auditing standards. The Bank may request or the Administration may require the examination or audit of borrowers from the Bank or the use of funds of the Bank or the Administration under contracts or agreements entered into under this Act. The scope, extent and findings of such audits and examinations shall not be modified or limited contrary to the professional recommendations of the chief examiner. For the purposes of this Act, examiners of the Administration shall be subject to the same requirements, responsibilities and penalties as are applicable to examiners under the National Bank Act, the Federal Reserve Act, the Federal Deposit Insurance Act, and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law.

EXPENDITURES

SEC. 403. The Administration may, within the limits of funds available therefor, make necessary expenditures for personnel services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange law books, books of reference, periodicals, and newspapers; pay expenses of attendance at meetings and conferences; purchase, operate, and maintain at the seat of government and elsewhere passenger-carrying vehicles and other vehicles; provide for or purchase printing, binding, and such other facilities and services, including temporary employment by contract or otherwise, as it may from time to time find necessary for the proper administration of this Act.

TAXATION

SEC. 404. Until the stock of the Bank held by the United States has been fully retired, but not thereafter, the Bank, including its franchise, capital, reserves, surplus, mortgages or other security holdings and income shall be exempt from taxation now or hereafter imposed by any State, county, municipality, or local taxing authority, but any real property held by the Bank shall be subject to any State, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

QUARTERS AND SPACE

SEC. 405. Until all of the stock of the Bank held by the United States has been fully retired, space for the principal office of the Bank shall be provided by the Administration and space for any regional bank or other offices of the Bank shall be provided by the General Services Administration. Thereafter the Bank may lease, construct, or own quarters and provide for the space requirements of its principal offices, regional banks, and other offices.

REPORTS TO CONGRESS

SEC. 406. The Administration and the Board of the Bank shall annually report to the appropriate committees of the Congress on the activities of the Administration and on the Bank's capital, operation, financial condition, the self-help development fund, and programs undertaken or proposed under title III, and make recommendations for legislation needed to improve its services.

APPROPRIATIONS

SEC. 407. In addition to appropriations specifically authorized in this Act, beginning October 1, 1977, there are hereby authorized to be appropriated out of moneys in the Treasury not otherwise appropriated such sums as the Congress may determine from time to time by annual appropriation to the Administration or the Bank or other agency for carrying out the purposes of this Act.

APPEALS

SEC. 408. If an application for assistance under this Act is denied in whole or in part, the applicant shall be informed promptly in writing of the reasons for the denial or restriction.

Any applicant for assistance under this Act receiving notice of denial or restriction of the application may, within thirty days of receipt of such notice, request the Bank Board to review the application and notice of denial or restriction for a determination of whether the action of the Bank was correctly within the terms of the Act, the regulations, and the policy of the Board. The Board shall consider the request for review at its next meeting and promptly inform the applicant of its determination and the reasons therefor.

Similarly, after complying with the preceding paragraph, if the applicant has reasons to believe that the determination of the Board incorrectly interpreted or applied the law, the regulations, or the policy applicable to the matter or failed to consider pertinent facts which the applicant had presented to the Bank or the Board, the applicant may, within thirty days of receipt of notice of the Board's determination, request review of the matter by the Chairman of the Cooperative Bank and Assistance Administration who shall promptly review the matter, make a determination, and inform the applicant and other parties involved in writing of his determination and the reason therefor.

CONFLICT OF INTEREST

SEC. 409. Each Board established under this Act shall adopt and publish its own conflict of interest rules which shall be no less stringent in effect than the Federal Executive conflict of interest rules contained in Executive Order Numbered 11222 in prohibiting participation or action or the use of inside information for personal advantage on any matter involving a corporation, trust, partnership, or cooperative organization, in which a board member, officer, or employee holds a substantial financial interest or holds a position as board member or senior officer, the activities of which organization might be relevant to, be competitive with, or be inconsistent with the objectives of any bank created under this Act. These rules shall require—

(1) each nominee for elected membership on any Board established under this Act to make public and file with the election official before the date of election a statement of his financial interest and position, if any, in such organizations; and

(2) each senior executive officer, appointed member of a board, or advisory committee to file with the appointing officer, before entering that office a statement of his financial interest and position, if any, in such organizations, which shall be available for inspection upon request.

AMENDMENTS TO EXISTING LAW

SEC. 410. (a) Section 201 of the Government Corporation Control Act, as amended (31 U.S.C. 856), is amended—

(1) by striking out "and" immediately before "(6)" the first time it appears and inserting in lieu thereof a comma,

(2) by striking out "and (6)" the second time it appears and inserting in lieu thereof "(7)", and

(3) by striking out "and" immediately before "(8)" and by inserting ", and (9) the National Consumer Cooperative Bank" immediately before the period at the end thereof.

(b) Section 302 of the Government Corporation Control Act, as amended (31 U.S.C. 867), is amended by striking "or" before "the Federal Land Banks" and inserting immediately after "the Federal Land Banks" a comma and the words "or the National Consumer Cooperative Bank".

(c) The second sentence of subsection (d) of section 303 of the Government Corporation Control Act, as amended (31 U.S.C. 868 (d)), is amended by inserting "the National Consumer Cooperative Bank," immediately before "the Rural Telephone Bank".

(d) Section 5314 of title 5 of the United States Code is amended by adding at the end thereof the following new paragraph:

"(64) Chairman, Cooperative Bank and Assistance Administration."

SEPARABILITY

SEC. 411. If any provision of this Act or the application thereof to any person or in any circumstances, is held invalid, the remainder of this Act and the application of such provision to other persons or in other circumstances shall not be affected thereby.

SECTION-BY-SECTION ANALYSIS OF NATIONAL CONSUMER COOPERATIVE BANK ACT

The purpose of this bill, Sec. 2, is to create a financial organization for consumer-oriented cooperatives so as to enhance competition and thereby reduce the spread between production costs and consumer prices, and to minimize the impact of inflation and recession. This purpose would be accomplished through additional capitalization and financing of nonprofit co-operative organizations, and with technical advice or assistance to be furnished through the specialized credit and other services of the Consumer Cooperative Bank.

Section 102 charters the bank as a mixed ownership government corporation to operate as an instrumentality of the United States. The general objectives of the bank will be to encourage the development of new and existing consumer cooperatives, which will result in a broadly based ownership and control of the bank, foster increased member participation in the affairs of borrowers from the bank and other eligible organizations, make possible the distribution of net savings from its operation to its stockholders and through them to their consuming patrons, as well as making available quality goods and services to consumers at reasonable costs.

While only a single bank is chartered initially, after seven years, as the need develops, not more than twelve additional banks can be chartered to serve eligible cooperatives in geographic regions or to serve particular classes of co-operatives. This plan has the advantage of keeping initial costs low and permitting expansion and specialization compatible with the needs and growth of the bank. (Sec. 103)

The activities of the central bank would be exercised under the policies of a 13-member board of directors and the public supervision is through a Cooperative Bank and Assistance Administration, the purposes and functions of which are more fully described in Title IV. At the outset, the board would be appointed by the President, with the advice and consent of the Senate, and will include seven cabinet or other officers of the United States and six non-Federal employee members as provided in Sec. 105. It is envisioned that most of the initial stock will be subscribed by the Treasury and the services of the bank will be supplementary to many existing Federal programs. As the borrower's holdings of stock increase to eventual majority ownership, appointive board members will be replaced by democratically elected borrower representatives. To assure that all types of eligible cooperatives are given fair representation on the board, nominees and subsequent elections will divide membership among cooperatives for housing, consumer goods, consumer services, financing, low-income members, and other cooperatives. The chairman of the supervising agency will continue as the only government board member after the cooperatives own 51 percent of the stock in the central bank.

The regional bank boards of seven members will initially be appointed by chairman of the supervising agency from among the same groups of cooperatives and one at-large member. After two years, the groups would elect their representatives on the board.

The regional banks would be capitalized by borrower stock subscription, investment stock sale, and perhaps by preferred stock subscription by the central bank.

After the creation of a regional bank, loans originating in its territory would be made by it, except as the regional bank requests central bank participation.

Local organizations of eligible cooperatives could be utilized for processing and servicing regional bank loans.

The corporate powers of the banks are enumerated in Sec. 104. The listed powers provide all those corporate authorizations thought to be necessary or appropriate for this type of financial institution.

Sec. 106 authorizes the purchase by the United States of $250,000,000 per year for four years of preferred Class A stock of the central bank. Classes B and C stock will be issued to eligible cooperative borrowers and organizations controlled by such borrowers. The amount of such required stock holdings is left for by-law or board determination, between the minimum of one share of voting stock and an amount not exceeding 10 percent of the face of the loan. This flexibility was found necessary in the modernization of the Farm Credit institutions in order to provide necessary leverage for funding their lending operations.

Investment stock and other capital contributions may also be issued to investors who are not eligible borrowers. Such means will more rapidly permit retirement of government held stock.

The rate of return on Treasury held stock will be equal to the lesser of 25% of the gross revenue of the bank, or the cost of

money on government obligations. The net earnings of the bank will be allocated or distributed in stock, as patronage refunds to borrowers. Government A stock will have preference as to assets and dividends over any other class of stock issued by the Bank. Class A stock shall be redeemed as soon as practical when a reasonable amount of capital has been accumulated and as borrower held stock is issued.

Subject to limitations which will assure that the services of the bank will be supplementary to and not in competition with existing Federally assisted credit sources, such as the Farm Credit institutions, eligibility will be determined under qualifications described in Sec. 107. Corporations chartered or operated on a cooperative not for profit basis will generally be eligible.

In order to assure that the needs of eligible borrowers are fully considered by the banks, provision is made in Sec. 108 for the utilization of advisory committees familiar with their needs and problems.

Under Sec. 110 funds for the lending operations of the central bank would be obtained primarily through the issue and sale of bonds or debentures and other obligations in the private investment markets and to financial institutions, but not exceeding a ratio of 20 to 1 against paid-in capital and surplus. The Secretary of the Treasury could purchase such obligations at his discretion. Such purchases would be included in the budget. This authority might be used in conjunction with operations of the Federal Financing Bank to avoid critical congestion of the "agency" market. Under Sec. 104(d)(2), until a regional bank has enough paid-in capital to justify the sale of its bonds or debentures, it would discount loans made by it to the central bank. Such discounted loans would support additional sale of central bank obligations.

Sec. 111 describes the lending objectives and general criteria for loans which will constitute the major activities of the banks. Up to 40 year, fully repayable loans to provide the borrower with the type of credit needed at generally competitive rates on a sound business basis may be coupled with technical assistance. In order to maximize the use of other available sources of credit useable by cooperatives, loans made by other financial institutions may be guaranteed by the bank.

Title II provides the means through which cooperatives made up of, or rendering services to, low-income persons or groups can acquire goods, services and facilities necessary to maintaining their health and income producing capacity within their economic means.

Sec. 201 creates a Consumer Cooperative Self-Help Development Fund for which original appropriations of $250,000,000 are authorized.

As provided in Sec. 202, the Self-Help Development Fund would be used by the Consumer Cooperative Assistance Administration for investments in the capital structure, supplementary interest credits or payments, or special low rate interest terms, thereby aiding low income and undercapitalized cooperative organizations to serve their low-income members or patrons. The Fund, by supplying supplemental equity capital to such cooperatives under a long term plan for its retirement, would be making it possible for many such cooperatives to progressively qualify for obtaining sound loans from the banks under Sec. 111. Collections from such investments would be deposited in the Fund for reappropriation for its purposes. This approach has proven to be a cost effective method of bolstering the purchasing power of low-income groups. Sec. 203 provides that operations and accounting under Title II would be kept separate from the Title I regular loan and guarantee operations of the bank and Title III technical assistance.

Cooperative undertakings which have not succeeded can usually be identified with insufficient knowledge of organizational problems; lack of understanding of how best to obtain maximum benefits through the patronage of the cooperative; ambitious but unverified appraisal and survey of the market; and lack of experience or training in the responsibilities, functions, and activities of boards of directors and managers. Title III, Secs. 301–304, would authorize the banks and the supervising Administration to provide these types of technical assistance, independently, or in concert with educational institutions, foundations and other agencies. The costs of this technical assistance would be borne, in appropriate part, by inclusion in the interest charged on sound loans under Title I, the Fund, maintained under Title II, the fees, charges and appropriations authorized in Title III, and contributions under agreements with other agencies and institutions.

Historically, the public interest in and public dependence on, financial institutions has resulted in public authorization, regulation and supervision. In those cases of substantial initial capital assistance by government, the need is obvious. By degrees, as cooperative ownership and capitalization replaces that of government, a case can be made for more freedom from supervision. In this instance involving probable continued Federal contribution to low-income cooperatives, a Federal supervisory agency is essential. Existing Federal agencies with programs dealing with consumer cooperatives do so, more or less, in a limited scope or as an appendage to major programs and functions. For these reasons, Title IV of the bill creates, describes the organization, functions and responsibilities of a new independent Federal agency in the Executive Branch. (Section 401)

This agency—the Cooperative Bank and Assistance Administration—would be headed by a board of 5 consisting of a chairman, who will be the chief executive officer, a member who shall be chosen for his experience in finance, another for his experience in cooperative organization and activities, one for his experience with cooperatives having a predominance of low income members and one representative of the general public.

The agency functions will primarily fall into three categories: (1) audit and examination of the banks, (2) supervising the lending and borrowing functions of the banks and the correlation of those activities with other Federal programs, and (3) the capital investments, interest supplements, and technical assistance to low-income cooperatives.

Section 401(b) authorizes the delegation by the Administration to the bank such responsibilities for technical assistance and the Self-Help Development Fund as can be effectively done in that manner.

Section 402 sets out the audit and examination authority.

Appropriations, expenditures, and quarters are provided for in Sections 403, 405 and 407, with Section 404 treating the tax status of the bank and Section 406 establishing the bases of continued Congressional review.

Section 408 provides for an administrative review, at the request of an aggrieved applicant, on the denial or restriction of a loan or for failure to properly apply the law and applicable policy rules.

Section 409 requires the establishment of conflict of interest rules no less stringent than those contained in Executive Order 11222 and for publication of financial interest in excess of $1,000 of senior executive officers and of candidates for board membership and of their positions as board member or senior officer held in other business organizations.

Section 410 contains necessary correlating amendments to the Government Corporations Control Act and to the Executive Schedule of basic pay for the chairman of the supervising agency.

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MUSKIE, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 2, to require authorizations of new budget authority for Government programs at least every 5 years, and for other purposes.

S. 4

At the request of Mr. DOLE, the Senator from California (Mr. CRANSTON), the Senator from South Dakota (Mr. ABOUREZK), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 4, to amend the Internal Revenue Code.

S. 121

At the request of Mr. BIDEN, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 121, the Federal Oil Pollution Liability and Compensation Act of 1977.

S. 247

At the request of Mr. GOLDWATER, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 247, a bill to provide recognition to the Women's Air Forces Service Pilots for their service to their country during World War II by deeming such service to have been active duty in the Armed Forces of the United States for purposes of laws administered by the Veterans' Administration.

S. 291

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 291, to amend the Shipping Act of 1916.

S. 300

At the request of Mr. BARTLETT, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 300, to establish a Department of Education.

S. 388

At the request of Mr. BARTLETT, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 388, to amend the Internal Revenue Code.

S. 395

At the request of Mr. HART, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 395, relating to low-interest loans for certain home improvements.

S. 530

At the request of Mr. HANSEN, the Senator from Alabama (Mr. SPARKMAN), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Nebraska (Mr. CURTIS) were added as cosponsors of S. 530, the Consumer Communications Reform Act of 1977.

S. 603

At the request of Mr. WEICKER, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 603, to help develop the commercial fisheries of the United States.

S. 621

At the request of Mr. BUMPERS, the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 621, a bill relating to research in connection with recombinant DNA.

S. 672

At the request of Mr. HUMPHREY, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 672, a bill to provide for the procurement by the General Services Administration of existing solar energy devices for use in Government buildings.

S. 772

At the request of Mr. BARTLETT, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 772, to amend section 1011(d) of the Tax Reform Act of 1976.

S. 800

At the request of Mr. HART, the Senator from Maryland (Mr. SARBANES) and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 800, relating to energy conservation.

S. 802

At the request of Mr. TOWER, the Senator from Iowa (Mr. CLARK), the Senator from Nebraska (Mr. CURTIS), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 802, to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1976.

S. 856

At the request of Mr. STONE, the Senator from South Dakota (Mr. MCGOVERN) and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 856, to amend the Internal Revenue Code.

S. 938

At the request of Mr. BUMPERS, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 938, to prohibit certain aerial spraying.

S. 985

At the request of Mr. HUMPHREY, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 985, a bill to prohibit State and local law from permitting construction which interferes with sunlight necessary for solar energy equipment.

SENATE JOINT RESOLUTION 13

At the request of Mr. RANDOLPH, the Senator from Minnesota (Mr. ANDERSON), the Senator from New York (Mr. JAVITS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Alabama (Mr. SPARKMAN), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of Senate Joint Resolution 13, designating Energy Conservation Month.

SENATE JOINT RESOLUTION 30

At the request of Mr. HART, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of Senate Joint Resolution 30, relating to American consumers' telecommunications needs.

SENATE RESOLUTION 113—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON APPROPRIATIONS

(Referred to the Committee on Rules and Administration.)

Mr. MCCLELLAN, from the Committee on Appropriations, reported the following resolution:

S. RES. 113

Resolved, That the Committee on Appropriations is authorized to expend from the contingent fund of the Senate, during the Ninety-fifth Congress, $250,000, in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946, as amended.

SENATE RESOLUTION 114—SUBMISSION OF A RESOLUTION RELATING TO A STUDY OF TELECOMMUNICATIONS POLICY

(Referred to the Committee on Commerce, Science, and Transportation.)

Mr. ANDERSON (for himself and Mr. HUMPHREY) submitted the following resolution:

S. RES. 114

Resolved, That the Senate Committee on Commerce, Science and Transportation shall make a full and complete investigation and study of the telecommunications policies of the Federal Government for the purpose of determining:

(1) What are the appropriate jurisdictional limits of Federal and state regulation of communications common carriers?

(2) When does a regulated monopoly best serve the public interest in the delivery of communications services and when does competition among regulated common carriers best serve the public interest?

(3) What are the regulatory requirements to assure equality of competition?

(4) Are national standards for all terminal equipment necessary to protect the public interest?

(5) What will be the long term effect of the present telecommunications policy on the rates of telephone service for the Nation's residential customers?

The Committee on Commerce, Science and Transportation shall make such investigations and studies as soon as possible and make a recommendation to the Senate as to whether legislation is necessary in order to direct the future of our Nation's telecommunications policy.

Mr. ANDERSON. Mr. President, many of my colleagues are aware of the debate regarding this Nation's future telecommunications policy. Senator HART has submitted for the record an excellent analysis of the issues in this debate. Senators INOUYE, HART, and HANSEN already have introduced legislation on this subject this session.

Since 1968 the Federal Communications Commission has allowed limited competition in the specialized common carrier and interconnect markets of the telephone industry. The impact this action has had on the communications industry has been the subject of much discussion.

There are some who believe that the 95th Congress must take an active role in the further development of U.S. telecommunications policy. The Congress, 43 years ago, established a national policy to provide for an efficient and universally available telephone service at reasonable rates. There have been many social and technological developments since 1934. Those who believe that Congress needs to redefine or reaffirm our telecommunications policy have introduced legislation to this effect.

Supporters of legislative proposals such as the Hansen or Inouye bills, argue that the communications markets which were opened to competition by the FCC decisions traditionally provided excess revenues, which allowed A.T. & T. and its subsidiaries and affiliates to subsidize or charge lower prices on basic residential telephone service. Opponents argue that telephone company revenues derived from competitive markets do not cover the cost of competitive market services or subsidized local rates.

The proper role of Congress in directing this Nation's telecommunications policy is an issue which I believe should be fully debated this session. Congress created the Federal Communications Commission as an independent regulatory agency. I feel that the relationship of Congress to the regulatory agencies should be reexamined from time to time. The resolution I am submitting today raises some of the questions that must be investigated and analyzed regarding our present telecommunications policy.

In Minnesota there are 102 telephone companies serving more than a million and a half telephone subscribers. The questions raised in the debate over telecommunications policy may potentially impact on each of these telephone users. I believe that a full and fair hearing of al' of the complicated issues regarding telecommunications policy is necessary in order that all interested parties may present their views before their elected representatives. The Congress could then decide what the most appropriate course of action should be.

I am pleased to be joined by my distinguished colleague, Senator HUMPHREY, in urging the Senate to focus on this complex and comprehensive problem.

SENATE RESOLUTION 115—ORIGINAL RESOLUTION REPORTED RELATING TO THE CONSIDERATION OF S. 650

(Referred to the Committee on the Budget.)

Mr. BELLMON, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution:

S. RES. 115

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of an amendment intended to be proposed to S. 650. Such waiver is necessary to permit consideration of an amendment which would provide statutory authority for new entitlements for wheat producers with respect to wheat planted after January 1, 1977, to become effective in a fiscal year for which the first concurrent resolution on the budget has not yet been adopted. The special program authorized by S. 650 is of an emergency nature, and it is necessary that all producers affected receive the earliest possible assurance that they may use their wheat crop in the manner provided for in the bill.

AMENDMENTS SUBMITTED FOR PRINTING

CODE OF OFFICIAL CONDUCT—SENATE RESOLUTION 110

AMENDMENT NO. 75

(Ordered to be printed and to lie on the table.)

Mr. CURTIS submitted an amendment intended to be proposed by him to Amendment No. 65 to be proposed to the resolution (S. Res. 110) to establish a Code of Official Conduct for Members, officers, and employees of the Senate, and for other purposes.

COMMON SITUS PICKETING—S. 924

AMENDMENT NO. 76

(Ordered to be printed and referred to the Committee on Human Resources.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill (S. 924) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers and to establish a national framework for collective bargaining in the construction industry and for other purposes.

SAFE TANKER PREFERENCE ACT OF 1977—S. 682

AMENDMENT NO. 77

(Referred to the Committee on Commerce, Science, and Transportation.)

Mr. STEVENS. Mr. President, the Committee on Commerce, Science, and Transportation must develop a bill to regulate the transportation of oil in bulk by tankers in the foreign and domestic commerce of the United States which will protect the fishery resources that are subject to the exclusive fishery management authority of the United States. I strongly support Senator MAGNUSON's effort to develop such legislation and have agreed to cosponsor his bill. Despite the fine quality of the present draft of Senator MAGNUSON's safe tanker bill, it like any other piece of developing legislation has some areas which need work.

In that connection, I submit for printing a series of five amendments plus technical and conforming changes which are printed en bloc. These amendments are designed to improve Chairman MAGNUSON's bill and assist the Senate Commerce Committee in developing a working paper which all of the members of the committee can support and which is consistent with the chairman's own philosophy.

Mr. INOUYE, the Merchant Marine Subcommittee chairman, has already presented a floor statement to the Members of the Senate in which he set forth his legislative objectives as the new chairman of the Subcommittee on Merchant Marine and Tourism. I was pleased to note that as one of the basic problems relating to tankers, he declared strongly that:

> Oil coming into the United States . . . must move in ships that are not going to damage the environment of the oceans surrounding this country and its island States.

On that very same day, but unknown to him at the time, another foreign tanker was in trouble, burning on the high seas only several hundred miles from the State of Hawaii. The SS *Hawaiian Patriot*, a ship of Liberian registry, exploded and sank. It is, according to the Washington Post, which printed a page 1 photograph of the disaster—February 26, 1977, "a contender for the distinction of spilling more oil into the sea than any other in history."

This situation must cease. It seems like every week or so we learn of a new tanker accident involving a foreign-flag vessel, a new tanker accident that imperils our precious fishery resources and the other resources of the ocean environment. As a result of this event I asked my staff to prepare an amendment to Senator MAGNUSON's bill, which not only incorporates and refines the best features of all the pending bills, including the provisions in the bill on the subject recently introduced by Senator HOLLINGS, but additionally remedies an oversight which will allow the United States to protect all of its fishery resources.

On March 1, 1977, the Fishery Conservation and Management Act of 1976 went into effect. This monumental law, which means that fishery resources will finally receive the conservation and management that is so long overdue and so badly needed, is primarily the achievement of one Member of this body—Senator MAGNUSON. In the amendment to Senator MAGNUSON's bill which I asked my staff to write I proposed that the new provisions of law designed to regulate tankers transporting oil in bulk for landing in the United States be in the form of amendment to the Fishery Conservation and Management Act of 1976 since it is the fishery resources that are chiefly imperiled by oil spills and tanker accidents. I also propose that the short title of the act be amended to become what it should have been originally: the "Magnuson Marine Conservation and Management Act."

It is not a "cargo preference" bill, in the literal sense of that term, because it gives preference in the carrying of cargoes of vitally needed oil to safe tankers of any qualifying nation. The safest tankers will be either U.S.-flag tankers that comply with the standards set forth in the bill or foreign-flag tankers documented under the laws of foreign nations that have the same standards and that enter into "governing international tanker agreements" with the United States. Yes, like a cargo preference bill, it will probably have the effect of increasing the number of jobs in American shipbuilding and the U.S. merchant marine. I believe, and I think this view is shared by others, that increasing the number of jobs for Americans is a good thing; I reject the view of those who disparage such efforts as economic nationalism.

As a matter of fact, we have been told that the entire concept of "cargo preference" is "neutral" from the standpoint of the negotiations to achieve a Law of the Sea Treaty. The unilateral creation of territorial creation of territorial zones may be inimical to the achievement of such a treaty; the regulation of vessels landing cargoes in our States is not. Once again, this amendment does not give preference to U.S.-flag vessels because they are U.S.-flag vessels; it gives preference to safe tankers, and every nation has an equal opportunity to have the tankers documented under its laws treated as safe tankers for purposes of this preference.

With respect to the Law of the Sea negotiations, again, I note with pleasure that the President has appointed, and the Senate has unanimously confirmed, as the chief negotiator for the United States a prominent member of the minority party. I applaud this decision because there are neither Democrats nor Republicans where the vital resources of the oceans and the merchant marine are concerned, there are only problems that must be met and solved. I wish to assure Ambassador Richardson personally, for myself and I am sure for the other members of the Subcommittee on Merchant Marine of the U.S. Senate, the fullest cooperation in his efforts, in the same nonpartisan spirit in which Senator MAGNUSON's bill was created, developed, and drafted.

Mr. President I hope the Senate will act quickly on the problem of tanker safety. I look forward to assisting Chairman MAGNUSON in the speedy processing of his safe tanker legislation.

NOTICES OF HEARINGS

FOOD FOR PEACE PROGRAM

Mr. HUMPHREY. Mr. President, on behalf of the Foreign Agricultural Policy Subcommittee of the Committee on Agriculture, Nutrition and Forestry, I wish to announce oversight hearings on Public Law 480, the food-for-peace program, beginning on Friday, March 18 at 9:30 a.m. and continuing on Monday, March 21 at 10 a.m.

The hearings will provide an opportunity for a comprehensive review of all the activities conducted under Public Law 480 as well as emphasize the future role of food aid in light of projected world food supplies and demand.

The subcommittee will meet in room 324 Russell Building and will hear invited witnesses only. Anyone wishing to submit written testimony for the record should send a copy to the Hearings Clerk, Senate Agriculture Committee, 322 Russell Building, Washington, D.C. 20510.

ENERGY CONSERVATION

Mr. JOHNSTON. Mr. President, the Subcommittee on Energy Conservation and Regulation of the Committee on Energy and Natural Resources will hold hearings on April 4 and 6 on the subject of energy conservation. These hearings will commence at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

On April 4, the subcommittee will hear testimony from selected private witnesses. On April 6, the heads of those Federal departments and agencies presently managing programs in energy conservation will appear.

The purpose of these hearings is to determine the status of the national effort in energy conservation. The subcommittee will review the performance of the Federal Government with respect to energy conservation authorities enacted in previous years, for example, in the Energy Policy and Conservation Act—Public Law 94–163—and the Energy Conservation and Production Act—Public Law 94–385. We will also be interested in identifying gaps in existing authority

and opportunities for legislative action in the 95th Congress. These hearings will be the first of several which the subcommittee will be holding on this subject this session.

Questions concerning these hearings should be directed to James T. Bruce, counsel to the subcommittee at 224–9894, or Benjamin S. Cooper, professional staff for the committee, at 224–0611.

ADDITIONAL STATEMENTS

THE OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

Mr. BARTLETT. Mr. President, farmers, small businessmen, and other employers across the country never cease to be amazed at the antics of the Occupational Safety and Health Administration. The complicated mass of regulations coming from OSHA is a constant irritant to employers in general and is of dubious value in protecting employee safety. The sheer volume of regulations makes it virtually impossible for anyone to master all of the potentially applicable ones.

The difficulty of complying with OSHA's regulations was dramatically illustrated recently when OSHA inspected its own Washington headquarters and found numerous violations of OSHA safety standards. No wonder Labor Secretary Ray Marshall concluded that OSHA's "problems are even greater than I expected." I am hopeful that this latest incident will prompt Congress to effect a comprehensive overhaul and reform of the Occupational Safety and Health Administration's statutory authority. Two bills which I have introduced, S. 179 and S. 180, would reduce OSHA's authority and reform its procedures, and would be a good starting place for meaningful OSHA reform.

Mr. President, in order that my colleagues in the Senate and others might read about OSHA's inspection of itself, I ask unanimous consent that an article appearing in the Wall Street Journal of March 14, 1977, entitled "Job Safety Agency Violates Own Rules, Officially Cites Itself," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOB SAFETY AGENCY VIOLATES OWN RULES, OFFICIALLY CITES ITSELF

WASHINGTON.—The Occupational Safety and Health Administration has nailed another employer for violating health and safety rules. But this time the employer is OSHA itself.

The agency inspected its own Washington headquarters and cited itself for a variety of violations. They include insufficient office lighting; aisles, halls and exits blocked by boxes, furniture and trash; improperly maintained fire extinguishers, and failure to post various notices and keep various records required by the agency itself.

Labor Secretary Ray Marshall, whose department includes OSHA, said he was "shocked and distressed" by the inspection findings, and pledged to take immediate steps to correct OSHA's deficiencies, and also those found in several other Labor Department offices around the country. He said he will soon write to all other federal agencies as well to urge them to comply fully with OSHA rules.

Technically, federal agencies aren't covered by the main provisions of the 1970 act that established OSHA, and thus aren't subject to the inspections, fines and corrective orders that the agency hands out to private employers. However, agencies are required to follow prudent safety rules and OSHA has a special division to monitor their progress.

Without placing any blame for his agency's failure to pass the inspection, Secretary Marshall used the release of the inspection report to issue a statement blasting the Nixon and Ford administrations for "sabotaging" the job-safety agency.

He called the act "a good piece of legislation" but charged that the Republican administrations never believed in it, and thus "the result has been chaos" in enforcing the law. "Unfortunately," he said, "it has taken me less than six weeks in office to discover that the problems are even greater than I expected."

Noting that the agency has been the target of constant criticism from business and labor over the years, Mr. Marshall pledged to make improving OSHA his second-highest priority after reducing unemployment. He asked the Congress, the public and the press to "give us a little breathing space, a little time" to improve the agency.

To familiarize himself with the agency's problems, Mr. Marshall said he will spend a day acting as an OSHA inspector later this month.

Separately, the White House announced the selection of a new Assistant Secretary of Labor to head the beleaguered job-safety agency—Eula Bingham, a 47-year-old health professor at the University of Cincinnati. Her nomination, which was supported by organized labor, had been expected for weeks.

The White House also confirmed that President Carter will nominate Francis X. Burkhardt, 32-year-old research director of the painters union, as Assistant Secretary of Labor for labor-management relations.

Both appointments are subject to Senate confirmation.

VOLUNTARY BEVERAGE CONTAINER RECYCLING

Mr. GOLDWATER. Mr. President, much attention has been given to proposals that would ban nonreturnable beverage containers as a way to prevent litter. In particular, great publicity is made of the Oregon law which became effective in October of 1972.

Now, Mr. President, I certainly welcome efforts at finding reasonable solutions to a very obvious problem. Like everyone else, I am all for cleaning up this dirty area in which we live. In my lifetime, I can remember the desert when it was the most beautiful, clean thing known to man, but today it has become an unholy mess.

However, there are alternative ways of getting at the problem. While some are advocating placing mandatory deposits on beverage containers, Arizona has established and quietly been running a voluntary recycling program on a self-sustaining basis.

The people who run the beverage industry recycling program in Arizona believe they have proven that recycling is economically feasible in our State and that it could be in others, as well. Unfortunately, their story is not widely known.

The Arizona program runs on the principle that the best and cheapest way to keep containers off of highways and the countryside is to place a market value on them and let the people pick them up for a profit. Mr. Jerry Petrie, general manager of the program, states that Arizona is far ahead of Oregon, which has a mandatory container deposit law, in reducing container litter and solid waste.

Surprisingly, the Arizona program is a $2 million industry. This includes cash payments to the public, a $400,000 payroll, and nearly $300,000 saved by cities which did not have to collect and bury the materials themselves.

Under the Arizona program, more than 650 million cans and bottles have been reclaimed. In fact, the program is now collecting about a pound of recyclable material for every person in the State each month.

Mr. President, in order to make better known the unique Arizona recycling program, I ask unanimous consent that a news article about it that appeared in the Glendale News-Herald of January 12, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BIRP's BETTER THAN NEW LAWS

"After state-wide successes in both Maine and Michigan," reported Conservation News, "renewed attempts will be made to enact a nationwide "bottle-bill" requiring refundable deposits on all beverage containers as an incentive to encourage reuse and recycling activities."

Proponents of Oregon's and Vermont's "bottle laws" also point to successes in those states and cry out for a nationwide law which would require that all beverages be contained in returnable bottles.

Arizonans might well wonder why the need for government regulation, when a program exists in this state which has eliminated such a need, a program without governmental interference in private industry.

Arizona's answer is to simply pick up the litter and recycle it.

Since 1971 more than 650 million cans and bottles have been reclaimed through the Beverage Industry Recycling Program (BIRP). This year the collection of newspapers has been added to the effort which currently saves nearly 2,000,000 pounds of recyclables each month—"about a pound for each man, woman and child," BIRP officials note.

Recycling of materials is not the public's only motivation—they have been paid more than $3.5 million for their efforts—an amount that averages close to $125,000 per month today.

These dollars and cents amounts are an effective answer to governmental imposed restrictions, an answer that reduces waste without disrupting an economy, restricting container choice in the market or raising beverage prices.

BIRP is the first such statewide non-profit cooperative effort between industry and state and local governments involving household containers. The Glendale center on North 62nd Drive is one of six in the state.

The centers have just raised the price they pay for aluminum cans to 17 cents a pound. They pay a penny a pound for steel (tin) cans and ½ cent a pound for newspaper and glass. BIRP officials point out that "while not as much as a deposit, this is new money to our customers, not the return of their deposit funds."

Highest use of the centers is made by senior citizens and low income families trying to augment their incomes. "Many have developed sophisticated collection routes of their own in trucks financed from recycling funds," says Jerry Petrie, BIRP's general manager.

BIRP's program has created a steady mar-

ket for recyclables. "It has boosted the state's economy where a deposit law would have drained it," said Petrie.

Bottle laws would eliminate such a program, for it is the sale of the aluminum cans which keeps it going. Half of all the cans sold in the state are recycled through those centers.

Without the cans, not only would BIRP shut down, but many of the state's nine can manufacturing plants would as well. Bottles cost the industry more to use in warehouse space, delivery weight and loss to breakage. These costs would be passed on to consumers; citizens of Oregon pay higher prices for beverages than do others.

In addition, studies of Oregon, although contradictory, show that only 10 percent of its solid litter has been reduced, results that some say are more from an aggressive litter collection effort than the bottle law itself.

While Arizona may still have a lot of litter, cities here save $25,000 a month in collection and landfill burial costs of recycled containers.

Conservationists have long held that recycling and general resource recovery of valuable materials is necessary. But while Oregon, Maine, Michigan and Vermont have their proponents of bottle laws, Arizona has proved that new laws are not the only way to handle a problem.

BAN THE TRAPS

Mr. WILLIAMS. Mr. President, on February 25, I introduced a bill to ban the use of the steel-jaw, leg-hold trap. Since then, I have received numerous letters and petitions from all over the United States in support of this bill, S. 818. Some of them have described personal experiences in which their own pets have been caught and injured in these inhumane traps.

Mr. President, I ask unanimous consent that five of these letters, a recent editorial that appeared in the Toms River, N.J., Daily Observer, and a letter to the editor of the Elizabeth, N.J., Daily Journal be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TOMS RIVER, N.J.,
March 2, 1977.

Senator HARRISON A. WILLIAMS,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR HARRISON: I wholeheartedly support the legislation you are proposing banning the use of steel-jawed and leg-hold traps throughout our nation. I agree, this is a most torturous and inhumane way of trapping animals.

I know for my dog was caught in a steel trap here in Toms River on February 1, 1977. Thankfully, he was trapped in one of those so-called "humane" traps that do not have the jagged teeth. Had it been the jagged teeth steel trap, I feel my dog would have had a broken leg or an amputated one.

Who ever says that traps cause no pain should have heard my dog crying as his foot was caught in the trap It was pure anguish! Furthermore, the area in which the trap was set is frequented by young children. I shudder to think of what could have happened to one of them.

I certainly hope this legislation of banning the use of steel-jawed and leg-hold traps is adopted, especially with your fine support.

Sincerely,

KATHRYN K. CUMMINGS.

ISELIN, N.J.

DEAR SENATOR WILLIAMS: My family and I applaud you for preparing a bill to ban the use of the steel jaw leg hold trap. I hope it will be enacted into law soon after you introduce it.

We have a problem here with the leg hold trap that my husband and I haven't been able to solve. As you know the use of this type of trap is forbidden in Middlesex County where we live. However, someone is using them in our neighborhood. We removed one from the front leg of a cat who was dragging it through our yard. It had managed somehow to loosen the stake. The cat lost the lower part of her leg. We reported it to the Humane Society and the police. There was no name on the trap and it couldn't be traced. I'm sure many animals have been caught and killed here.

We hope the day will come when this instrument of torture will completely vanish. Thank you so much for this humane bill.

Sincerely,

MADELINE COAR.

WEST ORANGE, N.J.,
February 21, 1977.

Senator HARRISON A. WILLIAMS, JR.,
The Senate House,
Washington, D.C.

DEAR SENATOR WILLIAMS: I am writing to tell you that I am 100% favorable toward the bill you will be introducing this week regarding the steeljaw leghold trap in the United States.

I recently wrote to the Agriculture and Environment Committee of the State of New Jersey requesting that the bill be released. I wrote letters to the editors of two large newspapers asking for support from the public. What a shame if people prefer to wear "genuine fur" coats to express their vanity rather than come to the aid of their fellow creatures!

The steeljaw leghold trap is permitted in eleven of New Jersey's twenty-one counties. This indicates that our state legally supports acts of cruelty and negligence toward humanity. How can one ever justify causing injury and death not only to wild creatures, but also to pets and children? An unsuspecting child or a lost dog or cat can be caught in the trap as easily as the poor animals for whom the trap was originally intended. These traps are barbaric, and the injury and cruelty they bestow on God's creatures cannot in any way be justified. Each day that goes by, stray pets, innocent children, and harmless wildlife searching for food are caught in these primitive "jaws." At a time when so much attention is being given to the justice system of the country, shouldn't justice toward all living creatures be considered? In no way can whatever good the steeljaw leghold trap does outweigh the awful and vicious circumstances it creates. Innocent animals actually bite off their own paws in order to free themselves from the pain of the trap. I sincerely doubt that the supporters of the trap would like to see their beloved children or pets in that situation.

This is an issue which requires a close look at the ethics and morals of the State of New Jersey and the United States of America. I give you my full support. If there is any way in which I might be of service to you in getting this bill passed, please feel free to get in touch with me.

Sincerely,

LINDA A. SCHAEFER.

BLOOMFIELD, N.J.,
February 27, 1977.

Senator HARRISON WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: I am writing to express my support for your bill banning steel jaw traps. For many years I have been aware of the horrible pain and suffering inflicted by these traps and am very pleased to see you have introduced legislation to stop it.

Sincerely,

JO-ANNE VOYTAC.

MIDDLESEX, N.J.,
February 20, 1977.

SENATOR WILLIAMS: I am in full support of your bill to ban the steel jaw trap. I think its use is cruel and senseless and has no place in a civilized society. I truly hope that your legislation passes and would like to know what else I can do to help. I would also like to say that you can count on my vote in your next election.

Sincerely,

GARY SANDERSON.

"A TERRIBLE INJUSTICE"

Since the birth of our precious country, founded on truth, justice and freedom, a terrible injustice has been done and is still being done to the earliest inhabitants of North America, no, not the Inidans, but the wildlife of this continent.

It is only one of many, but possibly the cruelest: the inhumane trapping of game or "pests" using steel-jaw and leghold traps.

These traps kill very, very slowly. An animal caught in these types of traps will suffer for days, being submitted to excruciating pain, which can only be termed "torture," until it finally dies of starvation, or dehydration.

Even worse, it has been observed that a small wandering child can find himself in such a trap, and die a similarly slow death while frantic parents search everywhere. In the event the child does escape, he will most probably have a few broken bones.

New Jersey Sen. Harrison Williams is now planning legislation to ban these metal monsters, and it is the duty of every person reading this to write to him and pledge support in any way possible. The voice of the people is what runs this country, at least that is what should, and it's up to you.

If the people are on his side, how can he not succeed. It only takes ten minutes to write a letter. If a bill is passed to ban this senseless slaughter, we can have the satisfaction of knowing that we wiped out one of the greatest injustices in the history of our nation

PUTTING ECONOMIC THEORY INTO PRACTICE IN THE AIRLINES INDUSTRY

Mr. PERCY. Mr. President, Prof. Julian L. Simon of the University of Illinois authored a January 10 article for the Wall Street Journal entitled "Wherein the Author Offers a Modest Proposal."

Three centuries ago, Jonathan Swift in jest offered a "modest proposal" which too many people considered seriously. Today Professor Simon seriously offers a modest proposal which too many people consider in jest. While Swift's proposal was irrational, Simon's idea is highly rational.

The professor suggests a solution to the airline overbooking problem. He calls it the overbooking auction plan. The plan would establish a bidding mechanism whereby, if a plane is overbooked, the airline would pay the lowest bidding passengers to wait until the next flight. The delayed passengers would be paid the amount they bid as the price necessary to induce them to wait.

I need not outline here all the excellent features of this plan; the article speaks for itself. What is worth pointing out is that the plan is eminently workable. The

invisible hand is just as dexterous today as it was in Adam Smith's day.

Professor Simon's proposal, unlike Jonathan Swift's, is worthy of our very serious attention. He has applied the principles of theoretical economics to the problems of the day. This reflects the highest traditions of the social sciences.

Mr. President, this is one of several plans currently being considered by the CAB in its attempt, through an ongoing rulemaking proceeding, to deal with the overbooking problem. I commend Mr. Simon for his refreshing article, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEREIN THE AUTHOR OFFERS A MODEST PROPOSAL

(By Julian L. Simon)

Airline overbooking is a continuing problem. The Civil Aeronautics Board is again holding hearings to consider a variety of plans to deal with it. But these are all variations on the basic approaches of higher penalties against airlines, or higher prices for guaranteed seats than for non-guaranteed seats.

There is, however, a plan that is better for everybody—that leaves every passenger satisfied, and allows the airlines to make more money. This is the Overbooking Auction Plan. I first published it in 1968, and it has been thoroughly discussed in the literature without a logical or practical flaw being found. Various improvements have been proposed, but none is crucial to the plan's effectiveness.

The Overbooking Auction Plan works as follows: If more ticketed passengers show up than there are seats, each passenger writes a "bid" of the lowest amount he is willing to accept in return for waiting until the specified next flight. Low bidders are given the amounts bid and they take the next flight, satisfied. All other passengers fly as scheduled, satisfied. The airlines can overbook to a higher degree than now, and without complaint; they, too, would be satisfied. Literally everyone is better off.

Not surprisingly, the essence of this exchange scheme has been re-discovered on the spot by travelers in trouble. For example, Ralph Nader asked Allegheny Airlines to offer his compensation to others on the famous flight from which he was bumped. (The airline refused lest it create a precedent).

Other schemes having some advantages of this auction plan have been tried—for example, selling lower-price tickets to people on condition that they fly only if there is room. But each such scheme is relatively less attractive than the auction, either because it reduces airline revenue, because it does not select for being "bumped" the people who are most willing to be bumped or because it has some other undesirable economic feature.

One objection is that passengers might conspire to fix a common high price. But the roughly 100 persons who have never met before, to be organized in a matter of minutes, runs against all experience and logic. If this turns out to be even an occasional problem in practice, however, routinely asking passengers for a bid amount when checking in for a crowded flight or purchasing the ticket would immediately remove the problem.

A more reasonable objection is that individual bids would be so high the scheme would not be feasible. Therefore a colleague and I made an empirical investigation. We went to waiting rooms at O'Hare Airport in Chicago, distributed questionnaires specifying a set of hypothetical conditions and asked how much the respondent would bid. We varied the time to wait for the next flight among, two, four, six, and eight hours.

The bids are remarkably low: the *median* person would be willing to wait for roughly $10 per hour of waiting time. And in the likely situation of only one or two people being overbooked out of 100, the relevant bids are two dollars an hour or less.

So among passengers ticketed for any airline flight there will always be a good many who will accept very small sums to wait for the next flight. These people who will be satisfied with small amounts can only be identified by an auction system.

In short, the proposed auction system is fair rather than arbitrary. At a miniscule cost it will leave all passengers satisfied. And the airlines can operate more efficiently than at present by overbooking more than at present—and paying out smaller sums than the present CAB rules require. And in the long run ticket prices will thereby fall.

Any one airline could unilaterally initiate the Overbooking Auction Plan, and to its own competitive advantage. It could advertise "We guarantee that you will never be disappointed by overbooking on Happy Skies Airlines," which is certainly a more powerful appeal than unprovable claims about friendly service and the like.

If this plan is so good why have the airlines not adopted it? Apparently it is not "dignified" and does not accord with their self-image. Some airlines have said this plainly, while others have offered transparent excuses not to adopt it. These objections are mostly that the plan would be complex and bothersome to operate. Mock-up tests, however, suggest that actual operation would be simple and easy.

Why has not the CAB investigated the Overbooking Auction Plan experimentally? The only answer I've been able to get from the CAB is that the plan is "too novel."

Argument about the plan's feasibility is a waste, however. It can be tested in one day in one waiting room of one airport at the cost of a few hundred dollars and very little inconvenience.

Is there an airline that is serious about improving its service, and thereby increasing its market share and profits, but really worried about the practicability of the plan? If so, my colleagues and I will carry out the experiment, and we will even foot the out-of-pocket expenses. All we ask is cooperation of one airline and perhaps permission of the CAB. Is this an offer that a consumer-oriented, competitive, and profit-minded firm and industry can refuse?

BEHIND THE UNEMPLOYMENT FIGURES

Mr. HARRY F. BYRD, JR. Mr. President, the Senate has recently passed S. 427, the Public Works Employment Act of 1977, and will soon be considering H.R. 3723, to extend unemployment compensation benefits. There are no easy answers to the problems of unemployment and inflation.

Greater Federal spending to solve economic ills has been tried time and time again. Each time this approach has been used, it has failed to provide permanent economic recovery.

The timing of the public works bill is wrong. Many billions of dollars of the outlays that will be generated by this program will come many months hence, when recovery will be presumably well along and inflationary pressures will have increased. Thus the results of these public works programs may cause added inflationary impact.

I think that it should be borne in mind that in this country we must ultimately rely upon the private sector to provide jobs. Rather than pumping tax funds into public works, I think it would be far preferable to create the kind of economic climate that would encourage private expansion thereby assuring more meaningful and permanent employment.

Unemployment can only be reduced when businessmen and consumers regain confidence that our economy will cease to follow a course of inflation followed by economic slowdowns.

The Wall Street Journal, in an editorial published March 7, 1977, addresses the tradeoffs underlying the current unemployment statistic. It provides an informed analysis of why the current rate of unemployment is not likely to fall.

I would particularly bring to the attention of my colleagues this editorial's conclusion that—

If Congress is going to pass laws that keep the unemployment statistic up, it should not panic because the unemployment statistic stays up. If it extends unemployment compensation to 65 weeks, it should not see an unemployment rate of 7% as a reason for deficit and monetary growth that are intended to cure unemployment and succeed in causing inflation.

I agree, and I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BEHIND THE UNEMPLOYMENT FIGURES

Congress must soon decide whether to extend the federal emergency unemployment program, which adds 26 weeks of federal benefits to state benefits, allowing the unemployed to collect benefits for up to 65 weeks in many states. The measure was passed in the midst of the recession, and expires March 31. We hope that Congress will recognize the trade-offs in the decision it faces.

Ever since the Great Depression, the word "unemployed" has conjured images of helpless men unable to feed their starving families. To deal with this heart-rending problem, the U.S. and other western democracies have built elaborate income-support systems, of which unemployment compensation is the most significant. But the same political systems have had a hard time learning a little secret: their systems work. They have solved, as well as any social problem is likely to be solved, the problem they were designed to attack. No doubt a few of the unemployed fit the Depression stereotype, but today it is far from typical.

Thanks largely to the work of Harvard Economist Martin Feldstein, far greater attention has recently been focused on precisely who the unemployed are. About half comprise new entrants into the labor force, re-entrants and people who have voluntarily left their former jobs. The other half have lost their jobs, but of these, 40% have been temporarily laid off and will return to the same jobs.

The First National Bank of Chicago recently broke down the 7.8% December unemployment figure as follows: 1.0% new entrants, 2.0% re-entrants, 0.9% who quit their previous job, 1.6% on temporary layoff and 2.3% who had been permanently discharged. And especially since the unemployment figure includes 16 year-olds looking for part-time jobs, often the unemployed member is not the sole income-provider in his or her household.

There is growing acceptance of the proposition that, even as they solve the Depression-type unemployment problem, income support systems cause the unemployment statistics to go up. People can look longer for the "right" job, and thus stay on the unemployment rolls longer. One Bureau of

Labor Statistics study found that 32% of the unemployed had turned down a job offer.

A dramatic statement of this view appeared recently in a Boston Herald American column by Warren T. Brooks. He observed that between 1974 and 1975, Massachusetts lost 30,000 jobs, but that its unemployment rolls went up by 131,800. He says "the availability of unemployment benefits and the recession psychology brought 100,000 people out of the woodwork and onto the unemployment rolls." Then the state legislature tightened its eligibility standards for benefits, and unemploymnet in the state has dropped to 160,500 from 299,999 in October 1975, though jobs in the state have increased by only 19,000.

In New York State, meanwhile, a study by State Senator Roy Goodman's Committee on Taxation and Operations indicates that a number of New Yorkers repeatedly work the minimum 20 weeks required and then collect 65 weeks of unemployment benefits. On our own part, we recently asked reporters across the nation to write about a few of the unemployed, and they tended to find people who were not in great distress and rather particular about what jobs they took. One job-loser was going to collect his benefits while working on a Master's thesis.

None of this is wholly bad. We are a wealthy society, and to insure that no one falls into dire straits we can subsidize some who do not. It is not wholly unreasonable to subsidize longer searches for the right job, though we should recognize that this involves a loss of production and national wealth. But most of all, if Congress is going to pass laws that keep the unemployment statistic up, it should not panic because the unemployment statistic stays up. If it extends unemployment compensation to 65 weeks, it should not see an unemployment rate of 7% as a reason for deficit and monetary growth that are intended to cure unemployment and succeed in causing inflation.

"NOW, SIR?"—THE PARDON

Mr. GOLDWATER. Mr. President, the public has not forgotten President Carter's order pardoning Vietnam draft evaders. This was clearly brought to my attention in the form of a poem written by an Arizona mother whose two sons served in the Armed Forces during the Vietnam war.

This poem, written as if it were penned by one of the 1,300 servicemen still missing in Southeast Asia, says it all.

Why was it written? Well, the author, Mrs. Bobbie Russell Broumley of Phoenix, says the message of the poem may help make people aware of our obligations as a nation to a wonderful group of citizens. In addition, she wants her sons and grandsons to know that if they are ever called upon again to sacrifice, our Government will not turn its back on them.

Mr. President, I ask unanimous consent that the poem "Now, Sir?" be printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

"NOW, SIR?"

(By Bobbie Russell Broumley)

I just received word
That the turncoat who ran,
Has now been invited
To return to this land . . .
This land, Mr. President,
My blood has kept free . . .
I ask you now, Sir,
What about me?

My mother still sheds her tears
In the night,
My wife is still waiting
Word of my plight . . .
I'm Missing In Action
And my children will be,
Forever wondering.
What about me?
I languish alone
In my hospital room,
Forever to be
In darkness and gloom,
I gave all I had
That men might be free,
Now, I ask, Mr. President,
What about me?
I lived in hell
For seven long years,
A prisoner in Hanoi
In anguish and tears.
But, I remained true
For the whole world to see,
Now as for my honor, Sir,
What about me?
Cowards are winners
While I hoped to save,
A nation of people
Now, I cry from my grave . . .
A slap in the face
For those who would be,
Faithful to death, Sir,
What about me?
I fought in that war
Returned home to find,
Those aiding the enemy
While I left behind buddies
Whose blood stains foreign soil,
What of our sacrifice, honor and toil.
Dear God in heaven
How can it be,
That no one remembers,
Sir, what about me?

CONCERN OF SUBCOMMITTEE

Mr. CHILES. Mr. President, the Subcommittee on Treasury, Postal Service, and General Government is reporting Chapter V—Appropriations for the Department of the Treasury in support of the economic stimulus program without recommendation.

The subcommittee is gravely concerned about the precedent of approving appropriations in advance of receiving legislative authorization. The Tax Reduction and Simplification Act of 1977 (H.R. 3477) has passed the House of Representatives and is now under consideration by the Senate Finance Committee.

The subcommittee believes that to recommend amounts prior to completion of the authorizing legislation would be abrogating our responsibilities in the appropriation process.

MAKING PUBLIC BUILDINGS BETTER NEIGHBORS

Mr. STAFFORD. Mr. President, during the 94th Congress, I was pleased to be a sponsor of the Public Buildings Cooperative Use Act. That bill eventually became Public Law 94–546. I anticipate that the Cooperative Use Act will have a significant and beneficial impact on the way that the Federal Government's activities are integrated into communities across our Nation.

This law directs the General Services Administration to improve the relationship between the Federal Government and the communities through several important ways:

First. It allows the Federal Government to purchase older buildings and to convert them—a job-intensive, relatively low-cost process—into new Federal office space, where needed;

Second. It allows the rental of ground floor space in Federal office buildings for shops and restaurants, breaking up the "public keep out" facade so often found at today's Federal buildings; and

Third. It expands ways for improving access for handicapped persons at Federal buildings.

The Washington Post last week ran an article that discussed this new law, and the many opportunities it provides. In general, it was an excellent article, one that deserves the careful attention of my colleagues. But I must note one rather significant reservation. The article referred to the original sponsor and author of the law, the former Senator from New York, Mr. James Buckley, as "William Buckley." Knowing the good humor with which he is endowed, I know that Senator "James" Buckley will understand such misstatements by the Washington Post.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEDERAL FORTRESSES

(By Robert A. Peck)

Our so-called "public" buildings are run as if they were the private precincts of the civil service. A uniformed guard at the door often makes a visitor feel he has as much business applying for a government job, say, as forcing entry to the Pentagon war room. Hardly anywhere are pleasant accommodations provided for people waiting to have their petitions cranked through the administrative machinery.

Cavernous lobbies and barren plazas are peopled only in the drawings architects submit to federal construction officials. Federal building managers close off alluring entryways, courtyards and balconies. Government bookstores and employment offices are tucked into sub-basements and out-of-the-way corridors. The atmosphere in the cafeteria—not to mention the food—reminds one of a James Cagney prison movie.

The message comes through: "The public be damned." If you're a downtown shopper, don't say "meet me in the Federal Building" or plan to picnic in the courtyard. If you're a town planner, don't ask the government to allow commercial uses in its ground floor space.

The message is, "the employees be damned," too. These mean buildings reject both institution and evidence that a pleasant environment improves the quality of work. Perhaps our Jeffersonian distrust of government impels us to punish those who work for it. Yet the one amenity the government has borrowed from private industry is the very un-Jeffersonian executive dining room, surely the most contrived status symbol (next to first-class on the Paris subway) post-industrial society has conceived.

Improving federal architecture is not a matter of getting "distinguished" architects to design "prettier" buildings. It is more basically a matter of putting federal architecture back in touch with the people. What we need is a "good neighbor" policy in our public buildings program.

Congress on Oct. 1, 1976, provided the legislative authority needed to initiate this policy. Acting on the recommendations of the National Endowment for the Art's Federal Architecture Project (reported previously in

this column). Congress gave final approval last year to the Public Buildings Cooperative Use Act, and President Ford signed it into law Oct. 18. The bill was sponsored in the Senate by Sens. Robert Morgan (D-N.C.), Howard Baker (R-Tenn.) and William Buckley (Cons/R-N.Y.) and in the House by Reps. Bella Abzug (D-N.Y.) and Bo Ginn (D-Ga.).

The new law requires the General Services Administration to locate some federal offices in old, landmark buildings. Some were designed on a more intimate scale than contemporary office buildings, and it ought to give citizens some relief simply to see the government scaling down its architectural pretensions and associating itself with the best of our past. The law could save the Willard Hotel from dying of neglect and bring new life to the Old Post Office and the Auditors Building (the turreted, Victorian building next to the Washington Monument grounds). GSA is already studying plans for the latter two.

The law also permits GSA to rent out ground-level space in federal buildings to stores, restaurants and the like. It orders GSA to encourage public access to buildings and to promote pedestrian activity in and around them. Here is an opportunity for federal buildings to reassume the role the "U.S. Post Office and Court House" had up until about 50 years ago in America's smaller cities and towns: as a center of civil and commercial life.

Here in Washington, of course there are areas of town—most obviously, the Federal Triangle and the congruent area on Independence Avenue—that have no civic or commercial life precisely because they are dominated by federal buildings. And whatever signs of city bustle break through during office hours vanish at night and on weekends.

When the Federal Triangle architects laid out the curved 12th Street facade of the New Post Office Department, they said their model was the Place Vendome, the glittery Parisian shopping square. Using the new law, we can capture the spirit as well as the look of their model by installing shops in the graceful arcade. We can also make good at last on the 50-year-old government promise to dedicate the Triangle courtyards to pedestrian uses. That requires no new law, just a change of attitude, some landscaping and a few benches and tables.

The law could even humble the J. Edgar Hoover FBI Building. Its hostile Pennsylvania Avenue face is conveniently composed of thin concrete panels. The District's Municipal Planning Office has already proposed that the panels be exchanged for shop windows. Even more convenient are the building's generous courtyard and its mezzanine promenade, replete with built-in amphitheater. Noontime and evening performances by local dramatic, musical and dance groups set amid the tables of an outdoor cafe might overturn the building's oppressive architectural imagery.

The new Labor Department and the Forrestal Building have ample—but empty—reception lobbies. Barriers between visitors and employees might drop a little if they shared some moments taking in an arts and crafts exhibit, a display showing off a government agency's work or an indoor choral performance. Perhaps GSA could divert some of the money it sets aside for isolated monumental sculptures to purchase sound and lighting equipment for exhibits and performances.

Some government buildings already house public attractions: The Interior Department has an Indian craft shop and a departmental museum in its basement, the GSA a Geological Survey map store off a front hallway and the USIA a Government Printing Office bookstore up the steps and around to the right from the front door. But there is no evidence of any of them on the street; there are no directions inside, either. If good fences make good neighbors, so do good signs.

The traditionally hospitable National Park Service is notable for its courteous and occasionally witty information and warning signs. The National Gallery of Art, Archives and Museum of History and Technology recently have shown us that festive banners draped on the walls and between the columns of monumental buildings not only attract the attention of passers-by but also color and soften the severe white forms.

The lesson seems to be that opening a building to the public requires more than just removing the guard from the door, although that is a good first step (a step the present GSA leadership has taken at its own headquarters). It requires changing some long-ingrained attitudes: One GSA building manager, asked if he welcomed the public into a federal building, reportedly replied yes, he allowed people to use the restrooms.

As a first step, the new GSA leadership could announce a number of "good neighbor" demonstration projects, just as GSA has promoted energy conservation demonstrations in recent years. The announcement would come none too soon. The people in the hinterlands are beginning to catch on to what the government has wrought in their townscape and they don't like it. An Oregon critic recently wrote of the new Portland Federal Building's plaza:

"While the Federal Plaza may please the esthetic sense of some officials looking down from their 10th floor offices, the lowly taxpayer-pedestrian is beset with impossible circulation patterns, no place to stop and sit, total absence of shelter and a feeling of emptiness that borders on panic . . . if the goal of the plaza was to impress the onfoot citizen with the image of federal power, it is a huge success."

The Portland building might be a good place to start, and there are other federal sites all over the country, not to mention those right here at home, that would qualify as well.

There was a time not long ago when the people in American towns were proud to get a new federal building. They saw it as a token of the government's friendly and active support for their community's development. Federal buildings can project that image again. And the officials in those buildings, exposed to the flux of everyday life, would be part of a government literally back in touch with the people.

CIVIL RESERVE AIR FLEET

Mr. NUNN. Mr. President, the silver anniversary of the Civil Reserve Air Fleet will occur on March 20, 1977. During its first 25 years, the Civil Reserve Air Fleet has proven itself worthy of its name—a civil air fleet in ready reserve when the needs of the United States demand its use. This fleet of over 300 aircraft belonging to 21 U.S. carriers has been a dedicated partner to the U.S. Air Force in times of crisis having never failed to respond to a call for support. The 25th anniversary of the Civil Reserve Air Fleet is an appropriate time to study its future role in our strategic airlift requirements.

During my recent review of the problems facing the NATO Alliance, it became clear that in the face of decreased warning time it is essential that our capability for rapid reinforcement must be dramatically improved. As Senator BARTLETT and I indicated in our report to the Armed Services Committee, U.S. strategic airlift capability is inadequate and the demand for those resources will exceed the availability in the event of a short warning attack by the Warsaw Pact forces.

As I view the problem, it is apparent that modification of the Civil Reserve Air Fleet aircraft provides an exceptional opportunity for us to expand our strategic airlift resources in a very cost-effective manner. In view of the requirements for increased strategic airlift capability, I believe we should take a very serious look at the Carter administration's proposed funding for this program in the fiscal year 1978 defense budget.

Mr. President, I commend to all my fellow Senators an editorial from Aviation Week and Space Technology regarding a blueprint for the future of airlift developed by Gen. Paul K. Carlton, Commander in Chief, Military Airlift Command. General Carlton will be retiring from the U.S. Air Force on April 1, 1977, but his valuable ideas and proposals for the concept of a "total airlift system" will continue into the future. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A TOTAL AIRLIFT SYSTEM

(Gen. Paul K. Carlton, who has been commander of Military Airlift Command (MAC) for the past 4 years, has developed a white paper calling for joint civil military development and operation of future cargo aircraft. Because of the impact this concept would have throughout the industry and military, Aviation Week & Space Technology is publishing key excerpts below—Ed.)

Future airlift requirements are closely related to the world economy, and therefore, international economic developments bear watching. Traditional indicators point to continued inflation and budgetary and financial constraints for both the civil and the military sectors. The prices of raw materials, including petroleum, may continue to rise, thereby increasing the costs of end products. Any reduction in the prices of airlift services relative to other prices will result in an increase in traffic of the civil carriers. Therefore, one way to bolster the economic strength of the civil aviation sector is to adopt policies which serve to reduce the costs and relative prices of air transportation. At the same time, increases in domestic and international economic growth will also increase the air cargo market.

Strategic airlift, as a blend of the civil and military sectors, provides an opportunity to achieve economies in air transportation. MAC and the airlines should work together with the aircraft manufacturers to design a large, efficient, "uncompromised" air freighter (termed the C-XX by the military) suited to both civil and military operations. Should this be achieved, the resulting large-volume production of such aircraft would yield lower aircraft prices which, in turn, would benefit the airlines by permitting lower prices for commercial air freight services, thereby increasing traffic. In addition, the improved service quality provided by an "uncompromised" air freighter would increase traffic even more.

MAC would also benefit from being able to purchase its next generation of strategic aircraft at lower prices. Furthermore, it would benefit from having essentially the same aircraft operated by the airlines and committed to CRAF [civil reserve air fleet] for emergency expansion. The commodity in aircraft would also promote standby expansion capability by providing civilian crews familiar with MAC aircraft and by providing stocks of space parts that could

be used interchangeably among military and civil aircraft.

Indeed, some of the existing imbalances of aircraft, equipment and personnel . . . would be reduced by obtaining commonality in aircraft.

. . . As our forces pull back from foreign lands, the demands of our strategic airlift force increase. There is a sense of urgency for us to recognize and exploit the contribution that a civil standby capability has to offer. Our task then is to provide a better blend of civil and military airlift assets so as to achieve a maximum capability from the nations airlift resources. The result would be an increase in deployment capability at less total cost to the government. We could effectively decrease the need for military transports and still maintain our ability to respond to our commitments abroad. At the same time, the commercial carriers could enjoy reduced operating costs.

. . . A new national airlift policy will have to be developed, unifying the civil and military airlift capabilities. The ultimate goal of this civil-military partnership will be to reduce costs and gain increased airlift capability through efficient utilization of this combined transportation resource. A way must be found to yield a healthy growth rate so as to increase the mobilization base for national security.

A major contribution to this blueprint for the future, which includes all aspects of aviation from the manufacturer to the air carriers as well as the military, is the development of a comprehensive airlift system based on a rational and realistic airlift policy. A major part of such a policy would be the use of the same aircraft type as outlined above. Given agreement on the basic characteristics of this aircraft, a problem arises as to how it would be purchased by the airlines. Assuming the availability of adequate financing, the present system of ownership by the airlines could be continued with the associated mobilization provisions of the CRAF program. Alternatively, the aircraft might be owned jointly by the government and the airlines and used interchangeably. Finally, if financing could not be obtained by the airlines, the government could purchase the aircraft and lease them to the airlines.

Government ownership of aircraft would require new and comprehensive legislation formed from precedents set earlier in the modes of transportation. The proposed all-encompassing legislation should consolidate, clarify and expand all previous airlift acts and directives. It should also provide for a government airlift commission (somewhat as proposed by Rep. [J. F.] Kennedy in 1949) with broad-based authority to foster and promote the development of the civil-military partnership, but with special emphasis being placed on procurement and operating efficiencies to overcome some of the drawbacks experienced in the Merchant Marine program over the past few decades. The Commission could be authorized to operate and lease property or equipment under its control, enter into contracts, extend or renew loans, and formulate policies that would be meaningful and pertinent to the civil-military air transport sector. Under authority provided by legislation, the Commission could provide construction and operation differential payments as well as various forms of insurance and loan guarantees. With its broad powers, the Commission should be able to accomplish everything from stimulating the air cargo market to developing follow-on aircraft to meet the future demands of the nation. Undoubtedly, a most important task would be the development of recommendations as to airlift policy which would result in a total comprehensive airlift system. This system would emphasize distribution flexibility by reducing the time of movement in transportation pipelines, reducing inventory and warehousing costs, and lessening the chances for loss or damage. . . .

The "total airlift system" could also affect cost savings by attacking areas of duplicated fixed costs such as airfields, support facilities and equipment, storage facilities, freight terminals and systems, and spare parts. The system could include joint tenancy at airfields and other installations. Present military airfields in industrial areas of the country are generally located away from large cities and have good access to highways and railroads, offering excellent transshipment points for commercial air cargo operations.

Economies would be gained by "piggyback" on maintenance, storage, and freight handling facilities should this yield economies of scale. This, coupled with a common aircraft type featuring standardization of aircrew, mantenance personnel and required supplies, would pay great dividends to the American taxpayer and consumer. . . .

The proposed "total airlift system" would provide the civil industry with cargo capabilities that no other nation could match and, at the same time, provide the military with an augmentation capability to meet the demands of the nation's mobile forces.

The final phase of the "total airlift system" would be the establishment of a worldwide airlift reserve consortium among the civil airlines of our allies. This consortium would insure that future aircraft systems would be complementary and mutually supporting. . . .

GOVERNMENT ENCROACHMENT

Mr. TOWER. Mr. President, I recently had the opportunity to meet with a number of my fellow Texans who were visiting our Nation's Capital as representatives of the various chambers of commerce in our State. As in previous years, these meetings attract a good turnout, and I think this is indicative of the fact that Texans take a strong and active interest in the governmental affairs which affect our Nation, our State, and our local communities. We all profit, I think, from these discussions about existing and proposed legislation, and the effect it will have on our State.

Among the group this year were members of the Big Spring Area Chamber of Commerce, who presented me with some written comments regarding various legislative issues, and expressing their concern about the constant encroachment of the Federal Government on the rights and freedoms of the States, the localities, and our individual citizens. I think this cogent presentation reflects the feelings of most Americans, whether they live in my own State of Texas, or in other parts of this country.

Mr. President, so that my colleagues in the Senate may have the opportunity to appreciate these sentiments, I ask unanimous consent that these comments from the Big Spring Area Chamber of Commerce be printed in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

BIG SPRING AREA,
CHAMBER OF COMMERCE,
Big Spring, Tex., March 7, 1977.

We are deeply concerned and express to you our increasing alarm over the constantly growing menace to what we all know and refer to as "the American Way."

The freedoms that we so casually take for granted are being drastically eroded thru the sprawling giant known as big government. The two most menacing areas of government encroachment are:

1. Excessive federal control and regulation.
2. Accelerated federal spending which far exceeds our national income.

These two deadly cancers aid and abet each other and must be cured if our nation is to survive. Only the Congress of the United States can reverse this disastrous course.

We ask you use the influence of your office to re-establish the basic ingredient which has made the United States the world leader for 200 years, "Freedom of Enterprise."

For the Board of Directors,
W. L. ALBRIGHT,
Executive Vice President.

EXCESSIVE GOVERNMENT CONTROL

Normally the Congress provides fair and just legislation to guide our country. Interpretation and administration of those laws often deviate from the originally intended purpose. Administering agencies should be encouraged and admonished by the law makers to show a greater degree of common sense.

EPA

Strict enforcement of the ban on new construction in "non-attainment" areas is a serious blow to the creation of new jobs throughout the United States.

* * * * *

Non attainable auto emission standards are unreasonable and if enforced will create a shut down of virtually all auto production in this country.

* * * * *

OSHA

Ambigous standards set by newly proposed rules to eliminate or reduce a non-existent problem in the operation of cotton gins will require large capital expenditures. The result—some gins will be forced to close resulting in more lost jobs and of course the increased cost will eventually be assessed the consumer.

* * * * *

Unreasonable levels of noise standards proposed by OSHA make the administration of such a program utterly ridiculous. A hearing conservation program built around ear-plugs or special ear muffs could provide a greater degree of protection at a fraction of the cost.

* * * * *

Government paper work ranks high on the list of troublesome problems created by excessive government regulation. Generally, the smaller the business, the greater the problem because there are less people to do the administration required by government.

EXCESSIVE FEDERAL SPENDING

It would appear that Big Government teamed with Big Labor is on a course to put Business, both Big and Small out of . . . .! Each year it becomes more difficult for business to operate and to make a profit. Of course the example of Britain, Australia and Canada can serve as a contemporary warning that "it can happen to us."

Of course what we're speaking of is the inflation that rhymes with "spending nation." And the next stop on this trip is socialism.

MINIMUM WAGE

An increase in the minimum wage is certain to have some very drastic immediate effects. First, many jobs now held by people earning the present minimum wage will be lost. Second, some employers will be forced to go out of business simply because they cannot afford to pay more in wages—the end result is still less jobs for more people.

* * * * *

TAX REFORM

Of course a permanent tax reduction is desirable. And any tax credit action that will stimulate business in the private sector is just what we need right now. But a phony fifty dollar rebate which will stimulate only inflation is a rip-off of the American people.

* * * * *

WELFARE REFORM

The welfare "crime against civilization" is largely responsible for the unhealthy economic crisis experienced by the United States today. It has preempted the work ethnic that helped to make our country the economic leader of the world. It is easier to receive (welfare) than to give (honest work).

OTHER VITAL ISSUES

REPEAL OF 14B

Again the labor forces are aligned to further deny a freedom to the American worker—the right to choose union membership or the right to reject such membership. If enacted it will mean higher labor costs and add to the nations number one enemy—inflation.

* * * * *

CONSTRUCTION SITE PICKETING

Same song, second verse—another opportunity for big labor to increase the cost of productivity and decrease the effectiveness of a free economy. Secondary boycotts, now prohibited by law, are simply un-American and must remain illegal.

* * * * *

PETROLEUM DIVESTITURE

Such an effort to break up the major oil companies is just another example of either thoughtless false economy or a downright malicous attempt to divest this country of the basic American tenents of freedom of enterprise. The net result would certainly be increased cost to the consumer and reduced efficiency in providing much needed energy.

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WAGE AND PRICE CONTROLS

Time after time, history has proven the fallacy of a regulated market. A free economy cannot survive such controls. Federal deregulation in the case of current controls and a strong program to protect the free market system is essential to the quality of life that we now experience and that we plan for our future.

"Let Government serve the people and not master them!"

PRESERVING THE FAMILY FARM

Mr. HUMPHREY. Mr. President, I wish to share with my colleagues an article by Cy Carpenter, executive director of the Minnesota Farmers Union, entitled "Preserving the Family Farm."

Cy Carpenter is one of the most capable and public spirited farm leaders in this Nation today. I have worked with him and can vouch for his judgment and capabilities.

In his article he indicates that very often agriculture and farmers have been praised but rewarded inadequately for the contribution which they make to the Nation and the world. He suggests that generally "farmers have received less income, less return on investment, less access to education, a lower level of health care, poor housing."

He also suggests that "farmers have outstripped business, labor, and industry in efficiency and productivity. The consumer receives an ever increasing supply of food and fiber for an ever decreasing percentage of his earnings."

Mr. Carpenter suggests the need for a number of steps to improve farm income and maintain the existence of the family farm. He also notes the passage of the Family Farm Security Act by the Minnesota State Legislature to enable young farmers to acquire land and get into the business.

Mr. Carpenter also points out programs for which the Farmers Union has fought over the years in order to assist farmers and improve life in rural America. I wish to commend him and the Farmers Union on the leadership which they have provided.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESERVING THE FAMILY FARM

(By Cy Carpenter)

Throughout the past 200 years of our history, America has praised and extolled the quality and virtues of both our farmers and our family farm agriculture. From the first display of courage and determination at Lexington and Concord to the modern array of finance and mechanical gadgetry, it has been the family farmer's production know-how that has held American agriculture in the envy of the world.

Our family farmers have been richly praised, but what else have they received? The grim reality of the situation is that much of what has been offered as tribute to the character and contribution of American family farmers has been only lip service. Throughout most of our history, farmers have received less income, less return on investment, less access to education, a lower level of health care, poor housing, and the list goes on. In fact, the majority have been forced out of the farming business, in spite of ever-growing demand for their product. From this, we are forced to ask the question "why?"

Can we assume that the family farmer and the family farm system of agriculture have not really been all they should as America has changed and grown and prospered? The answer is a resounding "no!" Then, if we are to recognize these realities of the past, we face the question, "what difference will it make to keep the family farm system of agriculture?"

Perhaps we should consider some of the contributions of family farm agriculture, and perhaps even more important, review conditions that will involve agriculture as we move into the third century.

STANDARDS OF EFFICIENCY AND PRODUCTIVITY

From a public standpoint, farmers have out-stripped business, labor, and industry in efficiency and productivity. The consumer receives an ever increasing supply of food and fiber for an ever-decreasing percentage of his earnings. Food and the products of our farmers have been a major force in keeping America first in times of war and peace. More recently, these products have given great strength and stability to our balance of trade and thus to our national economy.

Additionally, our greatest natural resource—the land—while held and worked by our family farmers, has not only been appropriately cared for, but unlike any of our other natural resources, is perhaps in better condition to meet our needs than it was a century ago. Still further, the family farmer and the rural community he has sustained, has demonstrated a unique and harmonious way of life. The American people are increasingly demonstrating their support for farm communities by attempting to move back to the country and become a part of them. It is obvious that family farmers have done much to build our nation. But what about tomorrow, and the century ahead?

Since the public has not seen fit to reward family farmers equitably for their contributions in the past, it becomes obvious that our family farm system will be supported and retained only if it can continue to demonstrate that it has special advantages over other kinds of agriculture. Increasingly the consumer sees the source of food only as the nearest grocery store, and the price not a part of his earnings in total, but rather a definite number of dollars.

As we move into the future some trends are already obvious. To mention a few:

Our economy, trade position, and general level of world leadership will be subjected to greatly increased competition, not only from the developed countries that are striving for greater trade and GNP growth, but also from the developing nations and OPEC block as they struggle to strive for growth, development, recognition, and an opportunity to share more of the material wealth of the world.

The problem of world hunger and food shortage will continue to be a major consideration both in meeting our moral obligations and in world politics. While its intensity may vary it will continue to play a major role in our nation's direction.

The energy crisis, and particularly the need for maximum energy efficency and less dependence on petroleum energy, must be met in a manner that will allow us to proceed not only through short-term crises, but toward long-term solid progress and uninterrupted growth.

Within our own country we will need to establish an economic climate that will encourage both the greatest efficiency and balanced growth of small business throughout the country, as well as our business giants. We need to encourage the growth and development of all our communities instead of only a few population centers.

Where does the family farm issue fit in this discussion? Frankly, right in the middle.

Agricultural products will continue to be one of our most valuable items in meeting economic competition from other nations. Agriculture is the one area where the U.S. can expect to hold a growing position of advantage for an indefinite period. Every reliable study has shown that our most efficient and productive type of farming is that of the family farm operation.

A TOOL FOR WORLD PEACE

As we strive for world peace, the food produced by our family farm system can do more to meet the problems of world hunger than those of any other nation. It can be used as a great tool for peace and development. In the face of the energy crisis, the family farm system is the most effective and efficient user of energy there is. With the great adaptability already demonstrated by our family farmers, there is little question that they could readily adjust to utilization of wind, solar, methane and other sources of energy, as this becomes increasingly necessary. In fact, a wide distribution of family farms might well participate in the generation of electricity through the use of wind power generators. Solar beds could also be harnessed by REA cooperatives, with rural distribution.

In looking to the economic climate and stability of our own nation, nothing has given more economic stability in the past than a stable agriculture. While there has been much speculation about farming by robots, farm fields under plastic bubbles, or harvesting our food from the sea, these are, in fact, little more than pipe dreams when we are faced with the reality of the tomorrow directly ahead of us. From the standpoint of the consumer, a more sobering thought is that no other business or industry could op-

erate under some of the conditions involving family farm agriculture in America today.

Consider the return on investment alone. Many family farm operations receive 5% return on their investment or less, with nothing for capital and labor. This is a serious affront to farmers. Conditions are worsening and cannot continue without correction. The consumer should be quick to realize that if he were to go to a corporate form of agriculture, the return on investment would have to be comparable to that in other fields competing for this investment, with the added cost of labor at union scale and management similarly compensated. This added cost must be applied to the product cost, food prices.

If there was need for further demonstration of the capability and desirability of a family farm agricultural system, it stands before us today. In Minnesota and South Dakota, perhaps the worst drought in history hit our family farmers. Farmers in these two states alone suffered a 2 to 3 billion dollar loss as the result of the drought. It is truly hard to comprehend the magnitude of such a dollar loss. The damage itself is severe enough, and the other problems it imposes upon the farm families involved are truly cruel and difficult. And yet, there is no question as to the capability of our family farm system to continue uninterrupted and be ready to produce again next year. This is ironic, because our family farm system is so diverse and so capable that the consumer was offered food at lower prices from the farmers' standpoint because of excessive production in other areas, and total production that temporarily out-stripped demand. For any other industry, any single segment of our business, any population center with an equal number of persons, to have suffered such a loss would have been such a catastrophe it would have required special national corrective action. In fact, when a dam bursts or some other tragedy of narrow scope occurs, the force of every Federal agency is quickly brought in to help, as it should be. But the loss of $50,000 in crops is just as real as the loss of a $50,000 home. In many instances, it is in fact worse because of the many additional losses that cannot be measured in terms of reduced crops alone.

This is a rather startling demonstration of the adaptability and survival capability of our family farm system. However, we do not seek sympathy, we want an honest appraisal of the facts, and to take a direction that is in the best interest of all Americans.

WHAT WE STAND TO LOSE

In fact, if we were to lose our family farm system of agriculture it is not the family farmers alone who would suffer. The consuming public would pay prices that would go far beyond the dollar increase in their food costs. It would mean the loss of tens of thousands of small businesses and the rural communities they comprise, if corporate giants operated agriculture and provided their own finance, service units, implements and repair, transportation, communication, energy and other needs. There would be no rural telephone association, no REAs or other cooperatives now serving agriculture, because this form of agriculture would serve itself, at an add-on cost to the consumer.

Recognizing the seriousness of this problem from its beginning, the Farmers Union has worked to provide support for the family farm system and to promote understanding on the part of the public to the universal advantages resulting from this efficient and productive kind of agriculture.

Congress has often recognized these advantages, and has frequently passed measures that are designed to promote and guard family farm agriculture. However, in many instances, these programs are not implemented to the advantage of the family farmer, but often are subverted or misused by the giant operators to the disadvantage of the program, to the disadvantage of the small farmer, and often to the disadvantage of the public in terms of understanding programs of this nature and the true position of the family farmer.

As we review the history of agriculture in this nation, there is not one single advantage of corporate farming over family farming, except for those who might profit directly from corporate agriculture. This being the case, what can and should we concern ourselves with to assure a continuation and growth of the most desirable kind of agriculture for the family farmer, their rural communities, for America and for the world?

First, we need to do everything possible to provide this kind of understanding on the part of the public. This means there is no time to be spent on trivial differences or problems that occur in any activity this broad and encompassing this many people.

Next, we need to demonstrate first with our actions and then with the support of the public that we are not powerless. We do not have to accept either a change or a continuation of trend if it is going to be harmful. We ought to determine the kind of rural America and agriculture we want, and then we ought to recognize that we do have the ability to influence decisions either through our efforts as individuals or through farm operations, cooperatives, agencies, services, state and federal agencies, and legislative processes.

Once we have convinced ourselves and caused the public to truly understand the value of a family farm agriculture and rural communities throughout our land, we need to demonstrate fully that corporations do not have to compete with family farmers in the true sense to gain advantage or take control of part or all of agriculture. Greater access to capital, greater use of tax advantages and loop-holes, greater buying and bargaining power in the procurement of supply materials, fertilizer, machinery, chemicals, greater purchasing power due to volume buying of materials, energy, services and transportation can give a decided advantage to the giants without ever competing the field of farming. Further, in the future the control of water, favorable decisions on land use, pollution control, world market access and contracting, can be applied to the advantage of the corporate operator to literally control or force the family farmer off the land before the outside investor finds it necessary to control and operate the land itself. In this connection, just the destruction of our cooperatives would, I believe, eliminate our family farm system. Farmers must have cooperatives, and cooperatives cannot survive without family farmers!

We need to be not only mindful, but active in preventing these things from happening. Abuse of the water rights in California is a prime example of what can be done when programs designed and intended to support a family farm system of agriculture are allowed to be abused by those with wealth and power. We must act to insure that farmers have access to the land not in competition with greater capital power, but with the assurance that the land will be retained by family operators.

Minnesota has demonstrated both the recognition of this need and the ability to act, and has taken a different direction by passsing the Family Farm Security Act.

This puts the resources of the state in support of a method of transferring land to the advantage of the young farmer just starting out and demonstrates a change in the ability to transfer agricultural land in harmony with changing conditions in farming and our economy. This kind of redirection in land transfer has not been demonstrated before in at least a century. Minnesota, North Dakota, Oklahoma and other states have passed laws against corporate farming. These are necessary but they are only one small measure and must be recognized as only a part of a program to save the family farm.

Each of us, as individuals or part of an organization, must make sure that our efforts contribute to this end not only today but in the future we will face. We must work to find ways to help family farmers meet their capital needs; to be sure that they can participate through their cooperatives in the marketing and procurement of farm supplies in a competitive manner.

The communication business must provide not only modern communications for today, but must provide the services for family farm agriculture that corporate business and extensive capital might provide if they were running our agricultural industry. You must be just as innovative as they with radio-telephone communications, computer projection and analysis, overseas and domestic information, farm to market, and person-to-person communications on food and consumer issues. This is not only in response to demand or request. We must initiate such action and provide this direction before we are actually called upon to do so.

We must demonstrate the need for a comprehensive national food policy that allows all of us to plan for realistic agricultural production. Our supply of food for our consuming public and our world needs must be based on a planned economy, rather than a crisis boom-and-bust course.

Farmers Union has a responsibility to provide ideas, understanding, suggestions, and direction. We have worked and fought for many years for cooperatives such as those which NTCA represents and other serving family farmers throughout this country. We recognize this to be a necessary part of the family farm system of agriculture. We have also fought long and hard for farm programs such as farm commodity loans, FmHA and other kinds of finance, soil conservation and many other programs that more directly involve family farmers. We must continue to support the programs that will assure the farmer a decent return for his product, the ability to obtain and own land, access to education and good healthcare, housing, and transportation so that we can then move to the programs supportive to rural electric, rural telephone, and overall rural development. We must use our greatest resources—our land and our people—to produce some of the most basic benefits, an abundance of food and fiber, a broad distribution and sharing of our wealth and a desirable community and environment in which to live and raise our families. The greatest contribution we can make to each other in a world at peace is perhaps demonstrated most clearly and effectively by our family farm system in our rural community.

ALASKA PIPELINE ROUTE

Mr. STEVENS. Mr. President, one of the most crucial issues facing this country today is the supply of natural gas under Alaska's North Slope to the hard-pressed consumer in the Lower 48. There is an estimated recoverable gas reserve under the North Slope of 26 trillion cubic feet, enough to supply our country's entire natural gas needs for 3 years. There are three proposals to move the gas from the North Slope, only one of which would be entirely under U.S. control. The other

two lines involve pipelines across Canada.

Recently, the all-American route, that proposed by El Paso, received a much needed shot in the arm when yet another major organization endorsed the proposal. At the Miami meeting of the AFL–CIO Executive Council, the AFL–CIO urged the Carter administration to approve the proposed trans-Alaska gas route to assure "expedited availability" to the Lower 48 of natural gas supplies that will increase the Nation's energy self-reliance. This significant endorsement follows by a couple of weeks one from the International Brotherhood of Teamsters because, among other reasons, the trans-Alaska line will be under the constant care, custody and control of the United States.

I urge all concerned to read the AFL–CIO endorsement of the El Paso-all American route which I am submitting here.

I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON ALASKA PIPELINE ROUTE

The nation's need for new energy supplies has been compounded by the effects of the harsh weather conditions which have raised the demand for fuel supplies to unprecedented levels. The dual effects of the cold winter in the U.S. east and midwest, coupled with the drought on the West Coast, have produced economic chaos that has affected the nation's vital industries and many homes.

In the early months of this year hundreds of thousands of American workers have been temporarily and in many cases permanently thrown out of work because of the lack of adequate energy supplies, particularly natural gas. In the West the continuing drought has not only caused economic problems but threatens the supply of cheap hydroelectric power which is the basis for the operation of many industries in the West.

These problems have heightened and dramatized the immediate need for additional energy sources, of which natural gas is in the shortest supply. One of the most immediately available new sources of energy for the U.S. are the huge reserves of natural gas available on the North Slope of Alaska. The production of this gas would make a major contribution towards the nation's efforts to become more self-reliant in its energy supplies.

There are three proposals now being considered by the Administration for moving Alaska gas to consumers in the lower 48 states. Of the three only one would be entirely under U.S. control. This is the Trans-Alaska gas route. The line would largely parallel the Alaska oil line across Alaska and would involve the construction of a complex of gasification and liquefication facilities as well as a fleet of liquid natural gas vessels to carry the gas to the U.S. West Coast. The other two lines both involve gas pipelines across Canada.

The decision on which of these three lines the Administration will support will be made by the President later this year. The President's decision will then be forwarded to Congress for it to approve or disapprove.

Of the three proposed routes, the Trans-Alaska line will provide the maximum job benefits in Alaska as well as in the lower 48 states, particularly during the construction in U.S. yards of the fleet of LNG vessels needed to carry the gas. The line would employ over 44,000 construction, trade and shipyard workers during the peak construction phase. In addition the Alaska gas line, because it would use many of the facilities built for the Alaska oil pipeline, could be constructed sooner than the two competing routes across Canada.

As important as the employment benefits are, however, the need to obtain secure supplies of gas for the lower 48 states as soon as possible to meet the present shortage clearly transcends all other considerations. On this basis also the Trans-Alaska line is clearly superior.

Therefore, the AFL–CIO urges the Administration to approve the Trans-Alaska gas route in order to assure the expedited availability of the secure new gas supplies that will increase U.S. energy self-reliance.

CARRYING THE BALL

Mr. DURKIN. Mr. President, media coverage of the Congress necessarily focuses on issues, not on men and women, and on events, not on procedures. That is unfortunate, for it is the men and women who deal with the issues, and it is the procedures which shape the events. The result is that Congress is too often highly visible but little understood.

For this reason, I was delighted to see an article in yesterday's Wall Street Journal focusing on Senator ALAN CRANSTON and his important role as the Senate majority whip. By detailing Senator CRANSTON's activities for a week, this article has given the public a clear view of the complexity of the legislative process and the vital role played by the leadership. Legislation does not just flow through Congress, it must be carefully coaxed and guided. Competing legitimate interests must be reconciled, and there is perhaps no truer test of leadership than this. As this article makes clear, Senator CRANSTON has devoted not only considerable skill, but also considerable energy to this difficult task. Those who know him know that he will continue to be successful.

Mr. President, I ask unanimous consent that this article be printed in the RECORD, for it serves to illuminate the fine job being done by Senator CRANSTON as well as the intricacies of the legislative process.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DEMOCRATS' WHIP, SENATOR CRANSTON, EMERGES AS KEY ASSET FOR CARTER

(By James P. Gannon)

WASHINGTON.—The phone rings in the elegant Capitol office of the Senate majority whip, Alan Cranston. The caller is Paul Warnke, President Carter's controversial nominee to be chief arms-control negotiator, the subject of a hot Senate battle.

"Paul, you ought to try to see Henry Bellmon," Sen. Cranston says. "(Sen. Edmund) Muskie has talked to him and thinks that we have a pretty good crack at him, and I do too," the Senator tells his caller. The conversation is crisp and to the point. Sen. Bellmon, a Republican from Oklahoma, is listed on the whip's dogeared head-count tally as undecided on the Warnke nomination, so Sen. Cranston is mobilizing a bit of personal lobbying by the nominee to try to win the Oklahoman's vote for confirmation.

That phone conversation, which took place on Monday morning of last week, provides a peek into the backstage life of the Senate, where Democratic Whip Alan Cranston plays a vital but largely unseen role. The 62-year-old Californian, who in January was elected to the Senate's No. 2 leadership job of assistant majority leader, or whip, is one of the chief backstage managers in Congress, and he is plunging into his new role with characteristic zest.

Last Week, Sen. Cranston allowed a Wall Street Journal reporter to observe him closely in his work. The picture that emerges sheds light not only on what the whip does but also on how the Senate works and how its relationship with the new President is evolving.

A workhorse among the Senate's many show horses, the unglamorous Mr. Cranston is a man ideally suited for his job. Neither a great orator nor a charismatic political figure, he thrives instead on the nuts-and-bolts works of Capitol Hill: counting and rounding up votes, building coalitions on issues, and doing out-of-the-limelight lobbying for the liberal causes he believes in.

CARTER-CONGRESS RELATIONSHIP

"If he weren't the majority whip, he would be a de facto whip," says Dan Tate, a White House lobbyist who is the President's liaison man for the Senate. Mr. Tate, who was a Senate staff aide for seven years, adds, "He probably has the best antenna and the best network (of political alliances) of anyone up there." Sen. Cranston "makes my job so much easier," the White House lobbyist declares.

These days, the White House needs all the help it can get on Capitol Hill. The early relationship between Congress and the new President, an outsider from Georgia with a reputation for combativeness, has been marked by uneasiness and tension. The White House failure to consult Democratic leaders on some appointments and some controversial decisions, such as the proposed cancellation of major water projects, has brought protests from both House and Senate.

In this atmosphere, the lanky, bald Californian with the good Senate connections is emerging as a crucial asset for President Carter on Capitol Hill. The unchallenged boss of the Senate, of course, is Mr. Cranston's superior, Majority Leader Robert Byrd of West Virginia. But Sen. Byrd, who has been outspokenly critical of Mr. Carter's handling of Congress, has made it plain he won't be the White House ballcarrier on every play. He did nothing, for instance, to round up votes for Mr. Warnke, who was confirmed last week, and he voted against the President's plan to cancel dams and waterways. In Sen. Byrd's absence, the whip has grabbed the White House ball and run with it.

In the Senate, the whip doesn't have any official duties or inherent power, so the job is what the holder makes of it. What Sen. Cranston ultimately will make of it remains to be seen, but the early signs suggest that he hopes to be the Senate activist liberal point man, spearheading the drive on issues where the more conservative majority leader declines to lead.

THE SENATE'S "BEST NOSE-COUNTER"

To this task, the former athlete and reporter brings unmeasured energy and a political keenness built up during eight years of studying and working in the Senate. "He was always counting votes and lobbying around," says Sen. Gaylord Nelson, the veteran Wisconsin Democrat. In effect, the Californian has been practicing to be whip ever since he came to the Senate in 1969.

"The best nose-counter in the Senate, he

is absolutely superb when it comes to knowing how the votes will fall in place on a given issue," Majority Leader Byrd says. If Sen. Cranston has a trademark, it is the three-foot long roll-call tally sheet he keeps folded up in his suit pocket. The tally sheet, dogeared and pencil-marked, has a plus sign, a minus sign or a question mark beside each Senator's name, showing how he is likely to vote on a coming roll call. "I do it because it can influence the outcome," says Mr. Cranston of his nose-counting, explaining that Senators often ask to see his score card and sometimes decide to jump on the winning side of the whip's tally.

A track sprinter in college, the lean and sinewy Californian still jogs every morning and goes through his 12- to 18-hour days on the run. He is frequently seen loping down a Senate corridor, with a harried aide scurrying a half-step behind, as he conducts routine office business that the Senator has neither time nor inclination to do at a more-relaxed pace.

The story of how Mr. Cranston does his job is being told in the specifics of a week's events. Last week was a tough but satisfying one in the life of the whip, and here's how it went:

Monday

He is up at 6:30 for his half-hour morning jog. His morning schedule is packed with the routine of a Senator—a minor confirmation hearing, meetings with his staff, a conference with Rep. John Moss over appointments of U.S. marshals in California—but his mind is preoccupied with the week's main event: the Warnke confirmation fight.

Conservatives have begun a major campaign to kill the nomination because they consider Mr. Warnke too "soft" to bargain with the Russians on nuclear arms. Right-wing mail is flooding into the Capitol, scaring some pro-Warnke and undecided Senators; Mr. Cranston's own mailbag this day turns up about 4,000 anti-Warnke letters and exactly four pro-Warnke ones. The whip admits that the support for the nomination is slipping. A week ago, his tally showed 68 likely votes for Mr. Warnke, but today "the most we can get is 65."

As the morning call from Mr. Warnke about Sen. Bellmon's vote suggests, the whip is orchestrating the last-minute lobbying. Working closely with Frank Moore, chief White House lobbyist, Sen. Cranston is picking the targets and giving the assignments: Vice President Walter Mondale will contact one Senator, Mr. Moore will try another, and perhaps a call from President Carter will be necessary for a third.

At noon, he rushes to a press conference with three other Senators, who are cosponsoring a bill to provide public financing of Senate elections. It's an issue Mr. Cranston intends to take a lead role in pushing, but he takes a back seat to the others at the well-covered news conference. The cameras pay more attention to Edward Kennedy of Massachusetts than to the colorless whip.

Much of the afternoon is consumed on the Senate floor, where the whip routinely spends hours manning his front-row post, protecting against any unexpected parliamentary maneuvers. It is boring duty, but he uses the time to corner colleagues for private chats—to lobby, to check his headcount, or to promise or seek a favor. The whip listens with one ear to the speeches of the Warnke critics, occasionally rising to offer a mild rebuttal. Bombast isn't one of his weapons.

The floor session ends at 5 p.m., and Sen. Cranston hurries back to his office (a handsome hideaway with vaulted ceilings, crystal chandeliers and marble fireplaces), where a crowd is waiting. The Senator is late for appointments with a delegation of California mayors and a squad of briefcase-toting savings-and-loan lobbyists. While they wait, the whip takes a call from a union official and suggests he contact an undecided Southern Senator on the Warnke nomination. "I know how close your union is to him," Mr. Cranston says.

Tuesday

Just before 8 a.m., the whip drives his 1972 Dodge Dart down to the White House for the biweekly meeting of congressional leaders with Mr. Carter. Over breakfast, the President talks with the 10 leaders about his legislative agenda. Sen. Cranston gives a report on the Warnke confirmation outlook, telling Mr. Carter he counts 58 "firm votes" and hopes for more than 60.

The whip drives back to his Capitol office to display another of his talents; that of a reporter. He was a foreign correspondent before World War II, and after each White House leadership meeting he gives the press a detailed account. About 20 newsmen gathered in the whip's office scribble as the former journalist rattles off quotes and color from the meeting, which he has noted on three-by-five file cards.

Putting on another hat, he is off to the Veterans' Affairs committee, which he heads. The Veterans of Foreign Wars convention is in town, and about 300 hat-topped VFW members jam into the big hearing room to listen to the chairman. Here, special interest overcomes party loyalty: He tells the cheering vets not to worry about Mr. Carter's government-reorganization plans because he will insist on leaving the independent Veterans Administration untouched.

The Senate has scheduled six hours of debate on Mr. Warnke starting at noon, so Mr. Cranstons' afternoon is mostly floor duty. About a half-dozen Senators are present at any given time. As Utah's freshman Republican Orrin Hatch drones on (". . . the wrong man at the wrong time for the wrong position . . ."), Sen. John Sparkman of Alabama reads The New York Times, and Sen. Cranston confers with Majority Leader Byrd. He is asking Mr. Byrd to be the final pro-Warnke speaker when debate ends tomorrow, and the West Virginia agrees.

The Senate recesses at 5:45 p.m., and the whip dashes off to a VFW reception and dinner.

Wednesday

The Democratic Caucus, composed of all 62 Democratic Senators, meets at 9 a.m. with Vice President Mondale. It is the first formal meeting of the former Minnesota Senator with his old colleagues, and he gets an earful of complaints from all sides. Senators who are irked by White House failure to consult them on appointments, policy matters and dam-project cancellations let their feelings boil over. "This isn't a meeting; this is an ambush" Mr. Mondale cries at one point. Sen. Cranston just listens.

Back on the Senate floor, the whip is worried about the Warnke vote as the session starts at 10:30. Republican Leader Howard Baker of Tennessee has just told reporters that the opponents have at least 40 votes, and Sen. Cranston worries that the pro-Warnke tally may be hurt by absentees. There is a rumor that Maryland's Charles Mathias, one of the few GOP supporters of Mr. Warnke, may be absent; worse, Indiana's Birch Bayh, a pro-Warnke Democrat, has decided to fly to California to make a speech and is "irretrievable," the whip laments. Sen. Cranston wanted to win with a big margin, and now it looks as though he won't.

The Warnke vote is set for 5 p.m., and the final hours of debate are growing heated. President Carter threw some fuel on the fire at his televised morning news conference, at which he charged that opponents of Mr. Warnke are against controlling nuclear arms. Texas's GOP Sen. John Tower is sputtering mad at that, protesting that Mr. Carter is portraying opponents as "mindless war hawks."

Sen. Cranston buttonholes Jim Sasser, the freshman Democrat from Tennessee, to make sure his vote is "nailed down" for Mr. Warnke. Sen. Sasser, who has been prodded by Vice President Mondale, assures him it is. The whip keeps checking and rechecking his nose-count during the afternoon. At 4:35, he sends a note to a reporter in the press gallery. It reads: "Best hope, and possible: 59–39. More likely: 56–42."

Just after 5 p.m., the clerk starts the 15-minute roll call, from Abourezk to Zorinsky. The chamber now teems with Senators and the galleries are packed as the final tally is announced: 58 votes in favor of confirming the nomination, 40 against. Everyone seems satisfied; the anti-Warnke Senators feel that they have sent a hard-line message to the White House and the Kremlin, and Sen. Cranston and his allies are glad to have won, though more narrowly than he had hoped.

Thursday

At 8 a.m., Sen. Cranston is back at the White House, this time for a special meeting including about 80 members of Congress whose states were hit by the Carter dam ax. Many of the lawmakers, sensing a no-compromise stance by the President, come away from the meeting angry—a sentiment that is about to sweep over the Senate floor today.

After some routine office appointments, Mr. Cranston discovers he is scheduled to be in three different places at noon: a conference with three California mayors, a meeting with Sen. Byrd and the 10 freshman Democratic Senators, and a lunch with British Prime Minister James Callaghan. Displaying his politics-first sense of priorities, the whip decides, with a grin, "I guess I'll scratch the prime minister."

After managing to squeeze in the other two meetings, he heads to the floor for a 2 p.m. roll call on a bill that he and Sen. Byrd are pushing: legislation to deny members of Congress, who just got a $12,900-a-year salary increase, a further automatic 6% cost-of-living raise in October. It's a bandwagon bill, and everyone is climbing aboard a kind of cheap insurance policy against voter ire over rising congressional salaries. It passes 93 to one.

Next, the public-works-jobs bill is on the floor, and anti-White House sentiment suddenly bursts out. The whip is in his office as Sen. J. Bennett Johnston, a Louisiana Democrat angry about the Carter-ordered dam cuts, offers a rider barring the White House from stopping any already-budgeted water projects. One after another, big-name Democrats rise to support the Johnston amendment. The whip hurries to the chamber, torn between casting a protest vote against a California dam cancellation and voting to support the administration. He decides during the roll call to back the President, but the amendment passes easily, 65 to 24. It is the Senate's first big rebuke of the new President.

Friday

It is a day for winding-down. Sen. Cranston's schedule is light, so he manages to squeeze in a morning trip to his dentist. The Senate convenes at noon, but only for speechmaking, not for lawmaking. Mr. Cranston prepares his weekly "whip notice" informing Democratic Senators which bills the majority leader has scheduled for next week, including the controversial new Senate ethics code.

The whip proclaims the week "exciting

and successful." He is especially pleased by a brief letter that arrived this morning. It read: "Your extraordinarily effective work for the Paul Warnke confirmation was important to me, to our nation, and ultimately, I believe, to world peace."

It was signed, simply, "Jimmy."

S. 991—A DEPARTMENT OF EDUCATION

Mr. WILLIAMS. Mr. President, I am pleased to join with my colleagues in introducing a bill which will create a Cabinet-level Department of Education. This bill, the Department of Education Act of 1977, makes good on our promise that the education of our people will become a critical priority of our Nation. By bringing all educational programs together under one Department with Cabinet status, this proposal brings our commitment to quality education, equal opportunity, and an enlightened citizenry to the center of policymaking at the Federal level.

Specifically, this act would transfer HEW's Education Division, including the 138 education programs within the Office of Education, the Head Start program in the Office of Child Development, the Education Directorate of the National Science Foundation, the Armed Forces dependents' schools, and jurisdiction over the National School Lunch Act, BIA Indian Schools, HUD college housing loans, and HEW's grant programs for the construction of public broadcasting facilities to the new Department.

It would also transfer the National Foundation on the Arts and Humanities which is actively involved in promoting the cultural aspects of education. The National Endowments within the Foundation would retain their present structure under the bill and their inclusion would clearly lend itself to a broader view of education.

The future of American education and our national educational policy rests, I believe, on our continuing and informed discussion of ways to improve the education of our children and to allow people of all ages to take advantage of various learning experiences.

Over the last several years, Federal education policy has taken major steps toward those goals.

Certainly, enactment of the Education for All Handicapped Children Act, which I authored, provided new hope and new direction for handicapped children and their families. That law signaled the Federal Government's concern and insistence that these children be assured their right to a free public education.

The development of the basic educational opportunity grant, the Bilingual Education Act, a new program for lifelong learning, expanded programs for continuing education, and better coordination in vocational education are also important steps in this direction.

Yet, today, the Federal contribution to elementary, secondary, and higher education is just over 9.8 percent of all expenditures in this area. Given the increasing costs of education and the increasing pressures on State and local tax dollars, this contribution must be seen as a basic minimum.

Yet, we know that these figures represent a decrease from a higher level of 11.9 percent in the late 1960's. In terms of the proportion of the gross national product, expenditures in the education area have remained at just under 8 percent for the last 10 years.

We also know the hard facts in individual programs. For example, in title I, aid to disadvantaged children, our expenditures in dollars of constant value—1965 dollars—were $1.161 billion in fiscal year 1966 compared to only $1.081 billion in fiscal year 1976—a 7-percent reduction. I was very pleased that Secretary Califano has recognized this problem and that the fiscal year 1978 budget reflects increased funding for title I.

The issue, however, is broader than a single program or a single budgetary increase. The question that is raised is the ability of our national education leaders—the Commissioner of Education, the Assistant Secretary and the Director of the National Institute of Education—to provide the Federal advocacy necessary in education when the Education Division is only a part of a department with high budgetary and program responsibilities in other areas. This issue has been raised more clearly over the past few years as HEW's spending has grown to more than $145 billion. Most of this growth is a result of uncontrollable budget items in health and welfare. The Education Division budget of $9 billion is dwarfed in comparision—and in priority in day-to-day management and policymaking.

Clearly, I do not question the necessity of HEW nor the importance of its other programs—many of which also evolve from the committee I chair. My desire is to define a coherent and coordinated policy in education and to increase its visibility and importance in the Cabinet. In saying this, I realize that the creation of a Department of Education does not automatically solve these problems and in many cases raises additional policy issues which will have to be examined.

For example, I am sure that we will want to examine carefully the inclusion of each of the programs which is suggested to be transferred in this bill. Such issues as the location of Head Start and its relationship to other community-based poverty and social service programs needs to be fully explored for this program is not intended to be exclusively a school-based program. Similarly, the proposal to transfer the Office of Civil Rights' education-related enforcement responsibilities also needs to be explored further in light of the importance of these enforcement activities, the need for a consistent policy in all civil rights enforcement, and the impact on enforcement of section 504 of the Rehabilitation Act of 1973, prohibiting discrimination against handicapped individuals.

Furthermore, it should be made absolutely clear, in the course of considering this legislation, that the establishment of a separate Department of Education does not imply any diminution of the role of the Department of Labor in providing skill training, job counseling, work experience and other employment services. A fundamental challenge for the new administration is to develop comprehensive, long-term policies for helping young Americans make the difficult transition from school to work. An associated challenge is to strengthen significantly existing approaches for affording workers of all ages the opportunity for retraining, the means of locating new and better jobs, and the wherewithal to be able to move their homes to communities that need their new skills. If learning is a life-long process, then the transition from classroom to work is a life-long challenge. With or without a separate Federal educational department, the Department of Labor and Federal education officials must be brought into effective coordination of joint efforts to weld together the elements of employment and education policy.

I believe that our highest priorities in education must be to increase opportunity for all of our people, no matter what their age, their socioeconomic background, or their previous schooling and to find new ways to allow personal freedom and dignity in the educational process.

I believe the way to assure that we as a Nation accomplish this goal is by creating a seperate Department of Education. It is for this reason that I lend my full support to this concept and join with my colleagues in introducing the Department of Education Act of 1977. I look forward to the hearings on this issue.

MRS. MONDALE ADDRESSES THE TRUSTEES COMMITTEE OF THE AMERICAN ASSOCIATION OF MUSEUMS

Mr. PELL. Mr. President, it gives me special pleasure to bring to the attention of my colleagues a most excellent address presented in recent days by the talented and distinguished wife of our Vice President to the trustees of our Nation's museums at the National Gallery of Art.

Mrs. Walter Mondale spoke to the trustees committee of the American Association of Museums, a committee chaired with outstanding ability by Mr. George C. Seybolt of Boston, Mass.

Mrs. Mondale spoke with eloquence and with particular firsthand knowledge of a broad and highly important area in our country's cultural life, for she has worked in the past in the museum field, in her home State and here in Washington.

She brought to her subject not only a wise understanding of the purposes museums serve; she illumined these purposes with her own wit and charm.

I was delighted to be a member of the audience representing cultural leaders from so many different parts of the country. As chairman of the Senate Subcommittee on Education, Arts and Humanities, the evening had deep meaning for me. For the past 5 years I have been help-

ing to develop in the Senate new and precedent-setting legislation to assist the Nation's museums to fulfill their potentials. Last year that legislation became a reality.

We are on the threshold of seeing our museums assume new responsibilities and take on new opportunities for service. Joan Mondale's address gave vitality and imagination to that concept.

She spoke of the diversity of our museums of the United States are literally unmatched by those of any other country," she said. "In sheer volume they are probably unique in the world. In their number, their variety, and their seriousness of purpose, they are without equal. Their first attribute which must strike the outside observer is their extraordinary diversity. You have only to look at the categories into which the almost 5,500 institutions in your official directory are grouped to see how great that diversity is. The interested outsider will find that there are 80 different groups, not only the familiar types of art, history and science museums but the specialized ones that run all the way from agriculture to woodcarving."

She spoke of their ability to teach: "Every museum teaches the lesson that there is no substitute for the real thing. It is a common thought that museums are educational institutions and among the best we have. Many a young person has had, in a museum, a first encounter with an interest that would later fill a lifetime."

She spoke of the changing role of museums: "Old definitions are ceasing to apply."

"What, then, is a museum today?" she asked. "A museum breaks down boundaries; it educates; it maintains standards, and, it must be open to all.

"A museum contains our heritage—and humankind's. It is, as Carter Brown—Director of the National Gallery—called it, 'this place where the best of man has been put.' But it is also more than that. It makes the heritage come alive. A museum is not just a collection of objects, but a collection so preserved and arranged that it speaks aloud, and in a language which everyone can understand."

In conclusion she spoke charmingly of visiting a museum during the recent campaign. She spoke of seeing "groups of young children—busily occupied. Some were doing finger painting, some were making music, some were dancing, some were putting on shadow plays, some were experimenting with lights. Now and then the groups would change. These young people were discovering the richness and delight of the world around them in a way I can imagine nowhere else than in a museum."

May I say, Mr. President, that I can imagine no one better able to express the values of museums—or indeed the values of our cultural well-being—than Joan Mondale.

She imparted her own special insights and leadership to a memorable evening at the National Gallery. In the days ahead I greatly look forward to the continuing and increasing value to us all of those insights and that leadership.

THE BASQUES AND INTERNATIONAL CONCERN FOR HUMAN RIGHTS

Mr. CHURCH. Mr. President, for four decades the proud people of the Basque regions of Spain have fought against cultural, economic, and political suppression by the Franco regime. Since the Spanish civil war, when the Basques succumbed to the might of Franco, systematic suppression and torture have been the fate of the Basques. This suppression and the denial of basic human rights during the Franco era became a matter of major concern to Spain's neighbors and to the world. Within a few weeks, the Spanish Government will hold parliamentary elections, and the world now awaits signs that Spain's hoped-for new democracy will protect and enhance the rights of Basques which were denied during the Franco era.

In one of the last repressive moves under Franco, a decree was approved in August 1975 that incorporated strong measures against dissidents. The most severe aspect of this decree was the mandatory death penalty for those convicted of killing members of the dreaded Guardia Civil. The new law established for a period of 2 years a national state of exception which was described as stopping one step short of martial law. Under the law Spanish citizens lost even the right to be brought before a magistrate within 72 hours. In September 1975, five Basques were executed by firing squad after being tried and condemned by confessions obtained under such circumstances.

Since the death of Franco, the Spanish cabinet has spoken of restoring civil liberties and opening roads to democratic reform with unembarrassed enthusiasm. For example, on July 25, 1976, at the behest of King Juan Carlos, Prime Minister Suarez announced a partial amnesty for political prisoners excluding those who were arrested for terrorism. While not condoning violence, I do applaud this partial amnesty as bolstering the government's credibility in bringing Spain back to a democratic form of government. The royal amnesty has resulted in the release of 184 persons and the issuing of passports to 350 political exiles. While this is a step toward restoration of basic human rights and justice, there are still hundreds of imprisoned Basques who have not been brought to trial. And the Guardia Civil remains a constant reminder of Francoist suppression and a source of constant tension in the Basque areas.

While the Basques in Spain now enjoy greater freedom than they did under Franco, this freedom does not represent rights formally granted. They are given by administrative discretion and can always be taken away. The relaxation of the Spanish Government's grip in such cases as the use of the Basque language and the display of the Basque flag is in response to pressures from both within and outside Spain. Unfortunately, the Spanish Government still falls short in guaranteeing the Basques full political and civil rights. Therefore, it is my deeply felt hope that the Government of Spain will restore to all its citizens the fundamental human rights and dignities worthy of a democratic form of government.

Mr. President, I ask unanimous consent that the accompanying article entitled "Guardia Civil: Repressive Symbol in a Changing Spain," published in the Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GUARDIA CIVIL: REPRESSIVE SYMBOL IN A CHANGING SPAIN

(By Stanley Meisler)

MADRID—In 1845, a year after the founding of the Guardia Civil, Spain's rural police force proclaimed its moral code: "The Guardia Civil must not be fearsome, except to evildoers. Nor must it be feared, except by enemies of order."

Since then, the men of the Guardia Civil—who still wear Napoleonesque patent leather hats and green capes, still travel in pairs, still carry infantry rifles—have been fearsome to bandits, gypsies, anarchists, workers, Communists, democrats, Basques and a host of other Spaniards out of step with their central government.

For many, the Guardia Civil is the symbol of governmental repression, especially in the four Basque provinces of the north. For 40 years the late dictator Francisco Franco used the Guardia Civil to stifle Basque separatism, repress Basque culture, eliminate Basque subversion and punish the Basques for opposing him in the civil war.

A Basque lawyer, Juan Maria Bandres, recently described relations between the Guardia Civil and his people as "a situation of hate, and irreconciliable situation."

This is a poor image for a police force that now works for a government trying to transform Spain from a dictatorship to a democracy. Recognizing this Premier Adolfo Suarez fired the guardia's commander last December, replacing him with a less conservative general who obviously has been given the task of changing the image of his policemen.

"You can change the chief," said Miguel Castels, a Basque lawyer, in his office in Sebastian, "but you can't change the Gestapo. Every Guardia Civil has been trained to devalue humanity and to devalue democracy."

To an outsider, the Guardia Civil seems to be no more brutal or repressive than the Armed Police, the federal riot police assigned to Spain's major cities. The Armed Police smash the heads of leftists and Basques and break up rallies with rubber pellets, tear gas and smoke bombs. Yet many Spaniards denounce the Guardia Civil as worse, perhaps because there are more of them, perhaps because their history of repression is so long, perhaps because they seem to have a kind of independence.

Several city councils in the Basque region have demanded the withdrawal of the Guardia Civil from their communities, and government sources say that the Armed Police may take over in some places.

There is some confusion over the degree of independence of the Guardia Civil and its 63,000 men. Its orders, after all, come from Madrid. The government of King Juan Carlos and Premier Suarez bans the rallies that are broken up by the Guardia City. Moreover, Franco laws still forbid some leftist and regional propaganda.

The Guardia Civil appears to be overzealous in carrying out its orders, picayune in its interpretation of the law, brutal in its application of force.

An incident in the Basque region illustrates part of the problem:

Captain Luis Alonso Valles 30, was assigned last year to command the Guardia Civil post in Tolosa, a paper mill town of just under 20,000 people 15 miles from the Bay of Biscay. His predecessor had been transferred after embarrassing the Guardia Civil. His men had arrested a young woman union official and beaten her. Color photographs of her in the Spanish magazines shocked the public and forced the authorities to transfer and discipline the Tolosa commander.

Then, in September, the mayor of Tolosa decided to allow a rally on the first anniversary of the execution of three Basque nationalists and two leftist guerrillas. He asked Alonso not to interfere, and Alonso agreed on condition that the demonstrators follow strict guides. The rally followed the rules and Alonso did not disperse the demonstrators.

"Capt. Alonso was not a hero," a young Basque nationalist said recently. "He was just normal. But to be normal in the Guardia Civil is a rare thing."

A few days later superior Guardia officers ordered Alonso's arrest, charging him with permitting the demonstration and thus failing to perform his duties. A military court convicted Alonso, jailed him for two months and he was exiled then to a remote post in Galicia.

Federico Garcia Lorca, the poet who was martyred in the Spanish Civil War, probably fixed the image of the Guardia Civil for most Spaniards. In his "Romance of the Spanish Guardia Civil" Garcia Lorca described the massacre of a gypsy village one Christmas Eve by 40 men of the Guardia Civil. All the images of the Guardia Civil in the poem—shining capes, black patent-leather tricornered hats, the stealthy approach of the guards two-by-two—became symbols of murder and hate.

During the Franco era, the Guardia Civil assumed a natural role as the oppressor of those opposed to Franco. This has caused a problem for the post-Franco government, which is trying to develop democracy while using a police force trained to oppose democracy.

There is evidently a morale problem in both the Guardia Civil and the Armed Police, the urban force that is somewhat smaller than the Guardia Civil. In mid-December, 1,000 Guardia Civil and Armed Police demonstrated for higher pay, more social security, longer vacations and separation from the army.

The police marched from the royal palace in downtown Madrid to the Ministry of the Interior. There a scuffle broke out in which Brig. Gen. Jose Chicharro of the Armed Police was struck several times in the face. The government has arrested 200 policemen, half of them from the Guardia Civil, for taking part in the demonstration.

The spectacle of a police demonstration, rather than police brutality, gave the government the excuse it needed to discipline the police. Suarez fired the three top police officials, including the head of the Guardia Civil.

Lt. Gen. Angel Campano, the Guardia Civil commander, was replaced by Lt. General Antonio Ibanez Freire, 63, a former governor of Barcelona. Little is known about Freire, but Suarez advanced him over several conservative generals, and many observers assume that he intends to change the Guardia Civil's image.

RESERVE OFFICERS ASSOCIATION LUNCHEON

Mr. THURMOND. Mr. President, Gen. W. A. Knowlton, U.S. Army, is the Commander of the Land Forces, Southeast—COMLANDSOUTHEAST. This is the Southeastern flank of the North Atlantic Treaty Organization, NATO, in the eastern Mediterranean. General Knowlton addressed the Reserve Officers' Association, ROA, Convention on the subject of NATO's Southeastern flank on February 24, 1977, in Washington, D.C. and I had the privilege of discussing it with him.

His address is most timely and of great significance to my distinguished colleagues. The Senate must soon act favorably and with dispatch on the defense cooperation agreements between the United States and Greece and Turkey.

Mr. President, the Southeastern flank of NATO is vital to our national security and to the security of NATO. The eruption between Greece and Turkey over the island of Cyprus caused serious damage to the defense capability of the Southeastern flank of NATO. The best way to help repair this damage is for the Senate to approve these agreements. The agreement with Turkey has been before the Senate since last year and the agreement with Greece is expected to be received by the Senate in the near future.

These new defense agreements will revitalize the military and political strength of NATO's Southeastern flank. Standardization and modernization of the forces of Turkey and Greece which have been dangerously obstructed by previous arms embargoes and the rift between these allies must move forward with the consummation of the new defense agreements.

Mr. President, General Knowlton's address highlights the problems which have weakened the military capability of these two important allies. It is imperative that they be strengthened in the face of the Soviet's ever-increasing military expansion. I commend General Knowlton's speech to my distinguished colleagues for enlightenment in preparation for action by the Senate on the two defense cooperation agreements.

General Knowlton is one of our greatest and most capable military leaders with over 40 years of dedicated and distinguished service. Although he has one of the most difficult tasks of all of our military leaders, he is performing an outstanding service to our Nation, as commander of all the land forces of NATO's Southeastern flank. His evaluation of this task is noteworthy and deserving of attention by the Senate.

Mr. President, I ask unanimous consent for the speech given by Gen. W. A. Knowlton on February 24, 1977, at the ROA convention to be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY GEN. W. A. KNOWLTON TO THE RESERVE OFFICERS' ASSOCIATION

It is a tremendous pleasure to be here this noon and to speak to you on some aspects of military defense in Europe. General Haig has asked me to send his best to all of you. I am constantly amazed at how much this outstanding Commander carries in his head. I am also constantly amazed at the killing schedule which he maintains. He meets this schedule because he believes strongly in getting the word out to the people of NATO on the changing balance of defense in the Free World. Fortunately for me, he asked that I pinch-hit for him in addressing you today.

In starting this talk, I would like to go back before even my Cadet days. The purpose in this will become apparent a little later. My biography mentions my enlistment, at age 18, in the Reserve Components of the Army—as a private in the 298th Infantry Regiment of the Hawaiian National Guard. Had I the time, I would tell you how I made P.F.C.—but that will have to wait until tonight's reception and a smaller group.

But let me mention even earlier enlisted service. Almost 42 years ago this summer, I served as a private in the 51st Field Artillery Brigade of the Massachusetts National Guard. We moved to Pine Camp New York for the first large maneuver held by the Army in the 1930's. You will not find that service in my biography. Since I was only 15, it was suggested that my participation should disappear from the official record. I paid the Government for the food I had eaten, and did not charge the Government for my services. That seemed to even out.

The one thing about those 1935 maneuvers which sticks in my memory is the sight of trucks with a big sign on the side reading tank, of pieces of stovepipe stuck in the ground with a sign reading mortar, of the divisional MP Company being transported in the side-cars of a rented motorcycle club from Springfield or Worcester, Massachusetts because we had no motorcycles for our Military Police. Yet that was the period when Hitler's relentless drive to take over Europe, Russia and other areas was already becoming visible.

In retrospect, we look back to those first faint movements of preparation and realize how inadequate they were. I would certainly not suggest that we are as ill-equipped today as we were in the 1930's. Far from it. I do suggest that we are facing again a relentless build-up on the part of those who now face us across the no-man's land of mine fields, walls, barbed wire and automatic untended weapons of destruction.

So I would like today to talk a little about the threat and try to define some significant points of its magnitude. I would then like to talk about the problems of my particular flank of NATO. From there, I have a few philosophical comments on the problems of modernization and standardization within NATO. Lastly, I have a few things to say on some aspects of my flank which are not normally considered and which pose potential problems for the United States and for our way of life.

Now for the threat. If General Haig were here, he would probably tell you the following. First, he would emphasize its relentless character. The growth in Soviet power is not the result of some precipitious change in Soviet policy; rather, it is the product of a decade of steady 3–5 percent annual increase in defense spending, this year amounting to some 11–13 percent of G.N.P. And while the greater Soviet percentage undoubtedly reflects a relatively inefficient production base, it does also reflect the priority assigned by the Soviet Union to the expansion of military capabilities.

Soviet building trends are dynamic, and have achieved a momentum that is today both unprecedented and dangerous. In the past few years, the USSR has developed four new ICBM's, three of which are MIRV'D and all of which have increased accuracy against hard point targets. To these has been added the 4200 mile SS–N–8, currently being deployed on Delta and Stretched-Delta submarines, and a MIRV'D follow-on missile, the SS–NX–18, whose testing was recently made public.

Together, these developments suggest quite clearly that the Soviets do not subscribe to the thesis that strategic weapons serve only political purposes, nor to the notion occasionally propounded in the west that a nuclear war can have no winner. On the contrary, as former Secretary Rumsfeld pointed out last all, these building programs together with continued Soviet attention to civil defense suggest strongly that the Soviet intend to have the advantage in the event, however unlikely of a strategic exchange.

Increasingly, theater nuclear systems present a similar picture. During the past years, for example, we have seen both a thickening and a modernization of Soviet ground-to-ground rocketry—Frogs, Scuds, Scaleboards and replacement systems. We see indications of the probable deployment of a nuclear tube artillery capability, providing a dramatic increase in delivery flexibility and numbers. We see a fundamental change in the character of the Soviet tactical air arm, with the introduction of third generation Soviet fighter-bomber aircraft having doubled range and trebled load-carrying capability. Finally, we have seen the development and testing, and expect soon to see the deployment, of the SS–X–20, a MIRV'D land-mobile MRBM/IRBM, promising a substantial increase in Soviet target coverage.

Both strategic and theater nuclear developments are worrisome, and a legitimate cause for concern. But it is clear that the most immediate problem we face lies in the area of our conventional land, sea and air capabilities. During the past ten years, we have seen a million-man increase in the Soviet force structure, with 130,000 new troops appearing against us in the central region alone. We've seen a 40 percent increase in tanks, a 50–100 percent increase in conventional artillery while switching to self-propelled, and a doubling of the Warsaw Pact's sustaining capability at the very time we in the west are reducing support in our efforts to revise what we call tooth-to-tail ratios.

Up to now, I have mentioned the Central Region of Europe, rather than the flank where I am privileged to serve. One reason for this is that modernization and increase of offensive combat forces in the Central Region normally precede similar steps on the northern flank and the southern flank. Thus, while the Soviet Central European Front gets the priority in preparation for offensive war, a similar modernization takes place on the flank, although at any give moment the equipment may be a little older. In any case, whether older or not, it is newer and more modern than the equipment which our allies can field in defense against that threat.

What area am I speaking of? The area of my command encompasses both Greece and Turkey. My NATO mission is still the defense of the land areas of Greece and Turkey. Within the NATO concept of forward defense, the concept applies equally to my two countries. Particularly in Eastern Greece, only a short distance separates the Bulgarian border from the sea. Forward defense has a very real meaning in those rugged mountain areas.

I should make it clear that many problems and many strengths are shared by both of those great countries. The national pride and effective combat ability of the individual fighting man in each is a matter of historical record and was well demonstrated a quarter of a century ago in the Korean War. But this also means that veterans of that war are becoming very scarce, and we have a new generation which has not had the same battlefield experience which tests and tempers leadership.

It also means that the equipment available to those countries dates largely from the era of World War II or the Korean War. Both countries thus face the prospect of an expensive modernization of ground defense at a time when they are economically ill-placed to take on such a tremendous burden. The recent Nunn/Bartlett Report correctly cites the need for this modernization.

One of the things I want to do today is to weave together several disparate trends, and show the impact they have upon my area when they are put together. However, even though my war-time and peace-time tasks involve both Greece and Turkey, I shall, as I said, concentrate my remarks on Turkey.

One reason is related to the difficulties between Greece and Turkey which resulted in the temporary withdrawal by Greece from portions of the military structure of NATO, while reassessing the new form of such a military connection. As a result, I have not been privileged to visit Greece in detail, except for two short trips to Athens and my Advance Command Post, nor to gain first-hand knowledge of Greek forces or Greek defense problems. On the other hand, I have been privileged to visit Turkish forces in great detail all over the country. I have been hosted by Turkish units all the way from the western border with Bulgaria to the eastern border of the Soviet Union. A large portion of my military staff is composed of Turkish officers. My headquarters is located in Turkey. Therefore, my knowledge of Turkey and of the things which need to be said about it is considerably deeper than my knowledge of Greece.

Yet another reason for concentrating on Turkey is that Greece is a relatively known quantity in this city in which I am speaking. Many of our American citizens visit Greece as tourists. The Greek view of foreign affairs is amply represented in the councils of our government. Many of our citizens have family or historical ties to Greece, and do not hesitate to make known their views when questions arise concerning that country. There is nothing wrong with this. Indeed, it is a healthy part of our democracy, and all segments of public opinion should be known to our lawmakers and to our press.

However, Turkey has far less representation in the councils of the great within this country. We have fewer citizens of Turkish origin. We have fewer religious ties—although most of our citizens have no idea how much of our Christian heritage within the New Testament took place on Turkish soil. After the Crucifixion, John the Apostle brought Mary, the Mother of Jesus, to Turkey to live—about an hour's drive south of my headquarters. Several of the early Apostles are buried in that area. At Ephesus, one can walk the street from the synagogue to the amphitheater—treading where Saint Paul trod when he attempted to speak and defend himself against the forces of the Goddess Diana—who were stirring up the populace against him.

So, much of our Christian history is located in the land now known as Turkey, but most Americans do not know it. I recently hosted a visit of NATO Parliamentarians. After visiting our headquarters and the Turkish headquarters in Ankara, one member of the British Parliament said to me: "General, I am afraid that we have been guilty of not realizing that our thinking stops at the western border of Turkey."

Yet Turkey is a large and proud member of the NATO community. It is also a member of CENTO and provides a link between those two defense mechanisms. It controls the vital Turkish Straits—the outlet from the Black Sea. But even more important in the present and future context, it is part of the land barrier between the Soviet Union, whose aggressive potential is only now becoming murkily revealed, and the vital Middle East area, whose oil resources will still exist long after the reserves in the Soviet Union and many other countries have been exhausted.

But I promised that I would weave together a few disparate trends within American culture. My view of them is an outside view—as an international commander whose sources on U.S. trends are necessarily spotty. These three trends are not purely military in nature, but they each impact importantly on my ability to carry out the military mission assigned me by NATO.

The first of these trends is not new to me because I am old enough to have gone to school in the 1930's when the "Merchants of Death" syndrome was so apparent. The library of my boarding school was full of books on war and books whose approach enhanced the view that wars were caused by those who manufactured munitions. This is neither new nor startling. The country has always been philosophically divided between those who believe that men fight because they have arms and those who believe that men have arms because they fight. But then the 1940's arrived and the "Merchants of Death" became the "Arsenal of Democracy."

I mention all of this because there is again an expressed view that there is something evil in America in the production of arms. This view is nowhere near as extreme as the 1930's, but it does impact upon the sale of arms to friendly and allied governments. It also impacts upon efforts to aid in a military fashion those countries who are part of a unified defense against Communist mischief making, but whose economic condition is such that they cannot bear the full burden of arms modernization. This, then, is trend one. Let me come back to it later.

The second theme has to do with standardization. Over the past few years there have been studies by "Think Tanks," statements by military officials and pronouncements by governmental figures on the need for standardization within the NATO Alliance. We are told that the duplication of design and production, the proliferation of types of weaponry, and the smaller differences between national versions of even the same system hamper defense flexibility and complicate immeasurably the detailed planning for defense. These statements are correct. Obviously, standardization to a greater degree would lower defense costs and provide for greater flexibility in the application of resources.

I end this theme with the observation that standardization is a highly desirable military characteristic. This is particularly true in my area where we depend so heavily on external reinforcements for sophistication in communications, reconnaissance, targeting and weaponry which are beyond the present state of the forces on the ground. But if these external forces are armed in a fashion completely different from the forces whom they are coming to augment, then my supply task and my infrastructure task become vastly more complex and difficult. So much for the second strand—"standardization."

The third trend has to do with actions by one country which may disrupt the defense plans of another. Such action is usually seen by those who sponsor it as enhancing the

application of order in international affairs. From my limited but close experience, the result is not seen by those whom it affects in that light nor does it necessarily enhance their flexibility to deal with international problems in a way that we in the U.S. might think useful. I refer, of course, to the problems between Greece and Turkey, and the U.S. attempt to hasten solution of these problems by placing an embargo on Turkish arms and spare parts from the U.S.

First, let me comment that membership in a joint military organization such as NATO does not insure that there will be no problems between the members. Canada and the United States are both members of NATO, but this does not keep us from having conflicting views on the fishing areas which lie off the northeastern coasts which are bounded by our two countries. Fishing has also brought about difficulties of definition between Iceland and Britain—both members of NATO. In a similar fashion, there are many long standing Aegean and Mediterranean problems which cause difficulty between Greece and Turkey—both members of NATO. Mr. Caglayangil, the Foreign Minister of Turkey, summed one of these up when he said "Because the Law of the Sea is still being formulated, countries which have disadvantageous coasts and enclosed seas, the disagreement can be greater." Problems similar to those in the Aegean between Greece and Turkey exist as well in other parts of the world not concerned with NATO, where archipelago states and those with large land masses and coasts have conflicting thoughts over the sharing of the resources which lie under the seas.

The Cyprus dispute about this island off the Turkish coast near Syria is far too complex for me to address here. Mr. Waldheim's recent statement gave grounds for optimism. Mr. Clifford has just visited Turkey and is in Cyprus now. We all wish him well in his important mission.

But, a point I wish to make is my observation that the embargo placed upon arms for one side in the dispute has not had the result envisaged by some of its proponents. Mr. Clifford will know much more about this facet on his return.

One result which it has had impacts on standardization. In Turkey, we had a country which was largely standardized in its military weaponry. The weaponry was mostly U.S., although much of it was a generation old. Now I hear within the country where I live that if there was one lesson to be learned from the experience of the embargo, it is that standardization of weapons from only one outside country carries with it political and military risks which may be unacceptable to the national defense of the country concerned. Diversity is, to them, the obvious answer.

And so the prospect is that the land forces of Turkey, largely standardized before the embargo, will now become less standardized. For me as a military commander, this brings on all sorts of problems with such mundane things as maintenance, spare parts and flexibility of forces. The problems are made more complex by the probability that external reinforcements will be armed and equipped in yet another fashion from the forces whom they are pledged to help.

Thus, in pulling together the three disparate trends of arms manufacture, standardization and embargo, I believe we can say that standardization is highly desirable and enhances the military application of forces by reducing costs and increasing the flexibility with which higher commanders can move external reinforcements. But American equipment is quite often the very best and mmost modern available within the Alliance, partly because our large industrial complex and size of military forces enable us to achieve economies of scale in manufacture. So if we are to have standardization, then some weapons will be of U.S. make. Arms manufacture requires arms manufacturers, and a realization that the production of weapons for defense is not inherently evil, but a basic factor in the balance so necessary for the preservation of peace. I am not against efforts at world-wide mutual arms reductions. Nor am I for indiscriminate sale to all comers. I merely wish to point out that the first two trends in America run counter to each other.

Lastly, before leaving these three strands, we need to recognize that unilateral measures applied by one ally upon another ally which deny the second ally access to spare parts, maintenance, training and standardized weaponry may not produce the overall result intended but will almost surely increase a diversity in arms acquisition. So all three strands impact on my military mission of NATO defense.

Now I should speak rather directly to another aspect of my area to which I alluded at an earlier point. Turkey, that great unknown country where I serve, is not just the flank of NATO. Although General Haig has recently stressed the importance of NATO's two flanks, the word flank may contain a secondary connotation. Turkey may be the flank of NATO, but it is very much the central front in Middle East stability. Turkey and Iran together block an uncertain Soviet Union from direct access to client states north and east of Israel.

At the moment, there are many good things going in the area southeast of Turkey. An oil pipeline from Iraq has now been completed through Turkey to an outlet at a Turkish port. Syria has been instrumental in helping to bring a relative peace to much of war-torn Lebanon. But intentions are subject to rapid change. The fact remains that this area is heavily armed with Soviet weapons. The last thing needed in the equation of military stability in the area would be a weak Turkey, disillusioned with NATO, which might swing toward allowing the Soviet Union unlimited over-flights with the vast aerial transport fleet which we have seen involved in the semi-annual troop rotation from the Soviet's occupation forces in the Warsaw Pact countries.

It is very much in the interest of the West that Turkey remain a strong and reliable ally. That necessity will grow over the next few decades as the finite supplies of the world's oil begin to dry up and the final remaining deposits in the Middle East gain ever increasing importance. We should be very careful of what we do to the military equation today as we look ahead to events some twenty years hence.

Last December, the North Atlantic Council met in Ministerial Session in Brussels. In their communique, the Ministers acknowledged the continuing needs of Portugal and Turkey for external assistance to improve their force contributions to the Alliance. They reaffirmed their support for studies which they had underway. They confirmed their view of the missions and of the contribution to the solidarity and vital security needs of the entire Alliance of the early implementation of Defense Cooperation Agreements relating to the southeastern flank. One of these two Agreements, affecting Turkey, was initialed by the members of the U.S. and Turkish Governments about three quarters of a year ago. Yet, as I have mentioned, despite the concern of the North Atlantic Council, the legislative action within the U.S. to confirm this Agreement has never gone to completion.

Without commenting further on why, I agree that it is only natural for an incoming Administration and a new Congress to wish to review the facts before taking action. We have just completed our national election. But Turkey is also going to have an election by this October. Just as our election was reported in the press to have made it difficult for us to ratify the Defense Agreement with Turkey, so will the approach of the Turkish elections make it even more difficult for those within Turkey who support a continuing relationship of Turkey with the West to justify such a stand and to obtain Turkish legislative approval similar to that which we who are stationed in Turkey now hope will come from the U.S. Congress.

For all those reasons, Mr. Clifford's trip to Turkey has been most timely. I can do no better than quote his comment in yesterday's Washington Post. "In the operation of NATO it is necessary that nations have arms agreements and understandings so that the full strength of NATO can be maintained."

In his press conference yesterday on his departure from Turkey, Mr. Clifford also said "The representatives of Turkey and I . . . were in agreement on the importance that both nations attach to their partnership in the North Atlantic Treaty Organization, which is of such importance to the security of all the member nations of NATO."

To sum up, the situation on my flank of NATO particularly needs agreement between Greece and Turkey on those issues which now divide those two proud countries. They have excellent soldiers—but if they are to face the steadily growing Soviet ground might, they need more than just bravery. They very much need a modernized force to upgrade their present World War II and Korean vintage weaponry. For that reason, I join the North Atlantic Council in their urging of early implementation of the Defense Cooperation Agreements relating to my area. The Turkish Agreement is already in this country. The Greek Agreement is nearing finalization, but has not yet arrived. The importance of these Agreements and of the force-upgrading connected with them can not be over-estimated in terms of the ground defense mission.

I hope I have left you with the realization that, when the Soviet reserves of oil give out, the Middle East and the countries of my area—particularly Turkey—are going to become ever more vital to the West.

Magazines and newspapers come late to my desk in Turkey, but I recently read three quotes which bear on NATO defense. The first is a view by Alexander Solzhenitsyn and refers to the Soviet increase in military forces and in offensive weaponry. While his views may not automatically be right, his experience justifies our listening. Mr. Solzhenitsyn said "The situation at the moment is such—the Soviet Union's economy is on such a war footing—that even if it were the unanimous opinion of all the members of the Politburo not to start a war this would no longer be in their power."

The second quote comes from Soviet historian Andrei Amalrik, who is now in the U.S. after years of imprisonment and harassment at home. He said "Soviet domestic problems such as the economic troubles, intensifying discord between nationalities, the conflict with the intelligentsia and other factors, may prompt the Soviet leaders to seek their solution precisely in foreign political conflicts, as Russian Governments before them have tried to do."

My last quote is perhaps a summary of all that I have said. On 19 January, slightly over a month ago, Donald Rumsfeld left the Pentagon and his position as Secretary of Defense. He said: "What has been made clear during the past years is that for those whose hopes suggested that free nations could safely relax and that there would be similar relaxation by others, the message is unambiguous; it has not happened."

As an international commander located on NATO's flank and near the Mid-East center, may I express my thanks for the interest and support which your organization brings to

defense issues. May I also wish our Legislators here present wisdom and strength as they pull together the disparate issues of policy, which do not always lead in the same direction.

IDAHO STATE LEGISLATURE PASSES JOINT MEMORIAL IN SUPPORT OF AILING DOMESTIC SUGAR INDUSTRY

Mr. CHURCH. Mr. President, the Idaho State Legislature recently adopted a joint memorial in support of efforts to aid the ailing sugar beet industry.

This action by Idaho's State Legislature is particularly timely in light of the recent finding by the U.S. International Trade Commission that foreign imports were threatening injury to the domestic sugar industry. The Commission's vote on proposed remedies, taken Tuesday, ended in a split of 3 to 3. The respective positions of the Commissioners are as follows:

Mr. Moore, Mrs. Bedell, and Mr. Parker supported the establishment of a quota of 4.275 million short tons for sugar and sirups. The quota would be in effect for 5 years and would be allocated on a country by country basis with the President determining an equitable division among foreign suppliers.

Mr. Minchew, Mr. Leonard, and Mr. Ablondi favored a 4.4 million short ton quota for sugar and sirups but differed as to the length of the quota and the method of administration.

Mr. Minchew supported a 5-year quota allocated country by country based on 1972–76 market shares of supplying countries. Under his proposal, if an importing country did not supply its share, the shortfall would be distributed to other suppliers.

Mr. Leonard and Mr. Ablondi suggested a 3-year quota to begin at the time of a Presidential proclamation—the others would have the quota determined from the first of this year. The allocation of the quota would be done by auction with the Secretary of Agriculture selling non-transferable import licenses with conditions that he may impose. The object of this scheme would be to recoup windfall profits that might accrue to foreign suppliers and importers as a result of the increase in domestic price. Money raised in this manner would be returned to the U.S. Treasury.

The Commission's reports and recommendations will be sent to the President on Thursday, March 17. You will recall that the President then has 60 calendar days in which to accept, modify or reject the Commission's proposals. If the President refuses to adopt any of the proposed remedies, Congress may override his decision by indicating which remedy it wishes to reinstate.

I am very concerned about the well-being of our domestic sugar industry. These last few years have been tough for most of American agriculture but they have been particularly cruel to sugar beet farmers. I intend to keep up my efforts to provide sugar beet farmers with a program that will allow them to receive a price for their product which is commensurate with operating costs and a reasonable profit. I think a healthy sugar industry is important for the economic vitality of the country, particularly its rural areas, and I will continue to press for prompt action in meeting the needs of sugar beet farmers.

I ask unanimous consent that the text of the joint memorial adopted by the Idaho State Legislature be printed in the RECORD.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

SENATE JOINT MEMORIAL NO. 105 BY AGRICULTURAL AFFAIRS COMMITTEE

A joint memorial regarding current sugar beet market conditions; to the Honorable President of the United States, Jimmy Carter, the Honorable Secretary of Agriculture, Robert Bergland, the Senate and House of Represenatives in the Congress of the United States assembled, and the Members of the congressional delegation representing the State of Idaho

We, your Memorialists, the Senate and House of Representatives of the State of Idaho assembled in the First Regular Session of the Forty-fourth Idaho Legislature, do hereby respectfully represent that:

Whereas, sugar beet production is an important agricultural crop in the state of Idaho and makes a significant contribution to the states economy; and

Whereas, the glut of the sugar market as a result of current unlimited imports is causing serious economic loss to sugar beet producers; and

Whereas, at present prices, sugar beet producers are not receiving a market price which covers even the minimum costs of production, and provides no return to the producer; and

Whereas, the impact of such losses to a major agricultural segment in the state's economy has serious repercussions throughout the state and among her citizens.

Now, therefore, be it resolved by the First Regular Session of the Forty-fourth Idaho Legislature, the Senate and the House of Representatives concurring therein, that we respectfully urge immediate relief from dumping of foreign sugar and the resulting economic depression in which sugar beet growers of Idaho are experiencing serious losses. We urge consideration of realistic import quotas and increased duties and such other action as may be appropriate to insure at least the costs of production and a reasonable return to the sugar beet producers of the State of Idaho and of the United States.

Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States and the Secretary of Agriculture and the Senate and the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States.

DON'T CRIPPLE CIA

Mr. THURMOND. Mr. President, on Thursday, the 3d of March, the Augusta Chronicle printed an excellent editorial on the necessity of maintaining a measure of secrecy in the dealings of the Central Intelligence Agency. The article referred specifically to the recent disclosure of payments to King Hussein of Jordan, but it is equally applicable to all situations in which the effectiveness of the security activities of the CIA may be crippled by public disclosure.

I am sure my colleagues would find the remarks of the editorial staff of the Augusta Chronicle to be noteworthy. Accordingly, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the the editorial was ordered to be printed in the RECORD, as follows:

DON'T CRIPPLE CIA

Revelation that the U.S. Central Intelligence Agency delivered secret, under-the-table payments to King Hussein of Jordan has caused a Carter Administration revaluation of the CIA's role in dealing with foreign governments.

But, as is too often the case, the cries from Capitol Hill about alleged CIA "mismanagement" of money seem to be nothing more than another case of political axe grinding.

Whether one defends the Hussein payments or not—or the tens of millions, for that matter, that have been regularly funnelled to Israel's security services—the fact is both payments went for what we think to have been legitimate intelligence purposes.

Sometimes, secret payments are warranted.

Take the following case in point with regard to Israel: A public request for heretofore secret CIA funds for use by Tel Aviv to economically penetrate developing nations in Africa would have naturally frightened many African governments. After all, the Communists and black extremists would be quick to scream that Israel was the proxy missionary for "U.S. imperialism" and the result would probably be that Africa would refuse all cooperation with Tel Aviv.

These huge Israeli subsidies had equal justification with the payments to the Jordanian king. Yet now the Hussein payments have been stopped and the Israeli supplements could be in jeopardy.

This is not to excuse any possible illegality on the part of the Central Intelligence Agency. Last year, as a matter of fact, someone within the CIA proposed an alliance with the Mafia. But it is to remind Americans that a responsible safeguarding of the national security must always be uppermost in the minds of the CIA leadership and the President.

It should be all too clear that, like it or not, the gathering of intelligence data and implementation of action necessary to utilize the findings to the fullest is not a function that always lends itself to over-the-counter actions.

It requires rapid calculations—such as the Hussein and Israeli payments.

It seems to us that if some members of the Congress, and officials in the Carter Administration—no matter how good their intentions—are willing to expose the Hussein payments, they had better be careful of crippling other more important aspects of this Nation's vital intelligence gathering network.

THE OUTSTANDING EFFORTS OF THREE AMBASSADORS

Mr. ROBERT C. BYRD. Mr. President, the people of this city and the Nation went through a deeply disturbing experience last week. It was an embarrassment to the Nation. It was a serious inconvenience to those who live here. But to those who were involuntary participants in this monstrous disorganization of the orderly life of the community, it was a harrowing, painful and, to some, tragic experience.

There are legal aspects as to the manner in which the matter was finally brought to an end which raise serious questions. But in human terms, the incident could have terminated in a hideous fashion, given the furious blood feud which apparently triggered the affair.

That it did not do so is due in no small part to three men who are, in effect, strangers in our midst. They had no responsibility for the resolution of this difficulty. Yet when the urgent need appeared they responded without hesitation, offering their services through the responsible authorities. I refer to the Ambassador of Pakistan, Sahabzada Yaqub-Khan; the Ambassador of Egypt, Ashraf A. Ghorbal, and the Ambassador of Iran, Ardeshir Zahedi.

These distinguished envoys brought to bear on the situation a tenuous religious affinity which was buttressed by a high degree of professional skill and great personal courage. They entered the beseiged buildings and cooperating fully with the authorities, attempted to find a way to break the impasse and bring out the hostages. Their effort made a highly significant contribution to the resolution of the difficulty. The three Ambassadors performed a most distinguished service for the Nation's Capitol.

So before this bizarre and outrageous interlude recedes too far into memory, I would like, on behalf of the Senate, to thank the Ambassadors of Pakistan, Egypt, and Iran for their assistance. Moreover, I would suggest most respectfully to the Secretary of State that some official notice be taken of their contribution. They deserve a fitting citation for their outstanding efforts.

REMEMBRANCE OF ROOSEVELT ACTIONS IN NATIONAL CRISIS PROVIDES GUIDE TO FUTURE IN SOLVING NATION'S PROBLEMS

Mr. RANDOLPH. Mr. President, in 1939 President Franklin Delano Roosevelt called a press conference to warn the Nation of future energy shortages. He deplored the waste of many millions of cubic feet of natural gas escaping from Texas oil wells yearly, and asked for a broad cooperative energy policy. The President noted that the United States already was using more energy per capita than any other nation, and he said a coordinated policy of energy development and conservation of resources was needed.

We know that the Nation's attention turned eastward toward a simmering World War II at that time, and Roosevelt's plea for development and conservation of energy went unheeded. Today, we are starting from square one on a proposal offered by the administration 38 years ago.

I cite this historical footnote to illustrate the vision and hope ignited during the 1930's by the melding of bright minds and noble ideals within the New Deal administration.

On March 4 approximately 800 men and women who participated in that challenging era gathered at the Mayflower Hotel in Washington, D.C., to mark the 44th anniversary of Roosevelt's first inauguration. It was, in many ways, a "bath in nostalgia" for many old friends and some former enemies. It also served to remind the present generation that capable and committed and courageous public servants have risen to the challenge throughout our history.

In recounting the "first hundred days" of the Roosevelt administration—in which I was privileged to share—speaker Benjamin V. Cohen summarized the secret of Rooseveltian leadership which pulled this country through the Great Depression and World War II.

"The miracle of Roosevelt's leadership," said Ben Cohen, "was that he could summon the country's undiscovered depth of ability."

Ben Cohen was one of the special honored guests at the anniversary party. Others were Thomas G. Corcoran and Rex Tugwell. Together, these brash young men headed a brilliant and dedicated team of "brain trusters" who helped move this Nation from a winter of despair to the sunshine of preeminence in the world. In his ineffably poetic style, Tommy Corcoran introduced Cohen with these words:

> Without bloodshed the New Deal defanged our most dangerous internal crisis of 1861. This it accomplished by institutionalizing compassion and recognizing the political indispensability for a democracy of hope in all our people.

Mr. President, the comments of Cohen and Corcoran have an up-to-the-minute ring. Their recollections on how Roosevelt and his many loyal and dedicated followers sought to save and preserve our society provide a modern-day guide to this and future administrations. The problems we face today are little different except in depth and dimension, and our reactions to these problems and their solution can be mobilized and directed by what Corcoran so aptly calls "the energy of moral purpose."

I ask unanimous consent that the introductory remarks by Mr. Corcoran and Mr. Cohen's address be placed in the RECORD, so that this and future generations can share in the spirit and wisdom and hope and compassion which infused the American people during one of our Nation's darkest hours.

Mr. President, I ask unanimous consent also that articles in Time and Newsweek on this event be placed in the RECORD.

INTRODUCTION OF BENJAMIN COHEN

(By Thomas G. Corcoran)

Without bloodshed the New Deal defanged our most dangerous internal crisis since the crisis of 1861. This it accomplished by institutionalizing compassion and recognizing the political indispensability for a democracy of hope in all its people.

First came the luck of the nation in the genius of a President who could reach the popular mind, who could summon the spirits from the vasty deep and they would come. But to assure the continuity of a change of spirit he had also to summon the energy and devotion of particular individuals to set up nationwide from Maine to California government organizations to sustain his miracle. Reorganizing a government is peanuts to organizing it then.

Justice Holmes used to describe a colleague whom he identified only as "the last of the tobacco spitting judges." "The jaws of his imagination could open like the jaws of a great vise and expand to grasp the whole universe. But he could never close on the last three inches." What made the New Deal's miracle of the spirit work was the interaction between the imagination and devotion of those who came here wanting to make the world over and those who hoped only they could make it work.

In Ben Cohen that interaction found a universal joint. He had the imagination to see in a problem not only the obvious but the penumbra. A true "super lawyer," he could draft laws in terms even an antagonistic Supreme Court could not disturb. In the largest sense his legal victories were the most important defense of the whole New Deal because they defanged in the money markets and the utility holding companies, the only concentrations of political power which could organize a political counter-revolution. Ben thus protected through the election of the Third Term all any of us were doing and after the election of the Third Term in which here tonight Joe Alsop and Ernie Cuneo and Luvie Pearson through her husband, Drew, did unrecognized yeoman service to Roosevelt, we were sure the New Deal was safely on high ground where not even a tidal wave would wash it away.

But there was more to Ben Cohen's contribution to President Roosevelt's New Deal than his exploits as an individual palladin. More important was a quality of spirit and wisdom by which he contributed that maximum contribution anyone can make to government—that is multiplying the capabilities of hundreds of others and energizing their contributions to their specific tasks. And he is one of the few, if not the only, non-political figure in public life I have known.

Always Ben eschewed administrative office with its perquisites and high visibility social honor. His influence did not grow from command of a big office and hosts of assistants. His power seeped from the many little offices in which he served as a titular assistant or adviser to some more visible figure—and the frugality of his social life in which he escaped all pleasure except that of functioning so he might concentrate as no other New Dealer concentrated on devotion to what he saw as a cause.

No one from the President down did not seek and benefit from Ben's quiet advice. Never was there a more harmonious working relationship with Judiciary and Congress than was exhibited in Ben's own work. And he infused all he touched with the energy of moral purpose—always I felt sure connected with memory that the Cohens were the high priests of his tribe of Benjamin. Believing, and still believing, in the perfectability of human society and that faith can make the fact, he inspired in the rest of us minor leaguers against the abuse of those who saw us getting in their way.

In a New Deal in which Roosevelt was the indispensable father, Ben was in truth Uncle Ben to all who were lucky enough to be touched by him. Like Ulysses, he was part of all he had met. If his ecumenicality will permit it, I canonize him Saint of the New Deal.

The remarkable continuity of the New Deal's evolutionary idea that democratic government has to be an instrument of hope and compassion, a continuity which survived administrations who could not if they would reverse it—that continuity is a tribute to the contribution without peer Ben Cohen made to the dreams of Franklin Roosevelt.

Having as none other of us given up wife, children, and every pleasure in life except the joy of functioning in great things, Ben is entitled to what Holmes described, "the secret joy of the thinker, who knows that, a hundred years after he is dead and forgotten, men who never heard of him will be moving to the measure of his thought, the subtle rapture of a postponed power, which the world knows not because it has no external trappings, but which to his prophetic vision is more real than that which commands an army."

THE NEW DEAL LOOKS FORWARD

(Address by Benjamin V. Cohen)

Fellow veterans of the New Deal—veterans of the New Deal in the earlier years of struggle to overcome the ravages of the Great De-

pression and in the later years to prepare our defenses and fight for our freedom.

We were the lucky ones caught up—by the wise and compassionate leadership of President Roosevelt—in the mobilization of the energy, experience, and knowledge of this great nation—to meet its pressing and long neglected needs. For us it was a time when "to be alive was joy and to be young was very Heaven". Indeed, if we were not young then we would not be here tonight!

Tonight we meet in reunion here on the 44th Anniversary of the first inaugural of President Roosevelt in responding to a spontaneous and shared wish of all of us here, proudly to recall our part in carrying out the New Deal programs of Franklin D. Roosevelt. No generation which did not live it can imagine its like.

May I begin at our beginnings. The winter of 1933 became the worst winter of the depression—the "Winter of Despair". On Inaugural Day the nation's banking system was collapsing and its economy was in a state of paralysis.

We all recall the stirring words of the President in his inaugural address 44 years ago today: "The nation asks for action and action now . . . We must act and act quickly. The only thing we have to fear is fear itself." Those words brought to the whole country relief from despair and, at long last, hope for responsive action.

The breakdown of the old order and Roosevelt's new awareness that the whole country was looking to him, ready to accept his leadership in this time of crisis, gave Roosevelt not only a new sense of power but a new and sobering sense of responsibility. Old friends and admirers observed in him depths of understanding and seriousness of purpose they had not before detected.

Roosevelt had promised action. And action came.

On the very evening of his inauguration, Roosevelt signed a proclamation declaring a bank holiday and calling a special session of the Congress on March 9. He had instructed the Secretary of the Treasury to have an emergency banking bill ready for Congress on March 9. On March 8, the President reviewed a draft of the bill with Congressional leaders—significantly, from both parties. It authorized the issue of Federal Reserve notes against bank assets to make possible the reopening of banks with adequate liquid assets. On March 9, the next morning, a completed draft went to the Congress with a message from the President strongly urging the clear necessity for immediate action. And less than eight hours after the bill had been introduced in the Congress it was signed into law by the President at the White House.

Only three days later, on March 12, Roosevelt gave his first Fireside Chat. In simple language that his millions of listeners could understand he explained what the President and the Congress had done to make it safe for the people to keep their savings in the banks as they reopened.

It was a new experience for those troubled millions to hear the voice of a President deeply concerned about what most troubled them. It changed the mood of the whole nation. Walter Lippman who had earlier been a critic observed, "In one week, the nation, which had lost confidence in everything and everybody, has regained confidence in the government and in itself."

The President had planned to recess the Congress after the emergency banking law was enacted. But an unexpected and overwhelming outpouring of ideas and offers to help pressed Roosevelt to proceed while he had the Congress and the people looking to him for action. The Emergency Banking Act was to be only the first of 15 New Deal programs and actions which Congress under the guidance of the President was to authorize during the First Hundred Days. Let me call the roll:

Following the Emergency Banking Act of 1933 came the Economy Act.

Then the Civilian Conservation Corps—then the abandonment of the Gold Standard.

Then the Federal Emergency Relief Act which enabled Harry Hopkins to provide work relief for millions in an incredibly short time.

Then the Agricultural Adjustment Act—Mr. Tugwell will remember that he, Wallace, M. L. Wilson and Mordecai Ezekiel shaped the final draft which with successive modifications enabled the farmers to cooperate to improve the productivity of their farms.

Then the Emergency Farm Mortgage Act to refinance farm mortgages.

Then the Tennessee Valley Authority Act which with Bonneville and Grand Coulee produced the aluminum for the war planes which enabled us to win World War II.

Then the Truth in Securities Act which brought W. O. Douglas to the SEC first on special assignments then as a member, then as chairman until he was lifted to the Supreme Court where he and Justice Black gave new life to the Bill of Rights.

Then came the Abrogation of the Gold Clause in Public and Private contracts, then the Homeowners Loan Act to finance home mortgages.

Then came the National Industrial Recovery Act and a $3.5 billion public works program—NRA was an experiment in industrial self-government with codes of conduct for industry and labor—when NRA was discontinued Section 7A became the progenitor of the National Labor Relations Act drafted by Senator Wagner and Leon Keyserling and also of the Fair Labor Standards Act—Professor Schlesinger reminds us that NRA was the father of the War Production Board—Leon Henderson, Donald Nelson, Averill Harriman, William H. Davis, Isadore Lubin and Edward R. Stettinius, Jr., all had their training in mobilization in the breathless days of 1933 and 1934.

Then came the Glass-Steagall Banking Act which divorced commercial from investment banking and guaranteed bank deposits.

Then came the Farm Credit Act and the Railroad Coordination Act.

Never before in American history was so much accomplished by the Congress in so little time. Senator Randolph of West Virginia, here tonight, is the last survivor in Congress of that One hundred Days.

Never before had the government been required simultaneously to confront problems of relief, agriculture, banking, investment, public works, industry and labor. The times called for enthusiasm and energy both from those who wanted to make the world a better world and from those who just hoped it could be made to work. Roosevelt encouraged both groups while he steered a middle course.

The miracle of Roosevelt's leadership was that he could summon the country's undiscovered depth of ability.

Nothing could have been accomplished without Roosevelt's strong and confident leadership. But little could have been accomplished without the assistance of outstanding civil servants, the Hoover holdovers who volunteered their temporary services as well as the many dedicated men and women who came to help Roosevelt for the duration. Some of these deservedly have received public recognition for their services, but others remain anonymous like many here tonight whose contributions were of equal if not greater significance. But "it is the impetus of the undistinguished host that hurls forth a Diomed or a Hector".

Many of us here came to Washington in those early days of the New Deal. Washington was the center of action and most of us wanted to be part of that action. Some of us came on our own initiative; others were recruited.

Most of the original brain trust—Sam Rosenman, Ray Moley and Adolf Berle and the survivor of them, Rex Tugwell, who honors us with his presence tonight—were active before the Inaugural in recruiting capable staffs for the new Administration. Sam Rosenman's wife Dorothy also honors us with her presence here tonight.

A cooperative Jim Farley, Chairman of the Democratic National Committee, facilitated the recruiting. Unless an appointee had publicly opposed his Congressman or spoken publicly against the President, Farley considered the appointee politically acceptable to the Party. Never before had party politics responded so fully and so uncomplainingly to national needs.

The New Dealers brought to Washington new energies, new ideas, and the fruitful clashing of ideas, both new and old. We came from homes of wealth and homes of poverty, and many more from homes neither rich nor poor. Only hostile propaganda accused Roosevelt of unfair discrimination against what was called "his own class". He welcomed the cooperation of Mariner Eccles, Averill Harriman, Herbert Lehman, Henry Morgenthau and Bernard Baruch. He gave aid to the bankers who opposed him—even to those who complained he had not saved their silk hats.

Most important to the acceptability and therefore to the success of the New Deal was Roosevelt's conception that he was not the leader of his party but the leader of the nation. He recognized his responsibility and accountability to the Congress as a whole and the people as a whole.

He was wary of attaching himself to any dogma or to any one school of thought. In reaching his decisions, he liked to have the reaction of persons from different schools of thought with varied interests and experience.

Thus in the selection of his first Cabinet, Roosevelt sought to create a broadly based Administration made up of persons of public standing and influence from throughout the country with differing experience and outlook, representing the many and different forces which had brought him to the White House. It included not only Hull, Woodin and Roper with conservative leanings, but Progressives Wallace and Ickes with their early ties to the Republican Party.

To be able to give leadership to the whole Congress he sought the support of the whole Congress. He knew he would need support from both parties, for rarely without some support from both parties can an important measure get through Congress intact. In a country as large and diverse as ours, Congressional leaders cannot impose party discipline which would oblige members of both Houses to vote against the wishes and interests of their constituents.

So when domestic problems and reforms were predominant, Roosevelt worked not only with the Democratic leaders but with Senators Norris, LaFollette, McNary and their liberal Republican colleagues. When war threatened, and emphasis shifted to problems of defense, the draft and the revision of the neutrality laws, Roosevelt welcomed cooperation from Republican internationalists like Wadsworth in the House and Austin and Lodge in the Senate, and brought two eminent Republicans, Stimson and Knox, into his own Cabinet.

Instinctively, until he had some idea of the support he might expect and the opposition he might encounter, Roosevelt refrained from committing himself completely or irrevocably to a specific course, whether executive action, national legislation or international agreement. The one exception which

proves the rule occurred after the 1936 election sweep in the presentation of the Supreme Court plan without adequate consultation.

Before taking a stand on controversial issues, Roosevelt usually sought to be informed of the viewpoints and interests represented in the Congress. To gain support for vital proposals, he would then consider to what extent he could meet or reconcile these viewpoints and interests with his own and to what extent he would be required to educate constituents in order to alter any negative reaction of members of Congress. As a responsible leader of a democracy, he was careful not to get too far behind or too far ahead of public opinion.

He was particularly helpful in the handling of foreign affairs not to make any definite commitment or to take any important action until he was confident that he could carry the Congress and the American people with him. Until recently I had always thought that after Munich until the fall of Poland and the collapse of France, Roosevelt was quite indecisive and equivocal in his actions. But after reading Joseph Lash's recent book on "Roosevelt and Churchill," 1939–1941, I can better understand the reasons for his seeming indecisiveness.

Without committing the nation, Roosevelt immediately after the invasion of Poland, sought to keep Churchill (and Chamberlain as long as he was Prime Minister) informed how far he felt he could count on the support of the American people in helping the British in various contingencies. In his first communication to Churchill he indicated he hoped to repeal the embargo in the near future and "this was definitely part of the Administration policy". This was done in the hope of strengthening Churchill's stand against further appeasement.

But the phony War followed the invasion of Poland. Hitler transferred his crack divisions to the West attempting by threatening war for which the Allies were ill-prepared to stampede them into a peace conference where he would offer them at Munich peace for acquiescing in the destruction of Poland.

Roosevelt deliberately sought to equivocate to gain time to frustrate Hitler's efforts. He sent Sumner Welles to Europe on a fact-finding mission to determine whether there was a peace formula that a neutral group led by the United States might put forward. He also revived the idea of a quarantine against the aggressors which the United States might join on humanitarian grounds.

But in the meantime he was expanding our own defense programs and extending our defense patrols in the eastern Atlantic. In September 1940 the Russians occupied eastern Poland, and in October before the election Congress finally repealed the arms embargo. In December 1940 after the election Roosevelt advocated lend-lease aid to Britain on the ground that "the best defense of Britain is the best defense of the United States." Public opinion, despite strong lobbies against lend-lease had already caught up with the President.

During the critical years 1939–1940 Roosevelt gave his undivided attention to help keep the British in the war. He brought to this task all the lessons he had learned as Assistant Secretary of the Navy in World War I, his great knowledge of geography particularly in relation to sea-power, and his studies in his early years of the oceans and the ships which plied thereon. He himself initiated and formulated every step as our nation moved from neturality to become the arsenal of the democracies. I should not be surprised if historians viewed his accomplishments in these critical years as the greatest of his life.

I recall how smoothly and effectively Roosevelt worked with the Congress when Jim Landis, Tom and I were asked to work on our first assignment; i.e., the Securities Act of 1933. The Administration's original draft had been hastily prepared because of differences between those who had been assigned to prepare it. Congressman Rayburn, then Chairman of the House Interstate Commerce Committee, told Ray Moley that he had considerable doubts about the bill and asked for the help of independent counsel. At Roosevelt's request, Moley called on Professor Frankfurter of Harvard Law School to provide such independent assistance for the Committee. Frankfurter recommended Landis, Corcoran and myself.

Congressman Rayburn asked us to work in preparing a revised bill for the Committee with Mr. Middleton Beaman, the legislative counsel of the House. We did so, not knowing whether we were working for the Congress or for the President.

Congressman Rayburn, when satisfied with our redraft, asked us to talk with Republican Congressman Carl Mapes from Grand Rapids, the ranking Republican member on the Committee. Mapes represented the same Michigan Congressional District which Gerald Ford later served before he became Vice President of the United States. Mapes was favorably impressed with our revised draft and in turn asked us to talk with his Republican colleagues who might have some questions.

In truth, the only unresolved partisan question about our work on the Securities Act was: Who should pay Landis', Corcoran's and my hotel bill? Finally, after the 1936 election, the Democratic National Committee was affluent and generous enough to pay the bill, and the three of us New Dealers continued to cherish a lifetime friendship with both Congressman Rayburn and Congressman Mapes.

Roosevelt well understood that members of Congress like to be a part of the action and he was quick to accept suggestions growing out of Congressional hearings and debates. Again, during the first hundred days when Senator Vandenburg proposed to attach to the Glass-Steagall bill a plan to guarantee bank deposits, both Roosevelt's own Treasury and the American Bankers Association opposed Vandenburg's suggestion as fiscally irresponsible. But when Vice President Garner and RFC Chief, Jesse Jones, told Roosevelt that there was support for Vandenburg in the Congress and they thought very well of his suggestion, Roosevelt accepted the Vandenburg idea and the Federal guarantee of bank deposits became a jewel in the crown of the New Deal banking legislation.

Similarly, after Munich, when it became necessary to speed defense and war preparation and create the War Production Board, the War Labor Board, the Office of Price Administration, and the Office of Economic Warfare, Roosevelt met the need to bring into government for defense work and later war work, irrespective of party affiliations, representatives from industry, many of whom happened to be Republicans; representatives from labor, many of whom happened to be Democrats, and many professionals—lawyers and economists—who enjoyed the confidence of industry and labor as well as the general public. Among the leaders of the lawyers' group were John Lord O'Brian, Henry Fowler, Joseph Wiener, Maury Fleischman, Fred Eaton, and Herbert Marks, and among the leaders of the economists' group were Bob Nathan, Leon Henderson, Joseph Keenan and Richard Gilbert. There were so many extraordinarily able men in these groups that it is hard to name some without neglecting others equally significant.

Of course there was considerable in-fighting. But airing differences in privacy had ultimate advantages. When each group began to talk to the other privately, each learned something of the problems of the other in relation to the overriding public need. Usually they were able to find solutions that all or most of them could accept. The sign allegedly on the desk of Chairman Knudsen of the War Production Board head, "Have you a solution to this problem or are you a part of the problem?"

To obtain the all-important "Hold the Line Order" against inflation in World War II, we would have had great difficulty without the cooperation of the tripartite War Labor Board, O.P.A. Agriculture, the Office of Economic Stabilization, and the Office of War Mobilization. You will recall that the public members of the War Labor Board were William H. Davis, Chairman, Frank Graham, President of the University of North Carolina and Wayne Morse, Dean of the State of Oregon Law School—the industry and labor members were equally outstanding and cooperative.

It seems to me that today in this New Deal spirit it is equally important that our government of all the people find means like those Roosevelt used during the Depression and World War II, to secure the cooperation of groups with different interests and viewpoints in developing programs to meet our most difficult and intractable economic and energy problems.

We are now in a time of national crisis—indeed in a time of international crisis—possibly deeper than the public has yet realized. But better than any other country in the world, we are equipped with human resources and material resources to meet our problems. We know both as individuals and as members of groups we must cooperate with one another as Roosevelt taught us in the New Deal days. We know, in the words of Benjamin Franklin, "We must all hang together or assuredly we will all hang separately."

It is tragic that in recent years we have let ourselves quarrel and become irreconcilable adversaries. The President and the Congress, business and government, industry and labor, environmentalists and developers, the media and government, all—needlessly—have become irreconcilable adversaries of one another and make little effort to find a common ground for action. In time of crisis, government must be able to act. That requires efforts to compose differences and to reach a sufficiently broad consensus to permit action in the common interests of all.

The situation is not unique to our country. Indeed it is a matter that concerns all free societies in the Western world. We remember how gallantly the British, without regard to party or economic station, worked together with Churchill in a government of national unity to win the war against Hitler. It is sad for us to observe that the British have not been able similarly to unite in their fight against inflation which stands in the way of their economic recovery. They first entrust the government to the Labor Party, then to the Conservative Party, then back to the Labor Party. What Great Britain needs—and it is for her to determine through what party or combination of parties it can be obtained—is a government representing a sufficiently broad national consensus to give it the ability to act in the common interest of all Britain.

For above all, Roosevelt did demonstrate that in our country a nationally elected President can in time of crisis give us a broadly based Administration which can enjoy the confidence of al our people.

We take pride in the accomplishments of the New Deal and are proud to have been a part of it. For most of us, our New Deal years were the best years of our lives. Elihu Root once said, "To be part of great things—that is life." Just as the New Deal saw our country through a great depression and a world war, today when our country and other countries face new and equally difficult problems—the time is ripe for a new "New Deal."

We look to President Carter and Vice President Mondale to establish their own

"New Deal" in their own way and style. We believe that they will find help and comfort in Roosevelt's words added in Roosevelt's own handwriting to the last draft of a speech prepared for a Jefferson Jackson Dinner—words which because of his death were never delivered:

"The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith".

WASHINGTON: RITES OF PASSAGE

(By Hugh Sidey)

The title of Ben Cohen's speech last Friday night was "The New Deal Looks Forward." It was as if Franklin Roosevelt were still in the White House and his staff members were rolling up their sleeves for another job.

Friday was the 44th anniversary of Roosevelt's first inauguration, and some 750 of the men and women who went into power with him, or joined later, or were otherwise specially touched by those years, gathered at Washington's Mayflower Hotel in commemoration. Cohen, 82, one of F.D.R.'s ubiquitous counselors and troubleshooters, sounded the theme of marching on. Indeed, the New Deal in flesh and emotion and philosophy does seem to go on forever. It may have been the most dramatic change in Government in our history. "It was," explained Thomas G. ("Tommy the Cork") Corcoran, "the institutionalization of compassion."

For a night they drank and laughed and told stories, old people grown young again, those who had hustled into Washington with their cardboard suitcases, frayed clothes, new law degrees and fresh hope.

On that March 4 in 1933, Corcoran, then just 32, was standing in the cold about a hundred feet out in the audience below Roosevelt. He was a young lawyer working for President Herbert Hoover in the Reconstruction Finance Corporation, trying to save the banks. At 1 o'clock on that day Roosevelt's voice echoed over the Capitol Plaza: "The only thing we have to fear is fear itself." Corcoran stood there knowing that the banks would soon be closed and wondering whether it would give Americans a sense of confidence or panic them. It was one of the great leadership gambles of history. Corcoran, from his inside position, had wrestled with the personal problem of whether to take his money out of his bank or leave it in. He told the story with relish—how he met the devil halfway, took half of his money out and left half of it in the bank.

West Virginia's Senator Jennings Randolph joined exuberantly in the nostalgia bath. At 30, he had been a new Congressman, seated up on the inaugural stand just 35 feet from Roosevelt. Randolph is the only legislator from F.D.R.'s first 100 days who still is in Congress. He recalled how he had been invited to the White House a few nights later with other new Congressmen. When someone suggested Roosevelt was moving too fast, the President doubled his fist and struck his desk twice. "I still can see how his knuckles got white," said Randolph. "Roosevelt answered, 'But gentlemen, do you realize that we must act now. By acting now we will make mistakes, but if we do not act now, we may not have another opportunity to act at all.'"

They all recalled with relish how Walter Lippmann, the prominent pundit, had dismissed Roosevelt as "a pleasant man who, without any important qualifications for the office, would like very much to be President." The thing that had saved Roosevelt, the New Dealers insisted, was that he did not have the least idea how things got done. He just decided what needed to be done and left it to others to achieve the impossible. Thus unburdened with technicalities, F.D.R. made it to cocktail time each day with his hope still intact. The country got the message.

What fun it had all been. Rex Tugwell, at 85 the oldest of the Roosevelt originals, marveled at their ability to laugh in those dismal times. Then he chuckled over the memory of seeing Tammany Democrats dressed in their long coats and plug hats but so broke they could not pay their hotel bills. 'We didn't understand the seriousness of the problem," mused Tommy the Cork, still young at 76, "but we knew the joy of functioning."

THE NEW DEAL: BORN AGAIN

(By Tom Mathews with James Doyle)

It was a class reunion for the New Deal—a lively, happy-days-are-here-again testimonial. The guests of honor in Washington last week were Benjamin V. Cohen, 82, and Thomas G. (Tommy the Cork) Corcoran, 76, two of Franklin D. Roosevelt's most sprightly Brain Trusters. In their day they were called the Gold Dust Twins. Now they have silvered into grand old men. And 15,968 evenings after FDR's 100 Days, nearly 900 aging New Dealers hired a hall and paid them homage "Ben and I were thinking about giving $1,000 to a Buddhist guru to get reincarnated," the Cork told the crowd. "Then we came here and got reincarnated without the fee—and before the rest of the country got born again."

The gentle dig at Jimmy Carter, 52, drew laughs—and a few nods. Last fall, the President set off for the White House from FDR's Warm Springs, Ga., home; he chose not to attend the party. After Vice President Walter Mondale decided to skip the bash to go ice fishing. Sen. Hubert Humphrey, 65, agreed to show the flag for the Democratic Party. He allowed that he was probably too young for the mission, but he sailed happily into the Republicans anyway for fighting the New Deal. "I believe in the power of prayer and I pray they will be forgiven," he said with a grin. "Everyone of us in this room has since become a beneficiary of social security."

The guest list was a bit geriatric—but spirited. Rexford Tugwell, 85, an FDR social planner who drew much of his economic inspiration from Thorstein Veblen, was at a table up front. So was Leon Keyserling, 69, an economist who shaped Roosevelt's housing policy. There were official historians: Arthur Schlesinger Jr., 59, chronicler of the New Deal, and Joseph P. Lash, 67, biographer of Franklin and Eleanor. There were also widows: Mrs. Hugo Black, wife of the great jurist, and Mrs. Dean Acheson, wife of the statesman. Even Alger Hiss was invited and welcome—but he didn't come. "I thought maybe nostalgia would drip all over this place," observed Tugwell, who laced instead into latter-day planners for allowing "the Jolly Green Giant to capture the family farm and ITT to run the corner drugstore."

Finally, Ben Cohen, a lean, slightly stooped, ascetic man with sharp brown eyes, stood and took the rostum—with a ten-page speech. He chose to offer Carter and the country a quiet warning. "It is tragic," he said, "that . . . the President and the Congress, business and government, industry and labor, environmentalists and developers, the media and government all—needlessly—have become irreconcilable adversaries . . . They make little effort to find a common ground for action." "Ben wrote the speech," reported the Cork. "All I did—in fact all I ever did—was cut him."

ACRONYMS. Ben and the Cork descended upon Washington 44 years ago. "How young we were," Corcoran, a plump man with flowing white hair, bushy eyebrows and the dark blue suit of a corporate lawyer, mused last week. Actually Cohen was 38 at the time and Corcoran was 32.

They were prosperous and liberal Wall Street lawyers. With introductions from Felix Frankfurter (their detractors called them Frankfurter's happy hot dogs), they plunged into the New Deal. Before it was out, Cohen, a shy, introspective legal craftsman, and Corcoran, a robust tactician, managed to dream up, draft, work for or sell the RFC, SEC, TVA, FHA[1] and half the other celebrated acronyms of the day.

Their work and their style won them potent friends—and enemies. FDR was fond of Corcoran's salty common sense and the sea chantey that he sang at parties. John Foster Dulles, a rising young conservative from the New York law firm of Sullivan & Cromwell, called Corcoran and Cohen a threat to the country. They lived together in a red-brick Italianate mansion; their foes dubbed it "The Little Red House on R Street" and maintained darkly that it was full of Communists. Actually, their ideology was much simpler. "Ben believes in the perfectibility of man," noted Corcoran cheerfully. "Being a Catholic, I believe in original sin."

Both believed in pragmatic compromise. When Sen. Arthur Vandenberg, a conservative Republican, proposed a few changes in their bill to reform the banking industry, Cohen and Corcoran accepted them. "When we first came into this business, we were called in because the Congress was unhappy," Corcoran recalled last week. "When we were finished, Sam Rayburn said, you couldn't tell whether we'd been working for the Congress or the White House. It can be done."

Mr. DEEDS. Cohen maintains that such legerdemain would serve Jimmy Carter well. "Roosevelt conducted himself so as to have the support of Congress and the American people," he recalls. "He didn't feel this conflict, the idea that it's easier to confront and defy the Congress." A lifetime bachelor, Cohen lives quietly in an apartment cluttered with newspaper clips, government publications, scholarly reviews—and his pet schnauzer, Mr. Deeds. He plays singles at the St. Albans tennis club, where he gracefully allows duffers to beat him.

The Cork is still very much a man about town. He gets up weekdays and goes to work at the same law offices he has maintained since the early '40s. A rich widower, he often squires Anna Chennault, widow of World War II's famous Flying Tiger, about Washington. "I've been reincarnated," he reports. "I'm so young now that I can't afford to drink whisky." He has lunch with Cohen nearly every Saturday at the Cosmos Club. "I don't have the spare time for tennis like my lord of leisure here," he said to Cohen one day last week. "Besides, my tennis isn't good enough."

(This concludes additional statements submitted by Senators today.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

IMPORTATION OF RHODESIAN CHROME

The PRESIDING OFFICER. The Senate, having recessed on yesterday, will now resume the consideration of S. 174, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 174) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the International community.

The Senate resumed the consideration of the bill.

[1] Reconstruction Finance Corp., Securities and Exchange Commission, Tennessee Valley Authority, Federal Housing Administration.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment (No. 73) offered by the Senator from Alabama (Mr. ALLEN).

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the pending amendment offered by the distinguished Senator from Alabama (Mr. ALLEN) be temporarily set aside, and that in the meanwhile the Senator from Virginia be permitted to submit and have acted upon two amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 75

Mr. HARRY F. BYRD, JR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, JR.) offers an unprinted amendment numbered 75:

At the end of the bill, add the following:

(a) Upon the enactment of this act, the President may suspend the operation of the amendments contained in this act if he determines that such suspension would encourage meaningful negotiations and further the peaceful transfer of governing power from minority rule to majority rule in Southern Rhodesia. Such suspension shall remain in effect for such duration as deemed necessary by the President.

(b) If the President suspends the operation of the amendments contained in this act, he shall so report to the Congress. In addition, the President shall report to the Congress when he terminates such suspension.

(c) If the President suspends the operation of the amendments contained in this act, any reference in those amendments to date of enactment shall be deemed to be a reference to the date on which such suspension is terminated by the President.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. HARRY F. BYRD, JR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the rollcall vote take place at 2 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Reserving the right to object——

The PRESIDING OFFICER. The Senator from Vermont reserves the right to object.

Mr. LEAHY. Mr. President, I withdraw my objection.

The PRESIDING OFFICER. The Senator from Vermont does not object. Is there objection?

Without objection, it is so ordered.

The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, this amendment has been approved by the House of Representatives. It is a part of the bill which passed the House of Representatives yesterday.

The proposed amendment would permit the President to suspend the operations of S. 174 if he determines that such suspension would be helpful in bringing about a peaceful solution to the problems of Rhodesia. The amendment would permit the President to resume the U.S. purchase of chromium from Rhodesia if, in his judgment, it would help to peacefully settle matters in that country. I believe it is a worthwhile amendment. It was offered in the House of Representatives by Congressman ICHORD. I hope the Senate will accept the pending amendment.

Mr. CLARK. Mr. President, although I do not personally approve the amendment, I find no great problem with it. The amendment seems superfluous to me because the bill which is before us, namely, S. 174, gives the President clear authority to exercise his discretion if there are changing circumstances. Furthermore, I would contemplate a suspension of the type suggested in the amendment.

I have no basic objection to the amendment. It was accepted by the House of Representatives yesterday and its acceptance here, I believe, would speed the bill to the President. For those reasons I would intend to vote for it.

Mr. HARRY F. BYRD, JR. Mr. President, I believe this amendment has a great deal of significance because the amendment recognizes that the Congress has the right to set aside an embargo imposed by the United Nations. That was the principle for which the Senator from Virginia has fought for lo these 10 years, that the Congress, when it feels it is in the best interests of our country, has the right to set aside action taken by the United Nations Security Council.

I think it is a very worthwhile amendment, and I am pleased that it is being accepted by the manager of the bill.

Mr. President, under the unanimous-consent arrangement, the vote on this amendment will not take place until 2 o'clock. Therefore, I suggest the absence of a quorum.

Mr. CLARK. Will the Senator withhold that?

Mr. HARRY F. BYRD, JR. I withhold that request.

UP AMENDMENT NO. 76

Mr. CLARK. Mr. President, I have a very minor technical amendment that I wish to offer at this time, if I may.

Mr. President, is it in order to offer it?

The PRESIDING OFFICER. If the Senator will ask unanimous consent.

Mr. CLARK. I ask unanimous consent that an unprinted technical amendment be in order at this time and ask for its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. CLARK) proposes unprinted amendment No. 76:

On page 2, line 1, strike out the comma and the material that follows and insert in lieu thereof a period.

On page 2, line 5, immediately after the period, add quotation marks, a semi-colon, and the word "and".

Mr. CLARK. Mr. President, if I may explain the amendment, on page 2 of the bill, line 1, we would strike the comma and the semicolon that follows it, as well as the word, "and," as that is not needed there. Then four lines after, on page 2—that is to say, on line 5—immediately after the period, we would add quotation marks, a semicolon, and the word "and." It in no way changes the substance. It is simply a printing error that the committee thinks should be straightened out at this point. I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa.

The amendment was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from Texas (Mr. BENTSEN) wanted to bring up a nomination. As soon as he enters the Chamber, I shall move, with the approval of the Senator from Iowa, that this amendment be temporarily set aside.

Meanwhile, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BENTSEN. Mr. President, I ask unanimous consent that we go into executive session for the purpose of considering and confirming the nomination of Mr. John C. White to be Deputy Secretary of Agriculture, reported earlier today.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, the distinguished Senator from Texas (Mr. BENTSEN) has cleared this with me. I understand he has cleared it on the other side of the aisle. Therefore, I interpose no objection.

Mr. HELMS. If the Senator will yield to me, it has been discussed on this side. As the distinguished occupant of the chair knows, Mr. White appeared before the Senate Committee on Agriculture and Forestry this morning and made a fine impression on Members of both parties.

There being no objection, the Senate

proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will state the nomination.

DEPARTMENT OF AGRICULTURE

The assistant legislative clerk read the nomination of John C. White, of Texas, to be Deputy of Agriculture.

Mr. BENTSEN. Mr. President, Mr. John C. White has been a personal friend of mine for many years. He has been commissioner of agriculture in the State of Texas and been reelected 13 times. He is a man who was born on a tenant farm, who was educated, and who has taught at universities on the subject of agriculture. He has been active in farming and, up to the present time, has been raising cattle. When he was asked if he would dispose of that on the chance that it might be a conflict of interest, he said that, considering what was happening to the price of cattle, he would be delighted to dispose of cattle.

I, for one, understand that kind of statement.

He is an excellent administrator. He has had the support of both Republicans and Democrats. He is a man who would be innovative and creative. A man who understands what it means to have to export agricultural products.

He has led a task force to Yugoslavia, was decorated by the French Government, by the prestigious order of agriculture.

I enthusiastically endorse his nomination.

Mr. ALLEN. Mr. President, at the request of the chairman of the Agriculture Committee (Mr. TALMADGE), in his absence I presided over the confirmation hearings this morning of Mr. White.

We had almost a full attendance of the committee. Each member present questioned Mr. White at length. He was recommended strongly by Mr. BENTSEN, Mr. TOWER, Mr. POAGE, Mr. HIGHTOWER, Mr. DE LA GARZA, Mr. PICKLE, from the Texas delegation. All of us were impressed with the high caliber of this appointee and were most favorably impressed with him. The committee voted unanimously in his favor.

I believe that there is need at this time for Mr. White to assume his duties as Deputy Secretary of Agriculture and I do hope the Senate will confirm the nomination reported today.

Mr. DOLE. Mr. President, I share the views expressed by the distinguished Senator from Alabama and the distinguished Senator from Texas.

Being the ranking Republican on the Committee on Agriculture, this Senator was present this morning, heard the comments, and heard the testimony.

I am of the opinion that John White will do an excellent job as the No. 2 man in the U.S. Department of Agriculture.

My distinguished colleague from Texas (Mr. TOWER) is on his way to say a word.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I think this is one of the more enlightened appointments that the Carter administration has made. Mr. White has long experience in agriculture as the Texas Commissioner of Agriculture, has presided over some tremendous breakthroughs on agricultural problems. He has knowledge of all aspects of agriculture in the Texas agrarian community, the most diversified in the United States.

Mr. President, I want to express my gratitude to the Committee on Agriculture for its swift approval of my fellow Texan, John White, to be Deputy Secretary of Agriculture. The hearings this morning confirmed what we in Texas already know, that Commissioner White is well prepared and fully experienced to assume the responsibilities for which he has been nominated.

We will be sorry to lose John White as our State's agricultural commissioner. It will be a long time, if ever, before another person duplicates the outstanding job he has done. But my State and the Nation stand to gain from the service he will render in the Department of Agriculture, and I look forward to working with him and Secretary Bergland in the years ahead for the betterment of the American farm community.

As my colleagues know, the selection of appointees to positions within the administration is a difficult task, and our confirmation process is intended to insure that this task is completed as well as possible. I know that in this instance, both the nomination and confirmation process have accomplished their intended purposes. In all respects, John White is the right man for the job, and the Nation will benefit as a result.

In the statement I presented this morning to the committee, I pointed out that it is unnecessary for a Senator to agree in every instance with the political philosophy or policy positions of a nominee before the Senate for confirmation. It is essential only that we in this body assure ourselves and the country that the nominee is qualified, capable, and earnest.

Without doubt, John White meets those criteria. So I would say to my colleagues that I do not always agree with the nominee, but I am proud to associate myself with his nomination and urge his confirmation by the Senate.

Mr. President, I ask unanimous consent that the statement presented on behalf of Deputy Secretary-Designate White to the Committee on Agriculture be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN G. TOWER OF TEXAS

Mr. Chairman and members of the Committee, it is a distinct pleasure to meet with you today to speak on behalf of John White, in regard to his nomination to be Deputy Secretary of Agriculture.

I know the Committee has been provided biographical information so I will not dwell on those facts, except to point out that Commissioner White is one former college professor who understands the problems of farmers and ranchers. I had the privilege of serving on the same college faculty as Commissioner White where he helped direct the University's agriculture program, and since that time I have come to admire and respect him for his dedicated efforts to help the agricultural community of Texas.

Over the years, and up to the present time, Presidents have from time to time nominated individuals whose qualifications were called into question by this body. Mr. Chairman, I can assure you that there is no such problem with this nomination.

For 26 years, John White has served the state of Texas well as its Commissioner of Agriculture, winning election to that post as a young man of 25, and subsequently winning re-election a dozen times. I can assure you, Mr. Chairman, that anyone who wins thirteen statewide elections in Texas is doing something right.

Those of us who are familiar with the difficult problems facing Texas agriculture are familiar, too, with the vital leadership which the Agriculture Commissioner has provided over the years. He is the dean of state agriculture commissioners not only through tenure of office, but also by virtue of the abilities he has brought to that office.

He is a working farmer and rancher, from his earliest days. He knows what it takes to make a crop, and I imagine he is familiar with losing one as well. He speaks the language of farmers and ranchers, and he understands what they are saying. The policies which he has pursued in Texas reflect his concern for the needs of both rural and urban areas, for both producer and consumer. As a state official, he knows first-hand the problems and successes of national farm programs enacted by the Congress, and he has been close to the people he now seeks to serve.

As a Texan, I am proud of the accomplishments of Commissioner White's administration. Over the years, he has renewed the vitality of the Texas Agriculture Commission through reorganization and consolidation, in order to better serve the constituency of his office.

His efforts to develop good working relationships with his counterparts in Mexico have paved the way for cooperative programs to develop trade and combat agricultural problems. As a boy, and later as Commissioner, he learned of the devastating effects of long-term drought on farmers and ranchers, and his own programs to deal with that crisis saved a good many farmers from ruin.

John White was one of the first men in this country to see the future of agriculture in exports, and his organization of the Texas Agricultural Products Program can be credited for much of the export development which has occurred over the last five years in Texas.

Likewise, he was one of the first to recognize the impending agricultural fuel shortages, and the implications for irrigated farming. Surveys and studies of these shortages have served to focus attention on the problem so that farmers and ranchers can act on their own to correct it.

Mr. Chairman, I do not think that we, as members of the Senate, can or should expect that every nominee coming before us will share our every point of view. Nor do I expect that John White and I will agree on every policy of the Administration over the next four years. I believe we do have the obligation to confirm appointees only if they are qualified by experience for the job they seek, and reflect a concern for those who they, in effect, represent in the conduct of their offices.

I know that Commissioner White is quali-

fied; I believe his record substantiates his abilities; and I can assure you that he is deeply concerned with the lives and livelihoods of farmers and ranchers throughout our country.

The mainstay of this country is the land and those who work it. Those who administer the programs which affect those people have a tremendous responsibility, and John White recognizes that responsibility and is ready to undertake it.

In considering his nomination, it is important to focus on those facts, and to avoid the distraction of petty personal or partisan concerns, no matter how important those concerns may be to any of us individually. This office for which John White has been nominated deserves no less than he has to offer, and I would urge the Committee to recommend his confirmation to the Senate.

The PRESIDING OFFICER. Without objection, the nomination of John White for Under Secretary of Agriculture is confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPORTATION OF RHODESIAN CHROME

The Senate continued with the consideration of the bill (S. 174) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the International Community.

The PRESIDING OFFICER. Under the unanimous consent agreement, the time of 2 o'clock having arrived, the vote on the amendment offered by the Senator from Virginia will take place.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), and the Senator from Delaware (Mr. ROTH) are necessarily absent.

The result was announced—yeas 93, nays 0, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—93

Abourezk	Biden	Chafee
Allen	Brooke	Chiles
Anderson	Bumpers	Church
Baker	Burdick	Clark
Bartlett	Byrd, Harry F., Jr.	Cranston
Bayh	Byrd, Robert C.	Culver
Bellmon	Case	Curtis
Bentsen	DeConcini	Danforth
Dole	Johnston	Proxmire
Domenici	Laxalt	Randolph
Durkin	Leahy	Ribicoff
Eagleton	Long	Riegle
Eastland	Lugar	Sarbanes
Ford	Magnuson	Sasser
Garn	Mathias	Schmitt
Glenn	Matsunaga	Schweiker
Goldwater	McClellan	Scott
Griffin	McClure	Sparkman
Hansen	McGovern	Stafford
Hart	McIntyre	Stennis
Haskell	Melcher	Stevens
Hatfield	Metcalf	Stevenson
Hathaway	Metzenbaum	Stone
Hayakawa	Morgan	Thurmond
Heinz	Moynihan	Tower
Helms	Muskie	Wallop
Hollings	Nelson	Weicker
Huddleston	Nunn	Williams
Humphrey	Packwood	Young
Jackson	Pearson	Zorinsky
Javits	Pell	
	Percy	

NAYS—0

NOT VOTING—7

Cannon	Inouye	Talmadge
Gravel	Kennedy	
Hatch	Roth	

So the amendment of Mr. HARRY F. BYRD, JR., was agreed to.

RESCISSION OF CERTAIN BUDGET AUTHORITY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 3839, Calendar No. 36.

The PRESIDING OFFICER (Mr. MOYNIHAN). The clerk will state the bill by title.

The legislative clerk read as follows:

A bill, Calendar No. 36 (H.R. 3839), to rescind certain budget authority recommended in the message of the President of Janaury 17, 1977 (H. Doc. 95-48), transmitted pursuant to the Impoundment Control Act of 1974.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. What is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 3839, Calendar No. 36.

Mr. BAKER. This is the rescission measure?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. McCLELLAN. Mr. President, the message from the President of January 17, 1977, contains nine rescission proposals which have not been acted upon by the Senate. H.R. 3839, the bill before the Senate today, recommends concurrence with the House in approving five of the rescissions and in disapproving the remaining four rescissions.

The estimated total of budget authority recommended to be rescinded in this bill is $664,050,000. This is $277,228,000 less than the amount proposed in the message of the President of January 17.

Of the five items in H.R. 3839, four of these are routine and did not encounter any opposition in committee. These include:

Subcommittee, item, and amount

First. Defense, retired pay, $143,600,000.

Second. Defense, Air Force procurement, $14,350,000.

Third. Foreign operations, foreign military credit sales, $41,500,000.

Fourth. State/Justice, contributions for international peacekeeping activities, $12,000,000.

H.R. 3839 also contains language recommending rescission of $452.6 million for the Navy's shipbuilding and conversion account. In his message of January 17, President Ford recommended that the Department of Defense not procure the fourth nuclear powered aircraft carrier—CVN-71—or convert the nuclear powered cruiser U.S.S. *Long Beach* to the Aegis air defense weapons system configuration, and urged the Congress to rescind $721 million for the funding for these items.

The present administration modified the rescission proposal for the nuclear carrier because $268.4 million of the $350 million appropriated for fiscal year 1977 has been obligated; the proposal has been revised, therefore, to rescission of $81.6 million. The committee recommends concurrence with the rescission of $81.6 million for the carrier in addition to rescission of the full amount of $371 million for the *Long Beach* conversion.

The recommendations of the committee are not to be construed as a departure from its continuing support of the carrier task force concept. During the appearance of the Secretary of Defense concerning the rescission proposals, the Defense Subcommittee elicited testimony from Dr. Brown that it was the intention of the administration to include a new type aircraft carrier—CVV—in the fiscal year 1979 defense budget and a second CVV in the 5-year defense plan. The committee would have preferred a commitment rather than a mere statement of intent, and the committee expects the Department of Defense to move as rapidly as possible with an accelerated vertical/short takeoff and landing—V/STOL—aircraft program, as well as the design and construction of an interim carrier—CVV. This direction includes the submission of a budget amendment for fiscal year 1978 funds not later than September 1, 1977, to help achieve these new capabilities in the shortest possible time.

Rollcall votes were taken during consideration of the rescission bill, both in subcommittee and full committee meetings. The Defense Subcommittee recommended ratification of the rescission of fiscal year 1977 funds for the fourth nuclear powered *Nimitz* class aircraft carrier by a vote of 10 to 2. The subcommittee, by a vote of 8 to 4, recommended ratification of the rescission of fiscal year 1977 funds for conversion of the nuclear powered cruiser U.S.S. *Long Beach* to the Aegis air defense weapons system configuration. The full committee recommended ratification of the rescission of the nuclear carrier funds by a vote of 18 to 4 and ratification of the *Long Beach* conversion funds by a vote of 15 to 6. The committee approved report language pertaining to the V/STOL aircraft program

and the design and construction of an interim carrier—CVV—by a vote of 16 to 7.

Mr. President, I yield to our distinguished colleague from North Dakota, the ranking member of the minority.

Mr. YOUNG. Mr. President, the committee recommends the rescission of $664,050,000 in this bill. This is $277,228,000 less than the amount proposed in the message from the President. This bill, as reported by the committee, rescinds appropriated funds of the Department of Defense; funds appropriated to the President for foreign military credit sales; Department of State for international organizations and conferences; Department of Commerce; and Department of Transportation.

Most of the funds recommended for rescission are contained in the Department of Defense portion of the bill which concerns the shipbuilding of the Navy. Specifically, this rescission would have the effect of terminating the development of a fourth nuclear-powered aircraft carrier and the conversion of the nuclear-powered cruiser, U.S.S. *Long Beach*, with the Aegis air defense weapons system. The action on these two ships amounts to a rescission of $452,600,000.

President Ford recommended the rescission of funds prior to leaving office, and President Carter has made the same recommendation. This issue was taken up on the floor of the House, and the rescission was sustained by a vote of 252 to 161 on the nuclear carrier; and 269 to 136 on the *Long Beach* conversion.

Many of the Appropriations Committee members, as well as myself, strongly support the Navy's aircraft carrier program. When Dr. Brown, the Secretary of Defense, appeared before the Defense Subcommittee in support of this rescission, he was asked to give a commitment on the administration's alternative to the fourth nuclear carrier.

Dr. Brown said it was the intention of the administration to include a request for a smaller carrier with conventional power in fiscal year 1979, and a second small carrier in fiscal 1981. It was the view of the members of the committee that a more positive commitment than a mere statement of intent should have been forthcoming from the administration. Since this commitment was not made, the committee provided report language concerning the acceleration and design of the smaller carrier as well as vertical/short takeoff and landing aircraft programs. It is the intention of the committee that the Defense Department and the administration submit such a program to the Congress in a supplemental request for fiscal year 1978.

I support the rescission bill as reported by the committee and feel that even though many of us would have preferred to continue on with the shipbuilding program as passed by the Congress last year, that it just is not practical at this time in view of the recommendations by both Presidents and the vote on the floor of the House of Representatives not to rescind this money.

Mr. STEVENS. Mr. President, I am concerned about the rescission of fiscal year 1977 funds for the fourth nuclear-powered aircraft carrier of the Nimitz class. My concern is based upon the fact that we are not going forward with this ship and that we are, instead, merely hoping to build two smaller carriers of yet undefined characteristics, sometime in the indefinite future. In my opinion, this is not wise. According to Dr. Brown, the administration has not expressed the intent to request even the first of these smaller carriers until fiscal year 1979. To me, this is an intolerable slippage of 2 years in that part of our fleet which represents the margin of superiority over our potential adversaries. It would seem that if we are now in a position to choose between the CVV and the smaller V/STOL carriers, as apparently has now been done by the administration, then this alternative solution must of necessity be something we can go forward with now. Otherwise the decision to rescind the funds for the fourth Nimitz class carrier is premature.

I had hoped that our approval of this rescission would be conditioned upon a firm commitment that the administration would submit to Congress an amendment to the 1978 budget in time for us to act upon it during consideration of DOD fund requests during this Congress. Since that did not occur, I have voted against this rescission in the subcommittee and in the committee, and I hope that Congress will require the submission of the request for one of the two alternatives and that we will go forward with the commitment to maintain our Navy's strength in this Congress.

Mr. SCHMITT. Mr. President, will the Senator yield for a brief comment?

Mr. McCLELLAN. I yield.

Mr. SCHMITT. I associate myself with the remarks of the distinguished Senator from Alaska and hope that we will proceed to take these matters under immediate consideration within Congress to assure that there is no pause in what I think is a very important part of our defense strategy, and that is a strong and viable seven-ocean navy.

I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. ROBERT C. BYRD. Mr. President, H.R. 3839, the second budget rescission bill for fiscal year 1977, makes significant budget reductions for the fiscal year. These reductions are economizing moves with the principal rescissions in the area of defense, and they demonstrate, I believe, that certain specific reductions can be made in the defense budget. Let me emphasize that I am speaking here of limited reductions that will endanger neither the military preparedness nor the overall security of the Nation.

I will limit my remarks to the rescission on shipbuilding and conversion, which accounts for almost 70 percent of the rescission total recommended by the Senate Committee on Appropriations. A decision not to procure a fourth *Nimitz*-class, nuclear-powered aircraft carrier, one which eventually would have cost an estimated $1.63 billion, contributes significantly to this rescission.

The present plan is to construct two smaller carriers instead of the one *Nimitz*-class carrier. These will be less costly, non-nuclear carriers that could accommodate the fighter bombers of today as well as the new vertical/short takeoff and landing aircraft that the Navy intends to develop. These carriers would be able to satisfy present requirements as well as some future ones which have been identified. The administration plans to include the first of these smaller, less costly non-nuclear carriers in the fiscal year 1979 defense budget. The second is to be included in the 5-year defense plan.

The need for a greater number of smaller carriers has been recognized by many of our naval experts. It is argued that by focusing construction on a small number of huge carriers, we continue to limit the capability of the U.S. Navy. The Navy must maintain the U.S. presence on the oceans, but also have a sufficient number of vessels available to respond to trouble spots around the world.

I support President Carter's shipbuilding and conversion rescission in the belief that it can have an important impact on the direction of our Navy.

Mr. MUSKIE. Mr. President, I rise to speak in favor of H.R. 3839, a rescission bill which includes five rescissions of the Department of State, Department of Defense, and for military assistance programs. I also want to express my views on how the bill relates ot the third budget resolution for fiscal year 1977.

H.R. 3839 would rescind $664 million in budget authority. Outlays associated with the rescissions total $49 million; these amounts are in line with the third budget resolution assumptions.

Four of the rescissions are technical in nature, and the funds previously appropriated by Congress for these items are excess to program needs. These rescissions, totaling $211 million, involve reductions in retired military pay, Air Force procurement, foreign military credit sales, and the U.S. assessment for peacekeeping forces in the Middle East.

The fifth rescission in the bill, and the only nontechnical item, concerns the Navy shipbuilding construction rescission of long lead time components for the CVN 71 *Nimitz*-class nuclear attack carrier and conversion of the U.S.S. *Long Beach* cruiser to accommodate the Aegis missile defense system. The amount proposed for the shipbuilding rescission by President Ford in his rescission message of January 17, 1977, was $721 million.

President Carter affirmed his support for the proposed shipbuilding rescission in February; however, in testimony, it was pointed out that $268 million of the funds had been obligated for spare parts for the nuclear propulsion unit of the carrier. Inasmuch as these spares can be utilized by the three nuclear carriers previously approved by Congress, the rescission bill rescinds only the remaining unobligated $453 million in budget authority for Navy shipbuilding.

There are several substantive reasons for supporting the shipbuilding rescission.

The basic decision not to build the large carrier results from a National Security Council study. The study disclosed

that a *Nimitz* class carrier will incur 38 percent more in investment costs and 13 percent more in 30-year operating costs than a conventional carrier of the same size.

Further, the study concluded that the United States must begin dispersing its at-sea aviation assets. This obviously requires a larger number of aircraft carriers. The National Security Council suggested a larger number of smaller vertical/short takeoff and landing—V/STOL—carriers as an alternative to *Nimitz* class carriers. This alternative should significantly reduce the vulnerability of our at-sea assets by basing more inexpensive carriers throughout the world. The current estimate for two V/STOL carriers is $2.4 billion as opposed to $2.3 billion for one *Nimitz* class carrier.

The lack of desire to retrofit the U.S.S. *Long Beach* as a platform for the Aegis missile defense system is based on Department of Defense analysis that the DDG–47 destroyer represents the cheapest and fastest way for introducing the Aegis system into the fleet. Further, if a need ever exists for retrofitting ships with Aegis, it would be cheaper to retrofit on the newest nuclear-powered cruisers. The *Long Beach* is the oldest nuclear-powered surface combatant ship in the fleet, and its assumed life utility after Aegis conversion would not warrant the expected expenditures.

Based upon the above facts, both the Republican and Democratic administrations supported this rescission. Moreover, the Chief of Naval Operations testified before the House Appropriations Committee on February 17, 1977, and voiced his support for the proposed actions.

Although I fully support this rescission, the report accompanying the bill includes language which directs the Department of Defense to submit supplemental requests for fiscal year 1978 for a V/STOL carrier and V/STOL aircraft. It is the administration's view that these systems are required. However, due to further design and development requirements, the Secretary of Defense has stated that fiscal year 1979 is the earliest time extensive development could occur for the systems. He is also on record that he does not intend to seek appropriations for any system not ready for development. I accept the Department's position in this matter and disagree with the committee's language stipulating a fiscal year 1978 supplemental request prior to the time the systems are ready for full-scale development.

Mr. President, in closing, I remind colleagues once more that the third budget resolution, approved by the Congress on March 3, assumes enactment of this rescission bill.

With regard to the rescission of the *Nimitz* carrier, there are two additional points:

First, from a budgetary aspect, a nuclear attack carrier cannot stand by itself. The carrier must have a large number of escort and supply/support ships, aircraft, and weaponry. These supporting items are not included in the fiscal year 1978 budget nor in the 5-year projections of the Department of Defense. The investment and operating costs of these additional items would be multibillions of dollars over the presently assumed defense program for the next 15 years. The carrier alone would add $2 billion to the fiscal year 1978 budget. I do not believe there is room in the defense budget for these additive shipbuilding and associated equipment and operating costs at the expense of other defense requirements, particularly at a time when the Department of Defense is focusing on upgrading our conventional arms capability for the primary U.S. defense mission, our NATO forces.

Second, a *Nimitz*-class carrier is an illustration of interest in maintaining the task force concept for projecting power against our adversaries. The United States currently has 12 carriers for this mission; it is expected that these 12 will be in the fleet until the year 2000 with most of the carriers active well beyond that time. An additional large carrier makes no sense when we confront these facts. Equally as important is the question of what is the primary future mission of the Navy, sea control or power projection? The large carrier and the projection role precludes the United States from placing many ships in several places to meet contingencies, and at a much higher cost than a sea control Navy. The proposed rescission is a first step toward building up the size of our naval fleet with more cost-efficient, smaller, more flexible, and less vulnerable ships. It also leaves the door open for the administration to determine the future roles and missions of the Navy.

I strongly support this move toward the sea control mission of the Navy. In my opinion, the consumption value of the Navy dollar is enhanced by the development of smaller, efficient ships. These are the facts I suggest colleagues should consider as reasons to support the rescission bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 3839) was ordered to a third reading, was read the third time, and passed.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TIME LIMITATION AGREEMENT—S. 925

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 925, Calendar Order No. 44, a bill to provide temporary authority to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought, is made the pending business before the Senate there be a time limitation thereon of 30 minutes to be equally divided between Mr. JACKSON and Mr. HANSEN; that there be a time limitation on any amendment of 10 minutes; that there be a time limitation on any debatable motion or appeal of 10 minutes; that there be a time limitation on any point of order such as submitted to the Senate for its discussion of 20 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

WAIVER OF SECTION 402(a) OF CONGRESSIONAL BUDGET ACT—CONSIDERATION OF S. 925

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent, with the understanding that I will then put in a quorum call, that the Senate proceed now with the budget waiver of S. 925 and that upon the disposition of the budget waiver the Senate proceed to the consideration of S. 925.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, the matter of the budget waiver is one that addresses, of course, itself to Senator BELLMON, who is the ranking Republican who will be here shortly.

Do I correctly understand that the majority leader intends to ask for a quorum call pending that?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE YEAS AND NAYS ON S. 925

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays on final passage of S. 925.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask for the yeas and nays on passage of S. 925.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Senate Resolution 111, the budget waiver resolution on S. 925.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the

provisions of section 402(a) of such Act are waived with respect to the consideration of S. 925, a bill to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–1977 drought. The waiver is necessary in order to provide the opportunity for funding of drought preventive measures in a timely fashion so as to mitigate beforehand adverse economic and resource impacts of the 1976–1977 drought.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. MUSKIE. Mr. President, I do not think an extensive discussion of the waiver resolution is necessary. The resolution, by its terms, is intended to deal with an emergency, a situation that could not have been anticipated by last May 15, and related to drought conditions that have developed this winter.

For that reason, the Budget Committee has voted to report out the waiver resolution, so that the Senate may consider the bill on its merits.

I emphasize that the Budget Committee does not take a position on the merits of this or any other piece of legislation that is waived under the conditions of the Budget Act. The committee position was unanimous, and I suspect there will be no need for further debate, and that the Senate can proceed to vote on the resolution.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. MUSKIE. I yield back the remainder of my time.

Mr. BELLMON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 111) was considered and agreed to.

Mr. MUSKIE. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–53), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE RESOLUTION

Section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House or the Senate to consider any bill or resolution which directly or indirectly authorizes the enactment of new budget authority for a fiscal year unless that bill or resolution is reported in the House or Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year. Because S. 925 which authorizes enactment of new budget authority which would become available in fiscal 1977, was reported by the Commitee on Energy and Natural Resources on March 11, 1977, a resolution waiving section 402(a) of the Budget Act with respect to S. 925 must be adopted before this bill can be considered by the Senate. In reporting favorably on the resolution, the Budget Committee is simply recommending that the Senate proceed to consideration of S. 925, but is not prejudging the merits of the bill.

Committee criteria

The Budget Committee is extremely reluctant to recommend the adoption of resolutions waiving Section 402(a) of the Budget Act. This section was included in the Budget Act to insure that all authorizing legislation is considered as far as possible in advance of the fiscal year in which it will take effect so that it could be considered in the formulation of the First Concurrent Resolution. In addition, this section was included to provide the Appropriations Committee with some reasonable notice of needed appropriations for the coming fiscal year so that the Appropriations Committee can meet the appropriations timetable spelled out in the Budget Act.

Legislation authorizing the enactment of new budget authority which is reported to the Senate after May 15 could delay the enactment of appropriations bills past the Budget Act deadline of seven days after Labor Day for the completion of the entire appropriations process. The legislative history of the Budget Act indicates that the May 15 reporting deadline is not to be lightly waived. Under these circumstances, the Budget Committee, in deciding whether to favorably report resolutions waiving section 402(a) of the Budget Act, will consider factors including: the reporting committee's effort to meet the May 15 deadline, the delay in the appropriations process engendered by the delayed reporting of the authorization, and whether the enactment of the authorization will significantly affect the Congressional budget.

BUDGET IMPLICATIONS

S. 925 authorizes an appropriation not to exceed $200 million which may become available in FY 1977 to carry out the purposes of the Emergency Fund Act of 1948. Enactment of this legislation would also permit a transfer into the emergency fund of up to $200 million of FY 1977 funds already appropriated for other Interior Department purposes. However, outlays from both the new and transferred money are limited to $200 million. (The $200 million not expended in FY 1977 would serve to replenish the fund for future emergencies).

According to the Committee on Energy and Natural Resources, the purpose of this legislation is to provide temporary authority and the necessary funding to undertake preventive measures designed to ameliorate the severity of drought conditions affecting irrigated lands. This is an emergency measure. Its programs focus on preventing drought damage before it occurs, with particular emphasis on the continued productivity of irrigated lands and the protection of perennial crops. If consideration of this bill is defeated, the economic effects of the drought may be far-reaching, including crop losses, unemployment and permanent damage to farm land.

In favorably reporting the resolution, the Committee notes that the Committee on Energy and Natural Resources made every effort to fully authorize all irrigation programs prior to May 15, 1976. At that time, however, the continuing severity of the drought conditions in the Western States could not have been anticipated.

Consideration of S. 925 will not delay the regular appropriations process because the FY 1977 appropriations for the Emergency Fund Act have already been enacted. Funding for S. 925 could be provided in a supplemental appropriation. Full funding of this legislation would not in itself cause the ceiling for Function 300 or the aggregate budget ceilings to be breached.

EMERGENCY DROUGHT AUTHORITY

The Senate proceeded to consider the bill (S. 925) to provide temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought, which had been reported from the Committee on Energy and Natural Resources with amendments as follows:

On page 1, line 8, strike "(a)" and insert "(1)";

On page 2, line 8, strike "(b)" and insert "(2)";

On page 2, line 10, strike "within" and insert "to users either within or outside";

On page 2, line 15, strike "(c)" and insert "(3)";

On page 2, line 23, strike "(d)" and insert "(4)";

On page 3, line 9, after "SEC. 3." insert "(a)";

On page 3, line 12, after "things," insert "State law,";

On page 3, line 13, strike out:

drought: *Provided, however,* That the allocation of the water will be to a Bureau of Reclamation contracting entity which will be responsible for repayment on terms and conditions within the repayment capability of the beneficiaries as determined by the Secretary: And *provided further,* That the funds used for developing or acquiring emergency water supplies that exceed the repayment capability, shall be nonreimbursable.

And insert in lieu thereof:

drought.

(b) Where the allocation of the water is to a Bureau of Reclamation contracting entity such entity will be responsible for repayment on terms and conditions within the repayment capability of the beneficiaries as determined by the Secretary and the funds used for developing or acquiring emergency water supplies that exceed the repayment capability, shall be nonreimbursable.

(c) In order to provide assistance to individual irrigators outside Federal reclamation projects, the Secretary is authorized to make interest-free loans to such irrigators for the purposes of undertaking construction, management, conservation activities, or the acquisition of water, which can be expected to have an effect in mitigating losses and damages resulting from the 1976–1977 drought period and to make payments to landowners outside Federal reclamation projects who are without irrigation water supplies to carry out soil conservation measures to protect the productivity of their lands for future seasons.

(d) Each irrigator desiring a loan or payment pursuant to subsection (C) of this section shall make application to the Governor of the appropriate State or his designee. The Governor or his designee shall determine whether the intended use of the amount requested, in his judgment, meets the purposes of subsection (c) of this section and complies with the requirements of the appropriate State laws. The Secretary shall approve such loans on the recommendation of the Governor that these requirements are met. The period of repayment for such loans shall not exceed five years.

(e) For the purposes of this section, the term "irrigators" shall mean any person or legal entity who holds a valid existing water right for irrigation purposes.

On page 5, line 5, after "charges" insert "including operation and maintenance costs";

On page 6, line 21, after the period, insert:

Construction activities undertaken to implement the programs authorized by this Act shall not be initiated after October 1, 1977.

On page 7, beginning with line 1, insert a new section, as follows:

SEC. 9. Nothing in this Act shall be construed as limiting or restricting the power and authority of the United States or—

(1) as affecting in any way any law gov-

erning appropriation or use of, or Federal right to, water on public lands;

(2) as expanding or diminishing Federal or State jurisdiction, responsibility, interests, or rights in water resources development or control;

(3) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two or more States and the Federal Government;

(4) as superseding, modifying, or repealing, except as specifically set forth in this Act, existing laws applicable to the various Federal agencies which are authorized to develop or participate in the development of water resources or to exercise licensing or regulatory functions in relation thereto; and

(5) as modifying the terms of any interstate compact.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, hereinafter referred to as the "Secretary", acting through the Bureau of Reclamation pursuant to the authorities in the Reclamation Laws (74 Stat. 382, as amended) and the authorities granted herein, is directed to—

(1) perform studies to identify opportunities to augment, utilize, or conserve water supplies available to Federal reclamation projects; and, within existing contractual arrangements and pursuant to State water law to undertake without further authorization construction, management, and conservation activities which can be expected to have an effect in mitigating losses and damages to Federal reclamation projects resulting from the 1976–77 drought period;

(2) within the constraints of State water laws, acquire available water supplies by purchase from willing sellers and to redistribute such water to users either within or outside Federal reclamation projects based upon priorities to be determined by the Secretary with the objective of minimizing losses and damages resulting from the drought;

(3) undertake expedited evaluations and reconnaisance studies of potential facilities to mitigate the effects of a recurrence of the current emergency and make recommendations to the President and to the Congress evaluating such potential undertakings including, but not limited to, wells, pumping plants, pipelines, canals, and alterations of outlet works of existing impoundments; and

(4) make payments to Federal reclamation project landowners who are without irrigation water supplies to carry out soil conservation measures to protect the productivity of project lands for future seasons.

SEC. 2. Payment for water acquired from willing sellers will be at a negotiated price, but will not confer any undue benefit or profit to any person or persons compared to what would have been realized if the water had been used in the normal irrigation of crops adapted to the area, as determined by the Secretary.

SEC. 3 (a) The Secretary shall determine for purposes of this Act the priority of need for allocating the acquired or developed water, taking into consideration, among other things, State law, national need and the effest of losing perennial crops due to drought.

(b) Where the allocation of the water is to a Bureau of Reclamation contracting entity such entity will be responsible for repayment on terms and conditions within the repayment capability of the beneficiaries as determined by the Secretary and the funds used for developing or acquiring emergency water supplies that exceed the repayment capability, shall be nonreimbursable.

(c) In order to provide assistance to individual irrigators outside Federal reclamation projects, the Secretary is authorized to make interest-free loans to such irrigators for the purposes of undertaking construction, management, conservation activities, or the acquisition of water, which can be expected to have an effect in mitigating losses and damages resulting from the 1976–1977 drought period and to make payments to landowners outside Federal reclamation projects who are without irrigation water supplies to carry out soil conservation measures to protect the productivity of their lands for future seasons.

(d) Each irrigator desiring a loan or payment pursuant to subsection (C) of this section shall make application to the Governor of the appropriate State or his designee. The Governor or his designee shall determine whether the intended use of the amount requested, in his judgment, meets the purposes of subsection (c) of this section and complies with the requirements of the appropriate State laws. The Secretary shall approve such loans on the recommendation of the Governor that these requirements are met. The period of repayment for such loans shall not exceed five years.

(e) For the purposes of this section, the term "irrigators" shall mean any person or legal entity who holds a valid existing water right for irrigation purposes.

SEC. 4. The Secretary is hereby authorized to defer without penalty, the 1977 and 1978 payments of any installment of charges including operation and maintenance costs owed to the United States on Federal reclamation projects as he deems necessary because of financial hardship caused by extreme drought conditions: *Provided,* That any deferment may be added to the end of the repayment period under the contracting entities' existing contract with the United States.

SEC. 5. Actions taken pursuant to this Act are in response to emergency conditions and depend for their effectiveness upon their completion prior to or during the 1977 irrigation season and, therefore, are deemed not to be major Federal actions significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969 (83 Stat. 852, as amended: 42 U.S.C. 4321).

SEC. 6. The program established by this Act shall, to the extent practicable, be coordinated with emergency and disaster relief operations conducted by other Federal agencies under other provisions of law. The Secretary shall consult with the heads of such other Federal agencies, as he deems necessary. The heads of all other Federal agencies performing relief functions under other Federal authorities are hereby authorized and directed to provide the Secretary, or his designee, such information and records as the Secretary or his designee shall deem necessary for the administration of this Act.

SEC. 7. Not later than March 1, 1978, the Secretary shall provide the Congress with a complete report on expenditures under this Act, which shall include, but not be limited to, an itemized account of each contract for construction or the purchase and sale of water pursuant to this Act.

SEC. 8. There is hereby authorized to be appropriated to the Emergency Fund Act of 1948 (62 Stat. 1052; 43 U.S.C. 503), a sum, not to exceed $200,000,000, to carry out the purposes of the Emergency Fund Act and the purposes of this Act. The Secretary is hereby authorized to transfer to the emergency fund such fiscal year 1977 funds appropriated for other purposes as may be available to the Bureau of Reclamation: *Provided, however,* That no more than $200,000,000 of fiscal year 1977 appropriated funds shall be expended from the emergency fund to carry out the purposes of this Act. Construction activities undertaken to implement the programs authorized by this Act shall not be initiated after October 1, 1977.

SEC. 9. Nothing in this Act shall be construed as limiting or restricting the power and authority of the United States or—

(1) as affecting in any way any law governing appropriation or use of, or Federal right to, water on public lands;

(2) as expanding or diminishing Federal or State jurisdiction, responsibility, interests, or rights in water resources development or control;

(3) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two or more States and the Federal Government;

(4) as superseding, modifying or repealing, except as specifically set forth in this Act, existing laws applicable to the various Federal agencies which are authorized to develop or participate in the development of water resources or to exercise licensing or regulatory functions in relation thereto; and

(5) as modifying the terms of any interstate compact.

Mr. JACKSON. Mr. President, let me address myself to the emergency aspects of this legislation and the need for prompt action. As all of my colleagues are aware, a serious drought has been predicted for the Western States for this coming summer. The prediction is based upon facts regarding the available snowpack which has accumulated in watershed areas, the amount of water stored in reservoirs, and historical weather data. It is not a prediction to be taken lightly—and we, therefore, must prepare for the worst. In some areas, drought conditions are already into their second year, while other areas are predicted to have as little as zero percent of normal water supply available this summer.

However, there are opportunities to prevent some of the forecasted destruction and economic hardship if action is taken on a timely basis. A wide range of opportunities are available to ameliorate drought impacts before they occur. Development of emergency water to augment existing supplies, implementation of conservation techniques and improvement of irrigation efficiencies, redistribution of available water supplies in order to prevent a lasting drought impact, are only a few of the physical remedies available.

The question is time. There are only weeks remaining in which we can prepare preventive works that will help to provide water this summer. If we do not provide the authority to prevent disaster, if we do not provide the funding to prevent disaster, we will end up providing disaster relief. It is the belief of the Committee on Energy and Natural Resources, when they unanimously ordered S. 925 reported last Thursday, that a dollar spent now for prevention will save many times that amount in dollars for relief.

The programs envisioned in S. 925 are designed to prevent or mitigate drought effects before they occur. Temporary authority is provided to either construct or fund emergency works which will provide additional water or utilize more efficiently existing supplies. Authority is also provided whereby available water can be purchased on a willing seller basis and shifted from annual crops to perennial

crops so as to prevent a lasting drought loss. Finally, for those irrigators who have no water, payments are provided to undertake those works necessary to preserve productivity for later years when normal water supplies are available.

Mr. President, it would take an extraordinary reversal of current weather conditions in the western United States to make up for the present water deficit. In some areas, precipitation amounting to 300 percent of normal would be required to even achieve an average year. We must take responsible action now if we are to make available on a timely basis the authority and funding contained in S. 925.

S. 925 provides an immediate source of funds by authorizing the Secretary of the Interior to transfer from funds previously appropriated, up to $200 million for drought assistance. In addition, a further authorization of appropriations up to $200 million is included in the bill.

Mr. President, it is my greatest hope that the full $400 million will not be needed, but it is my firm belief that we must provide ample authority, for programs as well as funding, if we are to achieve success. It would be most unfortunate if we were not able to take advantage of opportunities for drought prevention due to a lack of funds or authority.

I would like to take this opportunity to thank the distinguished chairman of the Senate Budget Committee, Mr. MUSKIE, for his committee's prompt consideration of Senate Resolution 111, and also Miss Mary Johannes, Miss Mary Jane Checchi, and Mr. Jonathon Lee of the Budget Committee staff. Their help in preparing for the consideration of Senate Resolution 111 and S. 925 is sincerely appreciated. I would also like to thank Russ Brown of the Energy and Natural Resources Committee staff for his assistance to me and the committee during consideration of S. 925.

Finally, Mr. President, let me say that S. 925 was reported unanimously by the committee, and I wish to express my appreciation to the ranking minority member of our committee, the distinguished senior Senator from Wyoming (Mr. HANSEN), as well as all the members of the committee, for the expeditious way in which the action reporting S. 925 was undertaken by the committee.

Mr. President, I reserve the remainder of my time.

Mr. HANSEN. Mr. President, first let me express my very real appreciation to the distinguished chairman of the Energy and Natural Resources Committee for his leadership and his perception in understanding, early on, the portents of this drought upon the western part of the United States. While the East was suffering from a period of intensified cold for a long time, a unique thing about the Western States was that we were getting no moisture.

I have just checked, and the latest word I have is that the snow pack in western Wyoming is about 19 percent of normal. When you understand the significance of that water shortage, not alone upon irrigation, but upon the development of power as well, because uniquely the Columbia River system, by far and away, is the most important water resource for that Western States area, the emergency need for this proposed legislation becomes apparent. According to testimony given before the Committee on Energy and Natural Resources, 40 percent of all lands contained in Federal reclamation projects will be adversely affected. This amounts to 4 million acres of irrigated farmland. One-half of this land, or 2 million acres, will face severe shortages. If perennial crops are lost, even if the drought should last only 1 year, the destruction would cause lost production for up to a decade. In addition, some annual crops cannot be planted.

So, Mr. President, I am pleased to join as a cosponsor of S. 925, which is designed to deal with drought conditions within Federal reclamation projects.

This year's weather conditions have been disastrous for all regions of the country. Earlier this year, the Congress recognized the problems in the eastern half of the United States, brought about by extremely cold temperatures and heavy snowfall, by passing emergency natural gas legislation. In the West, we are facing the most serious drought conditions on record. Unfortunately, the resource we are dealing with—water—is inherently limited in supply. We cannot deregulate prices on it in the hope of stimulating development of new resources, and we cannot convert to coal or other resources. We have to do our best to manage what we have.

This is, of course, one of the major reasons for the water resources development projects in the West. They have allowed us to use land which would otherwise remain idle to produce food, power, and recreation.

Without a strong reclamation program, we would not be considering this legislation today, because there would be no irrigation districts to assist and, in many instances, no crops to save.

I would hope that this year's conditions will be helpful to those in and out of Government as they examine the need for future water resource development projects. Certainly, it is clear that we need more and better resource management, not the end of the reclamation era.

I am very pleased to join with the distinguished chairman in urging all Senators to support this very worthwhile piece of legislation that directly brings the focus of the limited water resources we have upon those areas where perennials are grown—orchards, for example—that can and will be able to be saved under this bill, rather than to go on without the intervening helpful hand of Government trying to spread water resources which are already too thin to do very much good to anybody, thereby losing the opportunity this bill affords to make some important savings on the part of all Americans.

Mr. JACKSON. Mr. President, I know of no further request for time.

Mr. President, I suggest the absence of a quorum, the time to be taken——

Mr. SCHMITT. Will the Senator yield?

Mr. JACKSON. I am happy to yield to the Senator from New Mexico.

Mr. SCHMITT. I believe this is an important piece of legislation, and I commend the chairman's efforts to see that it is placed before the Senate. It is equally important that we realize we are still babes in the woods when it comes to fully understanding the weather patterns which cause the kinds of problems which developed in this country over the last year or so, both the heavy cold in the East and the drought in the West. I hope that before this session of the Congress has concluded, we will seriously consider a much broader range analysis of the weather patterns of our country and of the short- and long-term influences of various aspects of the Earth's environment on those weather patterns.

If we can make some breakthroughs, which I personally believe are possible to make, in the areas of prediction and long-term analysis, then I feel that many of the problems which have to be treated in an emergency way, such as we are doing today, can be alleviated by much more reasoned and much more economical ways in the future.

I commend the efforts of the Senator on this particular bill and I hope that at a future time I and others can expect support from the Congress in implementing much longer term programs.

Mr. JACKSON. Mr. President, I thank the Senator. His comments are most pertinent. He comes to the Senate with a scientific background, with a full understanding of the opportunities which exist here with proper research. Certainly, our forecasting needs to be improved. It is absolutely essential that we have some longer range view of what is apt to happen. It is not that we can be precise, but I believe more can be done in this area than we have done in the past. The terrible potential disaster we face, particularly in the Western part of the United States, is one which should serve as a warning to the country that we need to do more in the areas to which the Senator has referred.

Mr. SCHMITT. If the Senator will yield further, I might suggest we have made great strides in our ability to understand weather phenomena and forecasting. However, we are not yet to the point where we would like to be. The exciting thing to me is that with the advent of the weather satellite, with the advent of computer technology, and the keeping of extensive ground-based records on weather, we have within our grasp the potential to further greatly the art and eventually the science of weather forecasting. I believe it to be extremely important. We will be dealing with this within the Commerce Committee, I am sure. It is very important that we at least anticipate the conditions which create the requirement for legislation such as we are considering today.

Mr. JACKSON. The Senator is saying that we can do a better job with the available information.

Mr. SCHMITT. There is no question about it.

Mr. JACKSON. I might point out one of the troublesome things for the public. I read about an individual who appears to be a dissenter from the orthodoxy in weather forecasting, who had a rather

horrendous forecast for the future 2 or 3 years, in terms of the lack of rainfall as it will affect a very large part of the United States. That individual is not accepted within the meteorological community. What does the public believe? This individual, if the Senator recalls the story which appeared a few days ago, apeared to be right so far in the forecasts he made last year, which ran contrary to the majority point of view in the meteorological community.

Mr. SCHMITT. I believe there is probably a middle ground. Of course, this is not a field in which I consider myself fully expert. There has obviously been an imbalance in energy in the Northern Hemisphere, if not the whole world, and that balance is probably being restored by these very adverse conditions we are seeing today. That is a presumption on my part, but it is more than likely correct.

I might mention that in my home State of New Mexico, while in the northern part of the State we are subject to the same drought the Rocky Mountain area is experiencing; in the southern part of the State the conditions are absolutely normal. We are coming on the upswing of a wet season, which is normal. That has been the pattern for a hundred years with the sunspot cycle. It is probably one area where we already have a good understanding of what controls the wet and dry portions of an 11-year cycle.

If we could convince the ranchers and farmers of the area to plan their economic cycles on a 5- or 6-year basis, they could probably improve their incomes, provided we in the Congress do not distort the economics of farming much more than we already have.

I do think the potential is very great. I hope we will consider further in the Congress how to emphasize that potential and hopefully within the next few years be able to look forward to less susceptibility to the vicariousness of the weather.

Mr. JACKSON. I thank the Senator. I know he can be of tremendous help, because of his professional background in the various disciplines in the scientific field which are pertinent in this area. I look forward to that assistance. I thank him for his helpful remarks.

Mr. President, before yielding to the Senator from Idaho, I wonder if we can call up the committee amendments.

The PRESIDING OFFICER. The clerk will report the first committee amendment.

The legislative clerk proceeded to read the first committee amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

Mr. JACKSON. Mr. President, I now yield to the Senator from Idaho. He has been extremely helpful in connection with the pending legislation. He made some suggestions which resulted in giving the committee a larger dimension of capability in dealing with the drought problem. I thank the Senator.

Mr. McCLURE. I thank the Senator from Washington for those comments and also for the leadership he has given in trying to alleviate what is really a drastic crisis in all of the Northwest.

I do not think people have yet fully comprehended how serious the problem will be in the Pacific Northwest where water is not only irrigation, the livelihood for the farmers, but also 82 percent of the electrical energy in the Northwest. The result is that every acre-foot of water which escapes us now cannot be applied later either to irrigation or to the power conduction necessary to keep men and women at work throughout the States of Washington, Oregon, and Idaho, and those areas adjacent to those three States which are within the Columbia Basin and affected by Columbia Basin power supplies.

It is not just those of us in the Northwest who are affected. There were 18 billion kilowatt hours of electricity sent to southern California from the Columbia Basin as a result of excess stream flows last spring, stream flows that we will not have, 18 billion kilowatt hours of electricity which cannot be sent to the southern California market, because we have a shortage of water.

Mr. President, the tragedy lies in the fact that we will not address these questions in the long range. The Senator from Washington well remembers, I am certain, the attitude we had in Congress some 15 to 20 years ago when there was a shortage of water in the Northeastern United States. The cities of Philadelphia, Washington, D.C., and New York City were running short of domestic water.

Growing out of that sense of urgency we set in motion some water planning agencies of the Federal Government which were then allowed to slow down and to fall into relative disuse. They lost their spotlight when the rains fell and the large cities in the East were no longer short of water.

I think we also must recognize that water programs are long-term programs. This bill is absolutely necessary to meet this crisis. We are willing to, and I think we should, put money into meeting the crisis that does exist in the Northwestern United States today, but let us anticipate the future.

The Senator from New Mexico was talking about our ability to forecast weather. Two years ago, I had occasion to meet with the professor of climatology at the University of Toronto, who was talking about future weather patterns and whether or not we can anticipate in the future what we have experienced in the past. He said the last 70 or 75 years have had predictable weather compared to all the historical evidence of what preceded that period of time and we should anticipate greater fluctuations in annual temperature and annual rainfall than we have experienced in the last 75 years. That finding he reported, only 2 years ago, has since been corroborated by others, who tell us that weather patterns are not as predictable as we would expect if we look only at the last 75 years of history. We must look at a much broader sweep of historical evidence to determine what those patterns may be.

Mr. SCHMITT. Will the Senator yield for a comment at that point?

Mr. McCLURE. I am happy to yield to the distinguished junior Senator from New Mexico.

Mr. SCHMITT. Not only must we look at a broader sweep, but we must make sure we understand all the variables affecting it. It may just be, when we cannot predict the weather, that we have not looked at all the variables which can affect it. The Sun is one and we have not studied it. Only now we cannot predict it.

Mr. McCLURE. I am not saying we cannot predict it. I am saying we cannot predict it on the basis of the experience of the last 75 years alone.

The PRESIDING OFFICER. The time of the Senator from Washington has expired. The Senator from Wyoming has 11 minutes remaining.

Mr. McCLURE. Will the Senator from Wyoming yield 2 minutes to me?

Mr. HANSEN. Yes.

Mr. McCLURE. I simply state in conclusion one thing that must be recognized in this; that is, that water rights must be determined under State law. This does not attempt to preempt the water rights. It leaves the water rights question, the priority on use, absolutely where it is before the passage of this act. All we are trying to do is supplement by this means the ability of people to marshal the water assets that they have and apply them to the greatest need.

Again, I commend the Senator from Washington for bringing this measure to the floor so promptly. It will provide some measure of relief to the people who are hard pressed, hundreds of whom are out of work in the Northwest today, thousands of whom may be out of work before the end of this year, because of lack of energy. At the same time, it is protecting the agricultural base, which is absolutely essential to all of our States in the Pacific Northwest. I commend the Senator from Washington for his leadership in bringing this legislation here.

Mr. President, I am pleased that the Senate and especially the Energy and Natural Resources Committee have acted so quickly to help provide relief for the drought stricken West by considering this emergency drought bill, S. 925. I find this bill a necessity for those irrigators in the West who must have the opportunity to take advantage of all relief programs available whether they are through the Federal Government or the States.

While this bill was proposed to provide relief for water users on the Bureau of Reclamation projects, I was successful in committee to see that its benefits were extended to all irrigators. I was also insistent that this legislation in no way preempts State water law, but if State laws permit or States choose to temporarily amend their water laws, provisions under this relief bill could then be available to water users.

One of the main objectives of the bill is to allow the Bureau of Reclamation to purchase water, but only from willing sellers, and then distribute and sell that water to willing buyers. It is a simple means of helping irrigators get the maximum benefits of the water supplies this summer and provides a choice to irrigators for either planting crops or selling

water; whichever provides them with some means of economic benefit.

In Idaho, as in most Western States, this kind of water distribution program will not work unless the State legislature amends our water laws to allow for a temporary transfer of water outside the priorities established under State law. If the States consider such a program, this bill will give the States the framework for implementing a distribution program with the Bureau of Reclamation. It also gives the irrigator Federal loans so he can take advantage of the program if he chooses.

An irrigator must apply to the Governor—or his designee—of his State for a loan and must meet certain requirements indicating what the money is to be used for and if it is in compliance with State law. The Secretary of the Interior can approve the loan on the recommendation of the Governor and enter into a contract with the individual irrigator for the amount requested. The loans are for a period of 5 years and are interest free. Payments under Federal projects are reimbursable within the repayment capacity of the irrigation district.

This bill provides many other relief benefits both on and off Federal reclamation projects that can be made available through the loan procedure. These additional benefits include the installation of pumps, drilling new wells in areas with available ground water supplies, and to install canal lining for water conservation. Technical assistance for improved system operation and irrigation scheduling is also to be made available through the Bureau's Emergency Fund authority.

On Federal irrigation projects the bill allows for the deferment of payments without penalty if it appears that the drought conditions have a significant adverse effect on the repayment capability of the district.

Within the confines of reclamation law the Secretary is also directed to perform studies to identify opportunities to augment, utilize, or conserve water and especially to undertake studies for potential facilities to help alleviate a recurrence of this kind of emergency.

This legislation is necessary above and beyond what our present laws allow as it is a preventative program aimed at facing problems head on, unlike all our disaster relief programs which just pick up the pieces after a disaster has occurred.

This legislation leaves control of the program within State and local hands where it can be most efficiently executed.

I might also add that by passing this legislation we will at least alert the administration that we have a crisis on our hands and that we cannot wait, as they are doing, to "study the situation and assess the possible damages." For years studies have been taken and Congress has initiated projects to meet our projected water and energy needs. Congress has been attempting to meet these needs yet it is ironic and alarming to me that the administration, at the same time we in Congress are trying to deal with a water crisis, is proposing to stop long-term water projects that can help alleviate these kinds of emergencies in our future. Our country is just beginning to [illegible]er from such shorta[illegible]s and yet we blindly continue to stop those projects that give us any future hope.

It is also ironic and tragic that the administration chooses to cut such water projects that are reimbursable; projects that do not just take from the Federal Government but repay and continue to benefit our country. Water projects of this nature must pass a cost/benefit standard before they are authorized and they undergo severe reviews before Congress authorizes or funds them. They are exactly the answer the administration is after for dealing with our present and future energy and water problems. If the administration fails to catch the flavor of this crisis soon we will be facing the same kind of emergency legislation every year, but with less resources to be even remotely effective. We are causing more damage by stopping such projects and stalling on this drought legislation than our lack of moisture may ever cause. The administration has got to learn that you can solve problems better by trying to prevent them than to pass out monetary aid after the disaster has hit.

I urge the Senate's immediate passage of this preventative and necessary measure.

Mr. HATFIELD. Mr. President, I am pleased to support S. 925, to provide some emergency authority to the Secretary of the Interior to deal with the drought in Western States.

It is absolutely essential that strong action be taken now to deal with this worst water situation on record, and I must say that I am disappointed by the failure of the administration to respond quickly and forcefully to the serious problems we are facing.

This legislation provides authority to purchase water from those who have it and to redistribute it to priority users. Growers of orchards, if they are without adequate water this year, could be 10 years before they are producing crops again. With this legislation, which is entirely voluntary, those who grow row crops, which could be producing again next year, can decide not to plant, and sell their water to the Bureau of Reclamation, which will then redistribute it on a priority basis.

This measure also provides authority for construction of facilities which can contribute to wiser utilization and conservation of water resources during this critical shortage.

I am pleased to cosponsor this legislation and urge its enactment.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HANSEN. I yield back the remainder of my time.

Mr. JACKSON. Mine has expired.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. All time having been used or yielded back, and the bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Utah (Mr. HATCH), and the Senator from Delaware (Mr. ROTH), are necessarily absent.

The result was announced—yeas 92, nays 0, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—92

Abourezk	Garn	Morgan
Allen	Glenn	Moynihan
Anderson	Gravel	Muskie
Baker	Griffin	Nelson
Bartlett	Hansen	Nunn
Bayh	Hart	Packwood
Bellmon	Haskell	Pearson
Bentsen	Hatfield	Pell
Biden	Hathaway	Percy
Brooke	Hayakawa	Proxmire
Bumpers	Heinz	Randolph
Burdick	Helms	Ribicoff
Byrd, Harry F., Jr.	Hollings	Riegle
	Huddleston	Sarbanes
Byrd, Robert C.	Humphrey	Sasser
Case	Jackson	Schmitt
Chafee	Javits	Schweiker
Chiles	Johnston	Scott
Church	Laxalt	Sparkman
Clark	Leahy	Stafford
Cranston	Lugar	Stennis
Culver	Magnuson	Stevens
Curtis	Mathias	Stevenson
Danforth	Matsunaga	Stone
DeConcini	McClellan	Thurmond
Dole	McClure	Tower
Domenici	McGovern	Wallop
Durkin	McIntyre	Weicker
Eagleton	Melcher	Williams
Eastland	Metcalf	Young
Ford	Metzenbaum	Zorinsky

NAYS—0

NOT VOTING—8

Cannon	Inouye	Roth
Goldwater	Kennedy	Talmadge
Hatch	Long	

So the bill (S. 925) was passed.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMPORTATION OF RHODESIAN CHROME

The Senate continued with the consideration of the bill (S. 174) to amend the U.S. Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the international community.

AMENDMENT NO. 73

The PRESIDING OFFICER. The pending amendment is No. 73.

Mr. ALLEN. Mr. President, I ask that my amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an amendment numbered 73:

At the end of the bill, add the following:

EFFECTIVE DATE

SEC. . This Act shall become effective 30 days after the Secretary certifies to Congress that the certification requirements under section 5(c) of the United Nations Participation Act of 1945, as such section would be in effect if this Act were effective, do not violate the letter or the spirit of the General Agreements on Trade and Tariffs and do not otherwise comprise a non-tariff barrier to the free flow of trade.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ALLEN. I yield to the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I ask unanimous consent that Mr. Hamilton C. Horton be accorded the privilege of the floor during the discussion of this measure and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

VISIT TO THE SENATE BY THE CHANCELLOR OF AUSTRIA

Mr. HUMPHREY. Mr. President, we have in our Chamber today a very distinguised guest, the Chancellor of Austria, Dr. Bruno Kreisky.

I believe that our colleagues would like to pay him the honor of saying hello or receive the honor of having a brief visit with the Chancellor.

[Applause, Senators rising.]

RECESS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate stand in recess for 3 minutes in order that our colleagues may join me in welcoming our honored guest.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the Senate, at 3:13 p.m., recessed until 3:16 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. RIEGLE).

IMPORTATION OF RHODESIAN CHROME

The Senate continued with the consideration of the bill (S. 174) to amend the U.S. Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the international community.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. Mr. President, we have been considering for some 3 days now a measure to strengthen further the participation of the United States in the United Nations sanctions against Rhodesia. I have listened carefully to the debate and I must say that the arguments advanced by the proponents of the measure have been largely devoid of logic and have boiled down to the proposition that this measure is needed to demonstrate to black African nations that the United States is sincere in its desire for rapid progress toward majority rule in Rhodesia. Rapid passage before this Thursday is urged simply to enable the President to make appropriate remarks during his visit on that day to the United Nations in New York. No one has seriously contended that the measure will damage the Rhodesian economy or that it will significantly impair that country's ability to export into world markets. Yet the presumed cosmetic value of the proposal alone will probably be sufficient to cause a majority of the Senate to vote in favor of final passage, notwithstanding the other very serious defects in the bill which promise to harm both the United States and many of the principal trading partners of the United States.

Although the report accompanying the bill does not provide even the slightest clue as to the actual effect of the bill, I believe a careful study of the measure would show that it is very seriously flawed. Essentially, the bill does two things. First, in effect, it repeals section 203 of the Armed Forces Appropriation Act of 1972, Public Law 92–156, at least so far as that section pertains to Rhodesia. Section 203, the Byrd amendment, amended the National Stockpile Act to forbid the President to prohibit or regulate by Executive order the importation into the United States of strategic materials of non-Communist country origin. In practical effect, the Byrd amendment permitted the continued importation of Rhodesian tungsten, nickel, asbestos, and ferrochrome. The measure under consideration now would reverse that decision and by amendment of section 5 of the United Nations Participation Act of 1945 (22 U.S.C. 287c) prohibit the importation of Rhodesian tungsten, nickel, asbestos, and ferrochrome. Mr. President, I do not question that Congress has the authority to undo by statute what has been done by statute, so there is no question in my mind that the amendments proposed to be made by this bill are proper in a strict legal sense insofar as they would repeal the effect of the Byrd amendment as that statute pertains to the importation of strategic materials from Rhodesia.

But, Mr. President, this measure does not stop with the repeal of the effect of the Byrd amendment on Rhodesian strategic exports. This measure has a second feature which is entirely new, which goes beyond the requirements of mandatory sanctions voted by the United Nations Security Council, and which may violate—and I believe does violate—the letter and spirit of our treaty obligations under the General Agreement of Tariffs and Trade, better known as GATT. I refer to the feature of the bill which prohibits the importation of steel mill products regardless of country of origin so long as those products contain in any form chromium which may be of Rhodesian origin.

A fundamental principle of our constitutional system is that no statute may be given effect which contravenes a treaty commitment undertaken by our country. In fact, obligations arising under a validly adopted treaty will be given effect even if in contravention of a provision of the Constitution of the United States. I do not agree with the wisdom of that construction but, nevertheless, there it is. Treaties are therefore to be given even greater weight than our supreme fundamental law, and certainly we are obligated to take care that statutes enacted by the Congress do not attempt to contravene the solemn obligations undertaken by the National Government in its dealings with foreign nations.

Mr. President, I believe that the Senate needs to look carefully at the second feature of the bill because we ought to be concerned that that feature does, in fact, violate several fundamental obligations set forth in the General Agreement on Tariffs and Trade. I now refer to the secondary boycott aspect of the bill. Not only does it prohibit the importation of strategic materials from Rhodesia but, as far as chrome is concerned, where it is part of a steel mill product even though in the hands of some of our trading partners, that would be forbidden to be imported into the United States. So it goes far beyond the mere boycott of Rhodesia of these natural raw materials.

Frankly, I regret that this problem should first surface on the floor of the Senate, and I believe the fact that we are only now considering this major defect in the proposal is a result of the proposal having been studied only by the Committee in Foreign Relations. Notwithstanding my very great respect for my distinguished colleagues who do serve on the Committee on Foreign Relations, I believe there would be general agreement with my opinion that the Subcommittee on International Trade of the Committee on Finance has the greatest expertise in dealing with matters directly bearing on the General Agreement on Tariffs and Trade and with the import-export policies of the United States, because, indeed, the GATT agreement did proceed through the Committee on Finance prior to being considered in the Senate and, obviously, the Committee on Finance is the one that should have studied any measure that might be affected or that might have an effect on our GATT obligations.

This measure contains extensive provisions directing the Secretary of the Treasury to make various certifications with respect to the importation of steel mill products, to restrict the importation of many steel products, to define the meaning of the term "steel mill products," and to take many other actions

directly bearing on our trade with a great many friendly foreign countries. Ordinarily, legislation of that sort would be referred to the Subcommittee on International Trade of the Committee on Finance, but regrettably the desire of the proponents to move willy-nilly and at great speed to adopt this measure for presumed cosmetic purposes caused a circumvention of what I would consider to have been normal procedures.

So now, Mr. President, we are faced with the task here on the floor of the Senate of trying to correct problems which ought to have been resolved in committee. I do not profess to have any great expertise with respect to the requirements of the General Agreement on Tariffs and Trade, but I believe that I do have enough general familiarity with the subject to recognize that we will indeed have a very serious problem if this measure is adopted as presently written.

If Senators will look at page 12 of the report of the Committee on Foreign Relations, they will see at the top of the page the following heading, and I quote: "Paragraph (2). Halting the importation of steel mill products." I repeat, "Halting the importation of steel mill products." I note that the bill does not halt the importation of products containing Rhodesian tungsten, nickel, or asbestos, but it does apply a secondary boycott against our trading partners who produce steel. It will raise a nontariff barrier prohibited by the General Agreement on Tariffs and Trade, and it will—I am certain—prejudice many of the trading partners of the United States. Nowhere in the report is any explanation offered for this provision and nowhere is explained the inherent inconsistency of prohibiting steel mill products containing Rhodesian chromium while not prohibiting products containing Rhodesian tungsten, nickel, or asbestos.

Yes, Mr. President, the effects of this second provision are, indeed, curious and bear much greater attention than they have heretofore been given. One wonders, for example, what the effect of this provision will be on the domestic steel industry. What will be the effects on the holder and licensees of the argon oxygen decarbonization process for making stainless steel from low-grade non-Rhodesian chrome? What will the effects be on small specialty steel industries which cannot afford the capital investment to pay license fees and to convert their mills to the AOD process? What percentage of foreign steel mill imports are likely to be blocked? Not one of these issues is addressed in the report of the Committee on Foreign Relations.

I would remind Senators that the one major principle inherent throughout the General Agreement on Tariffs and Trade is that protection is to be afforded to domestic industries exclusively through the customs tariff and not through other commercial measures. So this is a nontariff barrier to trade that is being imposed by this bill in violation of the GATT agreement which, I say, is a treaty between signatory nations, certainly having greater force and effect than a statute, and many feeling it supersedes a provision of the U.S. Constitution as well. Lest there be any doubt on this subject, I will quote for Senators the provisions of paragraph (1) of article XI of the general agreement:

> No prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, import or export licenses or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.

In other words, secondary boycotts are forbidden under the GATT treaty as being a nontariff barrier to free trade.

And, Mr. President, there are many, many other provisions of the General Agreement on Tariffs and Trade which appear to be contravened by this measure. For example, does the provision violate article I of the general agreement which mandates that any advantage, favor, privilege, or immunity granted to any country's product must be accorded to like products originating in the territory of any other signatory state?

Does the measure violate article IX of the agreement prohibiting regulations relating to marks of origin which cause difficulty and inconvenience in the commerce and industry of exporting countries? Does the provision violate paragraph (7) of article III of the General Agreement which prohibits import regulation or prohibitions relating to the mixture, processing, or use of products in specified amounts or proportions which are allocated by amount or proportion among external sources of supply? Certainly, that provision appears to be directly violated by this bill. Moreover, I am concerned too that paragraph (5) of article III is also violated in that the United States would by this measure apply a quantitative regulation in a market contrary to the general principles set forth in article III against raising nontariff barriers under the guise of regulating content of products produced by other signatory states. I also call to the attention of the Senate the provisions of paragraph (5) of article II of the General Agreement which instructs that compensation will be paid to a participating state in the event an internal statute such as we have here or regulation which cannot be classified as a tariff law causes a violation of the agreement. Will our trade partners seek compensation for damage caused by the artificial nontariff barrier which would be brought into force should this measure be adopted? I frankly do not know that answer, and I suspect that no one in the Chamber would have the answer.

So, Mr. President, I have proposed an amendment which would insure that we do not do great violence to our treaty obligations under the General Agreement on Tariffs and Trade and which would guarantee that the questions I have raised are given the careful attention that they do merit. My amendment would simply prevent the imposition of the nontariff trade barrier which would be imposed by this measure in that it forbids steel mill products from other countries from being imported into this country if they contain chromium that can be identified as being of Rhodesian origin. If that certification can be made then we would be satisfied; in other words, if the Secretary of the Treasury certifies to Congress that, in fact, the General Agreement on Tariffs and Trade would not be violated by this bill, if that certification can be made then we could be satisfied that we had not in haste caused a breach of the treaty commitments of our Government. If the certification cannot be made, then I would submit that we would have saved our Government considerable embarrassment in its dealing with the many friendly nations who are our trading partners.

Mr. President, I believe that we are indeed treading on thin ice in erecting artificial nontariff barriers to the importation of foreign steel and that we may well see retaliation in kind. We had better pay a little closer attention to what we would do by passage of this measure and we ought to recognize the great harm we can do to our trade relations by glibly adopting a measure, the effect of which we very imperfectly understand. Since the majority seems bent on achieving passage of the measure—more or less at whatever cost and to pass it before the evening is over—I do therefore strongly urge that my amendment be adopted as a stopgap procedure to guarantee that at least the responsible officials within the administration do have an opportunity to analyze more carefully the measure's full impact on international trade and to determine if in fact the measure does violate the General Agreement on Tariffs and Trade.

I thank Senators for their attention.

I might say, too, that the first half of the bill in effect imposes a ban on the importation from Rhodesia of these strategic materials, not only chrome, but then going beyond that bans the importation of steelmill products from whatever country involved, not just Rhodesia, but any country that uses Rhodesian chrome. I might say not the other strategic materials. There is no secondary boycott on the other materials. But as to chrome it would forbid the importation from other countries. As to our allies and trading partners who might have used some Rhodesian chrome it would apply secondary boycott as to that.

I do not feel that even the authors of the bill really want to go that far.

I hope that this amendment will be adopted.

The PRESIDING OFFICER. Does any other Senator wish to be heard?

Mr. CLARK. Yes; just briefly, Mr. President.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CLARK. The thrust of the amendment by the Senator from Alabama, of course, is that if we go ahead and pass S. 174 we would be in violation of our GATT treaties, and the Senator quotes from several articles within the GATT treaty to try to evidence that point. It is interesting, however, hat he does not point to article 21(c) of the GATT agreement which says as follows:

Nothing in this agreement shall be construed . . . to prevent any contracting party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

That is precisely what this measure does. It brings us into line with our solemn treaty obligations under the United Nations.

I repeat, it says:

Nothing in this agreement shall be construed . . . to prevent any contracting party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

I do not see how it could be clearer that the Senate in joining the House of Representatives yesterday in complying with our United Nations obligations is clearly operating under article 21(c) of the GATT agreement. We are not operating in violation of that treaty. We are operating very consistently with it.

Indeed, exactly the opposite would be happening if we do not repeal the Byrd amendment because we are in violation of our solemn treaty obligations under the United Nations and have been since we passed that amendment.

I am somewhat surprised there is not more concern about our violations of that agreement with the United Nations.

This amendment, the Allen amendment, would make this legislation ineffective. If this amendment passes the effect will be to defeat the purpose of the pending legislation.

Of course, economic sanctions are a barrier to free flow of trade. There can be no question about that. Sanctions are a barrier to the free flow of trade. In the case of Rhodesia the international community within the United Nations has decided to sacrifice free flow of trade for what it believes to be a greater good, peaceful pressure to halt a growing military conflict in southern Africa.

We said then that there is no violation of GATT agreements under article XXI (c) of the GATT treaty itself. We said further that if we do not take this action today, if we do not join with the House of Representatives in repealing the Byrd amendment, we continue to stand in violation of our solemn obligations under the United Nations treaty.

I personally do not believe that we are considering this measure willy-nilly. After all, this measure was before the Senate first at the time of the passage of the Byrd amendment. It came back before this body, and was debated at great length, in 1973, at which time a cloture motion was filed, and it went to the House of Representatives. It came before the Senate in very orderly fashion on this occasion.

We had hearings in the African Affairs Subcommittee of the Committee on Foreign Relations. It was discussed in the Foreign Relations Committee itself, and voted out by a vote of 15 to 1 on February 22; and it has been before the Senate for study since that date. I think it has been carefully considered in the past and in the present.

As to the Treasury Department's feeling about this particular amendment, they are opposed to the Allen amendment. They say:

The Secretary could not issue the certification which would be required by the Allen amendment to bring S. 174 into effect. Therefore it would frustrate the intent of S. 174, a bill "to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome".

To issue the certification, the Secretary would have to find that the certification requirements under section 5(c) of the U.N. Participation Act:

a. would not violate the letter or the spirit of the GATT, and

b. would not be a non-tariff barrier to the free flow of trade.

GATT specifically (in article XXI) permits any action in pursuance of U.N. obligations. Therefore, certification would not violate the letter or spirit of GATT.

However, the certification requirement is by its very nature "a non-tariff barrier to the free flow of trade." Its purpose and effect is to halt imports of Rhodesian chrome. The Secretary therefore could not find that the certification requirement is not a non-tariff barrier to trade. As a result, the bill could never take effect.

As to the so-called secondary boycott, it seems to me that if other countries continue to obtain Rhodesian ore, and their exports gain a competitive advantage in the U.S. market as a result, it is unfair to make American companies and workers bear the burden of compliance with the amendment.

It would be unfair to our industry and unfair to our labor to say that "While we comply with these sanctions, we are not going to have any requirement that you comply," and that we are not going to do everything within our reasonable power to see that other nations do in fact comply.

Opponents of sanctions have argued in the past that repeal of the Byrd amendment would hurt American industry because of foreign competition. The provision we have in S. 174 will correct that problem.

Treasury representatives have explained that these provisions are enforceable and will be effective in keeping steel mill products containing Rhodesian chrome out of the United States. They have the technology to determine whether indeed Rhodesian chrome is included in the product.

In addition to protecting U.S. companies from unfair competition, this legislation also puts strong pressure on the other industrialized states to comply with the embargo. This will make the sanctions a more effective force for peaceful change in Rhodesia.

The same new technologies that have ended the U.S. steel industry need for Rhodesian chrome are also used in the other stainless steel producing nations. Because of these new technologies, the supplies of chrome available to other producing countries outside of Rhodesia have also expanded greatly. Like the United States, they should be able to obtain their chrome elsewhere.

One of the main exporters of stainless steel to the United States, Japan, has often been cited in debates on sanctions as a country that has developed world chrome resources in many places other than Rhodesia. Japanese investments in Turkish and Brazilian chrome are two examples of those.

So, Mr. President, I urge the defeat of this amendment. I think it clearly does not stand in violation of our treaty agreements with GATT, as evidenced by article XXI(c), which specifically says that any action may be taken that keeps us in compliance with the United Nations Charter for the maintenance of international peace and security.

Mr. ALLEN. Mr. President, I was very much interested in the comments of the distinguished Senator from Iowa in stating that this bill does not violate the GATT treaty. Then, in proof of that, or for some reason, he offers the statement from the Treasury Department, and they say just exactly the opposite from what the distinguished Senator from Iowa said. They said they could not make a certification that the proposal did not violate the letter or the spirit of the GATT agreement, and further that they could not certify that it did not constitute a nontariff barrier, thus refuting everything that the distinguished Senator argues.

The Treasury Department, which he offers as his star witness, says in effect that it violates the GATT agreement because they cannot certify that it does not. They could not certify that it does not constitute a nontariff barrier, refuting the very argument the Senator made.

Obviously, it does violate GATT.

Mr. CLARK. Mr. President, will the Senator yield on that point?

Mr. ALLEN. Yes.

Mr. CLARK. Let me read to him once again specifically what the Treasury position is:

GATT specifically (in Article XXI) permits any action in pursuance of UN obligations. Therefore, certification would not violate the letter or spirit of GATT.

That is Treasury speaking.

Mr. ALLEN. Yes, I understand they say they cannot make the certification that it does not violate GATT.

Mr. CLARK. No, the Senator is misquoting what I have just quoted to him.

Mr. ALLEN. That is all that the certification under my amendment would require that they certify, that it does not violate the letter or the spirit of GATT. The Senator quotes the Treasury as saying they cannot certify that.

Mr. CLARK. I quote the Treasury as saying there is an exception under GATT, under article XXI. I am quoting from Treasury when I say:

GATT specifically (in Article XXI) permits any action in pursuance of UN obligations.

Mr. ALLEN. Do they not say they cannot make the certification?

Mr. CLARK. They cannot make the certification as to a nontariff barrier to free world trade.

Mr. ALLEN. They also say they cannot certify that it does not violate the letter and the spirit of GATT.

Mr. CLARK. That is true, but they say that the certification itself would be a nontariff barrier.

Mr. ALLEN. Why does it not let them make the certification, then?

Mr. CLARK. Precisely because there is

an exception in GATT for such action as we are taking in this legislation.

Mr. ALLEN. Yes, but the Treasury say they cannot make the certification because it does violate GATT and they cannot say it does not constitute a nontariff barrier.

Obviously, if it did not violate GATT, all they would have to say to comply with the amendment is that it does not violate the letter or spirit of GATT, and it does not constitute a nontariff barrier.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. HARRY F. BYRD, JR. In listening to the colloquy between the two distinguished Senators, the Senator from Alabama and the Senator from Iowa, it seems to me that the Treasury Department is clearly saying that S. 174 does violate the spirit of GATT.

Mr. ALLEN. Yes.

Mr. HARRY F. BYRD, JR. But there is another provision in GATT which could be used to justify the proposal——

Mr. ALLEN. The violation of GATT?

Mr. HARRY F. BYRD, JR. The violation of GATT, yes.

This other provision in GATT could be used to justify this legislation violating GATT. Is that correct?

Mr. ALLEN. Yes; I believe that is correct. They state definitely they cannot make this certification.

Mr. HARRY F. BYRD, JR. Apparently, because it does violate GATT.

Mr. ALLEN. Yes.

Mr. HARRY F. BYRD, JR. It violates the spirit of GATT.

Mr. ALLEN. That is my understanding.

Mr. HARRY F. BYRD, JR. In talking about the United States having violated the United Nations action, in the first place that violation, if it was a violation—and in my judgment it was not—was done by the Congress, signed by the President, and upheld by the American public.

Mr. ALLEN. That is correct.

Mr. HARRY F. BYRD, JR. Just today, just a little while ago, by a vote of 93 to 0, the Senate agreed to an amendment which I proposed, which states that the President, at any time, may set aside this embargo put on by the United Nations if he is so inclined. Ninety-three Members of the Senate went on record just today in support of that amendment, which is now part of S. 174. That clearly shows that the Congress has the right to protect the American people when it feels an action taken by the United Nations goes too far.

I believe that ties in with the proposal of the able Senator from Alabama in regard to these GATT matters. As the Senator from Alabama points out, the Treasury Department makes clear in its letter, which is being put into the RECORD by the able Senator from Iowa——

Mr. ALLEN. I trust he will put it into the RECORD. If not, I will put it into the RECORD.

Mr. CLARK. If the Senator will yield, I will ask that it be printed in the RECORD and discuss it with the two Senators, if I may.

Mr. ALLEN. I am sure the Senator will have his opportunity as soon as we complete our discussion. I do hope, however, that the Senator will offer the Treasury statement for the RECORD.

Mr. HARRY F. BYRD, JR. I have not read the statement by the Treasury Department, but in listening to the discussion of it by the two Senators, the Senator from Alabama and the Senator from Iowa, it certainly seems clear to me that the Treasury Department recognizes this legislation does violate GATT.

Mr. ALLEN. I believe that is right.

I might also say this escape hatch the Senator pins his contention on, that this would not violate GATT—that is, that any nation can do anything it wants to do in pursuit of peace, or words to that effect—I would not think that would enable a nation to take unilateral action imposing a secondary boycott on friendly allied trading partners. I would think these trading partners of the United States, against whom a secondary boycott has been applied, would have the right to contest that unilateral contention of the distinguished Senator from Iowa. They could say, "Look, here, how are you promoting world peace by imposing a secondary boycott on us?"

He asserts his right to pass through this escape hatch that he has found in the GATT agreement. I do not think that would give him the right, uncontestedly, to make that assertion. Apparently, the Treasury Department is not of that opinion.

Mr. CLARK. Mr. President, no matter how many times it may be said that the Treasury Department herein suggests that the spirit of GATT is violated, the record will show differently.

If I may I would like to have the attention of the Senator from Alabama and the Senator from Virginia.

I would like to read the statement of the Treasury Department and call particular attention to the fact that the emphasis of this statement is on the word "and." In other words, grouping both the violation of the spirit of the letter of GATT and the nontariff barrier to the free flow of trade, here is what they say:

> The Treasury opposes the Allen amendment. The Secretary could not issue the certification which would be required by the Allen amendment to bring S. 174 into effect. Therefore it would frustrate the intent of S. 174, a bill "to amend the United Nations" Participation Act of 1945 to halt the importation of Rhodesian chrome".
>
> To issue the certification, the Secretary would have to find that the certification requirements under Section 5(c) of the U.N. Participation Act.
>
> a. would not violate the letter or the spirit of the GATT, and
>
> b. would not be a non-tariff barrier to the free flow of trade.
>
> GATT specifically (in Article XXI) permits any action in pursuance of U.N. obligations. Therefore, certification would not violate the letter or spirit of GATT.
>
> However, the certification requirement is by its very nature "a non-tariff barrier to the free flow of trade". Its purpose and effect is to halt imports of Rhodesian chrome. The Secretary therefore could not find that the certification requirements is not a non-tariff barrier to trade. As a result, the bill could never take effect.

The point here, Mr. President, as the Treasury points out, is that to meet the compliance of the Allen amendment they would have to find both of these things; that is, would not violate the letter or the spirit of the GATT, and, would not be a nontariff barrier to the free flow of trade.

What they are saying is that they could find that it is not in the spirit of GATT—that is covered by article XXI—but their problem is that they could not certify that it would not be a nontariff barrier. Therefore, they could not meet both qualifications. They could meet one but not the second.

Mr. ALLEN. Will the Senator yield?

Mr. CLARK. Yes.

Mr. ALLEN. Will the Senator agree to an amendment if it would eliminate the second half of the equation; that is, the certification that it was not a nontariff barrier?

Mr. CLARK. Obviously, I would not, because I would not want to have something in this bill which says, in effect, that the President has to violate something that is already allowed for in article XXI. What it would say, in effect, is that since every other country in the world except South Africa is committed under the treaty to Rhodesian sanctions, and since many of these are members of GATT, somehow they are all in violation of GATT, or at least to imply that the President has to certify that we are not in violation of GATT.

Mr. ALLEN. I was under the impression that the Treasury said it could certify it was not in violation of GATT but what stumped it was that is could not say it was not a nontariff barrier. If we eliminate the second portion of it, why would the Senator not be willing for the Secretary to say that it does not violate?

Mr. CLARK. Because I think it would be useless and quite redundant for us to ask the Secretary of the Treasury to certify that, in fact, we were not in violation of article XXI when article XXI is quite clear. I know of no other country that is a member of GATT that participates in sanctions that require anybody in the Cabinet to certify they are not in violation of this treaty or that treaty. I see nothing that would be gained by that other than forcing this bill to go to conference.

Mr. ALLEN. In other words, the Treasury statement that they could sign that statement does not influence the Senator, is that correct?

Mr. CLARK. No.

Mr. ALLEN. I see.

The PRESIDING OFFICER. Does any other Senator wish to be heard? If not, the question is on agreeing to the amendment of the Senator from Alabama. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. TALMADGE), the Senator from South Dakota (Mr. ABOUREZK), and the Senator from Montana (Mr. MELCHER) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

Mr. STEVENS. I announce that the

Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Utah (Mr. HATCH), and the Senator from Delaware (Mr. ROTH) are necessarily absent.

The result was announced—yeas 26, nays 64, as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—26

Allen	Eastland	Morgan
Bartlett	Garn	Schmitt
Bellmon	Hansen	Scott
Byrd, Harry F., Jr.	Helms	Sparkman
Curtis	Hollings	Stennis
DeConcini	Laxalt	Thurmond
Dole	Lugar	Tower
Domenici	McClellan	Wallop
	McClure	Young

NAYS—64

Anderson	Hart	Nelson
Baker	Haskell	Nunn
Bayh	Hatfield	Packwood
Bentsen	Hathaway	Pearson
Biden	Hayakawa	Pell
Brooke	Heinz	Percy
Bumpers	Huddleston	Proxmire
Burdick	Humphrey	Randolph
Byrd, Robert C.	Jackson	Ribicoff
Case	Javits	Riegle
Chafee	Johnston	Sarbanes
Chiles	Leahy	Sasser
Church	Long	Schweiker
Clark	Magnuson	Stafford
Cranston	Mathias	Stevens
Culver	Matsunaga	Stevenson
Danforth	McGovern	Stone
Durkin	McIntyre	Weicker
Eagleton	Metcalf	Williams
Ford	Metzenbaum	Zorinsky
Glenn	Moynihan	
Gravel	Muskie	

NOT VOTING—10

Abourezk	Hatch	Roth
Cannon	Inouye	Talmadge
Goldwater	Kennedy	
Griffin	Melcher	

So the amendment (amendment No. 73) was rejected.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. ZORINSKY). May we please have order in the Chamber? Those Senators wishing to converse, please retire to the cloakroom.

The Senator from Virginia.

AMENDMENT NO. 71

Mr. HARRY F. BYRD, JR. Mr. President, I plan to call up an amendment, but I say for the information of Senators that I do not think this will take very long. As far as I am concerned, it will take probably not more than a couple of minutes, and I doubt if the Senator from Iowa will take much time, either.

Mr. President, I call up amendment No. 71 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, Jr.) proposes an amendment No. 71:

At the end of the bill, add the following:

SEC. . The amendments made by this Act shall not be effective after a finding by the President that (1) there has occurred a significant interruption in the supply to the United States of any commodity affected by such amendments, and (2) such interruption jeopardizes the security of the United States.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the senior Senator from Michigan (Mr. GRIFFIN) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, the amendment is so clear that I do not think I will do anything except read the amendment again.

Amendment No. 71, which is the pending business, states as follows:

The amendments made by this Act shall not be effective after a finding by the President that (1) there has occurred a significant interruption in the supply to the United States of any commodity affected by such amendments, and (2) such interruption jeopardizes the security of the United States.

That is all the amendment says. It says that if there is an interruption, a significant interruption in the supply to the United States of any commodity affected by this bill and that such interruption jeopardizes the security of the United States, then S. 174 would no longer be in effect. That is all.

Mr. CLARK. Mr. President, I will not take more than 2 minutes.

I am opposed to the amendment. Certainly not the intent of the amendment, but, in my judgment, it would be an unnecessary amendment simply because compliance with the United Nations sanctions is at the discretion of the President in any event. At any time, if he felt United States security was seriously jeopardized by sanctions, he could issue a new executive order allowing imports of Rhodesian chrome. Under the United Nations Participation Act, the President may issue an Executive order to put the United States in compliance with sanctions, and, likewise, he may act to suspend these if it is not in the national interest of the United States whenever he deems it appropriate.

So, in my opinion, the amendment would be redundant, and it would have the adverse effect of delaying passage by sending it to conference or to send it back to the House for an additional vote.

I close by quoting from the Defense Department, which concurs with the pending legislation. They say this:

It is the view of the Department of Defense that government and private stockpiles and possibilities for expanded imports from other sources, end-use substitution, secondary recovery, conservation and improved technology in combination offer sufficient protection to the national security. Furthermore, considering the inevitability of majority rule in Rhodesia, United States access to that country's chromium supplies may best be protected in the long run by compliance with United Nations sanctions.

Therefore, Mr. President, I suggest that this amendment should be defeated.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. TALMADGE), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Hawaii (Mr. MATSUNAGA) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I further announce that, if present and voting, the Senator from Hawaii (Mr. MATSUNAGA) would vote "nay."

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH) and the Senator from Delaware (Mr. ROTH) are necessarily absent.

The result was announced—yeas 42, nays 50, as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—42

Allen	Hansen	Randolph
Baker	Hayakawa	Schmitt
Bartlett	Heinz	Schweiker
Bellmon	Helms	Scott
Byrd, Harry F., Jr.	Johnston	Sparkman
Byrd, Robert C.	Laxalt	Stennis
Chiles	Long	Stevens
Curtis	Lugar	Stone
Dole	McClellan	Thurmond
Domenici	McClure	Tower
Eastland	Melcher	Wallop
Garn	Morgan	Young
Goldwater	Nunn	Zorinsky
Griffin	Packwood	
	Pearson	

NAYS—50

Abourezk	Eagleton	Metcalf
Anderson	Ford	Metzenbaum
Bayh	Glenn	Moynihan
Bentsen	Gravel	Muskie
Biden	Hart	Nelson
Brooke	Haskell	Pell
Bumpers	Hatfield	Percy
Burdick	Hathaway	Proxmire
Case	Huddleston	Ribicoff
Chafee	Humphrey	Riegle
Church	Jackson	Sarbanes
Clark	Javits	Sasser
Cranston	Leahy	Stafford
Culver	Magnuson	Stevenson
Danforth	Mathias	Weicker
DeConcini	McGovern	Williams
Durkin	McIntyre	

NOT VOTING—8

Cannon	Inouye	Roth
Hatch	Kennedy	Talmadge
Hollings	Matsunaga	

So the amendment of Mr. HARRY F. BYRD, JR., was rejected.

Mr. MATSUNAGA subsequently said: Mr. President, on the last vote I was delayed on the subway train and missed the vote. If present, I would have voted "no."

UP AMENDMENT NO. 77

Mr. HELMS. Mr. President, I have an unprinted amendment at the desk which I call up and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes unprinted amendment No. 77:

At the end of the bill add the following new section:

Sec. . The amendments made by this Act applicable to "Southern Rhodesia" shall not apply to the independent state of Rhodesia.

Mr. HELMS. Mr. President, may we have order?

The PRESIDING OFFICER. We will please have order in the Senate Chamber.

Mr. HELMS. Mr. President, I am going to withdraw this amendment in a moment, after brief discussion of it.

I simply want to make a point. Then I shall call up another amendment on which there will be a rollcall vote, and I suggest to the distinguished manager of the bill that he might want to consider a 10-minute vote on that. That will be up to his judgment, of course.

Mr. President, for 3 days now we have been talking on this floor about the situation in Rhodesia. Both sides have made repeated references to Rhodesia and of the impact of sanctions on Rhodesia. Yet, Mr. President, if Senators will look at S. 174 they will nowhere find any reference to Rhodesia. The bill refers only to "Southern Rhodesia."

Mr. President, there is no country in the world named Southern Rhodesia. If Senators will check they will discover that "Southern Rhodesia" ceased to exist on October 24, 1964, the day that Northern Rhodesia became Zambia. On October 24, 1964, Southern Rhodesia became just plain Rhodesia.

This was not the action of self-proclaimed independence. This occurred 13 months before Rhodesia's declaration of independence on November 11, 1965. It was the action of a territory that, Mr. President, was still united to Great Britain.

Yet here we are, now in our third day of discussion, persisting in bowing to United Nations' terminology instead of recognizing the reality that exists. It is only common courtesy to refer to a nation by the name which that nation has chosen. The official name is Rhodesia not Southern Rhodesia.

So if the sponsors of S. 174 prefer to keep the terminology of Southern Rhodesia, this amendment would propose to make clear that there is a distinction. For one, I would like for the sanctions to apply to a mythical Southern Rhodesia because they would then not apply to the country that actually exists.

I hope the managers of the bill will at least correct the legislation to refer to a country that exists rather than to one that does not exist.

Mr. CLARK. Mr. President, I would simply say to Senator HELMS this country is known as Southern Rhodesia in accordance with the United Nations' description. That is why that name was chosen.

It is a little difficult to verify under any other kind of international law what the name of a country is because, obviously, no country in the world so far, including South Africa, has recognized the government whose capital is in Salisbury.

So it could perhaps be argued as to what the name of the country is. We use the term "Southern Rhodesia" because that is the official name recognized by the United Nations, and we are dealing here with sanctions under the United Nations. That is why we chose the name.

Mr. HELMS. Mr. President, I hope that the United Nations does not decide to refer to the able Senator from Iowa as "Uncle Joe Clark." I think the Senator from Iowa ought to be the sole judge of what he is going to be named. And the Government of Rhodesia, long prior to the declaration of independence, changed the name to Rhodesia, dropping the "Southern," at the same time Northern Rhodesia became Zambia.

But I have made my point, and I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 78

Mr. HELMS. I have another unprinted amendment at the desk which I call up and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. . Within 30 days after the enactment of this Act, the President shall establish in Rhodesia a Liaison Office of the United States of America, and the Chief United States Liaison Officer shall present his credentials to the appropriate officials of Rhodesia.

(2) The Chief United States Officer shall not be designated as ambassador or minister, but may have conferred upon him the personal rank of ambassador, and enjoy diplomatic privileges and immunities.

(3) The President will expedite the establishment in the United States of a Liaison Office of Rhodesia, with reciprocal privileges and immunities.

Mr. HELMS. Mr. President, stated simply, this amendment proposes that if we are going to meddle in the internal affairs of another country let us at least be in a position to communicate with them. Let us at least be fair enough to listen to their side of the matter. This Senate today, as did the House of Representatives yesterday, is making a judgment about Rhodesia—an arrogant judgment, I might add—without ever having anyone on the ground in that country to know what the real problems are, what the people really think, or the bloodbath that we are helping to encourage.

This, to the Senator from North Carolina, seems unthinkable, and this amendment is a serious proposal that we do what we should have done long ago, simply to set up a U.S. Liaison Office in Rhodesia on the very same basis that we have a liaison office in Peking. It is just as simple as that.

The reasoning in both cases is similar if not identical. We do not recognize Salisbury; we do not recognize Peking. But we are very interested in finding out what is going on in China and ascertaining the mood of the people. Since we are so obsessed with meddling, as we are doing now, cutting off our own noses to spite our faces in terms of our own national security, our own economic stability, the very least we can do, it seems to the Senator from North Carolina, is to have representatives in Salisbury who can be aware firsthand of the true facts and not have to operate on secondhand information.

It is in the U.S. interest to have communication with governments in the cases of both Peking and Salisbury.

The Rhodesian Government has been independent since November 11, 1965. Its record on human rights, notwithstanding all the criticism that is published and spoken, much of it erroneous, is far superior to the record on most African countries; yet no American official has ever made a formal visit to Rhodesia to talk with the authorities there to communicate with them. Indeed, for that matter we have never sent anyone over there to talk with the people to find out what they think, what their problems are, in order to make a reasoned judgment.

I realize that the claim is made that Rhodesia is not a country. That claim is a sophistry and we know that. It is a myth that cannot be sustained any longer. Rhodesia has had de facto independence for almost 12 years now. It has had control of the territory. It does not require recognition by other countries for a country's existence to be legal. For years we did not recognize the Soviet Union. We still do not recognize the Communist regime in Peking. I reiterate, Mr. President, that outside nations are not the arbiters of national sovereignty. Our diplomatic recognition or nonrecognition has no influence on the legality of any regime anywhere. It is merely a tool which we use to advance U.S. policy interests.

Of course, there is not much sentiment in the Senate for diplomatic recognition of Rhodesia. That is clear. It has been clear for some time. But we will be watching out for the interest of the people of the United States if the pending amendment is approved. We will be gaining more influence over the Rhodesian Government's action if we are in direct and continuous contact with the people there. So why not have such communication? What is to be lost, Mr. President, by having someone there, at least showing a willingness to try to be fair about it?

Here we are making judgments in the Senate today, as did the House of Representatives yesterday, on amendment after amendment when we had five or six Senators in the Chamber to hear the discussion. What happens time after time? In come all the other Senators when the lights go on and the bells ring, and the votes are cast against amendment after amendment. I would dare say that at least 75 percent of the Senators have not the slightest idea about the nature of the amendments on which they are voting.

It is a very serious thing.

I think it is a pretty bad way to operate a legislative body, but that is not the subject before us. And it is one very much on the minds of citizens who come to Washington and visit the Senate.

This amendment would provide, of course, that the Rhodesian Government could set up a similar office in Washington, D.C., which could not possibly be other than beneficial, because then at least we could have a dialog and know what is going on with an exchange of views. The President could and should expedite such an arrangement.

Mr. President, I wish to point out that the announced policy of our Government is to effect a transition. This

has been said over and over again during the debate for the past 3 days.

But to have influence and an affirmative influence, over a transition, does it not make sense that the United States should have a diplomatic presence in Rhodesia so as to monitor local developments and to be in constant communication with all the factions that are involved? That is the question. Are we really interested in seeing something constructive worked out over there? Or are we interested only in pandering to political pressure groups in this country? What are we up to?

I think if Senators would answer that question honestly we might come up with a little bit different vote on some of these amendments that are being killed with no real consideration being given to them.

I repeat, Mr. President, that we have such an office in China, in Peking. We have found it useful. China is a Government whose very philosophy is contrary to basic human rights. That is a term we bandy around here a lot in this Chamber. But are we not oddly selective in our application of pressure to achieve human rights?

We have an office in Peking, as I say. And why, Mr. President, would it not be useful in Rhodesia to deal with a government that is, after all, basically Western in its concept and outlook?

It seems to me, Mr. President, that it will be without logic to vote down this amendment. No doubt it will indeed be voted down, because Senators will come in; they will not know what they are voting on, but they will vote it down. In doing so, they will be voting down fair play. They will be voting down a proposition to have a reasonable dialog with a country in whose internal affairs we are meddling.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, I will just take 1 minute.

We would, of course, strongly oppose the passage of the amendment. It would be tantamount to taking a first step toward recognition of the regime in Salisbury, just as I think the liaison office in Peking is the first step toward recognition of that regime as the Government of China.

Since no country in the world has so far recognized the government in Salisbury as a legal government, this would indeed be a very major change in American foreign policy and our attitudes toward Rhodesia. It is not something we would want to do on the spur of the moment.

Every President since the unilateral declaration of independence by the Rhodesian front in 1965 has opposed that Government and has opposed legally recognizing that Government. It is not something that is opposed simply by President Carter. President Nixon always felt that we should not in fact recognize that Government as legal. President Ford held that position. President Johnson held it first, at the time of the unilateral declaration of independence, and President Carter holds it now.

So we have had a very long and consistent pattern, together with every other single nation in the world, of not recognizing that regime. To establish a liaison office there with ambassadorial immunity would be a long step in the direction of recognition. For that reason, I hope the Senate will vote against the pending amendment.

Mr. HELMS. Mr. President, with all due respect to my friend from Iowa—and he is my friend—about all he is saying is that four Presidents of the United States have been wrong in this proposition. At least it has been bipartisan folly, if that is any comfort. Personally, I find no comfort in it.

If we are just going to meddle, the Senator is right, we ought to vote down the amendment. But if today in the Senate we want to take a step toward encouraging in Rhodesia a solution to the problem—then this amendment makes sense, and ought to be approved.

I do not care whether another country in the world has recognized Rhodesia or not. The position of the United Nations is of no interest to me. The United Nations has been of no value to the United States, nor to the cause of peace and freedom in the world.

Be that as it may, if we are going to continue to meddle in the affairs of Rhodesia, we should at least arrange to know the positions of those with whom we may disagree in Salisbury, and so that they will know ours.

Surely it would diminish the resentment. It would diminish the psychological hostility. Above everything else, Mr. President, it is just plain commonsense and fair play.

Maybe somewhere, as Senators come in, someone might mention to them that this is a pretty good amendment, and that they ought to know a little something about it before they case an automatic to kill it. That may be too much to hope, however.

I am ready to vote, Mr. President.

The PRESIDING OFFICER (Mr. SASSER). The question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr HATCH), the Senator from Delaware (Mr. ROTH), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

The result was announced—yeas 26, nays 67, as follows:

[Rollcall Vote No. 57 Leg.]

YEAS—26

Allen	Eastland	McClure
Baker	Garn	Morgan
Bartlett	Goldwater	Schmitt
Bellmon	Hansen	Stennis
Byrd, Harry F., Jr.	Hayakawa	Stevens
Byrd, Robert C.	Helms	Thurmond
Curtis	Laxalt	Tower
Domenici	Lugar	Wallop
	McClellan	Young

NAYS—67

Abourezk	Griffin	Muskie
Anderson	Hart	Nelson
Bayh	Haskell	Nunn
Bentsen	Hatfield	Packwood
Biden	Hathaway	Pearson
Brooke	Heinz	Pell
Bumpers	Huddleston	Percy
Burdick	Humphrey	Proxmire
Case	Jackson	Randolph
Chafee	Javits	Ribicoff
Chiles	Johnston	Riegle
Church	Kennedy	Sarbanes
Clark	Leahy	Sasser
Cranston	Long	Schweiker
Culver	Magnuson	Sparkman
Danforth	Mathias	Stafford
DeConcini	Matsunaga	Stevenson
Dole	McGovern	Stone
Durkin	McIntyre	Weicker
Eagleton	Melcher	Williams
Ford	Metcalf	Zorinsky
Glenn	Metzenbaum	
Gravel	Moynihan	

NOT VOTING—7

Cannon	Inouye	Talmadge
Hatch	Roth	
Hollings	Scott	

So Mr. HELMS' amendment was rejected.

Mr. HELMS. Mr. President, the Senate has just voted not to have firsthand communication with the government in whose affairs we are meddling. Therefore, we have to rely on secondhand information to make our own judgments about who is reliable and who is not. In that connection, Mr. President, I have been in correspondence with Mrs. Karin Wood, a very fine lady who is a resident of Salisbury, Rhodesia. Her latest letter to me, dated March 1, 1977, contains some quite interesting observations. I ask unanimous consent that her letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SALISBURY, RHODESIA,
March 1, 1977.

Hon. Senator JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS, Thank you for your letter which I was happy to receive as it shows the green light for me to give you news of the exciting new developments in Rhodesia.

Under separate cover you will receive two newspaper pages concerning ZUPO, and in order to place the new developments in proper perspective I shall have to repeat the outline already supplied and fill in the details therefore this letter supercedes and replaces my letters dated 27th January and 13th February 1977. Please bear with the repetition.

A. American blacks were slaves of the whites, a fact which cannot be erased from their race memory.

I. Some blacks in Rhodesia were slaves of other blacks until liberated by whites, and this cannot be erased from their race memory.

Mr. Moss, a black American journalist who visited Rhodesia, said in a televised interview that he found the relationship between

blacks and whites here much better than in America. I then drew his attention to the above mentioned facts and that Chief Chirau, the Chairman of ZUPO, was enslaved as a child, freed by whites, and feels that he is what he is today thanks to the whites.

A multi-racial government is natural to Rhodesian thinking, feeling and way of life, whereas Americans have ingrained resentment on the one hand and a guilt complex on the other, which explains their extraordinary policies such as compulsory busing of school children and the relentless harassment of whites in Southern Africa for fancied oppression of blacks.

B. Historical facts concerning Rhodesia can be verified in the National Archives in Salisbury where I was employed for years as indexer of historical documents.

The blacks as well as the whites were immigrants, and immigration began about the same time for the forebears of the present black as well as white Rhodesians. Later the country was developed by the British South Africa Company through Cecil Rhodes. Later still the whites banded together to form the first government which then purchased this country from the British South Africa Company, bravely shouldering the colossal debt. Fortunately the mining of minerals by private enterprise contributed to the funds for payment of this debt.

This country was therefore self-governed from the start but a British governor was tolerated for a time to ensure British protection during the world wars and their aftermath.

Some of the members of the original government are alive today and their sons are in the present government, therefore their attitude towards the attempted alienation of this country by U.K. and U.S.A. in favor of communist lackeys should be understood in the light of past history.

I. What should also be understood is their implacable refusal to be intimadated by terrorists, and the leaders of neighbouring countries, the so-called front line presidents, who put their countries into voluntary liquidation in order to get on the international dole.

II. When the flow of handouts reduced to a trickle they closed their borders and even claimed aggression, to stimulate the flow.

III. Once again the handouts are deemed to be inadequate hence their attempt to obtain through their appointees, the Patriotic Front, Rhodesia's hard-earned assets, by using overseas politicians as a stalking horse.

IV. These African leaders allow their real rulers, the two communist countries to train terrorists on their soil.

C. In America the land was taken from the Indians. In Rhodesia the land was fairly divided at the outset. The Africans received their share free—a point overlooked by U.K. and U.S.A. who urge removal of all discrimination, which if fully implemented would mean that the Africans would have to buy their land.

The Africans were supplied with free schools, and also with teachers trained in agriculture and animal husbandry. Those who were prepared to learn and to work in order to progress have achieved spectacular results and prosperity, in some cases to millionaire level, with their own businesses and farms.

I. Others destroyed their free land to the point of no return and now want to grab European farms.

II. There is still plenty of uncultivated African areas available to them, but the problem is to stop them ruining that as well; and teachers black as well as white, have been murdered and cattle dips destroyed. Even farms and businesses the property of fellow blacks have been attacked. The African purchase areas, and all white areas for the most part, will be available to all races by purchase.

D. Resistance to progress in some African quarters even in commerce and industry has to be experienced to be believed, for example, a fisherman tribe was offered free a ready-made industry complete with boats, nets, and a market with above average income for fishing Lake Kariba.

I. They refused, preferring to eke out a living fishing Lake Kariba in the way their forefathers fished the Zambesi rather than to work even a three-day week.

II. Politically there has been an even greater resistance to progress. In 1961 the then African leader, Joshua Nkomo signed acceptance of the 1961 constitution. The next day he repudiated it and in addition ordered Africans not to register as voters, and not to take part in central government. Joshua Nkomo had and still does take his orders from Moscow. In Africa instructions by Africans to Africans is backed up with the intimidation of dissenters.

E. Against this historical and ethnic background a blaze was ignited by British politicians with their Federation debacle, fuelled by their imposition of sanctions, stoked by their settlement charades, and given explosive force by their mismanagement of the Geneva conference and follow-up shuttle.

I. This blaze is used to the full by the African lackeys of the Russian and Chinese communists.

II. Their method is to entice and to abduct impressionable youngsters, train them and arm them for terrorists incursions into Rhodesia.

III. These incursions are not to fight the Rhodesian Security Forces, but to maim, butcher, and kill defenceless people e.g. nuns and priests, persons in government employ, plant mines, destroy African businesses, African beer halls and administrative centres, European farms and farmers, and tourists, in fact to carry out the typically marxist orders to instill fear and create chaos.

The care and feeding of the terrorists is paid for by the British and American taxpayers through the grants made by their respective Governments. Portuguese who manage to escape from Mozambique estimate that there are 15,000 Mozambicans in the camps which are pointed out to visiting dignitaries, as being refugee camps when in fact they are Mozambicans imprisoned for opposition to the corrupt Frelimo regime. Russia and China supply the terrorists with weapons.

F. The very recent emergence into the open of middle of the road Africans who desire to cooperate with the government in realising natural African aspirations must be appreciated for what they are by overseas politicians since their stand is in opposition to the so-called nationalists, to the extent that their lives, their families and property is in danger and may be for some time to come. Even this initial approach by these Africans has enabled the Government to begin making changes in the constitution towards creating a non-racial society, and already legislation is in progress.

I. A complete sharing of present wealth would amount to no more than pocket money for each individual and what is needed for additional business ventures to provide job opportunities for all, even for those who decide to lay down their arms in favour of employment.

The distribution of wealth is inextricably bound up with decentralization after an initial survey by Rhodesian experts of all reasonable densely populated areas:

Do the raw materials available justify the establishment of factories to process the materials?

Is the produce grown suitable for canning, or the grains for manufacturing grain products, or for extracting oils or spirit?

What is the mining potential?

Can beef on the hoof be processed at source?

Will a new tourist resort be viable in an area rich in folk music, particularly the haunting music made by playing on huge boulders as if they are a xylophone, and folk tales told in a theatrical campfire setting?

The list is endless.

II. By no stretch of the imagination can a country under sanctions which have and are already harming the blacks and not the whites improve life for the blacks.

III. What is needed for peace in Southern Africa are men with guts in U.K. and U.S.A. men who will lift sanctions by withholding contributions to U.N. if necessary until this is effected.

IV. The lifting of sanctions would ensure unrestricted access to and sale of raw materials thereby generating the necessary finance in a continuing process for the equitable distribution of wealth.

V. It would ensure peace through trade in foodstuffs with hungry neighbours, and through movement of African peoples. It would improve relations between the Third World and the West by putting an end to the stalking horse pressurizing.

VI. It would enable Rhodesia with her superior knowledge and long experience of Africans in Africa to dampen the blaze and gradually extinguish it by specialised defensive military measures, and by political changes to create a non-racial society. It would enable Rhodesia to resume her round-the-clock trouble-shooting role in this and in neighbouring black countries in preventing the unchecked breeding of locusts from becoming plagues, and the unchecked parasitic and contagious diseases such as cholera and rabies from becoming epidemics. It needs knowledge and long experience of Africans in Africa to get those living in remote areas to report outbreaks to the nearest centre from where the teams can be alerted.

G. The Americans slaves were cut off from their families, and black immigrants in U.K. and U.S.A. voluntarily cut themselves off. With no ethnic ties they feel a lack which they endeavour to remedy by ever-increasing demands from the whites to make them part of their group.

I. Rhodesian blacks emigrated from neighbouring countries and have ethnic ties with tribes in those countries. Until BII they moved freely across the borders.

H. The rural free African areas are in the care of traditionally appointed chiefs, councillors and headmen. The Chief tries civil and criminal cases according to African law, and serious cases are handed over to the central courts for trial under Roman Dutch law. A government trained liaison officer holds a watching brief, and chiefs who misappropriate the dues paid by their subjects into the pool for the betterment of the community, or otherwise misbehave, are deposed by the government. The government assists financially and with expert advice in schooling, irrigation, agriculture, health, etc.

I. All have many children and some have two or more wives, therefore there can be no land inheritance and it has to be allocated by the Chief.

J. The urban free African areas have subsidised housing, all the amenities from sewerage to golf courses; their own town council and the usual liaison officer. Here again there cannot be ownership and inheritance due to the side of the families. The purchase areas within the townships are of course a different matter. Some have one wife in a rural area and another in an urban area, and commute

between them to make children to work on his lands with a minimum of schooling. As adults they bring in dowries and further free labour.

These children are fertile ground for recruitment with empty promises which they are only too ready to believe. The only remedy is more jobs and lifting of sanctions. There are clinics, and country hospitals (mainly missions) and all Africans pay only nominal fees in the largest and best equipped hospital in Southern Africa which was built for them.

K. The businessmen in the purchase areas are, like their counterparts the world over, reluctant to take part in politics and administration but are so desperately afraid of a black government with communist leanings which will deprive them of their possessions that they are beginning to take part in dealing with African moderates.

L. In all the years of its existence the ANC have never formulated a policy, have no governing or administrative experience due to Dil, the rejection of participation by Nkomo. The leaders are a prime example of the Beriut syndrome—too much high level free education with too little backbone to apply that education in a competitive world.

The number of trained terrorists are periodically reduced in number through bloody feuds between rival factions of the ANC.

The factions are now being kept in separate camps in neighbouring black countries. If the present government were to be so stupid as to succumb to the unjustifiable pressures exerted by U.K. and U.S.A. and the western countries which they have brainwashed into accepting the ANC, these bloody fueds would be taking place inside Rhodesia plus the terrorist war.

Yours sincerely,

Mrs. KAREN WOOD,
Retired librarian.

UP AMENDMENT NO. 79

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. HARRY F. BYRD, JR.) proposes unprinted amendment No. 79:

At the end of the bill add the following new section:

SEC. —. The amendments made by this Act shall not apply upon the expiration of 30 days following the date of any determination by the Secretary of the Treasury that the price of chromium in any form has increased by at least 100 per centum more than the price of that form of chromium on the date of enactment of this legislation.

Mr. HARRY F. BYRD, JR. Mr. President, I shall take only a moment, because I think the amendment is rather clear. What it says is that after the enactment of this pending legislation, S. 174, which prevents the United States from buying chrome from Rhodesia—if, as a result of that action, the other nations—mainly, Russia and South Africa, which have the deposits of chrome—unrealistically increase the price then the Clark bill would not be applicable.

Mr. President, this amendment might be called a consumer protection amendment. It provides that the provisions of S. 174 will be nullified if there is a doubling of the price of chrome.

The bill now before the Senate gives new life to that old adage that the only thing we ever learn from history is that we never learn from history.

During the years after 1966, when the United States observed the Rhodesian embargo, our increasing dependence on the Soviet Union as a supplier of chrome resulted in a 188-percent price increase. with prices reaching their peak in 1971, the last year of the embargo of Rhodesian chrome.

After the enactment of the Byrd amendment, prices declined considerably.

Now, Assistant Secretary of State Katz has testified before the Senate Foreign Relations Committee that this bill will result in only 26-percent increase in the price of chrome, and that this will be short term.

If his figures are correct, then my amendment will have absolutely no effect. No one will be happier than I to learn that the Soviet Union did not take advantage of the United States' vulnerable position in order to gouge us on the price of chrome.

If, however, Assistant Secretary Katz is overly optimistic, then we certainly should have some protective mechanism to insure that the Soviet Union does not push the price of chrome through the roof while we stand helplessly by, unable to act in order to protect our economy.

We have been given no reason to believe that the Soviet Union would not use a price lever against us in order to accomplish political gains. What variable in Mr. Katz's economic equation takes account of this?

Mr. President, if the Senate accepts the Clark bill, it has an obligation to insure that our economy is protected from extreme cases of victimization by our enemies. If supporters of S. 174 are correct concerning the potential impact of this bill, my amendment will have absolutely no effect. It will take effect only if our concern over the goals and intentions of other nations prove to be justified and the American economy is put at the mercy of our enemies.

Mr. CLARK. Mr. President, I shall speak for just a couple of moments.

I think that we cannot politically and diplomatically say we will only comply with sanctions if it does not cost us anything. It seems to me if it is the right action, it is the right action; if it is the wrong action, it is the wrong action. The costs of a growing war in Rhodesia are great in terms of peace and in terms of stability. I think it is worth a small sacrifice in the price of chrome to avoid such a conflict. If it is right to take the action, I do not think we ought to put a dollar sign on it. There is no evidence to date that this will cost us any more. The history of the amendment, I think, has not borne that out.

There are obviously countervailing considerations that override this single economic interest. Among these are the other economic concerns and interests, including American access to chrome after majority rule comes about. Other countries are paying a much higher price in compliance with these sanctions in many cases—countries such as Zambia, who have cut off total trade and linkage. It has cost them an enormous amount in terms of inability to use rail lines through Rhodesia and so forth.

The cost of chrome and ferrochrome may well go up and, in fact, it may well go up for reasons that have absolutely nothing to do with sanctions, following the passage of this legislation. The costs have been down for quite a while now, obviously, because of the recession. If demand for stainless steel goes up with economic recovery, the price of ferrochrome and chrome will also go up. But I do not think that we ought to make the acceptance of this legislation dependent upon the price of the chrome. Therefore, I argue for defeat of the amendment.

Mr. HARRY F. BYRD, JR. Mr. President, I point out that when the embargo was first put on, some years ago, Russia increased the price of chrome by 188 percent. The purpose of this amendment is to try to give some protection to the American consumer, because, after all, it is the American consumer which will be paying the bill and paying the increased cost. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Georgia (Mr. TALMADGE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

Mr. STEVENS. I announce that the Senator from Kansas (Mr. DOLE), the Senator from Utah (Mr. HATCH), and the Senator from Delaware (Mr. ROTH) are necessarily absent.

The result was announced—yeas 31, nays 61, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—31

Allen	Garn	Nunn
Baker	Goldwater	Randolph
Bartlett	Hansen	Sasser
Bellmon	Hayakawa	Schmitt
Byrd, Harry F., Jr.	Helms	Scott
Byrd, Robert C.	Johnston	Sparkman
Chiles	Laxalt	Stone
Curtis	Lugar	Thurmond
Domenici	McClellan	Tower
Eastland	McClure	Young
	Morgan	

NAYS—61

Abourezk	Eagleton	Magnuson
Anderson	Ford	Mathias
Bayh	Glenn	Matsunaga
Bentsen	Gravel	Melcher
Biden	Griffin	McGovern
Brooke	Hart	McIntyre
Bumpers	Haskell	Metcalf
Burdick	Hatfield	Metzenbaum
Case	Hathaway	Moynihan
Chafee	Heinz	Muskie
Church	Huddleston	Nelson
Clark	Humphrey	Packwood
Cranston	Jackson	Pearson
Culver	Javits	Pell
Danforth	Kennedy	Percy
DeConcini	Leahy	Proxmire
Durkin	Long	Ribicoff

Riegle	Stevens	Williams
Sarbanes	Stevenson	Zorinsky
Schweiker	Wallop	
Stafford	Weicker	

NOT VOTING—8

Cannon	Hollings	Stennis
Dole	Inouye	Talmadge
Hatch	Roth	

So the amendment was rejected.

ADDITIONAL STATEMENTS SUBMITTED ON S. 174

Mr. DOMENICI. Mr. President, today, as we continue deliberation on S. 174, a bill suspending the Byrd amendment as it pertains to Rhodesia, I must say that I have listened intently to my distinguished colleagues on both sides of this issue. Their arguments and conclusions have both troubled and enlightened me. I sympathize with their fears and share their concerns. It appears our options are few and the implications of our actions extremely crucial.

First, I would like to point out, that since becoming a Member of the Senate, I have seen a growing concern among our citizens and in the legislative and executive branches regarding the issue of international human rights. In response to that concern, in 1976 we enacted several provisions, section 502B and section 116 of the Foreign Assistance Act. In part, section 502B states that it is the policy of the United States:

. . . in keeping with the constitutional heritage and traditions of the United States, to promote and encourage increased respect for human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion. To this end, a principal goal of the foreign policy of the United States is to promote the increased observance of internationally recognized human rights by all countries.

As Congress continues to exercise its voice in the shaping of this Nation's foreign policy, our judgments must prudently reflect this policy. I accept and encourage attainment of that goal.

I believe it is honest to say that the United States does not accept the present apartheid government in Rhodesia. In general, we have accepted former Secretary of State Kissinger's efforts, as outlined in his address in Lusaka, to bring about a resolution of the Rhodesian crisis by a transition to majority rule with minority rights.

The stalemate of the negotiations has troubled us all, and the possible consequences of this breakdown cause legitimate concerns. Certainly we all share the hope that this volatile situation will ease quickly through resumption of communications among those involved. While I know proponents of S. 174 contend that America's credibility is at stake unless action is taken on this measure, I confess grave doubts over enactment of this bill.

I am troubled over whether or not this action will have a significant impact on Rhodesia's economy, which in part it is designed to do, when evidence suggests other nations, including the Soviet Union continue to disregard the United Nation's sanctions; and, whether or not the United States is in a position to ignore the fact that chromium is still near the top of our strategic list, and we have little alternative but to depend almost exclusively upon the Soviet Union for its supply—which I might add, it appears we already do. It is somewhat reasuring to know that should an emergency arise, we have a source of supply available other than the U.S.S.R., or in South Africa, whose own internal situation is less than tranquil.

In addition, while I do not want to belabor this point, in a Washington Post article of February 4, 1977, a question was directed to Secretary of State Vance concerning the "linkage" theory. Basically, Vance was asked if there was a "linkage between our feelings about the Sovie treatment of their citizens and the human rights questions, and our other relations with them—trade, economic, and arms talks." Vance replied that,

No, there is no linkage. I think each of these subjects is an important subject and each should be discussed on its own footing.

Now, I recognize that Secretary Vance was referring to the Soviet Union, her human rights issue and our strategic weapons negotiations. However, here we have an issue of human rights, and we contend that we can separate these policies from economic and trade policies. I believe we can logically relate this issue with the situation in Rhodesia—and perhaps we should say again that there "is no linkage." I think that U.S. foreign policy at times has been a dualistic one, not only on the continent of Africa, but throughout the entire world. I question whether or not the United States can again invoke this policy—this inconsistency—when what we have here is the curtailment of a natural resource vital to our strategic needs.

The temptation to use such an economic sanction against Rhodesia is fraught with additional dangers. I am concerned over the possible higher prices of steel products and the accompanying possible reduction in related employment. I am also concerned over the possible trade effects this will have upon our allies; in particular, Japan, who continues to trade with Rhodesia.

In the latter case, this could effectively create a considerable, if not dramatic, economic impact upon this Nation and her allies. I have read where projections of price increases could easily reach 17 percent, or approximately $300 million on a yearly basis. And, we would surely need additional econometric studies to ascertain the costs for substitution, or implementation of technological innovations; we can already be fairly certain that any new technologies will require some energy cost analysis. In addition, we do know that the Soviet Union raised the price for chrome ore over 180 percent when alternative sources were not as readily available; it appears we have no assurances she will not continue that policy if S. 174 is enacted.

I would also like to point out that proponents of this measure contend that in 1976 the United States depended upon the U.S.S.R. for 44 percent of its chrome ore imports, while we looked to Rhodesia for only 2 percent of our imports. If these figures are accurate, then I truly wonder how great this economic impact may be. When this bill was introduced on January 11, 1977, the accompanying statement in the CONGRESSIONAL RECORD said that:

The United States has responded with a refusal to make even a minor economic sacrifice for freedom.

I respect these views. However, I might say conversely, that any minor sacrifice may only be endured by Rhodesia, while the United States and her allies experience impacts of inestimatable proportions.

In conclusion, again. I want to reiterate my firm belief in the concept of promoting human rights objectives in this Nation's foreign policy. I do support an orderly transition from Rhodesia's present minority rule to majority rule, and I applaud every meaningful effort toward that goal. However, considering the strategic and economic impacts resulting from passage of S. 174, I must cast my vote in opposition to this measure.

REPEATING THE BYRD AMENDMENT

Mr. HEINZ. Mr. President, when this issue came before the Congress the last time in 1975, I voted against repealing the Byrd amendment, largely on the grounds that repeal—and therefore the embargo of Rhodesian chrome—would have had a serious economic impact on the specialty steel industry, an industry of considerable economic importance to western Pennsylvania.

Hearings this year, however, have indicated a change in circumstances lessening that impact. One reason for that change, improved technology, was well illustrated by E. F. Andrews, vice president of Allegheny-Ludlum Industries in his February 9 testimony before the Foreign Relations Committee:

A significant portion of the specialty steel industry has spent substantial sums to research and develop technological innovations permitting the use of lower quality ferrochrome smelted from ore currently available from sources other than Rhodesia. Sizable investments have been made in capital equipment to take advantage of new technological processes. In addition, substantial smelting capacity for high-carbon ferrochrome has been added outside Rhodesia, particularly in South Africa. Thus, our economic reliance upon Rhodesian chrome is less than when the Byrd amendment was adopted in 1971.

Another factor has been the recent decline in U.S. reliance on Rhodesian chrome, in part caused by higher prices due to changed transportation patterns—chrome ore is now being shipped through South Africa rather than Mozambique. For the first 11 months of 1976, U.S. imports of Rhodesian chrome ore—metallurgical grade, the grade used in the steel industry—constituted only 5 percent of our total imports. In quantity that represented an 86-percent decrease over the preceding year. Clearly these levels no longer represent a significant reliance on our part on Rhodesian chrome.

Given this change, I believe it is time to take a fresh look at the Byrd amendment. In doing so, we must recognize that chrome is a critical commodity for our economy, and we must take care that our actions do not permanently remove

us from major sources of supply or force us to depend on unreliable suppliers.

From that perspective, one of the strongest economic arguments in support of repeal is the recognition that the present government of Rhodesia is unlikely to be a permanent one and that its successor will in all probability be more representative of the country's population and have significantly different policies in many areas. At that point we can expect U.N. sanctions to be lifted, and we can expect that government to establish new trade relationships. What form those relationships with the United States may take will almost certainly depend in part on our attitude toward and past compliance with the embargo. Clearly, short-term compliance with the embargo will be in our long-term interests in terms of reestablishing trade with a future Rhodesian government, and in terms of our maintaining good relations with other African governments honoring the embargo as a matter of fundamental principle.

At the same time, however, we should recognize that boycotting Rhodesian chrome in the short run narrows our sources of supply, and we must take care to preserve our other sources, notably South Africa, which has become a more important source to us. Our determination to live up to our U.N. obligations and embargo Rhodesian chrome should be matched by an equal determination to maintain our other supply sources.

I have not in this statement emphasized the issues of principle that are at stake in this matter, because I have always believed that those principles point clearly toward repeal of the Byrd amendment and reimposition of the embargo. It is unfortunate that we have had in the past to compromise those principles in the interests of our economy and our security. Now that the economic circumstances have changed, however, it is time to reaffirm those principles and bring our policy into line with them. I intend to support S. 174, and I urge my colleagues to do likewise.

Mr. BROOKE. Mr. President, we will vote today on whether or not the Senate will go on record as favoring the restoration of U.S. compliance with economic sanctions against the illegal government of Ian Smith in Rhodesia. The House has already voted in favor of compliance. What we decide will inevitably have an impact on developments in southern Africa and our capacity to encourage reasonable settlements of outstanding issues in that part of the world.

As an original sponsor of S. 174, I am convinced that this measure and the action it prescribes are in the best interest of the United States. Therefore, I urge that it be passed without delay.

Many arguments, pro and con, have been advanced regarding the issue. There would be little merit in my repeating in detail the arguments against the continued importation of chrome and ferrochrome from Rhodesia. Others have done so in impressive and compelling fashion. But I would like to make several general observations as to why I believe the proposed action merits the support of this body.

First, although choosing to respect the sanctions that have been imposed on Rhodesia would not give the United States a guarantee of success in promoting a solution to the conflict that minimizes violence and, hopefully, achieves a substantial amount of justice for the people in that country, we will have far less a chance of success in achieving these goals if we do not respect those sanctions. U.S. political capital in the minds of those who are determined and able to bring about change will be minimized if we fail to take this step to signify that further procrastination by the Smith regime is unacceptable to the United States.

Second, there is no adequate economic justification for continued U.S. violation of the sanctions. The U.S. stainless steel industry has agreed that previous arguments for violating the sanctions no longer have validity. New technologies have made the utilization of lower grade chrome, found in many parts of the world, economically feasible. Moreover, in 1976 we imported only 5 percent of our metallurgical chrome needs from Rhodesia, the decrease largely due to our recognition of the basic unreliability of that source under prevailing military and political conditions in that country.

Third, and related to the above, if the chrome located in Rhodesia is important to the United States, it is so in the long run rather than in the near term. If we are to have future access to that chrome on a just basis, then it is time to stop ignoring the inevitability of "revolutionary" changes in that country in the very near future. These changes will bring to power individuals who, at present, have serious reservations as to the desirability of good working relations with the United States. U.S. compliance with existing sanctions can begin to alter their perceptions, just as noncompliance can serve to deepen animosity without promising to limit the damage to our interests in the area.

Moreover, it is important that we recognize that the whole question of the U.S. trading relationship with independent Africa can be affected by our decisions regarding Rhodesia. Many African States desire a mutually beneficial trading relationship with our country. They realize that we are, at least potentially, the most important market for many of their goods. They also realize that economic interdependence means that the United States has an interest in achieving and maintaining access to raw materials in Africa. Thus, the ingredients for a productive cooperative relationship exist. But U.S. policies in the past have reflected an inadequate appreciation of the depth of feeling Africans have regarding the vestiges of colonialism in southern Africa. Just as Americans feel deeply about their fundamental freedom from coercion provided for in the Constitution, so do Africans throughout the continent have a deep emotional commitment to doing what is necessary to be rid of the last tangible expressions of colonial coercion. And I am convinced that many in Africa are willing to pay a high price to do so, a price that could entail negative consequences for U.S. trading relationships with Africa if our policy choices are inept and irrelevant to evolving conditions.

Fourth, a goal of U.S. efforts in southern Africa must be to minimize the possibility of the area becoming a focal point for competition between ourselves and the Soviet Union. Responsible African leaders certainly desire to avoid such a situation. The best way to do so, in my opinion, is to accelerate the changes needed to permit the Africans themselves to resist aggressive expansion of influence and control by any outside power. Having struggled for decades to achieve freedom from colonial control, the Africans do not want to be subject to the policy dictates of any power. U.S. policies in the past have not reflected an adequate appreciation of this fundamental truth. It is imperative that they do so now.

We cannot nor should we attempt to dictate policies to any African state. What we can justifiably do is work with them to provide an environment where the United States and the African countries will have the necessary freedom of choice to work out their relationships unfettered by coercive influences from any source.

Finally, U.S. compliance with these international sanctions has a very important moral dimension. There can be no question as to our obligation to do what we can to assist those who desire that changes in Rhodesia and the rest of southern Africa occur at the least possible loss of life and personal and societal freedom. Favorable action on S. 174 can place the United States in a better position to do so.

Equally important is our obligation to advocate the principles we believe to be universally applicable to government. The manner by which we do so, of course, must be conditioned by the circumstances evident in any specific case if we are to avoid making conditions worse by well meant but inappropriate initiatives. This caveat explains why, at times, a great deal of ambiguity characterizes our Government's attempts to bring about greater respect for human rights in the world. But in the Rhodesia case, no such ambiguity exists. The present governmental structure cannot survive. It will be changed either through the carnage of escalating violence or, hopefully, through negotiations leading to the enfranchisement of those currently denied their rightful participation in the political and economic mainstreams of their country. Such enfranchisement is a fundamental right in our own society. And in keeping with our tradition, we desire it for the peoples of Rhodesia and should be willing to undertake the initiative contemplated in S. 174 to help bring it about.

Mr. President, the Congress in the past several years has assumed increasing powers in the realm of foreign policy. We have the duty to exercise such powers wisely and to accept the responsibility for the consequences arising therefrom. I am convinced that the responsible exercise of power in this case is to bring the United States back in compliance with the sanctions against Rhodesia. I

hope and pray that the vast majority of my colleagues agree with this view.

RHODESIAN SANCTIONS

Mr. DOLE. Mr. President, I am opposed to the pending legislation, S. 174, which would effectively repeal that portion of the Byrd amendment permitting the importation of Rhodesian chrome and other items of strategic value to American defense. This is consistent with the position I have taken since the Byrd amendment was first approved by this body in 1971, throughout several attempts to repeal the measure through the years. The arguments being made in favor of repeal today are no more substantial or persuasive than those which have been made in the past. Unless there is some compelling reason to cut off all remaining trade with Rhodesia, we should not do so.

As my colleagues know, the Senate adopted the so-called Byrd amendment 6 years ago to prevent the President from applying sanctions to non-Communist countries which supply the United States with strategically valuable materials. That action nullified an executive order issued by President Johnson in 1968, barring the importation of any commodities originating in Rhodesia. The Executive order had been issued in response to a controversial—and, in retrospect, perhaps ill-advised—United Nations resolution calling for a halt to the importing of all Rhodesian goods by member nations.

Originally, the U.N. sanctions were levied in response to the unilateral declaration of independence for Rhodesia made by the Ian Smith government in 1965. It was an effort to register dissatisfaction with this arbitrary decision of the white minority government in Rhodesia. When the Senate reviewed this action in 1971, it effectively stated that our own strategic needs for the valuable chromium ore—utilized in key U.S. defense systems—overrode whatever moral or political considerations were involved in the 1968 embargo action.

FAULTY LOGIC BEHIND REPEAL

The contention that passage of Senate bill 174 would "restore the United States to a position as a law-abiding member of the international community" is meaningless rhetoric and sadly distorted logic. The people of all nations know that the United States is, and always has been, a leader in the observance of international law. In testimony before the Senate Foreign Relations Committee last month, Secretary of State Vance himself noted that our "record in enforcing sanctions had been as good or better than that of any nation * * *." It is a fact that the United States supported U.N. sanctions against the Ian Smith government in 1965 and 1968. Then, as now, our Government hoped to encourage majority rule, national self-determination, and political stability on the continent of Africa. But the last 9 years have brought about remarkable changes in the nature of African politics, and we must legislate in accord with today's realities.

A decade ago, the Smith government of Rhodesia unilaterally declared national independence without appropriate reference to the will of the black majority in that country. Today, we are witnessing a constantly expanding role of black Rhodesians in the social and political fabric of that nation, and the Smith government has promised complete transition to black majority rule within 2 years. There is now a better chance for gaining a peaceful solution to Rhodesia's racial problems than at any other time in recent years. It seems to me that our own ability to influence and promote that solution relies heavily upon continued American interaction with the present Rhodesian Government. Suspension of our remaining ties with the Smith government will only decrease our leverage in helping to promote progress toward political stability in that area.

Ten years ago, the United States was acting in accord with its fellow members on the U.N. Security Council to express support for political self-determination by the popular majority in Africa. Today, we are witnessing just what the term self-determination means to Soviet and Cuban leaders, who have indelibly stamped their impressions upon that beleaguered continent. Reports indicate that as many as 10,000 Cuban soldiers, with the support of the Soviet Union, remain enclaved on the African continent. The bitter fighting in Angola last year—fueled by Soviet arms and Cuban mercenaries—is still fresh in our minds. A full breaching of U.S. ties with Rhodesia at this time will not enhance stability and self-determination in Africa. Instead, it will most likely contribute to the instability of the Smith government and result in increased bloodshed in Rhodesia.

It will not "restore the United States to the community of law-abiding nations," but more likely encourage additional lawlessness in Africa by mercenary agents of the Communist powers.

REDUCED U.S. INFLUENCE

These are the realities of the Rhodesian situation today which must be taken into account before we sever our remaining links—both tangible and symbolic—with that Government.

We have already shut off all imports of Rhodesian products except for those considered strategic or critical to U.S. security. In fact, imports of even these items have dwindled considerably in recent years.

By severing this final link with the present Rhodesian Government, we are not just cutting ourselves off from one of the world's best sources of valuable chrome and chrome byproducts, but we are symbolically severing our remaining channels of interaction with that nation. We are perhaps terminating our last opportunity to help bring about peaceful political transition in that country. The Smith government has pledged its cooperation in transferring power to the black majority; it has gone to the bargaining table; and just recently it passed major reforms in property ownership rights. By retaining our contact with that government, we can help facilitate needed change. By reducing our contact, we diminish our influence and leave, not the Smith government, but Rhodesia itself open to an uncertain future.

SELECTIVE MORALITY

It is difficult to understand why the United States should impose economic sanctions against Rhodesia while continuing trade with other governments that are generally perceived as being repressive, or insensitive to the will of their people. I am concerned about represson wherever it may exist in the world. But it is indefensible for us to practice selective morality with regard to certain governments while looking the other direction with others. How ironic that a major alternate supplier of chrome to the United States should be the Soviet Union. I am advised that Russia has been and still remains our largest supplier of chrome ore. If we were to apply the same standards and arguments used here with respect to Rhodesia, would we not be consistent in restricting chrome imports from the Soviet Union? Would we not be consistent in halting coffee imports from Uganda?

Finally, I want to note that the United States does not stand alone in its continued commerce with the Rhodesian Government. It is my understanding that Japan, the European Common Market, and some African nations are themselves in violation of the sanctions imposed by the 1968 U.N. resolution.

In conclusion, Mr. President, I think that repeal of the policy permitting our continued restricted trade with Rhodesia would be inconsistent with our general international trade practices. It would also reduce or eliminate what leverage we still have to encourage basic changes in the political and social structure of the Rhodesian nation.

This is, as I have said, a largely symbolic action by the Congress, and I hope my colleagues will vote to retain our country's right to interact with the ruling government of Rhodesia, in whatever form it may take in the months and years ahead.

RHODESIAN CHROME

Mr. KENNEDY. Mr. President, we are voting today on a measure that in essence reasserts our respect for the rule of law. The question before us is whether we are willing to stand with the nations of the world in defense of principles which we ourselves agreed to when we signed the Charter of the United Nations.

For nearly 6 years we have denied these principles. We have violated the Charter of the United Nations. For when we entered the United Nations we agreed "to accept and carry out the decisions of the Security Council in accordance with the present charter."

In 1968, the Security Council voted unanimously to apply an embargo on Rhodesian trade after that country had acted to deny legitimate rights to the vast majority of black men and women within its boundaries.

President Johnson issued an executive order to carry out the mandate of the United Nations and to prohibit U.S. trade with Rhodesia. However, in 1971, an amendment was adopted to the Military

Procurement Act of 1972 which voided that Executive order in its application to Rhodesian chrome.

By that action, we not only placed the United States in violation of the U.N. Charter but also helped prevent any positive role for this Nation in aiding the search for a peaceful transition to majority rule in Rhodesia. By that action, we alined ourselves with white colonial rule in a continent where legitimate aspirations for self determination represented an ever more dominant force. By that action we undermined any possibility for an effective U.S. foreign policy in Africa.

It may well be that the effect of our action today in approving this measure by a substantial margin will not alter the economic pressures on the Rhodesian regime immediately. Our imports have represented significant but not critical economic support to that government. However, those imports have been viewed by Rhodesians and by most of the black African states as an important political support to the regime as well. Removing that support is an essential step in rebuilding the structure of our relations on the continent of Africa.

Nor is there an argument that overriding national security concerns would be damaged by our action today. Testimony before the Senate Foreign Relations Committee has disclosed new technological developments in the steel industry and adequate strategic stockpiles of chrome which remove all-legitimacy from those who claim we cannot afford a halt to Rhodesian chrome shipments.

However, that issue is tangential to the action we take today.

We act in defense of majority rule.

We act in defense of racial equality.

We act in defense of international law.

On those grounds, I urge my colleagues to vote in favor of S. 174.

Mr. McCLURE. Mr. President, an aspect of debate on Rhodesian trade that I find greatly disturbing, is the claim that decisions of the Security Council are legally binding on the United States. Former Ambassador to the U.N., John Scali stated that the Byrd amendment "placed the United States in open violation of international law." It is argued that the veto provides adequate means to protect our interest. This view shows a dangerous misunderstanding of the checks and balances of our tripartite form of Government. Under this interpretation of our obligation as a United Nations member, Congress is precluded from altering or modifying U.S. commitments made through a U.N. resolution. Under this interpretation, the War Powers Act would be null and void if the executive branch failed to veto a U.N. "police action."

I am also disturbed by the hypocrisy and double standard used in condemning Rhodesia. Freedom House recently published a comparative survey of freedom throughout the world. The study ranks all nations according to their observances of political and civil rights. Interestingly, many of Rhodesia's bitterest critics allow far less freedom to their people then does Rhodesia. I ask unanimous consent that the comparative survey of freedom together with a list of the board of trustees of Freedom House appear in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RANKING OF NATIONS BY POLITICAL RIGHTS

MOST FREE (1) TO LEAST FREE (7)

1

Australia, Austria, Bahamas, Barbados, Belgium, Canada, Costa Rica, Denmark, France, Germany (W), Iceland, Ireland, Jamaica, Malta, Netherlands, New Zealand, Norway, Seychelles, Sweden, Switzerland, United Kingdom, U.S.A., Venezuela.

2

Botswana, Colombia, Fiji, Finland, Gambia, Greece, Grenada, Israel, Italy, Japan, Luxembourg, Nauru, Papua-New Guinea, Portugal, San Marino, Sri Lanka, Surinam, Trinidad & Tobago, Turkey.

3

Cyprus, El Salvador, Guyana, India, Malaysia, Mauritius.

4

Andorra, Bhutan, Brazil, Dominican Rep., Guatemala, Lebanon, Liechtenstein, Maldives, Mexico, Monaco, Pakistan, South Africa, W. Samoa.

5

China (Nat.), Comoro Is., Congo Rep., Egypt, Indonesia, Kenya, Korea (S), Lesotho, Morocco, Nicaragua, Paraguay, Philippines, Qatar, Sao Tome & Principe, Singapore, Spain, Tonga, United Arab Emirates, Upper Volta, Zambia.

6

Algeria, Angola, Argentina, Bahrain, Bangladesh, Bolivia, Burma, Cape Verde Is., Ecuador, Equatorial Guinea, Gabon, Guinea- Bissau, Haiti, Honduras, Hungary, Iran, Ivory Coast, Jordan, Kuwait, Liberia, Malagasy Rep., Mauritania, Nepal, Nigeria, Oman, Peru, Poland, Rhodesia, Saudi Arabia, Senegal Sierra Leone, Sudan, Swaziland, Syria, Tanzania, Thailand, Transkei, Tunisia, Uruguay, Yemen (N), Yugoslavia.

7

Afghanistan, Albania, Benin, Brunei, Bulgaria, Burundi, Cambodia, Cameroon, Central Afr. Rep., Chad, Chile, China (Com.), Cuba, Czechoslovakia, Ethiopia, Germany (E), Ghana, Guinea, Iraq, Korea (N), Laos, Libya, Malawi, Mali, Mongolia, Mozambique, Niger, Panama, Rumania, Rwanda, Somalia, Togo, Uganda, USSR, Vietnam, Yemen (S), Zaire.

RANKING OF NATIONS BY CIVIL RIGHTS

MOST FREE (1) TO LEAST FREE (7)

1

Australia, Austria, Barbados, Belgium, Canada, Costa Rica, Denmark, France, Germany (W), Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kindom, U.S.A.

2

Bahamas, Fiji, Finland, Gambia, Greece, Liechtenstein, Malta Mauritius, Monaco, Nauru, Papua-New Guinea, Portugal, San Marino, Seychelles, Surinam, Trinidad and Tobago, Venezuela, W. Samoa.

3

Botswana, Colombia, Comoro Is., Dominician Rep., El Salvador, Guatemala, Guyana, Honduras, Israel, Jamaica, Spain, Sri Lanka, Tonga, Turkey.

4

Andorra, Bahrain, Bangladesh, Bhutan, Bolivia, Cyprus, Ecuador, Egypt, Grenada, Lebanon, Lesotho, Liberia, Malaysia, Maldives, Mexico, Nigeria, Peru, Senegal, Swaziland.

5

Argentina, Brazil, Brunei, Cameroon, Chile, China (Nat.), Ghana, India, Indonesia, Ivory Coast, Kenya, Kuwait, Malagasy Rep., Morocco, Nepal, Nicaragua, Pakistan, Philippines, Qatar, Rhodesia, Rwanda, Sao Tome and Principe, Sierra Leone, Singapore, South Africa, Transkei, Tunisia, United Arab Emirates, Upper Volta, Yemen (N), Zambia.

6

Afghanistan, Algeria, Angola, Burma, Burundi, Cape Verde Is., Chad, Congo Rep., Cuba, Czechoslovakia, Ethiopia, Gabon, Guinea-Bissau, Haiti, Hungary, Iran, Jordan, Korea (S), Libya, Malawi, Mauritania, Niger, Oman, Panama, Paraguay, Poland, Rumania, Saudi Arabia, Sudan, Syria, Tanzania, Thailand, Togo, USSR, Uruguay, Yugoslavia.

7

Albania, Benin, Bulgaria, Cambodia, Central Afr. Rep., China (Com.), Equatorial Guinea, Germany (E), Guinea, Iraq, Korea (N), Laos, Mali, Mongolia, Mozambique, Somalia, Uganda, Vietnam, Yemen (S), Zaire.

Mr. McCLURE. Mr. President, the issues surrounding the Byrd amendment have been debated for many years now and, to date, the logic of avoiding dependence on a potential enemy has outweighed the logic of a weak political gesture.

I suggest that this is again the issue here.

Those who support S. 174 say that reimposition of the embargo on Rhodesia is necessary to "restore the United States to a position of honor under international law." They state that continuing to import Rhodesian Chrome "seriously damages U.S. international prestige and influence" and that we must reimpose the embargo as a signal to black African leaders. Further, those who support S. 174 maintain that passage of this bill will be a great help towards achieving a peaceful transition to majority rule in Rhodesia.

I suggest that this is truly a "phony issue." Is it better to support hypocritically the U.N. sanctions in public and then turn around and ignore the sanctions in practice? Many countries are in this hypocritical posture. And to make it even worse, some of those same "sanction busters" are the most vocal critics of the United States which has abided by the U.N. sanctions in all categories except strategic materials. I suggest that it is unjust and even perverse that the United States has become the scapegoat on this issue.

Before the trade embargo with Rhodesia was imposed, the U.S. automobile industry controlled some 90 percent of the Rhodesian auto market. Today it is the Fiats, the MG's, the Toyotas, and the VW's which can be found in Rhodesia.

The world has ignored the embargo, including our European allies, Japan, the Soviet Union and Red China, as well as the principal African nations. As the London Economist not too long ago observed.

Nobody is so foolish as to believe that the country could survive without the unpublicized assistance from Rhodesia's neighbors, both black and white. Of particplar importance are the agreements that allow Rhodesian imports and exports to move by train across Zambia, Botswana and Mozam-

bique. Coal still moves from the Wankie mines across the Victoria Falls bridge into Zambia, bound, so it is believed, for Zaire.

Should the United States, then, bow to the hypocrisy of these nations, nations which themselves are in blatant disregard of the U.N. sanctions?

The United States, again let me emphasize, imports only a critical and strategic material. We have been honest and candid about this.

It has not been the United States which has sustained the economy of Rhodesia, but rather those noble nations at the United Nations which have made a mockery out of the principles that world body is supposed to represent.

Concerning the international prestige and influence of the United States, I suggest that the United States fares far better in this regard by openly exempting from the embargo a material vital to its defense and abiding scrupulously to the embargo in all other respects than other nations fare by ignoring the embargo while sanctimoniously pretending to abide by U.N. sanctions.

Further, on the matter of helping to achieve a peaceful transition to majority rule I suggest that the United States could achieve a great deal more in this regard if it were to actually have diplomatic contact with Rhodesia and acquaint itself with what is actually going on in Rhodesia.

I would like to quote from a letter which was published in the CONGRESSIONAL RECORD on March 7, 1977 concerning this matter. This was a letter from a Rhodesian citizen to Congressman ICHORD of Missouri reprinted on pages 6463 and 6464:

It seems inconceivable that the United States can formulate a policy on Rhodesia while making no effort to acquaint itself with the situation, inside the country—other than relying on hearsay either through the United Kingdom Government or from externally based nationalists. Ambassador Young stated during his African trip that the Rhodesian Government (albeit illegal) nevertheless represents the authority of the country and therefore it had to be dealt with. But no member of the State Department—subsequent to Dr. Kissinger—will discuss anything of substance with Government here nor will any member of the State Department enter the country (officially or unofficially) to ascertain precisely what is going on. On Richards recent trip to this part of the world, I believe a fellow called Edmondson was supposed to be in tow but he never bothered to pitch up. When so many—black and white—are relying on the United States as a catalyst for a settlement, it is incomprehensible that the United States leaves no lines of communication open.

I believe that this letter points to the great irony of the United States attempting to be a catalyst for a peaceful settlement in Rhodesia while refusing to communicate directly with one of the principal parties to that dispute.

Further, I find it hard to believe that passage of this bill will contribute to a peaceful settlement. Instead, I believe it will cause additional unemployment among the very people that Senator CLARK and all of us wish to help; it will inject further bitterness into an already difficult situation; and it will lead to a hardening of positions on both sides of the dispute. The likely result will be more bloodshed rather than less.

This very point was made clearly in an article in the March 12, 1977, New York Times. I quote from that article:

The shifting mood among the 270,000 white Rhodesians is a factor that President Carter and Prime Minister James Callaghan of Britain would do well to weigh as they review the situation in this former British colony at their talks in Washington. Though weakened by a widening guerrilla war, the whites, the backbone of the economy, retain the potential for stiff resistance to any plan they consider inimical to their interests.

Many whites who opposed Mr. Smith in the days when his Cabinet clung unremittingly to white supremacy now share the view that the United States is pursuing a course that will greatly increase the chances of a Marxist regime here, complementing the Soviet-backed Governments in power in Angola and Mozambique. Furthermore, the critics say, Washington has broken the promises Henry A. Kissinger made as Secretary of State when he met the Prime Minister in Pretoria, South Africa.

Mr. President, I ask unanimous consent that the full text of this article be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCLURE. I am deeply concerned that, should this bill pass, it will have exactly the opposite effect of that intended by its sponsors. It is negative diplomacy and it is not substitute for an active and positive policy on the part of the United States. Would it not be better for the United States to work actively with all the major parties rather than seeking to pressure one side while ignoring the unreasonable demands of another.

Mr. President, I believe there are better ways to work towards a peaceful settlement in Rhodesia and I urge my colleagues to consider the shallowness and shortsightedness of this proposed step. I urge that S. 174 be defeated.

EXHIBIT 1

[From the New York Times, Mar. 12, 1977]

ADAMANT WHITE RHODESIANS—MOOD AMONG THE MINORITY IS SHIFTING TO RULE OUT ANY CONCESSIONS TO THOSE BLACKS SEEN AS RADICALS

(By John F. Burns)

SALISBURY, RHODESIA, March 11.—Six months ago, when Prime Minister Ian D. Smith agreed to a British-American plan for majority rule within two years, David Neild, a tobacco farmer, was resigned to the prospect of a black government. Now Mr. Neild says he will poison his fields and burn his buildings rather than surrender them to confiscation by a radical black regime.

"When Smithy accepted the Kissinger plan, most of us, even those who had been dead set against majority rule before, realized that we had to go along," Mr. Neild said over supper recently. "But our support was based on the assumption that what was involved was a moderate black government, representing the majority. There's no way we're going to hand over to a bunch of Communists just because they're black."

The shifting mood among the 270,000 white Rhodesians is a factor that President Carter and Prime Minister James Callaghan of Britain would do well to weigh as they review the situation in this former British colony at their talks in Washington. Though weakened by a widening guerrilla war, the whites, the backbone of the economy, retain the potential for stiff resistance to any plan they consider inimical to their interests.

Many whites who opposed Mr. Smith in the days when his Cabinet clung unremittingly to white supremacy now share the view that the United States is pursuing a course that will greatly increase the chances of a Marxist regime here, complementing the Soviet-backed Governments in power in Angola and Mozambique. Furthermore, the critics say, Washington has broken the promises Henry A. Kissinger made as Secretary of State when he met the Prime Minister in Pretoria, South Africa.

ASSURANCE OF WESTERN SUPPORT

According to participants on both sides of those talks, Mr. Kissinger assured Mr. Smith that if he accepted majority rule within two years—an outcome the Rhodesians sought to avoid with his breakaway from Great Britain in 1965—he could be assured of strong Western support in the subsequent negotiations with the black nationalists. However, when the nationalists rejected the Kissinger plan, there was no sign of Western backing for Rhodesia.

Instead, the United States and Britain condemned Mr. Smith, not the nationalists, for the failure of the negotiations in Geneva on the transitional government called for in the Kissinger plan. Moreover, officials in Washington and London insisted that the white minority accept an alternative set of proposals, put to Mr. Smith by Ivor Richard of Britain, which lacked all the essential guarantees for whites painstakingly built into the Kissinger plan.

Mr. Smith, indignant, has proposed that the plan be reconsidered in a fresh round of talks with black groups prepared to accept it. First, he envisages a referendum among the 6.3 million blacks to establish which of the competing nationalists groups represent the majority. He has predicted that the referendum will be won by Bishop Abel Muzorewa's United African National Council, the least militant of the groups represented at Geneva.

The Carter Administration has rejected any such "internal" settlement. Through Secretary of State Cyrus R. Vance and others, it has argued that no plan can work if it does not have the support of the Patriotic Front, a loose alliance of previously antagonistic nationalist groups that claims control of the guerrillas fighting the Smith Government from bases in neighboring black states. Suggestions that the United States play a supervisory role have been ignored.

LEFT OUT IN THE COLD

Meanwhile, intensive negotiations between American and British diplomats have been conducted without reference to the Government here. Mr. Smith, complaining that "we, the government most concerned, have been left out in the cold," professes to have no idea what Mr. Carter and Mr. Callaghan will be discussing in Washington.

Probably the most serious consequence of the diplomacy followed by London and Washington since the Pretoria meeting has been the alienation of Prime Minister John Vorster of South Africa, whose influence with Mr. Smith was the key to the acceptance of the Kissinger plan. South Africa continues to participate in discussions on Rhodesia in Washington, but senior South African officials make no secret of Mr. Vorster's contempt for the failure of Britain and the United States to push harder for the Kissinger proposals.

Mr. Vorster has now dug his heels in, refusing to put pressure on Mr. Smith for any concessions that would substantially weaken the plan. The South African, who supported the plan in the hope of preventing the formation of a Communist government in Rho-

desia, which would complete a belt of Marxist states along his northern frontier, has placed no new constraints on supplies of oil and arms to Rhodesia.

The collapse of the plan has also exacerbated a backlash among conservatives in Mr. Smith's governing party, the Rhodesian Front. When the Government went before Parliament last week with a bill curbing racial discrimination, an important element in the settlement plan, a quarter of its supporters opposed the legislation, arguing that, like the acceptance of majority rule, it would do nothing to win Western support.

A MEASURE OF ITS SINCERITY

The revolt against the race bill suggested something of Mr. Smith's maladroitness in seeking Western backing for an internal settlement. Although he acknowledged from the outset that the Government's willingness to abandon racial discrimination would be taken as a measure of its sincerity in seeking a settlement, he balked when the issue reached a decisive point. Reluctant to alienate conservatives in his ranks, he brought in a measure that eliminated discrimination in the ownership of agricultural, industrial and commercial land but left segregation in education and in urban residential areas—the heart of the system—untouched. Even this diluted solution was too much for the conservatives to stomach.

Perhaps more troubling to those who question the Government's sincerity has been Mr. Smith's equivocation on the issue of a majority-rule franchise. His insistence that the vote be limited to what he terms qualified blacks has been enough to raise fears among the very moderate blacks whom he envisages as negotiating partners that the settlement would leave disproportionate power in white hands.

Officials dispute this, saying that the Prime Minister is no longer in a position to be lawyerly about settlement negotiations even if he wanted to be. "If we try and fudge on this," a senior official said, referring to the commitment to majority rule, "John Vorster will cut us dead. He controls us, and if we defy him he'll simply close the border. This time there's simply no way out."

Mr. Smith's aides suggest that a major reason for Washington's rejection of the internal settlement is pressure by Britain. Their theory is that the United States, in deference to Britain as the constitutional power in Rhodesia, has become a party to a policy that subordinates considerations of fairness to a desire to impose a punitive settlement on the whites for their 11 years of defiance.

CONTINUATION OF WAR FORESEEN

In Washington, Administration officials have said that their opposition stems primarily from the likelihood that the Patriotic Front would continue the war. Another reason, unstated, for the Carter Administration's position is the hope of retaining the tentative contacts that have been established with the five so-called front-line states neighboring Rhodesia, which have endorsed the Patriotic Front. The five countries are crucial to the new Africa policy launched by Mr. Kissinger in the declining days of the Ford Administration in an effort to repair the damage done by years of neglect.

The American position is fraught with drawbacks. First among them is the improbability that the Patriotic Front will accept any settlement that does not open the way for its leaders to take unalloyed control. Robert Mugabe, co-leader of the group with Joshua Nkomo, was only reluctantly persuaded to accept the principle of elections before independence when the issue arose in Geneva.

Moreover, Mr. Mugabe and, to a lesser extent, Mr. Nkomo have shown a clear preference for radical socialist solutions. Although Mr. Nkomo took a full page in a Rhodesian newspaper recently to deny that he is a Marxist, he has long been favored by the Soviet Union. Both men have pledged to confiscate white land and businesses if they gain power and have threatened reprisals against blacks serving in the army and police.

In addition, the underlying divisions in the Patriotic Front suggest that even if it gained control of the country after independence, it would be likely to split, provoking a civil war. Even now, with Mr. Nkomo and Mr. Mugabe politically allied, they have been unable to forge a unified command for the separate armies that they have in the field, each in his area of tribal strength.

In the circumstances it is far from clear that the United States is serving its own interests or those of Rhodesians, black and white, by precluding a partial settlement of the kind proposed by Mr. Smith, especially if he can demonstrate that the negotiating partners he has in mind enjoy majority support. Immense difficulties stand in the way of a fair test of opinion among a population that is widely intimidated, both by the Government and by the guerrillas, but it may be that no fairer means of settling the issue can be devised.

Mr. BAKER. Mr. President, it is with serious reservations that I rise in support of repeal of the Byrd amendment. One of these reservations, Mr. President, was the uncertainty of the effects of taking this action at this particular stage in the continuing turmoil of southern Africa. I believe it entirely appropriate, therefore, that we vest in the President the discretion to waive the restrictions imposed by this act should he determine that, in so doing, the opportunity for peaceful transition in Rhodesia will be enhanced.

Were I confident, Mr. President, that repeal of the Byrd amendment would insure the peaceful transition of Rhodesia to a more representative government, I would feel much more at ease with this vote. Ian Smith has accepted in principle the right of self-determination for all the citizens of Rhodesia, and I would hope that this vote would encourage his pursuit of that principle. One would suppose that the various nationalist leaders opposing the Smith regime recognize that nowhere—whether it be Korea, Vietnam, Palestine, Angola, or the Soviet Union—has violence or terror advanced the right of a people to determine its government.

I wish that in addition to this vote, the need for which is often cast in terms of human rights, there were similar options available to us to seek redress of deprivations of rights in other areas of the world—deprivation far worse than presently exists in Rhodesia—in Uganda, Cambodia, or East Germany, to name only a few. Would that we could be as effective in correcting the wrongs of those who oppose us as we presume to be of those who, for one reason or another, do not.

Despite this curious paradox, I am constrained to vote in favor of repeal of the Byrd amendment. My reasons are almost entirely pragmatic, and with no illusion that repeal of the Byrd amendment, in and of itself, will contribute significantly to the peaceful resolution of the problem of southern Africa.

As we are all aware, Mr. President, the reasons, then logical, for the enactment of the Byrd amendment have been vitiated by a number of factors: advancing technology has made possible the use and importation of lower grade chromite ores and a consequent diversification of sources of supply; industrial and strategic stockpiles of chromite are significant; and, most importantly, the Byrd amendment has had little effect on our reliance on the importation of chrome from the Soviet Union, which at the time of its enactment was a primary motivating factor. For the immediate future, therefore, neither the strategic nor the economic interests of the United States are served by continuing the abrogation of our legal responsibility to abide by the sanctions imposed on Rhodesia under the Charter of the United Nations.

Finally, the long-term interest of the United States may well be adversely affected by a continuance of the Byrd amendment. Whether by peaceful or violent means, Rhodesia is a territory in transition; sooner or later it will be a nation at least nominally representative of its black majority. And eventually we will need the resources controlled by that government. If chrome or other natural resources are truly the issue at stake, then the interests of the United States are better served by repeal of the Byrd amendment. This is particularly true, if by repeal we are in a better position to encourage the development of a moderate successor government favorably disposed to the United States.

(This concludes additional statements of Senators submitted on S. 174.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on any rollcall votes during the remainder of the afternoon be limited to 10 minutes, with the warning bell to sound after the first 2½ minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The bill is open to further amendment.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 650, SPECIAL GRAZING AND HAY PROGRAM FOR WHEAT ACREAGE—TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 650, Calendar No. 634, a bill to provide temporary emergency assistance to wheat producers by permitting such producers to utilize a portion of their farm wheat acreage allotments for grazing purposes or for hay rather than for commercial production, be made the pending business before the Senate, there be a time limitation thereon of 1 hour, to be equally divided between Mr.

BELLMON and Mr. TALMADGE or Mr. TALMADGE'S designee; that there be a time limitation on any amendment thereto of 30 minutes; that there be a time limitation on any debatable motion or appeal of 20 minutes; that there be a time limitation on any point of order, if such is submitted to the Senate for discussion, of 20 minutes; and that the agreement be in the usual form.

Mr. YOUNG. Mr. President, when will the bill be brought up?

Mr. ROBERT C. BYRD. I have in mind that it will be brought up on Thursday morning.

Mr. HEINZ. Mr. President, I understand that there is no objection on this side to the majority leader's request.

The PRESIDING OFFICER. Without objection, it is so ordered.

In text of the unanimous-consent agreement is as follows:

Ordered, That during the consideration of S. 650 (Order No. 34), a bill to provide temporary emergency assistance to wheat producers by permitting such producers to utilize a portion of their farm wheat acreage allotments for grazing purposes or for hay rather than for commercial production, debate on any amendment in the first degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Oklahoma (Mr. Bellmon) and the Senator from Georgia (Mr. Talmadge), or his designee: *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

IMPORTATION OF RHODESIAN CHROME

The Senate continued with the consideration of the bill (S. 174) to amend the U.N. Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the international community.

Mr. ROBERT C. BYRD. Mr. President, does the distinguished Senator from Alabama wish to offer an amendment?

Mr. ALLEN. No.

Mr. ROBERT C. BYRD. Mr. President, may we have third reading, if there are no further amendments?

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. CLARK. Mr. President, I ask unanimous consent that the Senate proceed immediately to the consideration of H.R. 1746, an act to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1746) to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the bill; and, without objection, the bill will be considered as having been read twice by title.

Mr. CLARK. Mr. President, over the past 3 days, we have been debating a number of issues related to Rhodesian sanctions. Many of these are valid concerns about our national security, our support of human rights, our enforcement capabilities, the likely economic and political impact of the bill, and other worthwhile considerations. But it seems to me that in all this discussion, we have not focused sufficiently on the central issues involved in the legislation. Some of these I touched on briefly in yesterdays debate and I want to elaborate further on them today in my concluding remarks.

The primary justification for this bill is that it would permit the United States to honor its treaty obligations and supply sanctions against Rhodesia in compliance with a U.N. resolution we voted for more than a decade ago. Not a single Member of this body has suggested in our long debate that this is a trivial or unjustifiable consideration. Yet no one has answered the basic question raised in my opening statement—namely, how they proposed to maintain the Byrd amendment and, at the same time, resolve the legal dilemma that presents for us. The American Bar Association said that the Byrd amendment not only violates U.S. treaty obligations, but "seriously damages U.S. international prestige and influence while tending to undermine the effectiveness of the United Nations." I stated at the outset that I hoped that in the ensuing debate "those who favor our continued violation of our solemn legal commitment will describe for us how they would answer this important legal question." No one has done so.

Another major justification for this bill is that it would contribute toward a peaceful settlement of the Rhodesian problem and set American foreign policy in the right direction in Africa. In order to understand this clearly, I should emphasize what I expect this bill to accomplish.

As I indicated earlier, this bill will not, in itself, bring majority rule to Rhodesia. It will not generate widespread African acclaim for U.S. policy in the continent. It will probably not contribute greatly to the worldwide defense of human rights, which is too complex an issue to deal with in a single piece of legislation devoted to violations in one small country. And it will not insure universal compliance with U.N. sanctions, although we would be delighted to see that occur and we should do all in our power to encourage it. None of these goals were ever contemplated when I and the other 18 cosponsors of this bill introduced the legislation.

In essence, what we are trying to do in this bill is to put our own house in order with regard to our treaty obligations and our African policy. The Senate passed this legislation 4 years ago; the House passed it yesterday with a wide margin of 105 votes. Circumstances have changed greatly since Congress last considered Rhodesian sanctions and yesterday's vote suggests this. The United States faces less strategic, economic, and political risks now in passing this bill than any time since the Byrd amendment was enacted.

But let us focus on Rhodesia itself which, in my view, is a unique case for a combination of reasons. As I will indicate along the way, any one of these reasons I cite as justification for sanctions may be applicable in other States as well. But no country other than Rhodesia qualifies as having them all.

First, as we all know, the Rhodesian Government is recognized by the world community as an illegal regime. In the 12 years since Salisbury declared its independence, not a single state has granted it formal recognition, a status shared only by one other state—the Transkei—and even that country is recognized by South Africa. If no country has granted recognition in the years since it declared independence, then it is highly unlikely that one will ever do so before the advent of majority rule.

Second, Rhodesia violates human rights on the grounds of race, a situation exceeded in its offensiveness only by South Africa. Far from being a "civilized little country," as one Senator put it, Rhodesian laws and practices run counter to Western standards of decency and democracy. Rhodesia embodies a system of government that stands in defiance of the country that gave birth to parliamentary democracy as we know it today.

Third, the Rhodesian Government aborted what was an orderly and constitutional process of decolonization begun by Great Britain in the early 1960's. It was clear that the form of government Britain was evolving was like that in its other former colonies—one based on the British parliamentary model. Several African countries have changed that system; many have found it does not take root easily in heterogenous societies with massive problems of underdevelopment, ethnic rivalry, and little institutionalization. The ironic fact is that of all of Britain's former colonies in Africa, Southern Rhodesia probably could have sustained parliamentary democracy better than most African countries because it had a burgeoning middle class, a good infrastructure, a large educated population, good economic resources, and a multiracial society. But it was never given a chance. What happened was that 4 percent of the society—the privileged group of white settlers, the bulk of whom

came to the country in the last two or three decades—overturned the British constitution, declared independence, and embarked upon a program which, in effect, excluded the 96 percent of the population which was black from ever having the opportunity to participate in that society on an equal basis. Today, Rhodesia faces widespread disorder as its illegal government pursues discriminatory policies tantamount to internal colonization.

Fourth, Rhodesia has become an international problem—legally, politically, and militarily. Twelve years ago, the U.N. said that Rhodesia was a threat to world peace. Many still refute that claim. But five African countries are already involved in the war against Rhodesia: three of them—Mozambique, Zambia, and Botswana—are directly engaged. More resources are being committed to the war by other African States and the threat of foreign intervention grows increasingly. It is distinctly possible that another Angolan situation could develop, with civil war among rival African armies and possible South African, Cuban or Soviet intervention occurring. But unlike Angola, the threat of a race war is much greater in Rhodesia because the white settlers are less willing to emigrate and the mother country is less able to absorb them. Rhodesia's ties to South Africa are also much closer than were the Portuguese. For these reasons, attempts by the whites to resist majority rule are liable to trigger wider racial hostilities in the region as a whole.

Finally, we must recognize that majority rule in Rhodesia is inevitable, a conclusion which Ian Smith admitted during the course of his discussions with former Secretary of State Kissinger. The only question that remained was how and when the transition would take place. The Geneva talks broke down last year over differing interpretations of those issues, not over the question of majority rule.

Now we must face these realities, unpleasant as they may be. Those who say we should leave Rhodesia alone and, at the same time, advocate maintenance of the Byrd amendment, are a little inconsistent. By withdrawing support from Rhodesia, as this legislation does, we will be leaving Salisbury alone. But by continuing to trade with Rhodesia, we are continuing our involvement with a regime that for all the reasons I stated has no basis upon which to expect American support.

I believe that passage of this legislation will contribute to a peaceful settlement in Rhodesia because it will withdraw support from minority rule, because it will convey a message of limited American involvement, and because it shows that the United States does not regard Rhodesia's war primarily as a battle against communism, as Salisbury claims it is. To the contrary, I believe Rhodesia is laying the very foundation for Soviet exploitation and intervention.

In any conflict situation, there is a threshold beyond which there is no turning back. The participants become locked into fixed positions of confrontation and the conflict is played out to its painful and often bloody conclusion. Those who urge peaceful settlement and political negotiation become helpless captives of actors over whom they have little or no control. We are nearing that threshold in Rhodesia. If we do not act now, in the one concrete way we have available to us, we may never again have the opportunity to make a meaningful gesture in the direction of peace. We must show not only that we are sympathetic to majority rule, but that we are unsupportive of minority rule. Let us now set ourselves on a course which will clearly forge a new direction in Africa, one that is consistent with our moral principles, our legal obligations, and our political interests. Once again, I call upon my colleagues to vote overwhelmingly in favor of this legislation so we can send President Carter to the United Nations on Thursday with a mandate to launch a fresh approach to our Africa policy, in the full confidence that he has the solid backing of Congress.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was read the third time.

The PRESIDING OFFICER. The question is on final passage.

Mr. ROBERT C. BYRD. Mr. President, is this final passage of the House bill?

The PRESIDING OFFICER. Yes.

Mr. ROBERT C. BYRD. Was all after the enacting clause stricken and the Senate bill inserted in lieu thereof?

The PRESIDING OFFICER. No.

Mr. ROBERT C. BYRD. The Senate is voting on the House bill?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. What happened to the Senate bill? Will it be indefinitely postponed?

Mr. ALLEN. Mr. President, reserving the right to object, the distinguished Senator from Virginia is not present. I am not sure that he is agreeable to passing the House bill, so I suggest the absence of a quorum, pending his return.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I be recognized for 2 minutes?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order allowing 10 minutes on this rollcall vote be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. THURSDAY MORNING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock on Thursday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR BARTLETT AND SENATOR GOLDWATER THURSDAY MORNING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on Thursday morning, Mr. BARTLETT and Mr. GOLDWATER be recognized each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF S. 650 ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of the orders for the recognition of Senators on Thursday, the Senate proceed to the consideration of Calendar Order No. 34, S. 650.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, for the information of Senators, after the rollcall vote on final passage of the Rhodesian chrome bill, there will be no more rollcall votes today.

IMPORTATION OF RHODESIAN CHROME

The Senate continued with the consideration of the bill (S. 174) to amend the United States Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the international community.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. METCALF (when his name was called). Mr. President, on this vote I have a pair with the Senator from Nevada (Mr. CANNON) who would vote "no." I would vote "aye." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I further announce that, if present and voting, the Senator from Georgia (Mr. TALMADGE) would vote "nay."

Mr. STEVENS. I announce that the Senator from Kansas (Mr. DOLE), the Senator from Utah (Mr. HATCH), and the Senator from Delaware (Mr. ROTH) are necessarily absent.

I further announce that, if present and voting, the Senator from Kansas

(Mr. DOLE), and the Senator from Utah (Mr. HATCH) would each vote "nay."

The result was announced—yeas 66, nays 26, as follows:

[Rollcall Vote No. 59 Leg.]

YEAS—66

Abourezk	Glenn	Metzenbaum
Anderson	Gravel	Moynihan
Baker	Griffin	Muskie
Bayh	Hart	Nelson
Bellmon	Haskell	Nunn
Bentsen	Hatfield	Packwood
Biden	Hathaway	Pearson
Brooke	Heinz	Pell
Bumpers	Huddleston	Percy
Burdick	Humphrey	Proxmire
Case	Jackson	Ribicoff
Chafee	Javits	Riegle
Chiles	Johnston	Sarbanes
Church	Kennedy	Sasser
Clark	Leahy	Schweiker
Cranston	Long	Sparkman
Culver	Magnuson	Stafford
Danforth	Mathias	Stevens
DeConcini	Matsunaga	Stevenson
Durkin	McGovern	Weicker
Eagleton	McIntyre	Williams
Ford	Melcher	Zorinsky

NAYS—26

Allen	Goldwater	Randolph
Bartlett	Hansen	Schmitt
Byrd, Harry F., Jr.	Hayakawa	Scott
	Helms	Stennis
Byrd, Robert C.	Laxalt	Stone
Curtis	Lugar	Thurmond
Domenici	McClellan	Tower
Eastland	McClure	Wallop
Garn	Morgan	Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Metcalf, for.

NOT VOTING—7

Cannon	Hollings	Talmadge
Dole	Inouye	
Hatch	Roth	

So the bill (H.R. 1746) was passed.

Mr. CLARK. Mr. President, I move to reconsider the vote by which H.R. 1746 was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The PRESIDING OFFICER. Did the Senator say H.R. 1746 or S. 174?

Mr. CLARK. H.R. 1746.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 174 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may be authorized to file reports until midnight tomorrow night.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO RECEIVE AND REFER MESSAGES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 10 o'clock on Thursday morning, the Secretary of the Senate be authorized to receive messages from the House of Representatives and from the President of the United States, and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO SIGN DULY ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until Thursday morning, the Vice President of the United States, the President pro tempore, the Acting President pro tempore, and the Deputy President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFICER (Mr. SASSER). The Chair, on behalf of the Vice President, pursuant to Public Law 85–474, appoints the Senator from Virginia (Mr. SCOTT) to the Interparliamentary Union Meeting, to be held in Canberra, Australia, April 11–16, 1977.

The Chair, on behalf of the Vice President, appoints the Senator from Washington (Mr. JACKSON) to the sixth session of the Third United Nations Conference on the Law of the Sea, to be held in New York, N.Y., May 23–July 8, 1977.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Science, Technology, and Space Subcommittee of the Committee on Commerce, Science, and Transportation, be authorized to meet at 2 o'clock p.m. on Friday, March 18.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Labor of the Human Resources Committee be authorized to meet for the purpose of conducting a hearing in the afternoon of March 17 to consider pending legislation concerning situs picketing, S. 924.

Mr. BAKER. Mr. President, reserving the right to object, and I regret to say that I must object. It is important to say that I am not objecting to routine ordinary course of events but I must object to its consideration during the pendency of the Senate session in the afternoon. Otherwise, I do not object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Arms Control, Oceans and International Environment of the Committee on Foreign Relations be authorized to meet during the session of the Senate on March 21, 1977, at 2:30 in the afternoon. The purpose of the hearing is to receive a briefing from Ambassador Elliot Richardson, our Representative to the Law of the Sea Conference.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. The Senate will not be in session tomorrow and, hopefully, committees may do a good bit of work tomorrow without interruption by rollcall vote or quorum calls from the floor.

The Senate will convene on Thursday at 10 a.m. After the two orders for the recognition of Mr. BARTLETT and Mr. GOLDWATER, the Senate will proceed to the consideration of S. 650, the wheat emergency assistance bill, under a time-limitation agreement of 1 hour, with a time limitation on any amendment of 30 minutes.

Upon the disposition of that measure, it is the intention of the majority leader to call up the resolution to establish a code of official conduct, Senate Resolution 110, an order having already been entered, authorizing the majority leader to call up that measure at that time. So there will be rollcall votes on Thursday, and there will be rollcall votes on Friday.

I thank the Chair.

RECESS UNTIL 10 A.M. THURSDAY, MARCH 17, 1977

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10 a.m. on Thursday next.

The motion was agreed to; and at 6:10 p.m. the Senate recessed until Thursday, March 17, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 15, 1977:

DEPARTMENT OF STATE

Richard M. Moose, of Arkansas, to be Deputy Under Secretary of State.

Douglas J. Bennet, Jr., of Connecticut, to be an Assistant Secretary of State.

Richard N. Gardner, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

DEPARTMENT OF AGRICULTURE

John C. White, of Texas, to be Deputy Secretary of Agriculture.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Tuesday, March 15, 1977*

The House met at 12 o'clock noon.

The Reverend Earl W. Allen, executive director, Greater Reading Council of Churches, Reading, Pa., offered the following prayer:

Almighty God, Your leading is as constant as Your love, therefore, we implore Your grace to be upon this body and all officers and offices of this great Nation.

Through this funnel of law flow the hunger, hope, and habitude of millions. Guide us in this heavy responsibility. Help us to think Your thoughts. Enable us to proceed from a vision of universal well-being to the reality that secures it, but mindful we are stewards of a finite world.

Let our words and deeds glorify Your holy name and through Your spirit ameliorate the condition of Your people. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 992. An act to amend title 5 of the United States Code to provide that a Congressional employee may credit service as an employee of a congressional campaign committee for civil service retirement purposes; and

S. Con. Res. 12. Concurrent resolution to assist the people of Romania.

KHAALIS WAS HOME BEFORE HOSTAGES WERE

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, in yesterday's Washington Post an article by William Raspberry appeared. It begins:

That's something, isn't it. Khaalis was home before the hostages were.

Of course, the reference is to the kidnapings, the terrorism, and the hostage taking this past week in the District. I would not contribute to what I believe has already become a major newsstory by going into a lengthy discussion of that situation.

I bring it up only to make a point. And that is, that today it is ever increasingly common for those who commit crimes to end up back on our streets.

Mr. Speaker, over 100 Members of this House have joined with me in introducing a bill to provide a minimum mandatory prison sentence of 5 years for anyone convicted of committing a Federal crime with the use of a firearm. I bring my colleagues' attention to an extension statement in yesterday's RECORD on page 7515.

I today have been notified of the support of our bill by the International Conference of Police Associations and its 180,000 police officer membership. I urge my friends in this House to also join with me in cosponsorship.

We must demonstrate our support and dedication to come to grips with rising crime. Our citizens deserve no less.

THE SOVIETS RELEASE DR. MIKHAIL SHTERN

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, it is with a great deal of pleasure that I announce today that the Soviet New Agency Tass has reported the release of a very famous Soviet endocrinologist, Dr. Mikhail Shtern. I have been writing to Dr. Shtern for the last 2½ years to try and convince the Soviet Union that a 68-year-old man who was brought to trial on the trumped-up charge of bribery should not be forced to stay in a Soviet prison for 8 years. He was there, because he wanted to emigrate, along with his family, to Israel.

It is clear that the President's policies of articulating human rights in this country and in the Soviet Union have spurred the Soviet Union to act. I am excited by the movement and I hope it continues. I congratulate the Soviets for this demonstration of compassion.

THE 1977 JOINT ECONOMIC REPORT

(Mr. BOLLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOLLING. Mr. Speaker, I am today filing the 1977 joint economic report which was approved unanimously by the committee's Democratic majority and which includes a 10-point statement of agreement between majority and minority members.

I call this report to the attention of my colleagues, because we on the committee feel that its analyses of economic data along with its forecasts and recommendations can be both useful and productive as we debate the very serious economic issues in the weeks and months ahead.

The Joint Economic Committee has served an important role in the Congress since its creation under the Employment Act of 1946. Our goal, as this 1977 report spells out, is to restore prosperity with full employment without inflation, a goal to which all of its members and I as chairman are committed.

The Joint Economic Committee has a long record as a nonlegislative committee in both accuracy of its data and the effectiveness of its recommendations which are based on a variety of sources including public hearings drawing on leading experts in the respective areas covered and in its detailed analyses and studies that result.

It is our hope that you and your staffs will take the time to read the 1977 joint economic report including our recommendations for both legislative and administrative actions.

A BILL TO REPEAL CARRYOVER BASIS PROVISIONS OF TAX REFORM ACT OF 1976

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I rise to draw the attention of my colleagues to an issue which soon will be enveloped in a chorus of outrage. I refer to the cost basis carryover provisions of the Tax Reform Act of 1976. Effective for less than 3 full months, they have already proved unworkable. If these provisions are not changed they will produce a conundrum in the administration of estates of unprecedented proportions.

Prior to enactment of the Tax Reform Act of 1976, a beneficiary's tax basis for inherited property was increased, or stepped up, generally to its fair market value on the date of the decedent's death. Under the Tax Reform Act provisions, after January 1, 1977, the increase in basis has been eliminated so that an heir receives the decedent's original basis. In short, after that date the cost basis carryover is phasing in and will cause increasing State problems.

Those involved with the application of these new rules are unable to obtain the records necessary to determine a decedent's basis in the assets which he held at his death. He may have held some assets for nearly a lifetime. It is virtually impossible to ascertain the fair market value of a decedent's property at the time he or she acquired it; frequently even the date the property was acquired is undetectable.

Under these new provisions, executors are forced to allocate assets on the basis of potential tax liability rather than good sense.

We simply must act to eliminate this growing problem under the new law. That is why, last January, I introduced H.R. 1563 which would repeal the carryover basis provisions added by the Tax Reform Act of 1976. I will hold a special order after the close of business Thursday to explore this matter further, and to seek further cosponsorship. I urge you carefully to review this issue; it is important, it is complex, and a resolution is needed urgently.

AUDIO-VISUAL RECORDING OF HOUSE PROCEEDINGS—ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement. Today the House begins a historic 90-day test of

the audio-visual recording of our proceedings on the floor.

Three cameras will audiovisually record the floor proceedings from fixed positions in the Chamber, over the center clock, in the periodical press gallery, and in the radio-TV gallery.

The picture and sound will be carried on a closed-circuit system to the Rayburn House Office Building, the only building with the capability of receiving the signal. The proceedings may be viewed on channel 3 of any television set connected to the master antenna in the Rayburn Building, but will not be broadcast and will not be released outside of Capitol buildings under the control of the House for any purpose.

Members should be aware that the coverage will last from the opening gavel to the beginning of special orders on each legislative day.

The House rules do not permit television or radio broadcast of House proceedings, or the use of audio and video excerpts outside the Capitol. It is the Chair's intention to seek authority from the House if it is considered appropriate to commence permanent broadcast-media coverage or to permit use of video or live coverage of the House proceedings by the news media. The Chair desires to emphasize that during the 90-day test video and audio recordings are not to be taken from any transmission for any purpose. The Chair seeks the cooperation of all Members in insuring that the test is conducted in a manner befitting the dignity of the House and fulfilling the purposes for which it has been undertaken.

PRIVILEGES OF THE HOUSE—TELEVISION COVERAGE OF PROCEEDINGS OF HOUSE

Mr. ANDERSON of Illinois. Mr. Speaker, I raise a question of the privileges of the House and offer a privileged resolution (H. Res. 404) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 404

Whereas television cameras have been introduced into the galleries of the House for the purpose of televising its proceedings and determining the value of such coverage as an information resource for House Members and of establishing a video library for historic purposes; and

Whereas the Speaker has stated that "this test will form the basis for the eventual video coverage of the House for dissemination to the public"; and

Whereas such coverage will reportedly be conducted on a continuous basis for a 90-day period; and

Whereas the presence of such cameras may constitute an intrusion on or distraction from the proceedings of the House; and

Whereas the transmission of such coverage for actual broadcast use may alter the conduct of Members and otherwise affect the dignity and integrity of the proceedings of the House; and

Whereas such coverage may encourage public demonstrations or threats to the safety of the House and its Members; and

Whereas such coverage directly involves the safety, dignity and integrity of the proceedings of the House and the conduct and convenience of its Members, and thus raises a question of privilege of the House: Now, therefore, be it

Resolved, That the Committee on Rules is hereby authorized and directed to investigate and evaluate the full scope and impact of the House broadcast test as it affects the safety, dignity and integrity of the proceedings of the House and the conduct and convenience of Members, and to report back to the House, at the earliest practicable date following the conclusion of such test, its findings and such recommendations as it may deem appropriate, including whether such broadcast coverage should be made available to the public.

The SPEAKER. The gentleman from Illinois (Mr. ANDERSON) is recognized for 1 hour on his question of privilege.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 71]

Andrews, N.C.	Gonzalez	Ruppe
Armstrong	Guyer	Scheuer
Baucus	Harsha	Sebelius
Biaggi	Heckler	Shuster
Burton, John	Hefner	Staggers
Byron	Holland	Stokes
Cavanaugh	Jones, N.C.	Stump
Chisholm	LaFalce	Teague
Clay	Long, Md.	Tonry
Dickinson	Miller, Calif.	Tucker
Diggs	Montgomery	Udall
Drinan	Neal	Ullman
Edwards, Calif.	Pettis	Van Deerlin
Fenwick	Rhodes	Vander Jagt
Forsythe	Richmond	Vanik
Gaydos	Roe	Waxman
Gilman	Roybal	Wiggins

The SPEAKER pro tempore (Mr. ICHORD). On this rollcall 381 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PRIVILEGES OF THE HOUSE—TELEVISION COVERAGE OF PROCEEDINGS OF HOUSE

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. ANDERSON) for 1 hour.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have raised this question of privilege not out of any disrespect for you, or as any challenge to your authority, or as a protest against your initiation of this broadcast test. As you well know, I am probably one of the strongest advocates of House broadcasting and worked along with my colleagues on the Rules Committee in the last Congress to develop a House broadcast rule and system. I commend you on taking this long overdue step to bring the House into the electronic age and hopefully, eventually into the homes of the American people through their television sets.

But, having listened to testimony before our Ad Hoc Subcommittee on Broadcasting, and having discussed this matter with numerous colleagues, I realize that there are some legitimate concerns about House broadcasting which must be resolved. Hopefully, these can be resolved in part through this test which you have authorized. But I am concerned that these may not be adequately and properly resolved unless we have a thorough and systematic evaluation of this test and how it impacts on our proceedings. The resolution which I have offered is designed to authorize such an evaluation by the Committee on Rules which would, at the conclusion of the test, report back its findings and recommendations to the House, including a recommendation as to whether this coverage should be made available to the public through normal broadcast channels.

I consider this resolution a clear opportunity for the House to go on record in support of the test which you have authorized and initiated, as well as for making this coverage available to the public if the test proves that it is feasible and desirable. We already know from two Member surveys in the last Congress and this that a substantial majority of the House favors public broadcasting of our proceedings—about 69 percent of the Members in the last Congress, and 81 percent of the Members in this Congress. Moreover, the Lou Harris public poll conducted for the Obey Commission reveals that 68 percent of the public would like to see our debates televised. This is obviously an idea whose time has come, and I am glad you have taken the first step to realize that goal.

In my special order in this body last Tuesday, March 8, 1977, I raised some questions about the nature of this test, the central one being whether its ultimate objective was to provide a service for Members or a service for the public. And I stated that the public interest should be our primary objective. The adoption of this resolution will make it clear that this test is being conducted with the public interest first and foremost in our minds. I think the public has already become cynical enough about self-serving actions by this Congress. Our adoption of this resolution, the bottom line of which calls for a recommendation on making broadcast coverage available to the public, should allay any concerns that we are simply out to serve ourselves through a costly, closed-circuit, floor monitoring system. This test should be conducted from the outset with a view to producing the type of quality broadcast coverage which will be suitable for commercial use by our networks and stations.

Our Subcommittee on Broadcasting in the last Congress found that numerous State legislatures and foreign legislatures already publicly televise their proceedings. And moreover, that broadcasting in these legislatures has not altered or distorted the proceedings or changed the conduct of the legislators. So, we are not really being the trailblazers in this regard. Others have gone before us and have found that broadcasting has increased public knowledge and understanding of their legislatures and the issues which they debate.

The Lou Harris poll to which I earlier alluded revealed that 88 percent of the public thinks Congress should do more to inform the public about its activities, and some 76 percent thinks we try to hide a lot of things from the news media. In summarizing his findings, Lou Harris said, and I quote:

> Basically, what people are saying is that they want serious and full coverage of what Congress does, with added efforts by both Congress and the media to improve on the job now being done.

Harris went on to say, and again I quote:

> In fact, it is not overstating the case that if Congress did a better job of communicating its real business, its rating might improve. This study shows clearly that the greater amount of information people have about Congress, the higher they rate Congress.

Broadcasting our proceedings would go a long way toward providing the people with that additional information about us, especially when you consider that 65 percent of the people rely on television as their principal source of information about Government.

Mr. Speaker, I urge adoption of this resolution as a way to register our support for this broadcast test as a first step in the direction of, in the Speaker's words:

> The eventual video coverage of the House for dissemination to the public.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I am pleased to yield to the gentleman from California (Mr. SISK), the former chairman of the House Ad Hoc Committee on Broadcasting.

Mr. SISK. I thank the gentleman from Illinois for yielding time in connection with what I consider to be very vital and important subject, particularly as it concerns the House and, I think, the future image of the House.

Let me say to my colleague, the gentleman from Illinois, I deeply appreciate the comments that he has made with reference to me and some of the work that we have done, along with our colleagues, the gentleman from Illinois (Mr. MURPHY), the gentleman from Florida (Mr. PEPPER), and other members of our committee, the gentleman from Illinois (Mr. ANDERSON), and the gentleman from California (Mr. DEL CLAWSON).

I personally have been a longtime supporter of opening the House to the electronic media. I would like just very briefly, if the gentleman has the time, to recite quickly the experiences that some of us had as far back as 1969 and 1970, when our colleague, the gentleman from Ohio (Mr. LATTA), who also serves on the Committee on Rules, served on a committee with me at that time on the Reorganization Act of 1970, when we even then had a series of hearings in connection with the advisability of opening this Hall to the electronic media, to radio and to television. I supported it at that time.

I had hoped that we would be able to give to the Speaker the power to go ahead and to do the things that were necessary to accomplish the use of those media in connection with Congress of the United States. I felt that the American people were entitled to see actually a lot more about what was going on than they had heretofore.

Bringing it down, of course, more recently to the experiences of the 94th Congress, which my colleague, the gentleman from Illinois has commented on, let me say I basically think we came up with some very excellent approaches, but I recognize there is a difference of opinion about how these matters may be technically handled. That as far as I am concerned is something which I am more than happy to leave in the hands of the Speaker and with the concurrence of the minority leader. I believe at all times that they, of course, will do those things that are in the best interest of the Congress and of the American people, because that is in the final analysis what we are concerned with.

Let me say prior to the announcement that the Speaker has made and to the letter which has been issued to the Members, the distinguished gentleman from Massachusetts, the distinguished Speaker did discuss the matter with me and it is my understanding frankly that he has in mind, I would say to my colleague, the gentleman from Illinois, pretty much the very kinds of procedures that the gentleman has outlined in his resolution.

Certainly the Speaker, having considered this matter very seriously and I think possibly a great deal more deeply and more comprehensively than a lot of people though that he might have over the past year or two, as he has looked at the problem and as he has explored and examined its implications and its effect on the image of the Congress in the eyes of the American people, is prepared I think to go forward once this test has been completed, assuming that it is completed favorably, as I believe it will be. I am one of those, as I say, who believe that in the long run this will enhance the image of the House and not destroy it, as I know some of my colleagues are terribly fearful of.

Again let me say to my colleague, I appreciate his yielding and I appreciate the opportunity to make these comments on this occasion, and particularly to say that I have been very much impressed in recent days by comments by the Speaker as to what his intentions are.

Certainly prior to any final determination of an ongoing program, I think our Committee on Rules will certainly have a part of the action.

If I may conclude with just 1 more minute, I want to commend my colleague, the gentleman from Texas, Mr. JACK BROOKS, because JACK has long been interested in and concerned with this. In fact, I recall some 2 or 3 years ago I appeared before his Joint Congressional Operations Committee with a plea for opening the House to television, and at that time he expressed support for that very idea. So his committee has done a great deal of work on this. I want to commend him.

In conclusion let me say I am most grateful to the Speaker for his earlier announcements. The thing that has brought us to where we are today has been the culmination of a lot of interest by a lot of people and I am personally appreciative for having had a small part in that action.

I appreciate my colleague yielding.

Mr. ANDERSON of Illinois. I thank the gentleman for his position.

I am pleased at this time to yield such time as he may consume to the distinguished Speaker of the House, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, it is very interesting at this particular time that we are making history. This is the first time that we have ever televised the House. Tapes will be made and kept for the historical record.

I think it is extremely interesting that we have this resolution before us today. This resolution does nothing more than I had intended to do, anyway. Actually, I do not know why it is before us.

Mr. ANDERSON of Illinois. Mr. Speaker, will the distinguished Speaker yield?

Mr. O'NEILL. The gentleman from Illinois has the time. The gentleman granted me some time.

Mr. ANDERSON of Illinois. Mr. Speaker, I would say in response to the question, and it is an entirely legitimate question that the Speaker has just raised; but he was necessarily absent from the floor when I began my remarks. I said I had taken this parliamentary device because it was the only one available to me; but in offering this privileged resolution, I did so out of no disrespect for the distinguished Speaker. It, rather, afforded me an opportunity to congratulate the gentleman from Massachusetts on the initiative that he had displayed in launching this 90-day test. I referred, moreover, Mr. Speaker, to the concluding paragraph of the letter in which the Speaker said that there were no rules of the House at the present time that would provide for the public dissemination of materials broadcast and televised from the floor of this Chamber. Inferred from that necessarily is that this would be a matter which would have to be confined to the jurisdiction of the Committee on Rules, even as it was in the 94th Congress.

So I can assure the Speaker that I applaud the initiative he has shown. This resolution is intended simply as an affirmative record that we can make today showing our strong support of the action that he has taken and the hope that it will culminate in the eventual extension of this facility so that it can be used for commercial, video, and audio outtakes of the proceedings of this Chamber.

Mr. O'NEILL. Mr. Speaker, may I thank the gentleman. I know that the resolution will be adopted. I urge its adoption. In the same breath may I laud the gentleman on this historical day for presenting the first resolution that has been recorded for posterity on television.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the distinguished Speaker.

I now yield 5 minutes to the gentleman from Texas (Mr. BROOKS), the distinguished chairman of the Joint Committee on Congressional Operations.

Mr. BROOKS. Mr. Speaker, I want to add to the letter which I submitted to all the Members this morning on our television test. I join with my friend, the gentleman from Illinois (Mr. ANDERSON) in congratulating the Speaker on his leadership in bringing about this historic test, this innovative production of what goes on in the Congress, as a historical record that will be of genuine significance to the people of this country and for history.

As for this particular resolution, I share the Speaker's opinion that this question of privilege put to the House at this time, to put the best light on it, is superfluous. It is neither especially helpful nor particularly harmful. It is just simply unnecessary.

The gentleman's resolution is based on two assumptions: that the House members of the Joint Committee on Congressional Operations are unaware of the need to monitor and evaluate the test of broadcast coverage of House proceedings, or that those members are incapable of doing so in an effective and objective manner. Neither assumption is accurate.

The joint committee has studied the question of radio and television broadcasting of House and Senate proceedings for approximately 4 years. We have held extensive hearings. We have consulted and taken testimony from a broad range of persons on every aspect of this question, from Senators and Representatives, including the gentleman from Illinois, including the distinguished gentleman from California (Mr. SISK), including the gentleman from Florida (Mr. PEPPER), who was for televising the House and Senate before we were even here.

In 1944, CLAUDE PEPPER was trying to to televise the House and Senate. He has been for it ever since.

We heard from representatives of the media and their colleagues in the press; from State legislators, who have had firsthand experience with such coverage in their own institutions; from lawyers, academics; from critics and supporters of the issue.

We published our hearings and studies, reported our findings and recommendations in both bodies, and proposed that Congress embark on this course on the basis of a careful test, closely observed and systematically evaluated. Nothing that has happened since we reported in October 1974, has changed our position. We remain convinced that broadcast coverage of the House is a matter of the utmost significance to this body, its membership, and its integrity.

We are very much aware of the range of possible—and I emphasize the word possible—effects of such coverage on Members and on House procedures, and we recognize fully the need for careful evaluation of test coverage before a decision is made to provide that coverage to the public.

The joint committee welcomed the opportunity provided by Speaker O'NEILL to conduct a test of broadcasting the House. In preparing for the test, the joint committee has, from the beginning, recognized the need to build into the test an evaluation component capable of providing the basis for a sound judgment and subsequent recommendations.

In making this evaluation, the joint committee intends not only to offer an opportunity to all Members and other interested parties to submit comments and suggestions, but to solicit such views of the entire membership on the basis of a carefully structured questionnaire. Moreover, by the very nature of this test, throughout the duration of the test, Members will be able on a daily basis to monitor the progress of the experiment for themselves, to make their own judgments on its results. Our purpose is to involve every Member of the House in this project.

It is important to keep in mind that the decision to permit a test of broadcasting House proceedings was made by the Speaker of the House. It was and is clearly within the Speaker's authority to do so, and in making that decision the Speaker has also indicated that he intends—and he stated that again just prior to this comment—that before broadcast coverage of the House becomes either permanent or public, he will submit the question for a decision by the full membership of this body. Obviously, it will require a rule change for a permanent installation..

The SPEAKER pro tempore (Mr. ICHORD). The time of the gentleman from Texas has expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I am happy to yield 1 additional minute to my friend from Texas.

Mr. BROOKS. In making that decision, he said that he would go to the membership. He intends to go to the Rules Committee and submit that question to them.

On this basis, then, I want to say that I fully expect, at the conclusion of this test, that every Member will be fully prepared to exercise his or her individual judgment, fully informed and personally aware of every aspect of this important issue.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Speaker, I just wanted to commend the gentleman for his remarks, and to commend the Speaker of the House. We have had this in our Legislature for a long time. In this body, the very concept of a democracy implies openness in Government, and this is going to provide that.

I commend the Speaker and all those who have had something to do with this. I am very pleased that we are proceeding.

Mr. BROOKS. I thank the gentleman.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. Mr. Speaker, I thank the gentleman for yielding to me. The reason I take this time is to associate myself with the remarks of the gentleman from Texas (Mr. BROOKS) and the gentleman from Florida (Mr. FUQUA), who serve with me on the Joint Committee on Congressional Operations.

I do not think it is necessary to repeat the remarks of the gentleman from Texas (Mr. BROOKS), but I think it is important that we do realize at this historic moment that the Joint Committee on Congressional Operations, which was established by the Legislative Reorganization Act, has had this matter under study for more than 5 years. I think it is fair to say that this moment would not have arrived, as it has at this time, without the work of the joint committee. The joint committee has an excellent staff, and I think the staff is to be commended on the fairminded and objective manner in which they have pursued their studies of this entire matter of the electronic broadcastion and recording of our proceedings.

I think that they, along with our chairman, the gentleman from Texas (Mr. BROOKS) and his committee should, be publicly praised at this time.

There seems on the surface, at least, to be a little problem between the joint committee and the Committee on Rules, but I am perfectly satisfied that this can be worked out in a spirit of accommodation. I think it is important, however, that the record show that this is not a hasty action we undertake today. It is not an action that has come about just because of the Rules Committee actio or just because of the Speaker's action. This is an action that has been put into place and has now come to pass, because there have been years of study and hearings by the Joint Committee on Congressional Operations. Those studies and hearings, Mr. Speaker, go back to 1972, followed by a report in 1974, and hearings in 1974.

In 1975 Mr. BROOKS introduced legislation with more than 100 cosponsors. It is with this background that our Speaker has wisely decided, and well, to launch this historic 90-day test of televising our proceedings.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to my distinguished colleage, the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Speaker, we are witnessing the time of a great idea which has come. I want to thank warmly my distinguished friend and colleague, the gentleman from Illinois (Mr. ANDERSON) for yielding to me and for his kind reference to some poll which my office had initiated as to the sentiment of this House about broadcasting our proceeding.

I wish further to thank my distinguished colleague, the gentleman from Texas, for his reference to the fact that in 1944, I introduced in the other body a resolution to provide for broadcasting the proceedings of the House and the Senate by radio. Since the television technique came into being, I have modified my resolution to include television, and I have been highly privileged to serve on an ad hoc committee of the Committee on Rules, under the distin-

guished leadership of the gentleman from California (Mr. SISK). I am proud to be associated with an idea which tends toward the perfection of our democratic process in this regard and brings the Members of the Congress, the spokesmen of the people, into closer accord and cooperation with the people whom we have the honor to represent.

Here above the Speaker's desk we see the press gallery. They have the opportunity to see us in the performance of our duties here and to hear what we have to say. In the galleries are citizens of our country, our visitors, who are privileged to come here. They can see us in the performance of our duties and hear what we have to say. Now when we have the miracle of the television and the radio, why should we deny to the people of America the opportunity such as those in the press gallery and in the visitors' gallery have to see and hear what we do here in this Chamber as the people's representatives?

I want to commend in the warmest way our distinguished Speaker for being the first Speaker in the history of this House or of this Congress who took the daring initiative of experimenting with this process of broadcasting the proceedings of our body. As the distinguished gentleman from Illinois and others have said, I have no doubts that that experiment will meet with the hearty approval of the Members of this House and the Committee on Rules to which this resolution will be referred.

So, Mr. Speaker, I think this is a historic day. It is in line with our sunshine legislation to open our deliberations to the public, with our ethics resolution under which we perform in a way that is suitable to the moral concept of the people of this country. This is another step toward the perfection of our democracy, and again America leads the world as the most perfect example of democracy that man has ever known.

I commend the able gentleman from Illinois for offering this resolution and I heartily support it.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to commend the gentleman from Illinois (Mr. ANDERSON) for offering his resolution and also commend the Speaker of the House on his initiative in providing for this test period of broadcasting.

I have long been in support of the broadcasting of the sessions of the House of Representatives. Also, I would like to point out that several years ago, as we know, we had live televised broadcasts of important proceedings of the House Committee on the Judiciary. This was done under rules which the Committee on Rules authorized, and it resulted in raising the level of respect for the House of Representatives as a result of the televised proceedings that occurred then. As a matter of fact, following the committee's recommendations for impeachment, we were on the verge of televising the proceedings of the House of Representatives on that issue—to extend over a 2-week period when the former President resigned from office.

I contend that this resolution which the gentleman from Illinois (Mr. ANDERSON) is offering is extremely important. If we were to have live television of all our proceedings, it would be dull viewing for the American people. But under the direction of the Speaker of the House, together with the concurrence of the minority leader, those debates which are historic and those occasions which are memorable in this great body can be perpetuated for posterity. That, it seems to me, is the significant part of this action which we are taking here today.

As we know, the people are not adequately informed today. We can see by looking in the Press Gallery today that there is not the kind of coverage of House proceedings by the press that we would like to have. It has been charged that nobody covers the House. Either the press does not report what is going on in the House or people do not read the newspapers when the press does cover our proceedings. But we do know that this great facility of television provides information to the American people, and it is information which can be beneficial to all of them.

Mr. Speaker, I am in strong support of this resolution which we are considering here today, and I hope that the Members will respond constructively to the benefit of the House of Representatives and the American people.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. RYAN).

Mr. RYAN. Mr. Speaker, I thank the gentleman from Illinois (Mr. ANDERSON) for yielding me these 2 minutes.

Mr. Speaker, I would like to suggest to the Members who are here that there are two assumptions we can make about this particular event that are in error. One is that if this experiment does not work very well we can go back.

I think that is wrong. We cannot go back. That unblinking eye is there; it will be here from now on.

The second assumption we make is that nothing else in our operation will change, and that, too, is terribly wrong. The impact of TV on this Chamber will be simple if we consider it as one little arithmetical number: 435 times 5 equals 36 hours of debate if each Member takes an allotted 5 minutes.

Very frankly, a large part of the reason why I asked to speak here today is to illustrate that point. I am here, because I want my 2 minutes to talk about the matters before us, because now this important matter is on television. It is more important now because each Member tries to run before his constituents and now we can do it here—all year long.

We cannot go back. Television now becomes a part of the problem of running this House. As a consequence, it will have an effect upon everything else that we do as Members. That is a fact. It will have an effect on the number of hours we can spend in our offices; it will have an effect on the number of hours we can spend in committee; it will have an effect on the amount of time we can spend talking to our constituents anywhere we can find them; and it will have an effect on every single element of what is today our daily congressional life.

That is inevitable, and it is much like the day, I suppose, in 1859 when a man named Colonel Drake discovered oil in Titusville, Pa. The first use of that oil for any profitable purpose was for stomach bitters. They did not know what else to do with it. There was no way in 1859 of predicting that we would have an internal combustion engine in the United States, let alone smog problems in Los Angeles.

There is no way to predict today what that unblinking eye that is up there, over there, and up there will not change our work here in this Chamber. I do not know what will happen, but I do know there will be profound differences. Those Members who assume that somehow it is simply going to be just a little bit different, because now there are people watching us are, I think, making an enormous mistake. They assume too much or too little.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 1 minute in order to reply to the remarks which have just been made in the well by my friend, the gentleman from California (Mr. RYAN).

Mr. Speaker, I would suggest that if the gentleman would go back and examine and read the hearings that were held before the Ad Hoc Committee on Broadcasting which resulted in the two reports that I mentioned in my earlier remarks when I introduced this resolution, I am sure he would be disabused of the many fears that he has expressed; namely, that the entrance of what he calls the "unblinking eye" of the television camera in this Chamber is going to totally disrupt and so utterly change our lives as Members of this body that our lives will never be the same again.

Mr. Speaker, as my friend, the gentleman from Florida (Mr. PEPPER), who spoke earlier and as others who testified before the ad hoc committee could attest, once these cameras had been installed in the various State legislatures across the land, it was found that in very short order Members literally forgot that the cameras were there. The legislative business proceeded as it always had in the past.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, earlier in January of this year on the floor of the House I called for coverage of the House proceedings by the electronic media. At that time I said, "Let the cameras come in. Let the people be the judge."

Mr. Speaker, I commend the gentleman from Illinois (Mr. ANDERSON) for taking the time that he has here today, and I, in turn, commend the Speaker for this test run.

I just want to say, however, that I do believe it very important that we have a

full and open evaluation of this test period, so as to make the distinction between a test run in-house and one that conceivably then would be broadcast nationwide. We must consider fully the questions of whether or not the American people should view our deliberations on a gavel-to-gavel coverage basis or on a selective basis, and who would pay for this. If we take, for example, the debate on the ethics legislations earlier this month, it makes a lot of difference whether or not we are just confining it to an in-house coverage of our sessions as distinguished from broadcasting countrywide.

Mr. Speaker, I personally have some reservations and am apprehensive as to what it would be like under those circumstances, with 435 Members of this House demanding time on the national tube in order to declare or posture themselves on their own position with respect to congressional ethics. It would obviously have a bearing upon the amount of time we would have to allocate to general debate or during the amending process under the 5-minute rule.

Therefore, Mr. Speaker, there is definitely going to have to be a testing period beyond in-house capability, but at least we are making that initial start.

Mr. Speaker, I would like to think that an appropriate subcommittee of the Committee on Rules as well as the full committee, as suggested by the gentleman from Illinois (Mr. ANDERSON), should take these questions into account because there are so many ramifications. We will surely have to reevaluate some time in the immediate future the current practice of revising and extending our remarks. Full public television coverage of this body will require a differentiation in the CONGRESSIONAL RECORD of those remarks actually spoken and those merely inserted.

In any event, at least the first step has been taken here today; and I applaud the Speaker and those responsible for bringing it about. I am glad to see that my hopes for electronic coverage have been realized, even if on a closed-circuit, limited basis. As you know, our Republican conference has been open to coverage by all the press including members of the electronic media, so this kind of thing will cause no problems for Members of the minority party. For those of the other party, who do not yet have the benefit of always having their own caucus proceedings open to the press and who may feel uncomfortable faced with television cameras, let me simply say: "Be yourself, do what you have always done. And then, let the people judge."

My good friend and colleague, the gentleman from Illinois, has introduced a privileged resolution which would authorize the Committee on Rules to "investigate and evaluate" this 90-day closed-circuit television test. The results of such an investigation would be used in reaching a decision as to whether such broadcast coverage should be made available to the public.

I support this excellent resolution and agree with the gentleman from Illinois when he says:

> Adoption of my resolution will be a clear indication of House support for the test which the Speaker has initiated as well as for a thorough evaluation and report on the test by the Rules Committee which has already done considerable work in this area. Moreover, it will underscore the House's intention that this test be conducted with the principal objective of making coverage available to the public if the test demonstrates it is both feasible and desirable.

I hope that this resolution gains the support of every Member. The more that citizens learn about our proceedings, the better they will be able to evaluate our performance. Some may call this a risk—I call it applying 20th century electronic technology to old-fashioned democracy.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Maryland (Mr. BAUMAN) for a question.

Mr. BAUMAN. Mr. Speaker, I would like to propound a question to the gentleman from Illinois (Mr. ANDERSON).

As the gentleman knows, I have joined him and others in supporting the televising of the House sessions because I personally believe that if the American people ever see what is going on here, there will be some fundamental political changes made; and I think that would be to the good.

However, the question that I have deals with the power of the Speaker to summarily order the placement of television cameras within the Chamber of the House to record our proceedings without any prior authorization of the House of Representatives.

I am aware that under rule I the Speaker has the general control over the Hall of the House of Representatives and that there are certain prohibitions about broadcasting televised proceedings in the House under our rules; but it seems to me that in the last year or two there has been a consistent use by the Chair of this sort of general power to prescribe rules of conduct which do not appear in the Rules of the House or in statutes or in the Constitution.

Mr. Speaker, I wonder what the thoughts of the gentleman from Illinois (Mr. ANDERSON) might be as to the question of the Speaker's authority in this matter.

Mr. ANDERSON of Illinois. Mr. Speaker, if the gentleman will yield, the gentleman from Maryland (Mr. BAUMAN) has certainly raised an entirely legitimate question.

I have before me—and I assume he does as well—a copy of the Rules of the House of Representatives for the first session of this 95th Congress.

Rule I, clause 3, provides as follows, and this is under the Duties of the Speaker:

> He shall have general control, except as provided by rule or law, of the Hall of the House, and of the corridors and passages and the disposal of the unappropriated rooms in the part of the Capitol assigned to the use of the House, until further order.

But, as the Speaker himself has conceded in the letter which he sent to each of the Members under the date of March 15, 1977, there are no provisions in these rules for the use of audio or video excerpts and it is his intention to seek the approval of the Members of the House before beginning any permanent media coverage or the use of video or live coverage of the House by the news media.

So I believe the Speaker has acted with propriety. I want to conclude, before I move the previous question, by thanking the Speaker for his support, and his very generous support, for the resolution I have offered today.

Mr. BAUMAN. I thank the gentleman for his reply.

Mr. VAN DEERLIN. Mr. Speaker, the gentleman from Illinois, (Mr. ANDERSON), deserves our gratitude for his diligence in pressing for the telecasting of House proceedings.

Along with Mr. SISK, Mr. ANDERSON as much as anyone has kept this issue in full public view when the inclination of some among us may have been to let it slide out of sight and out of mind.

As we begin a 90-day test of limited television coverage of House proceedings, I am happy to add my support to the pending resolution, which calls on the Rules Committee to follow up on the tests, in a significant fashion.

Besides serving as chairman of the Communications Committee, I am also a former broadcast newsman, and so I feel a special concern in these matters.

I strongly believe we must keep firmly in focus what should be the central concern here—namely, the public's right to know. The convenience of broadcasters and even the dignity of the House are genuine, but secondary considerations. If we deny or limit the access of broadcast newsmen to our floor proceedings, we are also effectively abridging the access rights of the public we are intended to serve.

Mr. ANDERSON's resolution is but a first step. Let us make certain that it leads to a truly open House, one that does not continue to lag behind its parliamentary counterparts in most of the western democracies, and in many of our own States, which long ago accepted the electronic media as equal to print journalism.

Mr. ANDERSON of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appear to have it.

Mr. FLOWERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 398, nays 10, not voting 24, as follows:

[Roll No. 72]

YEAS—398

Abdnor	Dent	Kasten
Addabbo	Derrick	Kastenmeier
Akaka	Derwinski	Kazen
Alexander	Devine	Kelly
Allen	Dicks	Kemp
Ambro	Dodd	Ketchum
Ammerman	Dornan	Keys
Anderson, Calif.	Downey	Kildee
	Drinan	Kindness
Anderson, Ill.	Duncan, Oreg.	Koch
Andrews, N.C.	Duncan, Tenn.	Kostmayer
Andrews, N. Dak.	Early	Krebs
	Eckhardt	Krueger
Annunzio	Edgar	Lagomarsino
Applegate	Edwards, Ala.	Latta
Archer	Edwards, Calif.	Le Fante
Ashbrook	Edwards, Okla.	Leach
Ashley	Ellberg	Lederer
Aspin	Emery	Leggett
AuCoin	English	Lehman
Badham	Erlenborn	Lent
Badillo	Ertel	Levitas
Bafalis	Evans, Colo.	Lloyd, Calif.
Baldus	Evans, Del.	Lloyd, Tenn.
Barnard	Evans, Ga.	Long, La.
Baucus	Evans, Ind.	Long, Md.
Bauman	Fary	Lott
Beard, R.I.	Fascell	Lujan
Beard, Tenn.	Fenwick	Luken
Bedell	Findley	Lundine
Beilenson	Fish	McClory
Benjamin	Fisher	McCloskey
Bennett	Fithian	McCormack
Bevill	Flippo	McDade
Bingham	Flood	McEwen
Blanchard	Florio	McFall
Blouin	Flowers	McHugh
Boggs	Flynt	McKay
Boland	Ford, Mich.	McKinney
Bolling	Ford, Tenn.	Madigan
Bonior	Forsythe	Maguire
Bonker	Fountain	Mahon
Bowen	Fraser	Mann
Brademas	Frenzel	Markey
Breaux	Frey	Marks
Breckinridge	Fuqua	Marlenee
Brinkley	Gammage	Marriott
Brodhead	Gaydos	Martin
Brooks	Gephardt	Mathis
Broomfield	Giaimo	Mattox
Brown, Calif.	Gibbons	Mazzoli
Brown, Mich.	Gilman	Meeds
Brown, Ohio	Ginn	Metcalfe
Broyhill	Glickman	Meyner
Burgener	Goldwater	Michel
Burke, Calif.	Goodling	Mikulski
Burke, Fla.	Gore	Mikva
Burke, Mass.	Gradison	Milford
Burlison, Mo.	Grassley	Miller, Calif.
Burton, Phillip	Gudger	Miller, Ohio
Butler	Hagedorn	Mineta
Byron	Hall	Minish
Caputo	Hamilton	Mitchell, Md.
Carney	Hanley	Mitchell, N.Y.
Carr	Hannaford	Moakley
Carter	Hansen	Moffett
Cavanaugh	Harkin	Mollohan
Cederberg	Harrington	Moore
Chappell	Harris	Moorhead, Calif.
Chisholm	Hawkins	
Clausen, Don H.	Heckler	Moorhead, Pa.
	Hefner	Moss
Clawson, Del	Heftel	Mottl
Cleveland	Hightower	Murphy, Ill.
Cochran	Hillis	Murphy, N.Y.
Cohen	Hollenbeck	Murphy, Pa.
Coleman	Holt	Murtha
Conable	Holtzman	Myers, Gary
Conte	Horton	Myers, Ind.
Conyers	Howard	Myers, Michael
Corcoran	Hubbard	Natcher
Corman	Huckaby	Nichols
Cornell	Hughes	Nix
Cornwell	Hyde	Nolan
Cotter	Ichord	Nowak
Coughlin	Ireland	Oakar
Crane	Jacobs	Oberstar
D'Amours	Jeffords	Obey
Daniel, Dan	Jenkins	O'Brien
Daniel, R. W.	Jenrette	Ottinger
Danielson	Johnson, Calif.	Panetta
Davis	Johnson, Colo.	Patten
de la Garza	Jones, Okla.	Patterson
Delaney	Jones, Tenn.	Pattison
Dellums	Jordan	Pease
Pepper	Sawyer	Trible
Perkins	Scheuer	Tsongas
Pettis	Schroeder	Tucker
Pickle	Schulze	Udall
Pike	Sebelius	Ullman
Pressler	Seiberling	Van Deerlin
Preyer	Sharp	Vento
Price	Shipley	Volkmer
Pritchard	Shuster	Waggonner
Pursell	Sikes	Walgren
Quayle	Simon	Walker
Quie	Sisk	Walsh
Quillen	Skelton	Wampler
Rahall	Skubitz	Watkins
Railsback	Slack	Waxman
Rangel	Smith, Iowa	Weaver
Regula	Smith, Nebr.	Weiss
Reuss	Snyder	Whalen
Rhodes	Solarz	White
Rinaldo	Spellman	Whitehurst
Risenhoover	Spence	Whitley
Roberts	St Germain	Wiggins
Robinson	Stangeland	Wilson, Bob
Rodino	Stanton	Wilson, C. H.
Roe	Stark	Wilson, Tex.
Rogers	Steed	Winn
Roncalio	Steers	Wirth
Rooney	Steiger	Wolff
Rose	Stockman	Wright
Rosenthal	Stokes	Wydler
Rostenkowski	Stratton	Wylie
Rousselot	Studds	Yates
Roybal	Symms	Yatron
Rudd	Taylor	Young, Alaska
Runnels	Thompson	Young, Fla.
Russo	Thone	Young, Mo.
Ryan	Thornton	Young, Tex.
Santini	Traxler	Zablocki
Sarasin	Treen	Zeferetti

NAYS—10

Burleson, Tex.	Harsha	Whitten
Collins, Tex.	McDonald	
Dingell	Nedzi	
Hammer-schmidt	Poage	
	Satterfield	

NOT VOTING—24

Armstrong	Foley	Richmond
Biaggi	Gonzalez	Ruppe
Buchanan	Guyer	Staggers
Burton, John	Holland	Stump
Clay	Jones, N.C.	Teague
Collins, Ill.	LaFalce	Tonry
Dickinson	Montgomery	Vander Jagt
Diggs	Neal	Vanik

Mr. SYMMS and Mr. HANSEN changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 4088, AUTHORIZING APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. DODD, from the Committee on Rules, filed a privileged report (Rept. No. 95–78) on the resolution (H. Res. 405) providing for the consideration of the bill (H.R. 4088) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ECONOMIC STIMULUS APPROPRIATIONS ACT, 1977

Mr. DODD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 402 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 402

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 7 of rule XXI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4876) making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes, and all points of order against the following provisions in said bill for failure to comply with the provisions of clause 2, rule XXI are hereby waived; beginning on page 2, line 10 through line 18; begining on page 4, line 1 through line 9; beginning on page 5, line 21 through line 24; begining on page 6, line 1 through line 7; and beginning on page 6, line 12 through line 17.

The SPEAKER pro tempore (Mr. PATTISON of New York). The gentleman from Connecticut is recognized for 1 hour.

Mr. DODD. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. LATTA) for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 402 provides for the consideration of H.R. 4876, an act making important economic stimulus appropriations for fiscal year 1977, by waiving points of order against certain provisions in the measure and by waiving clause 7 of rule XXI(21), the 3-day rule regarding availability of appropriations committee reports and hearings.

Mr. Speaker, H.R. 4876 would appropriate $22.6 billion in new budget authority for economic stimulus purposes necessary to continue this Nation's struggle to improve its economy. Among other purposes, this measure would fund essential jobs creating programs and projects to encourage consumer spending through $50 tax rebates.

In our present period of economic uncertainty, with unemployment rates still much too high and with more than 7 million Americans out of work, I cannot emphasize too strongly the importance of this measure to the economic health of our country and to the well-being of its citizens.

Because of the present economic situation, it is important to continue Federal economic stimulus efforts and to increase them in certain areas.

This bill provides for a continuation along with substantial increases in public service jobs, public works projects, and antirecession financial assistance to our cities and towns. This is essential if the present high levels of unemployment are to be reduced in the near future.

Estimates indicate that nearly 1 million jobs will be directly created by funds in this bill, along with a considerable number of other jobs created by the multiplier effects of these appropriations.

I might add, at this point, that these jobs and economic stimulus programs are an absolute necessity for my area of the country, the Northeast, and for my own State of Connecticut.

In Connecticut, the latest unemploy-

ment statistics show that 135,700 people were out of work in January. That is 9.3 percent of our State's labor force, and it represents an unhappy increase from December 1976, when Connecticut's jobless rate was 8.2 percent, or 120,300 workers.

Mr. Speaker, the rule before us, House Resolution 402, provides waivers of points of order for several appropriating paragraphs in H.R. 4876 for failure to comply with the provisions of clause 2 of rule XXI(21), which requires prior authorizing legislation for appropriations measure.

These paragraphs lack authorizing legislation because of the timetable of the authorizing committees, but these authorizations certainly are expected. It is considered necessary to have these funds already in place through this appropriations measure so as to insure orderly management of the programs and to permit the economic stimulus initiatives to have the desired results as soon as possible.

This rule waives points of order against the following paragraphs:

In chapter I of title I, page 2 of bill, lines 10 through 18, the amounts for the antirecessional financial assistance fund. This program was originally authorized and appropriated for during the last Congress through September 30, 1977.

The President requested an expansion of the program, but the House Government Operations Committee has just begun hearings.

Also in chapter I in these same lines of the bill there is a paragraph appropriating more funds for the Space Shuttle—some $95 million, in the National Aeronautics and Space Administration budget. The House Science and Technology Committee plans to bring forward the fiscal year 1977 authorization for this purpose.

In chapter III, the authorization for the $4 billion for the local public works program of the Economic Development Administration has not been completed. The necessary authorization is contained in H.R. 11 which passed the House on February 24. A companion bill was reported by the Senate Public Works Committee on February 28 and was passed by the Senate last Friday.

In chapter IV, the authorization for the paragraph entitled "Special Payment to Recipients of Certain Retirement and Survivor Benefits" is contained in H.R. 3477, the Tax Reduction and Simplification Act, which has already been passed by the House.

With further reference to the tax bill, the committee has added two other appropriations for the Treasury Department. The paragraph entitled "Special Payments to Recipients of Aid to Families with Dependent Children," and "Rebates in Excess of Tax Liability," are also included in response to provisions of the tax bill.

Mr. Speaker, I urge adoption of the rule in order that this legislation be considered.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not intend to be repetitive and to repeat waivers that the gentleman from Connecticut has so adequately described. I will insert those in my remarks with some additional comments I might choose to make on the same.

I do want to take just a couple of minutes to point out to the Members of the House that this is a $22,599,419,000 bill. The major provisions include $4 billion for the acceleration of the local public works program; $4,991,085,000 for the regular revenue sharing program; $632,500,000 in antirecession financial assistance for increased payments to States and local governments; $6,847,000,000 for public service jobs which will expand the present program from 310,000 jobs to 600,000 jobs in fiscal year 1977 and 725,000 jobs in fiscal year 1978; $2,578,000,000 for a variety of employment and training assistance programs; $1,300,000,000 in special $50 payments to recipients of certain retirement and survivor, veteran, and other benefit programs; $600 million in $50 payments to recipients of aid to families with dependent children; $1,363,000,000 in $50 payments to persons whose tax liability is less than $50 and to those who paid no taxes at all; and $59,400,000 for an additional 14,800 jobs for community service employment for older Americans.

These are staggering figures.

On yesterday, the Senator from Virginia, the Honorable HARRY BYRD, JR., inserted some statistics in the RECORD that are likewise staggering.

On page 7479 he sets out what has happened to the national debt in this country during this century.

Today, as we get ready to pass this legislation—and there is no doubt in my mind that we are going to pass it—we ought to ponder what we are doing, not only to today's inhabitants of the great United States but to the inhabitants of this great country in many, many years to come.

Going to what the Senator has set forth in the RECORD, we find that from 1900 to 1943, during all those years we still did not have $100 billion worth of debt. But lo and behold, come 1944, our Federal debt had gone up to $201 billion. By 1962 that debt had gone up to $303 billion. It did not take long for it to get over the $400 billion mark.

By 1971 the Federal debt was $409 billion, and then by 1975 another $100 billion of debt was added, making it $544 billion. One year later, in 1976, we had $631 billion worth of debt. The projected debt for 1977 is $727 billion, and in 1978 the estimated debt is $802 billion.

These are staggering figures. And then we say to the country, "Look what we are doing for you."

April 15 is not very far in the future. I think the American people are beginning to realize what we have been doing to them during this period of time, because the third highest item in the budget they are going to be paying for when they settle up with Uncle Sam on April 15 is just the interest on that national debt. That figure is a projected $38 billion for fiscal year 1977. That is how it affects the American people. This figure pays nothing on the principal of this debt we are going to be passing on to our children and to our children's children and to their children and their children's children.

So, Mr. Speaker, today I think we ought to ponder a little bit what we are doing before we pass this legislation and ask ourselves, "What are we doing? What are we doing in this economic stimulus package that we are passing today?" And this is only half the package. We get the other half tomorrow.

Mr. Speaker, this rule provides waivers of two points of order, which are necessary for the orderly consideration of H.R. 4876, the Economic Stimulus Appropriations Act.

First, the rule waives clause 7 of rule XXI which requires that Appropriations Committee reports must be available for 3 days prior to consideration. This waiver is necessary because a supplemental report containing minority views was not filed until last Friday, March 11, and therefore, has not been available for the required 3 days.

The rule also waives points of order for failure to comply with clause 2, rule XXI. Clause 2 prohibits appropriations for which authorizing legislation has not been enacted. This same clause prohibits legislation on general appropriations bills.

There are several provisions in the bill to be considered today which require that this clause be waived. In chapter I, the amount in the paragraph entitled "Antirecession Financial Assistance Fund" is without legislative authorization. Also, the paragraph appropriating funds to the National Aeronautics and Space Administration is presently without authorization. In chapter III, the authorization for the $4 billion for the local public works program of the Economic Development Administration has not been completed. The necessary authorization is contained in H.R. 11 which passed the House on February 24.

In chapter IV, the authorization for the paragraph entitled "Special Payment to Recipients of Certain Retirement and Survivor Benefits" is contained in H.R. 3477, the Tax Reduction and Simplification Act, which was considered in the House March 8.

With further reference to the tax bill, two other appropriations for the Treasury Department have been added. The paragraphs entitled "Special Payments to Recipients of Aid To Families With Dependent Children," and "Rebates in Excess of Tax Liability," are also included in response to provisions of the tax bill.

Mr. Speaker, these waivers are necessary if the economic stimulus appropriation is to be considered today.

Mr. KEMP. Mr. Speaker, I rise in opposition to H.R. 4876, the Economic Stimulus Appropriations Act.

In this bill the House is asked to appropriate $22.6 billion based on the questionable premise that additional Federal spending will alleviate the chronic unemployment plaguing the Nation. As the

following table demonstrates, there is no positive correlation whatsoever between high rates of Government spending and economic growth, indeed there are indications that quite the opposite is true:

Public spending and growth, 1962–71
[In percent]

	Govt. expend. (ex. transfers)	Growth (av. ann.)
Sweden	25.6	3.7
Denmark	23.8	4.7
U.S.A	23.2	4.4
Canada	22.4	5.5
U.K	20.7	2.5
W. Germany	20.4	4.5
Finland	18.6	4.9
Belgium	16.5	4.8
Italy	16.0	4.8
Australia	14.9	5.4
France	14.0	5.8
Switzerland	12.9	4.1
Spain	12.3	6.9
Japan	10.4	10.1

This failure of Government spending to stimulate growth is reflected in the unemployment rate. From 1972 to 1976, for example, Federal outlays rose from $232 billion to $373.7 billion, an increase of 61 percent in just 4 years. This amounted to total Government spending of over $1.4 trillion.

Over this same period, however, unemployment rose from 5.6 percent to 7.8 percent. Thus not only did the spending not cure the unemployment, but it probably made the situation worse. Deficits caused by unprecedented Government spending drained financial resources which would otherwise have been available for job-creating private sector investment. And the monetization of this huge debt led to high rates of inflation, which also depressed growth. As Prime Minister James Callaghan of England recently observed:

> We used to think that you could spend your way out of a recession and increase employment by cutting taxes and boosting government spending. I tell you, in all candor, that that option no longer exists, and that insofar as it ever did exist, it only worked by injecting bigger doses of inflation into the economy followed by higher levels of unemployment as the next step. That is the history of the past twenty years.

The main feature of this legislation is an appropriation of $7.99 billion for public service jobs under titles II and VI of CETA.

The evidence, however, suggests that even such a large sum of money as this is not likely to affect the unemployment rate this year. Dr. Alice Rivlin testified to this fact in January. She said that because of redtape and long leadtimes in getting public works projects going, the money simply cannot be spent fast enough. This is one reason for the mysterious shortfall in spending we have heard about so much lately.

Thus there are already $24 billion in public works projects on line which have not yet produced any jobs. Included in this is the $2 billion appropriated last year over the President's veto. To this date, the money has failed to produce any jobs outside of the Washington bureaucracy. And when it does begin to trickle down, much of the money will inevitably go to areas which do not have an unemployment problem.

The only way this Congress can really hope to solve the unemployment problem is by creating incentives to work, hire, and invest in the private sector. This means reducing the rate of inflation by holding down the growth of Government spending and the money supply; by increasing the aftertax reward for work and investment through reduction of the tax rates; and a restoration of confidence by business, through creation of an environment hospitable to business activity.

H.R. 4876 and the entire administration stimulus package is a step in the wrong direction and I want, at this point, to include the minority views of myself, Representative ARMSTRONG of Colorado, and Representative BURGENER of California:

DISSENTING VIEWS OF HON. WILLIAM L. ARMSTRONG, HON. JACK KEMP, AND HON. CLAIR W. BURGENER

In H.R. 4876, the House is asked to appropriate $22.6 billion based on the questionable premise that additional Federal spending will alleviate the chronic unemployment plaguing the nation.

If that were true—if we could really spend ourselves into prosperity—we would be the first to support the appropriation. We would even suggest amendments to increase the amount. After all, why should we settle for only $22.6 billion more prosperity? Why not twice or treble that amount?

But if Federal spending could get people off unemployment rolls and back to work, the problem would have long since been solved. From 1972 to 1976, Federal outlays rose from $232 billion to $373.7 billion, an increase of 61 percent in just 4 years. During the period total Federal spending amounted to a staggering $1.4 trillion.

But unemployment went up! In 1972 the nation's unemployment rate was 5.6 percent; by 1976 it had risen to 7.8 percent. The failure of Federal spending to curb unemployment is most conspicuous, and of greatest concern, among minority persons for whom special programs such as those funded in this appropriation bill are supposedly targeted. From 1972 to 1976, unemployment among blacks and other minorities increased from 10 to 13.4 percent and at one point rose to nearly 14 percent during this period.

Not only did this massive spending fail to cure unemployment, it probably made the situation worse. Deficits caused by unprecedented government spending drained financial resources which would have otherwise been available for job-creating private sector investment. And the inflation fostered by such deficits (the dollar lost about 40 percent of its purchasing power in this brief period) also took a heavy toll.

The sour experience of recent years ought to convince anybody that more Federal spending isn't the answer to the Nation's economic ills. Moreover, this particular appropriation, H.R. 4876, is especially in need of pruning because of the very nature of the programs being funded.

PUBLIC WORKS

Last August this Committee appropriated $2 billion to fund the Public Works Employment Act of 1976. Under this program the Economic Development Administration in the Department of Commerce received approximately 25,000 applications for local public works projects, accepted some 22,000 for review, and selected 1,988 for funding.

Our experience with the program to date has essentially been this application process. Project construction has not yet begun, outlays have not yet occurred and, in response to a question on the number of jobs created, the Department testified:

"We have not at this point come up with a firm revised estimate. We will not know the actual job creation figure until we have had a chance to evaluate the projects." (Hearings, page 253).

And yet, we are acting with considerable haste to double the amount and appropriate an additional $4 billion in this bill at a time when there are close to $20 billions of dollars in more sound projects for capital improvements now held up by red tape and bureaucracy.

This wisdom of this action is further called into question because . . .

Increased public works spending will not affect employment this year.

A low percentage of the funds appropriated for such projects actually end up as wages (19 to 32 percent according to one estimate).

Projects and employment which would be generated by local communities will be delayed in anticipation of a chance for federal dollars, even though only one out of five applications will be funded.

PUBLIC SERVICE EMPLOYMENT

Included in this bill is an appropriation of $7.99 billion for public service jobs under titles II and VI of the Comprehensive Employment Training Act.

As with public works, this committee and the Congress are acting to appropriate large sums without a solid assessment of the value of public service employment programs.

In response to a question on whether these funds will create new jobs or simply substitute for present and planned local employment, the Department of Labor testified:

"The fact is that we really do not have unassailable evidence that none of the public service employment money is used to defray property and income tax increases at the local level which would be used to hire more public service employees. I am sure you are aware of the numerous studies which have addressed this point. I should add that there is little or no agreement among these studies as to the extent or level of the substitution effect." (Hearings, page 32.)

In response to a question about what happens to people once they leave public service employment, the Department testified:

"We are in the middle of a very comprehensive evaluation of CETA. We don't know what postenrollment figures will be." (Hearings, page 30.)

In response to our request for whatever information is currently available on what happens to individuals when they are terminated from a public service employment program, the Department supplied statistics indicating that for fiscal year 1976, 0.7 percent of those terminated from title II programs and 1.3 percent terminated from title VI programs were placed directly in unsubsidized employment. Another 11.2 percent under title II and 15.3 percent under title VI were placed in unsubsidized jobs after participating in training, employment, or other supportive serv-

ices. An additional 5.3 percent under title II and 10.2 percent under title VI found their own jobs.

Thus, only 17.2 percent of those terminated from title II programs and 26.8 percent of those terminated from title VI programs found an unsubsidized job.

The conclusion we draw from this is that we are creating jobs that have no real future. Our policy is one of deferment and delay rather than providing a real continuing opportunity to earn a decent living.

We and many others, believe we have a viable and constructive alternative with proposals under the 1977 Jobs Creation Act providing for a permanent, across the board reduction of tax rates for all Americans in order to create jobs in the private sector by increasing the incentives for work, production, savings and investment.

The only real way to create jobs is to provide the capital investment and the incentive for Americans to produce and invest. Instead we are taxing and borrowing from the American public and reducing the real job creating resources. Under the fiction of reducing employment, we are setting the stage for greater and greater unemployment, and higher and higher inflation.

For these reasons, we are opposed to this appropriation.

WILLIAM L. ARMSTRONG.
JACK KEMP.
CLAIR W. BURGENER.

Mr. DODD. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. PATTISON of New York). The question is on the resolution.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 333, nays 71, not voting 28, as follows:

[Roll No. 73]

YEAS—333

Abdnor	Bonker	Daniel, R. W.
Addabbo	Bowen	Danielson
Akaka	Brademas	Davis
Alexander	Breaux	de la Garza
Allen	Breckinridge	Delaney
Ambro	Brinkley	Dellums
Ammerman	Brodhead	Dent
Anderson, Calif.	Brooks	Derrick
	Broomfield	Derwinski
Anderson, Ill.	Brown, Calif.	Dicks
Andrews, N.C.	Broyhill	Dingell
Andrews, N. Dak.	Buchanan	Dodd
	Burke, Calif.	Downey
Annunzio	Burke, Fla.	Drinan
Applegate	Burke, Mass.	Duncan, Oreg.
Aspin	Burlison, Mo.	Duncan, Tenn.
AuCoin	Burton, John	Early
Badillo	Burton, Phillip	Eckhardt
Baldus	Butler	Edgar
Barnard	Byron	Edwards, Calif.
Baucus	Carney	Eilberg
Beard, R.I.	Carr	Emery
Beard, Tenn.	Carter	English
Bedell	Chisholm	Ertel
Beilenson	Clausen, Don H.	Evans, Colo.
Benjamin		Evans, Ga.
Bennett	Cochran	Evans, Ind.
Bevill	Cohen	Fary
Biaggi	Conte	Fascell
Bingham	Corman	Fenwick
Blanchard	Cornell	Fish
Blouin	Cornwell	Fisher
Boggs	Cotter	Fithian
Boland	Coughlin	Flippo
Bolling	D'Amours	Flood
Bonior	Daniel, Dan	Florio
Flowers	Luken	Risenhoover
Flynt	Lundine	Roberts
Foley	McClory	Robinson
Ford, Mich.	McCloskey	Rodino
Ford, Tenn.	McCormack	Roe
Forsythe	McDade	Rogers
Fountain	McEwen	Roncalio
Fraser	McFall	Rooney
Frey	McHugh	Rose
Fuqua	McKay	Rosenthal
Gammage	Madigan	Rostenkowski
Gaydos	Maguire	Roybal
Gephardt	Mahon	Russo
Giaimo	Mann	Ryan
Gibbons	Markey	Santini
Gilman	Marks	Sarasin
Ginn	Marlenee	Scheuer
Glickman	Martin	Schroeder
Goodling	Mathis	Schulze
Gore	Mattox	Seiberling
Grassley	Mazzoli	Sharp
Gudger	Meeds	Shipley
Hagedorn	Metcalfe	Sikes
Hall	Meyner	Simon
Hamilton	Michel	Sisk
Hammer-schmidt	Mikulski	Skelton
	Mikva	Skubitz
Hanley	Miller, Calif.	Slack
Hannaford	Miller, Ohio	Smith, Iowa
Harkin	Mineta	Solarz
Harrington	Minish	Spellman
Harris	Mitchell, Md.	St Germain
Harsha	Mitchell, N.Y.	Stangeland
Hawkins	Moakley	Stanton
Heckler	Moffett	Stark
Hefner	Mollohan	Steed
Heftel	Moorhead, Pa.	Steers
Hightower	Moss	Stockman
Hillis	Mottl	Stokes
Hollenbeck	Murphy, Ill.	Stratton
Holtzman	Murphy, N.Y.	Studds
Horton	Murphy, Pa.	Thornton
Howard	Murtha	Traxler
Hubbard	Myers, Michael	Tsongas
Huckaby	Natcher	Tucker
Hughes	Nedzi	Udall
Ichord	Nichols	Ullman
Ireland	Nix	Van Deerlin
Jacobs	Nolan	Vento
Jeffords	Nowak	Volkmer
Jenkins	O'Brien	Waggonner
Jenrette	Oakar	Walgren
Johnson, Calif.	Oberstar	Walsh
Johnson, Colo.	Obey	Wampler
Jones, Okla.	Ottinger	Waxman
Jones, Tenn.	Panetta	Weaver
Jordan	Patten	Weiss
Kastenmeier	Patterson	Whalen
Kazen	Pattison	White
Ketchum	Pease	Whitehurst
Keys	Pepper	Whitley
Kildee	Perkins	Whitten
Koch	Pickle	Wilson, Bob
Kostmayer	Pike	Wilson, C. H.
Krebs	Pressler	Wilson, Tex.
Krueger	Preyer	Wirth
Le Fante	Price	Wolff
Lederer	Pritchard	Wright
Leggett	Pursell	Wydler
Lehman	Quie	Yates
Lent	Quillen	Yatron
Levitas	Rahall	Young, Mo.
Lloyd, Calif.	Railsback	Young, Tex.
Lloyd, Tenn.	Rangel	Zablocki
Long, La.	Reuss	Zeferetti
Long, Md.	Rhodes	
Lujan	Rinaldo	

NAYS—71

Archer	Findley	Poage
Armstrong	Frenzel	Quayle
Ashbrook	Goldwater	Regula
Badham	Gradison	Rousselot
Bafalis	Hansen	Rudd
Bauman	Holt	Runnels
Brown, Mich.	Hyde	Satterfield
Brown, Ohio	Kasten	Sawyer
Burgener	Kelly	Sebelius
Burleson, Tex.	Kemp	Shuster
Caputo	Kindness	Smith, Nebr.
Cederberg	Lagomarsino	Snyder
Clawson, Del	Latta	Spence
Cleveland	Leach	Steiger
Coleman	Lott	Symms
Collins, Tex.	McDonald	Taylor
Conable	McKinney	Thone
Corcoran	Marriott	Treen
Crane	Milford	Trible
Devine	Moore	Walker
Dornan	Moorhead, Calif.	Wiggins
Edwards, Ala.		Winn
Edwards, Okla.	Myers, Gary	Wylie
Evans, Del.	Myers, Ind.	Young, Fla.

NOT VOTING—28

Ashley	Guyer	Stump
Cavanaugh	Holland	Teague
Chappell	Jones, N.C.	Thompson
Clay	LaFalce	Tonry
Collins, Ill.	Montgomery	Vander Jagt
Conyers	Neal	Vanik
Dickinson	Pettis	Watkins
Diggs	Richmond	Young, Alaska
Erlenborn	Ruppe	
Gonzalez	Staggers	

The Clerk announced the following pairs:

Mr. Teague with Mr. Cavanaugh.
Mr. Thompson with Mr. Stump.
Mr. Chappell with Mr. Tonry.
Mr. Montgomery with Mr. Clay.
Mr. Richmond with Mr. Erlenborn.
Mr. Vanik with Mr. Ruppe.
Mrs. Collins of Illinois with Mr. Jones of North Carolina.
Mr. Staggers with Mr. Guyer.
Mr. Holland with Mr. Vander Jagt.
Mr. Neal with Mr. Young of Alaska.
Mr. Ashley with Mr. Watkins.
Mr. Diggs with Mr. Gonzalez.

Mr. STARK changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4876) making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Michigan (Mr. CEDERBERG) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4876, with Mr. KAZEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Texas (Mr. MAHON) will be recognized for 1 hour and the gentleman from Michigan (Mr. CEDERBERG) will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I bring before the Members the first major appropriation bill of the session.

We have been talking about televising our meetings of the House. It might be good for us to witness some of these television exhibitions and for our constituents to witness them. We would find and they would find that we spend a great

amount of time throwing money at our problems. Sometimes we hit the bull's-eye; we hit the mark and are successful, and sometimes we fail to do so.

I am aware as I stand here before this House that stimulus, economic stimulus legislation, is not something new under the Sun. I had the privilege of voting back in 1935 for the first major stimulus bill ever presented to the Congress in the history of the Nation. It provided economic stimulus in the sum of $4 billion for a public works program. That became the genesis of the WPA and the PWA. It was the first time that the Government moved in in a big, big way to solve the economic problems of the country, to bring about employment, and to prevent economic stagnation and disaster. While that program was somewhat successful, but only partially, whether this program will be successful or not I do not know. There are a number of provisions in this bill which I do not personally support. I hope the bill will prove successful. I shall vote for it, along with certain amendments which will be offered.

We have undertaken to compromise our differences and come up with a bill that offers the maximum possibility of being successful, but we do not know in advance whether it will be successful, so this is just one more attempt to stimulate the economy.

Under the Ford administration we were called upon to provide for a handout of $50 per person in order to stimulate the economy. Whether it was successful or not, we probably cannot very well prove.

Further, whether this legislation of $22,600 million that we are going to consider, will succeed or not only history will tell. I will say this: it will tend to create more inflation, but creating a limited amount of inflation may not be entirely objectionable if we succeed in putting millions of Americans back to work. We must strike a balance and it is a little bit difficult to know just what course to take on some of the proposals in the bill.

I have resolved the doubt in favor of the stimulus package. I have resolved the doubt in favor of the administration. It is proposed that we give the administration this opportunity to see what can be done toward stimulating the economy, putting the unemployed back to work and thereby increasing the revenues of the Government.

Of course, this cannot be anything other than a temporary measure toward the long-range solution of the problem. The economy if it is to get well and thrive again will have to have the backing of the private sector and that is where our difficulty lies. I think we all recognize that.

So I would hope that we do not get stuck with too much inflation as a result of this legislation. I would hope that we cut down the unemployment rate and, therefore, the unemployment compensation programs and other programs such as welfare that are necessary because of high rates of unemployment.

Well, we have had many problems in the past with respect to trying to stimulate and manage the economy or otherwise. We have problems now, but we have always been able to extricate ourselves from the difficulties which have come forth.

Now, we are going to have a rather awkward operation this afternoon. A number of amendments are going to be offered, totaling about $700 million, to further expand the jobs program. I would hope that we may resolve the doubt in favor of the package that we have and move along and see just what may be accomplished by this effort to bring employment to a lot of Americans.

We have provided in this bill for about a million jobs, and I hope that it has a ripple effect and that there will be many other jobs provided as a result of this legislation. We are also helping the elderly in certain provisions.

The gentleman from Indiana, when speaking on the rule, gave the Members quite a bit of information in regard to the provisions of the bill. Perhaps I should recite some of those things which the bill does—it will not take but a moment. The highlights are as follows:

There are $4 billion for acceleration of local public works projects. We have $4.9 billion for the regular revenue sharing program, which some of us did not originally support, but we have launched the revenue sharing program and it will be with us until the end of this century, and probably for several centuries thereafter, so we have to provide that $5 billion.

Then, there is $632 million in antirecession financial assistance for increased payments to States and local governments. There is not much enthusiasm for that program. The fact is that I wish we could have eliminated it, but it is a part of the package and we will go along and see what we can do with it.

Then, there is $7.9 billion in the bill for public service jobs. This will expand the total from 310,000 jobs to 600,000 jobs in fiscal year 1977, and 725,000 jobs in fiscal year 1978. So, this is a big part of the package. It worries me that we may not get more productive work with respect to these expenditures, but then again it will provide jobs and we hope that the program will be handled so that the jobs will be productive and increase the resources of the country.

Then, there is $1 billion for youth employment and training program. The $4 billion program which we established in the 1930's set up a Youth Conservation Corps, a series of programs that did turn out to be rather popular and productive at that time. How this will do today, I do not know.

Then, we have $1.3 billion for special $50 payments to recipients of certain retirement and survivor, veteran, and other benefit programs, the $50 handout which has been agreed upon. I tried to persuade the President that I thought this was a bad way to go, but the consensus was that it should be put in. The economists were wild over it. They are often wild about anything that spends money, generally speaking.

Then, there is $600 million in $50 payments for recipients of aid to families with dependent children. Then, there is $1.3 billion in $50 payments to persons whose tax liability is less than $50.

Then, there is $50 million for an additional 14,800 jobs for community service employment for older Americans. I know from observation that these programs have been quite successful in many instances, and the more we contemplate this, the more we are fascinated with the idea that we ought to go this way for the elderly in the country.

Several amendments will be offered, as I stated earlier, and I think we ought to vote for this bill with our eyes open, recognizing the pitfalls that confront us. It is a sad thing that while we talk of a balanced budget during a 4-year period, we are moving in the opposite direction. For the current fiscal year 1977, which ends September 30, it is estimated that the increase in public debt will be $80 billion.

The deficit will be somewhat less. For 1978, $75 billion is the estimated increase in the debt. For the past fiscal year 1976, some $87 billion was added to the debt. This is a staggering back-to-back, 3-year total of $243.7 billion of increase in the Federal debt. If we are capable of being shocked by figures, this will shock us. However, I wonder if we are capable anymore of being shocked by fiscal facts and figures. By the end of fiscal year 1978, the public debt will approximate $794 billion.

If the Members are interested in statistics, over 55 percent of the entire debt, $440 billion, will have been accumulated in the last 10 years, and there are quite a number of Members on the floor who have been here during that 10-year period. I am sorry we have not been able to do a better job. We hope to do a better job in the future. But all thoughtful Americans are concerned about the situation which confronts us today. I hope that this bill will achieve its objective, that we will have renewed confidence in the economy, and that the money which we provide from the taxpayer's pocket will do the job.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentleman from Pennsylvania (Mr. FLOOD), the chairman of the Subcommittee on Labor-Health, Education, and Welfare.

Mr. FLOOD. Mr. Chairman, the Labor-HEW chapter of this economic stimulus appropriation bill totals $9,489,000,000—all in the Department of Labor.

This dollar amount actually represents a reduction of $1.2 billion from the budget requests considered by the committee. But I want to make it clear that this reduction is in budget authority only and will have no effect on actual outlays. The committee has basically provided the same program levels as the administration proposed in its budget. The reduction in budget authority that we are recommending is solely related to how far in the future we want to "forward fund" the public service jobs under the Comprehensive Employment and Training Act—CETA. I will have more to say about that in a minute.

The committee considered budget re-

quests totalling $10,681,000,000. That includes $5,871,000,000 that was actually requested for fiscal year 1978 for public service jobs under CETA. The committee decided that it made sense to provide "forward funding" of these public service jobs through September 30, 1978, in this bill. This forward funding gives the State and local sponsors under CETA sufficient time to plan for the orderly and rational use of these funds over an 18-month period, rather than having two separate appropriations 6 months apart.

There seems to be a pretty broad consensus in the Congress that we ought to expand the public service jobs program. If we are going to do that, and most of the Members want to, then it certainly makes sense to provide this forward funding so the prime sponsors can effectively plan for the use of these funds. We are talking about almost $8 billion here, and we think the local sponsors should be given enough time to make their plans.

In order to provide this forward funding, we combined the 1977 and 1978 budget requests for public service jobs and considered them as one. As far as the budget figures are concerned, that is essentially a bookkeeping transaction.

This chapter includes $7,987,000,000 for public service jobs, of which $1,140,000,000 is for jobs under title II of CETA and $6,847,000,000 is for jobs under title VI. We are recommending the same number of jobs as the administration, namely 600,000 jobs under title VI and 125,000 under title II—a total of 725,000 jobs. The current level of public service jobs is 310,000, of which 260,000 are title VI.

So the administration is proposing, and we are recommending here, more than doubling the curent level. We propose to fund that level of 725,000 jobs through September 30, 1978.

There are sufficient funds in this bill to do that. The administration's budget request for fiscal 1978 would have funded part of the title VI jobs for about 6 months beyond the end of fiscal 1978. We are only recommending forward funding to September 30, 1978, and that is why, as I mentioned earlier, we are $1.2 billion below the budget. The number of jobs is the same and the actual expenditures would be the same as proposed in the budget.

We are also recommending in this chapter a total of $1,438,000,000 for other new or expanded employment and training programs under CETA. These funds were requested in the budget and involve several new programs, the largest of which is a youth employment and training program at a cost of $1 billion. Also included here are $250 million for a new skill training improvement program, $120 million for an on-the-job training program for young veterans, and $68 million for expansion of the Job Corps. These are all in the budget. We also direct the Secretary, in the report, to utilize discretionary funds already appropriated to fund four other small programs proposed in the budget.

The committee recommends an additional $59,400,000, for which there was no budget request, to expand the older workers employment program under title IX of the Older Americans Act. This will add about 15,000 jobs over the current level of 22,600. We have included language in the bill to insure that all of these new jobs are allocated to national contractors.

We are also providing $5,099,000 to finance 572 new permanent positions that were requested in the budget. These are all directly related to the very sizable expansion proposed in the budget and recommended by the committee for all of these employment and training programs under CETA.

We think it would be penny wise and pound foolish to cut this request for Federal staff. If we are going to appropriate all of this additional money and start these new programs, then the Labor Department should have the necessary staff to oversee and monitor the use of the funds.

We did adjust the so-called lapse rate on the jobs to reflect a more realistic hiring schedule than the budget proposes. That resulted in a reduction of about $5 million in the budget request.

Finally, Mr. Chairman, we are recommending $500,000 to enable the Bureau of Labor Statistics to begin development of a job vacancy survey. There was no budget request for this item.

Mr. BADILLO. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the chairman of the subcommittee whether or not it is the intention of the subcommittee to insure that all of the funds that are provided for public training in this bill, under whatever title of the CETA bill, are to be made available for people of limited English-speaking abilities. There is nothing in the committee report. I want to clarify that it is the intention of the subcommittee to see to it that people who do not speak the language are trained in a language to enable them to take advantage of the benefits under the bill.

Mr. FLOOD. If the gentleman will yield. I imagine the gentleman is talking about bilingual people.

Mr. BADILLO. That is right.

Mr. FLOOD. I agree with the gentleman that providing training for people of limited English-speaking ability is a good program, and I think more emphasis should be placed on it by the Department. I have every reason to believe that Secretary Marshall understands this and will do something about it.

Mr. BADILLO. I thank the gentleman for his answer.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the distinguished chairman of the Committee on Education and Labor.

Mr. PERKINS. Mr. Chairman, first I wish to compliment the distinguished chairman of the Committee on Appropriations for doing an outstanding job, as he always does in connection with the appropriation bills.

I do have a few questions that I would like to ask the distinguished chairman of the committee in connection with the CETA program.

In title II programs the committee has recommended an additional $124 million for fiscal year 1977 to expand that program from its present level of 50,000 public service employment slots.

Is this extra money to be used also to increase the slots up to 100,000 by September 30, 1977, the end of this fiscal year? That is my question to the distinguished committee chairman.

Mr. MAHON. Mr. Chairman, the distinguished gentleman from Pennsylvania (Mr. FLOOD) who works intimately with this program would be able to respond to the question of the gentleman.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, I thank the gentleman. I would be glad to respond.

Very frankly and very happily, I say that the answer is yes.

Mr. PERKINS. Mr. Chairman, will the gentleman answer this further question: The committee has put in here $1.016 billion. Has this been for the purpose of forward funding of the program for fiscal year 1978 so that these slots under title II can be not only maintained during fiscal year 1978 but increased by another 25,000 slots during fiscal year 1978?

Mr. FLOOD. Again, Mr. Chairman, the answer is yes.

Mr. PERKINS. Mr. Chairman, I have one further question.

For title VI programs, the committee has recommended, as I understand it, a total of $6.847 billion for fiscal years 1977 and 1978. This will enable us to increase the number of title VI slots from the present level of 260,000 to 500,000 by September 30, 1977; is that correct?

Mr. FLOOD. That is correct, yes.

Mr. PERKINS. And it will enable us to increase that level to 600,000 slots during the fiscal year 1978?

Mr. FLOOD. That is correct.

Mr. PERKINS. Mr. Chairman, I thank the gentleman very much.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, I appreciate the gentleman's yielding.

In title I of the bill there is an additional $95 million for the National Aeronautics and Space Administration, and I would like to make an inquiry of the distinguished chairman of that subcommittee, the gentleman from Massachusetts (Mr. BOLAND).

In the committee report, on page 13, there is reference to those funds being used to advance the production of the Third Space Shuttle Orbiter from fiscal year 1978 to fiscal year 1977. I am inquiring of the gentleman, since that money is to be used for Orbiter 103, may some

of the money also be used in an appropriate manner to refurbish Orbiters 101 and 102 as well as advancing the Orbiter 103 program?

I was wondering if the gentleman intended to not limit this to just the one orbiter, but if the money could be used on either one of the other two, and if it would be possible to do that?

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, the answer to the gentleman's question is that we are not limiting it only to advancing the third orbiter. A limited amount of money within the $95 million provided for advancing the third orbiter from fiscal year 1978 to 1977 can be used for refurbishment of orbiters 101 and 102.

So the answer to the gentleman's question is yes.

Mr. FUQUA. Mr. Chairman, I appreciate the clarification, and I thank the gentleman for yielding.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the distinguished chairman of the Subcommittee on State, Justice, Commerce, and the Judiciary.

Mr. SLACK. Mr. Chairman, the committee recommends an additional $4 billion for fiscal year 1977 for the local public works program, administered by the Economic Development Administration in the Department of Commerce. In addition, we recommend that of the total amount provided, up to $15 million may be used for administrative expenses.

Although the budget estimate contained in House Document No. 95–85 was for an additional $2 billion for fiscal year 1977 and $2 billion for fiscal year 1978, the provision of the entire $4 billion during fiscal year 1977 is consistent with the authorizing legislation. H.R. 11, which passed the House on February 24.

While some 1,988 projects with a total value of about $2 billion were funded under the initial appropriation of $2 billion provided in fiscal year 1977, some 20,000 project applications with a total value of approximately $18 billion remain unfunded.

In closing, I would add that the $15 million provided for administrative expenses is less than one-half of 1 percent of the total amount appropriated.

Mr. MAHON. Mr. Chairman, I have no further requests for time at this moment.

Mr. CEDERBERG. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I can understand the timid enthusiasm that my chairman has for this bill. I have listened to his remarks as he was giving us dire predictions about increasing the national debt, and as he was talking about his other concerns, but saying that he was going to support it.

Mr. Chairman, I want to say that I share the same concerns that my chairman has; and for this reason, I cannot support the bill, in good conscience.

The funds requested here under this first major appropriation bill of the Carter administration are phenomenal. All during the campaign last year he made this statement, and I will read what President Carter said:

> I have set a goal for myself which I intend to meet—that before my Administration is over, the budget of the United States will be balanced.

Here we are today with the first appropriation bill which is the largest supplemental appropriation since World War II.

Mr. Chairman, today we are considering a bill of $22.6 billion. Tomorrow we consider a supplemental in the amount of $27.9 billion. That is a total of $50.5 billion, and we can add another $1.5 billion there for contract authority, transfers, increases in limitations, and so forth.

However, Mr. Chairman and Members of the House, that is just for openers. Today I understand that we are going to have amendments to increase it by $700 million more.

It is rather amazing how this bill has been put together. There have been practically no authorizations for most of it. We had to go to the Committee on Rules to get the authority to bring those unauthorized appropriations to the floor.

I guess we cannot claim human rights for the minority; but there ought to be some minority rights. I got a call from my chairman at about 5 o'clock one evening about having a full appropriation bill at 10 o'clock the next morning. In his concerned way, he said to me:

> I have just been advised—I have been called into the inner sanctum—that they want to raise this $250 million in countercyclical aid to $900 million or so.

We had made real progress. They were only going to raise it to $632 million. There were no hearings.

At 9 o'clock the next morning the subcommittee was called together. At 9:30 o'clock we go into full committee and put the rubberstamp on it.

Just yesterday my chairman tells me that he was being called to put almost another $1 billion on it. I guess maybe only $700 million of that may be today; the rest we will get tomorrow.

Mr. Chairman, there was no consultation with the minority at all; no hearings; nothing.

The amendments will be here this afternoon for $700 million more.

Mr. Chairman, I will tell the Members of the House that that is not the way to run this House. We are going to have to increase the debt limit here before long. I am one who has usually gone along with increasing the debt limit, because I am well aware of the consequences if it is not increased; but it is almost beginning to look as though some of us are going to have to oppose increasing the debt limit only as a method of expressing our concern about what is going on around here.

Mr. Chairman, I listened to the President. He said:

> We are going to cut down the number of Federal employees.

Are we? We have 1,021 in this bill just to administer these programs—all new employees. Why do they not use what they have? I know it is a little difficult to do that when we are spreading around that many billions of dollars.

Mr. Chairman, if money were the answer to solving some of these economic problems, they would have been solved a long time ago, because we have been spending billions and billions of dollars, and the problem gets more difficult all the time.

Mr. Chairman, it seems to me that we ought to start to take a new approach. Why do we not put some of this money into permanent reduction of the income tax for the average man who is struggling out there trying to make ends meet for his family? Yes, we are going to give them all $50. That will not go very far. We ought to have a permanent income tax reduction for those in that middle-income tax bracket who are trying to raise their families and send their children to schools and to colleges and so forth.

No, Mr. Chairman, we would rather do it this way, a way that has not worked before and that, I predict, will not work now.

We on the minority side do not have too many votes. Maybe the politically popular thing would be to go along for the ride. No. As a matter of fact, I almost had the feeling that maybe the thing to do would be to increase it a little more.

Why not?

Further, I would say that if any of the Members have any amendments that might be in order, then now is the time to get them in. Get them in right now.

Well, here we are with the biggest supplemental we have had.

Remember the Budget Act. I served on the committee that helped put the Budget Act together. One of the things that we had a little celebration about in our full committee was that there would be no more supplementals after the Budget Act. That was going to be the end of the supplementals. Well, Mr. Speaker, we have not yet seen or heard the end of them since. Not only have we had more supplementals, we have bigger supplementals.

Somone asked me whether this is within the budget target of the Budget Committee, the Budget Control Act. There is one thing in the Budget Control Act that is not in it and that is control of the budget. There is no control of the budget in the Budget Control Act. All they do is increase the amount of money. So that all anybody has to do is to come in with more money. Then they ask, Is that within the ceiling? Well, we were going to break the ceiling, like I said, so they called the Budget Committee together and raised the ceiling.

That was never the intention of the Budget Act. But I do not know what we can do about it, especially those of us in

the minority. We do not have many votes. They do not consult with us. I am hoping some day the taxpayers may get the message.

Mr. PERKINS. Mr. Chairman, the bill we are considering today contains several supplemental appropriation items for employment programs within the jurisdiction of the Committee on Education and Labor.

I want to comment on them briefly, but before I do I want to commend the distinguished chairman of the committee, Mr. MAHON, and the distinguished chairman of the Labor-HEW Subcommittee, Mr. FLOOD, for the sympathetic and realistic approach they have taken in this bill in attempting to do something about our Nation's terrible unemployment problem.

Their approach has been to build on and expand the good programs we already have on the books, most notably the Comprehensive Employment and Training Act, which we all know of as CETA.

They have also significantly expanded public works programs within the jurisdiction of the Committee on Public Works and Transportation, and I want to say that I heartily support the expansions in those programs.

As you know, CETA contains two separate titles authorizing public service employment programs. Title II is designed to deal with structural unemployment problems, in areas where unemployment is running at a level of 6.5 percent or higher. Title VI is designed as a countercyclical program, when the entire country, as is the case now, is suffering from high unemployment.

For title II programs, the committee has recommended an additional $124 million for fiscal year 1977, to expand that program from its present level of 50,000 public service employment slots, to 100,000 slots by September 30, 1977, the end of this fiscal year.

The committee has then forward-funded for fiscal year 1978 an additional $1.016 billion, so that these slots can be not only maintained during fiscal 1978, but increased to 125,000 slots during fiscal 1978.

I want to commend the committee for this concept of forward-funding. Our prime sponsors are not going to have to wait until the last minute to find out what their allocation will be for the next fiscal year. They can intelligently plan ahead and manage their funds more effectively, if they know what will be available to them several months in advance. I compliment the chairman of the subcommittee. Mr. FLOOD, for recommending this concept and including it in this bill.

For title VI programs, the committee has recommended a total of $6.847 billion for fiscal years 1977 and 1978. This will enable us to increase the number of title VI slots from the present level of 260,000 to 500,000 by September 30, 1977, and to increase that level to 600,000 slots during 1978. Again, the committee has has provided for forward-funding of title VI funds for fiscal year 1978.

The committee has recommended a number of new programs under title III of CETA.

One billion dollars is provided for a new youth employment and training program, including Rural and Urban Youth Service Corps.

Another $250 million is provided for a new skill training improvement program. This program is intended primarily for retraining permanently displaced workers.

One hundred and twenty million dollars is provided for a program known as HIRE, aimed at persuading large corporations to hire disabled young veterans.

Sixty-eight million dollars is provided to substantially increase the size of the Job Corps, which I believe is one of the finest programs we have available for training young people.

Finally, an additional $59.4 million is added for community service employment programs for older Americans, and the committee has directed the Secretary to allocate $60 million in available discretionary funds for programs aimed at migrants, Indians, veterans, and apprenticeship training.

The President's message to the Congress of March 9 indicates that the administration is considering further refinements in its stimulus package as it relates to employment and training programs. We stand ready to cooperate with the new administration in working out further changes that will benefit all of our citizens.

Let me conclude by congratulating my distinguished colleague and friend of many years, the chairman of the Labor-HEW Subcommittee, Mr. FLOOD. He has a deep understanding of the authorizing legislation we are dealing with here today, and a great compassion for those who have been thrown out of work, and those who need training in order to enter our labor force on a competitive basis.

I believe the committee has presented the House with a well-balanced bill, and I urge my colleagues to support it.

Mr. MAHON. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Speaker, it is with some trepidation that I direct a question to one part of the committee report on page 18, that deals with $10½ million for a senior citizen program. I had an opportunity on Sunday to visit one of the programs that will be funded and thereby continued under this supplemental. The program provides for neighborhood senior citizen centers to be staffed by senior citizens. The project not only supplements their average income, but it also allows the town to keep the centers open on Sundays and holidays. This is one very good example of where the money we are appropriating makes a great deal of difference to individuals and their lives. It would be my hope, Mr. Chairman, that the Secretary of Labor does follow the committee's directive.

At this point I will place into the RECORD a modest petition on behalf of the senior citizens who would like to see this supplemental passed and this funding continued.

TOWN OF ISLIP, DEPARTMENT OF HUMAN RESOURCES

MARCH 3, 1977.

To: THOMAS DOWNEY, Congressman.
From: Senior Citizens Clubs, Clayton St. C.I.
Re: Discontinuance of Recreational Workers 21. No. 1 Sponsored by AARP and NRTA National Level, title No. 10, Administration on Aging:

Signed by M. KAVANAGH and 116 others.

The above signatures feel that the following employees Hazel Treadwell, Ben Stats, Jane Penny, Bertha Rivera, and Rose Modugno are very essential to the Seniors who participate at the Clayton Street Center, C.I.

Mr. MAHON. Mr. Chairman, I yield myself one-half minute.

Mr. Chairman, I would like to say to the gentleman from New York that I, likewise, have visited these centers for the elderly, and indeed it is a great thing that is being done in many areas of the country. It means a lot. I think all of the Members who are familiar with the program support the program.

I thank the gentleman from New York for bringing the subject up.

Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. BOLAND), the chairman of the subcommittee having to do with housing and urban development.

Mr. BOLAND. Mr. Chairman, I do not approach this matter with temerity nor do I approach it with furiosity, I merely approach it with a little bit of logic and reason, and I hope compromise.

Chapter I of the economic stimulus bill contains three appropriations which total $5,718,585,000. The first item, Mr. Chairman, provides $4,991,085,000 to fund regular general revenue sharing payments for the entitlement period beginning January 1 of this year and ending September 30 of this year. As the Members well know, under the general revenue sharing program some 39,000 units of general purpose governments are eligible to receive funds and will receive funds under this appropriation. Before the revenue sharing program was extended last fall—it was extended for 3¾ years as of January 1 of this year—these funds were provided through a permanent appropriation. However, in compliance with the Budget Act, the legislation renewing the program requires an annual appropriation of the entitlement funds. Although it is not part of the economic stimulus package, we are recommending funds in this bill to insure that the moneys will be available for the next quarter's payment which must be made by April 5. This is a mandatory appropriation for the payment of entitlement funds, and it is essential that it be available in the next 3 weeks. That is the reason why we have included this item in the bill.

The next item includes $632,500,000 for

the antirecession financial assistance program, the countercyclical revenue sharing program that was a part of the Public Works Employment Act of 1976, title II. This program, as the membership knows, provides quarterly payments to State and local governments to help maintain basic services during periods of economic recession which reduce local tax receipts.

Last year in the Public Works Employment Appropriations Act this committee, and the full committee, provided $1,250,000,000 for that particular title. That was the total amount of the authorization, the full amount, and it was anticipated that the program would expire at the end of this fiscal year.

The supplemental request of $925 million would have provided for higher payments in the fourth and fifth quarters but the committee decided to fund the fourth and fifth quarters under the old formula. That is what we did in the original markup. Subsequently we were asked by the administration and by the leadership to include additional funds for the antirecession financial assistance program to permit a change in the formula. This committee decided that we would fund the fourth quarter at the present formula and that we would fund the fifth quarter at the new formula, provided that the Committee on Government Operations—the committee that has jurisdiction in this area—approves legislation which would authorize the new formula. So we do provide in this bill $632.5 million for the fifth quarter payment. That $632.5 million, when added to the $62.5 million that will be available after the fourth quarter payment, will bring the total available for the fifth quarter payment to $695 million. But the amount of money which would be spent under the new formula will not be spent and cannot be spent until there is an authorization by the Committee on Government Operations. So the most that could be spent would be $250 million, absent an authorization from the Committee on Government Operations for the new formula.

Mr. Chairman, the committee is also recommending advancing $95 million from fiscal year 1978 to 1977 for production of the third space shuttle orbiter. The third orbiter was originally scheduled for initial funding in 1977. Last year's budget proposed a 1-year delay in the program, and while the 1978 request does include funding for the third, fourth, and fifth orbiters, in order to keep people on the job we have advanced funding for the third orbiter from 1978 to 1977.

The reason we did this in the job stimulus bill is to be sure that some 14,000 jobs in 35 States throughout the country would be saved in this fiscal year. That is the reason for the $95 million being advanced from 1978 to 1977 in this bill.

Finally, Mr. Chairman, at the proper time I will offer a committee amendment to add $300 million for the EPA's section 206(a) waste water treatment reimbursement program. This program is authorized and the Congress has appropriated $2.1 billion for reimbursement to the local communities under this program. In our judgment there is not only a moral commitment but there is also a legal commitment to reimburse those communities that initiated waste water treatment plants between the years 1966 and 1972. Those communities that built waste water treatment plants between 1966 and 1972 had the promise held out to them that the Federal Government would reimburse them up to 55 percent of the moneys that they expended for this purpose. That is what we are doing in this bill by providing $300 million—making the reimbursement whole under the section 206(a) program.

Mr. COUGHLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, I half-heartedly support this bill in its present form, but I do so with mixed emotions, because while the measure contains a number of elements that could be helpful in dealing with our unemployment problem, particularly long-term, structural unemployment, it provides substantial funding for programs of dubious value in dealing with this problem, particularly from a cost-effectiveness standpoint.

The most glaring example of the latter is the $4 billion included in the bill for public works construction projects. According to the House Budget Committee, this amount will create only an additional 160,000 man-year jobs, both direct and indirect, at a staggering cost of $25,000 per job.

This is a far cry from the claims of proponents of this approach that it would create upwards of 400,000 to 600,000 jobs. It might create this number of jobs if you count jobs of 3 days' duration, or a week's duration, or a month's duration, as is typical for jobs on a construction project, but a more straightforward count shows that the actual total is far less on a yearly basis.

In addition, many of these jobs are not likely to come on board until 18 months to 2 years from now when the needs may not be the same and the effect will be to further stimulate inflationary pressures.

There is little justification for including $632 million for antirecession financial assistance to States and localities, particularly in view of the committee's own admission in the original version of this report that "very little information on the beneficial effects of this program is available." The House Budget Committee estimates that the cost of each job financed by this program is $25,000, and even then, there is no indication that the jobs would not be funded anyway.

The cost of the 425,000 public service jobs added in this bill, on the other hand, is $8,300 annually per job. Most of the public service jobs will be funded under CETA title VI, which is aimed at those areas with an unemployment rate of 4.5 percent or more for 3 consecutive months.

The law adopted last year extending title VI made some significant changes which, if effectively administered, should enable this program to more effectively zero in on the long-term unemployed and substantially reduce the high substitution problem which has plagued this program in the past.

Basically, the new law requires that new public service jobs go only to those who have been unemployed for 15 or more weeks or to welfare recipients. It further requires that an individual have a family income of less than $6,700 on a national average in order to be eligible for a PSE job, and that the new jobs be part of a project of no more than 12 months duration and which involves jobs not normally funded by local communities.

There are several elements, however, which are potentially troublesome. One has to do with the tremendous amount of paperwork which is required of localities in administering the CETA program. I hope that with this great expansion of the program, the Carter administration will also act to ease this burden.

The other element relates to the wages which can be paid to public service jobholders. There is currently a ceiling of $10,000 per job annually, which I think is too high because it would not provide sufficient incentive to the PSE jobholders to treat these jobs as transitory in nature and continually look for more permanent employment.

When one realizes that only 24 percent of the PSE jobholders end up on other jobs when they leave their PSE jobs, it is evident that this is a serious problem, because we want to avoid as much as possible having people simply stay in their PSE job until it expires, and then go back into the unemployment rolls.

According to figures from the Labor Department, some 23 percent of the public service jobs pay over $7,500 annually in wages, and some 39 percent pay over $6,700. So, while we are talking about a minority of the public service jobholders, we are talking about a significant number who may be finding their wages so satisfying they do not seek other work.

It should also be noted that 13 million Americans currently working full time on a year-round basis earn less than $7,000 annually, an additional 7.6 million working full time for 27 to 49 weeks earn less than $7,000. It is clearly unfair to these people, who are not eligible for public service jobs, to have their taxes used to pay a substantial number of public service jobholders at higher wage rates.

The converse is that public service jobholders are not likely to seek some of these other jobs in the private sector if their PSE wages are higher than the rates in the other jobs.

I had toyed with the idea of offering an amendment to this bill reducing the wage ceiling, but decided to wait until the authorizing bill comes up, because of the rather complicated nature of the issue.

A total of of $1.5 billion in the bill will

go for various training programs, including $1 billion for youth programs. I am quite concerned about the youth money, because the programs do not appear to be very well structured. It appears as though there was a great desire to do something about youth unemployment, but very litle conception of what to do, so the money was simply thrown into a mixmash of pursuits. There appears to be considerable emphasis on teaching basic skills, which should be the responsibility of our school system, and putting youth to work in conservation centers, but very little emphasis on the actual job training necessary to enable them to qualify for jobs in the private sector.

Some of the other programs we are funding, however, appear to be more potentially beneficial; $250 million is included for a new skill training improvement program, which is designed to upgrade the quality of skill training in close cooperation with private industry. Prime sponsors would administer the program, but they would be funded on the basis of project applications or proposals submitted to the Labor Department.

The proposals will have to be endorsed by a private sector oversight committee, which will be composed of representatives of the community's industry. This committee is to be fully invoved in identifying types of occupations where training, is needed, in reviewing or arranging for on-the-job training, and assisting in the placement of program graduates. The intent is that training be in occupations requiring significant and recognized skill levels, such as technicians, repair work, and paraprofessional occupations.

In my view, this is the direction our training programs ought to be headed, with close working cooperation with private industry, and with training geared to actual skills needed and jobs available.

Another program, called HIRE, funded at a level of $120 million, will essentially provide stipends to employers to hire and train young veterans. the participating employers will be selected by the Labor Department on the basis of proposals submitted on a first-come, first-serve basis. The plan is to use only large firms that operate on a multiregional basis.

The bill also includes funds to double the size of the Job Corps and to expand the apprenticeship program, two programs which have pretty good rates of matching skills with jobs.

A small item in the bill, for which I take personal responsibility is $500,000 to enable the Bureau of Labor Statistics to undertake the development of a job vacancy survey. Our full Appropriations Committee added the items to the bill as a result of my amendment to the subcommittees recommendations. We have very little information available at present on jobs available but unfilled in this country, but we need such information if we are to effectively determine where to direct our job training. We also need it to enable the Employment Service to do a better job of referring the unemployed to job openings, and to give us a better idea of what the real job creation needs are.

This survey will enable us to fill this important informational gap.

It will be similar to the current unemployment statistics in that information will be provided on a monthly basis. The statistics will also be broken down according to job vacancies by region and job vacancies by occupation.

The Bureau of Labor Statistics indicates it will take about 2 years to develop the mechanics before the survey can be undertaken, so the money has been included in this bill to get BLS started on this effort without further delay.

In conclusion, Mr. Chairman, I hope this bill will enable us to make some progress on the unemployment front, but it should not be thought of as any great panacea, and certainly in several instances does not represent the most prudent use of tax dollars. It is a short-term measure that does not focus on the long-term aspects of unemployment, a problem which we must begin to address in the not too distant future.

And finally Mr. Chairman, if these are amendments adopted to increase this measure over the budget I will have to vote against it.

Mr. MAHON. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Chairman, the stated purpose of the Economic Stimulus Appropriations Act of 1977 is to provide meaningful jobs for unemployed Americans and to stimulate the private sector. Few of us would argue with those goals. The committee has honestly and admirably recognized that the programs put forth in the bill are not cure-alls for the serious and complex economic problems we face. However, the bill has obvious shortcomings which I shall discuss.

Obviously a lot of work has gone into the bill. The committee has worked hard. Although the stated goals of the bill are commendable, even the most commendable goals must be weighed against the cost and effectiveness of the bill. With the passage of the bill, we incur an immediate tax burden to be paid by today's citizens, and there are long-term tax costs which will have to be borne by future generations. The bill provides for $22,599,419,000 in new budget authority which the committee hopefully figures will create 1 million new jobs. Only in recent years have we blithely juggled figures like these. Viewed in the context of the jobs to be created, the direct cost of the bill will be a staggering $22,599.42 per job. On the plus side, the spending of this much money will create many other jobs through the multiplier effect. We can agree nevertheless, that it is well to understand just how expensive this bill will be in terms of effecting its stated goals.

The committee's report—No. 95–66—contains a statement on the inflationary impact of H.R. 4876 about which the committee is rightfully concerned. However, the report then goes on to make two incredible statements to wit:

(1) It is important to note that Federal spending is not by definition inflationary . . . (page 9, para. 3).

(2) Estimates have been on President Carter's economic package which indicate that there would be no inflationary impact in FY 1978 . . ." Although later noting that ". . . these are very imprecise estimates . . . (page 9, para 4).

Obviously, the spending of $22.6 billion in a short term will be inflationary. This is especially so when one considers that it is now estimated that our Government will borrow from our productive citizens $73 billion this year and $65.8 billion in 1978. Whether the inflationary spending of H.R. 4876 coupled with the heaping of another $138 billion on the ever-increasing deficit is an acceptable trade off for the jobs and economic stimulus that are, in theory, to be produced by the bill is a question that should be seriously considered by this body and by the administration. No one has attempted to tell us the extent of the effect the impact of the bill will have on future unemployment and inflationary problems.

We recall very painfully the difficulties encountered, because of faulty guidelines, bureaucratic redtape and regulation created havoc in the application and administration of the comparatively small jobs program recently enacted by Congress. The programs which were made possible have been delayed and their application has been to very limited areas. Too much of the Nation was completely ignored in the distribution of project, we can only hope this situation will not recur in the new program.

I am seriously disturbed by the fact that H.R. 4876 provides approval for blank check spending. This is something new in the House of Representatives. The House has carefully guarded its prerogatives determining exactly where money is to be spent and for what programs. It has wanted careful accounting of appropriated funds in advance of spending, not at some future date and probably as a result of investigations into what happened to the taxpayer's money. Blank check spending is a dangerous adventure which is unnecessary.

We realize that we have to go one more time to the well. We have to prime the pump again. I am afraid we do it with less faith than in times past. To do it without proper authorization, as will be the case in some areas in this bill, will be a new adventure in fiscal irresponsibility.

It had been my hope that the private sector of the economy could be induced to accept greater participation in solving unemployment through tax incentives of other acceptable programs. This would achieve a desirable purpose of putting the worker directly into the private sector and this, after all, should be our goal in all Federal spending programs.

The bill has some desirable provisions such as job and skill training in cooperation with private industry. This is at least a step in the right direction. Still others such as public service employment have annual compensation at such a rate—up to $10,000—that, in many areas of the country, would create an incentive for many individuals to want to stay with the program instead of seeking employment in the private sector.

Some action now is necessary. We are given no choice except the bill now before us. It is inflationary; it will add to the

burden of an ever-increasing deficit. We had hoped it would offer new, creative ideas to the problems of unemployment. I am very disturbed that the bill in reality falls back on the deception that free spending Washington liberals have visited on our people for 40 years; namely, that we can spend ourselves into economic recovery, provided we are willing to spend long enough and hard enough.

Mr. COUGHLIN. Mr. Chairman, I yield 8 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I rise in support of this bill to provide economic stimulus appropriations. Today, high rates of unemployment continue to be a serious national economic problem. Besides the human tragedy of unemployment, the Federal Government is losing billions of dollars in foregone tax revenues and is having to spend additional billions in various income support programs for the unemployed.

Because of the present economic situation, it is important to continue Federal economic stimulus efforts and to increase them in certain areas. This bill provides for a continuation along with substantial increases in public service jobs, public works projects, and antirecession financial assistance. These measures are essential if the present high rate of unemployment is to be reduced in the near future.

The bill which was reported from committee contains over $20.7 billion in new budget authority. Estimates indicate that nearly 1 million jobs will be directly created by the funds in this bill, along with a considerable number of other jobs created by the multiplier effects of the funds in this bill.

Highlights of this bill include $4 billion for the acceleration of local public works projects. My colleagues will recall that this is in addition to the $2 billion which was provided for local public works so far this year.

While some 1,988 projects with a total value of over $1.9 billion were funded under the initial $2 billion provided by the Congress, some 20,000 project applications with a total value of approximately $18 billion remain unfunded, and they are ready to go.

The supplemental appropriations of $4 billion provided in this bill should permit the funding of a significant number of these projects which will provide additional employment opportunities through the rapid construction of useful public works and development facilities in distressed areas.

The bill also includes $1 billion to establish a new youth employment and training program. This program will be directed toward the unemployed young people between the ages of 16 and 21 and will include both an Urban Youth Service Corps and a Rural Youth Service Corps. Young people will be employed and receive training in conservation centers where the activities will be primarily directed to the conservation, development, or management of public parks, forests, and recreational areas. It is estimated that the youth program will include 72,000 employment and training slots by the end of fiscal year 1977 and 154,000 jobs by the end of 1978.

As the cosponsor of legislation to create a Young Adult Conservation Corps, I am pleased to see the problems of youth unemployment finally receiving the attention they deserve here on the House floor.

I am hopeful that the legislation that I proposed with the gentleman from Washington (Mr. MEEDS) to expand this program to those up through age 25 will pass because that is where serious unemployment problems remain. The chairman of the Committee on Appropriations, the gentleman from Texas (Mr. MAHON), was right when he said this was a popular program. It was.

When I think of all the programs during the depression, Mr. Chairman, I believe the old CCC, the Civilian Conservation Corps, was one of the most fruitful of all the Roosevelt programs. Today we can see the lasting effects of those programs in my own district, in forests, in campsites, in picnic areas, and in areas of reforestation. I hope that this will be tailored after that program, and I am sure it will not only take people off the welfare rolls and off unemployment rolls, but it will give them the opportunity to do constructive work.

I hope this will be expanded to allow them to put up quonset huts with shops so that they may learn a trade. This will teach the boys and the girls how to accomplish things and give them training right there in the forests so that when they go back to the city they will have a useful trade in which they can seek employment.

This bill also includes $59.4 million for community service employment for older Americans. This amount will provide an additional 14,800 part-time jobs for low-income older workers over the level of 22,600 jobs approved by the Congress in the regular appropriations bill for 1977. This program represents a significant benefit for our older citizens who depend upon this part-time employment program to supplement their fixed incomes while providing valuable community service.

Also included in this bill are funds for the acceleration of a variety of transportation projects. These include increased funding for airport development grants, off-system railway-highway crossing projects, and safer off-system highways.

When we get into the amendment stage, I may offer an amendment to increase the amount of this bill by another $50 million for section 505 of the Railroad Revitalization Act of 1976 for our railroads which desperately need this money to rebuild their roadbeds, especially in the Northeast part of our country.

Mr. Chairman, the funds in this bill are generally designed to provide much needed economic stimulus. I believe that they will significantly assist our people and our Nation to pull out of the recession which has continued to plague us. I urge the adoption of this worthwhile piece of legislation.

Mr. MAHON. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I rise in support of H.R. 4876, the economic stimulus appropriations bill for fiscal year 1977, and the amendments to be offered by the committee later this afternoon.

These amendments would restore certain portions of the economic stimulus package agreed to by the House and Senate in the third budget resolution for fiscal year 1977 adopted on March 3. I want to commend the chairman of the Appropriations Committee, the gentleman from Texas (Mr. MAHON) and the various subcommittee chairmen for their willingness to offer these amendments in order that the economic stimulus package we have agreed upon can be promptly implemented.

It should be clear to Members of the House that the third budget resolution presented the Congress with a highly unusual situation. It was made necessary by the need—recognized by all—to provide stimulus to the economy.

The Budget Committee began with the President's stimulus proposals. However, nearly every witness appearing before our committee stated that the President's proposals could not achieve his goal of reducing unemployment to about 6.8 percent by the end of 1977.

Consequently, both the House and Senate added certain stimulus proposals to assure that the President's economic goals were met. These additional proposals were approved by substantial margins in the third budget resolution.

The amendments to be offered today make our appropriations actions consistent with the overall level of economic stimulus called for in the third budget resolution. I urge their adoption, and once again commend the Appropriations Committee for its responsiveness to the needs of the economy as expressed through our budget process.

Mr. FOUNTAIN. Mr. Chairman, in addition to some of my own personal concerns about this legislation and the amount of money, the total amount involved, I feel that I have a responsibility as chairman of the Subcommittee on Intergovernmental Relations and Human Resources of the Committee on Government Operations to bring certain facts to the attention of the Members with respect to title II in this legislation.

Mr. Chairman, the Economic Stimulus Appropriations Act for 1977 would provide an additional $632.5 million in antirecession assistance to State and local governments under title II of the Public Works Employment Act of 1976.

I think it very important that we understand the origin and nature of this program. Title II came before us last year in a conference report as a Senate amendment to the House-passed public works employment bill. No House hearings were held on this program which authorized $1.5 billion of temporary, emergency assistance to help State and local governments impacted by the recession to maintain their basic services.

Title II was accepted by the House as a 15-month program because our conferees insisted that the public works employment bill could not be enacted without this concession to the Senate.

As part of his economic stimulus package, President Carter has recommended extending the title II program beyond its present expiration date of September 30, 1977, with substantially increased funding.

I am pleased to report that the Intergovernmental Relations and Human Resources Subcommittee, which I chair, is actively considering this legislation. Several hearings have already been held this month by the subcommittee, in which we have obtained some very essential information for evaluating the title II program and hopefully for designing a rational economic stimulus measure.

Mr. Chairman, I would like to share with the Members of this House, of this committee, some of the facts which have already been brought to our attention.

First, title II is not a jobs program since the money can be spent for any purpose relating to the maintenance of basic services. Further, like the revenue sharing program we renewed last year, and for which provision is made of over $4 billion in this bill under the entitlement program, title II funds may also be used to reduce State and local taxes. Of course, to the extent that tax reductions benefit individuals who will save, rather than spend the money involved, the very opposite of economic stimulation will result.

Second, as presently constituted, title II is not an economic stimulus program. The only reliable information available on the actual use of title II money is from a field investigation being conducted by the General Accounting Office to determine the impact of these funds. As of 1 month ago, the GAO had visited 21 recipient governments, constituting a representative sample of States, cities, and counties. Of the six State governments studied, not one has yet spent a dime of the funds they have been receiving since last July. While half of these States have appropriated some funds, no money has yet been spent. The picture is somewhat better for the 10 large cities included in the GAO survey. Four of the 10 cities have spent some of their title II allocations. Similarly, two of the five counties examined have spent some title II funds.

If these findings hold true for the remaining governmental units in the GAO study, then most recipients are putting their title II money into savings accounts rather than spending it to stimulate the economy. You may have heard that a Senate subcommittee questionnaire found the title II funds being used for a variety of program purposes. However, what you have not been told about that survey is that it asked recipients only how they planned to use the money—not how or whether the funds were spent.

The GAO findings are not unexpected, if we examine the provisions of title II. Since these funds must be spent in accordance with the laws and procedures applicable to the expenditure of each government's own revenues, delays are inevitable until the legislative bodies can meet to decide on their disposition. In addition, local and State governments cannot plan ahead to include title II funds in their budgets, as they do revenue sharing, because payments are geared to fluctuating unemployment rates. In many instances, payments are turned on and off like a water faucet when a government's 3-month average rate, or final month unemployment rate, falls below 4.5 percent.

A third and even more serious problem is that the unemployment rates used to determine who receives money and how much are highly unreliable and of questionable appropriateness in a program of this kind.

We simply do not have acceptable unemployment figures below the State level, except for some very large communities. The Commissioner of Labor Statistics informed the subcommittee that when unemployment rates are assigned to communities of less than 50,000 population, the Bureau of Labor Statistics worries whether the rates are any better than random numbers. Yet, it is these arbitrary, concocted numbers that determine which of our local communities receive title II funds and the amount of that assistance.

The unemployment rates estimated for large, central cities do have greater reliability. However, the very high rates for many of our older, central cities reflect conditions of long-term decline resulting from a continuing loss of jobs and revenue base, rather than the temporary effects of an economic downturn. Prior to the 1974–75 recession, for example, the unemployment rate was above 6 percent for such cities as Cleveland, Philadelphia, Washington, D.C., New York, and Los Angeles, and above 10 percent for San Francisco and Detroit. The BLS, it should be noted, has unemployment rate estimates only for a dozen or so central cities earlier than 1974. Our troubled central cities need help, but an anti-recession assistance program is not the solution for their special problems.

In most areas of the country, the current 7.5-percent national rate of unemployment is more than outweighed by the continued growth in the number of persons holding jobs—which is now at an all-time high. Obviously, the number of people employed must be considered in addition to the number of unemployed in judging a State or local government's fiscal condition.

In testifying before our subcommittee, the Commissioner of Labor Statistics gave this explanation for the apparent contradiction of high unemployment occurring simultaneously with the record growth in employment. Current unemployment rates represent the changing structure of the labor market as an increasing proportion of women, many of them available for part-time work, look for jobs to augment their family income. Also reflected in the unemployment figure is the relatively large number of young people born in the baby boom of the 1950's who are entering the labor market for the first time. While we should do everything possible to provide enough jobs for a growing work force, title II is not intended to address his problem.

To appreciate how arbitrary and capricious the title II formula is, let me direct your attention to those State governments which received no payments whatever last January simply because their estimated unemployment rates slipped below the meaningless 4.5-percent cutoff point during the third quarter of 1976. These States include Iowa, Kansas, Wyoming, South Dakota, North Dakota, and New Hampshire. I believe most of these States were eliminated from the program only because unemployment tends to be underestimated in rural States due to the way the rates are estimated. This is not a sound way to allocate Federal funds.

Unfortunately, the legislation proposed by the administration would not correct these inequities. By making the program's disbursements ever more sensitive to the unemployment rate, the administration bill would actually magnify the problem.

If it is the decision of the House to appropriate increased funding for needy State and local governments as a means of stimulating the national economy, I am confident that the Government Operations Committee can and will devise appropriate and equitable legislation for this purpose well before the May 15 budget deadline. The increased payments could then be made beginning with the July quarter. I want to assure my colleagues that the subcommittee is presently working full speed on this matter.

In summary, in its present form the title II program is not a job program, it is not stimulating the economy to the extent that assisance paymens are being put in bank accounts, and it produces a highly erratic and unfair distribution of funds by relying on unreliable and inappropriate unemployment rates in its formula.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COUGHLIN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, a very substantial part of this economic stimulus appropriation was in the HUD-Independent Agencies Subcommittee. I might say that under the distinguished chairmanship of the gentleman from Massachusetts (Mr. BOLAND), that subcommittee worked very hard on this and eventually arrived at unanimous agreement as to the amount that should be included in this appropriations bill. However, that agreement which had pertained was changed. I take this time, Mr. Chairman, to say that at the appropriate time I will offer an amendment to reduce the funding for the Antirecessional Financial Assistance Fund from $632.5 million to the original sum recommended by the subcommittee of $250 million.

Mr. Chairman, the original $250 million which was unanimously agreed upon by the subcommittee fully funds the program, through the authorized period, at the current formula level. It was adopted unanimously by the subcommittee. Then a funny thing happened on the way to the Speaker's office. This Member was called at 5 o'clock one evening by the distinguished chairman of the subcommittee and told that at 9 o'clock the next morning we would remarkup the subcommittee portion of the bill in order to appear before the full committee at 9:30 in the morning. All of this was to allow for a new formula for the distribution of the countercyclical aid, the antirecessional aid, that had been proposed by the administration.

What does this new formula do? Under the existing formula, it provides for quarterly payments equal to $125 million, plus $62.5 million for each one-half of a percentage point that the national unemployment rate exceeds 6 percent. The new formula will provide for quarterly payments equal to $125 million, plus $30 million for each one-tenth of a percentage point that the national unemployment rate exceeds 6 percent. Thus, under the new formula, each one-half percentage point would increase total funding by $150 million as compared to the $62.5 million under the current formula.

Mr. Chairman, I am not opposed to revenue sharing; in fact, I have been a strong supporter of it. I am not opposed to this particular program; in fact, I voted for it last year. However, it has raised serious questions, and I am opposed to this method of increasing the funding under this program.

First of all, the increased amount of funding in the new formula has never been authorized and, in fact, the whole program has never been authorized by any committee of this House of Representatives. It was added in the Senate last year. It has never had hearings before any committee of this House of Representatives, and no matter how we look at it—no matter how we look at it—to approve this funding will be to be holding a hammer over the committee, the authorizing committee, to establish the new formula or some other new formula. We may be sure that they will have to find a way, some way, of spending this money because every community in the country will be looking to them to spend the money.

Mr. Chairman, serious questions have been raised about the effectiveness of this program. As pointed out by the preceding speaker in the well, the gentleman from North Carolina (Mr. FOUNTAIN) there is little evidence that the program stimulates new jobs at all. The fact that there is no restriction on the use of the funds means that we cannot determine whether the funds are being made to create new jobs or simply as temporary aid to the States and cities.

In fact, as pointed out when the General Accounting Office, our auditors, contacted 21 State and local governments that had received $112.7 million as of February 7, only 6 had spent any of the money—only 6 had spent any money—15 had spent none, and none of the communities had spent it all. So, to say that this is helping to stimulate the economy is subject to real, serious question.

Second, there has been little demonstrated correlation between the levels of employment and the ability of local communities to raise revenues. Of the 20,000 communities that have received assistance, according to the Treasury Department 9,000 or almost one-half of all the communities that have received assistance got $1,000 or less. I ask the Members, in a community what is $1,000 going to do to stimulate the economy? For 6,000 of the 20,000 communities got $500 or less.

The communities said that it was hard to determine in advance how much money they were going to get because the amount of unemployment varied and the amounts of the funding varied.

Finally, Mr. Chairman, in this program there is a real danger of dependency. There is a danger that the program might not terminate, as it is supposed to do, when the unemployment drops below 6 percent. According to the General Accounting Office, the uncertainty of the payments is a detriment to spending the money. We know that one thing is certain, when we provide the communities with greater funding under the new formula and unemployment drops below 6 percent, there will be a hue and cry such as we never heard when we want to drop the funding to the communities. Members know we will be right back on the floor of this House to reduce the levels to 5 percent, to 4 percent, and to 3 percent.

I say if we are going to have a larger revenue-sharing program, let us have a larger revenue-sharing program and let us not put it under the guise of this which is really a hoax. We are not proposing to eliminate the funding. It is said the cities need money and they do need money. However, this increase is a snare and a delusion and I would hope that the Members at the appropriate time will support my amendment.

Mr. GIAIMO. Mr. Chairman, as you are aware, the Budget Committee tracks congressional spending actions against the aggregate numbers adopted by Congress in the budget resolution. Each time the Congress adopts a measure which either increases or decreases the margin from the spending ceiling or the revenue floor, a special report is sent to the Speaker and printed in the CONGRESSIONAL RECORD.

The most recent Parliamentarian's report which appears in the CONGRESSIONAL RECORD on March 3, 1977, shows that amounts remaining before breaching the ceiling are $43,572 million in budget authority and $10,359 million in outlays. However, after adjusting for new entitlement authority and the continuing resolution included in these two bills and a technical accounting adjustment for offsetting receipts, the amount remaining will accommodate the two supplemental appropriations.

The bill before us today—the economic stumulus appropriations bill for 1977—would add $22,599 million in budget authority and $11,221 million in outlays. The general spring supplemental which we will consider tomorrow would add $27,925 million in budget authority and the $7,281 million in outlays. These two bills taken together would reduce the amount remaining under the budget ceiling to $7,267 million in budget authority and $3,513 million in outlays.

For the information of the Members, I ask unanimous consent that a table explaining the effect of these adjustments to the budget ceiling be inserted in the RECORD at this point.

Thank you Mr. Chairman.

COMPARISON OF BUDGET SPENDING CEILINGS BEFORE AND AFTER ADOPTION OF THE SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1977

[In millions of dollars]

	Current level [1] (as of Mar. 2, 1977)		Potential current level [2]	
	Budget authority	Outlays	Budget authority	Outlays
1. Enacted	420,150	400,668	420,150	400,668
2. Entitlement authority and other mandatory items requiring further appropriations action	4,435	4,603	284	44
3. Continuing resolution authority	4,791	1,821		
4. Conference agreement ratified by both Houses	−48		−48	
5. H.R. 4876—Economic stimulus supplemental			22,599	11,221
6. H.R. 4877—General spring supplemental			27,925	7,281
7. Technical accounting adjustments for offsetting receipts			−5,277	−5,277
Current level	429,328	407,091	465,633	413,937
Third concurrent resolution	472,900	417,450	472,900	417,450
Amount remaining	43,572	10,359	7,267	3,513

[1] Printed in the Congressional Record on Mar. 3, 1977, pg. H 1705.

[2] Assumes adoption of the 2 supplemental appropriations for fiscal year 1977 as reported by the House Committee on Appropriations.

Mr. ASHBROOK. Mr. Speaker, I urge the defeat of H.R. 4876, the Economic Stimulus Appropriations Act for 1977. Our Nation cannot afford another round of reckless Federal spending in the name of stimulating the economy.

This bill appropriates approximately $22.6 billion in additional Federal spending. Another $22.6 billion will be used to fund more public works projects, more public service jobs and more antirecession assistance.

Advocates of this legislation say that it will help solve the unemployment problem and stimulate the private sector of our economy. Does anyone really believe that more Federal spending is the answer?

Since the early 1960's the Federal budget and the public debt have risen astoundingly. In the 6 years from 1970 to 1976 alone, annual budget outlays jumped from $196.5 billion to $365.6 billion, a whopping 86 percent increase.

If the advocates of massive Federal spending were right, such large "economy-stimulating" outlays should long ago have brought us prosperity. This is hardly the case. Instead we have been treated to high unemployment, high inflation and high interest rates.

Despite what the liberal big spenders say, more stimulus will not benefit our economy. This is just a rehash of the same liberal economics that has proven itself bankrupt, intellectually and financially. Congress should be working on ways to reduce spending, not adding billions more to the Federal deficit.

The "spend, spend and spend some more" politicians, however, would have us appropriate $4 billion for additional public works projects. These projects will add to the inflationary pressures on our economy while doing little to reduce unemployment.

Proponents of the public works approach claim it will create anywhere from 400,000 to 600,000 jobs. This is far too optimistic. According to a study prepared by Urban Institute economist Alan Fechter, each $1 billion of spending provides only 30,000 to 60,000 jobs—a far cry from liberal assertion.

In addition, many of the few jobs that do result from these projects will not be available for months. This is due to the long lag time between enactment of such legislation and the point when the money is actually spent. The Congressional Budget Office indicates that 50 percent or more of the funds may be unspent 18 to 24 months after enactment.

The long lag time makes public works projects a very dubious way of stimulating the economy. By the time the majority of the funds is actually spent, the economic situation may have shifted drastically. Consequently the primary effect may be to fuel inflation. As the Congressional Budget Office has warned, "public works can potentially increase inflationary pressures if they add to the demand for scarce skills or materials during a recovery period."

H.R. 4876 would also have us pour $8 billion into public service jobs. The present program would be expanded from 310,000 jobs to 600,000 jobs in fiscal year 1977 and 725,000 in fiscal year 1978.

This is the same tripe that liberal politicians have been giving us for years. Billions of dollars for public service jobs is not the answer to the unemployment problem. Public service jobs are temporary and usually of a make-work variety. They are also incredibly expensive. Estimates are that each $1 billion produces only 50,000 temporary jobs. Consequently, even the large sum of money provided in this bill would hardly scratch the surface when it comes to reducing unemployment.

The real answer to the unemployment problem is not more public service jobs but the creation of more jobs in the private sector of our economy. These are permanent and productive jobs, jobs where people can put their skills to work.

To do this we must revitalize the private sector of our economy. We need legislation such as the Kemp Jobs Creation Act which will accelerate the formation of the investment capital that is needed to increase job opportunities and productivity in business and industry. We also need to cut Federal spending and work toward balancing the budget. This would be a major step toward a more productive and stable economy.

An even more questionable section of the bill is that providing antirecession financial assistance. Although the HUD Appropriations Subcommittee recommended a figure of $250 million, which would fully fund the current authorization for fiscal year 1977, the full committee boosted it to $632.5 million.

There is little justification for this increase. In fact, the committee report states the following:

> During the recent subcommittee hearing with the Office of Revenue sharing, it was disclosed that very little information on the beneficial effects of this program is available.

The additional funds for this program should be defeated.

Mr. LEGGETT. Mr. Chairman, I rise in support of H.R. 4876, the economic stimulus appropriations bill. As the Members know, the Congress adopted less than 2 weeks ago, the third budget resolution which lifted our expenditure ceilings and altered our revenue floor in order to facilitate the recovery of our economy.

Budget resolutions, however, provide only the guidelines by which the policy of the Congress is to be implemented. The Appropriations Committee has now accomplished its part of that implementation.

I would like to highlight the features of the bill that I believe merit the support of all of us. The $4 billion for acceleration of public works is badly needed. Unemployment in the construction industry hovers at over 20 percent. The Appropriations Committee has added $632 million to the $5 billion for regular revenue sharing as an antirecession measure targeted to areas of high unemployment. The Appropriations Committee has provided $6 billion for public service jobs which will expand the present program from 310,000 jobs to 600,000 jobs in fiscal year 1977 and 725,000 jobs in fiscal year 1978. In addition, the Appropriations Committee has $2.5 billion for employment and training assistance programs, $59.4 million for community service employment for older Americans.

Beyond this, I was extremely pleased to learn that the Appropriations Committee will offer amendments to its own bill in order to implement fully the stimulus package recommended in the third budget resolution. This means amendments will be offered which will provide $162.5 million for job opportunities programs, $300 million for EPA construction grant reimbursements, $245 million for transportation, particularly railways, and $81 million for Forest Service labor-intensive recreation projects. I understand also that an amendment will be offered, at least sometime this week, for $150 million in military construction to be used for family housing, winterization, operation and maintenance, and similar general labor-intensive efforts.

We on the Budget Committee, applaud the Appropriations Committee for its prompt and decisive implementation of the full stimulus package. Eight million Americans are unemployed, millions more are out of the work force and still others are completely discouraged and content to live on welfare payments. We must turn this situation around. Structural unemployment, that is lack of jobs for minorities, teenagers, women, and older Americans, has a crippling effect on our economy.

It is bad enough that we utilize only 80 percent of our industrial capacity, but to neglect our human capacity is nothing short of tragic. This stimulus package takes a first step in what appears to be a long journey to the goal of full employment. I urge my colleagues to support this bill.

Thank you.

Mrs. HOLT. Mr. Chairman, this $22 billion budget-buster is described as the Economic Stimulus Appropriations Act of 1977. I believe it should be described as the Inflation Stimulus Act or possible the Future Recession Planning Act.

I am voting against H.R. 4876 because of the economic damage it will do. Surely the hopes of the proponents will be dashed when they behold the effects of what they have done.

The Appropriations Committee, which has sent this monster to the House floor, even admits that this additional deficit spending is "likely to have some inflationary impact over the life of the funds." How, then can the Congress proceed to behave in such a manner?

I would remind the House that this legislation will cost $5 billion more than the sum recommended by President Carter. I once believed that this kind of legislation was devised to force Republican Presidents into veto situations, but now I am not sure. It seems that this Congress intends also to impose its extravagant spending schemes on the new Democratic President. It is the same old pork-barrel game, and the message Congress is sending President Carter is that he should accept all the pork the Congress creates.

Mr. Chairman, reputable economists appearing before the House Budget Committee have told us that the weakest phase of our economy is capital invest-

ment. We are not achieving the investment we need for expanding production and creating productive jobs.

Investors and potential investors are worried about inflation, energy shortages and the growing costs of Government regulation. Investment requires confidence in the future.

In this legislation, the Congress responds with a $22 billion dose of inflationary deficit spending that is certain to increase the alarm of investors and potential investors. Instead of relieving the concerns of the business community, the Congress seems determined to make them worse.

Have you forgotten that recession follows inflation as surely as night follows day? Have you forgotten that the deep recession of 1975 was caused by the wild inflation of 1974?

Apparently the Congress has forgotten those lessons of recent times, but I have not forgotten them.

Mr. HAWKINS. Mr. Chairman, I wish to express my support and gratitude to Mr. MAHON and the Appropriations Committee for their prompt action in authorizing funds for employment and training programs under the Comprehensive Employment and Training Act in the economic stimulus appropriations bill.

The committee recommends $1.140 billion for public service employment under title II which would provide advance funding of the program through fiscal year 1978. This amount would expand the program to 125,000 jobs during fiscal 1978. The bill includes $1 billion to establish a new youth employment and training program; $250 million for a new skill training improvement program; $120 million to establish a program to provide jobs for young veterans; $68 million to expand the Job Corps from its current level of 22,700 slots to 30,000 slots by the end of fiscal 1977.

For title VI of CETA, the temporary employment assistance program, the committee recommends a total of $6.847 billion to provide advance funding of the program through fiscal year 1978. This amount would expand the program to 600,000 jobs through September 30, 1978. While I believe it would be possible to expand these programs at a faster rate than is proposed, I believe that such additional expansion might be appropriately considered under the fiscal 1978 appropriations bill.

As chairman of the Subcommittee on Employment Opportunities, which has jurisdiction over the authorizing legislation, I wish to declare my intention to move this legislation as quickly as possible. The Subcommittee has held 5 days of hearings to date on the extension of CETA and other employment proposals. We plan to hear this week from the Department of Labor on the administration's proposals in this regard. I hope that it will be possible to report out a bill extending CETA for 1 year within a few days. This 1-year extension would enable the subcommittee and the administration to consider in a more thorough fashion those change in CETA which may be necessary for more effective administration of the manpower and training programs authorized under the act.

[Committee on Education and Labor Stimulus Bill H.R. 4876]

SUMMARY—BUDGET AUTHORITY

[In millions of dollars]

For FY 1977:	
CETA VI	$1,992
CETA II	124
Youth programs	1,000
Skill training	250
HIRE	120
Job Corps	68
Program administration	4.4
Subtotal CETA FY 1977	3,558.4
Community Svc. Employment for Older Americans	59.4
Departmental Management S&E	0.6
Bureau of Labor Statistics S&E	0.5
Total	3,618.9
For FY 1978	
CETA VI	4,855
CETA II	1,016
Total	5,871
Total in bill FY 1977/1978	9,489.9

NOTES

1. CETA VI—Funds represent build up to 500,000 slots by FY 1977 (Sept. 30, 1977) and to 600,000 slots during FY 1978:

[In millions of dollars, budget authority]

1977 funds	1,992
1978 advance funds	4,855
	6,847

N.B. This is less than Carter's package for 1977/78 CETA VI because Appropriations took out the 1979 'carryover' money worth $1,187 (about 3 months funding for 600,000 slots at $8,300 per annum).

2. The funds in FY 1977 for CETA programs other than Title VI are $60 million less than Carter's request because the Appropriations Committee directs the Secretary to use $60 million out of his discretionary funds to cover:

[In millions of dollars]

Migrant programs	60
Indian programs	14
Veteran programs	10
Apprenticeships	20
	60

Mr. SYMMS. Mr. Chairman, I rise in strong opposition to this bill. I can think of nothing that would do more harm to the economic well-being of this country and the people than to pass this legislation—except to increase the appropriation even more. The last thing we need to do is to increase the Federal deficit by another $22.5 billion.

I would like to say, at this time, that there is only one item in this bill that I can support—namely, the completion of the third Space Shuttle Orbiter in 1977 rather than 1978. For one, I support the Space Shuttle program for national security reasons, and it will cost the taxpayers less in the long run to go ahead and build the third orbiter this year rather than delay it. Further, for national security reasons, I feel it imperative to proceed with the Space Shuttle as expeditiously as possible. But this is only one very small part of this bill unfortunately.

Back to the point, Mr. Chairman, this is nothing but old-fashion New Deal-style pump priming. However, the total debt burden, and each fiscal year deficit, is so high—inflation is at such high rates—that pump priming does not even have the temporary effect that it once had. Rather, it now has immediate detrimental effects through inflation and greater absorption of available capital. We are now at a monetary crisis point where pump priming of this sort will result in nothing but runaway inflation and massive unemployment.

Consider this if you will, one of the most critical reasons for long-term—that is periods of 5 years or more—business uncertainty is shortage of capital and the persistent inflation rates of between 7 and 12 percent per year. Now this has been the case, Mr. Chairman, for over 7 years. This chronic inflation and capital shortage makes long-term business commitments almost impossible. No industry knows what the inflation rate may be 5 or 10 years from now; it is almost impossible for an enterprise, say the construction business, for example, to make extended fixed-price contractual commitments for any duration due to these uncertainties. All of this only serves to increase unemployment due to the lack of expansion in the private sector.

As proof of these points, consider, Mr. Chairman, that during the years 1972 to 1976 the unemployment rate rose from 5.6 to 7.8 percent although Federal spending rose 61 percent during that period. At the same time, these enormous Federal deficits drained financial resources from the job-producing private sector and reduced the dollar's purchasing power by 40 percent. Of course, this hurts lower income people and those on fixed incomes the worst.

Also, I must make a couple of additional comments about this bill. Historically, a low percentage of Government funds allocated for pump priming public service jobs ends up for wages—usually 19 to 32 percent—as pointed out by some of our colleagues in the minority views accompanying this bill.

It does not go unnoticed that the greatest outlays in this bill are scheduled for 1978—an election year. Could it be that our good friends in the Democrat majority are using the old tax-spend-elect scheme? Is this bill designed to provide a temporary shot-in-the-arm to the economy just in time for the elections, only to be followed by a severe recession?

In closing, I would like to say that over $1 billion is allocated in this bill "to alleviate youth unemployment", but when are the Members of this Congress going to face up to the real cause of youth unemployment—especially among disadvantaged youth—and, of course, I am talking about the minimum wage laws. Everytime the minimum wage is increased unemployment among youth goes up. Employeers simply cannot afford to hire an unskilled youth at the going minimum wage. This only serves to increase the welfare burden.

Consequently, I urge this House to reject H.R. 4876. This bill will create unemployment in the long run. It will deprive the private sector of needed capital for economic expansion and the creation

of real jobs. It is high time that the Members of this Congress understand that government does not create wealth—it only confiscates it. Real prosperity is created only by productive labor in a free economy. The small enterpreneur is literally being exterminated by government confiscation of capital and excessive regulation. It was individual entrepreneurship that built America. No business started out big.

I submit to you that it is this destruction of entrepreneurship, caused by a lack of risk capital plus big government, that is at the root of our economic problems. I wonder how much unemployment and inflation this $22.5 billion is going to buy.

Mr. Chairman I urge a no vote, for a healthy America.

Mr. AMMERMAN. Mr. Chairman, 3 weeks ago the House took the first two steps on the road toward revival of our lagging economy. We adopted the third budget resolution for fiscal year 1977, which established new budgetary targets for our economic stimulus proposals. And we passed H.R. 11 to provide funding authorization for a $4 billion expansion of the public works program.

Last week we took a third of the actions needed to spur economic recovery. Passage of H.R. 3477 provides the tax reductions and rebates which are an essential part of the stimulus program.

Today we take up a bill that is an equally essential component of that program. H.R. 4876 would provide appropriations for the accelerated public works program as well as a variety of other economic stimulus and job creation activities. Our committee estimates that the funds provided in this bill would directly create one million new jobs.

And I think we must continue to emphasize, Mr. Chairman, that recent economic developments have in no way reduced the need for those jobs. The recovery in employment which we were looking for in much of 1976 simply never materialized. We actually added more people to the Nation's labor force than we did to the rolls of those employed, so we ended the year with a 7.5-percent unemployment rate and more unemployed people than we had at the beginning of the year.

While the unemployment rate fell somewhat in January to 7.3 percent, the improvement may have been more illusory than real. For that figure does not reflect the impact of the severe cold and energy crunch which this winter has visited upon us. That crisis, I might add, has not only added to the ranks of the unemployed, it has also severely taxed the ability of State and local governments in such States as Pennsylvania.

H.R. 4876 will provide needed funds to maintain State and local government activities and employment, as well as stimulate the private economy. In addition to public works funds, the bill also includes $633 million for increased countercyclical assistance to States and localities, $6.8 billion for public service jobs under the CETA program and $2.6 billion for employment and training programs which include a new emphasis on unemployed youth. The bill also provides $3.2 billion for $50 tax rebates and payments to beneficiaries of certain programs, as well as $4.9 billion for the next quarterly payments under the general revenue sharing program.

Mr. Chairman, I do not endorse every dollar to be appropriated by H.R. 4876. Neither do I believe that it solves all of our economic recovery problems.

Despite these reservations, I am convinced that this legislation is an essential part of our effort for economic revival. I urge my colleagues to support both this and other measures that are needed to put the Nation's economy on the path toward a full-fledged recovery which will put Americans to work.

Mr. EVANS of Delaware. Mr. Chairman, the bill before us today, the Economic Stimulus Appropriations Act, offers something for almost everyone—except the taxpayer.

Many of the programs contained in the bill are admirable. Some, like the nearly $8 billion appropriation for CETA title II and title VI public service jobs programs, are unwise. It is our job to weigh the good and the bad against the massive costs of this bill, and reach a judgment on the total advisability of the entire package.

To me, however, the issue is clear. This bill simply spends too much of the taxpayer's money in the wrong places. Therefore, I must oppose its enactment.

The Economic Stimulus Appropriations Act takes us one more giant step down the road of bigger spending, more Government, and less personal initiative. It calls for spending over $22 billion worth of the taxpayers' money, at a time when I believe we should be reducing Government spending instead of increasing it.

Each one of us, when we go back to our districts, talks about cutting the taxes for middle-income Americans, who, in my opinion, are taking it on the chin right now. Yet, when we get back to Washington, the concerns of most Americans who are paying these exhorbitant tax bills, and our promises to them to reduce spending, are forgotten. At every opportunity, we act to add more spending to the already bloated Federal budget.

This measure contains a list of major proposals. Some I support; others I do not support.

For instance, I support the $5 billion appropriated for funding of local governments under the revenue-sharing program. The revenue-sharing concept is a good one, and its benefits have been felt in Delaware and across the country. It places decisionmaking in the hands of officials closest to the people, and I for one believe it represents a wise investment of public funds.

I also support full funding for the local public works jobs program. This program provides jobs through the private sector of our economy, and leads to the construction of needed, productive, and lasting public works projects, many of which would not be done without this assistance.

The $1 billion appropriated in the bill for employment and training programs for unemployed youth between the ages of 16 to 21 is highly commendable and long overdue. We must find productive and permanent jobs for our youth that will not only provide short-term jobs, but will also lead to long-term skilled employment in the private sector.

I also intend to support an amendment which will restore $200 million for the emergency fuel assistance program to help the elderly and poor cope with skyrocketing fuel bills. Approximately 2 million households will be unable to pay this winter's fuel bill without assistance. This funding will prevent utilities from being cut off to these people, and I hope the House will give its support to this amendment.

However, despite these constructive provisions, I must oppose enactment of the bill.

I do so because of the unwise appropriations of $8 billion for the public service jobs program. This money will permit the doubling of the public service jobs program to 600,000 persons in fiscal year 1977, and 725,000 in 1978.

There is little evidence that the massive money we have expended on public service jobs programs over the last few years has led to any substantial permanent employment in the private sector by those engaged in CETA programs. Statistics from the Department of Labor show that for fiscal year 1976 only 17.2 percent of title II programs, and 26.8 percent of title VI persons were able to find unsubsidized jobs.

Public Service jobs only postpones our unemployment problem. It does nothing to correct it. The real answer to our employment problem is to find permanent and productive jobs in the private sector for our people. The way to do this is to provide job-related training to those, like unskilled youth, who need it. Another way to create more jobs is to enact a permanent reduction in income taxes for middle income Americans. By reducing taxes, we will be putting money back into people's pockets where it can do some good. I urge the Congress to enact legislation such as the Jobs Creation Act, which I have cosponsored, which would mandate a 10 percent across-the-board tax cut for Americans.

The choice today is whether to continue our expensive subsidy of the public sector, or start to stimulate the private sector to greater productivity. A healthy public sector depends on a healthy private sector. If we allow the private sector to wither, then we simply cannot maintain necessary government services.

Therefore, I urge my colleagues to reject this unproductive expenditure of the taxpayer's dollars.

Mr. MAHON. Mr. Chairman, I have no further requests for time.

Mr. COUGHLIN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ANTIRECESSION FINANCIAL ASSISTANCE FUND

For an additional amount for the "Antirecession Financial Assistance Fund," $632,500,000, to remain available until September 30, 1978.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I cannot really believe that this bill is necessary any more than I thought that the authorizing legislation or the third budget resolution was necessary. I realize, however, the temper of the House is to pass this money bill and I did not take the floor to reiterate some of the arguments which I made on previous occasions.

I did take the floor to ask of my good friend, the chairman of the committee, a couple of questions concerning three items which I have before me in a table which I am sure the chairman has also. It is entitled, "Comparison of Economic Stimulus for Fiscal Year 1977." It is from the Committee on the Budget. What I am trying to do is to square what this bill does with the third budget resolution. I have been trying to discover most of the day whether or not the appropriation bill is above the budget resolution or below the budget resolution and in just what areas it seems to be below.

In this particular piece of work it seems to be that in the items entitled "Accelerated public works," the item entitled "CETA title II and VI" and the item entitled "CETA title I, III, and IV," the committee has stricken rather substantial amounts which would be made available in fiscal year 1977, but I am persuaded that is not really the case because what this bill apparently does is to appropriate the funds on a no-year basis or a multiyear basis that would be asked for the "Accelerated public works" and the two CETA's. And the line entitled "Outlays" under House Appropriation Committee action, although it is lower than the comparable sums under the Outlays title for the third budget resolution is simply an estimate of what will be actually spent in fiscal year 1977.

As I understand it, it is not a limitation on what can be spent. It is merely an estimate. Now, is that the situation as the Chairman understands it?

Mr. MAHON. Mr. Chairman, if the gentleman will yield?

Mr. RHODES. Yes, of course, I yield.

Mr. MAHON. Mr. Chairman, I wonder if the gentleman would yield to the gentleman from Connecticut. Of course, we are within the limitations of the budget resolution.

Mr. RHODES. I understand that, but the gentleman from Texas will recall that in the third budget resolution the outlays for fiscal year 1977 were $1.7 billion above the President's supplemental. What I am trying to clear up, I am confining my query on the effects this bill will have on spending for the fiscal year 1977 and trying to determine whether there are additional outlays or whether it is a maneuvering for outlays.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I am happy to yield to the gentleman.

Mr. GIAIMO. Mr. Chairman, I believe what the gentleman wants to know is where we will be with regard to the stimulus package when we adopt this bill and the amendments that will be offered.

Mr. RHODES. Also with regard to the Carter proposal, which is somewhat different than the budget resolution.

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield further. The Carter proposal was incorporated into the third budget resolution which was adopted by the Congress on March 3. It had an outlay impact of $1.9 billion, compared to $3.7 billion in the budget resolution. The appropriations bill had an outlay impact of $1.7 billion below the resolution.

Mr. RHODES. That is the $1.7 billion I am talking about. Can the gentleman tell me what happened to that?

Mr. GIAIMO. Mr. Chairman, let me deal further with what the Committee on Appropriations is accomplishing with regard to that stimulus package. It is providing appropriations for fiscal year 1977 for economic stimulus, and it is doing so in two bills; today's bill, which is called the economic stimulus appropriation, and in the supplemental appropriation bill which comes up tomorrow. Considering both of these appropriation bills, today's bill and tomorrow's bill, the action of the Committee on Appropriations, with the amendments to be offered, will provide approximately $700 million additional moneys in today's bill and another $431 million in tomorrow's bill.

Mr. RHODES. For fiscal year 1977?

The CHAIRMAN. The time of the gentleman from Arizona has expired.

(By unanimous consent, at the request of Mr. GIAIMO, Mr. RHODES was allowed to proceed for an additional 2 minutes.)

Mr. GIAIMO. Mr. Chairman, will the gentleman yield further?

Mr. RHODES. I am happy to yield.

Mr. GIAIMO. I am saying that by virtue of amendments which have to be offered by the committee today and tomorrow, amounts of $700 million and $431 will be added to the bills.

Mr. RHODES. May I clarify whether they refer to fiscal year 1977?

Mr. GIAIMO. I am talking only about fiscal year 1977.

Mr. RHODES. All right.

Mr. GIAIMO. That will be $1.1 billion, bringing us relatively close to the $3.7 billion in outlays provided for in the third budget resolution.

Mr. RHODES. So when all these actions have been taken, the actual outlay for fiscal year 1977 will be approximately $1.7 billion more than the President asked for?

Mr. GIAIMO. Yes.

Mr. RHODES. Mr. Chairman, I thank the gentleman from Connecticut.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, on this same subject of add-on costs, I wonder if our budget chairman or the appropriations chairman can tell us how many new jobs will be added with all extra spending. The report says a million jobs.

Mr. MAHON. The estimate is that with this program, the state of this program, there will be directly added about 1 million jobs.

Mr. ROUSSELOT. How fast will those jobs come onstream?

Mr. MAHON. This effort, it is hoped, will have a ripple effect and create a considerable number of additional jobs. That is the expectation and the hope and the plan, but of course it has not been demonstrated.

Mr. ROUSSELOT. If the gentleman will yield further, the speed with which these jobs will come onstream has clearly not been demonstrated except like a slow turtle. We have been told in the Joint Economic Committee that better than 50 percent of the listed unemployed people are individuals who are only unemployed for 10 or 15 weeks, most of them in transit or in between jobs. So, how many of these new Federal jobs are going to help people permanently unemployed? This extra money, which the Treasury will have to borrow, cannot possibly reach those who are unemployed and need permanent long-term jobs.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

(On request of Mr. ROUSSELOT and by unanimous consent Mr. RHODES was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. In the Appropriations Committee, did the committee really go into how fast these jobs were going to come onstream or whether they are going to produce real jobs, or is it just conversation?

Mr. MAHON. Some of these come onstream very rapidly.

Mr. ROUSSELOT. Which ones?

Mr. MAHON. Public service-type jobs, which I do not completely endorse in every respect.

Mr. ROUSSELOT. The gentleman does not endorse them?

Mr. MAHON. They do give early employment opportunities. Of course, the $4 billion in public works, some of that will come onstream rather soon. Some of it will be delayed. That is just one of the gambles we are taking, that these jobs will become available at a time that will be helpful to the economy.

Mr. ROUSSELOT. As the gentleman knows, the gamble is taken with our taxpayers, who have to pay for all these boondoggles, and we are trying to convince them that we are going to help the hardcore unemployed; yet, we know full well that most of these jobs are not coming onstream for nearly a year. We are not contributing anything to stop long-term unemployment. That is pure bunk. I am disappointed that the Appropriations Committee did not cut out some of this unnecessary funding that will not reach the hardcore unemployed.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I would like to ask the distinguished gentleman from Connecticut a question, if I may.

I understand—maybe it is a rumor—that there has been a request before the Budget Committee for another $5 billion.

Mr. GIAIMO. No. No, there is no request of that nature.

Mr. CEDERBERG. I understood the gentleman from Missouri came to the committee and asked for $5 billion more. My only question was whether or not, if

that took place, the gentleman would have to get another amendment to the budget.

Mr. GIAIMO. Let me say that I think what the gentleman is referring to is the fact that yesterday we held hearings in the Budget Committee on the 1978 fiscal year budget. That is not the budget we are discussing today.

Mr. CEDERBERG. So the $5 billion would not be for the 1977 budget?

Mr. GIAIMO. I am not going to answer a double-edged question like that.

The CHAIRMAN. The time of the gentleman from Arizona has again expired.

Mr. CEDERBERG. Mr. Chairman, I move to strike the last word.

Mr. GIAIMO. If the gentleman will yield further, he can see the testimony of the gentleman from Missouri who testified before our committee. If I remember correctly, he was referring to the possibility of having a standby reserve-type fund of $5 billion, but that was testimony and that is not included in any appropriation. It is not included in any budget markup.

Mr. CEDERBERG. Does the gentleman mean he will have a standby fund for $5 billion?

Mr. GIAIMO. I do not know. I am just referring to the $5 billion asked about. The gentleman will have to look at the testimony, or better yet, ask the gentleman from Missouri, the chairman of the Joint Economic Committee. There is no $5 billion in this budget, nor is there in the 1978 budget.

Mr. CEDERBERG. There is not contemplated any new budget amendment for the 1977 budget out of the Budget Committee?

Mr. GIAIMO. None that I know of.

AMENDMENT OFFERED BY MR. COUGHLIN

Mr. COUGHLIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COUGHLIN: On page 2, line 12, strike out "$632,500,000" and insert in lieu thereof "$250,000,000".

Mr. COUGHLIN. Mr. Chairman, this is the amendment about which I spoke during the general debate. It reduces the appropriation for the antirecession financial assistance fund from $632.5 million to the original amount recommended by the subcommittee of $250 million. As I pointed out at the time, Mr. Chairman, the $250 million fully funds the program through the authorized period at the current level. It was adopted unanimously by the subcommittee. The only reason for the increase that is proposed now is because of a proposed change in the formula for allocating this countercyclical fund. That change in the formula, as I pointed out, has never been authorized by the appropriate authorizing committee of the House and, in fact, the whole program has never been authorized by any authorizing committee of the House.

I pointed out then that there is little evidence that this program does, in fact, stimulate new jobs. The money that is proposed here may simply be put in the Treasury, and has been put in the Treasury, by many communities. In fact, of the 21 communities contacted by the GAO, only 6 communities had spent any money, 15 communities had spent none, and none had spent all of the money.

I pointed out, too, that there was little demonstrated correlation between the levels of employment and the ability to raise revenue.

I also pointed out the danger of the dependency of local communities upon these funds because of the increased formula, in particular.

As I pointed out then, too, we are not proposing to eliminate the fund. We are simply proposing to do what the distinguished chairman of the subcommittee and the majority members of the subcommittee originally adopted after the subcommittee hearings. We want to fully fund the existing formula and not to provide for a new unauthorized, untested, unheard of formula.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

So what the gentleman is doing, instead of having this Congress add $632 million to this fund, which already has $1.2 billion in it for fiscal year 1977, this amendment is just trimming out the extra fat. So that leaves 250 million?

Mr. COUGHLIN. The $250 million would fully fund the program under the existing formula for the balance of the fiscal year.

Mr. ROUSSELOT. I think the gentleman's amendment is well taken, and let me tell the Members why. In the Budget Committee, we had many Carter administration personnel tell us that no matter what the Congress did with many of these funds, the various agencies could not possibly spend it as fast as we are trying to give it to them. They could not get it out. It takes time. It takes procedures.

So I think the gentleman's amendment is a moderate one and a correct one to restrain the increase to a fund which has already, as I understand it, $1.2 billion.

So the gentleman is not cutting the heart out of the program, as I am sure some of the claims might be. The gentleman is merely moderating the increase, because even the Carter administration says, and the Office of Management and Budget has told us, they cannot possibly spend some of these funds as fast as we want to give away the money.

Mr. COUGHLIN. This is absolutely true. As the General Accounting Office study pointed out, there were cities surveyed which had not spent the money, the existing money they have now, much less being able to spend the money we are proposing to give them. That bothers me. And it also bothers me that throughout this whole bill today there is program after program that is not authorized. This particular program is the worst example, because not only was it not authorized this time, in terms of new formula, but it was not authorized before in this House and has never been the subject of hearings by an authorizing committee of this House

Mr. ROUSSELOT. The gentleman's amendment makes commonsense, and I hope that it will prevail.

The CHAIRMAN. The time of the gentleman from Pensylvania has expired.

(On request of Mr. VOLKMER and by unanimous consent, Mr. COUGHLIN was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. I thank the gentleman for yielding.

In the gentleman's opinion, then, the present authorization law, which went into effect last year, would permit the spending of $250 million in this fiscal year?

Mr. COUGHLIN. Additional authorization would be needed even for the $250 million.

Mr. VOLKMER. In this fiscal year?

Mr. COUGHLIN. In this fiscal year. That is correct.

Mr. VOLKMER. I thank the gentleman.

Mr. WYLIE. Mr. Chairman, I rise in support of the amendment.

Mr. WYLIE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN), and I want to commend him for offering the amendment at this time.

Mr. Chairman, I have substantial doubts about the validity of many aspects of the Economic Stimulus Appropriations Act which is before us today, not the least of which is the enormous $22.6 billion overall cost of the measure—money which, as far as I can determine, will be produced through further deficit financing. This will, of course, have its impact on inflation which has shown some signs of slowing.

But like my colleague from Pennsylvania, I am particularly disturbed by the provision in the bill which would appropriate $632.5 million for the antirecession financial assistance fund. This is more than 2½ times as much as the $250 million originally argued for when the authorization passed the House for the antirecession financial assistance fund.

That $250 million figure originally was set because we were told it would fully fund the authorization for this purpose through the end of the current fiscal year.

Now, the proposal is for a new and higher funding formula which should be rejected by this body. In the first place, it has not been authorized and if it is approved, it will put the authorizing committee under pressure to approve a new formula without the opportunity to consider fully what is involved here.

There are, in addition, some serious questions about the effectiveness of this whole program, which, incidentally, also has never been authorized. Have similar programs in the past stimulated new jobs? Frankly, we have no valid evidence that they have. Revenue sharing funds, have been provided for this same purpose. But we do know whether the funds

in the program have been used to help create additional employment, or used simply to provide budgetary aid to State and local governments. In addition, States with budget surpluses are receiving economic stimulus money, while small local governments with high unemployment figures, may not be getting needed funds.

I agree with my minority colleagues on the House Appropriations Committee who feel this bill should not be passed so long as it extends a program which has not been evaluated and provides funds for a program which has not been authorized.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first of all, I would like to commend the gentleman from Pennsylvania (Mr. COUGHLIN) for the work that he has performed on this subcommittee. He just joined this subcommittee in January, and I must say that I know of no member of our subcommittee who is in attendance more often and who participates as frequently and as incisively as he does. I commend the gentleman for his activity on the subcommittee.

What the gentleman states in relation to the journey that this particular item has taken is precisely right. The subcommittee did recommend $250 million in the original markup of this section of the economic stimulus bill. Then, as the chairman of the subcommittee and one who is, I think, at least partially responsible for the program of this administration and who is, of course, responsible to the leadership in enacting legislation that the administration is interested in, it was my duty and obligation to call our subcommittee members together to determine whether or not the subcommittee was interested in fulfilling the request that was made by the administration to provide not $632.5 million for the Antirecession Financial Assistance Fund, but $925 million.

So our subcommittee did act, and we were called together. The ranking minority member and all the members of the subcommittee were notified at 5 o'clock last Monday night that we would meet at 9 o'clock the next morning, a half hour before the full committee met, and that I would offer an amendment in the full committee to increase the amount for this particular program from $250 to $632.5 million. That suggestion to the subcommittee was adopted, let me say, not unanimously, but it was adopted, and so I offered the amendment in full committee.

The full committee considered it, and the full committee did recommend the $632.5 million.

Mr. Chairman, let me say this: So far, out of the $1.250 billion appropriated last year in the Public Works Employment Appropriations Act, payments for three of the five quarterly installments due under this program have been made. That totals $875 million, and there remains available $375 million to pay the fourth and the fifth quarters.

The present formula provides for the payment of $125 million plus $62.5 million for each one-half of 1 percent above the national unemployment rate of 6 percent, and because of that formula, it will be necessary to provide $312.5 million for the fourth quarter, which is due, incidentally, April 5. That is only 3 weeks down the road.

Therefore, it was the judgment of the subcommittee that the fourth quarter ought to be funded under the old formula. Nobody objects to this. The question was whether or not we would provide funds so that the fifth quarter payment could be made on the basis of a new formula, as suggested by the administration.

After much discussion in this area, it was the majority opinion that we would fund it under the new formula, but only if the Committee on Government Operations recommended an extension of the antirecession financial assistance program. The administration's request for that extension asks for a 5-year authorization funded at $1.5 billion per year, plus a change in the formula which would provide $125 million quarterly plus $30 million for each one-tenth of 1 percent that the national unemployment rate exceeds 6 percent.

Mr. Chairman, this is what we do in this bill.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. BOLAND) has expired.

(By unanimous consent, Mr. BOLAND was allowed to proceed for 2 additional minutes.)

Mr. BOLAND. Mr. Chairman, as I was about to say, if the Committee on Government Operations does not recommend a change in the formula, then, of course, the fifth quarter payment will be on the basis of the existing formula. That payment would total $250 million or $312.5 million, depending on the unemployment rate for this month.

Therefore, Mr. Chairman, I do not really think we are pressuring the Committee on Government Operations into providing a new formula for this particular program. I admit that there is no doubt about the fact that what the gentleman from Pennsylvania said was correct: It was put in on the Senate side, but the House adopted it. We adopted it last year under title II of the Public Works Employment Act, and it passed by a rather substantial margin. It was vetoed, but the objections of the President notwithstanding, the veto was not sustained.

Mr. Chairman, I think we have the obligation to fund this program. Whether or not we have the obligation to fund the program under the new formula is another matter, but that is not our problem. That problem really rests with the Committee on Government Operations and also rests with the House itself on whether or not, once we get a good look at this program, the program ought to be changed, whether it ought to be extended, and whether or not the formula itself ought to be changed.

In my judgment, Mr. Chairman, I do not think that the chairman of the Committee on Government Operations, the gentleman from Texas (Mr. BROOKS), is one who is easily pressured. I get the feeling that he is a rather tough hombre in very many ways. I do not agree with those who say that if we provide the entire $632.5 million, which would fund the program under the new formula for only the fifth quarter, then that money will be spent. It will not be spent unless the Committee on Government Operations makes the recommendation and the House passes upon it and it is signed into law. If that happens, of course, this amount of money would be available to satisfy that higher payment only in the fifth quarter.

Mr. CEDERBERG. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, this is the matter that I referred to in my speech on general debate when we were talking about—I think we can call it—the midnight or late afternoon massacre, where everybody was called together and said. "This is not authorized, but the Committee on Appropriations has to go along and increase this amount from $250 million to $900 million plus."

Then the gentleman from Massachusetts held out, as I understand, very well. I am glad to see that his right arm is again functioning today because shortly after that it had been twisted so badly he could hardly lift it because he was the one, if you read the testimony, who said he was reluctantly for the $250 million.

So, anyway, the meeting was held at 9 o'clock in the morning, and it went through, just like that, and at 9:30 we came out and now we are here with this $632 million that was not authorized at all, waiting until the authorizing committee changes the formula. Well, you know very well they are going to change their formula.

I do not like the use of the Committee on Appropriations to hold a hammer over the heads of the authorizing committees. As a matter of fact, there was a time around here when the authorizing committees were pretty jealous of their prerogatives, but, not any more. All they do now is just say gee, if you are going to appropriate the money it will make it a little bit easier for us later on. So they just change the formula. I can understand it, too, because I used to be the mayor of a city at one time, myself and, you know, they would start coming out of the woodwork from all over once you had authorized anything, and they would say that the money is in there and all you have got to do is just change the formula and get the thing on the road.

Well, Mr. Chairman, I think that is a bad way to legislate.

We talk about back-door spending. This is sort of a back-door approach, it is blackjacking the authorizing committee into taking an action that they might or might not take if it were not for the fact that we took this action ourselves.

This is a bad way to legislate. But, here we are.

I just think the House ought to know what happened in this situation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. WYLIE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The question is on the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN).

The question was taken; and the Chair announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BOLAND. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 225, not voting 24, as follows:

[Roll No. 74]

AYES—183

Abdnor	Fish	Madigan
Anderson, Ill.	Flippo	Mann
Andrews, N.C.	Flowers	Marks
Andrews, N. Dak.	Flynt	Marlenee
Archer	Foley	Marriott
Armstrong	Forsythe	Martin
Ashbrook	Fountain	Mathis
Badham	Frenzel	Michel
Bafalis	Frey	Milford
Bauman	Fuqua	Miller, Ohio
Beard, Tenn.	Gibbons	Moore
Bedell	Glickman	Moorhead, Calif.
Bennett	Goldwater	Murtha
Bevill	Goodling	Myers, Gary
Bowen	Gore	Myers, Ind.
Breckinridge	Gradison	Nichols
Brooks	Grassley	O'Brien
Broomfield	Gudger	Pease
Brown, Mich.	Hagedorn	Pettis
Brown, Ohio	Hall	Pickle
Broyhill	Hammer-schmidt	Pike
Buchanan	Hansen	Poage
Burgener	Harkin	Pressler
Burke, Fla.	Harsha	Preyer
Burleson, Tex.	Hefner	Pritchard
Butler	Hightower	Pursell
Cederberg	Hillis	Quayle
Chappell	Holt	Quie
Clausen, Don H.	Hubbard	Quillen
Clawson, Del	Huckaby	Railsback
Cleveland	Hyde	Regula
Cochran	Ichord	Rhodes
Cohen	Ireland	Robinson
Coleman	Jacobs	Rogers
Collins, Tex.	Johnson, Colo.	Rousselot
Conable	Jones, Okla.	Rudd
Conte	Kasten	Runnels
Corcoran	Kelly	Santini
Coughlin	Kemp	Sarasin
Crane	Ketchum	Satterfield
Daniel, Dan	Keys	Sawyer
Daniel, R. W.	Kindness	Schulze
Derwinski	Krueger	Sebelius
Devine	Lagomarsino	Shuster
Dornan	Latta	Sikes
Duncan, Oreg.	Leach	Smith, Iowa
Edwards, Ala.	Levitas	Smith, Nebr.
Edwards, Okla.	Long, La.	Spence
Emery	Lott	Stangeland
English	Lujan	Stanton
Erlenborn	McClory	Steers
Evans, Del.	McDade	Steiger
Fenwick	McDonald	Stockman
Findley	McEwen	Symms
	McKinney	Taylor
Thone	Wampler	Winn
Thornton	Watkins	Wydler
Treen	Whitehurst	Wylie
Trible	Whitley	Young, Alaska
Volkmer	Whitten	Young, Fla.
Waggonner	Wiggins	
Walker	Wilson, Bob	

NOES—225

Addabbo	Flood	Nedzi
Akaka	Florio	Nix
Alexander	Ford, Mich.	Nolan
Allen	Ford, Tenn.	Nowak
Ambro	Fraser	Oakar
Ammerman	Gammage	Oberstar
Anderson, Calif.	Gaydos	Obey
	Gephardt	Ottinger
Annunzio	Ginlmo	Panetta
Applegate	Gilman	Patten
Ashley	Ginn	Patterson
Aspin	Hamilton	Pattison
AuCoin	Hanley	Pepper
Badillo	Hannaford	Perkins
Baldus	Harrington	Price
Barnard	Harris	Rahall
Baucus	Hawkins	Rangel
Bellenson	Heckler	Reuss
Benjamin	Heftel	Rinaldo
Biaggi	Hollenbeck	Risenhoover
Bingham	Holtzman	Roberts
Blanchard	Horton	Rodino
Blouin	Howard	Roe
Boggs	Hughes	Roncalio
Boland	Jeffords	Rooney
Bolling	Jenkins	Rosenthal
Bonior	Jenrette	Rostenkowski
Bonker	Johnson, Calif.	Roybal
Brademas	Jones, Tenn.	Russo
Brinkley	Jordan	Ryan
Brodhead	Kastenmeier	Scheuer
Brown, Calif.	Kazen	Schroeder
Burke, Calif.	Kildee	Seiberling
Burke, Mass.	Koch	Sharp
Burlison, Mo.	Kostmayer	Shipley
Burton, John	Krebs	Simon
Burton, Phillip	Le Fante	Sisk
Byron	Lederer	Skelton
Caputo	Leggett	Slack
Carney	Lehman	Snyder
Carr	Lent	Solarz
Carter	Lloyd, Calif.	Spellman
Cavanaugh	Lloyd, Tenn.	St Germain
Chisholm	Long, Md.	Stark
Conyers	Luken	Steed
Corneil	McCloskey	Stokes
Cornwell	McCormack	Stratton
Cotter	McFall	Studds
D'Amours	McHugh	Thompson
Danielson	McKay	Traxler
Davis	Maguire	Tsongas
de la Garza	Mahon	Tucker
Delaney	Markey	Udall
Dellums	Mattox	Ullman
Dent	Mazzoli	Van Deerlin
Derrick	Meeds	Vento
Dicks	Metcalfe	Walgren
Diggs	Meyner	Walsh
Lingell	Mikulski	Waxman
Dodd	Mikva	Weaver
Downey	Miller, Calif.	Weiss
Drinan	Mineta	Whalen
Duncan, Tenn.	Minish	White
Early	Mitchell, Md.	Wilson, C. H.
Eckhardt	Mitchell, N.Y.	Wilson, Tex.
Edgar	Moakley	Wirth
Edwards, Calif.	Moffett	Wolff
Ellberg	Mollohan	Wright
Ertel	Moorhead, Pa.	Yates
Evans, Colo.	Moss	Yatron
Evans, Ga.	Mottl	Young, Mo.
Evans, Ind.	Murphy, Ill.	Young, Tex.
Fary	Murphy, N.Y.	Zablocki
Fascell	Murphy, Pa.	Zeferetti
Fisher	Myers, Michael	
Fithian	Natcher	

NOT VOTING—24

Beard, R.I.	Holland	Ruppe
Breaux	Jones, N.C.	Skubitz
Clay	LaFalce	Staggers
Collins, Ill.	Lundine	Stump
Corman	Montgomery	Teague
Dickinson	Neal	Tonry
Gonzalez	Richmond	Vander Jagt
Guyer	Rose	Vanik

The Clerk announced the following pairs:

Mr. Teague for, with Mr. Staggers against.

Mr. Stump for, with Mr. Vanik against.

Mr. Montgomery for, with Mr. Richmond against.

Mr. Breaux for, with Mr. Corman against.

Mr. Dickinson for, with Mr. Beard of Rhode Island against.

Mr. Guyer for, with Mr. Clay against.

Mr. Skubitz for, with Mrs. Collins of Illinois against.

Mr. Ruppe for, with Mr. LaFalce against.

Messrs. EDWARDS of California, RUSSO, ASHLEY, RISENHOOVER, and ERTEL changed their vote from "aye" to "no."

Mr. BOWEN changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

For an additional amount for "Research and development", $95,000,000, to remain available until expended.

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND: On page 2, after line 18, insert

ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

For payment of reimbursement claims pursuant to section 206(a) of the Federal Water Pollution Control Act, as amended, $300,000,000, to remain available until expended.

Mr. BOLAND. Mr. Chairman, may I say to the membership that this amendment will not take very long since it has been stimulated by the result of the last amendment.

This amendment provides $300 million for waste water treatment plants. It is authorized. We had appropriated $1.9 billion in this area through fiscal year 1976. Last year we provided $200 million more for this program, so we have actually provided, by appropriation, $2.1 billion. The total amount of reimbursement claimed under this program runs to around $2.4 billion.

Mr. Chairman, the program is targeted to those communities which started to build waste water treatment plants between 1966 and 1972.

At the time that they were being planned and built, those communities throughout the United States were given assurances that if they started to clean their own waters up that the Federal Government would reimburse them to some extent for their efforts in this area. Section 206(a) of the Federal Water Pollution Control Act Amendments of 1972 provides for reimbursement of up to 55 percent of the total cost of the project to those communities that initiated construction of waste water treatment plants between the years 1966 and 1972.

In my judgment this is a moral commitment. In my judgment this is a legal commitment. I think it is a good commitment to have in the economic stimulus bill and I recommend its adoption by the full committee.

Mr. NOWAK. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. NOWAK. Mr. Chairman, I thank the gentleman from Massachusetts very much for yielding to me.

The issue of reimbursing communities which prefinanced the Federal share of constructing wastewater treatment works required by Federal environmental law is extremely important. It is important to the city of Buffalo and to the 4,500 other communities across the Nation which relied on the good faith commitment of the Federal Government to pay its share of these necessary and mandated projects.

These communities borrowed money to construct these treatment plants and they are paying interest on the resulting debt. In Buffalo's case, the Buffalo Sewer Authority is paying at an interest rate of 10½ percent for prefinancing the Federal commitment and for financing its own local share.

These communities began their projects before the more generous 75 percent share came into effect with the enactment of Public Law 92–500. Section 206 (a) of that law established the reimbursement program to pay communities the difference between what they had received under the "old law" and the 55 percent they were eligible to receive.

In 1972, $1.9 billion was appropriated to reimburse these communities up to the authorized 55 percent Federal share. Because of EPA delays in establishing the reimbursement program and erroneous estimates of how many projects were actually eligible, the $1.9 billion was insufficient to completely reimburse all costs. Last year, Congress appropriated an additional $200 million to bring the reimbursement level higher. With the appropriation of $300 million today, we have the opportunity to make good on the Federal commitment and provide full funding to this important program.

These communities have been meeting more than their share; the Federal Government must carry its load now. This appropriation, besides reducing an unfair burden on municipalities, would free their own funds which are sorely needed to get back on the track of economic recovery—a recovery requiring improvements and investments that have a multiplier effect on private sector growth.

The need for stimulus is now: Public works jobs, countercyclical assistance to State and local governments, public service jobs, tax rebates for individuals, and assistance to communities for water pollution reimbursement. All of these are necessary ingredients to this critical economic stimulus package.

Mr. Chairman, I urge the adoption of this amendment.

Mr. BOLAND. Mr. Chairman, let me say that I appreciate the remarks of the gentleman from Buffalo, N.Y., Mr. NOWAK. As the members from New York State well know, the gentleman from the city of Buffalo, N.Y., was very effective and instrumental in the appropriation we made last year for this particular program.

Really it is a question of whether or not we want this money available in the job stimulus bill or the regular 1978 bill. We have got to pay this bill. We have committed ourselves to paying it. I suggest to the full committee that we ought to pay it now.

Mr. MAHON. Mr. Chairman, if the gentleman will yield, the gentleman from Massachusetts (Mr. BOLAND) is absolutely correct that these funds have to be paid eventually.

Mr. BOLAND. There is no doubt about it.

Mr. MAHON. And this is a good time to do this.

Mr. BOLAND. There is not only a legal commitment but certainly there is a moral commitment.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. In other words, the gentleman will not say that by providing this money now, that we will be providing or creating any additional jobs at this time? Is that correct?

Mr. BOLAND. What the gentleman from Pennsylvania says is true. The question is whether or not this proposal will provide any additional jobs and a fair answer to that question is no because the majority of the municipal plants have already been built, or are very nearly completed. So I think it ought to be said that very few jobs will be provided and, in a sense, I suggest that this is a countercyclical proposal because it will stimulate those areas that can take the funds and pay off their bonds for the construction of their municipal plants and be able to put people to work in those municipal plants. In that way it does add stimulus to the economy, and I suggest we adopt the amendment.

Mr. COUGHLIN. But, it is not a job stimulation program.

Mr. BOLAND. May I say to the gentleman again he is correct. It is not a job stimulating program insofar as the construction of waste-water treatment plants is concerned, because these treatment plants are either all built or nearly built. So in a sense it would not add many jobs. What it does do is give communities the money they are entitled to as a result of their having proceeded with these programs before the Federal Water Pollution Control Act was passed in 1972. So it does give a great number of communities money. They can use that money for the purpose of paying people to operate the plants or keeping people aboard in other basic services whom they otherwise may have to lay off.

Mr. COUGHLIN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. BOLAND).

The amendment was agreed to.

The CHAIRMAN. The clerk will read.

The Clerk read as follows:

CHAPTER III

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

LOCAL PUBLIC WORKS PROGRAM

For an additional amount for "Local public works program", $4,000,000,000: *Provided*, That not to exceed $15,000,000, to remain available until expended, may be used for necessary administrative expenses, including expenses for program evaluation by the Secretary of Commerce.

AMENDMENT OFFERED BY MR. CEDERBERG

Mr. CEDERBERG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CEDERBERG: On page 4, line 9, after the word "Commerce" insert ": *Provided*, That none of the funds ap appropriated under this paragraph shall be available for any project where less than ten percent of the personnel to be employed on the project have currently resided for at least thirty days in the area used in determining project eligibility under Section 108 (e) of Public Law 94–369 and have been currently unemployed for at least thirty days".

Mr. CEDERBERG. Mr. Chairman, the purpose of this amendment is to try to carry out the intent of the Public Works Act. When we passed that act, the purpose of it was to do something about unemployment; yet there is nothing in the act that assures that any individual in the area in which a project is built can be employed on that project. All I am saying is that if a public works project is built in the area used in determining project eligibility under this section—it tells us what the area is—10 percent of the people they have to employ on that project must be unemployed and have lived in the area at least 30 days. It seems to be a very, very reasonable amendment if we want to do something about unemployment in the areas where the projects are going to be built.

This matter has been taken up before. It was passed by a voice vote unanimously—unanimously—in the House Committee on Appropriations a year ago, but we had a problem with it on the floor. Let me just explain it to the Members again. If a public works project is built in a given area of high unemployment, we say that 1 person in 10 employed on that project must have been unemployed 30 days or longer or must have been a resident of that area for at least 30 days.

It just seems to me that if we are really sincerely interested, by the use of these public works projects, in helping people who are unemployed, that this amendment ought to be adopted.

Mr. SLACK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have some concern that this amendment may delay the granting of funds under the program until certification is made that 10 percent of the personnel employed on a project have resided in the area for 30 days.

The basic purpose of this appropriation is to move these projects as fast as possible. Although there is some merit to this proposal, I fear that it may cause some delay in getting these projects underway.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding.

I remind the Committee that this is the same amendment that was defeated in this same debate in October of last year by a vote of 239 to 249. The House rejected this amendment then and it should reject the amendment now. The House Public Works Committee considered this matter very fully. They felt this amendment would only add redtape and would only delay a program that is supposed to get into operation within 90 days with a minimum of redtape.

The committee has already had the foresight to provide in the law, and I quote from Public Law 94-369:

> Any grant made to a local government based upon the unemployment rate of a community within its jurisdiction must be of direct benefit to or provide employment for unemployed persons who are residents of that community or neighborhood.

So why duplicate? Why add unnecessarily to this program and bog down one of the few Government programs that is functioning, that is working effectively, and that is doing the job it is intended to do within the time frame of the law?

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Chairman, in the first place there is no requirement for certification after the 10 percent are certified. All we want to know is that one person out of ten have resided in the area. That is all.

I do not know where the gentleman from Minnesota is from in Minnesota, but when a project is built in his district, does he not think it is reasonable to have one person out of ten unemployed resident for 30 days or longer there? Is that unreasonable?

Mr. OBERSTAR. Mr. Chairman, if the gentleman from West Virgina will yield, I have one of the highest unemployment rates in Minnesota. We have several of these projects. They are working. They are employing people in the local area. The law already provides that they should.

So I do not know why we should add another layer of bureaucracy and redtape in the requirements of the law.

Mr. CEDERBERG. Mr. Chairman, if the gentleman will yield further, I know of no projects under way at all now. We passed it last year, but there are no projects underway now. They still have some time to do that. So if the gentleman is under the impression that these projects are under construction, he is wrong. They are not.

All I am trying to do is assure someone who is unemployed gets a job. That may be unreasonable. It may require somebody to find out if somebody is unemployed. If that is unreasonable, then the whole bill is unreasonable because the intent of it is to help people who are unemployed.

Mr. OBERSTAR. Mr. Chairman, I beg to differ with the gentleman. If the gentleman from Virgina will yield further, there are projects underway. The most important point is that this program is geared to and the law already provides that projects must benefit, directly benefit the local area where the project is approved, by creating those jobs right there. And if this House, this body last year had voted this amendment, it would only have added another layer of bureaucracy, which the gentleman I am sure does not want. I am sure he does not want to undertake that.

Mr. MILLER of Ohio. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Chairman, I do not want to prolong the debate, but in the first place, if there are projects that are underway in that program, I do not know where they are. There may be some in Minnesota. There are none in Michigan, none have been started. The facts are we want only one thing, to be sure that in my State of Michigan where I have high unemployment that 1 person out of 10 be employed on that project who has previously been unemployed. If that is unreasonable, then the amendment is unreasonable. I do not think it is.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. CEDERBERG).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CEDERBERG. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 165, noes 245, not voting 22, as follows:

[Roll No. 75]

AYES—165

Addabbo	Ertel	McDonald
Anderson, Ill.	Evans, Del.	McEwen
Archer	Evans, Ind.	McKinney
Armstrong	Findley	Madigan
Ashbrook	Fish	Marriott
Badham	Flowers	Martin
Bafalis	Forsythe	Mathis
Bauman	Fountain	Mattox
Beard, Tenn.	Frenzel	Michel
Bennett	Frey	Miller, Ohio
Bowen	Fuqua	Mitchell, N.Y.
Broomfield	Gammage	Moore
Brown, Mich.	Gibbons	Moorhead, Calif.
Brown, Ohio	Goldwater	Motti
Broyhill	Goodling	Myers, Ind.
Buchanan	Gore	Nichols
Burgener	Gradison	O'Brien
Burke, Fla.	Grassley	Pettis
Burleson, Tex.	Hagedorn	Pickle
Butler	Hansen	Pressler
Byron	Harsha	Pritchard
Carter	Hillis	Quayle
Cederberg	Hollenbeck	Quie
Chappell	Holt	Quillen
Clausen, Don H.	Holtzman	Rangel
Clawson, Del	Huckaby	Regula
Cleveland	Hyde	Rhodes
Cochran	Ichord	Risenhoover
Cohen	Jacobs	Roberts
Coleman	Jeffords	Robinson
Collins, Tex.	Johnson, Colo.	Rogers
Conable	Kasten	Rousselot
Conte	Kelly	Rudd
Corcoran	Kemp	Runnels
Coughlin	Ketchum	Sarasin
Crane	Kindness	Satterfield
Daniel, Dan	Krueger	Sawyer
Daniel, R. W.	Lagomarsino	Schulze
Davis	Latta	Sebelius
Derwinski	Leach	Seiberling
Devine	Lent	Shuster
Dornan	Lloyd, Tenn.	Sikes
Duncan, Tenn.	Lott	Skubitz
Edwards, Okla.	Lujan	Smith, Nebr.
Emery	McClory	Snyder
Erlenborn	McCloskey	Spence
	McDade	

NOES—245

Stangeland	Waggonner	Wilson, Bob
Stanton	Walgren	Winn
Steiger	Walker	Wolff
Stockman	Wampler	Wydler
Symms	Watkins	Wylie
Taylor	White	Young, Alaska
Thone	Whitehurst	Young, Fla.
Treen	Whitten	Zeferetti
Trible	Wiggins	
Abdnor	Flippo	Murphy, Ill.
Akaka	Flood	Murphy, N.Y.
Alexander	Florio	Murphy, Pa.
Allen	Flynt	Murtha
Ambro	Foley	Myers, Gary
Ammerman	Ford, Mich.	Myers, Michael
Anderson, Calif.	Ford, Tenn.	Natcher
Andrews, N.C.	Fraser	Nedzi
Andrews, N. Dak.	Gaydos	Nix
Annunzio	Gephardt	Nolan
Applegate	Giaimo	Nowak
Ashley	Gilman	Oakar
Aspin	Ginn	Oberstar
AuCoin	Glickman	Obey
Badillo	Gudger	Ottinger
Baldus	Hall	Panetta
Barnard	Hamilton	Patten
Baucus	Hammer-schmidt	Pattison
Beard, R.I.	Hanley	Pease
Bedell	Hannaford	Pepper
Beilenson	Harkin	Perkins
Benjamin	Harrington	Pike
Bevill	Harris	Poage
Biaggi	Hawkins	Preyer
Bingham	Heckler	Price
Blanchard	Hefner	Pursell
Blouin	Heftel	Rahall
Boggs	Hightower	Railsback
Boland	Horton	Reuss
Bolling	Howard	Rinaldo
Bonior	Hubbard	Rodino
Bonker	Hughes	Roe
Brademas	Ireland	Roncalio
Breaux	Jenkins	Rooney
Breckinridge	Jenrette	Rose
Brinkley	Johnson, Calif.	Rosenthal
Brodhead	Jones, Okla.	Rostenkowski
Brooks	Jones, Tenn.	Roybal
Brown, Calif.	Jordan	Russo
Burke, Calif.	Kastenmeier	Ryan
Burke, Mass.	Kazen	Santini
Burlison, Mo.	Keys	Scheuer
Burton, John	Kildee	Schroeder
Burton, Phillip	Koch	Sharp
Caputo	Kostmayer	Shipley
Carney	Krebs	Simon
Carr	Le Fante	Sisk
Cavanaugh	Lederer	Skelton
Chisholm	Leggett	Slack
Conyers	Lehman	Smith, Iowa
Cornell	Levitas	Solarz
Cornwell	Lloyd, Calif.	Spellman
Cotter	Long, La.	St Germain
D'Amours	Long, Md.	Stark
Danielson	Luken	Steed
de la Garza	Lundine	Steers
Delaney	McCormack	Stokes
Dellums	McFall	Stratton
Dent	McHugh	Studds
Derrick	McKay	Thompson
Dicks	Maguire	Thornton
Diggs	Mahon	Traxler
Dingell	Mann	Tsongas
Dodd	Markey	Tucker
Downey	Marks	Udall
Drinan	Marlenee	Van Deerlin
Duncan, Oreg.	Mazzoli	Vento
Early	Meeds	Volkmer
Eckhardt	Metcalfe	Walsh
Edgar	Meyner	Waxman
Edwards, Ala.	Mikulski	Weaver
Edwards, Calif.	Mikva	Weiss
Eilberg	Milford	Whalen
English	Miller, Calif.	Whitley
Evans, Colo.	Mineta	Wilson, C. H.
Evans, Ga.	Minish	Wilson, Tex.
Fary	Mitchell, Md.	Wirth
Fascell	Moakley	Wright
Fenwick	Moffett	Yates
Fisher	Mollohan	Young, Mo.
Fithian	Moorhead, Pa.	Young, Tex.
	Moss	Zablocki

NOT VOTING—22

Clay	LaFalce	Teague
Collins, Ill.	Montgomery	Tonry
Corman	Neal	Ullman
Dickinson	Patterson	Vander Jagt
Gonzalez	Richmond	Vanik
Guyer	Ruppe	Yatron
Holland	Staggers	
Jones, N.C.	Stump	

Mr. VENTO and Mr. STEERS changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SLACK

Mr. SLACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SLACK: Page 4, after line 9, insert:

JOB OPPORTUNITIES PROGRAM

For Job Opportunities Program assistance, as authorized and permitted to be available by title X of the Public Works and Economic Development Act of 1965 (Public Law 94–487) as amended, $162,500,000.

Mr. SLACK. Mr. Chairman, the committee amendment to this bill provides $162,500,000 for the job opportunities program as authorized by title X of the Public Works and Economic Development Act of 1965 as amended. This program is authorized at a level of $81,250,000 per quarter, contingent upon the national unemployment rate being at least 7 percent, and provides for short-term public works jobs on a variety of development projects.

While neither President Ford nor President Carter has requested any funding for this program for fiscal year 1977, the amount provided in the amendment will permit funding of public works and capital improvement projects for the last two quarters of the current fiscal year. With respect to the costs of administering the program, the committee expects EDA to hold such costs to a minimum and believes that these expenses can be absorbed within funds currently available in the EDA administrative appropriation for fiscal year 1977.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Michigan.

Mr. CEDERBERG. This is a job opportunities program. Is there an authorization for it, and is there a request from President Carter with respect to this item?

Mr. SLACK. There is an authorization of $325 million.

Mr. CEDERBERG. It is current, then, as far as the gentleman knows?

Mr. SLACK. It is current.

Mr. CEDERBERG. There is no request from the President on this at all, is that correct?

Mr. SLACK. There was no request from either President Ford or from President Carter.

Mr. CEDERBERG. Is this double the amount that we had before?

Mr. SLACK. No. A total of $500 million was previously appropriated for this program.

Mr. CEDERBERG. Therefore, this is for $162.5 million.

Mr. SLACK. This provides for two quarters at $81,250,000 per quarter. This program has not been funded since the previous funding expired on December 31, 1975.

Mr. CEDERBERG. Is the gentleman sure that this is enough money?

Mr. SLACK. I am not sure that it is quite enough.

Mr. CEDERBERG. Then we might require a little bit more than this amount, inasmuch as we have not funded it since fiscal year 1976, and it is $162.5 million. If the gentleman is sure that this is plenty of money, then I do not think I am going to say anything more about it or ask for a rollcall vote.

Mr. SLACK. Let me say to the gentleman that this is full funding for the remainder of this fiscal year.

Mr. CEDERBERG. This is not full funding.

Mr. SLACK. That is correct. However, the authorization is $81,250,000 per quarter.

Mr. CEDERBERG. So this is all we can spend?

Mr. SLACK. This is all we can spend.

Mr. CEDERBERG. That is the record I wanted to make.

Mr. SLACK. Very well. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. SLACK).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL HIGHWAY ADMINISTRATION

OFF-SYSTEM RAILWAY-HIGHWAY CROSSINGS

For necessary expenses for the elimination of hazards of railway-highway crossings on roads other than those on any Federal-aid system in accordance with the provisions of section 203 of the "Highway Safety Act of 1976", to remain available until September 30, 1980; $40,000,000.

AMENDMENTS OFFERED BY MR. M'FALL

Mr. McFALL. Mr. Chairman, I offer three amendments and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Reserving the right to object, Mr. Chairman, could the gentleman from California (Mr. McFALL) tell us whether all of these amendments have prior legislative authorizations behind them and that they would not be subject to a point of order?

Mr. McFALL. That is correct; I can say that.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. McFALL: On page 4, line 25, strike out "$40,000,000" and insert in lieu thereof: "$75,000,000".

On page 5, line 3, strike out "$40,000,000" and insert in lieu thereof: "$150,000,000".

On page 5, after line 14, insert the following:

FEDERAL RAILROAD ADMINISTRATION

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

For an additional amount for the Northeast Corridor improvement program, $50,000,000, to remain available until expended.

Mr. McFALL. Mr. Chairman, under my amendments, title IV of the bill would increase by $195 million to a level of $300 million. I am proposing increases in two accounts and an appropriation for a program not included in the reported bill.

My first amendment is for off-system railway-highway crossings. I am proposing an increase from $40 to $75 million. This appropriation will provide Federal assistance to the States and localities to erect railroad crossing protection devices on highways not now eligible for Federal assistance. In connection with this program, I believe that these funds should be used for low-cost protection devices such as train-activated gates, bells, and flashing signals and not for costly grade separation or relocation projects. Testimony from Federal Highway Administration officials in last year's hearings before my subcommittee revealed that protection devices costing $20,000 to $30,000 were more cost-effective safety improvements than an alternative grade separation, costing $400,000 to $1.3 million. While providing for new employment opportunities, we can realize significant safety benefits from the amounts I am proposing.

For the safer off-system roads program, I am proposing an increase from $40 million in the reported bill to $150 million. This higher amount is appropriate, because I believe this program provides urgently needed funds to our State and local governments to finance highway construction and reconstruction, bridge replacements, and other safety improvements on roads not previously eligible for Federal aid. Every community in America, no matter how remote, can realize positive transportation improvements with the provision of these funds. As these worthwhile highway improvements are achieved, we will at the same time generate about 3,300 man-years of labor at the project sites and an additional 3,300 man-years in related product and service industries. I think all Members will concede that there is widespread support for this kind of program from our constituents who must drive or try to drive on the 2.8 million miles of highways not on the Federal-aid system.

In the area of railroad rehabilitation and reconstruction, my subcommittee has already provided over $1 billion for Federal support in various forms. However, I believe the Northeast corridor improvement program is a sound transportation improvement project which can productively use an additional $50 million for construction work during the upcoming summer months. The limited amount of air space between Washington and Boston and the crowded condition of our highways mandates a strong role for rail passenger service in this region. This is a project which has been studied for many years by the Department of Transportation. Detailed plans have been developed to produce, by 1981 or 1982, a first-class, 120-mile-per-hour railroad, capable of providing for nearly 21 percent of the Washington-New York-Boston trips by 1990. Previously appropriated funds together with the $50 million proposed here, would pro-

vide over 3,000 direct jobs during this upcoming summer work season as well as new jobs in the various railroad supply sectors of the economy.

This title of the bill provides funds for some very worthwhile transportation improvement projects which will enhance the safety and efficiency of the transportation system while at the same time providing thousands of productive jobs.

Mr. Chairman, I urge the adoption of the amendments.

Mr. CONTE. Mr. Chairman, I rise in support of the amendments offered by the gentleman from California (Mr. McFALL).

Mr. Chairman, I rise in support of these amendments to increase appropriations for the Northeast Corrider project in fiscal year 1977.

The Railroad Revitalization and Regulatory Reform Act of 1976, as amended, provides for the upgrading of the Northeast Corridor. The purpose of this upgrading is to improve the railroad passenger service between Boston, Mass., and Washington, D.C., to enable the establishment of high-speed rail passenger service in the corridor. Northeast Corridor improvements cover right-of-way work, track improvements, curve realinement, bridge improvements, and tunnel improvements.

In fiscal year 1977, $200 million has been provided for this project. An additional $50 million, as proposed in these amendments, would employ an additional 3,000 people, in addition to those who would be employed as a result of the supplies and equipment which would also be employed. But this $50 million would be for primarily labor-intensive activities such as ditching along the corridor, painting necessary facilities, and performing much-needed bridge repairs. Some additional work on station facilities will also be permitted by these amendments.

Mr. Chairman, the Congress has mandated certain performance criteria on the Northeast Corridor that must be met by specific dates. The additional funding provided in these amendments will be a significant benefit in insuring that those criteria can be met—making high-speed passenger service in the Northeast Corridor a reality, while providing additional and much-needed employment.

I urge my colleagues to adopt these amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California, (Mr. McFALL).

The amendments were agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

HIGHWAYS CROSSING FEDERAL PROJECTS

For an additional amount for "Highways crossing Federal projects" authorized by 23 U.S.C. 156; $15,000,000, to remain available until September 30, 1979.

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

AMENDMENT OFFERED BY MR. CONTE

Amendment offered by Mr. CONTE: On page 5, after line 14, insert the following:

FEDERAL RAILROAD ADMINISTRATION

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

For an additional amount pursuant to sections 502, 505–507 and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94–210) as amended, $50,000,000, to remain available until September 30, 1978.

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

INVESTMENT IN FUND ANTICIPATION NOTES

For an additional amount for investment in fund anticipation notes, $50,000,000, to remain available until September 30, 1978.

Mr. CONTE. Mr. Chairman, I rise in support of this amendment to provide an additional amount of funding in fiscal year 1977 under section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976. That section created a flexible loan program which allows the Secretary of Transportation to issue redeemable preference shares to begin the rehabilitation and revitalization of America's deteriorated railroads.

This program can be implemented quickly and can put thousands of people to work. In fact, much of the heavily labor intensive work such as ditching, improving drainage, bolt tightening on rail ends, disposal of tie butts, and general right-of-way cleanup can begin within days of the issuance of the redeemable preference shares.

Last week Acting FRA Administrator Bruce Flohr testified before the Transportation Appropriations Subcommittee about this program. He said that railroads have submitted applications for $130 million in section 505 funding up to this date. In addition, three railroads alone—the Boston & Maine, the Illinois Central Gulf, and the Rock Island—will be submitting applications for section 505 funding totaling $210 million in the next 6 weeks.

So right now, it appears that there will be in excess of $340 million in applications for the $70 million that has been appropriated to date for this program. That $70 million is miniscule when compared to the $7 billion in deferred maintenance which has been estimated by the Interstate Commerce Commission. If we do not move to correct the capital starvation problems of the Nation's railroads, then we will deal a serious setback to the revitalization of this portion of the Nation's transportation network.

The Boston & Maine is presently preparing an application for an issue of $25 million in redeemable preference shares for rehabilitation of their mainline between Ayer, Mass., and Mechanicville, N.Y. This program proposes to spend about $15 million for track upgrading and rehabilitation including the laying of welded rail, $7 million for signal work and $3 million for bridge maintenance. While all of the work would not be completed this year it is important to have the total amount of funds committed so that orders can be placed for rail, ties, and other materials that are in short supply and need substantial lead time. Much of the heavy labor intensive work such as ditching, improving drainage, bolt tightening on rail ends, disposal of tie butts and general rights-of-way cleanup can begin within days of the issuance of the redeemable preference shares.

I know this track because much of it is on the B. & M. in my congressional district. The work needs to get underway as soon as possible.

I understand that the Rock Island Railroad will soon file a formal application for rights-of-way rehabilitation between the Quad Cities and Kansas City with work to be undertaken in the States of Iowa, and Missouri. Preapplication conferences have already been held. The Rock is seeking an issue of about $30 million in trustee certificates as provided in section 505 of the 4–R act.

The Milwaukee Road, meanwhile, has filed a petition, just yesterday, with the ICC requesting joint use of this track with the Rock Island. This then is a coordination project in a DOT-designated "Corridor of Consolidated Potential," and as such according to DOT draft regulations should have the highest priority for funding. The Milwaukee hopes to begin joint use on the Rock Island track on March 21. It is essential that the full amount of section 505 funding be made available this year so commitments can be made for material and equipment.

I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk completed the reading of the bill.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KAZEN, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 4876) making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes, pursuant to House Resolution 402, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. CEDERBERG

Mr. CEDERBERG. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CEDERBERG. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CEDERBERG moves to recommit the bill H.R. 4876 to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 281, nays 126, not voting 25, as follows:

[Roll No. 76]

YEAS—281

Addabbo	de la Garza	Hughes
Akaka	Delaney	Hyde
Alexander	Dellums	Ireland
Allen	Dent	Jeffords
Ambro	Derrick	Jenrette
Ammerman	Dicks	Johnson, Calif.
Anderson, Calif.	Diggs	Jones, Tenn.
	Dingell	Jordan
Anderson, Ill.	Dodd	Kastenmeier
Annunzio	Downey	Kazen
Applegate	Drinan	Keys
Ashley	Duncan, Oreg.	Kildee
Aspin	Duncan, Tenn.	Koch
AuCoin	Early	Kostmayer
Badillo	Eckhardt	Krebs
Baldus	Edgar	Krueger
Baucus	Edwards, Calif.	Le Fante
Beard, R.I.	Eilberg	Lederer
Bedell	Emery	Leggett
Beilenson	Ertel	Lehman
Benjamin	Evans, Colo.	Lent
Bevill	Evans, Ga.	Lloyd, Calif.
Biaggi	Evans, Ind.	Lloyd, Tenn.
Bingham	Fary	Long, La.
Blanchard	Fascell	Long, Md.
Blouin	Fenwick	Luken
Boggs	Fish	Lundine
Boland	Fisher	McClory
Bolling	Fithian	McCloskey
Bonior	Flippo	McCormack
Bonker	Flood	McDade
Bowen	Florio	McFall
Brademas	Flowers	McHugh
Breaux	Foley	McKay
Brinkley	Ford, Mich.	McKinney
Brodhead	Ford, Tenn.	Madigan
Brooks	Fraser	Maguire
Broomfield	Fuqua	Mahon
Brown, Calif.	Gammage	Markey
Buchanan	Gaydos	Marks
Burke, Calif.	Gephardt	Mattox
Burke, Mass.	Giaimo	Mazzoli
Burlison, Mo.	Gilman	Meeds
Burton, John	Glickman	Metcalfe
Burton, Phillip	Gore	Meyner
Byron	Gudger	Mikulski
Caputo	Hamilton	Mikva
Carney	Hanley	Miller, Calif.
Carr	Hannaford	Mineta
Carter	Harkin	Minish
Cavanaugh	Harrington	Mitchell, Md.
Chisholm	Harris	Mitchell, N.Y.
Clausen, Don H.	Harsha	Moakley
	Hawkins	Moffett
Cochran	Heckler	Mollohan
Cohen	Hefner	Moore
Conte	Heftel	Moorhead, Pa.
Conyers	Hightower	Moss
Cornell	Hillis	Motti
Cornwell	Hollenbeck	Murphy, Ill.
Cotter	Holtzman	Murphy, N.Y.
Coughlin	Horton	Murphy, Pa.
D'Amours	Howard	Murtha
Danielson	Hubbard	Myers, Michael
Davis	Huckaby	Natcher
Nedzi	Rooney	Thompson
Nix	Rose	Thornton
Nolan	Rosenthal	Tsongas
Nowak	Rostenkowski	Tucker
O'Brien	Roybal	Udall
Oakar	Russo	Van Deerlin
Oberstar	Ryan	Vento
Obey	Santini	Walgren
Ottinger	Sarasin	Walsh
Panetta	Scheuer	Wampler
Patten	Schroeder	Watkins
Patterson	Schulze	Waxman
Pattison	Seiberling	Weaver
Pease	Sharp	Weiss
Pepper	Shipley	Whalen
Perkins	Sikes	White
Pickle	Simon	Whitten
Pike	Sisk	Wilson, Bob
Preyer	Slack	Wilson, C. H.
Price	Smith, Iowa	Wirth
Quillen	Solarz	Wolff
Rahall	Spellman	Wright
Railsback	St Germain	Yates
Rangel	Stanton	Young, Alaska
Reuss	Stark	Young, Mo.
Rinaldo	Steed	Young, Tex.
Risenhoover	Steers	Zablocki
Rodino	Stokes	Zeferetti
Rogers	Stratton	
Roncalio	Studds	

NAYS—126

Abdnor	Fountain	Myers, Ind.
Andrews, N.C.	Frenzel	Nichols
Andrews, N. Dak.	Frey	Pettis
	Gibbons	Poage
Archer	Ginn	Pressler
Armstrong	Goldwater	Pritchard
Ashbrook	Goodling	Pursell
Badham	Gradison	Quayle
Bafalis	Grassley	Quie
Barnard	Hagedorn	Regula
Bauman	Hall	Rhodes
Beard, Tenn.	Hammer-schmidt	Roberts
Bennett		Robinson
Breckinridge	Hansen	Rousselot
Brown, Mich.	Holt	Rudd
Brown, Ohio	Ichord	Runnels
Broyhill	Jacobs	Satterfield
Burgener	Jenkins	Sawyer
Burke, Fla.	Johnson, Colo.	Sebelius
Burleson, Tex.	Jones, Okla.	Shuster
Butler	Kasten	Skelton
Cederberg	Kelly	Skubitz
Chappell	Ketchum	Smith, Nebr.
Clawson, Del	Kindness	Snyder
Cleveland	Lagomarsino	Spence
Coleman	Latta	Stangeland
Collins, Tex.	Leach	Steiger
Conable	Levitas	Stockman
Corcoran	Lott	Symms
Crane	Lujan	Taylor
Daniel, Dan	McDonald	Thone
Daniel, R. W.	McEwen	Treen
Derwinski	Mann	Trible
Devine	Marlenee	Volkmer
Dornan	Marriott	Waggonner
Edwards, Ala.	Martin	Walker
Edwards, Okla.	Mathis	Whitehurst
English	Michel	Whitley
Erlenborn	Milford	Wiggins
Evans, Del.	Miller, Ohio	Winn
Findley	Moorhead, Calif.	Wydler
Flynt		Wylie
Forsythe	Myers, Gary	Young, Fla.

NOT VOTING—25

Clay	LaFalce	Tonry
Collins, Ill.	Montgomery	Traxler
Corman	Neal	Ullman
Dickinson	Richmond	Vander Jagt
Gonzalez	Roe	Vanik
Guyer	Ruppe	Wilson, Tex.
Holland	Staggers	Yatron
Jones, N.C.	Stump	
Kemp	Teague	

The Clerk announced the following pairs:

On this vote:

Mr. Corman for, with Mr Teague against.
Mr. Staggers for, with Mr. Stump against.
Mr. Yatron for, with Mr. Guyer against.

Until further notice:

Mr. Richmond with Mr. Ganzalez.
Mr. Clay with Mr. Jones of North Carolina.
Mr. Tonry with Mr. Traxler.
Mr. Holland with Mr. Charles Wilson of Texas.
Mr. Collins of Illinois with Mr. Roe.
Mr. Neal with Mr. LaFalce.
Mr. Ullman with Mr. Dickinson.
Mr. Montgomery with Mr. Kemp.
Mr. Vanik with Mr. Ruppe.

Mr. DERWINSKI changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, and that I may include certain extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PRINTING AS A HOUSE DOCUMENT COMPILATION OF TRIBUTES TO THE HONORABLE GERALD R. FORD

Mr. RHODES. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 157) and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER, Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 157

Resolved by the House of Representatives (the Senate concurring), That there be printed with an appropriate illustration, as a House document, a compilation of tributes by Members of the House in the Halls of the Congress, to commemorate the years of service of the Honorable Gerald R. Ford.

SEC. 2. There shall be printed and bound as directed by the Joint Committee on Printing, in addition to the usual number of copies, one thousand five hundred copies, which shall be distributed under the direction of the Honorable John J. Rhodes.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon tomorrow, Wednesday, March 16, 1977.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA

The SPEAKER laid before the House the following communication from the chairman of the Committee on the District of Columbia:

COMMITTEE ON THE
DISTRICT OF COLUMBIA,
Washington, D.C., March 8, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker,
Washington, D.C.

DEAR MR. SPEAKER: A review of the amounts allocated to the Committee under the Third Budget Resolution, S. Con. Res. 10, shows no revisions as to those funds allocated to us under S. Con. Res. 139. Because there are no revisions and because our subdivision of those amounts will be the same, our report required by Sec. 302(b) of the Congressional Budget Act is the same as the one submitted for the Second Budget Resolution. In that report, the Committee subdivided its allocation by major programs. We will act in a similar fashion on S. Con. Res. 10.

Pursuant to Sec. 302(c) of the Congressional Budget Act, we submit this letter in lieu of the report, rather than print a duplicate report in which only the date would change.

If further analysis shows that a more formal submission is required, we will be happy to comply in whatever form you suggest.

Sincerely,

CHARLES C. DIGGS, Jr.

RESIDUAL AND HOME HEATING OIL ENTITLEMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. HAGEDORN) is recognized for 5 minutes.

Mr. HAGEDORN. Mr. Speaker, the Federal Energy Administration has recently proposed regulations to revise the crude oil allocation program which would strongly politicize the program, and severely impact upon the Midwestern United States. The new regulations would grant entitlements to imported residual fuel oil, approximately 85 to 90 percent of which is imported for use in PAD I—east coast. The effect would be to lower residual fuel prices for east coast users while raising crude costs for domestic refiners and product prices for their customers. In their own economic impact evaluation—EIA–77–01, dated January 1977—the FEA has concluded:

The proposal would substantially raise the costs of refined products other than residual fuel oil throughout the country.

Based upon conservatively estimated daily import levels of 1.3 million barrels of crude, and using FEA figures to estimate increased costs of 18 to 20 cents per barrel, the total annual cost of these regulations will be approximately $1.1 billion. As with virtually all Government programs, this one is a zero-sum game with the full cost of the subsidy to east coast and residual importers being borne by domestic refiners and consumers of their products.

A further effect of the new entitlement program will be to provide incentives to import residual crude, by subsidizing foreign producers. Recognizing the increased value of their product to U.S. importers as a result of entitlements, it is reasonable to expect that foreign producers will raise their prices to share in the benefits. When a temporary version of a similar entitlements program was implemented last year, Venezuela sharply raised its residual prices in response. Such "secure" foreign sources as Romania, Algeria, Angola, and the Soviet Union will be among the possible beneficiaries of these subsidies.

For many years, the east coast has enjoyed cheaper petroleum costs than the rest of the Nation as a result of market conditions in that region, and the fact that foreign crude oil, especially that refined in the Caribbean, was cheaper than domestically produced crude. The east coast typically paid 5 to 10 cents less per gallon for fuel oil than did the rest of the country, including those who lived in the heart of crude production areas. Increasing residual prices that are now occurring on the east coast do not justify the massive interregional subsidy that FEA is proposing. Not only are residual prices still 1 to 2 cents cheaper in many east coast markets than they are in the Midwest, but rising prices are attributable basically to continued reliance by the East upon imported products subject to the vagaries of world economic conditions. Regional energy decisions, specifically with respect to Outer Continental Shelf development, have also contributed substantially to current pricing problems in the East.

Energy costs are up all across the country; they are not the special burden of any one sector of the country. In the Midwest, particularly, increasing coal and natural gas prices, compounded by an extended drought, have resulted in substantial curtailments of school and commercial activities. My own State of Minnesota is presently undergoing a sustained fuel emergency. Rather than requiring energy users in the Midwest to pay costs that should legitimately be assumed by those receiving the benefits of these costs, the FEA should treat the problem for what it actually is, a competitive pricing problem on the east coast, largely induced by their own energy decisions, and not one for which the entitlements program ought to be brought to bear. Any price equalization regulations that it passes ought to be limited in scope to the east coast. To attempt to inject artificial price competition between domestic and imported residual fuel through reductions in the price of the latter is to pursue a policy certain to provide disincentives to energy conservation and the development of alternative domestic sources of energy.

The following is the text of a letter which has been sent to the Administrator of the Federal Energy Administration, Mr. O'Leary, along with a list of its cosigners:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., March 8, 1977.

Subject: Residual and home heating oil entitlements.

Mr. JOHN O'LEARY,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. O'LEARY: Over the past two weeks, a number of Members of Congress have written you to express their opinion that FEA's proposal to issue entitlements for residual fuel oil imports should be withdrawn because it represented a subsidy for foreign refineries and the prices paid for their products. Crude costs and product prices would substantially be increased to Midwestern consumers in order to pay for the entitlements that would be issued to importers.

Since that time, an FEA economic impact evaluation (Author: David L. Shapiro, DISCUSSION PAPER EIA–77–01, dated January 1977) has concluded that ". . . the proposal would substantially raise the costs of refined products other than residual fuel oil throughout the country." The report also concludes that, under one alternative proposal, more than $1.1 billion would be transferred to residual fuel oil importers based upon import levels of 1.3 million barrels per day. As you are aware, residual imports this past winter frequently exceeded 1.7 million barrels per day, indicating that, on a short-term basis, the subsidy price paid by non-benefitting consumers could exceed FEA's projections.

The FEA study was completed prior to your Agency's issuance of regulations to grant full entitlements for February and March for No. 1 and No. 2 heating oil imports. As reported by the Oil Daily, home heating oil prices on the East Coast are already lower than in upper Midwestern markets which are dependent upon domestically refined oil.

The subsidy that is occurring (No. 1 and No. 2 heating oil) and the subsidy that is now being proposed (residual fuel oil) represent unwarranted transfers of costs from areas of the country, which have chosen to rely on foreign refineries, to those relying on domestically refined products. Much of that cost would fall on the Midwest at a time when demand for agricultural fuels will be sharply increasing due to the spring planting season.

Again, we urge you to take immediate action to withdraw your Agency's proposal to subsidize East Coast product imports. Your Agency's own study and the likelihood of severe regional pricing distortions strongly support this course of action.

Sincerely,

LIST OF COSIGNERS

Representative Hagedorn of Minnesota.
Representative Grassley of Iowa.
Representative Coleman of Missouri.
Representative Madigan of Illinois.
Representative Johnson of Colorado.
Representative Thone of Nebraska.
Representative Sebelius of Kansas.
Representative Nolan of Minnesota.
Representative Cederberg of Michigan.
Representative Sawyer of Michigan.
Representative Corcoran of Illinois.
Representative Findley of Illinois.
Representative Stangeland of Minnesota.
Representative Harkin of Iowa.
Representative Leach of Iowa.
Representative Stockman of Michigan.
Representative Railsback of Illinois.
Representative Quie of Minnesota.
Representative Crane of Illinois.
Representative Myers of Indiana.
Representative Derwinski of Illinois.
Representative Broomfield of Michigan.
Representative Vento of Minnesota.
Representative Fithian of Indiana.
Representative Quayle of Indiana.
Representative Pressler of South Dakota.
Representative McClory of Illinois.
Representative Mikva of Illinois.
Representative Russo of Illinois.
Representative Hillis of Indiana.
Representative Anderson of Illinois.
Representative Frenzel of Minnesota.
Representative Hyde of Illinois.
Representative Michel of Illinois.
Representative Winn of Kansas.
Representative Oberstar of Minnesota.
Representative Kasten of Wisconsin.

Representative Bedell of Iowa.
Representative Baldus of Wisconsin.
Representative Annunzio of Illinois.
Representative Brown of Ohio.
Representative Abdnor of South Dakota.
Representative Vander Jagt of Michigan.
Representative Simon of Illinois.
Representative Brown of Michigan.
Representative Skubitz of Kansas.

SACCHARIN BAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. EDWARDS) is recognized for 10 minutes.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I am today introducing two pieces of legislation intended to permit the continued use of saccharin as an artificial sweetening agent in food products. Millions of Americans use food products containing saccharin for health reasons. I ask my fellow Members of Congress to join me in this effort to halt the removal of these products from the market, and to amend portions of the Food, Drug, and Cosmetic Act to avoid senseless restrictions in the future.

Since the announcement last week of the proposed ban on saccharin by the Food and Drug Administration I have received hundreds of letters and telephone calls expressing the outrage and concern of my constituents. If the FDA bans every product that poses health hazards when consumed in quantities of 9,600 ounces a day, it will be only a matter of time before we have nothing left on grocery and pharmaceutical shelves.

Congress will assure for the public far more serious problems if it allows the ban to take effect than if it intervenes and amends the law, even with the knowledge that 75 gallons of diet drink consumed daily over a lifetime could lead to cancer—at least in rats.

Many of us would acknowledge, for instance, that too many Americans are overweight. And, we also acknowledge the proven correlation of obesity and cardiovascular disease, which ranks among the most frequent causes of death and disability in the Nation. To ban saccharin, the only remaining sugar substitute ingredient on the market, would be to deprive millions of Americans of an important aid to health care. It would at the same time eliminate the only safe alternative for diabetics who prefer sweetened food, but for whom sugar would cause illness or death.

Congress simply cannot allow an action with the implications and impact that the FDA ban would cause, without providing the public a justifiable explanation. It is clear to me that the justification does not exist.

REMEMBER THE WASPS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER. Mr. Speaker, as the Congresswoman with the most seniority in this body, I speak with special pride today. Knowing of the diversity of the women Members of Congress, I rise today to say that 17 of 18 of the women Members—from both sides of the aisle, with different political philosophies, and representing varying geographic regions—have joined together to introduce a bill to grant veterans' benefits to former Women's Air Force Service Pilots—WASP's—for their service to this Nation during World War II.

As a member of the Committee on Veterans' Affairs, which has jurisdiction over this legislation, I am buoyed by this spirit. Moreover, I am grateful for the support shown this legislation by my male colleagues in the House, 50 of whom have already signed onto a companion bill to be introduced later this week by my good friend and esteemed colleague, the Honorable LINDY BOGGS, of Louisiana.

An identical bill has been introduced in the Senate by the Honorable BARRY GOLDWATER, of Arizona, a long-time advocate and staunch defender of veterans' benefits for the valiant WASP's.

Last year, "Remember the Ladies" was a catch-phrase of the Bicentennial. This year, "Recognize the WASP's" has become a catch-phrase of this Congress.

Mr. Speaker, it is well-documented that 1,070 WASP's ferried fighter and bomber planes, towed targets for combat pilots, and helped train other pilots; that 38 WASP's died while in service with the Air Corps; and that approximately 800 WASP's are still living at this time.

From September 1942, to December 1944, the WASP's completed military pilot training, served under military discipline, lived in military barracks, received military pay, and earned military decorations, with the understanding that they would be militarized and commissioned as second lieutenants.

For 33 years, the WASP's have sought such recognition, and for 33 years they have been denied. In 1944 a bill to militarize the WASP's was defeated on the House floor, in a legislative debacle which focused on peripheral issues rather than the merits of the WASP's claims.

Last session, with the unanimous support of the Senate, the Honorable BARRY GOLDWATER amended a House-passed veterans' bill to recognize these claims. Due to the nature of the original bill, the amendment was limited to the extension of medical entitlement to the WASP's, but it established the principle of recognition of their right to veterans' benefits. The House struck the amendment, and recognition for the WASP's was again denied.

However, the chairmen and ranking minority Members of the House and Senate Committees on Veterans' Affairs agreed to hold hearings on WASP entitlement to veterans' benefits this session. For the information of my colleagues, I am pleased to insert the texts of these letters at this time:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., October 1, 1976.

Sen. BARRY GOLDWATER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GOLDWATER: This has reference to the "WASP" amendment added by the Senate to H.R. 71.

If a bill incorporating the provisions of this amendment is introduced in the House next session, appropriate agency reports will be obtained and the subcommittee with jurisdiction will hold hearings next session.

With best wishes, we are,

Sincerely yours,

RAY ROBERTS,
Chairman.
JOHN PAUL HAMMERSCHMIDT,
Ranking Minority Member.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., October 1, 1976.

Hon. BARRY GOLDWATER,
U.S. Senate.

DEAR SENATOR GOLDWATER: This is to inform you that we plan to hold hearings on your legislation to provide medical benefits for members of the Women's Air Forces Service Pilots early in the next session of Congress.

Sincerely,

CLIFFORD HANSEN,
Ranking Minority Member.
VANCE HARTKE,
Chairman,
Committee on Veterans' Affairs.

Mr. Speaker, in introducing this measure today, along with Hon. LINDY BOGGS of Louisiana, SHIRLEY CHISHOLM of New York, YVONNE BRATHWAITE BURKE of California, MARJORIE S. HOLT of Maryland, ELIZABETH HOLTZMAN of New York, BARBARA JORDAN of Texas, PATRICIA SCHROEDER of Colorado, CARDISS COLLINS of Illinois, MARTHA KEYS of Kansas, MARILYN LLOYD of Tennessee, HELEN MEYNER of New Jersey, VIRGINIA SMITH of Nebraska, GLADYS NOON SPELLMAN of Maryland, SHIRLEY PETTIS of California, BARBARA MIKULSKI of Maryland, and MARY ROSE OAKAR of Ohio, I say that the time has come—in fact, is long overdue—for the WASP's to present their case to this Congress and to the American people.

I trust that the two Committees on Veterans' Affairs will schedule hearings on this legislation in the very near future, so that the WASP's will have the opportunity to convince everyone in this body of the fairness and justice of their claims.

Mr. Speaker, I urge my colleagues in the House to join the scores of Members—of both sexes, from both Houses, from both parties, with varying philosophies, from all regions—who support full veterans' status for the WASP's. Seldom have so few waited so long for recognition. My esteemed colleagues, let us act.

A TRIBUTE TO GEORGE SEAL, DIRECTOR OF MEMBERSHIP SERVICES, DISABLED AMERICAN VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MCDADE) is recognized for 5 minutes.

Mr. MCDADE. Mr. Speaker, this is the time of the year when veterans organizations from all across the Nation are coming to Washington to meet with Congressmen and Senators to discuss their needs and their problems. But it will not be the same this year, because one of their finest representatives and one of our Nation's finest citizens is no longer with us. I am referring to George Seal,

the director of membership service for the Disabled American Veterans who died last week. His passing is a great loss not only for his family but for all of us who knew him and worked with him. There was not a man alive who cared more or who gave more of his life to improve life for the veterans of this Nation.

George Seal was a constituent of mine, born in Gibson, Pa., in Susquehanna County. He served with distinction in World War II with the 504th Parachute Infantry Regiment of the 82d Airborne Division. Twice wounded, and disabled permanently by those wounds, George resolved to dedicate himself to helping veterans with similar or in many cases worse afflictions. He went to work for the Disabled American Veterans across the country as a DAV national service officer, after training at American University here in Washington. Ultimately he joined the DAV's national staff where he became director of membership and volunteer services.

Mr. Speaker, I know that he was a familiar presence to many of the Members of this House. Certainly the cause of a better life for our veterans had no greater champion on Capitol Hill or anywhere else. I know that all of the Members of this House will join with me in extending to his wonderful wife and to his family our deepest sympathies. We shall miss him.

A REPLY TO THE HONORABLE JOSEPH FISHER REGARDING THE LIBRARY OF CONGRESS STATISTICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 5 minutes.

Mr. KEMP. Mr. Speaker, there has been some confusion on the part of a few Members recently about revenue gains from the Kennedy tax cuts in the early 1960's. I would like to take a moment today to explain where the figures I and other Members have been using came from and what they mean.

The following table shows the estimated dollar impact of the Revenue Act of 1962:

[In billions of dollars]

	1963	1964	1965	1966	1967	1968
Revenue Act investment tax credit	1.1	1.4	1.6	1.9	2.1	1.3
Depreciation guidelines	1.3	1.4	1.5	1.6	1.7	1.8
Totals	2.4	2.8	3.1	3.5	3.8	3.1

Source: "Meetings with Department and Agency Officials," hearings before Committee on Banking and Currency, 1967, p. 12.

In 1964, taxes were cut again. This table shows the estimated dollar impact over 5 years:

[In billions of dollars]

	1964	1965	1966	1967	1968
Revenue Act of 1964:					
Reduction in personal income tax	2.4	8.7	12.4	14.1	15.5
Reduction in corporate income tax	---	1.5	2.9	3.2	3.2
Totals	2.4	10.2	15.3	17.3	18.7

Source: "Meetings with Department and Agency Officials," p. 12.

Again in 1965 there were substantial tax cuts, as this table demonstrates:

Excise Tax Reduction Act of 1965: Reduction in excise taxes, net of excise tax increases of Tax Adjustment Act of 1966:

1966	1.2
1967	2.5
1968	2.6

Source: Meetings with Department and Agency Officials, p. 12.

If one then adds up the totals for these various tax cuts, you get the following results:

[In billions of dollars]

1963	2.4
1964	5.2
1965	13.3
1966	20.0
1967	23.7
1968	24.4

These figures are the total estimated revenue losses from the tax cuts. The estimates were incorrect because they assumed that people's behavior would not change in response to changes in tax rates.

Then, if one examines the actual tax revenues collected in each of these years, you get these totals (in millions):

1962	$99,676
1963	106,560
1964	112,662
1965	116,833
1966	130,856
1967	149,552
1968	153,671

Source: Office of Management and Budget.

The difference between the yearly totals then is:

1962–63	$6,884
1963–64	6,102
1964–65	4,171
1965–66	14,023
1966–67	18,696
1967–68	4,119

As one can see, these are obvious revenues gains taking place at a time when taxes are being cut substantially. Anyone who wishes to argue that the tax reductions did not contribute to an expanded tax base and, thereby, higher tax revenues, must assume that people are unresponsive to work, investment, and spending incentives.

The logic of the situation seems very clear to me, as it did to those who engineered these tax cuts. Dr. Arthur Okun, for example, wrote in "The Political Economy of Prosperity" page 48:

According to my estimates, the tax cut added $24 billion—annual rate—to our GNP by the second quarter of 1965, and ultimately provided a lift of $36 billion. Both consumer spending and business investment forged ahead, and unemployment moved down. Revenue gains from higher personal and corporate incomes flowed into the Treasury, and brought the Federal budget into surplus—on a national accounts basis—during the first half of the year. Meanwhile, in May 1965, the duration of economic expansion toppled the previous peacetime record of 50 months.

More recently, Dr. Walter Heller, who had been Chairman of the Council of Economic Advisers under President Kennedy, was asked, during hearings before the Joint Economic Committee on February 7, 1977, whether the 1964 tax cut produced additional tax revenues. He replied:

Did it pay for itself in increased revenues? I think the evidence is very strong that it did.

Perhaps more significantly, the Revenue Act of 1964 contains the following declaration in its first section:

Section 1 of the bill provides that it is the sense of Congress that the tax reduction provided by the bill, through stimulation of the economy, will, after a brief transitional period, raise (rather than lower) revenues.

I could go on to cite additional evidence and innumerable statements from prominent economists regarding the consequences of permanent tax rate reductions. If people wish to draw different conclusions from the evidence presented by the revenue figures and the statements of those originally involved with the Kennedy tax cuts, then let them back up their conclusions with analyses and facts.

For myself, I think it is obvious that when you increase the reward for work and investment, you are going to get an increase in production and an expansion of the tax base. This results in increased tax revenues. Furthermore, I think that the same thing would happen today if this Congress enacted permanent, substantial reductions in the tax rates across the board. These rates have been increasing the real tax burden for years as inflation pushes money incomes higher into the graduated tax brackets that choke off productive activities.

FUTURES STUDIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, I am pleased to join my colleagues Mr. BEDELL, Mr. COHEN, and Mr. MOFFETT in hosting a workshop on "Futures Studies" at 10 a.m., March 18, in the Gold Room of the Rayburn Building. I want to take this opportunity to explain more fully the purpose of this conference and to invite my colleagues and their staff members to attend.

The workshop is designed to encourage Congressmen and their assistants to look

more carefully at ways we can anticipate our national problems. Such forecasting is mandated by the Rules of the House of Representatives, which require all standing committees—except Budget and Appropriations—to use "futures" research on matters within their jurisdiction. In other words, committees have not only oversight, but also foresight responsibilities.

"Futures" research consists of information on anticipated economic, social, and cultural trends, as well as data on changes in the population, work force, environment, and the quality of life. Such information has two important applications.

First, we can use it to establish legislative priorities. For instance, if studies indicate that our population in the next few years will consist of more elderly people and fewer youngsters, then Congress could deal promptly with health care and retirement-oriented legislation and postpone action on proposals to increase the number of child care facilities. In this regard, futures studies can be especially useful to standing committees. When forecasts indicate that a specific problem—or opportunity—is likely to develop, committee members can begin to identify and evaluate the alternatives available to Congress and be better prepared when the situation actually evolves.

This leads us to the second application. Once a committee formulates a proposal, it should use futures research to evaluate the long-term effects of the measure. We can all cite examples of laws which, once enacted, created unanticipated results. One that comes to mind quickly is the Clean Air Act of 1970, which set auto emission standards that we still are trying to modify. This particular law also has had a far-reaching effect on our long-term plans for energy development and industrial expansion. It serves as a good reminder that the issues we are facing now are becoming increasingly complex and interrelated. If we are to create long-lasting, worthwhile policies for our Nation, we must carefully analyze and use information concerning the effects these laws will have on our people.

Several resources to assist us in meeting our foresight responsibilities already exist. The Congressional Research Service, the Library of Congress Futures Research Group, the Office of Technology Assessment, GAO, and the CBO all have developed methods of analyzing future trends. However, their data are of little value unless we utilize them properly. It is for this purpose that we are hosting the workshop. Representatives from the agencies involved briefly will explain their resources and answer questions. In addition, participants can obtain a brochure directing them to publications, books, issue briefs, and other materials helpful in conducting futures research.

Mr. Speaker, I believe the information we are sharing is very important to Congress and to our democratic form of government. In this time of rapid change, we must anticipate if we are to survive. I urge as many people as possible to participate in the workshop this Friday.

DR. MIKHAIL SHTERN RELEASED FROM SOVIET PRISON CAMP

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. FISH) is recognized for 5 minutes.

Mr. FISH. Mr. Speaker, I am pleased to report to my colleagues in the House that the fight to obtain the release of Dr. Mikhail Shtern from a Soviet prison camp has reached a happy and successful conclusion, for I have learned that Dr. Shtern has been released from jail today.

I congratulate my fellow colleagues, Congressman DOWNEY and Congressman SCHEUER and the national conference on Soviet Jewry for their efforts in behalf of Dr. Shtern. Recently, we joined in introducing a House resolution calling for his immediate release. I am happy to say that there is no longer a need for this resolution.

This most recent action by the Soviet Union reflects that country's sensitivity to worldwide criticism of their handling of the Human Rights issue.

However, I would also like to caution my colleagues that we cannot rest on our laurels, because for every "refusenik" the Soviet Union releases from prison, there is probably another Soviet Jew who is being harassed and jailed because of his desire to emigrate.

INTERNATIONAL COMMERCE IN U.S.-SOURCE PLUTONIUM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 30 minutes.

Mr. BINGHAM. Mr. Speaker, I am deeply concerned about a December 30, 1976 decision made by the previous administration to allow the transfer of U.S.-supplied nuclear fuel—for commercial reprocessing in France and the United Kingdom—that had been used in Swiss, Japanese and Spanish nuclear reactors. In spite of U.S. efforts to control the spread of weapons grade materials throughout the globe by retaining control over the subsequent transfer of the materials extracted in the reprocessing—especially the weapons grade plutonium—these materials are evidently now bound for West Germany where they will be used in experimental fast breeder reactors. Thus, the United States has evidently been placed in the position of assisting West German development of breeder reactors before this extremely sensitive nuclear technology has been licensed by the Nuclear Regulatory Commission and cleared by the President for development in the United States.

I have written Secretary of State Vance expressing my concern over this decision—the text of my letter follows—and I plan to pursue the matter further when hearings begin on H.R. 4409, The Nuclear Antiproliferation Act, next month. In the meantime I hope that the administration will consider an option available to President Carter under existing nuclear agreements: to approve the transfer of spent fuel out of these countries for storage only, but to withhold approval of reprocessing.

We must understand the significance of spent fuel if we are to be successful in our efforts to establish a global antiproliferation regime.

It is essential that we retain control over this spent nuclear fuel for this fuel represents a "plutonium bank" upon which nations possessing large stocks may draw for subsequent reprocessing and extraction of weapons grade material.

Ideally all spent fuel will be returned to supplier nations or to international facilities for storage. The construction of additional facilities to serve these needs must become a top priority. In the interim, we must move toward prohibiting any reprocessing of U.S.-supplied nuclear fuel if we are to curb proliferation of weapons grade nuclear materials such as plutonium.

Mr. Speaker, the last minute decision made last December 30 by the Ford administration could trigger the world's first major commercial reprocessing of spent nuclear fuel. This ill-conceived, ill-considered decision by the previous Administration graphically demonstrates the reasons why our nuclear export policies require swift coordination and tightening. It serves to illustrate the inherent weakness of an antiproliferation policy which places too much faith in U.S.-approval of how consumer nations handle our most sensitive exports once they are out of our hands.

It is incumbent upon this Congress to take unequivocal action to oppose the development of plutonium economies both abroad and at home. A necessary first step in this effort will be the placing of consistent criteria which will govern all U.S. nuclear exports into law as soon as possible.

Text of letter to Secretary Vance follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 8, 1977.

Honorable CYRUS VANCE,
Secretary of State,
Department of State, Washington, D.C.

DEAR CY: I remain deeply concerned about a December 30, 1976, decision made by the previous Administration to allow the transfer of U.S. supplied nuclear fuel—for commercial reprocessing in France and the United Kingdom—that had been used in Swiss, Japanese and Spanish nuclear reactors.

Apparently, this approval was authorized in spite of objections raised by the State Department and the Arms Control and Disarmament Agency (ACDA) based upon President Ford's nuclear policy statement of October 28. In this statement, he declared that "the United States should no longer regard reprocessing of used nuclear fuel to produce plutonium as a necessary and inevitable step in the nuclear fuel cycle," and he called for domestic and international initiatives to "control the spread of plutonium and technologies for separating plutonium."

As you know, the current United States reappraisal of reprocessing is based on technical findings that question the economics of recycling uranium and plutonium recovered from spent reactor fuel at this time and, most pertinently, that question the adequacy of present safeguards and physical-security measures to detect and prevent the diversion

of plutonium to the production of nuclear weapons by nations and terrorist groups.

As you may also be aware, I introduced last Thursday comprehensive legislation designed to combat the proliferation of nuclear explosive capability. I anticipate initiating the hearing process for this legislation quite soon. One of the principal concerns I have as Chairman of the International Economic Policy Subcommittee of the House International Relations Committee—one of the two International Relations Committee subcommittees which will be considering this legislation—is that the requirements for United States approval of any reprocessing of nuclear fuel which are contained in a number of our Agreements For Cooperation are not sufficient to prevent misuse of U.S.-supplied materials. A related concern of mine—which is addressed by the legislation I have introduced—is that the review of retransfers of U.S.-supplied materials which are conducted by the E.R.D.A. have not provided for thorough assessment of the proliferation risks raised by any and all such retransfers of sensitive nuclear materials.

Accordingly, we shall be addressing these and several related issues in the upcoming hearings on "The Nuclear Antiproliferation Act" before the House International Relations Committee.

Since the introduction of this bill last week, it has been brought to my attention that prior to the Ford Administration December 30 decision approving transfer of U.S.-supplied nuclear fuel, there was evidently an unannounced transfer of a substantial amount of U.S.-supplied reactor fuel from Switzerland to France and that most of it has been reprocessed in a French plant—possibly without the required prior approval of the United States. It also has come to my attention that a contract between Swiss and West German firms calls for the use of the separated plutonium in two fast breeder reactors now under construction in West Germany. It appears that an incomplete copy of the contract was made available to the United States in April, 1976—some nine months after it was signed—and that sensitive provisions, including procedures to be followed in selling the plutonium, were withheld.

It is unclear, therefore, on what basis, if any, the United States approved the first transfer of used reactor fuel from Switzerland to France for reprocessing; nor is it clear what control, if any, the United States now has over the ultimate use made of the separated plutonium.

The European Community, which assumes jurisdiction over the U.S.-supplied Swiss reactor fuel after it arrives in France, has asserted in a February 11 letter that the United States cannot restrict the transfer and use with EURATOM of any plutonium separated from the fuel—including use of the plutonium in the German breeder reactors. If this is the case, the United States has no say as to how EURATOM nations use separated plutonium after the U.S. approves transfer of spent fuel into a EURATOM facility. Thus, the United States has evidently been placed in the position of helping to develop breeder reactors in Germany before this sensitive technology has been licensed by the Nuclear Regulatory Commission and cleared by the President for development in the United States. Furthermore, any approval by the United States of commercial reprocessing of U.S.-supplied reactor fuel abroad goes beyond what is permitted by the NRC and by the President at home.

Other United States nuclear export policies and practices appear to conflict directly with current efforts to reappraise whether it is in our national interest to proceed with spent-fuel reprocessing and the breeder reactor domestically or to help promote these programs abroad.

For example, the United States entered into an agreement in June, 1976, with West Germany to cooperate in the development of the fast-breeder reactor. Furthermore, over the years we have exported a total of 8,900 pounds of high-enriched uranium and 1,700 pounds of plutonium to West Germany for research and development programs—mostly involving the breeder. Also, it has been reported that about 150 pounds of plutonium have been separated in a British reprocessing plant from U.S.-supplied reactor fuel that was used in a Spanish reactor—apparently with United States approval. The present status of this plutonium is unclear.

Clearly, there is a need for intensive review and reform by Congress and the Executive Branch of the procedures under which the United States considers and approves applications by other governments for permission to transfer, alter and utilize U.S.-supplied nuclear fuel after use in a reactor. In this regard, I would appreciate your giving the above cited aspects of the spent-fuel question the closest scrutiny in the current interagency review of nuclear export policy, and also providing me with responses to the following questions and requests for pertinent data by March 18, in order that my subcommittee might further investigate these matters and consider appropriate legislative remedies.

1. Can President Carter reverse the decision of the previous Administration to approve the transfer for reprocessing of U.S.-supplied nuclear fuel that has been used in Swiss, Spanish and Japanese reactors, approving instead the transfer of this fuel for storage only in France and the United Kingdom?

2. Does the February 11 letter from the European Community, asserting that the United States has no right to restrict transfer and use of separated plutonium within EURATOM, represent a rejection of the conditions placed by the U.S. on transfer of spent fuel from Switzerland to France? Is the U.S. approval of the transfer for reprocessing thus made null and void?

3. Did the United States approve an earlier transfer of 109 U.S.-supplied fuel assemblies from Switzerland to France, which took place in 1975 and 1976, and the reprocessing of 76 of these assemblies, which took place in May and June of 1976?

(a) In this regard, what is the significance of the handwritten notation, apparently by an ERDA official, "Have we approved this (?)," that appears on a letter dated November 2, 1976, from a Swiss company to ERDA, describing the above mentioned transfer and reprocessing of U.S.-supplied reactor fuel?

(b) What is the present status of the plutonium and depleted uranium separated from this spent fuel?

(c) Was the United States aware of the terms and conditions of the Swiss-German contract for use of the separated plutonium in German breeder reactors prior to receipt of an incomplete copy of the contract in April, 1976? Since U.S.-supplied fuel was involved, why was there no public announcement of this transaction by the United States?

(d) Did the Swiss government seek the approval of the United States prior to permitting the plutonium contract with Germany to proceed?

(e) Please examine the file on this earlier spent-fuel transfer for any evidence of a U.S. determination that safeguards can be effectively applied, as required by the U.S.-Swiss nuclear agreement.

4. Has the United States approved the transfer and reprocessing in the United Kingdom of U.S.-supplied fuel that was used in a Spanish reactor? If so, how much plutonium has been separated and what is the current status of this material? Please examine the file on this matter for any evidence of a U.S. safeguards determination and the details of any U.S. control over the end-use of the plutonium.

5. Do the U.S.-West German breeder agreement and the U.S. export of high-enriched uranium and plutonium for use in the German breeder program conflict with current U.S. efforts to maintain control over the end-use of any plutonium that is separated from U.S.-supplied reactor fuel abroad? How do the United States activities affect our efforts to restrain reprocessing and breeder development?

6. Please furnish a listing of all United States approvals of reprocessing of U.S.-supplied reactor fuel abroad, including (a) a description of any transfer arrangements before and after reprocessing, and (b) a description of the proposed or actual end-use of the separated plutonium and depleted uranium. In each case, please include a copy of any United States determination that safeguards can be effectively applied.

7. Please furnish a listing of all pending applications for United States approval of reprocessing of U.S.-supplied reactor fuel abroad, including the information requested in item 3 above.

8. Please furnish a listing of all United States approvals for transfer of U.S.-supplied or derived material for purposes other than reprocessing. Please indicate the end use of the material in each case and include a copy of any U.S. determination that safeguards can be effectively applied.

9. Please furnish a copy of the regulations and a description of the interagency procedures that were followed for approving applications for transfer for reprocessing (a) at the time of the earlier Swiss transfer cited in item 2 above, (b) at the time of the December 30 approval, and (c) at the present time.

I am aware of your keen interest in these matters and I look forward to working with you in the weeks ahead to write some comprehensive U.S. exports policies into law. Please be aware of my firm support for the strong, unambiguous stand already taken by President Carter against the further spread of nuclear weapons. I have already had the opportunity to meet with Deputy Under Secretary Joe Nye and discuss proliferation issues with him and would add that I am extremely heartened by the priority which the Administration is evidently giving to the comprehensive review of antiproliferation policy.

I am taking the liberty of enclosing a copy of my floor statement of March 3 upon introduction of the "Nuclear Antiproliferation Act" and an analysis of the legislation.

Thank you for your concern and cooperation,

Sincerely,

JONATHAN B. BINGHAM,
Chairman, Subcommittee on International Economic Policy.

DEBT COLLECTION PRACTICES ACT LONG OVERDUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, judging from the horror stories this subcommittee heard last week during 3 days of hearings, it is apparent that a law protecting consumers from unscrupulous debt collectors is long overdue.

The bill I introduced this Congress, H.R. 29, is the result of 2 years' worth of investigations, 8 days of hearings, and countless meetings with both consumer groups and industry representatives, to make sure the bill would be fair and meaningful to all.

Unlike last year's hearings before the Consumer Affairs Subcommittee when a former debt collector testified in a mask,

this year two former debt collectors came forth under their own identity to tell of the "tricks of the trade" in their industry.

According to Mr. William Mann who worked in the Washington area for 16 years as a collector, debt collectors sell only one product—they are merchants of misery. The lies, tricks, and harassing techniques he was pressured into using as a collector so sickened him, he turned to alcohol to ease his conscience.

When testimony and evidence presented to this subcommittee revealed that these unethical practices were the rule and not exceptions in debt collecting, I realized consumers were pawns being manipulated by the kings of a $3 billion industry.

It is time the tables are turned and a moderator steps in to blow the whistle when fouls are committed. I am not talking about unnecessarily policing or interfering with the legitimate business of collecting debts—just of establishing a code of ethics for the protection of innocent consumers.

I have listened carefully to objections to H.R. 29: let the States establish local laws; let the industry trade associations monitor their members; leave it to the individual collection agency boards to handle. That would be all well and good if any or all of those solutions provided consumers with protection or redress in abuse situations—but they do not.

Even if States had laws governing the debt collectors, it still would not protect the consumers from being harassed in interstate practices.

At present, 13 States have no laws at all, leaving more than 40 million consumers unprotected.

I hardly think the American Collectors Association's code of ethics will eliminate the unethical tactics practiced by many collectors. Recent investigations revealed that the two largest debt collection agencies, both members of the ACA, were operating under Federal Trade Commission consent orders charging them with using false threats and abusive and obscene language when contacting debtors. Not only has the ACA failed to take action against these two agencies, but the incoming president of ACA is the operator of one of these agencies.

In response to the third solution offered by the bill's opponents—why State collection agency boards could not handle violations—I found a rather obvious reason. Of the 14 States with collection agency boards, all but 2 of the States require that the majority of the board be composed of debt collectors. When a body designated to advise those responsible for enforcing legislation is composed of the very members it is supposed to regulate, I would hardly call that an unbiased and objective body working for the consumer's good.

Passage of H.R. 29 will not mean establishing a new costly Federal agency, or even having a set of complicated regulations for agencies to comply with. The beauty of the bill is that it is practically self-enforcing. Collectors need only read the bill to determine what constitutes an "unfair and deceptive act or practice." Consumers will be able to get redress in abuse situations by suing violators directly in civil suits.

Last year the Debt Collection Practices Act passed the House overwhelmingly, but lack of time prevented the Senate from acting on it. I expect H.R. 29 will again pass the House and this time the Senate, and finally be signed into law. Consumers have been left unprotected far too long, and the time for Federal legislation is now.

REGULATORY COMPLACENCY ON AIR SAFETY SPELLS DANGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 10 minutes.

Mr. LEVITAS. Mr. Speaker, I rise to speak out on a matter of serious concern to us all—air safety. Air travel is a highly dependable and safe mode of travel. Nevertheless, I am concerned that complacency can lead to disaster if we relax our vigilance long enough to congratulate ourselves on such a fine safety record.

Specifically, I am concerned with the discharge of the statutory obligation of the Federal Aviation Administration to regulate the safety of flight, both on its own initiative and, more particularly, in response to recommendations made by the independent National Transportation Safety Board.

The Congress has expressed concern in the past over the lack of cooperation between these two agencies, and, it is fair to say, both have responded somewhat favorably to congressional direction. However, a recent insertion in the Federal Register by the NTSB called my attention to the fact that all is not well in the safety regulatory field. Much work needs to be done and perhaps fundamental change needs to be undertaken to avoid a rapid erosion of our fine safety record.

I would now like to set forth briefly the results of my initial look into FAA's response to NTSB recommendations.

On January 21 the NTSB inserted summaries of correspondence with FAA concerning several recommendations NTSB had made for regulatory change. One area involved an 18-month hiatus in a regulatory project to expand the parameters of flight data recording systems; a second area involved recommendations made by the Board for FAA to require periodic inspection of supplemental oxygen systems; and, a third area covered the Board's disagreement with FAA's decision to continue authorizing "look see" approaches at foreign airports although they are not allowed in the United States. This Federal Register insertion led me to inquire of NTSB as to how many recommendations were: First, still "open"; that is, agreed to in principle by FAA and in various stages of implementation; and second, closed without affirmative action being taken.

To my amazement, as of February 16, there were 281 open recommendations dating back to 1970, with 95 of these being initiated in the 1970–74 time frame. With respect to recommendations not adopted by FAA, I received a list totaling 135 covering the 8-year period of September 1967 to August 1975. I felt that these numbers were of sufficient magnitude to warrant further inquiry and a report to the House.

In preparing this report I narrowed the scope to include only recommendations involving air carriers, air taxis, and commuter airlines. After initially narrowing the field to 39 open and 27 rejected recommendations a decision was made to report only on the open cases because the merits of these recommendations were not in issue—FAA had agreed to implement them. The 39 recommendations studied in depth appear to fall primarily into two categories: passenger safety and crash survivability; and, commuter airline safety.

In the passenger safety and crash survivability area 27 recommendations, half of which were made before 1974, remain open. To give you an appreciation for the specifics let me summarize some of these recommendations together with FAA's response.

In September 1970, after studying several accidents, the Board found that "a serious question as to the reliability" of fabric to metal seatbelts existed and recommended that within a reasonable time FAA require metal to metal type seatbelts. Over 6 years has passed since that recommendation, and the NTSB status chart shows the following: "Notice of proposed rulemaking by FAA in process—estimated completion, May 1977." This, mind you, is not a final rule—this is merely the required notice that a rule is contemplated.

In early 1971 following investigation of a ground fire involving a Boeing 737 which occurred during oxygen replenishment, the NTSB recommended FAA take regulatory action to prohibit servicing of oxygen systems while passengers are on board. Today, 6 years later, the NTSB status sheet reveals the following: "Notice of proposed rulemaking issued June 10, 1974. Technical comments received required substantial rewrite. New NPRM issued December 1976." In the meantime, presumably, oxygen systems continue to be serviced with passengers aboard. How long must we wait?

Again in 1971, the Board recommended certain fuel system safety devices to prevent and control both in-flight and postcrash fuel system fires and explosions. This recommendation was repeated twice following subsequent accidents. How has FAA responded? In 1974, a notice of proposed rulemaking was issued, and, according to NTSB, FAA, 6 years following the original recommendation, is reviewing the comments received.

Following a 1970 accident the NTSB made several recommendations concerning the need to improve the crashworthiness of galley equipment, flight attendant seats, and restraining devices. These recommendations were followed in 1973 by a "Special Study on In-Flight Safety of Passengers and Flight Attendants Aboard Air Carrier Aircraft." Again the Board made several recommendations. Much time has elapsed since those several recommendations were made, and new cabin-equipment recommendations have followed. The current status? Ac-

cording to NTSB the FAA issued a notice of proposed rulemaking in July 1975, and is currently reviewing the comments received.

Fourteen open recommendations concern passenger evacuation in the event of an accident. In 1973, following investigations into three air carrier accidents, the Board renewed a prior recommendation concerning flight attendant jump seats and also recommended that FAA require a portable, high-intensity light at cabin attendant stations. Those recommendations are still open—the FAA is still reviewing comments received on a notice of proposed rulemaking issued 2 years ago.

This same special report found that several passengers may have perished while attempting to exit aircraft in darkness and heavy smoke.

Accordingly the Board recommended FAA raise the requirements for exit sign brightness to provide adequate visibility in conditions of dense smoke. In July 1973, the FAA rejected that recommendation with the following terse comment:

We concur that improved lighting is desirable. However, investigative efforts to date are inconclusive with respect to the development of exit sign brightness and cabin illumination levels which are effective in dense smoke at achievable levels.

Another similar recommendation made in 1973 and arising from the same accidents called for requiring tactile guidance and improved visual guidance to emergency exits. Four years later the status is that FAA studied the problem, issued a notice of proposed rulemaking in July 1974, and is now reviewing comments received.

In January 1975 the Board, again expressing concern with the number of passengers killed or injured during emergency evacuations, conducted another special study entitled, "Safety Aspects of Evacuations From Air Carrier Aircraft." Ten recent air carrier accidents exemplifying survivable accidents were studied in depth and several recommendations were made. While FAA agreed to study adoption of eight of the recommendations, according to NTSB, not one of these has been carried out to date.

A final area I would like to touch on concerning passenger safety and crash survivability is NTSB recommendations to permit, detect, and extinguish fires occuring in aircraft lavatories. After studying several in-flight fires resulting from ignition of flammable materials in lavatories, including an in-flight fire resulting in 124 fatalities and total destruction of the aircraft following a successful emergency landing.

In 1973, the Board made four recommendations, three of which remain open today, presumably in various stages of regulatory rulemaking. One recommendation involved a new requirement for heat sensors or smoke detectors in lavatories, another would require oxygen bottles with full-face smoke masks for each cabin attendant to allow attendants to combat lavatory and cabin fires, and a third called for the organization of a Government/industry task force on aircraft fire prevention. These recommendations were made 3½ years ago.

In January 1974 the Board made still another recommendation based on two additional fires occurring in lavatory waste containers: to require automatic-discharge type fire extinguishers installed in lavatory waste paper containers on all transport aircraft. In March 1975, FAA advised the Board that a rulemaking project designed to deal with the problem would be begun. According to the Board 2 years has elapsed and not so much as a notice of proposed rulemaking has been forthcoming.

A second major category of open recommendations concerns air taxi and commuter airline operations. The safety record of this important segment of the aviation industry has not been equal to that of the certificated air carriers, and the Board expressed concern with this fact as early as 1968 with a series of recommendations designed to raise the level of safety of air taxi and commuter operations.

In early 1972 the Board recommended that FAA take a much closer look at the qualifications of applicants for air taxi certificates and establish flight time limitations for pilots. These recommendations were followed in September 1972 by a major Board "Air Taxi Safety Study" which made 20 additional recommendations. As of this date, at least 2 of these recommendations have been rejected outright while another 12 remain open.

In November 1976, FAA held what was billed as a "Regulatory Review Program" of rules governing air taxi and commuter airlines. On the agenda for discussion, 4 years after they were made, were 15 of the Board's recommendations made in the 1972 report.

One cannot help but be perplexed by the passage of some 50 months before FAA was ready to discuss seriously these several NTSB recommendations. But perhaps what is even more disturbing is that if FAA is just in the discussion stage, how many years will go by before the NTSB's efforts to raise the level of safety will be realized?

Mr. Speaker, there is generally a great hue and cry raised from all quarters immediately following an air disaster. The media provides very close coverage and calls are made for sweeping changes. Within a few days, however, the clamor subsides and we are back to business as usual. I am speaking today months after the latest major U.S. air disaster when we can calmly look at how FAA goes about discharging its duty to regulate air safety. As I have shown, there is much for us to be concerned with in how diligently and efficiently FAA is conducting its regulatory business, particularly as it relates to acting on recommendations made by the National Transportation Safety Board. The cases I have illustrated today of intolerable and inexcusable regulatory delay on the part of FAA do not tell the entire story by any means—as I mentioned earlier some 281 recommendations which FAA has agreed to implement remain open, and these cover many more aspects of safety than I have touched upon.

I am not unmindful of the need for FAA to consider the economic, inflationary, and environmental aspects of any rulemaking project undertaken, and I am familiar with the requirements of the Administrative Procedure Act. Furthermore, I am not one who favors unnecessary intrusion by Government agencies into all aspects of our lives and businesses. However, when the safety of millions of Americans who fly annually is at stake I think the type of regulatory lag and lethargy I have pointed out today is intolerable and courts disaster.

Mr. Speaker, I am pleased to announce that my good friend and colleague from Georgia, Bo GINN, chairman of the Subcommittee on Investigations and Review, is fully aware of the problems I raise today and is initiating an investigation into the manner in which FAA conducts its regulatory business. I pledge my support to that investigation and would hope that FAA will cooperate fully in exploring means, either through reorganization or legislation, for that agency to come to grips with the need to discharge its duties more efficiently.

ENDING AN UNJUST, UNNECESSARY LAW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 10 minutes.

Mr. HARRIS. Mr. Speaker, today I am introducing a bill to repeal a law affecting Federal employees which I believe to be ineffective, discriminatory, outmoded, and unnecessary.

My bill would eliminate the statutory requirement that appointments to the competitive civil service in Federal agencies located in the Washington metropolitan area be apportioned on the basis of population among the States. I believe that Congress must repeal this requirement for several reasons, and I am supported by the U.S. Civil Service Commission and the General Accounting Office.

A MEANINGLESS LAW

First, the effect of this requirement has been minimal since the law's enactment in 1883 making it virtually a meaningless law. This year, the Civil Service Commission says 14 States are in excess of their quotas; the rest are in arrears. GAO says that this pattern has been true for the past 25 years.

The many exceptions under the law make it almost meaningless; of all the Federal jobs in Washington, apportionment applies only to about 15 percent. For example, apportionment does not apply in positions over GS-13 and the excepted service. Moreover, all veterans—and they constitute 50 percent of all Federal appointees—are excepted. Nor does it apply to shortage category positions such as certain scientific and professional jobs. And finally, also exempted are positions in agency field offices in Washington, temporary and part-time jobs, and general schedule positions in agencies such as the Government Printing Office that are outside the executive branch.

VIOLATES MERIT SYSTEM

Second, hiring on the basis of residence has no place in a modern, bias-

free merit system. Under this law, it is possible for an employee to receive preferential treatment merely because of where he or she lives. Because preference must be given to applicants from States in arrears, this law in fact denies employment to more qualified individuals—simply because they come from the wrong State. Furthermore, this law places agencies in an impossible conflict: On the one hand, they must hire on the basis of merit; on the other, they are required to consider the residence of an applicant in making the hiring decision, especially those applicants from States in arrears of their quota. And since veterans are exempt from the apportionment requirement, women, according to GAO, "Have had to bear more than their fair share of the burden of apportionment."

AN OBSOLESCENT LAW

And finally, this law is outmoded. It was enacted in 1883 as an expression of public policy to insure all sections of the country a proportionate share of Federal appointments and to provide varied viewpoints in Washington. This was at a time when 40 percent of the 14,000 competitive jobs were concentrated in Washington, D.C. Today less than 15 percent of the 1.5 million jobs in the competitive service are in the Nation's Capital. Comparable representation of States is being achieved today by more field offices, rotation policies, open lines of communication, and the increased mobility of the population. In the 1970's many civil servants transferred from regional offices to Washington, providing varied points of view. Equally important, 20th century communications technology has brought us a more rapid exchange of ideas across the country than was possible in the 1880's. Visits and contacts between the various Government offices are much more frequent today.

COST SAVINGS

The Civil Service Commission says that repealing the apportionment requirement would save each agency from $450 to $13,000. Savings to the Commission would be about $30,000 a year. Administering this law is time-consuming and cumbersome, not to mention frivolous since the law has virtually no effect. Repealing this law could be one real step toward eliminating Government waste.

CIVIL SERVICE COMMISSION AND GAO SUPPORT REPEAL

The Civil Service Commission has requested repeal of the apportionment law. It has said:

The Commission has long held that the apportionment requirement is outmoded, ineffective, and cumbersome to administer . . . the most objectionable aspects of apportionment, in our view, are its adverse effects on the merit system and on the achievement of equal employment opportunity objectives . . . We do not believe that this requirement, enacted to meet the needs of a markedly different period in our civil service history, has any place in a modern, streamlined appointment system, the keystone of which is merit.

The General Accounting Office in a November 1973 report entitled "Proposed Elimination of the Apportionment Requirement for Appointments in the Departmental Service in the District of Columbia" concluded that this legislation should be repealed. The 15 departments and agencies surveyed by the GAO also favored eliminating the apportionment requirement.

I am pleased that my colleagues from the Washington area have joined me in removing this law from the books. Cosponsors of the bill are Congressman FAUNTROY, Congressman FISHER, Congresswoman SPELLMAN, and Congressman STEERS. And I have been assured by Congressman CLAY, chairman of the House Civil Service Subcommittee, that hearings will be held soon.

Though perhaps well-founded when enacted, this law reflects adversely on the image and character of the Federal Government. Administering it is a waste of the taxpayer's money. And basically, it is unjustified and unjust.

A CONSTITUTIONAL AMENDMENT FOR ELECTORAL REFORM

Mr. SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 10 minutes.

Mr. FUQUA. Mr. Speaker, today I have introduced a constitutional amendment which, I believe, will bring the antiquated electoral college system into the 20th century. This body has long discussed the great need for reform of the process by which we elect our Presidents and I believe it is time to act now, while the memory of the close 1976 election is still fresh in our minds.

Under the constitutional amendment I have proposed, a candidate receiving the most votes in a congressional district would receive one vote. There would be two votes awarded to the candidate who received the most votes statewide. These votes would automatically be awarded to a candidate, after the chief elections official of the State certifies the results. There will be no "phantom" electors, individuals who can thwart the will of the people residing in that congressional district.

The votes cast in one congressional district would be just as important as the votes cast in any other congressional district. A candidate would have to appeal to persons living in rural areas as well as cities and in small States as well as States with large populations. Heretofore, a candidate need only concentrate his or her efforts on a few States with the large number of electors. This winner-take-all concept is unfair today and should be abolished.

I believe my amendment offers a good balance between the present system and those who would favor the election of a President based on who receives the most votes nationwide. Although it may sound noble to say that the election should only be based on who receives the most votes, that system would still permit a candidate to base his or her appeal to only a few States in hopes of carrying them by large margins.

A President must be a person who is acceptable to a broad range of people. He or she must truly represent the rural areas as well as urban centers and the people in States with small populations must feel that this person is their President, not someone elected because he or she gathered the votes from the States with the largest population.

I believe the congressional district is a small enough unit to represent the will of the people. If people in one section of a State do not favor a particular candidate, they must feel that their votes count as much as the votes of any other section of the State. Under the winner-take-all concept we now operate under, this is not the case.

My amendment also makes other changes in the present method by which we choose our leaders. I propose that candidates be officially paired for the offices of President and Vice President. Additionally, we would be declaring a constitutional date for the selection of our leaders.

The time has come for meaningful reform of the electoral process and I firmly believe that the 95th Congress has a responsibility to the American people to come up with a proposal that is acceptable to the American people, regardless of where they live.

THE PROPOSED BAN ON THE USE OF SACCHARIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. TUCKER) is recognized for 10 minutes.

Mr. TUCKER. Mr. Speaker, saccharin is the only artificial sweetener currently approved for use in the United States. At least 5 million pounds a year are used in the country of which about three-quarters is used in diet soda. The remainder is used in dietetic foods and as a tabletop sweetener.

The U.S. Food and Drug Administration had no choice but to ban the use of saccharin in food and beverages after the result of the recently reported Canadian tests on rats. The reason the FDA had no choice was because of the Delaney amendment to the Food and Drug Act, which flatly bans any food additive which is "found to produce cancer when ingested by man or animal."

Mr. Speaker, saccharin has been in use in the United States for some 80 years, with absolutely no evidence that it produces cancers in human beings.

In addition, there has been research on monkeys conducted for the past 6½ years, with similar results. However, the Canadians have conducted tests on rats, the results of which have just been reported, with the rats being fed diets of 5 percent saccharin. If the same diet had been fed to human beings to match the quantities fed to rats, a human would have had to drink some 800 bottles of 12-ounce diet sodas each day in order to have a comparable ingestion of saccharin.

Mr. Speaker, the Delaney clause, however, leaves no choice but to ban saccharin. The results of this are serious.

Cardiovascular disease is the major killer in the United States today, responsible for more deaths than all other diseases combined. Without some artificial sweetener, just replacing 10 billion

cans of diet soft drinks with regular soft drinks would lead to an extra 2 trillion calories and 600 million pounds of fat in America. In addition, some 10 million Americans are diabetic and need to carefully control their intake of sugar. Indeed, many diabetics cannot have any sugar at all in their diet. This is more than a mere matter of inconvenience, Mr. Speaker.

It is literally a matter of life and death for tens of thousands of Americans.

The Congress has only itself to blame. The Delaney clause provides absolutely no option for the Food and Drug Administration. I do not underestimate the seriousness of the tests performed by the Canadians or the epidemic proportions of cancer itself within our society. Yet we in this country permit and have permitted in the past the sale of cigarettes and Government support of tobacco for decade after decade, and today, in the face of conclusive evidence of the truly overwhelming risk of cancer and emphysema from the use of tobacco, we continue to permit the sale of tobacco, with only a mild warning appearing on the cigarette package.

Mr. Speaker, I hope that I have expressed the outrage of the people I represent, outrage both with the action of the FDA and with the failure of Congress to act to correct the inadequacies of the Delaney clause and also their outrage with the paradox of the different treatment of cigarettes and saccharin.

I am cosponsoring with my colleague the gentleman from Indiana, ANDY JACOBS, JR., what has been titled the "Uncrazying of Federal Regulations Act of 1977," an act, Mr. Speaker, that would amend title XXI of the United States Code to provide that saccharin would be, despite any Federal law or regulation to the contrary, available for sale within the United States and, second, would require that a warning appear on the saccharin package, to wit:

The Canadians have determined that saccharin is dangerous to your rat's health.

In all seriousness, Mr. Speaker, the decision by the Food and Drug Administration imposes upon tens of thousands of Americans more than inconvenience, but an actual threat to their life. I hope that this Congress and the Food and Drug Administration will give careful and speedy study to the evidence that was obtained from the Canadian tests and will also give speedy and careful consideration to a review of the Delaney amendment to provide alternatives other than simply pulling a product off the market when test results such as this are reported. Great care must be taken to protect the public from carcinogens—and the Delaney clause has been beneficial. But there is a need for a better balance in decisions such as this to at least recognize the hazards in denying a product, like saccharin to those who have no other option available.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. TUCKER. I will be happy to yield to my colleague, the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Speaker, let me say that I commend the gentleman from Arkansas upon the statement he has made. The gentleman is quite correct in both his observations and in the remedies which he has proposed before the House this afternoon.

I believe that the gentleman will also agree that great care must be taken as we approach the task of modernizing the provisions known as the Delaney clause, because it has stood us in good stead in protecting the public interests from exposure to harmful carcinogenic contacts.

I believe the gentleman is quite correct in his conclusion here in the case with saccharin and perhaps with other cases that the risk of exposure to the food additive saccharin are not nearly so harmful to the public interests as the risk of denying them access to that material.

The gentleman has pointed out that it is not correct to view saccharin as just a substance of convenience. There are some who have said that saccharin is a convenience and that it is just a matter of indulging one's sweet tooth and, therefore, you can solve this problem by denying yourself any kind of sweetener, artificial or natural.

I would say to the gentleman from Arkansas that it does indeed go far beyond that if, for example, we take into account the situation of a teenaged diabetic who has perhaps enormous peer group pressure at high school social functions, and so forth, that presently can be met with the availability of diet soft drinks. But under the provisions required by this absolute standard which has been written into the law some two decades ago, these people would be denied that. While some would forgo any sweetened soft drinks whatsoever I am sure there would be others who would feel that they would have to backslide, to use the parlance of some of my neighbors in the South.

Therefore, Mr. Speaker, I appreciate what the gentleman has said.

It also ought to be made clear from evidence that we know to be far superior and far more reliable than the tests on the rats where there have been massive overdoses daily for 18 months applied to them, that such is not the basis of the far more reliable scientific evidence we have. We know that saccharin is just as safe as we have always felt it was for the past 80 years as do the producers in this country.

Therefore, I applaud the gentleman and invite him to consider a bill which I have just concluded drafting this afternoon, which I will introduce tomorrow in the House of Representatives to make these kinds of reasonable modernization adjustments without doing violence to the basic objectives of the Delaney clause which protects the public interest.

Mr. TUCKER. I thank my colleague for his remarks and will certainly look forward to reviewing that proposal with him. He points out very correctly that the Delaney amendment does serve a good purpose, but it does require a restudy and reconsideration.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. TUCKER. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I want to commend the gentleman for taking the floor today in this very important discussion. While we do have to recognize our own responsibility for the terrible dilemma in which we find ourselves. I think that there should be some discretion and should be some equity aplied by the Food and Drug Administration with respect to this subject. I happen to represent the district which includes Abbott Laboratories, the principal manufacturer of cyclamate. As we know, the application of the Delaney amendment several years ago resulted in the ban of cyclamate with respect to all human use. Yet subsequent tests and clinical studies have demonstrated that the earlier clinical studies with regard to rats were wrong and that over a period of some years now it has been demonstrated that there is no danger of cancer even to animals from these tremendous overdoses of cyclamate.

As a matter of fact, the Food and Drug Administration was about to accord a hearing with respect to the reentry of cyclamate into the market when this Canadian test occurred, which has resulted in the ban of saccharin. This, of course, affects cyclamate, I understand, because cyclamate contains one-tenth part of saccharin.

According to the most reliable information which has come to my attention, neither saccharin nor cyclamate, has caused any injury to human beings. Accordingly I do not believe that the ban against either of these valuable dietary aids should be banned. If a legislative remedy is needed—we should supply it promptly.

I thank the gentleman for yielding, and I commend the gentleman.

Mr. TUCKER. I thank the gentleman for his comments.

SUPPLEMENTAL SECURITY INCOME PROGRAM AS IT PERTAINS TO ALIENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. RYAN) is recognized for 5 minutes.

Mr. RYAN. Mr. Speaker, I would like to bring to the attention of the Members of the House a matter concerning the supplemental security income—SSI—program as it pertains to aliens. This subject has become an issue of great concern to many of my constituents and I believe is one worthy of our consideration. Undoubtedly, many of you have received letters from constituents responding to a series of articles by San Francisco Examiner columnist Guy Wright.

For the record, please permit me to review some of the background concerning SSI. The legislation which established the SSI program came out of the Ways and Means Committee and was enacted into law in October 1972. According to the Social Security Administration, under whose authority this program is administered, SSI was developed as an income maintenance program for those persons in particularly unfortunate situ-

ations. These individuals must, according to the law, be 65 or older, blind, or disabled. They must also qualify as a citizen of the United States or an alien lawfully admitted for permanent residence.

In a sample taken by the Social Security Administration, it was determined that 4 percent of all SSI applicants are permanent legal alien residents. The Administration maintains that very few abuses occur because the quota and preference system used by the Immigration and Naturalization Service substantially restricts the number of aliens admitted in the United States.

SSI payments made by the Federal Government amount to a maximum of $167.80 per month per person. In addition, each State may, and in some cases must, provide a specific level of aid in addition to the Federal contribution. Any alien receiving SSI payments who leaves the United States for a period of 30 days or more will automatically have their benefits terminated, according to administration officials.

Since the funding for SSI comes out of general revenue, it is my conviction that stricter regulations must be enacted regarding the administration of SSI to legal aliens, many of whom have never paid taxes but are nevertheless able to collect SSI after residing in the United States only 30 days. I am very concerned about insuring that a legal alien is sincere in his decision to live in and contribute to the United States before receiving those benefits to which all Americans are entitled.

The Supreme Court has ruled that once a legal alien has been admitted for residency, a State may not discriminate against such an individual based solely on his alien status. An alien's rights—except for the rights to vote and hold office—duties, and obligations correspond with the rights, duties, and obligations of any other American citizen. Thus, it would be unconstitutional to completely deny social welfare benefits to a lawfully admitted resident alien. On the other hand, the Federal Government may, as a qualification for admission, require that an alien fulfill a residency requirement before being eligible to receive benefits from Government funded programs.

Therefore, I am introducing legislation which would tighten the supplemental security income eligibility procedures by requiring aliens to reside in the United States continuously for 1 year before becoming eligible to receive SSI benefits. The effect of this legislation would be to provide for the equitable treatment of needy U.S. citizens and legal aliens who are receiving SSI benefits and at the same time to protect the system from abuse. It is time to close this loophole in the law.

REMARKS BY WALTER J. LOUGHEED, DADE COUNTY PUBLIC SAFETY DEPARTMENT

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on October 8, 1976, Mr. Walter J. Lougheed, assistant director of the Metropolitan Dade County Public Safety Department, spoke to the Miami Kiwanis Club on a topic which I, as former chairman of the House Select Committee on Crime, feel is such an important one in our society today. I insert his remarks about the criminal justice system and law enforcement at this point in the RECORD:

REMARKS PRESENTED BY WALTER J. LOUGHEED, ASSISTANT DIRECTOR, DADE COUNTY PUBLIC SAFETY DEPARTMENT

Thank you for the very kind introduction and for the opportunity of talking with the Miami Kiwanis Club today.

One of the more pleasant assignments that go with my position in the Public Safety Department is the opportunity to talk with community action oriented groups so as to discuss with them the criminal justice system generally and in law enforcement specifically.

With the exception of sex, crime and the criminal justice system are undoubtedly the most talked about topics and most misunderstood subjects of this century. Crime, and the criminal justice system which was designed to cope with it, effects each of you differently. Make no mistake that the illegal activities of the relatively small part of our population does, has and will continue to touch each of our lives. Should there be any doubt as to whether it is in fact a part of your daily existence, think back to the last time you visited a major shopping center. Undoubtedly the first sight you saw was a uniformed guard patrolling the premises. As you move down the rows of stores and businesses, one will find large notices to the effect that this store or that business prosecutes violators.

The fact that a business must state that it will not condone criminal acts is in and of itself a sad commentary on our way of life. The fact that in today's world you aren't able to cash even the smallest of personal checks without showing a multitude of credentials and undergoing a comprehensive grilling is further identification of our deteriorating life style.

The rewards involved in talking with groups such as we have here today includes the opportunity to clarify a basic social issue. There are no police problems—there are community problems related to the total workings of the criminal justice system. There is an increasing number of reported crimes in terms of their comparison with our population growth. There is all too often a sense of fear permeating the life styles of our communities. There is the ever rising illegal drug traffic with its far reaching effects upon the moral and physical fibers of our citizens and reference must be made to the expanding impact of organized crime upon both our life style and financial resources. A current grand jury report identifies that the State of Florida is losing millions of dollars each year as a result of illegal on track book making. This latter type of action goes on daily in competition with the legitimate State sanctioned and State licensed pari-mutual betting system.

Unfortunately there is also an increasing cynical, if not outright hostile, attitude on the part of many towards the concept of public safety and individual security by way of a criminal justice system. Justice is the key word. We can have law and order, as has been shown under political dictatorships. It is when the concept of justice is added that the providing of safety and security becomes increasingly difficult.

When I am given the opportunity to speak in public as to the workings of the criminal justice system, I am frequently beset by doubts as to what the subject matter should be. To speak only of local problems would be limited in scope and lack perspective for the total problem area. To discuss specific cases would require that I compete with the fictional world of the entertainment media, and to center my remarks within the philosophical framework would be inappropriate due to the lack of currency. As usual, when I am beset by this type problem, I take the middle road. Let us instead take a broad overview of society in terms of the criminal justice system, while at the same time introducing and providing information as to what one can do to promote individual safety and security.

I mentioned about the competition with the fictional world of the entertainment media, and it is the entertainment media that all too frequently gives the average citizen misconceptions of the criminal justice system. We, the same as other professions must cope with such misconceptions. The medical profession has been confronted for several years with what has become known as Dr. Welby syndrome, where there is total success in his medical efforts and rewarding personal positive relationship with his patients. In the legal profession one can find the Perry Mason syndrome where legal and equitable solutions to complex problems are achieved within moments.

We have such programs as Starsky and Hutch, Adam 12, the Rookies and Baretta, to name only a few, who all too frequently present law enforcement activities in unrealistic fashions. We even have what might be called the Matt Dillon syndrome where complex problems are solved in a simplistic fashion. Despite the fact that Marshall Dillon each week was capable of keeping the streets and businesses and homes of Dodge City residents safe, I wonder in today's society what the community might say about a chief law enforcement officer who appeared to spend most of his time sitting around a saloon, talking with his girl friend and other dance hall girls. I am sure that someone in the news media would comment on it in an adverse fashion. I know personally that my family would take a dim view of my operating in such a fashion.

To discuss crime and the criminal justice system only in the philosophical abstract would fail to identify many critical problems facing us today. If I might digress for a moment, let me remind you of the ancient legend that tells how, when a king did not like the information he received, he killed the messenger. The fact that I might bring you information today of a disturbing nature, leads me to ask you "please don't kill this messenger."

There is fear for individual physical safety throughout our communities; there is fear of loss of property; there is an unwillingness of many people to become involved and there is evidence of political terrorism activity. In that vein let me hasten to add that Miami is not the bomb capital of the world.

The criminal justice system is under attack from many sources and there is much misunderstanding about the system itself. The President's Crime Commission in 1970 attempted to place this problem in partial perspective when they stated that the police are only one part of the criminal justice system; the criminal justice system is only one part of government, and government is only one part of society. We are society.

The criminal justice system is under attack because of the ever increasing crime rate and the attendant fears related to such anti-social activity. People are vocal in their statement to the effect that the police do not police, prosecutors do not prosecute, courts do not render justice and corrections do not correct. Unfortunately, there is more than a small measure of truth to be found in all of these charges.

There is reliable data indicating a con-

tinuing increase in the reported crime rate. In the period 1970–75 there was a 5% increase in the population of the United States, and during that same period of time there was a 33% increase in reported crime. Why such a tremendous difference? No one really knows. Part of it may be due to a better reporting system. Strangely, or perhaps not so strangely, the more effective a police department is the more crime will be reported to it. Part of the increase is undoubtedly due to the availability of property or more opportunity for thieves to steal. How much of the crime increase can be associated with the illegal drug traffic can only be estimated. Basically, no matter how much or in what proportion there does exist a level of crime activity that a civilized society cannot long condone.

We are a nation that can explore the moon and stars with a fantastic degree of safety, while at the same time people are afraid to walk the streets and, even worse, are fearful in their own homes.

We are a nation that has the level of medical expertise to play at the role of God by transferring lifegiving organs from one human to another, while at the same time we cannot adequately direct the lives of our youth so as to prevent them from becoming increasingly involved in criminal activity.

My introduction took approximately four minutes. According to the latest available crime statistics published by the F.B.I. there occurred over 84 major crimes during that time period. Available statistics reveal that twenty one major crimes are committed somewhere in the United States every minute of the day. Major crimes include murder, rape, robbery, burglary, auto theft and larceny over one hundred dollars.

As noted before how many of those crimes are narcotic related can only be estimated. We do know that to support a minimal $100 a day heroin habit requires that the addict steal that amount in cash or ten times that amount in readily disposable property. Actually we have only, in a sense, touched the tip of an iceberg when we talk about known illegal narcotics traffic and related arrests. The potential for fantastic profits is attracting more and more vicious elements in our society who are quite willing to traffic in illegal drugs. Some of you may recall recent news media stories indicating the clearance of more than twenty-five homicides connected to the activities of one local gang involved in illegal drug traffic. Several of those victims were innocent persons who were killed so as to prevent them from becoming witnesses to the operation of this gang.

There are those who by reason of cynicism, lack of understanding, or even worse, looking for a simplified solution to complex problems fail to appreciate the history and human scope of the criminal justice system. The criminal justice system as we know it today did not blossom forth in full bloom in the mind of one man, one nation, one culture or one civilization. In fact, it is traceable back to some three thousand or four thousand years to the first codification of laws by Hammurabi, king of Babylon. Subsequently one finds other evidence to effect social control whether it be by way of the religious admonitions of the Ten Commandments or the legal procedures adopted by the Greeks as a substitute for personal revenge. One can also recognize the teachings of Socrates and Plato evolving into laws protecting the poor. Each succeeding civilization left its impact on what we call today the criminal justice system. It is with man's tortuous path to achieve individual rights with justice that we must be concerned. It matters not whether that path was cleared by Roman emperors, ancient kings, church authority or the broadly defined common law of England. The ultimate goal then, as it is now, is individual rights with justice.

Our philosophy must be that the rights of all people are deprived when a single person is deprived of his rights by either the political powers of the state, or through fears induced in him by what his fellow man may do to, or take from him, in an unlawful manner.

It is this system of criminal justice relatively briefly identified here that is judged a failure by some. The word failure in any context is a harsh word. Better to say that the criminal justice system is not realizing its true potential force good for a free society. It is critical that we as a total society, as individual communities, as individual people, look for solutions within ourselves. We in society must determine what our priorities are and in looking at our priorities we should be aware that last year over seven billion dollars were spent in support of the total criminal justice system which includes over 30,000 individual police agencies, court facilities and correctional institutions. During that same period of time we spent over nine billion dollars on tobacco and over twelve and one-half billion dollars on alcohol. It is with priorities in terms of our resources we should be concerned.

Problems related to the criminal justice system are not easily solved because they are founded in basic human integrity and quality of community lifestyles, and will not be solved by chanting slogans or placing bumper stickers on cars. They will not be solved by so called discriminalization of some crimes because there is allegedly no victim.

When one finds extensive use of illegal narcotics, one finds society is the victim. Whether gambling be illegal or legal, its negative impact on lifestyles shows society to be the ultimate victim. Whether prostitution is legalized or not, will not change the fact that society is the victim by reason of venereal disease and drug addiction. The President's crime commission comments on society's attitude towards crime in the following way.

"Many Americans think of crime as a very narrow range of behavior. It is not. An enormous variety of acts make up the 'crime problem.' Crime is not just a tough teenager snatching a lady's purse. It is a professional thief stealing cars 'on order.' It is a well healed loan shark taking over a previously legitimate business for organized crime. It is a polite young man who suddenly and inexplicably murders his family. It is a corporation executive conspiring with competitors to keep their prices high. No single formula, no single theory, no single generalization can explain the vast range of behavior called crime."

Our problems will not be solved by looking longingly backward to the alleged "good old days"—in fact they really didn't exist except in isolated pockets of geography. The technology and wealth of the latter part of the 20th Century carries with it change in attitudes and lifestyles and thus the social dynamics of individual and community-wide problems.

Over a quarter of a century ago political, physical and social scientists accurately predicted many of the problems confronting us in this decade. They predicted the urban sprawl that confronts us today. They prophecied the problems of inadequate or despoiled natural resources. We only have to think locally within the past two weeks of the problems created by a breakdown in the city of Hollywood sewage outfall line in the Atlantic Ocean, and its effect upon the local public beaches. These same scientists also predicted alarming increases in juvenile delinquency.

New predictions from the same class of scientists indicate a possible lessening of juvenile crime, but with an increase in adult crime. Juvenile offenders grow up and the cycle will begin anew. They predict that by the end of this century people will be living huddled in urban and suburban camps with private-security forces to guard their safety enclaves in what will then may be a fearsome social jungle.

What can be done? What must be done? Basically, greater recognition of people as to the impact of crime upon their lives. There must be recognition of deteriorating lifestyles and rising security costs, and there must be recognition that there are no magic or simple solutions to complex problems. All citizens in a community must evaluate and demand responsive police service in terms of the resources made available to such agencies. A well trained, disciplined service oriented police department often can act as a keel, and I said keel, not rudder, for a society that sails idealistically, though often blindly and without forethought through the waters of unrealistic social trends and community upheaval.

Within the Dade County Public Safety Department for the past nine-and-a-half years there has been under the leadership of E. Wilson Purdy, the establishment of fundamental management systems and budgeting to insure the greatest return on expended resources. There has been an increase in the personalized contact within the community to insure adequate response to needs in terms of available resources. We have established realistic recruit and in-service training programs so that our officers are trained in such specialized matters as family crisis intervention, hostage release training, rape investigation and prevention techniques. We have also placed emphasis on the expansion of our internal review unit to insure the establishment of unquestionable legal, moral and integrity standards for all of our personnel. We feel this aspect of our operations is second in importance to none because it relates to the maintenance of professional standards in all facets of the public safety department operations within the community of which it is a part.

I, for one, do not believe our system of criminal justice is a failure. I would rather believe it has not achieved its true potential. How can anyone say that corrections does not or will not work. We have never really tried it. What we have done is build warehouses for people. We have an unrealistic probation and parole system where the case load is so large that individual attention by assigned personnel is all but non existent. We have talked about rehabilitation when in most cases we should be talking about habilitation.

Our problems can be solved through leadership of the citizenry and the demands for proper application of our system. We are a Nation that measures its material productivity in hundreds of billions of dollars each year. We are a Nation that for over 20 years supported and protected a major part of the world against communists. We are a Nation where the body of knowledge is doubled every seven years A Nation with these capabilities must and should demand success of its social agencies, so as to provide a system of criminal justice that insures personal liberty, safety and security of property.

The alternatives are frightening for we will have failed in our debt to history and future mankind. Those who trace a tortured path of moral and social growth from the ten commandments, the sermon on the Mount, the Magna Carta, the Declaration of Independence and the Gettysburg Address must not be willing to abandon even limited success of such efforts to those who would govern and rule by following the principles of a Genghis Khan, a Stalin or a Hitler.

What has been said here today? We have touched briefly on the history of the criminal justice system. We have discussed in extremely limited detail the total impact of crime on you, your family, your friends and

your lifestyle. We have reviewed some police techniques designed to improve service, effectiveness. Hopefully, we have identified that criminal activity is not something that happens to someone else. It happens to you.

In olden times the town bell was tolled when a tragedy occurred. We referred earlier to the F.B.I. crime clock that identified twenty one major crimes occurring every minute. In a sense, therefore, the ticking of this modern crime clock can be viewed as a bell tolling. We should not ask for whom the bell tolls, it tolls for you and me.

Today what we have done is basically identify a problem area and then discuss how it is not being solved. The specialized handout material that has been provided identifies a number of public safety department generated safety and security programs. This material is furnished citizens in the community in our efforts to develop security consciousness. Certainly, no quick or magic solutions have been offered. They do not exist, nor are there any on the horizon. We have said the criminal justice system is part of government and government is part of society. Ultimately, then it is each of us as members of society who will decide if the criminal justice system survives in terms of its history.

It is we as members of society, national or local, who must demand that our elected and appointed leaders recognize the critical area of our criminal justice system and realistically prioritize allocation of our resources. Words alone will not solve the problem. It is you, as members of society, not necessarily actively involved in any part of the criminal justice system, who must monitor its operation to insure its working as a system and not as a multiheaded bureaucratic monster.

It is you as members of society who in a sense must climb down from the observer stands and actively enter the arena by first demanding equitable laws that protect you and correct the guilty. Second, by demanding a balanced allocation or resources so that prompt apprehension, prompt judgment and prompt corrective handling can be taken against offenders as well as support for innocent victims. Vice president Rockfeller referred to this in a recent speech by stating as follows:

"The situation is as ironical as it is unjust. City, state and federal governments spend millions of dollars each year on housing and feeding criminals, on attempts to rehabilitate them. The perpetrator of crime is well cared for—as is proper in a humane society—but the blameless victim of crime has traditionally had to fend for himself, pay his own medical bills and support his family during his convalescense. This innocent victim is the forgotten man in our society."

Third—It is you as citizens who can demand meaningful and realistic habilitative and rehabilitative programs that will return offenders to society in a productive capacity. It is you as members of society who must also decide whether in fact there are those people who because of their acts and attitudes must be isolated from society on a long range, if not permanent, basis. Finally, all of us must be willing to speak about our concerns for the present and future safety of our nation, our communities, our families and ourselves.

We can have an impact. Regardless of the merits of the case, one has only to look at the recent actions taken by the post office where it was unilaterally decided by management officials that the copying machines would be removed. Within a two week period of time many thousands of letters were received by our legislators protesting this removal of what was a service item to many people in communities throughout the land. Because of these protests the post office department reversed its decision and the copying machines were placed back into action.

We must not fall victim to morally deteriorating syndromes that allows to excuse the unlawful acts of others by saying "everyone else is doing it, so why not go along." Crime pollution is just as dangerous as is the contamination of the air, water and food we eat.

It has been said that for evil to triumph, good men need only to do nothing. If such be the case then in the words of T. S. Elliott—"Our world will end with a whimper, not a bang."

WE ARE AMERICA

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, my lovely wife Mildred had the honor of participating in The City Under One God Program at the Bayfront Auditorium in Miami, Fla., several months ago.

One of the other participants at this event was a local Miami attorney, Mr. Daniel W. Engel. He wrote a song, entitled "We Are America," which expresses what so many of us as Americans feel in our hearts for our great country. I request permission to insert his beautiful lyrics at this point in the RECORD:

WE ARE AMERICA

We are America, we are America,
For we are the heart of freedom's drum
That resounds throughout our land.

We are America, we are America,
Every race and religion has contributed to the theme
That is known throughout the world
As the American dream.

For American ingenuity makes rivers of opportunity
That flow higher than the sky.
And even in adversity,
We, who live in the land of the free,
Continue to trust in God to always lead our way.

We are America, we are America,
For the spirit of Seventy-six
Is still living in you and me,
And we are proud to be America.

—DANIEL W. ENGEL

THE 44TH ANNUAL REUNION OF NEW DEAL DINNER

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, at the Mayflower Hotel, where so many times President Roosevelt had spoken during his Presidency to Democratic and other groups, on the evening March 4 900 people who had been identified with the Roosevelt administration or those who wished to associate themselves with that great era in American history, gathered for a nostalgic meeting and dinner. Many of those in attendance were at the heart and core of the New Deal, working closely with President Roosevelt in that dynamic era to restructure the Government of the United States, to lift the Nation out of the slough of a terrible depression and to give a new direction, a new vision, and a new spiritual quality to this Nation.

Such men in the administrative field were that brilliant and famous team of Tom Corcoran and Ben Cohen—who personify the New Deal—in the drafting of legislation, the defense of New Deal legislation and positions in the courts, and in the administration of the governmental program. In the executive branch there were present such men as Rex Tugwell, who was Under Secretary of Agriculture, and one of the real innovators of the New Deal, the widow of Judge Samuel Roseman, who was General Counsel to President Roosevelt and had a most significant impact upon President Roosevelt's speeches, his political activities, and in the operation of the White House.

Also present was a great, able, and noble lady who was one of President Roosevelt's principal secretaries during his time in the White House, a gracious lady, still going strong, Miss Grace Tully. There were scores of others who had come from all over the country and from points outside the country, who had been a part of that great array of dedicated and imaginative people who breathed life into the New Deal with what they did with such fervor in all branches of the Government. Among those who had a part in the New Deal as Members of the Congress there were Senator JENNINGS RANDOLPH, who was elected to the House in 1932 along with Roosevelt, and Helen Gahagan Douglas, one of the early victims of McCarthyism.

I was, next to JENNINGS RANDOLPH, the one who went back furthest in the legislative branch, since I came to the Senate November 4, 1936, just before the end of Roosevelt's first term and worked closely with the President in support of his domestic program and his foreign policy until his passing. I was probably one of the last to have had contact with President Roosevelt since I have a letter on my office wall from him written 3 days before he died in 1945 from Warm Springs, Ga.

Marquis Childs, who was a columnist during New Deal days, was master of ceremonies at the dinner. Rex Tugwell spoke briefly, mentioning some advice that he would like to give the present administration. Tom Corcoran gave a brilliant summary of the New Deal, the part that he and Ben Cohen played in it and an expression of the spirit of the New Deal in his introduction of Ben Cohen as the chief speaker. This eloquent and gallant warrior, who deserves the credit for many of the victories of the New Deal in Congress, in the courts, and in Roosevelt's elections—a man to whom America owes much—in his introduction not only enlivened the past and brought it to the present, but gave us good counsel for the future.

The principal speaker of the evening was Ben Cohen, that remarkable, brilliant, humble man, deeply dedicated throughout his life to the public interest, who was one of the intellectual and spiritual giants of the New Deal, reciting the legislative accomplishments in the early days of the New Deal which dispelled despair and gave hope to the Nation and the unfolding of the Roosevelt programs in domestic and foreign affairs under the title "The New Deal Looks Forward." Ben Cohen gave us a comprehensive view of just what the New Deal meant to the Nation under

President Franklin D. Roosevelt. Tom Corcoran, in his introduction, called Ben Cohen "the saint of the New Deal." He was not only the brilliant draftsman of New Deal legislation but he was the father counsellor of those who had to struggle with the gigantic problems of running the Government and giving life to the New Deal.

One has a better understanding of the conditions of the country when Roosevelt came in, the problems that he faced as President, the steps the Government promptly took in dealing with the problems of the Nation and the spirit which motivated those who were a part of the New Deal in those times. Hearing Ben Cohen's address, one has a better view of Roosevelt's indispensable part in the saving of freedom in the world when Hitler threatened that freedom and finally waged his bitter and dangerous assault upon it. Ben Cohen explains how Roosevelt determined that Hitler must not prevail in his war upon mankind and worked not only to the limit of his authority and as far as public opinion would allow to render aid to the victims of Hitler's attacks but finally marshalled the mighty forces of this Nation to assure the triumph of the forces of freedom and the destruction of the hideous Nazi machine. Ben Cohen, from the vantage point of his intimate place in the administration gives a moving review of the leadership of President Roosevelt in the Nation and in the world and shows vividly how that remarkable man, with his peculiar political genius, not only saved America but probably saved the cause of freedom in the world. Ben Cohen, too, gives good counsel for the present administration and the present generation.

Senator HUMPHREY, although not in the Congress during the New Deal, has always been a part of its spirit and has done so much to implement the New Deal and its principles, spoke for the Vice President who was scheduled to speak but was not able to be present.

Joe Glazer sang songs about the New Deal while the filets of beef and other good things met their fate and the great ballroom settled down to hear Ben Cohen.

The evening ended with the showing of a film of Roosevelt in the 1932 campaign, with all of his charm and vigor and persuasiveness and the tumultuous reception he received from the giant crowds over the country.

It was a nostalgic evening, bringing a great chapter of the past back to life. As Ben Cohen said, we were all young then or we would not have been at the dinner in 1977. But the fact that 900 people from all over America and many parts of the world gathered on this occasion is indicative of the vitality of the New Deal and how after nearly half a century it is still a vital force in the minds and hearts of not only many who were participants in that great era but of the people of this country who still remember it or were its beneficiaries or have heard about those great days from their forebearers or from history. Such a gathering shows not only the vitality of the New Deal but of its principles which will ever live in the hearts of the people of this country—at least so long as they have courage and deep dedication to the public interest.

Mr. Speaker, I ask that the address of Tom Corcoran appear in the body of the RECORD following my remarks and that the address of Ben Cohen appear in the RECORD following Mr. Corcoran's address.

SPEECH BY THOMAS G. CORCORAN INTRODUCING BENJAMIN COHEN AS CHIEF SPEAKER AT 49TH ANNUAL REUNION OF NEW DEAL DINNER AT MAYFLOWER HOTEL

Without bloodshed the New Deal defanged our most dangerous internal crisis since the crisis of 1861. This it accomplished by institutionalizing compassion and recognizing the political indispensability for a democracy of hope in all its people.

First came the luck of the nation in the genius of a President who could reach the popular mind, who could summon the spirits from the vasty deep and they would come. But to assure the continuity of a change of spirit he had also to summon the energy and devotion of particular individuals to set up nationwide from Maine to California government organizations to sustain his miracle. Reorganizing a government is peanuts to organizing it then.

Justice Holmes used to describe a colleague whom he identified only as "the last of the tobacco spitting judges." "The jaws of his imagination could open like the jaws of a great vise and expand to grasp the whole universe. But he could never close on the last three inches." What made the New Deal's miracle of the spirit work was the interaction between the imagination and devotion of those who came here wanting to make the world over and those who hoped only they could make it work.

In Ben Cohen that interaction found a universal joint. He had the imagination to see in a problem not only the obvious but the penumbra. A true "super lawyer" he could draft laws in terms even an antagonistic Supreme Court could not disturb. In the largest sense his legal victories were the most important defense of the whole New Deal because they defanged in the money markets and the utility holding companies the only concentrations of political power which could *organize* a political counter-revolution. Ben thus protected through the election of the Third Term all any of us were doing and after the election of the Third Term in which here tonight Joe Alsop and Ernie Cuneo and Luvie Pearson through her husband, Drew, did unrecognized yeoman service to Roosevelt, we were sure the New Deal was safely on high ground where not even a tidal wave would wash it away.

But there was more to Ben Cohen's contribution to President Roosevelt's New Deal than his exploits as an individual paladin. More important was a quality of spirit and wisdom by which he contributed that maximum contribution anyone can make to government—that is multiplying the capabilities of hundreds of others and energizing their contributions to their specific tasks. And he is one of the few, if not the only, non-political figure in public life I have known.

Always Ben eschewed administrative office with its perquisites and high visibility social honor. His influence did not grow from command of a big office and hosts of assistants. His power seeped from the many little offices in which he served as a titular assistant or adviser to some more visible figure. And the frugality of his social life in which he escaped all pleasure except that of functioning so he might concentrate as no other New Dealer concentrated on devotion to what he saw as a cause.

No one from the President down did not seek and benefit from Ben's quiet advice. Never was there a more harmonious working relationship with Judiciary and Congress than was exhibited in Ben's own work. And he infused all he touched with the energy of moral purpose—always I felt sure connected with memory that the Cohens were the high priests of his tribe of Benjamin. Believing, and still believing, in the perfectability of human society and that faith can make the fact, he inspired in the rest of us a crusading sense of moral purpose in service of a great cause which protected us minor leaguers against the abuse of those who saw us getting in their way.

In a New Deal in which Roosevelt was the indispensable father, Ben was in truth Uncle Ben to all who were lucky enough to be touched by him. Like Ulysses, he was part of all he had met. If his ecumenicality will permit it, I cannonize him Saint of the New Deal.

The remarkable continuity of the New Deal's evolutionary idea that democratic government has to be an instrument of hope and compassion, a continuity which survived administrations who could not if they would reverse it—that continuity is a tribute to the contribution without peer Ben Cohen made to the dreams of Franklin Roosevelt.

Having as none other of us given up wife, children, and every pleasure in life except the joy of functioning in great things, Ben is entitled to what Holmes described, "the secret joy of the thinker, who knows that, a hundred years after he is dead and forgotten, men who never heard of him will be moving to the measure of his thought—the subtle rapture of a postponed power, which the world knows not because it has no external trappings, but which to his prophetic vision is more real than that which commands an army."

THE NEW DEAL LOOKS FORWARD

(By Ben Cohen)

Fellow veterans of the New Deal—veterans of the New Deal in the earlier years of struggle to overcome the ravages of the Great Depression and in the later years to prepare our defenses and fight for our freedom.

We were the lucky ones caught up—by the wise and compassionate leadership of President Roosevelt—in the mobilization of the energy, experience, and knowledge of this great nation—to meet its pressing and long neglected needs. For us it was a time when "to be alive was joy and to be young was very Heaven". Indeed, if we were not young then we would not be here tonight!

Tonight we meet in reunion here on the 44th Anniversary of the first inaugural of President Roosevelt in responding to a spontaneous and shared wish of all of us here, proudly to recall our part in carrying out the New Deal programs of Franklin D. Roosevelt. No generation which did not live it can imagine its like.

May I begin at our beginnings. The winter of 1933 became the worst winter of the depression—the "Winter of Despair". On Inaugural Day the nation's banking system was collapsing and its economy was in a state of paralysis.

We all recall the stirring words of the President in his inaugural address 44 years ago today: "The nation asks for action and action now. . . . We must act and act quickly. The only thing we have to fear is fear itself." Those words brought to the whole country relief from despair and, at long last, hope for responsive action.

The breakdown of the old order and Roosevelt's new awareness that the whole country was looking to him, ready to accept his leadership in this time of crisis, gave Roosevelt not only a new sense of power but a new and sobering sense of responsibility. Old

friends and admirers observed in him depths of understanding and seriousness of purpose they had not before detected.

Roosevelt had promised action. And action came.

On the very evening of his inauguration, Roosevelt signed a proclamation declaring a bank holiday and calling a special session of the Congress on March 9. He had instructed the Secretary of the Treasury to have an emergency banking bill ready for Congress on March 9. On March 8, the President reviewed a draft of the bill with Congressional leaders—significantly, from both parties. It authorized the issue of Federal Reserve notes against bank assets to make possible the reopening of banks with adequate liquid assets. On March 9, the next morning, a completed draft went to the Congress with a message from the President strongly urging the clear necessity for immediate action. And less than eight hours after the bill had been introduced in the Congress it was signed into law by the President at the White House.

Only three days later, on March 12, Roosevelt gave his first Fireside Chat. In simple language that his millions of listeners could understand he explained what the President and the Congress had done to make it safe for the people to keep their savings in the banks as they reopened.

It was a new experience for those troubled millions to hear the voice of a President deeply concerned about what most troubled them. It changed the mood of the whole nation. Walter Lippmann who had earlier been a critic observed, "In one week, the nation, which had lost confidence in everything and everybody, has regained confidence in the government and in itself."

The President had planned to recess the Congress after the emergency banking law was enacted. But an unexpected and overwhelming outpouring of ideas and offers to help pressed Roosevelt to proceed while he had the Congress and the people looking to him for action. The Emergency Banking Act was to be only the *first* of 15 New Deal programs and actions which Congress under the guidance of the President was to authorize during the First Hundred Days. Let me call the roll:

Following the Emergency Banking Act of 1933 came the Economy Act.

Then the Civilian Conservation Corps—then the abandonment of the Gold Standard.

Then the Federal Emergency Relief Act which enabled Harry Hopkins to provide work relief for millions in an incredibly short time.

Then the Agricultural Adjustment Act—Mr. Tugwell will remember that he, Wallace, M. L. Wilson and Mordecai Ezekiel shaped the final draft which with successive modifications enabled the farmers to cooperate to improve the productivity of their farms.

Then the Emergency Farm Mortgage Act to refinance farm mortgages.

Then the Tennessee Valley Authority Act which with Bonneville and Grand Coulee produced the aluminum for the war planes which enabled us to win World War II.

Then the Truth in Securities Act which brought W. O. Douglas to the SEC first on special assignments then as a member, then as chairman until he was lifted to the Supreme Court where he and Justice Black gave new life to the Bill of Rights.

Then came the Abrogation of the Gold Clause in Public and Private contracts, then the Homeowners Loan Act to finance home mortgages.

Then came the National Industrial Recovery Act and a $3.5 billion public works program—NRA was an experiment in industrial self-government with codes of conduct for industry and labor—when NRA was discontinued Section 7A became the progenitor of the National Labor Relations Act drafted by Senator Wagner and Leon Keyserling and also of the Fair Labor Standards Act—Professor Schlesinger reminds us that NRA was the father of the War Production Board—Leon Henderson, Donald Nelson, Averill Harriman, William H. Davis, Isadore Lubin and Edward R. Stettinius, Jr., all had their training in mobilization in the breathless days of 1933 and 1934.

Then came the Glass-Steagall Banking Act which divorced commercial from investment banking and guaranteed bank deposits.

Then came the Farm Credit Act and the Railroad Coordination Act.

Never before in American history was so much accomplished by the Congress in so little time. Senator Randolph of West Virginia, here tonight, is the last survivor in Congress of that One hundred Days.

Never before had the government been required simultaneously to confront problems of relief, agriculture, banking, investment, public works, industry and labor. The times called for enthusiasm and energy both from those who wanted to make the world a better world and from those who just hoped it could be made to work. Roosevelt encouraged both groups while he steered a middle course.

The Miracle of Roosevelt's leadership was that he could summon the country's undiscovered depth of ability.

Nothing could have been accomplished without Roosevelt's strong and confident leadership. But little could have been accomplished without the assistance of outstanding civil servants, the Hoover holdovers who volunteered their temporary services as well as the many dedicated men and women who came to help Roosevelt for the duration. Some of these deservedly have received public recognition for their services, but others remain anonymous like many here tonight whose contributions were of equal if not greater significance. But "it is the impetus of the undistinguished host that hurls forth a Diomed or a Hector."

Many of us here came to Washington in those early days of the New Deal. Washington was the center of action and most of us wanted to be part of that action. Some of us came on our own initiative; others were recruited.

Most of the original brain trust—Sam Rosenman, Ray Moley and Adolf Berle and the survivor of them, Rex Tugwell, who honors us with his presence tonight—were active before the Inaugural in recruiting capable staffs for the new Administration. Sam Rosenman's wife Dorothy also honors us with her presence here tonight.

A cooperative Jim Farley, Chairman of the Democratic National Committee facilitated the recruiting. Unless an appointee had publicly opposed his Congressman or spoken publicly against the President, Farley considered the appointee politically acceptable to the Party. Never before had party politics responded so fully and so uncomplainingly to national needs.

The New Dealers brought to Washington new energies, new ideas, and the fruitful clashing of ideas, both new and old. We came from homes of wealth and homes of poverty, and many more from homes neither rich nor poor. Only hostile propaganda accused Roosevelt of unfair discrimination against what was called "his own class". He welcomed the cooperation of Mariner Eccles, Averill Harriman, Herbert Lehman, Henry Morgenthau and Bernard Baruch. He gave aid to the bankers who opposed him—even to those who complained he had not saved their silk hats.

Most important to the acceptability and therefore to the success of the New Deal was Roosevelt's conception that he was not only the leader of his party but the leader of the nation. He recognized his responsibility and accountability to the Congress as a whole and the people as a whole.

He was wary of attaching himself to any dogma or to any one school of thought. In reaching his decisions, he liked to have the reaction of persons from different schools of thought with varied interests and experience.

Thus in the selection of his first Cabinet, Roosevelt sought to create a broadly based Administration made up of persons of public standing and influence from throughout the country with differing experience and outlook, representing the many and different forces which had brought him to the White House. It included not only Hull, Woodin, and Roper with conservative leanings, but Progressives Wallace and Ickes with their early ties to the Republican Party.

To be able to give leadership to the whole Congress he sought the support of the whole Congress. He knew he would need support from both parties, for rarely without some support from both parties can an important measure get through Congress intact. In a country as large and diverse as ours, Congressional leaders cannot impose party discipline which would oblige members of both Houses to vote against the wishes and interests of their constituents.

So when domestic problems and reforms were predominant, Roosevelt worked not only with the Democratic leaders but with Senator Norris, LaFollette, McNary and their liberal Republican colleagues. When war threatened, and emphasis shifted to problems of defense, the draft and the revision of the neutrality laws, Roosevelt welcomed cooperation from Republican internationalists like Wadsworth in the House and Austin and Lodge in the Senate, and brought two eminent Republicans, Stimson and Knox, into his own Cabinet.

Instinctively, until he had some idea of the support he might expect and the opposition he might encounter, Roosevelt refrained from committing himself completely or irrevocably to a specific course, whether executive action, national legislation or international agreement. The one exception which proves the rule occurred after the 1936 election sweep in the presentation of the Supreme Court plan without adequate consultation.

Before taking a stand on controversial issues, Roosevelt usually sought to be informed of the viewpoints and interests represented in the Congress. To gain support for vital proposals, he would then consider to what extent he could meet or reconcile these viewpoints and interests with his own and to what extent he would be required to educate constituents in order to alter any negative reaction of members of Congress. As a responsible leader of a democracy, he was careful not to get too far behind or too far ahead of public opinion.

He was particularly helpful in the handling of foreign affairs not to make any definite commitment or to take any important action until he was confident that he could carry the Congress and the American people with him. Until recently I had always thought that after Munich until the fall of Poland and the collapse of France, Roosevelt was quite indecisive and equivocal in his actions. But after reading Joseph Lash's recent book on "Roosevelt and Churchill" 1939–1941, I can better understand the reasons for his seeming indecisiveness.

Without committing the nation, Roosevelt immediately after the invasion of Poland, sought to keep Churchill (and Chamberlain as long as he was Prime Minister) informed how far he felt he could count on the support of the American people in helping the British in various contingencies. In his first communication to Churchill he indicated he hoped to repeal the embargo in the near future and "this was definitely part of the Administration policy". This was done in the hope of strengthening Churchill's stand against further appeasement.

But the phony War followed the invasion

of Poland. Hitler transferred his crack divisions to the West attempting by threatening war for which the Allies were ill-prepared to stampede them into a peace conference where he would offer them at Munich peace for acquiescing in the destruction of Poland.

Roosevelt deliberately sought to equivocate to gain time to frustrate Hitler's efforts. He sent Sumner Welles to Europe on a fact-finding mission to determine whether there was a peace formula that a neutral group led by the United States might put forward. He also revived the idea of a quarantine against the aggressors which the United States might join on humanitarian grounds.

But in the meantime he was expanding our own defense programs and extending our defense patrols in the Eastern Atlantic. In September 1940 the Russians occupied Eastern Poland, and in October before the election Congress finally repealed the arms embargo. In December 1940 after the election Roosevelt advocated Lend-Lease aid to Britain on the ground that "the best defense of Britain is the best defense of the United States". Public opinion despite strong lobbies against Lend-Lease had already caught up with the President.

During the critical years 1939–1940 Roosevelt gave his undivided attention to help keep the British in the war. He brought to this task all the lessons he had learned as Assistant Secretary of the Navy in World War I, his great knowledge of geography particularly in relation to sea-power, and his studies in his early years of the oceans and the ships which plied thereon. He himself initiated and formulated every step as our nation moved from neutrality to become the arsenal of the democracies. I should not be surprised if historians viewed his accomplishments in these critical years as the greatest of his life.

I recall how smoothly and effectively Roosevelt worked with the Congress when Jim Landis, Tom and I were asked to work on our first assignment—i.e., the Securities Act of 1933. The Administration's original draft had been hastily prepared because of differences between those who had been assigned to prepare it. Congressman Rayburn, then Chairman of the House Interstate Commerce Committee, told Ray Moley that he had considerable doubts about the bill and asked for the help of independent counsel. At Roosevelt's request, Moley called on Professor Frankfurter of Harvard Law School to provide such independent assistance for the Committee. Frankfurter recommended Landis, Corcoran and myself.

Congressman Rayburn asked us to work in preparing a revised bill for the Committee with Mr. Middleton Beaman, the legislative counsel of the House. We did so, not knowing whether we were working for the Congress or for the President.

Congressman Rayburn, when satisfied with our redraft, asked us to talk with Republican Congressman Carl Mapes from Grand Rapids, the ranking Republican member on the Committee. Mapes represented the same Michigan Congressional District which Gerald Ford later served before he became Vice President of the United States. Mapes was favorably impressed with our revised draft and in turn asked us to talk with his Republican colleagues who might have some questions.

In truth, the only unresolved partisan question about our work on the Securities Act was: who should pay Landis', Corcoran's and my hotel bill? Finally, after the 1936 election, the Democratic National Committee was affluent and generous enough to pay the bill, and the three of us New Dealers continued to cherish a lifetime friendship with both Congressman Rayburn and Congressman Mapes.

Roosevelt well understood that members of Congress like to be a part of the action and he was quick to accept suggestions growing out of Congressional hearings and debates. Again, during the first hundred days when Senator Vandenburg proposed to attach to the Glass-Steagall bill a plan to guarantee bank deposits, both Roosevelt's own Treasury and the American Bankers Association opposed Vandenburg's suggestion as fiscally irresponsible. But when Vice President Garner and RFC Chief, Jesse Jones, told Roosevelt that there was support for Vandenburg in the Congress and they thought very well of his suggestion, Roosevelt accepted the Vandenburg idea and the Federal guarantee of bank deposits became a jewel in the crown of the New Deal banking legislation.

Similarly, after Munich, when it became necessary to speed defense and war preparation and create the War Production Board, the War Labor Board, the Office of Price Administration, and the Office of Economic Warfare, Roosevelt met the need to bring into government for defense work and later war work, irrespective of party affiliations, representatives from industry, many of whom happened to be Republicans; representatives from labor, many of whom happened to be Democrats, and many professionals—lawyers and economists—who enjoyed the confidence of industry and labor as well as the general public. Among the leaders of the lawyers' group were John Lord O'Brian, Henry Fowler, Joseph Wiener, Maury Fleischman, Fred Eaton, and Herbert Marks, and among the leaders of the economists' group were Bob Nathan, Leon Henderson, Joseph Keenan and Richard Gilbert. There were so many extraordinarily able men in these groups that it is hard to name some without neglecting others equally significant.

Of course there was considerable in-fighting. But airing differences in privacy had ultimate advantages. When each group began to talk to the other privately, each learned something of the problems of the other in relation to the over-riding public need. Usually they were able to find solutions that all or most of them could accept. The sign allegedly on the desk of Chairman Knudsen of the War Production Board read, "Have you a solution to this problem or are you a part of the problem?"

To obtain the all-important "Hold the Line Order" against inflation in World War II, we would have had great difficulty without the cooperation of the *tripartite* War Labor Board, O.P.A., Agriculture, the Office of Economic Stabilization, and the Office of War Mobilizaton. You will recall that the public members of the War Labor Board were William H. Davis, Chairman, Frank Graham, President of the University of North Carolina and Wayne Morse, Dean of the State of Oregon Law School—the industry and labor members were equally outstanding and cooperative.

It seems to me that today in this New Deal spirit it is equally important that our government of all the people find means like those Roosevelt used during the Depression and World War II, to secure the cooperation of groups with different interests and viewpoints in developing programs to meet our most difficult and intractable economic and energy problems.

We are now in a time of national crisis—indeed in a time of international crisis—possibly deeper than the public has yet realized. But better than any other country in the world, we are equipped with human resources and material resources to meet our problems. We know both as individuals and as members of groups we must cooperate with one another as Roosevelt taught us in the New Deal days. We know, in the words of Benjamin Franklin, "We must all hang together or assuredly we will all hang separately."

It is tragic that in recent years we have let ourselves quarrel and become irreconcilable adversaries. The President and the Congress, business and government, industry and labor, environmentalists and developers, the media and government, all—needlessly—have become irreconcilable adversaries of one another and make little effort to find a common ground for action. In time of crisis, government must be able to act. That requires efforts to compose differences and to reach a sufficiently broad consensus to permit action in the common interests of all.

The situation is not unique to our country. Indeed it is a matter that concerns all free societies in the Western World. We remember how gallantly the British, without regard to party or economic station, worked together with Churchill in a government of national unity to win the war against Hitler. It is sad for us to observe that the British have not been able similarly to unite in their fight against inflation which stands in the way of their economic recovery. They first entrust the government to the Labor Party, then to the Conservative Party, then back to the Labor Party. What Great Britain needs—and it is for her to determine through what party or combination of parties it can be obtained—is a government representing a sufficiently broad national consensus to give it the ability to act in the common interest of all Britain.

For above all, Roosevelt did demonstrate that in our country a nationally elected President can in time of crisis give us a broadly based Administration which can enjoy the confidence of all our people.

We take pride in the accomplishments of the New Deal and are proud to have been a part of it. For most of us, our New Deal years were the best years of our lives. Elihu Root once said, "To be part of great things—that is life." Just as the New Deal saw our country through a great depression and a world war, today when our country and other countries face new and equally difficult problems—the time is ripe for a new "New Deal."

We look to President Carter and Vice President Mondale to establish their own "New Deal" in their own way and style. We believe that they will find help and comfort in Roosevelt's words added in Roosevelt's own handwriting to the last draft of a speech prepared for a Jefferson Jackson Dinner—words which because of his death were never delivered:

"The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith."

THE BILL OF RIGHTS TODAY

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the great work done by the Daughters of the American Revolution for a strong and free America is genuinely appreciated by sound-thinking Americans. The members are dedicated; they are hard working; they consistently believe in preserving the traditions developed in this Nation's climb to greatness. They want an America that is solvent; they want an America that is secure economically and militarily.

A Pensacolian, my good friend, Margaret M. Andrus, is national chairman of the National Defense Committee of the DAR. She has prepared an excellent paper on the situation and some of the changes that have been made. I feel that this affords worthwhile reading for any

students of the Constitution and I submit it for reprinting in the RECORD:

THE BILL OF RIGHTS TODAY

(By Margaret M. Andrus)

How long has it been since you read the Constitution of the United States? Every American should be familiar with this charter of our liberties. It is at once the source of power and the defense against its abuse, the protection from tyranny and the guarantee of freedom—but only as long as the American people are alert enough to protect the Constitution that protects them.

It is important to remember that in 1787 the general populace took a great interest in the kind of government they were being asked to approve. After fighting a war for independence, they did not intend to give it away through indifference and relief that the war was over. They wanted the maximum of stability while relinquishing the minimum of power to a central government.

Because a Bill of Rights had been a condition of ratification, the first Congress submitted a series of amendments to the Constitution to include these guarantees. These were quickly approved by the Congress in a group of ten amendments (out of twelve proposed) and quickly ratified. They are generally considered as a part of the original Constitution because they were promised to make the ratification possible.

Amendment I provided for the freedom of religion, of the press, of speech, of assembly and for the right to petition the government for a redress of grievances.

Amendment II, which is so often partially quoted in the continuing struggle over the registration and possession of firearms, says in full: "A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed."

Suspicions of the place of a standing army in a republic were in the minds of the framers and the people. Embodied in the Constitution is the provision that no appropriations for the army should extend beyond two years (Article I, Section 8). Still, there had to be some provision made for the defense of the country, and so the state militia was protected as a separate means of security. The Second Amendment satisfied the people that a national government could not seize all arms in any part of the country and at the same time it gave the states a military force to enforce state laws.

The controversy over the right of the individual to own and carry guns has involved the sale and size of the guns and how they are carried. The courts have held that the states can regulate the sale of arms and also prohibit the carrying of concealed weapons. As long as these regulations do not interfere with the right to bear arms for the common defense, the U.S. Supreme Court has held that laws prohibiting the carrying of concealed weapons do not infringe on the right of the people to keep and bear arms.

Proposals to require national registration of all firearms, to require a permit to buy firearms, which may be denied, and to prohibit the sale of hand guns are all emotional issues. There have been too many instances of governmental seizure of registered guns in other countries, too many crimes committed with stolen guns, for Americans to accept readily any limitations on gun ownership. Even those who do not own and who do not want to own a gun feel strongly that self-defense by any means is a legitimate concern, and that to deprive law-abiding citizens of a gun when such a weapon would be in the hands of criminals is foolish and unrealistic.

The issue which will finally be resolved is whether the Second Amendment provides that the people may keep and bear arms to defend themselves or whether they may do so only as part of the "well regulated militia" defending the state. On several occasions, the Congress has refused to be stampeded into prohibitive legislation following the assassination of a public figure. A Congressional majority has not subscribed to the notion that such a crime by an individual made it necessary to deprive all individuals of the right to bear arms. Nevertheless, gun legislation is proposed in every session of the Congress, regardless of the public belief that the Second Amendment restricts its scope

Amendment III prohibits the quartering of troops in time of peace without the consent of the owner and in time of war except by such laws as the Congress might make. When this amendment was added, the memory of British troops quartered in their homes was still fresh in the minds of the people. Amendment III does not make such a requisition of homes impossible, but it does restrict the circumstances to a legal manner.

Amendment IV refers to searches and seizures. The intention was to prevent capricious searches without real reasons and illegal seizure of property as evidence. It makes a search warrant necessary except in cases where a crime has been committed, and it is intended to protect against unreasonable searches and seizures. The courts have been called upon to rule many times on charges that the rights of the individual have been violated under this amendment, particularly in the use of evidence obtained during a search.

The word "search" has an expanded meaning, now related to privacy, wire tapping, electronic surveillance, and airport searches, ideas that did not even exist in the imagination in 1789.

Amendment V, protecting the rights of a person accused of crime, provides for indictment by a grand jury except in cases involving the military forces. It prevents double jeopardy. A person cannot be forced to act as a witness against himself in any criminal cases, and he can refuse to answer questions which might incriminate him in the future.

The Fifth Amendment has frequently, especially in more recent times, been called into play by many witnesses, not only in court but also in testimony before Congressional committees and governmental agencies. "Taking the Fifth" has been intentionally misused to prevent discovery of vital information. Under existing laws, testimony can be compelled without violation of the Fifth Amendment if certain legal requirements are met in advance. A whole body of rules has developed around the Fifth Amendment.

This amendment also provides that no person shall "be deprived of life, liberty or property without due process of law." Many constitutional experts regard this as the most vital section of the amendment. "Due process of law" means that any issue involving life, liberty or property must be decided in a court under the limitations proposed by the Constitution. It cannot be done in an arbitrary fashion, a fact all citizens would do well to remember.

The Fifth Amendment also provides that when private property is taken for public use, there must be just compensation. As activity increases in federal regulation of land use, this provision will have ever more importance. The Fifth Amendment, if it is strictly followed, is a great deterrent to dictatorship.

Amendcents VI, VII, and VIII all refer to trials, fines, and punishments. The Sixth Amendment applies to criminal prosecutions. It guarantees a public trial by an impartial jury without undue delay. The defendant is entitled to legal counsel, paid by the court if he cannot afford one. Witnesses against him must testify in his hearing, always with a judge present. Witnesses in his favor may be brought into court by legal force. Such guarantees bear no resemblance to the trials that take place in many countries today. One of the first freedoms to disappear in dictatorships is freedom from unfair, secret, and prejudiced trials.

The Seventh Amendment provides for a trial by jury in non-criminal cases when the amount of money or goods involved is more than twenty dollars. (Twenty dollars in 1789 was a substantial sum.) It also establishes strict rules whereby a case can be reexamined. The Seventh Amendment does not make a jury trial mandatory. By agreement of the parties involved, this right can be waived in favor of a trial by a judge.

The Eighth Amendment protects against excessive bail, excessive fines, and cruel and unusual punishment. It does not require that bail be allowed. For example, in cases of murder, bail is not allowed. A judge may exercise his discretion in deciding whether to allow bail or not. What constitutes excessive bail is also left to his decision, but the Supreme Court has held that a bail set so high that the person cannot meet it is excessive.

"Cruel and unusual punishment" continues to be a subject of contention. In one opinion, the Supreme Court said "Punishments are cruel when they involve torture or lingering death. . . ."

From the time of their addition to the Constitution to the end of the War Between the States, it was generally accepted that the first eight amendments presented no danger to the power of the states to operate within their own framework. The passage of the Fourteenth Amendment by the Congress in 1866 and its forced ratification as a condition of readmission of the Confederate states to the Union placed limitations on the states.

The Fourteenth Amendment contains the provision that no state shall deprive any person of life, liberty or property without due process of law," and in the last section of the amendment provides that "the Congress shall have power to enforce by appropriate legislation, the provisions of this article."

The full impact of the Fourteenth Amendment was not felt immediately. It was not until 1925 in the case of Gitlow v. New York, which involved the right to free speech as guaranteed by the First Amendment, that the Supreme Court held that this fell within the scope of the due process clause of the Fourteenth Amendment. The ruling had the effect of forcing all states and local governments to guarantee the right to free speech. Any alleged interference with it became a matter of appeal to the Court.

The relationship between the Due Process Clause of the Fourteenth and the Bill of Rights amendments remained somewhat uncertain until 1937, when Justice Benjamin N. Cardozo, speaking for the Court (Palko v. Connecticut), laid down a test to determine what parts of those amendments would be absorbed by the Fourteenth. The Due Process Clause would operate to restrict the states in those provisions dealing with rights so fundamental that "neither liberty nor justice would exist if they were to be sacrificed."

Using Justice Cardozo's concept as a guide, the Supreme Court has brought within the limits of the Due Process Clause; the First Amendment's guarantees of free speech, free press, religious freedom and the rights to petition and assembly; the Fourth Amendment's protection against unreasonable search and seizure; the Fifth Amendment's protection against self-incrimination; the Sixth Amendment's right to assistance of counsel and to confront witnesses; the right to trial by jury in criminal cases; the Eighth Amendment's prohibition against cruel and unusual punishment.

In 1947, Justice Black argued that the Court should incorporate all of the Bill of

Rights into the Fourteenth Amendment. He asserted that "history conclusively demonstrates that the language of the first section of the Fourteenth Amendment, taken as a whole, was thought by those responsible for its submission, sufficiently explicit to guarantee that thereafter no state could deprive its citizens of the privileges and protections of the Bill of Rights." The majority of the Court did not agree with Justice Black. Since the Court refused to accept his argument, Justice Black spent many years of his legal career trying to convince the Justices to incorporate the Bill of Rights amendments one by one, an enterprise in which he was very successful.

The Justices on occasion have exchanged sharp legal barbs on the subject of the application of the Bill of Rights to the states (with which Justice Stewart expressed his disagreement in 1970) and the "incorporation doctrine" by which their specific provisions are made fully applicable to the states through the Fourteenth Amendment, as Justice Black held. As things currently stand, Justice Black's position prevails and the Bill of Rights applies to the states as well as to the federal government.

Since so much attention has been focused on the due process and equal protection clauses, the number of cases involving these clauses has skyrocketed. There is a wide latitude for subjective judgments, so that what is decided in one case will not necessarily be decided in another, and the cases will go on forever. What is certain is that in the relationship between the federal government and the states, the states are the losers.

The Ninth and Tenth Amendments were intended to prevent the federal government from extending its powers into areas reserved to the states.

The Ninth Amendment refers to rights retained by the people. It is short and simple: "The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people."

This amendment has never received the attention it deserves. A Texas lawyer, Bennett W. Patterson, is the author of the only exhaustive study of it, *The Forgotten Ninth Amendment*.

"There is nothing in the Constitution of the United States which gives the Federal government the right or power to destroy human liberties. There is nothing and should be nothing in any power reserved to the States that gives the States the right to destroy such liberties."

The Tenth Amendment refers to powers reserved to the people or the states: "The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively, or to the people." The Tenth Amendment was clearly intended to guarantee the independence of the states, which it did until 1937. After the Roosevelt Revolution in the Supreme Court, followed by the Warren Revolution, the majority in the Court limited the Tenth Amendment's power to curtail federal expansion. Not only has the federal government threatened the states' field of taxation, but it has also, with the Court's support, invaded the legislative area. In 1956, the Court twice declared unanimously that when the federal government pre-empts any field of lawmaking, the state governments cannot pass laws on the same subject. "Today it is apparent that the Tenth Amendment does not shield the States nor their political subdivisions from the impact of any authority granted to the Federal government." (Corwin, p. 373.)

In any controversy or any difference of opinion between states and federal government, the federal government's power is superior. Under the superior power of eminent domain, for example, the United States may condemn land owned by a state, even when the taking will interfere with the state's own project.

Again, in 1968, the Supreme Court said that in state-operated institutions federal authority overrides state authority when the two are in conflict, and any argument to the contrary is not tenable.

In cases involving the powers of the states, the Supreme Court has skirted around actual mention of the Tenth Amendment whenever possible, but the end result shows that the fears of the people in 1789 that a too strong central government would invade the area of state governments and usurp powers not intended for it were not groundless.

The American people are under the impression that the Congress cannot make a law contrary to the Constitution. This is not true. The Congress can pass any law for which it can obtain a majority vote. Even if the President vetoes it, the Congress can override the veto. The law will remain in effect until a case challenging its constitutionality reaches the Supreme Court and is acted upon.

Another mistaken idea current in our country is that a decision of the Supreme Court is the "supreme law of the land." In 1803, Chief Justice Marshall wrote (in the case of Marbury v. Madison) that the Constitution is "the fundamental and paramount law of the nation" and that it is "emphatically the province and duty of the judicial department to say what the law is," thus arrogating to the Court the privilege of judicial review. Since that time, the word of the Court in the interpretation of legal questions involving the Constitution has been accepted, but the Constitution remains the source of the law of the land.

Clearly, the role of the Supreme Court in the protection of our Constitution is of greatest importance. Its decisions can influence the direction of our government, as has been evidenced by the decisions in the so-called "Roosevelt Court" and later in the "Warren Court."

The first constitutional revolution took place in 1937. President Roosevelt failed in his attempt to pack the Court with his own appointees, but nevertheless he did manage to influence the temper of the decisions. The Court's findings became increasingly liberal. The image of the neutral, impartial judges carefully and logically reasoning through a legal maze disappeared. It was replaced by judges as decision-makers, weighing political and social considerations and the conflicting interests in society, well aware that they were policy-makers. This revolution concentrated on extending fuller protection to the working class generally. It transferred the policy-making activists from the area of economic regulation to the area of civil liberties.

The second constitutional revolution occurred in the Warren Court, which devoted itself to expanding the interpretations of the Bill of Rights and the Fourteenth Amendment. The groups receiving attention from the Warren Court were black people, poor people, radicals, city dwellers, juveniles, people accused of crime, and religious dissenters.

The part the Court played in these two revolutions was significant. In the first, it acted on what was actually already done; in the second revolution, the Court initiated change rather than responded to pressure applied by other branches of the government.

Although there has been great dissatisfaction with the legislative role the Court adopted, particularly since 1957, the Congress has not acted to curb it. The Court is dependent upon the Congress for the appropriation of moneys (a powerful weapon); the Congress can increase or decrease the number of justices; it must confirm the appointment of justices; it can impeach them; it can define the cases in which the Court can hear appeals (another powerful weapon); it can reverse the Court's interpretation of the laws by passing new laws (which the Congress has conspicuously failed to do). Members of the Congress have complained that the Supreme Court decisions have been sacrificing state sovereignty to federal authority. The public has been critical of the emphasis on sociological interpretations tenuously related to the law.

Under such circumstances, it could hardly be expected that the end of the Warren Court would not cause some rejoicing on the part of legal conservatives. They have been disappointed that the Burger Court has not turned back the clock. It is encouraging to see, however, that the Burger Court tends to place more emphasis on facts and less on social ideology.

The Burger Court has had occasion to rule on the First Amendment freedoms. It has placed some limitations on how these freedoms may be used, making a distinction between demonstrations in public places and those in private places. It has ruled on vagrancy statutes, picketing ordinances, loyalty oaths, sometimes for, sometimes against these oaths. Upholding publication of the Pentagon Papers was an unpopular decision in many quarters. The Court clarified the relationships between news and libel, and narrowed the circumstances under which a newspaper reporter can refuse to identify his sources. It dealt with obscenity to the extent that it pointed out that to some degree government regulation was justified in public. The Court also upheld federal legislation on junk mail. All these opinions fell under the First Amendment.

Also under the First Amendment, the Court upheld the tax-exempt status of religious institutions, then turned around and voided laws providing financial support for teaching religion in parochial schools and sustained construction grants to four Roman Catholic colleges.

There are indications that the Burger Court will continue to protect minority rights, but its attitude toward criminals is less gentle than that of the Warren Court.

The real problems of the Supreme Court are likely to be in the conflict among the freedoms themselves and how to reconcile them—for instance, free press, fair trial, and the right to privacy. In dealing with the demands of government power, the Court has a clearer direction and it shares the responsibility with the Congress.

The ultimate responsibility for the reconciliation of necessary governmental power and individual freedom lies neither in the Congress nor in the Court. It belongs to the people.

The balance of power the Constitution provides is teetering, mainly because we have been inattentive to the conduct of our own affairs. We have allowed the government to do for us things we should be doing for ourselves: we have allowed the Congress to delegate powers to agencies and accepted rules and regulations which dilute our liberties; we have watched an executive department extend its powers in a manner not intended by the Constitution; we have seen a Court use decisions to change laws enacted by the Congress, and the Congress has allowed it. All these we have permitted, and each one of them has weakened our independence. It would be ironical to have celebrated the 200th anniversary of our freedom at the same time we let it slip away from us through inaction.

In order to recapture control of our government and restrain the increasing bureaucratic power that threatens it, we must first recognize that the pursuit of happiness is a by-product of freedom, not an end in itself. We must accept the fact that fiscal responsi-

bility is the only alternative to bankruptcy and that some sacrifice of social programs may be the price. We must require responsible judgment, not popular decisions, from our representatives and express our appreciation and give our support to those who are honest and patriotic enough to defend our security. Free enterprise needs to be unshackled. Special interest groups must be induced to consider the welfare of their country, not just themselves, because if the country fails, they too lose all they have gained with it. We must make it clear to all branches of government that we, the people, are the source of power, not the recipients of whatever government is deemed best for us.

We have at hand the remedies for all our ills, the solution of all our problems—ourselves! We do not need a new Constitution to save us. What we need to do is use the one we have. We do not need a new Universal Bill of Rights. The rights we already have, if we claim them, are all we need.

In the litigation resulting from the various freedoms enumerated in the First Amendment, there is one that has never been mentioned. It is the right of the people to petition the government for a redress of grievances. Perhaps now is the time. It is easier to defend freedom while we are still free.

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TESTIMONY BEFORE THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL: THE CASE FOR MARIHUANA DECRIMINALIZATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Select Committee on Narcotics Abuse and Control is taking testimony this week on the subject of marihuana use and proposals to decriminalize the personal use and possession of that substance. I appeared this morning before that committee to testify on that subject with my colleague, Senator JACOB K. JAVITS who is the Senate cosponsor of H.R. 432. And participating in the panel with Senator JAVITS and me was YVONNE BRATHWAITE BURKE of California who provided the panel with the California experience as a result of decriminalization legislation enacted into law in that State last year. I am delighted that the statements made by President Carter as well as the testimony presented yesterday by Dr. Peter Bourne, Director-designate of the Office of Drug Abuse Policy have been supportive of decriminalization of the personal use and possession of marihuana.

With the thought that the testimony that I gave to the committee today would be of interest to our colleagues. I am appending the same and, of course, I urge Members of the House to cosponsor H.R. 432. The current sponsors are BADILLO, Mrs. BURKE of California, JOHN L. BURTON, PHILLIP BURTON, CLAY, CONYERS, DELLUMS, DRINAN, DUNCAN of Oregon, EDGAR, EDWARDS of California, HARRINGTON, HAWKINS, HOLTZMAN, KOCH, MCCLOSKEY, MCHUGH, MAGUIRE, MITCHELL of Maryland, NIX, RANGEL, ROSENTHAL, ROYBAL, SCHEUER, SCHROEDER, SOLARZ, STARK, STEERS, UDALL, WAXMAN, WEISS, and WON PAT. The testimony follows:

TESTIMONY OF THE HONORABLE EDWARD I. KOCH BEFORE THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL, TUESDAY, MARCH 15, 1977

THE CASE FOR MARIJUANA DECRIMINALIZATION

Mr. Chairman, I am delighted to have this opportunity to express my views with regard to the decriminalization of marijuana. Let me first cite what is now almost ancient history. Eight years ago, on May 14, 1969, I introduced legislation to establish a Commission on Marijuana. My purpose was to provide a forum for a fully-researched and rationally-debated discussion of marijuana-related health, criminal justice, and social welfare issues. This legislation was adopted as a part of the Comprehensive Drug Abuse Prevention and Control Act of 1970. The Commission was established with former Pennsylvania Governor Raymond Shafer at its head. On March 22, 1972, the Shafer Commission issued its report in which it endorsed decrimininalization of personal use and possession of small amounts of marijuana. The report also exploded some myths that had grown up around the issue. To charge that marijuana usage leads to harder drugs, the Commission stated categorically that: "Marijuana use does not dictate whether or which other drugs will be used." At that time, however, then-President Nixon chose to ignore the facts as they were stated by the Commission. Shortly after the Commission issued its report, Senator Javits and I introduced legislation drafted along the guidelines of the Commission's recommendations. The legislation which we introduced provided for the decriminalization of the personal use and possession of marijuana. Since the introduction of that original bill, Senator Javits and I, along with other co-sponsors, have introduced H.R. 432. This bill is somewhat different than our original legislation in that it provides for a civil fine of $100 as the penalty for personal use and possession and not-for-profit transfer of one ounce or less of marijuana. The concept of the civil fine approach is to acknowledge that marijuana usage is a fact of American life, with 13 million regular users and with 35 million Americans who have used marijuana on occasion, and at the same time to discourage its use. There is, I believe, no sense and less benefit to be derived by labeling those who use marijuana as criminals.

I am certain that this Committee will be deluged with statistics on all aspects of this issue, so I will limit my use of them. I think it is important that the Committee is reviewing the experience of the states who have reformed their laws. Eight states—Alaska, California, Colorado, Maine, Minnesota, Ohio, Oregon and South Dakota—have adopted the civil fine approach. Again, rather than repeating reports that you will hear about firsthand or reciting statistics, I would rather provide the Committee with a few thoughts on why marijuana decriminalization is necessary by placing some of these statistics in a different light.

Let me cite one statistic which I have developed and which I think is unique and startling. There are, as I have said, 13 million regular marijuana users in this country. Suppose that those Americans were imprisoned for one year. Aside from the expense of arresting and prosecuting these people, the cost of incarcerating these people at $6,000 per prisoner per year, would be a staggering $78 billion. And to imprison only some, as is the case today, displays a lack of justice and a denial of equal application of the law. And is that really the way we wish to spend our limited law enforcement and drug abuse control resources? I think not.

The California State Office of Narcotics and Drug Abuse just completed a nine-month study on the impact of the state's marijuana statute. The report concludes the new law resulted in savings to police agencies and courts of more than $10 million. Further, the same study indicated that the more lenient policy had little bearing on an individual's decision to smoke marijuana.

The argument is sometimes made that our present marjuana laws provide a deterrent to the use of marijuana while the number actually punished is low. The fact is that since 1970, nearly half a million Americans have been arrested every year for marijuana use—the overwhelming proportion of them young people arrested for simple possession. I think we face the awesome possibility that nearly a whole generation of Americans are going to be denied the right to pursue various professional careers such as medical, legal, barbering, and accounting to cite just a few, all requiring licensing, because they carry criminal conviction records with them. Can we afford to lock a generation of Americans out of the economic life of our country? Such a possibility should demonstrate that our present marijuana laws are not simply anachronistic but a danger to the society as well.

Let me conclude by saying that we all agree that abuse of hard drugs in this country is a serious problem that we must attack relentlessly. But if we are to attack this problem, we must use our law enforcement resources judiciously and we must have a population which respects all our drug laws. The present federal marijuana law acts only as a drag on our fight against harder drugs. I recognize that marijuana arrests and imprisonment are overwhelmingly made under state law, and there is no intention on my part to preempt the states with my bill, H.R. 432. But the federal government can lead the way with its adoption of progressive legislation. Regrettably it has not been the federal government that has led the way: eight states have led us. But it is not too late for there are 42 states, territories and commonwealths that still look to the federal government for leadership in this area.

VETERAN DISCHARGE PROCESS PROMOTES UNFAIR EMPLOYMENT PRACTICES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have again this session introduced legislation with Senator MCGOVERN to make it unlawful employment practice for an employer to request papers or information from an employee or applicant for employment with regard to the military service of that individual, unless such a request is directly job related or involves a question of prior criminal convictions. I would like to provide a brief history of the problems which have resulted from the availability of discharge papers and other military service records to employers, and which have led us to develop this legislation.

In 1974, Representaitve LES ASPIN and I introduced legislation to eliminate the application of separation program numbers—SPN's—on discharge papers, as did Senator MCGOVERN on the Senate side, and to require that they be treated as confidential in a veteran's file. Over 50 Members of the House cosponsored that bill and, through the concerted efforts of many House and Senate Members, the administration changed its policy in the matter, eliminating the necessity for legislative action.

At the time of discharge, a serviceman is given a discharge paper, DD form 214, Report of Separation from Active Duty. Prior to 1974, that form contained a numerical code specifying the reason for release. The code, called separation program numbers—SPN's—could penalize a veteran for life. The code numbers and what they designate, while intended to be confidential, became publically known. The consequent invasion of privacy is still unended for many a veteran with a prejudicial SPN. Employers who were able to get copies of the number designation often used this information in an adverse way, undoubtedly preventing veterans from obtaining jobs when they were either equally or better qualified than nonveteran applicants.

These veterans were not guilty of an offense under military or civilian law. They were not permitted a hearing before an administrative board—nor were they permitted counsel. Some of these SPN's have such disparaging connotations as "bedwetting," "homosexual tendencies," "inaptitude," and "apathy." In every case the SPN was the result of an arbitrary decision made by others, and the serviceman could have been unaware of its meaning or significance.

Though they were successful in having the SPN's removed from discharge papers, our goal was not accomplished. Although the DD 214 no longer contains an SPN, many employers are aware that a narrative summary describing the reason for separation and reenlistment eligibility is available upon request to the veteran. When an employer knows someone has been in the service, some will either ask the veteran to furnish a copy of the narrative summary or have him sign a routine waiver allowing the company to get the summary. Of course, many veterans who were discharged prior to 1974 are not aware that SPN's exist on their discharge papers and, therefore, have failed even to obtain an expurgated copy of the DD 214, to which they are entitled.

Then there are the problems caused by the character of the discharges themselves. The public, unfortunately for veterans, tends to believe there are simply two kinds of discharge, honorable and dishonorable. In fact, there are five. They are, in descending order, honorable, general, undesirable, bad conduct and dishonorable.

Honorable discharges are awarded for "honest and faithful service," general discharges for "satisfactory service," and "under honorable conditions", and undesirable discharges for "unsatisfactory service." Bad conduct and dishonorable discharges are punitive; they follow a court-martial conviction for certain offenses.

General discharges are regarded as "under honorable conditions." The private sector seems to have the opposite view. Representative SEIBERLING sent a questionnaire in 1973 to the 100 largest U.S. corporations. Of the 74 corporations responding over 40 percent admitted discriminating against veterans with general discharges—a type the Department of Defense considers to be "under honorable conditions."

Under the administrative procedures applicable to general discharges, the veteran is not entitled to the legal defense he would automatically receive in the case of a court-martial where the rules of evidence apply and where the Government must prove its case. Normally the general discharge is awarded without even a hearing, due to a sense of futility and immaturity on the part of the GI and bad advice, according to David Addlestone, a leading discharge attorney.

Similar administrative procedures, lacking fundamental due process, apply to an undesirable discharge. But the Seiberling survey found that 61 percent of the responding corporations admitted discriminating against veterans with such a discharge.

The early seventies saw a large rise in general and undesirable discharges. One reason was that following 1969 legislation providing better due process protections in the court-martial system, officers frequently resorted to general or undesirable discharges to avoid holding courts-martial, which take time, evidence, and substantial due process to win. Administrative discharges were a much more effective way to deal with the rampant drug problem in the forces and the GI resistance movement, as well as an expeditious method to trim personnel following the mandated cutback in military manpower accompanying the U.S. withdrawal from Vietnam.

The administrative discharge continues to be useful to officers who must deal with the all-volunteer forces. Studies indicate that volunteers are more apt to get into trouble than draftees, presumably because their higher expectations for military service make them less tolerant of its shortcomings. At the same time, the ever more technical nature of military occupations puts less intelligent recruits increasingly in line for menial work, frustration, and perhaps an outburst of foolish behavior.

Finally, hard economic times have presented the services with more would-be recruits than they need, thereby enabling them to drop personnel deemed substandard. And, in fact, in 1973 the Army and Navy initiated "marginal performer" discharge programs to speed up the removal of unsatisfactory personnel through "simplified procedures" for issuing honorable and general discharges. By last December, an estimated 20,000 enlisted persons had received general discharges in midtour under these programs.

Because of the common public perception that an undesirable discharge is worse than a bad conduct or dishonorable discharge the Department of Defense under pressure has agreed to rename this category of discharge a discharge under other than honorable conditions.

Also the administration is now considering a broader program for upgrading of less than honorable discharges. Under the proposal the highest upgrade would be to a general discharge.

The fact remains, though, that 40 percent of the Seiberling survey admitted discriminating against veterans with general discharges. The fact remains that for pre-1977 discharge papers the undesirable characterization is a permanent part of the record. The fact remains that even for post-1974 discharge papers there is the narrative summary.

In sum the fact remains that these characterizations will be used to discriminate against veterans with such records, even though none of these veterans has been convicted of any crime and most have committed no offense by civilian standards.

Our purpose in introducing this legislation is to provide the veteran with equal protection under the law while at the same time allowing industry and the society at large to protect itself from undue risk. For example, questions for the purpose of ascertaining whether a veteran has been convicted by court-martial would be permitted under our bill. We have deemed this to be allowable because neither the Federal Government nor the States consider requests regarding prior convictions to be an unfair employment practice, per se. Under our bill, the criminal history of both the veteran and the nonveteran would simply be subject to equal scrutiny. Questions relating to work experience and training in the Armed Forces, as they are job related, would also be permissible under our bill. Some veterans might wish to present their discharge papers to an employer as a positive recommendation for employment, and nothing in our bill denies the veteran that right. But an employer could not demand such records, nor could he coerce a veteran into providing the company with a routine waiver.

Whether by SPN code, narrative summary or character of the discharge, documentation of an individual's inability to conform to military life can haunt him throughout his future career. I believe that veterans are entitled to at least the same consideration for employment or promotion which we have guaranteed to the noneveteran. The indiscriminate use of military records in determining a person's fitness for employment constitutes an invasion of personal privacy, as well as being an unfair employment practice, and should be prohibited.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. JONES of North Carolina (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. STUMP, for March 15, 1977, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RUDD) to revise and extend their remarks and include extraneous material:)

Mr. YOUNG of Alaska, for 5 minutes, today.

Mr. RAILSBACK, for 5 minutes, today.

Mr. HAGEDORN, for 5 minutes, today.

Mr. MARTIN, for 15 minutes, March 16, 1977.

Mr. EDWARDS of Oklahoma, for 10 minutes, today.

Mrs. HECKLER, for 5 minutes, today.

Mr. MCDADE, for 5 minutes, today.

Mr. KEMP, for 5 minutes, today.

Mr. WHALEN, for 5 minutes, today.

Mr. FISH, for 5 minutes, today.

(The following Members (at the request of Mr. TUCKER), to revise and extend their remarks, and to include extraneous matter:)

Mr. BINGHAM, for 30 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LEVITAS, for 10 minutes, today.

Mr. HARRIS, for 10 minutes, today.

Mr. SIKES, for 5 minutes, today.

Mr. ASPIN, for 15 minutes, today.

Mr. FUQUA, for 10 minutes, today.

Mr. TUCKER, for 10 mintues, today.

Mr. RYAN, for 5 minutes, today.

Mr. MCHUGH, for 5 minutes, on March 16.

Mr. FUQUA, for 60 minutes, on March 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. VAN DEERLIN, to extend his remarks just prior to the vote on House Resolution 404.

Mr. PERKINS, immediately following Mr. CEDERBERG.

(The following Members (at the request of Mr. RUDD) and to include extraneous matter:)

Mr. MARKS.

Mr. ANDERSON of Illinois.

Mr. TRIBLE.

Mr. MARTIN.

Mr. RAILSBACK.

Mr. ABDNOR.

Mr. YOUNG of Alaska.

Mr. TAYLOR.

Mr. KETCHUM.

Mr. HYDE.

Mr. BROWN of Ohio.

Mr. WYDLER.

Mr. MCCLORY.

Mr. ARCHER.

Mr. EVANS of Delaware.

Mr. DEL CLAWSON.

Mr. GRADISON.

Mr. FISH.

Mr. STEIGER in two instances.

Mr. COHEN.

Mr. MCDADE.

Mr. RINALDO.

Mr. GILMAN.

Mr. FISHBROOK.

Mr. LEACH.

(The following Members (at the request of Mr. TUCKER), and to include extraneous matter:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. RODINO.

Mr. SOLARZ in two instances.

Mr. HARRIS.

Mr. DODD.

Mr. FARY.

Mr. FORD of Tennessee.

Mr. TEAGUE in 10 instances.

Mr. MINISH.

Mr. MURPHY of New York in two instances.

Mr. DELANEY.

Mr. LEVITAS.

Mr. OBEY in two instances.

Mr. BEARD of Rhode Island.

Mr. SCHEUER.

Mr. HAWKINS.

Mr. LUNDINE.

Mr. VENTO in two instances.

Mr. JACOBS.

Mr. ROGERS in five instances.

Mr. LEDERER.

Mr. BONKER.

Mr. WAXMAN.

Mr. MCDONALD.

Mr. GORE.

Mr. GLICKMAN.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 992. An act to amend title 5 of the United States Code to provide that a Congressional employee may credit service as an employee of a Congressional campaign committee for civil service retirement purposes; to the Committee on Post Office and Civil Service; and

S. Con. Res. 12. Concurrent resolution to assist the people of Romania; to the Committee on International Relations.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on March 14, 1977, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 269. Making an urgent supplemental appropriation for the fiscal year ending September 30, 1977, for disaster relief.

ADJOURNMENT

Mr. TUCKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 3 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 16, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1017. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1018. A letter from the Secretary of Transportation, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1019. A letter from the General Manager, Tennessee Valley Authority, transmitting notice of proposed changes in five records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1020. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to authorize a program of grants to the Government of Guam for capital improvements of public facilities, and for other purposes; to the Committee on Interior and Insular Affairs.

1021. A letter from the Director of ACTION, transmitting a draft of proposed legislation to further amend the Peace Corps Act; to the Committee on International Relations.

1022. A letter from the Administrator, Federal Energy Administration, transmitting a proposal for the continuation of the adjustment as a production incentive to the maximum weighted average first sale price for domestic crude oil (Energy Action No. 11), pursuant to section 8(f)(2) of the Emergency Petroleum Allocation Act of 1973, as amended (89 Stat. 944, 90 Stat. 1134) (H. Doc. No. 95–100); to the Committee on on Interstate and Foreign Commerce and ordered to be printed.

1023. A letter from the Acting Assistant General Counsel for International, Conservation, and Resource Development Programs, Federal Energy Administration, transmitting notice of various meetings related to the International Energy Program to be held March 23, 24, and 25, 1977, in New York, N.Y.; to the Committee on Interstate and Foreign Commerce.

1024. A letter from the Chairman, National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, transmitting a report and recommendations concerning the use of psychosurgery, pursuant to sections 202(c) and 204(d) of Public Law 93–348; to the Committee on Interstate and Foreign Commerce.

1025. A letter from the Assistant Secretary of Commerce for Economic Development, transmitting notice of a delay in preparation of the report of the special economic development and adjustment assistance program required by section 904(b) of the Public Works and Economic Development Act of 1965, as amended (88 Stat. 1165); to the Committee on Public Works and Transportation.

1026. A letter from the Secretary of Transportation, transmitting the sixth annual report of the Urban Mass Transportation Administration on capital assistance, technical studies, and relocation grants, pursant to section 4(d) of the Urban Mass Transportation Act of 1964, as amended (84 Stat. 965); to the Committee on Public Works and transportation.

1027. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the Army's Stinger surface-to-air missile program (PSAD–77–20, March 15, 1977); jointly, to the Committee on Government Operations, Armed Services.

1028. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the Navy's CAPTOR ocean warfare mining system (PSAD-77–44,

March 15, 1977); jointly, to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Joint Economic Committee Report on the January 1977 Economic Report of the President (Report No. 95–75). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. Report on allocation of budget totals to subcommittees. (Report No. 95–76). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 422. A Bill to amend the Tariff Schedules of the United States to provide duty-free treatment of any aircraft engine used as a temporary replacement for an aircraft engine being overhauled within the United States if duty was paid on such replacement engine during a previous importation. (Report No. 95–77). Referred to the Committee of the Whole House on the State of the Union.

Mr. DODD: Committee on Rules. House Resolution 405. A resolution providing for consideration of H.R. 4088. A bill: to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes. (Rept. No. 95–78). Referred to the House Calendar.

Mr. ULLMAN: Committee on Ways and Means. H.R. 3259. A bill to continue to suspend for a temporary period the import duty on certain horses; with amendment (Rept. No. 95–79). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee on International Relations. H.R. 3976. A bill to authorize supplemental military assistance to Portugal for the fiscal year 1977, and for other purposes. (Rept. No. 95–81). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 4800. A bill to extend the Emergency Unemployment Compensation Act of 1974 for an additional year, to revise the trigger provisions in such Act, and for other purposes. (Rept. No. 95–82). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 1404. A bill for the relief of Smith College, Northampton, Mass. (Rept. No. 95–80). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FASCELL (for himself, Mr. ZABLOCKI, Mr. BUCHANAN, Mr. DIGGS, Mr. RYAN, Mrs. MEYNER, Mr. FRASER, Mr. BONKER, Mr. STUDDS, Mr. PEASE, Mr. DANIELSON, Mr. BEDELL, Mr. CAVANAUGH, Mr. WHALEN, and Mr. WINN):

H.R. 5040. A bill to authorize additional appropriations for the Department of State for fiscal year 1977; to the Committee on International Relations.

By Mr. ABDNOR:

H.R. 5041. A bill to authorize the Secretary of Agriculture to establish an improved emergency program to provide assistance in areas where feed for livestock or poultry is scarce as a result of a natural disaster; to the Committee on Agriculture.

H.R. 5042. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ALLEN (for himself, Mr. FORD of Tennessee, and Mr. CARTER):

H.R. 5043. A bill to amend title 15, United States Code, Secs. 717 et seq., the Natural Gas Act, so as to extend the regulatory authority of the Federal Power Commission, or any successor department or agency established by law to carry out the functions thereof, to vest certain extraordinary and other powers in the President, to encourage the exploration and drilling for natural gas, to encourage the conservation of natural gas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BAUMAN (for himself, Mr. FINDLEY, and Mr. HILLIS):

H.R. 5044. A bill to suspend until January 3, 1980, a portion of the duties on strontium nitrate; to the Committee on Ways and Means.

By Mr. BROOKS (for himself, Mr. MOSS, Mr. ROSENTHAL, Mr. FUQUA, Mr. MOORHEAD of Pennsylvania, Mr. HARRINGTON, Mr. FASCELL, Mr. CONYERS, Mr. LEVITAS, Mr. HORTON, Mr. ERLENBORN, and Mr. PRITCHARD):

H.R. 5045. A bill to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes; to the Committee on Government Operations.

By Mr. DEL CLAWSON (for himself and Mr. MOORHEAD of California):

H.R. 5046. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. CORMAN (for himself, Mr. ABNOR, Mr. BAUCUS, Mr. BURLISON of Missouri, Mr. CAVANAUGH, Mr. DICKS, Mr. FARY, Mr. FORSYTHE, Mr. GRASSLEY, Mr. HALL, Mr. HARRINGTON, Mr. LEACH, Mr. LUKEN, Mr. MCFALL, Mr. MARLENEE, Mr. MARTIN, Mr. MITCHELL of New York, Mr. RAHALL, Mr. RONCALIO, Mr. YOUNG of Alaska, Mr. YOUNG of Missouri, and Mr. ZABLOCKI):

H.R. 5047. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORNWELL (for himself, Mr. PHILLIP BURTON, Ms. MIKULSKI, Mr. CAVANAUGH, Mrs. LLOYD of Tennessee, Mr. FORD of Tennessee, Mr. CARR, Mr. RYAN, Mrs. COLLINS of Illinois, and Mr. MURPHY of New York):

H.R. 5048. A bill to amend title VII of the Social Security Act to require that social security and supplemental security income benefit checks be mailed in time for delivery prior to the regularly scheduled delivery day whenever that day falls on a Saturday, Sunday, or legal holiday; to the Committee on Ways and Means.

By Mr. DOWNEY (for himself, Mr. MCHUGH, Mr. NEDZI, Mr. MOAKLEY, Mr. SOLARZ, Mr. LUKEN, Mr. PURSELL, Mr. BADILLO, Mr. ERTEL, Mr. WHITEHURST, Mr. WALGREN, Mr. MURPHY, of New York, Mr. HUGHES, Mr. SAWYER, Mr. RICHMOND, Mr. BONIOR, Mr. COHEN, Mr. CORNELL, Mr. OTTINGER, Mr. STEERS, Mr. WOLFF, Mrs. SPELLMAN, and Ms. MIKULSKI):

H.R. 5049. A bill to amend the National Flood Insurance Act of 1968 for the purpose of providing insurance against damage caused by the movement of frozen water into property located along shorelines; to the Committee on Banking, Finance and Urban Affairs.

By Mr. EDWARDS of Oklahoma:

H.R. 5050. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide that the Secretary shall ban only those food additives found to induce cancer when ingested in an amount reasonably anticipated to be consumed by man; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOOD (for himself and Mr. MCDADE):

H.R. 5051. A bill relating to the appointment of district judges; to the Committee on the Judiciary.

By Mr. FRENZEL (for himself and Mr. HOLLAND):

H.R. 5052. A bill to provide for the temporary suspension of duty on the importation of color couplers and coupler intermediates used in the manufacture of photographic sensitized material (provided for in items 405.20 and 403.60, respectively); to the Committee on Ways and Means.

By Mr. GLICKMAN (for himself and Mr. SEBELIUS):

H.R. 5053. A bill to require that the support price for wheat be computed without adjustments for differences in location; to the Committee on Agriculture.

By Mr. HARRIS (for himself, Mr. FAUNTROY, Mr. FISHER, Mrs. SPELLMAN, and Mr. STEERS):

H.R. 5054. A bill to repeal 3306 of title 5, United States Code, to eliminate the requirement of apportionment of appointments in the departmental service in the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. HAWKINS (for himself, Mrs. BOGGS, Mrs. BURKE of California, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mrs. HECKLER, Ms. HOLTZMAN, Miss JORDAN, Mrs. KEYS, Mrs. MEYNER, Ms. MIKULSKI, Ms. OAKAR, Mrs. SCHROEDER, Mrs. SPELLMAN, Mr. BADILLO, Mr. DRINAN, Mr. EDWARDS of California, Mr. FRASER, Mr. KOCH, Mr. MCKINNEY, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. ROSE, Mr. THOMPSON, and Mr. WEISS):

H.R. 5055. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy; to the Committee on Education and Labor.

By Mr. HAWKINS (for himself, Mr. AKAKA, Mr. AUCOIN, Mr. BEARD of Rhode Island, Mr. BINGHAM, Mr. BLOUIN, Mr. BRINKLEY, Mr. BUCHANAN, Mr. PHILLIP BURTON, Mr. CLAY, Mr. CONYERS, Mr. CORMAN, Mr. COR-

RADA, Mr. DANIELSON, Mr. DELLUMS, Mr. DICKS, Mr. DIGGS, Mr. EDGAR, Mr. EILBERG, Mr. EVANS of Colorado, Mr. FASCELL, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. GEPHARDT, and Mr. GLICKMAN):

H.R. 5056. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy; to the Committee on Education and Labor.

By Mr. HAWKINS (for himself, Mr. HARRINGTON, Mr. JENRETTE, Mr. KOSTMAYER, Mr. KREBS, Mr. LAFALCE, Mr. LEHMAN, Mr. MAGUIRE, Mr. MARKS, Mr. MAZZOLI, Mr. METCALFE, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOSS, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. MURTHA, Mr. NIX, Mr. PANETTA, Mr. PATTISON of New York, Mr. PEPPER, Mr. PICKLE, Mr. PURSELL, Mr. RANGEL, and Mr. RICHMOND):

H.R. 5057. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy; to the Committee on Education and Labor.

By Mr. HAWKINS (for himself, Mr. JOHN L. BURTON, Mr. HARKIN, Mr. HARRIS, Mr. LEGGETT, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SCHEUER, Mr. SEIBERLING, Mr. STARK, Mr. STEERS, Mr. STOKES, Mr. TSONGAS, Mr. UDALL, Mr. VENTO, Mr. VOLKMER, Mr. WAXMAN, Mr. WHALEN, Mr. WOLFF, and Mr. YATES):

H.R. 5058. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy; to the Committee on Education and Labor.

By Mr. JOHNSON of Colorado:

H.R. 5059. A bill to repeal Federal provisions of law establishing agricultural programs concerning the marketing of and price support for tobacco; to the Committee on Agriculture.

By Mr. JONES of Oklahoma:

H.R. 5060. A bill to provide for the development and conversion into electric energy and usable energy materials of the potential hydroelectric resources of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KASTENMEIER (for himself, Mr. RAILSBACK, and Mr. HOLLENBECK):

H.R. 5061. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; to the Committee on the Judiciary.

By Mr. KETCHUM:

H.R. 5062. A bill to amend the Federal Food, Drug, and Cosmetic Act respecting the treatment of saccharin as a food additive; to the Committee on Interstate and Foreign Commerce.

By Mr. KILDEE (for himself, Mr. MURPHY of New York, Mr. MILLER of California, Mr. RUSSO, Mr. STEERS, Mr. CLEVELAND, Mr. BROWN of Ohio, Mr. MURTHA, and Ms. MIKULSKI):

H.R. 5063. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation; to the Committee on Education and Labor.

By Mr. LEVITAS:

H.R. 5064. A bill to amend the Social Security Act and the Rehabilitation Act of 1923 to provide provisional definitions of disability of varying duration, to eliminate work disincentives in programs affecting disabled workers, and for other purposes; jointly, to the Committees on Ways and Means, and Education and Labor.

By Mr. McFALL:

H.R. 5065. A bill to amend the Federal Power Act to provide for the reform of electric utility regulation by the Federal Power Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. MIKVA (for himself, Mr. AUCOIN, Mr. BADILLO, Mr. BAUCUS, Mr. BEDELL, Mr. CARR, Mrs. COLLINS of Illinois, Mr. DELLUMS, Mr. EILBERG, Mrs. FENWICK, Mr. FITHIAN, Mr. JENRETTE, Mrs. KEYS, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. NOLAN, Mr. PANETTA, Mr. PATTERSON of California, Mr. PATTISON of New York, Mr. QUIE, Mr. RICHMOND, Mr. STARK, Mr. STUDDS, and Mr. WEISS):

H.R. 5066. A bill to require Federal employees compensated at the rates in effect for GS–13 and above to disclose each position held by such employees during the 3 years preceding and following their employment with the Federal Government; jointly, to the Committees of Post Office and Civil Service, and the Judiciary.

By Mr. NIX:

H.R. 5067. A bill to amend title 5, United States Code, to provide for the reclassification of positions of deputy U.S. marshal, to include supervisory and managerial or specialists positions, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 5068. A bill to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes; to the Committee on Armed Services.

By Mr. RISENHOOVER:

H.R. 5069. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SAWYER (for himself, Mr. ALLEN, Mr. BADHAM, Mr. CLEVELAND, Mr. DORNAN, Mr. EDGAR, Mr. EDWARDS of Oklahoma, Mr. EVANS of Georgia, Mrs. FENWICK, Mr. FISH, Mr. FRENZEL, Mr. GINN, Mr. GOLDWATER, Mr. GRADISON, Mr. HOLLENBECK, Mr. JENRETTE, Mr. KEMP, Mrs. PETTIS, Mrs. SMITH of Nebraska, Mr. STOCKMAN, Mr. THONE, Mr. TRIBLE, Mr. CHARLES WILSON of Texas, and Mr. WON PAT):

H.R. 5070. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mrs. SCHROEDER (for herself, Mr. STUDDS, and Mr. STEERS):

H.R. 5071. A bill to provide that a former spouse of a Federal employee who is married to such employee for 20 years or more shall be entitled to a portion of such employee's annuity and to a portion of the annuity of any surviving spouse of such employee; to the Committee on Post Office and Civil Service.

By Mr. SISK (for himself, Mr. ANDERSON of California, Mr. BADILLO, Mr. BAUCUS, Mr. BEDELL, Mr. BEVILL, Mr. BLANCHARD, Mr. BOWEN, Mr. BRODHEAD, Mr. BUCHANAN, Mr. BUTLER, Mr. COHEN, Mr. CONTE, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Oklahoma, Mr. EILBERG, Mr. FISHER, Mr. FORD of Tennessee, Mr. FREY, Mr. GOODLING, Mr. HANLEY, Mr. HOLLAND, Mr. HORTON and Mr. HUGHES):

H.R. 5072. A bill to amend title II of the Social Security Act to provide that when an adverse decision is made on a claim for benefits thereunder, the claimant shall have the right to reconsideration, including an informal conference and a statement of the case, prior to hearing; to impose time limits and make other improvements in the procedures for determining such claims; to the Committee on Ways and Means.

By Mr. SISK (for himself, Mr. KINDNESS, Mr. KREBS, Mr. LAGOMARSINO, Mr. LEHMAN, Mr. LONG of Maryland, Mr. MARLENEE, Mr. MATHIS, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of New York, Mr. NEAL, Mr. OBERSTAR, Mr. OTTINGER, Mr. PATTON, Mr. PEASE, Mr. PEPPER, Mr. PREYER, Mr. PRICE, Mr. RAHALL, Mr. ROE, Mr. ROYBAL, Mr. SCHEUER, and Mr. SIMON):

H.R. 5073. A bill to amend title II of the Social Security Act to provide that when an adverse decision is made on a claim for benefits thereunder, the claimant shall have the right to reconsideration, including an informal conference and a statement of the case, prior to hearings; to impose time limits and make other improvements in the procedures for determining such claims; to the Committee on Ways and Means.

By Mr. SISK (for himself, Mr. CARR, Mr. GLICKMAN, Mr. MCEWEN, Ms. MIKULSKI, Mr. MURPHY of Illinois, Mr. PANETTA, Mrs. SPELLMAN, Mr. STARK, Mr. VENTO, Mr. WHITEHURST, Mr. WHITLEY, Mr. CHARLES H. WILSON of California, Mr. WINN, and Mr. WON PAT):

H.R. 5074. A bill to amend title II of the Social Security Act to provide that when an adverse decision is made on a claim for benefits thereunder, the claimant shall have the right to reconsideration, including an informal conference and a statement of the case, prior to hearing; to impose time limits and make other improvements in the procedures for determining such claims; to the Committee on Ways and Means.

By Mr. TAYLOR:

H.R. 5075. A bill to establish a National Agricultural Research, Extension, and Teaching Policy Advisory Board, and for other purposes; to the Committee on Agriculture.

By Mr. YOUNG of Alaska:

H.R. 5076. A bill to amend section 8335(e) of title 5 of the United States Code; to the Committee on Post Office and Civil Service.

H.R. 5077. A bill to amend the Federal Water Pollution Control Act relating to the definition of the term "pollutant"; to the Committee on Public Works and Transportation.

By Mr. YOUNG of Florida:

H.R. 5078. A bill to eliminate automatic cost-of-living pay adjustments for Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. BEARD of Tennessee (for himself and Mr. JONES of Tennessee):

H.R. 5079. A bill to amend the Endangered Species Act of 1973 in order to clarify the provisions of the act regarding Federal agency cooperation; to the Committee on Merchant Marine and Fisheries.

By Mr. BREAUX:

H.R. 5080. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

By Mr. BURGENER:

H.R. 5081. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. BURKE of Massachusetts (for himself, Mr. CORMAN, Mr. BROWN of California, Mr. HAWKINS, Mr. LEGGETT, Mr. MURPHY of New York, Mr. ROSENTHAL, Mr. ROYBAL, Mr. MEEDS, Mr. MOLLOHAN, Mr. MITCHELL of Maryland, Mr. STARK, Mr. MINETA, Mr. RUSSO, Mr. WEAVER, Mr. SOLARZ, Mr. WAXMAN, and Mr. YOUNG of Missouri):

H.R. 5082. A bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers; to the Committee on Education and Labor.

By Mr. DOWNEY (for himself, Mr. MIKVA, Mr. DUNCAN of Oregon, Mr. PANETTA, and Mr. CORRADA):

H.R. 5083. A bill to amend title 10, United States Code, to provide for the regionalization and traveling of discharge review panels; to establish guidelines for review and correction of military discharges; to provide for legal counsel for discharge applicants; to provide for the recognition of exemplary postservice conduct through the issuance of an honorable discharge (limited); and to otherwise expand and enhance the effectiveness of the Armed Forces discharge review procedures; to the Committee on Armed Services.

By Mr. FRASER (for himself, Mr. VENTO, Mr. STEERS, Mr. MOSS, Mr. PATTERSON of California, Mr. RODINO, Mr. LUNDINE, Mrs. COLLINS of Illinois, and Mrs. SCHROEDER):

H.R. 5084. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses allocable to the use of any portion of a dwelling unit in the trade or business of providing day care services whether or not such portion is exclusively used in such trade or business; to the Committee on Ways and Means.

By Mr. HAGEDORN (for himself, Mr. NOLAN, and Mr. STANGELAND):

H.R. 5085. A bill to extend the period during which applications for insurance may be made under the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. HANLEY:

H.R. 5086. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. HECKLER (for herself, Mrs. BOGGS, Mrs. CHISHOLM, Mrs. BURKE of California, Mrs. HOLT, Ms. HOLTZMAN, Miss JORDAN, Mrs. SCHROEDER, Mrs. COLLINS of Illinois, Mrs. KEYS, Mrs. LLOYD of Tennessee, Mrs. MEYNER, Mrs. SMITH of Nebraska, Mrs. SPELLMAN, Mrs. PETTIS, Ms. MIKULSKI, and Ms. OAKAR):

H.R. 5087. A bill to provide recognition to the Women's Air Forces Service Pilots for their service to their country during World War II by deeming such service to have been active duty in the Armed Forces of the United States for purposes of laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. McDADE:

H.R. 5088. A bill allowing tax credit for certain expenses incurred in providing education; to the Committee on Ways and Means.

H.R. 5089. A bill to amend the Internal Revenue Code of 1954 to increase for taxable years beginning after December 31, 1976, the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

H.R. 5090. A bill to amend the Internal Revenue Code to remove the limitations on the amount of medical and dental expenses which may be deducted to permit taxpayers to deduct such expenses, to arrive at their adjusted gross income, and for other purposes; to the Committee on Ways and Means.

H.R. 5091. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for commuting expenses; to the Committee on Ways and Means.

By Mr. ROUSSELOT:

H.R. 5092. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. RYAN:

H.R. 5093. A bill to amend title XVI of the Social Security Act to provide that an alien may not be paid supplemental security income benefits unless he not only is a permanent resident of the United States but has also continuously resided in the United States for at least 1 year; to the Committee on Ways and Means.

By Mr. SOLARZ (for himself, Mr. BONIOR, Mr. CARNEY, Mrs. CHISHOLM, Mr. DIGGS, Mr. DOWNEY, Mr. DRINAN, Mr. EDWARDS of California, Mr. JENRETTE, Mr. METCALFE, Ms. MIKULSKI, Ms. OAKAR, Mr. RODINO, Mr. ROSENTHAL, Mr. RUSSO, Mr. SCHEUER, Mr. SEIBERLING, Mr. VENTO, Mr. WAXMAN, Mr. WEISS, and Mr. ZEFERETTI):

H.R. 5094. A bill to require recipients of Federal aid to higher education to provide senior citizens with access, on a space available basis, to already scheduled courses and programs; to the Committee on Education and Labor.

By Mr. WOLFF (for himself, Mr. ADDABBO, Mr. BEDELL, Mr. BLANCHARD, Mr. BURKE of Florida, Mr. CARNEY, Mr. JENRETTE, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. NEAL, Mr. NOLAN, Mr. ROE, Mr. ROSE, Mr. CHARLES WILSON of Texas, and Mr. ZEFERETTI):

H.R. 5095. A bill to amend the Outer Continental Shelf Lands Act to insure that leases of the Outer Continental Shelf for the recovery of oil and gas are issued only to citizens of the United States; to the Committee on Interior and Insular Affairs.

By Mr. WOLFF (for himself, Mr. CONYERS, Mr. SAWYER, Mr. HANLEY, Mr. CHARLES H. WILSON of California, Mr. WALGREN, Mr. DE LUGO, Mr. CLEVELAND, Mr. METCALFE, Mr. WINN, Mr. BALDUS, Mr. STARK, Mr. OTTINGER, Mr. ERTEL, Mr. YATRON, Mr. VENTO, Mr. CHARLES WILSON of Texas, Mr. HOLLENBECK, Mr. MURPHY of New York, Mr. BEARD of Rhode Island, Mr. MITCHELL of Maryland, Mr. FORD of Tennessee, Mr. JENRETTE, and Mr. LONG of Maryland):

H.R. 5096. A bill to amend title 38, United States Code, to provide counseling for certain veterans; to permit acceleration of monthly educational assistance payments to eligible veterans and dependents; to revise the criteria for nonaccredited courses; to provide alternative financial and educational assistance to peace-time post-Korean veterans affected by the expiration of their delimiting period; to provide for a conditional extension of the delimiting period for certain Vietnam era veterans; to provide for the development of additional educational, employment, and adjustment assistance programs for veterans; to provide for the correction and preclusion of, and protection against, abuses and misuse of veterans benefits; and to otherwise enhance and improve the effectiveness, integrity, and utilization of veterans readjustment assistance programs; to the Committee on Veterans' Affairs.

By Mr. FUQUA:

H.J. Res. 328. Joint resolution proposing an amendment to the Constitution of the United States to establish a new procedure for the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. EDWARDS of Oklahoma:

H. Con. Res. 158. Concurrent resolution expressing the sense of Congress that the proposed saccharin ban be withdrawn; to the Committee on Interstate and Foreign Commerce.

By Mr. MOFFETT (for himself, Mr. LE FANTE, Mr. FISH, Mr. MCHUGH, Mr. BEDELL, Mrs. SPELLMAN, Mr. ANNUNZIO, Mr. PEPPER, Mr. STUMP, Mr. PATTEN, Mr. CORMAN, Mr. AUCOIN, Mr. NOWAK, Mr. UDALL, Mrs. FENWICK, Mr. COLLINS of Texas, Mr. PANETTA, Mr. SHARP, Mr. MURPHY of Pennsylvania, Mr. WEAVER, Mr. BALDUS, Mr. BINGHAM, Mr. HANNAFORD, Mr. WALGREN, and Mr. FRENZEL):

H. Con. Res. 159. Concurrent resolution expressing the concern of Congress regarding the harassment of Soviet Jews and other minorities; to the Committee on International Relations.

By Mr. MOFFETT (for himself, Mr. OTTINGER, Mr. FRASER, Mr. DON H. CLAUSEN, Mr. AMBRO, Mr. WEISS, Mr. HOWARD, Mr. MIKVA, Mr. RICHMOND, Mr. MINISH, Mr. LEACH, Mr. ASHLEY, Mr. ROYBAL, Mr. QUAYLE, Mrs. SCHROEDER, Mr. THONE, Mr. MARKEY, Mr. EDGAR, Mr. TSONGAS, Mr. LENT, Mr. NEAL, Mr. CARR, Mr. BOLAND, Mr. VENTO, and Mr. GIAIMO):

H. Con. Res. 160. Concurrent resolution expressing the concern of Congress regarding the harassment of Soviet Jews and other minorities; to the Committee on International Relations.

By Mr. MOFFETT (for himself, Mr. SIMON, Mr. ROBERT W. DANIEL, JR., Mr. SAWYER, Mr. KILDEE, Mr. CAPUTO, and Mr. FASCELL):

H. Con. Res. 161. Concurrent resolution expressing the concern of Congress regarding the harassment of Soviet Jews and other minorities; to the Committee on International Relations.

By Mr. REUSS (for himself and Mr. ANNUNZIO):

H. Con. Res. 162. Concurrent resolution providing for the printing of 20,000 additional copies of the subcommittee print of the Subcommittee on Consumer Affairs of the Committee on Banking, Finance, and Urban Affairs entitled "Give Yourself Credit: Guide to Consumer Credit Laws"; to the Committee on House Administration.

By Mr MARTIN (for himself, Mr. TSONGAS, Mr. LUKEN, Mr. ICHORD, Mr. DORNAN, Mr. MCDADE, Mr. CLAY, Mr. JOHNSON of Colorado, Mr. GILMAN, Mr. PIKE, Mr. SISK, Mr. CHARLES WILSON of Texas, Mr. STEIGER, Mr. KINDNESS, Mr. ARCHER, Mrs. SPELLMAN, Mr. SEBELIUS, Mr. MOLLOHAN, Mr. BAUMAN, Mrs. HOLT, Mr. FLORIO, Mr. KEMP, Mr. O'BRIEN, and Mr. HILLIS):

H. Res. 406. Resolution expressing the sense of the House that no ban of saccharin should take effect without prior congressional approval; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII memorials were presented and referred as follows:

40. By the SPEAKER: Memorial of the Legislature of the State of Idaho, relative to sugar beet market conditions; to the Committee on Agriculture.

41. Also, memorial of the Legislature of the State of Washington, relative to Federal regulations on pesticides; to the Committee on Agriculture.

42. Also, memorial of the Senate of the State of Hawaii, relative to amending the revenue sharing program; to the Committee on Government Operations.

43. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to creation of a Department of Energy; to the Committee on Government Operations.

44. By Mr. RUDD: Memorial of the House of Representatives of the State of Arizona, relative to proposed amendments to the McCarran-Ferguson Act; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARNARD:

H.R. 5097. A bill for the relief of Dr. Daryl C. Johnson; to the Committee on the Judiciary.

By Mr. BLANCHARD:

H.R. 5098. A bill for the relief of Mr. and Mrs. Everett Walker; to the Committee on the Judiciary.

By Mr. MOORHEAD of California:

H.R. 5099. A bill for the relief of Brian Hall and Vera W. Hall; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

59. By Mr. FUQUA: Petition of members of the Gainesville Florida Campus Federal Credit Union, relative to the Federal Credit Union Amendments; to the Committee on Banking, Finance and Urban Affairs.

60. Also, petition of the Fifth Northern Mariana Islands Legislature, Susupe, Saipan, Mariana Islands, Trust Territory of the Pacific Islands, relative to amending the Food Stamp Act to include the Northern Mariana Islands; to the Committee on Agriculture.

61. Also, petition of the City Council, New York, N.Y., relative to designating the birthday of the late Dr. Martin Luther King, Jr., as a national holiday; to the Committee on Post Office and Civil Service.

EXTENSIONS OF REMARKS

VOICE OF DEMOCRACY ESSAY WINNER FROM KENTUCKY

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. SNYDER. Mr. Speaker, I would like to share with my colleagues the thoughts of a young lady from Ludlow, Ky. Joni Gail Johnson spoke these words as a contestant in the 1976–77 VFW Voice of Democracy scholarship program, and I think they deserve repeating.

Joni was asked to describe what America meant to her. The answer she gave was judged as the best in Kentucky and I think if you read her comments you will see why.

VFW VOICE OF DEMOCRACY KENTUCKY WINNER

(By Joni Gail Johnson)

One nation under God . . . Indivisible. Some of us speak these words every day and we may begin to take them for granted. I believe that one of the few nations of the world that proclaims its loyalty to God deserves a little more time for pondering the words of its Pledge of Allegiance. It fills me with such a sense of pride and respect when I stop to think what being an American really means. We are not confined by iron curtains or great walls as many of our Communist neighbors are. We still stand firm on the beliefs and doctrines upon which our country was built. The concepts of freedom brought to this land by the pilgrims still ring out loudly in our Constitution. Freedom of speech, press and religion, the freedom to state publicly that we are—one nation under God.

When I think of all the natural beauty and landscape that God reserved for the American people, I can not help but believe that we are special to Him. Just look around—from border to border and sea to sea—its breathtaking countryside. I am so lucky to share a part of it. My children will be born into this same wonderful land and, just as I, they will be free to move about as they please and make for themselves the kind of life that I enjoy. They will have breathing space to reach for whatever they desire, and it will all be within their grasp, if they work for it. These things and many more come together under the wings of the American eagle as we strive, hand in hand, to preserve our way of life.

What is the meaning of the next word . . . Indivisible? Webster states it in this way, "Not capable of being divided or separated." That doesn't mean just for two hundred years, that means forever. Indivisible through war, depression, political differences, and everything else that we have met and conquered. We stand united behind the stars and stripes because that is the American way. Realizing that other nations hold opinions different from ours, is another uniquely American concept. We do not try to force our beliefs on anyone else, but we leave them open for anyone to accept. It is much the same as the open arms of our Lady of Liberty, welcoming all those in search of refuge between our shores.

Several times others have taken advantage of these open arms and tried to penetrate and destroy us. With sorry hearts, we fought back. No one is happy with the thought of war, but it is sometimes necessary to retain dreams and ideas that others may try to take from us. As we view the flag draped coffins and see the tears of young widows and fatherless children, we wonder, "Is it all worth it?" I suppose we will never know what the response would be from a young man who has given his life for his country. But I feel sure that his death bed will would read, "To my family I leave all my earthly possessions. To my fellow Americans I leave the freedom that I have fought to preserve for you. To generations yet unconceived I leave the responsibility of maintaining all that we hold so dear. Now I leave to be with my God . . . Indivisible."

All of these things beautifully entwined with two hundred years of red, white and blue pride are what my America means to me!

WINNER IN VFW CONTEST

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. CHARLES WILSON of Texas. Mr. Speaker, although the cliche is overused, the meaning should never be undervalued that the youth is the country's most valuable asset. The meaning of the phrase was renewed and emphasized as I read Jeffrey Britton Bates' speech on "What America Means to Me."

Jeff is a senior at West Orange High School in Orange, Tex., and was the State winner in the Voice of Democracy scholarship program. The program is sponsored by the VFW and its ladies auxiliary and is conducted annually in our Nation's secondary schools. Upward to 500,000 students from over 8,000 secondary schools participated in this year's 30th annual Voice of Democracy program. It is a national broadcast script-writing program which provides an opportunity for 10th, 11th, and 12th grade students in our public, private, and parochial schools to think, write, and speak up for freedom and democracy.

This is one of the most inspiring statements I have yet heard about our country and it makes me proud to know that it came from one of our youth. It is with even greater pride I submit this speech to the RECORD and urge the attention of my fellow colleagues:

1976–77 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM TEXAS WINNER: JEFFREY BRITTON BATES

America is the land of opportunity, a place where the poor can achieve goals unheard of by natives of foreign lands. It has been said that through the years people seem to have lost the appreciation for freedom they once had, but it's only natural to take for granted something you've never been without.

My freedom is inborn. It's just as much a part of me as my arms and my legs are. And like all systems, my body and my freedom are dependent on one another. My arm can't open a door that has been locked; legs can't travel down a passageway that is inaccessible to them—perhaps, inaccessible because they were born into the wrong family. It is our freedom that opens these doors and passageways for us.

But, the reverse is also true. The attainment of freedom is not something achieved by a lot of thought and a little action. No, there were a lot of American men sweating as British soldiers set ground to put an end to our little revolution, and sweat changed to aching muscles and then to a lot of cold blood as the Greatest Army in the World marched upon our small regiments. But we had the smell of freedom, the desire for a change. The British were fighting because it was Royal order. Our men were fighting for their homes and for the lives of their families. Attitude can be an important element in war We had that on our side; and we won.

America, however, is not made of the struggles of a few men of yesterday. It is the

shadow of each one of us. We make America. When the President introduces a bill to give jobs to the unemployed, he makes his America. When a father works into the night so his son might have an education, he makes America. Jimmy Carter and Gerald Ford recently battled the issues for the Presidency; they each made America. If this speech is only once, I have made America. If you gave your time to listen, you made America.

America is our work It is whatever we make it, and nothing more. It is a belief in ourselves, a dream of what we may become. America is the day's work of the weakest man. It is the largest dream of the most daring. We are important to America, because we are America.

Our Freedom is something you can't describe to someone who has never known it. It's like describing the color of the morning sun to a person who has been blind since birth. Americans are not blind to freedom: we see it every day. But like the morning sun, it's a pity we don't always notice.

It isn't during my daily activities that I think about America or freedom, but sometimes on a quiet night—in a warm bed—that's when I begin to realize how important this country and its laws are to me. How much these influence my daily life and allow me not only to watch the activities of others, but to take part and achieve for myself the goals I set: The system that allows me to make my America.

KEY QUESTIONS AND ANSWERS ABOUT CON EDISON AND WESTCHESTER COUNTY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1977

Mr. OTTINGER. Mr. Speaker, there is no more pressing challenge facing the communities of this Nation than that of obtaining, and wisely using, reliable sources of low-cost electric power. I am proud that my own community of Westchester County, N.Y., faced with the most serious power problem in the Nation, the outrageous power costs of Consolidated Edison Co. of New York, is taking the lead in developing a creative solution. I should like to commend to the attention of my colleagues the hard questions and solid answers that the people of Westchester are developing in shaping this solution.

It is important that Westchester residents understand that getting rid of Con Edison and acquiring a public power system is not just a "pie-in-the-sky" proposal. Other communities across the country have done it. We can do it and it will mean real and substantial savings. In fact, it may be the most important single factor in restoring the economic health and preserving the quality of life in the county.

We have all the necessary elements within our grasp right now. We have the power, the financing, the law and now the structure, in the resolution proposed by County Legislator Ronald Tocci of New Rochelle. The following are the most difficult questions that have been asked about the proposal—and the answers to them All that has to be supplied now is the courage and determination to act.

WHY GET RID OF CON EDISON?

The fact is that Con Edison charges the highest rates of any electric utility in the civilized world [1]—and there is no excuse for it.

Con Edison complains about the problems of supplying power to a big metropolitan area like New York, but there are a lot of other sprawling metropolitan areas in the Nation and their utilities serve them far better and more cheaply than Con Edison. The comparison of Con Edison's rates with those of other cities proves that the Con Edison complaint just does not hold water:

RESIDENTIAL ELECTRIC BILLS, MAJOR CITIES, FOR 500 KILOWATT HOURS OF SERVICE, JANUARY 1, 1976

New York	$44.09
Atlanta	16.96
Baltimore	23.11
Boston	23.84
Buffalo	17.46
Chicago	16.44
Cincinnati	14.23
Cleveland	19.92
Dallas	13.41
Denver	17.75
Houston	16.95
Indianapolis	13.68
Kansas City, Mo	16.54
Long Beach, Calif	20.44
Los Angeles [2]	20.46
Milwaukee	17.47
Minneapolis	19.88
Nashville	14.42
Newark	26.73
Orlando	20.69
Philadelphia	20.00
Pittsburgh	20.80
San Diego	22.01
San Francisco	14.16
St. Louis	17.48
St. Paul	20.98
Seattle [2]	5.42
Washington, D.C	17.40

[2] Served by public power.

WHY ARE CON EDISON'S COSTS SO HIGH?

Con Edison also claims that its power is more expensive because it pays more property and sales taxes than other utilities. The comparison below proves that even if you remove all the taxes that Con Edison claims it pays—25 percent of each bill—it paid no Federal income tax on 1975 income of $230,436,836—New Yorkers and Westchesterites would still pay much more for their power than residents of all other major cities with the taxes they pay; in other words, Con Edison without taxes is considerably more expensive than all other companies with taxes.

Comparative prices for 500 kilowatt hours of residential service, four cities, with and without taxes [*]*

Utility/city	Bill with tax	Percent tax	Tax in dollars	Bill less tax
Con Ed, New York	$36.64	25	$9.16	$27.48
Boston Edison, Boston	$23.84	17.8	$4.24	$19.60
Baltimore G&E, Baltimore	$23.11	12.2	$2.81	$20.30
PEPCO, D.C	$17.40	8.0	$1.39	$16.01

[*] *Without* tax, Con Edison's bill still is higher than bills *with* taxes in Boston ($3.64 higher) Baltimore ($4.37 higher) and Washington ($10.08 higher). All utilities in the Northeast with high fuel costs and tax burdens.

The fact is that Con Edison's high costs are the result of years of bad planning and inept management, a situation that has been possible only because of the monopoly Con Edison has on electric power sales in the New York City and Westchester area. Break that monopoly, bring less expensive power into the area and create a sound and prudent management for power distribution and the result has to be cheaper power and a lot less grief all around. The experience of other cities using public power ranging from Los Angeles and Seattle to little Sherrill in northern New York proves this beyond a shadow of a doubt. All we have to do is to follow the very sensible provisions of New York law and create a municipal utility service.

HOW CAN WESTCHESTER SAVE MONEY OPERATING ITS OWN SYSTEM?

There are quite a number of ways.

First, Westchester municipal system would not have to pay an excess of expensive top level management as does Con Edison, a liability even the company has begun to recognize.

Second, Westchester has a triple-A rating with the financial community which Con Edison does not. In fact Westchester paid 5.1 percent on its last bond issue while Con Edison paid 9.12 percent in 1974. Con Edison had to have the State bail it out in the construction of Indian Point No. 3 and Astoria No. 6 because it could not raise the money it needed to finish the plants. That four-point spread can mean real savings.

Third, as a municipal system, Westchester will not have to pay State and Federal taxes—it will make payments on lower local taxes.

Fourth, Westchester can shop for cheap power not produced by Con Edison's expensive generating system.

Fifth, Westchester has legal claim on low cost hydroelectric power from the Power Authority of the State of New York. One area served by PASNY pays one-eighth of what you pay for electricity. Even if Westchester did not get the cheapest hydro power from PASNY—of any of the cheaper PASNY power—and it will, substantial savings will result from regionalizing power—that is, drawing on much less expensive generation from other private and public companies in the immediate area.

Sixth, Westchester does not have to make a 13-percent return on its investment; all the county needs is the money

[1] It used to be just the United States, but a recent survey of power costs in Europe and Asia has won Con Edison this new, if unenviable, distinction.

to pay the debt service on the system—at the county's low rates, buy the power—less expensive than Con Edison's, operate the system—more efficiently than Con Edison, make payments in lieu of taxes—only to Westchester communities and districts—and keep a reasonable reserve for emergencies.

The bottom line on the credibility of savings through going public is the actual experience of the communities served by public power in New York State. The 500-kilowatt-hour bill of the average public power customer in the State is only $10.48. Con Edison's bill for the same quantity of power is $44.09.

WHAT HAPPENS TO LOCAL TAXES WITHOUT CON EDISON?

The answer to that is simple: Nothing. It is perfectly normal for a public power system to make payments in lieu of taxes to local communities and the legislation proposed by County Legislator Tocci requires that the Westchester utility system match all of Con Edison's property and sales taxes.

WHERE CAN WESTCHESTER COUNTY GET POWER?

Many legal authorities believe that Westchester can get most of the power it needs from the Power Authority of the State of New York—PASNY. PASNY was created specifically to supply low cost power to municipalities in New York, like Westchester, and now does serve 45 communities in the State, not to mention the generous supply of power it makes to places outside the State like Vermont and the Allegheny Cooperative in Pennsylvania. If we do get PASNY power, the effect on our rates would be nothing short of "electric."

Plattsburgh, N.Y., which gets all of its power from PASNY, pays only $5.35 for power that costs Westchesterites $44.09 from Con Edison. The 44 other communities that get some PASNY power also show dramatic savings. They pay an average of only $10.48 for the power that costs Westchester residents $44.09 and the highest rate in the group is less than half the Con Edison rate.

BUT WHAT IF WE CAN'T GET ALL THE POWER WE NEED FROM PASNY?

We do not need to get any power at all from PASNY. Federal Power Commission studies show that, within economic transmission distance of Westchester, there is more than eight times the power the county would have needed this past winter and more than five times the county's summer needs—and that power is far in excess of any reserve needs and is available right now.

The Federal Power Commission says that each utility needs a power reserve of 18 percent. That is, each company must have the capability of generating about 18 percent more power than it needs to serve its customers during times of peak demand. Based on decades of experience the FPC says that this is adequate to meet unexpected emergencies such as the failure of a generating plant.

The following survey from FPC statistics shows that utilities within New York and nearby New England have many times the amount of reserve necessary; it is just sitting there waiting to be bought:

Power reserve margins in the Northeast, including New York State, as of Mar. 1, 1977

(In percent)

System:	Winter	Summer
New England Power Exchange	41.8	46.2
Central Hudson	46.3	65.8
Con Edison	81.8	35.6
Long Island Lighting	62.8	20.2
New York State E&G	55.2	52.5
Niagara Mohawk	18.7	28.8
Orange & Rockland	97.7	54.1
Rochester G&E	46.9	34.7

On top of all this, it is important to remember that when Westchester creates its own utility, that does not mean that Con Edison's gigantic generating facilities are going to be pushed into the sea. Quite the contrary, those generating facilities are still going to be there and Con Edison or its successor is going to wait to sell the power it generates; if it is Con Ed indeed, it may be so desperate to sell its power that it may well be willing to "talk turkey" about economies and cost reductions. If Con Edison can get its prices back into the realm of reality under the impact of competition from a Westchester public power unit, there is no reason why Westchester should not buy some of its power. But it will be at our option, not theirs.

WHAT HAPPENS IF CON EDISON GETS MAD?

Again, the answer, is nothing. Actually, the company is in a lot more trouble if we get mad.

Con Edison is legally required to go right on supplying us with all the power we need up to the point that we have firm contracts for alternative power and assume responsibility for the supply of power by law. Even if we create a commission and make contracts for power, Con Ed has to go right on providing power until we are ready to switch. It is the law. Con Edison may have forgotten it, but it is legally the servant of the people of Westchester and it is required to meet our needs until we decide otherwise. Furtherwise, Con Edison cannot try to punish us by raising our rates. Discriminatory rates are illegal.

What it all boils down to is this. There is absolutely no reason to go on enduring Con Edison's appalling rates. There is a realistic alternative and we should pursue it as quickly, vigorously and responsibly as possible. It is vital to our future.

HOW DO WE GO ABOUT BECOMING A MUNICIPAL ELECTRIC UTILITY?

Article 14A of the New York State municipal law spells out the clear and legal steps for ousting a private utility like Con Edison and setting up a municipal system.

Legislator Tocci has introduced a thoroughly researched resolution to set up the Westchester municipal electric system in accordance with the State law. There is not anything questionable about this; it has been done before and other communities have reaped great benefits.

Financial houses like Lazard Freres are more than willing to undertake the task of selling the bonds that will be necessary to acquire the Con Edison distribution system and fit it out for Westchester's needs. It is only good business—and experience proves that Westchester will be able to sell those bonds at far less than Con Edison. Why? We are a sound, well-run, and growing entity, something that could not be said for Con Edison.

The only thing left is for Westchester's citizens to get mad and demand that the resolution of Legislator Tocci be passed right now so that we can get to work.

WHY CAN'T WE FIND THE POWER AND THEN PASS THE RESOLUTION?

If PASNY were being operated in the public interest, as it should be, and if all the private utilities were anxious to have a big new public power entity created to sell cheap power, we could. But that just is not the way the real world works.

Until Westchester has a legal entity through which to pursue the power it needs, the county's municipal electric system will never get off the ground.

Look at the case of Massena, N.Y., which tried to get rid of its utility and acquire cheap public power as we wish to do. Niagara Mohawk—the private upstate utility like Con Ed—and PASNY have kept that poor town running around in circles for more than 10 years, mostly because the town put off creating the kind of sound legal entity that would have enabled it to demand its rights in court. Sherrill, N.Y., on the other hand, which proceeded properly under the law, as the Tocci resolution would have Westchester do, is not only running its own electric system with cheap PASNY power at savings for its consumers of over 43 percent—it also won the right to supply power to the city's major industry, a badly needed economic shot in the arm.

The only question is whether the people of Westchester are tired of being abused by Con Edison; whether they care enough about their community to demand that the Tocci resolution be passed now, so that a start can be made on replacing Con Edison.

HOUSE RESOLUTION 287: CONGRESSMAN ERTEL COSPONSORS ETHICS REFORM PROPOSAL

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. OBEY. Mr. Speaker, on February 16, 1977, Congressman HAMILTON introduced House Resolution 287, the financial ethics legislation recommended by the House Commission on Administrative Review. Mr. HAMILTON was joined by 18 cosponsors on that resolution. Between the time that House Resolution 287 was introduced and March 2, 1977, when it was considered on the floor, a number of other Members sought to cosponsor the financial ethics legislation. Therefore identical legislation to House Resolution 287 was introduced as House Resolution 331, House Resolution 332, House Resolution 341, and House Resolution 351, bringing the total of cospon-

sors for the financial ethics package to 79. Unfortunately, the name of Congressman ERTEL was inadvertently left off the cosponsorship list, even though he had requested the Commission on Administrative Review to include him as a cosponsor. Mr. Speaker, I wish to make it part of the public record that the fact that Mr. ERTEL was not officially listed as a cosponsor of this legislation was the fault of a clerical error by the Commission.

HUNGARIAN UPRISING

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. DELANEY. Mr. Speaker, we commemorate today the 129th anniversary of the Kossuth Hungarian Revolution of 1848 and are again reminded of the tragic events of 1956.

The year 1848 was a decisive one for Hungary. In February, revolution erupted in Paris and when the news reached Vienna, Pozsony, and Budapest, a series of events unfolded which carried the country rapidly down the road to independence.

Louis Kossuth, pushing through a program of reform, assumed leadership of the opposition forces in Parliament. Although reactionaries in Austria incited Croatian armies under Gen. Josef Jellasic to attack in September of 1848, these counterrevolutionaries were defeated. When in March 1849 Austria declared Hungary to be a mere second-rate province within a centralized empire, it was Kossuth who responded with Hungary's Declaration of Independence. Kossuth and the Hungarians were carried forward on a wave of victories. Then in an ominous prelude to events of the following century, during the summer of 1849, Emperor Franz Josef appealed to Czar Nicholas for Russian assistance—Hungary was invaded. After a fierce struggle, the Kossuth revolution was brutally crushed and the valiant Magyars forced to capitulate.

The people of the United States reacted immediately to this intervention. Just shortly before the invasion, in June 1849, President Taylor had issued special instructions ordering diplomat A. Dudley Mann to proceed to Hungary and give assurance of American recognition to the Kossuth government. However, the revolution was crushed before Mann reached Hungary. Hungarian history, music, dances, and wine became popular throughout North America and numerous parades and rallies were held.

Mr. Speaker, it is an honor for us to join citizens of Hungarian descent in commemorating the brief period of Kossuth independence. Let us take heed of the sobering example of Russian imperialism which sought to destroy the noble aspirations of 1848. As Secretary of State Webster said so well in 1851, our single and simple desire for Hungary must remain "independence, self-government, and Hungarian control of Hungarian destinies."

BUD MERTA: LEADER IN THE MANUFACTURED HOUSING INDUSTRY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. BONKER. Mr. Speaker, far too often we, as Members of the House of Representatives, fail to look beyond the many pressing matters before us to see just how the actions of the Congress and the ideals we uphold affect and are shared by our citizens. It is not rare that achievements and services of our fellow Americans escape our attention. I am determined that this shall not be the case with Mr. Leonard C. (Bud) Merta, an upstanding citizen and business and civic leader from Chehalis, Wash.

Bud Merta is the founder and president of Moduline International, Inc., one of this Nation's foremost mobile and modular home manufacturers. His achievements in the manufactured housing industry, an industry that is often overlooked by our own Federal Government, is a shining example of the American dream in action.

It could be said, Mr. Speaker, that Bud Merta was born into the manufactured housing industry, as he was born in 1929—the year the first trailer coach, the forerunner of today's modern mobile home, was manufactured.

This coincidence became more of a reality as Bud Merta, at an early age, began his career in the manufactured housing industry by transporting mobile homes across the country. His career steadily progressed through almost every aspect of the industry and he was named vice president and general manager of the company he served.

But Bud Merta was not content to be a highly valued employee. Through sheer determination and the will to risk practically everything he owned, he acquired a small home manufacturing plant in Chehalis and began Moduline International.

Mr. Speaker, that was but a mere 10 years ago. Today, Bud Merta's Moduline International has expanded to eight production centers in the United States and Canada employing more than 1,000 workers producing $45 million in sales last year alone. His phenomenal success in manufactured housing led him to be selected in 1971 by the Small Business Administration as Small Businessman of the Year in the State of Washington and as one of the top four small businessmen in the United States.

Besides leading the daily operation of Moduline International, Bud Merta is chairman of the Manufactured Housing Institute, serving his colleagues as chief spokesman for the manufactured housing industry—an industry which today produces 20 percent of all single family dwelling units in the United States.

Mr. Speaker, Bud Merta believed in the American dream, and it did not let him down. As he presides over the annual membership meeting of the Manufactured Housing Institute here in Washington next week, I believe it is appropriate that his personal achievements be brought to the attention of my colleagues in the House of Representatives as being a pointed example of the value of ideals to which we all aspire.

ELECTRIC UTILITY PLANNING FRUSTRATING TASK

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. ARCHER. Mr. Speaker, I would like to share with my colleagues in the House the following article that appeared in the Monday, March 7, 1977, issue of the Wall Street Journal which has serious implications for electric utility planning across the country. The plight of the four utilities mentioned in the article, in terms of their frustration in dealing with the great unknowns of future energy consumption and Government regulation, should make us all stop and think about the all-important need for a sound national energy policy:

FOUR ELECTRIC FIRMS IN WISCONSIN SLASH CONSTRUCTION PLANS

MADISON, WIS.—Four Wisconsin electric utilities sharply reduced their long-range construction plans from levels reported to the state last August. The companies attributed the changes—to which they didn't attach a dollar value—to reduced expectations of growth in demand.

The utilities involved are Wisconsin Electric Power Co., Milwaukee; Wisconsin Public Service Corp., Green Bay; Wisconsin Power & Light Co., and Madison Gas & Electric Co., both of Madison. They currently plan to add 3.8 million kilowatts of generating capacity by 1986, nearly 30% less than planned last August. By 1994 they expect to have added nearly 8.7 million kilowatts, down 12% from earlier plans.

The companies added that they don't plan to apply for authority to construct new plants until national and state energy policies are spelled out more clearly. They said: "The inflationary economy, followed by a prolonged recession, extensive environmental legislation, coupled with uncertain air and water quality criteria, continuing debate concerning nuclear power on national and local levels, a lack of federal, state and local regulatory agency coordination along with the increased and uncertain time required for the regulatory process have combined to make the planning process an extremely frustrating task."

THE 200-MILE FISHING LIMIT

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. BEARD of Rhode Island. Mr. Speaker, the impact of the 200-mile fisheries limit on the future of the fishing industry in New England is one that has great importance for every State on the Atlantic and Pacific coasts as well as the Gulf of Mexico. However, the planning for offshore oil exploration has much to do with the effect of the 200-mile limit and until the publication of the February 1977 issue of Maritimes, the journal of the University of Rhode Island's coastal resources center, the interaction of oil exploration, the fishing industry, and the 200-mile limit have not been adequately explored. I present this article by Stephen B. Olsen and Thomas A. Grigalunas as a superb exposition of the future of the fishing industry in New England and the problems that face the greatest fishing grounds in the world, Georges Bank:

[From Maritimes, February 1977]

PLANNING FOR OFFSHORE OIL AND A REVIVED NEW ENGLAND FISHING INDUSTRY

(Stephen B. Olsen, coordinator of the Coastal Resources Center; Thomas A. Grigalunas, associate professor of resource economics)

The 200-mile fisheries limit goes into effect in March 1977 and it is hoped that it will bring rational resource management to New England's battered fish stocks and enable domestic fishermen to claim an increasingly large share of the total catch. Three months earlier, in December 1976, public hearings were held on a draft Environmental Impact Statement for the first of what may be several leases for tracts for oil and gas exploration and development off the New England coast. Although the petroleum reserves off New England are expected to be relatively modest, the potential activity is impressive.

Both New England's offshore drilling tracts and its richest fishing grounds are on Georges Bank, a 12,000-square-mile shallow platform on the continental shelf to the east of Cape Cod (see map). Both the commercial fishing industry and the offshore petroleum industry hold the potential for rapid growth in the next 20 years. They will be operating side by side offshore, and requiring many of the same onshore facilities and services. The relation of the two activities and what should be done to soften or solve conflicts were the subjects of an 18-month study through the University's Coastal Resources Center.

In 1974 some 12,600 full-time New England fishermen landed 522 million lbs. of fish and shellfish worth $122 million. This was only 30 percent by weight of the total harvest in international waters off New England's coast. About 27 percent of the New England catch was taken within the potential oil and gas lease area in the vicinity of Georges Bank. All nations in 1974 harvested 1070 million lbs. in the Georges Bank area.

New England landings have declined drastically since the late 1950s. The industry is fragmented, poorly organized, and the character and success of individual fleets vary widely from port to port. The price per pound of fish, however, has risen rapidly, and despite the industry's chronic problems, many fishermen bring home high annual earnings.

The 200-mile fishing limit could bring remarkable changes. Depending on the type and scale of federal aid, how foreign fishing is limited, and the success of resource management, New England fishing fleets could add about 75 to 240 vessels and 900 to 2500 fishermen in the groundfish (cod-haddock, ocean perch and pollock) fishery alone. Dramatic growth is also possible in existing sea scallop and herring fisheries, and new fisheries may develop for such high-volume, low-value species as mackerel and squid.

It is risky to make predictions, but one can hypothesize that Georges Bank could yield, under good management, an annual harvest of some 420,000 metric tons of fish and shellfish. If domestic fishermen were to harvest all this fish, it might be worth $142 million at 1974 prices. The annual economic activity generated by these landings could account for $420 million in transactions in New England of which $166 million would be personal incomes.

Despite the difficult operating conditions on Georges Bank, the net economic returns from large concentrated oil or gas fields can be substantial. Under existing rules, most of the economic returns will go to the federal government. However, if natural gas is found on Georges Bank and sold in the region at a controlled price, it could bring a considerable increase in real income of significant economic importance for New England. Georges Bank could, it is estimated, have a peak production in 1990 equivalent to 3 to 17 percent of the region's projected demands for oil and 49 to 222 percent of its demand for natural gas.

Three alternatives were considered in our study: exploration only, low development, and high development. The resulting activity related to each is presented in the table. The first sale of leases is scheduled to take place in 1977.

If platforms sprouted on Georges Bank, pipelines were laid and supply boats shuttled back and forth to the mainland, what would be the impact on the offshore fishing industry? The present considerable traffic on Georges Bank would increase, with resultant problems. An apparently inescapable problem is that of debris left on the seafloor. Nearly all the fish and shellfish caught on the Bank are taken with towed gear. If North Sea offshore oil drilling is any guide, assorted trash, including lengths of wire cable, empty oil drums and paint cans will sometimes be swept up with the fish causing trouble for fishermen. Fishing gear can also be damaged or destroyed by unmarked or poorly marked bottom obstructions. The costs of repairing or replacing gear, the loss of fishing time, and possible curtailment of a fishing trip can be high. A week's fishing time for a large trawler is easily worth some $16,000 and gear losses could be as much as $7,000 to $10,000.

If the fisherman can prove which oil company is responsible for the damages he will be compensated. This will not always be possible even though the offending debris or structure is clearly oil-related. A fund to compensate fishermen for unattributable, oil-related damages is a possibility. Indeed such a fund, albeit with a woefully small kitty, has already been set up by a group of oil companies. Steps could be taken to facilitate the processing of claims for damages, to educate oilmen working offshore to the consequences to fishermen of dumping, and to continually inform fishermen of the locations of all potentially dangerous bottom obstructions.

It is also possible that offshore structures will preempt areas of bottom that are valuable fishing grounds. If platforms were closely grouped so that fishing vessels could not safely operate within the cluster, 50 platforms could conceivably close off 125 square miles of fishing grounds. Actually, a fraction of this amount is more likely.

National Marine Fisheries Service figures for the years 1965, 1969 and 1974 indicate that, on the average, the areas planned for individual lease tracts in the most productive fishing grounds have yielded some $30,000 (1974 dollars) worth of fish and shellfish to domestic fishermen each year. Even if all the platforms were placed on these grounds, total landings would decline only by one to two percent in volume and value. Thus, based on available fishery data and present projections of the location and level of offshore petroleum development, it appears that the platforms will not cause drastic loss of fishing grounds.

At present it appears that oil-related structures would be concentrated in the southwest portion of the Bank where flatfish (yellowtail flounder, grey sole, etc.) and sea scallop fisheries would be most affected. Vessels fishing for these species are concentrated in New Bedford and Newport.

A more significant impact of petroleum development may be the effect of pollutants on the highly productive Georges Bank ecosystem. Some oil spills as well as chronic low-level discharges of oil and other materials are considered unavoidable. Virtually all fish and shellfish eggs and larvae spend a portion of their lives floating at the surface, and are highly susceptible to small concentrations of oil. A large spill in a spawning ground at the wrong time could cause major damage there. Concentrations of crude oil as low as one part per million can have other effects such as confusing the mating and migratory behavior of some crustaceans. If oil were to become mixed with the sediments, very low concentrations could have longlasting effects.

All these potential hazards are accentuated by the fact that we know very little about the Georges Bank ecosystem and so significant impacts could go undetected. The wreck of the *Argo Merchant* underscored the realities of an offshore spill and our helplessness to do much about it.

Other topics in the study included supply and demand of labor. It is estimated that a maximum of 2,000 New Englanders could work in offshore jobs in the petroleum industry and several hundred onshore.

Positions on oil supply boats may not be filled by commercial fishermen, because they do not usually have the required seamen's papers or officers' licenses. Moreover, a deckhand on a successful fishing vessel can earn more than he could in a similar position in the oil industry. The existing labor force may not be able to meet demands by both industries for special skills, particularly if our present high unemployment rates decline. Industry and appropriate agencies should therefore work together to determine potential labor sources and, if necessary, create training programs.

The offshore petroleum industry and an expanded domestic fishing fleet could require vessel services equivalent to about seven moderate-sized boat yards. In addition, up to 700 acres of land could be needed for petroleum development. However, considerable excess capacity exists in ports in the region. Individual ports may face management decisions in the use of their land, and may need to assess the economic returns on investment in additional berthing facilities and dredging.

Volume 1 of the study, *Fishing and Petroleum Interactions on Georges Bank*, is an atlas of areas of interest to fisheries and petroleum industries, and is available from the New England Regional Commission in Boston. Volume 2 which analyzes the interaction and the two industries will be available soon.

MAINE AND THE INDIAN CLAIM

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. COHEN. Mr. Speaker, in the past few weeks, many of my colleagues and their constituents have learned for the first time about the suit filed against the State of Maine by the Penobscot and Passamaquoddy Indian Tribes. At present, the tribes are seeking return of millions of acres of land in Maine, claiming that treaties relinquishing the land to white settlers after 1790 were in violation of the law.

Those who are not from Maine have taken differing views of the validity of the claim. But those of us who are from Maine are well aware of the effects the claim on the people of our State. The Maine reaction to recent developments in the case is well represented in a recent editorial from the Bangor Daily News. I urge my colleagues to take the time to read this editorial as they study the Maine case.

The editorial follows:

[From the Bangor Daily News, Mar. 2, 1977]

MAINE MUST COOL IT

The Indian land claim suit against the state of Maine has just begun to heat up. It has gotten a considerable head of steam from the recent announcement from the U.S. Department of Justice that, unless there is a "negotiated settlement" within the next 90 days, Justice will help Maine's Penobscot and Passamaquoddy Tribes sue Maine for land and money.

In real terms, the so-called "reduction" in the amount of acreage in Maine to be sought in court by the federal government is practically negligible. Added up, the "reduction" amounts to 10 million instead of the original 12.5 million acres of Maine terrain.

In other words, our Justice Department is hinting that it wants to be reasonable, but not so reasonable that it will in any way lessen or hinder the extortive economic leverage now enjoyed by the Indians and their legal representatives.

The posturing has clearly begun. It is the necessary charade, the game of politics and big league litigation.

Both sides, like behemoths armed with brief cases and law degrees, are crouched, circling one another, sizing up the opposition. Gov. James Longley and Maine Attorney General Joseph Brennan are playing it just right: cool, willing to listen, but firm.

We should not have expected much from Justice. Its veering away from an earlier position of pushing for a Congressional resolution to now emphasizing a negotiated settlement was bound to happen. The Carter Administration must, at the outset, demonstrate irreproachable regard for minority interests whatever the practical ill-effects. The added political reality is that the new U.S. Attorney General Griffin Bell, whose Congressional confirmation was jeopardized by his membership back home in an exclusive club, must prove that he has the faculty for pursuing justice with ruthless abandon when the claim of a legal minority is at stake.

So there you go, Mainers. As both our Congressional delegation and our governor have noted, Maine people, whose land and economy remain threatened, are blameless. We are stuck with being pawns in a legal chess game. The maddening aspect is that our Federal tax money is being used against our best common interests.

Still, while all of this is serious business, the degree to which we are in harm's way is hardly what it appears. That is, unless this country is prepared to destroy itself in the name of justice, it is madness to foresee 1500 or so Maine citizens, of any color, creed or ancestral origin, getting 10 or 12 million acres of land and billions of dollars.

The U.S. Constitution, as Justice Goldberg said, is not a suicide pact.

If Maine's Indian case has merit, then under some pretext or another, no land in any state in the country is safe. If this peril is, indeed, as real as all of the posturing would have us think, then the Federal Government must correct this wrong.

Token gestures such as reducing the amount of acreage sought are of little value. The principle is still the same. Nor does the Indians' offer to steer clear of the "small landowner" have any true comfort or redeeming value. If you can take land or tribute from the large landowners, it is only a matter of time before you can take it, much easier in fact, from the small landowners who won't have the means to defend themselves except in numbers and force.

Yet we mustn't panic. It is too soon to talk secession and too soon even to march on the seat of legal lunacy, the nation's capital from whence tax-supported lawyers seem to delight in plotting ways to add to our daily burdens and civic anxieties.

Maine must stay alert and even-tempered throughout. If we must join the drama and posture, we could all do worse than take our behavioral cues from Messrs. Brennan and Longley.

HUNGARIAN INDEPENDENCE

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. FARY. Mr. Speaker, today marks the commemoration of the Kossuth Hungarian Revolution of 1848 and recalls for us once again the uprising and tragic massacre of 1956.

The year 1848 was a decisive one for Hungary. Revolution had erupted in Paris in February and when the news reached Vienna, Pozony, and Budapest, a series of events unfolded that carried Hungary rapidly down the road to independence.

Upon hearing the news from Paris, Louis Kossuth assumed leadership of the opposition forces in Parliament and proceeded to push through a program of reform. Counterrevolutionary forces in Austria incited Croatian armies under Gen. Josef Jellasic to attack the reform minded Hungarians in September 1848, but the Croatians were defeated. Still further troubles developed with Austria and in March 1849 the Austrian Government declared Hungary to be a mere second-rate province within a new centralized empire.

Louis Kossuth responded to the oppression with a declaration of Hungarian independence. He was carried forward on a tide of victory until the fateful summer of 1849. At that time Emperor Franz Josef appealed to Czar Nicholas I for Russian assistance. In an ominous prelude to the events of the following century, the Russians invaded Hungary. After an intense struggle, the Kossuth Revolution was brutally crushed and the valiant Hungarians forced to capitulate.

Americans reacted immediately and bitterly to this intervention by the Russian Bear. Just shortly before the invasion in June 1849, President Zachary Taylor had issued special instructions to A. Dudley Mann, an American diplomat then in Europe, ordering him to proceed to Hungary and give assistance of American recognition to the Kossuth government. However, the revolution was crushed before Mann reached Hungary. Hungarian history, music, dance, and wine became popular throughout the United States and many parades and rallies were staged.

I join with our fellow Americans of Hungarian descent in celebrating today that brief period of Kossuth independence. Let us all take heed of the sobering example of Russian imperialism which sought to destroy these noble aspirations. And, as Secretary of State Daniel Webster expressed so well in 1851, let us make our aspirations for Hungary, for the present.

That single and simple point—Hungarian self-government. Hungarian control of Hungarian destinies.

SUPPORT FOR THE LIBRARY SERVICES AND CONSTRUCTION ACT

HON. STANLEY LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. LUNDINE. Mr. Speaker, I welcome this opportunity to express my support of H.R. 3712 which would extend the Library Services and Construction Act until 1981. Title I of this act would promote broader library services and outreach programs for the handicapped, as well as for institutionalized, disadvantaged, and bilingual individuals. Title II would reinstitute funding for construction and renovation of library buildings.

The Subcommittee on Select Education of the House Education and Labor Committee held hearings on this bill last month and at that time, I stressed the significant benefits that this act can provide if extended. My statement follows:

I am pleased to have this opportunity to submit my statement to the Education and Labor Committee in support of extension of the Library Services and Construction Act.

I represent the 39th District of New York, which consists of small and medium sized towns and cities in southwestern New York, located in Appalachia. Our communities badly need the financial and technical assistance which this Act can provide. Adequately staffed public libraries can bring educational opportunity to areas like ours which cannot support a complete range of urban services.

In Jamestown, New York, a small city where I served as Mayor prior to coming to the Congress, this Act has enabled the James Prendergast Library to initiate a Bookmobile which travels throughout a two-county-wide area, education film services, and book mail service to those persons who are home bound and unable to come to the library. A building

addition was possible a few years ago due to Title II funding.

This is just one example of the effects of the LSCA on one rural community. But I believe that this is typical of the results that the LSCA can help accomplish. We need to allocate more monies to smaller, rural communities to insure that their libraries remain operating.

I strongly urge that funding be authorized for the LSCA for the fiscal year 1978. Additionally, I would urge that monies be allocated to Title II of the Act for public library construction projects. In a recent American Library Association survey, it was found that 772 library construction projects in 42 states could be started in 1977 and 1978 if Title II appropriations were available.

In Elmira, another major community in my District in New York, local legislators are now trying to find ways to replace the existing library which has become inadequate to serve the growing needs of that community. The new library, part of an exciting reconstruction program entitled the "New Elmira Plan," begun after the devastating floods of Tropical Storm Agnes in 1972, would seem ideally suited for funding under the programs provided by Title II.

Thank you for this opportunity to submit my statement. I hope that this Committee will act favorably on this request.

This bill has gained the unanimous, bipartisan support of the entire House Education and Labor Committee. I hope that my colleagues will express their support of this important legislation when the measure comes up for a vote.

REFORM NEEDED FOR OUTER CONTINENTAL SHELF LANDS ACT

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. MURPHY of New York. Mr. Speaker, I include in the RECORD today four editorials broadcast by WCAU/CBS Radio, Philadelphia. These editorials explain several of the reasons why it is important that we amend the Outer Continental Shelf Lands Act of 1953.

For instance, as the editorials highlight, there is increased need for public information, especially concerning resource availability; there is a need to insure that oil and gas companies meet maximum efficient rate requirements; and there is a need to modernize leasing arrangements because lump-sum-payment methods tend to preclude smaller companies from participating.

The problems expressed in the following WCAU editorials are all satisfied by provisions of H.R. 1614 and that station's editorial support will insure prompt passage of these reforms.

The editorials follow:

NATURAL ENERGY I

(By Robert B. Sherman, Vice President and General Manager)

We're told there's a shortage of natural gas, but there's no dearth of hot air when it comes to laying the blame for the shortage, or crying for off-shore drilling in New Jersey.

Well, there really may be a natural gas shortage, and there really may be a need for off-shore drilling in Jersey, but right now we just don't know. In fact, we don't know what to believe because all that hot air has created a credibility gap.

Some people are saying the major oil and gas companies are in cahoots with the utility companies; some believe the OPEC nations are wildly flexing their muscles. And any replies to these fears fall right into the credibility gap.

There is no ready answer, and the reason is that nearly all the information the public gets about this country's energy status comes from the oil and gas companies . . . and only from the oil and gas companies. And did you know that, under present law, the companies owning the leases to natural oil and gas wells are not required to publicly report on what they're doing—or not doing—with the energy in those reserves?

There's a bill currently under consideration by the U.S. Congress which, if passed this spring, will shed light on these murky energy areas, and cool off some of the hot air. We'll be telling you more about that bill in editorials over the next few days, because you need facts and answers. Without them, not only will your faith in our institutions continue to be undermined, we still won't be any closer to maximizing our energy reserves.

NATURAL ENERGY II

(By Robert B. Sherman)

There's a bill under consideration right now by the U.S. Congress which would help answer questions about the energy shortage. The bill would change the country's energy laws so that the public and the government would know whether or not we, as a nation, are really running out of gas.

The bill, referred to as the Outer Continental Shelf bill, would, among other things, require oil and gas companies to meet maximum efficiency requirements. This means that oil and gas companies leasing energy wells on federal land would have to periodically report on the energy production coming out of those wells. Under current law oil and gas companies leasing energy wells from the government need not report production results at all after the first 5 years of the lease. Also under the present law leases for natural oil or gas wells are renewed indefinitely and without review.

This doesn't make sense to us. We think periodic review of energy sources are vital if this country is to avoid energy crises and maximize its energy sources.

That's only one of the reasons we'd like to see this new bill passed. We'll have more to say in future editorials; in the meantime, we'd like to hear your opinion. Write to WCAU Radio, Philadelphia 19131.

NATURAL ENERGY III

(By Robert B. Sherman)

Under present federal law a company buying a land lease from the government, to explore and develop potential energy wells, has to pay all of the money for that lease up front.

Leases are expensive . . . they cost several million dollars. Small companies don't have that much money to spend in one lump sum so who tends to get the lease on energy. You guessed it: the big oil and gas companies. So the energy regulations, as they exist today, create an energy monopoly.

This whole issue gets very close to home when you consider the amount of serious talk of off-shore drilling in New Jersey. We in the Delaware Valley are in the eye of the energy dilemma. That's why we, as a region, must show our support for a bill currently under consideration by the U.S. Congress. It's called the Outer-Continental Shelf—or OCS—bill, and one of its provisions would allow companies to pay off the purchase cost of their federal energy leases in annual increments, much the same way you pay off your home heating bills. This would give smaller companies a chance at leases, encourage competition, and might have the effect of ultimately lowering the cost of gas to all consumers.

NATURAL ENERGY IV

(By Shellie Burns Karabell, Editorial Director)

Do we really need to drill off-shore New Jersey to meet our energy needs? Or are the four existing natural gas wells in the Gulf of Mexico enough?

This question, a crucial Delaware Valley issue during this winter's energy crisis, prompted Interior Secretary Cecil Andrus to order a preliminary investigation of those four wells before committing to further off-shore drilling. That preliminary investigation led Secretary Andrus to call for a comprehensive review of the Gulf of Mexico wells because, among other things, he found the production of natural gas from those wells was far below the established maximum efficiency rate. Why? And why did it take an energy crisis to bring this fact out into the open?

One good reason is that natural gas producers, under curent law, aren't required to obtain maximum energy output from the wells they lease from the federal government. They're not even required to make periodic public reports on what they're doing—or NOT doing—with those energy wells. This is the sort of thing that keeps our energy planning on a crisis basis. Without periodic review and the legal requirement to meet maximum efficiency production, we'll never have a coherent energy policy, and we'll never really know when and if to look for additional energy wells along the New Jersey shore.

Interior Secretary Andrus has taken the first vital step towards establishing a viable energy policy. We'll have more to say about future steps this week. In the meantime we'd like to hear what you think. Write to WCAU Radio, Philadelphia 19131.

EMPLOY THE OLDER WORKER WEEK

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. WAXMAN. Mr. Speaker, this week has been designated as "Employ the Older Worker Week," and thus is an appropriate time for me to reintroduce my bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees.

Eighteen of my colleagues are joining me in support of this effort to provide retired workers with some assurance that their pensions will be renegotiated to reflect living costs more realistically. I believe that only by making retirees' benefits a subject for mandatory bargaining will this reconsideration take place.

A 1973 study by the Department of Labor indicates that of 78 pension plans, each covering over 5,000 workers, under collective bargaining, 54 had increased the benefits of retired workers on at least one occasion between 1955 and 1970. Twenty-eight plans had not had any adjustment in benefit levels. Surely when we are asked to be mindful of the needs of the older worker these facts testify to

the need to mandate pension benefits as subjects for collective bargaining, and not leave them as subjects for voluntary or permissive action.

REFORM OF SOCIAL SECURITY DISABILITY INSURANCE

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. LEVITAS. Mr. Speaker, today I am introducing a bill designed to greatly improve the social security disability insurance program by making the disability determination process more equitable, giving better representation to both sides, reducing the number of nonentitled individuals who are receiving disability compensation, and eliminating various work disincentives. This legislation also provides for liberalizing the earnings amount which would terminate disability payments, eliminating the second waiting period for medicare eligibility, and extending trial work periods.

Among the bill's principal features is a new definition of disability to replace the current two-tier categorization under which disabilities are either "permanent" or "nonpermanent but expected to last for at least 12 months." In actuality, most disabilities today are resolved by medical improvement or by the acquisition of new vocational skills, and the approximate termination dates can be predicted with great reliability. Under the current statute, however, no termination date is specified when a period of disability is granted. Therefore, most beneficiaries tend to believe that they have been sentenced to a lifetime of uselessness. Under my proposed amendments, an ending date as well as a beginning date is specified for all disabilities except for the "hard core" disabled. Instead of a lifetime sentence to dependency, most beneficiaries will be told that their disabilities are expected to terminate at the end of a specific period. This will encourage many persons with marginal impairments to return to work.

In addition to its humanitarian aspect, this bill promotes fiscal conservatism. The disability insurance trust fund faces imminent bankruptcy, with total depletion of funds anticipated by mid-1979. Disability expenditures for 1977 will exceed $10 billion.

The amount of trust fund savings which may reasonably be anticipated by the new definition is indicated by a study of the private insurance industry conducted by the Society of Actuaries. That study compares two groups of loss-of-time policies, the first group consisting primarily of 2-year policies, and the second group with indefinite termination dates. The results show that about 25 percent of individuals with 2-year policies tend to return to work in the second year who, if insured under an indefinite policy, would continue to claim disability benefits.

If this bill is enacted into law in 1977, we will have a reasonable expectation that expenditures for new allowances alone will be reduced by about 25 percent at the end of the average termination date for most disabilities. Projecting a 2-year period as the average term, this means that expenditures in 1979 would be about 20 to 25 percent less—making allowance for initial findings of "hard-core" disabilities. If such a law had been enacted in 1975, 1977 expenditures would be reduced by $2 to $2.5 billion.

Additional billions can be saved immediately by review of prior allowances, in cases where the beneficiary is actually capable of working. Under the Federal-State arrangement in the existing statute, 95 percent of these allowances are made by State agencies. Until about 1971, 100 percent of all cases were reviewed by HEW, and 40 percent of all allowances returned by HEW to the State agencies were changed to denials. Beginning in about 1971, HEW changed from full review to sample review, a 5-percent sample in initial determinations, and a 10-percent sample in reconsideration determinations. Expenditures thereafter mounted astronomically, from $3.8 billion in 1970 to $9.5 billion in 1976, with commensurate increases in the percentage of beneficiaries compared to insured workers.

The Ways and Means staff has said that there is little question but that persons who are not really disabled are coming onto the rolls as a result of the change to sample review, a change by HEW which the staff characterized as "tantamount to amendment of the statutory scheme." The new bill requires the Secretary to reinstate his prior practice of full review, but only as to allowances. Erroneous denials in the State agencies can be corrected during the appeals process.

The Ways and Means staff has also said that about 200 examiners in BDI have become extinct as a result of the shift to sample review. It would therefore appear that BDI already has more than enough trained personnel to reassume full review of allowances only.

The persons who have been put on the rolls erroneously after the abandonment of full review continue to drain billions of dollars from the trust fund. The Secretary has always had the authority, under section 225 of the act, to terminate benefits where disability has ceased. The trouble is that this section has been enforced in a desultory manner. Further, under the State-agency agreements, the Secretary has authority to change State agency procedure by regulation. My bill requires that the Secretary change these agreements in such manner that the State agencies annually review at least 10 percent of all cases on the rolls prior to enactment of this bill, selecting for such review cases where cessation has been most likely. The Secretary is further required to review individually all such cases where the State agency finds that disability is continuing.

How much can we expect to have by terminating benefits of individuals who are not really disabled? Although this again is speculative, the figures must be enormous. Assume, for example, that the percentage of really disabled persons actually remained the same from 1970 to 1975. This is not an unreasonable assumption—indeed, the number of disabled persons per 1,000 insured workers went down from 1967 to 1970—from 19.7 to 19.3. Thereafter, under sample review, it rose to 27.3 in 1975. If it had remained at the 19.3 figure in 1975, the actual expenditures in 1975 would have been proportionately less, $5.9 billion instead of $8.4 billion—a saving of $2.5 billion for that year alone. These losses continue and mount in value each year.

These considerations show that the imminent bankruptcy is the result of poor law and agency mismanagement. When we add possible savings in new allowances to savings anticipated from termination of prior allowances, we are in the neighborhood of $3 to $5 billion per annum.

In addition to a change in definition, the bill I am introducing today also changes the evidentiary requirements necessary to prove disability. Since hearsay is admissible in the form of medical reports, some claimants with astute counsel have learned how to create a record when the claimant is not really disabled. This happens at the hearing stage, and the administrative law judge is powerless to prevent it, since the proceeding is allegedly "nonadversary", and the ALJ is required to "fully develop" the case; that is, help the claimant. Most medical evidence in disability cases is hearsay, of necessity. However, this bill distinguishes those circumstances in which such hearsay has more or less probative weight. It clarifies the weight to be given to psychiatric reports, requiring a distinction between objective evidence of mental status, and any crediting by the doctor of the truth of the patient's assertions. If there is only minimal clinical evidence of a medical impairment, a determination that disability exists must state the reasons explicitly.

Since the agency will not reform itself, my proposal mandates changes in procedures. The reason for many appeals is that the agency refuses to tell a claimant the reason that his claim has been denied. HEW experimented with face-to-face conferences with the claimant at the reconsideration level, and the result was a 25-percent reduction in appeals. However, the agency refused to implement this procedure. This bill requires changes in the Federal-State contract whereby the State agency must give such conferences to claimants, and, where the claim is again denied, a statement of the case as to the reasons.

Also, this measure requires the presence of a rehabilitation counselor at the interview, in order to provide the necessary evidentiary basis for a finding that some disabilities will end by vocational rehabilitation. If the claimant files exception to such finding in a request for hearing, he is then given a full evaluation at a rehabilitation facility, which evaluation is reduced to writing and becomes part of the record in the case.

One would think that the agency, having twice decided that an individual is

not disabled, would oppose his further attempts to prove his case at a hearing. The actuarial value of one allowance, with dependent's rights was $56,000 in 1972, and is undoubtedly far more today. However, the agency refuses to defend the trust fund at these hearings. Instead of limiting his efforts to adjudicating disputed facts, the ALJ is required to conduct further investigation and "fully develop" the case. It is not until the case reaches a Federal court that the Social Security Administration will oppose the claimant's case. By that time, however, a distorted record has already been created in many instances.

This bill, therefore, requires the Secretary to appear at a hearing before an ALJ, by counsel or otherwise, and defend the trust fund. Just one successful defense will save the taxpayers more than $56,000.

However, two-thirds of the claimants are still unrepresented, and many are illiterate. This has been the basis of one of the persistent criticisms of any requirement that the claimant must file specific exceptions to the statement of the case. This criticism would be even more cogent, of course, if the trust fund were defended by Government counsel before an ALJ. On the other hand, an unrepresented trust fund is at the mercy of those claimants who do have attorneys.

A way out of this impasse is the formation of a group of lawyers in HEW to defend the claimant and the trust fund at hearings, and my bill contains such provisions. In order to assure the fair defense of both claimants and the trust fund, these attorneys will be hired by the Secretary from a register maintained by the Civil Service Commission. The Secretary will be required to rotate the duties of the attorneys so that they defend the trust fund and claimants an equal amount of time. In addition, the bill prohibits any discipline or reward of such an attorney based on his ratio of cases won for the trust fund, or for claimants; if the attorneys could get promotions by winning trust fund cases and losing claimant cases, it is clear that the claimant would not have adequate representation by counsel.

The cost of such a corps would be more than offset by the inevitable savings. The actuarial value of just one disability allowance was $56,000 in 1972, is more now, and continues to increase. A Government attorney successfully defending the trust fund against just one unjustified claim would save at least $60,000 or more. This would be approximately enough to pay his salary—and that of the claimant's Government lawyer on the same case—for an entire year.

Finally, the legislation I am sponsoring also requires that these claimant hearings be conducted before administrative law judges appointed under the Administrative Procedures Act, and it prohibits any combination of investigation and adjudication by an ALJ. In lieu thereof, he or she has the authority to remand a case for additional investigation. Further, it standardizes the Social Security Administration's review of decisions reached by administrative law judges.

Mr. Speaker, I submit that the alternative to enactment of this bill is nothing less than continued bureaucratic dictatorship, often in a capricious manner, over the lives of thousands of disabled Americans and their dependents.

AN OPPORTUNITY FOR U.S. CITIZENS IN FOREIGN MEDICAL SCHOOLS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. LEHMAN. Mr. Speaker, I wish to draw the attention of my colleagues to the plight of thousands of American citizens who are studying medicine abroad.

There is tremendous competition for the limited number of places in our American medical schools. As a result, aspiring doctors are forced to travel to distant cities such as Bologna, Heidelberg, and Guadalajara to study medicine. They endure severe language and cultural handicaps in order to realize their goal of becoming doctors. Their families often have to make great sacrifices to help them. The irony of this situation lies in the fact that the United States needs more doctors. We have been forced to take in large numbers of foreign doctors to care for the health of our population.

Last year, Congress, realizing the absurdity of this situation, made an effort to solve this problem. The passage of the Health Professions Education Assistance Act of 1976 gave much hope to these dedicated men and women who have been forced to leave their native country in their pursuit of medical degrees. This legislation, Public Law 94-484, contained a provision which will allow foreign medical school students, who are U.S. citizens, to transfer into U.S. schools.

In recent months, many of the persons who would benefit from this kind of program have voiced a concern that the regulations now being devised by the Department of Health, Education, and Welfare will somehow subvert the purposes of this legislation. From past experience, we in Congress know that such fears are often not without grounds.

Some medical schools in the United States have protested that this legislation is unacceptable interference in the administration of academic institutions, and that they are not ready to accommodate these transfer students. HEW is still trying to work out many points of controversy, including the question of when this plan will go into operation. The regulations are expected to be published fairly soon, and it is my sincere hope that they will truly reflect the intent of Congress in providing this opportunity for our future doctors beginning in fiscal year 1978. I have made my views known to Secretary Califano and I trust they will be taken into account.

I believe that most of the beneficiaries of this proposal will be well qualified to meet the course of studies demanded by our own medical schools. Under this legislation, a student must have completed 2 years of study in a school of medicine and have passed the first part of the National Board of Medical Examiners' examination in order to transfer into a U.S. school. I believe that these foreign educated medical students should have a full opportunity to exhibit their academic excellence as well as the necessary strength of character and commitment required to be a good doctor.

Mr. Speaker, I am looking forward to the speedy implementation of this provision of the Health Professions Educational Assistance Act. We cannot allow this ray of hope to disappear for so many deserving American men and women who have already demonstrated such unusual courage and perseverance.

THE AMERICAN CULINARY INSTITUTE HONORS RECORD-SETTING U.S. CULINARY TEAM

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. FISH. Mr. Speaker, I am honored to announce that on Saturday, March 19, 1977, the Culinary Institute of America, located in my congressional district at Hyde Park, N.Y., will be honoring the American culinary team for their unprecedented achievements at the International Culinary Olympics held in October 1976 in Frankfurt, Germany.

An 11-chef American team, competing against professional master chefs from 20 other nations, garnered a final tally of 28 gold medals, 2 silver medals, 20 perfect scores, and the prize for the best food platter of the show.

The 20 nations competing in the competition were Austria, Canada, Czechoslovakia, Denmark, Finland, France, West Germany, Great Britain, Holland, Hungary, Israel, Italy, Japan, Luxembourg, Norway, Poland, Romania, Switzerland, the United States, and Yugoslavia.

In the direct team competition, the four-chef U.S. team tied for third place with France, while first place went to Switzerland, and second to the Canadians.

The four-chef U.S. team consisted of: Ferdinand E. Metz, team captain, Pittsburgh, Pa.; Bruno H. Ellmer, Hyde Park, N.Y.; Gerhard Grimeissen, Sacramento, Calif.; and Gerhard Schmidt, Worcester, Mass.

These culinary masters prepared four menus reflecting the best of American cuisine, and judging was based on organization, composition, preparation, taste, presentation, and novelty.

The seven remaining chefs competed on an individual basis in the cold food display category. This area of competition included tallow, chocolate and marzipan sculpture, pastillage, sugarwork, and other totally edible art forms.

These chefs were: Franz Eichenauer, Atlanta, Ga., Fritz Sonnenschmidt, Hyde Park, N.Y.; Helmut Loibl, St. Louis, Mo.; Richard Blaisdall, New York, N.Y.; Sture Olof Anderson, Pinehurst, N.C.; Rene Schiegg, Memphis, Tenn.; and Klaus Loos, San Francisco, Calif.

This culinary competition is held every 4 years—traditionally in Frankfurt, Germany, and this is the first time that the U.S. team has placed this high in the competition.

Mr. Speaker, I am sure my fellow colleagues join me in expressing pride in the fact that American chefs have shown the world that while American cuisine is a combination of foods from various cultures brought to this country by immigrants from all over the world, it stands alone as unique and a true delight to any gourmet.

INTRODUCING FOUR MEASURES DESIGNED TO LIGHTEN INCOME TAX BURDEN FOR MIDDLE INCOME AMERICANS

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. McDADE. Mr. Speaker, I am introducing today a series of four measures designed to lighten the burden of Federal income taxation for middle-income Americans. Last week, this body gave its assent to a rebate plan that does little to ease the impact of today's heavy taxes on the average middle-income family.

The bills I am introducing today are designed to aid these families where they need it most by reducing the tax they must pay.

First, an increase in the personal exemption from $750 to $1,000. This bill will allow the taxpayer to retain more of his hard-earned income for himself and his family. This simple step can do more to permanently increase the disposable take-home income of middle-class Americans than any one-shot rebate.

Second, I am proposing a complete Federal tax deduction for all uninsured medical and dental expenses. While health care costs have skyrocketed and Congress has debated national health insurance, the average family which is stricken with large-scale medical and dental bills is left with nowhere to turn. Repeated recitations of abuses in federally administered health care programs make the real possibility of a form of national health insurance remote. But we can offer every family some relief from high medical and dental costs and high tax bills by allowing a full deduction for these expenses.

Third, we have spent a great deal of time this Congress on the subject of jobs and improving employment possibilities but we have ignored the working citizen who has to get to and from his job. Therefore, I have introduced a bill to allow working Americans a Federal tax deduction for commuting expenses. Particularly today, many people do not live near their places of employment—jobs may change and families may be unable to relocate; suitable housing may not be available in the working area—there are hundreds of other reasons why people commute long distances to work.

I am aware that there is a standing reluctance among those who write and administer our Nation's tax laws to allow a deduction of this type. I regard this attitude as unfair and unrealistic. Businessmen deduct the expenses of their automobiles and travel or have company cars; high-level government bureaucrats ride to and from their offices in chauffered limousines; even Congressmen are allowed a deduction for the costs of living in Washington. Surely we can no longer say the rule applies to some but not to all. Every working American should be able to deduct the costs of maintaining his employment.

Finally, I have proposed a tax credit of $100 per year to assist families with the cost of providing a college education for their children. Costs of higher education have also climbed dramatically in recent years and family incomes have not kept pace. Ours has always been a nation which prided itself on its educational system and its investment in the future of its young people. We can materially aid many American families toward this goal by early adoption of a tax credit for higher education.

Mr. Speaker, these measures are not offered as an alternative to meaningful tax reform, but as means which we can exercise now to relieve the unequal burden of Federal taxes on our middle-income families. I urge the House to act expeditiously on my proposals.

CINCINNATI HIGH SCHOOL SENIORS PARTICIPATING IN CONGRESSIONAL SCHOLARSHIP PROGRAM

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. GRADISON. Mr. Speaker, I would like to extend formal recognition to a group of high school seniors participating in the Greater Cincinnati Chamber of Commerce congressional scholarship program, now in its sixth consecutive year. In sponsoring this program, Congressman TOM LUKEN and I are undertaking to provide in-depth insight into the functioning of our Federal Government to those who will undoubtedly be among the leaders of their generation. The students participating faced stiff competition in order to qualify for this program and deserve to be proud of their achievement.

For the next 3 days they will meet with an impressive array of persons representing each of the three branches of our Federal Government. Not only the leadership of the House of Representatives, but also Members of the Senate will give the students their perspective on the role and function of the U.S. Congress. The students will also spend a morning at the White House. A fellow Cincinnatian, Justice Potter Stewart, will reflect on the crucial function of the judiciary in our democracy. In addition, these young people will examine the process by which private interests are represented in the legislative process and will have the opportunity of hearing members of the Washington press.

It is my strong hope that this experience will not only spur a few of these young people to someday serve in our Government, but also will give them all a real understanding and appreciation of its role in our society. I am pleased at this time to recognize those who were chosen to participate in the congressional scholarship program and the schools they represent. They are as follows:

STUDENTS

Susan Mason, Northwest Senior.
Jimmy Rechel, Aiken.
Floyd Jones, Aiken.
John Offenberger, Anderson.
Jeff Quyle, Anderson.
Scott L. Kafker, Cincinnati Country Day.
Steve Davis, Colerain.
Jim Matthews, Colerain.
Kim Wiggeringloh, Deer Park.
Tom Lawyer, Diamond Oaks.
Ric Mierenfeld, Elder.
Larry Neumeister, Elder.
Michael Malone, Forest Park.
Christopher Whitaker, Forest Park.
Melca Brown, Hughes.
Allan Burke, Hughes.
Beth Heilman, Indian Hill.
Steven R. Neiheisel, La Salle.
Beverly Mason, Lockland.
Eric Dauber, Loveland.
Donald Hunter, Jr., Madeira.
Mary Ann Zerhusen, Marian.
Sue Erwin, Mariemont.
Mark Schlueter, Moeller.
Melissa Mangold, Mother of Mercy.
Barb Pies, McAuley.
John Miller, McNicholas.
Diane Doran, Mt Healthy.
Timothy O'Donovan, Mt. Healthy.
Shelley Buck, Mt. Notre Dame.
Cynthia Lamb, Northwest Senior.
Michael Tucker, North College Hill.
Gerald Gabbard, Norwood.
Marianne Flaners, Oak Hills.
Thomas Hammoor, Oak Hills.
Lisa Pennekamp, Our Lady of Angels.
Robert C. Taylor, Princeton.
Cheri Lynn Sowell, Princeton.
Steve Gottlieb, Purcell.
Richard Eddelman, Reading.
Barbara O'Brien, Regina.
William Boyd, Jr., Roger Bacon.
Kathy Frayne, St. Bernard.
Lisa Feck, St. Ursula Academy.
Jeff Stallings, Summit Country Day.
Mary Lynn Broderick, Summit Country Day.
Cathy Rose, Sycamore.
Debry Dale, Taft.
Marianne Rudisell, Taylor.
Cindy Mason, Turpin.
Anne McCall, Walnut Hills.
Richard Rolfes, Western Hills.
Mariana Abanto, Western Hills.
Jean Schalk, William Henry Harrison.
David Knox, Withrow.
Craig Hultquist, Withrow.
Darrell Phillips, Woodward.
Sandra Trammel, Woodward.
Deirdre Filan, Wyoming.
Vada Hill, Walnut Hill.

STAFF COORDINATOR

Mr. Robert G. Hood.

CHAPERONES

Mr. Ray Bauer, Mt. Healthy High School.
Miss Marta Lake, Diamond Oaks.
Mr. Steve Baker, Turpin High School.
Miss Barbara Ferguson, Hughes High School.

INTRODUCTION OF PREGNANCY DISABILITY LEGISLATION

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. HAWKINS. Mr. Speaker, today I am introducing, with 92 House cosponsors, legislation to overturn the recent Supreme Court decision on pregnancy disability. Simultaneously, Senator HARRISON WILLIAMS and seven Senate cosponsors are introducing this legislation in the Senate. In a joint House-Senate news conference this morning, Senator WILLIAMS and I announced introduction of this legislation. We were joined by Senators BIRCH BAYH and JACOB JAVITS and Representatives MARGARET HECKLER, ELIZABETH HOLTZMAN, and PATRICIA SCHROEDER as well as representatives of women's groups, civil rights organizations, and labor unions.

At this point, I would like to insert the opening statements presented by Senator WILLIAMS and myself as well as a copy of the proposed legislation, a list of House cosponsors, and a list of organizations supporting this legislation:

HON. AUGUSTUS F. HAWKIN'S OPENING STATEMENT ON INTRODUCTION OF PREGNANCY DISABILITY LEGISLATION

I join this morning with 92 of my colleagues in the House and 7 Senate cosponsors in introducing legislation to overturn the Supreme Court's decision in *General Electric Corp.* v. *Gilbert*. The Court ruled on December 7, 1976, that the prohibition against sex discrimination in Title VII did not include pregnancy. I know that when I cast my vote for Title VII, I understood that protection to include pregnancy.

The legislation we are introducing today will amend Title VII to define sex to specifically include pregnancy so there can be no doubt of the intent of Congress. I am saddened that the Supreme Court ignored the intent of Congress in its interpretation of Title VII which led to the harsh decision in *Gilbert*. At the same time the Court's action overruled the guidelines of the Equal Employment Opportunity Commission, which had been in effect since 1972, requiring that pregnancy-related disabilities be treated the same as all other temporary disabilities. The EEOC has been instrumental in combating employment discrimination, and I have worked to strengthen that agency. The Court's action will undo all the progress that the EEOC has made in eliminating pregnancy discrimination in the workplace unless this remedial legislation is enacted.

The Court's decision will have a particularly severe impact on low-income workers who may be forced to go on leave without pay for childbirth or pregnancy-related disabilities. This loss of income may have serious repercussions for families dependent upon the wife's earnings.

In the last decade women accounted for nearly three-fifths of the increase in the civilian labor force. Approximately 85% of all these women are pregnant at some time during their working lives. Since 1950 the number of working mothers has tripled. Seventy percent of all women who work are either the sole wage earner or married to men who make under $7,000 a year. Their income is essential to support themselves and their families. The increased participation of women is due, in part, to progressive legislation which has lifted many of the barriers previously faced by women entering the labor market. We must act now to guarantee that our progressive laws do not become regressive by fact of interpretation in the courts.

This legislation has the broad support of civil rights groups, labor organizations and women's groups. I might add that the Congressional Black Caucus has endorsed such legislation and has established enactment of a pregnancy bill as a Caucus priority. Every member of the Congressional Black Caucus is a cosponsor. As Chairman of the House Subcommittee on Employment Opportunities, which has jurisdiction over this legislation, I will do everything in my power to move the bill quickly to the floor.

REMARKS OF U.S. SENATOR HARRISON A. WILLIAMS, JR., AT A JOINT PRESS CONFERENCE REGARDING INTRODUCTION OF A BILL TO AMEND TITLE VII OF THE CIVIL RIGHTS ACT OF 1964 TO PROHIBIT SEX DISCRIMINATION ON THE BASIS OF PREGNANCY, CHILDBIRTH, AND RELATED MEDICAL CONDITIONS

Good Morning.

This press conference has been called today to announce the introduction of legislation in both the Senate and the House of Representaives which will restore basic rights to our nation's working women. This legislation will make it clear that the prohibitions against sex discrimination in employment set forth in Title VII of the Civil Rights Act of 1964 encompass and forbid discrimination based on pregnancy, childbirth and related medical conditions.

Legislative action is necessary because of the Supreme Court's decision last December in the case of *Gilbert* v. *General Electric Company*. In that case the Court held that working women disabled by pregnancy or related conditions are not entitled by law to the same benefits that their employers provide for workers who have contracted other disabilities.

This decision came as a deep disappointment to working women throughout the nation. It constituted a serious setback to women's rights and to the development of anti-discrimination law under Title VII. Far more important, the decision poses a serious threat to the security of the American family unit.

The disability plan which the Supreme Court upheld in *Gilbert* provided income maintenance protection for *every* conceivable type of disability but one—pregnancy and related disabilities. Such a plan which has a negative impact on only one sex is obviously discriminatory. It is not "gender neutral", as the Supreme Court concludes. But so concluding, the Court ignored the intent of Congress in enacting Title VII—that intent was to protect all individuals from unjust employment discrimination, including pregnant women.

I believe that the Court's conclusion disregards the reality of what a loss of income means to women who must work to support themselves and their families. I am afraid that lurking between the lines of the *Gilbert* decision is the outdated notion that women are only supplemental or temporary workers—earning "pin money" or waiting to return home to raise children full time.

The opinion ignores the fact that the family unit has undergone many changes in recent years. Currently, 46% of all women over the age of sixteen work outside of the home. There are now thirty-nine (39) million women who are working or seeking work. Twenty-five (25) million of these women are doing so because of the basic need to support their families—because they have husbands who earn less than $7,000 a year, or because they are single, divorced or widowed.

The law must be changed to expressly prohibit pregnancy discrimination: for if it is not changed, countless women and their families will be forced to suffer unjust and severe economic and social consequences. Women disabled by pregnancy and childbirth will be forced to take leave without pay. The loss of a mother's salary will have serious effect on the family unit—making it difficult for parents to provide their children with proper nutrition and health care. For some women and their families, it will mean dissipating family savings and security, or being forced to go on welfare. For others—especially low-income women—the loss of income will encourage abortions.

The legislation we are proposing is simple and to the point. It is aimed at getting the job done by simply adding a new subsection to Title VII's definitions. Proposed Section 701(k) would explicitly provide that "the terms 'because of sex' or 'on the basis of sex' include, but are not limited to, because of or on the basis of pregnancy, childbirth or related medical conditions . . ." The amendment would furthermore clarify that employers are required to treat "women affected by pregnancy, childbirth or related medical conditions . . . the same for all employment related purposes, including receipt of benefits under fringe benefit programs, as other persons not so affected but similar in their ability or inability to work . . ."

This amendment will bring our law up to standards accepted by every other Western industrial nation. Fourteen (14) of our own states—as the result of various types of statutes, administrative rulings, and court decisions—currently require private employers to pay income maintenance benefits to women disabled by pregnancy, in the same amounts and for the same length of time as they pay for any other type of disability.

I am proud to say that my own State of New Jersey is one which guarantees disability payments to all women whose employers are covered by the State's temporary disability insurance law. However, there are thousands of women in New Jersey who are government employees, teachers, domestics and agricultural workers who like millions of women in other states do not qualify for payments under State law. The amendment we are proposing would benefit all of these women.

The Congress has consistently recognized that the unequal treatment of men and women cannot be tolerated in a country that takes pride in its heritage of freedom and democracy. In 1963, we enacted the Equal Pay Act to ensure women equal pay for equal work. In 1964, Title VII of the milestone Civil Rights Act was enacted to ban discrimination based on race, sex, religion and national origin from every aspect of employment. This was followed by the Equal Employment Opportunity Act of 1972 which added significant strengthening amendments to Title VII. And, ultimately the Congress voted in 1972 to amend our Constitution in order to make it clear, once and for all, that women and men must be viewed as equals in the eyes of the law.

Now once again it is incumbent upon the Congress to act. Working women throughout our Nation, from varied walks of life, are in need of relief. They are hopeful, as am I, that the Congress will take prompt action to restore the basic rights which the Supreme Court has infringed upon. It is indeed time

for the law to truly reflect society's recognition of the value of women as part of our Nation's human resources.

H.R. 5055

A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title VII of the Civil Rights Act of 1964 is amended as follows:

Section 701 is amended by adding thereto a new subsection (k) as follows:

"(k) The term 'because of sex' or 'on the basis of sex' include, but are not limited to, because of or on the basis of pregnancy, childbirth, or related medical conditions, and women affected by pregnancy, childbirth, or related medical conditions shall be treated the same for all employment-related purposes, including receipt of benefits under fringe benefit programs, as other persons not so affected but similar in their ability or inability to work, and nothing in section 703(h) of this title shall be interpreted to permit otherwise."

PREGNANCY DISABILITY LEGISLATION COSPONSORS

Daniel K. Akaka, Les AuCoin, Herman Badillo, Edward Beard, Jonathan Bingham, Michael T. Blouin, Lindy Boggs, Jack Brinkley John Buchanan, Yvonne B. Burke, John Burton, Phil Burton, Shirley Chisholm, William Clay, Cardiss Collins, John Conyers, Jr., James Corman, Baltasar Corrada, George Danielson, and Ronald V. Dellums.

Norman Dicks, Charles Diggs, Robert F. Drinan, Robert Edgar, Don Edwards, Joshua Eilberg, Frank Evans, Dante B. Fascell, Walter E. Fauntroy, Harold Ford, Donald M. Fraser, Richard A. Gephardt, Dan Glickman, Tom Harkin, Michael Harrington, Herbert F. Harris, Augustus F. Hawkins, Margaret M. Heckler, Elizabeth Holtzman, and John Jenrette.

Barbara Jordan, Martha Keys, Edward I. Koch, Peter Kostmayer, John Krebs, John LaFalce, Raymond F. Lederer, Robert L. Leggett, William Lehman, Andrew Maguire, Marc L. Marks, Romano L. Mazzoli, Stewart B. McKinney, Ralph H. Metcalfe, Helen S. Meyner, Barbara A. Mikulski, Parren J. Mitchell, Joe Moakley, Toby Moffett, and John E. Moss.

Austin J. Murphy, John M. Murphy, John P. Murtha, Robert N. C. Nix, Mary Rose Oakar, Richard Ottinger, Leon E. Panetta, Edward Pattison, Claude Pepper, J. J. Pickle, Carl D. Pursell, Charles B. Rangel, Fred Richmond, Charles Rose, Benjamin S. Rosenthal, Edward R. Roybal, James Scheuer, and Patricia Schroeder.

John F. Seiberling, Gladys Noon Spellman, Fortney H. Stark, Newton I. Steers, Jr., Louis Stokes, Frank Thompson, Jr., Paul E. Tsongas, Morris K. Udall, Bruce Vento, Harold L. Volkmer, Henry A. Waxman, Ted S. Weiss, Charles W. Whalen, Lester Wolff, and Sidney Yates.

ORGANIZATIONS SUPPORTING THE CAMPAIGN TO END DISCRIMINATION AGAINST PREGNANT WORKERS

AFL–CIO.
Amer. Alliance for Health & Physical Recreation.
Amer. Assn. of University Women.
Amer. Citizens Concerned for Life.
Amer. Civil Liberties Union
American Federation of State, County and Municipal Employees, AFL–CIO.
Am. Federation of Teachers, AFL–CIO.
Am. Newspaper Guild, AFL–CIO.
American Nurses Association.
Amalg. Clothing and Textile Workers Union, AFL–CIO.
Americans for Democratic Action.
Assn. of Flight Attendants, AFL–CIO.
Coalition of Labor Union Women.
Comm. Feminist Organizations and Other Non-Aligned Women.
Communications Workers of America, AFL–CIO.
Delta Sigma Theta Sorority.
Federally Employed Women.
Int'l. Union of Elec. Radio and Machine Workers, AFL–CIO.
Leadership Conference on Civil Rights.
League of Women Voters of the U.S.
Mass. Governor's Comm. on the Status of Women.
Mexican-American Womens Nat'l Assn.
Nat'l Abortion Rights Action League.
Nat'l Assn. for the Advancement of Colored People.
Nat'l Assn. of Commissions for Women.
National Education Association.
National Federation of Business & Professional Women's Clubs, Inc.
National Organization for Women.
NOW—Labor Task Force.
National Urban League.
National Women's Health Network.
National Women's Political Caucus.
New Jersey Insurance Department,
Oil, Chemical & Atomic Workers, AFL–CIO.
Penna. Commission for Women.
United Auto Workers.
United Electrical, Radio and Machine Workers.
Women for Racial & Economic Equality.
Women United for Action.
Women Employed.
Women's Equity Action League.
Women's Law Project of Philadelphia.
Women's Legal Defense Fund.
Women's Lobby, Inc.

U.S. CANAL ZONE AND PANAMA CANAL: AMERICAN LEGION PROTESTS ARREST OF U.S. CITIZEN; SUPPORTS U.S. SOVEREIGNTY AND MAJOR MODERNIZATION

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. MURPHY of New York. Mr. Speaker, one of the great forces for political stability and integrity in the United States is the American Legion. Its strength has been consistently evidenced in crucial national issues, notably in its determined stand for the retention of undiluted U.S. sovereignty over the U.S.-owned Canal Zone and for the major modernization of the existing Panama Canal under existing treaty provisions.

At the annual conference of the American Legion, February 21–22, 1977, in Washington, D.C., its Commission on Foreign Relations of which Dr. Robert P. Foster, president of Northwest Missouri State University, is chairman, conducted a special program dealing with certain aspects of the current Panama Canal question. The principal speakers were William R. Drummond, president of the Canal Zone Police Association, AFL–CIO, and Keith Guthrie of the Panama Office of the U.S. Department of State.

Police Officer Drummond included in his remarks a detailed summary of his unjustifiable arrests and detentions by the Panamanian National Guard on two different occasions, February 11 and 12, 1977, at the Tocumen Airport in Panama, while en route to Washington, D.C.

The essential facts in these incidents were set forth by Representative DANIEL J. FLOOD in an address to the House of Representatives in the CONGRESSIONAL RECORD of February 22, 1977, page 4954.

The arbitrary arrest of a U.S. citizen at the Tocumen Airport is not a trivial matter but a grave violation of the treaty rights of U.S. citizens to unrestricted access to the airport, and raises the question of restoring aircraft service to Canal Zone airports. Such interferences cannot be dismissed as "overreactions" or other innocuous terms, as some are prone to do, for they were done under the supervision of a high official in the Panama Government and caused the Governor of the Canal Zone to make a public demand on the Department of State to protest the actions.

In the second address, Mr. Guthrie summarized the State Department's position in line with the unauthorized and unconstitutional Kissinger-Tack "agreement on principles" of February 7, 1974, and stated that he expected a new canal treaty to be submitted in 1977 for ratification.

It is especially interesting that in his opening remarks for the meeting, Chairman Foster urged the members of the Legion's Foreign Relations Commission to see their Senators and to express their views on the crucial Canal Zone sovereignty question. This vital matter is covered in House Resolution 92, introduced by my distinguished and scholarly colleague from Pennsylvania (Mr. FLOOD).

When U.S. sovereignty over the Canal Zone has been reaffirmed, the way will be open for the next major move in the canal problem—that of the major modernization of the existing Panama Canal under existing treaty provisions, as provided in H.R. 1587, introduced by Representative FLOOD, with my distinguished colleague from Kentucky (Mr. SNYDER) and myself as cosponsors.

Mr. Speaker, to make the strong position of the American Legion better known in support of retention of full U.S. sovereign control over the Canal Zone, and for major canal modernization, as well as the recent action of Gov. H. R. Parfitt of the Canal Zone in protest over the arrests of Mr. Drummond, I quote the following papers as part of my remarks:

First. A news story in a Panama newspaper.

Second. The Legion's press release following the February 22, 1977, meeting; and

Third. The Panama Canal resolution of the 1976 annual convention of the Legion.

The indicated documents follow:

PARFITT URGES PROTEST TO RP

Canal Zone Governor H. R. Parfitt Saturday recommended that U.S. Ambassador William R. Jordan present a "plain and forceful protest" to the Panama government for the "arrest and detention" Friday of Canal Zone labor leader William R. Drummond.

Drummond, a Canal Zone policeman, is the legislative chairman for the Central La-

bor Union-Metal Trades Council. He was detained at Tocumen International Airport Friday morning as he was about to board a plane for Washington on business for the union.

After being held in the immigration office at the airport he was taken before a district attorney for questioning in connection with two explosions outside his house in Los Rios on Oct. 31.

In a letter to Jorden, Parfitt said Drummond's arrest at the airport was "clearly illegal" and a violation of the 1949 Aviation Agreement between Panama and the United States.

Parfitt also wrote that "the purpose of the action against Drummond actually was to discourage him from exercising in the Canal Zone his right to freedom of speech."

Drummond has been in the forefront of efforts to block the negotiations between Panama and the U.S. for a new Panama Canal treaty.

Drummond flew from Tocumen Saturday for Miami en route to Washington, where he said he would discuss his detention and his efforts to block the treaty negotiations with his supporters in both cities.

The violation referred to by Parfitt concerns Article 17 of the 1949 agreement which provides for free transit of U.S. citizens in the services of the Canal Zone government and of the U.S. armed forces.

In this regard, Parfitt said:

"Although this right of free transit obviously could not be construed to provide immunity from arrest for a person committing a criminal offense while transiting between the airport and the Canal Zone, there is no question in the present case that Drummond had a right to proceed to the airport and depart the Isthmus without interference by Panama authorities.

"His arrest and detention for nearly three hours was in itself clearly illegal. Further, the violation of the rights of such a person while under U.S. auspices was clearly oppressive when viewed in the light of the attendant circumstances, that is, that Drummond was taken into custody and removed from the airport without notifying his spouse who was in the immediate vicinity; that the arrest ostensibly was accomplished merely to obtain information concerning an incident in which Drummond was the victim and which had occurred outside of the jurisdiction of Panama; and that the purpose of the action against Drummond actually was to discourage him from exercising in the Canal Zone his right of freedom of speech.

"In the light of the foregoing, there can be no doubt that the arrest was a willful act on the part of the government of Panama in violation of the 1949 Aviation Agreement.

"I strongly recommend that a plain and forceful protest be made to Panama with a request that government provide clear assurance such a violation will not occur again."

PRESS RELEASE FROM AMERICAN LEGION NEWS SERVICE

WASHINGTON—Dr. Robert P. Foster, chairman of the National Foreign Relations Commission, urged Legionnaires to contact their senators immediately to express their positions on a new Panama Canal treaty.

He made his appeal at the opening of commission session regarding the Canal and his request was most timely as one of the speakers before the group, a representative of the U.S. State Department, confirmed that the text of a treaty may be prepared yet this year.

Any new treaty would, of course, be subject to ratification by the Senate before it could take effect.

William Drummond, a Canal Zone police officer who recently was arrested and interrogated by the Panamanian government because of his known opposition to a new Canal treaty, and Keith Guthrie, treaty adviser, office of Panamanian Affairs for the State Department, were the speakers.

Explaining his obligation as a government employee to protect the taxpayers' money and interests, Drummond said he is an advocate of the anti-treaty group and that he wants to see certain constitutional safeguards for the Canal Zone that is U.S. territory.

He said the government of Panama is deeply in debt with an admitted liability of 1.3 billion dollars, and that banks with loans to the government are worried that they won't get their interest, let alone repayments of the debts, and that the country's economy is "close to zero." He said he didn't believe the U.S. can "afford the charity of giving up something as important as the Canal."

Asserting that there are no civil or human rights under the dictatorial government of Panama, Drummond said all the people of Panama probably want a new treaty of some sort, but not under a dictator. He pointed to the need for continuing protection, operation and maintenance of the Canal, including maintenance of the water tables to operate the Canal and which require a large land area.

Guthrie told the group that the text of a treaty probably will be formulated yet this year, but admitted we face real and serious problems for we must insure that the Canal remains open, operative and secure.

General guidelines for a new treaty would provide that it be for a fixed period of time—not in perpetuity—that the U.S. would have land rights necessary for the defense of the Canal, that Panama would participate in the operation and defense of the Canal, that jurisdiction over the zone area would revert to Panama and that the U.S. would have primary responsibility for the defense of the Canal for the life of the treaty.

To protect the Canal in isolation and defiance of Panama would be most difficult, he said. Guthrie said four administrations, beginning with President Lyndon B. Johnson, have considered opening negotiations for a new treaty with Panama.

"We will try to protect our interests by seeking a partnership operation with Panama and I believe we are prepared to enter into such an agreement, and I believe such a treaty would have broad and lasting support in Panama," he said.

RESOLUTION No. 90

THE PANAMA CANAL

Whereas, under the 1903 Treaty with Panama, the United States obtained the grant in perpetuity of the use, occupation and control of the Canal Zone territory with all sovereign rights, power, and authority to the entire exclusion of the exercise by Panama of any such sovereign rights, power, or authority as well as the ownership of all privately held land and property in the Zone by purchase from individual owners; and

Whereas, the United States has an overriding national security interest in maintaining undiluted control over the Canal Zone and in its treaties with Great Britain and Colombia for the efficient operation of the Canal; and

Whereas, the United States Executive Branch is currently engaged in negotiations with the Government of Panama without authorization of the Congress, which would diminish, if not absolutely abrogate, the present United States treaty-based sovereignty and ownership of the Zone; and

Whereas, the American people have consistently opposed further concessions to any Panamanian Government that would further weaken United States control over either the Canal Zone or Canal; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Seattle, Washington, August 24, 25, 26, 1976, that the United States must be vigilant against all efforts to surrender any of the U.S. Sovereignty or jurisdiction in the Panama Canal Zone or over the Panama Canal obtained under the 1903 Treaty with the Republic of Panama, as amended and revised in 1936 and 1955; and should in no way cede, dilute, forfeit, negotiate or transfer any of the U.S. sovereign rights, power, authority, jurisdiction, territory or properties directly or indirectly or by subterfuge all of which are indispensibly necessary for the protection of the U.S. and the Western Hemisphere; and be it further

Resolved, that The American Legion reaffirm its opposition to new treaties or executive agreements with Panama that would in any way reduce our indispensable control over the U.S.-owned Canal or Canal Zone; and be it further

Resolved, that The American Legion urge the immediate resumption of the modernization of the present Panama Canal as provided under the current legislation measures for the Terminal Lake-Third proposal.

MOUNTING SOVIET INDEBTEDNESS WORRIES WEST

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. McDONALD. Mr. Speaker, some years ago when the floodgates of East-West trade were opened up we were told it was good business to trade with the Soviet Union, because it had a good record of repaying its debts. In one sense this was true, if you overlooked the lend-lease repayments never made by the U.S.S.R. and the defaults on the Tsarist bonds.

However, the one hard fact everyone seems to overlook is that the ruble is not a convertible currency and, therefore, the Soviet Union has to amass convertible currency in order to buy anything from the West or repay any loans or credits. As Henry Bradsher recently pointed out in the Washington Star, of Sunday, March 13, 1977, the Soviet debt in her foreign trade has now mounted to a point where even the bankers who have been pushing trade with the U.S.S.R. have become squeamish.

As Mr. Bradsher points out, tourism, selling guns, and cut-rate passenger and freight hauling by her merchant marine will only bring in just so much convertible currency. There are just three alternatives available to the U.S.S.R. One, she can sell more of her gold. This would depress the world price and be counterproductive. Two, she can cut back her purchases and thus, slow down her economic growth. A last alternative would be to simply default. Who would bring her to heel? The column by Mr. Bradsher follows:

[From the Washington Star, Mar. 13, 1977]

MOUNTING SOVIET INDEBTEDESS WORRIES WEST

(By Henry S. Bradsher)

The Soviet Union has fallen so deeply into debt to Western banks that the banks now are restricting further loans to Moscow and may charge especially high interest on those they do make, according to a CIA study that has been made available to Congress.

"The Soviets face a growing concern . . . among some Western governments over the growth of their debt," the study says, but it does not explore that point.

Other recent studies and discussions among bankers have focused on the danger to the West of possible Soviet and East European failure to pay debts. The Soviet bloc's total debt in Western currencies is estimated between $27 billion and $44 billion and growing rapidly as contracts for equipment sales on credit are carried out.

Some Western governments feel that Communist dealings directly with Western banks have gotten out of hand. Within the Carter administration there has been prelimniary consideration of trying to bring Soviet bloc loans under some coordinated influence of North Atlantic Treaty Organization governments.

Governmental control over loans to Moscow was seen by former Secretary of State Henry A. Kissinger as a source of leverage on the Soviet Union. But Congress linked loans to human rights issues and thus effectively blocked large government-controlled loans. Moscow turned to private banks in the United States and Western Europe.

The idea of obtaining leverage through controlling loans has been revived by the new administration. But the size of existing loans is so great that major new ones are in doubt.

The CIA study, entitled "USSR: Hard Currency Trade and Payments, 1977-78," analyzes the Soviet financial position in light of trade needs. "The Soviet 10th five-year plan (1976-80) indicates a continued desire to obtain large quantities of Western technology and equipment, and Moscow will continue to rely on the West for grains to supplement domestic production," it says.

The study estimates that at the end of 1976 the Soviet debt was $9.669 billion. Estimates used in European banking circles are much higher, with some sources saying around $15 billion.

The study says the debt rose $2.188 billion last year. The Soviet foreign trade deficit in 1976 is estimated at nearly $5 billion, down from a record $6.4 billion in 1975 as a result of reducing imports and selling more gold.

Payments of interest charges and some of the principal on loans totaled $2.253 billion last year, the study estimates. It predicts such payments will be $3 billion this year and $4 billion next year.

These payments absorbed 26 percent of earnings from Soviet merchandise exports last year, the study says. By international banking standards, this is a dangerously high debt service ratio.

When the ratio rises above 20 percent for underdeveloped countries, they usually find it difficult to borrow any more. Bankers get worried, interest rates rise sharply and the International Monetary Fund often moves in to supervise financial policy.

The Soviet ability to finance its deficits and make debt payments is, however, "substantially enhanced by net hard currency receipts from invisibles and from arms sales," the study says. It estimates net earnings last year from Soviet transportation services as $450 million and from tourism $150 million.

The Kremlin also earned an estimated $1 billion by selling weapons in 1976, mostly to such oil-rich countries as Libya. Arms earnings this year and next are estimated by the study at $1.5 to $2 billion.

The study says that on loans made in Western Europe the Soviet Union has been paying 1.25 percent over the interest rates used among London banks. According to other sources, this often comes to a total of 8.5 percent interest, which is considered a good rate—better than underdeveloped countries with lower debt ratios and less political stability can obtain.

The CIA study says that some Soviet equipment purchases are made with five-year promissory notes that carry a nominal interest rate around 7 percent. But "the exporter, with full Soviet knowledge, will often raise the effective interest rate on the loan to roughly 10 percent by increasing the selling price of his exports."

MAZZOLI QUESTIONS FDA BAN ON SACCHARIN

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. MAZZOLI. Mr. Speaker, last week the Food and Drug Administration announced that it intends to ban saccharin from food and beverages beginning in July under the authority of the so-called Delaney amendment.

Saccharin has been used by Americans for approximately 80 years, and the Acting FDA Commissioner has conceded that there is "no evidence that saccharin has ever caused cancer in human beings."

Millions of Americans who are diabetic or who are overweight generally, have no alternative to saccharin as a sweetener in their diets. Yet, despite all this the FDA proposes to ban the use of the chemical. In my opinion, this decision by FDA is unwise, untimely, and unjustified under the circumstances.

I am mindful, of course, that FDA insists its action was taken in compliance with the Delaney amendment—enacted as a part of the Food, Drug, and Cosmetic Act of 1958. This amendment flatly bans the use of any food additive which induces cancer in animals or humans. There seems to be no discretion on the part of the agency.

Last month the Senate Select Committee on Nutrition released a report of its hearings into the relationship between diet and disease. Among the principal recommendations contained in the report was a reduction in the average American's diet of 40 percent of the present sugar intake.

Recently, the Washington Post published a series of articles related to the problems of obesity and the effects of excess weight on an individual's health. Inasmuch as saccharin is the major substitute for sugar currently in use, banning its use in food and beverages denies to the public the most effective alternative to sugar as a sweetener.

According to press reports the proproposed ban relies on data developed after subjecting test mice to saccharin levels equal to a human's consuming some 800 cans of diet soda daily. I am no scientist, but such data are not particularly persuasive to me.

Ingesting any ingredient in these amounts would inevitably lead to physical problems. Even water in these amounts would kill a person.

I am joining today with our colleague, Congressman JIM MARTIN of North Carolina, in cosponsoring a resolution expressing the sense of the House of Representatives that the proposed FDA ban should not go into effect until congressional hearings determine that normal consumption of saccharin is unsafe.

I believe this current controversy points up a more far-reaching and fundamental problem than whether saccharin should be banned.

The Delaney amendment—which requires the banning of any substance however slight the risk its use poses to humans—needs to be reexamined and modernized. It is not a balanced response to the task of protecting the people of America against carcinogens.

As an initial step, I am joining with our colleague, Congressman BILL WHITEHURST of Virginia, to sponsor changes in the current law that will grant some leeway to the Food and Drug Administration in the control of food additives.

Mr. Speaker, this issue is presented very well in an editorial which appeared in the March 11 issue of the New York Times. I include the text of the editorial at this point in the RECORD:

THE BITTER VERDICT AGAINST SACCHARIN

The Food and Drug Administration had no option but to ban the use of saccharin in foods and beverages when Canadian tests showed that some rats fed large amounts of the substance developed cancer. Since 1958 there has been a statute—the Delaney Amendment to the basic F.D.A. statute—which flatly bans any food additive that, in its words, "is found to induce cancer when ingested by man or animal . . ." The law admits no qualifications. For example, the fact that reputable research with monkeys disclosed no abnormalities after they had been given large doses of saccharin for 6½ years canot even be taken into account.

Saccharin has been used for about 80 years, with no evidence that it has ever produced a single cancer in a single human being. The rats whose tumors caused the F.D.A. to act were fed diets containing 5 percent saccharin.

A human would have to drink 800 twelve-ounce bottles of diet soda daily every day of his life to ingest a quantity of saccharin comparable to that fed the unfortunate rats. Yet diabetics and others who cannot or should not ingest normal sugar are being denied their last known legal sweetener on the basis of that unrealistic "test of safety."

The defects of the Delaney Amendment go beyond the fate of saccharin—or, earlier, of cyclamates which were banned on similar evidence. The unqualified nature of the Delaney Amendment prohibits rational decision making. In effect, it says that if any risk of cancer can be demonstrated, then that is that. There is no room for weighing the benefits of saccharin or whatever other substance is involved against its costs. Yet such cost-benefit analysis is basic to any sensible judgment.

The saccharin decision points up the weakness of the Delaney Amendment, which has long needed replacement by a more balanced effort to protect the public against carcinogens.

THE AMERICAN LEGION'S 58TH ANNIVERSARY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. ANNUNZIO. Mr. Speaker, March 15 marks the 58th anniversary of the founding of the American Legion. Dele-

gates from the First American Expeditionary Force founded the Legion on March 15, 1919, in Paris, France. The preamble to the Constitution of the American Legion states:

For God and country we associate ourselves together for the following purposes: to uphold and defend the Constitution of the United States of America; to maintain law and order; to foster and perpetuate a one hundred percent Americanism; to preserve the memories and incidents of our associations in the great wars; to inculcate a sense of individual obligation to the community, State and Nation; to combat the autocracy of both the classes and the masses; to make right the master of might; to promote peace and good will on earth; to safeguard and transmit to posterity the principles of justice, freedom and democracy; to consecrate and sanctify our comradeship by our devotion to mutual helpfulness.

The American Legion has maintained the high standards it set for itself. The members of this organization have been successful in making their noble ideals become a working reality. This is indeed a proud accomplishment. Legionnaires all over the country have accepted the challenge of sponsoring and conducting activities featuring community service, youth development, and educational advancement.

In 1976 the American Legion and its Auxiliary cosponsored three special activities to commemorate the Bicentennial Year. Legion and auxiliary members, responding to a campaign conducted jointly by their organizations to raise funds for cancer research, contributed a total of $1,150,000. Of that total, $1 million was presented to the American Cancer Society at the American Legion convention held in Seattle, Wash., in August, and $150,000 was turned over to the society in December of 1976.

Legion and auxiliary members contributed nearly $200,000 for the casting and exhibition of the Freedom Bell, which weighs 16,000 pounds and is twice the size of the original Liberty Bell. The Freedom Bell was exhibited aboard the Freedom Train, which toured the United States between April 5 and December 31, 1976, and was viewed by more than 5 million people. The bell has been presented to the Government on behalf of the children of America and will soon be installed at a permanent site in Washington.

For the first time ever, a combined Boys Nation and Girls Nation program was conducted in the Nation's Capital. The Boys Nation-Girls Nation activities, in which 300 young men and women participated, began in Washington on July 15 and concluded in Philadelphia on July 23.

The continuing dedication of the Legion to the adjustment of the veteran to the civilian life, restoring his health and usefulness to society, maintaining his dignity, and assuring the welfare of the veteran's widow and children is celebrated with the commemoration of the Legion's founding. The American Legion admirably served the veterans of our wars with its sponsorship of the GI bill of rights and the Korean GI bill. By thus serving the veterans, the Legion serves America, for our men and women returning to American communities from military service face singular problems and pressures. In addition, financial aid to former service men and women increases their opportunities to contribute, in turn, to America.

The members of the American Legion have not only protected the interests of our Nation abroad, but have also contributed mightily to the strength of our Nation at home. On this 58th anniversary of the founding of the American Legion, I congratulate the Legionnaires of Illinois and our Nation on their magnificent record of the past and extend my best wishes for their success in future service.

HOUSE IS NOT A HOME

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. RAILSBACK. Mr. Speaker, recently I read a very candid article by Robert Taylor of the Bulletin Washington Bureau, "Not at Home in the House." This article speculates on why one of our former colleagues and my good friend, Peter Biester, left the Congress. Thinking it might be of interest to those of us who currently serve in the House as well as to the general public who might ask why someone would not want to remain a Congressman. I insert this article in the RECORD.

NOT AT HOME IN THE HOUSE

(By Robert E. Taylor)

WASHINGTON.—It was a typical scene in the House of Representatives. The committee hearing on U.S. relations with Castro's Cuba was dragging along. Witnesses were testifying in academic jargon. Members drifted simultaneously in and out.

Then, Rep. Edward (Pete) Biester (R-Pa) took the opportunity to question a graduate student from Columbia University's History Department.

To the committee's amazement, Biester started debating the witness on the philosophy of Andre Rousseau, an obscure writer on church-state relations in Cuba.

Biester even quoted from a book by Rousseau, which, he said, "I just happen to have with me."

"Where did you get that book?" asked an astounded Rep. Donald M. Fraser (D-Minn), chairman of the hearing.

At the end of the five-minute exchange between Biester and the witness, one committee member chuckled that it "didn't sound, much like a congressional hearing."

Rep. Charles W. Whalen (R-Ohio), long an admirer and friend of Biester's commented: "A great deal had been expected of the 94th Congress, and I think this fulfill's the expectations."

UNCOMMON CONGRESSMAN

The scene was not unusual for Biester, an uncommon Congressman. His colleagues had come to expect surprises from this quiet intellectual.

For a decade, he had impressed them with careful work on subjects ranging from prison parole reform to the powers of a President to wage war without congressional approval.

He was one of the leaders of the House "Wednesday Club," a collection of liberal and moderate Republicans who met on Wednesdays to discuss and prepare for upcoming legislation.

And as Africa emerged as one of the hottest areas of international controversy, Biester surfaced as one of the half-dozen members of Congress who had travelled widely in Africa and studied its politics in depth.

In many ways, Biester was a textbook model of what a congressman should be. He was the opposite of the cartoonist's favorite image of a congressman—the loud, self-important and often ignorant buffoon who perpetuated his career with public relations gimmicks and special interest campaign contributions.

Yet, while many men of lesser intelligence and integrity stayed on, "Peter" Biester retired last week from the House of Representatives. He will return to his home in Furlong, Bucks County, and will work for the Philadelphia law firm of LaBrum & Doak the obvious question is why? Why does a bright and ambitious man at the prime of his professional life, 45, decide to leave government?

TIGHT LIPPED

In Biester's case, the public will never know the full story. He refuses to tell it.

He cites the usual personal and financial reasons for returning to private life. More time with the family. More money for the kids' education. And he says it is time for new faces. He says he is opposed to an individual's perpetuation of his career in office.

But his colleagues don't completely accept these reasons. They are only part of the story.

Biester would not be leaving, they say, if he were not frustrated and bored in the House.

Republicans in general have become increasingly frustrated in recent years as their minority in the House has dwindled to less than one-third.

As a GOP member, Biester had come to accept the reality that he would never become chairman of even a subcommittee. He knew he would be allowed to participate in decisions only to the extent that the Democratic chairmen allowed it. Like most Republicans, he was often left in the position of criticising Democratic legislation, but with little opportunity to initiate his own bills.

As a liberal Republican, Biester was part of a minority within a minority. He had little hope of gaining a leadership position within his party.

Nevertheless, some liberal Republicans have succeeded in overcoming some of these obstacles. Moderate Rep. Bill Frenzel (D-Minn), with two terms less than Biester in seniority, was elected chairman of the GOP Research Committee for this year.

Liberal Sen. Richard S. Schweiker (R-Pa) of Montgomery County parlayed a seat in a congressional district next to Biester's into a seat in the Senate, and even a shot at the vice-presidency.

But Biester, for personal and political reasons, could never follow these paths. His academic intelligence and low-key style were out of place in the political arena. "Maybe," he mused in a rare moment of self-exposure recently, "this isn't really the place for people like me."

"Pete" Biester doesn't like to talk about what kind of person he is. It makes him uncomfortable. Personal reflections have to be dragged out of him. It is another element that makes him so different from most men in politics.

The Greek philosopher, Plato, wrote that the ideal ruler would be a philosopher, a man who stood aside from the confusion of life around him and studied the questions of the day, seeking the answers calmly and objectively.

Biester seems to fit that mold. But the Congress is a long way from Plato's "Republic", philosophers don't rule the Congress. Power-brokers do. And 20th Century America is not 4th Century B.C. Greece.

While many of his colleagues viewed Con-

gress as a game, like Monopoly, in which one seeks to gain a maximum amount of power, Biester saw it as an intellectual challenge. While others made alliances with lobbyists and influential colleagues, Biester studied issues. While others amassed bulging campaign chests, for themselves and others, Biester ran ridiculously inexpensive campaigns.

Biester never used press releases and floor speeches to inflate his own image. He worked hard, but in the shadows.

While these qualities endeared Biester to many of his colleagues, they doomed him to obscurity in the hubbub of a 435-member House. Because he would not scramble for it, power eluded him.

Rep. Lawrence Coughlin (R-Pa) of Montgomery County insists Biester nevertheless was effective.

"The people with the high profile down here are not necessarily the ones who are the most influential or effective," Coughlin said. "Biester didn't make a speech a day or a press release a day, but he did his research and when he talked, people listened."

In the House International Relations Committee, Biester's departure is viewed with sincere regret.

"We always marveled at the high quality of his participation," commended Roger Majak, the top Democratic staffer on the committee.

"He was almost always there, and he came well-prepared," Majak said, "unlike some others."

As a member of that committee, Biester was one of the first to see both the promise and dangers involved in the emergence of Africa from colonial rule.

He and Rep. Jonathan Bingham (D-NY) took the lead in calling for the U.S. to cease violating the United Nations embargo of Rhodesia, and to align itself more closely with the black governments which would rule Africa in the future.

Fellow-congressman Whalen saw Biester as a cultured man who may have been out of place in Congress.

"He had a lot of interests outside of politics," said Whalen. "He liked art and he was extremely well read . . .

"You might call him a dilettante—Now, I don't think you could describe him as that. He always paid full attention to whatever we were working on, but . . . he might have been a little over the heads of our colleagues."

Some of his friends felt that Biester would be far more comfortable in a university than in government.

When he was asked to recall his most memorable moments in a decade in the House, it was to the college campuses that Biester turned for his first recollection, not to Congress.

Sitting in his office, surrounded by cardboard boxes full of bills he had labored over and constituent mail he had answered, Biester recalled his 1969 visits to colleges and universities to investigate student unrest.

Characteristically, it was an unannounced survey conducted by a handful of congressmen who wanted answers, not public exposure.

They returned convinced that student protests came in defense of what Biester calls "traditional values." They met with then-President Richard M. Nixon, and urged that he seek to curb the punitive spirit that was then rising against protesting students in Congress and the Administration.

Throughout an hour-long interview, Biester talked of issues he had studied, bills he had worked on—but almost never the roles he had played. It was as if he had been watching Congress operate for ten years, without ever being a part of it.

And despite his colleagues' speculation about frustration or boredom, Biester refused to utter a word of criticism about the House where he could not find a home.

"This is the wrong time for that kind of thing," he said. "This is a time for new optimism about our institutions, not more criticism."

Biester's only complaint was that most Congressmen and Senators "take themselves too seriously."

He praised the local politicians who work endlessly with little hope of glory or reward. But asked if he would remain active in politics, he said, "I think the people are entitled to a respite from my constant attentions."

He reserved his highest praise, however, for the little-known members of Congress who do much of the work without accruing power or recognition.

Biester pointed out New York Republican moderate Rep. Barber Conable. Conable, in fact, is emerging from obscurity. Last year he headed the GOP Research Committee and this year he will become ranking Republican on the powerful Ways and Means Committee.

What Biester said of Conable would probably be more accurate of himself. "When he leaves," Biester said, "he will go unnoticed and unremembered. But the quality of his work is, I suppose, the satisfaction he gets."

CLOSED-CIRCUIT TELEVISION

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. GORE. Mr. Speaker, I want to commend you for initiating the experiment which begins today in the use of closed-circuit television on the floor of the House of Representatives. I hope that this is the first step toward live broadcast coverage of our proceedings as a means of informing the public about the actions of this House.

The actions of this House directly affect the lives of millions of Americans every day in countless ways. I believe that people today are interested in knowing more about what their elected representatives are doing here in Washington. I believe they have a right to know more about our actions and we have an obligation to make that information readily available.

Millions of Americans rely on radio and television as a primary source of news. State legislatures and city councils in my State of Tennessee and across the country regularly permit broadcast coverage of their proceedings. I believe the House of Representatives should join with them in allowing cameras and microphones to broadcast our actions back to the people we were elected to serve.

Mr. Speaker, I believe that a decision to permit broadcast coverage of our proceedings will help restore the balance of power envisioned by the framers of the Constitution. Many experts believe Congress has lost power to the Presidency since the advent of television because Presidents have made better use of this new technology. I believe televising Congress will help restore public trust and confidence in this body. As a result, Congress will be in a better position to exercise its constitutional responsibilities.

Mr. Speaker, for these reasons one of my first actions as a new Member of the House of Representatives was to join in cosponsoring a resolution to permit broadcast coverage of our floor proceedings. I want to take this occasion to repeat my support for this resolution and to urge its adoption.

The current 90-day test of closed circuit television should be used to evaluate the technical aspects of moving toward such a step. I hope that once this test is completed, the House will act quickly to follow through with full broadcast coverage.

COMPULSORY PUBLIC SERVICE: A BAD PRECEDENT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. STEIGER. Mr. Speaker, our Nation's strength is based on the precept of individual freedom. It is this precept which has spurred both individual accomplishment and national achievement.

Because people have such freedom in making their personal decisions, and have not been subjected to coercion or force on the part of the State, a spirit of volunteerism has been fostered in our Nation. This spirit has been the key to great success of the Peace Corps, VISTA, and other programs where individuals give of themselves on behalf of others.

There are some who now suggest that we should take away this individual choice. They say that what the Nation needs is compulsory national service. It is personally beyond me how anyone of any political stripe can say that compulsory public service is in keeping with our 200-year American tradition.

In today's Washington Post, Charles Fried, a professor at Harvard Law School, provides a well-stated argument against those who say such a compulsory program would somehow benefit our country and our youth. In fact, its implementation would be a disservice to our youth and an expensive, cumbersome burden on our Government and America's taxpayers.

As Charles Fried says, "The idea is wrong in principle and would surely be a nightmare in practice." I hope it will be considered carefully by all who read the RECORD. The article follows:

COMPULSORY PUBLIC SERVICE: A BAD PRECEDENT

(By Charles Fried)

Proposals for a program of compulsory public service for all young people have been making the rounds in congressional and editorial circles. One major network news commentator hailed such a program as an idea "whose time has come."

I disagree. In this, the beginning of our third century of liberty, it is shocking that so many should be ready to impose in so drastic and total a way on the liberties of a whole generational slice of the American population. And it is particularly disheartening that the liberties of our young people should be casually disposed of on such ill-conceived and essentially self-serving grounds.

The proposal, which has attracted so much favorable comment, is this: All youths—say at high school-leaving age—would be required to spend a year in some form of pub-

lic service activity, but this obligation could be discharged by enlistment in one of the military services. The proposal is thought to be good in principle and good in practice. In principle, it is thought to affirm the notion of an obligation of public service. And practically it would help alleviate a problem which is showing up in the volunteer army. It appears that the volunteer army is turning out to be very expensive while still failing to attract recruits of a desirable quality. It is thought that by instituting a general obligation of service, many more will find it worth their while to discharge that obligation in the military, thereby improving the quality of the army and lessening the burden on the taxpayers.

The idea is wrong in principle and would surely be a nightmare in practice.

The idea is wrong in principle because the liberty of young people is worth no less than the liberty of middle-aged politicians and editorializers who would take from them the right to determine how to live their lives during a substantial period of time.

I would not wish to denigrate the principle that we all have an obligation to serve our community, but the notion that we may be compelled to do so absent manifest necessity and some clear national emergency, is foreign to our traditions. The shoddiness of the proposal, indeed, reveals itself when we see that it really boils down to a desire on the part of the middle-aged to get something—a high quality defense manpower pool—without paying for it. If the nation needs a military establishment of a particular quality, then the nation as a whole should pay for it, and not force a small segment of the population to contribute its services unwillingly for nothing.

But if the argument of principle doesn't convince, the practicalities should. All one has to do is consider the difficulties of tens of thousands of local school boards in enforcing useful activities on high school students during some five or six weekday hours, to see how unlikely we would be to be able to provide and supervise a meaningful, compulsory year-long, 24-hour-a-day experience for every 18-year-old in the nation. (And make no mistake about it, anything less total would not have the desired effect of driving large numbers of youths into the military as a preferred alternative.)

I ask those who would casually deprive their fellow citizens of their liberty for a year of their lives, who would administer these programs? Who would determine what constituted appropriate public service alternatives? Who would enforce attendance, and discipline participants who snuck away for an hour, or a day, or a week? Who would keep order in the dormitories? Or would there be dormitories? What about drinking and drugs? Would there be exemptions for students? For persons engaged in essential activities? And so on.

I would have thought the loathing the American people have displayed for multiplication of bureaucracies and regulations would indicate that the last thing in the world the public would want at this point would be a program that turned over every 18-year-old in the nation (man and women) to wholly undefined, non-existent set of institutions.

A SACCHARIN MUSICAL HIT

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. JACOBS. Mr. Speaker, a new musical group named "Pick Your Own Poison" is planning a big hit, to wit:

Rats in the saccharin bowl
Profit who?
Rats in the saccharin bowl
Profit who?
Rats in the saccharin bowl
Profit who(m)?
Profit more than a farthing.

They got a lobby
Richer than you
They got a lobby
Richer than you
They got a lobby
Richer than you
Sugar's richer than saccharing.

RHODESIAN CHROME

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. DODD. Mr. Speaker, as one of the first cosponsors of H.R. 1746, I was particularly pleased to vote yesterday for passage of this bill which we all know as the repeal of the Byrd amendment. A measure long overdue, this legislation will put an end to this country's direct violation of international law, as well as make our trade policy fully consistent with our nonrecognition of the minority regime in Rhodesia.

The Byrd amendment, which was approved by the Congress in 1971, has placed the United States in the embarrassing position of importing Rhodesian chrome in defiance of mandatory United Nations sanctions against all Rhodesian products. Efforts to repeal the amendment have failed several times in the past 4 years, but this time a number of factors render the passage into law of H.R. 1746 an all but certain event.

First of all, the original justification for the bill allowing for the importation of Rhodesian chrome despite existing international sanctions, is not longer valid under scrutiny. Outside of the Soviet Union, Rhodesia was—until fairly recently—the U.S. steel industry's major source of chrome ore. By boycotting Rhodesian products, the United States placed itself in the position of being unwisely dependent on the Soviet Union for a raw material essential to the production of strategic armaments as well as vital consumer goods. This unsavory situation gave the Congress good reason to reinstate our trade relationship with Rhodesia. Today, however, the situation has altered considerably. The rapid development of technology now allows for the more widely available ferrochrome to substitute in increasing amounts for chrome ore. In addition, we have accumulated large reserves of chrome which could, if necessary, fill our defense needs for many years to come.

Insofar as we accept these changes as a given, another element makes the repeal of the Byrd amendment even more imperative: we are working in a new climate since the Carter administration took office—a climate in which the commitment of our Government to a "moral diplomacy" is once again in the forefront of all foreign policy decisionmaking. The leadership of the President in this respect has been superb, but it is up to us, as the Nation's legislators, to bring the laws into conformance with those objectives which we share.

The United Nations sanctions against Rhodesia were first imposed—with our full support—by a unanimous Security Council vote in 1966 on the grounds that the actions of the minority regime represented a direct threat to peace in that area of the world. Since then, the internal situation in Rhodesia has not improved; indeed no honest man could deny that it has grown immeasurably worse.

Now as much as ever, it is our duty not only to meet our international obligations, but also to back up our stated support for the cause of majority rule in the beleaguered nation of Rhodesia. To inject into this discussion a measure of practical politics, I might mention in closing that while our dependence on Rhodesian chrome is decreasing, our need for other crucial raw materials in Africa is steadily increasing. Our continued support for the Smith regime via our purchases of chrome ore can only endanger our trade and political relations with the African States that are becoming more and more important to us.

WYDLER AGAIN SPONSORS SENIOR CITIZEN INTERN PROGRAM

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. WYDLER. Mr. Speaker, for the fourth consecutive year, I am indeed proud to again sponsor my senior citizen intern program for older Americans in the "Fabulous Fifth" Congressional District.

The 1977 senior citizen intern program will be held in Washington, D.C., from May 16 to May 27, and as it has in the past 3 years, will provide two older American representatives from my district to personally study legislation, programs, and policies affecting our Nation's seniors. This information is used by the seniors when they return to the district and meet with the various older American organizations within the Fifth Congressional District. Each participant's reaction and concern for the various programs discussed is also shared with me so that I can gain an even greater insight into the problems facing the elderly.

My senior citizen intern program is open to anyone 65 years of age or older, who lives in the "Fabulous Fifth" Congressional District. This year, special participant applications have been developed and are being distributed to district senior organizations. These applications ask for various information including a candidate's contribution to the senior citizen field, areas of senior concern, and organizations in which the senior participates. Candidates must be nominated by a senior citizen club or organization.

The applications, which are available from Fifth Congressional District older American organizations or by contacting my district office at 150 Old Country Road, Mineola, N.Y. 11501, telephone 248–7676, must be completed and submitted no later than April 25, 1977. All applications received will be reviewed by a panel of judges representing Fifth Congressional District and Nassau County older American organizations.

During their 2-week stay in Washington, each intern will receive compensation in the amount of $500. Also each will be provided with round-trip air transportation to Washington, D.C.

LA SALLE: EXPEDITION II NEARS NEW ORLEANS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. McCLORY. Mr. Speaker, over the past year in this Chamber we have heard reports on a variety of Bicentennial projects. While the official Bicentennial Year is over, I would like to inform our colleagues that a Bicentennial project which certainly ranks with the most innovative, challenging, and exciting is nearing completion.

Mr. Speaker, at this moment 23 young men, many of them from Elgin, Ill., in my congressional district, are traveling down the Mississippi River toward New Orleans in canoes handmade in the style of the American Indian. When they reach that city on or about April 3, they will complete an authentic renactment of the 3,300-mile voyage of Robert Cavelier Sieur de La Salle in 1681–1682. La Salle: Expedition II, recreating the voyage which claimed the Mississippi basin for France, began in Montreal last August. The expedition has been endorsed by the American Revolution Bicentennial Administration, the Illinois Bicentennial Commission, the National Education Association, and the National Audubon Society.

The party, led by Reid Lewis, a French teacher at Elgin Larkin High School, has demonstrated a remarkable reverence for history. Lewis and his voyageurs are dressed in handmade clothing very similar to that worn by La Salle and his men, and have subsisted largely on comparable foods, including corn meal mush, dried beans, and panfried bread. Their passion for authenticity has been transmitted to the public along their route. The voyageurs have presented dramatic programs in various towns and cities to bring the meaning of their endeavors to the many citizens they have encountered. The plays have been written and directed by Mr. Lewis' brother, Ken, who is also a member of the party.

Mr. Speaker, while the expedition members have tried to recreate La Salle's voyage as accurately as possible, in many ways their trip has been more arduous. Like La Salle, they spent their nights in makeshift shelters, often simply under their canoes, in the coldest Midwestern winter on record. While the U.S. Weather Service was not in operation in 1681, historical evidence indicates that La Salle was blessed that year with a relatively mild winter.

Ironically, Mr. Speaker, many of the difficulties the current expedition faced have stemmed from our increasingly sophisticated civilization. Whereas La Salle could simply reach down beside his canoe if he wanted a drink of water, the waters which the new expedition has traveled are not today safe for human consumption.

More dangerous hazards have resulted when an unbelieving snowmobiler ran his vehicle off a bridge and into a river, narrowly missing one of the group's canoes. In Indiana, while the expedition was walking near a highway because rivers were frozen, a truck struck and injured four of the voyageurs. One will be unable to rejoin the expedition.

Mr. Speaker, the following students from Elgin are taking part in this arduous and historic Bicentennial project: Charles Campbell, John Di Fulvio, Keith Gorse, Richard Gross, Marc Lieberman, Doug Sohn and Clifton Wilson. Other students on the trip include: Gary Braun of Bartlett; Randy Foster, Jorge Garcia, Sam Hess, Bob Kulick, George Lesieutre, Steve Marr, and Bill Watts of Streamwood; Mark Fredenburg of Hanover Park; and Sidney Bardwell of Evanston. Each member of the party has been assigned the identity of one of La Salle's voyageurs.

Mr. Speaker, it is difficult to find adequate words of praise for such an awesome project. While most Bicentennial activity has focused appropriately on the Original Thirteen Colonies, the La Salle Expedition II has drawn attention to the Midwest's own heritage. By the authenticity of the great historic voyage which they have recreated, by their obvious care for the environment and indeed by the very conception of this incredible undertaking, these modern day voyageurs have demonstrated dramatically the relevance of our past to the present and to our future. This perception will not soon be forgotten by those who encountered them on their journey, nor, I hope, by the Members of this House.

Mr. Speaker, I know that I speak on your behalf, and on behalf of all of the Members of this House in expressing congratulations to Reid Lewis and the expedition voyageurs on the occasion of the successful completion of their voyage in New Orleans on or about April 3, 1977.

GRAND JURY REFORM

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. LEDERER. Mr. Speaker, I appreciate this opportunity today to bring to the attention of my colleagues an important article written by our colleague from Pennsylvania, the Honorable JOSHUA EILBERG.

Congressman EILBERG has worked diligently over the past years to bring to our attention the need for reform of our present grand jury system. This article, which appeared in the March 10 edition of the Evening Bulletin in Philadelphia, reviews the past and present actions in the area. I commend Congressman EILBERG's article to my colleagues of the House:

THE "EILBERG BILL": GRAND JURY REFORM

(By JOSHUA EILBERG)

The grand jury system has long been considered an integral part of our judicial heritage. Based on experiences with the British monarchy, our Founding Fathers considered grand juries such an important protection for the individual against possible Government persecution that they incorporated them into the Bill of Rights.

Unfortunately, the grand jury system has recently become the focus of controversy and misunderstanding. Defenders of grand juries view them as an essential prosecutorial tool and as a buffer between the state and the citizen. Critics fear them as uncontrolled "star chambers" and as "rubber stamps" for prosecutors.

Recent history has demonstrated that grand juries are valuable tools to ferret out official corruption. But the historic function of grand juries is also being perverted to serve partisan political ends. Their historic purpose as a "legal shield" is being disregarded by prosecutors who totally dominate the proceedings.

As a result of these developments, for the first time since the adoption of the Bill of Rights in 1789, Congress is conducting a comprehensive examination of the federal grand jury system—its operations, its problems, its abuses, and its reform.

In March 1973, as chairman of the subcommittee on Immigration, Citizenship and International Law of the House Judiciary Committee, I convened hearings regarding the so-called "Fort Worth Five"—controversy in which five Irish-Americans were subpoenaed by a grand jury in Fort Worth, Texas, for crimes allegedly committed in New York City. When they refused to testify, they were granted immunity without their consent, then held in contempt and imprisoned.

During the hearings, witnesses described the use of the grand jury to investigate "political crimes" and the ability of the prosecutor to open inquiries, often for political purposes, far from the site of an alleged offense. The witnesses also explained how the grand jury system is used to obtain information that is often unrelated to criminal activity.

Following this hearing, both in the 93d and 94th Congress, I introduced comprehensive bills to reform the federal grand jury system and held hearings on them.

Unfortunately, while almost all the witnesses supported some form of legislative change to grand jury procedures, the then attorney general and the Ford Administration totally opposed any reform. The new attorney general has publicly and privately stated his concern about prior abuses and about maintaining the independence of the grand jury. He has agreed to cooperate with my subcommittee in developing appropriate reforms. Hearings will be resumed this session on a new grand jury bill, H.R. 94, which I introduced on January 4, and I expect comprehensive legislation to be adopted by the 95th Congress.

H.R. 94 would insure independent and informed federal grand juries. Jurors, not the prosecutor, would determine and review all the evidence.

To insure secrecy, and avoid trial by newspaper, grand jury leaks would be made a crime with the punishment depending on the purpose of the leak.

To provide a proper balance between the

Fifth Amendment privilege against self-incrimination and the right to obtain evidence, under H.R. 94 a witness could be immunized from prosecution, but only with strict judicial safeguards.

To establish a proper balance between the rights of a witness and the need for thorough investigations, H.R. 94 mandates new procedures. Witnesses would receive one week's notice, unless the government can justify a shorter period.

Witnesses could have counsel with them in the grand jury room—not to ask questions or challenge evidence but only to advise their clients and counsel could be removed for improprieties.

The need for grand jury reform is real. More and more states are providing increased rights and protections. But if the grand jury is to return to its historic role as a "bulwark against oppression," reform of our federal laws to provide for equitable procedures must be enacted.

NEW COURT DECISION ON ILLINOIS REAL ESTATE LAW

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. HYDE. Mr. Speaker, one of the outstanding legal scholars in the Metropolitan Chicago area is my constituent, Paul M. Sengpiehl.

Mr. Sengpiehl received his J.D. degree at IIT/Chicago-Kent in 1970 and his M.A. in public administration at Michigan State University in 1961. He is a member of the Illinois State Bar Association and its Local Government Law Section Council and is also a member of the Chicago Bar Association, and its Local Government Law and State and Municipal Tax Committees.

Mr. Sengpiehl has written a most interesting commentary on a recent decision of the Illinois Appellate Court concerning the problem of real estate tax exemption for a college owned residence which I am pleased to share with my colleagues:

[From the Chicago Daily Law Bulletin, Feb. 24, 25, 1977]

College Residence Is Not Exempt From Real Estate Tax

(By Paul M. Sengpiehl)

On Aug. 27, 1976, the Illinois Appellate Court for the 1st District in *In re County Collector-(National College of Education)* 41 Ill. App. 3d 633 [354 N.E. 2d 507] affirmed the decision of the Circuit Court of Cook County and denied the exemption to the National College of Education for its real estate used as a home for the president of the college.

I. BACKGROUND OF CASE

The property in question was a house in Wilmette, Ill., which was acquired by the college, partly as a gift and partly by purchase, on Dec. 21, 1972. In the following year, an assessment was made on the real estate and the taxes amounted to $7,287.88. This tax was paid in full under protest. The college filed this action asserting that the property in question was exempt from the real estate property tax pursuant to § 500.1, (Ill. Rev. Stat. 1975, ch. 120, § 500.1) which authorized the exemption of school property.

The college alleged in its testimony that it is a nonprofit, private institution, unaffiliated with any religious group and receives no public funds. It trains elementary school-teachers exclusively, and awards bachelors' and masters' degrees in teaching. As to the specific property in question, the property is presently used for a number of educational, fund raising business, alumni and social activities of the college in addition to being the residence of the president of the college. Further testimony listed each and every activity of the college held at the president's home. Upon cross-examination, the activities in the president's home did not include college classes. Any access to the home was only by invitation. The primary use of the home was residential (41 Ill. App. 3d at 634, 635).

II. ANALYSIS OF THE CASE

In reaching its decision, the court looked to the Illinois Constitution of 1970, Article IX, § 6 for its rationale. In this section, the Constitution provided that the "General Assembly may exempt from property taxation only 'property used exclusively for . . . school . . . purposes' " (*Id.* at 635). The General Assembly did enact an exemption in §§ 19 and 19.1 of the Revenue Act of 1939 whereby "the property of schools 'used exclusively for school purposes' is exempted" (Ill.Rev.Stat. 1975, c.120, §§ 500, 500.1).

The court then set out the principle for determining exempt status. The statute must be "strictly construed and cannot be extended by judicial interpretation" (*Id.*). All facts and all debatable questions are resolved in favor of taxation. The burden rests on the party seeking the exemption to show clearly that the specific property in question was within the contemplation of the law. A party as an example, seeking an exemption for "staff housing facilities as property exclusively used for school purposes obviously must do more than merely showing that the property is owned by the school and occupied by school personnel . . . one is not required to show that the use of the property is absolutely indispensable for carrying out the work of the institution. The primary use of the property, not its incidental uses, determines its exempt status" (*Mac Murray College v. Wright*, 38 Ill.2d 272, 278).

The court then set out the principal issue which centered on the primary use of the particular property. The primary use of the president's home, according to the court, was residential and its school use was only incidental. The court referred to the *MacMurray College* case, which held that "certain dwellings used in housing faculty and staff on school property adjacent to the college's campus were not exempt from taxation in spite of the General Assembly's exemption for 'staff housing' inasmuch as the residential use was primary" (41 Ill.App.3d at 636).

III. ANALYSIS OF EXEMPTIONS

At the present time, a minimum of 10 per cent of the real estate throughout the State of Illinois is exempt from real estate taxation. In some counties, the real estate exempt from taxation exceeds 90 per cent. Some county governmental units are teetering on the brink of bankruptcy because their real estate assessment base has been virtually eliminated by exempt property.

The General Assembly has provided 23 sections where certain types of property, under certain conditions, are eligible for real estate tax exemption. These types of property include: school property; religious institutions; burial grounds; United States property; State of Illinois property; property of political subdivisions; charitable institutions; fire extinguishing equipment and property; public grounds owned by political subdivisions; property being purchased by governmental body under installment contract; non-profit agricultural; military schools and academies; municipal transportation corporations; nonprofit parking areas; railroad terminal corporations; park districts with less than 1,000,000 inhabitants; public school districts; public water districts; veterans' organizations; Chicago Regional Port Districts—other port districts; and airport authority (Ill. Rev. Stat. 1975, c.120, §§ 500.1–500.20).

The Revenue Act of 1939 set out the procedure for securing an exemption from the real estate tax. The procedure was different between Cook County and the remaining downstate counties. When the final county authority approved the exemption (Board of Tax Appeal of Cook County and the Board of review in downstate counties), the final approval for the exemption came from the State's Department of Local Government Affairs (Ill. Rev. Stat. 1975, c.120, §§ 589, 600).

Eligibility requirements for exemption status were different among the separate categories. As an example, ownership of real estate was the only eligibility requirement for the United States, State of Illinois, park districts with population of less than 1,000,000, cities and villages where the property was within corporate limits and where there was no lease provisions to pay tax by a lessee, public water districts and the Chicago Regional Port District. On the other side, church buildings met its eligibility requirements when the property was used exclusively for religious purposes. Other property held by religious or charitable organizations, cemeteries and schools, attained exemption eligibility when their property was owned and used exclusively for that present purpose (Ill. Rev. Stat. 1975, c.120, §§ 500.1–500.20).

IV. OBSERVATIONS OF EXEMPTION

The decision in the instant case is another indicator that the General Assembly needs to review the statutory definitions and procedures for exemption from the real estate tax. Local government throughout the state has suffered repeated reductions of the real estate tax assessment base. Many public officials are beginning to talk about bankruptcy as a leverage to secure higher statutory tax rates from the General Assembly. Even though exemptions reduce the tax base, there were valid reasons why the General Assembly provided the present exemptions. The General Assembly should review whether its mandate has been changed now by judicial pronouncement.

The National College of Education case is an excellent example. The General Assembly in § 500.1 provided an exemption for school property, "including but not limited to student residence halls, dormitories and other housing facilities for students and their spouses and children and staff housing facilities." The legislative intent was that these specific enumerated properties should be exempt as school property. The court now says that a staff housing facility owned by a school and used by the school's president primarily as a residence is not exempt under § 500.1. The residential use of this staff housing facility is interpreted as a non-school use.

With this rationale, every student residence hall, dormitory or other housing facility and staff housing for any public school, college, theological seminary, university, or other educational purpose organization would be subject to the loss of its exemption. Even though this new court interpretation will undoubtedly expand the real estate tax base, it may also put some schools out of business or substantially raise the cost of education so high that only the wealthy can afford an education.

There are other ways to increase the real estate tax base without placing the burden on private schools. There are organizations which are entitled to exemption status in their own right, but which subsequently lease their property to a profit making enterprise. If the lease was executed after the initial property was exempt, the property may well remain exempt without being entitled to an exemption.

The state, which has the final authority to

approve the exemption, has no authority to check any change in the status of the property after the exemption has been granted. At the present time as has been the practice in the past, not all of the exemptions are even processed to the Department of Local Government Affairs as the statute requires. The state has no authority to require a complete accounting from the county in order to assure that all exemptions allowed by the county have been processed properly.

Units of local government within a county do not always have the means to check whether their county government has properly administered the Revenue Act as it applies to exemptions. This was the reason why the General Assembly placed the final control for its approval at the state level. Now, the General Assembly needs to mandate a comprehensive reporting system for exemptions. This system should enforce complete filing and require an annual report from each county to the state showing all exempt property.

The use of computer programming should simplify the procedure. With a comprehensive reporting procedure by the state and county, the percentage of improper exemptions can be detected more readily and local government can secure a broadening of the real estate tax base.

In addition to these procedural and administrative means of changing the real estate tax base, there is another governmental body which has contributed to the loss of the real estate tax base from local government—the United States government. Some downstate counties have over 90 per cent of their real estate owned by the U.S. government, which is exempt from property tax.

Since these exempt lands, like the Shawnee National Forest, have eliminated the tax base for many units of local government including the public schools, maybe our state and local government officials should seek the earmarking of federal funds as reimbursement for these lost taxes. Maybe these reimbursement funds should go to the state to benefit all of the educational systems throughout the state. This proposal could be included as part of the present federal revenue sharing program.

The procedure and administration surrounding the policy of providing an exemption from real estate tax needs a fresh review. Certainly proper administration should provide a much needed increase in the real estate tax base. This increase in the real estate tax base, however, should not come through judicial fiat which is contrary to the legislative intent, nor at the expense of private education in our state.

The federal government should also be aware that its extensive ownership has contributed to the financial pinch for the public schools and that it should make contributions to the state in direct proportion to the lost revenues sustained by public education within the state because of its ownership.

It would be easy to turn away from these problems because it may not seem that significant. However, should any school begin closing through public inaction, there may be no future resurrection.

ENDORSEMENTS OF EMERGENCY FUEL ASSISTANCE PROGRAM

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. OBEY. Mr. Speaker, last week the Appropriations Committee deleted $200 million for an emergency fuel assistance program from the fiscal year 1977 supplemental appropriations bill. These funds were recommended by the Labor-HEW Subcommittee to provide immediate relief for poor and low-income people unable to pay abnormally high fuel and utility bills and facing cutoffs of their energy supplies.

With the support of 22 of my colleagues on the Appropriations Committee, I will offer an amendment on the House floor tomorrow to restore the $200 million for this urgently needed program. It is a responsible measure which can be implemented quickly and efficiently through existing Federal and State mechanisms. The money would be allocated to Governors and administered under their direction through appropriate State and local agencies which are prepared to handle the program. None of the money would be used to pay administrative expenses. Assistance would be provided in the form of direct payments to fuel and utility suppliers on behalf of eligible individuals and families. Eligibility extends to households with incomes no higher than 125 percent of the Federal poverty level who have shown proof that they lack the financial resources to meet outstanding energy bills and face imminent cutoffs of fuel and utilities. A maximum of $250 may be provided per household. Any funds unexpended by June 1 will revert to the U.S. Treasury.

This proposal not only has the strong backing of Governors from all sections of the country and both political parties, but from a number of national citizen organizations, labor groups, and the consumer lobby. I am submitting for the information of the Members letters I have received in support of the amendment from those organizations:

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., March 14, 1977.

Hon. DAVID OBEY,
U.S. House of Representatives,
Washington, D.C.

DEAR DAVE: The AFL–CIO understands that you intend to offer an amendment to H.R. 4877, the Regular Supplemental Appropriations bill, which would restore $200,000,000 for emergency fuel assistance when the bill reaches the House floor. The AFL–CIO further understands that the Appropriations Subcommittee on Labor and Welfare had included the $200,000,000 but the provision was stricken by the full committee on a vote of 24–26.

We commend and support your effort to restore the $200,000,000 amount to the full committee bill in the wake of one of the most severe winters in our nation's history. Millions of poor families and elderly will need some assistance to pay the resulting high fuel bills. It is the AFL–CIO's understanding that the majority of utility companies have been sympathetic to the severity of the cold weather, and in other states state legislators have enacted laws to prohibit shutoffs until spring. Therefore in April and May utility companies will be asking millions of Americans to pay up or face shutoffs. We also understand that you intend to put a cap on the amount of money to be paid for any one household of $250. This appears to be an adequate supplemental assistance for fuel.

Therefore, the AFL–CIO supports your amendment to H.R. 4877, the full committee bill and urges every member of Congress to support you in this effort.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

NATIONAL RETIRED TEACHERS ASSOCIATION, AND AMERICAN ASSOCIATION OF RETIRED PERSONS,
March 14, 1977.

DEAR REPRESENTATIVE: On behalf of our 10 million elderly members, we strongly urge your support for an amendment to H.R. 4477 to be offered by Congressman David Obey to restore the 200 million dollars deleted by the Appropriations Committee for the Emergency Fuel/Energy Assistance Program.

This program will provide much needed assistance to the poor and near poor for the payment of utility bills incurred during this past winter. In our opinion it would provide an efficient and rapid governmental response to a problem raised by thousands of our members over the past few months.

Again, we urge your favorable consideration.

Sincerely,

PETER W. HUGHES,
Legislative Counsel.

NATIONAL RURAL HOUSING COALITION,
Washington, D.C. March 14, 1977.

DEAR REPRESENTATIVE: On March 16, 1977, 23 members of the Appropriations Committee will offer an amendment to the Supplemental Appropriations bill to provide $200 million for emergency fuel assistance to Community Service Administration, to be turned over to the Governors for administration.

We strongly urge your support for this amendment.

The Congress has a long standing and civilized tradition of providing assistance, at home and abroad, to people suffering from disasters beyond their control. If ever there was a disaster, it is the situation facing millions of the poor resulting from this bitter winter in the face of escalating fuel costs.

Sincerely,

AARON E. HENRY,
Chairman.

CONSUMER FEDERATION OF AMERICA,
March 14, 1977.

DEAR REPRESENTATIVE: The action of the House Appropriations Committee in rejecting the recommendation of its Subcommittee on Labor-HEW to provide $200 million in emergency funding bills during this unprecedented winter is nearly incomprehensible.

We understand Congressman Obey will offer an amendment to the First Supplemental Appropriations Bill to restore the $200 million knocked out by the 26–24 vote of the full Committee. This is to urge you in the strongest terms possible to support the Obey Amendment.

The most severe winter in decades has had a devastating effect on the budgets of millions of householders, especially those families at the lower end of our economic ladder who do not have the financial flexibility to meet unusual and unscheduled big expenses. The combination of much greater fuel and utility requirements because of the sustained cold winter, coupled with steep increases in rates, have put many families in a precarious position. Although fuel companies and utilities have been understandably reluctant to shut off services during the winter—many because of prohibitions against doing so—the ability of many of their customers to pay the extra bills simply could not and cannot be handled through normal means.

President Carter sent special Federal employees and assistance into some areas of the country this winter, as indeed he should have, in face of the disastrous circumstances

that existed in those communities. A responsible and responsive government can do no less than attempt to keep solvent families whose fuel and utility bills put them in the position of choosing between bankruptcy or going without utility service as a result of the same severe cold weather.

Please support Congressman Obey's amendment when it comes up for a vote, probably on Wednesday, March 16.

Sincerely,

LEE C. WHITE.

UAW,
Washington, D.C., March 14, 1977.

DEAR REPRESENTATIVE: The UAW favors an amendment which Representative Obey will offer to the Supplemental Appropriations bill this week to provide $200 million in emergency fuel assistance to needy Americans.

The unusually cold winter and the soaring cost of energy combined to create an impossible burden for lower income individuals, the unemployed, and older Americans living on fixed incomes. The Obey amendment, which was approved by the Labor-HEW Appropriations Subcommittee but narrowly defeated in the full Appropriations Committee, would pay up to $250 per household for fuel bills on the basis of demonstrated need. None of the funds may be used for administrative costs, so the full benefit of the appropriation would be felt by the needy recipients.

The UAW regards the Obey amendment as a necessary and appropriate response to the very serious problem faced by those who will have to do without decent food or other necessities in order to pay this winter's fuel bills. At a time when the Congress is providing a major stimulus to the economy, it would be ironic and unfortunate if those most in need were forced to manage on even less. We urge your support of the Obey amendment.

Thank you.

Sincerely,

HOWARD G. PASTER,
Legislative Director.

NATIONAL COUNCIL OF SENIOR CITIZENS, INC.,
Washington, D.C., March 14, 1977.

HON. DAVID R. OBEY,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN OBEY: As I am sure you are aware, this country has just come out of the worst winter in 60 years—40 per cent colder than last year's winter. Energy consumption has increased over 32 per cent nationally. Accompanying this increased consumption, many regions of the country have watched fuel costs for home heating oil skyrocket. In New England, in fact, the typical homeowner must pay almost $1,000 for this winter's heating bill—and there is still almost 50 inches of snow on the ground in Maine.

On February 28, the Labor-HEW subcommittee on Appropriations passed by voice vote an amendment by Congressman David Obey that would provide $200 million to lower income people who are unable to bear the full costs of their heating bills. The money would be disseminated by the Community Services Administration to go directly to the governors, who would distribute the funds utilizing the best delivery mechanisms available in each state. Eligibility would be limited to the poor and near-poor (many of whom are aged) whose income falls within 125 per cent of the poverty line in that area.

In action by the full Appropriations committee, the Obey amendment was defeated by a slim margin, 26–24. Because the vote was so close, Congressman Obey will re-introduce his amendment on the House floor to be attached to the Labor-HEW Supplemental Appropriations bill for FY 1977. The amendment is expected to come up for a vote on Wednesday, March 16.

The National Council of Senior Citizens and its over three million members unequivocally endorse the Obey amendment to the Labor-HEW Supplemental Appropriations bill, and we urge your favorable consideration when it reaches the House floor. Too many people have suffered greatly this winter, and relief is needed now.

Sincerely,

WILLIAM R. HUTTON,
Executive Director.

THE VOLUNTEER ARMY: A GENERAL'S VIEW

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. STEIGER. Mr. Speaker, much attention has been devoted recently to a report prepared by a professor for a Senate committee expressing some concern about the All-Volunteer Army. Not nearly enough attention has been given to the views of those within the Army who know firsthand the quality of the Nation's defense forces.

One man with an excellent vantage point is Gen. DeWitt C. Smith, Jr., Commandant of the U.S. Army War College. At the civilian-military institute's First National Symposium, held recently at the Air Force Academy, General Smith said that the Volunteer Armed Forces are effective and that criticism is misplaced. He noted that he had crossed the English Channel on D-day and said that today's American military "is far better" than the conscripted force of World War II.

That analysis has been repeatedly confirmed to me by high-ranking Army and Pentagon officials with whom I have talked. They consistently tell me the volunteer military is a great success and they emphasize that the Nation has never before had as good a defense force as it has today.

The comments of General Smith, as summarized in a Denver Post article, touch on a number of other topics. The thoughtfulness of his remarks is impressive. General Smith exemplifies the conscientious, high-caliber leadership which typifies today's Army. I hope his views receive careful thought and consideration. The article follows:

SUMMARIZATION IN DENVER POST

Americans need to be more creative in their thinking on the subject of what they want their military establishment to be.

Viewed from almost any direction, what debate there is on this subject seems frozen in ice.

Congressional investigations have inured a superficial segment of public opinion to believe the military is a well-fed bureaucracy—a rathole for the tax dollar that produces ever less bang for the buck.

The anti-establishment wing of dissent—joined by the naive—preaches a complete end to American armed power. Presumably, once we sank our last warship other nations would immediately follow suit.

The military, for its part, appears hypnotized by the advance of global communism. It tends to feel sorry for itself.

This standoff between civilian and military partisans was very much a part of the atmosphere of the Civilian-Military Institute's First National Symposium at the Air Force Academy last week.

Commendably, the 3-day conference pulled no punches in getting at what its program participants believed to be the key issues in national and international affairs as they affect the thinking of both civilian and military leaders.

One of the final speakers was Maj. Gen. DeWitt C. Smith, Jr., commandant of the U.S. Army War College, Carlisle Barracks, Pa. Smith put into focus much of the frankness and honesty many delegates professed during the conference.

Conceding that a healthy society must maintain an attitude of skepticism toward its soldiery, Smith nevertheless warned:

"We must not let that skepticism turn into abuse or stereotyping." He challenged civilian critics "not to engage in this (critical) conventional wisdom as if it were some sort of body of information that never changes."

General Smith was evenhanded. He said military leaders receiving perceptive and pertinent civilian criticism should be prepared to "stand the heat of the kitchen" or "follow Harry Truman's advice and get out."

Smith asked his auditors to accept these facts about the military:

That, in an "imperfect world," the military "is here to stay."

That no matter how persuasive the arguments for broadened roles ("the troops ought to have something more productive to do") the assignment of serving the peace is overriding. "It is unwise to begin from any other premise," Smith said.

That America's historic "moat"—its ocean frontiers—is gone. "Britain and France are not there—readiness must be a full-time job."

That the volunteer armed forces are effective and that criticism is misplaced. He said he crossed the English Channel on D-Day and that today's American military machine "is far better" than the conscripted force of World War II.

The military is going to be costly. And it should be.

"After 190 years of inequity and the belief you could buy soldiers on the cheap . . . we must realize (this) is an overdue bill . . . expensive but one that must be paid," Smith said.

Our military is an "American success story." It is a 200-year record of placement of a military machine in a democratic framework, unparalleled in history.

"There has been no man on horseback in our society," Smith said. "No garrison state . . . no country less like Sparta than the United States."

Citing the military's absorption of the Vietnam defeat without (as predicted) a bitter "turning inward," Smith voiced this pledge as being the highest aim of the American military:

"We remain members of this society. We share its dreams, its aims . . . We remain people who advise on military power but we are not advocates of military power—and that's a healthy thing."

One suspects Generals Washington and Eisenhower, both of whom warned in farewell presidential messages against the dangers of militarism to democracy, would heartily applaud that statement.

At least, it is the sort of common ground from which Americans who seek balance in foreign policy and protection of vital domestic values can build on for the future. The Civilian-Military Institute expects to do so. Comments such as those by General Smith suggest both challenge and promise. A military machine doesn't kid around—it has to be tough. But if its traditions hold to a common devotion to democracy, that is a motivation we can share, not fear.

ADDITIONAL VIEWS OF HON. CLARENCE J. BROWN, JR.

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. BROWN of Ohio. Mr. Speaker, the absolute and rigid nature of the Delaney clause has been a matter of deep concern to me for a number of years. The recent FDA ban on saccharin has again brought to the public's attention the shortsightedness of the Delaney clause approach.

As early as 1972, in a report of the Government Operations Committee, I pointed out that:

As a matter of fact, the Delaney clause does not provide the latitude with reference to additives in the food supply which our laws permit in the case of medicinal drugs. And a crisis may be brewing as a result for those in our Nation affected with a specific disease: diabetes. An increasing number of prohibitions under the Delaney clause of artificial sweetener food additives will gradually reduce the options of those who suffer from diabetes. In their case, the Delaney clause does not allow for the medicinal advantages of a good additive.

I insert in the RECORD in their entirety my additional views from the August 15, 1972 Report of the House Government Operations Committee on the regulation of food additives:

ADDITIONAL VIEWS OF HON. CLARENCE J. BROWN

While I generally concur with the substance of this report, I feel that it fails to speak fully or directly to an issue it clearly raises by inference: The future applicability of the Delaney clause to the 1958 amendments to the Food, Drug, and Cosmetic Act. That clause reads as follows:

* * * *Provided*, That no additive shall be deemed to be safe if it is found to induce cancer when ingested by man or animal or if it is found, after tests which are appropriate for the evaluation of the safety of food additives, to induce cancer in man or animal * * * (21 U.S.C. 348(C)(3)(A).)

Some might try to interpret my additional views as an attack on the Delaney clause and, thereby, as being in favor of cancer or the risk of cancer. The humanitarian (and thereby, the political) folly of such a position is so obvious as to make unnecessary a denial of any such ridiculous charge. Rather, my motive is to advise the public of a conflict which clearly lies ahead between existing and developing science based on what we now know, on the one hand, and the law as it is now written, on the other hand.

We all want to assure that the food people eat will not harm them. And, insofar as it is possible, government should assure this. But it must be recognized that absolute guarantees may not always be possible—and for something as big, pervasive and powerful as the Federal Government—in an area where, surprisingly, so little is scientifically provable. More than that, safety of something as basic as food must be related to its availability and cost and less important factors such as taste and attractiveness. No government could survive if it were to assure a totally safe food supply but one that is so reduced in quantity as to bring the Nation to starvation. Conversely, to ignore safety in our adequate food supply today would not be politically acceptable—nor, more importantly, is the public interest.

It is obvious, then, that some tradeoff relating to the safety of our food supply under certain circumstances may prove to be necessary. Such tradeoffs are already being made under the laws guiding governmental approval or disapproval of medicines and drugs. Some drugs are now totally prohibited because they have no benefits or because their benefits are far offset by their substantial harms. But some drugs, which may be harmful in general, have such benefit in certain diseases that they are permitted under limited or controlled circumstances. And other drugs may have more general benefits but still be harmful if improperly used. The general use of such drugs are not proscribed except for warning label. And, of course, some drugs are not restricted at all.

The Delaney clause does not permit such governmental judgment. It absolutely prohibits the use of any food additive which is carcinogenic "in man or animal" and removes any possibility of administrative choice.

Unfortunately, this prohibition applies in an area which is scientifically hazy. The massive dose of a substance given to a laboratory animal which then develops cancer may or may not prove that a massive dose of the same substance would induce cancer in humans. But the Delaney clause makes no such distinction.

The massive dose of a substance administered to a laboratory animal may or may not prove that a minimal dose of the same substance would induce cancer in humans. But the Delaney clause makes no such distinction.

As a matter of fact, the Delaney clause does not provide the latitude with reference to additives in the food supply which our laws permit in the case of medicinal drugs. And a crisis may be brewing as a result for those in our Nation afflicted with a specific disease: diabetes. An increasing number of prohibitions under the Delaney clause of artificial sweetner food additives will gradually reduce the options of those who suffer from diabetes. In their case, the Delaney clause does not allow for the medicinal advantages of a food additive.

Conversely, the Delaney clause does not speak to what happens to food additives which are safe in and of themselves after they are in the food supply and interact chemically with other substances (either additive or naturally occurring) during cooking or in the process of ingestion or digestion as this report indicates. Presumably, court interpretation of the clause might provide answers in these hazy areas. But shouldn't the Congress address itself to these issues first? The good intent behind the clause cannot be questioned nor is it at issue. The question that is attracting increasing attention, however, is whether the "all or nothing" philosophy with respect to carcingenicity of the Delaney clause continues to serve the best interests of the public.

It is said in this report that application of the Delaney clause to nitrates and nitrites is in doubt because proof does not exist that they directly and alone produce cancer. Yet, there is evidence that these additives, when combined with other substances also present in food, may cause cancer. It may be asked then, whether the clause should be amended to prohibit the use of substances which could result in such secondary reactions. If the clause were so interpreted, however, would the potential ramifications so overburden administration of the Food, Drug, and Cosmetic Act that overall protection would actually be reduced? Similarly, would the safety of large numbers of foods be found in question if the clause were so extended, thereby significantly limiting consumer selection or even the adequacy of the food supply?

Nitrates and nitrites also point up the issue of probability and reasonable certainty—factors widely relied upon in the scientific world but ignored in the absoluteness of the Delaney clause. Nitrosamines, produced through the combination of nitrates-nitrites and amidesamines, have been found to produce cancer in animals, but not necessarily in humans.

Furthermore, the quantity of these additives that were fed to animals to produce cancer was so large it is extremely unlikely that any human would ever ingest anything close to such quantities. Does it make sense to ban an otherwise useful food additive on the basis of such tenuous causation solely because the Delaney clause requires a ban if any indication of carcinogenesis is present? Could abolition of useful or essential additives actually have the effect of denying necessary foods to the public because they cannot be adequately preserved without the use of the additives?

Are there maximum quantity limits that can be established for use of additives which would be generally safe and which would thereby require changing the applicability of the Delaney clause from absoluteness to permit the exercise of discretionary judgment? Such judgments are permitted with reference to additives which are not carcinogenic but which are dangerous in other ways if ingested in excessive quantities. Is a risk of cancer significantly different from a risk of inducing a cardiac problem? For a person with acute hypertension, table salt can be a dangerous additive.

The fact of the matter is that the exercise of judgment about danger levels of other-than-carcinogenic additives includes a consideration of the different levels of human reaction to such additives, just as the administration of criteria in air pollution legislation must take into account the differences in individual human tolerances. An older person with emphysema cannot tolerate the same degree of air pollution that a vigorous young person can, nor can a person with high blood pressure tolerate the same level of some food additives as a person with low blood pressure.

It would seem likely from what is known of the ravages of other diseases in persons of different physical makeups and from what may be adduced from the studies of smoking and cancer, that different individuals may vary in their degree of susceptibility to various levels of food additives which have been identified as carcinogenic and banned under the requirements of the Delaney clause because the additives have caused cancer in laboratory animals. Should the question of carcinogenicity be handled differently under the law from the way additives that induce hypertension or cardiovascular disease are handled?

One must ask if scientists have sufficiently determined the causes of cancer to establish the communitywide tolerance levels of additives which should be allowed, or—as the Delaney clause does—that absolutely no levels should be permitted?

After that question has been answered, it is not illogical to ask if additives should be treated differently from the way substances that turn up in the food supply naturally are handled. Does it make sense to ban a substance, otherwise useful as an additive, when such a substance has long existed in nature and has been consumed by man and animal for years without apparent harm? Conversely, does the fact that a questionable and potentially dangerous substance appears in nature mean that the Delaney clause should be broadened to include in its requirement for automatic banning naturally occurring carcinogens?

If the latter course is followed, the banning of eggs and apples because they contain natural estrogens (which would be banned were they artificial additives) becomes a real possibility. In that case, many industries may have extensive claims against

the Federal Government if recent legislation passed by the House actually becomes law. That legislation, H.R. 13366, permits those injured by the Government ban on cyclamates to sue in court for Federal indemnification of losses.

Perhaps a more logical approach would be to ban only artificial substances whose carcinogenic properties exceed in amount of effect those "carcinogenic" substances appearing naturally in our food supply. At least that would be one method of measuring some rule of reason to this complex matter.

In any event, it appears that the application of some reason is now required—both to the question of what should be banned and why it should be banned, and perhaps how to ban. The fact is that we simply do not know as much as we should about either artificial or natural carcinogens to act upon them with the knowledge that we are not unduly restricting our food supply on the one hand or leaving it open to undue risks on the other. And if there is to be broadening of the ban imposed by the Delaney clause to include possible secondary effects of foods or naturally appearing carcinogens (which would then ban cured meats or other widespread products which have been accepted as safe for years) vastly more definitive scientific assurance is going to be necessary to enforce any such ban if that enforcement is to succeed with any degree of efficiency and economy.

TOWARD A CONSERVER SOCIETY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. BROWN of California. Mr. Speaker, at a recent meeting on future environmental concerns, where the book "The Unfinished Agenda" was released, another document prepared by the Science Council of Canada was discussed by Dr. J. A. Potworowski. Dr. Potworowski described both the document, "Toward a Conserver Society," and the impact that this report by the Science Council of Canada has had upon Canadian society.

Since that meeting, I have had an opportunity to review this statement, and would strongly urge my colleagues to also review it. It is especially timely to review this report while everyone is talking and thinking about energy conservation. Basically, the "Conserver Society" aims to do more with less. The report, which will follow these remarks in the CONGRESSIONAL RECORD, briefly describes what this means and how it can be done.

The report follows:

TOWARD A CONSERVER SOCIETY: A STATEMENT OF CONCERN

We live in an advanced industrial society. In the quest for ever-increasing productivity, we have been enormously successful. We have reduced labour's contribution to production; consequently, our capital base has grown rapidly—especially in the past thirty years. In the jargon of economics, the labour to capital ratio has changed.

We have moved slowly from an industrial system that sought to satisfy basic human needs to one that seeks to satisfy ever more exotic needs in ever more costly ways. We have come to expect from our industrial society fulfillment and satisfaction that is perhaps better achieved through interpersonal relationships. We have developed unrealistic expectations of how far our collective *raison d'être* can be equated with production and consumption.

The 'busyness' and 'growthmania' that characterized our society can perhaps continue for some time. But we are coming to realize that there must be limits to this type of activity. Growth processes (biological or social) must at some point slow down; they run into environmental limits, resource supply bottlenecks, shortage of capital, consumer satiation, impediments from waste products, and a kind of entropy arising from the increasing complexity of social interactions. There is a widespread sense, and increasing evidence, that the industrialized world has entered that phase.

It would be naive to rely on a biological analogy as a guide to policy in all aspects of a complex modern society, in all aspects of Canadian society, or in all parts of Canada. Nevertheless, it does seem clear that Canadians are entering an era of transition, in the course of which many features of the way we do things will change. Indiscriminate growth for growth's sake will have to give way to a more selective growth.

One attempt to describe this change is to say that we face a transition from a 'consumer society' to a 'conserver society.' To explore the implications of such a transition for science and technology, we will discuss some of the general features of a 'conserver society' as we conceive them at this time.

Economy in Design: The Conserver Society aims to do more with less. This is a highly condensed statement of what ought to be the central aim of the designer or engineer. The good designer has always sought to optimize performance and usefulness, under the constraint of economy, and has always intrinsically *valued* materials and resources, especially where he or she senses they are in short supply or may be needed for more critical uses in the future. In the present *consumer* society, these views have often been overridden by the pressing concerns of the marketplace. What is implied by the *Conserver* Society is not only the re-assertion of the values of good design, but also the enlargement of the concept of design to include a greater appreciation of external or social costs, and appreciation of the total system as being finite or closed.

Economy thus not only means low private cost to the producer and user, but economy from the point of view of the total system. Designs should emphasize high performance, under the constraints of safety, reliability, low environmental impact, low energy consumption, low cost of maintenance, and an 'elegant parsimony' in the use of materials. High performance should be measured in relation to the conditions of use. Thus design should not be excessive to need, and should take into account the preferences and characteristics of the human user. All of this must now be done in the context of the total society and its institutions, as well as with respect to the individual user. Thus the designer must give more attention to the pollution a product may create and to the recoverability of any scarce materials used in its construction. Though still guided by the market and by various regulatory constraints, the designer must be encouraged to exercise his or her own judgment and ethic. Only in this way shall we avoid progressing to a more and more bureaucratically regulated society.

Looking at things in the context of the total system will require that the notions of *productivity* and *efficiency* be re-examined. Both terms have to be expanded to include social considerations. Private productivity and accounting inherently look only at internal or private costs; processes that are very productive and efficient from the producer's point of view may turn out to be quite different when looked at from the point of view of society as a whole. For example, the satisfaction the craftsperson gets from doing a task well under good conditions is not counted as an output by the factory manager.

Canadians live resource and energy costly lives: per capita consumption of energy by Canadians is second highest in the world. Simple energy conservation measures, such as smaller capacity engines in automobiles, or less complicated packaging, would free resources that are now, literally, being wasted. Relatively modest sums of money invested in conservation measures would return large economic benefits to society. This approach can be compared to investing ever-increasing amounts to increase supplies of traditional energy sources. For example, a 1 percent decrease in the annual growth rate in energy demand would equal a savings equivalent to the cost of twelve tar sands plants by 1990. This decrease, which could be achieved at no cost through increased efficiency and lighter automobiles, would thus lead to a total savings by 1990 of $30 billion ($2.5 billion/tar sands plant).

The concept of "doing more with less" represents a departure from the approach taken by our society over the past fifty years. In automobiles, consumer goods, size of cities, even size of nations, there has been both an implicit feeling and explicit expression that "bigger is better." But now we realize that bigger is no longer automatically better. Simplified production processes that involve fewer inputs are more desirable.

Other avenues for economy through design come to mind. Houses and buildings can be designed to make use of natural advantages—they can be oriented to gain heat from the sun in winter, or from the ground via a heat pump; or they can be designed to enhance the natural air flow to reduce the need for air-conditioning. The "moped" is a simple vehicle that makes occasional use of the reserve power in the muscles of the rider to economize on the size of its engine. In other cases, technological sophistication may be the road to economy, as in the replacement of the vacuum tube by the tiny transistor. We should ask ourselves how much business travel could be replaced by conference calls on existing communication systems. Part of "doing more with less" involves using less brute-force high energy and resource-intensive technologies in favour of less costly technologies that can achieve the same end.

Design with thought for the rest of the system beyond the point-of-sale means designing for durability, ease of maintenance, and low operating cost, with consideration for the future recycling of the materials that make up the product. Longer-life products that can be achieved at the same cost or with little added cost will lessen the impact on society's resources over the medium and long term.

Although we emphasize the responsibility of the designer, the consumer must remain the final arbiter, if we are to continue to regard individual freedom of choice as one of our most important values. For consumer choice to be sovereign, rational, and able to play its role in the expression of conserver values, the consumer must be presented with adequate and appropriate information. Consumers often do not realize that a lower price paid at point of sale will be followed by higher operating costs over time, e.g., the apparently cheaper refrigerator may be less well insulated and will use more electricity. Information on product durability can also be developed and passed on to the consumer. How long is a clothes washer or dishwasher likely to last before a major repair becomes necessary. How can better design eliminate those minor problems that seem to crop up in so many consumer goods? While often

easy to fix, these are annoying and waste the time of consumers.

ATTITUDES: Thrift, saving, efficiency, and avoidance of waste all played an important role in the early days of the industrial revolution. After some coughing and sputtering, the industrial machine has been developed to such a point that its accomplishments continue to exceed the dreams of earlier generations. As a society, we have slipped into a posture of ever-increasing expectations of what our industrial-technological society can accomplish. The traditional values that formerly guided individuals in their daily lives have, for a variety of reasons, come to be regarded as passé. Why practice thrift, be efficient, or avoid wasteful practices, when we seem to have so much production, when our supermarkets and department stores seem to be bursting with products? Why worry? Our governments seem to have the ability to step in and build giant pipelines and airports and to play prodigal host to international events of all types.

We have become used to a high throughput consumer society that depends on obsolescence, a high rate of consumer spending, and an almost total disregard for waste—both individually and socially. The realization of limits to low-cost resources, of limits to environmental carrying capacity, and of limits to purchasing and consumption capabilities by citizens means that thrift, saving, avoidance of waste, efficiency, and an appreciation of quality will, once again, become important aspects of our lives.

In the early days of the industrial revolution, individuals rarely looked farther than their own households; private habits of thrift, for example, became a social virtue. As we have matured—and some would hold that we are really a post-industrial society—we are coming to realize that each individual should again assume some responsibility.

But now the individual must look beyond the household to society as a whole. In fact, with a greater use of imagination, the total society can be seen as a 'household.' We all draw on a *common* energy base, on a *common* resource pool, and on a common environmental carrying capacity. The habits of thrift, saving, avoidance of waste, efficiency, and an appreciation of quality that all made sense for the private household still make sense for society as a whole.

Indeed, these individual attitudes are an essential precondition for a Conserver Society. Unless individuals in their own behaviour strongly value thrift and conservation, and decry waste and excess, no amount of rules and regulation will accomplish the desired results, even if such rules could somehow be legislated in the first place.

Often many small wastes or costs that seem trivial add up to an impact of consequence. An extra sixty-watt bulb left burning every evening in ten million homes could run up a total electric bill of $25 million, requiring the burning of 1.6 million barrels of oil in electric power plants. And turning down the thermostat 1°C in winter time in those same ten million homes might save 5 per cent per year in heating costs, and in total another ten million or more barrels of oil. Another example is the use of the ubiquitous shopping bag in supermarkets. Rather than thicker bags and sometimes using two bags, one inside the other, consumers might be willing to use a reusable, durable plastic net bag. While common in Europe and elsewhere, this type of carrying method has been rejected in North America, probably because, in the high consumption setting, the opportunities for small economies tend to be brushed aside. Yet if plastic reusable net bags were used, the impact on total resource use would be significant. The savings to consumers would be cumulatively useful, but it is doubtful whether the small economy on each occasion (2 to 5 cents, say), even if offered by the supermarket, would be sufficient incentive in itself, without a considerable and wide-spread change from consumer to conserver attitudes.

A conserver attitude will evolve either by choice or by necessity. The high throughput system that disregards the small savings simply because they are small cannot be sustained. The rising costs and prices of energy and energy-intensive products are signals that we must manage our industrial system more intelligently. As a society we must ensure that the success of industrialization does not lead to excess and to a decrease in our collective quality of life.

Recognition of Total Costs: As much as possible, prices in the market should reflect external (social) costs as well as the direct internal (private) costs to the individual producer and consumer. To the extent that prices reflect only internal costs, when external costs are present, either the market fails as an allocating mechanism or it misallocates. If we wish to preserve the marketplace as the principal mechanism by which a free society expresses its priorities, we must assist rational choice by reducing as much as possible the self-deceptive elements. Ordinarily the consumer is not aware, for example, when purchasing a canned soft drink or a newspaper, that property taxes may have to rise to cover the costs of disposal. To estimate social costs, a qualitative appreciation may have to be considered in addition to such quantitative data as are available or can be developed. Better appreciation of external costs may be gained through such methodical approaches as 'technology assessment' and 'environmental impact statements.'

By excluding external or social costs from market decisions, we have made environmental deterioration and pollution an almost necessary aspect of the process of economic growth. When all costs are internalized (to the greatest degree possible), we shall be closer to making allocation decisions in a knowledgeable way. As a society we will have placed some measure on what amount of air, water, or noise pollution we are getting when we 'buy,' for example, a particular configuration of urban core or when we choose among various transportation systems. A market system based on total cost would still not be perfect because it would not do away with the problem of individual choices and the general interest, i.e., when the benefits are individually appropriable and the costs distributed (the 'tragedies of the commons'), but a move in the right direction would have been made. Further development of the principle would probably result in special taxes being justified in some cases, the tax being higher than the actual external cost, in order to provide the necessary incentive to choice.

When the total interest of society is considered, it may be clear that the rate structure of an electric utility should be inverted, for example, to discourage the consumption of electricity above some reasonable level rather than to encourage the high volume user to waste, as is generally the case at present. The setting of a 'reasonable' level per capita or per dwelling would be fairly straightforward for domestic use but would, of course, require some careful working out for the industrial context.

The fallacies of basing choices on purely financial accounting are apparent in the case of energy supply, and 'net energy accounting' is now seen to be an essential supplement to traditional accounting methods. Rather than simply estimating how much energy can be made available from, say, nuclear power or the oil sands, we must also take into account how much energy from other sources will be needed to extract that new energy. Then we may see that some proposed new energy sources are really rather costly—that they will yield little new energy or, in some cases, that the net impact of new available energy could be zero or negative. In principle these considerations should be automatically implicit in an economic analysis. But in view of the distorting effects of non-competitive pricing, interest rates, and hidden subsidies through taxes, tariffs, and so on, it has become advisable to carry out a parallel evaluation in terms of the basic physical quantity, energy itself.

Encouragement of Diversity: As production grows in scale, its products tends to become more uniform and standardized. Innovation often slows down or changes to a kind of marginal proliferation or 'product differentiation' because of the large financial and human investment in the existing product line. In a Conserver Society there would be recognition of the social value of maintaining true diversity. Concepts drawn from the work of ecologists, as well as general systems analysts, draw attention to the positive value of diversity as the basis for flexibility, adaptability, and resilience in the society and its systems. There may also be gains in total efficiency when diversity allows products to be more closely adapted to need, and a greater variety of local or dispersed resources and talents to be put to use. The advantages of economies of scale that bring efficiencies as measured by specific producers must be balanced against the inflexibility and potential fragilities associated with, for example, monocultures in agriculture or any large-scale homogeneous system.

We see examples in transportation, where a system that relies on one large-scale component is vulnerable to a more disastrous form of failure than a system that is more diverse and offers a variety of ways to transport people from point A to point B. Diversity in energy means that a number of different energy sources can be developed to suit each unique situation, optimizing the use of local resources, as well as increasing resilience against problems of supply in other regions, such as might be occasioned by labour disputes or Middle East politics. (Here, again, a careful balance must be maintained between the advantages of self-sufficiency and the advantages of interdependence or mutual support.) Diversity in energy also means that research and development will maintain a 'state of the art' competence in a wide variety of areas. To the extent that society is not 'locked in' to one energy system or another, a transition can easily be made to alternative energy sources, should one system develop problems of supply or of environmental impact.

Diversity of choice for consumers is not the illusory diversity that comes from producing a number of marginally different competing products (product differentiation), but is a genuine diversity that allows the consumer to meet his or her unique needs, whether in housing, transportation, home appliances, food, or whatever. The intent is to provide options, flexibility, and adaptability.

In housing and urban design, the development of new communications technologies opens options for decentralization. These possibilities will be enhanced by new technologies for self-contained water, energy, and sewage systems, and for small-scale agriculture. The Conserver Society will thus be able to experiment with new forms of settlement, will likely revitalize low growth areas, and will find it not only possible but preferable to conserve productive farmland near cities by limiting sprawling growth in favour of growth and revitalization of the city within a well-defined boundary. The advantages of high urban density may still be sought, for economies of distribution, transportation, energy use, or simply for gregarious excitement, but those advantages need no longer be so important for patterns of

work and domicile as to make inevitable the problems of congestion and pollution.

Concern for the Future: One characteristic of a Conserver Society will be a greater concern for the future. Rather than exploiting everything for today's benefits and leaving the future to fend for itself, society will be conscious of conserving resources and options for future generations.

Large capital investments, whether the result of a few high-level decisions or the cumulative effect of many small apparently trivial decisions, determine the shape of the future for a long time and become very expensive to modify. We now realize how a multitude of small discrete decisions in housing, office construction, and transportation has determined the size and shape of our urban centres and has profoundly affected our quality of life. In some cases, decisions made for short-run economy have entailed escalating costs in the longer run. Yet such decisions, vital for Canada's future, cannot be put off. Whether we are prepared or able to see their implications, such decisions are being taken every day. The best we can do is be aware of this, and attempt to build into the decision framework not only a view of the future, but the mechanisms that could allow for the reversal or modification of decisions that prove to be unwise. Wherever possible, we should build in flexibility, e.g., designing multiple-purpose schools, office buildings, dwelling spaces.

Decisions made today will affect the amount and quality of Canada's future resource supplies. The Conserver Society concern for resources flows directly from Science Council Report No. 19, *Natural Resource Policy Issues in Canada*, which urged that 'Canadians as individuals, and their governments, institutions, and industries, begin the transition from a consumer society preoccupied with resource exploitation to a conserver society engaged in more constructive endeavours' (p. 39).

Nonrenewable resources, or resources renewed only over long periods of time, merit special attention. We currently allow the vicissitudes of market conditions, which are oriented toward the short term, to determine the rate of resource development and use. Resource development is at present treated as one of a number of choices competing for capital investment. In fact, indirect subsidies such as the depletion allowance often bias the choice toward the nonrenewable rather than the renewable, and toward the exploitation of virgin resources rather than recycling. A Conserver Society will have to consider whether such a resources policy is still appropriate.

Increased recycling of materials of all types and reduced exploitation of materials at source can be achieved by emphasis on conservation throughout design, production, and use of an article. Such behaviour is brought about most easily or mostly reliably if appropriate incentives can be built into the system. An incentive with appropriate impact might a social discount rate, which would be applied to various priority resources. The intent would be to make investment opportunities for certain resources slightly less attractive, by effectively lowering the rate of return, thus slowing the pace of development and exploitation to help ensure that future Canadians would have access to resources at reasonable costs.

The rationale for deliberately introducing a distortion into the market system arises from a questioning of the structure of interest rates and rates of return. Historically, the time-horizon on which the theory of interest rates has depended has been the life time of the investor. An individual considers capital investment opportunities and calculates expected rates of return. The outer time limit tends to be the span of his or her own life. (Some investors take thought also for their immediate descendants, though inheritance taxes are reducing the weight of that consideration.) In urging consideration of a social discout rate, there is an explicit recognition that there may be a divergence in the time-horizon and, therefore, the concerns, of the individual investor and society in general.

The notion of introducing market distortion is not without precedent. The federal Department of Regional Economic Expansion recognizes, through its program for 'designated areas' in various provinces that societal needs transcend strict market investment criteria. In this case, it is incentives or subsidies that are needed to encourage capital expenditures, in regions that would otherwise be passed over. The social discount rate would differ in that it would be a negative incentive and directed at particular resources rather than at geographical regions. But the principle of modifying the market conditions for investment, in the long-term interests of society as a whole, is the same.

Questioning of Demand: Traditional economic theory treated the demand for various things as being directly related to the preferences held by consumers. Demand, therefore, was not to be questioned because to do so would imply imposing a judgment on the values held by individual consumers. We are now beginning to realize, however, that demand may not always reflect the direct preference of individuals or institutions but may be a byproduct of the particular technology that has emerged. For example, the size and engine capacity of the automobile determines the demand for gasoline. Consumers and industry only demand the quantity of gasoline they need to power the engines, which, it is now agreed, are unnecessarily large. Rather than concentrating on simply expanding supply to meet demand in every case, the approach of the Conserver Society is to encourage an examination of why the demand is as large as it is and why it appears to grow at such a rapid rate. One outcome of the analysis would be to suggest ways in which transportation needs, for example, could be met by other systems with a lower demand for fossil fuels.

Other obvious concerns on the demand side would have to do with energy conservation measures of all types. Attention would be directed to 'planned obsolescence,' a practice that has an impact on supplies of materials as well as energy and that, of course, contributes to society's solid waste disposal problem. (The demand for waste removal and garbage land fill sites is, in some part, related to our society's emphasis on high through-put of resources.)

The debate stimulated by *Limits to Growth* and statements by the Club of Rome usually leads policymakers to seek ways to increase supply rather than to moderate demand—as if demand were entirely exogenous and beyond their concern. The resolution of many of our current concerns about resource depletion, energy shortages, and environmental deterioration requires that we understand better how and why the demand for various goods has come to be. We think that much demand for resources and energy follows from patterns of technological choice. More conserving types of technology would reduce demand and alleviate present and projected supply shortages.

Going further, the Conserver Society would carefully examine the role played by the advertising, marketing, and packaging industries in shaping the demand for various primary and secondary commodities. Those demands that are high and rising because of the stimulants of advertising and market promotion should be questioned since they may impose too high a burden on society's resources.

The Finite World and Global Interdependence: The Conserver Society recognizes the necessity of treating the world as finite. Though some mineral resources are present in vast quantities in the earth's crust, mounting energy costs, environmental damage, and capital shortages will ensure that limits will be reached, even while many resources are still potentially available. In the near future these limits may arise more from social and political strains than from technological limitations.

For the world there is an overall ecosystem and biosphere in dynamic equilibrium. The regenerating capacity of renewable resources and the assimilating capacity of the biosphere are finite. Though human society can develop in many substantial ways, by using up its capital stock of non-renewable resources, it must ultimately come to terms with and live in a sustainable equilibrium with the biosphere.

Since all nations depend on the same pool of resources and occupy the same planet, it is clear they must recognize the fact of their interdependence. Food distribution, population patterns, industrial growth, etc., will have to be harmonized in some way. The uneven and sustained growth thrusts of individual nations will have to be moderated in favour of a more balanced global growth. Food and energy 'crises' represent a *forced* recognition of the interdependent nature of our globe: ways must be developed to build in an ongoing recognition of the interdependence so that localized crises are averted and so that threat of an overall global crisis is maintained.

Planning, Government and Corporations: We have suggested that a Conserver Society must depend ultimately on the beliefs and attitudes of individuals. It is evident that much can be done by individual initiative, by the ethical designer, the concerned industrialist, and by the intelligent consumer. Nevertheless, governments have unique responsibilities; government action is essential to any real and lasting change in the ways of a society.

Governments, as major consumers, can set an example and lead the way in the transition to a Conserver Society. They can examine their own demands, cutting down expenditures that are unnecessary, wasteful, or merely expressions of bureaucratic inefficiency. A Conserver Society is against the waste of human labour and resources wherever it occurs. Governments can take the lead in applying conserver criteria to their purchases, insisting, for example, that buildings be designed to conserve energy, and that components have low environmental impact and low operating and maintenance costs as well as low purchase price. Public transit corporations might, for instance, take total costs into account by paying a premium for less noisy buses. Both federal and provincial governments should introduce, as a necessary first step, revised criteria, covering external cost considerations and total life-cycle costs, rather than simply the impact upon this year's budget. The government criteria and standards arrived at, and the data supplied by manufacturers to indicate compliance, should be made public.

As producers, governments in a Conserver Society would restrain their own tendencies to grow, and would refrain from promoting the use of their services, in the same way that they would expect a government-like corporation such as an electric utility to respond to consumer demand but not to artificially stimulate it. Here, just as in the advertising of commercial products, one must draw a fine line between the role of advertising to inform the consumer that a product or service is available, and the persuading of the consumer that he or she has a desperately unfulfilled need. Education is perhaps one of those government-provided services where the institutional urge to promote its own growth may often lead it to expand in excess of the real need or at least to expand certain institu-

tional forms of education when other modes might be more effective.

The expression of governments' responsibility is, in large part, seen in the legislation parliaments pass, in the types and rate of taxation imposed, and in the policies of the regulatory agencies. Existing laws, taxes, tariffs, and regulations need to be carefully reviewed, so as to ensure that they neither create incentives to waste nor act as impediments to conservation. For example, industrial representatives often complain that they are forced into wasteful and more resource-using forms of behaviour by the structure of tariffs or freight rates or some other regulatory dictate.

A traditional complaint is that governments appear to have almost unlimited powers to expand. The power to tax and borrow from the central bank (to print money) has allowed for an almost unchecked ability on the part of the federal government to expand its services and facilities. The limits are those set by the capacity of the economy itself. Pressing upon those limits leads to conditions of scarcity and increases in the prices of products. In short, government expansion is seen to be one of the causes of inflation. Government must realize the enormous power it possesses and the extent to which its actions affect the allocation of resources in the economy. By and large, its actions are not sensitive to the checks and balances of a market system.

Economists such as J. K. Galbraith have recently demonstrated that government is not the only power node in our society that has the ability to plan, build, and allocate resources without encountering the traditional checks and balances of the marketplace. There exists another whole segment of societal activity that is relatively insensitive to market pressures. Consider the building of luxury hotels, extensive convention centres, the growing amount of business-related airline travel, expensive and well-furnished office buildings. Who pays for all of this? Who decides that society's resources should be allocated in this fashion? To answer the last question first, it can be shown that decisions are taken to erect expensive monuments (office buildings) knowing that corporations or governments will lease the space at the prevailing costs and that *there exists the ability to pass on* to the taxpayer and/or the consumer the cost of such office space. The taxpayer pays via taxes or, when there is inflation, through a loss in the purchasing power of the dollar and the consumer pays for such activities in the cost of products. The ability to pass on the cost of such activities to "other" segments of society means that the market system does not serve its function properly allocating resources.

Decisions to buy products in the marketplace (automobiles, groceries, legal services, etc.) give rise to other decisions that the original consumer never considered and over which he or she has no control. The corporation can plan to hold an annual sales meeting in a remote vacation setting, send people to all parts of the globe, lease and lavishly furnish expensive office space, embark on an expensive advertising campaign with the knowledge that these costs can be passed on to the final consumer. Important macro-allocation decisions are taken that affect us all but are, in large part, immune from market pressures. Shopping centres, air-conditioned and heated shopping malls, expensive hotel space, etc. are all built knowing that someone, somewhere, will pay for the cost of these activities. Economists have a way of expressing this: We are living in a 'cost-plus' economy. Costs that are incurred are passed along through the pricing system to the ultimate consumer.

We see a trend emerging where other power nodes now possess the powers once reserved for government. A multitude of corporate decisions to allocate resources in ways that corporations see fit, and the ability to raise prices (because of oligopolistic markets characterized by price rigidity and 'follow-the-leader pricing') mean that there exists the ability to 'tax' the consumer to pay for those activities considered to be vital to the corporation. It is little wonder that there appears to be no end to the growth of shopping centres, office complexes, corporate travel, conventions, business travel—the corporate sector (called 'the planning sector' by Galbraith) has become, in effect, like government.

To state the problem does not mean that a solution can be developed with equal facility. However, by attempting to demonstrate the magnitude of the problem we hope that discussion will lead to both a better understanding and an ability to control what appears to be a runaway process. It is this runaway process, sometimes downplayed by those who say it is just 'the system') that contributes to an ever-faster pace of life, growth and distortion of urban centres and provides impetus to speeding up the through-put of resources and leads to ever-higher demands for energy.

We realize that a complex system cannot be adequately described in a few paragraphs. Prescriptions for change are difficult to put forth at this time. Both governments and the corporate planning sectors need to recognize their potential power. Government has a multifaceted role in a Conserver Society setting: to act as wise consumer, to promote and protect the common good, to enact legislation that promotes the efficient use of resources and energy, and to review existing legislation, regulations, and other policies carefully to ensure that waste is not built in to the system of rules and regulations that guide and govern the actions of both corporate and private citizens of Canada.

CONCLUSIONS: The transition to a Conserver Society does not mean that we are going into a period of austerity and shortages. In fact, it is the reverse. Only by adopting a more rational and conserving approach to the common energy, resource, and environmental pool that sustains us all, can we ensure a continuing high standard of living for future generations.

INVENTIVE BROTHERS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. FORD of Tennessee. Mr. Speaker, a recent edition of the Memphis Press Scimitar contained a story about Calvin Flippin, 13, of the Eighth District of Tennessee.

Young Flippin, son of a Baptist minister, created an electronic aluminum-foiled robot, with the help of his 11-year-old brother, Michael, on a very modest budget. Upon talking with their mother, I learned that the Flippin brothers financed this project with money they received as gifts from family and friends.

The brothers who live in public housing, attend Humes Junior High School of the Memphis city schools. As the article points out, Calvin read nearly every book on electronics in his school library. Unfortunately, schools like Humes do not offer courses in specialty areas like electronics.

The inadequacies of the school curriculums bring into focus the problems which public education suffers within Memphis and across the Nation.

I hope that we in Congress face up to our responsibility of seeing to it that every young man and woman in America has access to a first rate education. A vast reservoir of potential, such as that of the Flippin brothers, rests untapped. Potential which is not developed into professional excellence and achievement is a future waste which we cannot afford.

It gives me great pleasure to share with my colleagues in the House the details of Michael and Calvin's interesting scientific endeavor:

[From the Memphis (Tenn.) Press-Scimitar, Feb. 11, 1977]

INVENTIVE BROTHERS BUILD COMPLEX ROBOT MONSTERS

(By Ruth Jacquemine)

When Calvin Flippin was 8, he picked up some "dead" Christmas tree lights, "fooled around" with a battery and made the lights work.

"It made me feel so good," said Calvin, now 13. "I yelled, 'I'm a scientist, I'm a scientist.' "

That's the way Calvin remembers the beginning of his electronics career.

Calvin and his brother, Michael, 11, sons of the Rev. Columbus Flippin, a Baptist minister, and Mrs. Flippin of 227 B Market Mall, are the center of interest at Humes Junior High School just now as creators of an aluminum foil monster named Adam II that walks and talks. It's a robot, junior high style.

Adam is the second robot built by the Flippin brothers and a third, more-sophisticated model is in the making. The next one not only will walk and talk, says Calvin, it will be able to think as well.

The Flippin boys, like others at Humes, have had only a smattering of science instruction. But Calvin, the inventor, declares he has read a whole raft of books on electronics.

"I guess I have read every book on electronics in the school library and in the public library, too," he said.

Calvin's brush with robots has been minimal.

Calvin has never seen a robot, except for his two, first, and then Adam II, a fact which could account for Adam II's unesthetic appearance.

The box-like gadget is made of strong paper board and sheathed in foil, wears blue light caps for eyes and a buzzer mouth. A wide-open slit in its chest says, "Hello," in primitive print, but the voice (Calvin's through transmission) comes from a speaker on top of the robot's head.

The electronic panel that controls the monster is made from four pieces of paneling and contains countless tiny copper wire nesting together like a bowl of spaghetti.

Calvin, who takes the lead with Michael following in his wake, is knowledgeable about the household or industrial uses for the various robot parts he picked up at an electronics retail store at a total cost of $42.34.

Calving made his first robot, Mr. Metric, as a math class project, to lecture on the metric system to the class.

The next robot, says Calvin, will be programmed and speak from a tape recording of his voice. It will be eight feet tall and cost about $80.

But it will never come to pass if Calvin's and Michael's grades don't hold up. That's orders from their father, pastor of Old Land-

mark Missionary Baptist Church. They're already spending about two hours a day on robots.

Calvin isn't sure whether the computer monster man would be good or bad for mankind's future.

"In one way I'm for it, in another way I'm against it," he said. "It could make men lazy, like a calculator that makes them not use their brain. But, then, you could send a robot to do what a thousand men could do."

And even that could be bad, reflected Calvin, when you consider how machines could throw men out of work.

"Man has made his own extinction," he concluded philosophically.

BAN ON SACCHARIN

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. EVANS of Delaware. Mr. Speaker, few Federal regulations in recent years have in my opinion been more absurd or nonsensical than the recently proposed ban on saccharin. This ban, if allowed to go into effect, will cause both inconvenience to the general public and severe hardship on people, such as diabetics, who need a sugar substitute. Studies have shown that a person would have to drink the equivalent of 800 dietetic sodas a day to have a chance of contracting cancer. Drinking 800 bottles of anything, even water, could have a harmful effect on your health. To ban its chemical based solely on these massive doses is simply crazy.

Unfortunately, however, the ultimate blame for this proposed regulation must lie with Congress. In 1958, the Congress passed the Delaney amendment which said without exception that "no additive shall be deemed safe if it is found to induce cancer when ingested by man or animal."

In my opinion, this language is so broad that it is literally unworkable. Certainly none of us want to see potentially hazardous food additives being used. However, I believe the Delaney language should be broadened to give the Food and Drug Administration greater flexibility and latitude to make a reasonable decision based on all the facts. The Delaney amendment makes no distinction between man and animal, nor does it address itself to reasonable tolerance levels for humans of certain chemicals such as saccharin. I strongly hope that the House will take action to correct the deficiencies which are now present in the current law.

Mr. Speaker, the editorial of March 13, 1977, which appeared in the Wilmington Sunday News Journal does a fine job in placing this issue in proper perspective. I include it in the RECORD at the conclusion of my remarks:

BITTERSWEET

Don't jump on the Food and Drug Administration for its impending ban on the artificial sweetener saccharin. Jump on your congressmen instead for not having seen fit to change the law that makes this kind of ban not only possible, but actually mandatory.

The Food, Drug and Cosmetic Act of 1938 is the basic law dealing with food additives, drug safety and effectiveness, and cosmetic products. It has been amended several times. One such amendment is the Delaney amendment of 1958, specifying that "No additive shall be deemed safe if it is found to induce cancer when ingested by man or animal." Rep. James J. Delaney of New York pushed through that amendment by virtue of his position on the House Rules Committee, even though many of his colleagues felt at the time that the amendment's language was too comprehensive.

Indeed the major problem with the Delaney amendment is that it makes no quantitative distinctions. Thus, when a recent Canadian test showed that some rats on a diet of 5 per cent pure saccharin for their entire lives developed bladder cancer while in a control group the incidence of such cancer was significantly lower, the FDA in compliance with the law had to issue the saccharin ban.

Future tests may well reveal that saccharin is a significant carcinogen and that we are well off without it. But for the time being all that the Canadian study shows is that if rats ingest a massive amount of saccharin—the equivalent for humans of 800 diet sodas a day throughout a lifetime—then some rats develop cancerous tumors. Commonsense would make one expect serious illness of some sort from such overconsumption of any dietary item.

The Delaney amendment then must be faulted for failing to address itself to tolerance levels. It also overlooks the distinction between man and animal. Products that induce cancer in rats do not necessarily have the same effect on humans.

Respected scientists have for years urged modification of the Delaney language. In 1969 when another artificial sweetener, cyclamate, bit the dust, Dr. Roger E. Egeberg, then assistant secretary for health and scientific affairs, pointed out that scientific measurement techniques had improved 1,000-fold since the Delaney amendment was written and that this made the general language of the amendment obsolete.

But the Delaney amendment still stands, cyclamate is still off the shelves (as are other products) where it may soon be joined by saccharin, and people and industries that rely on artificial sweeteners are wondering what their next moves should be.

According to the FDA, no other artificial sweetener is ready for licensing and marketing. Does this mean that diabetics will have no sweetened food available to them? Probably not, for there is talk of making saccharin available on a prescription basis. No doubt this will push up costs.

How about other consumers who have been using artificial sweeteners or products with artificial sweeteners (diet sodas, etc.) for reasons of weight control? Will they return to sugar usage, weight gain, and possible ailments connected with weight gain?

Perhaps most worrisome from the health point of view is the suggestion by some diet soda producers that they will "reformulate" and will have low-calorie products available as saccharin usage is phased out. What assurance is there that this mysterious new formula will not be more harmful than the saccharin which has been in use since the turn of the century?

Before the saccharin ban is supposed to go into full effect this summer, there is time for cooler heads to prevail. The Congress can amend the Delaney amendment. The FDA, if still convinced of the potential harm from saccharin, might then be able to require a warning label similar to that for cigarettes.

What happened with saccharin last week is another unfortunate example of overregulation forced upon a federal agency by an outdated law. Isn't it time that Congress extricate us from this foolishness?

AGRICULTURAL DISASTER RELIEF AND THE EMERGENCY FEED ACT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. ABDNOR. Mr. Speaker today I have introduced H.R. 5041 to authorize a program to provide assistance in areas where feed for livestock or poultry is scarce as a result of a natural disaster. This bill is an improved version of H.R. 4249 which I introduced on March 2.

The text of the bill follows:

H.R. 5041

A bill to authorize the Secretary of Agriculture to establish an improved emergency program to provide assistance in areas where feed for livestock or poultry is scarce as a result of a natural disaster

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Feed Act of 1977".

Sec. 2. (a) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter referred to as the "Secretary") may implement an emergency program for the purpose of assisting persons described in subsection (b) in maintaining and preserving livestock or poultry in areas of the United States (including Puerto Rico and the Virgin Islands) where the Secretary determines that an emergency exists because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other natural disaster.

(b) Assistance under this Act shall be made available only to bona fide farmers and ranchers who are primarily and directly engaged in agricultural operations involved with breeding, raising, fattening, or marketing livestock (including cattle, hogs, sheep, goats, horses, and buffalo) and poultry (including chickens, turkeys, ducks, and geese). In the case of corporations or partnerships engaged in such an agricultural operation, such assistance shall be provided only when a majority interests in such corporation or partnership is held by stockholders or partners who themselves are primarily and directly engaged in such operation.

SEC. 3. (a) Assistance in the form of reimbursements described in subsection (b) of this section shall be made to any person described in section 2(b) who—

(1) has (A) suffered, as a result of the conditions caused by the natural disaster, a substantial loss of feed normally produced on his farm for the purpose of feeding his livestock or poultry, as determined by the Secretary, or (B) has incurred, as a result of the conditions caused by the natural disaster, significantly higher costs (taking into account market prices for feed outside the emergency area) in obtaining the feed he normally purchases for such livestock or poultry as determined by the Secretary; and

(2) had an insufficient supply of feed and, therefore, had to purchase feed in increased quantities or at increased costs, as a result of the conditions caused by the natural disaster, in order to feed his livestock; except that, in determining whether such purchase of feed was necessary, the Secretary shall not take into consideration feed normally grown and available to the person for seeding purposes or for sale to others who use the feed for seeding purposes.

(b) The Secretary shall provide reimbursements to eligible persons for expenses incurred in purchasing feed for their livestock or poultry. Except as provided in subsection

(c) of this section, any such reimbursement shall net exceed—

(1) 50 percent of the cost (including a reasonable charge for transportation costs as determined by the Secretary) of the feed which was purchased by such person to replace the feed he normally would have had as a result of growing such feed on his own farm if the natural disaster had not occurred; and

(2) 50 percent of the increase in the cost of feed (including a reasonable charge for transportation costs as determined by the Secretary) normally purchased by such person to feed his livestock or poultry, if such increase was caused by the conditions created in the emergency.

(c) In determining the amount of feed with respect to which assistance may be made to any person, the Secretary shall provide that—

(1) such amount of feed shall not exceed an amount necessary to feed the number (or equivalent animal units) of livestock or poultry which would have been held by the person in the absence of the conditions caused by the natural disaster; except that the livestock or poultry need not be the same livestock or poultry held prior to the commencement of the conditions created by the natural disaster, and the Secretary shall not establish any minimum time of ownership of such livestock or poultry as a condition of eligibility; and

(2) such amount of feed shall be sufficient to feed, during the period of the emergency, the number of livestock described in paragraph (1) of this subsection in the manner in which the person normally would have fed his livestock or poultry on a daily basis if the emergency conditions had not existed.

SEC. 4. (a) In lieu of the assistance described in section 3, the Secretary may provide assistance described in paragraphs (1) and (2) of subsection (b) of this section to persons who transported or sold their livestock or poultry as a result of the conditions caused by the natural disaster and who would have been eligible for assistance under section 3 if they had not so transported or sold such livestock or poultry.

(b)(1) In the case of any eligible person who, because of the conditions caused by the natural disaster, has transported his livestock to an area outside the emergency area for the purpose of feeding them during the period of the emergency, the Secretary shall reimburse such person for—

(A) 50 percent of any fee charged for leasing the land on which the livestock grazed during the period of the emergency; and

(b) 100 percent of the cost of transporting the livestock back to the place from which they were originally transported;

except that such reimbursement shall not exceed the amount such person would have received if he had applied for assistance under section 3.

(2) In the case of any eligible person who, because of the conditions caused by the disaster, sold any livestock or poultry and later replaced them with livestock or poultry of similar nature and quality, the Secretary shall reimburse any such person, for each livestock or poultry so sold and replaced, an amount equal to—

(A) 100 percent of the increase in the national average market price, if any, of such livestock or poultry between the time of sale and the time of replacement of the livestock or poultry; plus

(B) 50 percent of the difference between the amount determined under subparagraph (A) of this paragraph and an amount derived by subtracting (i) the actual amount of money received by the person for the sale of the livestock or poultry, from (ii) the actual amount expended by such person to replace them with livestock or poultry of similar nature and quality; except that any such reimbursement shall not exceed the amount such person would have received if he had applied for assistance under section 3.

SEC. 5. The Secretary may assist persons eligible for assistance under this Act in locating available sources of feed for livestock and poultry. In making such assistance available, the Secretary shall attempt to minimize adverse economic impacts on market prices for food outside the area affected by the conditions caused by the emergency.

SEC. 6. The Secretary shall carry out the program authorized by this Act through the Community Credit Corporation.

SEC. 7. The Secretary may issue such rules and regulations as he determines necessary to carry out the provisions of this Act.

SEC. 8. Any person who disposes of any feed, for which he has been reimbursed under this program, in any manner other than as authorized by the Secretary, shall be subject to a penalty equal to the market value of the feed involved, to be recovered by the Secretary in a civil suit brought for that purpose, and, in addition, shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $1,000 or imprisonment of not more than one year.

SEC. 9. The fifth and sixth sentences of section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427), section 421 of the Agricultural Act of 1949 (7 U.S.C. 1433), and the Act entitled "An Act to authorize the sale at current support prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes", approved September 21, 1959, as amended (73 Stat. 574, 7 U.S.C. 1427 note) are hereby repealed.

Mr. Speaker, today I also appeared before the Subcommittee on Conservation and Credit in support of H.R. 5041 and other improvements in agricultural disaster relief programs. The remarks I directed to their attention follow and I urge my colleagues to lend their favorable consideration to legislative proposals which the Agriculture Committee may recommend in this regard.

THE HONORABLE JAMES ABDNOR BEFORE THE CONSERVATION AND CREDIT SUBCOMMITTEE, COMMITTEE ON AGRICULTURE

Mr. Chairman and members of the Subcommittee, I commend and thank you for holding this hearing to discuss the drought situation and shortcomings of assistance programs and to hear proposals and ideas for emergency disaster assistance to farmers. I come before you not as one who thinks he has all the answers but as one who has had a lot of experience with the problems.

I would venture a guess that few, if any, of my colleagues have had the misfortune of having to deal simultaneously with drought, flood, and winter weather disasters as I have. Of course, market prices for farm products have also been at disastrous levels considering inflated production costs, but no program has yet come into play to deal with that particular problem (except the commodity loan program insofar as it assists farmers in holding their grain in anticipation of higher prices).

To those of us who have watched the development of the disastrous conditions in South Dakota and the Federal response to them, it is obvious that an overhaul of existing programs is needed to provide a comprehensive and unified agricultural disaster relief assistance program which is both effective and efficient and, at the same time, equitable to all farmers in the disaster area. That's a mighty tall order which I realize is easier said than done. I do have a number of suggestions which we have learned through hard experience, however, and I offer them for your consideration.

First of all, there should be a single office in the Department of Agriculture whose purpose is to coordinate and oversee agricultural disaster relief programs. Many of the problems with these programs have stemmed from the lack of such coordination and oversight. There are eight programs, administered and four agencies and two departments, with which we have dealt and I will briefly discuss a few of the problems we have experienced with them.

The Farmers Home Administration (FmHA), USDA's lender of last resort, administers the Emergency Loan and Emergency Livestock Credit programs.

The Emergency Loan Program provides financial assistance to farmers to cover actual production losses. The interest rate for this program is 5 percent, and the biggest problem with it has been the red tape involved in qualifying. FmHA maintains that the 5-year production history they have required for application for assistance under this program is mandated by provisions in the law itself, but such recordkeeping requirements have proven impossible for many farmers to meet. Also, state and local FmHA officials have told us that such extensive records are a needless source of aggravation to farmers and that the program could operate very well without them.

The Emergency Livestock Credit program provides loan guarantees for stockmen who are unable to obtain the financing required to remain in business without such assistance. The interest rate is negotiated between the borrower and the lender, and the major problem with the program has been that to a stockman in financial trouble, additional financing at a higher rate of interest is like throwing an anchor to a drowning man. Still, this program has been all that has allowed some stockmen to remain in business. Although only improved market prices can make up for the lack of assistance with interest rates and improved market prices will make this program obsolete, it should be preserved for the aid it has provided to a few.

USDA's Agricultural Stabilization and Conservation Service (ASCS) administered the defunct Emergency Livestock Feed program and now performs the local administrative duties for the Hay Transportation Assistance, Livestock Transportation Assistance, and Emergency Feed programs, which have been implemented by the Federal Disaster Assistance Administration. FDAA is an agency of the Department of Housing and Urban Development; and, if you're wondering how HUD got mixed up in transporting and feeding cows, perhaps I can explain.

In July of last year I wrote then Secretary Butz asking him to consider alternatives to the old Emergency Livestock Feed program under which ASCS provided oats to disaster stricken stockmen. The oats had been acquired by the Commodity Credit Corporation under the price support program in years past, and it was evident that CCC's remaining stocks would not be sufficient to see my constituents through what has been the worst drought on record in many parts of South Dakota. There were numerous glaring problems with the program that I felt should be addressed as well.

The oats ran out as expected before USDA could come up with a replacement program. My South Dakota congressional colleagues, Governor Kneip, and myself were successful in persuading the Federal Disaster Assistance Administration to implement a similar program under their broad authorities provided by the Disaster Relief Act. Despite the fact ASCS is administering the program locally, FDAA is not really comfortable with it nor do I believe HUD knows much about feeding livestock.

In December of last year I asked Secretary Knebel to furnish a draft bill which would amend USDA's authority for the old Emergency Livestock Feed program to allow con-

tinued assistance to stockmen in need of feed, despite the depletion of CCC's stocks. Specifically, I asked that the legislation provide assistance to any stockman in a declared disaster area who has a demonstrable loss of and need for feed so that he might purchase such feed through commercial channels. I suggested that the level of such assistance be set at 50 percent of the cost of feed delivered to the farmer's stock.

Further, I asked that the financial means test be eliminated so that assistance can be made available to all disaster stricken stockmen on an equitable basis. Such a financial means test had been required under the old program and had proven to be extremely unworkable and unfair due to the impossibility of determining just what is "undue financial hardship." The new program under FDAA's authority has no such test and is far superior in this respect.

Recently Secretary Bergland provided a draft of the bill I had requested in December, and I introduced it on March 2nd as H.R. 4249 (even though I felt it to be inadequate in several respects). Chairman Jones introduced an identical bill (H.R. 4295) on the same day, and I am pleased that the Subcommittee is taking this opportunity to consider this important and useful legislation. Since I introduced H.R. 4249, however, we have given additional thought to its shortcomings and I have today introduced an improved version. The improvements which are included in the bill I introduced today are as follows:

(1) Additional livestock—that is hogs, horses, and buffalo—will be eligible for assistance.

(2) Poultry will be eligible for assistance.

(3) Persons eligible for assistance must be primarily and directly involved in the production of eligible livestock or poultry (this provision is consistent with the Emergency Livestock Credit Act).

(4) Grain needed for seed will not be counted against a producer's need for livestock or poultry feed.

(5) Those who purchased feed due to the emergency but prior to the Secretary's determination that an emergency exists will be ensured of being eligible for assistance.

(6) Producers who have purchased feed in the past as a part of their normal operation will be eligible for assistance equal to 50 percent of the increase in cost of such feed purchases attributable to the emergency.

(7) Transportation expenses will be specifically included as a portion of the cost of feed purchased and the assistance provided will be 50 percent of the delivered cost of such feed.

(8) Assistance equal to 50 percent of the cost of forage rental outside the emergency area and the full cost of transporting eligible livestock back to their normal location will be provided if doing so is more economical than paying 50 percent of the delivered cost of feed.

(9) If the producer determines it is in his best interest to sell his livestock or poultry and replace them after the emergency conditions have abated, assistance will be provided to insure him against increases in the national market price and 50 percent of the amount by which his actual loss from the sale and repurchase of eligible livestock or poultry may exceed the increase in the national market price.

(10) An eligible producer is specifically prohibited from receiving assistance for more livestock or poultry than he would have held in absence of the emergency assistance program, but they need not be the same livestock or poultry and no minimum time of ownership can be established.

(11) The Secretary is directed to provide assistance for an adequate supply of feed to maintain eligible livestock or poultry in the condition they would have been maintained in absence of the emergency.

(12) The Secretary is authorized to assist eligible producers in locating available supplies of feed and directed to do so in a fashion which minimizes to the degree possible the adverse impacts on feed prices outside the emergency area.

Mr. Chairman, I truly believe this amended version of my bill (H.R. 4249) and your own (H.R. 4295) will provide an excellent emergency feed program, and I recommend its adoption in the strongest possible terms. Merely getting the program out of HUD and into USDA, where it belongs, will help; but adoption of the additional provisions I have addressed will ensure that the new program avoids the pitfalls of the past.

In concluding, I should mention the two major programs of assistance to drought-stricken grain farmers. They are, of course, the Disaster (yield deficiency) Payment and the Federal Crop Insurance programs. Both programs have been of considerable help to farmers, but both can be improved.

The Disaster Payment program is based on the allotment system, which is badly out of date; and, as a result, is grossly unfair to many farmers. Furthermore, the payments it provides are nowhere near the cost of production. Amending the program to include all "planted" acres, rather than just "allotment" acres, will help; but even so, it will not provide adequate protection.

It seems that the only likely means whereby farmers can be afforded the protection they need is through an expanded and improved Federal Crop Insurance program. Currently the program only covers certain crops in certain areas. In drought emergency areas FCIC has stopped accepting any new applications at all due to the impact the increased liability could have on the premiums on existing insurees in the years to come. The solution to the latter problem is H.R. 4289, which I have co-sponsored with Congressman Hagedorn, to provide that the increased liability of new insurees in an emergency area be borne by the Treasury.

The program itself must be broadened and expanded to encourage the maximum participation, however, and it appears the best way to do so is to subsidize a portion—such as one-quarter to one-third—of the premium. Estimates are that even considering the cost of the subsidy the program would save the Treasury money over the cost of the Disaster Payment program and would at the same time provide farmers with better coverage.

I would suggest that farmers be given the option of participating in one program or the other, but they should be encouraged to participate in the insurance program and thereby help to insure themselves against production losses. Farmers should be allowed to insure their full cost of production or such lower level as they may choose, and their premiums would be adjusted accordingly.

Mr. Chairman and members of the Subcommittee, I deeply appreciate the opportunity to appear before you and discuss these vital issues. We have just had some badly needed moisture delivered to us in South Dakota along with some severe winter weather in parts of the State. I hope that it signals the end of the drought which has plagued us. I know, though, that there will again be the need for the programs we are discussing here today, and I urge your action on the specific programs and problems I have addressed.

GEORGE A. McCLAIN CELEBRATES 101ST BIRTHDAY

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. KETCHUM. Mr. Speaker, I would like to bring to the attention of my colleagues a very special gentleman who resides in my congressional district. He is George A. McClain of Pearblossom, Calif., and he has recently celebrated his 101st birthday.

Age is no barrier to Mr. McClain in leading an active life. He enjoys driving his car, and, in fact, is one of only two people in the State of California who holds a driver's license at his age.

A native of North Carolina, George McClain has lived in the Antelope Valley for 27 years. One of 15 children himself, he has three daughters, 13 grandchildren, numerous great-grandchildren, and a great-great-granddaughter.

Many of the McClain clan gathered at the paternal home to help in the celebration of this momentous occasion. I am sure that my colleagues joins with me and members of the family in wishing George McClain a very happy 101st birthday and many more to come.

THE BITTER VERDICT AGAINST SACCHARIN

HON. PAUL S. TRIBLE, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. TRIBLE. Mr. Speaker, I would like to share with my colleagues an excellent editorial from the New York Times of Friday, March 11, 1977. This editorial faulted the recent Food and Drug Administration ban on saccharin.

The editorial identifies the real culprit in this unwarranted action as the 1958 Delaney amendment to the basic FDA statute. This amendment eliminated distinctions among foods on the basis of the degree of danger which they posed to humans. As a result, the FDA must now make its ridiculous rulings such as last week's ban on saccharin. I believe this ban should be lifted.

The full text of the editorial follows:

THE BITTER VERDICT AGAINST SACCHARIN

The Food and Drug Administration had no option but to ban the use of saccharin in foods and beverages when Canadian tests showed that some rats fed large amount of the substance developed cancer. Since 1958 there has been a statute—the Delaney Amendment to the basic F.D.A. statute—which flatly bans any food additive that, in its words, "is found to induce cancer when ingested by man or animal . . ." The law admits no qualifications. For example, the fact that reputable research with monkeys disclosed no abnormalities after they had been given large does of saccharin for 6½ years cannot even be taken into account.

Saccharin has been used for about 80 years, with no evidence that it has ever produced a single cancer in a single human being. The rats whose tumors caused the F.D.A. to act were fed diets containing 5 percent saccharin.

A human would have to drink 800 12-ounce bottles of diet soda daily every day of life to ingest a quantity of saccharin comparable to that fed the unfortunate rats. Yet diabetics and other who cannot or should not ingest normal sugar are being denied their last known legal sweetener on the basis of that unrealistic "test of safety."

The defects of the Delaney Amendment go beyond the fate of saccharin—or, earlier, of cyclamates which were banned on similar

evidence. The unqualified nature of the Delaney Amendment prohibits rational decision making. In effect, it says that if any risk of cancer can be demonstrated, then that is that. There is no room for weighing the benefits of saccharin or whatever other substance is involved against its costs. Yet such cost-benefit analysis is basic to any sensible judgment.

The saccharine decision points up the weakness of the Delany Amendment, which has long needed replacement by a more balanced effort to protect the public against carcinogens.

RENEGOTIATION REFORM ACT OF 1977

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. MINISH. Mr. Speaker, the Subcommittee on General Oversight and Renegotiation of the House Banking, Finance and Urban Affairs Committee will hold hearings late this month on H.R. 4082, the Renegotiation Reform Act of 1977.

Hearings will be held March 29 and 30 at 1 p.m., and March 31 at 9 a.m., in room 2128 Rayburn Office Building.

At this point in the RECORD, I include a press release announcing these hearings:

Chairman Joseph G. Minish of the House Banking Subcommittee on Renegotiation today announced that his panel will conduct hearings on the proposed Renegotiation Reform Act on March 29, 30, and 31.

On February 29, Minish, along with a number of cosponsors, introduced H.R. 4082, which provides for the most comprehensive and thorough reform of the renegotiation process in the history of the Act.

Renegotiation is the process by which the government attempts to recapture excessive profits on defense, space, and certain other government contracts. The status of the Act, which has been severely criticized for its many loopholes, as well as its generous exemptions, is now in a state of uncertainty. Minish's bill passed the House last year, but the Senate failed even to consider a simple extension of the existing law.

"It is clear," Minish argued, "that we must do our utmost to see that the taxpayers are not 'ripped off' by excessive profits on defense contracts relating to the national interest and national security of our country. By reviving the Act's full authority and making it permanent, we will provide assurance to the American taxpayer that he is not being overcharged on his investment in our Nation's defense.

The major provisions of the Minish legislation would make the Renegotiation Act, which has in the past been extended for short periods, permanent and provide the Renegotiation Board members with fixed, staggered terms of office.

In addition, the bill alters the language of the Renegotiation Act to put more emphasis on rendering decisions rather than reaching accommodations, and requires that renegotiations be conducted on a product line and division basis, rather than the present aggregate system. This provision would prevent conglomerates from averaging profit and losses in different divisions in order to escape excessive profit determinations.

The bill also tightens up the present exemption for commercial articles, provides for a study of the new durable productive equipment exemption, and eliminates the oil and gas well exemption.

Moreover, Minish's measure would provide substantial penalties for late filings and non-filings with the Renegotiation Board, give the Board Chairman executive authority, the Board and its regional arms suppoena power, and would require audits of all filings with the Board. At present, the great majority of contractor filings are not subject even to a rudimentary audit, and studies have indicated that profits reported to the Board are often understated in an effort by contractors to retain excessive profits.

"The glaring loopholes which allow the big corporations to reap excessive profits at the expense of the American people continue in force," Minish said. "I am hopeful that the new Congress and the new Administration will work together to reform the renegotiation process in the interest of justice."

BEN RAMSEY RETIRES AFTER 50 YEARS OF PUBLIC SERVICE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. PICKLE. Mr. Speaker, when the Honorable Ben Ramsey retired as a member of the Texas Railroad Commission this year, Texas lost one of its finest public servants. Ben Ramsey was elected as a commissioner after a distinguished career as State representative, State senator and 12 years as Lieutenant Governor of Texas, a record that will probably stand for a long while.

The east Texan was a pillar of quiet strength in his role as chief officer of the Texas Senate. Never loud or flamboyant, Ramsey managed to direct the senate efficiently without cracking the whip. He was the wise, droll, prudent Texas statesman who said less, and got more done than any public servant of our times.

Veteran Dallas News reporter Dick Morehead recently profiled Ramsey in the Texas Railroad Commission's magazine, Texas Today:

BEN RAMSEY RETIRES AFTER 50 YEARS OF PUBLIC SERVICE

AUSTIN.—When Ben Ramsey came to the state capitol 45 years ago as a brand-new state representative just out of The University of Texas Law School, state government was a rather small and personal affair.

As he retires from the Railroad Commission of Texas after nearly 15 years there as chairman and member, the Sage of San Augustine is leaving a government which is larger and much more expensive than he found it.

But Ramsey never lost the personal touch, nor the conviction that much of the growth of government is unnecessary, if not actually wrong.

Ramsey isn't like the East Texan who said "I've been here 80 years. I've seen a lot of changes—and been against all of them."

The veteran state official has been reasonably progressive but never foolish. His career has been marked with wisdom and loyalty that are rare in any field, especially government.

It's just that Ramsey isn't showy, or even political in the usual sense. As a campaigner, it is said, Ramsey never ventured from his hotel in one town. Asked why he wasn't out shaking hands, Ramsey replied "none of them is going to vote for me anyway."

But Texans did vote for Ramsey. Folks in his beloved San Augustine twice elected him state representative. After six years out to practice law, he was elected twice as state senator.

In 1949, Gov. Beauford H. Jester appointed Ramsey secretary of state, and the next year he won election as lieutenant governor over a formidable field in the Democratic primary.

Five elections later, Ramsey was still lieutenant governor—longer than any person in Texas history—and a living legend in Texas politics for the droll and skillful manner in which he presided over the state senate.

A young reporter asked Ramsey "when does the senate come to order?" Without blinking, Ramsey replied "Young man, the Senate of the State of Texas never comes to order. It just meets."

As a presiding officer, Ramsey could cool senatorial tempers with a quip, or he could be firm in getting the business accomplished in a minimum of time. Nobody ever accused Ramsey of being talkative, at least in public.

Privately, Ramsey is warm and friendly, and he is a devoted family man.

Once, when two of his young daughters became ill while he was "stumping the state" in a campaign, Ramsey ignored his campaign schedule and returned home until the girls recovered.

He also has legions of friends, mostly longstanding, who understand and appreciate Ramsey's quiet qualities, which strangers sometimes misinterpret as aloofness or shyness.

In 1961, after the death of Commissioner Olin Culberson, then-Governor Price Daniel Sr. appointed Ramsey to fill the vacancy until the 1962 election.

So, he moved up from the handsome state salary of $4,800 then paid the lieutenant governor to $17,500 annually as railroad commissioner. The office currently pays $42,300.

Ramsey has served on the commission with Ernest O. Thompson, once called "Mr. Petroleu," by admirers around the world for his regulatory expertise; with Byron Tunnell, William J. Murray, and present commissioners Judge Jim Langdon and Mack Wallace.

Wallace succeeded Ramsey as commission chairman under the rotating that office to the member whose term is expiring.

The new six-year commission term has been filled by Rep. Jon Newton, D-Beevile, who won the November election in a contest against Republican Walter Wendlandt.

Ramsey makes no apology for his conservative political views. His private views are as conservative as his public stance. The East Texan firmly believes it is the duty of each generation to "conserve" and build on the foundations of their forefathers and without trying to change the system in one election.

Ben Ramsey never lost the personal touch, nor the conviction that much of the growth of government is unnecessary, if not actually wrong.

In his last inaugural address as lieutenant governor in 1961, Ramsey asserted:

". . . It is not enough for us to rest upon the laurels of our forefathers. We must move forward. Our heritage demands a forthright policy of action today for an even greater Texas of tomorrow.

"Conditions change with passing years, but principles and processes of Democratic government remain the same. Fundamentally, a good government is a responsive government. It is our duty to balance the budget. The deficit must be wiped out. Income must equal outgo. The cold facts of the balance sheet must be recognized."

In one of his longer addresses, lasting over five minutes, Ramsey called for "the best" schools, roads, mental hospitals, welfare and health programs . . . "necessary services of the

first class" but it never put him among the big spenders of the taxpayers' money.

Ramsey always contended there is too much wasted motion in government and elsewhere.

The late Allen Duckworth, political editor of The Dallas Morning News, was a friend and admirer of Ramsey although the two were quite different men. Once Duckworth wrote of the lieutenant governor's deadpan remark about witness at a night committee session in the Senate.

"That man is working under a great handicap," a senator explained to Ramsey. "He is stone-deaf—can't hear a thing.

Replied gentle Ben: "I don't think he's handicapped. He doesn't have to listen to what he is saying."

On another occasion, a friend went to Ramsey's office-apartment and was surprised to find Ramsey alone in the living room, causally reading a newspaper.

"Ben," asked the visitor, "don't you realize there are some mighty important people waiting outside to see you?"

Without lowering his paper, Ramsey muttered: "Well, sit down and be quiet. Maybe they'll go away."

Shortly after his tough 1950 victory for lieutenant governor against 11 opponents, several of them at least as well known as he was, Ramsey tired of hearing post-mortems on why the others lost to him.

"You have overlooked one thing," he noted.

"What's that?"

"I got more votes."

Master of the one-liner, Ramsey has been called "a political paradox," the "Will Rogers of Texas politics," and some less complimentary names. The least complimentary are from Texas labor leaders who never forgave Ramsey for passing several labor regulatory bills through the legislature while he was a senator.

One is the "Right to Work" law against compulsory union membership, which union leaders have been trying to repeal for almost 30 years without success.

He also was an advocate of regulating "loan sharks," strong law enforcement and Jerry Holleman, then chief executive of the Texas Federation of Labor, who left the organization years ago, called Ramsey a "despot" as lieutenant governor, but it never seemed to bother Ramsey. He directed the Senate with what cowboys call a "loose rein," letting senators have their way until they seemed to be traveling the wrong course, then pulling them up short, often calming tempers with a quip.

His words in public as a Railroad Commission member have been few but meaningful. Once when his close friend, Edward Clark, Austin attorney and former Ambassador to Australia, was belaboring federal authorities in a speech at a proration hearing for messing up the oil and gas industry, Ramsey replied:

"We like to hear people's troubles," said Ramsey. "We don't think Congress does. If they's let (the oil and gas industry) alone, it would be highly satisfactory with this commission."

Ramsey accepts few speaking engagements. His commencement address to seniors at San Augustine High School in 1951 is as timely today as then.

"Americans, especially the young, must chose betwen the ideological concepts of individual initiative and individual rights versus the idea that government should be allowed to control individual activity, business activity, labor and wealth, and should have the power to dole out jobs, money, housing and what have you as it seems fit," he explained.

"That way of thinking and the traditional American philosophy are as far apart as any two concepts can possibly be. Yet, the concept of an all-powerful government has taken hold in some places in this country to a dangerous and incredible extent. . ."

Twenty-five years later, the concept has "taken hold" more widely and to a more "incredible extent."

"Are we going to continue to let the federal government grow in power and in scope until we have reached totalitarianism?" asked Ramsey.

Ramsey's affection for his beautiful home country at San Augustine permeates his conversation. While serving as acting governor in the absence of then-Gov. Allan Shivers, Ramsey once decided to "reign" over the state from San Augustine.

"No governor has reigned from San Augustine in a long time," he explained. "I think I'll stay right here. If a fire whistle blows, I will go over to the window and look out."

After leaving the Railroad Commission, Ramsey returned to San Augustine where he plans to "practice a little law." But he doesn't intend to overwork.

On another occasion while acting governor, Ramsey stayed in the lieutenant governor's office. Asked why he didn't occupy the governor's more elaborate offices, as the substitute is entitled to do, Ramsey replied "No use in going over there. Shivers locked up everything before he went—except a chair."

Well why didn't Ramsey go over and sit in the governor's chair? "This chair over here is more comfortable," quipped the executive.

When Ramsey discovered as acting governor he could draw $35 a day in that role in addition to $10 a day as lieutenant governor, he remarked "that's a pretty good deal. Why doesn't Shivers go to Europe?"

With his slouch hat, loose suits, and shirt collar overhanging his coat, Ramsey sometimes resembled an unmade bed. On special occasions, such as inaugurals, his wife insisted on Ramsey getting a haircut. "She acts like it was her hair," he grumbled affectionately. Although differing with much of the philosophy espoused by many national figures in the Democratic Party, Ramsey never wavered in his loyalty to the party which honored him so many times.

In 1952, Gov. Shivers led most of the state's top elected officials into the Republican column for Dwight D. Eisenhower because Democratic nominee Adlai Stevenson refused to recognize Texas' claim to historic offshore boundaries of the tidelands. Ramsey didn't follow. Neither did he quarrel with his old friend Shivers. He just declined to endorse a Republican candidate—even once. The same year, Ramsey won renomination with 82.9 percent of the Democratic vote.

SALUTE TO LA TRIBUNA

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. RODINO. Mr. Speaker, I wish today to congratulate Mr. Carlos G. Bidot and the devoted staff of La Tribuna on the celebration of the 15th anniversary of the founding of this fine publication.

La Tribuna has the distinction of being the oldest daily Spanish newspaper in my State providing a vital communication link in the Hispanic community.

Published in Newark, La Tribuna boasts a circulation throughout the State of New Jersey, and is received at my office in Washington.

For many years now I have had the distinct honor of being well acquainted with the publisher and guiding light of La Tribuna, Mr. Carlos Bidot, and have always found him to be a warm, sincere, and exceptionally dedicated individual. He and his paper are ever responsive to the needs and interests of the people he so capably serves.

We can only hope for many more years of fine reporting from this excellent newspaper. Muchas gracias y buena suerte, Sr. Bidot.

RAMPANT FEDERAL REGULATION OF NATION'S COLLEGES

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. DEL CLAWSON. Mr. Speaker, the Washington Star of Saturday, March 12, contains an editorial by Mr. James J. Kilpatrick calling attention to a form of rampant Federal regulation which threatens disaster to many of the Nation's colleges. In fact, the point is made, that the effect of the regulation is actually opposite to the announced goals of the legislation it purports to implement. Clearly, the onus is on the Congress to alleviate this particular situation and I would hope to action on legislation to establish procedures for systematic review by the Congress of agency rulemaking which is contrary to congressional intent, legislation which I am again sponsoring in this 95th Congress. The column by Mr. Kilpatrick follows at this point in the RECORD:

COLLEGES TRY TO ESCAPE SUFFOCATING BENEVOLENCE

(By James J. Kilpatrick)

The nation's private colleges and universities historically have traveled a rough road. They never have been in greater peril than they are today.

Once their concern was with performing their independent task well; now their concern is with performing it at all.

The threat to their existence comes in part from rising costs that have pushed tuition fees to a point of diminishing returns, but this is not the great worry. The most ominous peril lies in the tightening grip of federal controls.

It is a melancholy story, but certainly not a new one; the colleges are victims of the ancient rule that says the road to hell is paved with good intentions. Twenty years ago, when institutions of higher education began accepting major federal grants, the motives were noble and the process seemed benign. When Congress began funding large programs of student loans, the benevolence was widely acclaimed. Federal requirements in the field of civil rights seemed altogether just.

The institutions had abundant warning of the course of events. Scores of college presidents sounded alarms: Federal aid inevitably would bring federal control. But the temptations were too strong, and the pressures on Congress too great to be resisted. The government's 1978 budget projects nearly $3.4 billion in various aids to higher education, an increase of 26 percent over the outlays in fiscal '76.

Controls come in different guises. A small Methodist college, hard-pressed for building funds, in desperation accepted a federal

grant of $373,000. These were the conditions: The college agreed "to remove all religious symbols from the top of its chapel, to limit the number of Methodists on its board and teaching staff, to refrain from sponsoring or conducting any religious services, to remain totally neutral toward the spiritual development, in a religious sense, of its students, and to exclude prayers, hymns, and sermons from its graduation exercises."

The government's demands for "affirmative action" in the hiring of faculty members continue to impose burdens that get to be unbearable. In a major speech last month, Dr. John A. Howard, president of Rockford College, spoke in somber tones of the problem:

"Whatever may have been the intent of the government, it is an indisputable fact that 'affirmative action' has operated in such a way as to prevent many colleges from consistently hiring and promoting the best qualified individuals to the vacances on its faculty . . . To permit any extraneous consideration to take precedence over professional qualifications in the appointment of faculty members is to compromise the educational process at its very core. This is a large and fateful step which the nation has taken toward intellectual and cultural suicide."

Some of the controls are far removed from the educational process as such. Federal health and safety regulations lie like an asbestos blanket across the campuses.

The American Council on Education has estimated the cost of compliance with federal requirements at almost $2 billion a year. As *Newsweek* magazine has noted, the sum is "roughly equal to the entire sum the institutions raise through voluntary donations." The burden of federal forms, records, inspections, and compliance reports grows ever greater.

Dr. Howard has urged his colleagues to band together this year in a concerted appeal to Congress and to the Carter administration: Get off our backs! He pleads eloquently for a moratorium on further manifestations of the benevolence that suffocates.

He also pleads for a modest program of tax credits, as distinguished from tax deductions, for contributions made directly to institutions of higher learning.

The tax credit plan makes sense in principle; in practice, it could mean serious problems for the Treasury. For the time being, what is most needed is a clear statement of policy from President Carter and from HEW Secretary Califano.

That policy must be predicated upon a steady reduction in federal rules, regulations and direct grants-in-aid. Unless the trend of recent years can be reversed, the private institutions ultimately will become mere appendages of the omnipotent state; they may survive, but they will be "private" only in name.

I BELIEVE

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. TAYLOR. Mr. Speaker, a former Member of this body, my great and good friend the Honorable Dewey Short, who served his Missouri district and Nation with great pride and ability, has brought to my attention a statement authored by John D. Rockfeller, Jr., "I Believe."

These words are carved on a bronze tablet at the entrance to Rockefeller Center in New York. They offer a sound, sane, safe, and successful philosophy that if followed and practiced in our daily lives would bring joy, peace, and fulfillment to all.

Faith without words is dead. The following is worthy of being pondered and weighed:

I BELIEVE

(By John D. Rockfeller, Jr.)

I believe in the supreme worth of the individual and in his right to life, liberty, and the pursuit of happiness.

I believe that every right implies a responsibility; every opportunity, an obligation; every possession, a duty.

I believe that the law was made for man and not man for the law; that government is the servant of the people and not their master.

I believe in the dignity of labor, whether with head or hand, that the world owes no man a living but that it owes every man an opportunity to make a living.

I believe that thrift is essential to well ordered living and that economy is a prime requisite of a sound financial structure, whether in government, business or personal affairs.

I believe that truth and justice are fundamental to an enduring social order.

I believe in the sacredness of a promise, that a man's word should be as good as his bond; that character—not wealth or power or position—is of supreme worth.

I believe that the rendering of useful service is the common duty of mankind and that only in the purifying fire of sacrifice is the dross of selfishness consumed and the greatness of the human soul set free.

I believe in an all-wise and all-loving God, named by whatever name, and that the individual's highest fulfillment, greatest happiness, and widest usefulness are to be found in living in harmony with His will.

I believe that love is the greatest thing in the world; that it alone can overcome hate; that right can and will triumph over might.

REPEAL OF THE BYRD AMENDMENT

HON. JAMES A. S. LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. LEACH. Mr. Speaker, I should like briefly to explain my vote in favor of H.R. 1746. Those who oppose repeal of the Byrd amendment point out quite correctly that there is some irony that the Congress of the United States should at this late date reverse its position. In the very near future the Smith regime is likely to be replaced by a black government, hopefully one with majority support in the country. Opponents of the Byrd amendment also point out quite correctly that there is great hypocrisy for the world community to single out Rhodesia for the failure to respect the human rights of the majority of its citizens. Many other countries in the industrially developed as well as developing world consistently violate the human and political rights of their people.

Yet, I believe it important for this Congress to define a new direction for our Government. I support economic sanctions against Rhodesia, not simply because these sanctions were mandated within the framework of the United Nations, although this is important, nor because the Rhodesian Government is operating outside the framework of legitimacy demanded by majority rule, which is true, but in a larger sense because there are few precedents in history where the conscience of mankind has been mobilized, without recourse to the use of force, to bring pressure on an existing government to change its internal policies. The United States is the strongest and most respected democracy in the world. America's principles should be reflected in foreign policy as well as domestic; in human values, as well as economic; in the peaceful rather than forceful application of international opinion.

THE PASSOVER PLOT

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. SOLARZ. Mr. Speaker, I am left utterly exasperated by the latest abridgment of religious freedom by the Soviet Union. As a result of recent regulations, the Soviets have effectively banned the entry of matzoth, the unleavened bread eaten by Jews during the forthcoming passover festival. By forbidding the "import into the U.S.S.R. of alimentary doughs, and products of flour converted into bread, in any postal item whatsoever," the Soviets will prevent thousands of Jews from participating in their religious tradition.

Once again the spirit of the Helsinki agreements have been flagrantly violated by the Soviet Union. Where is the respect guaranteed by the Helsinki accords for fundamental freedoms, including religion? The matzoth ban is the most recent case of religious repression perpetrated upon the Jewish people of the Soviet Union.

In 1963 and 1964, a similar ban was imposed by the U.S.S.R. Only after protests from groups around the world, was this pernicious policy modified. This year some 25,000 individual packages of matzoh currently in preparation for shipment to the Soviet Union will never reach the estimated 2.2 million Jews living in the Soviet Union. Once again, those of us who are dedicated to the cause of human freedom must stand up and denounce this continuous, systematic, and relentless denial of internationally recognized human rights by the Soviet Union.

It is both interesting and disheartening to note that the passover holiday, which this year begins at sundown on April 2, commemorates the flight of the ancient Israelites from Egypt to escape the oppressions of the Pharaoh. The matzoth reminds us of the speed with which the Israelites fled from bondage, since they could not wait for the bread to rise before departing. Today, in 1977, matzoth has once again become a symbol of oppression.

Mr. Speaker, I stand in the well of the House today, as so many of our colleagues have in the past, to call on the

Soviet Union to let our people fulfill their religious obligations by permitting meaningful recognition of the principle of religious freedom.

THE ST. PETERSBURG INTERNATIONAL FOLK FESTIVAL

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. YOUNG of Florida. Mr. Speaker, this weekend I had the privilege of participating in the opening ceremonies of the second annual St. Petersburg International Folk Festival at the Bayfront Center Auditorium, and it was an experience I would like to share. It did a great deal to "awaken" my understanding of the complexities of the cultural makeup of America. An insight into the heritages of Americans whose families emigrated from more than 25 countries, were offered in exhibitions of native music and dance, authentic costumes, delicious old world foods, and exhibits of cultural, religious, art, and needlework treasures.

Represented with great pride were the traditions of Poland, Scotland, France, Lithuania, Ireland, Italy, Czechoslovakia, Germany, African-Americans, Canada, Russia, Greece, Vietnam, the Philippines, Hungary, Lebanon, the United States, the American Indian, the Ukraine, Cuba, Latvia, India's subcontinent, Scandinavia, South America, Israel, Estonia, Wales, Armenia, and England.

The exhibition, and the spirit of the people who participated in this festival, transgressed all of the political complications between nations that we are conscious of every day in Congress. Americans of many ethnic backgrounds have come to live together in this country, to enjoy all of its freedoms and privileges, and to offer the experience of many years of achievement and tradition brought from abroad.

I wish each of my colleagues could have shared the day with me. The experience would have been helpful to us as a leadership body. One of experiencing the deep devotion and pride of those American whose daily lives are spent in keeping with the best traditions of both the Old World and the New.

I wish also that all of the political leaders of all of the nations of the world could have attended the St. Petersburg International Folk Festival with me, to personally observe how so many people, with so many different backgrounds and national origins, from so many parts of the world, can work and play together with such a beautiful spirit of mutual friendship and trust. If it were possible for the political leaders of the world to experience this feeling, I know that many of the hostilities that exist between nations would evaporate. But while the world's leaders could not attend, in their absence, I know that God was watching, and I am sure He was pleased.

A MODEST PROPOSAL FOR TAX EQUITY

HON. HERBERT F. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. HARRIS. Mr. Speaker, our tax laws discriminate against renters. Unlike other taxpayers, a tenant, who pays property taxes through his rent, is denied the right to claim his property tax payments for Federal income tax purposes. Between 20 and 25 percent of a typical rent payment is actually a property tax payment.

Along with over 70 Members of the House of Representatives, I have introduced H.R. 84 which extends property tax relief to tenants. Under my bill, a renter could claim a tax credit of 25 percent of the property taxes he pays through his rent. For the average taxpayer, a credit of 25 percent is approximately equivalent to a full deduction. The bill does not change the Federal income tax liability of landlords.

H.R. 84 corrects a major inequity in our tax laws. Moreover, the bill provides needed relief to the 36 percent of all American families who rent their homes. Under the bill, 50 percent of the property tax relief will go to families earning less than $13,000 and 77 percent will go to families earning less than $19,500. According to a recent Congressional Research Service study, the property tax relief for the average taxpayer under H.R. 84 would be $121.31 per year.

This legislation is supported by the National Tenants Association, the National Apartment Association, the National Council of Senior Citizens, and the National Federation of Retired Federal Employees. I urge my colleagues who desire additional information regarding H.R. 84, or who would like to cosponsor this legislation, to contact me.

The tenants' property tax issue was recently discussed in the winter 1977 edition of the Real Estate Review, published by the Real Estate Institute of New York University. "A Modest Proposal for Tenants' Equity," written by Mr. Marshall Holleb, concluded that property tax relief should be extended to tenants. To achieve this end, Mr. Holleb proposed that State and local governments: First, drop the real estate tax on the landlord; second, assess the same tax as a pro rata legal liability of the tenant; and third, provide that the landlord collect the tax as agent and pay it to the taxing authority.

By shifting the liability of the propety tax, tenants would be allowed to claim the property tax payment—which they already pay through the rent—for Federal income tax purposes. Neither the housing cost of renters nor the Federal income tax liability of landlords would increase under Mr. Holleb's proposal. The same end is achieved by H.R. 84. My bill recognizes that landlords are merely acting as transfer agents for State and/or local governments and therefore allows tenants to claim the property tax payment for Federal income tax purposes.

Mr. Holleb has presented a good discussion of the property tax issue. His article follows:

A MODEST PROPOSAL FOR TENANTS' EQUALITY

(By Marshall M. Holleb)

Edmund Burke, the eminent British statesman, in a speech on American taxation in 1774, said: "To tax and to please, no more than to love and to be wise, is not given to men." To tax and to be just may be equally difficult. Nevertheless, the tax proposal that follows—to permit the renter to deduct the real estate tax attributable to his leased premises—has that aim.

Current income tax laws heavily favor homeowners over renters. The homeowner, but not the renter, is permitted to deduct that portion of his housing costs representing real estate taxes and mortgage interest. The historical justification for this practice is well-known—that homeownership benefits society at large because it encourages stability and social order. Whether this in fact was true during much of our past history is no longer the point. Today, there is no justification for a tax system that favors the homeowner over the tenant. Both for reasons of economics and personal preference, millions of Americans, including increasing numbers of suburbanites, choose apartment-style living today for most, if not all, of their lifetimes. And now, sharply rising operating costs for real estate are forcing rents up to the point where they represent significantly more than the "25 percent of take-home pay" that has been the traditional measure of housing expenditure.

In fact, the true justification for the inequitable tax treatment between homeowners and renters rests on a political reality. Homeowners remain a large majority, nearly 66 percent, of the voting population. And they are acutely aware of the rising real estate taxes that are a visible cost to them. In contrast, the renter not only forms a smaller portion of the voting populace but is often unaware of the size of the property tax hidden in his monthly rental payment.

However, both of these realities are changing. It appears that homeownership in the United States may have passed its peak (see accompanying box), while tenants, facing constantly rising rentals and landlord attempts to diminish service, have become far more organized and militant than ever before. The time, then, may be ripe for an "equal rights amendment" for residential tenants. Landlord and developer groups can be counted on to throw their weight behind any such change in the tax laws since their position would remain the same in any event. At a time when multifamily construction is scraping bottom, any proposal that promises to reduce the net rental cost of apartments is certain to be regarded by them as a positive development.

There are four alternative solutions to the inequity between homeowner and tenant that are worthy of careful study. They are discussed in turn in the following paragraphs.

ELIMINATE THE HOMEOWNER'S TAX DEDUCTION

The solution that suggests itself first is to eliminate entirely the deductions now available to taxpayers from property taxes and interest arising from personal housing costs. It may be argued that no justification exists for such deductions since real estate taxes and mortgage interest are simply personal expenses much like clothing and fuel. A tax deduction for a real estate tax payment or mortgage interest payment is for the individual a gratuitous blessing In Canada neither real estate taxes nor interest are deductible in income tax calculations for homeowners. However, given today's housing costs, many current home-

owners could not retain their homes without the deductions. This indirect housing subsidy has come to be accepted as a virtual necessity. But that view has its critics.[1]

It is our national housing goal to provide a "decent home and suitable living environment for every American family." This was officially established by Congress in 1949 and reaffirmed in 1968. However, without subsidies that goal would be unattainable since a large segment of our population is not financially able to afford housing, either owned or rented, which meets minimum standards established by state and local building and zoning codes.

It has been estimated that about one out of every six new housing units built in the United States during the past five years was aided by direct interest subsidy programs under FHA Section 235–236. In fiscal 1971, the total cost of such direct housing subsidies was about $1.46 billion. However, indirect subsidies in the form of federal tax benefits to homeowners amounted to about $5.7 billion in 1971. Over two-thirds of this federal tax-saving gift was received by households with incomes over $10,000. Clearly, present housing subsidies benefit middle- and upper-income families significantly more than the poor. As Peter Marcuse said, "[I]f Congress wants to put so many billions into housing subsidies, there must be a more equitable, efficient and accountable way to distribute such a significant portion of the federal budget." [2]

THE CASE FOR ELIMINATING THE PROPERTY TAX

With special favors benefiting such an overwhelming percentage of the population, clearly the elimination of these subsidies is not politically feasible. A second alternative would be to eliminate the property tax on housing—or at least reduce it drastically.

The case for eliminating property tax on housing is well documented. Its economic effects are regressive and, as a consumer tax, it falls most heavily on the low-income people.[3] Consumer taxes or sales taxes generally range from 4 to 8 percent. Sales taxes on liquor, tobacco, and gasoline are somewhat higher, going up to 10 percent. However, taxes on housing are generally estimated to be about 23 to 25 percent of housing costs. According to Richard Netzer, "[I]t is simply inconceivable that, if we were starting to develop a tax system from scratch, we would single out housing for extroardinary high levels of consumption taxation. More likely we would exempt housing entirely from taxation, just as many states exempt food from sales tax." [4]

There are other specific criticisms. The property tax is full of administrative weaknesses. It is the only major revenue source for which the base is determined in a subjective manner. The base of an income tax, by contrast, is computed with few subjective options such as depreciation rates.

High property taxes make more difficult the problems of improving deteriorating central cities as residential locations. They impede the rehabilitation of old housing and the construction of new. They accelerate the rate of abandonment of housing.

These and other reasons make the property tax extremely unpopular. Unfortunately, elimination of the property tax for residential users is not a simple matter. The property tax raises a great deal of money for local governments—moneys not otherwise available from other politically acceptable taxable sources. No tax is subject to more widespread criticism than the property tax; yet it remains the mainstay of local government finance and produces some $45 billion a year. When proposals to replace it are put to the voters, they generally choose to retain the "known evil" rather than risk the unpopular features of other taxes.

A proposed revenue program that, if adopted, would substantially reduce the impact of property taxes (and so eliminate the inequity existing between homeowners and renters) would impose on the states the entire cost of financing public education and have the federal government assume the burden of financing and administering basic income maintenance programs. Even though property taxes would still be required for purely local services, their impact might well be so small as to be inconsequential. However, at this time there seems little prospect of the broad adoption of this two-pronged program.

SHOULD RENTAL INCOME BE IMPUTED TO HOMEOWNERS?

A third alternative, called the "imputed use value" or "imputed net rental income" approach, treats the homeowner simultaneously as both landlord and tenant. The homeowner's revenue as landlord is deemed to be equal to the amount payable as rent for comparable housing. Concurrently, his expenses of property ownership are deducted as if they were business expenses. The difference between the assumed rental income and the deductible expenses represents imputed net income which would be taxable as any other income.

The imputed net rent method has actually been tried by some European countries, principally Great Britain. Despite its theoretical logic there were overwhelming difficulties in trying to measure the fair market rental value of an owned home. The British experiment fell into disfavor and was discontinued in 1963.

WHY NOT ASSESS PROPERTY TAXES DIRECTLY TO TENANTS?

The three suggested alternatives to correct the current tax inequity between homeowners and renters all seem politically impossible. How, then, to right the wrong?

A proposal that is fair, simple and likely to succeed is this:

Drop the real estate tax on the landlord.

Assess that same tax as a pro rata legal liability of the tenant.

Provide that the landlord collect the tax as agent and pay it to the taxing authority.

The landlord and the municipality are in the same position as before, but the tenant, just as the homeowner, has picked up an itemized deduction in the calculation of his income taxes.

The difficulty of using such a simple approach lies principally with the language of Section 164 of the Internal Revenue Code.[5] Under this language, the courts have ruled against allowing a tenant to deduct property taxes, even when the lease specifically makes the tenant liable for such taxes, because the tenant is not the one against whom the tax is initially imposed.

What needs to be done, therefore, is to impose a true and direct property tax liability on the tenant. Where this *has* been done, the Internal Revenue Service has allowed the deduction. For example, Hawaii imposed direct liability for real estate taxes on tenants under leases with terms of fifteen years or more; a 1964 revenue ruling held that the tenant in such event could deduct the taxes.[6] Further, if under state law the owner of a condominium is liable to the local taxing authority for the tax assessment on his proportionate interest in the land and building, the taxpayer is allowed to deduct the taxes paid on his share of the property.[7] Under Section 216 of the Code, this concept has been extended to a tenant-stockholder in a cooperative housing corporation, and a deduction is allowed him for amounts paid or accrued to the corporation within the taxpayer's taxable year representing his proportionate share of real estate taxes paid or incurred by the corporation.

Any state statute providing for tenant liability for the tenant's proportionate share of the property tax should provide that the statute becomes effective only after an unconditional revenue ruling by the Internal Revenue Service applicable to the facts of the proposed statute. To do otherwise would risk a situation in which neither the landlord nor the tenant may receive a deduction and therefore result in a clear discrimination.

The plan most likely to succeed is the one recently proposed by the Temporary State Commission on Living Costs and the Economy of the State of New York. It would make all residential tenants directly liable (with the landlord) for the pro rata payment of the real property tax. Individual tenant liability would depend on the area and income his leasehold represents as a part of net usable space. The tenant's rent would be reduced by the amount of the tax, and the tenant would pay the amount of the reduction as real estate tax to the landlord, who, as agent, would hold the tax sum in an escrow account for payment to the appropriate collector. The tenant would be liable in a civil action for the tax, even if it were not collected by the landlord. Failure to pay also would create a lease default. The landlord would be motivated to collect since it would ensure a credit to him against the property tax liability.

The tenant tax proposal seems to do the trick. It is fair to the landlord who, as agent, acts as a conduit for the funds. His taxable income remains unchanged. For him, it's a "pass through." It is fair to tenants because, as a deductible tax liability, it would bring some economic relief and would reduce some of the unjustified inequities which exist between the tenant and homeowner. For these reasons, this proposal has quite properly been named the "Tenants' Equality Act."

This proposed plan would, in part, equalize tax benefits between homeowners and some renters, but not all. For, to claim the deduction, a taxpayer would need an income large enough to benefit from itemizing rather than taking the standard deduction.

TAX RELIEF FOR TENANTS WHO DO NOT ITEMIZE DEDUCTIONS

There are ways to bring tax relief to renters whose income does not justify itemizing. For example, California has provided renters with credits of $25 to $45 against state income taxes. This is a gesture to the renter to try to equalize homeowners' privileges under the state tax rules. Illinois has a "circuit breaker" program for the elderly. Its benefits are available to renters sixty-five years or older or anyone suffering from certain disabilities; it provides direct grants up to 25 percent of rent when property taxes attributable to the premises exceed 4 percent of the household's adjusted gross income, up to a $10,000 income ceiling. The purpose is to protect such persons from loss of their residence due to increased property taxes. (A similar program aids homeowners.) Vermont and Michigan also have this type of program.

John Shannon, Assistant Director of the Advisory Commission on Intergovernmental Relations, notes that the "circuit breaker" program is the most prevalent form of property tax relief and has become so popular that even the federal government is trying to get in on the act. If these relief measures were adopted in all fifty states, they would "represent the most significant change in the country's tax structure since World War II." [8]

Nine states and the District of Columbia currently provide tax relief to renters in the form of an income tax credit. In some states renters must be over sixty-five, or disabled, or earning less than some specified amount in order to be eligible for the credit. The credit is usually a portion of the property tax paid by the landlord on the taxpayer's residence. The property tax burden attributable to an individual renter is usually held to be equal

Footnotes at end of article.

to a certain percentage of his rent. No state allows a deduction, as opposed to a credit, for property tax burdens borne by renters.[9]

CONCLUSION

Current income tax laws create inequities between homeowners and renters. There is no reasonable justification for such inequities. A variety of alternative proposals to help eradicate this discrimination have been found unacceptable, such as: eliminating the real property tax and mortgage interest deductions for housing; eliminating entirely the property tax on housing; and taxing the homeowner by using the imputed rent method.

The "tenant property tax" is proposed as the best solution to reduce the inequities between the homeowner and renter. It should be coupled with the state "circuit breaker" or "rent credit methods" to bring some measure of relief to homeowners and renters who do not benefit from itemizing income tax deductions.

FOOTNOTES

[1] Henry J. Aaron suggests a better way to distribute the benefits of housing subsidies is through allowances based on personal income, net worth, and local housing costs. See Aaron, *Shelter and Subsidies* (Brookings Studies in Social Economics 1972).

[2] Marcuse, "McKinsey Report: Toward a New Deal for Renters," N.Y. Magazine, March 1972, p. 123.

[3] Aaron, *The Property Tax: Progressive or Regressive? A New View of Property Tax Incidence* 212-235 (American Economic Association, May 1974).

[4] "Impact of the Property Tax," *The National Commission on Urban Problems, Research Report No. 1* (1968).

[5] "(a) General Rule—Except as otherwise provided in this section, the following taxes shall be allowed as a deduction for the taxable year within which paid or accrued: (1) state and local, and foreign, real property taxes...."

[6] Rev. Rul. 64-327, 1964-2 C.B. 56.

[7] Rev. Rul. 64-31, 1964-1 C.B. 300, Pt. 1.

[8] 3 *Search, A Report From the Urban Institute* (Sept.-Oct. 1973).

[9] Information on existing state law is taken from the *State Tax Guide* (Commerce Clearing House 1976). It should be noted that while, in general, "income" refers to the total income of all members of a household, this is not always made clear in the source we used. Also, in most states, "rent" does not include the portion of a tenant's payment to his landlord that covers the costs of utilities.

WESTERN DROUGHT AND THE WATER PROJECT CUTS

HON. DAN GLICKMAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. GLICKMAN. Mr. Speaker, President Carter's recent deferral of funding for 19 water projects in the Western United States has intensified concern in my district over the severe drought situation in the West. I would like to submit the following articles from newspapers in my district concerning the western drought and the President's water project cuts:

WATER PROJECTS NEEDED

Anyone who has paid attention to the news over the years recognizes a familiar situation: A president or the Congress attempts to save a little money by cutting some works project out of the budget and the districts affected immediately set up a protest.

Everyone's in favor of economy, but not in their own area.

There's a factor, however, that keeps the present fight to forestall President Carter's attempt to stop funding for 19 federal water projects from being an ordinary example of this sort of thing.

That factor is drought.

Most of the projects are in the west, where rainfall has been below normal and some parts of the western United States are threatened with the most severe water shortages in many years.

To be certain, the projects under consideration will not be completed in time to ameliorate the present problem. But when there's drought, people begin to care passionately about water.

Grove Reservoir is the only threatened project in Kansas. Its primary purpose is to assure Topeka a water supply in the future. For the present Topeka is all right, but only because of the presence upstream of Tuttle Creek, which, when it was built, was one of the most controversial projects ever in Kansas.

It might not matter significantly if funding or Grove were delayed a year or two, but it does seen essential that it be built, and delay has a way of becoming permanent.

Moreover, in most of the projects the President has singled out, millions of dollars already have been spent. It seems poor economy to throw that money down the drain by leaving them uncompleted.

And the prospect of drought which may continue through this summer makes it seem the more unwise to cut back on any water conservation projects in the area most heavily affected.

PLAN SET FOR CARRYING WATER FROM RESERVOIRS TO FIGHT DROUGHT

TOPEKA.—The Kansas Water Resources Board has arranged with the Army Corps of Engineers to allow people to haul reservoir water for livestock if drought persists, board chairman Dale Williams said Saturday.

If county commissioners declare a drought emergency and the governor of the board approves, then the Corps of Engineers will set a location for people to withdraw water from reservoirs, Williams said.

He said county commissioners would be responsible for equipment to pump water from reservoirs into containers for hauling.

"The board is extremely concerned about the drought condition in Kansas and has directed the staff of the Water Resources Board to develop contingency emergency drought policies dealing with coordinated efforts between various federal and state agencies to support expansion of operational weather modification programs and development of water control and conservation programs," Williams said.

He said county commissioners, after declaring a drought emergency, can determine where surplus water exists or is available in reservoirs where a land owner received a reduction in assessed value when he constructed a dam.

The owner must allow access to the reservoir, Williams said.

He said that under Kansas statutes dating to the 1930s, county commissioners can declare a drought emergency and can obtain drought relief wells and pumping equipment.

EMERGENCY WATER PLAN ORDERED

TOPEKA, KAN.—The Kansas Water Resources Board directed its staff Friday to develop contingency emergency drought policies.

Dale Williams, Garden City, chairman, said the board wants coordinated efforts between various federal and state agencies to support expansion of operational weather modification programs and development of water control and conservation programs.

The board's action followed a two-day meeting in which it reviewed the lack of rainfall the last six to 12 months and the effect on the state's water supplies.

Williams said the board also considered implications of the possibility the drought will prevail into the spring and summer months.

Williams said under Kansas statutes county commissioners can declare by resolution that a drought emergency exists and then can drill, construct or obtain drought relief wells and pumps, and can purchase equipment necessary for pumping from streams.

WATER WAR FUELED BY CARTER CUTS

(By Grace Lichtenstein)

DENVER.—President Carter's controversial attempt to stop funding for 19 federal water projects during this drought year has intensified a century-old battle in the West—the war of water politics.

Five of the six most expensive projects cut by Carter from the budget proposed last January by President Ford are in the West. Most have been hotly contested practically from the moment they were proposed. Some have been dreamed of for years.

Grove Reservoir near Topeka is one of the 19 projects facing the proposed cuts. Carter has suggested cutting out the $1 million targeted for the reservoir for next year.

Rep. Martha Keys, in whose district the project was, said she was "disappointed" over the cut "since one area of the reservoir is to provide water to the city of Topeka."

The latest skirmish over Western water projects will get even more frenzied between now and April 15. That is the deadline that Carter has set for a report on what to do about 320 additional water projects across the country.

Meanwhile, Western governors and members of Congress are lobbying furiously to restore funds for the projects already in trouble.

At stake is not only billions of federal dollars for what some have long contended are uneconomic "porkbarrel" dams, reservoirs, pumping facilities and aqueducts. The fundamental question is where to find enough water as more and more people, high-yield farms and utilities flock to the driest part of the country.

Everyone in the West competes for what is really very little water. An average of fewer than 20 inches of precipitation falls on most of the West each year, compared with 30 to 38 inches on the states east of the Mississippi River.

The water question has nagged the West in wet and dry years alike. It is a political fight that pits northern California against southern California, eastern Colorado against western Colorado, state against state, farmer against farmer and sometimes a politician against himself.

The paradox of water politics may be best illustrated by Gov. Jerry Brown of California, whose state contains 50 per cent of the West's population.

He describes the drought as a manifestation of an "era of limits" and says people must "adjust their lives" accordingly. On the other hand, he is marshaling support for expansion of the State Water Project, which would cost from $2 billion to $4 billion in state and federal money.

A few veterans of water wars think the drought and the water projects' controversy make this an ideal time to revive old, outdated ideas about Western water.

"We ought to learn," said Mahamed El-Ashry of the Environmental Defense fund in Denver, "to utilize this opportunity for a

more progressive water resources policy that does not use dams as a way of managing water already in short supply."

Gov. Richard Lamm of Colorado remarked: "The days of large-scale Western water projects are coming to an end. Grandiose schemes about making deserts bloom? Some of us have more modest goals and expectations now.

"I very strongly believe there's a limit to the carrying capacity of the West. We're going to have to cut down our growth rate."

But he quickly added that he would fight to save the three threatened Colorado dam projects on Carter's list.

And Rep. Morris Udall, D-Ariz., who has always been known as a conservationist, neverthless defended the massive $1.4-billion Central Arizona Project, which has been threatened by Carter's budget proposal.

Most westerners felt the President was unwise to begin the latest fight over water politics in a drought year. However, there is every indication that he knew his decision would be met with protest.

Bert Lance, director of the Office of Management and Budget, called water projects "very sensitive" and said there was "never a good year" in which huge programs that poured federal funds into the pockets of dam builders and nearby communities could be trimmed.

He noted that, although the drought was critical, the disputed water projects would not have helped to solve it for years to come.

Meanwhile, the President told Congress that the projects appeared "unsupportable" on economic, environmental and/or safety grounds."

Whether Carter can really stop the 19 projects is open to question. Traditionally, water projects have been choice slivers of the federal pie that congressmen in the sparsely populated West can offer to their constituents.

One political scientist wrote recently that "presidents do not often play important roles in water resources development policy" because Congress guards dam projects.

"Among the very few presidential vetoes overridden by Congress in the last two decades, a substantial number have been on water project bills," said Dean Mann of the University of California at Santa Barbara.

Rep. Jim Wright, D-Tex., the House majority leader, said last week that he thought Congress might restore funds for most of the disputed projects, over the President's objections.

Westerners must first persuade congressmen from the East that all water projects are not of the pork barrel variety—that is, the appropriation of public funds for political patronage.

"A Georgia boondoggle is a Colorado vital project," Lamm said in defending the three Colorado projects on the President's list. "I don't mean there aren't boondoggles out here. But reclamation has been an important ingredient in the West, and you don't cut off projects already started."

No matter how the 19 projects eventually fare. Western water politics has entered a new phase. Arizona, Nevada, Idaho, Colorado, Utah, New Mexico and Wyoming were among the eight fastest-growing states in the first half of this decade. Water consumption has increased 220 percent in Phoenix and 248 percent in Tucson in the last 30 years.

Agriculture is still the largest consumer of water in the West. Even in California, the nation's most populous state, farming accounts for nearly 85 percent of the water used. In Colorado, the figure is 95 percent.

Moreover, new irrigation techniques plus a proliferation of federally funded diversions have brought thousands of acres of once-dry land under cultivation.

Waiting in the wings are dozens of new power plants, coal gasification plants, coal slurry pipelines and oil shale developments, all of which would swallow giant gulps of Western water.

One of the proposed power projects is Wichita's $1.25-billion coal gasification plant. The city of Wichita and Panhandle Easter Pipe Line Co. are conducting feasibility studies for the plant.

The traditional solution to growing water needs has been to dam rivers, gouge reservoirs, dig tunnels and to build aqueducts.

But the drought has increased talk of, and in some cases forced, water conservation. Also, environmentalists now contend that dams provide only short-term benefits to only a small number of people.

The long-term answers, they say, include improving existing water projects, sprinkling rather than flooding some irrigated land, managing land better so that sprawling Western cities do not gobble up productive farms and ranges, applying tough conservation measures and recycling waste water.

Inflation has also become a big factor in water project fights. The Bureau of Reclamation uses statistics known as a "benefit-cost ratio" to judge whether a project is economically feasible.

In all eight Bureau of Reclamation water projects that are among the 19 disputed ones, the cost has increased much faster than the predicted benefits.

BOARD PLANS FOR WATER TO SAVE THIRSTY LIVESTOCK

TOPEKA, KAN.—The chairman of the Kansas Water Resources Board says the board has made arrangements with the Tulsa and Kansas City district offices of the Army Corps of Engineers that will allow individuals to haul reservoir water for livestock if drought conditions persist.

Dale Williams said county commissioners must declare a drought emergency exists and the governor of the board must approve. He said the Corps of Engineers then would designate the location where pumping facilities would be set up to withdraw water from the reservoir.

Williams said the county commissioners would be responsible for pumping equipment to pump water from the reservoir into containers for hauling.

"The board is extremely concerned about the drought condition in Kansas and has directed the staff of the Water Resources Board to develop contingency emergency drought policies dealing with coordinated efforts between various federal and state agencies to support expansion of operational weather modification programs and development of water control and conservation programs," Williams said.

The board chairman said county commissioners, after declaring a drought emergency exists, can then determine where surplus water supplies exist or are available in reservoirs where the land owner received a reduction in assessed value at the time he constructed a dam.

Williams said the owner of the land, on which the dam is constructed must, after being notified by the commissioners, allow access to the reservoir to persons needing water supply in accordance with the procedures described by commissioners.

Williams said under Kansas statutes dating back to the 1930s, county commissioners can declare by resolution that a drought emergency exists and then can drill, construct or obtain drought relief wells and pumping equipment and can purchase equipment necessary for pumping from streams.

He said a number of such wells, county commissioners constructed in the 1930s and 1950s, still exist in eastern Kansas.

WIND EROSION IN KANSAS DAMAGES 291,900 ACRES

SALINA, KAN.—Wind erosion this winter in 47 western and south-central Kansas counties has damaged 291,900 acres of land and destroyed crops on 174,700 acres of undamaged land, according to Robert K. Griffin, state conservationist for the Agriculture Department's Soil Conservation Service.

Griffin said some 3,390,500 acres are in condition to blow while farmers already have used emergency tillage to protect 295,200 acres.

Surveys made Feb. 28 indicated the amount of acreage ready to blow. It compared with 2,623,000 acres two months ago.

"While the Feb. 23 dust storm was probably the worst in much of western Kansas since February 1954, wind erosion to date has not yet had a major effect upon the Kansas wheat crop," Griffin said.

"During the February 23 duster, particularly in the most severely blowing area, it may have appeared the whole countryside was blowing away. Closer analysis showed that the damage occurred on individual fields not protected by conservation measures.

"Crop residues are protecting farm surfaces from blowing on about 4.5 million acres in the area."

The amount of land in condition to blow as of Feb. 23 was 26 per cent greater than the 2,585,500 acres at the end of February a year ago, Griffin said. But a greater amount of land damaged, 500,000 acres, and crops destroyed on undamaged land, 571,045 acres, was reported last year.

COLUMN DISTORTS FIGHT FOR OPEN AMENDMENT PROCESS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, while it is always difficult to explain to the public the importance of certain procedural fights in this body, let alone the complexities of the process, this problem is greatly compounded when the press misreports and distorts such procedural debates. I was recently dismayed to read a column by Mary McGrory in the Washington Star in which she implied that support for an open amendment process on the ethics resolution was a minority plot to defeat that resolution. As one who both supported the Obey Commission's recommendations but also vigorously fought for permitting amendments to be offered, I resent this misrepresentation of the facts, as I am sure do many of my colleagues who took a stand for openness while at the same time supporting a strong code of conduct. If support for democratic procedures is now to be construed as antireform sentiment, then I would suggest that certain members of the press are relying on Orwellian "newspeak" instead of commonsense, logic, and the truth.

At this point in the RECORD I include the text of a letter I sent yesterday to the editor of the Star as well as the McGrory column to which it has reference:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 14, 1977.

EDITOR,
Washington Star,
Washington, D.C.

DEAR SIR: I must take strong exception to columnist Mary McGrory's version of the House debate on the financial ethics resolution (Star, March 4, 1977). The whole implication of her column was that Republicans were trying to destroy the reform by insisting that the resolution be open to amendments. Nothing could be further from the truth! Our Republican Policy Committee and Task Force on Reform had not only endorsed most of the recommendations of the Obey Commission (with the exception of the $5,000 increase in official expense allowances per Member), but had also recommended several additional tough ethical standards which we were prohibited from offering in the House due to the no-amendment procedure. These amendments included requiring detailed public disclosure of all mass mailings sent by Members, disclosure of Member and committee expense vouchers, disclosure of Members' relatives working for the House, and inclusion on the financial disclosure statements of positions held with any corporation, business or union. Unfortunately, the column made no mention of the fact that these serious and constructive amendments were the reason for our effort to open the resolution to amendment.

I am especially disturbed that Ms. McGrory has apparently bought the Democratic leadership line that reforms will be destroyed if Members are permitted to offer amendments from the House floor. While a few Members were opposed to certain provisions in the ethics resolution, the great majority were truly interested in passing a strong ethics package to help restore public confidence in the House. I cannot imagine any frivolous or subversive amendments being supported by a majority. That would have been politically suicidal.

Finally, I find it ironic that Ms. McGrory apparently cheers the consideration of a reform measure under a "closed" or no-amendment rule which has long been the bane of congressional reformers. Whatever happened to "sunshine" and openness? Apparently they must now be sacrificed for the good of reform (we had to destroy the House in order to save it). We are now expected to subscribe to an "ends justifies the means" way of doing things by the majority leadership: questionable and undemocratic tactics must be used to produce a code of ethics.

Perhaps the most telling aspect of Ms. McGrory's column was her equation of "godfather strain" with "leader" in referring to the manner in which the Speaker had ramrodded the resolution through without amendments. While Ms. McGrory had rightfully condemned the "godfather strain" in the White House under a previous Administration, she apparent now embraces the new "godfather" of the House of Representatives.

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

[From the Washington Star, Mar. 4, 1977]

RINGING WORDS DEFEND HOUSE'S OUTSIDE JOBS

(By Mary McGrory)

The speaker, to judge from the effect on his audience, had done what every orator dreams of, to "touch men's hearts with glory."

Rep. Otis Pike, D-N.Y., leaned back from the podium, as half the chamber leapt to its feet and filled the chamber with cheers.

Had he called on the country to march on Uganda—or the IRS? Had he summoned them to rush out and to welcome the springtime?

No. Pike was talking about the congressional code of ethics, and he was speaking from the heart about the importance of outside earned income. It is always extraordinary what consideration of its own interests does to Congress. Nothing—war, peace or impeachment—generates the same passion and fire as peril to its pocketbook.

The air rang with words like "sacrifice," "injustice," "suffering," all embodied in the heartless Obey Commission recommendation to limit congressmen to outside income of only 15 percent of their present salaries, which were recently increased to a mere $57,000. They were closing the door to the Abraham Lincolns, turning the people's house into a millionaires' club.

Pike spoke with immense feeling. He had made a vow never to need a political job so he could feed his family. Needing the job too much "is the largest single cause of political corruption" he knows about. He derives undisclosed sums from his law practice and a hospital directorship.

The members listened with aching attention. Richard Nixon would be ethical because income from writing is not outlawed, while income from speeches is.

Pike rolled into a bravura finish: "Is it not kind of funny to visualize some unethical wretch like me down in the well of the House, being censured by the speaker for having gone home and worked during the district work period instead of going off on a junket the way he was supposed to?"

The chamber gave him a standing ovation.

Rep. Morgan Murphy, D-Ill., who earns almost as much as his congressional salary from his Chicago law firm, said he could be accused of having some self-interest in his wife, children and self—"We have grown accustomed to eating."

The Republicans said they craved a code of ethics, but saw in the way it was being handled, through a "closed" rule, a threat to the whole democratic process as we know it."

To Rep. John Anderson, R-Ill., who has five children and a lucrative lecture sideline, the method suggested that the House was composed of "a bunch of mischievous schoolboys, who are going to be inscribing graffiti on the decalogue if we are given the chance to amend the work of the Obey Commission."

Republican Leader John J. Rhodes, who receives an amount exceeding half his congressional salary from an insurance company, bemoaned the lack of courage—similar, he thought, to the pay raise, which was accepted without a vote.

Rep. Joe Waggonner, a Democrat from Plain Dealing, La., berated the press, which was in large and gleeful attendance. He found their presence offensive and oppressive. Never on hand during debates of bills "that affect every life and the very security of this country," they were adding immeasurably to the complicated "emotional climate."

Rep. Richard Bolling, D-Mo., brought a touch of Cromwell.

The Republicans, he charged, were finding it "unbearable" to allow a Democratic Congress to "enact real and important reform."

When he was roundly booed, he shouted, "I don't mind their booing, let them reveal themselves."

But the "open" rule went down by a vote of 267–153.

Hours later, the "earned outside income" brought the whole argument to a rolling boil again.

A younger member, Norman D'Amours, D-N.H., stripped off the seven veils about moonlighting. A lawyer in civilian life—"no barnburner," he appended modestly—he had upon his election to the House been flooded with offers to join other law firms.

"I think the mere fact I was getting those offers tends to indicate that there is a marketable, salable something that goes with being a member of this body," he said bluntly.

Rep. Claude Pepper, D-Fla., age 77, made a powerful appeal to the sufferers by telling how, after being driven from the Senate by a smear campaign, he had pulled himself out of debt by a diligent practice of the law, which he wished to continue.

But of all the speeches, only one in the end, mattered.

At 9:15, the Speaker of the House, Thomas P. O'Neill Jr., lumbered to the well. He has been, he has told the members at every opportunity, taking the "whaling of my life" over the pay raise.

His speech was not remarkable, but the message was irresistible: You have had your pay raise. Now you pay for it with a code of ethics.

A godfather strain had emerged from his genial bulk during the struggle. He had lobbied fiercely, called for lists of Democratic defectors.

O'Neill was elected Speaker of the House two months ago. Wednesday night, he became its leader. The code of ethics won 402–22.

KEEP IT SWEET: DON'T BAN SACCHARIN

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. MARTIN. Mr. Speaker, all Members of the House have been hearing from constituents regarding the proposal of the Food and Drug Administration to ban saccharin from the food supply. This is an especially critical issue, since saccharin is the last remaining, heretofore regarded safe and legal artificial sweetener available for public consumption.

The people are riled.

They believe that no persuasive case has been made that saccharin in normal doses causes cancer in humans. They are puzzled and angered that FDA was required to "post the bans" on saccharin on the basis of bladder tumors in rats fed massive overdoses of saccharin by Canadian researchers.

The people recognize that this research does not prove that normal doses of saccharin are unsafe. They properly interpret as bizarre the analogy given by the Acting Director of FDA that the experimental conditions are like unto a lifetime daily diet of 800 cans—12 ounces—of diet soda. In fact, Mr. Speaker, no one can swallow 800 cans of drink: the first 50 cans would contain enough water to kill most of us.

Put another way, one would have to gulp 1,850 half-grain saccharin tablets daily for life; or the same number of packets of saccharin powder. That's nearly 4 pounds of the stuff every day. You cannot do it.

In contrast with this is the more reliable finding, from epidemiological statistics of large human populations, that saccharin is not harmful in normal use. Yet under the present law the Delaney Clause does not allow the FDA or the Secretary of HEW to consider

this evidence; the ban is automatic. It is absolute prohibition with zero tolerance.

How did this happen? Mr. Speaker, it happened by legislative design as the most cautious way evident in 1958 to protect the public from hazardous exposure to carcinogenic additives to the food supply. No one today wants the public exposed knowingly and avoidably to substantial risk of cancer. This is further testimony to the great contribution of the gentleman from New York (Mr. DELANEY) in leading the examination of food additives two decades ago.

The saccharin ban controversy is the first clear case in 19 years since its adoption where the public benefits of an additive to be banned under the Delaney clause clearly exceed the public risks of permitting its use.

Great care, however, must be exercised to be certain that proposals to amend this standard are faithful to the basic principle of the Delaney concept to protect the public interest.

Accordingly, I have drafted a bill to amend the Food, Drug and Cosmetics Act to authorize the Secretary of HEW to make a finding regarding the public risks and benefits of a food additive, taking into account the best evidence and expert judgment possible, before finding it not to be safe. It is my view that such authority is highly desirable regarding substances known from the best evidence and expert judgment to have little risk in normal use by humans. My amendment preserves the Delaney clause, while adding what I hope many of its other supporters will regard as a useful improvement in the light of current understanding.

While this proposal has been fashioned with valuable technical assistance from FDA personnel and various public interest groups. I invite my colleagues to assist me in perfecting its provisions in hearings next Monday before the House Commerce Subcommittee on Health and Environment.

My bill specifically includes an additional section, similar to those introduced by other Members, to suspend the proposed ban on saccharin until such time as it is found, using the best judgment contemplated under the foregoing section, to constitute an unreasonable risk to the public. This unequivocal remedy for saccharin is clearly required if we are to respond to the needs of millions of American consumers who, for reasons of health—diabetes, heart illness, age, and metabolic problems—must restrict their use of sugar.

You will be hearing from them. I hope this bill will assist you in responding to them.

AMENDMENT TO FEDERAL WATER POLLUTION CONTROL ACT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1977

Mr. YOUNG of Alaska. Mr. Speaker, I am today introducing legislation to amend the Federal Water Pollution Control Act. This act was designed to provide a comprehensive program to clean up our Nation's waterways and prevent further pollution. Unfortunately, the Environmental Protection Agency, under the dictates of this law, has gone overboard in requiring the purification of bodies of water which were not polluted to start with. This is being done by requiring seafood processors to invest in expensive technology designed to modify their wastewater discharges.

The State of Alaska, along with other coastal States, considers the fishing industry to be a major part of its economic lifeblood. Congress has shown that it too is concerned with the welfare of fishermen by passing the Fisheries Conservation and Management Act and by closely reviewing foreign fishing agreements. Yet, of what use is a revitalized fishing industry if the fishermen are unable to sell their fish because processors cannot operate?

There are some who will say that this amendment will weaken the law. I say that it will not. In fact, we may be doing the aquatic environment a service by adding nutrients to the food change. Furthermore, charges that cannery wastes are dangerous are largely unfounded. For example, a study conducted by the University of Washington in Bristol Bay and Kodiak, Alaska, showed "no serious or significant detrimental effect on the ecology of marine organisms" in receiving waters in the vicinity of salmon canneries. A subsequent study in Petersburg, Alaska, stated that "canning operations had little, if any, influence on reducing the varieties of organisms." I am confident that similar studies in other States would show the same results. Therefore, to prevent further economic damage to this vital segment of the fishing industry, I introduce this legislation and urge my colleagues to support it.

The text of the bill follows:

H.R. 5077

A bill to amend the Federal Water Pollution Control Act relating to the definition of the term "pollutant"

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (6) of section 502 of the Federal Water Pollution Control Act is amended by striking out the period at the end of the last sentence thereof and inserting in lieu thereof a semicolon and the following: "or (C) wastewaters resulting from commercial processing of seafoods where such wastewaters are discharged into bodies of water affected by tidal action, the territorial sea, the contiguous zone, river currents or the ocean, unless the appropriate permit issuing authority under section 402 has found that the discharge of such wastewater from a particular point source will interfere with the protection and propagation of a balanced, indigenous population of shellfish, fish, plants and wildlife in, on, or on the floor of the body of water into which the discharge is to be made."

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 15, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MEETINGS SCHEDULED

MARCH 17

9:00 a.m.
Appropriations
Agriculture Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.
1224 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building

9:45 a.m.
Appropriations
Defense Subcommittee
To consider Subcommittee portion of proposed supplemental appropriations for fiscal year 1977 for the defense establishment.
Room S–128, Capitol

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

Appropriations
District of Columbia Subcommittee
To consider supplemental appropriations for fiscal year 1977 for the District of Columbia.
Room S–126, Capitol

Appropriations
District of Columbia Subcommittee
To consider supplemental appropriations requests for fiscal year 1977 for the District of Columbia.
Room S–126, Capitol

Armed Services
To receive testimony on the fiscal year 1978 Navy shipbuilding claims, cost growth, and other production considerations.
212 Russell Building

Banking, Housing, and Urban Affairs
To mark up S. 69 and 92, to amend and extend the Export Administration Act, and related matters.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building

Commerce, Science, and Transportation
Subcommittee on Science, Technology, and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources.
To hold hearings on proposed authorization for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Finance
To mark up H.R. 3477, to provide for a refund of 1976 individual income taxes; to reduce individual and business income taxes, and to simplify and reform certain other tax provisions.
2221 Dirksen Building

Foreign Relations
To hold hearings on the following nominations: Gale W. McGee, of Wyoming, to be Permanent Representative to the OAS, with the rank of Ambassador; Lucy Wilson Benson, of Massachusetts, to be Under Secretary of State of Coordinating Security Assistance programs; John J. Gilligan, of Ohio, to be AID Administrator; Terence A. Todman, of the Virgin Islands, to be Assistant Secretary of State for Inter-American Affairs; and Richad Holbrooke, of District of Columbia, to be an Assistant Secretary of State.
4221 Dirksen Building

Governmental Affairs
To resume hearings on S. 591 and S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building

Human Resources
Labor Subcommittee
To hold hearings on S. 924, to provide for equal treatment of craft and industrial workers, and to establish a national framework for collective bargaining in the construction industry.
Until 6 p.m. 4232 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Appropriations
To consider proposed appropriations for economic stimulus programs for fiscal year 1977 (H.R. 4876)
Room S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To consider its portion of proposed supplemental appropriations for fiscal year 1977.
Room S-128, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for Public Works programs, to hear testimony on national security programs.
S-146, Capitol

Commerce, Science, and Transportation
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:30 p.m.
Armed Services
To receive testimony on Naval forces and requirements.
212 Russell Building

MARCH 18

9:00 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Foreign Agricultural Policy
To hold oversight hearings on P.L. 480 programs (overseas food aid).

Human Resources
Labor Subcommittee
To hold hearings on S. 924, to provide for equal treatment of craft and industrial workers, and to establish a national framework for collective bargaining in the construction industry.
Until 1 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Defense
To resume hearings on proposed budget estimates for fiscal year 1978 for research, development, testing and evaluation program.
1223 Dirksen Building

Banking, Housing and Urban Affairs
To hold hearings on the nominations of Robert Campbell Embry, Jr., of Maryland, and Lawrence B. Simons, of New York, each to be an Assistant Secretary; and Jay Janis, of Florida, to be Under Secretary, all of Housing and Urban Development.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building

Foreign Relations
Subcommittee on Foreign Economic Policy
To resume hearings to receive testimony on an overview of American foreign economic policy.
4221 Dirksen Building

10:30 a.m.
Appropriations
*Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Alcohol, Drug Abuse, and Mental Health Administration, and Saint Elizabeths Hospital.
S-128, Capitol

Commerce, Science, and Transportation
To continue hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

Human Resources
Health and Scientific Resources Subcommittee
To consider S. 754 and 755, extending through fiscal year 1978 all expiring health programs under the Public Health Service Act and the Community Mental Health Centers Act.
Until: 12:30 p.m. 6226 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW.
S-128, Capitol

Commerce, Science, and Transportation
Subcommittee on Science, Technology and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

MARCH 21

9:00 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Foreign Agricultural Policy
To continue oversight hearings on the P.L. 480 program (overseas food aid).
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
1202 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

Human Resources
Handicapped Subcommittee
To hold oversight hearings on developmental disabilities.
Room to be announced

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Defense and Military Construction Subcommittees
To hold joint hearings on the administration's proposal to close the Uniformed Services University of the Health Sciences.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
3110 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings to release a "Supplemental Staff Study of Severance Pay-Life Insurance Plans Adopted by Union Locals."
3302 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works programs, to hear representatives of Environmental Research and Development Administration.
Room to be announced

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission.
1114 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To receive testimony on the administration's legislative proposals for programs for the handicapped.
Room to be announced

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearing on proposed budget estimate for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on U.S. Monetary policy.
357 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Finance
To hold hearings on legislation to extend the Emergency Unemployment Compensation Act (H.R. 4800).
2221 Dirksen Building
Governmental Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation, and to reorganize certain export functions of the Federal Government so as to promote more efficient administration.
6226 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
6226 Dirksen Building
Judiciary
To hold hearings on the nomination of Peter F. Flaherty, of Pennsylvania, to be Deputy Attorney General.
2228 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government, to hear public witnesses.
1224 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act, to hear Secretary of Agriculture Bergland.
Until: noon 322 Russell Building
Finance
To hold hearings on pending Departments of the Treasury and HEW nominations.
2221 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communication common carrier policies (i.e., telephone, computer, etc.).
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on certain proposed reprogramming of funds for fiscal year 1977.
1223 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act
5902 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations.
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building
Governmental Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation, and to reorganize certain export functions of the Federal Government so as to promote more efficient administration.
6226 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol
Select Small Business
To hold hearings on S. 972, authorizing the Small Business Administration to make grants to support the development and operation of small business development centers.
Until: 1 p.m. 424 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federally affected areas and for emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until 1 p.m. 457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occupational, vocational, and adult education programs.
S-128, Capitol
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Commerce, Science and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 922 authorizing funds for fiscal year 1978 for the U.S. Railway Association, and on funds for

the Office of Rail Public Council within the Interstate Commerce Commission.
235 Russell Building

Energy and Natural Resources
To hold oversight hearings on proposal for an international petroleum transshipment port and storage center to be located on the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorization for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset Act).
6226 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education, welfare programs, and for library resources.
S-128, Capitol

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Nutrition
To hold oversight hearings on the food stamp program.
322 Russell Building

9:30 a.m.
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Commerce, Science and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

11:00 a.m.
*Veterans' Affairs
To hold hearings to receive legislative recommendations for 1977 from officials of Amvets.
Until Noon. 1202 Dirksen Building

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings to inquire into domestic communications common carrier policies (i.e., telephones, computer, etc.).
1202 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 29

9:30 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Rural Development
To hold hearings on medicare reimbursements for rural-health care clinics.
322 Russell Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment to hear Congressional witnesses.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset Act).
6226 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

MARCH 30

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Subcommittee on Agriculture Production, Marketing and Stabilization of Prices
To hold oversight hearings on problems of Flue-cured tobacco farmers.
322 Russell Building

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1976 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the defense establishment, to hear public witnesses.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the Social Security Administration.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for National Highway Traffic Safety Administration.
1224 Dirksen Building

Commerce, Science, and Transportation
Science Technology and Space Subcommittee
To consider S. 365, authorizing funds for fiscal year 1978 for NASA.
235 Russell Building

Energy and Natural Resources
Subcommittee on Public Lands and Resources
To consider S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, favoring international agreement to a treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office for Civil Rights, Inspector General, Policy Research and General Management.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearing on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Committee, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects to hear Members of Congress and public witnesses.
Room to be announced

Commerce Science, and Transportation
To hold hearings on S 263, to require Federal agencies having jurisdiction over transportation regulations to review their administrative laws.
235 Russell Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects to hear Members of Congress and public witnesses.
Room to be announced

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced

Appropriations
Public Work Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

Commerce, Science, and Transportation
To hold hearings on S. 263, to require Federal agencies having jurisdiction over transportation regulations to review their administrative laws.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 563, to provide a program for completion of the National System of Interstate and Defense Highways.
5110 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear members of Congress and public witnesses.
Room to be announced

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building
Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
1318 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission, Office of Consumer Affairs, and Consumer Information Center.
Room to be announced
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Members of Congress and public witnesses.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimated for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and Related Agencies, to hear public witnesses.
1114 Dirksen Building
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building
Commerce, Science, and Technology
Science, Technology, and Space Subcommittee
To hold hearings on S. 126, the proposed Earthquake Hazards Reduction Act.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Commerce, Science, and Technology
Consumer Subcommittee
To hold oversight hearings on the activities of the Consumer Product Safety Commission.
235 Russell Building
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine governmental accounting and auditing practices and procedures.
3302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Commerce, Science, and Technology
Consumer Subcommittee
To hold oversight hearings on activities of the Consumer Product Safety Commission.
235 Russell Building

APRIL 21

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Commerce, Science, and Technology
Consumer Subcommittee
To hold oversight hearings on activities of the Consumer Product Safety Commission.
5110 Dirksen Building
Government Affairs
Subcommittee on Reports, Accounting and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for Urban Mass Transportation Administration.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building
Commerce, Science, and Technology
Consumer Subcommittee
To hold hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

APRIL 28

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building
Commerce, Science, and Technology
Consumer Subcommittee
To hold hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

APRIL 29

10:00 a.m.
Commerce, Science, and Technology
Consumer Subcommittee
To hold hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.

MAY 12

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building
2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary Adams.
1224 Dirksen Building

MAY 24

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 26

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building